

MANAGEMENT REPORT TO METROLINX

Report Title:	Proposed 2008/09 Operating Budget				
Report Number:	CS 08-009	Date to Board:	June 13, 2008	Date to Committee:	May 23, 2008
Report To:	<input checked="" type="checkbox"/> BOARD	<input type="checkbox"/> ADVISORY COMMITTEE <input type="checkbox"/> AUDIT COMMITTEE <input type="checkbox"/> GOVERNANCE COMMITTEE <input type="checkbox"/> HUMAN RESOURCES COMMITTEE <input type="checkbox"/> TECHNICAL ADVISORY GROUP <input type="checkbox"/> OTHER:			
Report Referred From:	N/A				
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Item Class:	IN CAMERA	<input type="checkbox"/>	DECISION	<input checked="" type="checkbox"/>	INFORMATION <input type="checkbox"/>

1.0 RECOMMENDATION:

RESOLVED:

THAT the Board approve the proposed 2008/09 budget allocations attached as Schedule A to report CS 08-009 as recommended by the Audit Committee; and

THAT staff report quarterly on the actual performance of the 2008/09 Budget to the Board.

2.0 PURPOSE & EXECUTIVE SUMMARY:

N/A

BACKGROUND:

At the May 23, 2008 Audit Committee meeting the following resolution was passed:

THAT the Audit Committee review the proposed 2008/09 budget attached as Schedule A to report CS 08-009 and subject to any revisions requested by the Audit Committee direct staff to report to the full Board on June 13, 2008.

At the October 26, 2007 Board Meeting, the following resolution was passed:

***THAT** staff are directed to work with the Ministry of Transportation to complete the necessary Treasury Board templates for the 2008/09 provincial budget cycle for both capital and operating budgets consistent with the approved 2007/08 budget and other Board related priorities;*

***THAT** the staff are directed to present the GTTA's budget projections for fiscal year 2008/09 and the initial Results-based Planning (RbP) Submission to the Audit Committee for its detailed review and recommendations to the Board;*

***THAT** notwithstanding the Fall 2007 administrative deadlines for the provincial budget cycle and specific deadlines imposed by Treasury Board and the Ministry of Transportation, Board-recommended modifications to the Results-based Planning Submission for the 2008/09 Capital and Operating Budgets be included in the GTTA submission for consideration in the 2008/09 Ontario Budget and Estimates Process, and that the Chair and CEO take whatever steps they deem necessary to advance the Board-approved recommendations; and*

***THAT** staff are directed to report back to the Board with the outcome of the Results-based Planning process and 2008/09 budget allocation following the release of the Spring 2008 Ontario Budget, including a proposed GTTA budget for 2008/09.*

3.0 DISCUSSION:

The details of the proposed 2008/09 budget are attached in Schedule A to this report and it reflects the proposed budget submitted to the Ministry of Transportation in fall 2008 as part of the RbP process. The total budget is approximately \$14.7M confirmed by a letter received May 30, 2008 from the Minister of Transportation attached as Schedule B. The government placed \$4.7M on hold back. To release the funds, a formal request to Treasury Board/Management Board of Cabinet (TB/MBC) is required together with the status of the Accountability Agreement that is currently being negotiated between the two organizations. Under a separate report, the board will be asked to review and approve the MOU and the Accountability Agreement for finalizing discussions with the Ministry of Transportation. The Audit Committee is recommending the Board approve the 2008/09 Operating budget allocation as outlined in Schedule A to report CS 08-009.

4.0 FINANCIAL MATTERS:

Total allocation is approximately \$14.7M.

The 2008/09 Budget has money allocated for Salaries and Wages (\$6.1M), other Direct Operating Expenses (\$2.1M), Communications, Marketing and Research (\$0.8M), and

development of the Transportation Plan (\$5.7M) for a total of \$14.7M. (All figures have been rounded.)

In keeping with government financial and budgetary control practices, \$10.0M has been authorized for scheduled release, while a further \$4.7M is on holdback until a signed Memorandum of Understanding (MOU) and Accountability Agreement has been approved by the Province.

5.0 HUMAN RESOURCES MATTERS:

The Budget includes funding for salaries and wages (\$6.1M). This sum includes permanent and contract staff, employee benefits, Board expenses, and provision for funding for Smart Commute Operations salaries and benefits.

6.0 ENVIRONMENTAL MATTERS:

N/A

7.0 COMMUNICATION MATTERS:

N/A

8.0 LEGAL MATTERS:

With respect to the Budget, the GTTA is bound by the provisions of the *Greater Toronto Transportation Act, 2006*, including the sections regarding Financial Matters and Accountability. The Memorandum of Understanding between GTTA and the Ministry of Transportation will also include provisions affecting the Budget.

9.0 CONCLUSION:

Staff are recommending the Board approve the proposed 2008/09 budget allocation and direct staff to report quarterly on the actual performance of the budget to the Board.

Respectfully submitted,

Approved for Submission to the Board



Kim Lambert, Executive Lead,
Corporate Affairs



W. Michael Fern, CEO

Appendices:

Schedule A: Proposed 2008/09 Budget Schedule B: Letter from the Minister of Transportation

**Staff & Others
Consulted:**

Name	Telephone

Notifications:

Name	Mailing or E-mail Address
N/A	

Special Instructions:

N/A
