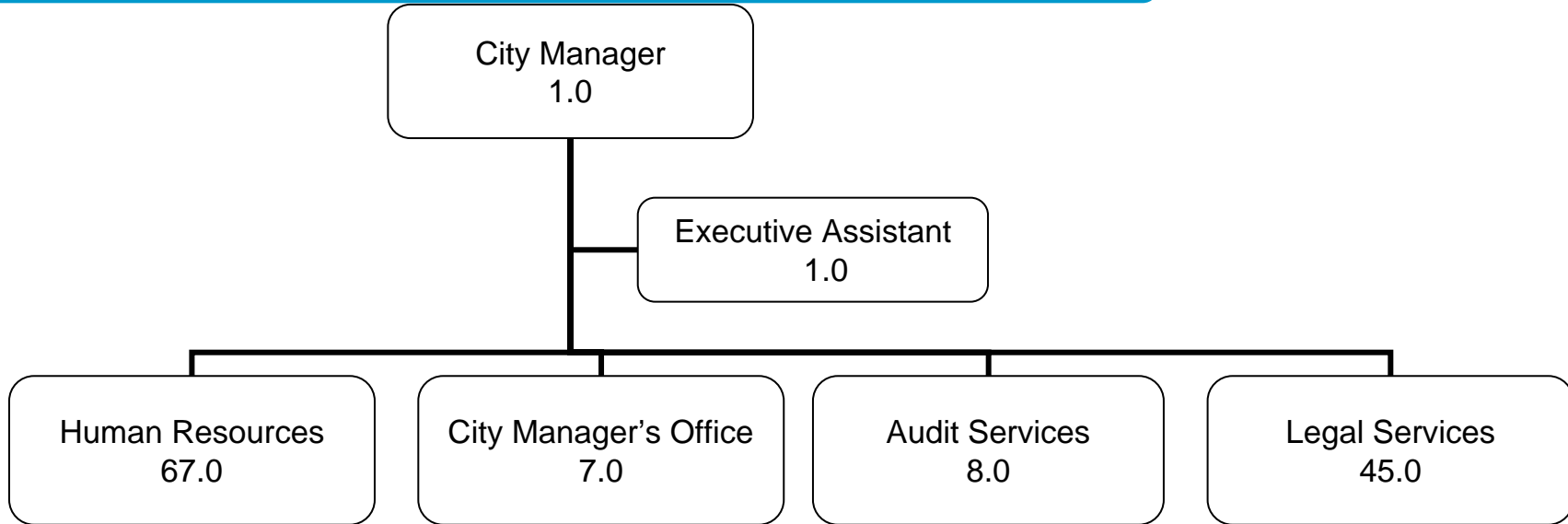


2012 TAX OPERATING BUDGET

CITY MANAGER'S OFFICE



OVERVIEW



Complement (FTE)	Management	Other	Total	# of staff/ Management
2011	14.0	114.0*	128.0*	8.14
2012	14.0	115.0*	129.0*	8.21
Change	0.0	1.0	1.0	0.07

* 14 positions included in HR's complement are funded by the operating departments and appear in their budget

2012 NET OPERATING BUDGET BY DIVISION

CITY OF HAMILTON

2012 NET TAX OPERATING BUDGET

By Program

City Manager

	2011 Budget	2011 Projected Actual	2012 Preliminary Budget	2012 Preliminary / 2011 Budget	
				\$	%
Administration - City Manager	1,302,301	1,084,940	1,323,187	20,886	1.6%
Audit Services	668,541	784,289	707,711	39,170	5.9%
Human Resources	4,790,351	4,724,130	4,805,841	15,490	0.3%
Legal	2,717,552	2,492,520	2,869,272	151,720	5.6%
NET LEVY	9,478,745	9,085,879	9,706,012	227,267	2.4%

2012 GROSS - NET DEPARTMENTAL BUDGET

**CITY OF HAMILTON
2012 TAX OPERATING BUDGET
By Cost Category**

City Manager

	2011 Budget	2011 Projected Actual	2012 Preliminary Budget	2012 Preliminary / 2011 Budget	
				\$	%
<i>EMPLOYEE RELATED COST</i>	12,311,695	11,608,420	12,891,036	579,341	4.7%
<i>MATERIAL AND SUPPLY</i>	594,890	618,189	597,948	3,058	0.5%
<i>BUILDING AND GROUND</i>	24,450	24,450	24,650	200	0.8%
<i>CONSULTING</i>	176,360	258,890	169,240	(7,120)	(4.0)%
<i>CONTRACTUAL</i>	1,022,870	1,262,370	988,257	(34,613)	(3.4)%
<i>RESERVES / RECOVERIES</i>	(907,148)	(629,540)	(1,087,695)	(180,547)	(19.9)%
<i>COST ALLOCATIONS</i>	(3,070,370)	(3,506,110)	(3,101,080)	(30,710)	(1.0)%
<i>FINANCIAL</i>	960,040	1,210,040	951,357	(8,683)	(0.9)%
TOTAL EXPENDITURES	11,112,787	10,846,709	11,433,713	320,926	2.9%
<i>FEES AND GENERAL</i>	(57,860)	(157,860)	(59,360)	(1,500)	(2.6)%
<i>RESERVES</i>	(1,576,182)	(1,602,970)	(1,668,341)	(92,159)	(5.8)%
TOTAL REVENUES	(1,634,042)	(1,760,830)	(1,727,701)	(93,659)	(5.7)%
NET LEVY	9,478,745	9,085,879	9,706,012	227,267	2.4%

2012 MAJOR COST DRIVERS

- Employee related expenses:
 - Merit increases \$186K
 - OMERS contribution \$164K
 - Benefit increase \$89K



ADDITIONAL INFORMATION

Potential Corporate Liabilities with Pending Retirements

- Sick Banks
- Retiree Benefits
- Vacation Payouts

Report from Human Resources and Finance is forthcoming



ADDITIONAL INFORMATION

Training & Professional Development as a % of Payroll

- Current Strategic Plan objective – 1.8% of salaries/wages by 2011
- 2010 Outcome – 1.32% of salaries/wages
- 2011 Outcome – to be determined at budget year end
- 2012 Budget - \$3.9M; 1 % of salaries/wages



TRENDS AND BENCHMARKING

- Each Division will present trends and benchmarking and speak to specific metrics
- Overall, grievances are down organizationally
- Against our comparators, we are more efficient in terms of workload and productivity



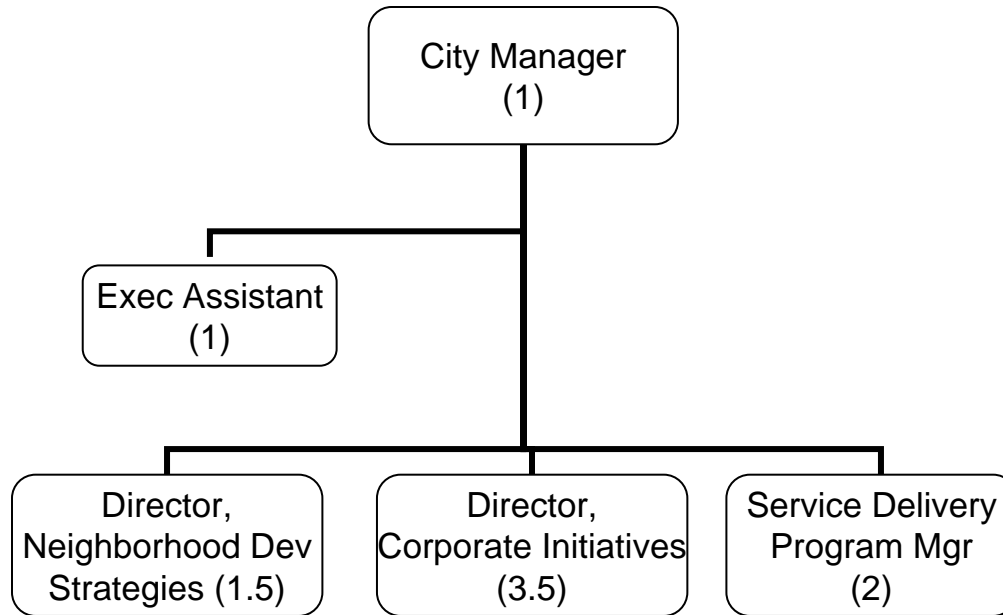
ADMINISTRATION – CITY MANAGER

OVERVIEW OF SERVICES

- Facilitation/guidance of Council’s strategic planning process
- SMT leadership
- Strategic & Corporate Communications
- Performance Measurement
- Special projects
 - Neighbourhood Planning Program
 - Employee Suggestion Initiative
 - Citizen Engagement
 - Other corporate initiatives
- Council Liaison



