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Activity 1: Toronto Budget

Where Do You Think the City of Toronto Should Spend its Budget?

Understanding Budgets: Where Do You Spend Your Money?

1. Brainstorm the various sources where you receive your income. Add extra boxes if needed.

Income

2. Think of the areas where you spend this income. Draw a concept pattern organizer outlining the categories your money is allocated to:

Possible Categories
Food ● Savings ● Transportation ● Shelter/Housing ● Recreation ● Entertainment ● Clothing

Understanding Budgets: Where Do You Spend Your Money?

3. Determine how much money you are receiving from your sources of income.

Sources of Income	($) Dollar Amount
Total Income:	

4. Where do you allocate this income? What **percentage** of your income is going into each category Explain why you spend your money in each area.

Expense Category	Budget Dollar Amount Spent ($)	Percentage	Allocated (%)	Explanation (Why do you spend your money in this area?)

The Allocation of My Expenses

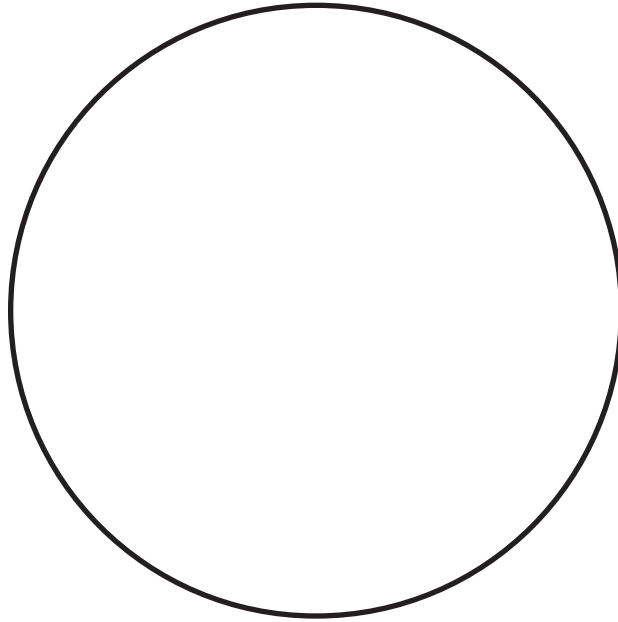**Create a colour pie chart of your expense allocations.**

Chart Colour Legend

☐_____ ☐_____ ☐_____ ☐_____
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Do you think that you are allocating your income in the appropriate categories? Where do you think you should spend less? Which category should you be allocating more money towards?

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Where Do You Think the City of Toronto Should Spend its 2014 Budget?

Category	Current Allocation of Budget ($ Millions)	% of Budget	Your Reallocation of the Budget ($ Millions)	Indicate an Increase or Decrease - write N/C for "No Change"	Explanation
1. Shelter, Support & Housing Administration	$644.6	6.7%			
2. Toronto Public Health	$246.3	2.5%			
3. Children's Services	$420.6	4.4%			
4. Long-Term Care Homes	$231.8	2.4%			
5. Toronto Employment and Social Services	$1,172.1	12.1%			
6. EMS	$187.9	1.9%			
7. Fire Services	$424.7	4.4%			
8. TTC	$1,709.7	17.7%			
9. Toronto Police Service	$1,088.9	11.3%			
10. Debt Charges	$428.6	4.4%			
11. Transportation Services	$340.0	3.5%			
12. Toronto Public Library	$184.2	1.9%			
13. Economic Development and Culture	$71.1	0.7%			
14. Parks , Forestry & Recreation	$437.1	4.5%			
15. Municipal Licensing & Standards	$49.9	0.5%			
16. City Planning	$40.9	0.4%			
17. Administration and Other	$2,283.6	21.42%			
TOTAL	$9,662.0	100.00%			

Where Do You Think the City of Toronto Should Spend its Budget?

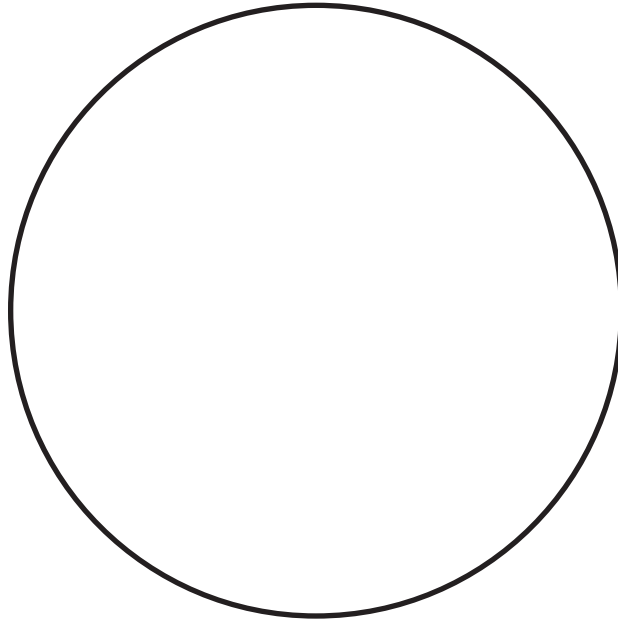**Create a colour pie chart of your expense allocations.**

