

**CITY OF HAMILTON**

**CORPORATE SERVICES DEPARTMENT**  
**Financial Planning & Policy Division**

<b>TO:</b> Chair and Members Audit, Finance and Administration Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> February 17, 2011	
<b>SUBJECT/REPORT NO:</b> 2011 Tax Supported Operating Budget - City Manager (FCS11023b) (City Wide)	
<b>SUBMITTED BY:</b> Roberto Rossini General Manager Finance & Corporate Services Department  Chris Murray City Manager	<b>PREPARED BY:</b> Gershom Moyo (905) 546-2424 ext 4522 Tom Hewitson (905) 546-2424 ext 4159
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That the 2011 net operating levy for City Manager of \$8,914,398 be considered.

**EXECUTIVE SUMMARY**

The draft 2011 City Manager budget is submitted for Council's consideration.

<b>2010 Budget</b>	<b>\$8,824,800</b>
2011 Base Budget	\$8,914,400
2011 Savings Options	\$0
<b>2011 Draft Budget</b>	<b>\$8,914,400</b>
<b>\$ Change</b>	<b>\$89,600</b>
<b>% Change</b>	<b>1.0%</b>

As shown above, the draft 2011 City Manager budget results in a net levy increase of approximately \$90,000 or 1.0%. The major cost drivers being.

- ✓ OMERS Costs \$95,700
- ✓ Employer/Govt Benefits \$34,912

Base Budget Savings

In preparation of the 2011 draft budget, Senior Management Team directed departments to thoroughly review their budgets in an effort to identify all potential budget savings which can be achieved with no impact on service delivery. These "base" budget savings include such things as efficiencies, revenues and zero impact reductions. Although SMT continues its internal process to develop additional budget savings, included in the 2011 draft budget are the base budget savings which have been identified to date.

Corporately, departments were able to identify approximately \$6.3 million in base budget savings (updated from \$6 million previously report in the Budget Summary Report FCS11023). As identified in the table below, \$5.9 million was used to reduce the levy, while \$394,200 was re-allocated as part of the Council approved restructuring of the City Manager's Office (CM09021(a)/CS10091, CM10003).

**SUBJECT: 2011 Tax Supported Operating Budget - City Manager (FCS11023b)  
(City Wide) - Page 3 of 5**

	Base Budget Savings		Total 2011 Base Budget Savings (UPDATED)
	To Reduce Levy	Reallocated	
Planning & Ec Dev	(681,730)	(48,270)	(730,000)
Corporate Services	(143,770)	(49,230)	(193,000)
Public Health Services	(68,360)	(45,140)	(113,500)
Community Services	(1,152,930)	(120,070)	(1,273,000)
Public Works	(3,904,510)	(131,490)	(4,036,000)
<b>TOTAL</b>	<b>(5,951,300)</b>	<b>(394,200)</b>	<b>(6,345,500)</b>

Complement

The 2011 draft complement for the City Manager is 110 FTE, representing no change when compared to the 2010 restated complement.

	2010		2011 Draft	2011 Draft vs 2010 Restated	
	Approved	Restated			
City Manager	105.00	110.00	110.00	-	0.0%

The 5.0 FTE increase between the 2010 approved and restated budget is as a result of 1 FTE approved through report HUR10001(a), 2 FTE transferred from Public Works, 1 FTE transferred from Hamilton Emergency Services and 1 FTE transferred from Community Services (part of the Council approved restructuring of the City Manager's Office (CM09021(a)/CS10091, CM10003)).

**Alternatives for Consideration – See Page 5**

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS** (for Recommendation(s) only)

**Financial:** The draft 2011 City Manager budget results in a net levy increase of approximately \$90,000 or 1.0%.

**Staffing:** The draft 2011 City Manager budget results in a complement of 110 FTE. This represents no change from the 2010 restated complement.

**Legal:** N/A

**SUBJECT: 2011 Tax Supported Operating Budget - City Manager (FCS11023b)  
(City Wide) - Page 4 of 5**

**HISTORICAL BACKGROUND** (Chronology of events)

As directed by the General Issues Committee (GIC) on January 21<sup>st</sup>, staff are bringing forward the 2011 draft budget based on the City's current position. The budget summaries and overviews for the City Manager are included in the attached Appendix One to report FCS11023b. Senior Management Team will continue its internal process to develop further budget savings and present these during budget deliberations in March/April, 2011.

**POLICY IMPLICATIONS**

N/A

**RELEVANT CONSULTATION**

The budget has been developed in conjunction with internal and external partners.

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

As indicated, the City Manager draft budget is increasing by approximately \$90,000 or 1.0%. The following table identifies the draft budget by division.

	2010		2011			2011 Draft vs. 2010 Budget	
	Budget	Projected Actuals	Base Budget	Savings Options	Draft Budget	\$	%
<b>CITY MANAGER</b>							
Administration - City Manager	1,215,733	777,267	1,248,596	0	1,248,596	32,863	2.7%
Human Resources	4,746,474	4,296,757	4,746,147	0	4,746,147	(327)	(0.0)%
Internal Audit	657,081	612,580	660,784	0	660,784	3,703	0.6%
Legal	2,205,475	3,221,090	2,258,871	0	2,258,871	53,396	2.4%
<b>TOTAL CITY MANAGER</b>	<b>8,824,763</b>	<b>8,907,694</b>	<b>8,914,398</b>	<b>0</b>	<b>8,914,398</b>	<b>89,635</b>	<b>1.0%</b>

The levy increases in Administration and Legal Services are driven by increases in OMERS and Government/employer benefit costs. Employee related costs constitute over 95% of the CMO department's cost. The impact of these increases has been mitigated by reductions in administrative and operating costs across all the four divisions.

**ALTERNATIVES FOR CONSIDERATION**

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

As part of the budget deliberations, Council can direct changes to the budget as required. Staff will also continue to monitor the 2010 year-end actuals in an effort to identify further opportunities to reduce the 2011 budget.

**CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)**

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

***Financial Sustainability***

- ◆ Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner

***Healthy Community***

- ◆ An engaged Citizenry

**APPENDICES / SCHEDULES**

Appendix One – 2011 Departmental & Divisional Overviews

# **APPENDIX 1**

## **DEPARTMENT / DIVISIONAL OVERVIEWS**

## 2011 Budget

# CITY MANAGER'S OFFICE



# City Manager's Office

# 2011 Budget

## OVERVIEW

### Purpose / Function

- The City Manager is responsible to lead the organization in carrying out the direction of Council. In conjunction with the Corporate Strategic Plan and Corporate Priority Plan, this includes developing a number of strategic and innovative policies and initiatives that improve the quality of life for the residents of the City of Hamilton. The City Manager also promotes customer focused, performance oriented approaches and practices that lead to improved control, efficiencies and effectiveness in operations.

### Services Provided

- Audit Services
- Corporate Initiatives (i.e., Healthy Neighbourhoods/Citizen-Centred Service Delivery) and Special Projects
- Corporate Communications
- Human Resources
- Legal Services

<b>2010 NET BUDGET</b>	\$8,824,763
<b>2011 NET REQUESTED BUDGET</b>	\$8,914,398
<b>2011 NET CHANGE</b>	\$89,635
<b>2011 FTE</b>	124.0 *

\* Includes 14 FTE in Human Resources funded by the operating departments and appear in their budgets



Hamilton



## OVERVIEW

### Major CHALLENGES the Department is facing, today...

- Aligning the current Strategic Plan and Corporate Priority Plan with the priorities of the new Council
- Ensuring coordination across and between all City Departments in regards to the delivery of the aforementioned
- Transforming the existing culture to achieve the above (i.e., starts with SMT)
- Finding ways to better engage and inform staff, Members of Council, and the Community at large
- Improving Hamilton's image
- Creating capacity for strategic HR while balancing day-to-day operational demands
- Leveraging technology for core HR processes
- Resources to carry out a complete Internal Audit work plan



