

Toronto city council approves 2% property tax increase

2 councillors suggest alternative plans, but their motions fail as council debates 2017 budget

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Toronto Mayor John Tory defends his recommendation to increase property taxes by 2 per cent in 2017. (John Rieti/CBC)

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John Rieti
John Rieti covers city hall and city issues for CBC Toronto. Born and raised in Newfoundland, John has worked in CBC newsrooms across the country in search of great stories. Outside of work, catch him running or cycling around, often armed with a camera, always in search of excellent coffee.

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Toronto homeowners can expect to pay around \$100 more on their property tax bill this year, after city council approved a two per cent increase Wednesday.

Mayor John Tory supported the increase, which he called fair and affordable. City council voted 35-8 in favour of the plan during the first of two scheduled days of debate on the 2017 budget.

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City staff confirmed residents would actually pay about 3.29 per cent more, once the 0.5 per cent City Building Fund and several other fees that aren't controlled by the city are factored in.

During a lengthy debate, Coun. Giorgio Mammoliti put forward a motion for a zero per cent property tax increase, while Coun. Gord Perks urged city councillors to back a 4.26 per cent increase. Both motions failed.

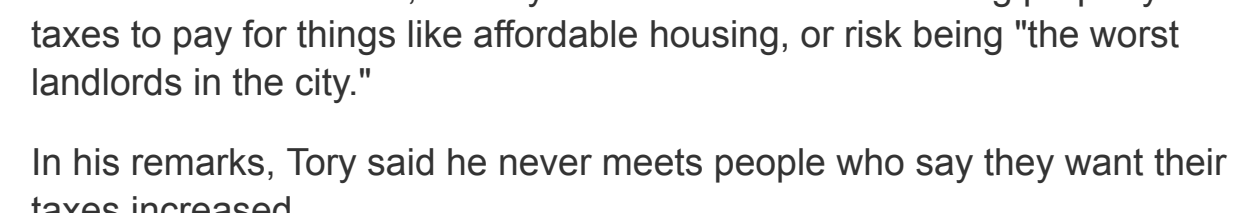
Tory, who called Mammoliti and Perks an "odd couple," said the fact that his proposed budget falls in the middle of the two sides is an indication that it's in the right place.

Mammoliti asked Tory why he urged the mayor to ask the province to lift some of the costs off the city, which Tory pointed out he had done on Tuesday.

"We should not have the responsibility for housing — at least not the financial responsibility," Tory responded, adding if the city is going to spend money on housing the costs should be shared with the other two governments.

He also reiterated a call for the province to pay for the repairs and maintenance of the Gardiner Expressway and Don Valley Parkway, before turning to criticize Mammoliti for not helping with those efforts.

"I haven't seen you saying a peep to support me in that regard because you're busy with gameshow politics," he said.



Signs outlining the city's 2017 spending plans were put up in the city hall rotunda ahead of this week's budget debate. (John Rieti/CBC)

Perks, meanwhile, said homeowners in his ward are ready to pay more property tax if it improves city services. He said his proposal would have only seen residents pay \$62 more dollars per year.

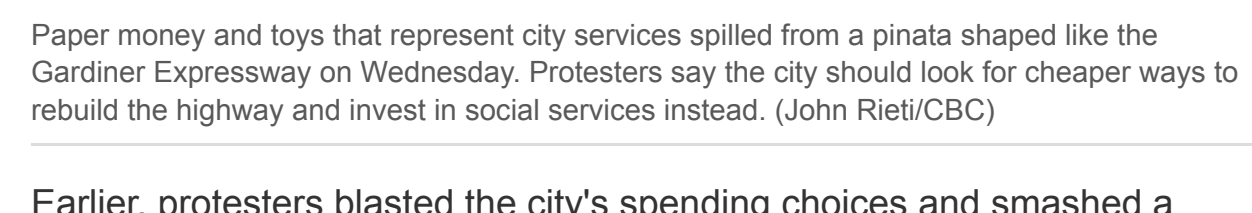
He said sooner or later, the city will have to consider raising property taxes to pay for things like affordable housing, or risk being "the worst landlords in the city."

