



**City of Hamilton**  
**GENERAL ISSUES COMMITTEE (BUDGET)**  
**AGENDA**

**Meeting #:** 24-001(d)  
**Date:** January 25, 2024  
**Time:** 9:30 a.m.  
**Location:** Council Chambers (GIC)  
Hamilton City Hall  
71 Main Street West

Angela McRae, Legislative Coordinator (905) 546-2424 ext. 5987

---

	<b>Pages</b>
<b>1. APPROVAL OF AGENDA</b>	
<b>2. DECLARATIONS OF INTEREST</b>	
<b>3. APPROVAL OF MINUTES OF PREVIOUS MEETING</b>	
<b>4. COMMUNICATIONS</b>	
<b>5. CONSENT ITEMS</b>	
<b>6. STAFF PRESENTATIONS</b>	
6.1 Corporate Services Department - 2024 Budget Presentation	3
6.2 City Manager's Office - 2024 Budget Presentation	31
<b>7. DISCUSSION ITEMS</b>	
7.1 Living Wage (HUR20003(d) / FCS20013(d)) (City Wide)	56
<b>8. MOTIONS</b>	
<b>9. NOTICES OF MOTION</b>	
<b>10. GENERAL INFORMATION / OTHER BUSINESS</b>	

11. PRIVATE & CONFIDENTIAL

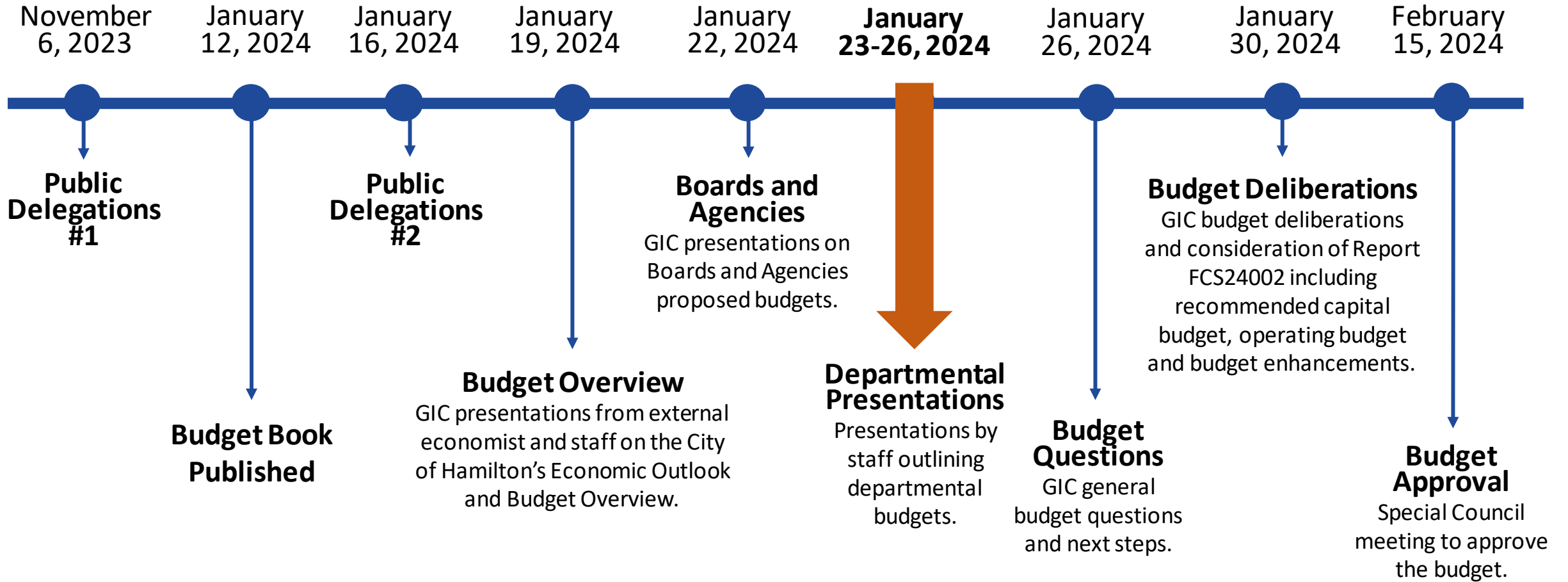
12. ADJOURNMENT

2024 Proposed Operating and Capital Budget Presentation

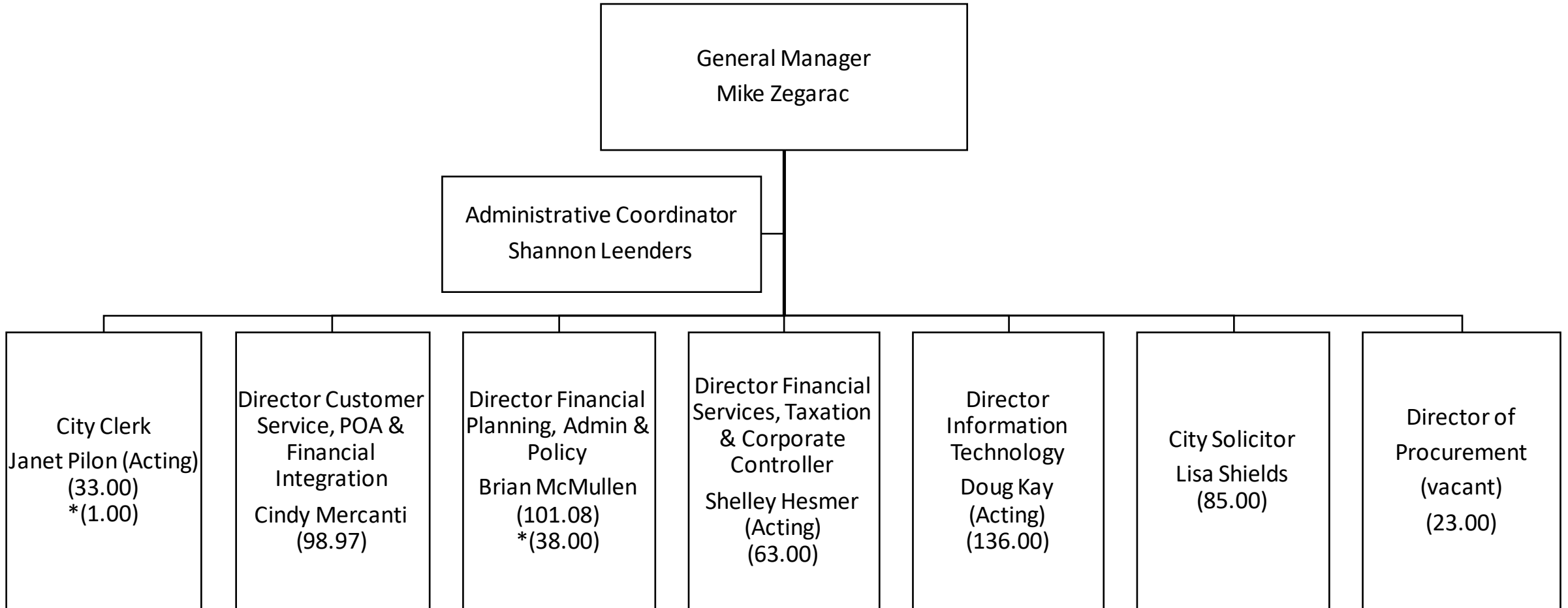
# CORPORATE SERVICES



# Tax Budget Process



# Organizational Chart



\* Represents distributed staff whose budget are in operating departments.

