

Toronto 2017 BUDGET



OPERATING BUDGET NOTES



Office of the Mayor

2017 OPERATING BUDGET OVERVIEW

The Office of the Mayor provides support to the Mayor as the Head of Council and the Chief Executive Officer of the City, as prescribed in the City of Toronto Act, 2006, c. 133 and c. 134.

2017 Operating Budget Highlights

The 2017 Preliminary Operating Budget is \$2.251 million gross and net as shown below:

(in \$000's)	2016 Budget	2017 Preliminary Budget	Change	
			\$	%
Gross Expenditures	2,311.1	2,251.0	(60.1)	(2.6%)
Revenues			-	-
Net Expenditures	2,311.1	2,251.0	(60.1)	(2.6%)

The 2017 Preliminary Operating Budget of \$2.251 million gross and net is 2.6% below the 2016 Approved Operating Budget.

CONTENTS

Overview

- 1: 2017 – 2019 Service Overview and Plan [5](#)
- 2: 2017 Preliminary Operating Budget by Service N/A
- 3: Issues for Discussion N/A

Appendices:

1. 2016 Performance N/A
2. 2017 Preliminary Operating Budget by Expenditure Category [11](#)
3. 2017 Organization Chart N/A
4. Summary of 2017 Preliminary Service Changes N/A
5. Summary of 2017 Preliminary New & Enhanced Service Priorities N/A
6. Inflows/Outflows to / from Reserves & Reserve Funds N/A
7. 2017 User Fee Rate Changes N/A

CONTACTS

Program:

Winnie Li

Deputy City Clerk
Strategic Integration and Excellence
Tel: (416) 392-8676
Email: Winnie.Li@toronto.ca

Corporate:

Judy Skinner

Manager, Financial Planning
Tel: (416) 397-4219
E-Mail: Judy.Skinner@toronto.ca

Fast Facts

- The Mayor is Head of City Council that governs the City with 2.8 million residents and is the largest city in Canada with 8% of Canada's total population, and the 4th largest city in North America.
- The Council term is four years. Mayor John Tory was elected in October 2014 and assumed office on December 1, 2014.
- The Mayor's Office budget and staff complement provides the funding for the Mayor's priorities and requirements of the Mayor to carry out his statutory responsibilities and mandate.

Statutory Role of the Mayor

In accordance with the City of Toronto Act, 2006 (c133), it is the role of the Mayor, as Head of City Council,

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

The Mayor's role also includes providing information and making recommendations to Council with respect to Council's role in clauses 131 (d) and (e) in the City of Toronto Act. These include:

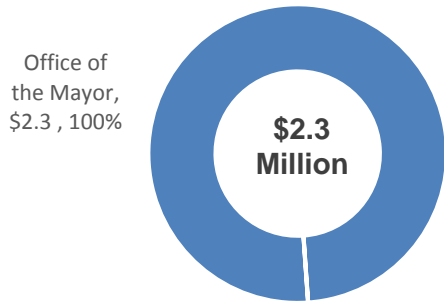
- (d) to ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decision of Council;
- (e) to ensure the accountability and transparency of the operations of the City, including the activities of the senior management of the City.

In addition, as Chief Executive Officer of the City (c. 134), the Mayor shall:

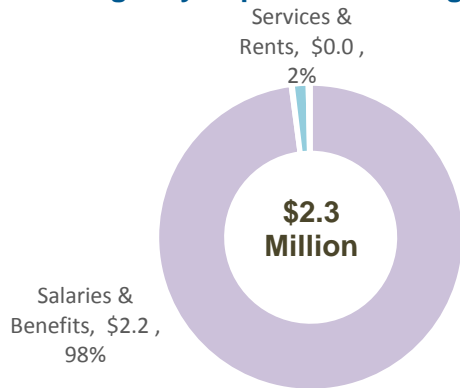
- (a) uphold and promote the purposes of the City;
- (b) Promote public involvement in the City's activities
- (c) Act as the representative of the City both within and outside the City, and promote the City locally, nationally and internationally; and
- (d) Participate in and foster activities that enhance the economic, social and environmental well-being of the City and its residents.

Where the money goes:

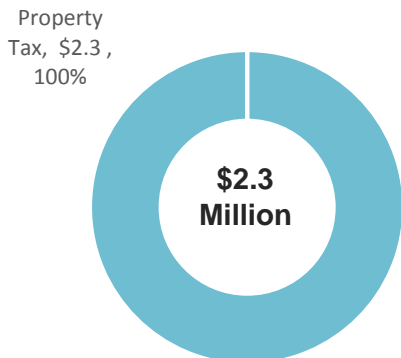
2017 Budget by Service



2017 Budget by Expenditure Category



Where the money comes from:



Our Key Issues & Priority Actions

- **Invest in Transit to get Toronto moving.**

 - ✓ Make transit more affordable for families and deliver services that riders need by significantly expanding and enhancing transit service, reducing wait times and crowding
 - ✓ Implement SmartTrack by working in partnership with Metrolinx and the TTC to carry out and accelerate a SmartTrack work plan.