ADMINISTRATION – CITY MANAGER



Administration – City Manager				
Complement (FTE)	Management	Other	Total	# of staff/ Management
2011	3.0	6.0	9.0	2.0
2012	3.0	6.0	9.0	2.0
Change	0.0	0.0	0.0	0.0

2012 GROSS - NET DIVISIONAL BUDGET

CITY OF HAMILTON 2012 TAX OPERATING BUDGET By Cost Category

Administration - City Manager

	2011 Budget	2011 Projected Actual	2012 Preliminary Budget	2012 Preliminary / 2011 Budget	
				\$	%
EMPLOYEE RELATED COST	1,332,211	1,186,660	1,379,497	47,286	3.5%
MATERIAL AND SUPPLY	22,890	27,890	22,890	0	0.0%
BUILDING AND GROUND	2,040	2,040	2,010	(30)	(1.5)%
CONSULTING	50,000	50,000	45,000	(5,000)	(10.0)%
CONTRACTUAL	51,090	51,090	51,090	0	0.0%
RESERVES / RECOVERIES	89,720	12,910	71,120	(18,600)	(20.7)%
COST ALLOCATIONS	(276,650)	(276,650)	(279,420)	(2,770)	(1.0)%
FINANCIAL	31,000	31,000	31,000	0	0.0%
TOTAL EXPENDITURES	1,302,301	1,084,940	1,323,187	20,886	1.6%
TOTAL REVENUES	0	0	0	0	0.0%
NET LEVY	1,302,301	1,084,940	1,323,187	20,886	1.6%



2012 MAJOR COST DRIVERS

- Salary increase \$25,000
- OMERS increase \$17,000
- Benefits increase \$5,000
- Recoveries (\$30,000)



HUMAN RESOURCES



OVERVIEW OF SERVICES

- HR Administration & Human Rights
- Labour Relations
- Compensation & Benefits
- Employment Services
- Health, Safety & Wellness
- Organizational Development



HR ADMINISTRATION & HUMAN RIGHTS

HR Administration

- Human Resource leadership & administration of HR Division
- Recommend & develop people strategies to achieve City's service delivery objectives
- Provide HR advice to Council, City Manager, SMT & EMT to ensure compliance with City policies, agreements & legal requirements

Human Rights

- Ensure compliance with human rights legislation & the City's harassment and discrimination prevention policies



LABOUR RELATIONS

- Collective bargaining & management of interest arbitration process
- Interpret collective agreements & terms & conditions of employment through management consultation & training
- Ensure compliance with all employment related legislation (union & non-union)
- Prepare Labour Relations Activity Reports
- Work collaboratively with operating departments to proactively address employee & labour relations issues

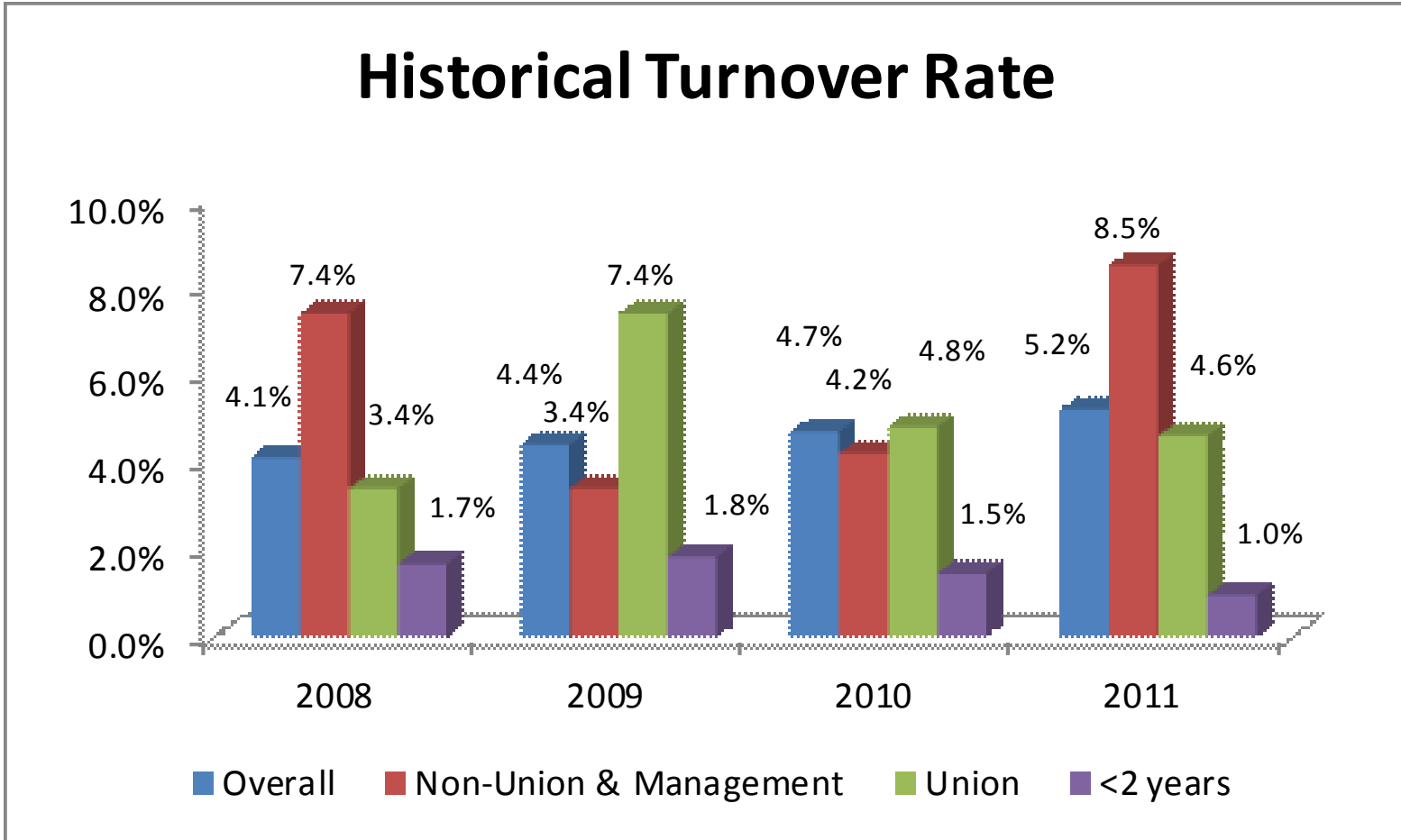


COMPENSATION & BENEFITS**Provide administrative & corporate oversight, support & advice on:**

