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Because children depend on all of us

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City of Toronto Budget Committee

c/o Jennifer Forkes, Clerk

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Deputation to City of Toronto Budget Committee

Finance
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Every year City Council struggles to balance the city's budget.

Human Resources
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This year, once again, City Council is considering cutting back services, even as tens of thousands of residents do not have access to basics like housing, transit, food and child care.

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Our city needs a long term vision and leadership to ensure that our city budget adequately funds the basic needs of all Toronto's children, youth, families and neighbourhoods, with help targeted to the most impoverished, high-need communities.

Legal Services
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The failure to ensure we have the revenues we need from property taxes and other sources to support our residents and our most vulnerable citizens will cost us all much more in the long run, as CAS of Toronto outlined in our "Divided City" Child Poverty Report in November.

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Years of zero or minimal property tax increases have left our city with a declining infrastructure, inadequate services to meet demand, and above-inflation transit fare and user fee hikes.

It is critical that the Budget Committee, Executive, the Mayor and members of City Council put in place a fiscal plan that allows it the city to follow through with commitments such as the city's Poverty Reduction Strategy and affordable housing strategies.

The adoption of road tolls in coming years is a step forward, if the money is used to improve access to decent and affordable transit for lower income residents.

Other revenue tools – such as hotel taxes, an increase to the land transfer tax – can also help to fund basic services for residents. The refusal to consider a vehicle registration tax is a lost opportunity.

In addition, as property tax makes up 40% of operating budget revenues, the proposed 2% property tax increase in 2017 budget will constrain revenue and hurt many Toronto children, youth and families in three ways.

First, it means that the possible closing of 58 pools and wading pools, 16 recreation centres, 44 school nutrition programs, and Downsview Dells transition house, and ending homelessness prevention programs that serve 24,000 people, and Meals on Wheels that help 2,000 seniors a month.

Second, the proposed budget fails to adequately fund the city's poverty reduction strategy. Community leaders have called for a new investment of \$75 million in the city's anti-poverty strategy, this budget includes about \$2 million.

Finally, the proposed budget fails to make any progress in reducing the 98,000 person waitlists for social housing and 18,000 children waiting for subsidized child care.

In sum, this is a budget that does not even maintain current inadequate levels of service, while the needs in our city – with a growing population, an aging population, racialized poverty and a huge influx of refugees – continue to increase.

There are several ways that Council can increase property tax revenues, while protecting lower income people:

First, Mayor and Council should to reopen the proposal brought forward by the City Manager in December to implement a graduated property tax rate (a slightly higher mill rate on properties above a threshold, say \$1.5 million or \$2 million). This is a way to protect the struggling homeowners from tax increases while the majority of homeowners to pay a little more.

Second, Council could enhance access to the city's property tax increase deferral and cancellation program for seniors and people with disabilities (and its property tax cancellation program to those in extreme poverty). Both programs appear to have relatively low uptake. The City should ensure that all who need this relief get it. A review of the program should be conducted as soon as possible.

Third, Council should address the inequitable burden of property tax paid by renters, whose net wealth and income is much less than homeowners.

In conclusion, the city needs to move beyond year-by-year stop gap cuts and measures to balance its budget. We need to re-build the city's fiscal capacity to meet current and projected service needs, including priority strategies that Council has adopted such as: poverty reduction, transit, youth equity, newcomer settlement strategies, strong neighbourhoods etc.

We need City leaders with the vision and resolve to make long-range budget decisions investing in the future of strong and equitable Toronto across all neighbourhoods. In contrast, a narrow focus on tax and service cuts is short-sighted and will continue to widen the gaps in quality of life and equality of opportunities, which will have detrimental impact on everyone.

Presented and submitted by:



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Reference: Divided City: Life in Canada's Child Poverty Capital. 2016 Toronto Child and Family Poverty Report Card. November 2016.

http://www.socialplanningtoronto.org/divided_city_life_in_canada_s_child_poverty_capital.