

November 20, 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, November 14, 2007, the Commission considered the attached report entitled, "2008 TTC Operating Budget."

The Commission approved the Recommendation contained in the report, as listed below:

"It is recommended that the Commission:

- 1) Approve the 2008 TTC Operating Budget (summarized in Exhibit 1) as described in this report and the supporting documents:
 - TTC 2008 Operating Budget Overview
 - TTC 2008 Departmental Goals & Objectives
 - TTC 2008 Organization Charts
- 2) Consider this report in concert with:
 - (a) the 2008 Wheel-Trans Operating Budget
 - (b) the 2008-2012 Capital Program and 10-Year Capital Forecast
- 3) Note that based on current City of Toronto operating subsidy levels, the TTC 2008 Operating Budget includes a base budget shortfall of \$14 million as summarized below:

Expenditures *	\$1,158 Million
Revenues	<u>872 Million</u>
Subsidy Needed	286 Million
Current City Operating Subsidy	<u>272 Million</u>
Shortfall	<u>\$ 14 Million</u>

* Includes no provision for the impact of the next Collective Bargaining Agreements. Each 1% increase in wages/benefits equates to about \$8 million annually in the TTC Operating Budget (\$6 million for the 2008 TTC Operating Budget).

- 4) Approve the contribution of any 2007 net operating surplus to the TTC Stabilization Reserve Fund for utilization against the 2008 TTC Operating Budget shortfall.
- 5) Forward this report to the City of Toronto requesting approval of:
 - (a) the required 2008 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 for 2008 consistent with previous accounting treatment approved by Council, and
 - (c) The contribution of any 2007 net operating surplus to the TTC Stabilization Reserve Fund for utilization against the 2008 TTC Operating Budget shortfall.
- 6) Forward this report to the Ontario Minister of Transportation, the Ontario Minister of Public Infrastructure Renewal, and to the Ontario Minister of Finance, for information.
- 7) Forward this report to the Federal Minister of Transport, Infrastructure and Communities, for information.
- 8) Forward this report to the Greater Toronto Transportation Authority, for information."

The foregoing is forwarded to the City Budget Committee for consideration and approval of the Commission's request embodied in Recommendation No. 5 noted above.

Sincerely,

Vincent Rodo
General Secretary
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Attachment