



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	August 14, 2017
SUBJECT/REPORT NO:	2018 Budget Guidelines, Preliminary Outlook and Process (FCS17063) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Tom Hewitson (905) 546-2424, Ext. 4159 Brian McMullen (905) 546-2424, Ext 4549
SUBMITTED BY:	Mike Zegarac General Manager Finance and Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That 2018 user fees (excluding golf, transit and ice fees) be increased by a rate of 2.0% and that any user fee adjustments, other than inflationary, be forwarded for consideration with appropriate explanation;
- (b) That City Council provides a 2018 tax operating budget guideline as it relates to Boards and Agencies and that any increase beyond the guideline be forwarded for consideration with appropriate explanation;
- (c) That City Council provides a 2018 tax operating budget guideline as it relates to all City departments and that any increase beyond the guideline be forwarded for consideration with appropriate explanation;
- (d) That the 2018 Tax Capital budget be submitted with a 0.5% tax increase for capital financing of discretionary block funded projects and a 0.41% tax increase for capital financing of Public Transit Infrastructure Fund (PTIF) projects;
- (e) That the 2018 Rate Supported Budget be submitted incorporating a combined water and wastewater / storm rate increase of 4.5%.

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.

EXECUTIVE SUMMARY

The 2018 budget process has begun internally for programs and services of the City Tax Supported Operating Budget, capital infrastructure investments of the Tax Supported Capital Budget and programs, services and capital infrastructure of the Rate Supported Operating and Capital Budgets. Staff is providing information regarding the process and an estimate of pressures and opportunities for 2018. Staff is also seeking direction in respect of a guideline for the 2018 residential tax increase and 2018 residential rate increase.

2018 Tax Supported Operating Budget Outlook

One of the initial steps in the budget cycle is preparing an estimate of the levy requirement for the next budget year. This is referred to as the 2018 Outlook. A summary of the 2018 Tax Supported Operating Budget Outlook can be found in the Analysis and Rationale for Recommendation section of this Report. In total, the 2018 tax levy is estimated to require an increase of \$43.7 M. This increase is driven by staffing costs (\$14.2 M), Capital Financing (\$7.5 M including PTIF), contractual obligations (\$7.2 M) and Boards and Agencies (\$5.7 M). The total pressures are partially offset by an estimated increase in user fees (-\$2.8 M) and the final year of provincial Ontario Works (OW) uploading savings (-\$3.2 M).

The currently identified pressures, including Boards and Agencies and Capital Financing, would result in a tax increase of approximately 4.8% (refer to the following Table). Note that this is inclusive of estimated assessment growth (1.0%) which reduces the tax impact and reassessment shifts (0.5%) which increases the tax impact.

**2018 Projected Average Residential Tax Impact
Based on Current Outlook**

	\$	%
Municipal Taxes		
City Departments	113	3.4%
Boards and Agencies	18	0.6%
Capital Financing	<u>17</u>	<u>0.5%</u>
Sub-total Municipal Taxes	148	4.4%
 PTIF	 <u>14</u>	 <u>0.41%</u>
Total Municipal Taxes	162	4.8%

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.

2018 Tax Supported Operating Budget Guideline

While the 2018 Tax Supported Operating Budget Outlook projects a tax increase of 3.4% for City Departments, staff is continuing to review expenditure reductions and revenue opportunities to achieve a lower tax increase. This is a result of net levy pressures of about 3.9% offset by an estimated 0.5% net assessment benefit (1.0% assessment growth less 0.5% reassessment impacts).

Staff is requesting a guideline 2.0% increase to the user fees. Golf, transit and ice fees are excluded from this guideline as these rates are approved through separate reports to Council.

The annual Canadian inflation rate has ranged from 1.0% to 2.1% over the past 12 months with the current rate of inflation at 1.0%. BMO Capital Markets Provincial Economic Outlook projects Canadian inflation rate to be 2.0% for 2018. While the inflation rate is used as a benchmark indicator, the cost of City services is not directly aligned to the inflation rate due to influences such as collective bargaining, energy, provisions in contracts with service providers and provincial subsidies.

Staff is seeking Council's direction on targets for both City Departments and Boards and Agencies.

