

CORPORATE SERVICES DEPARTMENT

General Issues Committee

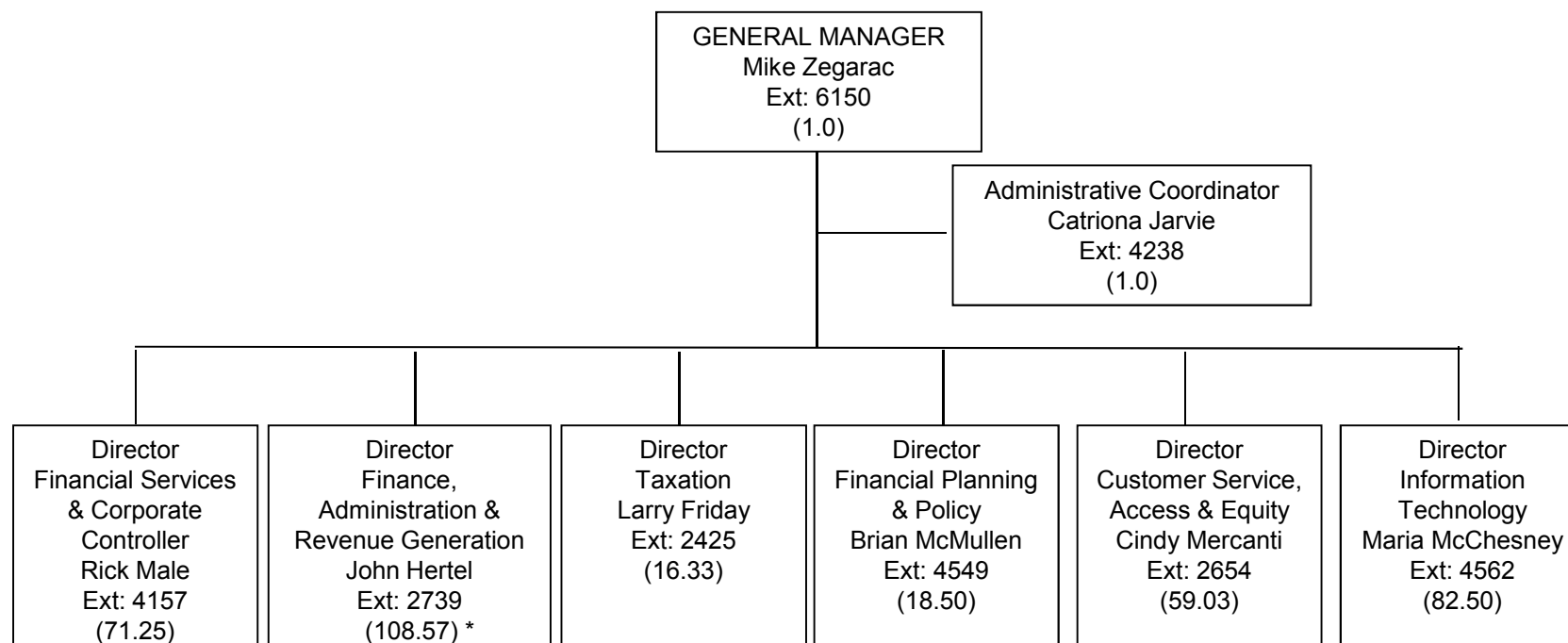
January 22, 2016



Corporate Services Department

2016 Budget

OVERVIEW



Complement (FTE)	Management	Distributed Management *	Other Staff	Distributed Staff *	Total	Staff to Mgt Ratio
2015	24.00	3.00	241.58	89.60	358.18	12.27:1
2016	24.00	3.00	241.58	89.60	358.18	12.27:1
Change	0.00	0.00	0.00	0.00	0.00	

* Includes 92.60 FTE F&A staff whose budgets are included within operating departments



NET VACANCIES

CORPORATE SERVICES NET VACANCIES

(as at December 31, 2015)

Division	2016 Budget (FTE's)	Vacancies (FTE's)	Vacancy Rate
Corporate Services Administration	2.00	0.00	0.0%
Customer Service, Access and Equity	59.03	0.00	0.0%
Finance, Administration & Revenue Generation	15.97	1.00	6.3%
Financial Planning and Policy	18.50	1.00	5.4%
Financial Services	71.25	1.00	1.4%
Information Technology	82.50	1.00	1.2%
Taxation	16.33	1.00	6.1%
Total	265.58	5.00	2.3%



2015 HIGHLIGHTS

- As part of the Call Handling Project, Tax (FTE) calls transitioned to the CCC Q4, 2015
- New vendor selected for tax bill printing
- Transitioned to new server for Vailtech Tax System
- Added two Tax Reminder Notices to increase collection efforts
- Successful first year of City Enrichment Fund
- Revenue Generation successful development of key partnerships, and initiatives
- Establishment of not-for-profit Farmers' Market Corporation and Council approved of new Board and operating agreement
- Launch of IT Governance
- Contributions to Junos, US Steel project
- Successfully negotiated 2-year freeze on premiums for Property and Casualty Insurance
- Successful resolution of flood lawsuits with no settlement contribution from the City
- Completed review of Procurement and Fair Wage Policies

cont'd

2015 HIGHLIGHTS

- Statement of Investment Policies & Procedures Amendment to invest in Credit Unions
- Address Information Management System business requirements were completed. The detailed design and implementation plan is in progress
- A 5 year GIS Plan has been developed and signed off by all departments. The replacement of mapping software used by both citizens and staff is underway
- A new vendor for AVL has been selected, contracts are under review with roll out to start in Q1, 2016
- A new Cellular services provider has been identified, contract and report to council are in progress
- All IT infrastructure to support the fan experience in Tim Horton's field was completed
- First phase of security awareness training was completed.