- **Take Action on Housing.**

 - ✓ Provide safe, affordable housing for the people of Toronto who need it by creating a Housing Task Force to bring better governance, service and value for money to Toronto Community Housing.

- **Tackle Traffic Congestion to get Toronto Moving**

 - ✓ Coordinate or accelerate construction, synchronize traffic lights, and ensure existing traffic laws, such as tagging and towing illegal parked vehicles blocking lanes during rush hour, are enforced.
 - ✓ Connect people with jobs.
 - ✓ Improve transit and build SmartTrack to connect people to jobs and jobs to people by providing the opportunity to work in all four corners of the City.
 - ✓ Support good programs already available that are assisting youth to secure jobs.

- **Open Toronto for Business**

 - ✓ Make sure Toronto is the most welcoming city in North America by keeping taxes down, supporting provincial education initiatives, and encouraging and supporting entrepreneurship and innovation through Enterprise Toronto and Business Improvement Associations.

Actions for Consideration

Approval of the 2017 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2017 Preliminary Operating Budget for the Office of the Mayor of \$2.251 million gross, \$2.251 million net for the following service:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Office of the Mayor:	<u>2,251.0</u>	<u>2,251.0</u>
Total Program Budget	<u>2,251.0</u>	<u>2,251.0</u>

2. City Council approve the 2017 staff complement of 20.0 positions.



Part 1:

2017-2019 Service Overview and Plan

Table 1
2017 Preliminary Operating Budget and Plan by Service

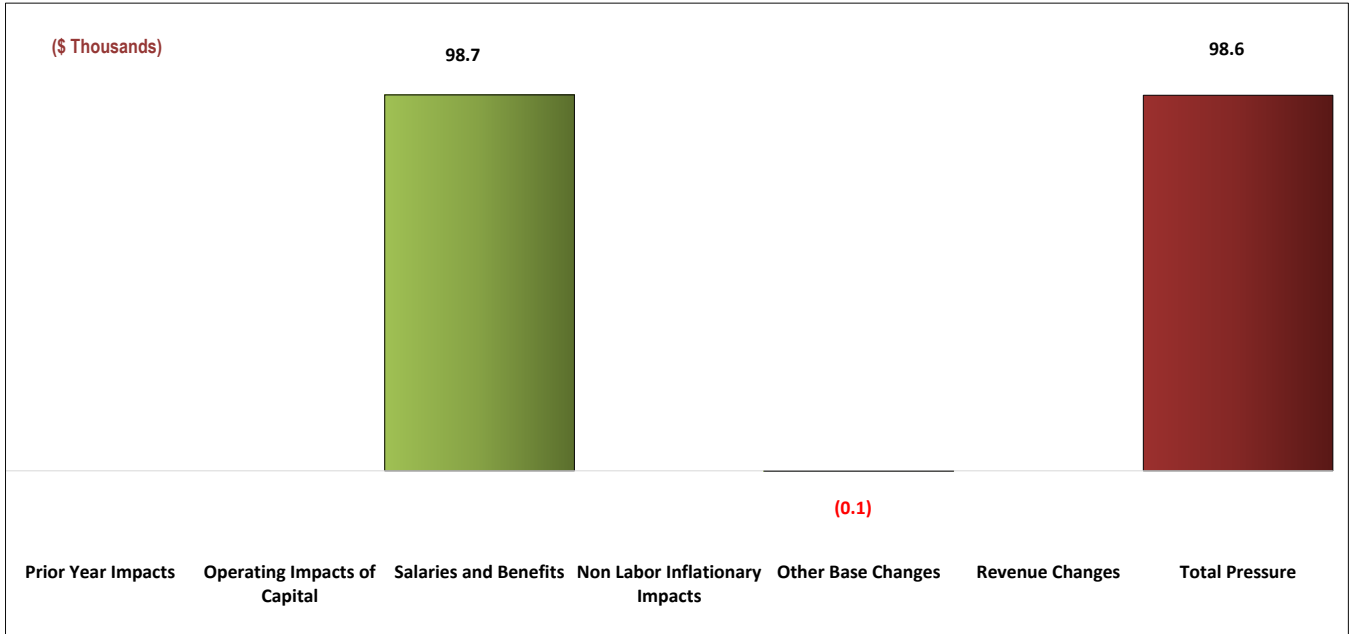
(In \$000s)	2016		2017 Preliminary Operating Budget			2017 Preliminary vs. 2016 Budget Change		Incremental Change			
	Budget	Projected Actual	Base	New/ Enhanced	Total Budget			2018 Plan	2019 Plan		
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Office of the Mayor											
Gross Expenditures	2,311.1	2,311.1	2,251.0		2,251.0	(60.1)	(2.6%)	106.7	4.7%	11.1	0.5%
Revenue							-				
Net Expenditures	2,311.1	2,311.1	2,251.0		2,251.0	(60.1)	(2.6%)	106.7	4.7%	11.1	0.5%
Total Net Expenditures	2,311.1	2,311.1	2,251.0		2,251.0	(60.1)	(2.6%)	106.7	4.7%	11.1	0.5%
Approved Positions	20.0	19.0	20.0		20.0						