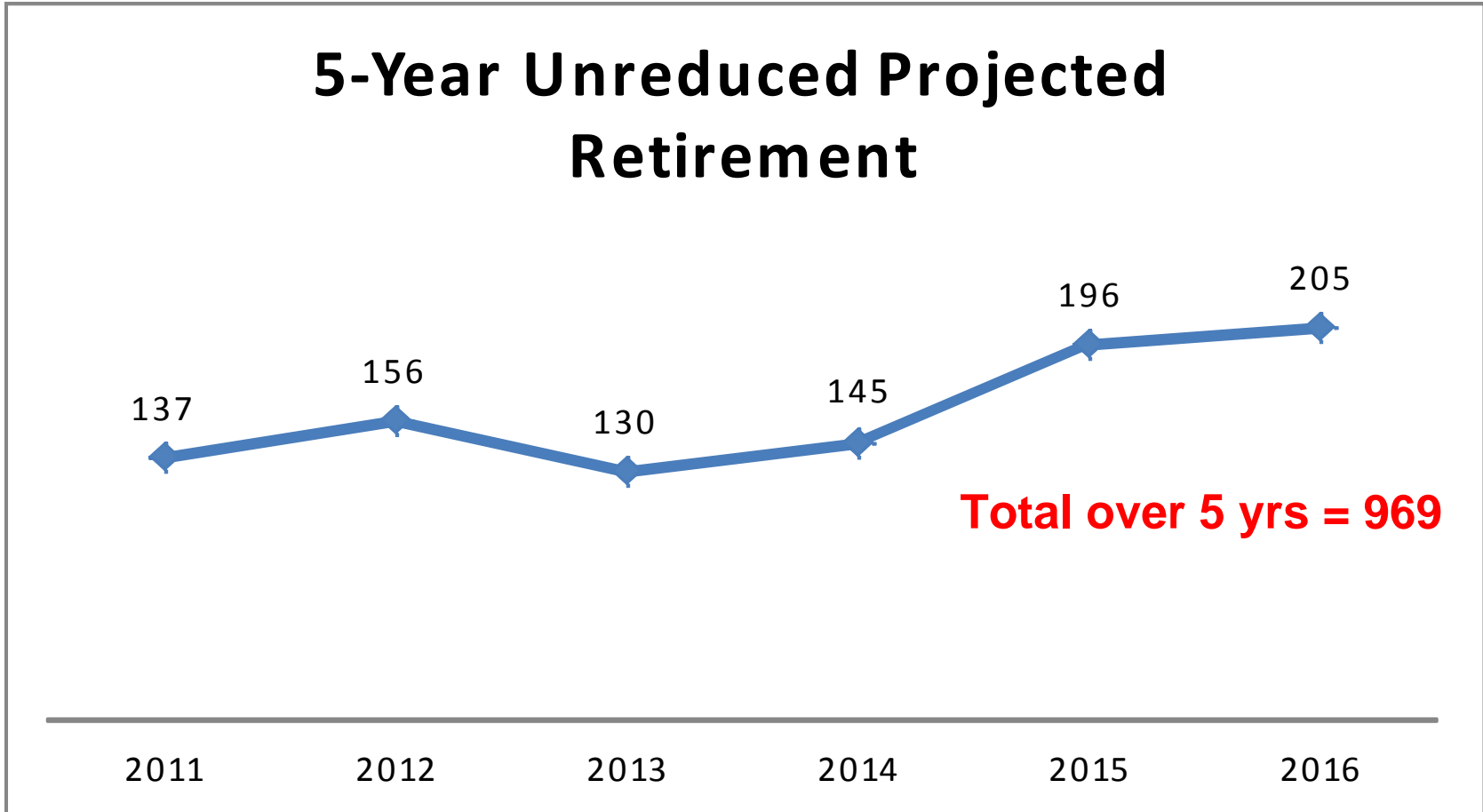
- Compensation – job evaluations, policies, surveys, analysis for collective bargaining
- Employee Benefits – manage health, dental, life insurance, AD&D benefits for 110 customized plans
- Employee Records Management – all employee transactions related to new hires, pay changes, job changes, employee status changes, wage & salary group increases, holiday closures, etc.
- Consultation on organizational design
- HR Information Management – provide workforce metrics, trends, information reports & analysis to support workforce planning & management



WORKFORCE DEMOGRAPHICS & TRENDS



PROJECTED RETIREMENTS



5-Year Unreduced Projected Retirement

Year	Management	Non-Management
2012	35 (14%)	258 (4%)
2013	16 (6%)	114 (2%)
2014	16 (6%)	129 (2%)
2015	20 (8%)	176 (3%)
2016	21 (8%)	184 (3%)
Total w/in 5 yrs	108 (42%)	861 (12%)
Current Total Headcount	255	6983



EMPLOYMENT SERVICES

- Design & deliver tools that facilitate selection of qualified candidates
- Ensure fair, equitable & accessible hiring process; participate on selection panels as required
- Develop programs & tools to support workforce planning & succession planning
- Promote defensible employment decisions that respect collective agreements, corporate policies & legislative requirements



HEALTH, SAFETY & WELLNESS

- Support overall employee health through injury & illness prevention activities & wellness strategies
- Assist employees in early & safe return to work
- Provide occupational health services
- Ensure organizational compliance with health & safety, workers compensation, privacy & other legislation
- Provide training; develop policies & procedures
- Assist managers & employees with attendance improvement strategies through consultation, training, workplace accommodation & Attendance Support Program
- Coordinate & administer Employee & Family Assistance Program (EFAP)



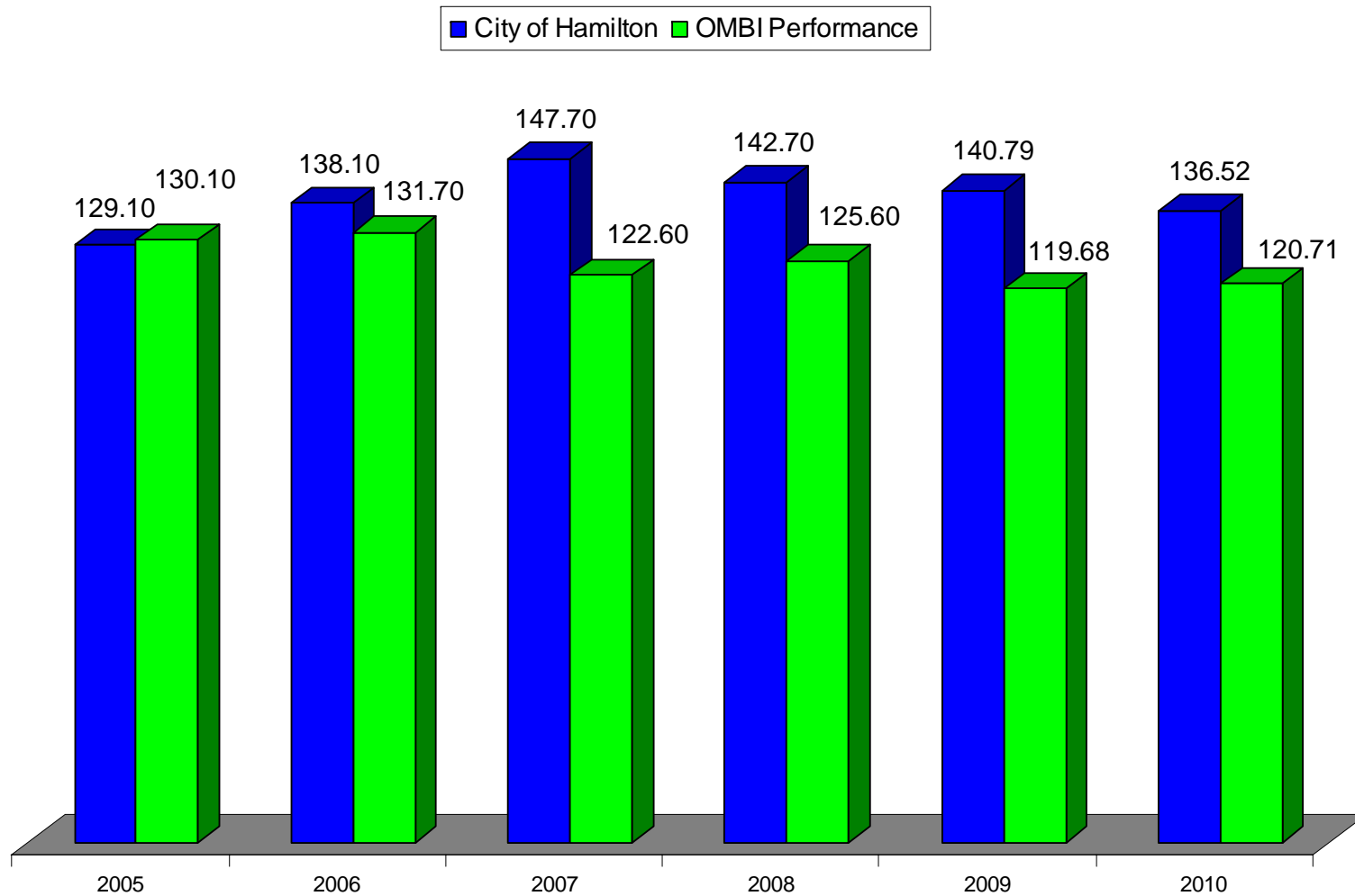
ORGANIZATIONAL DEVELOPMENT**People strategies to improve organizational effectiveness:**

- Performance management - setting work plan objectives, performance coaching, learning & development plans
- Manage organizational change initiatives
- Develop leadership & management skills
- Research & develop corporate Policies and Procedures
- Promote employee engagement through formal Employee Recognition Program; deliver corporate new employee orientation (CNEO)
- Support employees during times of acute stress through coordination of City's Critical Incident Peer Support Team



