

Toronto 2018 BUDGET



OPERATING BUDGET NOTES



Office of the Mayor

2018 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.

2018 Budget Summary

The 2018 Preliminary Operating Budget is \$2.251 million gross and net as shown below:

(in \$000's)	2017 Budget	2018 Preliminary Budget	Change	
			\$	%
Gross Expenditures	2,251.0	2,251.0	0.0	0.0%
Revenues	0.0	0.0	0.0	0.0%
Net Expenditures	2,251.0	2,251.0	(0.0)	(0.0%)

The 2018 Preliminary Operating Budget of \$2.251 million gross and net is unchanged from the 2017 Approved Operating Budget and meets Council's approved budget target of a 0% increase for 2018.

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- Issues for Discussion N/A

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- Summary of 2018 Service Changes N/A
- Summary of 2018 New / Enhanced Service Priorities N/A
- Inflows/Outflows to/from Reserves & Reserve Funds N/A
- 2018 User Fee Rate Changes N/A

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FAST FACTS

- The Mayor is Head of the City Council which governs the City of Toronto. With 2.9 million residents, Toronto is the largest city in Canada with 8% of Canada's total population and is 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.

KEY SERVICE DELIVERABLES FOR 2018

In accordance with the City of Toronto Act, 2006 (c. 133), 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 roles include:

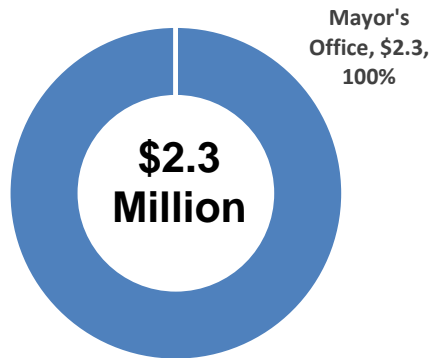
- (d) to ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decision of Council;
- (e) to ensure the accountability and transparency of the operations of the City, including the activities of the senior management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

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

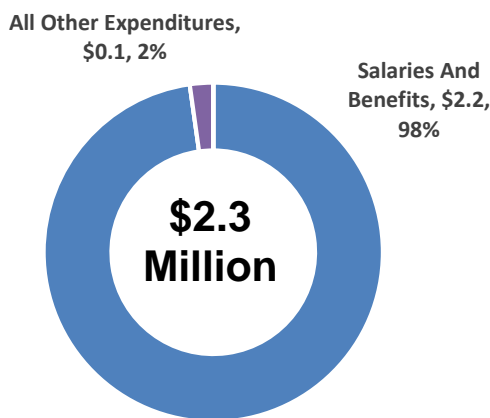
- (a) uphold and promote the purposes of the City;
- (b) Promote public involvement in the City's activities
- (c) Act as the representative of the City both within and outside the City, and promote the City locally, nationally and internationally; and
- (d) Participate in and foster activities that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

Where the money goes:

2018 Budget by Service

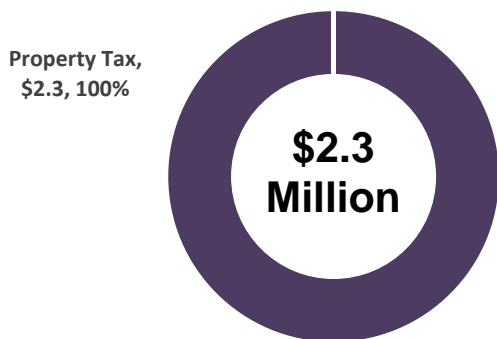


2018 Budget by Expenditure Category



Where the money comes from:

2018 Budget by Funding Source



OUR KEY ISSUES & PRIORITY ACTIONS

- **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 building 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 well can. Along with SmartTrack, transit projects in this network plan include the relief line, the Scarborough subway, the Eglinton East LRT and waterfront transit.
 - ✓ Opening and funding the Toronto-York Spadina Subway Expansion – a six-station extension of Line 1.
- **Keeping Toronto Affordable**

 - ✓ Supporting a 2018 TTC fare freeze and the introduction of time-based transfers for the TTC.
 - ✓ 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 will be 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
- **Representing Toronto**

 - ✓ 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.

