



City Budget
2013

Mayor's Office
Operating Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Operating Budget pays the day-to-day operating costs for the City.

2013 Operating Budget

2013 OPERATING BUDGET ANALYST BRIEFING NOTES

BUDGET COMMITTEE, NOVEMBER 29, 2012

TABLE OF CONTENTS

PART I: RECOMMENDATIONS	2
PART II: 2013 SERVICE OVERVIEW AND PLAN	
Program Map and Service Profiles.....	3
2013 Recommended Service Levels	N/A
2013 Service Deliverables	N/A
PART III: 2013 RECOMMENDED BASE BUDGET	
2013 Recommended Base Budget	5
2013 Recommended Service Changes	6
2014 and 2015 Outlook	7
PART IV: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS	
2013 Recommended New/Enhanced Service Priority Actions	N/A
PART V: ISSUES FOR DISCUSSION	
2013 and Future Year Issues	N/A
Issues Referred to the 2013 Operating Budget Process	N/A
Core Service Review and Efficiency Study Implementation Progress	N/A
APPENDICES	
Appendix 1: 2012 Performance	N/A
Appendix 2: 2013 Recommended Operating Budget by Expenditure Category and Key Cost Driver.....	9
Appendix 3: Summary of 2013 Recommended Service Changes.....	11
Appendix 4: Summary of 2013 Recommended New/Enhanced Service Priority Actions.....	N/A
Appendix 5: Inflows / Outflows to/ from Reserves and Reserve Funds.....	N/A
Appendix 6: 2013 Recommended User Fee Changes	N/A
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PART I: RECOMMENDATIONS

**2013 Recommended Operating Budget
(In \$000s)**

(In \$000s)	2012		2013 Recommended Operating Budget			Change - 2013 Recommended Operating Budget v. 2012 Appvd. Budget		FY Incremental Outlook	
	Approved Budget	Projected Actual	2013 Rec. Base	2013 Rec. New/Enhanced	2013 Rec. Budget	\$	%	2014	2015
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	1,940.5	1,640.5	1,940.5		1,940.5	0.0	0.0%	48.1	49.5
REVENUE									
NET EXP.	1,940.5	1,640.5	1,940.5		1,940.5	0.0	0.0%	48.1	49.5
Approved Positions	18.0	18.0	19.0		19.0	1.0	5.6%		

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. City Council approve the 2013 Recommended Operating Budget for the Mayor's Office of \$1.941 million gross and net, comprised of the following service:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Mayor's Office	1,940.5	1,940.5
Total Program Budget	1,940.5	1,940.5

2. The Mayor's Office staff complement of 19 positions be approved.

PART II: 2013 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles



The role of the Mayor as Head of Council is:

- To act as Chief Executive Officer of the City;
- To preside over meetings of Council so that its business can be carried out efficiently and effectively;
- To provide leadership to Council;
- To represent the City at official functions; and
- To carry out the duties of the Head of Council under the City of Toronto Act, 2006.

The role of the Mayor as Chief Executive Officer of the City is:

- To uphold and promote the purposes of the City;
- To promote public involvement in the City's activities;
- To act as the representative of the City both within and outside the City, and promote the City locally, nationally and internationally; and
- To participate in and foster activities that enhance the economic, social and environmental well-being of the City and its residents.
- The Mayor's key strategic priorities include:
 - Achieving Customer Service Excellence
 - Creating a Transparent and Accountable Government
 - Reducing the Size and Cost of Government; and
 - Building a Transportation City.

Mission Statement

The Office of the Mayor provides integral support to the Mayor and Executive Committee for the achievement of the Mayor's strategic priorities.

Service Objectives

The Office of the Mayor fulfills its mission through three main service areas:

- **Operations and Customer Service** – The Mayor's Office receives constituent and stakeholder inquiries and facilitates the timely resolution of issues. The Mayor's Office also manages strategic events and communication in support of the Mayor's four priorities.
- **Policy and Council Liaison** – The Mayor's Office provides policy development leadership on key files related to the Mayor's four priorities, supports the Executive Committee and provides support and assistance as required to City Councillors.
- **Stakeholder Relations** – The Mayor's Office builds and manages strong relationships with key stakeholders in the city, province, nationally and internationally.

PART III: RECOMMENDED BASE BUDGET

**2013 Recommended Base Budget
(In \$000s)**

(In \$000s)	2012 Approved Budget	2013 Rec'd Base	Change 2013 Recommended Base vs. 2012 Appvd. Budget		FY Incremental Outlook	
			\$	%	2014	2015
	\$	\$	\$	%	\$	\$
GROSS EXP.	1,940.5	1,940.5	0.0	0.0%	48.1	49.5
REVENUE						
NET EXP.	1,940.5	1,940.5	0.0	0.0%	48.1	49.5
Approved Positions	18.0	19.0	1.0	5.6%		

2013 Recommended Base Budget

The 2013 Recommended Base Budget of \$1.941 million gross and net is equivalent to the 2012 Approved Budget of \$1.941 million. The 2013 Recommended Base Budget provides \$0.048 million in funding for base budget increases, representing an increase of 2.5% over the 2012 Approved Budget, offset by \$0.048 million in recommended service reductions bringing the Mayor's Office base budget to a 0% increase.