PERFORMANCE METRICS / SERVICE LEVELS

- Maintaining service levels in all 3 sections of Customer Service, Access & Equity:
 - Municipal Service Centres
 - Over 120,000 citizen transactions annually
 - Customer Contact Centre
 - 12,500 citizen emails answered annually
 - 490,000 citizen calls answered annually
 - Access & Equity
 - Support AODA compliance
 - Support Equity and Inclusiveness

- Number of Tax Bills Issued: 172,841 (2X)
- Number of Tax Reminder Notices: 84,492 (March, May, July, October)
- Number of Three Years in Arrears Letters Issued: 1,408
- Number of Tax Liens Registered: 501, Rectified 455
- Number of calls in Tax Queue: 9178, Answered 8,903 (97%)
- Approximately another 2,500 direct calls to tax lines
- Average \$'s to maintain a tax account: \$14.20 (OMBI Avg. \$14.64)

cont'd

PERFORMANCE METRICS / SERVICE LEVELS

- % of taxpayers paying via pre-authorized payment: 44% OMBI Average - 41%
- % of taxes outstanding to total levied: 4.2% OMBI Average - 2.6%
- % of prior taxes outstanding to total levied: 3.2% OMBI Average – 1.6%
- Monitor and participate in up to 200 property appeals for Commercial, Industrial and Multi-residential properties
- Number of Accounts Payable invoices paid: 170,446
- Number of Accounts Payable invoices paid per FTE: 15,495 (median = 13,253)
- Percentage of Accounts Payable invoices paid within 30 days: 80.0% (OMBI median: 73.8%)
- Percentage of Accounts Payable invoices paid over 60 days: 4.7% (OMBI median 6.8%)
- Cost to process an Accounts Payable invoice: \$4.31 (OMBI median \$5.77)
- Amount of Accounts Payable invoices per \$1M purchases: \$314 (OMBI median \$233)
- Operating cost per Accounts Receivable invoice: \$11.91 (OMBI median: \$17.23)
- Operating cost per payroll direct deposit and cheque: \$3.76 (OMBI Median: \$4.28)
- Number of payroll direct deposit and cheques per Payroll FTE: 30,157 (OMBI Median: 24,229)
- Investment Fund Management: Gross ROI (internal portfolio) of 3.24% (OMBI median of 2.40%)
- Financial Planning: Tax Operating and Capital Budgets and Rate Budget are prepared and approved annually
- Fiscal/Financial Policies: All financial policies are reviewed over a 5 year cycle or as required.

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PERFORMANCE METRICS / SERVICE LEVELS

- Management and Security of Email Messages:

Year	Received	Accepted	% Rejected
2014	49,950,519	9,140,945	81.7%
2015	55,852,570	9,103,969	83.7%

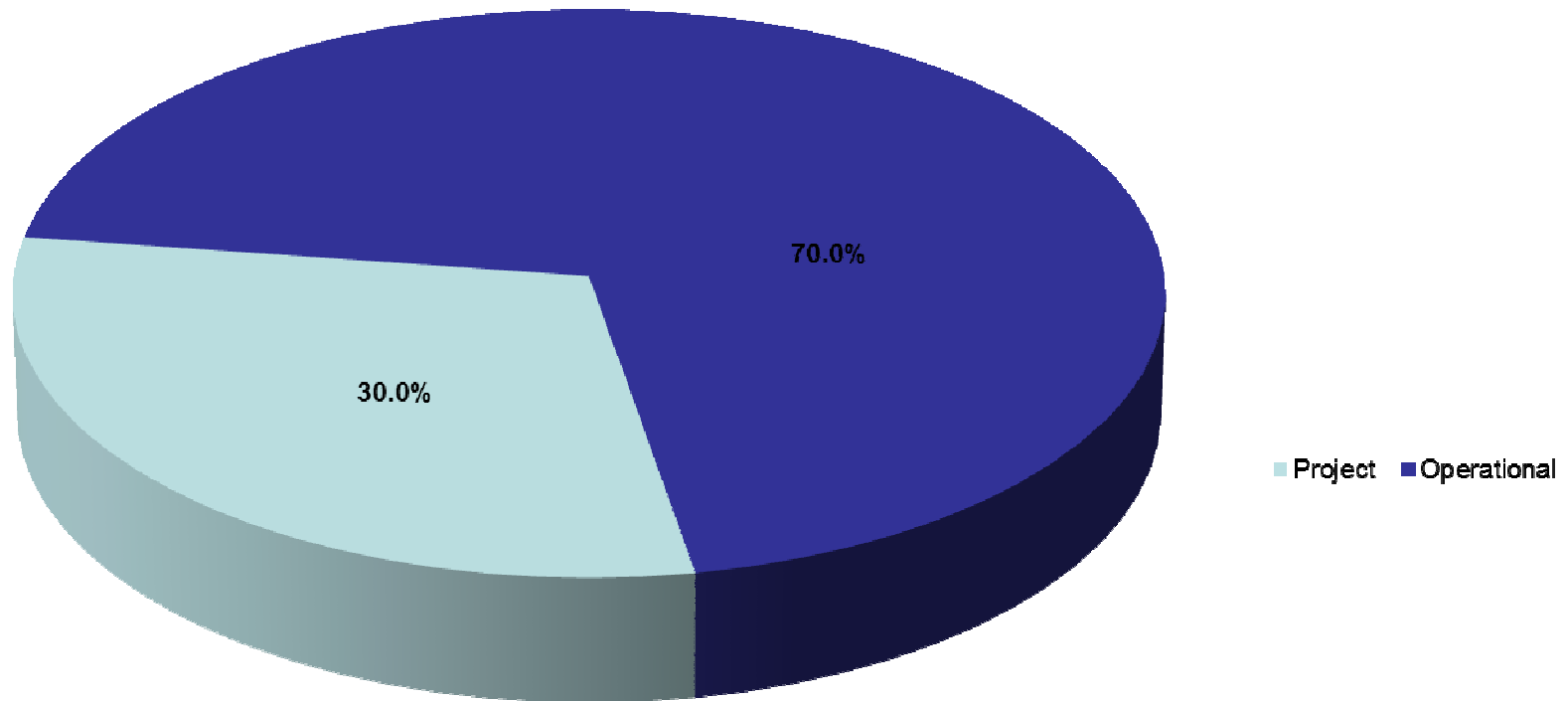
- Malware detected: 1,569
- Anti-virus compliance: 89.6%
- Patching compliance: 92.2%

