



## CITY COUNCIL

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## City of Toronto 2002 budget information

### Transit investment a priority for modern municipalities

The City of Toronto is calling on the federal government to honour its election promise to participate in funding municipal infrastructure. The TTC has requested \$1.1 billion in federal funding in response to the federal government's commitment to finance infrastructure. A recent poll in the Toronto/GTA shows that 76 per cent of respondents expect the federal government to help fund public transit.

"We're counting on the provincial and federal governments to do their part, said Mayor Mel Lastman. "We're not asking for special treatment, we want the other governments to fulfill their commitments," said the Mayor.

Over the next five years, the TTC has identified annual capital funding requirements averaging \$300 million a year to meet its capital needs.

Recommended Capital investment for the maintenance of transit infrastructure and the replacement of equipment for the TTC in 2002 is \$275 million. This investment is based on the expectation that the provincial and federal governments will provide funding of at least \$122 million. The City of Toronto will issue new debt of \$108 million for TTC transit infrastructure in 2002 and will provide an additional \$152 million toward the operating costs of the TTC.

"We all know how vital public transit is to the success of our city," said TTC Chair Councillor Brian Ashton. "We need to ensure transit gets the type of support it needs to keep our city moving and competitive," said the Councillor.

In September 2001, the Province announced a ten-year, \$9 billion transit-funding plan to renew and expand municipal transit services. However, the program provides one-third funding only where the remaining two-thirds are funded by the City and the federal government. Until 1996, local transit capital expenditures were funded 75 per cent by the province, and up to 1997 operating expenditures received approximately 50 per cent subsidy on net costs.

The City of Toronto continues to be the only major city in North America to fund 80 per cent of its public transit operating costs from the farebox as the Toronto Transit Commission (TTC) provides over 400 million passenger rides per year.

An efficient and effective public transit system contributes physical, environmental and economic benefits to the City. It's estimated that congestion alone in the GTA costs the provincial economy \$2 billion annually. The world's great cities all recognize the enormous benefits of excellent transit systems and fund them accordingly. Effective and reliable public transit and transportation networks characterize competitive cities in the 21st century.

Prior to City Council approval of the budget the City will require the confirmation of funding by the provincial and federal governments.

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