Chart Colour Legend

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☐_____ ☐_____ ☐_____ ☐_____

Compare your pie chart to the City's proposed budget pie chart for 2010 - which can be found at: http://www.toronto.ca/budget2010/pdf/op2010_presentation_council_april15.pdf

Why do you think the city has chosen to allocate these amounts?

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Increasing City Revenue to Meet Citizen Needs

The City of Toronto's 2014 budget projection is fixed at $9.662 Billion. The city cannot run a budget deficit: this means that the amount of money it generates must equal the amount of money that it spends. This is called a 'balanced budget'. A way to increase the amount of spending to provide better services to citizens is to increase the amount of revenue the city generates.

In this activity, you are being presented with the opportunity to increase spending in city services areas by increasing the amount of revenue the city generates.

Your task is to:

Identify three areas of services
that you believe are in need of additional funding.

Determine the dollar amount
that you wish to increase the funding by.

Identify the revenue source(s)
from which you would generate this additional money.

Explain the reactions from citizens
– both those in favour and against – your decisions to increase revenue.

Utilize the following table to help you identify the current sources of the City of Toronto's revenue:

Current Sources of the City of Toronto's Revenue			
Revenue Source	Revenue ($ in Billions)	% of Revenue	Description/Examples
1. Property Taxes (Controlled by City)	$3.76 Billion	38.9%	Property taxes are collected from residential, commercial, industrial and multi-residential properties.
2. Provincial Grants & Subsidies (No control by City)	$1.866 Billion	19.3%	Grants and subsidies from the province of Ontario for areas such as long-term care homes, TTC, and Shelter Support and Housing Administration.
3. Other Revenues (No control by City)	$0.823 Billion	8.5%	Grants and subsidies from other levels of government for mandated programs such as child care, social assistance, social housing and health care.
4. User Fees (Controlled by City)	$1.636 Billion	16.9%	Charging user fees for services provided by the city such as transit, recreation, water and waste management, business licenses and permit fees.
5. Reserves / Reserve Funds (Controlled by City)	$0.453 Billion	4.7%	Money set aside by the city for future spending under municipal jurisdiction.
6. Municipal Land Transfer Tax (MLTT)/ Personal Vehicle Tax (PVT) (Controlled by City)	$0.356 Billion	3.7%	City of Toronto Act, 2006 allows the city to generate revenue from areas other than property taxes, licenses and fees. These new taxes have been implemented as a result of this act. MLTT is calculated on purchases of properties in the city of Toronto. Personal Vehicle Tax is a tax for Toronto's residence who own or lease a personal vehicle. A personal vehicle under this tax is considered the following, passenger vehicle, light commercial vehicle (registered for personal use only), motorcycle and moped. Flat rates for each vehicle license are $60 per passenger vehicle and light commercial vehicle for personal use, or $30 per personal motorcycle or moped per year.
7. Federal Grants & Subsidies (No control by City)	$0.189 Billion	2%	Grants and subsidies from the Government of Canada for areas such as Shelter, Support and Housing Administration.

*For a more detailed description regarding Revenue Sources please review City of Toronto Budget Summary 2014 at https://goo.gl/On3zy7 or City Finances section in The City of Toronto website at: http://www.toronto.ca/finance/index.htm

Increasing City Revenue to Meet Citizen Needs

Area of Service You Wish To Increase	Current Budget ($ Millions)	Amount of Increase ($ Millions)	Source of New or Additional Revenue	Reaction From Citizens	
				In Favour	Against
	$	$	Increase TTC ticket fares	TTC users – better services, more routes, increased access	TTC users - would be upset – increase not affordable for all riders

