

# City of Toronto's 2017 preliminary budget unveiled

## In red-hot housing market, land transfer tax nets city \$101 million

By John Rieti, CBC News Posted: Dec 06, 2016 10:38 AM ET | Last Updated: Dec 06, 2016 5:27 PM ET



What will Toronto's budget look like in 2017? City staff are presenting a proposed budget at city hall on Tuesday. (John Rieti/CBC)

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Budget Chief Gary Crawford said the \$10.4 billion preliminary budget unveiled Tuesday proves the city is getting leaner and more efficient, but critics say painful cuts are on the way for the city's most vulnerable.

City manager Peter Wallace said the proposed budget doesn't include major tax increases or serious service reductions, however city council still needs to find some \$91 million in savings to balance the budget — something the city is required to do under the law.

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City staff have already made a number of cuts and deferrals in an effort to clear more money to put toward the \$33 billion worth of unfunded capital projects. Crawford said while there will be some jobs lost as a result of the tighter budget, most of the savings have been found from modernizing systems.

"We need to take a hard look at what we're spending our money on and why," Crawford said, while speaking with reporters after the budget was presented.

"We need to demonstrate that we're investing [Torontonians'] hard-earned tax dollars properly," he said.

Here are some key points of the proposed budget, which you can read in full here:

- \$10.46 billion in total spending
- 2 per cent residential property tax proposed (this accounts for some 39 per cent of city revenue)
- \$5.8 billion made available for unfunded projects
- \$1.9 billion for TTC and Wheel-Trans
- \$1.1 billion for Toronto Police Service

Wallace said the budget benefits from strong revenues, including a 19 per cent increase in money generated by the municipal land transfer tax.

Most Torontonians won't notice any changes in the coming year, he said.

"All told, residents are paying essentially the same," Wallace said.

Mayor John Tory has vowed to keep property taxes at or below the rate of inflation, something he reiterated at a Monday news conference. However, some councillors questioned what he's prepared to cut to avoid a property tax increase.

Budget Committee member Janet Davis feels the mayor may need to step away from promise to keep property tax increase at inflation #topoli

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Councillors on the committee questioned the impact of several of the budget decisions, but were limited to five minutes of questioning each on Tuesday. Public meetings on the budget are slated to begin on Jan. 5, while the entire city council will debate it on Feb. 15.

### Social groups sound alarm



Adina Lebo of CARP Toronto said the preliminary budget is bad news for seniors in this city. (CBC)

Adina Lebo, Chair of CARP Toronto, said she's concerned about a series of proposed cuts to long-term care homes and other health outreach programs.

"This is a really bad budget for seniors," she said.

Lebo and Sean Meagher, of Social Planning Toronto, both called on city council to use all of the revenue tools at its disposal to raise more money to take care of the city's most vulnerable.

Meagher said Tory is facing a "stark choice" when it comes to filling that \$91 million hole and that he's worried things like pools and recreation centres could be closed, or cuts will hit the city's programs for the homeless.

"We've got a very steep ladder to climb ... unless we dig in right now and commit to the full suite of revenue tools," Meagher said.

### Toronto police budget 'neutral,' city manager says

While parts of the budget are "plain vanilla," Wallace said the city has made some major improvements.

The Toronto Police Service's budget, which topped \$1 billion for the first time ever last year, remains "neutral" for 2017, Wallace said. Most other agencies have managed to make small cuts or hold their budgets steady, but some, like the TTC and Toronto Community Housing (TCH), continue to create budget pressures.

The preliminary budget suggests between 400 and 500 jobs will be lost, though some three-quarters of those are vacant. City staff told concerned councillors they're hoping most of the others will be eliminated through attrition.

Some citizens have raised concerns that departmental cuts will cause problems.

Notably, city staff are opting to defer \$72 million in funding for TCH, as part of what staff call a "bridging strategy." The risk with deferrals like this (in total, the city is saving some \$100 million this year) is that those costs will be back in 2018.

### Housing sales help ease budget pressure

Toronto's red-hot housing market was among the biggest benefits for the budget, as the city raked in some \$101 million from the land transfer tax — growth of 19 per cent.

Without that, Wallace said, "this would have been a very different budget."

Wallace did note that the government is "concerned about the froth of the Toronto housing market," but staff are anticipating another strong year of revenue.

Torontonians will be paying more for some things in 2017, including a 10 cent increase per TTC trip. Meanwhile, Mayor John Tory's plan for road tolls on the Gardiner Expressway and Don Valley Parkway has been approved by the executive committee.

On toll roads, budget staff looked at two scenarios: charging \$1.40/trip or \$2/trip #TOPoli

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