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TTC Funding in 2004 City Budget

Toronto residents want a transit system that delivers top quality service and grows with the city. This message was clearly delivered during the *Listening to Toronto* pre-budget consultations in January.

Operating funding for the TTC is derived solely from the fare box and property taxes. Prior to amalgamation the Province funded 50% of net operating expenditures. Since 1998, the City has received no annual operating assistance until the recent announcement in which the Province provided \$70 million funding for TTC operating purposes. The TTC needs a predictable and sustainable source of funding. Seeking basic operating assistance each year makes it difficult for the City to budget for the cost of operating and maintaining the TTC system.

TTC capital costs are \$285 million. The approved budget calls for the TTC capital budget to be funded by \$140 million in provincial and federal subsidies, \$114 million in borrowing and \$31 million from other financing. This funding is critical to maintain the system in a state-of-good repair and to start planning for future growth.

However, the recent funding announcement by the provincial and federal government has not solved the entire TTC capital funding problem. While both the federal and provincial governments have committed to a \$350 million contribution each over five years – this will meet only 40% of the TTC's required capital costs.

Further negotiation with senior levels of government is required to secure additional funds to keep the city's transit system in a state of good repair and to build for growth. Only a committed equal funding partnership from all three levels of government will deliver a strong transit system which benefits the entire GTA, reduces gridlock and helps achieve the City's environmental goals.