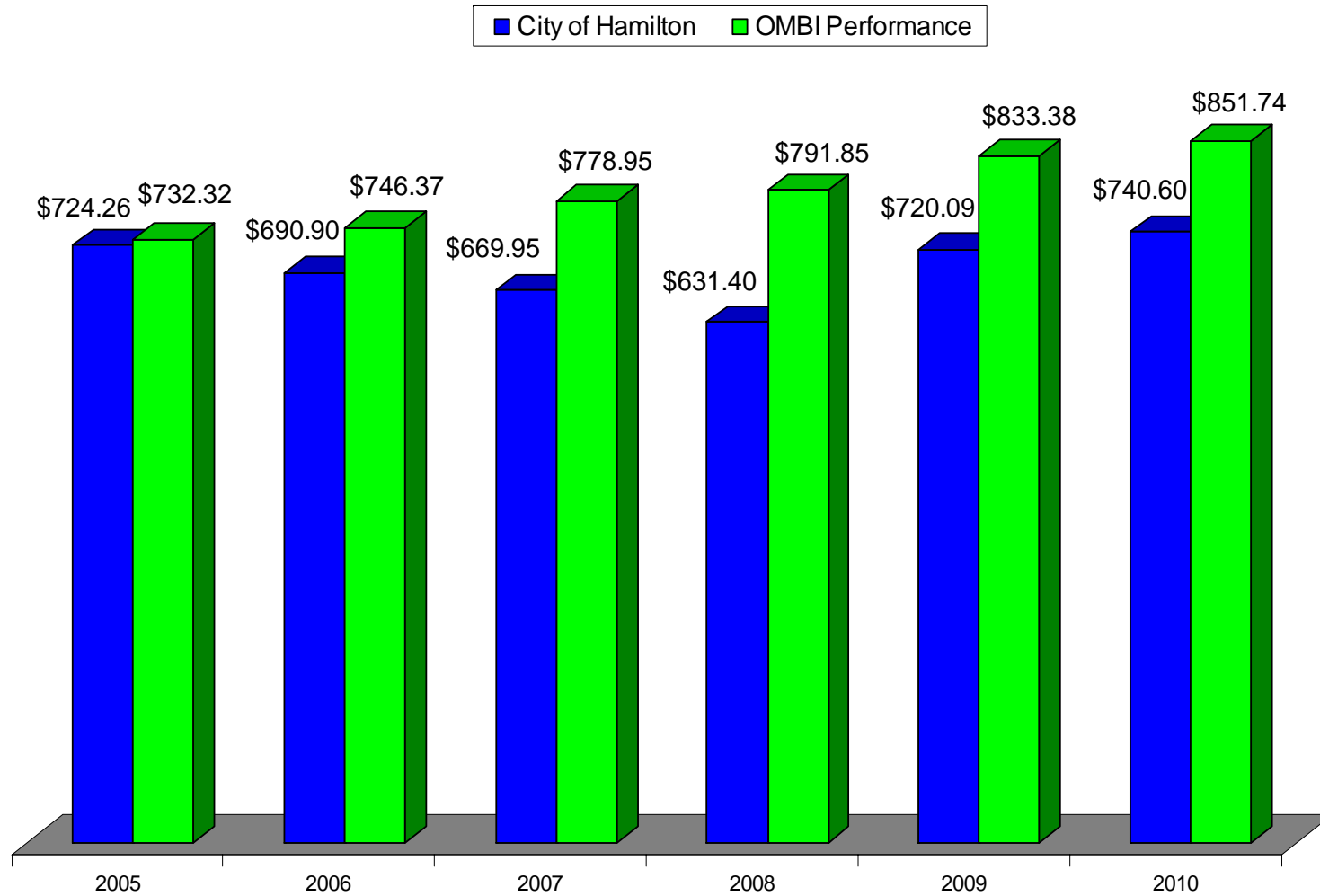
HUMAN RESOURCES BENCHMARKING

T4's Per HR FTE



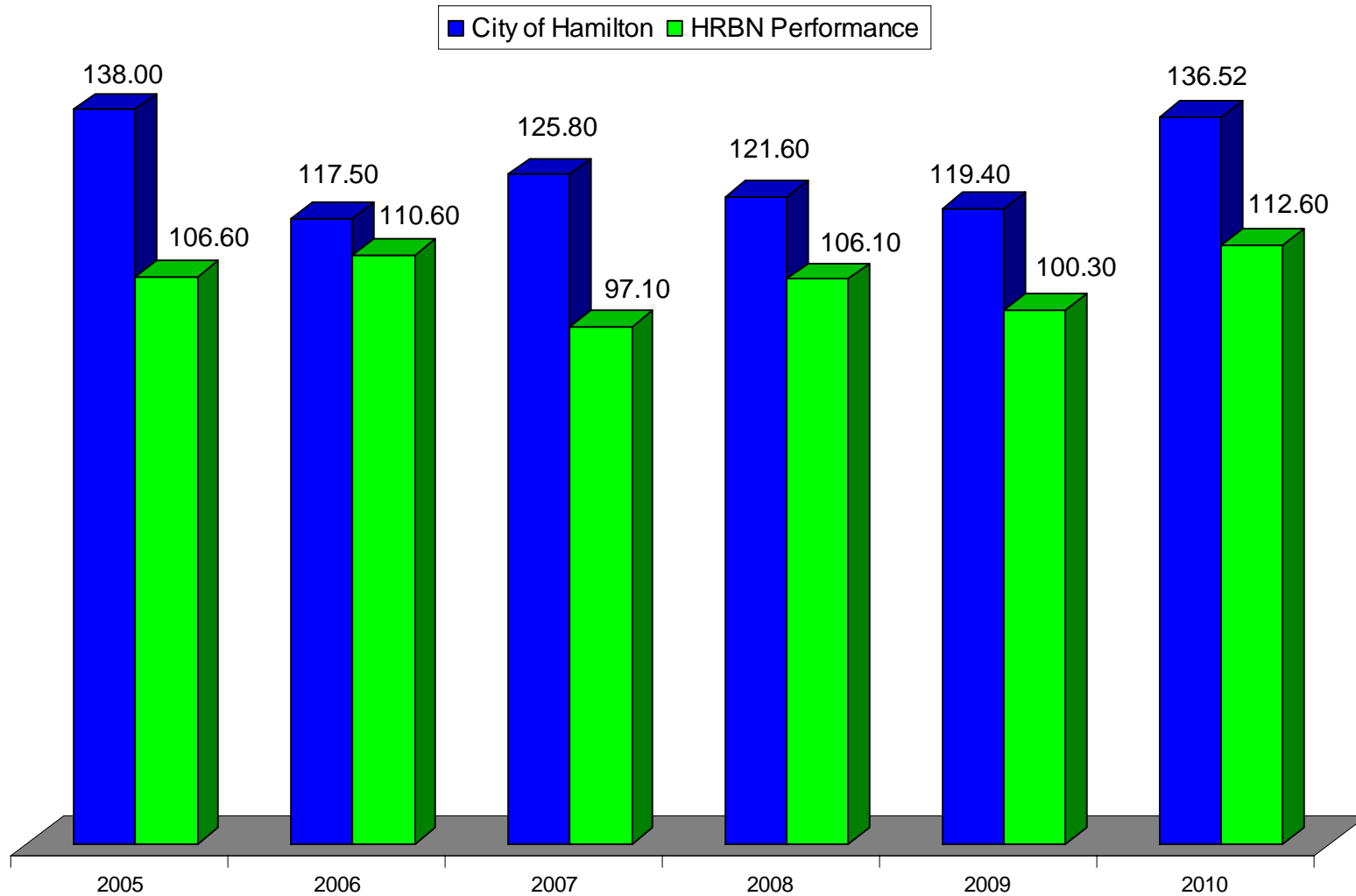
HUMAN RESOURCES BENCHMARKING

HR Administrative Expense per T4 Supported



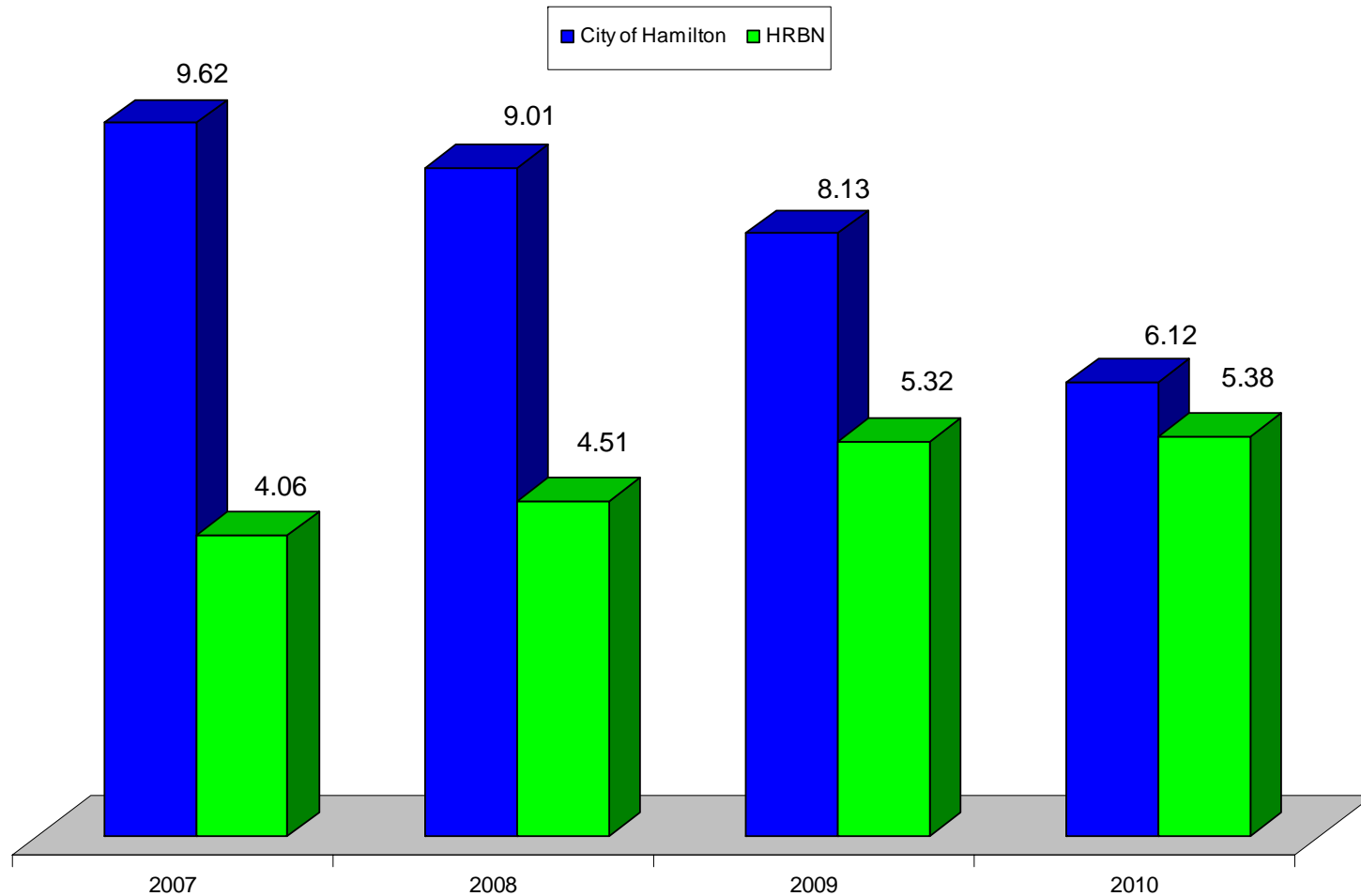
HUMAN RESOURCES BENCHMARKING

Employees per HR FTE



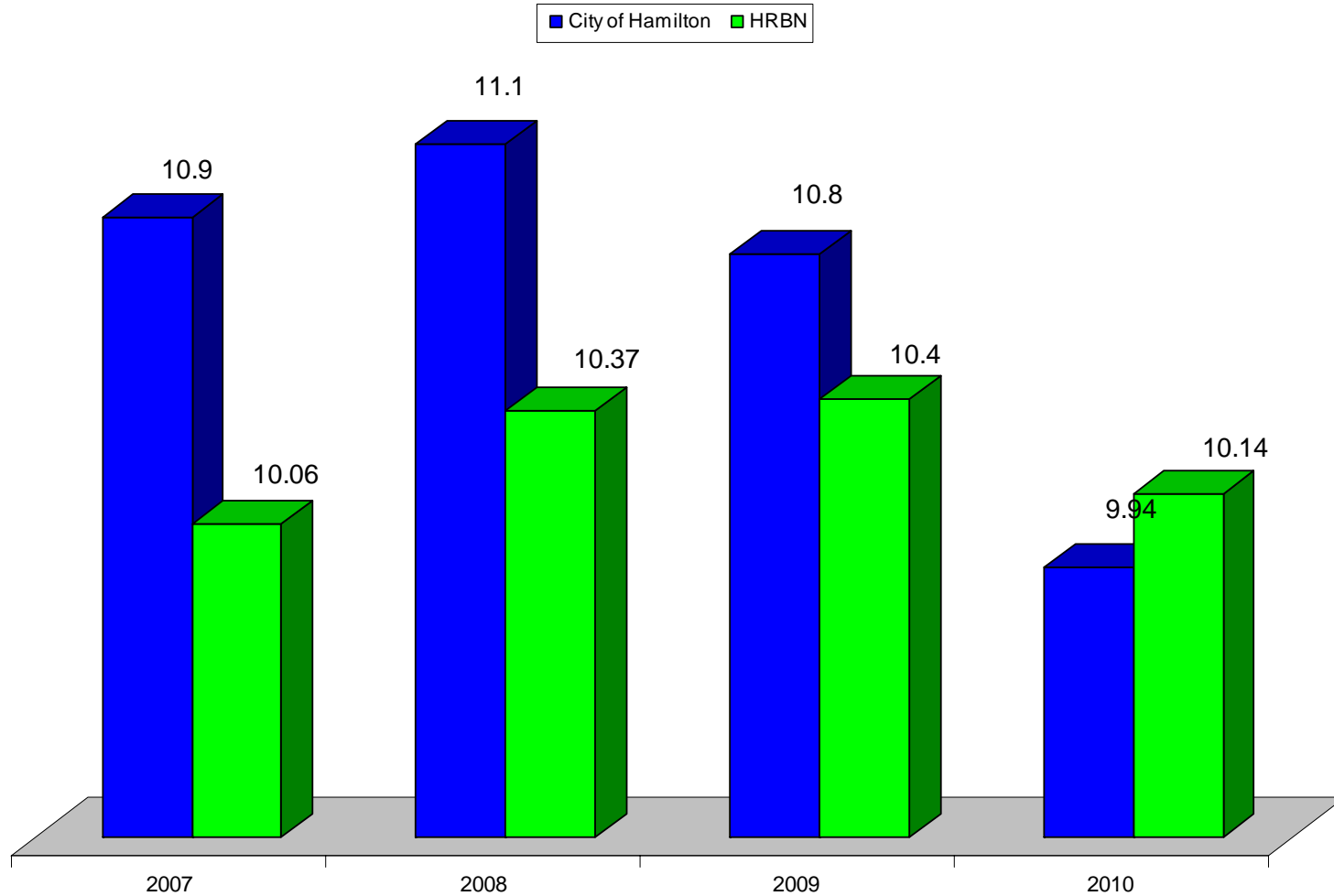
HUMAN RESOURCES BENCHMARKING

Overall Grievance Rate Per 100 employees

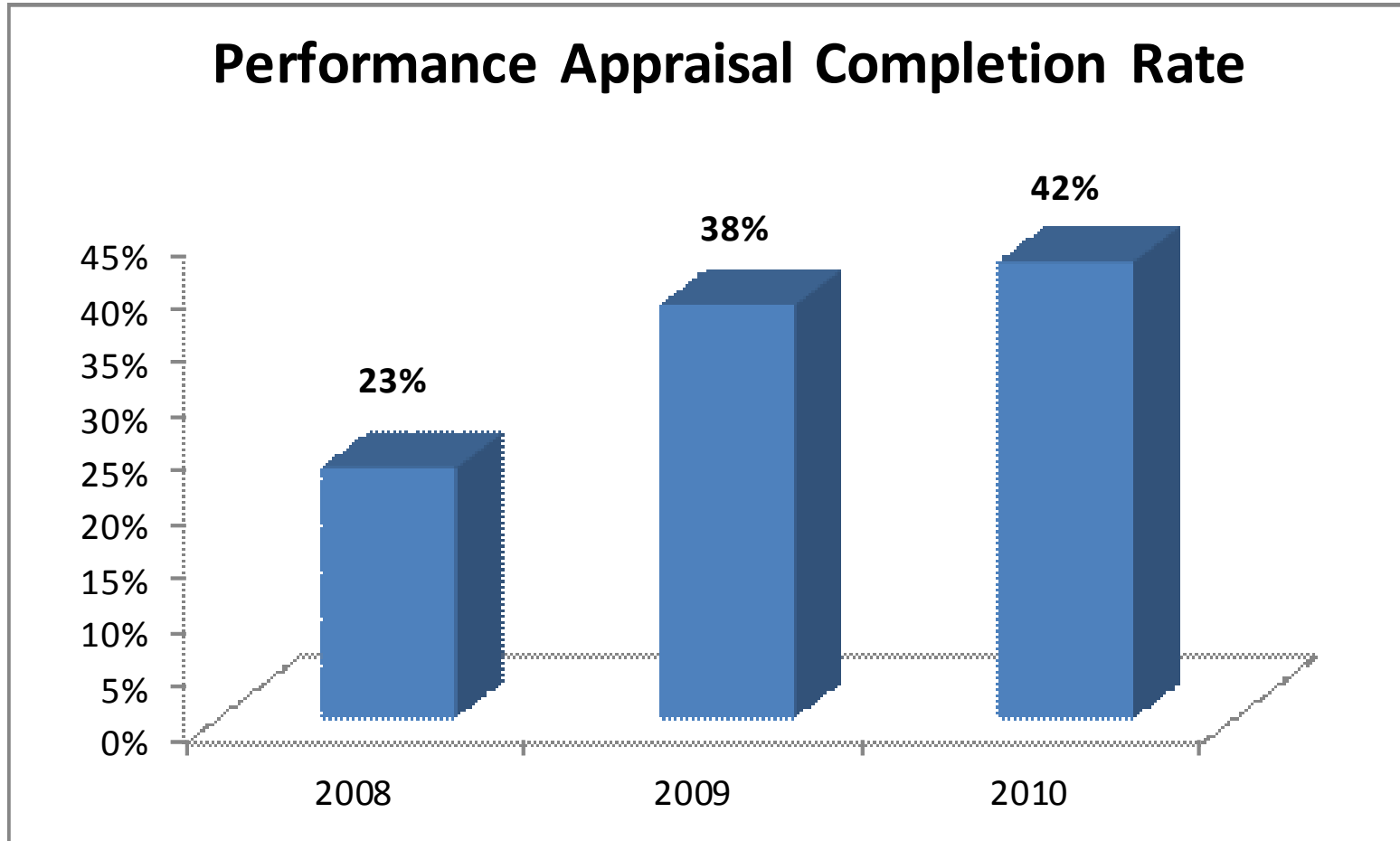


HUMAN RESOURCES BENCHMARKING

Average Sick Days per Eligible Employee



HUMAN RESOURCES BENCHMARKING



PERFORMANCE METRICS / SERVICE LEVELS

- Achieved savings of approximately \$2.3M in 2011 through CUPE 5167 collective bargaining; compounded annually over term of contract would be an additional \$2.5M (estimate)
- Implemented revised Salary Administration Policy which resulted in an estimated cost avoidance of \$220,000
- Cost avoidance of \$500,000 through Benefits Positive Re-enrollment Program
- Processed 6,190 internal applications & 25,226 external applications for 817 vacancies in 2011
- Reduced “manager time to interview” in Fire Services by 60 hours
- Reduced WSIB lost time injury rate by 18.6% & sick absences by 8.8% from 2007 to 2010

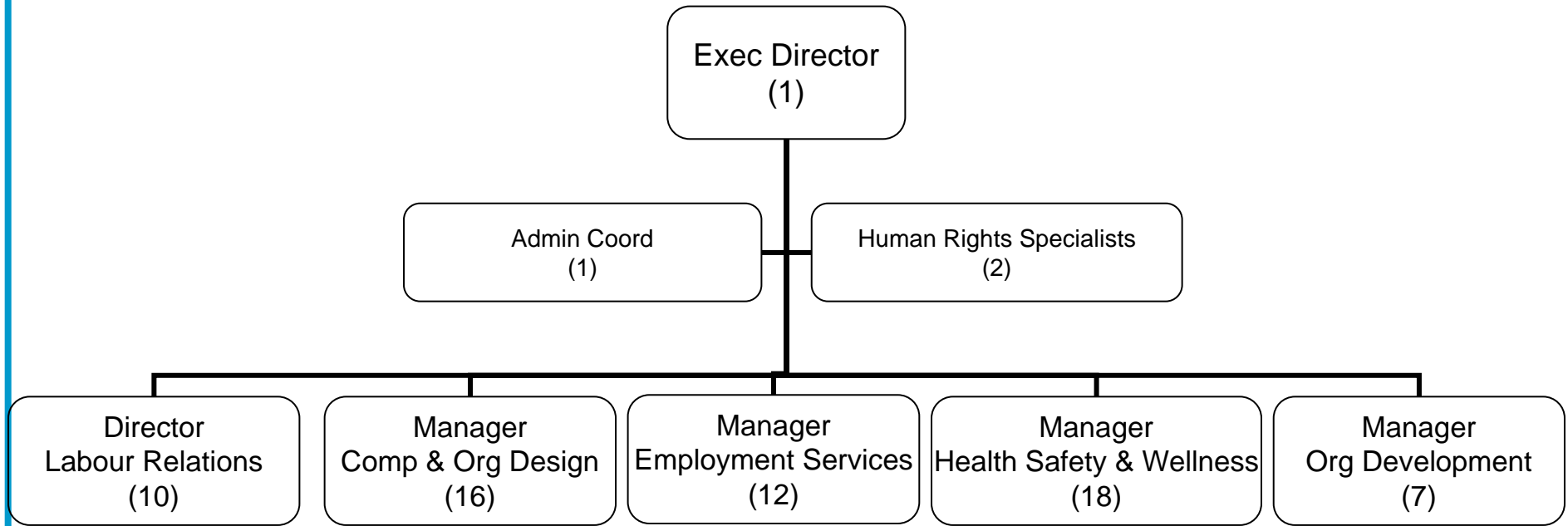


PERFORMANCE METRICS / SERVICE LEVELS