# City Manager's Office

# 2011 Budget

## OVERVIEW

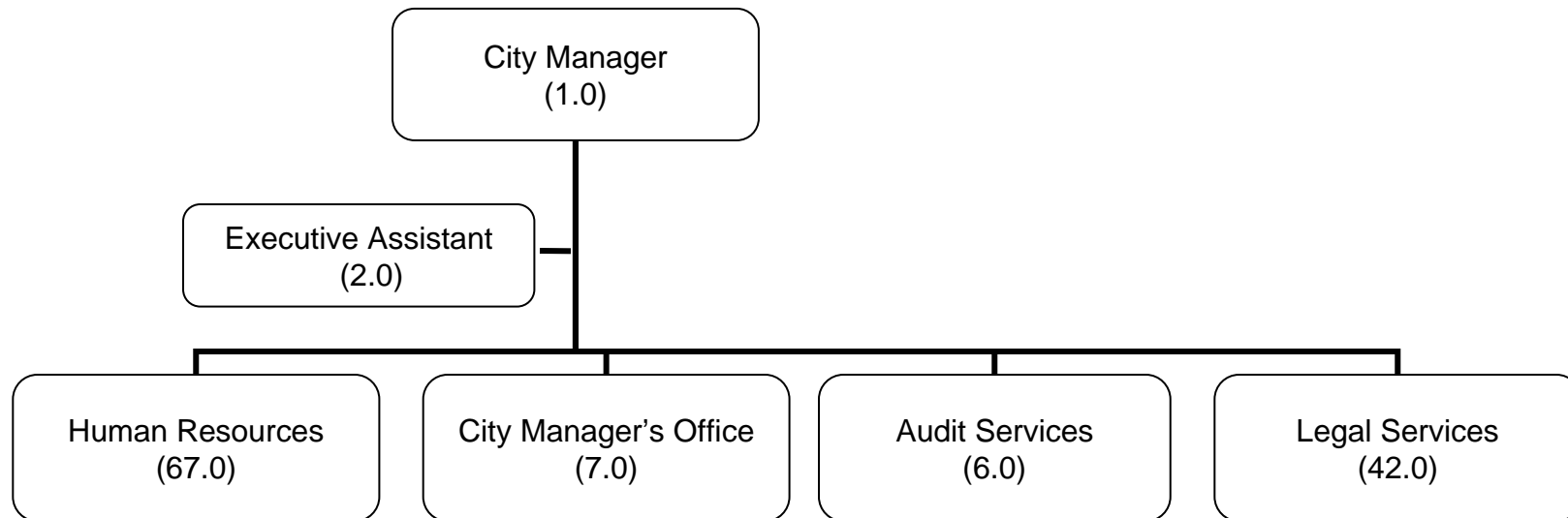
### Corporate Priority Plan / Strategic Plan – 2011 Initiatives/Objectives

- Lead and complete the development of one guiding corporate plan that integrates the current Strategic Plan and Corporate Priority Plan
- Coordinate cross departmental initiatives (CPP-1)
- Define clearer lines of accountability & measurement (clear and achievable priorities) across the organization (CPP-2)
- Develop service profiles with associated costs and performance for each service. The profiling process will also create a list of potential service delivery opportunities that will lead to decreased costs and ensure value for money (CPP-2)
- Implement Phase 1 of Call Handling Review over 2 yrs to save a minimum of \$600,000 annually pending Council approval (CPP-2)
- Improve how the City manages its service channels like the website through proper prioritization, funding, understanding citizen need, measurement, standards and policies. Ultimately this will improve the service to citizens (e.g. 24/7, ease of use) and lower the cost of service for the City (CPP-2)
- Develop and implement a coordinated corporate communications, media relations and public affairs strategy (CPP-1 & CPP-2)
- Complete an initial implementation plan for a comprehensive neighborhood development strategy (CPP-1)
- Implement new performance management process and tools for all employees; support performance management through developing people management skills and fostering employee learning & development plans (F1-DER 1.1; CPP-2)
- Ensure continuing legal education and staff training to meet professional obligations and provide most up to date municipal legal expertise.
- Finalize workforce planning framework and implement corporate-wide tools and processes in support of a Workforce Management Strategy that aligns with corporate priorities, operational outcomes and the service delivery review (CPP-2)
- Review results and recommendations from the Workforce Census and develop implementation strategies that support workforce attraction and retention, the needs of a shifting age demographic, and a more diverse workforce (F1-DER 1.5)
- Freely negotiate new collective agreements with CUPE 5167, ATU, CUPE 1041 and ONA (Public Health); prepare contingency plans in the event there is labour disruption (CPP-2)
- Develop corporate succession management framework and leadership development program in partnership with local institutions (F1-DER 1.6)
- Implement management action plan arising out of internal audit of HR Recruitment and Selection processes
  - Develop a 2-3 year audit work plan in order to ensure adequate risk coverage over a longer term
  - Develop an audit recommendations database and follow up procedures to ensure continued monitoring and reporting of implementation of action plans
  - Pilot one operational audit review in order to assess economy, efficiency and effectiveness and incorporate performance measurement into audit procedures
  - Provide ongoing legal support for Pan Am Games, finalization of 20 year License Agreement with Tiger-Cats, OMB Appeals of Rural and Urban Official Plans, Harmonization of Licensing Bylaws, and enforcement, LRT Project, Ongoing Civil Litigation

# City Manager's Office

# 2011 Budget

## OVERVIEW



Complement (FTE)	Management	Other	Total	Staff to Mgt Ratio
<b>2010</b>	14.0	110.0*	124.0	7.86
<b>2011</b>	14.0	110.0*	124.0	7.86
<b>Change</b>	0	0	0	0

\*14 HR positions are funded by the operating departments and appear in their budgets.

# City Manager's Office

# 2011 Budget

## OFFICE OF THE CITY MANAGER

### 2010 Accomplishments

- Restructured office to address day to day and strategic needs of the City.
- Played leadership role in key projects like the Pan Am Stadium
- Established staff position to work with Senior Management Team on healthy neighbourhood strategies related to Code Red
- Implemented priority web projects to improve ease of access for citizens to key information (cleaned up home page, HR sections, public meetings)
- Reviewed state of call handling and online services - cost, volume, service, performance/effectiveness
- Created City Manager awards of excellence and corporate wide staff recognition program
- Developed governance model and framework for citizen centered service delivery
- Developed a plan for improvements in online service delivery
- Implemented the immigration portal ([www.hamilton.ca/connect](http://www.hamilton.ca/connect)) through a user centred design methodology



# CITY OF HAMILTON

## 2011 TAX OPERATING BUDGET

### By Program

<b>City Manager</b>
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	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Administration - City Manager	1,215,733	777,267	1,248,596	0	1,248,596	32,863	2.7%
Audit Services	657,081	612,580	660,784	0	660,784	3,703	0.6%
Human Resources	4,746,474	4,296,757	4,746,147	0	4,746,147	(327)	(0.0)%
Legal	2,205,475	3,221,090	2,258,871	0	2,258,871	53,396	2.4%
<b>NET LEVY</b>	<b>8,824,763</b>	<b>8,907,694</b>	<b>8,914,398</b>	<b>0</b>	<b>8,914,398</b>	<b>89,635</b>	<b>1.0%</b>

