- City budget
- Budget 2000
- Previous budgets
- City Finances

City of Toronto 2000 budget information

News Release

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City of Toronto Outlines Action Plan to Offset Budget Shortfall

The Chief Administrative Officer for the City of Toronto, Michael R. Garrett, told the Budget Advisory Committee of Council today that a "concerted effort on three fronts" is needed to offset a $60 million shortfall in the 2000 operating budget.

The City's Budget Chief, Councillor Tom Jakobek (East Toronto) added that, "Significant work has to be done by Budget Committee in the coming weeks. We need to resolve the shortfall, keep our commitment to a zero per cent tax increase and protect the services that are important to the people of Toronto."

Mr. Garrett suggested first that action be taken to inform the Ontario Government about the seriousness of the City's current and long-term financial situation. The province specifically needs to reverse downloading decisions in some key areas such as child services, capping on emergency shelters and court security costs.

Secondly, he said that the Budget Advisory Committee needs to consider conducting a detailed review of the budgets of the City's agencies, boards and commissions (ABCs). Within the context of the budget review, Mr. Garrett also called on the Committee to review priorities within City programs and then assess inter-program priorities.

Mr. Garrett said that, despite the shortfall, City staff had made "significant progress in getting the new City on sound, sustainable fiscal ground." The City has benefitted from savings of $301 million since amalgamation and continues to work on finding efficiencies. The majority of directly-controlled programs (DCPs) operated by the City reached their budget goals of a zero increase, became more efficient and added some important new initiatives to their programs. Expanded litter cleaning programs and enhanced snow clearing are two examples where services were enhanced this year.

However, DCPs are only 21 per cent of the picture. Thirty-nine per cent of City services are now cost-shared by the province (where standards are mandated province-wide) and 29 per cent are agencies, boards and commissions (ABCs) such as the police, TTC, library, public health and the zoo. The remaining 11 per cent of the budget is for non-program (reserve fund) and capital financing.

The City's Chief Financial Officer and Treasurer, Wanda Liczyk, presented the Budget Advisory Committee with details on the City's sources of revenue and expenditures and the effects of provincial downloading. Ms. Liczyk said that, "the City needs to continue to examine revenue sources and expenditures to ensure secured financial footing in future years."

The Budget Advisory Committee will continue to meet to review all the City's operating budgets. Following that, Council's standing committees will provide input in March 2000. A special meeting of Council is scheduled for its consideration of the recommended operating budget on April 26/27.

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2000 Operating Budget Schedule
2000 Operating Budget Background Information

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