



SEPTEMBER 2011 NEWSLETTER

This is the official newsletter of the
TORONTO PARTY FOR A BETTER CITY

TIME TO HIT THE RESET BUTTON

By Stephen Thiele, President

WHAT WILL THEY DO AND WHAT HAVE THEY DONE?

Ontario is headed to the polls next month for the provincial election.

While the Toronto Party for a Better City will not be endorsing any provincial political party in the election we will support candidates who have supported the Toronto Party.

One such candidate is Mr. Kevin Gaudet, who is running for the Ontario PC Party. Mr. Gaudet has been a friend of the Toronto Party and he helped us organize our "Black Tax Friday" protest against Mayor Miller tax increases in 2008. You can contact Kevin at www.kevingaudet.ca.

With respect to other candidates, we encourage you to support candidates who understand the significant role that cities play in Ontario's economy and who understand the need for democratic reform at the municipal level.

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For the past few months, the Toronto Party for a Better City has become an observer to the governance at City Hall. We have not been as active as we were while Mayor David Miller and his pro-left-wing council rammed one tax after another down the throats of Toronto residents with very little consultation or interest in listening to the taxpayers.

The residents of Toronto were angry and in a blow to the interests of the left-wing at City Hall, we elected Mayor Rob Ford and a pro-right-wing agenda. We asked for greater accountability in government and an agenda that relieved Toronto taxpayer's of unnecessary and unfair tax burdens.

While Mayor Ford moved swiftly to eliminate the \$60 annual dreaded car tax, reduced the office budgets of councillors to \$30,000 annually, and started the debate with respect to the contracting out of certain services currently delivered by city workers and a reduction of the city workforce, we are still seeking the elimination of the 5 cent plastic bag fee which raises no revenue for government but builds corporate profit primarily at the expense of the poor. We continue to disagree that this fee has had a positive impact on our environment.

Notwithstanding the positive moves of Mayor Ford however, the city is still expecting a \$700 million shortfall in its operating budget. Like Mayor Miller, Mayor Ford has recently been forced to seek help from the province in order to tame the budget. Premier Dalton McGuinty has responded appropriately with announcements to upload certain services, such as court costs, and has taken over certain

payments which we, along with others, suggested prior to the 2010 municipal election that the province should take over.

But despite these measures, it is still proving to be a very difficult task for our Mayor to wrestle control of Toronto's chronic budget shortfall because the mistakes of past governments have saddled Toronto with enormous labour costs.

Amalgamation under Mike Harris was simply not handled well. The costs of labour rose significantly because of a decision to pay city workers the highest rates which existed within the amalgamating entities. Successive decisions to either freeze property taxes or ignore self-imposed hiring freezes continued to increase Toronto's labour costs. While those who have knowledge continue to refuse to give straight answers to the simple question as to whether city employees earn more than workers of equivalent status in the private sector, it has become well-accepted that indeed government employees earn more.

Yet this significant issue, one which when resolved will permit Toronto to eventually balance its annual operating budget along with the reality that property taxes will have to increase in order to maintain a high-level of fundamental municipal services, has taken a backstage to the grandstanding of both the left and right-wing of the political spectrum. An essay writing contest to win lunch with author Margaret Atwood, has been met by an essay writing contest that will earn the winning writer lunch with "a local celebrity".

...Toronto Party does not favour cuts to services...
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This is no way to solve the serious financial problems which face our City.

The right-wing has also pronounced that without cuts, Toronto residents will see a 34% property tax increase. This is, unfortunately, political fear-mongering at its finest.

What has become quite clear in the first seven months of Mayor Ford's regime is that there is no easy solution to conquering Toronto's growing operational budget and that the only solution to the problem will come if all stakeholders are engaged in a rational debate over the direction of our city's finances. Cuts to fundamental city services are not the answer. Similarly, the sale of revenue generating city assets is not good long-term planning.

Indeed, the Toronto Party has never favoured cuts to fundamental city services, and hence is opposed to such measures as library closures. Literacy is perhaps one of the single-most useful skills any individual can possess. Without literacy, there is no opportunity for someone from a poor economic background to achieve success and to get out of a cycle of poverty. In countries around the world where literacy is low, there is danger and risk that the illiterate will succumb to fanatical persuasion.

The Toronto Party is also opposed to the sale of the city's revenue generating assets. In the 2010 municipal election campaign we opposed the sale of Toronto Hydro, as was proposed by Mayoral candidate Mr. Rocco Rossi, and, thus likewise, we oppose the sale of the city's parking assets. The short-sighted sale of revenue generating city

assets will, in our view, only lead to further long-term pain for city residents.

Mayor Ford swept into power on an agenda to stop the City Hall "grave train". Much has been made of this motto and for the first few months in office measures to put an end to the "grave train" were successfully implemented. We applaud those efforts.

