



AUDIT, FINANCE & ADMINISTRATION COMMITTEE BUDGET REPORT 11-003

February 17, March 4 and March 24, 2011

9:30 a.m.

Council Chambers

City Hall

71 Main Street West

Hamilton, Ontario

February 17, 2011:

Present: Councillors B. Clark (Chair), B. Johnson (Vice Chair)
B. Morelli, M. Pearson, R. Powers

Also Present: C. Murray, City Manager
R. Rossini, General Manager, Finance & Corporate Services
T. Tollis, Treasurer
M. Zegarac, Director, Financial Planning & Policy
H. Hale Tomasik, Executive Director, H.R. & Organizational Development
S. Paparella, Legislative Assistant, Office of the City Clerk

March 4, 2011:

Present: Councillors B. Clark (Chair), B. Johnson (Vice Chair)
B. Morelli, M. Pearson, R. Powers

Also Present: C. Murray, City Manager
R. Rossini, General Manager, Finance & Corporate Services
T. Tollis, Treasurer
M. Zegarac, Director, Financial Planning & Policy
H. Tomasik, Executive Director, H.R. & Organizational Development
S. Paparella, Legislative Assistant, Office of the City Clerk

March 24, 2011:

Present: Councillors B. Clark (Chair), Mayor B. Johnson (Vice Chair), M. Pearson

Absent with Regrets: Councillor B. Morelli – Bereavement
Councillor R. Powers – Association of the Municipalities of Ontario

General Issues Committee – April 1/7, 2011

Also Present: Councillors C. Collins, R. Pasuta
R. Rossini, General Manager, Finance & Corporate Services
T. Tollis, Treasurer
A. Zudiema, Director, Corporate Initiatives
M. Zegarac, Director, Financial Planning & Policy
P. Barkwell, City Solicitor
H. Tomasik, Executive Director, H.R. & Organizational Development
S. Paparella, Legislative Assistant, Office of the City Clerk

THE AUDIT, FINANCE & ADMINISTRATION COMMITTEE PRESENTS REPORT 11-003 AND RESPECTFULLY RECOMMENDS:

1. 2011 Tax Supported Operating Budget – Other Programs (FCS11023(d)) (Item 7.3)

That Report FCS11023(d), respecting the 2011 Tax Supported Operating Budget for Other Programs, as amended, be referred to the General Issues Committee for consideration (attached as Appendix “A” to Report 11-003).

2. 2011 Budget Requests – Volunteer Advisory Committees (FCS11016) (City Wide) (Item 8.1)

(a) That the 2011 Volunteer Advisory Committee base budget submissions be approved as follows:

- (i) Advisory Committee on Immigrants & Refugees in the amount of \$3,500;
- (ii) Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Advisory Committee in the amount of \$3,890;
- (iii) Hamilton Aboriginal Advisory Committee in the amount of \$3,500;
- (iv) Hamilton Mundialization Committee in the amount of \$5,890;
- (v) Hamilton Status of Women Committee in the amount of \$3,500;
- (vi) Committee Against Racism in the amount of \$3,890;

(b) That, in addition to the base funding request for the Hamilton Status of Women Committee, one-time funding in the amount of \$5,000 be approved from the Volunteer Committee Reserve (Account No. 58300-112212).

3. Information Services Contract Savings and Incentives (FCS11024) (City Wide) (Item 8.2)

(a) That annualized savings from the printer and cell phone contracts of \$94,000 and \$77,700 respectively, be incorporated into the 2011 Operating Budget to reduce the levy requirement by a total of \$171,700;

- (b) That the annual contract incentive payments and bill credits be deposited into the IS Capital Reserve (account 108023) and then the amounts indicated in recommendation (b) above be funded from this Reserve;
- (c) That future projected savings, over and above the amounts set out in Recommendations (a) and (b) above be split equally between the IS Capital Reserve and reduction of the tax levy;
- (d) That staff commit to providing Council with annual performance reporting to communicate the status of savings generated from management of IS contracts.
- (e) That recommendation from Report FCS11024 (originally sub-section (b)), as shown below, be referred to the General Issues Committee for consideration (attached as Appendix "B" to Report 11-003):
 - (i) That additional savings of \$218,000 in respect of the 5 year average annual contract incentive payments and bill credits be used to reduce the 2011 levy by \$131,000 and fund 1.0 FTE for a contract analyst (at a cost of \$87,000) to ensure further savings materialize.

4. Automated Vehicle Location (AVL) FTE Program Enhancement (FCS11034) (City Wide) (Item 5.1)

That Report FCS11034, respecting the Automated Vehicle Location (AVL) FTE Program Enhancement, be received.

5. Budget Information Request Re: Finance and Administration (FCS11038) (City Wide) (Item 5.2)

That Report FCS11038, respecting the Budget Information Request regarding Finance and Administration, be received.

6. 2011 Tax Supported Operating Budget – City Manager (FCS11023(b)) (City Wide) (Item 8.1)

That the recommendation, as amended, contained in Report FCS11023(b), respecting the 2011 Tax Supported Operating Budget – City Manager, which reads as follows, be referred to the General Issues Committee for consideration (attached as Appendix "C" to Report 11-003):

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

**7. 2011 Tax Supported Operating Budget – Corporate Services (FCS11023(c))
(City Wide) (Item 8.2)**

That the recommendations, as amended, contained in Report FCS11023(c), respecting the 2011 Tax Supported Operating Budget for the Corporate Services Department, which read as follows, were referred to the General Issues Committee for consideration (attached as Appendix “D” to Report 11-003):

- (a) That the 2011 net operating levy for Corporate Services, of \$18,870,924, be approved;
- (b) That the 2011 Requested Program Enhancements pertaining to Corporate Services, as per Appendix Three to Report FCS11023(c,) be approved.

