

THE CITY OF TORONTO

City Clerk's Office

Minutes of the Budget Advisory Committee

Meeting No. 12

Thursday, July 3, 2003

The Budget Advisory Committee met on Thursday, July 3, 2003, in Committee Room No. 3, City Hall, Toronto, commencing at 8:40 a.m.

Attendance

Members were present for some or all of the time period indicated.

	8:40 a.m. – 9:40 a.m.
Councillor David Shiner, Chair	X
Councillor David Soknacki, Vice Chair	X
Councillor Lorenzo Berardinetti	R
Councillor Ron Moeser	R
Councillor Joe Pantalone	R
Councillor Jane Pitfield	X
Councillor Michael Tziretas	X

Also Present:

Councillor Olivia Chow	
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Confirmation of Minutes

On motion by Councillor Soknacki, the Minutes of the Budget Advisory Committee meeting held on June 6, 2003, were confirmed.

**12.1 Procurement Authorization Davisville Carhouse
Roofing Rehabilitation Contract S5-27**

The Budget Advisory Committee had before it the following communications:

- (a) (May 15, 2003) from Mr. Vincent Rodo, General Secretary, Toronto Transit Commission, advising that the Toronto Transit Commission, at its meeting held on May 14, 2003, gave consideration to a report, entitled "Procurement Authorization Davisville Carhouse - Roofing Rehabilitation Contract S5-27", and adopted the following recommendations:
 - (1) the Commission authorize acceptance of the tender submitted by Nortex Roofing Ltd. in the amount of \$1,280,000.00, for Contract S5-27 Davisville Carhouse – Roofing Rehabilitation; and
 - (2) this report be forwarded to the City Budget Advisory Committee for information; and
- (b) (June 17, 2003) from the Chair, Toronto Transit Commission, responding to the request from the Budget Advisory Committee regarding the Procurement Authorization Davisville Carhouse Roofing Rehabilitation Contract S5-27.

On motion by Councillor Tziretas, the Budget Advisory Committee received the aforementioned communications for information.

**12.2 Morningside Neighbourhood Branch Library Relocation
Capital Funding Pre-Approval**

The Budget Advisory Committee had before it a report (June 26, 2003) from the City Librarian, seeking Council authority for a 2004 capital project pre-approval to fund leasehold improvements at the relocated Morningside Branch; and recommending:

- (1) Council approve the capital funding pre-approval for leasehold improvements at the relocated Morningside Branch; and
- (2) the appropriate Toronto Public Library staff be authorized and directed to take the necessary action to give effect thereto.

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Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

- A. Councillor Shiner moved that the Budget Advisory Committee defer consideration of the report (June 26, 2003) from the City Librarian, until its meeting of September 5, 2003.

(Carried)

Councillor Shiner resumed the Chair.

- B. Councillor Pitfield moved that the City Librarian, in consultation with the Commissioner of Corporate Services, be requested to report to the Budget Advisory Committee for its meeting of September 5, 2003, on alternatives to leasing library facilities at the Morningside location; such report to include:

- (a) a negotiated five-year lease extension at the Morningside location.

(Carried)

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

- C. Councillor Shiner moved that:

- (1) Councillor Pitfield's motion B. be amended by adding the following:

“such report also include:

- (b) the feasibility of constructing a City-owned facility;
and

- (c) long-term options;

noting that the present location at the intersection of Lawrence Avenue/Kingston Road and Morningside Avenue is a prime location for the needs of the community;” and

- (2) the Chief Financial Officer and Treasurer be requested to report to the Budget Advisory Committee, for its meeting of September 5, 2003, on the financial prudence of the various options outlined in the aforementioned requested report by the City Librarian and the Commissioner of Corporate Services.

(Carried)

Councillor Shiner resumed the Chair.

(City Librarian; Chief Financial Officer and Treasurer; c. Commissioner of Corporate Services; Committee Administrator, Budget Advisory Committee - July 3, 2003)

12.3 Community Services Grants Program

The Budget Advisory Committee had before it a communication (June 9, 2003) from the City Clerk, advising that the Community Services Committee, during consideration of the 2003 Community Services Grants Program Allocations and Appeals, recommended to the Budget Advisory Committee that the Community Services Grants Program receive yearly increases minimally equivalent to the same economic factor that is applied to City departments for any given budget year.

On motion by Councillor Tziretas, the Budget Advisory Committee received the aforementioned communication for information.

12.4 Shortfall in Provincial Funding for Children's Services Funding Options and Financial Implications

The Budget Advisory Committee had before it a report (June 25, 2003) from the Chief Financial Officer and Treasurer, responding to the Policy and Finance Committee request to provide funding options and short- and long-term implications respecting withdrawing \$7.9 million from the Social Assistance Stabilization Reserve Fund on an emergency basis to prevent the cut of childcare services to 500 due to provincial funding shortfall of approximately \$31.7 million; and recommending that the report be forwarded to the Policy and Finance Committee for information.