# Overview of Services Provided (1 of 2)

## Financial Management

- Budgeting, Financial Planning, Financial Analysis, Debt Management, and Reserves Management

## Financial Services

- Accounting and Tangible Capital Assets
- Accounts Payable, Receivable and Business Applications
- Payroll and Pension

## Legislative Services

- Legislative Services
- Citizen committee recruitment, delegation support
- Municipal Election Administration

## Fiscal Policy

- Fiscal policy, development charges, community benefits charges, utility revenues

## Taxation

- Property Tax Billings and Collections, Tax Assistance Programs, Tax Appeals

## Courier & Print Services

- Corporate Print; Corporate Mail & Courier Services

## Procurement

- Procurement of Goods and Services, Vendor Management

## Records Management

- Records and Information Management

# Overview of Services Provided (2 of 2)

## Legal Services

- Legal advice to advance the City's corporate goals and strategic plan
- Legal representation before courts and tribunals
- Prosecution of by-law and Provincial offences

## Justice

- Provincial Offences Administration and Prosecution

## Citizen and Customer Service

- Customer Contact Centre (546-CITY)
- Municipal Service Centres
- Marriage ceremonies

## Risk Management

- Provide risk and claims management services and delivery of the City's insurance program
- Management and oversight of enterprise cash management contracts (i.e. payment processing)

## Information Technology

- Business Relationship Management; Enterprise Architecture; Project Management
- Business Applications; Spatial Services; Data Analytics Services; Integration Services
- Security; Voice and Data Infrastructure Services (Radio Network for Emergency Services); Data Center
- Service Desk; Contract Management

# Advancing Council Priorities



# Sustainable Economic & Ecological Development

## Exploration and Introduction of New City Revenue Models and Efficiencies

- Stormwater funding review
- Vacant Unit Tax

## Reduce the burden on residential taxpayers

- Actively participating in appeals of commercial and industrial properties in an effort to preserve the assessment base and mitigate potential municipal property tax losses.

# Responsiveness & Transparency (1 of 3)

## Modernized City Systems

- **PeopleSoft Upgrade** – Improved ease of use.
- **Information Technology (IT) Strategy:** An updated Information Technology Strategy outlines a four-year roadmap of the key IT initiatives to support council priorities, the City's strategic priorities, Digital strategy and meeting of service delivery expectations.
- **Next Generation 911:** Continued partnership between the City, Hamilton Police Services, and the Province of Ontario to deliver a highly complex program.
- **Enterprise Standardization:** Successfully standardized the Microsoft product suite as a city-wide opportunity for business application rationalization and new value opportunities.
- **Enterprise Data Management:** Focuses on putting structure in place around inventorying and governing the City's data, while supporting our employees in understanding data processes, how to manage data and putting the data to work to help inform decision making and increasing transparency to the public.
- **Employee Life Cycle Synchronization:** Implemented to improve and automate the onboarding, offboarding, and transfer of City employees.

# Responsiveness & Transparency (2 of 3)

## Build a high performing public service

- Launch of DocuSign electronic execution of contracts.
- **Procurement section reorganization** - Enables high performance, better span of control and oversight, expands the role of Procurement for broader community matters .
- **Refresh of City Telephony Systems** – Mature and Scale City Telephony solutions to address business growth and End of Life risk.
- **Refresh of City Information Technology Infrastructure** – Mature and Scale Information Technology hardware and software to manage business growth, security and End of Life risk.
- **Recruitment of the Integrity Commissioner/Lobbyist Registrar**
- **Fulfilled the Governance Requirements for Fixing Long-Term Care Act**
- **Fulfilled the requirements within the Municipal Elections Act following a Municipal Election**
- **Compiled a Procedural Handbook for Citizen Appointees to City of Hamilton Local Boards**

## Implementation of City's Digital Strategy to enhance customer-centered service design

- Enterprise Point of Sale – To support the modernization of the City's payment processes
- Electronic Filing of Red Light Camera Charges; pending electronic filing of Automated Speed Enforcement Charges.

# Responsiveness & Transparency (3 of 3)

## **Develop enterprise customer service strategy**

- Transitioning from current end-of-life Customer Relationship Management platform to a newly approved standardized platform
- Initiated implementation of 311-phone number provided through Canadian Radio-television and Telecommunications Commission (CRTC)

## **Protecting City Assets**

- 75 sessions held on fraud prevention training

## **Executive Summary of the City's Annual Financial Report**

- Summary of the Annual Financial Report using clear writing standards

## **Transition to a revised budget process that emphasizes long-term financial planning, asset management, public engagement, and climate principles**

- Advanced the 2024 Budget process with public engagement, alignment to Council priorities, an accelerated schedule and a single comprehensive Tax Budget.

# Proposed Operating Budget

# 2024 Proposed Tax Operating Budget Summary

Division	2023	2024	2024 vs 2023		Council Referred Items	Business Cases	2024 vs 2023	
	Restated Budget	Proposed Budget	\$	%			\$	%
City Clerk's Office	3,653	3,892	239	6.5%		550	788	21.6%
Corporate Services Administration	342	350	7	2.1%			7	2.1%
Customer Service POA and Financial Integration	6,334	6,410	76	1.2%			76	1.2%
Financial Planning Admin & Policy	5,696	5,872	176	3.1%			176	3.1%
Financial Services Taxation and Corporate Controller	3,651	3,534	(117)	(3.2%)			(117)	(3.2%)
Information Technology	19,416	20,237	821	4.2%		118	939	4.8%
Legal Services and Risk Management	4,828	5,189	360	7.5%			360	7.5%
Procurement	1,031	1,609	578	56.0%	524		1,101	106.8%
<b>Total Corporate Services</b>	<b>44,951</b>	<b>47,091</b>	<b>2,140</b>	<b>4.8%</b>	<b>524</b>	<b>668</b>	<b>3,331</b>	<b>7.4%</b>

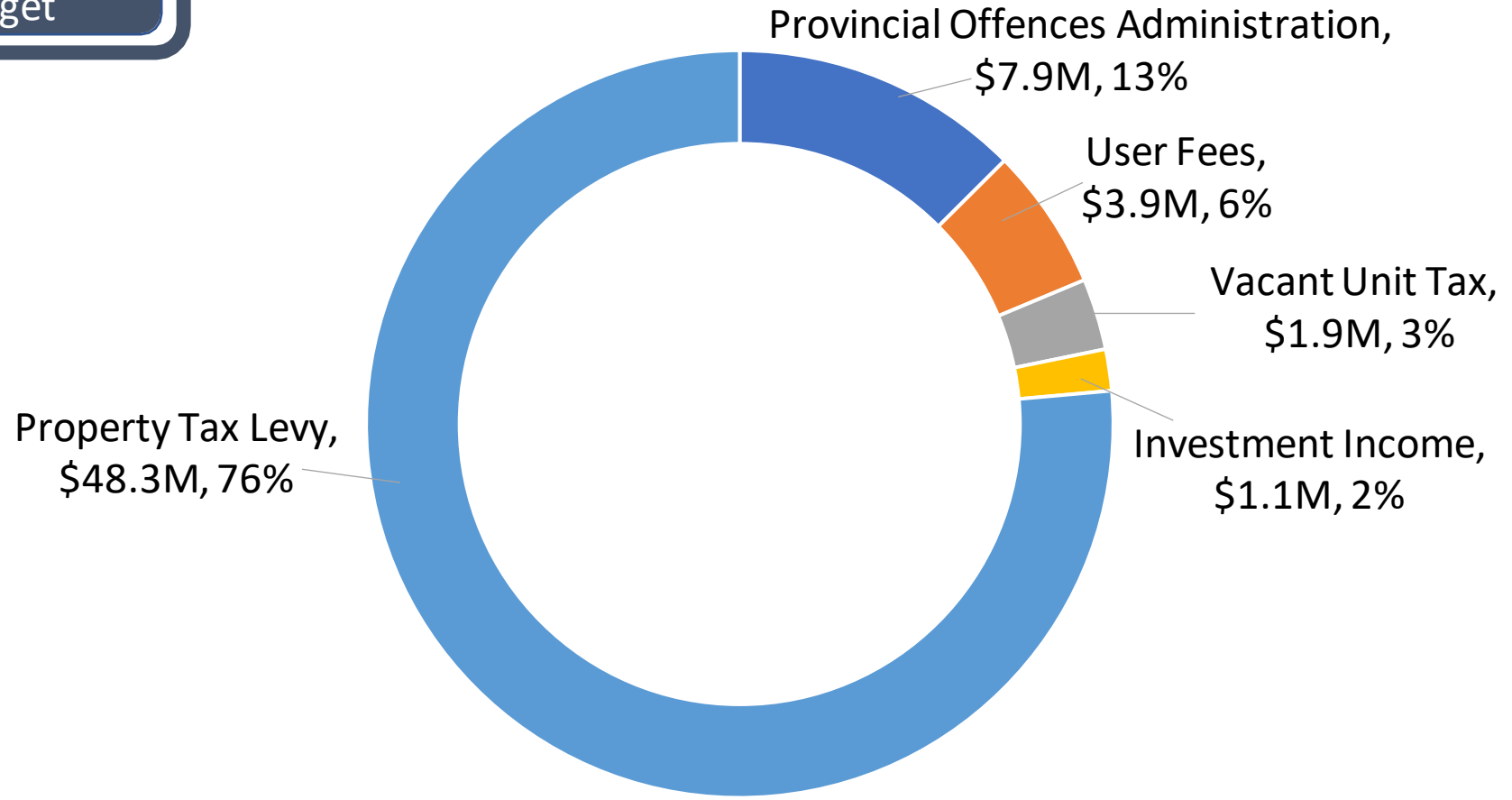
NOTE: Figures presented are in (\$000s). For more information on this slide, please refer to full budget report pages 176-212