# CITY OF HAMILTON

## 2011 TAX OPERATING BUDGET

### By Cost Category

#### City Manager

	2010	2010	2011	2011	2011	2010 Budget /	
	Budget	Projected Actual	Base Budget	Savings Options	Draft Budget	\$	%
<i>EMPLOYEE RELATED COST</i>	11,377,635	10,711,852	11,575,920	0	11,575,920	198,285	1.7%
<i>MATERIAL AND SUPPLY</i>	657,615	255,185	612,359	0	612,359	(45,256)	(6.9)%
<i>BUILDING AND GROUND</i>	30,320	29,320	24,450	0	24,450	(5,870)	(19.4)%
<i>CONSULTING</i>	265,140	248,120	289,490	0	289,490	24,350	9.2%
<i>CONTRACTUAL</i>	1,046,936	1,037,349	1,026,868	0	1,026,868	(20,068)	(1.9)%
<i>RESERVES / RECOVERIES</i>	170,017	197,668	167,867	0	167,867	(2,150)	(1.3)%
<i>COST ALLOCATIONS</i>	(3,480,297)	(2,462,351)	(3,506,103)	0	(3,506,103)	(25,806)	(0.7)%
<i>FINANCIAL</i>	957,840	957,840	960,040	0	960,040	2,200	0.2%
<b>TOTAL EXPENDITURES</b>	<b>11,025,206</b>	<b>10,974,982</b>	<b>11,150,891</b>	<b>0</b>	<b>11,150,891</b>	<b>125,685</b>	<b>1.1%</b>
<i>FEES AND GENERAL</i>	(157,860)	(165,706)	(157,860)	0	(157,860)	0	0.0%
<i>RESERVES</i>	(2,042,583)	(1,901,583)	(2,078,633)	0	(2,078,633)	(36,050)	(1.8)%
<b>TOTAL REVENUES</b>	<b>(2,200,443)</b>	<b>(2,067,289)</b>	<b>(2,236,493)</b>	<b>0</b>	<b>(2,236,493)</b>	<b>(36,050)</b>	<b>(1.6)%</b>
<b>NET LEVY</b>	<b>8,824,763</b>	<b>8,907,694</b>	<b>8,914,398</b>	<b>0</b>	<b>8,914,398</b>	<b>89,635</b>	<b>1.0%</b>

**CITY OF HAMILTON**  
**2011 TAX OPERATING BUDGET**  
*By Program*

<b>Administration - City Manager</b>
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	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
City Manager's Office	1,170,733	732,267	1,218,596	0	1,218,596	47,863	4.1%
Best Practices	45,000	45,000	30,000	0	30,000	(15,000)	(33.3)%
<b>NET LEVY</b>	<b>1,215,733</b>	<b>777,267</b>	<b>1,248,596</b>	<b>0</b>	<b>1,248,596</b>	<b>32,863</b>	<b>2.7%</b>

**CITY OF HAMILTON**  
**2011 TAX OPERATING BUDGET**  
**By Cost Category**

**Administration - City Manager**

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
<i>EMPLOYEE RELATED COST</i>	1,291,131	856,150	1,320,720	0	1,320,720	29,589	2.3%
<i>MATERIAL AND SUPPLY</i>	38,870	24,070	22,890	0	22,890	(15,980)	(41.1)%
<i>BUILDING AND GROUND</i>	2,840	1,840	2,040	0	2,040	(800)	(28.2)%
<i>CONSULTING</i>	55,750	46,450	80,600	0	80,600	24,850	44.6%
<i>CONTRACTUAL</i>	56,290	55,190	55,090	0	55,090	(1,200)	(2.1)%
<i>RESERVES / RECOVERIES</i>	11,492	34,207	12,905	0	12,905	1,413	12.3%
<i>COST ALLOCATIONS</i>	(269,640)	(269,640)	(276,649)	0	(276,649)	(7,009)	(2.6)%
<i>FINANCIAL</i>	29,000	29,000	31,000	0	31,000	2,000	6.9%
<b>TOTAL EXPENDITURES</b>	<b>1,215,733</b>	<b>777,267</b>	<b>1,248,596</b>	<b>0</b>	<b>1,248,596</b>	<b>32,863</b>	<b>2.7%</b>
<b>NET LEVY</b>	<b>1,215,733</b>	<b>777,267</b>	<b>1,248,596</b>	<b>0</b>	<b>1,248,596</b>	<b>32,863</b>	<b>2.7%</b>



# City Manager's Office

# 2011 Budget

## HUMAN RESOURCES

### Purpose / Function

- To provide human resource management programs and services to enable the City to meet its goals, consistent with Council directions, the City of Hamilton strategic plan and regulatory requirements.

### Services Provided

- Human Resources Administration and Human Rights
- Employment Services
- Organizational Development
- Employee and Labour Relations
- Health, Safety and Wellness
- Compensation & Organization Design

<b>2010 NET BUDGET</b>	\$4,746,474
<b>2011 NET REQUESTED BUDGET</b>	\$4,746,147
<b>2011 NET CHANGE</b>	(\$327)
<b>2011 FTE</b>	67.0 *

\* Includes 14 FTE funded by the operating departments and appear in their budgets

# City Manager's Office

# 2011 Budget

## HUMAN RESOURCES

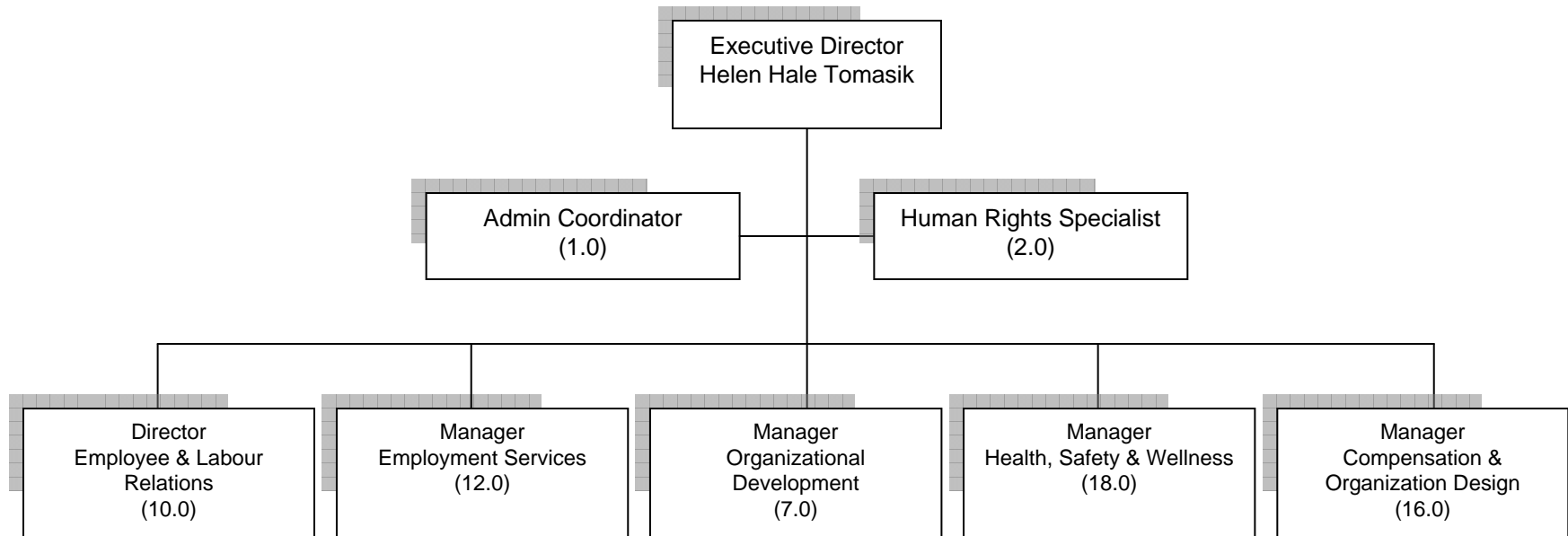
### Corporate Priority Plan / Strategic Plan – 2010 Accomplishments