FOR THE INFORMATION OF COMMITTEE:

February 17, 2011:

The Audit, Finance & Administration Committee Budget meeting was called to order.

The Audit, Finance & Administration Committee Budget meeting was recessed, in order to first consider the Items on the February 2, 2011 agenda, which was postponed until February 17, 2011, due to inclement weather conditions.

The Audit, Finance & Administration Committee Budget meeting reconvened at 11:23 a.m.

(a) CHANGES TO THE AGENDA (Item 1)

There were no changes to the agenda.

The agenda for the February 17, 2011 Budget meeting of the Audit, Finance & Administration Committee was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) 2011 Tax Supported Operating Budget – City Manager (FCS11023(b)) (City Wide) (Item 7.1)

Chris Murray, City Manager, provided a presentation respecting Report FCS11023(b), the 2011 Tax Operating Budget for the City Manager's Office. Mr. Murray's comments included, but were not limited to, the following:

- The City Manager's office currently has one position that has not yet been filled; it is the Government Relations position.
- The four Divisions under the City Manager's are Human Resources, City Manager's Office – Administration, Audit Services and Legal Services.
- The significant pressures driving the budget are employee related costs (this includes merit and benefit costs), which are offset by increased recoveries from WSIB and Benefit Reserves and increased indirect recoveries for Human Resources and the City Manager's Office Administration Budget.
- There is a savings in rent for the new Return to Work services location and from the new contract for Employee and Family Assistance Program for Human Resources.

Helen Hale-Tomasik, Executive Director, Human Resources and Organizational Development, provided a presentation respecting the Human Resources Division's portion of Report FCS11023(b) - 2011 Tax Supported Operating Budget – City Manager's Office. Ms. Tomasik's comments included, but were not limited to, the following:

- A detailed report will be coming to the Audit, Finance & Administration Committee in April respecting the 2010 Disability Management IT system.
- The Employee Recognition Program budget was increased last year to cover the costs associated with the City Manager's Award, Years of Service pins, floral arrangements to families of deceased employees, etc.
- The Human Resources Division's budget is coming in as zero this year.
- 85% of HR budget is employee costs.
- Allocation to reserves has been adjusted to properly reflect Long Term Disability, Short Term Disability, etc.
- Biggest overage for this year is for the Carpenters Union matter.
- Decreased grievances (460 versus 622 in 2009, a 26% drop).
- Administration savings and cost avoidance within Benefits Administration (\$267,000).
- Contractual: Rent covers items such as: a negotiated stipend with CUPE at the beginning of every year to pay for their participation in negotiation meetings; special projects such as the Career Education Program; and, consulting services for the Leadership Roundtable.
- Benefits Administration - \$70,000 or use of the intelligence of Mercer.

(i) **Staff Direction: City Manager's Office – Administration**

- **Explanation of Line Items** – Staff was directed to report back on what the line item “Building and Grounds” covers for each Department/Division and how those funds are allocated.

Staff was also directed to provide the operating definition for each category (line item) and a summary of the expenses that fall under those categories for all Departments/Divisions, as the budget process moves forward.

- **Realignment of Staffing** – Staff was directed to illustrate, in the report respecting staffing that is forthcoming to the General Issues Committee, the “shifting” of staff from one Department/Division to another. That report should also provide both impact numbers and net numbers.
- **Hiring of Consultants:**

Staff was directed to investigate the feasibility of amending the Purchasing Policy to afford Council an opportunity to understand the scope and funding required for each consultant contract, and to consider those contracts before the appropriate Standing Committee, and report back to the Purchasing Sub-Committee.

(ii) **Staff Direction: Human Resources Division**

- **Leased Space** – Staff was directed to separate leased space from the Contractual or Building and Ground line item for each Department and to provide a comparative summary (by Department) to the General Issues Committee.
- **Consulting Line Item** – Committee was advised that the Consulting line item in the Human Resources budget should be listed as under spent for 2010. The Executive Director of Human Resources and Organizational Development will review and report back to the Audit, Finance & Administration Committee.

Work Plans and Service Levels – With regard to establishing service levels (for HR and all Departments), what options does the City have, as it relates to establishing the 2011 budget?

- **Management to Staff Ratio** – In terms of benchmarking, where does the City stand?

The presentation provided by Chris Murray, City Manager, and Helen Hale Tomasik, Executive Director of Human Resources and Organizational Development, respecting Report FCS11023(b) – 2011 Tax Supported Operating Budget for the City Manager’s Office, was received.

Report FCS11023(b), respecting the 2011 Tax Supported Operating Budget for City Manager’s Office was tabled.

(d) 2011 Tax Supported Operating Budget – Corporate Services (FCS11023(c)) (City Wide) (Item 7.2)

Report FCS11023(c), respecting the 2011 Tax Supported Operating Budget for the Corporate Services Department, was tabled.

(e) 2011 Tax Supported Operating Budget – Other Programs (FCS11023(d)) (Item 7.3)

Report FCS11023(d), respecting the 2011 Tax Supported Operating Budget for Other Programs, was tabled.

(f) 2011 Budget Requests – Volunteer Advisory Committees (FCS11016) (City Wide) (Item 8.1)

Report FCS11016, respecting the 2011 Budget Requests – Volunteer Advisory Committees, was tabled.

(g) AJOURNMENT (Item 13)

There being no further business, the Audit and Administration Committee adjourned at 12:52 p.m.

