

BUREAU OF MUNICIPAL RESEARCH

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

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TORONTO
CANADA

White Paper No. 216

June 19th, 1936

Estimated Current Expenditures for 1936 of the City of Toronto

to be met out of (1) Taxation, (2) General Revenues, (3) Educational Grants, Surpluses, Credits, etc., (4) Reserves for deferred expenditures and (5) Proceeds of the issue of Direct Unemployment Relief Debentures, less Unemployment Relief Debt Charges (for comparison with 1932 and previous years when all Direct Unemployment Relief Expenditures were paid out of current funds).

Budget Story No. 3

Estimated Funds Available for Current Appropriations

1. (a) Net Tax Revenue for 1936 after allowing for uncollectible taxes, etc.....	\$32,333,302	
(b) Provincial Reimbursement re Abolition of Municipal Income Tax.....	1,212,067	
	<u>\$33,545,369</u>	
2. Other General Civic Resources.....	2,751,297	
3. Educational Grants, Surpluses, Credits, etc.....	786,253	
	<u>\$37,082,919</u>	
4. 1935 Surplus Available for appropriation.....	116,196	
5. Reserve for deferred expenditure brought forward.....	32,538	
	<u>148,734</u>	
<i>Total Amount of Current Funds Available for Current Appropriations.....</i>	<u><u>\$37,231,653</u></u>	

Estimated Current Expenditures

Appropriations from 1936 revenues (other than debt charges on Direct Unemployment Relief Debentures).....	\$35,642,595	
Appropriations from revenue reserves brought forward from 1935.....	32,538	
Appropriations from 1935 surplus.....	116,196	
	<u>\$35,791,329</u>	
Appropriation for Debt Charges on Direct Unemployment Relief Debentures.....	1,440,324	
<i>Total Appropriation to be met out of Current Revenues.....</i>	<u><u>\$37,231,653</u></u>	
Estimated Current Expenditure to be met out of proceeds of Direct Unemployment Relief Debentures.....	\$2,341,360	
Less (for purposes of comparison with previous years) debt charges on Direct Unemployment Relief Debentures included above.....	<u>1,440,324</u>	
	<u>\$ 901,036</u>	
<i>Total Estimated Current Expenditure for 1936.....</i>	<u><u>\$38,132,689</u></u>	
<i>Net Estimated Deficit on Current Account for 1936.....</i>	<u><u>\$901,036</u></u>	

This is by far the most nearly balanced civic budget since 1932. The estimated deficit for 1936 is much less than half of that for 1935. May a balanced budget for 1937 be hoped for?

Estimated Current Expenditure out of Taxation, Grants, Surpluses, Credits, Other General Revenues, and Proceeds from the Sale of Short Term Debentures issued to meet the net cost of Direct Unemployment Relief for the Years 1930 to 1936 (both inclusive).
Analyzed according to the Objects of Expenditure Entering into the Cost of the General Functions of the Municipal Government (See Story No. 2 in this Series.)

