

## MAYOR'S MESSAGE



My vision of a great city – and the mandate Torontonians gave me – are three simple themes: Prosperity, liveability and opportunity for all.

I believe we are at an exciting time where we are finally laying the foundation for Toronto's greatness in the 21st Century by addressing the challenges that face our city in the context of a world that is ever-more inter-dependent and integrated.

To their credit, Premier McGuinty and the government of Ontario realized this and on January 1, 2007 a new City of Toronto Act was proclaimed. This provincial legislation provides the government of Toronto with the legal ability and proper tools to build an even greater city. However, despite having a new Act that supports stronger inter-governmental relations and broader powers for Toronto, it does not address the City's long-term fiscal imbalance.

It is my hope that the new City of Toronto Act will help the City with four pillars for action – the first one: To create new revenue tools and taxation that will allow us to build the necessary infrastructure – physical and social – for Toronto to succeed and start working on our backlog of road repairs, build Transit City and other services. The second pillar is for the provincial government to upload the cost of social programs that they mandate. The third and fourth pillars are part of a joint strategy with mayors from across Canada: To create a National Transit Strategy to support transit in Canada as it's supported in Europe and the United States; and to campaign for One-Cent of the GST to contribute some of the tax revenue that is generated in Canadian cities to remain in those cities and allow the kind of investments needed.

Everyone agrees that action is needed in order for Toronto to remain the economic engine of the Province of Ontario and Canada – and be a place that provides prosperity, liveability and opportunity for all.

A handwritten signature in black ink that reads "David Miller". The signature is written in a cursive, slightly slanted style.

David Miller, Mayor  
City of Toronto

## CITY MANAGER'S MESSAGE



I am pleased to present the City of Toronto's 2006 Financial Annual Report – an overview on the current state of City's finances and how revenues raised in 2006 were spent to keep the City moving.

The City continues to grow and adjust to profound changes in legislation that will affect the way we deliver services and achieve financial sustainability. Through the City of Toronto Act that was proclaimed on January 1, 2007, the new Toronto Council inherited broader powers that provide the flexibility needed to focus on strategic issues that matter to residents and businesses.

In preparation for the new powers, the Toronto government established a new governance structure and is now in the process of creating new accountability measures and council procedures. Toronto is now the first city in Canada to appoint an integrity commissioner and to establish a municipal lobbyist registry. The auditor general, the ombudsman and the City's code of conduct are also key elements in the City's plan to implement one of the strictest sets of accountability measures in Canadian municipal government to ensure accountability to the people of Toronto.

Although the new City of Toronto Act provides broader powers for the future it does not address the current fiscal imbalance that continues to affect the way the City is able to fund its municipal services. It is with regret that Toronto taxpayers continue to cover the costs of provincially required social programs putting a strain of more than \$700 million on the City's finances each year. This fundamental structural financial problem of the City has been recognized by the Board of Trade, Conference Board of Canada and TD Bank.

I'm pleased to report that the City is maintaining favourable performance levels. Recent results from the Ontario Municipal CAOs Benchmarking Initiative (OMBI) and the City's Performance Measurement and Benchmarking Report confirms Toronto's stable performance levels as compared to other Ontario municipalities in terms of service level, efficiency, customer service and community impact performance indicators. Also, the City will continue regular reviews of major City programs under a formal Program Review Framework to ensure that Toronto services continue to be relevant and are delivered effectively and efficiently.

I'd like to extend my sincere thanks to all City staff who continue to deliver with the highest standards of performance measurement, accountability, transparency and service delivery that help build a great city. With all of the City's measures in place and underway we can feel confident to meet public demand and the changing needs of Toronto residents and businesses.

A handwritten signature in black ink, appearing to read "Shirley H". The signature is fluid and cursive, with the first name "Shirley" written in a larger, more prominent script than the last name "H".

Shirley Hoy  
City Manager