

December 12, 2005- Amended

City of Toronto balances 2006 Capital Budget

Today the City of Toronto approved a tax-supported 2006 Capital Budget of \$1.250 billion. This budget begins to show the benefits the \$189 million gas tax contributions secured through the New Deal with the provincial and federal governments.

Included in the Capital Budget is \$84 million for road repairs, \$153 million for 150 new TTC hybrid and 80 diesel buses, a down-payment of \$111 million on 232 new subway cars, \$25.8 million for Parks, Forestry and Recreation repairs and upgrades, and \$2.1 million for a Clean and Beautiful City.

“The new money from the Federal and Provincial governments has allowed us to balance the 2006 Capital Budget,” said Mayor David Miller. “Not only are we investing in transit, the Government of Toronto is now catching up on the backlog in road repairs and making tangible changes on the waterfront.”

“The 2006 Capital Budget satisfies the City’s objective of maintaining its infrastructure and other capital assets in a state of good repair while meeting the demand for growth in priority program areas,” said the Chair of the Budget Advisory Committee, Councillor David Soknacki.

“This budget supports Council’s priorities for its 2003 to 2006 term by improving public services,” added City Manager Shirley Hoy. “It makes progress on the waterfront, invests in transportation and road maintenance, works to make Toronto a clean and beautiful city, and strengthens at-risk neighbourhoods.”

Deputy City Manager and Chief Financial Officer, Joseph Pennachetti, stated that “the debt affordability guidelines have been met for 2006. Most significantly, the TTC now has a sustainable capital budget funding partnership with other orders of government, for the long term.”

City Council also approved the 2006 Capital and Operating Budgets for Toronto Water, and a water rate increase for 2006. The rate increase of 9% will be used to repair the City’s ageing water infrastructure and ensure a healthy supply of water through a well-maintained water treatment program.

The 2006 Capital Budget marks the beginning of a new budgeting approach with a December budget approval resulting in better capital planning and implementation. The 2006 Capital Budget will now reflect the introduction of a five year capital plan.

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