March 4, 2011:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised of the following changes to the agenda:

- (i) Added as Item 3.1 – February 17, 2011 Budget Minutes of the Audit, Finance & Administration Committee
- (ii) An amended handout for the Corporate Financials Budget Presentation has been provided, which is dated March 4, 2011

(iii) Added as Item 12.1, respecting a Potential Budget Impact

The agenda for the March 4, 2011 meeting of the Audit, Finance & Administration Committee was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

The Minutes of the February 17, 2010 Audit, Finance & Administration Committee budget meeting were approved, as presented.

(d) Tabled Items from February 17, 2011 Audit, Finance & Administration Committee Agenda

The agenda items from the February 17, 2011 Audit, Finance & Administration Committee meeting were lifted from the table for consideration.

(e) 2011 Tax Supported Operating Budget – City Manager (FCS11023(b)) (City Wide) (Item 7.1)

(i) Legal Services Division

Peter Barkwell, City Solicitor, provided a brief presentation respecting the Legal Services Division's 2011 proposed Operating budget.

- The presentation outlined the Legal Services Division's organizational chart and the 2011 Net Operating Budget by Section, which currently shows a net levy impact of 2.4%.
- The major cost drivers were employee related costs at \$66,003; and, indirect recoveries at (\$13,079).

The presentation, respecting the Legal Services Division's 2011 proposed Operating budget, was received.

(ii) Audit Services Division

Ann Pekaruk, Internal Auditor, provided a PowerPoint presentation respecting the 2011 proposed budget for the Audit Services Division. Ms. Pekaruk's comments included, but were not limited to, the following:

General Issues Committee – April 1/7, 2011

- Audit Services is a small Division; with a staff complement that has been the same for at least 10 years.
- An Operational Review of the Audit Services Division was conducted in 2006. That review identified a staffing gap of 2 FTEs. Over the years, staff has tried to increase the complement by adding the two recommended FTEs, but the recommendation has been cut each year during the budget process.
- The 2011 proposed budget has an increase of \$3,700 (under 1%), which is mostly employee related.

The presentation, respecting the Internal Audit Division's 2011 proposed Operating budget, was received.

For procedural purposes, the recommendation in Report FCS11023(b), respecting the 2011 Tax Supported Operating Budget for City Manager's Office, was amended by deleting the word "considered" and replacing it with the word "approved", to read as follows:

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

Report FCS11023(b), respecting the 2011 Tax Supported Operating Budget for City Manager's Office, as amended, was tabled to the March 24, 2011 Budget Deliberations meeting of the Audit, Finance & Administration Committee.

**(f) 2011 Tax Supported Operating Budget – Corporate Services (FCS11023(c))
(City Wide) (Item 7.2)**

Rob Rossini, General Manager of Finance and Corporate Services Department, provided a presentation respecting the 2011 Tax Supported Operating Budget for the Corporate Services Department. Mr. Rossini's comments included, but were not limited to, the following:

(i) Overall Corporate Services:

- The net levy impact for the proposed 2011 Corporate Services proposed Operating budget is currently (0.3 %).
- Trying to move toward electronic commerce.
- \$180,000 paid invoices by A/P.
- Purchasing – standardization.
- Values of purchase orders increasing.
- 2010 – Corporate Services Department came in at 0.8% impact on the legislative budget last year – haven't added a lot of resources over past 10 years.
- Trying to get as close to 0% net levy impact as possible.

- Tax arrears are a challenge in Hamilton.
- Obsolescence of large industrial properties affect tax base.
- Working toward making more business transactions available on the City's web site.
- Customer service – AODA legislation and regulations will be a challenge.
- Risk management is an issue – changed insurers, trying to manage City's exposure.
- 2010 did a thorough Purchasing review – have brought in new model and specialist to support departments.
- There were approximately 55 recommendations in the Purchasing review report, which included reviewing and updating the purchasing policy.
- There were additional resources required in 2010; the municipal election, post election debriefs, and surveys were sent out to all election candidates and members of the public.
- Infrastructure – very detailed capital budget process – not enough money to meet the annual funding gap for construction. Prioritizing projects and funds to meeting the work plan.
- There are additional work and pressures in POA, and additional resources are not being added.
- Significant cost drivers – salaries, wages, human services – OMERS costs increased by \$195,000 and an increase to government/employer benefits is \$88,900, as well as additional costs for software and heat.
- Savings – 1 FTE reduction in the contact centre, increase in tax certificate fees, decreasing contractual services in Treasury Services, and a decrease in IP Telephony costs. As well, two contracts were completed last year.
- Built in savings for cell phone and printer contracts of \$94,000 and \$77,700.

(ii) City Clerks Division:

- Saved \$170,000 in 2010 budget by flattening management levels.
- Major cost drivers are a reduction in POA fine revenues (\$86,362), cost allocations are up due to a \$114,000 increase in POA Red Light Camera revenues.
- Increase in OMERS rates and employer/government benefit are mitigated by staff paid at lower steps than budgeted.
- May be increasing the revenues for budget in POA.

The presentation, respecting the City Clerks Division's 2011 proposed Operating budget, was received.

(iii) Customer Services, Access & Equity Division

- Reduction of 3 FTEs in the Municipal Service Centres and 0.5 from the Customer Contact Centre in 2010 budget; plus a reduction of 1 FTE from the Customer Contact Centre in 2011.
- Currently using a model of 2 staff per Service Centre with 3 FTE floaters moving from centre to centre.
- AODA implementation costs.
- Net levy impact is currently 0.3 %.

The presentation, respecting the Customer Service, Access and Equity Division's 2011 proposed budget, was received.

(iv) Treasury Services Division

- 2011 proposed Operating budget at a 1.4% impact to the net levy.
- Purchasing and Risk Management are in leased space.
- Major cost drivers: employee related – OMERS and benefits,
- Reductions – consulting, materials, supplies, and IP telephony cost have decreased.
- There are two types of business in the Department – one is transactional, the other is administrative. Some managers are not just managing people (e.g. Finance & Policy), but are writing reports, etc – working managers.