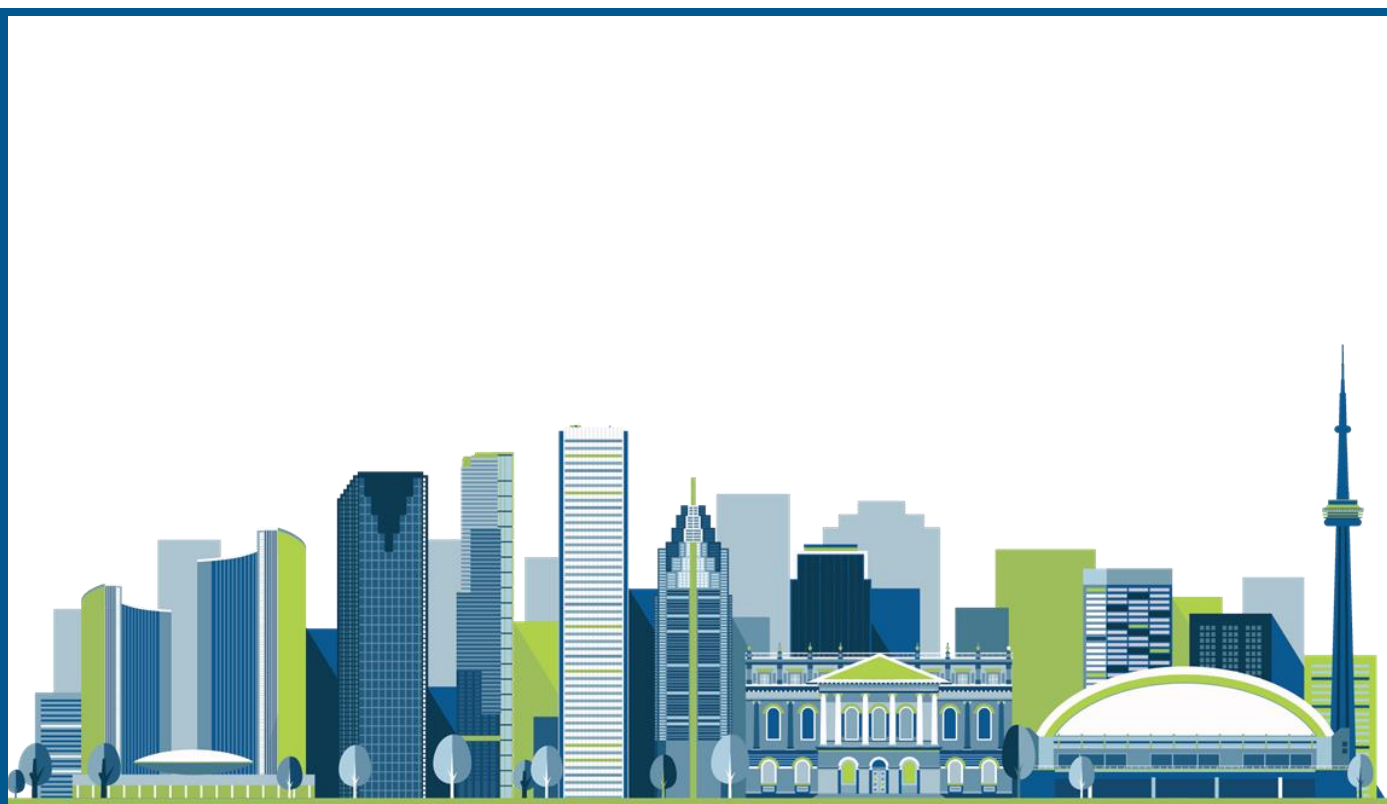
Actions for Consideration

Approval of the 2018 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2018 Preliminary Operating Budget for Office of the Mayor of \$2.251 million gross, \$2.251 million net for the following services:

