



January 18, 2023

Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2
Attention: Matthew Green, Committee Administrator

RE: BU3.1 - 2023 Capital and Operating Budgets

Dear Councillor Crawford, Chair, and Members of Budget Committee,

The following are our comments on the proposed 2023 Capital and Operating Budgets:

- **The budget process is too compressed.**
While there were many deputants at the Budget Sub-committee consultation meetings, making many comments on many issues, the 2023 Toronto Budget (now called the "Mayor's Budget") process is too compressed in time, and diminishes opportunities for public input and engagement, compared with previous years. This may reduce resident interest in, and councillors' appreciation of resident priorities for the City finances - which is unfortunate!
- **The "balanced budget" is at risk.**
The proposed Mayor's Budget while being branded as "balanced" is in fact highly dependent on risky assumptions of federal and provincial funding support, related to COVID-19 pandemic impacts, and to Provincial legislative changes, such as development charges reduction (\$240M annual loss), and community benefits changes (elimination of Section 37 under the Planning Act).
- **The budget is short-sighted, failing to take the long view**
 - **State of Good Repair (SOGR)** The increasing backlog in over a wide range of operations (roads, parks, forestry etc) is a major concern. Deferring expenditure is a risky proposition, and can result in increased costs in the long term. And a city that becomes "shabby" is on a path to decline - look south to the Rust Belt.

- **Homelessness** Additional funds are urgently needed to address the increasing issues of homelessness.
 - **Transit, cycling and street safety** Increase capital funding to shift people out of cars by increasing (not reducing) transit frequency, and safer streets for cyclists and pedestrians.
 - **Transform TO initiatives** Current funding will not allow Toronto to reach its climate target of Net Zero by 2040 - the City needs accessible and affordable transit, active transportation initiatives to decrease emissions and increased protection of the urban forest.
- **Reallocate inappropriate funding to priority needs.**
 - **Do not proceed with the very costly Gardiner Expressway Rebuild** that will provide small time savings for a very few, at considerable and growing (but unknown) expense, and instead proceed with the much cheaper alternative boulevard plan that will have minor journey time increases and make the area suitable for attractive redevelopment.
 - **Eliminate the proposed 10 cent increase in transit fares, and 9% reduction in transit frequency**, which will discourage passenger usage, will disproportionately impact those with low incomes, and is contrary to the City's Climate Goals.
- **New revenue sources are badly needed.**
 - This Budget fails to address the City's serious long term "structural deficit". The Budget framework is fundamentally broken, with an over-reliance on transfers from other levels of government, and on property taxes alone. The City urgently needs to examine and implement new revenue tools, such as a municipal sales tax (as widely applied in US cities), a commercial parking levy and a municipal income tax to address unmet needs.
 - Unless the above measures are taken to ameliorate the structural deficit, this year's level of property tax increase, which may be marginally acceptable on a one time basis, will become annual, which is not acceptable to Toronto residents, or viable for the long term.
- **Publicly hold the Province to account for losses being experienced by the City as a direct result of the Provincial legislative changes.**

Respectfully submitted,

Geoff Kettel
Co-Chair, FoNTRA

Cathie Macdonald
Co-Chair, FoNTRA

Cc: Mayor John Tory and Members of City Council
Paul Johnson, City Manager
Stephen Conforti, Executive Director, Financial Planning
Gregg Lintern Chief Planner and Executive Director, City Planning

The Federation of North Toronto Residents' Associations (FoNTRA) is a non-profit, volunteer organization comprised of over 30 member organizations. Its members, all residents' associations, include at least 170,000 Toronto residents within their boundaries. The residents' associations that make up FoNTRA believe that Ontario and Toronto can and should achieve better development. Its central issue is not *whether* Toronto will grow, but *how*. FoNTRA believes that sustainable urban regions are characterized by environmental balance, fiscal viability, infrastructure investment and social renewal.