2018 Rate Supported Operating Budget Outlook

The 2018 Preliminary Rate Supported Budget Outlook projects a gross expenditure budget increase of \$9.4 M, an increase in other revenue of \$0.3 M and an increase in rate revenues of \$9.1 M. The projected 2018 impact on an average residential ratepayer is \$30 or 4.5%.

A summary of this Outlook can be found in the Analysis and Rationale for Recommendation section of this Report.

2018 Projected Average Residential Rate Impact Based on Current Outlook

	\$	%
Net City Division (Hamilton Water)	5	0.8%
Capital Financing	<u>25</u>	<u>3.7%</u>
Total	30	4.5%

2018 Rate Supported Operating Budget Guideline

The 2018 Rate Supported Operating Budget Outlook projects a residential rate increase of 0.8% for net divisional operating expenditures and 3.7% for capital financing expenditures.

**SUBJECT: 2018 Budget Guidelines, Preliminary Outlook and Process (FCS17063)
(City Wide) – Page 4 of 13**

While net operating expenditures are projected to increase by an average of 2.1%, operating expenditures contribute to 0.8% of the residential rate increase. Capital financing expenditures are projected to increase by 6.8% and contribute to 3.7% of the residential rate increase. The projected increase in capital financing costs is driven by a significantly increased Rate Capital program of \$280 M projected for 2018 versus \$187 M in 2017. The projected increase in capital investment in 2018 is primarily in the wastewater system with the commencement of construction of the Clean Harbour project. Water consumption affecting Rate Revenue is projected to increase by less than 1% from the water consumption in the 2017 Rate Budget.

The cost of City services supported by Rate Revenue is not directly aligned to the inflation rate due to influences such as collective bargaining, energy and other operating costs. When Council approved the 2017 Rate Supported Budget in November 2016, a projected residential rate increase for the 2018 Rate Supported Budget of 4.5% was included. Staff is requesting a residential rate increase guideline of 4.5% for 2018 to accommodate these projected costs and revenue assumptions.

Multi-Year Budget and Business Planning

Business planning is evolving to improve service delivery while considering City fiscal commitments through new approaches. Staff and Council will be engaged in discussions throughout 2017 around an integrated planning, budgeting and performance measurement process to help achieve this balance in service and resource allocation. An integrated framework will provide a strategic process that supports decision making with meaningful information to assess policy impacts, service performance and demonstrate whether the service delivery practices provide value for money.

Council, at its meeting on December 14, 2016, adopted a Rolling Budget Cycle Without a Fixed Period as its Multi-Year Budget Process beginning with the 2018 Budget.

Council, at its meeting on July 14, 2017, adopted the Multi-Year Business Planning and Budget Policy (“Policy”) for City Departments and forwarded the Policy to Hamilton Police Service, Hamilton Public Library and Hamilton Farmers Market Boards for consideration.

2018 Budget Process Timeline

Appendix “A” to Report FCS17063 provides a high level summary of the budget calendar for the 2018 Rate and Tax Budgets (Operating and Capital). The Rate Operating and Capital Budgets and Tax Capital Budget are scheduled to be deliberated in late November 2017. The Tax Supported Operating Budget (which sets the tax increase) is scheduled to commence in January 2018 with an expected approval in March 2018. All budgets will be deliberated at meetings of the General Issues Committee.

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.

Alternatives for Consideration – See Page 12-13

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The Preliminary Tax Operating Budget pressures / risks identified within this Report result in a levy increase of approximately \$43.7 M (inclusive of City Departments, Boards and Agencies and Capital Financing) which represents a residential tax increase of 4.8%.

The Preliminary Rate Operating Budget pressures / risks identified within this Report result in a projected operating budget expenditure increase of approximately \$9.4 M which represents a combined residential rate increase of 4.5%.

Staffing: There are no staffing implications as a result of Report FCS17063. During the budget process, staffing changes are highlighted for Council approval.

Legal: There are no legal implications in respect of Report FCS17063.

HISTORICAL BACKGROUND

Tax Supported Operating Budget

The 2017 Tax Operating Budget approved by Council in April 2017, resulted in an average city-wide residential tax impact of 2.1%. To achieve this required reductions during the budget process of about -\$16.5 M.

