



**Canadian Union of
Public Employees**

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- Service Units

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- Long-Term Care Homes
& Services Part-Time
- Recreation Workers
Part-Time
- Unit B Part-Time

*Toronto Community
Housing Corporation*

**SERVING OUR
MEMBERS
SINCE
1942**

February 2, 2015

Councillor Gary Crawford, Chair, and Members of the Budget Subcommittee
for City Hall and Scarborough Civic Centre Consultation
c/o Clerk's Office
10th Floor, West Tower
City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear Councillor Crawford and Members of the Budget Subcommittee:

**BV1.1 Budget Subcommittee for City Hall and Scarborough Civic Centre
Consultation (City Hall)**

Local 79 has a vision of Toronto as a city where everyone is 'at home' – both
literally and figuratively.

Toronto has so much potential to be that city, but that potential is held back by an
increasing income divide, and poverty, as shown, once again, in recent research.
Last week, updated research by David Hulchanski showed that less than a third of
Torontonians' incomes – and the opportunities for civic and cultural participation
that go along with rising wealth – are going up, while 40% of Torontonians are
facing tougher times because their incomes are decreasing. The Toronto
Foundation's 2014 "Vital Signs" report showed that Toronto has the second
largest income gap of any city in Canada.¹ And, the Children's Aid Society
reported in November that 29% of Toronto's children now live in low-income
families.² Successive United Way Toronto reports have also highlighted that a
growing number of communities are afflicted by poverty and income inequality.

However, there are signs of hope, as we also know there is broad support for
taking action to reduce income inequality. A recent study shows that: "Four of
five Canadians (80%) are supportive of increasing the federal income tax rate on
the highest income bracket, while three out of four (75%) support increasing
corporate tax rates back to pre-2008 levels to address inequality."³ Even the TD
Bank has recognized that "too much inequality curtails growth because it hinders
investment in human capital and productivity and reduces social mobility."⁴

¹ Toronto Foundation. Vital Signs, 2014. Page 85.

² Children's Aid Society of Toronto. The Hidden Epidemic: A Report on Family Poverty in
Toronto. November 2014. Page 1.

³ Broadbent Institute. The Wealth Gap: Perceptions and Misperceptions in Canada. December
2014. Page 10.

⁴ TD Economics. The Case for Leaning Against Income Inequality in Canada. November 2014.
Page 1.

And let's be clear. For people who struggle in this city, the struggle is daily, often involving finding childcare, finding recreational programs, finding safe spaces for youth, and in all-too-many cases, finding a warm place to sleep at night.

Indeed, the question of whether everyone in Toronto is 'at home' can be quite literal. On the face of it, this budget talks about housing and homelessness and makes some progress, but in light of the recent deaths of homeless Torontonians, Local 79 is extremely concerned about the elimination of 8.7 positions and the overnight shift from the Streets to Homes program as well as reductions to the Park Ambassador program. Although the 8.7 positions are vacant, in a way eliminating these positions, ending the night shift and the Park Ambassador program, do represent lost potential as a city. That is, we are losing some of the things we can do to make this a better city for all, including those without homes. Is it only the downtown core where we go out in cold weather in an attempt to persuade the homeless to come in out of the cold? Are there other areas in the City where it is known that this should happen?

Another area where this budget fails to live up to its potential is its neglecting to fund the second phase of the Youth Lounge Expansion promised in last year's budget. The City is failing youth who are already facing economic and social exclusion.

It is also distressing that in the Children's Services budget, there is no new money for subsidized child care spaces. Even worse, the reserve fund we have been using to boost the Province's contribution will run out by 2017. The Analyst Notes indicate that the City will not be able to maintain current subsidy levels, and will begin decreasing subsidized spaces in 2016 (Children's Services, page 26). Given the gap left in Shelters by the Province's refusal to adequately support municipal programs, this is a serious concern. That said, Local 79 is, of course, happy to see that there will be a new, directly operated child care centre opening this year. Municipal child care centres provide high-quality care and we know that child care is an essential employment support for many women.