- Developed 2011 collective bargaining strategy and drafted proposals; at conciliation with CUPE 5167 (Lodges) and OPSEU 256 (Paramedics); finalized negotiations with ONA (Lodges) through interest arbitration, bargained and settled with HPFFA 288(Fire); finalized LR strategy with Carpenters Union - ICI sectors; at conciliation for heavy engineering and residential sectors
- Completed analysis of labour relations activities and prepared corporate and departmental reports for discussion with operating departments
- Implemented 2 Labour Relations training modules – Labour Relations Basics and Grievance Handling & Investigations for Management Skills Development Program (F1-DER 1.4)
- Initiated development of new performance management program; tracked completion of performance appraisals across corporation; provided training to supervisory staff on managing performance (F1-DER 1.1)
- Developed retirement recognition policy; developed proposal for telecommuting pilot; drafted substance abuse policy & procedures for safety-sensitive positions; revised Smoke-free Workplace Policy; implemented Whistle Blower By-law (F1-DER 1.2, 1.4)
- Drafted a workforce planning model to be implemented in conjunction with strategic planning/service delivery review
- Implemented Workforce Census and established baseline profile of current workforce (F1-DER 1.5, 1.4)
- Implemented PeopleSoft Position Management and developed HR technology blueprint to support work force planning, time & attendance management; performance management; and to automate performance measures (F1 DER 1.1; 1.6; CPP)
- Completed review of employee benefit plans; implemented positive re-enrollment (F2-DER 2.1)
- Developed and implemented a compliance plan for Bill 168 – Workplace Violence & Harassment legislation (F1-DER 1.4)
- Implemented the WSIB module in disability management system, provided disability management training for managers and supervisors; developed performance measures for Return to Work Services (F1-DER 1.3, 1.7)
- Coordinated Health & Safety audits for Fire Services and City Manager's Office & developed implementation plan to address recommendations of other audits (F1-DER 1.3)
- Established corporate Healthy Workplace Advisory Committee; held 2 employee physical activity challenges; delivered Mental Health training to managers; responded to 11 requests for Critical Incident Peer Support (F1-DER 1.2, 1.4,1.7)
- Developed & implemented City Manager's Awards for City of Hamilton Public Service Excellence (F1-DER1.4)

# City Manager's Office

# 2011 Budget

## HUMAN RESOURCES



Complement (FTE)	Management	Other	Total	Staff / Mgt Ratio
2010	6.0	61.0*	67.0	10.17
2011	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 budgets.

**CITY OF HAMILTON**  
**2011 TAX OPERATING BUDGET**  
*By Program*

**Human Resources**

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Compensation & Benefits	1,114,471	1,115,048	1,127,146	0	1,127,146	12,675	1.1%
Employment Services	901,689	901,689	915,118	0	915,118	13,429	1.5%
Health Safety & Wellness	1,108,518	650,818	1,037,691	0	1,037,691	(70,827)	(6.4)%
Human Resources Admin & Human Rights	(310,569)	(303,163)	(301,965)	0	(301,965)	8,604	2.8%
Labour Relations	1,503,308	1,503,308	1,518,381	0	1,518,381	15,073	1.0%
Organizational Development	429,057	429,057	449,777	0	449,777	20,720	4.8%
<b>NET LEVY</b>	<b>4,746,474</b>	<b>4,296,757</b>	<b>4,746,147</b>	<b>0</b>	<b>4,746,147</b>	<b>(327)</b>	<b>(0.0)%</b>

# CITY OF HAMILTON

## 2011 TAX OPERATING BUDGET

### By Cost Category

#### Human Resources

	2010	2010	2011	2011	2011	2010 Budget /	
	Budget	Projected Actual	Base Budget	Savings Options	Draft Budget	\$	%
<i>EMPLOYEE RELATED COST</i>	5,316,788	5,130,748	5,414,268	0	5,414,268	97,480	1.8%
<i>MATERIAL AND SUPPLY</i>	539,815	152,061	511,539	0	511,539	(28,276)	(5.2)%
<i>BUILDING AND GROUND</i>	15,100	15,100	12,130	0	12,130	(2,970)	(19.7)%
<i>CONSULTING</i>	209,390	201,670	208,890	0	208,890	(500)	(0.2)%
<i>CONTRACTUAL</i>	726,909	717,569	707,188	0	707,188	(19,721)	(2.7)%
<i>RESERVES / RECOVERIES</i>	117,164	120,430	112,392	0	112,392	(4,772)	(4.1)%
<i>COST ALLOCATIONS</i>	(1,072,119)	(1,067,402)	(1,077,837)	0	(1,077,837)	(5,718)	(0.5)%
<i>FINANCIAL</i>	515,100	515,100	515,300	0	515,300	200	0.0%
<b>TOTAL EXPENDITURES</b>	<b>6,368,147</b>	<b>5,785,276</b>	<b>6,403,870</b>	<b>0</b>	<b>6,403,870</b>	<b>35,723</b>	<b>0.6%</b>
<i>FEES AND GENERAL</i>	(102,000)	(109,846)	(102,000)	0	(102,000)	0	0.0%
<i>RESERVES</i>	(1,519,673)	(1,378,673)	(1,555,723)	0	(1,555,723)	(36,050)	(2.4)%
<b>TOTAL REVENUES</b>	<b>(1,621,673)</b>	<b>(1,488,519)</b>	<b>(1,657,723)</b>	<b>0</b>	<b>(1,657,723)</b>	<b>(36,050)</b>	<b>(2.2)%</b>
<b>NET LEVY</b>	<b>4,746,474</b>	<b>4,296,757</b>	<b>4,746,147</b>	<b>0</b>	<b>4,746,147</b>	<b>(327)</b>	<b>0.0%</b>

## City Manager's Office

## 2011 Budget

### AUDIT SERVICES

#### Purpose / Function

- Audit Services provides objective information, advice and assurance to Council, management and staff with respect to controls, operations, performance and accountability in order to ensure compliance with policies and procedures and promote efficiency and effectiveness throughout the organization. Reporting results of audits and reviews to the Audit and Administration Committee assists Council in the discharge of its control and governance oversight responsibilities.

#### Services Provided

- Internal Audit

<b>2010 NET BUDGET</b>	\$657,081
<b>2011 NET REQUESTED BUDGET</b>	\$660,784
<b>2011 NET CHANGE</b>	\$3,703
<b>2011 FTE</b>	6.0



**AUDIT SERVICES**

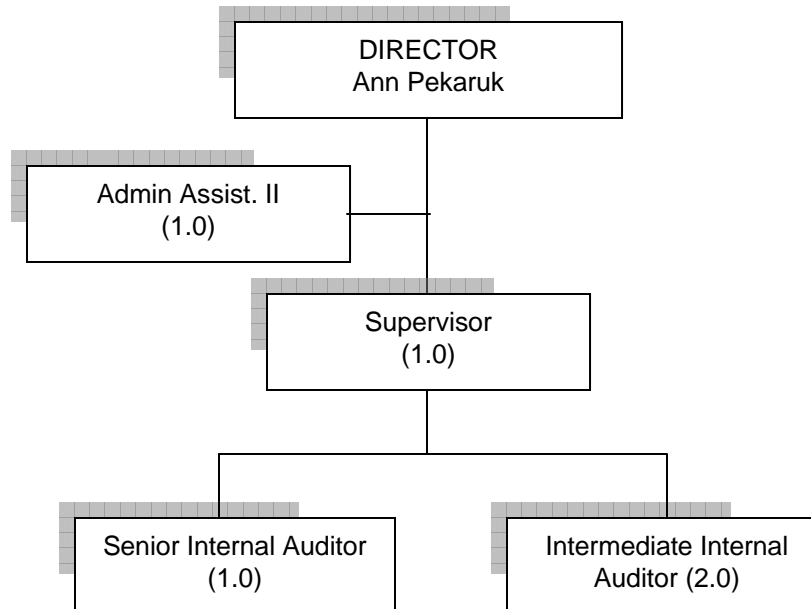
**Corporate Priority Plan / Strategic Plan – 2010 Accomplishments**

- Completion of 11 audits and reviews, 13 follow ups and 1 fair wage compliance review; 5 other audits/reviews are currently in progress resulting in a 93% completion rate for the 2010 Council approved work plan
- 202 audit recommendations made to strengthen controls and improve efficiency and effectiveness of operations with a 96% acceptance rate
- 70% audit report implementation rate (full, in progress or alternative implemented) of previous recommendations (based on follow up work carried out 12-18 months after recommendations initially made)
- Use of corporate risk assessment completed by Internal Audit to prioritize audit projects with regard to value added and risk mitigation

# City Manager's Office

# 2011 Budget

## AUDIT SERVICES



Complement (FTE)	Management	Other	Total	Staff/Mgt Ratio
2010	1	5	6	5
2011	1	5	6	5
Change	0	0	0	0