	<u>2014</u>	<u>2015</u>
Service Desk Calls	37,161	39,062
Number of computers:	4,150	4,192
Number of phones:	4,037	4,092
Number of phone calls(million):	12.94	14.67
Number of terabytes:	174	477
Number of cellular devices:	2,556	2,550

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PERFORMANCE METRICS / SERVICE LEVELS

2015 Information Technology Staff Allocation



2016 INITIATIVES

- In partnership with Audit Services, introduction of an AODA self-assessment tool to support reporting and compliance
- Design of all tax bills and correspondence with new tax print vendor
- Work with call handling project team on processes for customer Contact Centre staff answering calls and tax staff doing the back end adjustment work
- Adjust duties of customer service tax staff due to loss of 1 position to call handling project.
- Implement web version of Tax Software.
- Continue with succession planning.
- Negotiate extension to Banking contract or issue Request for Proposals for Banking Services
- Adherence to new PSAB standard for Liabilities for Contaminated Sites
- Working with Police re: new audit of operational revenues and expenses
- Revise Procurement Policy, Fair Wage Policy and a new Living Wage Policy
- Collaborate with Roads Operations to develop GPS based sidewalk inspection/maintenance program
- Develop high level claims reporting to departments utilizing new business intelligence software
- Multi-year Budget and Business Planning
- Infrastructure Asset Management under *Infrastructure for Jobs and Prosperity Act (Bill 6)*
- *Development Charges Act* Amendments under *Smart Growth for Our Communities Act (Bill 73)*
- Operating Budget System Replacement
- Development Charges Deferral Agreements Policy Amendments
- NPCA Appeal

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2016 INITIATIVES

- Enhanced Livestreaming of council and committee meetings
- Address Information Management System phase 1 build to start with implementation phased in over 18 months.
- Development of a Business Intelligence plan
- Cellular contract roll out based on council direction to potentially include Blackberry, Apple and Android devices.
- Completion of IT Service Level Agreements
- Continue with the Security Awareness training
- Start the AVL roll out.
- Complete Succession and Workforce planning



2016 Preliminary Tax Operating Budget



2016 NET OPERATING BUDGET BY DIVISION

CITY OF HAMILTON

2016 TAX OPERATING BUDGET

by Division

Corporate Services

	2015 Restated Budget	2015 Projected Actual	2016 Preliminary Budget	2016 Preliminary vs. 2015 Restated	
				\$	%
Corporate Services - Administration	301,140	321,710	322,030	20,890	6.9%
Customer Service, Access & Equity	4,857,350	4,926,120	5,045,110	187,760	3.9%
Finance, Administration & Revenue Gener	1,273,790	1,303,910	1,247,870	(25,920)	(2.0)%
Financial Planning & Policy	387,750	490,830	392,600	4,850	1.3%
Financial Services	3,522,850	3,461,070	3,592,900	70,050	2.0%
Information Technology	7,993,980	8,781,860	8,279,510	285,530	3.6%
Taxation	734,550	467,540	749,760	15,210	2.1%
NET LEVY	19,071,410	19,753,040	19,629,770	558,360	2.9%

2016 MAJOR COST DRIVERS / Opportunities

- Employee Related - \$623K (net) (2% cost of living increase, merit increases, OMERS, Government and other benefits)
- Consulting - \$50K
- Free Parking Program at the Hamilton Farmers' Market - \$28K
- Software Licensing - \$29K
- Increase in Indirect Recoveries – (\$44K)
- Increase in Tax Certificate Revenue – (\$43K)
- Increase in Other Revenues at Market – (\$44K)