The 2017 Rate Supported Budget approved by Council in November 2016, resulted in an average residential rate increase of 4.85%. The 2017 Rate Supported Budget reflects Council's ongoing commitment and dedication to implement a sustainable financing plan while bridging the divide between the funding shortfalls for necessary infrastructure with affordable rates.

Multi-Year Budget and Business Planning

Council, at its meeting on December 9, 2015, endorsed the creation of a multi-year budgeting and business planning framework through a Multi-Year Budget Planning Sub-Committee. The main goal of the Sub-Committee is to develop an updated process for communicating the cost and performance of City services, based on the Community Vision, Strategic Plan and priorities.

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: 2018 Budget Guidelines, Preliminary Outlook and Process (FCS17063)
(City Wide) – Page 6 of 13**

Council, at its meeting on December 14, 2016, approved General Issues Committee (GIC) Report 16-032 and Multi-Year Budget Planning Sub-Committee Report 16-001 (Report FCS16087) adopting a Rolling Budget Cycle Without a Fixed Period as its Multi-Year Budget Process beginning with the 2018 Budget.

Council, at its meeting on July 14, 2017, approved GIC Report 17-015 and Multi-Year Budget Planning Sub-Committee Report 17-001 (Report FCS17066) adopting the Multi-Year Business Planning and Budget Policy (“Policy”) for City Departments and forwarding the Policy to Hamilton Police Service, Hamilton Public Library and Hamilton Farmers Market Boards for consideration.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

There are no policy implications related to the recommendations within Report FCS17063.

RELEVANT CONSULTATION

Tax and Rate Supported Operating Budgets

Staff has consulted with operating departments in determining the projected tax budget and rate budget pressures / risks for 2018. Staff has also consulted with Council, City Clerks and the operating departments in developing the timeline for the 2018 budget.

Multi-Year Budget and Business Planning

Staff has begun sharing the concept of integrated business planning and budgeting with the organization’s Corporate Leadership and Senior Leadership Teams. The Multi-Year Budget Planning Sub-Committee met in November 2016 and June 2017 to evolve the concept to ensure that the multi-year business and budget planning, along with performance measurement framework addressed issues of affordability, transparency and accountability.

Staff from Audit Services, City Manager’s Office was consulted to validate the importance of integrating performance management practices in municipal business planning and budgeting.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

2018 Preliminary Tax Budget Pressures (Outlook)

A number of pressures / risks have been identified for 2018 in the summary below. Details with further explanation are provided in the following sections of this Report.

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.

2018 Preliminary Tax Supported Budget Outlook

	2018 Outlook Pressures / Risks (M)
City Departments	
– Salary / Wage Compensation	\$14.2
– Operating Impact of Capital Projects	2.3
– Corporate Wide	6.2
– City Departments Other	7.8
Boards and Agencies	5.7
Capital Financing	<u>7.5</u>
2018 Preliminary Pressures / Risks	\$43.7
2018 Municipal Tax Impact (assumes 1.0% growth)	4.8%

City Departments

Approximately \$30.5 M in preliminary 2018 budget pressures / risks have been identified for City departments. The following tables and sections provide further details:

Salary / Wage Compensation

	Levy Impact (M)
COLA / Settlements	\$ 8.9
Merit / Step Increases	1.6
OMERS	1.3
Government Benefits	0.2
Employer Benefits	0.1
Fire – Line of Duty Benefit	0.6
WSIB Contributions	0.4
Minimum Wage	0.6
Retiree Benefits	<u>0.5</u>
TOTAL	\$14.2

The above salary / wage compensation pressures / risks take into account increases for settled union contracts, as well as, an allowance for non-settled contracts. The contribution rates for OMERS and government and employer benefits are not expected to increase materially. The pressures noted above result from the linkage of the contribution rates to the increase in salaries and wages.

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: 2018 Budget Guidelines, Preliminary Outlook and Process (FCS17063)
(City Wide) – Page 8 of 13**

WSIB contributions will require an increase tied to the increase in wages and salaries of about \$0.4 M. In addition, about \$0.6 M is required for impacts related to the Line of Duty Benefit for Firefighters.

On May 30, 2017, the Province announced that the Minimum Wage would be increasing to \$14 / hour on January 1, 2018 and \$15 / hour on January 1, 2019. This is estimated to result in additional costs of \$600,000 for 2018.

