

BUREAU OF MUNICIPAL RESEARCH

TORONTO'S CITIZENS CAN CONTROL TORONTO'S AFFAIRS ONLY
THROUGH FREQUENT, PROMPT, ACCURATE AND PERTINENT INFORMATION
WITH REGARD TO TORONTO'S BUSINESS.

137 WELLINGTON ST. W.
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TORONTO
CANADA

White Paper No. 205

May 16, 1935

The 1935 Budget Estimates of Current Revenues, Debenture Funds Used for Current Purposes and Expenditure Chargeable to Revenues

of the

CITY OF TORONTO

Budget Story No. 1

The total estimated net revenue (not including educational credits or reserves for deferred expenditures) from which the 1935 current appropriations were made was

\$35,490,328.

In addition there is to be borrowed by debenture issues for direct unemployment relief

\$3,260,000.

In order to make the total current expenditure comparable with 1932 and previous years, it is necessary to deduct from the total of the above two amounts \$1,017,124 debt charges on direct unemployment relief debentures, as the policy of funding relief expenditures did not begin until 1933. This gives a total of

\$37,733,204

which represents the total of estimated net current expenditures and the total amount (revenue and direct relief debenture fund proceeds) available for net current appropriations in 1935.

CITY OF TORONTO

Estimated Revenue, Estimated Proceeds from Relief Debentures for Revenue Purposes, Equivalent Mill Rates, etc.
1935 - 1934

(Based on Official Estimates for Each Year)

PURPOSE	Amount of Levy		Mill Rate		Assessment Basis	
	1935	1934	1935	1934	1935	1934
A.—TAXATION (Current)						
1. Education in Schools—Total.	\$10,892,729	\$10,614,615	10.50 P	10.10 P	\$1,015,409,940	\$1,026,062,674
Public School Supporters.....	10,122,980	9,839,737	15.00 S	14.95 S	964,093,329	974,231,352
Separate School Supporters.....	769,749	774,878			51,316,611	51,831,322
2. General Purposes—Total.	21,314,981	21,552,388	22.57	22.57	944,275,007	955,137,735
General (Less Unemployment Relief Deb. Debt Charges \$1,017,124 for 1935 and \$320,266 for 1934).....	19,465,159	19,622,796				
Deficits.....	1,849,821	1,929,592				
Special Services.....	1,793,649	1,742,958				
General.....	196,272	186,634				
3. Total Taxation.	32,207,710	32,167,003	33.07 P*	32.67 P†		
Gross (Less Unemployment Relief Deb. Debt Charges above).....	404,739	515,169	37.57 S*	37.52 S†		
Less Reserve for Uncollectible Taxes, etc.....			.43	.54		
Net (Less Unemployment Relief Deb. Debt Charges as above).....	31,802,971	31,651,834	32.64 P	32.13 P		
			37.14 S	36.98 S		
B.—TAXATION PASSED ON TO SUCCEEDING YEARS						
Total						
Estimated Proceeds from Relief Debentures for Revenue Purposes.....						
Administrative Charges on Direct Relief.....						
C.—REVENUE OTHER THAN TAXATION						
SOURCE						
Total Net Revenue Other than Taxation.						
General Revenue.....						
Waterworks Surplus.....						
Total Revenues, together with proceeds of sale of Unemployment Relief Debentures (less D.C. on Unemployment Relief Debentures for 1935).	3,260,000	3,201,548	3.45	3.35		
To reconcile with official estimates subtract net unemploy- ment relief expenditures so far as funded plus Relief Administrative Charges, and add Debt Charges on unemployment relief Debentures.....	3,260,000	2,849,895	3.45	2.98		
		351,653		.37		
Revenue for Collection in 1935.	37,733,204	37,283,392	38.92 P	38.02 P		
			43.42 S	42.87 S		
	—3,260,000	—3,201,548	—3.45	—3.35		
	+1,017,124	+320,266	+1.08	+1.08		
	\$35,490,328	\$34,402,110	36.55 P	35.00 P		
			41.05 S	39.85 S		