In his remarks, Tory said he never meets people who say they want their taxes increased.

Coun. Joe Mihevc, meanwhile, put forward a motion for city staff to review the methodology used to calculate inflation, which was approved.

City staff confirmed that Toronto has held its property tax increase at or below the rate of inflation for 15 out of the last 19 years, and has some of the lowest average property tax rates in the GTA.

Anti-Gardiner protest leads up to debate



Paper money and toys that represent city services spilled from a piñata shaped like the Gardiner Expressway on Wednesday. Protesters say the city should look for cheaper ways to rebuild the highway and invest in social services instead. (John Rieti/CBC)

Earlier, protesters blasted the city's spending choices and smashed a piñata shaped like the Gardiner Expressway.

The protesters behind the rally — who represented a number of different groups — questioned how the mayor can justify spending some \$2.3 billion on rebuilding the aging Gardiner Expressway in the future while cutting, or not making larger investments, in areas like shelter services.

"We think there are better ways to build our city than building expensive Gardiner Expressways," said Jessica Bell, from the TTC Riders group.

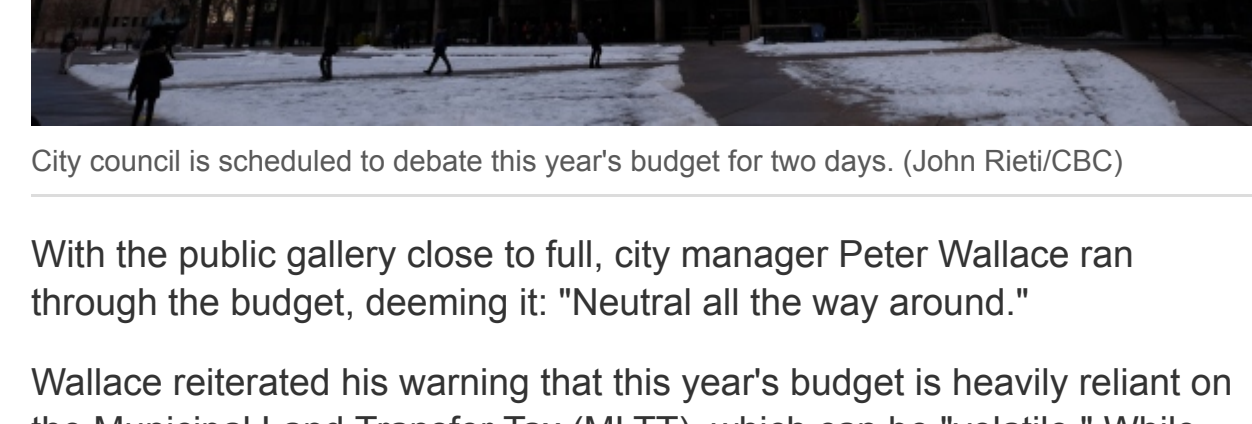
"There are a whole lot of services that need funding right now."

Street nurse and activist Cathy Crowe also blasted several small cuts, including a proposal to have 10 fewer shelter staff.

"This is a bitter budget," Crowe said.

Several city councillors have vowed to attack those cuts at Wednesday's meeting.

City manager says budget is 'neutral'



City council is scheduled to debate this year's budget for two days. (John Rieti/CBC)

With the public gallery close to full, city manager Peter Wallace ran through the budget, deeming it: "Neutral all the way around."

Wallace reiterated his warning that this year's budget is heavily reliant on the Municipal Land Transfer Tax (MLTT), which can be "volatile." While Toronto's hot housing market has sent proceeds from the MLTT soaring, Wallace warned that money could go up or down in the future.

The city now has two options, Wallace said: consider changing the services it provides, or find more revenue to pay for those services.

