

Toronto could be debt-free by 2010: panel

'There's a lot of work that needs to be done'

Kelly Grant, National Post

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The City of Toronto, which has insisted for years it cannot escape a fiscal straightjacket created by the province, could be debt-free by 2010, according to an independent panel whose recommendations include tolling expressways, taxing parking lots, streamlining city operations, beefing up the mayor's powers and studying the sale of assets including Toronto Hydro, the Toronto Parking Authority and Enwave.

Authored by six eminent Torontonians hand-selected by the Mayor, the report identifies up to \$3.5-billion that could be squeezed out of city assets -- either by selling them or finding other ways to extract more money from them--and urges council to axe \$50-million in spending this year and \$150-million in future years.

"Ultimately, if you could implement this and you had the will to implement this, you could get to a situation where Toronto is debt-free and [has] a balanced budget ... within three years," said panelist Paul Massara, the president of Genesis Capital Corporation, in a meeting with the National Post's editorial board. "The question is, is there the political will?"

At the top of the panel's wish list is fixing the "broken" governing culture at City Hall. With 44 councillors pulling in different directions and politicians and civil servants convinced they have little power over the 119 city agencies, boards and commissions -- such as the TTC, Toronto Zoo and Exhibition Place -- which gobble up nearly a third of the city's \$8.2-billion budget, the municipal government has convinced itself that drastic change is next to impossible, the panel's chairman said.

"The political culture is hurting and there are lots of people that think it's broken," said Blake Hutcheson, president of commercial real estate giant CB Richard Ellis. "We said to councillors if you have some suggestions for us, try to be helpful and send them in. They were all one-off, in-the-gutter type criticisms. They weren't really helpful."

To help fix that, the report recommends more power for the mayor and his executive committee. It advocates boosting pay for executive councillors and giving the mayor the ability to hire and fire the city manager, Toronto's top bureaucrat.

Mayor David Miller appointed the panel-- which also included Maple Leaf Sports and Entertainment chairman Larry Tanenbaum and former York University President Lorna Marsden -- under pressure last fall from opponents who argued there were better ways to put the city on a stable financial footing than implementing new land-transfer and vehicle-ownership taxes.

Mr. Miller is treating the panel's findings as vindication, calling the report a "ringing endorsement of the civil service."

"The panel says extremely clearly that the City of Toronto does much of what it does to extremely high standards," he told a news conference after the release of the 86-page report. "So the idea that some have held that the city is mismanaged or not working efficiently or effectively is over. It's not true and the panel is clear."

But Mr. Hutcheson was not as effusive about the city's performance. "We've said it's balanced. There are things [the city] is doing well, there are things it needs to do a lot better," he told the editorial board. "It's not a ringing endorsement. There's a lot of work that needs to be done."

The panel's most controversial idea is to study handing the Gardiner Expressway and Don Valley Parkway over to Queen's Park in exchange for a cut of future revenues in a region-wide tolling scheme. The revenues could be ploughed back into public transit, the panel suggested. "I believe that [if] they see that the money, that revenue from the tolls is going into improve your transit -- I think it will be well accepted by the citizens of Toronto," Mr. Tanenbaum said.

Mr. Miller reiterated yesterday that he would consider backing tolls if implemented across the Greater Toronto Area, but the province immediately dismissed the idea.

"Both the Premier and the Minister of Transportation have been clear that we don't support road tolls," said Jim Watson, the Minister of Municipal Affairs and Housing.

The panel criticized duplication at the city. For example, it said the city should meld its many real estate departments into one, which could squeeze an extra \$150-million annually from the city's holdings, which the panel "conservatively" estimates are worth \$17.9-billion.

It also urged the city to keep union wage increases in line with "the evolution of broad labour market averages and the city's fiscal health" and to improve the way it awards merit pay to non-union managers.

Councillor Karen Stintz, a frequent critic of Mr. Miller, said she endorsed the panel's push for an even stronger mayor system than the one the city recently adopted.

"We experimented with some elements of a strong may-or system and I think now we have the worst of all worlds," she said. "We have a mayor who has some strength but also has the ability to deflect responsibility and accountability."

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