2016 CHALLENGES

- Financial Sustainability and need to grow the economy and non-residential tax base
- Infrastructure financing and impacts on future debt and reserves
- Integration of Budget and Business Planning
- Proactive Risk Management and reducing legal exposures and law suits
- Maintaining a balance between effective, streamlined Procurement and transparency / fairness
- Resource and service level challenges with respect to Council priorities (eg. Waterfront, LRT, merger of pension plans)
- Succession planning and the recruitment and retention of highly skilled employees
- Increased number of liens registered for taxpayers in arrears
- Shift to subscription based license and software model
- Increased complexity of IT security
- Introduction of the web quality assurance (i.e. performance metrics) into the Division's portfolio
- Pressure of calls being migrated to Customer Contact Centre as a outcome of Call Handling project



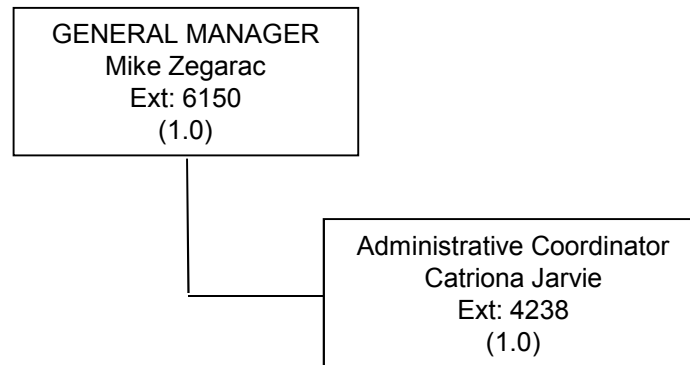
2016 Budget by Division



Corporate Services Administration



OVERVIEW



Complement (FTE)	Management	Other	Total	Staff to Mgt Ratio
2015	1.00	1.00	2.00	1.00:1
2016	1.00	1.00	2.00	1.00:1
Change	0.00	0.00	0.00	

2016 NET OPERATING BUDGET BY SECTION

CITY OF HAMILTON
2016 TAX OPERATING BUDGET
by Section

Corporate Services - Administration

	2015 Restated Budget	2015 Projected Actual	2016 Preliminary Budget	2016 Preliminary vs. 2015 Restated	
				\$	%
General Manager	301,140	321,710	322,030	20,890	6.9%
NET LEVY	301,140	321,710	322,030	20,890	6.9%

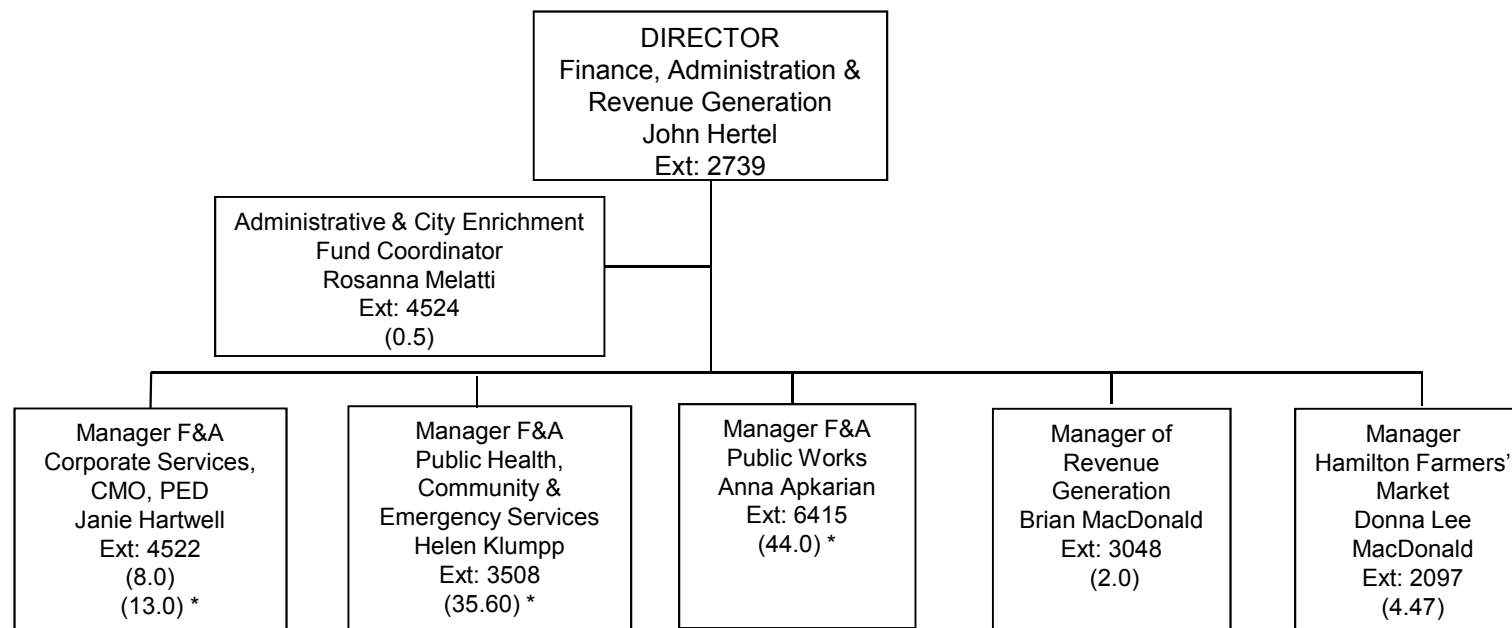
Finance, Administration & Revenue Generation



Finance, Administration & Revenue Generation

2016 Budget

OVERVIEW



Complement (FTE)	Management	Distributed Management *	Other Staff	Distributed Staff *	Total	Staff to Mgt Ratio
2015	3.0	3.0	12.97	89.60	108.57	17.10:1
2016	3.0	3.0	12.97	89.60	108.57	17.10:1
Change	0	0	0	0	0	

* Represents distributed staff whose budgets are in operating departments.