†Including Unemployment Deb. D.
C., 33.00 M and 37.85 M, the
current tax rates for 1934.*Including Unemployment Deb. D.
C., 34.15 M and 38.65 M, the
current tax rates for 1935.The figures for 1934 are the same
as in previous analysis White
Paper No. 197, except for Net
Unemployment Relief. The figure
used for estimated net unemploy-
ment relief, \$2,000,000, while not
included in the official total of
estimated current expenditure, was
given in the introduction to the
official estimates. The actual
amount was \$2,849,895, not includ-
ing administration charges of
\$351,653.

D.C.—Debt Charges.

P. Public School Supporters.

S. Separate School Supporters.

**Includes Deferred Expenditure Re-
serves withdrawn \$11,045.

CITY OF TORONTO

Estimated Expenditure and the Equivalent in Mills on the Assessment
(Based on Official Estimates)

Service	Amount of Expenditures (Est.)		Equivalent in Mills		
	1935	1934	1935	1934	1933
A. Education in Schools (Total)	\$10,891,325	\$10,616,027	10.50 P 15.00 S	10.10 P 14.95 S	10.30 P 14.85 S
1. Industrial.....	8,900	12,700	.009	.012	.013
2. Secondary.....	3,544,281	3,533,083	3.50	3.44	3.34
Technical.....	1,292,877	1,019,411	1.27	.99	1.20
Commercial.....	726,793	864,589	.72	.84	.63
Collegiate.....	1,524,611	1,649,083	1.51	1.61	1.51
3. Elementary.....	7,338,144	7,070,244			
Public.....	6,748,003	6,474,184	7.00 P	6.65 P	6.94 P
Separate.....	590,141	596,060	11.50 S	11.50 S	11.50 S
B. General Expenditures	\$24,992,058	\$24,737,773	26.467	25.899	24.336
Departmental					
Telephone Exchange.....	7,295	7,762	.008	.008	.008
Court of Revision.....	4,811	4,792	.006	.005	.005
Special Grants.....	71,481	64,900	.078	.068	.033
Audit Department.....	105,538	99,759	.112	.104	.103
Law Department.....	83,188	84,080	.088	.088	.086
City Council.....	108,250	114,845	.117	.120	.109
Dept. of Building.....	125,671	113,601	.133	.119	.117
City Clerk's Dept.....	146,156	292,885	.155	.307*	.161
Courts, Inquests, etc.....	311,120	295,220	.330	.309	.341
Assessment Dept.....	276,804	275,944	.293	.289	.279
City Planning Dept.....	53,096	49,522	.056	.052	.050
Treasury Dept.....	339,085	328,940	.359	.344	.338
Public Libraries.....	463,945	462,091	.492	.484	.479
Items at Large.....	922,089	1,085,640	.977	1.137	1.290
Health Dept.....	984,877	938,776	1.034	.983	.953
Property Dept.....	1,225,345	1,242,257	1.298	1.301	1.305
Parks Department.....	1,011,324	1,004,374	1.071	1.051	1.015
Works Dept.....	866,955	902,382	.919	.945	.932
Street Cleaning Dept.....	1,662,568	1,660,825	1.761	1.739	1.699
Police Dept.....	2,282,041	2,297,949	2.417	2.406	2.322
Fire Dept.....	2,563,157	2,572,430	2.714	2.693	2.590
Undistributed Debt Charges.....	6,289,306	5,654,985			
Less Direct Unemployment Relief Debt D. C.....	1,017,124	320,266			
Net Undistributed D. C.....	5,272,182	5,334,719	5.584	5.585	5.451
Welfare Dept.....	6,105,079	5,504,080	6.465	5.762	4.670
Current Appropriations.....	2,845,079	2,302,532	3.013	2.411	2.214
To be met out of Proceeds of Sale of Debentures.....	3,260,000	2,849,895	3.452	2.983	2.456
Relief Administrative Charges.....	—†	351,653*	—	.368	—
C. General Deficit	\$126,272	\$186,634	.124	.195	1.287
D. Deficits on Public Utilities and Special Services	\$1,723,549	\$1,742,958	1.697	1.825	1.961
Housing.....	9,025	15,010	.009	.016	.013
Abattoir.....	25,544	37,393	.025	.039	.022
Island Ferry.....	40,000	45,000	.039	.047	.051
Can. National Exhibition.....	208,043	193,681	.205	.203	.158
Royal Winter Fair.....	84,264	85,212	.083	.089	.090
Radials (In Liquidation).....	218,379	220,404	.215	.231	.228
Harbour Board.....	1,138,294	1,146,258	1.121	1.200	1.399
Total Revenue Expenditure (Est.)	\$37,733,204	\$37,283,392	38.926 P 43.426 S	38.019 P 42.869 S	37.884 P 42.434 S
To reconcile with official estimates subtract net unemployment relief expenditure.....	—3,260,000	—2,849,895	—3.45	—2.98	—2.45
and subtract Relief administrative charges.....	—	351,653*	—	.37	—
and add debt charges on unemploy- ment relief deb.....	+1,017,124	+320,266	+1.07	+.33	—
Current Expenditures to be charged to the Current Year's Revenues.....	\$35,490,328	\$34,402,110	\$36.55 I 41.05 S	\$35.00 P 39.85 S	35.43 P 39.98 S