OBJECT OF EXPENDITURE	TOTAL							PER CAPITA*						
	1936	1935	1934†	1933	1932	1931	1930	1936	1935	1934	1933	1932	1931	1930
Salaries and Wages and Other Payments for Personal Services.....	\$18,191,790	\$18,410,901	\$18,261,816	\$18,025,079	\$18,852,387	\$18,659,092	\$18,076,871	\$28.20	\$28.84	\$29.02	\$28.91	\$30.08	\$29.75	\$29.08
Other Expenses, including unclassified Welfare Expenses, less Direct Relief Debt Charges.....	11,171,128	11,926,606	12,666,439	13,405,430	11,181,919	11,202,753	9,976,278	17.33	18.68	20.13	21.50	17.85	17.86	16.05
Debt Service.....	8,769,772	8,413,017	7,785,661	7,464,002	7,350,557	7,411,177	6,662,214	13.59	13.19	12.37	11.97	11.74	11.81	10.72
(a) Interest.....	4,067,275	4,211,955	4,236,447	4,244,444	4,139,629	4,122,266	3,888,667	6.30	6.59	6.73	6.81	6.61	6.57	.....
(b) Debt Retirement.....	4,702,497	4,201,062	3,549,214	3,220,298	3,216,128	3,288,911	2,773,547	7.29	6.60	5.64	5.16	5.13	.....	.....
Capital Outlay.....	.....	.....	.....	.....	182,539	213,403	491,414	.....	.....	.....	.....	.29	.34	.79
TOTAL.....	\$38,132,690	\$38,750,524	\$38,713,916	\$38,895,251	\$37,572,602	\$37,486,425	\$35,206,777	\$59.12	\$60.71	\$61.52	\$62.38	\$59.96	\$59.76	\$56.64
Amount net cost of Direct Relief met or to be met from Proceeds of Debentures, as follows.....	\$901,036	\$2,242,876	\$2,529,629	\$2,388,552	Nil	Nil	Nil	\$1.40	\$3.51	\$4.02	\$3.83	Nil	Nil	Nil
Proceeds of Debentures.....	2,341,360	3,260,000	2,849,895	2,400,791	Nil	Nil	Nil	3.63	5.11	4.53	3.85	Nil	Nil	Nil
Less Debt Charges on Debentures.....	1,440,324	1,017,124	320,266	12,239	Nil	Nil	Nil	2.23	1.60	.51	.02	Nil	Nil	Nil
Current Expenditure to be met out of Current Revenue.....	\$37,231,654	\$36,507,648	\$36,184,287	\$36,506,699	\$37,572,602	\$37,486,425	\$35,206,777	\$57.72	\$57.20	\$57.50	\$58.55	\$59.96	\$59.76	\$56.64
Population (actual).....	645,000*	638,271	629,285	623,562	626,674	627,231	621,596	.....	.....	.....	.....	.....	.....	.....

*The 1936 population is the City's estimate, and 1936 per capita are based thereon. In all other years the per capita are based on the actual population.

†White Paper No. 200 used the \$2,000,000 estimated Unemployment Relief total mentioned in the introduction to the 1934 estimates, but not included in the Estimates proper.

In order that one year might be comparable with the others, the approximate actual figures given in the 1935 Estimates were used in White Paper 208 and in this Paper, viz. \$3,201,548, of which \$351,653 represents administrative charges finally met out of current funds, and the remainder \$2,849,895, met out of proceeds of debenture sales. \$234,752, representing the salary portion of these administrative charges, are now included in total salaries. The relative approximate debt charges were \$320,266.

COMMENT AND QUERY

1. It is to be noted that there is a further increase in the debt service, the greatest, with one exception, since 1932 and that the total exceeds that of 1930 by over two million dollars or over 31%.
2. It is to be noted that there is a decrease in estimated salaries, wages, etc. of \$219,111. Of this the largest part was in the Board of Education estimates. This is the first decrease of the total in three years. We still pay more for salaries and wages than in 1930. Are we getting more and better services than in 1930? Are the citizens on the average better able to pay for services than in 1930?
3. In 1927 at considerable expense the City obtained a classification of civic services which established maxima and minima for civic salaries and wage schedules. The Board of Education also has schedules.† The Board has preserved its schedules, making reductions after scheduled increases have been made. For the most part the City has stopped increases and applied reduction percentages on existing rates. (In 1935, there was temporary resumption of the increments for that part of the civic staff which would have received increments

† For teachers only.

in 1932). It is easy to see that the method followed by the Board of Education is the more just. It is also true, but not so easy to see, that it is best calculated to preserve employee morale and is therefore in the best interests of taxpayers and citizens. This policy also makes it more difficult to hide the facts as to total net decreases and therefore to play local politics. In White Paper No. 181, Jan. 23rd, 1933, the Bureau made the following suggestion:

"If and when a cut in civic rates of pay is decided upon, would it not be well to consider the advisability and justice of restoring the schedules of the civic salary survey, and after making the indicated increments,* applying whatever percentage or percentages may be necessary to bring the total estimated expenditures within the determined limits? How else can equality of sacrifice be obtained?"

Is not a study of the civic personnel overdue, not only for the purpose of revising schedules, but to see what services are undermanned and what overmanned?

* So far as these were put into effect.

For over twenty-two years the Bureau of Municipal Research has maintained a service of independent fact telling and suggestion to the citizens and taxpayers of Toronto. Under present conditions it is impossible for an individual unaided to devote the time necessary to keep in touch with the actual tendencies in municipal affairs. The Bureau offers a real opportunity to citizens to co-operate effectively in civic government by helping to maintain an independent fact finding agency of constructive criticism which is so necessary for citizen control of the citizens' business.