The Office of the Mayor's 2017 Preliminary Operating Budget is \$2.251 million gross and net, representing a 2.6% decrease to the 2016 Approved Net Operating Budget which meets the reduction target as set out in the 2017 Operating Budget Directions approved by Council.

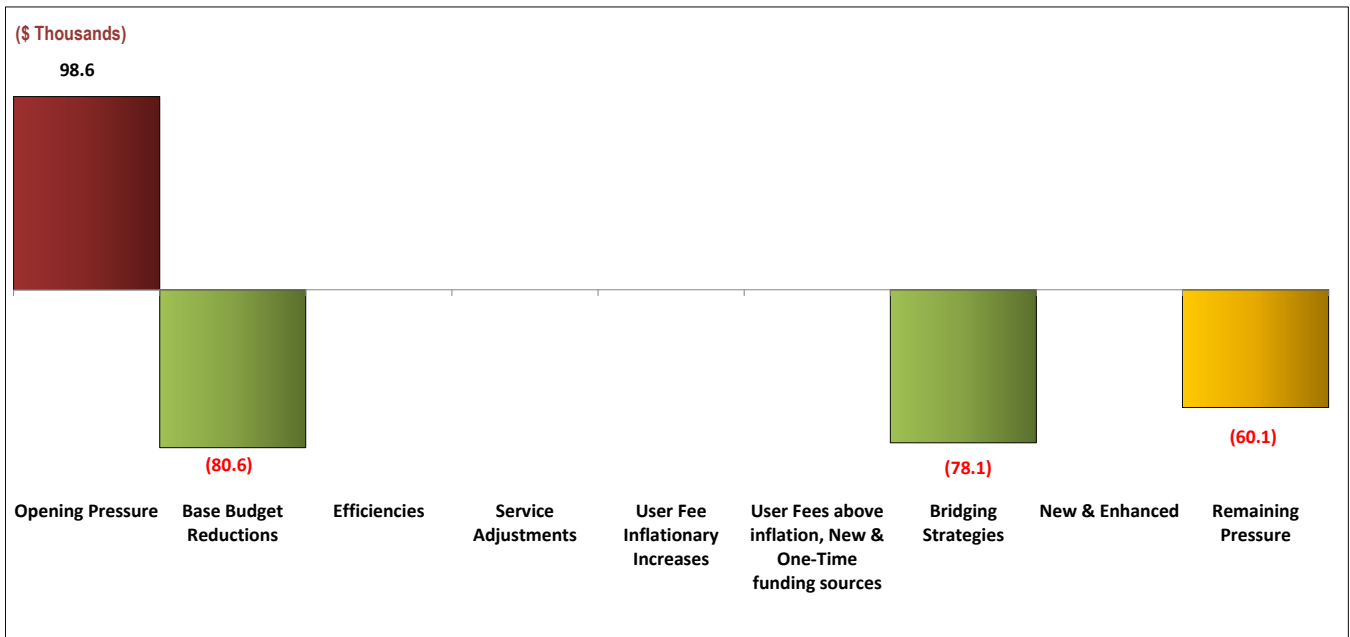
- The Office of the Mayor's total staff complement will remain at 20.0 positions.
- Approval of the 2017 Preliminary Base Budget will result in a 2018 incremental net cost of \$0.107 million and a 2019 incremental net cost of \$0.011 million to maintain the same level of support as 2017.

The following graphs summarize the operating budget pressures for this Program and the measures/actions taken to offset these pressures and meet the budget target.