- Provided 32 employee influenza clinics for 1,267 participants
- Provided training sessions in the following areas:
 - 40 Performance Management
 - 21 Respectful Workplace
 - 10 New Employee Orientation
 - 7 Labour Relations
 - 10 Mental Health in the Workplace
 - 7 Disability Management
 - 43 Health & Safety
 - Health & Safety Symposium for 140 JH&S Committee members
- Drafted/revised 23 policies & procedures; responded to 100+ requests for guidance on City policies
- Recognized 200 employees through City Manager's Awards, 143 employees with 25 years & 95 employees who retired
- Supported employees involved in 14 critical incidents of workplace trauma



HUMAN RESOURCES



Human Resources				
Complement (FTE)	Management	Other	Total	# of staff/ Management
2011	6.0	61.0*	67.0	10.17
2012	6.0	61.0*	67.0	10.17
Change	0	0	0	0

* 14 of these HR positions are funded by the operating departments and appear in their budget



2012 NET OPERATING BUDGET BY SECTION

CITY OF HAMILTON

2012 NET TAX OPERATING BUDGET

By Program

Human Resources

	2011 Budget	2011 Projected Actual	2012 Preliminary Budget	2012 Preliminary / 2011 Budget	
				\$	%
Compensation & Benefits	1,134,059	1,123,160	1,167,153	33,094	2.9%
Employment Services	924,208	843,290	967,329	43,121	4.7%
Health Safety & Wellness	1,039,959	1,034,930	977,903	(62,056)	(6.0)%
