

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, 1
CANADA

White Paper No. 291

May 18th, 1944

TORONTO BUDGET FOR 1944 Current Revenue and Expenditure.

Where the Money Comes From,
and where the Money Goes To.

Story No. 1

These figures contain a story that con-
cerns everyone. They will repay study.

SOME HIGH SPOTS

(A) General and School Tax Levy

	1944 (Estimated)	1943 (Approx. Actual)	Increase
Total (gross).....	\$29,927,310	\$29,016,682	\$910,628
Per Capita.....	\$44.01	\$43.03	\$0.98 (2.28%)
Per Average Family (4.75).....	\$209.05	\$204.39	\$4.66

(B) Tax Rates

	1944	1943	Increase
(P.S.S.).....	32.85 (Mills)	31.60 (Mills)	1.25 (Mills)
(S.S.S.).....	36.55 (Mills)	35.70 (Mills)	0.85 (Mills)

(C) Appropriation for post-war rehabilitation Reserve Fund.....

Nil

Affecting General (D) Increases in salaries and wages..... \$776,000

Tax Rate (E) Decrease on account of current maintenance
expenditure other than salaries and wages.. \$134,000

(F) Ability to bear Taxation as measured by Assessment

	1944	1943	Decrease
General Assessment..	\$879,208,739	\$883,954,523	4,745,784*
School Assessment...	951,762,565	956,257,486	4,494,921*

(G) Provincial Government Subsidy increased from 1 to 2 Mills on the general Assessment, accounting for a smaller increase in the tax rate than that given in the draft estimates.

*Due largely to suspension of the municipal tax on corporation investment income.

WHERE THE MONEY COMES FROM ESTIMATED CURRENT REVENUE, 1944

A. Total from Sources other than Local Taxation, as under:.....	\$ 4,858,819
1. General: Fines, Provincial Grants for Schools and Libraries, Licenses, Rents, Special Charges, etc.....	\$ 2,555,764
City.....	\$1,742,714
Board of Education (Net).....	\$ 769,033
Public Library Board (Net)...	\$ 44,017
2. Special Services: Water Works Surplus.....	544,639
3. Provincial Subsidy of 2 mills on general assessment.....	1,758,416
B. Total from Local Taxation, as under:.....	\$29,925,768
1. Supplementary Revenue from Taxation.....	\$ 245,117
2. Tax Levy Net.....	\$29,680,651
C. Surplus brought forward from 1943.....	\$ 148,096
Total estimated revenue and surplus.....	<u>\$34,932,683</u>

NOTE

1. In addition there were L. I. Rates—Ratepayers Share amounting to \$572,381.

WHERE THE MONEY GOES TO 1944 ESTIMATES

ESTIMATED EXPENSE

Overhead		
Debt Charges, General, (Less Library D.C.).....	\$ 4,856,772	
At large.....	1,421,240	
Courts.....	300,359	\$ 6,578,371
Administrative Departments, as under.....		\$ 1,256,886
Assessment Department.....	\$ 273,200	
City Clerk's Department.....	154,926	
City Planning and Surveying Dept....	72,136	
City Audit Department.....	105,305	
Law Department.....	90,432	
Mayor's Office.....	13,712	
Treasury Department.....	382,687	
City Council—General.....	131,515	
City Council—Grants.....	32,973	
Protective Departments, as under.....		\$ 7,972,269
Public Welfare Department.....	\$ 2,448,471	
Health Department.....	1,123,033	
Police Department.....	2,478,429	
Fire Department.....	1,922,336	
Service Departments, as under.....		\$ 5,055,235
Department of Buildings.....	\$ 164,818	
Parks Department.....	953,147	
Property Department.....	915,219	
Street Cleaning Department.....	2,066,360	
Works Department.....	955,691	
Education Expenditure (Inc. D.C.), as under.....		\$13,174,316
Board of Education.....	\$11,214,115	
Separate Schools.....	509,026	
Public Libraries.....	638,125	
Educ. Exp. (Including Public Library) from Government Grants and other general Revenues.....	813,050	
Deficits and Deficiencies on Special Services.....		\$ 895,606
Total.....		<u>\$34,932,683</u>

OBSERVATIONS

1. It is inconceivable that the members of the 1943 City Council (or the majority of Council) did not know what they were doing to the 1944 budget.
2. The Mayor is the same as last year. Three out of four Controllers are the same. Eleven out of eighteen Aldermen are the same.
3. Probably no one outside of the City Hall knows how much the physical plant of the City had deteriorated in the last five years, or how much of it has been left too long without adequate repairs.
4. Possibly one on the inside would know quite the contrary, but it is difficult for a taxpayer on the outside to believe that the 1944 budget provides adequately for upkeep. At any rate there is an estimated decrease in current maintenance expenditures other than salaries and wages.
5. The time to consider salary increases is budget time. If such increases have been granted in previous years, the time to consider them is still budget time this year.
6. Salary increases and adjustments, other than for uniformed forces which already have their grades, should be based on a thorough classification of positions, and examination of the incumbents of such positions. Flat percentage increases granted to all pay no attention to classification or efficiency, and reward alike the competent and the incompetent, those who have reached the maximum and those who may have been kept at the minimum for years. The last overall classification was made in 1926 and has fallen into "innocuous desuetude".
7. No City Council can dodge responsibility for producing a sound budget by blaming their failure to do so on preceding Councils.
8. At least some members of a Council elected for one year, even if Council is substantially the same as that of the preceding year, are almost certain to attempt to "get out from under" their votes, in the preceding year. Their attitude is that 1943 is one year, but 1944 is quite another. "Forget it". "Let the dead past, bury its dead".
9. It is entirely probable that if the present budget had been published by December 1st, 1943, and discussed in the civic election campaign, it would have emerged from the January, February and March, (1944) discussion's of the Board of Control, Committees and Council a quite different document.
10. There is little or no evidence in the present document that the members of the City Council and Board of Education, as a whole, are solicitous about either large or small taxpayers, or citizens who pay taxes indirectly.

QUERIES

1. The chief reason given for freezing salaries and wages was that it was necessary to control inflation. Why does the increase in wages and salaries of civic employees not cause inflation, while an increase of salaries and wages of their employers might?
2. If citizens and taxpayers should help civic employees to meet the increased cost of living, who should help the citizens and taxpayers to meet the increased cost of living?

FROM THE INTRODUCTION OF THE 1944 ESTIMATES

I am confident the City's Administration is fully aware of the necessity of planning now in order to assist in providing as much employment as possible in the post-war period. As a result of adherence to the very wise policy of restricting new capital authorization in the past difficult years to absolutely minimum requirements, the City has placed itself in a strong position to finance a reasonable amount of post-war capital undertakings by debenture issuance. The fact must not be overlooked, however, that in addition to capital requirements, proper planning for the post-war period also involves consideration of how best to overtake a large amount of deferred maintenance work, which must be financed as current expenditure by the tax levies of the respective post-war years, unless funds are accumulated during the preceding war years for that purpose. Having regard to the urgency for affecting such deferred maintenance work, as soon as possible after the termination of the war, concurrent with an almost certain demand for the restoration of regular City services to former standards, if not for higher standards, and to the uncertainty as to the post-war ability of City taxpayers to then meet increased taxation demands, it would appear to be but wisdom to establish at the earliest opportunity a special post-war rehabilitation reserve fund. Statutory provision was made in April 1943 permitting municipalities to create such a reserve fund with the approval of the Department of Municipal Affairs. Up to the present time some forty-five Ontario Municipalities have established such a fund.

Respectfully submitted,

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COMMISSIONER OF FINANCE

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