

| A MESSAGE FROM THE CITY MANAGER



It is my pleasure to present the 2008 Financial Report for the City of Toronto.

In 2008, the city found itself in a challenging economy. Despite this, Toronto's Public Service continued to provide its residents with core services to safeguard Toronto's economic competitiveness.

The result of sound strategic investments made in 2008 directly reflects on our position in the economy today. Cost containment measures in 2007, which worked into budgets for 2008, enabled the City of Toronto to keep vital services delivered. During 2008 the Provincial Municipal Fiscal and Service Delivery Review (PMFSDR) was completed, resulting in an implementation plan by the province to continue to upload certain social costs (Ontario Disability Support Program, Ontario Works and Court Security costs), by 2018. Although a difficult decision to implement, the City of Toronto introduced two new taxes in 2008; The Municipal Land Transfer Tax (MLTT) and Personal Vehicle Tax (PVT). These taxes are currently being used for City-building initiatives in areas such as transportation, parks and recreation, culture and to climate change initiatives. However new taxes will not resolve Toronto's structural funding shortfall of more than \$1 billion annually – as identified by the Conference Board of Canada. Property taxes were never designed to support the services now being paid for by the City.

Performance and benchmarking measurements compare and contrast the vital services delivered by the Toronto Public Service with other Canadian municipalities and cities worldwide. A study done by *Z/Yen Group Limited for the City of London, September, 2008* reported that Toronto has gained a position since the September 2007 report, ranking 11th on the Global Financial Centres Index (GFCI). The latest GFCI report evaluated the competitiveness of 62 financial centres worldwide using results of online surveys completed by financial services leaders, and 57 separate indices of competitiveness. Toronto's regulatory and tax environment, as well as its people factors, infrastructure and quality of life, contributed to the city's rating.

The City of Toronto has been able to deliver a wide-range of services vital to the everyday lives of all Torontonians. When compared to other Ontario municipalities in terms of service level, efficiency, customer service and community impact performance indicators, Toronto's stable position and performance in delivery of these services has been proven through the positive results from the Ontario Municipal CAOs Benchmarking Initiative (OMBI) and the City's Performance Measurement and Benchmarking Report.

In 2008, the ongoing effort and commitment of the Toronto Public Service continued to be recognized from the broader public sector. A total of 45 Public Sector Quality Fair (PSQF) awards were won. The City of Toronto won four Showcase Ontario Awards of Merit from the provincial Information and Technology public sector for

using information technology to deliver City services. Since 2004, the City has won a total of 119 PSQF awards for a wide variety of innovative projects and programs.

I have been in this position as the City Manager for about a year now and, I have witnessed, from a new perspective, how every City division works in tandem to provide excellent services to its public. I would like to express my sincere gratitude to all members of the Toronto Public Service who have made everyone in this municipal government proud in providing services to a great city and its people.

A handwritten signature in black ink, appearing to read 'J. Pennachetti', written in a cursive style.

Joseph P. Pennachetti
City Manager