# 2024 Proposed Complement

	2023 Council Approved FTE	2023 Restated Budget FTE	2024 Preliminary Budget FTE	2024 Preliminary vs. 2023 Restated Budget	
				FTE Change	% Change
<b>Corporate Services</b>					
City Clerk's Office	33.00	33.00	33.00	0.00	0.0%
Corporate Services Administration	2.00	2.00	2.00	0.00	0.0%
Customer Service, POA and Financial Integration	98.97	98.97	98.97	0.00	0.0%
Financial Planning Admin & Policy	92.08	101.08	101.08	0.00	0.0%
Financial Services Taxation and Corporate Controller	80.00	63.00	63.00	0.00	0.0%
Legal Services and Risk Management	85.00	85.00	85.00	0.00	0.0%
Information Technology	136.00	136.00	136.00	0.00	0.0%
Procurement	0.00	23.00	23.00	0.00	0.0%
<b>TOTAL Corporate Services</b>	<b>527.05</b>	<b>542.05</b>	<b>542.05</b>	<b>0.00</b>	<b>0.0%</b>

# Operating Budget Funding Sources

**\$63.2M\***  
Gross Budget



\* May include rounding anomalies



# Operating Budget Drivers

- \$1.0M | 2.2% Salary increases related to cost of living and merit
- \$0.9M | 2.1% Wage increases tied to collective bargaining
- \$0.6M | 1.3% Procurement reorganization approved in 2023
- \$0.5M | 1.2% Annualization of enhancements approved in 2023
- \$0.2M | 0.3% Facilities and insurance cost increases
  
- (\$0.6M) | (1.3%) Increase to gapping target
- (\$0.3M) | (0.7%) User fee increases
- (\$0.2M) | (0.3%) Culmination of savings from review of various accounts
  
- **\$2.1M | 4.8% Total Net Levy Change**

# Operating Budget Mitigation Strategies

## Mitigation Achieved: \$1.1M | 2.3% Decrease in Operating Budget

- **Increase to gapping target : \$0.6M**
  - Corporate wide increase to gapping targets to align with recent vacancy trends
- **User fee increases: \$0.3M**
  - Tax arrears processing fee increased by 30% to align with municipal comparators
  - Increased demand in fee funded services (marriage licenses; tax certificates)
- **Culmination of savings from review of various accounts: \$0.2M**

# Council Referred Operational Investments

## Procurement Re-Organization - Additional FTEs (FCS23082)

Procurement Division

2024 Net Levy Impact: \$523,700 | Net Annualized Impact: \$862,222

Staffing impact: 8 FTEs (two of which have been approved in rate budget)

- To implement recommended structure from organizational review addressing the need to strategically deliver corporate service initiatives and Council priorities and to carry out service improvements and betterments resulting from internal audit recommendations and a robust vendor performance program.
- Expanded role of procurement as it relates to broader community matters and interests (Community Benefits, social, green or circular procurement, etc.).

## Audit Based Enhancements to Elections

City Clerk's Office

2024 Net Levy Impact: \$549,600 | Net Annualized Impact: \$621,700

Staffing impact: 2 FTEs

- Build consistency, continuity, innovation and readiness in Elections; provide greater customer service to the community
- Enhancement required to implement recommendations made through the Election Administration Audit (AUD23008) and to address current gaps in funding and resourcing

## IT Support for City 311 and Digital Strategy

Information Technology Division

2024 Net Levy Impact: \$0 | Net Annualized Impact: \$158,000

Staffing impact: 1 FTE

- Expand capacity and capability to implement the Digital Strategy, including the 311 project, including the continued delivery of online services to residents

# Business Cases (2 of 2)

## IT Architect to Modernize & Integrate City Systems

Information Technology Division

2024 Net Levy Impact: \$117,900 | Net Annualized Impact: \$157,085

Staffing impact: 1 FTEs

- Multi-year enterprise IT initiatives to modernize city systems (APS, Enterprise Asset Management, Water Billing, 311)

## Customer Service Excellence Enhancement to IT Service Desk

Information Technology Division

2024 Net Levy Impact: \$0 | Net Annualized Impact: \$0

Staffing impact: 6 FTE

- Improve response times and customer satisfaction levels at the Service Desk
- Currently resources are comprised of part time, temporary and full time staff, the enhancement would make all staff full time permanent

# Department Multi-Year Outlook

	2024	2025			2026			2027		
	Current Budget	\$	2025 vs 2024		\$	2026 vs 2025		\$	2027 vs 2026	
			\$	%		\$	%		\$	%
<b>CORPORATE SERVICES</b>										
City Clerk's Office	4,441	4,582	141	3.2%	4,651	69	1.5%	4,738	87	1.9%
Corporate Services Administration	350	352	2	0.6%	354	2	0.7%	357	3	0.8%
Customer Service POA and Financial Integration	6,410	6,537	127	2.0%	6,663	126	1.9%	6,776	113	1.7%
Financial Planning Admin & Policy	5,872	6,257	385	6.6%	6,437	180	2.9%	6,557	120	1.9%
Financial Services Taxation and Corporate Controller	3,534	3,649	115	3.3%	3,758	109	3.0%	3,851	92	2.5%
Legal Services and Risk Management	5,189	5,666	478	9.2%	5,962	296	5.2%	6,202	240	4.0%
Information Technology	20,354	21,515	1,161	5.7%	22,780	1,265	5.9%	23,391	611	2.7%
Procurement	2,133	2,516	383	18.0%	2,561	45	1.8%	2,601	40	1.6%
<b>TOTAL CORPORATE SERVICES</b>	<b>48,282</b>	<b>51,074</b>	<b>2,792</b>	<b>5.8%</b>	<b>53,167</b>	<b>2,093</b>	<b>4.1%</b>	<b>54,472</b>	<b>1,306</b>	<b>2.5%</b>

\* NOTE: For more information on this slide, please refer to full budget report page 182.

# Proposed Capital Budget

# 2024 Proposed Capital Budget Summary (1 of 2)

## Customer Service, POA and Financial Integration: \$0 Net

100%  
Levy  
Funded

### Customer Relationship Management (CRM) (\$0 Net | \$0.1 gross)

- Replace current end of life Customer Relationship Management software
- Implement the requirements for the adoption of a 311 Customer Service number

### Enterprise Point of Sale (\$0 Net | \$0.4M gross)

- To support the modernization of the City’s payment processes

## Financial Planning Admin and Policy: \$0M Net

0%  
Levy  
Funded

### Community Benefits Charge Study – 2025 (\$0 Net | \$0.3M gross)

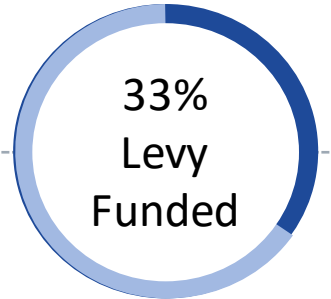
- The City's Community Benefits Charges Strategy and By-law is required to be reviewed every 5 years.

