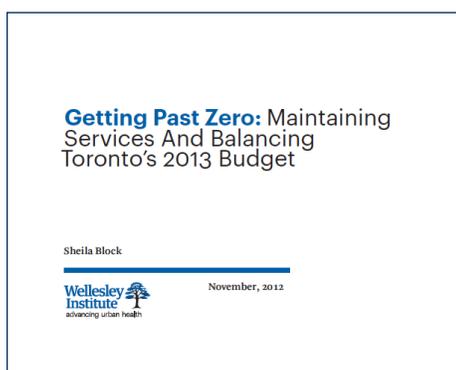


Building Better Budgets

GETTING PAST ZERO: MAINTAINING SERVICES AND BALANCING TORONTO'S 2013 BUDGET



City councillors have important choices to make in the 2013 budget. They can allow city services to continue to erode, or they can modestly increase taxes to enhance the health of our city and Torontonians. *Getting Past Zero: Maintaining Services And Balancing Toronto's 2013 Budget* shows what it will cost to maintain city services and how to pay for it.

Gross operating expenditures increased by just 0.2 percent between 2011 and 2012, a rate far below inflation and population growth. This means that we spent less on each resident in 2012 than in 2011.

There are some Toronto city councillors who consider this reduction in real, per-capita spending a victory. This lopsided view is like a family celebrating lower grocery bills without noticing that their children are hungry.

Reducing access to services that support our health and build our communities will harm our health and our city. We need to look at both sides of the ledger. We need to consider the costs associated with reductions in public services rather than a focus only on reductions of current expenditures.

Building a healthy city that we want to live in means we must first stop the erosion of city services. Maintaining them means increasing spending to account for rising prices and population growth:

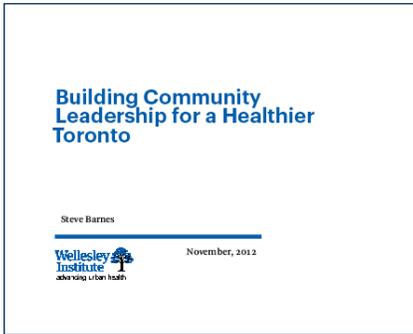
- Using 2.1 percent inflation and 1 percent population growth assumptions, we need a 3.1 percent increase in operating spending to maintain services. This would increase operating spending by \$287 million.

These services can be maintained with a modest increase in taxes. Starting from the City's estimates, these steps would balance the budget:

- The 2013 opening pressure includes one-time funding from 2012 (\$141 million) and increases in expenditures (\$370 million, including \$287 million to maintain real, per capita expenditures). This results in an opening pressure of \$511 million.
- Increases in revenues that do not require any decisions from city council (\$238 million) will offset about half of that opening pressure. These include increases in revenues from economic growth and increases in transfers from the provincial government as part of the agreement to upload Ontario Works and court security costs. It is based on an assumption that other revenues will increase by the same amount as they did in 2012.
- To catch up from the freeze in property taxes in 2011, the property tax rate could be increased by 4.2 percentage points, bringing in a further \$153 million in revenues.
- The proposed 5 cent TTC fare increase will further increase revenues (\$18 million).

This would bring increased revenues of \$409 million, leaving a shortfall of \$101 million. The average surplus over the last four years has been \$277 million. Putting \$101 million of this year's surplus towards maintaining city services would be a wise use of these funds. There are ways to fund the city's services, and a better city budget will build a better, healthier city.

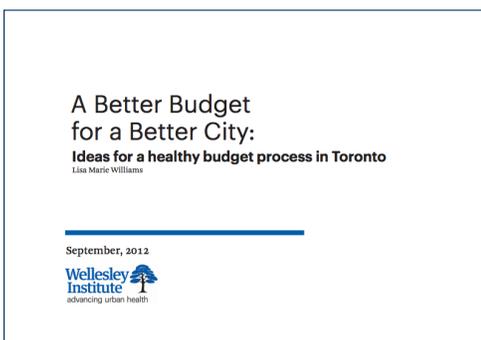
MORE FROM THE WELLESLEY INSTITUTE ON BUILDING BETTER, HEALTHIER BUDGETS.



The places in which we live, work, and play affect our health. Neighbourhoods that have options for active transportation like walking and cycling, opportunities for physical activity like recreation centres, green spaces to be active and socialize in, and places to access healthy and nutritious food, tend to have greater opportunities for good health.

But not every neighbourhood in Toronto incorporates these health-promoting features. Neighbourhoods that are better off tend to have more opportunities for good health than poorer neighbourhoods. Lower income neighbourhoods are more likely to lack opportunities for physical activity and have fewer green spaces and places to buy good food than neighbourhoods that are better off. As a result, people living in lower income neighbourhoods have fewer opportunities for good health.

Access to recreation is essential for good health for all Torontonians. Barriers to access to recreation prevent many of us from not only enjoying the services themselves, but the many health benefits that come with them. This report offers three policy options that could be included in the 2013 budget to preserve and support recreation in Toronto.



The whole city has cause to reflect after last year's budget process. From the Core Service Review to the all-night-meetings and subsequent cuts and ill-thought out fees for sports fields, last year's city budget process fell short of what's needed for better city building.

We've released a new report that looks to Calgary, New York, Chicago and Philadelphia for models of better budget processes we think can work in a city like Toronto, in turn creating a better, more engaged and livable city for us all.

The Wellesley Institute is a Toronto-based non-profit and non-partisan research and policy institute. Our focus is on developing research and community-based policy solutions to the problems of urban health and health disparities.

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