

2009 tax increase need not exceed 2%, City Councillors declare

\$85 million in cost reductions identified

March 25, 2009 (Toronto): Today, a group of concerned Councillors presented a plan that reduces the proposed 2009 operating budget enough to limit a property increase to 2% and finds further cost savings bolster rainy day funds, such as the City's Welfare Reserves. By freezing labour costs, limiting the amount of new hiring, and holding the line on new spending, the Councillors found over \$85 million in cost reductions.

"Our 2% plan is a strong statement about restraint and fairness," said Councillor Case Ootes, the chair of the presenting group. "We need to spend within our means and watch our spending today, as well as for tomorrow. Some of the steps might be challenging, but we are confident that a 2% solution provides much needed relief for Torontonians."

Some of the specific recommendations outlined by the Councillors include:

- Freezing salaries of all elected officials and non-union city staff
- Freezing wages for city union staff for the balance of 2009
- Reducing the amount of new hires by 18%
- Reducing Councillor office budgets by 20%
- Reducing advertising and promotion costs by 10%

These measures are a necessary first step towards improving city finances and relieving the tax burden on residents and businesses. Action is also required in 2010 to move towards zero based budgeting – a process whereby a program's budget must be justified from dollar one. Moreover, a comprehensive review must be undertaken to achieve innovation in service delivery. These steps move the City to sustainable financial framework.

"Residents must demand that Council fully consider this plan and get us on the right financial path," said Karen Stintz, another member of the group.

The group who prepared today's plan includes Councillors Case Ootes, Karen Stintz, David Shiner, Peter Milczyn, John Parker, Brian Ashton, Chin Lee, Michael Feldman, Frances Nuziata, Cesar Palacio and Cliff Jenkins. Next week, these Councillors will table a motion to have their recommendations reflected in the proposed Operating Budget.

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