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

2. City Council approve the 2018 staff complement of 19.0 operating positions.



Part 1

2018-2020 Service Overview and Plan

Table 1
2018 Preliminary Operating Budget and Plan by Service

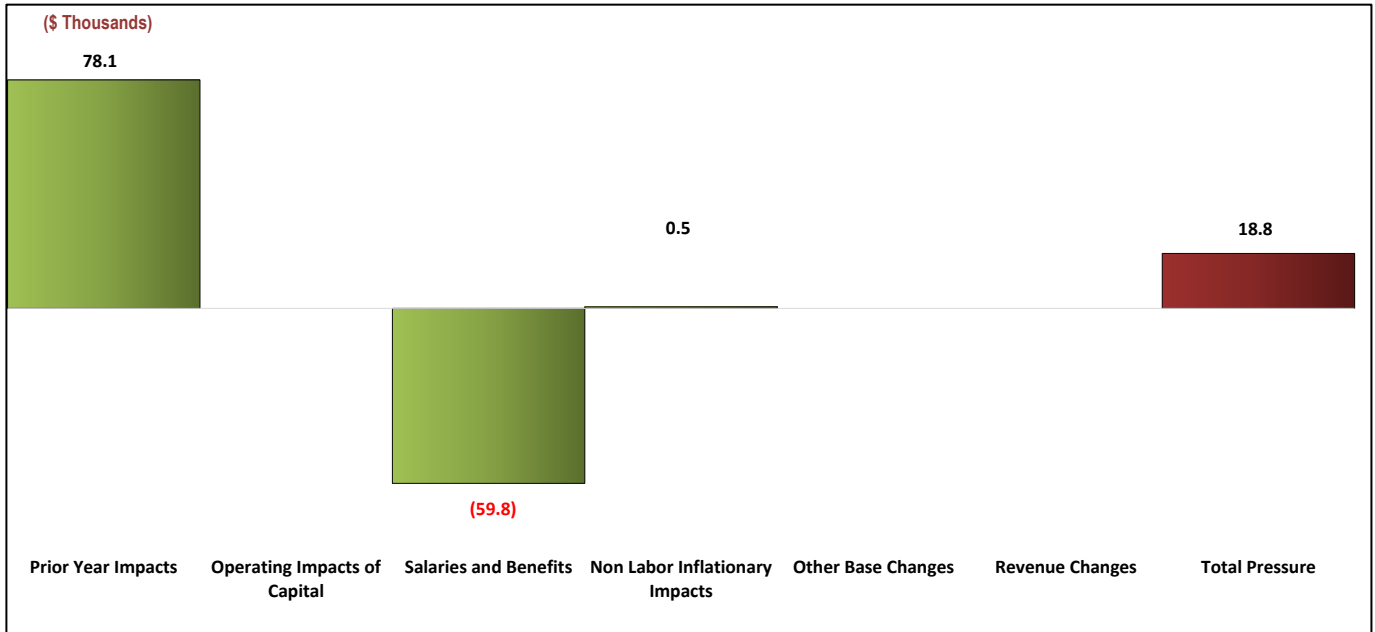
(In \$000s)	2017		2018 Preliminary Operating Budget			2018		Incremental Change			
	Budget	Projected Actual	Base	New/Enhanced	Total Budget	Preliminary vs. 2017 Budget		2019 Plan		2020 Plan	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Mayor's Office											
Gross Expenditures	2,251.0	2,251.0	2,251.0	0.0	2,251.0	(0.0)	(0.0%)	39.9	1.8%	15.0	0.7%
Revenue	0.0		0.0	0.0	0.0	0.0	-	0.0		0.0	
Net Expenditures	2,251.0	2,251.0	2,251.0	0.0	2,251.0	(0.0)	(0.0%)	39.9	1.8%	15.0	0.7%
Total											
Gross Expenditures	2,251.0	2,251.0	2,251.0	0.0	2,251.0	(0.0)	(0.0%)	39.9	1.8%	15.0	0.7%
Revenue	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0		0.0	
Total Net Expenditures	2,251.0	2,251.0	2,251.0	0.0	2,251.0	(0.0)	(0.0%)	39.9	1.8%	15.0	0.7%
Approved Positions	20.0	20.0	19.0	0.0	19.0	(1.0)	(5.0%)	0.0		0.0	

The Office of the Mayor's 2018 Preliminary Operating Budget is \$2.251 million gross and net, representing a 0% increase to the 2017 Approved Net Operating Budget and is in line with the reduction target of 0% as set out in the 2018 Operating Budget Directions approved by Council.

