

NEWS/COLUMNISTS

Miller on track to double T.O.'s debt

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After budget chief Shelley Carroll and Mayor David Miller had shamelessly sung the praises of their "prudent" 2009 capital budget yesterday, I asked if one or the other could illuminate us as to the city's current total debt.

After all, given that the city was planning to finance 23% of the \$1.6-billion capital budget with \$367-million more in new debt, I wondered what that meant for the city's steadily ballooning long-term debt figure -- and how much of the operating budget would go to service that debt.

Our strong mayor deferred to Carroll to answer. The Mistress of Doubletalk tried to steer me in quite another direction.

"This is new debt ... this is a budget that's funded on a combination of things ..." she said, before I asked her again, and a third time, for the projected 2009 total debt figure.

"They're in the presentation ... I can leaf through this (presentation) or you can find them ... I know they're in the presentation," she said.

Not only was the city's total debt tally for 2009 conspicuously absent from yesterday's presentation but it was absolutely appalling, in my view, that neither the budget chief nor the mayor had it at their fingertips.

But I suppose it's no wonder the city is in quite a different fiscal state than the rosy picture painted by the mayor and his compliant Mistress of Doubletalk.

To put it bluntly, it seems His Blondness won't be happy until he leaves the city with the same legacy as former NDP Premier (and recently evolved Liberal) Bob Rae left Ontario in 1995 -- with record debt levels and near broke.

HUGE DEBT

It was finally confirmed -- by city finance officials -- that next year's total debt level will top \$2.7 billion.

That means in his five years in office Miller has managed to double the city's long-term debt from the \$1.3 billion he inherited in 2003!

The amount to be spent in the 2009 operating budget to service that debt will top \$480 million -- some \$180 million more than what the city expects to collect from the land transfer and vehicle ownership taxes next year.

"Debt is climbing at alarming rates which means taxpayers are increasingly seeing their property taxes go to banks to pay off the substantial debtload," said Kevin Gaudet, Ontario director of the Canadian Taxpayers Federation, noting that means less money to pick up garbage or repair roads.

"This mayor is going on a rampage to create himself a legacy and he's doing it on the backs of Toronto taxpayers ... he spends every penny and then some and borrows more."

Now there's no doubt that Miller -- who claimed to have studied Keynesian economics at Harvard -- made it clear he believes in investing and spending his way out of the current "economic uncertainty." (He wouldn't concede that Toronto's economy has slowed as of yet.)

Still there would be some consolation in that approach if indeed the city had money to burn AND if the money was allocated to real (basic) priorities, not the mayor's highly skewed climate change and anti-car agenda.

MONEY MISDIRECTED

It quickly became clear yesterday that despite all the mayor's talk about needing his controversial new taxes for "city-building," only \$21 million of the \$55 million city officials expect to collect from the vehicle ownership tax will go to road repairs next year. As for the \$310-million backlog in road and bridge repairs, it's anybody's guess what has been earmarked for that. But the mayor did tell us with considerable pride that \$7.9 million will be allocated to fund more bike lanes.

Another \$22 million will go next year to implement David Kennedy's, er Miller's "world-leading sustainable energy action plan" -- money that will be taken from a \$245-million Hydro note cashed in last year (which should be used to pay down the debt or prop up the city's ailing reserve funds.)

Coun. Mike Del Grande says it's quite obvious to him that despite all the new taxes, fees and levies created by Miller and his minions, the city is "still digging the hole deeper.

"The taxes seem to be going to the mayor's priorities and initiatives ... his green agenda," he said. "It's basically his way or the highway."