

budget

—2019—



BUDGET NOTES

Office of the Mayor

What We Do

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.

Why We Do It

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.

Our Successes

- Secured \$14.6 billion in new transit funding from other levels of government.
- Instituted Kids Ride Free for children under 12 and Hop on-Hop off two-hour transfer across the entire transit network.
- Introduced TTC Fair Pass that provides discounted transit to individuals on Ontario Disability Support and Ontario Works.
- Launched a Poverty Reduction Strategy, a 20-year plan to address income inequality.
- Created the City Building Fund for priority transit and housing capital projects.
- Kept property taxes at or below the rate of inflation for 4 years in a row. (Full list on page 9)

Priority Actions

- Building the Council-approved transit network plan – this plan includes proceeding with multiple transit projects at once, so we can get on with building as much as we can
- Continuing the rollout of the Poverty Reduction Strategy.
- Building 40,000 affordable housing units in next 12 years.
- Continue working with provincial and federal governments to secure more funding to help build much-needed infrastructure, supportive and affordable housing and tackle our capital backlog so that the burden is not borne by property taxpayers alone.

Budget At A Glance

| OPERATING BUDGET | | | |
|-------------------------|-------------|-------------|-------------|
| \$Million | 2019 | 2020 | 2021 |
| Gross Expenditures | \$2.6 | \$2.6 | \$2.7 |
| Revenues | \$0.0 | \$0.0 | \$0.0 |
| Net Expenditures | \$2.6 | \$2.6 | \$2.7 |
| Approved Positions | 1.0 | 1.0 | 1.0 |

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RECOMMENDATIONS

RECOMMENDATIONS

1. City Council approve the 2019 Operating Budget Request for the Mayor's Office of \$2.567 million gross, \$2.567 million net for the following services:

| Service: | Gross (\$000s) | Net (\$000s) |
|----------------------|-------------------|-----------------|
| Office of the Mayor | 2,567.0 | 2,567.0 |
| Total Program Budget | 2,567.0 | 2,567.0 |



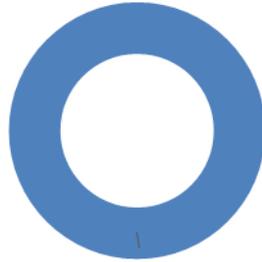
2019 OPERATING BUDGET

Program Service Activity Sub-Activity

2019 OPERATING BUDGET HIGHLIGHTS

2019 Operating Budget \$2.6M

By Service



Mayor's Office,
\$2.6, 100%

By Funding Source



Property Tax,
\$2.6, 100%



- **12.9%** budget increase over the 2018 Approved Net Operating Budget to meet the operational requirements of the Office.
- **2020/2021** Increases primarily for CPI adjustment for the Mayor and known inflationary adjustments for non-payroll items.

2019 OPERATING BUDGET OVERVIEW

Table 1: 2019 Operating Budget and Plan by Service

| (In \$000s) | 2018 | | 2019 | | Changes | | Incremental Change | |
|-------------------------------|----------------|-------------------|----------------|----------------|--------------|--------------|--------------------|-------------|
| | Budget | Projected Actual* | Base | Total Budget | | | 2020 Plan | 2021 Plan |
| By Service | \$ | \$ | \$ | \$ | \$ | % | \$ | \$ |
| Mayor's Office | | | | | | | | |
| Gross Expenditures | 2,274.6 | 2,274.6 | 2,567.0 | 2,567.0 | 292.4 | 12.9% | 37.6 | 47.3 |
| Revenue | | | 0.0 | 0.0 | 0.0 | - | 0.0 | 0.0 |
| Net Expenditures | 2,274.6 | 2,274.6 | 2,567.0 | 2,567.0 | 292.4 | 12.9% | 37.6 | 47.3 |
| Total | | | | | | | | |
| Gross Expenditures | 2,274.6 | 2,274.6 | 2,567.0 | 2,567.0 | 292.4 | 12.9% | 37.6 | 47.3 |
| Revenue | | | 0.0 | 0.0 | 0.0 | - | 0.0 | 0.0 |
| Total Net Expenditures | 2,274.6 | 2,274.6 | 2,567.0 | 2,567.0 | 292.4 | 12.9% | 37.6 | 47.3 |
| Approved Positions | 1.0 | 1.0 | 1.0 | 1.0 | 0.0 | 0.0% | 0.0 | 0.0 |

* Year-End Projection Based on Q3 2018 Variance Report

Base Changes

(\$2.567M Net)

- Salary & benefit cost increases due mainly to salary and benefit envelope adjustments for staff and CPI adjustment for the Mayor's salary.

Future Year Plan

- CPI adjustment for the Mayor and inflationary increases for non-payroll items.

2019 Operating Budget Changes by Service

The 2019 Operating Budget for the Office of the Mayor is \$0.292 million net or 12.9% higher than the 2018 Council Approved Operating Budget. Table 2 below summarizes the key cost drivers to meet the operational requirements of the Office.

