

# Base comparison of Canadian City municipal finances

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Toronto is a world class city with its elaborate infrastructure, variety of cultural and sport facilities and a complex transit system to name a few. For a city to continue to grow and maintain its existing infrastructure, the municipal government needs to spend on a wide array of areas. That has led to an analysis that compares Toronto to other major cities across Canada.

Below are the operating expenses of the four major cities in Canada. For a better comparison, expenses are converted on a per capita basis using the population stats from Census Stats Can for 2016. Alignment of expenses from the Financial Statement of each municipality was needed in order for a fair comparison. Also, some expenses are not under the jurisdiction of the city. For example, the transit for Vancouver is run by TransLink which the provincial government introduced in 2007 to oversee public transit, major roads and bridges.

2016 Fiscal Year	Financials (in thousands)				Per Capital			
	Toronto	Montreal	Vancouver	Calgary	Toronto	Montreal	Vancouver	Calgary
General	760,339	759,778	172,881	261,688	278.35	445.70	273.77	211.17
Protection	1,808,310	1,083,256	417,308	805,499	662.00	635.45	660.83	650.00
Transportation	3,067,408	2,223,221	-	955,569	1,122.95	1,304.18	-	771.11
Environmental Services	933,176	653,038	264,002	971,790	341.63	383.08	418.06	784.19
Health Services	449,621	129,863	-	103,400	164.60	76.18	-	83.44
Social & Family Services	2,038,215	-	-	76,180	746.17	-	-	61.47
Social Housing	779,499	-	-	122,718	285.37	-	-	99.03
Recreational & Cultural Services	1,001,753	686,163	340,365	354,609	366.73	402.51	538.99	286.16
Planning & Development	115,549	243,425	245,005	43,042	42.30	142.80	387.98	34.73
Financing	-	482,793	-	-	-	283.21	-	-
<b>Total Operating Expenses</b>	<b>10,953,870</b>	<b>6,261,537</b>	<b>1,439,561</b>	<b>3,694,495</b>	<b>4,010.10</b>	<b>3,673.11</b>	<b>2,279.64</b>	<b>2,981.31</b>
Population (as per 2016 Census Stats Can)	2,731,571	1,704,694	631,486	1,239,220				

We will be focusing on expense items that all four Canadian cities report spending in the financial statement for 2016. These will include general, protection, environmental services, recreation / cultural services and planning development. Overall, Toronto is spending less in many areas due to vacancies in staffing. However, we should consider whether the number of vacancies has an impact to the level of service provided to Toronto residents and visitors.

## General Expenses

Three of the cities spent roughly the same amount per capita. However, Montreal spends almost double the amount per capita that the other cities have spent in 2016. The dollar amount is roughly the same as Toronto but there is about 1 million less in terms of population.

## Protection

All four cities spend about the same amount per capita on protection which includes police and fire that each city needs. Toronto has the largest municipal police force in Canada but third countrywide after the

OPP and RCMP. Although Toronto has its challenges, it is relatively safe in the city with the downtown core lively in the late hours.

#### Environmental Services

When compared to the other three cities, Calgary spent about double per capita on environmental services which include water, waste, recycling, public works, and other utilities. Public works accounts for almost third of the expense classification total. In recent years, Calgary has taken steps to reduce the operating costs for landfills as it had moved to reduce the operating days to four from six per week due to economic conditions and the drop in waste collected.

#### Recreational & Cultural Services

Although Toronto spends over \$1 million on this category, it lags in comparison to Montreal and Vancouver on a per capita basis. This may be due to a variety of activities in the private sector that organize festivals and cultural events throughout the year. Toronto has the most professional sports teams as the only Canadian city with NBA and MLB franchises. The theatre district is thriving as well as many restaurants throughout the city to support the local BIA festivals.

#### Planning & Development

Vancouver spent the most in the category per capita in 2016. If engineering is excluded from the total for Vancouver, Montreal would be the city that has spent significantly more than the other three cities combined. **More detail is required to determine why Montreal is the outlier.**

#### Transportation

Transportation accounts for about a quarter of Toronto's spending in 2016. Below is an analysis where the operating expenses exceed the operating revenue and subsidy by \$350M or 0.65 per rider. Many have complained recently in the level of service on the subway. In 2017, TTC had many challenges including the Presto rollout across the systems, the extension of line 1 into York region opened in Dec 2017 and the streetcar delivery delays by Bombardier that has impacted the service provided in the core especially during the King Street pilot period.

	TTC (in thousands)	Per Rider
Operating Revenue	1,250,091	2.32
Operating Subsidy	659,828	1.23
Operating Expenses	2,259,945	4.20
Operating Surplus / (Deficit)	-350,026	-0.65
Capital Subsidies	1,967,599	3.66
Surplus / (Deficit)	1,617,573	3.01
Acquisition	1,997,377	3.71
Amortization	-384,447	-0.71
Disposals	0	0.00
Write-downs	0	0.00
Net Change in Capital	1,612,930	3.00
Change in Debt	4,643	
Ridership (millions)	538.1	

#### Conclusion

Toronto is a great city to live in with the city spending over \$4,000 per person which is the most of all four cities. The key concern for Toronto is the number of vacancies in staffing since it may negatively impact the level of service. Planning & development expenses could be greater but with Google announcing in 2017 to build a futuristic mini-city along the Toronto waterfront, there has been support by the corporate sector in this regard. As Torontonians, we have a lot to be thankful for but there is room for improvement including waste management that all residents and visitors should help make Toronto the best city in the world.