

Ward 10

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To: Executive Committee

From: Councillor James Pasternak

Re: Formal briefing for Executive Committee on the Toronto Transit Commission's current contractual and financial obligations as related to the contract to purchase street cars from a third party supplier.

In recent months the of the City of Toronto's financial department has been requesting that City Council direct up to 75% of surplus funds to the payment of streetcars previously ordered by the Toronto Transit Commission. It is prudent that the Executive Committee understand the cost of this agreement and the consequences of our payment schedule. Moreover, the Province of Ontario has agreed to make a sizeable contribution to the cost of this order, the status of which is unclear. It is also important for Councillors to understand if this is the most expensive debt the city is carrying and whether penalties and interest charges are imminent. Finally, the TTC should be advising City Council on its efforts to dispose of non-performing real estate assets such that it can more responsibly manage its own debt.

Recommendations:

That the Executive Committee direct the Deputy City Manager and Chief Financial Officer to arrange through the Toronto Transit Commission a full briefing for the Executive Committee on the City of Toronto's current obligations under an agreement to purchase streetcars under a third party contact. The briefing should include but not be restricted to:

1. Understanding fully the Province of Ontario's obligations under this contract and the state of the provincial account.
2. Understanding the City of Toronto's obligations under this agreement, including the schedule of payments, penalties and interest charges and the state of the current account.
3. The delivery date of the first and last vehicles and other important obligations of the vendor.
4. The TTC should advising City Council on its efforts to dispose of non-performing real estate assets such that it can more responsibility manage its own debt.

Sincerely,

James Pasternak
Councillor, Ward 10