Key Cost Drivers



Actions to Achieve Budget Reduction Target



**Table 2
Key Cost Drivers**

(In \$000s)	Budget		Total	
	Office of the Mayor		\$	Position
	\$	Position		
Gross Expenditure Changes				
Salaries and Benefits				
Salaries and Benefits adjustment	95.0		95.0	
CPI/COLA	3.7		3.7	
Other Base Changes				
IDC-Fleet Services	(0.1)		(0.1)	
Total Gross Expenditure Changes	98.6		98.6	
Net Expenditure Changes	98.6		98.6	

Key cost drivers for the Mayor's Office are discussed below:

- Salary and benefit adjustments result in an increase of \$0.099 million.

In order to achieve the budget reduction target, the Office of the Mayor's 2017 Operating Budget consists of base expenditure savings of \$0.159 million net as detailed below.

**Table 3
Actions to Achieve Budget Reduction Target
2017 Preliminary Service Change Summary**

Description (\$000s)	Service Changes		Total Service Changes			Incremental Change			
	Office of the Mayor		\$		#	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:									
Base Expenditure Changes									
Payroll budget to actual adjustments	(41.3)	(41.3)	(41.3)	(41.3)					
Line by line non-payroll reductions	(39.3)	(39.3)	(39.3)	(39.3)					
One-time gapping of position	(78.1)	(78.1)	(78.1)	(78.1)		78.1			
Base Expenditure Change	(158.7)	(158.7)	(158.7)	(158.7)		78.1			
Total Changes	(158.7)	(158.7)	(158.7)	(158.7)		78.1			

Base Expenditure Changes (Savings of \$0.159 million gross & net)

- An adjustment to payroll budget to reflect actual results in a savings of \$0.041 million.
- A line by line review of expenditures against actual experience will result in savings of \$0.039 million in non-payroll items.
- One-time gapping of one position results in a savings of \$0.078 million. This one-time savings will be reversed in 2018.

Table 5
2018 and 2019 Plan by Program

Description (\$000s)	2018 - Incremental Increase					2019 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	Position	Gross Expense	Revenue	Net Expense	% Change	Position
Known Impacts:										
Prior Year Briding Approval Impacts										
Reversal of One-Time gapping	78.1		78.1	3.5%						
Salaries and Benefits	28.6		28.6	1.2%		11.1		11.1	0.5%	
Sub-Total	106.7		106.7	4.7%		11.1		11.1	0.5%	
Total Incremental Impact	106.7		106.7	4.7%		11.1		11.1	0.5%	

Future year incremental costs are primarily attributable to the following:

Known Impacts:

- The reversal of one-time gapping in 2017 will result in an increase of \$0.078 million in 2018.
- Salaries and benefits adjustments for CPI and cost of living adjustments will result in a net increase of \$0.029 million and \$0.011 million, respectively in 2018 and 2019.



Appendices

Appendix 2

2017 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2014	2015	2016	2016	2017	2017 Change		Plan	
	Actual	Actual	Budget	Projected Actual *	Preliminary Budget	from 2016 Budget	%	2018	2019
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries and Benefits	1,794.9	2,104.2	2,224.9	2,224.9	2,204.1	(20.7)	(0.9%)	2,310.8	2,322.0
Materials and Supplies	14.3	8.1	4.8	4.8	4.8			4.8	4.8
Equipment		0.4					-		
Services & Rents	22.3	90.5	74.4	74.4	35.1	(39.3)	(52.8%)	35.1	35.1
Contributions to Capital							-		
Contributions to Reserve/Res Funds							-		
Other Expenditures							-		
Interdivisional Charges	9.0	4.1	7.0	7.0	7.0	(0.1)	(1.0%)	7.0	7.0
Total Gross Expenditures	1,840.5	2,207.3	2,311.1	2,311.1	2,251.0	(60.1)	(2.6%)	2,357.7	2,368.9
Interdivisional Recoveries							-		
Provincial Subsidies							-		
Federal Subsidies							-		
Other Subsidies							-		
User Fees & Donations							-		
Transfers from Capital Fund							-		
Contribution from Reserve/Reserve Funds							-		
Sundry Revenues							-		
Total Revenues							-		
Total Net Expenditures	1,840.5	2,207.3	2,311.1	2,311.1	2,251.0	(60.1)	(2.6%)	2,357.7	2,368.9
Approved Positions	18.0	21.0	19.0	20.0	20.0	1.0	5.3%	20.0	20.0

* Based on the 2016 9-month Operating Variance Report

For additional information regarding the 2016 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2016" considered by City Council at its meeting on December 13, 2016.

<http://app.toronto.ca/tmmis/decisionBodyProfile.do?function=doPrepare&meetingId=11065>

Impact of 2016 Operating Variance on the 2017 Preliminary Operating Budget

- As a result of a line by line review, non-payroll items were adjusted to match budget to actual expenditures.