

**THE TORONTO PORT AUTHORITY
MINUTES OF THE
BOARD OF DIRECTORS' MEETING**

Held on: December 10, 2007

**Michele McCarthy, Chair
Christopher Henley
Mark McQueen
Douglas Reid
Colin Watson**

The Board meeting commenced at 8:00 a.m., in the Board Room of the TPA Offices located at 60 Harbour Street, Toronto.

Also present were:

Lisa Raitt, President & CEO, TPA,
Alan Paul, Vice-President & CFO, TPA
Mary Zamrij, Recording Secretary, TPA
Ms Krista Scaldwell (by invitation via teleconference)

The Chair reported that Ms Krista Scaldwell had notified her that she would be joining the meeting by teleconference at approximately 9:30 a.m.

Draft 2008 Business Plan and Budget

2007/C141

The Chair indicated that the Board had before it the draft 2008 Business Plan and Operating & Capital Budgets and that the Audit & Finance Committee had recommended approval of the draft 2008 Business Plan and Operating & Capital Budgets.

The Vice-President & CFO reported that the Committee had asked Management to prepare a report on possible cuts to the Budget, on strategies to increase revenues, on fiscal sustainability, and on scenarios at different business levels.

The Vice-President & CFO reviewed major assumptions; budgeted amounts; identified revenue generating issues at TCCA; and, spoke on reconciled revenues in Tab F pro forma statement of revenue and expense.

The Vice-President & CFO updated on the upcoming departure of Highland Transport; reviewed steps that would be taken to find a replacement; and, identified potential companies that could be interested in the operation.

The President & CEO reported on Works Canada's tender for warehouse and office facilities and advised that Management would be following up on it.

The Vice-President & CFO reported that TPA would start receiving rental payments pursuant to the TEDCO/TPA Ground Lease from tenants on the Ship Channel.

The Vice-President & CFO reviewed OHM issues; provided clarification on berthage; identified issues that would be addressed in the coming year with respect to storage and slips; reviewed incentives that may be offered in an effort to incrementally increase berthage to 100 percent; and, reviewed OHM Study conclusions.

The President & CEO reviewed the 2008 Business Plan and Operating & Capital Budget Summary Corporate Objectives; strategies to increase revenues in order to improve the financial performance of the organization; reported on marketing efforts directed at port users and customers; on TPA's role in U.S. customs clearance at the TCCA; on the procurement of an infrastructure/master plan for the OHM as well as an engineering study for a possible reconfiguration of the IMPT; reported on the continuation to market Great Lakes through the Cruising Coalition; and, on the pursuit of short-sea shipping and containers with Logistec.

The President & CEO reviewed expense categories that were in the 2008 operating budget; reviewed areas of possible cuts and provided analysis; spoke on attracting revenues through the Infrastructure Program "Building Canada"; reviewed ways of generating revenues in 2009 at the IMPT facility; updated on talks with the City of Rochester; and, on the status of the issue vis-à-vis CMA amendments.

The President & CEO addressed legal fees; reported on the process for legal work that was being undertaken internally; and, on the amount of Board legal fees that were budgeted.

Mr. Mark McQueen asked whether in keeping with the policies of certain Crown Corporations, Management could review whether travel expenses associated with the Chair and the President & CEO should be posted on the TPA website. The President & CEO indicated that she would review the issue.

The President & CEO addressed general operating budget points; identified savings that would be realized through layoffs at the OHM; reported on salary and benefit improvement issues; and, clarified on miscellaneous items.

The Vice-President & CFO reported that although the budget cuts report identified areas where cuts could be made in the 2008 capital budget Management was not recommending that any of the cuts be implemented.

It was moved by Mr. Douglas Reid and seconded by Mr. Mark McQueen that the draft 2008 Business Plan and Operating & Capital Budgets be approved. Motion carried.

The Chair thanked the Vice-President & CFO for his work on the budget on behalf of the Board.