

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.

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Why a Board of Control and City Council?

A good many Toronto citizens have begun to wonder why. The observations that some members of the City Council made about one another during budget-making time did not tend to diminish the wonder. Neither did turning over the determination of the final size of appropriations on a pro rata basis to the Finance Commissioner dissipate it.

RESPONSIBILITY FOR THE BUDGET

Most citizens who think about it at all, think of the Aldermen, Controllers and Mayor as their trustees elected to administer their affairs in the interests of all citizens.

The most important single public act they perform each year is to prepare and pass the Annual City Budget, or estimates of Revenue and Expenditure, with appropriations for the various civic services. This is the financial and work plan for the year through which the Board of Control and Council control the current expenditure of the Corporation. It embodies the city's official policy, and since the City Council, including the Board of Control, is the city's official policy-forming body, it should be completed by it officially.

It is quite improper to leave to appointed policy-carrying-out officials any part of the decision, even arithmetical, as to appropriations. It may be legal, but it is nevertheless thoroughly unsound. It is unfair to any official whose responsibility it is not. It is unfair to citizens, who elected the Board of Control and Council for certain duties and responsibilities because it is an abdication of those duties and responsibilities. It is unfair to citizens also in that departments are to be cut pro rata irrespective of demands of efficiency. If cuts in appropriation of \$170,000 can properly be left to an application of a ratio by an executive official, cuts of \$1,700,000 and of \$17,000,000 can be so left. In fine, the Board of Control and City Council could fix the tax-rate and leave appropriations to the Finance Commissioner, with instructions possibly as to the proportions to be given to each department on the basis of departmental estimates, so long as he is not ordered to inflate estimated revenues other than taxation.

The motion on which was decided the Council's policy as to the Estimates Report of the Board of Control reads as follows:

"That the report as amended be not now adopted but that it be further amended by reducing the total estimates by the sum of \$170,000 and that the Finance Commissioner be instructed to **revise the revenues as he deems advisable** and deduct the **balance** necessary pro rata from each department in proportion which the departmental estimates shall bear to the total estimates."

In 1915 the following resolution, based on a Board of Control report, was passed by the City Council:

RESULTS OF BUDGET MAKING IN 1942.

"It shall be the duty of the City Treasurer to estimate the revenue for the year for submission in the annual estimates, and the estimate of that officer shall not be varied by the Board of Control or Council."

Now the instruction to the Finance Commissioner who is also the City Treasurer to **revise the revenues** as he deems advisable, means something or it means nothing. The use of the word "balance" implies, one would think, at least a hope that the revenue would be revised upward as subtracting a "0" does not change a balance. If the phrase "as he deems advisable" nullifies the "instructions", why use time, paper and ink to record a nullity unless a more intangible end were in view?

In any event the Finance Commissioner did not "deem it advisable" and if in future years the elected authorities wish to cut taxation by overestimating general revenue they will have openly to reverse the policy adopted in 1915.

At the beginning of a budget-making period, the 1942 Board of Control had handed to it on a platter as a head start increased revenue items other than taxation as follows:

Increased general surplus	\$542,739
Increased public utility surplus	270,181
Increase in general revenues	124,821
	\$ 937,741
At the same time it had the advantage of decreased debt charges	\$875,129
and decreased deficits on Public Utilities and special services	117,152
	992,281
	\$1,930,022

This was a total advantage of \$1,930,022, or over 2.2 mills on the general tax rate, an advantage to the creation of which this year's Board of Control had contributed nothing. An unfavourable item is the reduction of the rate of the Government's relief grant from 75% to 50% of admissible items, announced after the beginning of the city's budget-making period, and necessitating an equivalent reduction in appropriations if the balance were to be preserved.

The provision for the cost of living bonus was another such item. There was also the slight reduction of .05 mills in both School Board rates.

The final reduction in the tax rate was a net of 2 mills. It is therefore difficult to see what real retrenchment was effected by the 1942 budget.

If, after one or two years of inquiry into departmental administration, and three months of intensified and itemized inquiry the Board of Control and City Council could produce nothing better than the 1942 budget **in wartime**, what can be expected of ordinary citizens? Decreased debt charges, etc., are not, in wartime particularly, an invitation to increase civic services, but a challenge to **increased retrenchment** in the interests of war services.

To state that the 1942 budget is a wartime budget, involving real sacrifice, pays small compliment to the intelligence of the public who read the press and have some idea of what sacrifices are being made elsewhere. The current budget plan for 1942 was not passed until three months out of twelve had passed.

Year	Date of Adoption of Budget.
1931.....	February 25th.
1932.....	March 3rd.
1933.....	March 14th.
1934.....	March 6th.
1935.....	March 23rd and 25th.
1936.....	March 19th.
1937.....	March 12th.
1938.....	April 1st.
1939.....	February 15th.
1940.....	March 9th.
1941.....	March 14th.
1942.....	March 31st (unfinished).

(Notice progress backwards 1939-1942).

If the Board of Control and Aldermen do not know where most safely and justly \$170,000 may be cut from appropriations, who does?

Council members are to be paid in 1942 \$53,700 as trustees of the citizens and to know or find out how public funds are to be raised, allocated, and expended. Perhaps the quest to find \$170,000 should start there.