Human Resources Admin & Human Rights	(249,758)	(241,240)	(271,159)	(21,401)	(8.6)%
Labour Relations	1,486,924	1,515,660	1,493,368	6,444	0.4%
Organizational Development	454,959	448,330	471,247	16,288	3.6%
NET LEVY	4,790,351	4,724,130	4,805,841	15,490	0.3%

2012 GROSS - NET DIVISIONAL BUDGET

CITY OF HAMILTON 2012 TAX OPERATING BUDGET By Cost Category

Human Resources

	2011	2011	2012	2012 Preliminary /	
	Budget	Projected Actual	Preliminary Budget	2011 Budget \$	%
<i>EMPLOYEE RELATED COST</i>	5,468,933	5,327,000	5,666,577	197,644	3.6%
<i>MATERIAL AND SUPPLY</i>	494,070	511,540	492,570	(1,500)	(0.3)%
<i>BUILDING AND GROUND</i>	12,130	12,130	11,830	(300)	(2.5)%
<i>CONSULTING</i>	126,360	208,890	124,240	(2,120)	(1.7)%
<i>CONTRACTUAL</i>	707,190	809,690	684,390	(22,800)	(3.2)%
<i>RESERVES / RECOVERIES</i>	112,390	112,390	76,395	(35,995)	(32.0)%
<i>COST ALLOCATIONS</i>	(1,077,840)	(1,077,840)	(1,088,620)	(10,780)	(1.0)%
<i>FINANCIAL</i>	515,300	515,300	510,300	(5,000)	(1.0)%
TOTAL EXPENDITURES	6,358,533	6,419,100	6,477,682	119,149	1.9%
<i>FEES AND GENERAL</i>	(2,000)	(102,000)	(3,500)	(1,500)	(75.0)%
<i>RESERVES</i>	(1,566,182)	(1,592,970)	(1,668,341)	(102,159)	(6.5)%
TOTAL REVENUES	(1,568,182)	(1,694,970)	(1,671,841)	(103,659)	(6.6)%
NET LEVY	4,790,351	4,724,130	4,805,841	15,490	0.3%

