

Analyst Briefing Notes

Administration Committee (January 5, 2006)

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PART I: 2006 Operating Budget Overview

Table 1: 2006 Proposed Budget

	2005		2006 Proposed Operating Budget			Change 2006 Proposed from 2005 Budget		FY Incremental Outlook	
	2005 Approved Budget	2005 Proj Act.	2006 Proposed Base	2006 New Council Priorities	2006 Proposed Op. Bud.			2007	2008
(In \$000s)	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	1,855.8	1,804.1	1,892.9	0.0	1,892.9	37.1	2.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET EXP.	1,855.8	1,804.1	1,892.9	0.0	1,892.9	37.1	2.0	0.0	0.0
Approved Positions	19.0	19.0	19.0	0.0	19.0	0.0	0.0	0.0	0.0
TARGET			1,892.9						
\$ Over / (Under) Program Target			0.0						
% Over / (Under) Program Target			0.0%						

Executive Summary

- The 2005 projected year-end net expenditure of \$1.804 million is \$0.052 million below the 2005 Approved Budget. This anticipated favourable variance at year-end is primarily due to under-spending in materials and supplies and telephone costs.
- The 2006 Proposed Budget for the Mayor's Office of \$1.893 million net is comprised of Base funding only and is 2.0% higher than the 2005 Approved Budget.
- The 2006 Proposed Base Budget meets the 2% target of \$1.893 million.
- The salary costs related to Cost-of-Living Adjustment (COLA) increase is the key cost driver for this budget in 2006.

Recommendations

It is recommended that the 2006 Proposed Operating Budget for the Mayor's Office of \$1.893 million gross and net, comprised of the following service, be approved:

<u>Service:</u>	Gross <u>(\$000's)</u>	Net <u>(\$000's)</u>
Mayor's Office	<u>1,892.9</u>	<u>1,892.9</u>
Total Program Budget	<u><u>1,892.9</u></u>	<u><u>1,892.9</u></u>

PART II: BASE BUDGET

Section A: 2005 Budget Variance Analysis

Table 2: 2005 Budget Variance Review

	2004 Actuals	2005 Approved Budget	2005 Projected Actuals *	2005 Approved vs Projected Actuals Variance Over / (Under)	
(In \$000s)	\$	\$	\$	\$	%
GROSS EXP.	1,660.2	1,855.8	1,804.1	(51.7)	(2.8)
REVENUES	0.0	0.0	0.0	0.0	N/A
NET EXP.	1,660.2	1,855.8	1,804.1	(51.7)	(2.8)
Approved Positions	19.0	19.0	19.0	0.0	0.0

*Projected Actual expenditures to year-end based on Revised 3rd Quarter Variance Projections.

2005 Experience

Revised 3rd Quarter variance projections indicate that the 2005 Approved Budget will be under-spent by \$0.052 million at year end. This is due to anticipated savings in materials and supplies and telephone expenses.

Impact of 2005 Operating Variance on 2006 Proposed Budget

- The one-time favourable 2005 Operating Budget variance will not have any direct financial impact on the 2006 Proposed Budget.

Section B: 2006 Proposed Base Budget

Table 3: 2006 Proposed Base Budget

	2005 Approved Budget	2006 Requested Base	2006 Proposed Base	Change		FY Incremental Outlook	
				2006 Proposed Base v. 2005 Approved Budget		2007	2008
(In \$000s)	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	1,855.8	1,892.9	1,892.9	37.1	2.0	61.7	56.9
REVENUE	0.0	0.0	0.0	0.0	NA	0.0	0.0
NET EXP.	1,855.8	1,892.9	1,892.9	37.1	2.0	61.7	56.9
Approved Positions	19.0	19.0	19.0	0.0	0.0	0.0	0.0
NET TARGET		1,892.9					
\$ Over / (Under) Program Target		0.0					
% Over / (Under) Program Target		0.0%					

2006 Proposed Base Budget

- The 2006 Proposed Base Budget of \$1.893 million net is 2.0% over the Mayor's Office 2005 Approved Budget, and therefore meets the target for 2006.

2006 Key Cost Drivers

- Cost-of-Living Adjustments (COLA) included in the salaries budget is the key cost driver in 2006.

**Table 4: Summary of Proposed Base Budget Changes
From 2005 Approved Budget**

	Summary of 2006 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2007	2008
(\$000's)		\$	\$	\$	\$	\$
2005 Approved Operating Budget	19.0	1,768.3	0.0	1,768.3	0.0	0.0
In-year approvals and technical adjustments	0.0	87.5	0.0	87.5		
2005 Approved Operating Budget	19.0	1,855.8	0.0	1,855.8	0.0	0.0
Annualizations		12.8		12.8	5.6	5.8
Economic factors		24.3		24.3	56.1	51.1
Adjusted Base Budget	19.0	1,892.9	0.0	1,892.9	61.7	56.9
Other base changes						
Base revenue changes						
2006 Base Budget Request	19.0	1,892.9	0.0	1,892.9	61.7	56.9
Proposed Base Adjustments:						
Other base changes						
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
Total Proposed Base Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
2006 Proposed Base Budget	19.0	1,892.9	0.0	1,892.9	61.7	56.9
2006 Program Operating Target	N/A	N/A	N/A	1,892.9		
% Over (Under) Program Target	N/A	N/A	N/A	(0.0)		
% Over (Under) 2005 Approved Budget	0.0	2.0	N/A	2.0		

Section C: 2006 Base Budget Issues**Key Issues / Recommendations**

There are no issues or recommendations associated with the 2006 Proposed Operating Budget for the Mayor's Office.

Other Base Budget Changes

None

Service Level Changes

None

Revenue Changes

None

3 Year Operating Budget Overview

- It should be noted that some changes arising from the implementation of the City's governance review and the new City of Toronto Act could impact the future years' Operating Budgets for the Mayor's Office. However, any impact will not be known until later in 2006.

Issues Referred to 2006 Operating Budget Process

None

Outstanding Issues from 2005 and Prior Years

None