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June 2, 2015

City Hall, 2nd Floor
100 Queen Street West
Toronto, Ontario
M5H 2N2

To: Budget Chief Councillor Gary Crawford and Members of Budget Committee

Re: Keeping Taxes Low and Putting Families First – Guidance on the Development of the 2016 Budget

At the beginning of this term of Council we faced a number of significant challenges. The TTC had been cut to the bone, adding to the crisis-level congestion on the transit system and on our roadways. Traffic was at a standstill because sufficient co-ordination between agencies and departments wasn't taking place. Also, relationships with the federal and provincial governments were at an all time low, threatening our ability to secure funding for vital capital projects and repairs.

We had a lot of work to do and with a renewed determination to work together for the benefit of all of our residents, we rolled up our sleeves and got to it. Through Budget 2015 we have made significant progress on a number of important fronts, including:

- Keeping property tax increases below the rate of inflation;
- Investing a record \$90 million in public transit that will restore and expand transit service across the city;
- Providing relief for families with free TTC service for children under 12;
- Protecting our most vulnerable citizens with investments in shelter supports and poverty reduction measures.

With a full year to plan for the 2016 budget I am even more confident that we can make the right investments to support frontline services while running a more efficient government that ensures our tax dollars are well spent.

With that in mind, I would like to outline my priorities for the 2016 budget so we can continue to make progress on the priorities of Toronto's residents:

- ***Continue holding property tax increases to the rate of inflation or below.*** Toronto is a great city, but it has become less and less affordable, and we need to do our part to keep taxes low and reduce the burden on families.
- ***Find at least 2 per cent in savings across all City agencies and divisions.*** We need to take a determined, practical, business-like approach to eliminate the inefficiency marbled throughout government. This isn't just about saving money. It is about using our resources responsibly so we can provide better services to the people of Toronto.
- ***Budget responsibly and accurately.*** A best practices approach to budgeting includes knowing how much money you have, and what you plan on spending. Families and viable business operates this way and the City must hold itself to the same basic standard. Going forward we will ensure we have accurate forecasts and predictions that will allow us to properly set long-term goals and priorities. We need a more accurate and predictable approach to budgeting at City Hall.
- ***Continue investing in transit to cut congestion and gridlock.*** Transit connects people to jobs. It provides a means of getting around for people who can't afford a car. As we continue to work towards building longer-term projects like SmartTrack and Scarborough Subway, we must continue to improve and expand services to reduce transit congestion now.

Torontonians are not asking us for miracles. They want real, meaningful progress on their priorities. I believe the 2016 budget can take us another step closer to building a city that is strong, prosperous and fair.

Sincerely,

John Tory
Mayor

c: Acting City Manager, Deputy City Managers and Members of Executive Committee