Net represents amount funded by tax levy. Gross represents total project cost. Difference is funded through reserves, grants, development charges, or transfers from existing approved capital.



# 2024 Proposed Capital Budget Summary (2 of 2)

## Information Technology (IT): \$3.7M Net



### System expansion

- Next generation 911 (\$0 Net | \$1.9M gross), Information security program (\$0 Net | \$0.4M gross), IT Infrastructure Asset Management (\$3.6M Net | \$4.1M gross), Enterprise Data Management Strategy (\$0 Net | \$0.2M gross)

### System Upgrades

- Windows 11 (\$0.1M Net; \$0.2M gross), Telephony infrastructure (\$0 Net | \$3.1M gross)

### System Renewal

- IT Strategy refresh (\$0 Net | \$0.2M gross), platform end of life (\$0 Net | \$0.2M gross)

Net represents amount funded by tax levy. Gross represents total project cost. Difference is funded through reserves, grants, development charges, or transfers from existing approved capital.

# Operating Impacts of Capital

**\$465K | 3.5FTE**

## Customer Service, POA and Financial Integration

**\$43K | 0.5FTE**

**Customer Relationship Management:**

- Upgrade and 311 customer service number introduction

## Information Technology

**\$344K | 3 FTE**

**Next Generation 9-1-1**

## Legal Services and Risk Management

**\$78K**

**Claims management software replacement**

Net represents amount funded by tax levy.  
 Gross represents total project cost.  
 Difference is funded through reserves, grants, development charges, or transfers from existing approved capital.

# Capital Budget Mitigation Strategies

## Mitigation Achieved: \$7.7M | 66% Decrease

- \$1.9M | Next Generation 9-1-1 funded from provincial grants
- \$4.5M | Information technology projects funded from IT reserve
- \$0.2M | Information technology projects funded from approved capital
- \$0.1M | Customer Relationship Management funded from reserve
- \$0.4M | Enterprise Point of Sale funded from reserve
- \$0.6M | Customer Relationship Management Expansion/Enterprise roll out deferred to 2025

# Proposed Budget Summary: Corporate Services

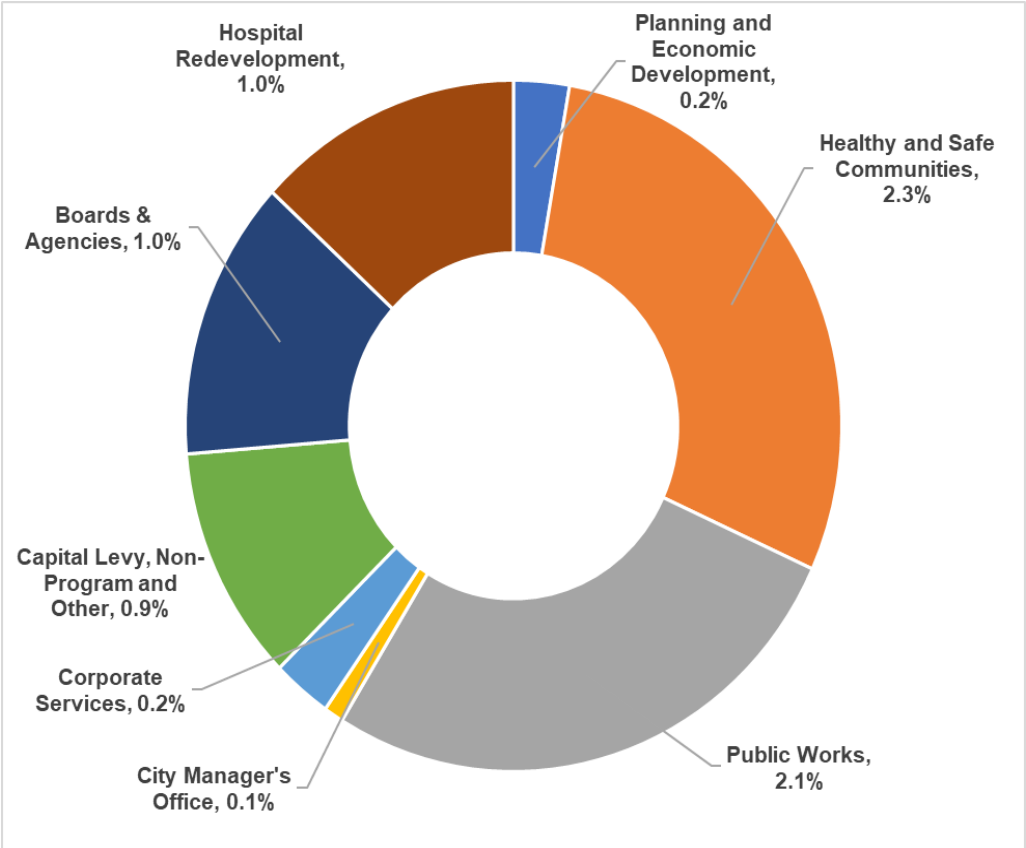


# Proposed Budget Summary

OPERATING	2023	2024	2024 vs 2023	
	Restated Budget	Proposed Budget	\$	%
Preliminary Operating Budget	44,951	48,191	3,240	7.1%
Mitigation Strategies		(1,100)	(1,100)	-2.3%
Operational Investments		1,191	1,191	2.6%
<b>Total Operating Budget</b>	<b>44,951</b>	<b>48,282</b>	<b>3,331</b>	<b>7.4%</b>

CAPITAL	2023	2024	2024 vs 2023	
	Restated Budget	Proposed Budget	\$	%
Capital investments	5,710	11,702	5,992	104.9%
Mitigation Strategies		(7,728)	(7,728)	-135.3%
Operating impacts of capital		465	465	8.1%
<b>Capital Budget</b>	<b>5,710</b>	<b>4,439</b>	<b>(1,271)</b>	<b>(22.3)%</b>

