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## City of Toronto 2002 budget information

### News release

#### City Council Protects Services in 2002 Capital and Operating Budgets

Toronto City Council wrapped up its final 2002 budget session today approving a \$6.2 billion operating budget and \$954 million capital budget for a total of about \$7.2 billion. Council also lowered the tax increase to Toronto homeowners to 4.3 per cent from the 4.6 per cent cap passed earlier in the week.

The \$6.2 billion operating budget represents a 1.6 per cent increase over the 2001 operating budget. Provincial legislation (Bill 140), however, prevents tax increases from being shared equally across the Toronto's entire tax base as multi-residential and commercial/industrial tax classes are excluded from any tax increase. For Toronto homeowners, the 1.6 percent increase becomes a 4.3 per cent property tax increase, or \$79 per household on an average home valued at \$261,000.

"Everyone worked very hard to arrive at a budget that protects Toronto's services," said Mayor Mel Lastman. "One-point six per cent is less than the rate of inflation - but because the provincial government refuses to give us access to two-thirds of our tax base, Toronto's property owners must bear the brunt of the entire increase alone."

The final 2002 budget includes funds for such additions as 55 new firefighters, Tuberculosis and Vulnerable Seniors programs expansion, continued subsidy for all childcare spaces, support of the Police Anti-Gang initiatives, the Waste Diversion Program, World Youth Day, establishing the Emergency Plan, \$6.3 million to keep all school pools open, maintaining counselling services in City shelters and 220 new TTC buses.

A total of \$1.9 million was added back into the budget for Children's Services, Toronto Public Health, Toronto Public Library, Parks and Recreation and, Consolidated Grants. At the same time, Council approved reductions in a number of new initiatives to further offset the tax increase to Toronto homeowners.

Budget Advisory Chair, Councillor David Shiner said, "This year's budget balances the tremendous financial pressure that Toronto is under with what we need to spend and what we can realistically afford to spend. City Council pulled together in a strong team effort and worked out numerous compromises to protect core services and keep the tax increase to homeowners as low as possible."

The City's 2002 final budget maintains services and service levels approved by Council in 2001 to the greatest extent possible while keeping the tax and debt levels as low as possible by focusing on maximizing efficiencies, increasing productivity and implementing continuous improvement initiatives and, building increased accountability into the ongoing budget process.

City Council also adopted an improved and accelerated budget management process that included approving the budget two months earlier than last year. This will not only help bring the City's budget process into a calendarized year, but will also further the City's efforts to plan and manage the budget more effectively and efficiently.

The capital and operating budgets for 2003 are planned to be before City Council in December 2002.

The City of Toronto is the fifth largest city in North America with a population of 2.5 million people. The City's governed population is actually bigger than all the Atlantic Provinces combined and is twice that of Manitoba. Only Canada, British Columbia, Alberta, Ontario and Quebec govern larger populations than the City of Toronto. The City's annual operating budget of \$6.2 billion is larger than those for the four Atlantic Provinces.