2016 NET OPERATING BUDGET BY SECTION

CITY OF HAMILTON
2016 TAX OPERATING BUDGET
by Section

Finance, Administration & Revenue Generation

	2015	2015	2016	2016 Preliminary vs.	
	Restated	Projected	Preliminary	2015 Restated	
	Budget	Actual	Budget	\$	%
Administration FARG	281,460	273,470	287,130	5,670	2.0%
Finance	567,010	563,520	580,970	13,960	2.5%
Enterprise Mgt & Rev Gen	425,320	466,920	379,770	(45,550)	(10.7)%
NET LEVY	1,273,790	1,303,910	1,247,870	(25,920)	(2.0)%

2016 MAJOR COST DRIVERS / Opportunities

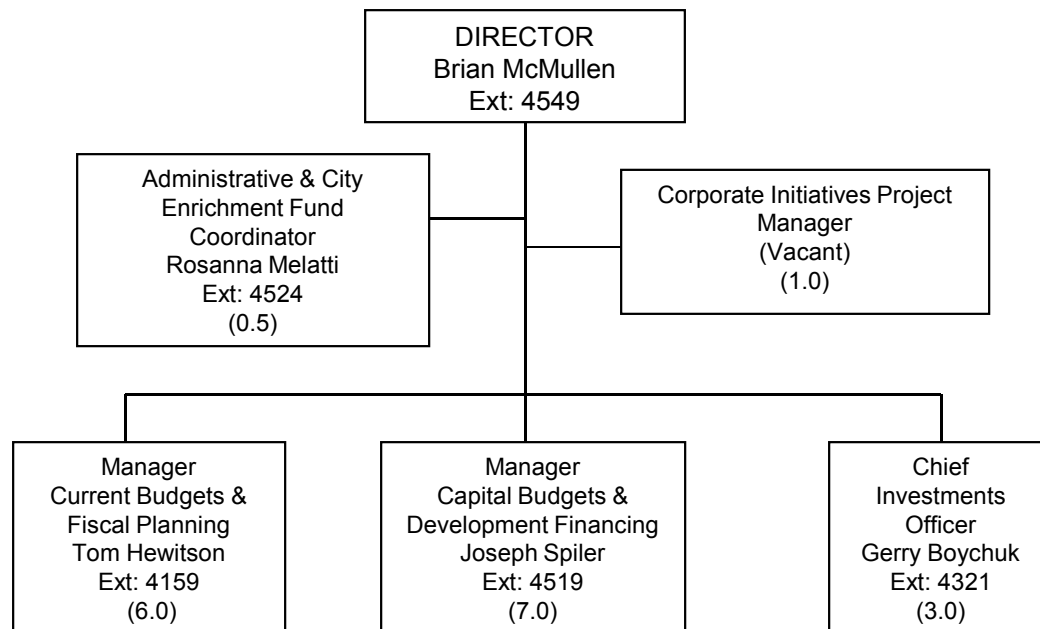
- Employee Related - \$33K
- 1 Free Parking Program at the Hamilton Farmers' Market - \$28K
- Hamilton Farmers' Market revenue generated by sponsorships and advertising - (\$44K)



Financial Planning & Policy



OVERVIEW



Complement (FTE)	Management	Other	Total	Staff to Mgt Ratio
2015	4.0	14.5	18.5	3.63:1
2016	4.0	14.5	18.5	3.63:1
Change	0	0	0	



2016 NET OPERATING BUDGET BY SECTION

CITY OF HAMILTON
2016 TAX OPERATING BUDGET
by Section

Financial Planning & Policy

	2015 Restated Budget	2015 Projected Actual	2016 Preliminary Budget	2016 Preliminary vs. 2015 Restated	
				\$	%
Capital Budget	9,150	(710)	0	(9,150)	(100.0)%
Current Budget	425,690	400,610	426,760	1,070	0.3%
Investments	(236,030)	(237,710)	(237,700)	(1,670)	(0.7)%
Administration Fin Policy & Plan	188,940	328,640	203,550	14,600	7.7%
NET LEVY	387,750	490,830	392,600	4,850	1.3%