*Later paid out of current funds. †Included under Welfare Department above.

*Includes Unemployment relief charges

COMMENT

1. On the basis of the methods of financing direct unemployment relief in 1932 this year's budget is unbalanced by over \$2,240,000 in that it provided that \$1,371,662 be paid out on account of direct unemployment relief, while it is estimated that \$3,614,538 will be spent.
2. The city is now paying over \$1,000,000 in debt charges on unemployment relief charges. If, in previous years, other expenses had been cut sufficiently to make possible the payment of a considerable proportion of direct unemployment relief costs out of current revenues, these debt charges, and therefore the total payments for direct unemployment relief, would not have been so large.
3. It is, to say the least, doubtful whether or not we are better able in 1935 to carry a \$37,700,000 budget than we were in 1930 to carry a \$33,700,000 budget; and it is still doubtful whether or not in 1940 we will be in a better position to carry a \$41,700,000 current budget than we are now to carry a \$37,700,000 current budget. Nevertheless we seem to be well on our way to that goal.

QUERY

If current expenditures continue to grow, and if assessed values continue to decline or remain stationary, a still further increase in the tax-rate must result. What effect would such an increase have on—

- a. Assessed Values?
- b. Accumulated Tax Arrears?
- c. Equities of citizens in their homes and in real estate in general?
- d. The ability of local industry and business to compete with outside firms?
- e. The incomes of citizens?
- f. The cost of living?

The One-Year Term for Members of City Council

"In the past the (Toronto) Council resembled the English model more closely than at present. From 1834 to 1866 it was made up as in England of aldermen and common-councillors sitting together. . . . The council's term of office has been usually one year; but between 1838 and 1849 it was two years, one-half of the aldermen retiring annually; from 1866 to 1873 three years, with a corresponding scheme of re-election."

S. MORLEY WICKETT
in "University of Toronto Studies"

"An(other) American usage which has crossed the border is the practice of electing the whole City Council every year. In England councillors are elected for three years and one-third retire annually. These councillors, in turn, choose a certain number of aldermen who serve for six years. This enables a certain measure of continuity to be given to municipal policy. In the United States, on the other hand, the idea of short terms, as a means of ensuring popular accountability, gained nation-wide vogue half a century or more ago, and Canadian cities were unwise enough to fall in with the procession. Most of them still maintain the practice of electing councillors for a one-year term, although the plan of annual election was found to work badly in American cities and has now been abandoned by nearly all of them."

WILLIAM BENNET MUNRO
in the Marfleet Lectures, 1929,