**CITY OF HAMILTON**  
**2011 TAX OPERATING BUDGET**  
*By Program*

<b>Audit Services</b>
-----------------------

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Audit Services	657,081	612,580	660,784	0	660,784	3,703	0.6%
<b>NET LEVY</b>	657,081	612,580	660,784	0	660,784	3,703	0.6%

**CITY OF HAMILTON**  
**2011 TAX OPERATING BUDGET**  
**By Cost Category**

**Audit Services**

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
<i>EMPLOYEE RELATED COST</i>	653,917	609,155	659,131	0	659,131	5,214	0.8%
<i>MATERIAL AND SUPPLY</i>	1,730	1,854	1,030	0	1,030	(700)	(40.5)%
<i>BUILDING AND GROUND</i>	1,610	1,610	1,020	0	1,020	(590)	(36.6)%
<i>RESERVES / RECOVERIES</i>	(716)	(579)	(937)	0	(937)	(221)	(30.9)%
<i>FINANCIAL</i>	540	540	540	0	540	0	0.0%
<b>TOTAL EXPENDITURES</b>	<b>657,081</b>	<b>612,580</b>	<b>660,784</b>	<b>0</b>	<b>660,784</b>	<b>3,703</b>	<b>0.6%</b>
<b>TOTAL REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>NET LEVY</b>	<b>657,081</b>	<b>612,580</b>	<b>660,784</b>	<b>0</b>	<b>660,784</b>	<b>3,703</b>	<b>0.6%</b>

## Corporate Services

## 2011 Budget

### LEGAL SERVICES

#### Purpose / Function

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

#### Services Provided

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

<b>2010 NET BUDGET</b>	\$2,205,475
<b>2011 NET REQUESTED BUDGET</b>	\$2,258,871
<b>2011 NET CHANGE</b>	\$53,396
<b>2011 FTE</b>	42.0



## Corporate Services

## 2011 Budget

### LEGAL SERVICES

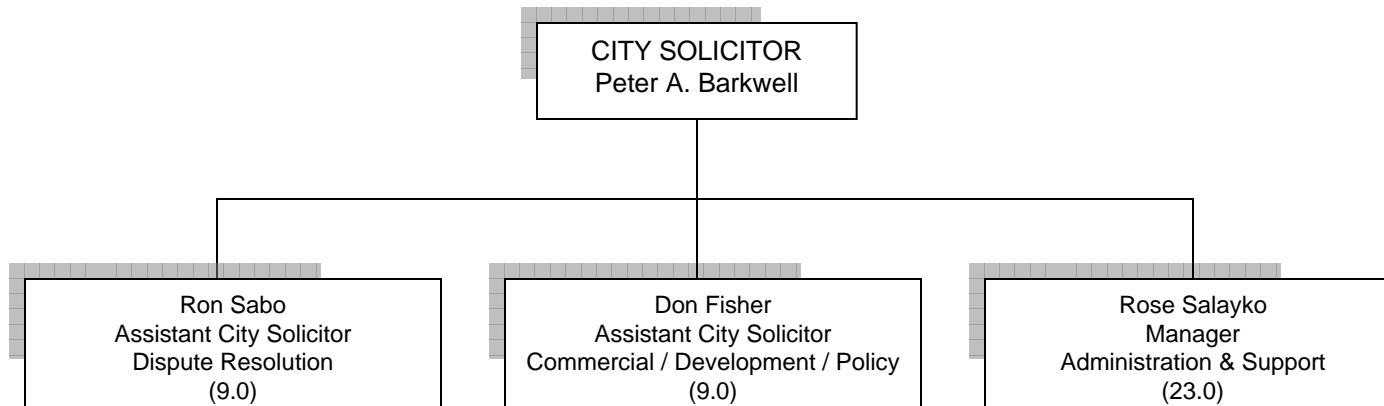
#### Corporate Priority Plan / Strategic Plan – 2010 Accomplishments

- Superior Court and Small Claims Court: 99 Superior Court claims resolved, primarily through settlement discussion and arbitration, 1 as a result of trial. Small Claims (Jurisdiction up to \$25,000 per claim): 22 matters, primarily through settlement discussion and pre-trials, 6 as a result of trial. 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. The City also successfully pursued court orders under statute in Superior Court hearings.
- Divisional Court and Court of Appeal: The City successfully defended 2 administrative orders in the Superior Court, and again defended one of the orders in an appeal to the Divisional Court. The City successfully defended an appeal of a claim in Divisional Court. The City successfully upheld a municipal by-law from challenge in the Court of Appeal.
- The City also successfully pursued costs/debts as plaintiff/creditor in 6 other proceedings during this period.
- Workplace Safety (WSIB/WSIAT): The City successfully resolved 3 matters at hearings.
- Ontario Human Rights: 3 claims settled, 1 at a hearing and 2 prior to the hearing.
- Public Health: City successfully defended orders appealed to the Health Services Appeal and Review Board.
- Dealt with an increase of POA charges of almost 19%, together with an increase in trial requests of 45%
- Assisted with development of new Municipal Alcohol Policy
- Assisted with development of new Fortification By-law
- Repeal and replacement of Council procedural by-law with City Clerks
- Repeal and replacement of sign, property standards and yard maintenance by-laws with MLE
- Worked with MLE on new vacant building registry and wellness services by-law
- Working with Culture Division on Hamilton Farmers' Market transition
- Working with IS and Purchasing on Print RFP, Bell cellular contract and Furniture RFP
- Working with Public Works to develop a Community Gardens policy and precedent agreement with Community Groups
- Working with Homelessness Division to develop a Call for Application for a Homelessness Partnering Strategy
- Overhaul and expansion of City Consulting Roster (RFRC) procurement documents

# Corporate Services

# 2011 Budget

## LEGAL SERVICES



<b>Complement (FTE)</b>	<b>Management</b>	<b>Other</b>	<b>Total</b>	<b>Staff to Mgt Ratio</b>
<b>2010</b>	4	38	42	9.5
<b>2011</b>	4	38	42	9.5
<b>Change</b>	0	0	0	0

**CITY OF HAMILTON**  
**2011 TAX OPERATING BUDGET**  
*By Program*

<b>Legal</b>
--------------

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Inhouse-Outside Counsel - City	2,205,475	3,221,090	2,258,871	0	2,258,871	53,396	2.4%
<b>NET LEVY</b>	2,205,475	3,221,090	2,258,871	0	2,258,871	53,396	2.4%

