

## **City budget 'unsustainable'**

**Board of Trade says time is wrong for influx of cash**

**By BRYN WEESE, SUN MEDIA**

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The country's largest chamber of commerce says Toronto's \$8.7-billion budget is "unsustainable" and borderline "irresponsible".

The Toronto Board of Trade appeared before the city's budget committee yesterday -- along with about 80 other groups and individuals -- to talk about what they like and dislike in the proposed 2009 operating budget that dings homeowners with a 4% property tax hike.

Because the budget relies on \$450 million in one-time funding from the province and city reserves, it is "unsustainable", said Carol Wilding, the board of trade's president and CEO.

"At a time when both Ottawa and Queen's Park are awash in red ink, is this a realistic approach?" she asked.

But while many yesterday harangued the city for spending too much, others -- from groups as varied as cyclists, to seniors, to school snack volunteers -- patted the city on the back for preparing what they called a good budget that maintains core services and adds resources where people will need them most in a recession.

Others, like the Toronto Real Estate Board, took their five minutes to attack the city for previous budgetary decisions they say should be reversed. The board said it would like to see Toronto scrap the land-transfer tax as a way of stimulating the economy.

### **HURTING ECONOMY**

"Not only does the city need to consider what it can do to help, but also what it is already doing that is hurting the economy," board president Maureen O'Neill said in a news release. "Clearly, the Toronto land-transfer tax is hurting the economy."

The Canadian Federation of Independent Business, which represents about 4,000 members in the city, said the proposed 2.5% overall tax hike -- 4% for homeowners -- will be harmful.

While they want the city to "reign in non-priority spending," they also asked the city to impose a wage freeze on its two largest unions currently in contract negotiations.

Councillor Paul Ainslie, the vice-chairman of the budget committee, said some of the criticisms are valid and should be listened to, but he was pleased that many yesterday were happy with the budget.

"I'm pretty happy. Overall, it's been fairly positive," he said.

He also noted the Toronto Board of Trade does follow the city closely and its concerns should be heard.

"I think they are warranted, but the problem at the municipal level is we just can't run a deficit. Sometimes you end up in a semi-Band-Aid solution ... it can be frustrating."