

Copy: Vincent Rodo  
Rick Cornacchia  
John Sepulis  
Michael Roche

March 27, 2009

Clerk  
Executive Committee  
City of Toronto  
City Hall,  
100 Queen Street West  
Toronto, Ontario  
M5H 2N2

Dear Clerk:

Re: Item BU47.6 – Scope Change Inclusion of T1 Motor Casting Replacement in T1 Subway Car Overhaul

Further to consideration of this item by Budget Committee on March 10, 2009, this letter serves to respond to the direction to TTC “to report directly to the Executive Committee for its meeting on April 7, 2009, with an offset of \$2-Million within the TTC 2009 Approved Budget.”

The project cost impact of this scope change to the T1 project (City project CTT051) of \$2.0 million, will result in increased cashflows in 2009 (\$700k), 2010 (\$1 million) and 2011 (\$300k). Based on an early review of our projects and the direction to remain within the current budget, staff has identified an offsetting reduction in the YUS ATO Resignalling project (City project CTT008) cash flow over the same period. These adjustments will be revisited during the 2010-2014 Capital Program budget process.

I trust this meets the expectations of the Committee to proceed with approval of this change.

Sincerely,

Gary Webster  
Chief General Manager

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Copy: Adam Giambrone – Chair, Toronto Transit Commission  
Cam Weldon – Deputy City Manager and Chief Financial Officer