



John Tory
Mayor

May 20, 2019

The Honourable Doug Ford
Premier of Ontario
Legislative Building
Queen's Park
Toronto ON M7A 1A1

Dear Premier Ford,

Last week, City Council considered a report from the City Manager on the impacts of the Provincial budget on programs delivered by the City of Toronto.

Over the past month, notices issued by your government have indicated cuts to Toronto Public Health, child care, paramedics, and our share of the provincial gas tax dedicated to TTC upkeep and repair. Many of these cuts also affect other cities in Ontario, although for some reason not yet explained, Toronto received harsher treatment.

The City Manager has been clear that these cuts create a \$177.65 million hole in our already-approved 2019 budget. He was also clear that we will not be able to make up this difference with efficiencies alone this far into the fiscal year – if your government proceeds with these cuts, the City will be forced to cut core services or raise taxes.

This is because these cuts were made retroactive to April 1, 2019, weeks after we had approved our 2019 budget, and because we will now be forced to find \$177.65 million of new money in our budget, half way through the year.

I am writing to convey formally City Council's request made last week that the Province of Ontario reverse the \$177.65 million dollars in unilateral, retroactive cuts to the City of Toronto's 2019 Budget. Council's near-unanimous request is made in order to ensure that we do not have to cut services or raise taxes further this year.

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I also want to convey Council's willingness to meet with the Province of Ontario to discuss both governments' budgets and the impact of retroactive, in-year cuts to the residents of Toronto. I have made this offer several times over the past month, to discuss, in particular, how it is the retroactive nature of these cuts that leaves us with a choice between cutting vital services or raising taxes in 2019 to fill the hole created by your government.

This is not a question of whether the willingness is there to find efficiencies – we have done so every year I have been in office. This is a result of a concerted effort by my office, City staff, and the budget committee, spending months each year performing line by line audits of the City's expenses and modernizing processes. Finding these efficiencies is precisely why, in my five budgets as Mayor, we have been able to keep property taxes at the rate of inflation, while investing significant additional amounts each year in important services such as police and TTC. As I write this letter, we are still at work trying to find additional ways to save money – as you and I know from our experiences prior to government, this is a continuous process.

We also both know – including from your own experience at Toronto City Hall, that finding efficiencies is not easy work. During your time at City Hall, the City spent \$3.5 million dollars for an outside review of its books, and that review found that 90% of the City's services are core services and resulted in a net savings of just \$12.6 million.

Right now, staff are looking line-by-line at our City's budget in 2019 to determine ways in which we can find further efficiencies this late in the year. And while I am confident we can find some, we know that we will not be able to find a further \$177 million in efficiencies in 2019. This is because you have applied cuts retroactively, and we are left to find a higher magnitude of efficiencies than ever before, half way through the year. It simply defies logic to suggest this is possible.

I want to be clear: I am committed to finding more and greater efficiencies at City Hall for the sake of our own local taxpayers and to assist the Government of Ontario with its efforts to tackle the deficit. As I have said before, I recognize and appreciate the challenges the Government of Ontario faces getting its budget deficit under control. I support your intentions to do so, and recognize that partners across the Province will be a part of that effort. You have made this a clear priority for your government and I am committed to working with you to ensure Toronto plays its part.

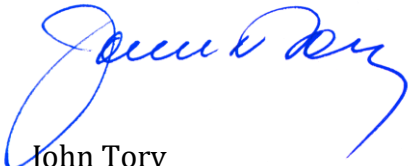
However, this must be done in a prudent manner that does not impact the vital services that people in Toronto rely on each and every day. And this can only be done if we work together – and not in the manner in which these cuts have been imposed for 2019. In short, we need time to see what we can do to find better ways to do things, ideally in co-operative partnership with other governments including yours.

At the end of the day, the people of Ontario and the people of Toronto expect their governments to work together. To that end, I believe there is a path forward for your government to reverse the retroactive cuts imposed for 2019, and to partner with the City, perhaps with outside assistance, to review both of our budgets and determine the level of efficiencies we can reasonably find in 2020 and future budgets where the City and Province cost-share services, and then determine provincial cost-sharing funding models for core services with that information in hand. This process will ensure we find savings in areas that are currently cost-shared by the Province and the City, without jeopardizing the core services that residents expect.

We are willing to work with you to find ways to do things better and to save money, but we need time and real dialogue and cooperation to allow us to do so. I am ready to see us work together to do better for the taxpayers we both serve, following a sensible co-operative approach.

I look forward to discussing this matter further with you.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Tory". The signature is fluid and cursive, with a large initial "J" and a long, sweeping tail.

John Tory
Mayor of Toronto