

February 19, 2002

Inquiry to Mr. Joe Halstead
Commissioner, Economic Development, Culture and Tourism

Re: January 16, 2002 Report
Update - 2008 Toronto Olympic and Paralympic Games Bid

Further to the meeting of the Economic Development and Parks Committee on January 21, 2002 at which the above report was discussed, I found that report to be deficient in many areas.

Thus, in the spirit of openness and transparency, I submit the following questions for your further explanation:

Page 9 of the Report:

1. What were the City staff costs incurred as a result of dedicating staff from the City for the Olympic Bid? For example, Mr. Ray McNeil, who headed the City Olympic Bid office; Mr. Joe Farag, from the Finance Department, produced the Olympic budget. All City staff diverted to work part time or full time on the City Olympic Bid represent salaries, benefits and pension contributions paid for by the City while working on the Olympic Bid.

Attachment #1 of the Report:

2. In the audited financial statements from Price Waterhouse Coopers why do all statements contain no comparison with the budget for the Olympic Bid? The Bid was budgeted for \$20 million. The actual cost of the Bid ballooned 128%, to \$45.7 million. What happened?
3. What exactly were the contributions in money and in kind broken down separately for each of the Federal, Provincial and Municipal governments. The Bid received \$1 million as “an advance” in 1998 from the Provincial government. Where is this in the financial statements? Was it paid back by the Bid to the Province? If yes, when?
4. Why is there no disclosure of the government contributions in the financial statements similar to “corporate” and “individual” contributions?
5. Contingent liabilities – Note 4:
 - a) This note does not disclose the “two suppliers who are a former officer and a director of the Bid Committee...” who have reduced their claims from \$612,000 to \$296,000.
 - What are the names of the former officer and director?
 - What were their claims for payment for?
 - b) Reference is made to a third supplier claiming a \$310,000 payment.
 - Who was the supplier?
 - What was the claim for payment for?

- What is the name of the “director” of the Bid Committee who has guaranteed any future payment to this supplier?
6. Fundraising events – Note 5:
It cost \$725,523 (49.4%) to raise \$1,468,784. This, frankly, is excessively high!
- What is the name of the external fundraising organization?
 - What are the name(s) of the principals of this external fundraising organization?
 - Was this fundraising work tendered?
 - Were the results of these fundraising events audited to support the expenses claimed against these fundraising efforts?
7. Olympic Evaluation Commission Reception:
I understand there was a reception held for the Olympic Evaluation Commission at B.C.E. Place in February, 2001.
- What was the cost of this reception? I understand it was between \$750,000 - \$800,000.
 - Who catered this reception?
 - How was this contract awarded?
8. Compensation of Five (5) Highest Paid Officers of Toronto Olympic Bid:
- What were the salaries and other compensation of the five (5) highest paid officers of the T.O. Bid in each of 1998, 1999, 2000 and 2001? It is now standard practice to disclose the full compensation of the five (5) highest paid officers of a corporation.
9. Schedule of Expenses by Project:
I note the ‘Bid Book Preparation’ total cost was \$4,602,293.
- Who prepared this ‘bid book’?
 - Was its preparation put out to tender?

Attachment #2 of the Report:

10. Arthur Anderson – Review of 2001 Olympic Legacy Facilities
- What was the cost of this report?
 - How was Arthur Anderson retained? By tender?
 - What was the scope of the review undertaken by Arthur Anderson?

Sincerely,

Michael Walker
Councillor - Ward 22

Cc// Mr. Jeffrey Griffiths, City Auditor