The presentation, respecting the Treasury Services Division's 2011 proposed Operating budget, was received.

(v) Financial Planning & Policy Division

- Moving this budget more and more to total cost recovery.
- Spending is almost entirely salaries and wages.
- Financials – Bank Fees, legal costs, bond, trading and custodial and credit rating charges
- Major cost drivers – OMERS rates and government/employer benefits.
- Cost of managing investment program is about 4 basis points – a very inexpensive way to manage the program (in house).
- Non union – 1.5% increase (subject to Council approval), COLA and to move another 25% through the Grid for the 50% percentile, is in the Corporate contingency. Union cost of living is also in the Corporate contingency.

The presentation, respecting the Financial Planning & Policy Division's 2011 proposed Operating budget, was received.

(vi) **Information Services**

- 76.5 FTEs in total.
- Security for Credit Card transactions has changed – new regulations with respect to how information is stored.
- Major Cost Drivers: employee related costs, increase to software licence fees (PeopleSoft, MacAfee, Oracle, Barracuda, etc.)
- There has been an increase in temporary employment agency costs.
- OMBI did a detailed report that did some benchmarking in IS/IT area.
- Hamilton's IS staff complement is much lower compared to other municipalities.
- Staff to Device ratio is much higher in Hamilton compared to other municipalities.
- Kiosks and webcasting were up and running in 2010/early 2011.

- Staff was asked what Corporate plan was in place to monitor both the centralized and decentralized web sites and their maintenance. Staff advised that a refresh of 2002 IT Corporate Plan was in progress to provide a snapshot of the service delivery and who is doing what. Committee wanted to know if staff is looking to see why GIS, the web site and IT are not consolidated, and who is governing them.

- www.hamilton.ca – who has ownership? Architecture and system is IT and each department is responsible for the content. Ultimately, SMT owns and is responsible for the City's web site.

- IS office are located on the 6th floor of public Library, and the Library does not charge the City rent.

- Contractual items are for Ricoh printers, previous Cannon printers, communication cables, services and computers (charged back), maintenance agreements, cell phones, off-site security and off-site contractual obligations.

- An additional 0.5 FTE is required is to maintain GPS system, which has already been installed in all City vehicles. The FTE is required to maintain the physical hardware, and collect data that is on the network. The GPS system can go down at anytime and, as it is attached to server and wireless network, an in house person is required to assist the end users.

- Original budget (for GPS) did not look at sustaining the system. Hardware is under warranty; however, during the use of network is where the problems arise and there is no-one in place to sustain the system. The vendor supports the in-vehicle system, but City staff is required to support the in-house systems.

- The 0.5 FTE will also ensure the wireless network, patient care at lodges, etc. are sustainable going forward. Wireless applications are being used in business, land ambulances, Parking and By-law for parking tickets, etc. The City continues to add applications, but there isn't an FTE allocated to sustaining the wireless network down the road.

The presentation, respecting the Information Services Division's 2011 proposed Operating budget, was received.

(vii) Legislative

- The Legislative budget is comprised of the budgets for the Mayor, Councillors and support staff, ward budgets and the common cost budget. These budgets have essentially remained the same.

The presentation, respecting the Legislative 2011 proposed Operating budget, was received.

For procedural purposes, the recommendations in Report FCS11023(c), respecting the 2011 Tax Supported Operating Budget for the Corporate Services Department, were amended by deleting the words "considered" and replacing them with the words "approved", to read as follows:

- (a) That the 2011 net operating levy for Corporate Services, of \$18,870,924, be *approved*;
- (b) That the 2011 Requested Program Enhancements pertaining to Corporate Services as per Appendix Three to Report FCS11023(c) be *approved*.

Report FCS11023(c), respecting the 2011 Tax Supported Operating Budget for the Corporate Services Department, as amended, was tabled to the March 24, 2011 Budget Deliberations meeting of the Audit, Finance & Administration Committee.

**(g) 2011 Tax Supported Operating Budget – Other Programs (FCS11023(d))
(Item 7.3)**

Mike Zegarac, Director of Financial Planning and Policy, provided a presentation respecting the 2011 Tax Supported Operating Budget – Other Programs. Mr. Zegarac's comments included, but were not limited to, the following:

- This category covers areas that do not fall within a specific operating department, and includes non-program expenses and revenues that such
General Issues Committee – April 1/7, 2011

as: Corporate contingencies, gapping, Ontario Municipal Provincial Funding and special grant revenue, property tax related revenues and provisions, Horizon Utilities Corporation dividend and Provincial Offices Act, investment revenues.

For procedural purposes, the recommendations in Report FCS11023(d), respecting the 2011 Tax Supported Operating Budget for Other Programs, were amended by deleting the words “considered” and replacing them with the words “approved”, to read as follows:

- (a) That the 2011 net operating levy for the Legislative of \$3,408,542 be *approved*;
 - (b) That the 2011 net operating levy for the Corporate Financials of \$9,437,195 be *approved*;
 - (c) That the 2011 net operating levy for the Non-Program Revenues of (\$37,879,250) be *approved*;
 - (d) That the 2011 Capital Financing Charges of \$83,686,000 be *approved*.
- (h) Information Services Contract Savings and Incentives (FCS11024) (City Wide) (Item 8.2)**
- (a) That sub-sections (a), (c), (d) and (e) of Report FCS11021, respecting Information Services Contract Savings and Incentives be approved.
 - (b) That sub-section (b) of Report FCS11021, respecting Information Services Contract Savings and Incentives be referred to the General Issues Committee for consideration. (Refer to Item 3)
- (i) Staff Direction**
- (i) Claims Costs**
- Staff was asked about the “Claims Costs” showing on slide 5 of the presentation as 6,905 (under the 2011 draft budget heading). The General Manager of Finance & Corporate Services noted that their may be an updated budget number, as this number may have been used before the year end numbers were available. Staff will check the numbers and advise Committee.