Table 2: 2019 Operating Budget Changes by Service

| (In \$000s) | Services | | Total |
|---|----------------|----------------|------------|
| | Mayor's Office | | |
| | \$ | \$ | Positions |
| 2018 Council Approved Operating Budget (Net) | 2,274.6 | 2,274.6 | 1.0 |
| Base Expenditure Changes | | | |
| Prior Year Impacts | | | |
| Reversal of One-Time Gapping in 2018 | 18.8 | 18.8 | |
| Inflationary Increases to Non-Payroll Items | 0.6 | 0.6 | |
| Salaries and Benefits | | | |
| Salary/benefit envelope adjustments | 316.0 | 316.0 | |
| Other Base Expenditure Changes | | | |
| Reduction in Non-Payroll Expenses | (8.1) | (8.1) | |
| One-Time Gapping | (34.8) | (34.8) | |
| Sub-Total Base Expenditure Changes | 292.4 | 292.4 | |
| Total Base Changes | 292.4 | 292.4 | |
| Total 2019 Operating Budget (Net) | 2,567.0 | 2,567.0 | 1.0 |

2018 OPERATING PERFORMANCE**2018 Service Performance**

Key Accomplishments:

- **Keeping Toronto Affordable**
 - Introduction of Hop on-Hop off two-hour transfer across the entire TTC transit network.
 - Introduction of TTC Fair Pass that provides discounted transit to individuals on Ontario Disability Support and Ontario Works.
 - Continuing the Kids Ride Free program introduced in 2015 which has led to a doubling of youth ridership on the TTC.
 - Taking action on housing to provide safe, affordable housing for the people of Toronto who need it.
 - Continuing to fund unit repairs at Toronto Community Housing and ensuring no units were permanently closed in 2018.
 - Delivering a property tax increase at or below the rate of inflation.
 - Encouraging the City of Toronto government to modernize and find efficiencies to keep the cost of City services affordable.
 - Creating the Poverty Reduction Strategy – a 20-year plan to address income inequality - and continuing its rollout.

- **Tackling Traffic**
 - Coordinating and accelerating road construction, and ensuring existing traffic laws are enforced, such as tagging and towing illegally parked vehicles blocking lanes during rush hour.
 - Modernizing Toronto's traffic-fighting measures including smart signals and traffic wardens.
 - Improving transit by continuing to fund bus routes cut by previous administrations and supporting expanded service implemented early on in the Mayor's term.

- **Building Transit**
 - Funding and starting construction on SmartTrack – a plan that will allow Toronto transit riders to take the train in the city.
 - Building a transit network plan – this Council-approved plan includes proceeding with multiple transit projects at once, so we can get on with building as much as we can. Along with SmartTrack, transit projects in this network plan include the Relief Line, the Bloor-Danforth subway extension into Scarborough, the Eglinton East LRT, and waterfront transit.
 - Opening and funding the Toronto-York Spadina Subway Expansion – a six-station extension of Line 1.

- **Representing Toronto**
 - Secured \$14.6 billion in new transit funding from other levels of government.
 - Ensuring stable and responsible government at Toronto City Hall – representing a Toronto that values all residents and supporting the City's motto, 'Diversity Our Strength.'
 - Standing up for Toronto's needs in negotiations with the provincial and federal government.
 - Encouraging investment in Toronto by keeping taxes down, supporting provincial education initiatives, and encouraging and supporting entrepreneurship and innovation.

2018 Financial Performance

Table 3: Budget vs. Actual by Category of Expenditures and Revenues

| Category (In \$000s) | 2017 Actual | 2018 Budget | 2018 Projected Actual * | 2019 Budget | 2019 Change from 2018 Approved Budget | |
|---------------------------------|----------------|----------------|-------------------------------|----------------|---|--------------|
| | \$ | \$ | \$ | \$ | \$ | % |
| Salaries and Benefits | 2,068.4 | 2,227.2 | 2,227.2 | 2,527.0 | 299.8 | 13.5% |
| Materials & Supplies | 6.7 | 4.9 | 4.9 | 4.0 | (0.9) | (18.6%) |
| Equipment | 1.6 | | | | | |
| Service and Rent | 36.3 | 35.6 | 35.6 | 32.0 | (3.6) | (10.2%) |
| Inter-Divisional Charges | 5.1 | 6.9 | 6.9 | 4.1 | (2.9) | (41.3%) |
| Total Gross Expenditures | 2,118.1 | 2,274.6 | 2,274.6 | 2,567.0 | 292.4 | 12.9% |
| Total Net Expenditures | 2,118.1 | 2,274.6 | 2,274.6 | 2,567.0 | 292.4 | 12.9% |
| Approved Positions | 1.0 | 1.0 | 1.0 | 1.0 | 0.0 | 0.0% |

* Year-End Projection Based on Q3 2018 Variance Report

The Office of the Mayor is projecting to be on budget at year-end.

For additional information regarding the 2018 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, 2018", adopted by City Council at its meeting on December 13, 2018.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.7>



ISSUES FOR DISCUSSION

ISSUES IMPACTING THE 2019 BUDGET

2019 Budget Overview

Operating:

The 2019 Operating Budget of \$2.567 gross and net provides for the staffing and office resources to support the Mayor as the Head of Council and the Chief Executive Officer of the City. Unlike the Councillor staff salary budget envelope, the Mayor's office operating budget includes benefits and pension obligations. In 2019, as per the Council approved human resources policy, a number of staff have qualified for pension benefits, resulting in an increased pressure on the salary & benefits envelope.

The operating budget has remained flat over the past four years and only increased due to COLA:

| (\$ 000s) | 2015 | 2016 | 2017 | 2018 |
|-----------|---------|---------|---------|---------|
| budget | 2,297.1 | 2,311.1 | 2,251.0 | 2,274.6 |