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## **Corporate Services**

# **Budget Outlook – Pressures, Issues & Opportunities**

**Workshop #2 – 2012 Tax Operating Budget  
General Issues Committee  
November 17, 2011**

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## **Operating Workshop #2 Outline**

1. 2011 Budget Variance Projections & Potential Implications for 2012
  2. Additional 2012 Budget Issues and Opportunities
  3. 2012 Draft Budget
  4. Discussion - 2012 Departmental Priorities
  5. Council Feedback
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# 2011 Variance Projection and Implications for 2012



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## 2011 Budget Projected Variance

|  | 2011<br>Budget      | 2011<br>Projected<br>Actual | \$<br>Variance   | %<br>Variance |
|--|---------------------|-----------------------------|------------------|---------------|
| City Clerk                             | \$1,506,210         | \$1,571,109                 | (\$64,899)       | (4.3%)        |
| Corporate Services -<br>Administration | \$234,530           | \$226,039                   | \$8,491          | 3.6%          |
| Customer Service, Access<br>& Equity   | \$4,366,946         | \$4,063,238                 | \$303,708        | 7.0%          |
| Financial Planning & Policy            | \$590,724           | \$486,907                   | \$103,817        | 17.6%         |
| Information Services                   | \$7,226,990         | \$7,101,703                 | \$125,287        | 1.7%          |
| Treasury Services                      | \$4,694,620         | \$4,458,482                 | \$236,138        | 5.0%          |
| <b>TOTAL</b>                           | <b>\$18,620,020</b> | <b>\$17,907,478</b>         | <b>\$712,542</b> | <b>3.8%</b>   |

" ( ) " - Denotes unfavourable variance



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## 2011 Budget Variance Explanation

- Gapping \$701,000
  - Office Rent \$31,000
  - Training, Travel, Conferences \$27,000
  - Temp Agencies \$19,000
  - Materials & Supplies \$15,000
  - Telephone Lines \$9,000
  - Web Site Bandwidth \$(90,000)
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## Implications for 2012

- Staff reductions from restructuring / efficiencies identified in 2011 from gapping \$311,000
  - Conversion of MSC fax lines to IP Telephony \$9,000
  - Temp Agency contract costs \$5,000
  - Reviewing all line items and making adjustments as necessary
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## **Additional 2012 Budget Issues & Opportunities**

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### **Hamilton 2012 Budget Pressures / Challenges**

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- CUPE 5167 salary/wage settlement, CUPE 1041 and non union contingency, higher benefit costs
  - Network Security / EDRMS Software
  - Continue to deliver IS improvements
  - Increasing POA caseload
  - Insufficient funding of POA expenses from Traffic (Red Light Camera ticket revenue), Animal Control and MLEO
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## **2012 Budget Opportunities**

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### **Budget Savings (Efficiencies/Revenue/Cost Avoidance)**

- Banking Services Contract \$238,000 (plus another \$60,000 in other budgets)
  - Treasury Staffing Reductions \$195,000
  - Customer Contact Centre Service Rationalization \$91,000
  - Clerks part-time staff and students \$25,000
  - Postage / Printing \$70,000
  - Desktop Software \$21,000
  - Election Accuvote System \$18,000
  - Sales Tax \$18,000
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## **2012 Draft Budget**

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## 2012 Draft Budget

|  | 2011<br>Budget*     | 2012<br>Draft       | \$<br>Change      | %<br>Change   |
|--|---------------------|---------------------|-------------------|---------------|
| City Clerk                             | \$1,818,119         | \$1,840,088         | \$21,969          | 1.2%          |
| Corporate Services -<br>Administration | \$271,290           | \$282,490           | \$11,200          | 4.1%          |
| Customer Service, Access<br>& Equity   | \$4,438,684         | \$4,388,022         | \$(50,662)        | (1.1)%        |
| Financial Planning & Policy            | \$630,464           | \$425,666           | \$(204,798)       | (32.5)%       |
| Information Services                   | \$7,243,035         | \$7,437,006         | \$193,971         | 2.7%          |
| Treasury Services                      | \$4,782,735         | \$4,786,248         | \$3,513           | 0.1%          |
| <b>TOTAL</b>                           | <b>\$19,184,327</b> | <b>\$19,159,520</b> | <b>\$(24,807)</b> | <b>(0.1)%</b> |

\* Restated

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## Discussion - 2012 Budget Priorities

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## 2012 Budget Priorities

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- Desktop Refresh
  - IS Review & Rationalization  
(applications & structure)
  - Web Improvements
  - Common Address Database
  - IS Infrastructure Upgrades
    - to maintain stability and growth
  - IS Accommodations and Building  
Repairs
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## 2012 Budget Priorities

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- Service Delivery Review
  - Call Centre Rationalization
  - Financial Sustainability Plan
  - Business Planning
  - AP Review
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