

September 19, 2008

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 Thursday, September 18, 2008, the Commission considered the attached report entitled, "2009 TTC Operating Budget."

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

"It is recommended that the Commission:

- 1) Approve the 2009 TTC Operating Budget (summarized in Exhibit 1) as described in this report and as set out in the 2009 TTC Operating Budget Overview document, and
- 2) Note that based on current City of Toronto operating subsidy levels and the current fare structure, the TTC 2009 Operating Budget includes a requirement for additional subsidy of about \$87 million as summarized below:

Expenditures	\$1,287 Million
Revenues	<u>918 Million</u>
Subsidy Needed	369 Million
2008 City Operating Subsidy	<u>282 Million</u>
Additional Subsidy Required	<u>\$ 87 Million</u>

- 3) Approve the contribution of any 2008 net operating surplus to the TTC Stabilization Reserve Fund for utilization against the 2009 TTC Operating Budget, and
- 4) Direct staff to develop a multi-year plan that sets targets/goals for ridership levels, service initiatives, fares, revenue/cost ratios and, an overall strategy and financial model to address the fiscal challenges facing the TTC.
5. Forward this report to the City of Toronto requesting approval of:

- (a) The required 2009 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 2009 consistent with previous accounting treatment approved by Council, and;
  - (c) The contribution of any 2008 net operating surplus to the TTC Stabilization Reserve Fund for utilization against the 2009 TTC Operating Budget.
6. Forward this report to the Ontario Minister of Transportation, the Ontario Minister of Energy and Infrastructure, 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 Metrolinx for information."

The Commission also approved the following ancillary motion:

1. That staff be directed to proceed with hiring's and other actions necessary to implement the 2009 plan, recognizing that if the budget changes at a later date, adjustments will have to be made.

The foregoing is forwarded to the City Budget Committee for approval of Recommendation No. 5 embodied in the report.

Sincerely,

Vincent Rodo  
General Secretary  
1-16  
Attachment