2016 MAJOR COST DRIVERS / Opportunities

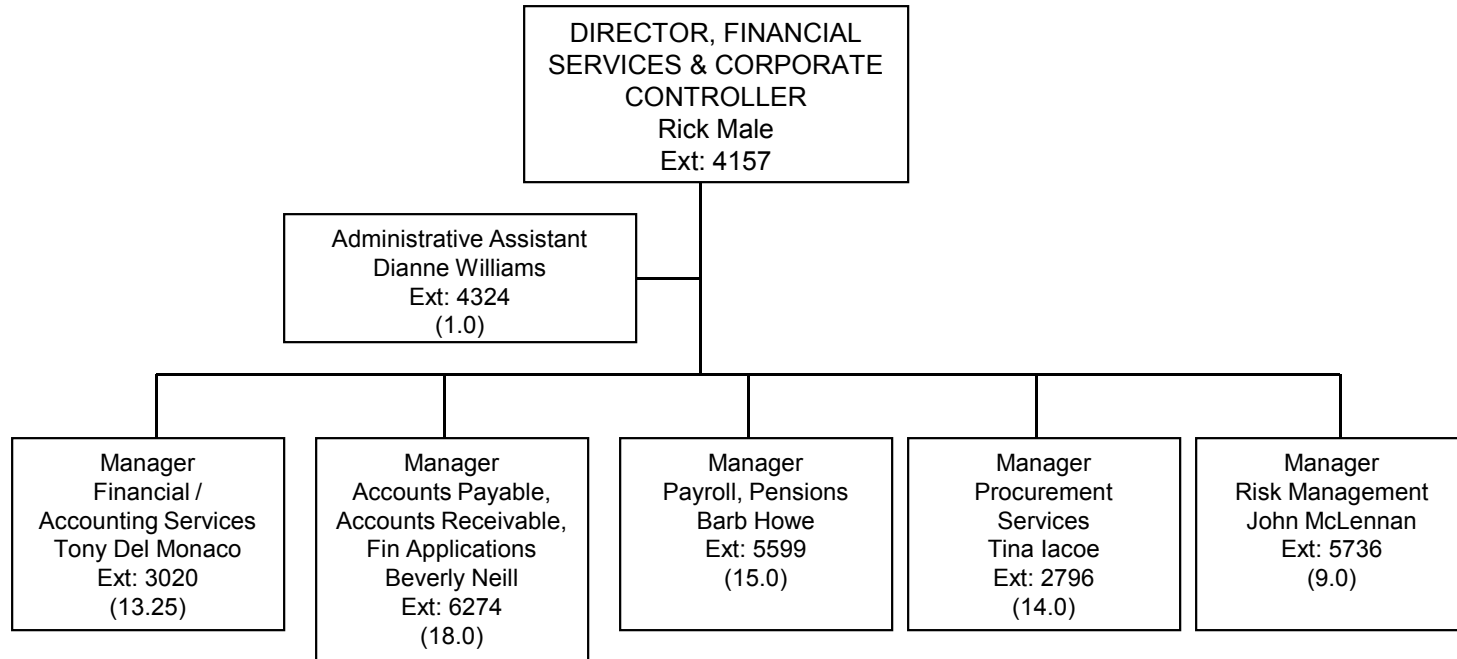
- Employee Related - \$53K (\$28K Net; 2% cost of living increase, merit increases, OMERS, Government and other)
- Increased Indirect CA recovery for Current Budgets and Policy and Projects results in an increased revenue of (\$25K)



Financial Services



OVERVIEW



Complement (FTE)	Management	Other	Total	Staff to Mgt Ratio
2015	6.0	65.25	71.25	10.88:1
2016	6.0	65.25	71.25	10.88:1
Change	0	0	0	



2016 NET OPERATING BUDGET BY SECTION

CITY OF HAMILTON
2016 TAX OPERATING BUDGET
by Section

Financial Services

	2015 Restated Budget	2015 Projected Actual	2016 Preliminary Budget	2016 Preliminary vs. 2015 Restated	
				\$	%
Financial Services Admin	411,420	408,210	408,710	(2,700)	(0.7)%
Payroll and Pensions	770,400	781,020	795,070	24,670	3.2%
Accounts Payable	375,180	422,100	404,180	28,990	7.7%
Financial Application Support	323,180	316,190	325,880	2,700	0.8%
Financial Accounting Services	654,690	575,750	640,310	(14,380)	(2.2)%
Procurement	771,650	748,610	795,910	24,250	3.1%
Accounts Receivables	216,330	209,200	222,850	6,520	3.0%
Risk Management	0	0	0	0	0.0%
NET LEVY	3,522,850	3,461,070	3,592,900	70,050	2.0%

