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EXPENDITURES FOR NON SELF-SUSTAINING FUNCTIONS AND SERVICES-- TORONTO AND SIX MAJOR CANADIAN CITIES

This analysis is a follow-up to News Brief #106 (April, 1967) which dealt with sources of current revenue for the same seven Canadian cities (the largest city in each non-Maritime province and Halifax). In #107 the Bureau presents the expenditure side of municipal ledgers in 1965. As can be seen from the Tables, city-to-city variations are again rather wide.

Before presenting the figures, it would be wise to emphasize the limitations of an inter-municipal comparison of expenditures. These limitations stem in part from the following factors:

- (1) The quality of services is not taken into consideration;
- (2) Judgment had to be exercised to achieve classification uniformity (this posed a particular problem in segregating Health from Welfare, and Public Works from Sanitation and Waste Removal);
- (3) In Montreal and Edmonton, relatively substantial expenditures could not be allocated to a function or service;
- (4) Special treatment was required for Toronto and Winnipeg, due to the existence of Metro governments (see footnote to Table II for technique used to take Metro-level expenditures into consideration); and, of utmost importance,
- (5) The differing degree to which provincial governments provide, or assist in providing, some of these services and functions is largely responsible for city-to-city variations.

Table I indicates that Toronto's total per capita expenditure of \$290.22 is considerably higher than the \$185.85 average of the other six cities. Their range is from \$172.28 (Vancouver) to \$196.31 (Winnipeg). Toronto exceeds all cities in General Government, Sanitation & Waste Removal, Public Welfare, Education, and Debt Charges, as well as exceeding the average in Protection to Persons and Property, Conservation of Health, Recreation & Community Services, and Reserves, Allowances & Transfers. Only in Public Works expenditures does Toronto fall below the per capita average.

It is interesting to note that Winnipeg is next highest in total expenditures. Here is where the factor of quality and scope of services is felt, with Metro programmes supplementing those of the local levels in Toronto and Winnipeg. This is augmented by the demands within Metro governmental units to achieve a level of services equal to the highest level provided by any one member unit of the Metro government.

Figures in Table II tend to disprove the scale/expenditure hypothesis--i.e. that per capita expenditures increase as cities increase in population. Although the seven cities in this analysis range in population from 93,800 to 1,420,000, there is not a discernible parallel in any category of expenditure between population size and per capita expenditure.

TABLE I

1965 PER CAPITA EXPENDITURES BY FUNCTION AND SERVICE--
TORONTO, THE AVERAGE OF THE OTHER SIX CITIES, AND THEIR RANGE

<u>FUNCTION OR SERVICE</u>	<u>PER CAPITA TORONTO</u>	<u>PER CAPITA AVERAGE</u>	<u>PER CAPITA OTHER SIX CITIES</u>	
			<u>LOWEST</u>	<u>HIGHEST</u>
General Government	\$18.06	\$ 9.98	\$ 8.01 Vancouver	\$12.50 Montreal
Protection to Persons & Property	36.99	31.85	26.45 Regina	40.19 Vancouver
Public Works	11.45	12.30	8.52 Vancouver	20.52 Montreal
Sanitation & Waste Removal	15.36	7.87	5.76 Halifax	10.08 Montreal
Conservation of Health	7.37	4.21	2.33 Vancouver	9.38 Halifax
Public Welfare	22.41	7.42	2.94 Montreal	13.57 Winnipeg
Education	97.47	59.86	51.60 Halifax	82.04 Winnipeg
Recreation & Community Services	14.35	10.78	6.54 Montreal	14.63 Regina
Debt Charges	48.82	29.76	14.98 Winnipeg	38.27 Halifax
Reserves, Allowances & Transfers	3.04	2.37	0.64 Halifax	4.36 Regina
Miscellaneous *	14.90*	6.04*	0.58*Vancouver	12.84*Regina
Unallocated **	0.00	---**	---**	---**
TOTALS	\$290.22	\$185.85	\$172.28 Vancouver	\$196.31 Winnipeg

* These figures are distorted by the lack of uniformity in reporting and by the varying degree of effort made to allocate certain expenditures to their proper category. Because Toronto uses a highly refined classification, what appears to be a high per capita figure for miscellaneous purposes (\$14.90) can be reduced to less than \$2.00--by subtracting \$8.85 per capita for capital expenditures from current revenue and \$4.08 for uncollected taxes. This is also true for Montreal, where a total of \$4.65 of the \$6.91 per capita miscellaneous expenditure was made for these same two purposes. (See Table II.)