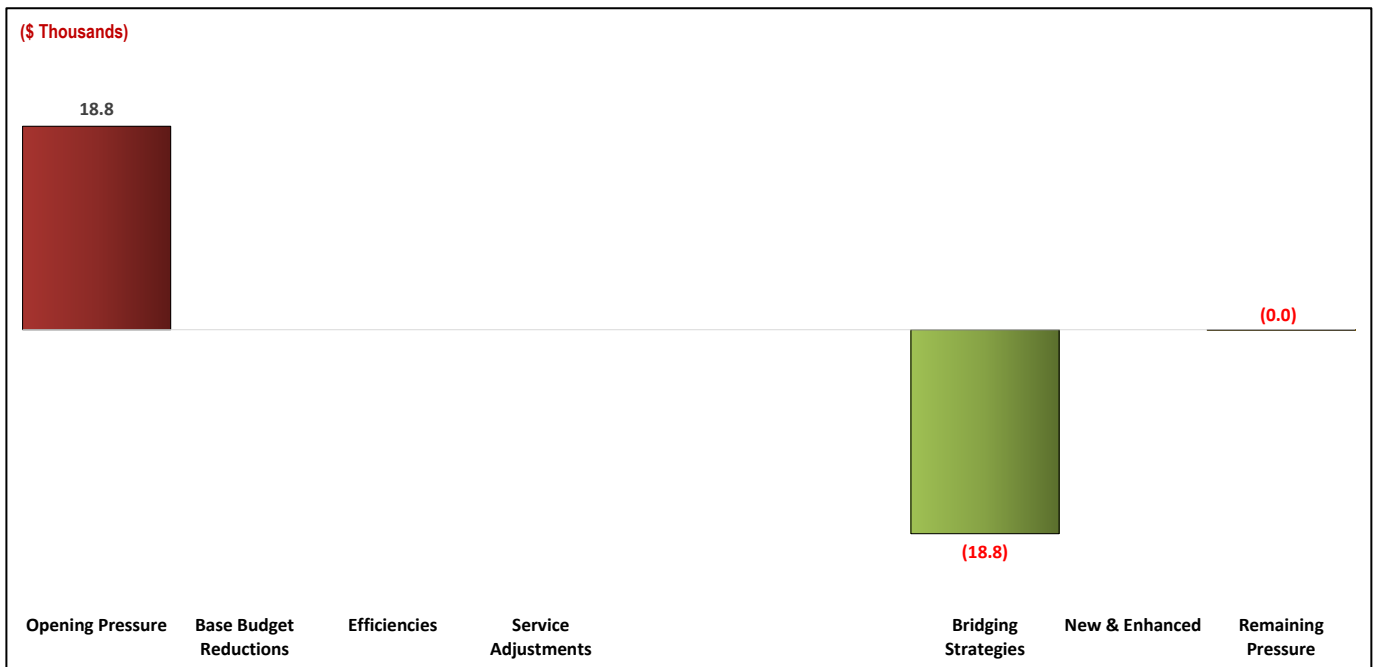
- The Office of the Mayor's total staff complement is reduced by 1.0 position.
- Approval of the 2018 Preliminary Base Budget will result in a 2019 incremental cost of \$0.040 million and a 2020 incremental net cost of \$0.015 million to maintain the same level of support as 2018.

