

# BUREAU OF MUNICIPAL RESEARCH

Monthly



Letter

137 WELLINGTON STREET WEST, TORONTO

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Citizens of Toronto:

## 1. Assessment

The basis for determining the share of the tax levy to be paid by each taxpayer for any one year is, of course, the taxable assessment for that year. If this assessment is inequitable as between taxpayers, the distribution of the tax levy among taxpayers is inequitable.

This principle has been recognized for many years, not only by taxpayers, but by the Board of Control and Council.

Yet the recent report of the Chairman of the Board of Assessors to the Board of Control of the results of a "spot" survey reveals serious inequity in valuation for taxation purposes and a lack of the orderly procedure which has been well known to assessors elsewhere for many years.

It is evident that this condition did not develop at once. It must have behind it a long history of ineptitude and disregard in practice of equitable principles.

Former Boards of Control and City Councils knew, or should have known, the facts; yet they did nothing about them and thus disregarded the interests of the voters who elected them and of those voters who did not vote but might have voted. In the last analysis, the responsibility has rested with the voters and it is just and right that the taxpayers of past years should have borne the as yet unknown results of inequitable assessment due to their lethargy.

If the 1948 taxpayers are not to suffer similarly, they must urge their elected representatives to see that the projected reassessment is carried out completely. There is no good crying over spilled milk. Until substantial progress is made on revaluation it cannot be said definitely whether residential property is over assessed or under assessed in relation to business property. It is not the purpose of the revaluation to increase the total taxable assessment so as to decrease the tax rate; but revaluation should give a fair deal to all. If it results in a greater aggregate assessment, the tax rate should be cut as a matter of course. This is no time to freeze the 1948 tax rate. If anything is to be frozen, it is the expenditure.



The work of assessment is a current operation and the costs are current costs. Current assessment expenditures, which should have been made in past years, have piled up until the City is now faced with an addition to the normal expenditure for assessment of about \$500,000. Just as the current relief expenditures should not have been funded, no part of this sum for assessment expenditure should be funded. The exact costs incurred in any one year should be taken care of by that year. Any other procedure will lead in the end to greater costs than necessary.

The present Board of Control, having become convinced that something drastic had to be done, appointed a board of Assessors of three members (now reduced to two by retirement) and for this step they deserve full credit. This Board should be a help during the period of revaluation. An assessment Commissioner familiar with modern methods was appointed, the assessment offices were or are being remodelled at an expense (with equipment) of about \$30,000, the real estate branch was transferred to the Real Estate Division of the Treasury Department and, after a "spot" check, the Board of Assessors reported to the Board of Control and Council. That the Board of Assessors means business is indicated by their report and progress report contained in Report No. 35 of the Board of Control, Oct. 14, 1947.

As the Board of Assessors was made responsible for the making of the assessment, to have jurisdiction over the Assessment Department and the assessors, etc., presumably the Board is now executive head of the department, not the Assessment Commissioner as heretofore. At the present time there is in effect one lay head and one professional head pending the appointment of the third Board member. The Commissioner is one of the two present members of the Board of Assessors. It is to be hoped that when the emergency is past and the new system installed the practice in straight city departments by which a single administrative head is responsible to the Board of Control and Council will be restored in the Assessment Department. It would certainly be most unfortunate if a similar Board creating a division of authority were to be established in any other department.

## 2. Decline of the Board of Control

The Board of Control for some years after it was set up, seemed to give satisfaction. "A new broom sweeps clean." As time went on cracks began to appear in the shiny surface; but only this year did it become obvious that it was not fulfilling the function for which it was intended, namely (as described in the City Manual) an executive committee of Council, although not appointed by Council. It is in the Council, but in a sense, not of it.

When the proposal was put forward for the appointment of a new official who would be a Coordinator of Services, one of the Controllers suggested that if the appointment were made the salaries of the Board of Control should be reduced. He had something there.

The reason why the idea of a Board of Control has failed is because it is unsound to begin with. Executives should be appointed, not elected. As a general rule the only expert who can be elected is an expert at getting elected.



At the same time, the Board of Control exists. It can do much in the way of coordinating the departments where necessary without the creation of a new officer and a new office. It not only has the responsibility but adequate power. It is encouraging to note that the Board is organizing for increased action. The meeting of department heads regularly, as an advising committee, should also be helpful.

The only important feature of the Board of Control which is good is that it is elected at large, a very great advantage for the executive committee of Council, in which all the Aldermen are elected by ward. The importance of a city-wide point of view in Council is obvious. As in many important matters recommendations of the Board of Control cannot be rejected except by a two-thirds majority of Council, of which the Controllers are members, further emphasis is given to the city-wide point of view. But as one alternative could the same result be not obtained by having the Mayor elected at large, as at present, and nine Aldermen elected at large and nine by wards for alternating two-year terms? Then the undemocratic two-thirds majority rule could be abrogated. A further desirable result would be that council membership would thereby be cut from 23 to 19. It would also enable Council to appoint from the nine members elected at large, with an assured term of two years, a finance executive committee responsible to itself alone. All this would require, of course, amendments to the Municipal Act, but the result would be worth the trouble.

The salary paid to each controller is not a merely nominal payment, notwithstanding what is reported to have been said by one Controller. Many voters would be glad to have \$5,000 a year even if a token payment.

Is it better to pay \$20,000 a year for four elected Controllers or a like sum for a fully qualified, full time executive appointed for an indefinite period subject to good performance and behaviour?

Respectfully submitted,

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