**CITY OF HAMILTON**  
**2011 TAX OPERATING BUDGET**  
**By Cost Category**

**Legal**

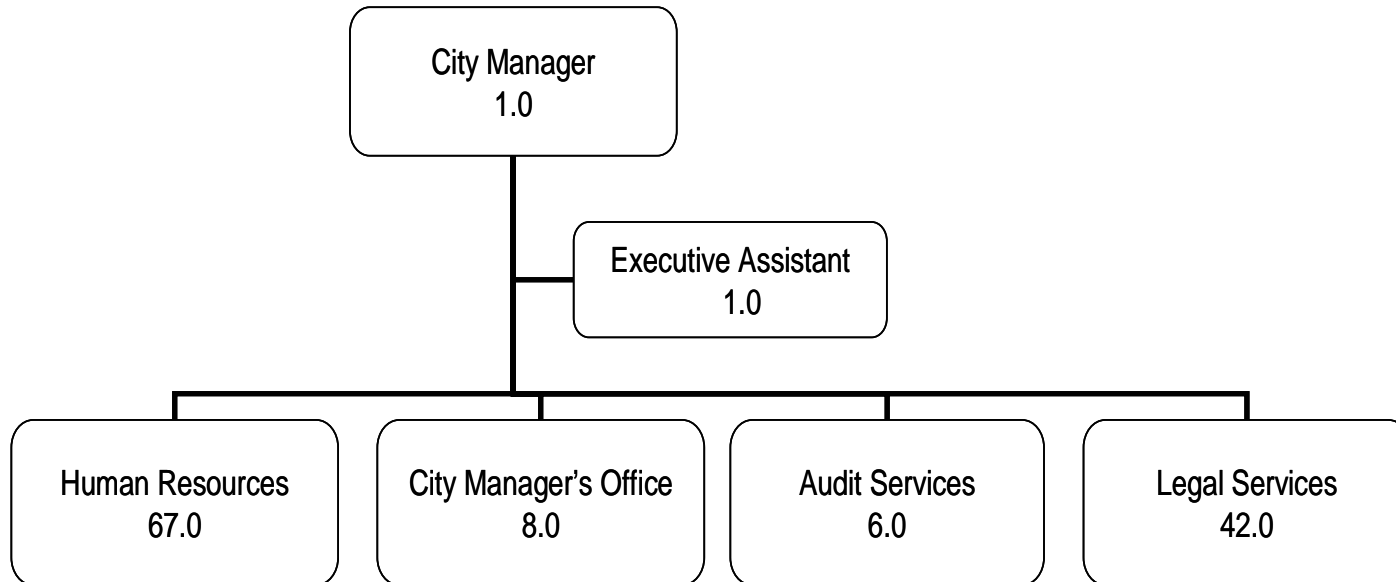
	2010	2010	2011	2011	2011	2010 Budget /	
	Budget	Projected Actual	Base Budget	Savings Options	Draft Budget	\$	%
<i>EMPLOYEE RELATED COST</i>	4,115,799	4,115,799	4,181,802	0	4,181,802	66,003	1.6%
<i>MATERIAL AND SUPPLY</i>	77,200	77,200	76,900	0	76,900	(300)	(0.4)%
<i>BUILDING AND GROUND</i>	10,770	10,770	9,260	0	9,260	(1,510)	(14.0)%
<i>CONTRACTUAL</i>	263,737	264,590	264,590	0	264,590	853	0.3%
<i>RESERVES / RECOVERIES</i>	42,077	43,610	43,507	0	43,507	1,430	3.4%
<i>COST ALLOCATIONS</i>	(2,138,538)	(1,125,309)	(2,151,617)	0	(2,151,617)	(13,079)	(0.6)%
<i>FINANCIAL</i>	413,200	413,200	413,200	0	413,200	0	0.0%
<b>TOTAL EXPENDITURES</b>	<b>2,784,245</b>	<b>3,799,860</b>	<b>2,837,641</b>	<b>0</b>	<b>2,837,641</b>	<b>53,396</b>	<b>1.9%</b>
<i>FEES AND GENERAL</i>	(55,860)	(55,860)	(55,860)	0	(55,860)	0	0.0%
<i>RESERVES</i>	(522,910)	(522,910)	(522,910)	0	(522,910)	0	0.0%
<b>TOTAL REVENUES</b>	<b>(578,770)</b>	<b>(578,770)</b>	<b>(578,770)</b>	<b>0</b>	<b>(578,770)</b>	<b>0</b>	<b>0.0%</b>
<b>NET LEVY</b>	<b>2,205,475</b>	<b>3,221,090</b>	<b>2,258,871</b>	<b>0</b>	<b>2,258,871</b>	<b>53,396</b>	<b>2.4%</b>

# City Manager's Office





**OVERVIEW**



Complement (FTE)	Management	Other	Total	# of staff/ Management
2010	14.0	111.0*	125.0*	7.93
2011	14.0	111.0*	125.0*	7.93
Change	0	0	0	0

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

**2011 NET OPERATING BUDGET BY DIVISION**

**CITY OF HAMILTON**  
**2011 TAX OPERATING BUDGET**  
*By Program*

**City Manager**

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Administration - City Manager	1,215,733	777,267	1,248,596	0	1,248,596	32,863	2.7%
Audit Services	657,081	612,580	660,784	0	660,784	3,703	0.6%
Human Resources	4,746,474	4,296,757	4,746,147	0	4,746,147	(327)	(0.0)%
Legal	2,205,475	3,221,090	2,258,871	0	2,258,871	53,396	2.4%
<b>NET LEVY</b>	<b>8,824,763</b>	<b>8,907,694</b>	<b>8,914,398</b>	<b>0</b>	<b>8,914,398</b>	<b>89,635</b>	<b>1.0%</b>

## 2011 GROSS - NET DEPARTMENTAL BUDGET

### **CITY OF HAMILTON** **2011 TAX OPERATING BUDGET** *By Cost Category*

#### City Manager

	2010	2010	2011	2011	2011	2010 Budget /	
	Budget	Projected Actual	Base Budget	Savings Options	Draft Budget	\$	%
<i>EMPLOYEE RELATED COST</i>	11,377,635	10,711,852	11,575,920	0	11,575,920	198,285	1.7%
<i>MATERIAL AND SUPPLY</i>	657,615	255,185	612,359	0	612,359	(45,256)	(6.9)%
<i>BUILDING AND GROUND</i>	30,320	29,320	24,450	0	24,450	(5,870)	(19.4)%
<i>CONSULTING</i>	265,140	248,120	289,490	0	289,490	24,350	9.2%
<i>CONTRACTUAL</i>	1,046,936	1,037,349	1,026,868	0	1,026,868	(20,068)	(1.9)%
<i>RESERVES / RECOVERIES</i>	170,017	197,668	167,867	0	167,867	(2,150)	(1.3)%
<i>COST ALLOCATIONS</i>	(3,480,297)	(2,462,351)	(3,506,103)	0	(3,506,103)	(25,806)	(0.7)%
<i>FINANCIAL</i>	957,840	957,840	960,040	0	960,040	2,200	0.2%
<b>TOTAL EXPENDITURES</b>	<b>11,025,206</b>	<b>10,974,982</b>	<b>11,150,891</b>	<b>0</b>	<b>11,150,891</b>	<b>125,685</b>	<b>1.1%</b>
<i>FEES AND GENERAL</i>	(157,860)	(165,706)	(157,860)	0	(157,860)	0	0.0%
<i>RESERVES</i>	(2,042,583)	(1,901,583)	(2,078,633)	0	(2,078,633)	(36,050)	(1.8)%
<b>TOTAL REVENUES</b>	<b>(2,200,443)</b>	<b>(2,067,289)</b>	<b>(2,236,493)</b>	<b>0</b>	<b>(2,236,493)</b>	<b>(36,050)</b>	<b>(1.6)%</b>
<b>NET LEVY</b>	<b>8,824,763</b>	<b>8,907,694</b>	<b>8,914,398</b>	<b>0</b>	<b>8,914,398</b>	<b>89,635</b>	<b>1.0%</b>



**2011 MAJOR COST DRIVERS**

- Significant pressures driving budget
  - Employee Related Costs
    - includes merit & benefit costs \$198,285
- Offset by
  - Increased recoveries
    - from WSIB and Benefit Reserves (\$ 36,050)
  - Increased Indirect Recoveries
    - for HR & Admin CMO (\$ 25,806)



## 2011 BASE BUDGET SAVINGS

- Budget savings (efficiencies, revenues, reductions) included in base budget
  - Reductions in Human Resources (\$45,256)
    - Savings in rent for new Return to Work Services location
    - Savings from new contract for Employee & Family Assistance Program (EFAP)