(ii) Policies and Protocols

Staff was directed prepare policies and protocols respecting restructuring, changing position titles, promotions within Divisions, transferring budgets between Divisions, and an assessment of whether or not some of the changes that have been made can be reversed, and report back to the General Issues Committee.

(iii) Employee Related Costs

Staff was directed to review the employee related costs; including COLA, merit increases (going through the steps in the pay grid), percentile adjustments, job evaluations, and determine methods/systems that would allow the City to fairly compensate staff, while slowing the annual increases; and, compare those findings with the practices of other municipalities, and report back to the General Issues Committee.

Staff was directed to determine, apart from COLA, what both the maximum and medium increases would be, as employees make their way through their pay range, the 50th percentile, job evaluations and merit increases, and report back to the General Issues Committee.

(iv) Financial Assistant Positions

Staff was directed to review the Financial Assistant (FA) positions and prepare a thorough report that outlines the trends, pre-2001 and post 2011, to include their qualifications, job responsibilities, where they are placed within operating departments, and report back to the Audit, Finance & Administration Committee.

(v) Audit Services Division – 2 FTE Vacancies

- (a) Staff was directed to identify savings, or alternate staff members, to fill the two (2) vacant FTE positions in the Audit Services Division, and report back to the Audit, Finance & Administration Committee.
- (b) That the matter, respecting the two (2) vacant FTE positions in the Audit Services Division, was added to the Audit, Finance & Administration Committee's outstanding business list.

(vi) Legal Service Division - Indirect Recoveries

Staff was directed to provide more specific and detailed information, respecting the indirect recoveries, of \$13,079, to the March 24, 2011 Audit, Finance & Administration Committee's budget meeting.

(vii) Redevelopment of the City's Web Site

Staff was directed to review the City's existing web site and prepare a report respecting the total redevelopment of the web site, and report back to the Audit, Finance & Administration Committee.

(viii) Inventory of Transactions that Citizens Could Carryout at Service Kiosks

Councillor Whitehead asked staff to forward to his attention, a copy of the inventory that illustrates what transactions citizens could potentially carryout at service kiosks.

(j) PRIVATE & CONFIDENTIAL

The Audit, Finance & Administration Committee moved into Closed Session at 2:40 p.m. to discuss Item 12.1 - a Potential Budget Impact; and, Item 12.2 – Off Site Back up Storage, pursuant to Section 8.1, Sub-sections (a) and (b) of the City's Procedural By-law 03-301, and Section 239, Sub-sections (a) and (b) of the Ontario Municipal Act, 2001, as amended, as the subject matters pertain to the security of the property of the municipality or local board; and, personal matters about an identifiable individual, including municipal or local board employees.

The Audit, Finance & Administration Committee reconvened in Open Session at 3:12 p.m., and reported the following:

(i) Potential Budget Impact (Item 12.1)

Staff was provided with direction in Closed Session.

(ii) Off Site Back up Storage (Item 12.2)

Staff was provided with direction in Closed Session.

(k) AJOURNMENT (Item 13)

There being no further business, the Audit, Finance and Administration Committee adjourned at 3:15 p.m.

March 24, 2011:

The meeting was called to Order.

The March 24, 2011 budget meeting of the Audit, Finance & Administration Committee was recessed in order to address the Special agenda for the March 24, 2011 Audit, Finance & Administration Committee.

The March 24, 2011 budget meeting of the Audit, Finance & Administration Committee reconvened at 10:22 a.m.

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised of the following changes to the agenda:

- (i) Added as Item 3.1, the Minutes of the March 4, 2011 budget meeting of the Audit, Finance & Administration Committee
- (ii) Added as Item 5.1 – Report FCS11034, respecting the Automated Vehicle Location (AVL) FTE Program Enhancement
- (iii) Added as Item 5.2 – Report FCS11038, respecting a Budget Information Request regarding Finance and Administration
- (iv) Added as Item 12.1 – Closed Session Minutes of the March 4, 2011 budget meeting of the Audit, Finance & Administration Committee (distributed under separate cover).

The agenda for the March 24, 2011 meeting of the Audit, Finance & Administration Committee was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

The Minutes of the March 4, 2011 Audit, Finance & Administration Committee budget meeting were approved, as presented.

(d) 2011 Tax Supported Operating Budget – City Manager (FCS11023(b)) (City Wide) (Item 8.1)

Report FCS11023(b), respecting the 2011 Tax Supported Operating Budget for the City Manager's Office, was lifted from the table for consideration.

(e) 2011 Tax Supported Operating Budget – Corporate Services (FCS11023(c)) (City Wide) (Item 8.2)

Report FCS22023(c), respecting the 2011 Tax Supported Operating Budget for the Corporate Services Department, was lifted from the table for consideration.

(f) Binbrook Reservoir Contamination (Item 11.1)

Staff was directed to explore any potential environmental implications with respect to stormwater runoff, from all local airports, into the Binbrook Conservation Area waters and the potential implications, if any, to ground water, and report back to the General Issues Committee.

Staff was directed to contact representatives from the Niagara Conservation Authority; the Ministry of Environment, and tenants of all local airports to request that they attend a future meeting of the General Issues Committee to provide a presentation respecting their findings with respect to storm water runoff and/or contamination into the Binbrook Conservation Authority waters.

