



**Canadian Union of
Public Employees**

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- Nurses & Paramedical
Units
- Service Units

City of Toronto
- Full-Time
- Long-Term Care Homes
& Services Part-Time
- Recreation Workers
Part-Time
- Unit B Part-Time

*Toronto Community
Housing Corporation*

**SERVING OUR
MEMBERS
SINCE
1942**

September 3, 2013

Frank Di Giorgio
Chair and Members of the Budget Committee
10th floor, West Tower
City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear Councillor Di Giorgio and Members of the Budget Committee:

RE: BU43.2 – Operating Variance Report for the Six Month Period Ended June 30, 2013

Yes there is going to be another Budget surplus in 2013, but it comes at quite a price.

That price is a service deficit. The City is facing a growing social infrastructure deficit. We are one of the fastest growing cities in the Western world yet the services we need to provide to youth at risk, parents, newcomers and our most vulnerable citizens are failing to keep up. Services are not meeting community needs.

Almost every page of the Staff Report before you today cites budgetary under-expenditures arising from vacant positions. Division after Division have been put through a make-it or break-it budget cutting exercise that totally undermines sustainable service levels and activities. Under-expenditure means that the residents of Toronto are being under-served.

Some examples from the Staff Report:

“City Planning is forecasting net under-spending of \$3.696 million or 25.6% primarily due to salary and benefit savings from vacancies that have not been filled and higher development application user fee revenue.”

“Shelter, Support and Housing Administration (SSHA) experienced net under-spending of \$0.389 million or 0.5% for the six-month period ended June 30, 2013. The net under-spending was primarily the result of savings in salaries and benefits from vacant positions.”

“Toronto Public Health is projecting a year-end variance of \$1.000 million or 2.0% under the 2013 Approved Net Operating Budget due to savings in salaries and benefits arising from vacancies that have not been filled.”

“Toronto Building is projecting net under-spending of \$2.500 million or 22% based largely from savings in salaries and benefits from staff vacancies.”

“Rate Supported Programs collectively project net under-spending of \$10.315 million or 16.3% at year-end. This under-expenditure is primarily due to salary and benefit savings arising from vacancies that have not been filled and hydro efficiencies for Toronto Water of \$17.105 million or 1.8%.”

As we move into the 2014 budget cycle starting in the month of September, these same Divisions will be subjected to a review of service levels and standards prior to consideration of the annual Capital and Operating Budgets. How can the Divisions provide services to the people and communities of this City when they are so squeezed for resources that they have to come up with divisional 'savings' by not filling vacancies? What we really need to inform the 2014 Budget is a Community Needs Assessment.

When the 2013 Budget was passed at Council filling the huge number of vacant jobs was clearly identified by City Councillors as a priority for the City in order to deliver the services people need. What happened to the urgency of filling all these vacancies? The Staff Report shows 2,542.6 positions remain vacant since the 2013 Budget was adopted.

Throughout the Staff Report the refrain is the same – vacant positions, workforce gapping, under-expenditure, delays, positions not filled, delays in the payment of grants, savings arising from ongoing vacant positions ... This is no way to run a City. This is certainly no way to build a City.

The surplus is a direct result of four revenue sources: the Municipal Land Transfer Tax, the Third Party Sign Tax and the Woodbine Racetrack Slot machines and salary savings through gapping. It is pure folly at this point that the City's Budget Committee has been charged with the responsibility of cutting the Land Transfer Tax by 10%, cutting back on an ever-growing revenue stream at a time when the City is crying poverty at every turn. Cutting revenue streams when there are thousands of families waiting for child care spaces and thousands of people waiting for social housing is simply wrong.

Budget time is the time we should think about making this City grow stronger, plan for the future, and put in place policies that will see our residents thrive. Budgets should reflect community needs, our shared values and our vision for the future.

Yours truly,

A handwritten signature in black ink, appearing to read 'T. Maguire', written in a cursive style.

Tim Maguire
President