



[Back to Hey Toronto: How would you come up with \\$774 million?](#)

Hey Toronto: How would you come up with \$774 million?

May 27, 2011

Daniel Dale

The well-paid but still unfortunate man who must figure out how to come up with \$774 million in the next few months sat down at one of the 28 tables scattered about the Danforth Collegiate and Technical Institute cafeteria. Soon, a woman whose nametag read Anna offered him an idea.

Churches and other religious institutions, Anna said, are exempted from property taxes but reap massive profits when developers buy their land. They should be taxed heavily when they sell, she said.

City manager Joe Pennachetti listened impassively. "Write it down," he said.

It will take much more than mere tax tweaks, Pennachetti knows, to fill Toronto's massive budget hole. As the [public consultation](#) part of the city's unprecedented "[service review](#)" began this week, everything from the elimination of cherished programs to the outsourcing of services long provided by city employees was on the table.

On each table at the beginning of the consultation meeting on Thursday night was a big piece of paper divided into three categories: necessary for the city; beneficial but less important; not necessary. If the choices of the 120-plus people present were any indication, Pennachetti's recommendations to council will be painful to many residents no matter what the recommendations are. Consultation participants deemed far more services necessary than not.

"Residents are very, very adamant about a lot of the services," Pennachetti said after the meeting. But, he said, "What I got from the four or five tables I went to was, they understand it — they know we're going to have some tough decisions to make."

The service review process includes both a "core service review," in which the city will attempt to decide what services it should axe or contract out, and "service efficiency studies," in which the city will try to figure out how to do what it does for less money. It also involves an assessment of the city's user fees.

Public opinion, as expressed via a lengthy [online questionnaire](#) 4,000 people have completed and in the meetings 1,230 people have signed up for, is only one factor that will influence Pennachetti. City departments are making their own judgments, and a team of KPMG consultants will offer independent advice.

And then there are the politicians. Council will make the final decisions on what to cut and what to keep. Pennachetti's recommendations, expected in August, are likely to spark an emotional debate between Mayor Rob Ford's small-government allies and advocates of a wide-reaching public sector.

An email from Ford's campaign account urged supporters in "Ford Nation" to attend the eight consultation meetings to "help" the mayor. There was no evidence on Thursday night that many had heeded the call — and if the meeting can be considered a preliminary skirmish in the looming budget war of 2012, it appeared to be a resounding victory for the left.

Asked about the advice he received at Anna's table, Pennachetti said: "The bulk of the services, for them, is core. But they're willing to pay more taxes to pay for those services. That's one table, but I heard that at a number of tables: they're willing to pay a little more in taxes than in the past."

And then, returning his cards to his vest, he added, "Is that a general theme? We'll have to see."