Corporate Services Impact on Tax Levy



# QUESTIONS?

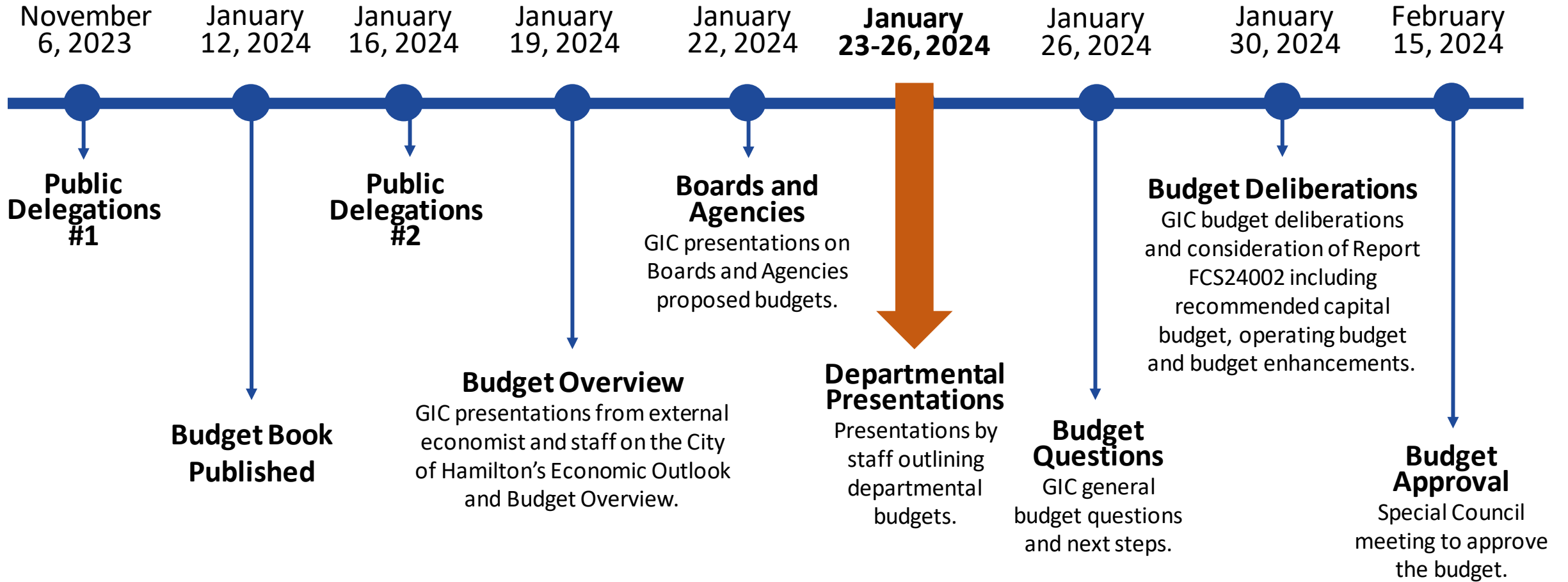


2024 Proposed Tax Supported Capital & Operating Budget

# CITY MANAGER'S OFFICE

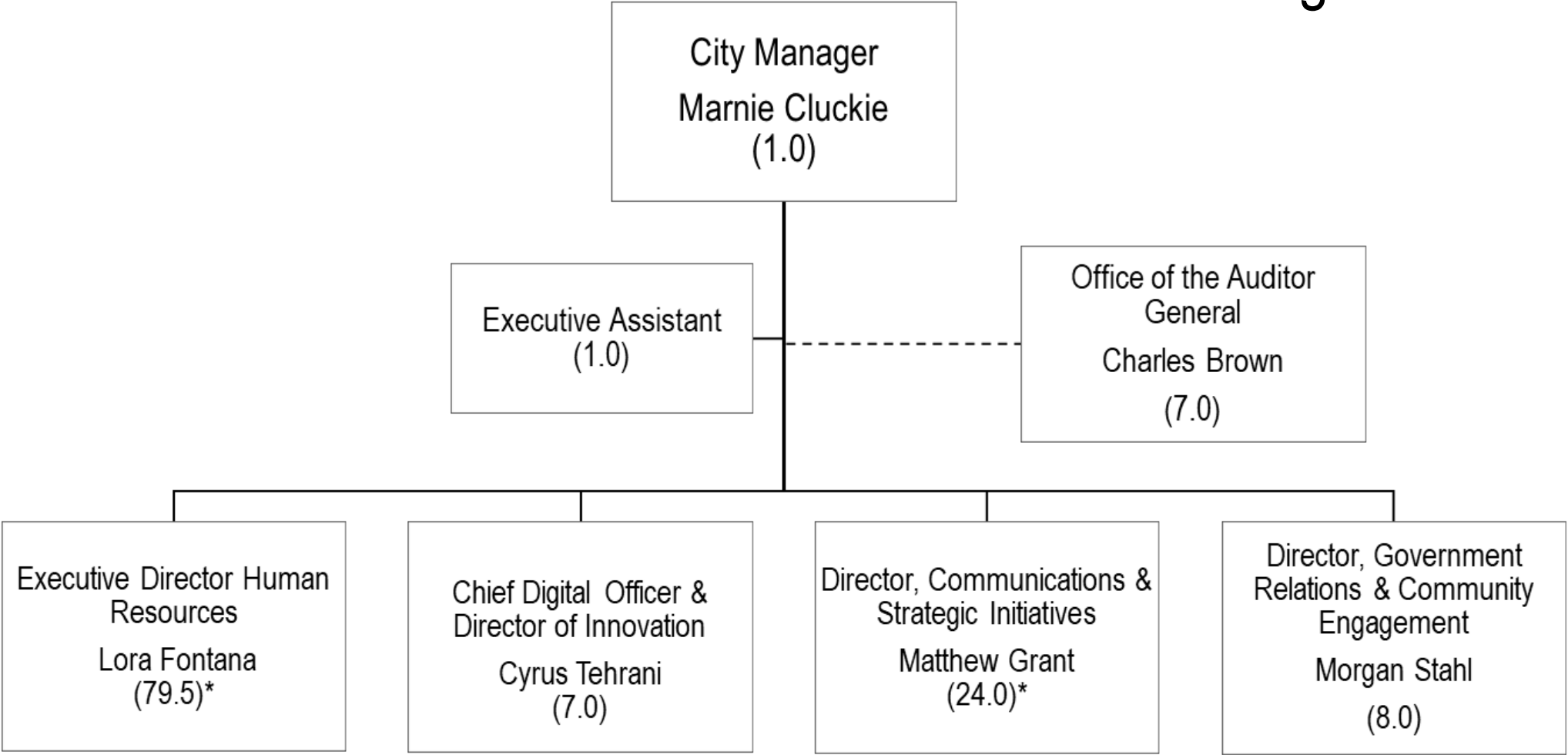


# Tax Budget Process





# Organizational Chart



*\*1.5 positions funded by Metrolinx: 1 in Communication & Strategic Initiatives, and 0.5 in Human Resources*

# Overview of Services Provided (1 of 2)

## Employee Health, Safety, Wellness & Respectful Work Environment

- Injury and illness prevention
- Workplace mental health and well-being
- Return to work for injured/ill employees
- Absenteeism
- Inclusion, Diversity, Equity, and Accessibility
- Harassment and discrimination investigation
- Human Rights Tribunal of Ontario applications

## Talent, Total Rewards, & HR Operations

- Recruitment
- Succession Planning
- Benefits & Compensation
- Learning & Development
- Reporting, Data & Analytics

## Labour Relations

- Collective bargaining
- Grievance resolution
- Performance management

## External/Internal Communications

- Media Relations
- Social Media
- Marketing/Advertising
- Reputation Management
- Communications Planning
- Public Education
- Corporate Website
- Digital Public Engagement
- Emergency Communications

## Communications Support

- Graphic design
- Brand standards
- Corporate ad purchasing

# Overview of Services Provided (2 of 2)

## Audits and Reviews

- Value for money audits
- Council requested investigations/audits
- Process controls audits
- Lesson learned reviews

## Investigations

- Administration of the Fraud and Waste Hotline
- Fraud/wrongdoing allegations
- Complaints of wasted funds

## Community Initiatives & Public Engagement

- Engage Hamilton
- Public Engagement Policy and Framework

## Digital Innovation

- Digital Strategy implementation and oversight
- Public access to data
- Broadband and digital equity
- Innovation and Technology pilot projects

## Strategy and Partnerships

- CityLAB program
- Corporate partnerships/revenue opportunities

## City Enrichment Fund

- Administration and oversight

## Government Relations

- Advocating on behalf of Hamilton needs with government partners
- Seeking investment to advance Council Priorities

# Advancing Council Priorities

# Responsiveness & Transparency (1 of 2)

## Get more people involved in decision making and problem solving

- Implementation of corporate-wide public engagement policy to consistently apply public engagement practices on City initiatives.
- Completion of review of role of Advisory Committees.
- Finalize and implement the work of the Mayor's Task Force on Transparency, Access and Accountability to improve public access, transparency and accountability at City Hall.
- 2024 Budget investment in the work of the Hamilton Anti-Racism Resource Centre (HARRC).
- 2024 Budget investment to expand the City Enrichment Fund to meet community needs, with a target goal of \$9.6M in available annual funding by 2028.

## Prioritize customer service and proactive communication

- 2024 Budget investments in staffing and technology to develop and implement a City-wide customer service strategy and begin initial migration of some services to a new Customer Relationship Management solution.
- 2024 Budget investments to improve accessibility of City reports and products and compliance with Accessibility for Ontarians with Disabilities Act (AODA) requirements.

# Responsiveness & Transparency (2 of 2)

## **Implementation of the City's Digital Strategy to enhance customer-centered service design**

- Approval of a first Digital Strategy, including early implementation efforts such as Digital Signature Solution, launching the City Performance Dashboard and completing Digital Services Inventory.
- 2024 Operating and Capital Budget investments in staffing and technology to continue the implementation of the strategy with focus on developing Digital Standards and corporate tracking of supporting projects.