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

Key Cost Drivers



Actions to Achieve Budget Reduction Target



**Table 2
Key Cost Drivers**

(In \$000s)	Operating	Total	
	Office of the Mayor		
	\$	\$	Position
Gross Expenditure Changes			
Prior Year Impacts			
Reversal of One-Time gapping	78.1	78.1	
Salaries and Benefits			
Deletion of 1.0 position	(76.0)	(76.0)	(1.0)
Base Salaries and Benefit Adjustments	12.5	12.5	
CPI/COLA	3.7	3.7	
Economic Factors			
Non-Payroll items	0.5	0.5	
Total Gross Expenditure Changes	18.8	18.8	(1.0)
Revenue Changes			
Total Revenue Changes			
Net Expenditure Changes	18.8	18.8	(1.0)

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

- Prior Year Impacts:
 - Reversal of prior year one-time gapping results in an increase of \$0.078 million.
- Salaries and Benefits:
 - The deletion of 1.0 position results in a decrease of \$0.076 million.
 - Salary and benefit adjustments result in an increase of \$0.016 million.
- Economic Factors:
 - Inflationary increase of \$0.005 million for non-payroll items.

In order to achieve the budget reduction target, the Office of the Mayor's 2018 Operating Budget consists of base expenditure savings of \$0.019 million net as detailed below.

**Table 3
Actions to Achieve Budget Reduction Target
2018 Preliminary Service Change Summary**

Description (\$000s)	Total Service Changes			Incremental Change			
	\$	\$	#	2019 Plan		2020 Plan	
	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:							
Base Expenditure Changes							
One-time gapping	(18.8)	(18.8)		18.8			
Base Expenditure Change	(18.8)	(18.8)		18.8			
Total Changes	(18.8)	(18.8)		18.8			

Base Expenditure Changes (Savings of \$0.019 million gross & net)

One-time gapping

- One-time gapping results in a savings of \$0.019 million. This one-time savings will be reversed in 2019.

**Table 5
2019 and 2020 Plan by Program**

Description (\$000s)	2019 - Incremental Increase					2020 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	Position	Gross Expense	Revenue	Net Expense	% Change	Position
Known Impacts:										
Prior Year Bridging Impacts										
Reversal of One-Time gapping	18.8		18.8	0.8%						
Salaries and Benefits	20.5		20.5	0.9%		14.4		14.4	0.6%	
Other Base Changes										
Economic factors on non-payroll expenses	0.6		0.6	0.0%		0.6		0.6	0.0%	
Sub-Total	39.9	0.0	39.9	1.8%		15.0	0.0	15.0	0.7%	
Total Incremental Impact	39.9	0.0	39.9	1.8%	0.0	15.0	0.0	15.0	0.7%	

Future year incremental costs are primarily attributable to the following:

Known Impacts:

- The reversal of one-time gapping in 2018 will result in an increase of \$0.019 million in 2019.
- Salaries and benefits adjustments for CPI and cost of living adjustments will result in a net increase of \$0.021 million and \$0.014 million, respectively in 2019 and 2020.
- Economic factor adjustments for non-payroll budget of \$ \$0.001 million in 2019 and \$0.001 million in 2020.



Appendices

Appendix 2

2018 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2015	2016	2017	2017	2018	2018 Change from		Plan	
	Actual	Actual	Budget	Projected	Preliminary	2017 Approved		2019	2020
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries And Benefits	2,104.2	2,140.9	2,204.1	2,204.1	2,203.6	(0.5)	(0.0%)	2,242.9	2,257.3
Materials & Supplies	8.1	4.7	4.8	4.8	4.9	0.1	1.5%	4.9	5.0
Service And Rent	90.5	44.6	35.1	35.1	35.6	0.5	1.3%	36.1	36.6
Inter-Divisional Charges	4.1	6.6	6.9	6.9	6.9			6.9	7.0
Total Gross Expenditures	2,207.3	2,197.4	2,251.0	2,251.0	2,251.0	(0.0)	(0.0%)	2,290.9	2,305.9
Total Revenues							-		
Total Net Expenditures	2,207.3	2,197.4	2,251.0	2,251.0	2,251.0	(0.0)	(0.0%)	2,290.9	2,305.9
Approved Positions	21.0	19.0	20.0	20.0	19.0	(1.0)	(5.0%)	19.0	19.0

* Based on the 9-month Operating Variance Report

For additional information regarding the 2017 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, 2017" considered by City Council at its meeting on December 6, 2017.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BU37.2>

Impact of 2017 Operating Variance on the 2018 Preliminary Operating Budget

- There is no impact arising from the 2017 9-Month Operating Variance Report on the 2018 Preliminary Operating Budget.