However it is now time for Mayor Ford to pull the "grave train" into the station and to hit the reset button. The focus of his agenda must now be to conduct a careful and detailed analysis of the City's labour costs. There must be full disclosure of these costs and careful comparison between public sector wages and benefits and those available to workers in the private sector. In our view, wages and benefits in the public sector ought not to outstrip wages and benefits in the private sector because it is the private sector where our best and brightest should be employed in order to generate future job growth.

In the private sector today, many businesses have had the serious discussions which are suggesting our City engage in with its employees. Annual wage increases are not the norm in the private sector and across the board wage cut-backs are taking place.

In order to prevent Toronto's operating budget from continuing to grow out-of-control and to prevent projected and potential double-digit property tax hikes, the solutions being employed in the private sector to keep Canada's economy strong and people employed, are the public sector solutions of tomorrow.

IS THE CITY LOSING VALUABLE ADVERTISING REVENUE?

By Stephen Thiele, President, Toronto Party

While the City continues to examine ways to reduce spending and raise revenue through the sale of assets, there are other options for raising revenue.

One option is the sale of advertising at city-owned facilities like ice rinks.

At Pine Point Arena, for example, there is advertising on the rinks boards and a bulletin board in the foyer which contains advertising. However, the advertising is obviously out-of-date since one of the advertising placards promotes

Mr. John Hasting's provincial constituency office. Mr. Hasting's has not been a member of the Ontario Legislature for many years. Instead he is the current Toronto District School Board trustee for Ward 1!

If the example at Pine Point arena is indicative of the state of advertising in other city-owned rinks, then the city is losing potential advertising revenues which could be used to maintain these facilities or for other purposes.

The Toronto Party is asking all city councillors to conduct a

...City should review advertising policy...
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thorough review of all city operated facilities in their respective Wards and assess whether there is out-of-date advertising in these facilities and whether advertising can be profitably introduced therein.

Ice rinks are a perfect place for businesses to advertise because in many facilities there is constant year-round traffic.

The Toronto Party is also asking that the City department in charge of advertising undertake an internal review of its own practices to determine why there is out-of-date advertising in our public facilities and why some businesses are continuing to enjoy the benefit of promotion to the public without perhaps paying a fee for doing so.

COURT BATTLE CONTINUES

By Stephen Thiele, President, Toronto Party

On December 24, 2009, the Toronto Party for a Better City commenced a legal action against the City of Toronto and a group of councillors for decisions which saw the City compensate Councillors Giorgio Mammoliti and, now former Councillor, Adrian Heaps for legal expenses they incurred to defend compliance audit applications in respect of their 2006 election expenses.

In August, 2010, the Ontario Divisional Court struck down the by-law which authorized payment to the Councillors. But no money was recovered in that application and to date neither Messrs. Mammoliti or Heaps have reimbursed the City for the money they received.

This summer, Judge Hainey of the Ontario Superior Court of Justice denied our application to hold those councillors who voted in favour of the wrongful allocation of money to Messrs. Mammoliti and Heaps accountable for the mis-spending of taxpayer money. Despite rejecting the reason offered by the City and the councillors who voted for the allocation of money to their colleagues to justify the payment, His Honour concluded that there was insufficient evidence to prove that the councillors acted with malice or that they committed misfeasance in public office.

The Toronto Party has reviewed this decision, and has appealed it.

In our view, the court decision permits all city councillors throughout Ontario to run amok. Illegal by-laws can now be passed by our municipal governments without very much accountability. The powers which restrict the manner in which a city allocates the revenue of the taxpayers can be ignored with impunity because of the high threshold of proof required to recover any misallocated funds.

In the appeal, we will be asking the Ontario Court of Appeal to apply the common law doctrine of absolute liability which applies to directors of corporations when they direct the corporation for which they are responsible to commit an "ultra vires" act. Although this argument was made before the Ontario Superior Court judge, it was ignored in the judgment.

As a matter of Constitutional law, municipalities are creatures of statute. Unlike the provincial or federal government, municipal governments do not enjoy any rights beyond those found in the statutes which create them. Our municipal governments are incorporated by statute and their respective councillors are their directing corporate minds. Accordingly, in our view, when city councillors who are entrusted to spend the revenues provided to the City by taxpayers direct the City to allocate our money for a purpose which is beyond the power of the City, then, as a matter of good corporate governance, the directing minds must be held accountable. Otherwise like in the case of the allocation of funds to Messrs. Mammoliti and Heaps, we have a "merry-go-round" whereby recipients of misallocated funds plead that their innocence to the receipt and the City Councillors who permitted the payment throw up their hands and plead that they are not responsible either because they acted without malice.

Malice is often difficult to prove in any court case, and was made more difficult in our case since none of the City Councillors who voted for the payments offered any evidence to justify their vote and the City refused to produce the public videotape of the council meeting at which the vote took place.

And so the court battles continues.