
March 12, 2010 – 4 p.m.

Toronto's Long Term Fiscal Plan Update shows progress *Commitment needed for long-term vision*

The City of Toronto presented an update to its Long Term Fiscal Plan at Budget Committee today. It continues to support City Council's vision for a fiscally sustainable City with significant progress achieved since 2005. The Plan, approved unanimously by Council in 2005, is an integral part of the City's financial actions. It emphasized the balancing of revenues, expenditures and assets / liabilities.

Since the Long Term Fiscal Plan was introduced, the City has become more fiscally sustainability through:

- Continuous improvement and cost control including ongoing expenditure restraint, service reviews and recently approved moderate wage increases
- Full GST rebate - \$50 million
- Introduction of the Municipal Land Transfer Tax (MLTT) and the Personal Vehicle Tax (PVT) - \$218 million annually
- Sharing of the Federal and Provincial gas taxes for capital funding - \$320 million annually
- Phased upload of Social Services programs - \$350 million by 2018
- A debt restructuring plan which will mitigate the cost of servicing the capital debt

Steps to maintain a financially sound City on a long-term basis through:

- Ongoing expenditure control
- Resumption of Provincial Transit operating funding for the TTC (50 per cent)
- Upload Social Housing costs
- National Housing Strategy
- National Transit Strategy (capital)
- Growth revenues – Equivalent of one cent of sales tax

"Although we've made significant progress in containing costs, generating new revenues and uploading social service programs, we still need to complete the remaining strategies outlined in the 2005 approved Toronto Long Term Fiscal Plan," said City Manager, Joe Pennachetti.

"The completion of the road to fiscal sustainability requires the 50 per cent transit operating funding, the transferring of Social Housing responsibility back to the Province and securing a share of sales tax," said Deputy City Manager and Chief Financial Officer, Cam Weldon.

The City's long-term fiscal vision for 2020 includes:

- Expenditures:
 - Continued actions on efficiencies and rationalization of selected services and salary / benefit restraint
 - Assets and Liabilities:
 - Maximize corporate asset values and pay down debt, continue to increase pay-as-you-go capital financing and further actions to reduce unfunded liabilities
 - Revenues:
- more-
-

- Continued actions to grow tax base: Improved business competitiveness, population growth
- Enhanced use of user fees and exemptions were appropriate
- Funding from other orders of government:
 - Stable and permanent partnership funding, 50 per cent transit operating funding, the upload of social housing costs and a National Housing Strategy
 - Share of sales tax revenues (1 cent of 13 cent HST)

More information including the Long Term Fiscal Plan Backgrounder visit: www.toronto.ca/finance/

Toronto is Canada's largest city and sixth largest government, and home to a diverse population of about 2.6 million people. It is the economic engine of Canada and one of the greenest and most creative cities in North America. Toronto has won numerous awards for quality, innovation and efficiency in delivering public services. Toronto's government is dedicated to prosperity, opportunity and liveability for all its residents. For information about non-emergency City services and programs, Toronto residents, businesses and visitors can dial 311, 24 hours a day, 7 days a week.

- 30 -

**Media contact: Cindy Bromley, Communications Manager, Finance & Administration,
cbromley@toronto.ca, 416-392-4993**