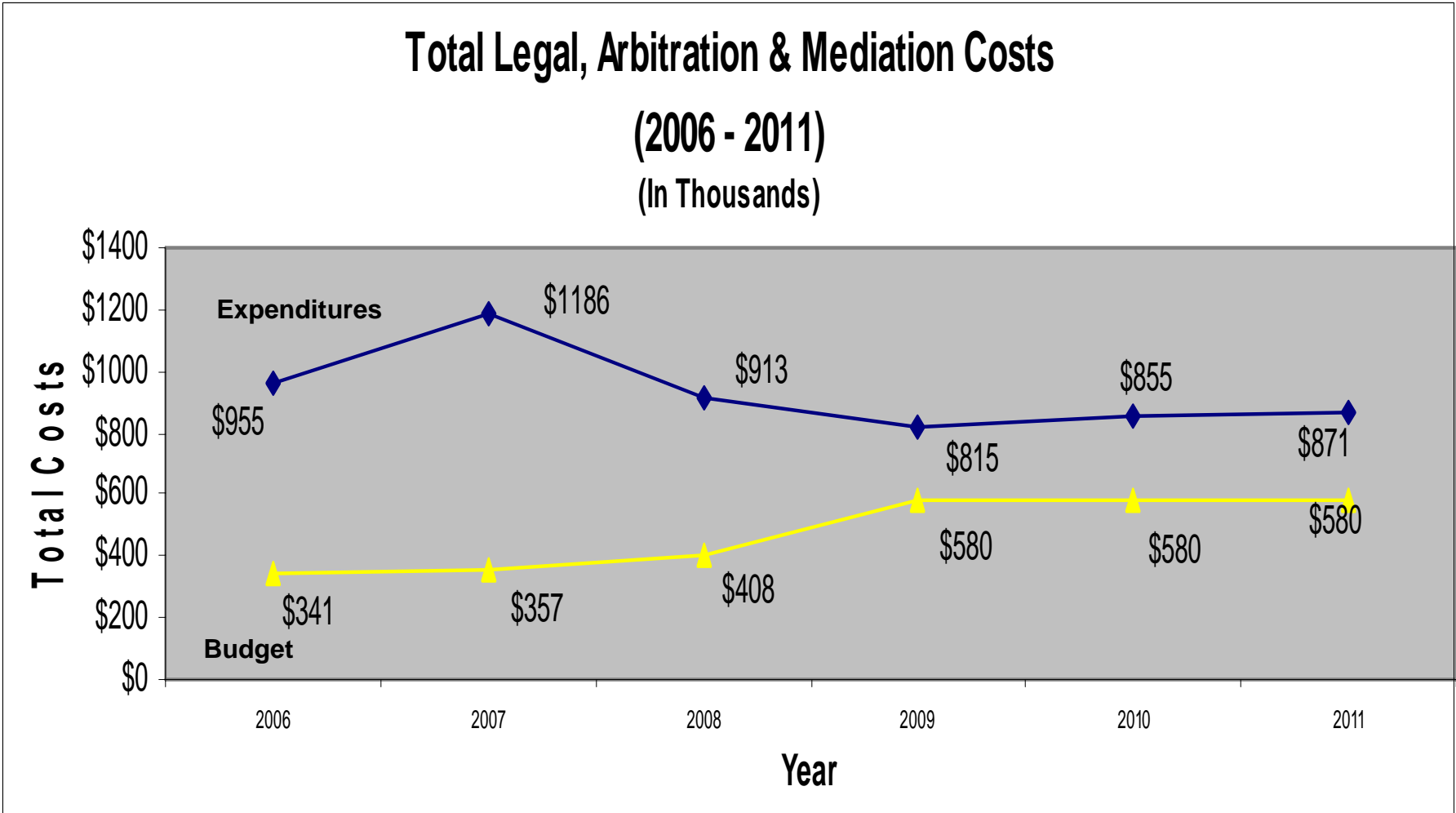


2012 MAJOR COST DRIVERS

Employee Related Expenses -	\$197,644
– Salary - \$103,214	
– OMERS - \$66,511	
– Employee Benefits - \$27,920	
Offset by:	
– Recoveries from WSIB & Benefit Reserves -	\$102,159
– Recovery for Health & Safety Specialist -	\$22,545
– Savings in Consulting, Contractual, Materials, Supplies -	\$20,280
– Reduced direct costs (Hardware, IP phones, printers, etc) -	\$13,450
– Indirect Recoveries for HR division -	\$10,780



CHRONICALLY UNDERFUNDED PROGRAMS



ADDITIONAL INFORMATION

- **Management to Staff Ratios**
 - City of Hamilton – 1:28.89 (2011) 1:28.7 (2010)
 - Comparator Municipalities – 1:22.63 (2010)

- **2011 Job Evaluations**
 - CUPE 5167 – 36 EEs, 28 received increase, 8 no change
 - average increase \$5,113
 - CUPE 1041 – 8 EE, 8 increase, avg. increase \$ 9,000
 - Non-Union – 54 EEs, 17 received increase, 36 no change, 1 decrease
 - average increase \$4,542



AUDIT SERVICES



OVERVIEW OF SERVICES

- Provide objective information, advice & assurance to Council, management & staff with respect to controls, operations, performance & accountability in order to ensure compliance with policies & procedures and promote efficiency & effectiveness throughout the organization
- Assist Council in the discharge of its control & governance oversight responsibilities by reporting results of audits & reviews to the Audit, Finance & Administration Committee

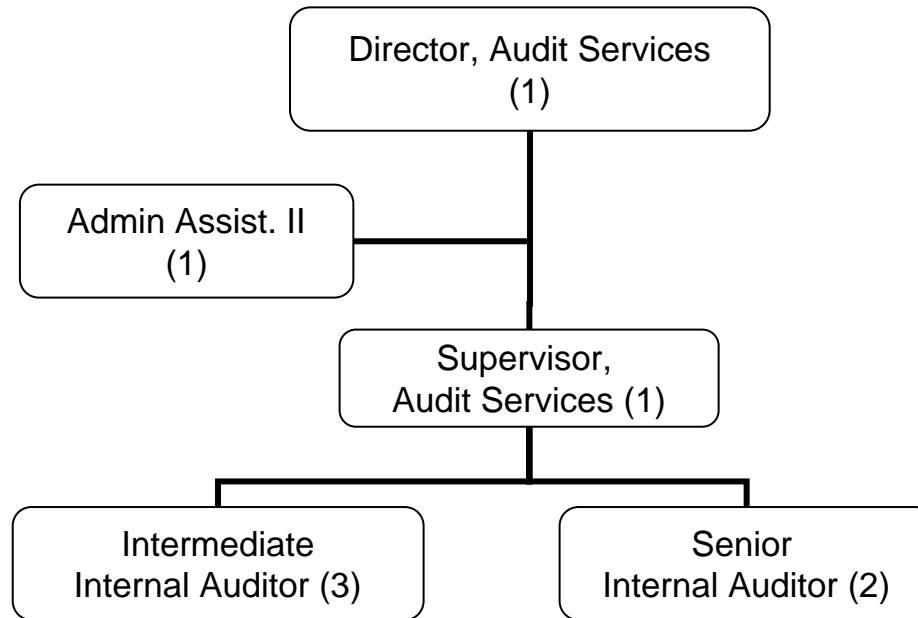


PERFORMANCE METRICS / SERVICE LEVELS

- 100% completion of Council approved work plan
– 12 audits & reviews, 9 follow ups, 3 fair wage compliance reviews
- 101 reported audit recommendations made with a 97% acceptance rate
- 77% audit recommendation implementation rate
(12-18 months after recommendations initially made)
- 79% completion rate for all recommendations made since 2005 (past the initial follow up)



AUDIT SERVICES



Audit Services				
Complement (FTE)	Management	Other	Total	# of staff/ Management
2011	1.0	7.0	8.0	7.0
2012	1.0	7.0	8.0	7.0
Change	0	0	0	0

2012 NET OPERATING BUDGET BY SECTION

CITY OF HAMILTON
2012 NET TAX OPERATING BUDGET
By Program

Audit Services

	2011 Budget	2011 Projected Actual	2012 Preliminary Budget	2012 Preliminary / 2011 Budget	
				\$	%
Audit Services	668,541	784,289	707,711	39,170	5.9%
NET LEVY	668,541	784,289	707,711	39,170	5.9%