Retiree Benefit increases are estimated based on the actual experience for 2016. This is about \$150,000 less than the annual increase identified in the 2014 Report (FCS13059) “Projected Costs for Retiree Benefits”.

Operating Impacts of Capital Projects

	Levy Impact (M)
Approved through Capital Budget (FCS16089)	\$1.0
Deferred from previous years	<u>1.3</u>
TOTAL	\$2.3

As part of the annual Capital budget approval, staff estimate the operating costs related to these approved Capital projects. Through Reports FCS16089 and FCS16089(a) “2017 Tax Supported Capital Budget”, Council approved the operating budget and FTE impacts of the 2017 Tax Capital Budget, estimated to be \$1,027,900 and 2.94 FTE’s, be incorporated into the 2018 Tax Supported Operating Budget. The remaining amount of \$1.3 M is related to operating impacts from deferred projects.

Corporate Impacts

	Levy Impact (M)
Inflationary / Contractual Requirements	\$7.2
User Fees (excluding Transit, Ice, Golf)	(2.8)
Energy (Fuel, Natural Gas, Electricity)	<u>1.7</u>
TOTAL	\$6.2

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: 2018 Budget Guidelines, Preliminary Outlook and Process (FCS17063)
(City Wide) – Page 9 of 13**

A potential pressure of approximately \$7.2 M has been identified for inflationary and contractual requirements (mandatory indexing of service contracts). This is partially off-set by a potential increase in user fee revenue of -\$2.8 M at the guideline rate of 2%. Energy pressures of approximately \$1.7 M have been identified which is mainly driven by an average cost increase of 5% for electricity. The remaining energy pressure is due to anticipated minor price increases for fuel. No cost pressure is anticipated with regard to natural gas.

Department Specific Pressures

The departmental specific pressures, noted in the sections below, are above and beyond the pressures identified in the corporate section. All departments will have salary / wage compensation and contractual pressures which were noted previously in this Report.

Community & Emergency Services Department

Major pressures / risks identified include:

- \$2.8 M in social housing costs due to estimated provincial benchmarking, property taxes and loss in federal funding offset by anticipated mortgage savings.
- Off-setting these pressures are the Ontario Works upload savings of -\$3.2 M (which is based on 2017 subsidy rate of 97.2% increasing to 100% in 2018).

Public Works Department

Major pressures / risks identified by Transit include:

- \$2.5 M relating to Year 3 of the 10 Year Transit Strategy (PW14015(a))
- \$1.7 M related to DARTS contractual increase.
- \$990 K related to a reduction in forecasted fare revenues.
- \$450 K due to transit reserve needs for fleet.
- \$356 K related to PRESTO maintenance fees.
- \$295 K related to 3.0 FTE related to PTIF (PW16030).

Other major pressures include:

- \$600 K related to increased contribution to the fleet vehicle reserve required due to increased vehicle costs and the effect of US\$ exchange rate.
- \$400 K for increased central fleet vehicle charges related to increased cost of parts and repairs.

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: 2018 Budget Guidelines, Preliminary Outlook and Process (FCS17063)
(City Wide) – Page 10 of 13**

Corporate Services Department

A pressure of \$800 K has been identified reflecting past four year average trend of increasing risk management insurance claims expenses.

Revenue Opportunities

During the fall of 2017, the Strategic Partnerships and Revenue Generation Division will report on a number of initiatives that, if approved, will result in increased revenue for 2018 which would reduce the pressures identified above. Staff will incorporate approved initiatives during the 2018 budget process.

Boards and Agencies

Based on historical trends and consultation with Police Services, staff has identified budget pressures / risks for Boards and Agencies of approximately \$5.7 M (refer to the following Table). The Police budget pressure of \$4.8 M is based on a five-year average levy increase of 3.0%.

For the remaining Boards and Agencies as well as the City Enrichment Fund, staff has assumed 2% levy increase, resulting in a pressure of approximately \$900 K.

Boards and Agencies Levy Impact

	Levy Impact (M)
Boards and Agencies:	
Police (3.0% based on five-year average)	\$4.8
Boards and Agencies (excluding Police), Conservation Authorities and Other @ 2%	0.2
Library @ 2%	0.6
City Enrichment Fund @ 2%	<u>0.1</u>
TOTAL	\$5.7

Pending resolution of the City's appeal of the Niagara Peninsula Conservation Authority (NPCA) apportionment, staff has assumed continuation of the existing agreement for 2018. If the NPCA's new apportionment method was used by all Conservation Authorities, the increase to Hamilton's levy would be over \$2.2 million.

