

Budget committee to debate child care, land transfer tax^[1]

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EXCERPTS:

After hearing from more than 100 citizens fighting to preserve city services like transit and child care, Toronto's budget committee will begin debating the 2014 capital and operating budgets on Tuesday.

City staff said the \$9.6-billion operating budget is starting with a spending pressure of more than \$200-million and an additional \$43-million due to the provincial funding cuts that affect the city's housing programs.

City staff recommended a residential property tax hike of 2.5 per cent, which works out to about an extra \$64 per household.

Mayor Rob Ford said he wouldn't support the 2014 budget because it was more than the 1.75-per-cent hike he was promising. And it doesn't include his promise of a 10-per-cent cut in the municipal land transfer tax.

The difference between the two proposed taxes is about \$18-million and Ford has argued that staff should be able to find those savings.

Child care

The city manager is asking for \$6.109 million for children's service in the capital budget, and a 2014 cash flow of \$5.014 million. He's also recommending future year commitments of \$3.350 million.

During last week's public hearings, deputants pleaded for more child care space. Some speakers argued that the high cost of child care left them with no choice but to stay home, leading to unemployment and increase use of public benefits. They argued it would be better to spend that money on subsidized daycare, leaving parents free to return to work.

Transit

The city manager is recommending that council approve \$855.046 million in funding for the Toronto Transit Commission in the capital budget. He's also recommending a 2014 cash flow of \$1.084 billion and future year commitments of \$3.615 billion.

Part of that money would go to addressing the state-of-good-repair backlog, and the York-Spadina subway extension.

The city manager is also recommending \$14.5 million for Scarborough subway extension., and no future money for the project.

Land transfer tax

Ford is pushing for a cut to the land transfer tax and city staff were asked to consider capping, reducing or eliminating the tax over a four-year period.

However, if Ford's 10 per cent cut was approved, the city would lose out on about \$34.5 million, based on 2012 land transfer tax revenue figures.

City staff noted the tax generates almost 10 per cent of the city's net tax-supported operating budget.

During public deputations, a representative from the Toronto Real Estate Board argued the municipal land transfer tax should be cut as it's a hindrance to home ownership.

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