

NEWS / TORONTO GTA

Mayor says now is the time to spend

City's plan to lay out \$1.6B next year would push the debt load to \$2.7B

By BRYN WEESE, SUN MEDIA

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The city's plan to spend \$1.626 billion in 2009 could not have come at a worse time, some critics charge.

The city proposed its 2009 and 2009-2013 capital plan yesterday which, if approved, would add \$367 million to the city's debt.

It would bring the city's total debt load to \$2.7 billion.

"The first rule of holes says that when you're in a hole, stop digging. Instead, what the mayor has done is he's brought a shovel and he's digging the hole deeper by increasing debt, increasing spending and he's dragging taxpayers down with him," said Kevin Gaudet, the Ontario director of the Canadian Taxpayer Federation.

He added the city should be curbing its spending given the current economic crisis.

"In times of economic uncertainty, it's the responsibility of governments ... to tighten their belt, and this budget demonstrates the exact opposite," he said.

But the mayor, who along with councillor and budget chairman Shelly Carroll released the capital plans yesterday, said he thinks now is the time to spend.

CITY 'INVESTING'

"When I studied economics, I studied Keynesian economics, and it's very clear that at a time of uncertainty like this, governments should be investing, particularly in infrastructure that helps build a strong economy," he said. "That's what this budget is all about."

Earlier, the mayor told reporters the economic situation did not influence the 2009 capital budget.

Councillor Denzil Minnan-Wong said the announcement fails to prioritize what should be important spending programs for the city.

While he charged the extra \$21 million being invested in road repairs wasn't enough, there was also too much being spent on what he thinks are not priorities for the city now.

He cited \$100 million to tear down the eastern extremity of the Gardiner Expressway, \$38 million to renovate Nathan Phillips Square and \$70 million for more bike paths over the next five years.

"It is a matter of priorities," he said. Rather than spend \$100 million to demolish the Gardiner "I'd rather fix the existing roads that we can't fix right now. This city is falling apart, our infrastructure is crumbling."

Over the next five years, we're spending "\$80 million in bike paths. Can we scale that back? Is that a priority at this time?," he asked.

"I think that's a debate we need to have."

WHO PAYS?

As for what the operating budget -- which lays out how the city will raise the required money -- will look like, Gaudet warns, "just wait for it."

"When this mayor puts in a crazy operating budget to pay for this crazy capital budget, he'll be yet again complaining that he needs more money from (Premier Dalton) McGuinty and (Prime Minister Stephen) Harper," both of whom will say the cupboard is bare, Gaudet said.

"At the end of the day, who is going to pay for this?

"Enough is enough."