- The recommended budget reductions of \$0.048 million include savings from service changes of \$0.048 million net.
- Approval of the 2013 Recommended Base Budget will result in the staff positions increasing from 18 to 19 as highlighted in the table below:

**2013 Recommended Staff Complement
Base Budget Summary**

Changes	Staff Complement
2012 Approved Complement - 2012 In-year Adjustments	18.0
2012 Approved Staff Complement	18.0
2013 Recommended Staff Complement Changes - 2013 Base Budget Change	1.0
Total 2013 Recommended Complement	19.0

- The addition of one temporary position has been accommodated without impacting the Mayor's Office salary budget. This has been achieved by changing the mix of positions required to better support the Mayor in carrying out his duties as Head of Council.

**2013 Recommended Service Change Summary
(In \$000s)**

Description	2013 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% Change over 2012 Budget	2014		2015	
					Net Expenditure	Position Change	Net Expenditure	Position Change
Service Efficiencies								
Salary Budget to Actual Adjustment		(24.4)	(24.4)	(1.3%)				
Reduction in Non-Salary Budget		(23.2)	(23.2)	(1.2%)				
Sub-Total Service Efficiencies		(47.6)	(47.6)	(2.5%)				
Total Service Changes		(47.6)	(47.6)	(2.5%)				

2013 Recommended Service Changes

The 2013 recommended service changes consist of base expenditure reductions of \$0.048 million, representing a decrease of 2.5% from the 2012 Approved Budget, which offsets the Mayor's Office incremental base budget pressures of \$0.048 million or a 2.5% increase, bringing the 2013 Recommended Base Budget to 0% over the 2012 Approved Budget of \$1.941 million.

Service Efficiencies: (savings of \$0.048 million gross and net)

Salary Budget to Actual Adjustment

- A detailed review of actual salary costs compared to the 2012 Approved Budget results in an expenditure savings of \$0.024 million.

Reduction in Non-Payroll Budget

- Based on planned 2013 requirements, savings of \$0.023 million in non-payroll are achieved through budget reductions primarily in Services and Rents and Interdivisional Charges.

2014 and 2015 Outlook

(In \$000s)

Description	2014 - Incremental Increase					2015 - Incremental Increase					Total Net % Change from 2013
	Gross Expense	Revenue	Net Expense	% Net Change from 2013	# Positions	Gross Expense	Revenue	Net Expense	% Net Change from 2014	# Positions	
Known Impacts											
Progression Pay Increases	43.9		43.9	2.3%		45.2		45.2	2.3%		4.6%
CPI Adjustment for the Mayor	4.2		4.2	0.2%		4.3		4.3	0.2%		0.4%
Sub-Total Known Impacts	48.1		48.1	2.5%		49.5		49.5	2.5%		5.0%
Anticipated Impacts											
Sub-Total - Anticipated Additional Impacts											
Total Incremental Impacts	48.1		48.1	2.5%		49.5		49.5	2.5%		5.0%

Approval of the 2013 Recommended Base Budget for the Mayor's Office will result in a 2014 incremental cost increase of \$0.048 million and a 2015 incremental cost increase of \$0.050 million to maintain 2013 service levels.

Future year incremental costs are primarily attributable to the following:

Known Impacts

- Progression Pay increases for Mayor's Office Staff will require additional funding of \$0.044 million in 2014 and \$0.045 million in 2015.
- A Consumer Price Index (CPI) increase projected at 2% for the Mayor's salary, will result in an increase of \$0.004 million and \$0.004 million in 2014 and 2015, respectively.

2012 Budget Variance Analysis

2012 Budget Variance Review (In \$000s)

(In \$000s)	2010 Actuals	2011 Actuals	2012 Approved Budget	2012 Projected Actuals*	2012 Approved Budget vs Projected Actual Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	2,305.8	1,586.2	1,940.5	1,640.5	(300.0)	(15.5)
Revenues		1.1				
Net Expenditures	2,305.8	1,585.1	1,940.5	1,640.5	(300.0)	(15.5)
Approved Positions	23.0	18.0	18.0	16.0	(2.0)	(11.1)

* Based on the 3rd Quarter Operating Budget Variance Report.

2012 Experience

- Based on third quarter results, it is projected that the Mayor's Office will be \$0.300 million or 15.5% below the 2012 Approved Operating Budget of \$1.941 million net by year-end.
- The projected favourable year-end variance is mainly due to anticipated savings in salaries and benefits and under spending in non-salary expenditures, mainly professional/technical services.

Impact of 2012 Operating Variance on the 2013 Recommended Budget

- The 2013 Recommended Operating Budget includes cost savings from the reduction in salary and non-salary budgets of \$0.048 million to align with 2012 actual experience.