We strongly support the City's move toward a comprehensive poverty reduction program, but some of these budget choices appear to contradict those efforts.

It is worth emphasizing, however, that as long as income inequality continues to increase, more people will experience poverty and more people will be at risk of homelessness. In 2015, we also anticipate a number of reports that will help guide decisions and City services in this context: the new social procurement policy, a living wage, a job quality assessment tool, and the Newcomer Strategy to name a few. The issues are deeply connected.

The City Budget sets out the framework through which municipal policy is developed and services are delivered. It represents Council's vision for how to build a city. While there are some important enhancements in this budget, particularly to physical infrastructure, when we look at the details, we believe this could be a better City-building budget.

In order for us to move toward Local 79's vision of everyone being 'at home', there has to be an investment in both the physical infrastructure and social infrastructure. The budgeting process

needs to better connect economic, social and physical development into a coherent, city-building agenda, where everyone is at home and at the table.

City Council and the Budget Committee need to start by identifying what the service needs are and *then* ensure the budget reflects those needs.

One example of this need for needs-based investment arose in a conversation last week with a Councillor. The Councillor pointed out that Section 37 money, some of which is dedicated to helping reduce the TCHC repair backlog can't get spent because there are simply not enough staff to move projects along. This is money that is ready to improve people's communities right now, but it's stuck in a bottleneck because economic development strategies have not been adequately connected to infrastructure and social development.

Local 79's number one broad concern with this budget is that it appears not to fully deliver on last year's commitment to deal with that ongoing issue of gapping. We recognize that there have been targeted investments, yet many Divisions still rely on gapping and vacancies to meet highly constrained budget targets. The recommended staffing complement agreed to by City Council every year represents the number of people Council thinks are needed to deliver on its commitment to building strong communities. I understand that a briefing note has been requested to find out the current extent of gapping. This will be useful, but members of Local 79 can already tell you that it is too high and that it is having a real impact on their ability to deliver services.

As a union, we hear from members in their workplaces, do numerous surveys and engage in other forms of consultation. I can tell you that we hear the same thing from every Division and every workplace: the City is short-staffed; workers are feeling burned out, and their ability to deliver the services they would like to is limited.

Finally, the prospect of reducing budgets by as much as 2% in future years – which would be closer to 4 or 5% with inflation and will be even more when the cumulative impact is taken into account – will only make things worse. We were not surprised that the Budget Committee was told last week by Division after Division that such a cut could only be made through cuts to services.

Once the City has identified the services we need for inclusive city-building, we can determine what resources we need and how to organize those resources into efficient but comprehensive service delivery. The City Manager has acknowledged, though, that Divisions are already running efficiently and that there are few to no savings left to be found there. This means the City also needs to look at funding and revenue. CUPE National has prepared a funding toolkit, called *Building Better Communities*, which is available at <http://cupe.ca/building-better-communities-fair-funding-toolkit-canadas-cities-and-towns>. The Canadian Centre for Policy Alternatives has also prepared an excellent overview of Toronto's untapped funding options.⁵ If we want to engage in city-building, these need to be part of the conversation.

⁵ Canadian Centre for Policy Alternatives, Ontario Office. Toronto's Taxing Question: Options to Improve the City's Revenue Health. January 2015

In conclusion, there are signs of hope that we can build a better city if we make the right choices for us all. In making these decisions, though, we need to recognize the increasingly distressing reality of income inequality in our City. You need to ensure City budget and policy decisions match the service needs of Toronto's communities, particularly the most vulnerable within them. If we are to build a better city where everyone is 'at home', we need to build a better City budget, this year and in the years to come.

Yours truly,

A handwritten signature in black ink, appearing to read "T. Maguire". The signature is fluid and cursive, with a large loop at the end.

Tim Maguire
President