

CHECK AGAINST DELIVERY

February 16, 2010

**SPEAKING NOTES FOR MAYOR DAVID MILLER AT THE
INTRODUCTION OF THE
2010 STAFF RECOMMENDED OPERATING BUDGET**

I would like to thank you, members of the budget committee, and City staff for their tremendous work over several months to produce yet another balanced budget that we will begin consideration of today.

I know that this year has been especially challenging given the City's financial circumstances and of course the global economy.

But this budget is far more than just a balance sheet.

It is the blueprint we use to implement the many programs and services that keep this City liveable, prosperous and provide opportunity for every single resident of our city.

Today I want to underscore the important steps that have been taken like prudent management, wage restraint and a modest tax increase, in the development of the proposed 2010 Operating Budget and what the facts behind the City's budget mean to our residents and businesses alike.

We have achieved many great things over the past several years as Toronto's quality of life, our business environment and the actions we are taking to protect our natural environment continue to win accolades both here and globally.

Today's recommended budget is consistent with those actions and my mandate as Mayor and with the priorities of this Council.

The budget must be set within the confines of the City's financial constraints.

Because, unlike federal and provincial governments, the City cannot run a deficit, even during a world-wide recession.

It's a unique time.

Above me, and in front of all of you, is a streetscape that illustrates some of the City's many services.

I invite everyone to examine this illustration and consider what our City would be like without these services being available in our community.

In the weeks ahead, there will no doubt be considerable discussion about this budget and our City's finances.

I welcome that discussion and debate.

But any discussion on the City's budget should keep in mind the following facts:

ONE. Toronto has the lowest residential property taxes in the entire GTA.

While it is not often a headline, it is worth repeating that Toronto has the lowest residential property taxes in the entire GTA.

If you live in a condominium or house in this City you pay less in residential property taxes than anyone in the 905.

For example, the average home in Toronto has an assessed value of \$407,374.

The owner of this home in Toronto will pay \$2,334 in residential property taxes to the City - about \$6.39 a day.

If that same home is in Mississauga, the owner will pay \$2,559 in property taxes, \$225 more.

If that same Toronto home is in Markham, the homeowner will pay \$3,037 (\$703 more) and if that same home is in Vaughan the homeowner pays \$3,314 in property taxes, almost a \$1,000 more.

The matter is settled. If you own a home or condo in Toronto you paid less residential property taxes in 2009 than any other municipality in the GTA.

In addition, residents should know that about 70% of their property taxes go to three things: emergency services, provincially mandated health and social services, and the TTC.

TWO. Our city is a compassionate community where people help and support one another in tough times.

Last year, this government, as part of the Toronto Helps program, launched a series of measures aimed at helping people to keep their housing and find work.

We also assisted more seniors and disabled persons with property tax assistance programs.

THREE. This government has cut business taxes by more than \$190 million since 2006.

If the measures recommended in this budget are adopted, that number increases to well over \$250 million.

FOUR. For the past two years Toronto has frozen development charges to assist the construction and development industry. This has meant lower costs for a sector adversely affected during the current recession.

Together, these measures demonstrate the very high priority this City government has placed on supporting business and our economy.

In addition, the creation of two new corporations – Invest Toronto and Build Toronto – will see us redouble our efforts and produce results that will benefit the entire region.

FIVE. Toronto's user fees for programs cover only a portion of the costs associated with delivering the service.

In fact, user fees for recreation cover only about 30% of the cost of programming.

All of us deserve the opportunity to learn and experience new things. The kinds of programs the City provides build the inclusive communities that we value.

It's a fact that the fees Toronto charges are competitive and consistent with those charged by surrounding municipalities.

Although user fees make up only about 15% of the City's total revenues, without this money the City would be unable to provide the programs that make Toronto the great City that it is.

SIX. This year's budget, like those before, includes spending restraint, efficiencies, some adjustments in service levels while ensuring our residents continue to receive the programs and services they rely on.

It's also a fact that many of the budgets presented over the years have included salary increases for some employee groups that have been ordered by arbitrators, where the results are not settled by the City. The Arbitrator is not required to set salaries as the City demands.