Legal staff was directed to prepare a report to provide clarification, respecting the possible contamination from stormwater runoff into the Binbrook Conservation Area waters; and, any potential liability issues, as it relates to the City, and report back to the General Issues Committee.

(g) PRIVATE & CONFIDENTIAL (Item 12)

(i) Closed Session Minutes – March 4, 2011

The Closed Session Minutes of the March 4, 2011 meeting of the Audit, Finance & Administration Committee were approved, as presented.

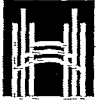
(h) AJOURNMENT (Item 13)

There being no further business, the Audit, Finance and Administration Committee adjourned at 11:05 a.m.

Respectfully submitted,

Councillor Brad Clark, Chair
Audit, Finance and Administration Committee

Stephanie Paparella
Legislative Assistant
March 24, 2011



Hamilton

CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: February 17, 2011	
SUBJECT/REPORT NO: 2011 Tax Supported Operating Budget – Other Programs (FCS11023d) (City Wide)	
SUBMITTED BY: Roberto Rossini General Manager Finance & Corporate Services Department	PREPARED BY: Tom Hewitson (905) 546-2424 ext 4159
SIGNATURE:	

RECOMMENDATION

- (a) That the 2011 net operating levy for the Legislative of \$3,408,542 be approved
- (b) That the 2011 net operating levy for the Corporate Financials of \$9,437,195 be approved.

- (c) That the 2011 net operating levy for the Non-Program Revenues of (\$37,879,250) be approved.
- (d) That the 2011 Capital Financing Charges of \$83,686,000 be approved

EXECUTIVE SUMMARY

This report deals with those areas that do not fall within an operating department. They include the Legislative, Corporate Financials/Non-Program Revenues and Capital Financing budgets. The Capital financing budget represents the impacts of the Capital budget on the operating budget. Depending on the final approved Capital budget, the Capital financing budget will be adjusted accordingly. The Corporate Financials/Non-Program Revenues budget consists of non-program expense and revenue items including corporate contingencies, corporate savings targets (gapping), Ontario Municipal Provincial Funding (OMPF) and special grant revenue, property tax related revenues and provisions, Horizon Utilities Corporation dividend and Provincial Offences Act and Investment revenues.

Legislative Budget

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

2010 Budget	\$3,425,500
2011 Draft Budget	\$3,408,500
\$ Change	(\$17,000)
% Change	(0.5%)

As shown above, the draft 2011 Legislative budget results in a net levy decrease of approximately -\$17,000 or -0.5%. The small reduction is primarily the result of an increase in recoveries. It should be noted that the budget includes the freeze to Councillor and Mayor wages as directed by Council.

Legislative Complement

The 2011 draft complement for the Legislative is 24 FTE, which is consistent with the 2010 approved complement.

	2010		2011 Draft	2011 Draft vs 2010 Restated	
	Approved	Restated			
Legislative	24 00	24.00	24 00	-	0 0%

Corporate Financials Budget

The draft 2011 Corporate Financials budget is submitted for Council's consideration.

2010 Budget	\$2,751,000
2011 Draft Budget	\$9,437,200
\$ Change	\$6,686,200
% Change	243.0%

As shown above, the draft 2011 Corporate Financials budget results in a net levy increase of approximately \$6.7 million or 243%. This increase is largely related to compensation provisions which reflect Council direction as of January 10, 2011 (GIC). Also included within this budget are provisions for non-union compensation increase for COLA of 1.5% (\$1.167 million) and the second phase of the non-union percentile phase-in (\$1.2 million). Both of these items are included further to Council direction received in 2009.

The Corporate Financials budget also includes the operating impacts from capital projects approved in 2010 (FCS09114 - 2010 Tax Supported Capital Budget). Although \$997,000 was approved, only \$582,000 has been included in the 2011 budget due to the deferral of some projects.

Corporate Financials Complement

The 2011 draft complement for Corporate Financials is 7.42 FTE which represents the complement associated with operating impacts from capital which were approved as part of the 2010 Capital Budget. Once the 2011 budget is approved, these FTE will be transferred to the appropriate department.

	2010		2011 Draft	2011 Draft vs. 2010 Restated	
	Approved	Restated			
Corporate Financials	-	4 00	7 42	3 42	85.5%

Non-Program Revenues Budget

The draft 2011 Non- Program Revenues budget is submitted for Council’s consideration.

2010 Budget	(\$58,873,300)
2011 Draft Budget	(\$37,879,200)
\$ Change	\$20,994,100
% Change	35.7%

As shown above, the draft 2011 Non-Program Revenues budget results in a net levy increase of approximately \$21 million or 35.7%. This significant increase is due to a \$21.8 million reduction in OMPF and special provincial funding. In 2010, the OMPF and special funding was \$25.8 million. For 2011, \$4.0 million is being requested from the Province and included in the budget. The loss of grant funding is offset by the upload savings of -\$21.8 M realized in Community Services.

Other items included in this budget are further identified in the “Analysis /Rationale for Recommendation” section of this report.

Capital Financing Budget

The draft 2011 Capital Financing budget is submitted for Council’s consideration.

2010 Budget	\$80,436,100
2011 Draft Budget	\$83,686,000
\$ Change	\$3,249,900
% Change	4.0%

As shown above, the 2011 draft Capital Financing budget is increasing \$3.25 million or 4.0%, which supports the recommended 2011 Tax Capital budget and results in a 0.5% residential municipal tax impact.

Alternatives for Consideration – See Page 8

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

Financial: The draft 2011 Legislative budget results in a net levy decrease of approximately -\$17,000 or -0.5%

The draft 2011 Corporate Financials budget results in a net levy increase of \$6.7 million or 243%.