## **Build a high performing public service**

- In 2023, staff created 1,389 Action Plans to implement the findings of the employee survey.
- 2023 investments in non-union compensation through the Recruitment & Retention strategy improved non-union attrition in 2023 from 15.36% (year end 2022) to 9.26% as of December 2023.
- 2024 Budget includes investments in additional staffing and technology to improve Human Resources support for City departments and develop new software for scheduling and time and attendance management.
- 2024 enhancements to recruitment tools to improve applicant and new hire experience.

# Sustainable Economic & Ecological Development

## Increase funding from provincial and federal partners and advocate for a new fiscal framework for municipalities

- Strong City representation at Association of Municipalities of Ontario, Rural Ontario Municipalities Association, Ontario Big City Mayor's Caucus, and Federation of Canadian Municipalities.
- Over 40 meetings in 2023 with Ministers, Associate Ministers, Deputy Ministers, and local elected representatives to strengthen relationships and advocate for Hamilton-specific priorities.
- Coordinated a supportive housing roundtable with Ministers and a federal roundtable with Hamilton-based MPs focusing on local housing solutions.
- 2023 advocacy efforts helped secure \$93.5M Housing Accelerator Fund, \$3.5M+ Interim Housing Assistance Program, funds for the Community Safety and Well-being Plan and ongoing support from the Federal Gas Tax Fund and Canada Community-Building Fund.
- 2024 advocacy efforts focussed on grant readiness, ongoing dialogue with provincial and federal counterparts, and active participation in tables and working groups for increased funding and municipal revenue.

# Proposed Operating Budget



# 2024 Proposed Tax Operating Budget Summary

Division	2023	2024	2024 vs 2023		Council Referred Items	Business Cases	2024 vs 2023	
	Restated Budget	Proposed Budget	%	\$			%	\$
Auditor General	1,260	1,263	4	0.3%			4	0.3%
CMO - Admin	269	302	32	12.0%			32	12.0%
Communication & Strategic Initiatives	2,903	3,111	208	7.2%		70	278	9.6%
Digital & Innovation Office	473	543	69	14.6%		12	82	17.2%
Government & Community Relations	1,351	1,534	184	13.6%	115		299	22.1%
Human Resources	8,926	9,269	343	3.8%		66	409	4.6%
<b>Total City Manager's Office</b>	<b>15,182</b>	<b>16,022</b>	<b>840</b>	<b>5.5%</b>	<b>115</b>	<b>149</b>	<b>1,103</b>	<b>7.3%</b>

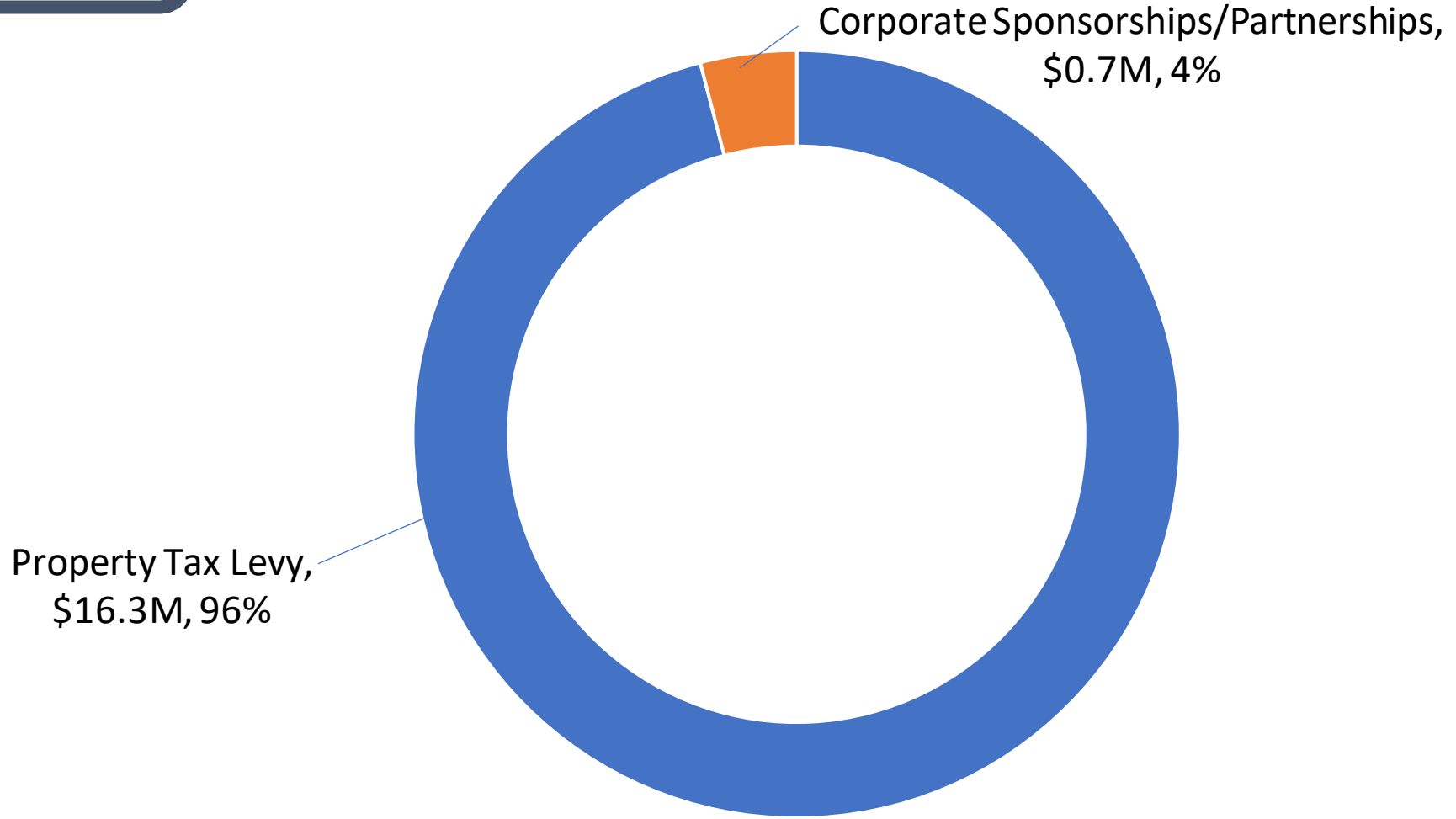
*NOTE: For more information on this slide, please refer to full budget report pages 147-175.*

# 2024 Proposed Complement

	2023 Approved Budget FTE	2023 Restated Budget FTE	2024 Proposed Budget FTEs	2024 Proposed vs. 2023 Restated	
				FTE Change	% Change
<b>City Manager</b>					
Auditor General	7.00	7.00	7.00	0.00	0.0%
CMO - Admin	2.00	2.00	2.00	0.00	0.0%
Communication & Strategic Initiatives	24.00	24.00	24.00	0.00	0.0%
Digital & Innovation Office	7.00	7.00	7.00	0.00	0.0%
Government & Community Relations	8.00	8.00	8.00	0.00	0.0%
Human Resources	79.50	79.50	79.50	0.00	0.0%
<b>TOTAL City Manager</b>	<b>127.50</b>	<b>127.50</b>	<b>127.50</b>	<b>0.00</b>	<b>0.0%</b>

# Operating Budget Funding Sources

**\$17 M\***  
Gross Budget



# Operating Budget Drivers

- \$0.9M | 5.9% Salaries, Wages and Benefits
- \$0.1M | 0.7% Annualization of previous year's enhancements
- (\$0.2M) | (1.1%) Total operating budget mitigation
- **\$0.8 | 5.5% Total Net Levy Change**

# Operating Budget Mitigation Strategies

## Mitigation Achieved: \$327K | 2.1% Decrease in City Manager's Office Operating Budget

### Reduction in consulting budget: \$155K

- Reducing the consulting budget and bringing on additional staffing will enable the completion of work in-house at a more cost-effective rate

### Increase to Gapping Target: \$172K

- Corporate-wide increase to gapping targets to align with recent vacancy trends

# Council Referred Operational Investments

## Hamilton Anti-Racism Resource Centre (HARRC) Funding (CM20007(d))

Government and Community Relations

2024 Net Levy Impact: \$115,000 | Gross Annualized Impact: \$190,000

Staffing Impact: 0

- Develop a service agreement with HARRC supported by sustainable annual funding, to invest in the ongoing operations of the center.

