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C2C MAY 19 UPDATE AND CALL TO ACTION

1. C2C Commentary on City's Long-Term Financial Report

The city's new [long-term financial plan](#) carries some very bad news about a stark choice facing the city: either we find new revenues to fund badly-needed infrastructure and services (like transit, affordable housing and poverty reduction) OR we cut programs and services that people rely on.

The report is clear. We can't keep the programs and services we count on now, or the ones we need in the future, unless we bring in more money to pay for them.

The report points out that we face this pressure because a lot of cuts have already been made, and past decisions to keep taxes low have created a growing crisis:

- Funding for existing city services and programs like public health, housing and community programs has already been cut by about 5%
- The city has reached the “practical limits” of finding efficiencies in programs
- Property taxes have *fallen* by 4.8%, adjusted for inflation
- User fees on programs and services have gone up 9% over inflation, but higher fees on services can’t keep pace with the falling tax revenues
- The City continues to face annual budget gaps of hundreds of millions of dollars, and \$29 billion in infrastructure projects remain unfunded.
- The report recognizes the need for differential spending targets based on priorities rather than across the board cuts.

Unfortunately the recommended actions in the report fall short of addressing the city’s fiscal challenges – and in some ways conflict with the analysis in the report. For example:

- While the report says that short term quick fixes are unhelpful and unsustainable, it still recommends exploring one-time actions like asset sales and contracting out service delivery.
- While the report makes clear that the city has cut all it can without hurting services people rely on, it recommends that divisions and agencies continue to pursue cost reductions, and suggests that the city may want to scale back on planned investments.
- While the report recognizes the importance of ensuring that new revenue tools are progressive (i.e. they don’t hurt vulnerable groups), and user fees are unreliable revenue sources, it suggests the expansion of user fees.


Based on the report, Commitment 2 Community urges city council to take the following actions:

- a. Make it clear to the public that the city has, above all, a revenue problem not a spending problem, and that further efficiencies are not achievable without cuts to services and infrastructure.
- b. Avoid short term one-time fixes like asset sales and contracting out.
- c. Move forward quickly with a public discussion of new, progressive and sustainable revenue tools to fund city services and infrastructure priorities.

2. Actions you can take

1. **Urge** your City Councillor to include funding for transit, housing and poverty reduction in the city's fiscal plan. Click [here](#) to send a quick form letter to your councillor!
2. **Attend** the Executive Committee debate on the fiscal plan on Tuesday, May 24 at 9:30 am at Toronto City Hall (100 Queen Street West), Committee Room 1.
3. **Email** your comments to the Executive Committee at exc@toronto.ca by Friday, May 20! Or email exc@toronto.ca or call 416-392-4666 by May 20 at 4 pm to ask to make an oral deputation.

 Poverty Reduction TO

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