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## City of Toronto 1999 budget information

June 1/1999

### City of Toronto's 1999 operating budget freezes tax rate, improves core services

Toronto residents have reason to feel good about the City of Toronto's operating budget again this year, as Council avoided a property tax increase while improving core services and absorbing the impact of the provincial downloading.

The 1999 operating budget of \$5.5 billion harmonizes many services city-wide and expands others. Expanded services include the opening of four new community centres, increased hostel services for the homeless, the addition of 65 paramedics to improve advanced-level care, the hiring of 306 police officers, extended hours at most dental health clinics, and expanded services for the City's food inspection, needle exchange and tuberculosis programs.

In summarizing the budget, Mayor Mel Lastman said, "I'm pleased with the way Council, staff and the public have worked together create a financial plan that really delivers the goods for the people of Toronto. We've approved an operating budget that combines prudent financial management with a commitment to continue delivering a wide range of local services. The 1999 budget is largely based on our harmonization of programs across the united city."

Councillor Tom Jakobek, who as chair of the budget committee was largely responsible for steering the budget through the review process, elaborates: "In this, our second year as a new city, we are achieving many of the efficiencies we had anticipated, including streamlining of the administration. Given the fact that we have taken on new responsibilities formerly handled by the provincial government, it's remarkable that we have been able to hold the line on taxes again this year."

Michael Garrett, the City's chief administrative officer, added, "I'd like to compliment everyone involved in this year's budget process. Meeting our goals was vitally important for the new organization and for the three million people we serve. This year's budget marks a turning point as Council moves ahead with the harmonization of services across the amalgamated city."

### Harmonization

Service harmonization is the process of building common services across the City, with a goal of providing the same level of service to all Toronto residents. The City is currently harmonizing the following services:

- Garbage collection, with twice-a-week summer residential collection phased in starting next year, and once-a-week residential collection (recycling collection every second week) effective September 1, 1999;
- Water service rates for residential, commercial and industrial customers, phased in over four years;

- Windrow clearing (snow piles at ends of driveways), city-wide where possible starting next winter;
- Clearing of snow from sidewalks phased in city-wide beginning next winter;
- Recreation fees - no recreation user fees for introductory instructional programs for early childhood, youth and children, and no fees for older adult and seniors' drop-in programs, effective September 1, 1999. Fees for specialized recreation programs for all age groups and for all adult programs.

### **Current value assessment**

Even though the City has held the budget at no increase over the 1997 base, the Province's introduction of current value assessment (CVA) last year has increased taxes on some properties and decreased it on others. Toronto City Council has approved plans to phase in the assessment changes in order to ease the transition for property owners. Tax increases and decreases from reassessment of residential properties are being phased in over five years (starting in 1998). Assessment-related tax increases for commercial and industrial and apartment buildings are being phased in over three years (1998 to 2000).

### **Municipal services**

The operating budget funds City departments, agencies, boards and commissions, which provide a wide range of services to residents and businesses. The services and programs include:

- fire, ambulance and police services,
- public transit, road and sidewalk maintenance,
- traffic control,
- social services and public health programs,
- children's services,
- homes for the ages,
- parks,
- recreation programs,
- garbage and recycling collection,
- water and sewers,
- libraries,
- urban planning, and
- support for the arts and heritage.

The operating budget is funded through a combination of property taxes, provincial grants, user fees and other revenues. Property taxes account for just under half of budget revenues.