## Increase to the City Enrichment Fund

City Enrichment Fund

2024 Net Levy Impact: \$526,000 | Gross Annualized Impact: \$526,000

Staffing Impact: 0

- Continuation of an 8% annual increase to the City Enrichment Fund to meet community need and requested demand, with a target goal of \$9.6M in annual funding by 2028.

## HR Policy & Planning Specialist

Human Resources

2024 Net Levy Impact: \$66,000 | Net Annualized Impact: \$66,000

Staffing Impact: 1 FTE

- To support increasing workloads in Human Resources related to policy development, meeting legislative requirements, and to provide HR support for City departments.
- Partially funded through re-purposing of external consulting services budget.

## Senior Project Manager Digital & Innovation

Digital & Innovation Office

2024 Net Levy Impact: \$12,200 | Net Annualized Impact: \$12,200

Staffing Impact: 1FTE

- Convert temporary position to permanent to lead the development of the City-wide Customer Service Strategy and advance digital service delivery.
- Partially funded through re-purposing of external consulting services budget.

## Digital Accessibility

Communications & Strategic Initiatives

2024 Net Levy Impact: \$70,400 | Gross Annualized Impact: \$140,500

Staffing Impact: 1 FTE

- Third-party review of accessibility of City documents made available in digital formats has identified low compliance. Additional staffing will focus on accessibility of historical documents as well as implementing standards to ensure full compliance for future documents.



# Department Multi-Year Outlook

	2024	2025			2026			2027		
	Current Budget	\$	2025 vs 2024		\$	2026 vs 2025		\$	2027 vs 2026	
			\$	%		\$	%		\$	%
<b>CITY MANAGER</b>										
Auditor General	1,263	1,445	181	14.4%	1,467	23	1.6%	1,492	24	1.7%
CMO - Admin	302	305	4	1.2%	309	4	1.3%	315	6	1.9%
Communication & Strategic Initiatives	3,181	3,307	126	4.0%	3,367	60	1.8%	3,443	76	2.3%
Digital & Innovation Office	555	779	224	40.4%	785	6	0.7%	802	17	2.1%
Government & Community Relations	1,649	2,056	406	24.6%	2,087	31	1.5%	2,124	37	1.8%
Human Resources	9,335	9,431	96	1.0%	9,537	106	1.1%	9,598	61	0.6%
<b>TOTAL CITY MANAGER</b>	<b>16,286</b>	<b>17,324</b>	<b>1,038</b>	<b>6.4%</b>	<b>17,553</b>	<b>229</b>	<b>1.3%</b>	<b>17,774</b>	<b>221</b>	<b>1.3%</b>

\* NOTE: For more information on this slide, please refer to full budget report page 153.

# Proposed Capital Budget

# 2024 Proposed Capital Budget Summary

## Human Resources: \$973K Net

100%  
Levy  
Funded

### Enterprise UKG Dimensions (Kronos)

- 27-month project – total cost of \$7.4M (\$973K investment in 2024; \$4.1M in 2025 and \$2.4M in 2026)
- Software for scheduling and time/attendance to streamline workflow, reduce costs, eliminate redundancies, and enhance productivity

## Communication & Strategic Initiatives: \$224K Net

100%  
Levy  
Funded

### Digital Accessibility

- Three temporary staff for a two-year period to address City’s Accessibility for Ontarians with Disabilities Act (AODA) compliance for historical documents
- Remediate digital documents through proper preparation, converting to HTML, or removing them from the City's website as needed

# 2024 Proposed Capital Budget Summary

## Digital & Innovation Office: \$675K Net

100%  
Levy  
Funded

### Digital/Open Data Infrastructure (\$75K)

- Enhance organizational data maturity, literacy and data availability

### Smart City and Digital Transformation Program (\$150K)

- Support digital service delivery modernization

### Public Safety Network Feasibility Review (\$200K)

- Enhance critical emergency response and city operational stability

### Enterprise Customer Service (\$250)

- Development of Enterprise Customer Service Strategy

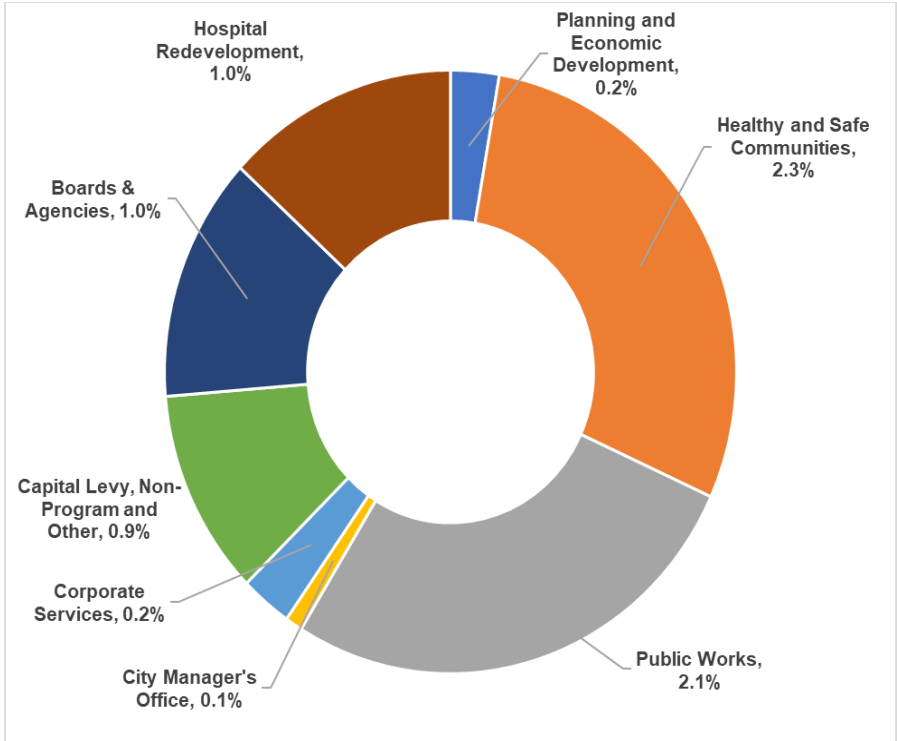
# Proposed Budget Summary: City Manager's Office

# Proposed Budget Summary

OPERATING	2023	2024	2024 vs 2023	
	Restated Budget	Proposed Budget	\$	%
Preliminary Operating Budget	15,182	16,349	1,167	7.7%
Mitigation Strategies		(327)	(327)	-2.1%
Operational Investments		263	263	1.7%
<b>Total Operating Budget</b>	<b>15,182</b>	<b>16,285</b>	<b>1,103</b>	<b>7.3%</b>

CAPITAL	2023	2024	2024 vs 2023	
	Restated Budget	Proposed Budget	\$	%
Capital Investments	55	1,872	1,817	3303.6%

**City Manager’s Office Impact on Tax Levy**





# QUESTIONS?





**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
**Financial Planning, Administration and Policy Division**  
**and**  
**CITY MANAGER'S OFFICE**  
**Human Resources Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	January 25, 2024
<b>SUBJECT/REPORT NO:</b>	Living Wage (HUR20003(d)/FCS20013(d)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Nenzi Cocca (905) 546-2424 Ext. 3924 Kirk Weaver (905) 546-2424 Ext. 2878
<b>SUBMITTED BY:</b>	Lora Fontana Executive Director Human Resources
<b>SIGNATURE:</b>	
<b>SUBMITTED BY:</b>	Kirk Weaver Acting Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATION(S)**

- (a) That staff be directed to implement the 2024 Living Wage of \$20.80 per hour for School Crossing Guards effective September 1, 2024; and
- (b) That staff be directed to bring forward a report to Council for approval should there be any future changes to the Living Wage rate prior to implementation in order to consider budget impacts and to assess the effects on the City's internal compensation system.