The draft 2011 Non-Program Revenues budget results in a net levy increase of \$21 million or 35.7%.

The draft 2011 Capital Financing budget results in a net levy increase of \$3.25 million or 4 0%.

Staffing: The draft 2011 Legislative budget results in a complement of 24 FTE, representing no change from the 2010 complement.

The 2011 draft complement of 7.42 FTE in Corporate Financials is as a result of operating impacts from Capital approved as part of the 2010 Capital budget.

Legal: N/A

HISTORICAL BACKGROUND (Chronology of events)

As directed by the General Issues Committee (GIC) on January 21st, staff are bringing forward the 2011 draft budget based on the City's current position. The budget summaries are included in the attached Appendix One to report FCS11023d. 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)

Legislative

As indicated, the Legislative draft budget is decreasing by approximately -\$17,000 or -0.5%. 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	\$	%
LEGISLATIVE							
Mayor	977,435	972,045	977,435	0	977,435	0	0 0%
Volunteer Committees	88,290	88,290	88,290	0	88,290	0	0 0%
Legislative Budget	(464,008)	(463,254)	(483,161)	0	(483,161)	(19,153)	(4 1)%
Ward Budgets	2,823,821	2,817,794	2,825,978	0	2,825,978	2,157	0 1%
TOTAL LEGISLATIVE	3,425,538	3,414,875	3,408,542	0	3,408,542	(16,996)	(0 5)%

The volunteer committee budgets will be submitted to their respective Council committee during the budget process for approval.

The small decrease in the Legislative budget is due to an increase in internal recoveries. As noted previously, the budget includes a freeze to the Mayor and Councillor's wages as directed by Council.

Corporate Financials/Non-Program Revenues

The Corporate Financials budget summary is provided in the table below.

	2010		2011			2011 Draft vs 2010 Budget	
	Budget	Projected Actuals	Base Budget	Savings Options	Draft Budget	\$	%
CORPORATE FINANCIALS							
Corporate Pensions/Benefits & Contingency	6,390,976	8,643,835	13,077,195	0	13,077,195	6,686,219	104 6%
Corporate Reductions/Initiatives	(4,140,000)	0	(4,140,000)	0	(4,140,000)	0	0 0%
Senior Tax Credit	500,000	592,400	500,000	0	500,000	0	0 0%
TOTAL CORPORATE FINANCIALS	2,750,976	9,236,235	9,437,195	0	9,437,195	6,686,219	243 0%

As discussed, the \$6.7 million increase in the Corporate Financials budget is primarily related to compensation contingencies. This includes a provision for unsettled union contracts consistent with Council direction (January 10th). It also includes provisions for non-union compensation increase for COLA of 1.5% (\$1.167 million) and the second phase of the non-union percentile phase-in (\$1.2 million). Both of these items are included further to Council direction received in 2009.

Other items of note include Flamboro Slot revenues, which remain budgeted at 2010 amount of \$4,400,000 (2010 actuals were about \$4,433,000). Also included in the Corporate Financials are parkland purchases that have been approved to be area rated, which for 2011 has increased \$260,000. This increase is related to new purchases area rated to Stoney Creek (\$230,000) and Dundas (\$30,000).

As identified above, the budget continues to count on \$4.1 million in gapping savings for 2011. Actuals for 2010 are still being analysed, but the August variance report included a projection of \$3.1 million saved to date with an expected further \$1.0 million in savings to year-end. The savings are budgeted in the Corporate Financials, but realized in the departmental budgets (hence the \$0 2010 actual in the table above).

The Non-Program Revenue budget is summarized in the table below:

	2010		2011			2011 Draft vs 2010 Budget	
	Budget	Projected Actuals	Base Budget	Savings Options	Draft Budget	\$	%
NON PROGRAM REVENUES							
Hydro Dividends	(5,000,000)	(5,000,000)	(5,000,000)	0	(5,000,000)	0	0.0%
Investment Income	(4,000,000)	(4,000,000)	(4,000,000)	0	(4,000,000)	0	0.0%
Penalties & Interest	(7,700,000)	(8,050,000)	(7,700,000)	0	(7,700,000)	0	0.0%
Payments in Lieu of Taxes	(13,999,999)	(14,605,452)	(13,999,999)	0	(13,999,999)	0	0.0%
POA	(2,884,838)	(2,729,902)	(3,168,851)	0	(3,168,851)	(284,213)	(9.9)%
Right of Way Taxes	(3,204,000)	(3,204,000)	(3,204,000)	0	(3,204,000)	0	0.0%
Supplementary Taxes	(6,300,000)	(9,000,000)	(6,700,000)	0	(6,700,000)	(400,000)	(6.3)%
Capping	450,000	217,036	350,000	0	350,000	(100,000)	(22.2)%
Tax Remissions / Write Offs	9,543,600	9,499,300	9,543,600	0	9,543,600	0	0.0%
TOTAL NON PROGRAM REVENUES	(33,095,037)	(36,873,018)	(33,879,250)	0	(33,879,250)	(784,213)	(2.4)%
PROVINCIAL FUNDING / OMPF	(25,778,305)	(25,778,305)	(4,000,000)	0	(4,000,000)	21,778,305	84.5%
TOTAL NON PROGRAM REVENUES	(58,873,342)	(62,651,323)	(37,879,250)	0	(37,879,250)	20,994,092	35.7%

As discussed previously, the most significant item impacting this budget is the loss in provincial OMPF and special grant funding (\$21.8 million). The 2011 budget assumes the Province will provide \$4.0 million in special funding to ensure that the City experiences no net impact from the difference in upload savings (\$21.8 million) and the 2010 funding (\$25.8 million). The upload savings occur in the Community Services budget.