Appendix 2

2013 Recommended Operating Budget by Expenditure Category and Key Cost Driver

Program Summary by Expenditure Category (In \$000s)

Category of Expense	2010	2011	2012	2012	2013	2013 Change from		2014	2015
	Actual	Actual	Budget	Projected	Recommended	2012 Approved		Outlook	Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	2,133.4	1,540.1	1,845.8	1,595.8	1,868.1	22.3	1.2%	1,916.2	1,965.7
Materials and Supplies	1.3	1.5	12.5	7.5	9.8	(2.7)	(21.6%)	9.8	9.8
Equipment	0.6		3.0	3.0	1.0	(2.0)	0.0%	1.0	1.0
Services & Rents	162.9	40.4	67.0	27.0	53.0	(14.0)	(20.9%)	53.0	53.0
Contributions to Capital									
Contributions to Reserve/Res Funds	4.5					0.0	0.0%		
Other Expenditures									
Interdivisional Charges	3.1	4.2	12.2	7.2	8.6	(3.6)	(29.5%)	8.6	8.6
TOTAL GROSS EXPENDITURES	2,305.8	1,586.2	1,940.5	1,640.5	1,940.5	(0.0)	(0.0%)	1,988.6	2,038.1
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations									
Transfers from Capital Fund									
Contribution from Reserve Funds									
Contribution from Reserve		1.1					0.0%		
Sundry Revenues									
TOTAL REVENUE		1.1					0.0%		
TOTAL NET EXPENDITURES	2,305.8	1,585.1	1,940.5	1,640.5	1,940.5	(0.0)	(0.0%)	1,988.6	2,038.1
APPROVED POSITIONS	23.0	17.0	18.0	18.0	19.0	1.0	5.6%	19.0	19.0

2013 Key Cost Drivers

Salaries and Benefits are the largest expenditure category and account for 96.3% of the total expenditures, followed by services and rents at 2.7%, materials and supplies at 0.5%, interdepartmental charges at 0.4% and equipment at 0.1%.

- The 2013 Recommended Budget for salaries and benefits is \$1.868 million, reflecting an increase of \$0.022 million or 1.2% compared to the 2012 approved budget of \$1.846 million.
 - This is mainly attributable to a 3% progression pay increase for the Mayor's Office staff and a 2% CPI increase for the Mayor. This has been partially offset as a result of a detailed review of actual salaries compared to budget (\$0.024 million).
- The 2013 Recommended Budget for materials and supplies of \$0.010 million is \$0.003 million lower than the 2012 approved budget.

- The 2013 Recommended Budget for services and rents of \$0.053 million is or 20.9% lower than the 2012 Approved Operating Budget.
- The 2013 Recommended Budget for interdivisional charges is \$0.009 million or 29.7% lower than the 2012 budget, due to the reduction in copying and mailing services.

Approval of the 2013 Recommended Operating Budget for the Mayor's Office reflects the increase of 1 position. The total staff complement will increase from 18 to 19.

The 2013 Recommended Base Budget provides funding for the following:

Progression Pay

- Progression Pay Increase of 3% for the Mayor's Office staff totaling \$0.043 million.

Economic Factors

- A 2% CPI increase for the Mayor totaling \$0.004 million.
- Inter-departmental increase relating to fleet maintenance and fuel costs totaling \$0.009 million.

Appendix 3

Summary of 2013 Recommended Service Changes



2013 Operating Budget - Recommended Service Change Summary of Administrative Review

TYPE	PRIORITY	OTHER CITY PROGRAMS Mayor's Office	Recommended Adjustments				2014 Net Incremental Outlook (\$000s)	2015 Net Incremental Outlook (\$000s)
			Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions		
2013 Recommended Base Budget Before Service Change:			1,987.9	0.0	1,987.9	19.0	48.1	49.5
Z1	5	Salary Budget to Actual Adjustment	(24.4)	0.0	(24.4)	0.0	0.0	0.0
<small>(MR-Z01)</small> Service / Activity: Mayor's Office / N/A Description: Based on a detailed review of actual salaries to budget, savings of \$0.024 have been identified. Service Level Change: N/A ADMIN: Recommended			(24.4)	0.0	(24.4)	0.0	0.0	0.0
Z1	6	Reduction in Non-Salary Budget	(23.2)	0.0	(23.2)	0.0	0.0	0.0
<small>(MR-Z02)</small> Service / Activity: Mayor's Office / N/A Description: Based on a detailed review of actual spending, various non-salary expenses were adjusted resulting in savings of \$0.023 million. Service Level Change: N/A ADMIN: Recommended			(23.2)	0.0	(23.2)	0.0	0.0	0.0
Total Recommended Service Level Reductions:			(47.6)	0.0	(47.6)	0.0	0.0	0.0
Total Recommended Base Budget:			1,940.3	0.0	1,940.3	19.0	48.1	49.5

Category Legend - Type

- Z1 - Efficiency Change
- Z2 - Revenue Change
- Z3 - Service Change