Councillor Olivia Chow, Ward 20 Trinity Spadina, appeared before the Budget Advisory Committee in connection with the foregoing matter.

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

- A. Councillor Shiner moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, that the Chair, Budget Advisory Committee, be requested to write a letter to the Premier requesting funding from the Province to prevent the loss of 500 spaces.

(Carried)

Councillor Shiner resumed the Chair.

- B. Councillor Pitfield moved that the Budget Advisory Committee:
- (1) forward the report (June 25, 2003) from the Chief Financial Officer and Treasurer to the Policy and Finance Committee for information; and
 - (2) request the Chief Financial Officer and Treasurer to submit a revised chart to the Policy and Finance Committee, entitled "Trend in Funding Mix for Children's Services", such chart to be based on Child Subsidy spaces from 1999 to 2003 and include the number of subsidized child care spaces and the associated funding from property taxes, user fees, reserves and other sources.

(Carried)

(Policy and Finance Committee - July 3, 2003)

(Chair, Budget Advisory Committee; Chief Financial Officer and Treasurer; c. Councillor Olivia Chow - July 3, 2003)

12.5 Purchase of Building for Toronto Police Service Central Traffic and Garage and Court Services

The Budget Advisory Committee had before it a confidential report (June 26, 2003) from the Commissioner of Corporate Services, seeking authority to purchase a building for the Toronto Police Service Central Traffic and Garage and Court Services, such report to be considered in-camera having regard that the subject matter relates to the acquisition of property.

On motion by Councillor Soknacki, the Budget Advisory Committee:

- (1) recommended to the Policy and Finance Committee, and Council, the adoption of the aforementioned confidential report; and
- (2) requested the Commissioner of Corporate Services and the Chief Administrative Officer, Toronto Police Service, to submit a confidential report to the Policy and Finance Committee, for its meeting of July 10, 2003, on:
 - (a) the cost of the design build agreement; and
 - (b) the estimated operating costs for the new facility when completed.

(Policy and Finance Committee - July 3, 2003)

(Commissioner of Corporate Services; Chairman, Toronto Police Services Board - July 3, 2003)

12.6 City Funding for the Healthy Babies Healthy Children Provincial Subsidy Shortfall - Financial Implications

The Budget Advisory Committee had before it a report (June 25, 2003) from the Chief Financial Officer and Treasurer, responding to the Policy and Finance Committee request to report on the Board of Health recommendation that the City continue to maintain the Healthy Babies Healthy Children Program.

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

On motion by Councillor Shiner, the Budget Advisory Committee:

- (1) deferred consideration of the aforementioned report until its meeting on September 5, 2003; and
- (2) requested the Chair, Budget Advisory Committee, to write to the Premier requesting the Province fund the Provincial subsidy shortfall of \$985,842.00 to maintain service levels for the Healthy Babies Healthy Children Program.

Councillor Shiner resumed the Chair.

(Chief Financial Officer and Treasurer - July 3, 2003)

12.7 Toronto Community Housing Corporation Loans

The Budget Advisory Committee had before it a briefing note (July 2, 2003) from the Director of Corporate Finance, outlining a request from the Chief Executive Officer of the Toronto Community Housing Corporation, through a letter to Councillor David Shiner dated June 23, 2003, requesting the City to consider reducing the interest rates on certain outstanding loans from the City to the Metro Toronto Housing Company Limited and that the funds be used to offset the financing costs of expenditures for work on Toronto Community Housing Corporation buildings.

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

On motion by Councillor Shiner, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, that:

- (1) the lending rate for the Toronto Community Housing Corporation loans, outlined in Table 1, be reduced to a 5.5 percent rate with re-amortization over a 15-year term, effective January 1, 2004;
- (2) the \$710,000.00 estimated savings in interest costs be used to finance a further estimated \$10 million in capital expenditures to complete the much needed deferred maintenance, as outlined in Table 2;
- (3) the Chief Financial Officer and Treasurer be requested to negotiate with the Toronto Community Housing Corporation and seek Committee and Council approval on the revised terms of the selected loans;
- (4) the Toronto Community Housing Corporation be requested to quantify and report to the Budget Advisory Committee on the operating savings resulting from the proposed expenditures; and
- (5) the budget implications of the renegotiation be considered as part of the 2004 budget process.

Councillor Shiner resumed the Chair.

(Policy and Finance Committee; c. Director, Corporate Finance - July 3, 2003)

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The Budget Advisory Committee adjourned its meeting at 9:40 p.m.

Chair