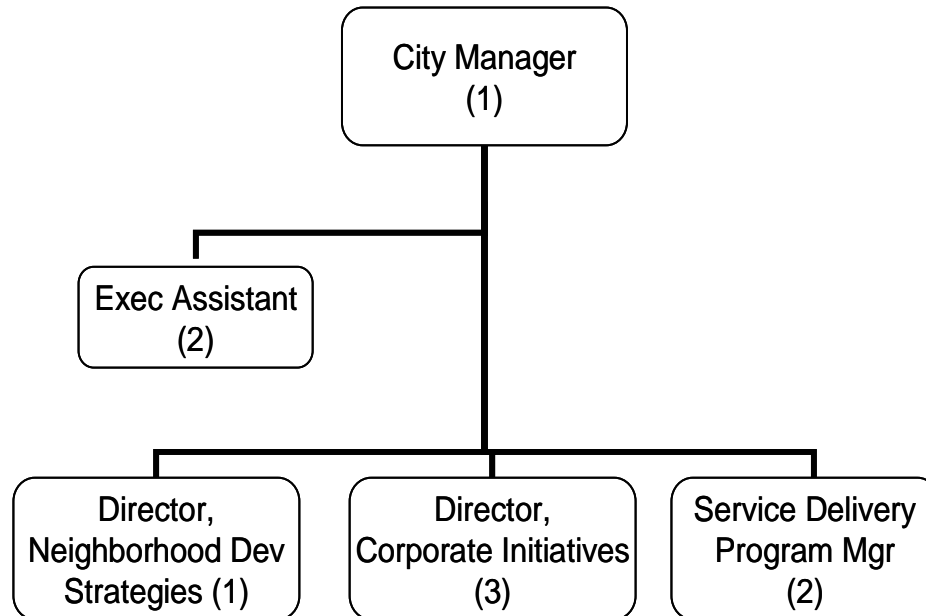
# 2011 Draft Budget by Division



# Administration - CMO



**OVERVIEW**



Administration - City Manager				
Complement (FTE)	Management	Other	Total	# of staff/ Management
2010	3.0	6.0	9.0	2.0
2011	3.0	6.0	9.0	2.0
Change	0	0	0	0



## 2011 NET OPERATING BUDGET BY SECTION

### CITY OF HAMILTON 2011 TAX OPERATING BUDGET By Program

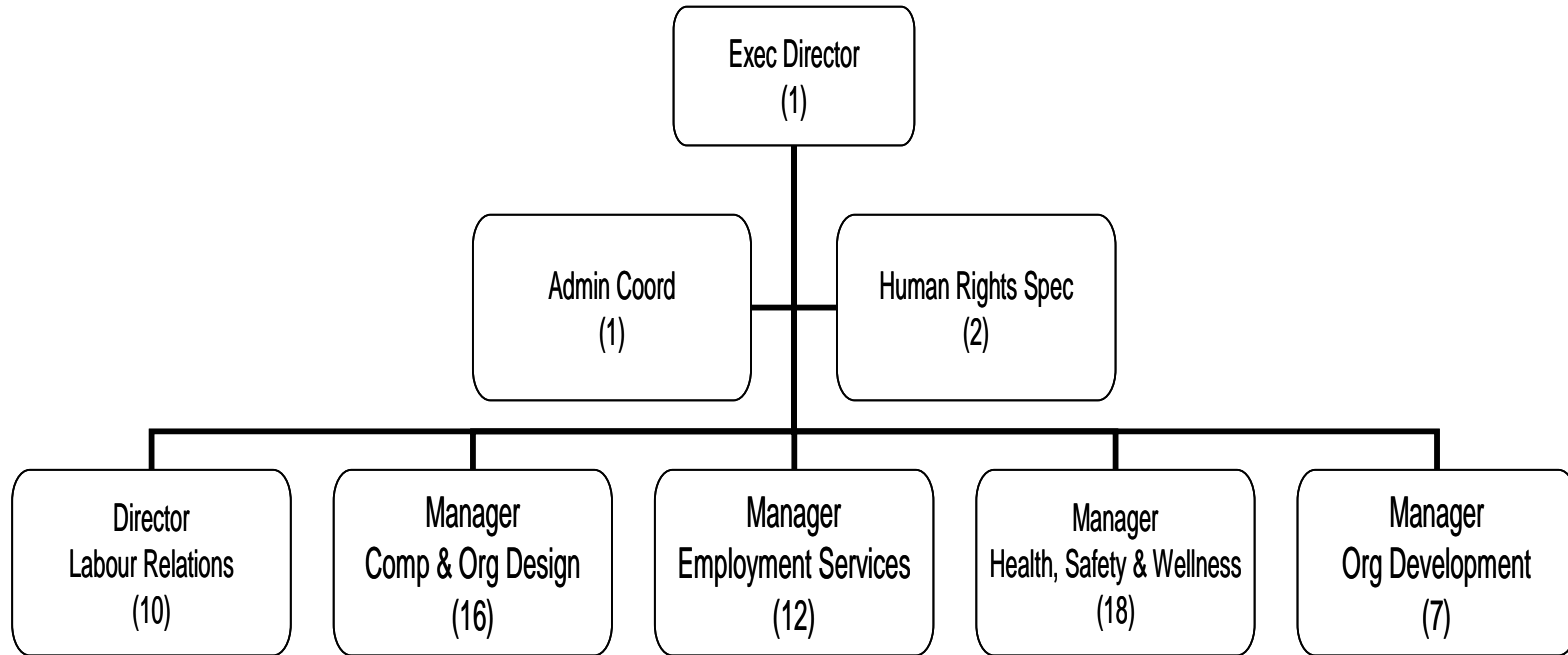
#### Administration - City Manager

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
City Manager's Office	1,170,733	732,267	1,218,596	0	1,218,596	47,863	4.1%
Best Practices	45,000	45,000	30,000	0	30,000	(15,000)	(33.3)%
<b>NET LEVY</b>	<b>1,215,733</b>	<b>777,267</b>	<b>1,248,596</b>	<b>0</b>	<b>1,248,596</b>	<b>32,863</b>	<b>2.7%</b>

# Human Resources



**OVERVIEW**



Human Resources				
Complement (FTE)	Management	Other	Total	# of staff/ Management
2010	6.0	61.0*	67.0	10.17
2011	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

## 2011 NET OPERATING BUDGET BY SECTION

### CITY OF HAMILTON

### 2011 TAX OPERATING BUDGET

#### By Program

#### Human Resources

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Compensation & Benefits	1,114,471	1,115,048	1,127,146	0	1,127,146	12,675	1.1%
Employment Services	901,689	901,689	915,118	0	915,118	13,429	1.5%
Health Safety & Wellness	1,108,518	650,818	1,037,691	0	1,037,691	(70,827)	(6.4)%
Human Resources Admin & Human Rights	(310,569)	(303,163)	(301,965)	0	(301,965)	8,604	2.8%
Labour Relations	1,503,308	1,503,308	1,518,381	0	1,518,381	15,073	1.0%
Organizational Development	429,057	429,057	449,777	0	449,777	20,720	4.8%
<b>NET LEVY</b>	<b>4,746,474</b>	<b>4,296,757</b>	<b>4,746,147</b>	<b>0</b>	<b>4,746,147</b>	<b>(327)</b>	<b>0.0%</b>



**2011 MAJOR COST DRIVERS****Significant pressures driving budget**

- Employee Related Costs \$97,480
  - Merit increases, and higher benefit costs

**Offset by:**

- Increased Reserve Recoveries (\$36,050)
  - Resulting from Case management review
  - Funding increased benefit costs
- DIR/IND Recoveries (\$15,285)
  - Reduction in DIRECT costs from Fleet, IP Telephony
  - Increased INDIRECT recoveries