This year, wage restraint, achieved by a post-strike settlement that included wage increases far less than those being requested prior to the strike and the City successfully negotiated the removal of a sick leave benefit that had been in the collective agreement for more than 50 years.

In addition, restraint on management and non-union positions, have and will save the city considerable expense on an ongoing basis.

Our 2010 budget is balanced through careful and prudent management, wage restraint, which generated a surplus from 2009

allowing us to balance 2010 and through a 4% residential tax increase and a 1.3% business property tax increase. User fees and the TTC fare increase also contribute to balancing this budget, as does the uploading begun by the Province two years ago.

SEVEN. The City continues to have a structural financial challenge.

It's a fact the City needs the province to return to the sustainable transit operating funding that was in place for decades prior to amalgamation.

We will be working with the Province of Ontario to conclude a Toronto - Ontario Partnership Agreement by December 1, 2010 to provide the City with permanent sustainable transit operating funding, commencing in fiscal 2011.

That remains the single largest ongoing operating budget structural challenge affecting the City and I look forward to working on the resolution of this matter.

Transit is too important to be financed with ad-hoc, year-end or one-time funds, and the TTC too important to the future of Toronto to allow it to suffer from uncertain funding year after year.

EIGHT. The City has taken steps to extend part of its debt over a longer period of time.

Debt restructuring has reduced our operating budget costs by \$33 million this year alone.

This strategy provides the City the flexibility it needs to address our operating budget challenge and still maintain the City's excellent credit rating.

NINE. The budget does not include the sale or monetization of any city assets.

Any such initiative should only be contemplated if it's in the best long-term interests of the City of Toronto and never be used to fund any operating budget shortfall.

TEN. You can't have a great city for free.

This is important.

Anyone who tells you that they can freeze or cut your taxes and provide the vital services we all rely on.....including:

Helping the most vulnerable among us

Public transit

Emergency services

Safe communities where crime continues to decline

And protecting the environment

....is simply not telling you the whole story.

I recently attended a very important event that didn't get much coverage in the media.

The City recently opened a new Employment Centre at Metro Hall and at the same time partnered with the Y to open a new Y Café and expand the YMCA Hospitality Training Program.

The new Employment Centre is one of 15 through which the City offers residents a full range of employment services delivered by trained career and employment specialists.

The City's employment centres had more than 85,000 visits last year and helped more than 21,000 Toronto residents find a job.

And everyone should know the context. The average number of cases predicted to receive social assistance this year is 105,000. . As of January, there were over 158,000 Torontonians receiving social assistance.

The City's steps to help people find jobs is crucial to the success of all of us. The opening of the new centre featured some very thoughtful words from a resident that had benefited from the City's employment services. A resident who had been a security guard at

one bank, and with the City's help, now has a banking career at another.

His words stood out as an important reminder that the work we do as a City government to help people is important all the time. The positive impact we have on one person often ripples through a family, extended families and communities.

Its especially critical work to do when there are large numbers of people in our city without work and without a way to support their families.

Helping people live a good quality of life - where local services are delivered effectively and at a reasonable cost - and building a safe city where there is opportunity for everyone **is** the role of local government.

The support we give to fund these services is what makes our communities strong and is ultimately the hallmark of an inclusive and compassionate city.

Those are my ten budget facts.

It seems the two most important are the first – we have the lowest residential property taxes in the GTA, and the last – you can't have a great City for free.

This is the year to keep these facts in mind when listening to the debate that will take place.

These are the facts to keep in mind when asking questions about the City's budget and the City's finances.

Building a great City takes commitment, partnership and sacrifice - from all of us.

It continues to be my privilege to bear witness to the great things that are achieved when all of these attributes come together.

As Mayor, I see the traits of commitment, partnership and sacrifice coming together everyday as collectively we work to build an even greater Toronto.

Thank you, and thanks again to the budget committee chaired by Shelley Carroll for their excellent work in delivering this balanced budget. Thank you.