



## City rolls out \$1.6B capital budget plan

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Now is not the time to cut infrastructure spending, Mayor David Miller said yesterday at the rollout of Toronto's \$1.6 billion capital budget.

"It's very clear at a time of economic uncertainty such as this, governments should be investing, particularly in the infrastructure that helps build a strong economy."

Miller welcomed the appointment of John Baird as federal infrastructure minister, saying he hoped the appointment "is a signal from the federal government that they share that view, that it is time to invest in Canada's aging infrastructure."

But the capital budget itself hit a few potholes over its failure to reduce the \$310 million road-repair backlog. An extra \$21 million has been earmarked but that will only keep the backlog from growing, said city manager Joe Pennachetti.

"It goes up slightly for the next three or four years, and then as we near the end of the five years, we're catching up and we're starting to eat into the backlog," Pennachetti said yesterday.

It's not a good message at a time when three Toronto streets made the list of Ontario's top 20 worst roads, said Faye Lyons, government relations specialist with the Canadian Automobile Association.

"The fact they're getting \$55 million from their new personal vehicle tax this year, I think this budget should be dedicating more money towards that backlog," Lyons said.

She noted Miller's administration has found \$8 million to expand the bike-lane network next year.

"Before you start spending money on new bike lanes, we should be maintaining our roads so all road users can use them," Lyons added.

The capital budget – devoted to repairs and maintenance of city facilities – is about the same as this year's, but the money may go further if construction labour and materials costs drop in the current economic climate, Miller said.

The city's net debt is anticipated to rise to \$2.7 billion at the end of 2009, from \$2.6 billion now, but officials expect Toronto can maintain its AA credit rating.

Critics say that's too much debt – the second biggest expense on the average homeowner's tax bill, after police. "The interest costs to service that debt, all that money goes to banks," said Kevin Gaudet, Ontario director of the Canadian Taxpayers Federation. "It's money that is taken away from the city's ability to provide effective, quality service and programs."

The budget earmarks money over the next five years for new signals to curb overcrowding on the Yonge subway; complete new waterfront parks, in Mimico and Port Union, and build

community centres.

The long-delayed 311 municipal information number will launch in June to take calls on garbage, roads and water issues, said Councillor Shelley Carroll, chairperson of the budget committee.

The plan also includes money for new child-care centres, repairs to Union Station and adding deep-lake-water cooling to the station, plus purchases of hybrid vehicles, she added.

Miller said the capital budget strikes an appropriate balance.

"I'm very pleased with the recommended budget because it places a priority on renewing existing infrastructure, keeps up with growth and invests in priority areas while managing our finances responsibly and prudently."

Councillors and the public can offer comments on the proposed plan on Nov. 5 at City Hall before it goes to city council for approval Dec. 10.

The city's \$8 billion-plus operating budget for 2009 will be finalized next spring.

## **CITY HAS SOME MONEY TO SPEND**

**Toronto's capital budget for 2009: \$1.6 billion**

**Amount to be funded by borrowing: \$367 million**

*Some things that will buy next year:*

- 130 new TTC buses, at a cost of \$93 million
- 1 new child-care centre in Thorncliffe Park with 56 spaces
- 1 new community centre, at Edithvale near Yonge and Finch
- New self-service kiosks in nine libraries that will allow for extended opening hours
- Road work to remove the "Dufferin jog, "a notorious west-end bottleneck, \$24.7 million
- A new rail overpass at Morningside and Finch Aves., \$4.1 million

Mayor urges no cuts, but critics rip debt hike, failure to bite into road-repair backlog