2016 MAJOR COST DRIVERS / Opportunities

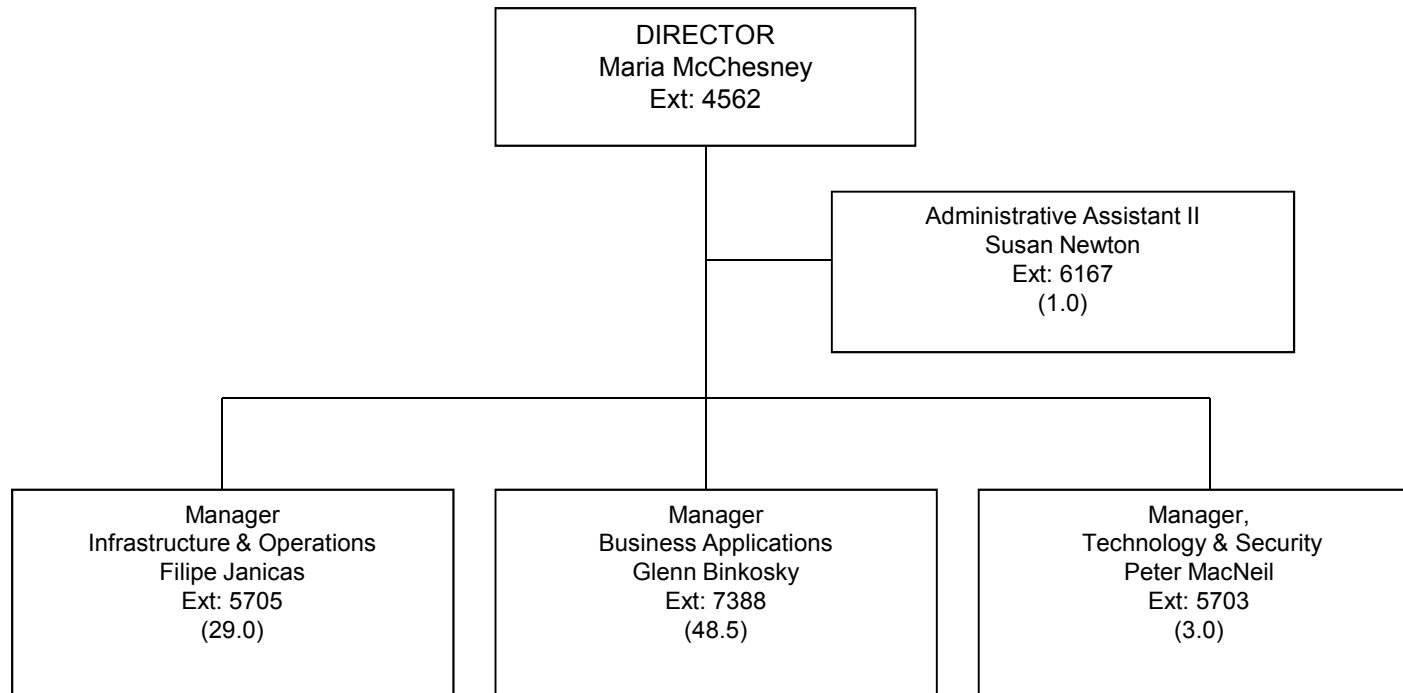
- Employee Related - \$106k (net) (2% cost of living increase, merit increases, OMERS, Government and other benefits)
- Indirect Cost Allocations – (\$40K) – Internal services recovered by departments



Information Technology



OVERVIEW



Complement (FTE)	Management	Other	Total	Staff to Mgt Ratio
2015	4.0	78.50	82.50	19.63:1
2016	4.0	78.50	82.50	19.63:1
Change	0	0	0	

2016 NET OPERATING BUDGET BY SECTION

CITY OF HAMILTON
2016 TAX OPERATING BUDGET
by Section

Information Technology

	2015 Restated Budget	2015 Projected Actual	2016 Preliminary Budget	2016 Preliminary vs. 2015 Restated	
				\$	%
Printers	0	0	0	0	0.0%
Technology & Security	466,650	469,160	473,470	6,820	1.5%
City Leased Equipment	0	0	0	0	0.0%
Equipment and Maintenance	5,000	1,600	5,000	0	0.0%
Business Applications	6,155,270	5,939,270	6,356,440	201,160	3.3%
IP Telephony	0	0	0	0	0.0%
IT - Admin	(3,139,780)	(2,122,070)	(3,157,580)	(17,800)	(0.6)%
Infrastructure & Operations	4,506,840	4,493,900	4,602,180	95,340	2.1%
Servers	0	0	0	0	0.0%
Third Party Costs'	0	0	0	0	0.0%
NET LEVY	7,993,980	8,781,860	8,279,510	285,530	3.6%

2016 MAJOR COST DRIVERS / Opportunities

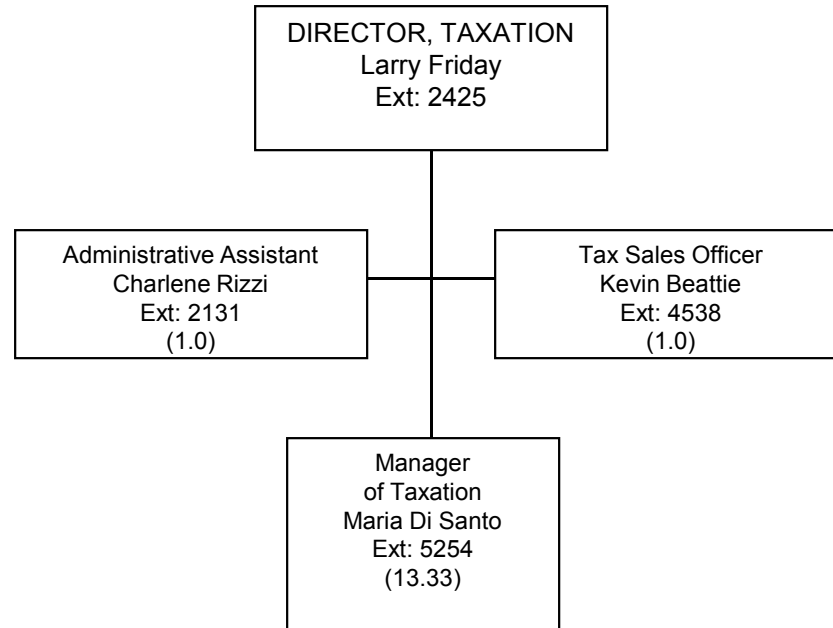
- Employee Related - \$228K (2% cost of living increase, merit increases, OMERS, Government and other benefits)
- Software Licensing - \$29K – Infrastructure Section in IT (Citrix, Smartnet, Bes)
- Consulting - \$50K - Business Applications Section of IT to augment the skillset of staff by bringing in external skills to work alongside City staff
- Indirect Cost Allocations (\$23K) – Internal IT services recovered by Departments