** Not presented, since figures exist for Montreal and Edmonton only (and distort per capita distributions in each case). These figures, which may be found in Table II, account for the \$3.41 per capita difference in the total of the Average column. The Lowest and Highest columns should not be totalled.

TABLE II

EXPENDITURES FOR NON SELF-SUSTAINING FUNCTIONS AND SERVICES--TORONTO AND SIX MAJOR CANADIAN CITIES
(Actual Amount and Estimated Amount Columns in \$ Millions for Fiscal Year Ending Nearest December 31st, 1965)

FUNCTION OR SERVICE	TORONTO*		MONTREAL		VANCOUVER		EDMONTON		WINNIPEG*		REGINA		HALIFAX	
	Actual Amount	Per Capita	Est'd. Amount	Per Capita	Actual Amount	Per Capita	Actual Amount	Per Capita	Est'd. Amount	Per Capita	Actual Amount	Per Capita	Actual Amount	Per Capita
General Gov't.	\$11.83*	\$18.06	\$17.75	\$12.50	\$ 3.30	\$ 8.01	\$ 3.18	\$ 8.88	\$ 2.78*	\$10.90	\$ 1.28	\$ 9.97	\$ 0.90	\$ 9.59
Protection to Persons&Property	24.23*	36.99	40.30	28.38	16.56	40.19	10.19	28.46	7.98*	31.29	3.40	26.45	3.41	36.35
Public Works	7.50*	11.45	29.14	20.52	3.51	8.52	3.14	8.77	2.87*	11.25	1.71	13.31	1.07	11.41
Sanitation&Waste Removal	10.06*	15.36	14.32	10.08	3.09	7.50	2.60	7.26	2.11	8.27	1.07	8.33	0.54	5.76
Conservation of Health	4.83*	7.37	3.77	2.65	0.96	2.33	1.64	4.58	0.72	2.82	0.45	3.50	0.88	9.38
Public Welfare	14.68*	22.41	4.17	2.94	2.21	5.36	2.15	6.01	3.46	13.57	1.12	8.72	0.74	7.89
Education	63.84*	97.47	77.32	54.45	22.78	55.29	20.23	56.51	20.92	82.04	7.62	59.29	4.84	51.60
Recreation&Community Services	9.40*	14.35	9.29	6.54	4.79	11.63	4.00	11.17	2.97*	11.65	1.88	14.63	0.85	9.06
Debt Charges	31.98*	48.82	43.11	30.36	12.32	29.90	12.42	34.69	3.82*	14.98	3.90	30.35	3.59	38.27
Reserves,Allocations&Transfers	1.99	3.04	2.32	1.63	1.18	2.86					0.56	4.36	0.06	0.64
Miscellaneous	9.76*	14.90	9.81	6.91	0.28	0.68	0.64	1.79	2.43*	9.53	1.65	12.84	0.49	5.23
Unallocated			<u>17.71</u>	<u>12.47</u>			<u>4.30</u>	<u>12.02</u>						
TOTALS	\$190.08*	290.22	269.01	189.44	70.98	172.28	64.50	180.15	50.06*	196.31	24.64	191.75	17.37	185.18

* Expenditures of the Metro Corporations of Toronto and Winnipeg have been allocated, on a population basis, to each category in order to indicate total expenditures. The * indicates that Metro-level expenditures have been so allocated. Where Metro-level expenditures were incurred, 36.1% of them were added to Toronto figures and 51.5% to Winnipeg figures, these being the respective percentages of total Metro populations residing in the respective cities. In each case, such allotted Metro level expenditures approximated Metro levies paid by the cities.

SOURCES: Prepared from current budgets and financial reports of municipalities. Different expenditure classifications required some transferring to achieve uniformity.