On *Wednesday Morning*, former city manager Joe Pennacetti told CBC Radio's *Metro Morning* that he's also concerned with how the city is leaning on the MLTT and drawing from reserve funds to balance its budget — something it's required to do. You can listen to that interview in the media clip attached to this story.

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William Adamson
Just put on your thinking caps and determine that if we have to increase taxes then why are Mayor John Tory and the rest of the pigs at SILLY hall voting themselves a pay raise, - - - is this not the height of utter stupidity?
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Ed J
If you can afford a house in Toronto, you can afford this 2%. It should be around 6-8% increase. I hope Tory does this every year.
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William Adamson
@Ed J, - - - - You do own a space ship on your planet do you not?
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James Rockford - (Spaceman)
Only 2 % ?
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William Swarovski
What John Tory did all these days are increasing taxation of all kinds, and unwaveringly supporting the surging housing price.
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Jeffrey Stevens
The house I own in Toronto was last assessed at \$950k. I pay \$8500.00 per year in taxes. The house I own in the 905 was last assessed at \$640k. I pay just over \$11000.00 in property taxes for that. The houses are close in size, I just pay way more for way less outside taxes. It's not as though I want to pay more property taxes but something is wrong when millions of property owners in Toronto are paying 2/3 of what they should be paying.
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Greg Irwin
@Jeffrey Stevens
Boy are you getting screwed. My house in the 905 was assessed at 1.1M and we pay 7K.
18 days ago 0 0 Share

Eugene Rosos
@Greg Irwin That sounds more like market assessment. Tax assessments is usually lower.
18 days ago 1 0 Share

Ima Wright
I have a lake in the bush just outside Peterborough Before you all get jealous it is in a deer fly swamp-no lake to get there I either need to leave Toronto at 5AM or wait until 10:30 but not later than 1:30. That is how congested the hiways are in Toronto. Toronto attracts people like flies are attracted to.
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Ima Wright
@Doreen Rasanen I am vegetarian and have an illness where I cannot taste.
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John Little
@Doreen Rasanen
What on earth are either of you talking about?
18 days ago 0 0 Share

Fran Lacey
There is no political will within the Mayor's office or City Council to use common sense and establish a phased in approach over a few years to raise property taxes accordingly for GTA. It is way overdue and nowhere near in-line with other parts of Canada. Should be a 4-8% correction mixed in with normal cost of living / inflation.
Stop micro taxing everything else and go to your main source of revenue for your municipality.
You are welcome.
18 days ago 9 0 Share

Dave Abernathy
The Mill Rate for calculating property taxes according to Market Value Assessment should be the same across the entire province of Ontario. If it isn't, then it's not really market value assessment and the entire thing should be scrapped and replaced with a fairer system that treats everyone equally across the province regarding property taxes.
18 days ago 9 0 Share

Winston Smith
@Dave Abernathy
I agree.
Properties should be assessed based on SIZE not value. Size is a truer indication of how much it costs the city to service that property.
18 days ago 1 0 Share

Ron Makari
People purchasing multi million dollars property should not have any "difficulties" paying extra 100 dollars property tax. I am one of them Hands off the highways John, already paid for
18 days ago 5 0 Share

Dave Bainard
@Ron Makari \$300B plus in Ontario debt. I don't think the highways are all paid for.
18 days ago 2 2 Share

Paul Snooker
A bunch of cry babies in Toronto ... Try paying almost \$200 more like I had to here in Brampton. Brampton is the WORST for house taxes . I can't wait to sell my house and never have to step my feet again in Brampton The governments should all be a shame of them self
18 days ago 5 0 Share

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Herman Dayleary
@Barry Todd Affordable housing compared to Toronto, especially on the luxury side. And since property prices are lower, so are rental rates, and since rentals are cheaper, food prices are so low it would blow your mind. I went to an Indian restaurant in Brampton, got two big bags of food for \$15 where in Toronto it would cost probably \$80 just to cover the high rent.
18 days ago 0 2 Share

Jeffrey Stevens
@Barry Todd
Troll
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