2012 GROSS - NET DIVISIONAL BUDGET

**CITY OF HAMILTON
2012 TAX OPERATING BUDGET
By Cost Category**

Audit Services

	2011 Budget	2011 Projected Actual	2012 Preliminary Budget	2012 Preliminary / 2011 Budget	
				\$	%
<i>EMPLOYEE RELATED COST</i>	666,891	654,310	702,461	35,570	5.3%
<i>MATERIAL AND SUPPLY</i>	1,030	1,859	1,030	0	0.0%
<i>BUILDING AND GROUND</i>	1,020	1,020	1,000	(20)	(2.0)%
<i>CONTRACTUAL (Rent)</i>	0	137,000	0	0	0.0%
<i>RESERVES / RECOVERIES</i>	(940)	(10,440)	2,680	3,620	385.1%
<i>FINANCIAL</i>	540	540	540	0	0.0%
TOTAL EXPENDITURES	668,541	784,289	707,711	39,170	5.9%
TOTAL REVENUES	0	0	0	0	0.0%
NET LEVY	668,541	784,289	707,711	39,170	5.9%

2012 MAJOR COST DRIVERS

- Facility Charges (for which there is no budget) \$5,640
- Employee Related costs (OMERS, benefit costs, as merit increases) \$35,570
- Reductions in Direct charges (Hardware, Ricoh, etc.)
 - IP Phones (\$1,040)
 - Increased recoveries from others (\$1,000)

Audit Services

TOTAL

\$39,170



PROGRAM ENHANCEMENT

Council Referred

- 2 FTEs – Two performance auditors to carry out a program of value for money audits to propose efficiencies & identify potential cost savings &/or additional revenue sources

(referred under the hybrid Auditor General model – AF&A June 8, 2011)



LEGAL SERVICES



OVERVIEW OF SERVICES

Purpose / Function

To protect & promote the interests, vision & goals of the City by providing innovative, timely & cost-effective legal services to the highest professional standards.

Services Provided

- Commercial/Development/Policy
- Dispute Resolution/Litigation
- Prosecution of Provincial Offences for Ontario as well as for City



PERFORMANCE METRICS / BENCHMARKING

- OMBI Stats (In-house lawyer hrly rate):

	2008	2009	2010
Hamilton	\$137.19	\$149.56	\$117.73
Ottawa	\$135.17	\$126.70	\$110.49
Durham	\$115.64	\$135.73	\$132.96
London	\$143.11	\$135.46	\$132.96
Halton	\$161.64	\$143.84	\$137.42
York	\$139.03	\$146.50	\$157.38
Toronto	\$299.94	\$145.67*	n/a



PERFORMANCE METRICS / BENCH MARKING

- OMBI Stats (External lawyer hrly rate):

	2008	2009	2010
Outside Counsel Blended Rate	\$371.36	\$510.81	\$380.03
In-house Counsel Blended Rate	\$86.00	\$93.58	\$77.24



PERFORMANCE METRICS / SERVICE LEVELS

2006 – 2011 Win/Loss

- Overall: **78%**
- Civil Litigation/Other: **77%**
- OMB: **78%**



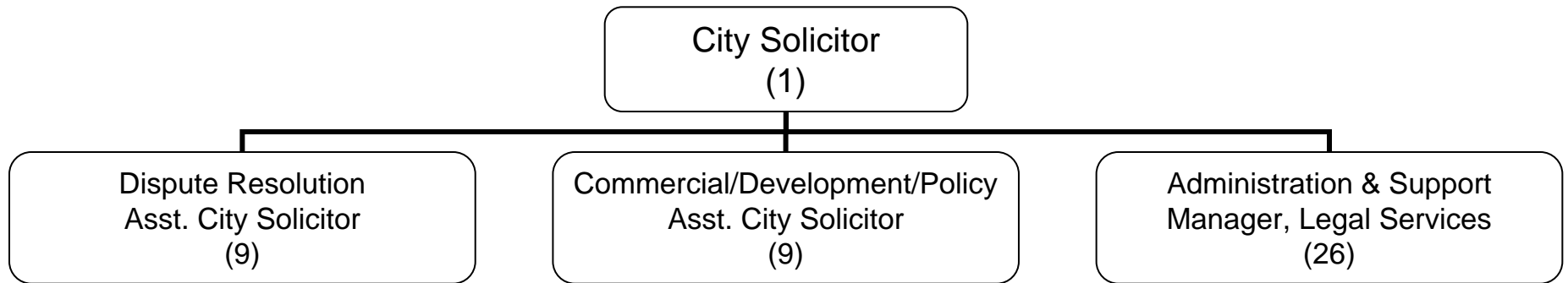
PERFORMANCE METRICS / SERVICE LEVELS

2011 Accomplishments:

- **Superior Court and Small Claims Court:**
 - ▶ 27 Superior Court claims resolved
 - ▶ 78 Small Claims matters resolved
 - ▶ a number of claims against the City resolved without any contribution by the City, and a number of successes included costs awarded to the City
 - ▶ successfully pursued court orders under statute in Superior Court hearings
- **Divisional Court and Court of Appeal:**
 - ▶ successfully defended 1 Court of Appeal matter
 - ▶ successfully pursued costs/debts as plaintiff/creditor in 6 other proceedings
- **Workplace Safety (WSIB/WSIAT):**
 - ▶ successfully resolved 2 matters at hearings and 2 matters prior to hearings
- Worked with MLE to upgrade or replace the Business Licensing By-law, the Property Standards By-law, the Vacant Buildings Registry By-law and the Noise By-law
- Worked with Corporate Services to complete new Purchasing Policy
- Resolved appeals of the City's Industrial Zoning By-law
- Resolved appeals of Waterdown South Secondary Plan
- Resolved a number of appeals of Rural Official Plan and secured fixed dates in 2012 for argument of policy appeals affecting Rural Official Plan



LEGAL SERVICES



Legal Services				
Complement (FTE)	Management	Other	Total	# of staff/ Management
2011	4.0	40.0	44.0	10.0
2012	4.0	41.0	45.0	10.25
Change	0	1.0	1.0	0.25

2012 NET OPERATING BUDGET BY SECTION

CITY OF HAMILTON
2012 NET TAX OPERATING BUDGET
By Program

Legal

	2011 Budget	2011 Projected Actual	2012 Preliminary Budget	2012 Preliminary / 2011 Budget	
				\$	%
Inhouse-Outside Counsel - City	2,717,552	2,492,520	2,869,272	151,720	5.6%
NET LEVY	2,717,552	2,492,520	2,869,272	151,720	5.6%

2012 GROSS - NET DIVISIONAL BUDGET

**CITY OF HAMILTON
2012 TAX OPERATING BUDGET
By Cost Category**

Legal					
	2011 Budget	2011 Projected Actual	2012 Preliminary Budget	2012 Preliminary / 2011 Budget	
				\$	%
<i>EMPLOYEE RELATED COST</i>	4,843,660	4,440,450	5,142,500	298,840	6.2%
<i>MATERIAL AND SUPPLY</i>	76,900	76,900	81,458	4,558	5.9%
<i>BUILDING AND GROUND</i>	9,260	9,260	9,810	550	5.9%
<i>CONTRACTUAL</i>	264,590	264,590	252,777	(11,813)	(4.5)%
<i>RESERVES / RECOVERIES</i>	(1,108,318)	(744,400)	(1,237,890)	(129,572)	(11.7)%
<i>COST ALLOCATIONS</i>	(1,715,880)	(2,151,620)	(1,733,040)	(17,160)	(1.0)%
<i>FINANCIAL</i>	413,200	663,200	409,517	(3,683)	(0.9)%
TOTAL EXPENDITURES	2,783,412	2,558,380	2,925,132	141,720	5.1%
<i>FEES AND GENERAL</i>	(55,860)	(55,860)	(55,860)	0	0.0%
<i>RESERVES</i>	(10,000)	(10,000)	0	10,000	100.0%
TOTAL REVENUES	(65,860)	(65,860)	(55,860)	10,000	15.2%
NET LEVY	2,717,552	2,492,520	2,869,272	151,720	5.6%

2012 MAJOR COST DRIVERS

- **Significant pressures driving budget**
 - Employee Related Costs \$167,522
 - Reductions: \$4,500
 - Court Costs
 - Cell phones
 - Reduced Direct Costs (\$3,142)
 - Indirect Recoveries (\$17,160)

 - Total** **\$151,720**



CHRONICALLY UNDERFUNDED PROGRAMS

UNFUNDED PLANNING EXPERT FEES

2008 - \$174,877

2009 - \$140,438

2010 - \$392, 621

2011 - \$320,000 (approx. until year-end completion)



2012 COUNCIL REFERRED ITEMS

- 1 FTE – Legal Services
 - (Municipal Prosecutor/ POA)



Questions ?