Taxation



OVERVIEW



Complement (FTE)	Management	Other	Total	Staff to Mgt Ratio
2015	2.0	14.33	16.33	7.17:1
2016	2.0	14.33	16.33	7.17:1
Change	0	0	0	

2016 NET OPERATING BUDGET BY SECTION

CITY OF HAMILTON
2016 TAX OPERATING BUDGET
by Section

Taxation

	2015 Restated Budget	2015 Projected Actual	2016 Preliminary Budget	2016 Preliminary vs. 2015 Restated	
				\$	%
Tax Billing & Collection	511,870	247,520	527,270	15,400	3.0%
Taxation - Admin	222,680	220,020	222,480	(200)	(0.1)%
NET LEVY	734,550	467,540	749,760	15,210	2.1%

2016 MAJOR COST DRIVERS / Opportunities

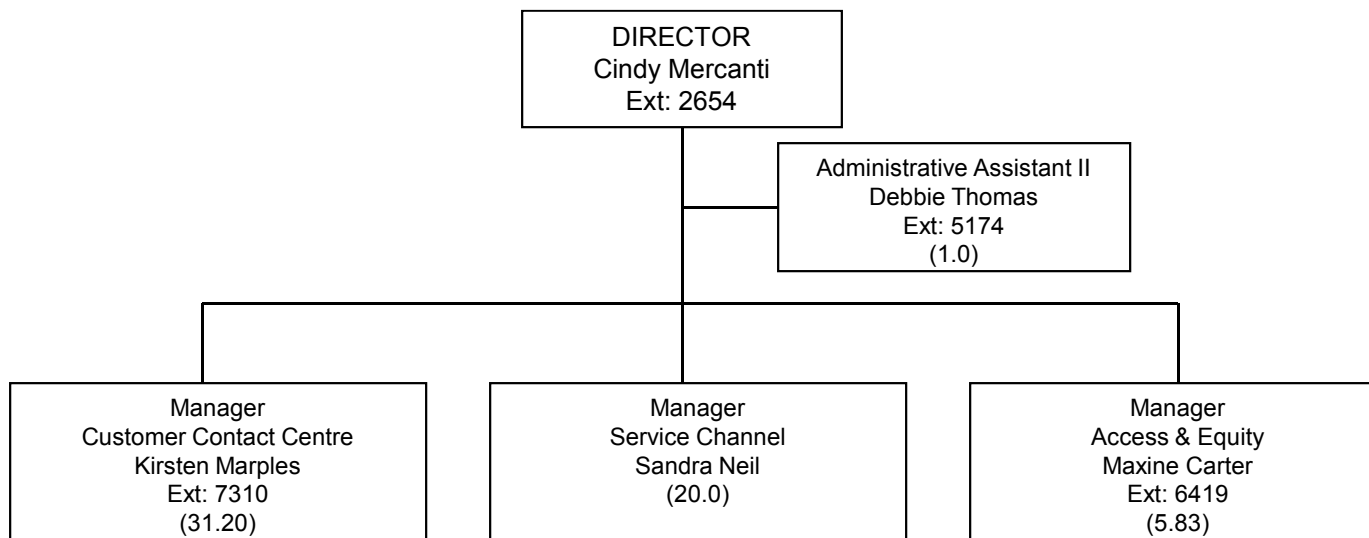
- Employee Related - \$35K (2% cost of living increase, merit increases, OMERS, Government and other benefits)
- Increased revenues for Tax Certificates, Arrears Processing Fees and Tax Transfer Fees and Tax Registrations as a result of Approved User Fee By-Law (\$20K)



Customer Service, Access & Equity



OVERVIEW



Complement (FTE)	Management	Other	Total	Staff to Mgt Ratio
2015	4	55.03	59.03	13.75:1
2016	4	55.03	59.03	13.75:1
Change	0	0	0	0



2016 NET OPERATING BUDGET BY SECTION

CITY OF HAMILTON
2016 TAX OPERATING BUDGET
by Section

Customer Service, Access & Equity

	2015 Restated Budget	2015 Projected Actual	2016 Preliminary Budget	2016 Preliminary vs. 2015 Restated	
				\$	%
Access & Equity	547,350	620,990	581,590	34,240	6.3%
Customer Service - Administration	263,600	236,280	254,340	(9,260)	(3.5)%
Customer Contact Centre	2,251,140	2,601,860	2,326,560	75,420	3.4%
Service Channel	1,695,260	1,416,080	1,782,620	87,360	5.2%
AODA Accessibility	100,000	50,920	100,000	0	0.0%
NET LEVY	4,857,350	4,926,120	5,045,110	187,760	3.9%

2016 MAJOR COST DRIVERS / Opportunities

- Employee Related - \$202K (2% cost of living increase, merit increases, OMERS, Government and other benefits)
- Advertising Revenue as result of Revenue Generation Initiative (\$24K)