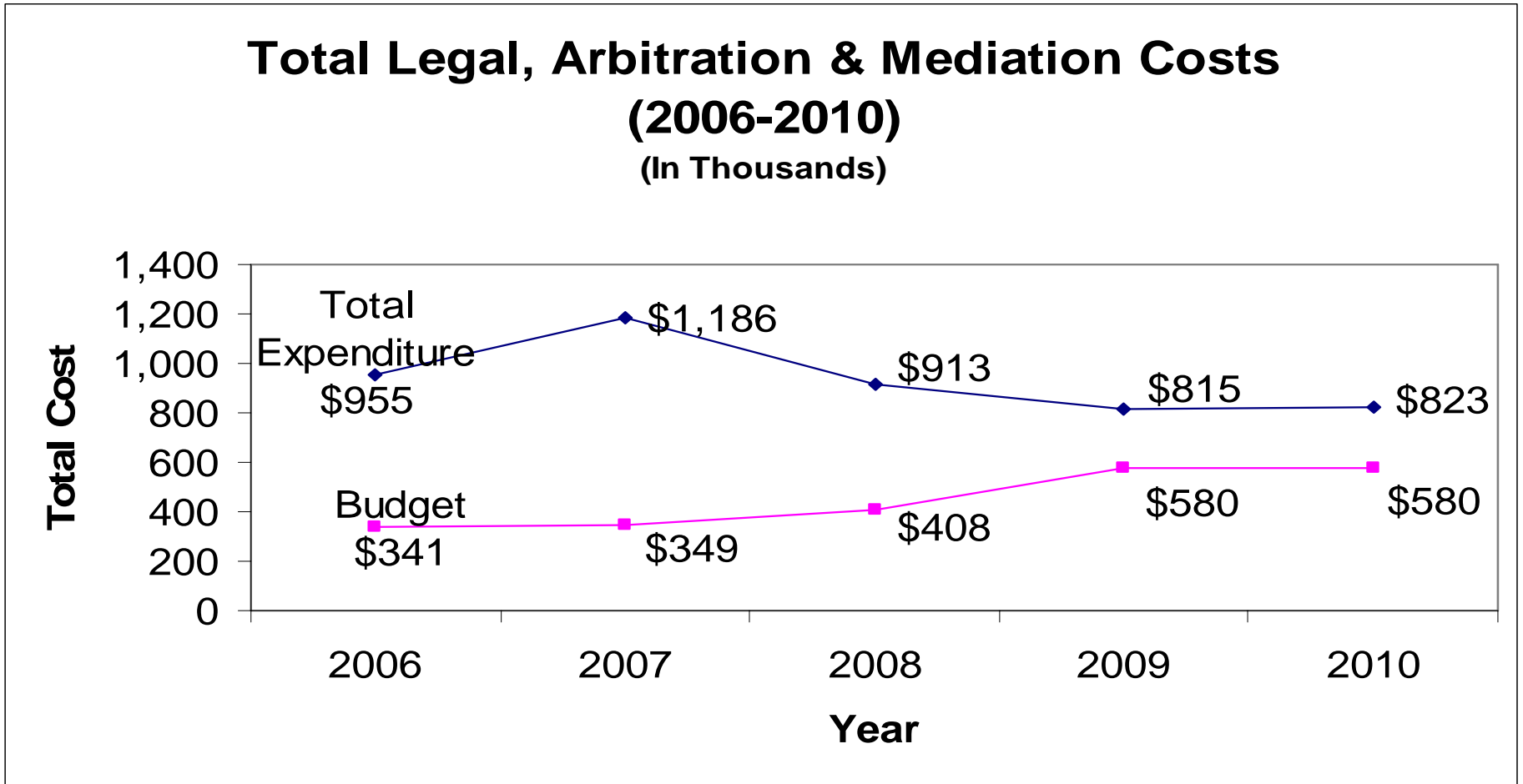
## 2011 BASE BUDGET SAVINGS

- Budget savings (efficiencies, revenues, reductions) included in base budget
  - Rent savings from RTW new location (\$18,106)
  - Savings from new fixed cost contract versus fee for service contract with EFAP provider (\$28,366)
  - \$4,490 was found to reallocate to corporate employee recognition program



**ADMINISTRATIVE EFFICIENCIES**

- Maintained legal fees & arbitration costs



### ADMINISTRATIVE EFFICIENCIES

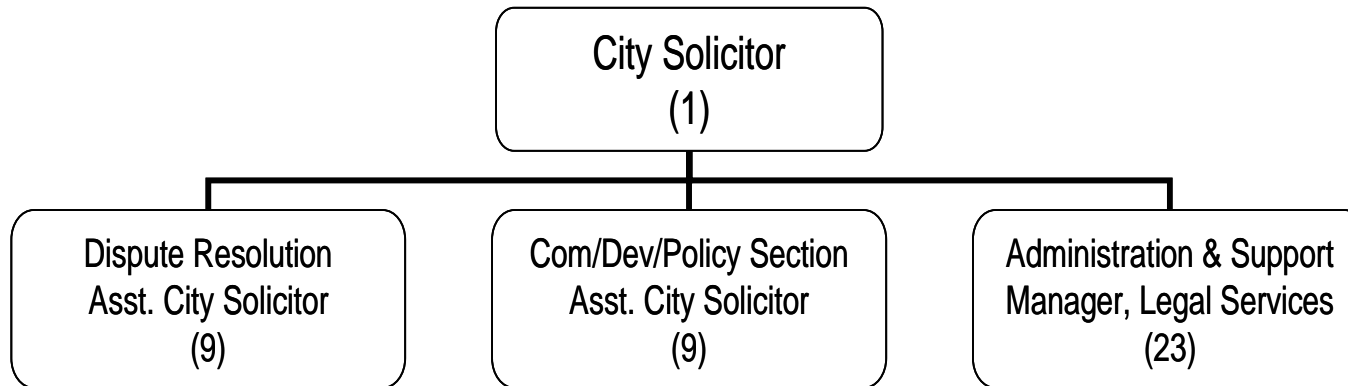
- Decreased grievances (460 versus 622 in 2009, a 26% drop)
- Administrative savings and cost avoidance within Benefits Administration (\$267,000)
- Decreased absenteeism in 2010 (9.68 average sick days versus 10.07 in 2009)



# Legal Services



**OVERVIEW**



Legal Services				
Complement (FTE)	Management	Other	Total	# of staff/ Management
2010	4.0	38.0	42.0	9.5
2011	4.0	38.0	42.0	9.5
Change	0	0	0	0

**2011 NET OPERATING BUDGET BY SECTION**

**CITY OF HAMILTON**  
**2011 TAX OPERATING BUDGET**  
*By Program*

**Legal**

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Inhouse-Outside Counsel - City	2,205,475	3,221,090	2,258,871	0	2,258,871	53,396	2.4%
<b>NET LEVY</b>	2,205,475	3,221,090	2,258,871	0	2,258,871	53,396	2.4%

**2011 MAJOR COST DRIVERS**

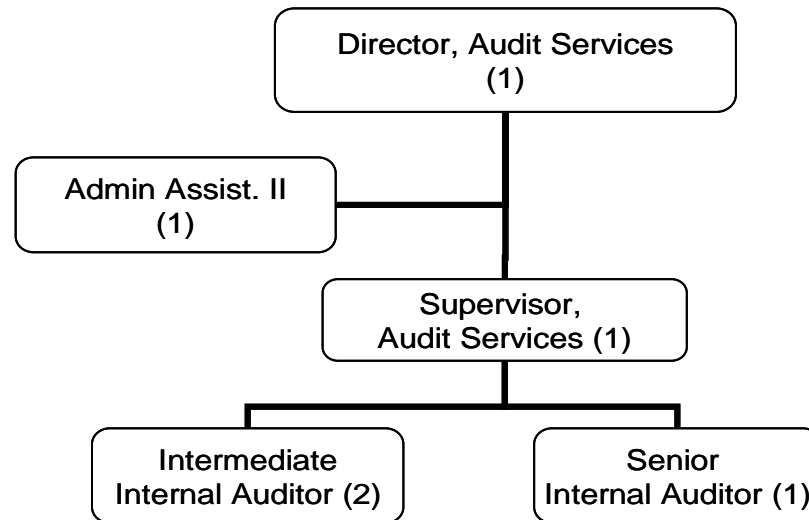
- Highlight significant pressures driving budget
  - Employee Related Costs \$66,003
    - Merits and increased benefit costs
  - IND recoveries (\$13,079)



# Audit Services



**OVERVIEW**



Administration - City Manager				
Complement (FTE)	Management	Other	Total	# of staff/ Management
2010	1.0	5.0	6.0	5.0
2011	1.0	5.0	6.0	5.0
Change	0	0	0	0



**2011 NET OPERATING BUDGET BY SECTION**

**CITY OF HAMILTON**  
**2011 TAX OPERATING BUDGET**  
*By Program*

**Audit Services**

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Audit Services	657,081	612,580	660,784	0	660,784	3,703	0.6%
<b>NET LEVY</b>	657,081	612,580	660,784	0	660,784	3,703	0.6%

## 2011 MAJOR COST DRIVERS

- Highlight significant pressures driving budget
  - Employee Related Costs \$5,214
    - Merit and benefit costs
  - Other reductions: (\$1,511)
    - Office supplies
    - Subscriptions
    - IP Telephony