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.

Capital Financing

Following last year’s Council direction, staff has assumed 0.5% tax increase for capital, financing of discretionary / block funded capital projects which is equivalent to a levy increase of \$4.1 M. Additionally, debt financing requirements for the City’s funding share of Public Transit Infrastructure Fund (PTIF) projects relates to a levy increase of \$3.4 M or 0.41% tax increase.

Capital Financing Impact

	Levy Impact (M)
Capital Financing:	
Discretionary / Block Funded Capital Projects	
- Preliminary direction for 0.5% tax impact	\$4.1
PTIF for 0.41% tax impact	<u>3.4</u>
TOTAL	\$7.5

2018 Preliminary Rate Budget Pressures (Outlook)

A number of pressures / risks have been identified for 2018.

2018 Preliminary Rate Supported Budget Outlook

	2018 Outlook Pressures / Risks
City Division (Hamilton Water)	
- Salary / Wage Compensation	\$0.7
- Energy and Other Operating Costs	1.2
- Other Revenue	(0.3)
Capital Financing	<u>7.5</u>
2018 Preliminary Pressures / Risks	\$9.1
 2018 Average Residential Rate Impact	 4.5%

The preliminary outlook for the 2018 Rate Operating Budget projects an operating expenditure increase for Hamilton Water Division of approximately \$1.9 M or 2.1% over the 2017 Budget.

The above salary / wage compensation pressures / risks take into account increases for settled union contracts. The contribution rates for OMERS and government and employer benefits are not expected to increase materially but pressures result from the linkage of the contribution rates to the increase in salaries and wages.

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: 2018 Budget Guidelines, Preliminary Outlook and Process (FCS17063)
(City Wide) – Page 12 of 13**

Energy and other operating costs are projected to increase by \$1.2 M while other non-rate revenue is projected to increase by \$0.3 M. The projected increase in capital financing costs is driven by a significantly increased Rate Capital program of \$280 M projected for 2018 versus \$187 M in 2017. The projected increase in capital investment in 2018 is primarily in the wastewater system with the commencement of construction of the Clean Harbour project.

Water consumption is projected to increase by less than 1% from the water consumption in the 2017 Rate Budget and results in a projected 2018 Rate Revenue increase of \$9.1 M for an average residential increase of 4.5%.

Multi-Year Budget and Business Planning

The development of an integrated planning, budgeting and performance management process is expected to provide Council and the public with a better understanding of the City's programs and services, cost drivers and performance while increasing the accountability and transparency. To illustrate, business plans focus Council's strategic priorities into actions that are intended to be accomplished by the City, multi-year budgets support the business plans by ensuring all activities outlined in the plans are funded for multiple years and a performance measurement and monitoring framework assess service performance by monitoring progress in achieving the intended results.

2018 Budget Process and Schedule

With Council approval of the Multi-Year Business Planning and Budget Policy in July 2017, Council can expect to receive integrated Business Plans and Budgets covering four years being 2018 to 2021. User fees, as well as the 2018 Rate Budget and 2018 Tax Capital Budget processes, are expected to follow the schedule from previous years and are expected to be approved by December 2017. The 2018 Tax Supported Operating Budget process follows a regular timeline with Council's approval by March 2018.

The 2018 Budget Schedule is attached as Appendix "A" to Report FCS17063 Budget Guidelines, Preliminary Outlook and Process.

ALTERNATIVES FOR CONSIDERATION

2018 Tax Supported Operating Budget

N/A

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.

2018 Rate Supported Operating Budget

Council can provide alternative direction to the 2018 Rate Supported Budget guideline recommendations in this Report FCS17063. Approving a combined residential rate increase lower than the recommended 4.5% will require Council to review of the 2018 Rate Capital Budget submissions for possible deferral of planned capital investments and review of 2018 Rate Operating Budget Hamilton Water Division programs and services for possible service reductions.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” – 2018 City of Hamilton Budget Schedule

TH/BM/dt

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.