Another busy week at City Hall has come to an end.

I'm very pleased to announce that the City of Toronto realized a surplus of 248 million dollars in 2012. This surplus was largely driven by savings found within our divisions.

This is excellent news and proof that today, our City is on the right track. Before I took office, any annual surplus was used to fill holes in bloated operating budgets, but not on my watch.

Under my leadership, the City of Toronto has changed its financial management strategies. We are now planning for the future. In 2012, City Council voted with me to put an end to the unsustainable budget practices of the last administration.

Our new Surplus Management Policy dictates that 75% of any annual surplus must now go towards funding our capital needs. That's 186 million dollars we are investing in funding our transit priorities, resurfacing our roads, maintaining the Gardiner Expressway, and projects to address traffic congestion.

The remaining 25% of our 2012 Surplus, about 62 million dollars, will go to replenishing our reserves, to help fund future liabilities.

This 248 million dollars will help us pay for critical capital needs, and offset future tax increases. This is exactly where your money should be going.

On Thursday, we heard some very troubling news coming out of Toronto Community Housing Corporation.

I want to thank the Ombudsman for the report, which outlined issues faced by seniors at TCHC.

Although I was saddened and shocked after reading the report, I am glad to be aware of this situation, so I can take the appropriate action. We now know that there were those who have been allowed to slip through the cracks.

The reality is, once I became Mayor, I took responsibility for the 164,000 tenants who live in TCHC. It's no secret, I have a special place in my heart for the residents in Toronto Community Housing.

I have visited thousands of units and seen the horrible conditions some of our residents have been forced to live in, first hand. But, I take comfort knowing that Toronto Community Housing Corporation is turning the corner.

TCHC is currently in the middle of a significant internal reorganization. We are realigning the Corporation to deliver better customer service to our tenants and establish clear roles and accountabilities for every employee.

Today, I met with our President and CEO, Eugene Jones to discuss the report. Mr Jones has accepted all of the Ombudsman's recommendations and has already begun to implement them.

Next week, we will be dealing with a number of important issues at City Council. I encourage you to come down to City Hall and follow along.

Be sure to listen to my weekly radio show on Newstalk 1010, on Sunday between 1 and 3 pm.

Please do not hesitate to contact my office or I, if we can ever be of assistance to you.

Yours truly,

Mayor Rob Ford

**OFFICE OF THE MAYOR**

Mayor Ford's Four Priorities:

1 Customer Service Excellence

2 Transparent & Accountable Government

3 Reduced Cost and Size of Government

4 Transportation City