



**Canadian Union of
Public Employees**

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Bargaining Units:

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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**

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June 20, 2014

Councillor Frank Di Giorgio, Chair,
And Members of the Budget Committee
Clerk's Office
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: BU55.4 – Operating Variance Report for the Year Ended December 31, 2013

The final 2013 Operating Variance Report confirms a budget surplus of \$168 million and reveals that, after gapping, the City filled less than half of the vacant positions last year.

At the end of June 2013 there were 2,542.6 vacant positions - front-line jobs. By the end of the year there were still 1,327 full-time equivalent position unfilled.

Local 79 welcomes the progress, but it's a job half done.

It's now June 2014 and City services are under even more pressure.

When both the 2013 and 2014 Budgets were adopted by 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. The City must redouble its efforts to fill front-line positions.

We have seen in the past year the pressures that Divisions, Boards and Agencies are under to deliver services at an unsustainable level after years of staff shortages and budget cuts/freezes. "Savings arising from vacant positions" is not the way to sustain service levels.

By staffing-up, the City will be making a much needed, long-term investment in its workforce. Previous reports to the Budget Committee have shown that lack of staff means fewer training opportunities. This causes problems in terms of staff retention. A trained, highly skilled public service is a City-building investment.

Aside from ongoing vacancies across Divisions, the 2013 Budget surplus is a result of underspending at the TTC, write-offs from tax assessment appeals and a reduced

caseload for Toronto Employment and Social Services. Higher revenues came from permit applications for Toronto Building, payment in lieu of taxes, Parking Tag Enforcement and Woodbine Racetrack Slots.

During the 2013 budget discussions, the City Manager noted that what few efficiencies were available have been implemented. Any budgetary pressure going forward relates primarily to shortfalls in revenue.

We know that historically, MLS has brought in less-than-anticipated revenue because the staff complement has not been available to follow-up on fines they have assessed. This was evident again in the Toronto Fire Services experiencing a backlog of false alarm revenues because of understaffing. Similarly, provincial revenues for Toronto Public Health have not been maximized because of staff vacancies.

Further, the Municipal Land Transfer Tax (MLTT) continues to be an essential support for Toronto services. In 2013 it brought in \$40 million more than expected. The importance of the MLTT to 2013's favorable operating variance should effectively silence any ill-conceived calls for its reduction or elimination.

We are now into the 2015 budget cycle. Community needs should be assessed before budget targets are set. We are one of the fastest growing cities in the Western world, but the services we need to provide to youth at risk, families, newcomers, seniors and our most vulnerable citizens are failing to keep up.

We must do better.

Yours truly,

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

Tim Maguire
President