---

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.



**SUBJECT: Living Wage (HUR20003(d)/FCS20013(d)) (City Wide) – Page 2 of 5**

---

**EXECUTIVE SUMMARY**

The costing and analysis used by the Ontario Living Wage Network to determine the Living Wage was updated in late 2023. It is based on the weighted average of costs for three different household or family types and what they would need to earn minimally to support their family unit: a family of four comprised of two adult earners aged 35 working full-time with two children aged seven and three; a single parent aged 35 with a child aged seven; and a single adult. This Living Wage rate does not factor in any considerations for savings, retirement planning or debt repayments.

Report HUR20003(d)/FCS20013(d) provides an update on the Living Wage rate (which was recently increased by 9.2% to \$20.80 per hour by the Ontario Living Wage Network) and provides recommendations related to the adoption of the Living Wage rate for the City of Hamilton's School Crossing Guards. A cost of living adjustment (COLA) will be applied for the non-union, part-time casual employee group. An increase for the non-union, full-time summer student and unionized full-time summer student classifications are not being recommended at this time as these positions are both seasonal and do not meet the definition used by the Ontario Living Wage Network to calculate Living Wage.

Non-union, full-time summer student classifications (summer recreation counsellors and swim attendants) rates will be maintained starting at \$17.20 per hour. Outside unionized student workers will earn \$17.10 per hour after receiving a COLA increase, with a \$0.95 shift premium for afternoon and weekend work and inside unionized student workers continue to earn a minimum of \$17.10 per hour and up to \$21.13 per hour. These full-time summer student positions are hired to work during their regular school, college or university vacation period or they may be occupying a co-operative education position under a co-operative education program. This would result in no change to their salary schedule and is consistent in practice to how municipalities that adopted the Living Wage have handled student classifications. All full-time City of Hamilton employees currently earn above the new Living Wage rate (with the exception of full-time summer students).

As a result of the latest Living Wage rate increase to \$20.80 per hour, staff is recommending that:

- The hourly rate for School Crossing Guards be amended from \$19.05 to \$20.80 per hour effective September 1, 2024.
- Staff are to bring forward a report to Council for approval should there be any future changes to the Living Wage rate prior to implementation in order to consider budget impacts and assess the effect on the City's internal compensation system.

**Alternatives for Consideration – See Page 5**

**SUBJECT: Living Wage (HUR20003(d)/FCS20013(d)) (City Wide) – Page 3 of 5****FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: Table 1 outlines the annualized as well as the 2024 budget impact associated with implementing the Living Wage of \$20.80 per hour for the School Crossing Guards.

Table 1 - School Crossing Guards

<b>Recommendation</b>	<b>\$20.80 per hour - Annualized Impact</b>	<b>\$20.80 per hour – Effective Sept. 1, 2024  2024 Budget Impact</b>
School Crossing Guards	\$191,400	\$63,800

Approximately 54.41 full-time equivalent (FTE) positions are affected.

The updated Living Wage rate for Hamilton is \$20.80 per hour and the previous Living Wage rate for Hamilton was \$19.05 per hour, an increase of 9.2%.

All costings were determined based on the 2024 preliminary budget.

Staffing: N/A

Legal: N/A

**HISTORICAL BACKGROUND**

On March 22, 2019, Council approved the implementation of a Living Wage rate of \$15.85 per hour for the City of Hamilton School Crossing Guards, effective April 1, 2019, with the direction that the wage rate be adjusted annually to reflect the cost of living.

On March 20, 2020, Council approved the implementation of the updated Living Wage rate of \$16.45 per hour for the part-time, non-union casual employee group, effective July 1, 2020, with the direction that wage rate be adjusted annually to reflect the cost of living. City of Hamilton School Crossing Guard rates were adjusted with a 1.6% cost of living adjustment September 1<sup>st</sup> in 2020 and 2021.

On March 30, 2022, Council approved the implementation of the updated Living Wage rate of \$17.20 per hour for three employee groups: City of Hamilton School Crossing Guards, non-union, part-time casual employee group and non-union full-time summer student group. Unionized outside full-time summer students were approved for a \$1.00 per hour wage enhancement with a shift premium of \$0.95 per hour for afternoon and weekend work due to attraction and retention issues.

---

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Living Wage (HUR20003(d)/FCS20013(d)) (City Wide) – Page 4 of 5**

---

On March 29, 2023, Council approved the implementation of the Living Wage rate of \$19.05 for two employee groups: City of Hamilton School Crossing Guards effective September 1, 2023 and non-union part-time casual employee group effective July 1, 2023. Staff was directed to maintain the unionized full-time summer student classifications at their existing rates whereby, unionized student workers earn the minimum wage rate of \$16.00 per hour with a \$0.95 shift premium for afternoon and weekend work and inside unionized student workers earn \$16.55 per hour and up to \$20.51 per hour. Additionally, staff was also directed to maintain the non-union, full-time summer student classifications at their existing rates of \$17.20 per hour.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

None

**RELEVANT CONSULTATION**

A Living Wage survey was conducted amongst our municipal comparators. A further environmental scan was conducted to identify other municipalities that had implemented a Living Wage which identified the City of Cambridge, the City of St. Catharines and the City of Sudbury.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)**

Staff conducted an analysis of the City's salary schedules to determine the impact of the latest Living Wage rate increase to \$20.80 per hour on pay equity and internal equity. From a pay equity perspective, rate increase would not cause a concern. Living Wage rates are increasing rapidly which decreases the spread and causes compression between salary schedules. Pay compression occurs when wages for entry level jobs in one salary schedule become too close to the wages of existing more complex jobs in a separate salary schedule. The wage gap between the positions decreases which may result in a new employee starting in an entry level job earning more or earning a rate that is close to the wage rate of someone with greater experience or in a job with greater responsibility.

Internal equity may be impacted as individuals may start to perceive they are being unfairly compensated when one salary schedule is being compared to another or when employees perceive that they are not being compensated in a fair and equitable manner according to the relative value of their roles in an organization. This may result in employee disengagement and turnover. As the Living Wage continues to increase, internal equity and potential compressions with other salary schedules will need to be assessed and amended to maintain the appropriate differential.

**Living Wage in Other Communities**

Staff conducted a survey in late 2023 with our current municipal comparators: Brampton, Burlington, London, Markham, Mississauga, Ottawa, Richmond Hill, Vaughan, Regions of Halton, Niagara, Peel and Waterloo.

---

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Living Wage (HUR20003(d)/FCS20013(d)) (City Wide) – Page 5 of 5**

---

Most of our current comparators have reported no plans to implement a Living Wage rate in the near future with the exception of the Region of Waterloo. The Region of Waterloo adopted a Living Wage policy in 2022 that applies to all employees and contractors, but not to students. Their living wage rate is \$20.90 per hour and they are continuing with the initiative.

The City of Cambridge, City of St. Catharines and City of Sudbury are the only other known Ontario municipalities that have adopted a Living Wage policy.

The City of Cambridge is continuing with their Living Wage policy. Their current rate is \$20.90 per hour. Full-time staff at the City of Cambridge already earn more than \$20.90 per hour. They have adopted a policy to pay part-time staff a Living Wage rate. Students are not part of the Living Wage initiative.

The City of St. Catharines adopted a Living Wage policy in May 2022. They are continuing with the Living Wage initiative and are working on implementing the new rate of \$20.35 per hour by the end of 2023. Student positions are excluded.

The City of Sudbury adopted a Living Wage rate effective July 1, 2022. Student positions were excluded. All permanent full-time and part-time employees were paid a Living Wage. They will not be continuing with the Living Wage initiative. Their current Living Wage rate is \$19.70 per hour.

**ALTERNATIVES FOR CONSIDERATION**

Council can elect to not implement the updated Living Wage rate for the School Crossing Guards. They would receive a cost of living adjustment instead.

**APPENDICES AND SCHEDULES ATTACHED**

None