The City of Toronto Act, 2006 Activity

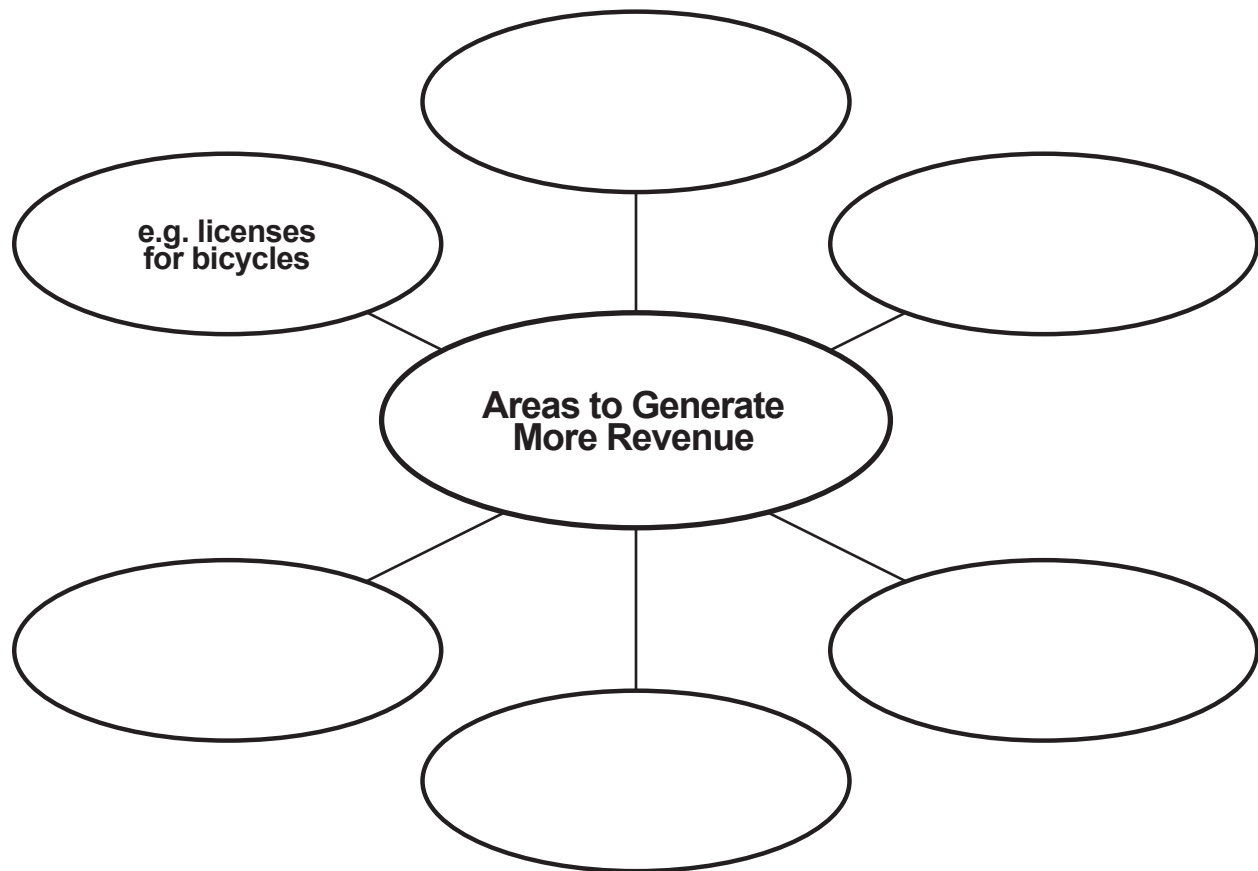## Can You Think of a Way to Raise New Revenue

Using The City of Toronto Act, 2006?

"The City of Toronto Act, 2006 recognizes Toronto as a responsible, accountable government. The city is now better able to determine the appropriate mechanisms for delivering municipal services, determine the appropriate levels of municipal spending, and **use new fiscal tools to support the city's activities.**

Toronto now has broader powers to **license and regulate businesses,** broader authority to undertake **economic development opportunities** and more **flexibility to raise revenue in addition to property tax**." The Municipal Land Transfer Tax (MLTT) and Personal Vehicle Tax (PVT) are two taxes that have been implemented as a result of this Act.

Additional information on the City of Toronto Act, 2006 can be found at:
http://www1.toronto.ca/wps/portal/contentonly?vgnextoid=853de2f05ec32510VgnVCM10000071d60f89RCRD

Your task is to **brainstorm FIVE areas** where you believe the City of Toronto can **utilize its new powers** to generate **more revenue:**

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                    (          )
                   (            )


  (               )                    (                 )
 ( e.g. licenses   )                  (                   )
 (  for bicycles   )                  (                   )
  (               )    (          )     (                )
                      ( Areas to  )
                      ( Generate  )
                      ( More      )
                      ( Revenue   )
  (               )    (          )     (                )
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The City of Toronto Act, 2006 Activity

Can You Think of a Way to Raise New Revenue Using The City of Toronto Act, 2006?

Choose **one area** mentioned from your brainstorming activity and **identify the details** of this new revenue source. How would you **collect the revenue**? Which citizens would be **affected** by this change? How would you use the new revenue? Who would **benefit** from the new revenue? Which citizens would be in favour of or against this charge? **Why** would they react this way?

City of Toronto's New Revenue Source					
Area You Wish to Create New Revenue	Details of New Revenue	Collection Method	Benefit of New Revenue/ How Would You Use it?	Reaction From Citizens	
				In Favour	Against