

February 2, 2007

Ms. Ulli Watkiss  
City Clerk  
City of Toronto  
Toronto City Hall  
100 Queen Street West  
Toronto, Ontario  
M5H 2N2

Dear Ms. Watkiss:

At its meeting on Wednesday, January 31, 2007, the Commission considered the attached report entitled, "2007 TTC Operating Budget."

The Commission approved the following staff recommendations, in principle only, and requested that the TTC and City Budget Committees come forward with options to balance the 2007 TTC Operating Budget:

"It is recommended that the Commission:

- 1) Approve the 2007 TTC Operating Budget (summarized in Exhibit 1 - Revised) as described in this report and the following accompanying reports:
  - TTC 2007 Operating Budget Overview
  - TTC 2007 Departmental Goals & Objectives
  - TTC 2007 Organization Charts
  - TTC 2007 Detailed Operating Budget (Blue Book)
- 2) Consider this report in concert with:
  - (a) the 2007 Wheel-Trans Operating Budget
  - (b) the 2007-2011 Capital Program and 10-Year Capital Forecast
- 3) Note that based on flat-lined City of Toronto operating subsidy levels, the TTC 2007 Operating Budget includes a base budget shortfall of \$34 million as summarized below:

Expenditures	\$1,090.9 Million
Revenues*	<u>811.1 Million</u>
Subsidy Needed	297.8 Million
Estimated City Operating Subsidy	<u>246.3 Million</u>

Shortfall \$ 33.5 Million

\*Based on current fare structure.

- 4) Approve the contribution of any 2006 net operating surplus to the TTC Stabilization Reserve Fund for utilization against the 2007 TTC Operating Budget shortfall.
- 5) Forward this report to the City of Toronto requesting approval of:
  - (a) the City's 2007 Transit Operating subsidy to the TTC,
  - (b) confirmation of the establishment of an additional long-term subsidy receivable in the amount of \$17.6 million to cover post-retirement benefit non-cash expenses consistent with previous accounting treatment approved by Council, and
  - (c) the contribution of any 2006 net operating surplus to the TTC Stabilization Reserve Fund for utilization against the 2007 TTC Operating Budget shortfall.
- 6) Forward this report to the Ontario Minister of Transportation, the Honourable Donna Cansfield, the Ontario Minister of Public Infrastructure Renewal, the Honourable David Caplan, and to the Ontario Minister of Finance, the Honourable Gregory Sorbara, for information.
- 7) Forward this report to the Federal Minister of Transport, Infrastructure and Communities, the Honourable Lawrence Cannon, for information.
- 8) Forward this report to Rob McIsaac, Chair of the Greater Toronto Transportation Authority, for information."

The Commission also approved the following motions:

1. That staff be requested to report back to the TTC Property Re-Use & Revitalization Committee on the additional resources required to actively pursue property development opportunities associated with TTC/City properties, specifically commenting on the use of contract employees for a specified period and consider this during the resolution of the 2007 Operating Budget.
2. That staff be requested to report back to the Commission on opportunities to reduce hydro expenses and consider an amendment to the 2007 Operating Budget to identify these savings along with any resources necessary to achieve those objectives; and further that staff also report back on identifying existing staff to act as the key point person on these environmental files.
3. That the Commission approve allocating \$250,000 from hydro savings to provide more surface and subway service during 2007 Nuit Blanche and New Years Eve, and that staff report back with a service design.
4. That the 2007 TTC Operating Budget be amended to add three Solicitors, one Legal Assistant and one Legal Clerk for a gross cost of \$499,200 and that the budget for accident claims be reduced by an equal amount for a net budget impact of nil.

5. That TTC staff and Commissioners explore using the presentation entitled, "TTC Budgets and City-Building" as the basis of a public consultation and discussion document on the future of the TTC in the City of Toronto.

The foregoing is forwarded to the City of Toronto Budget Committee for information and appropriate attention.

Sincerely,

General Secretary  
1-16  
Attachment