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Mayor Mel Lastman

A New Deal for Toronto taxpayers - background information

The new City of Toronto was created on January 1, 1998, as a result of Provincial legislation which amalgamated seven municipalities - the regional government of Metropolitan Toronto and six local area municipalities, Toronto, North York, Scarborough, Etobicoke, East York and York.

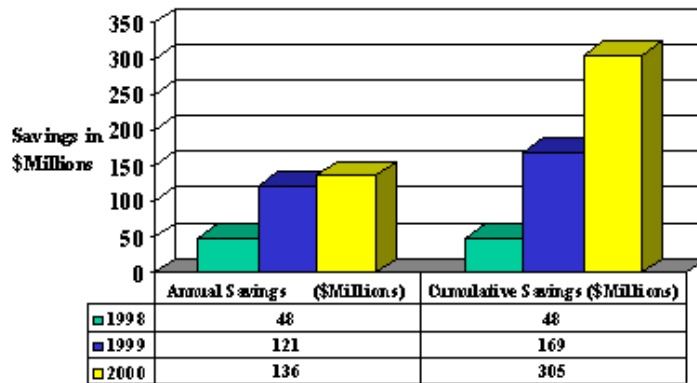
Toronto has a population of 2.4 million, making it the fifth-largest city in North America. The new Corporation has a 2000 gross operating budget of \$5.9 billion, larger than the majority of provincial government budgets.

An enormous amount of work has been completed to date in bringing together the seven former municipalities and building a new City of Toronto. The size and scope of this amalgamation must not be underestimated. It is a complex, multi-dimensional, multi-year undertaking.

Toronto's amalgamation savings to date

- The Province of Ontario's goals for the amalgamation of Toronto included achieving cost reductions by eliminating duplication, streamlining operations and improving efficiency in service delivery.
- By the end of 2000, annual savings due to amalgamation had reached \$136.2 million. Estimated annual savings in the KPMG report to the Province in 1996 were between \$82 and \$112 million. Cumulative amalgamation savings from 1998 to 2000 were \$305 million. All of these monies went to offset the province's Local Savings Realignment exercise.
- Only 27 per cent of programs had not already been amalgamated when the Province initiated the amalgamation of Toronto. Large programs including police services, social services and Homes for the Aged had already amalgamated and achieved significant efficiencies.
- The province's report also did not recognize the costs (e.g. debt) incurred in funding one-time transition costs, wage harmonization costs and service level harmonization costs.

City of Toronto Annual & cumulative amalgamation savings



Amalgamation reductions: highlights

The City of Toronto continues to seek savings as a result of amalgamation. A number of reductions in a variety of areas have already been achieved and the following highlights of savings achieved to date:

- Departments have been reduced from 52 to 6;
- Divisions have been reduced from 206 to 37;
- Executive management positions have been reduced by 60 per cent, from 381 to 154;
- Overall management positions have been reduced by 34 per cent, from 1,837 to 1,204;
- Major information technology systems have been reduced;
- Financial, human resources and payroll information systems have been reduced from 21 to 1;
- Tax billing systems have been reduced from 6 to 1;
- Water billing systems have been reduced from 6 to 1;
- Information technology servers, mainframes and mainframe applications will be reduced from approximately 1,300 to fewer than 600.
- Staff office space has been reduced by 143,000 square feet or 8.3 per cent, roughly equivalent to a Scarborough Civic Centre;
- Termination of 7 major commercial leases and space absorbed by the new Council at City Hall and displaced staff have been accommodated within city-owned buildings;
- We are in the process of consolidating its corporate fleet of 4,900 licensed vehicles, off-road vehicles and small equipment, with an initial minimum reduction target of 5 per cent;
- Garages were reduced from 20 to 14 for a 30 per cent reduction and additional reductions are to follow;
- The number of city service boards have been reduced from 33 to 14
- Library Boards have been reduced from 7 to 1;
- Boards of Health have been reduced from 6 to 1;
- Hydro Boards have been reduced from 6 to 1
- The city's insurance costs have been reduced by 54 per cent for annual savings of \$4.9 million.

We in the City of Toronto have worked hard to seek savings and will continue to work even harder to find greater savings in the future.

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