There are a number of other significant revenue and expense items in this budget as identified above. A number of these items are projected to provide levy reduction for 2011. These include supplementary tax revenue, Provincial Offences Act (POA) revenue and Tax Capping provisions.

With respect to Supplementary Taxes (tax revenue received in year due to properties being added to the assessment roll), the budgeted revenue is increasing \$400,000 from \$6.3 million in 2010 to \$6.7 million in 2011.

The following table highlights the previous five years for this revenue:

NPR - Supplementary Taxes

	2006	2007	2008	2009	2010
Actuals	6,218,678	6,528,033	8,404,353	9,177,281	9,465,003

The budget of \$6.7 million represents 1% of the 2010 levy. In essence, budgeting this amount requires an additional 1% assessment to be added to the levy each year. As is identified above, this amount has been exceeded from 2008-2010. However, the budget exceeds the amount experienced in 2006-2007. Budgeting greater than the \$6.7 million would represent an increased risk of budget shortfall, if supplementary tax revenue returned to 2006/2007 levels.

With respect to POA revenue, although the chart above indicates the potential for a small shortfall in the 2010 actuals, this was a preliminary estimate. Staff are reviewing final POA revenue for 2010 and expect a favourable variance. Thus, the 2011 budget has been increased to provide some levy savings.

Capital Financing

	2010		2011			2011 Draft vs. 2010 Budget	
	Budget	Projected Actuals	Base Budget	Savings Options	Draft Budget	\$	%
CAPITAL FINANCING							
Planning & Economic Development	895,400	895,400	892,440	0	892,440	(2,960)	(0.3)%
Community Services	6,550,870	6,550,870	6,561,320	0	6,561,320	10,450	0.2%
Public Health	85,980	85,980	85,980	0	85,980	0	0.0%
Hamilton Emergency Services	1,074,750	1,074,750	1,075,340	0	1,075,340	590	0.1%
Public Works	39,506,370	39,506,370	41,475,970	0	41,475,970	1,969,600	5.0%
Corporate Financials	30,531,070	28,031,070	31,799,530	0	31,799,530	1,268,460	4.2%
Police	921,740	921,740	925,600	0	925,600	3,860	0.4%
Boards & Agencies	869,961	869,820	869,820	0	869,820	(141)	(0.0)%
TOTAL CAPITAL FINANCING	80,436,141	77,936,000	83,686,000	0	83,686,000	3,249,859	4.0%

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 Budget Summaries

APPENDIX 1
BUDGET SUMMARIES

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Program

Legislative

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Legislative Budget	(464,008)	(463,254)	(483,161)	0	(483,161)	(19,153)	(4.1)%
Mayor	977,435	972,045	977,435	0	977,435	0	0.0%
Volunteer Committee	88,290	88,290	88,290	0	88,290	0	0.0%
Ward Budgets	2,823,821	2,817,794	2,825,978	0	2,825,978	2,157	0.1%
NET LEVY	3,425,538	3,414,875	3,408,542	0	3,408,542	(16,996)	(0.5)%

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Cost Category

Legislative

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
<i>EMPLOYEE RELATED COST</i>	3,265,945	3,251,215	3,224,113	0	3,224,113	(41,832)	(1.3)%
<i>MATERIAL AND SUPPLY</i>	648,169	648,169	630,582	0	630,582	(17,587)	(2.7)%
<i>VEHICLE EXPENSES</i>	3,240	3,240	3,430	0	3,430	190	5.9%
<i>BUILDING AND GROUND</i>	15,100	15,100	11,630	0	11,630	(3,470)	(23.0)%
<i>CONSULTING</i>	7,000	7,000	65,191	0	65,191	58,191	831.3%
<i>CONTRACTUAL</i>	103,854	106,965	112,164	0	112,164	8,310	8.0%
<i>AGENCIES and SUPPORT PAYMENTS</i>	37,770	37,770	37,770	0	37,770	0	0.0%
<i>RESERVES / RECOVERIES</i>	62,437	63,393	61,735	0	61,735	(702)	(1.1)%
<i>COST ALLOCATIONS</i>	(811,537)	(811,537)	(832,633)	0	(832,633)	(21,096)	(2.6)%
<i>FINANCIAL</i>	118,320	118,320	119,320	0	119,320	1,000	0.8%
TOTAL EXPENDITURES	3,450,298	3,439,635	3,433,302	0	3,433,302	(16,996)	(0.5)%
<i>RESERVES</i>	(24,760)	(24,760)	(24,760)	0	(24,760)	0	0.0%
TOTAL REVENUES	(24,760)	(24,760)	(24,760)	0	(24,760)	0	0.0%
NET LEVY	3,425,538	3,414,875	3,408,542	0	3,408,542	(16,996)	(0.5)%

CITY OF HAMILTON

2011 TAX OPERATING BUDGET

By Program

Corporate Financials and Non Program Revenues

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Corporate Financials							
<i>Operating</i>	6,390,976	8,643,835	13,077,195	0	13,077,195	6,686,219	104.6%
<i>Reductions/Initiatives</i>	(4,140,000)	0	(4,140,000)	0	(4,140,000)	0	0.0%
<i>Senior Tax Credit</i>	<u>500,000</u>	<u>592,400</u>	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>0.0%</u>
Total Corporate Financials	2,750,976	9,236,235	9,437,195	0	9,437,195	6,686,219	243.0%
Non Program Revenues							
<i>Hydro Dividends & Interest</i>	(5,000,000)	(5,000,000)	(5,000,000)	0	(5,000,000)	0	0.0%
<i>Investment Income</i>	(4,000,000)	(4,000,000)	(4,000,000)	0	(4,000,000)	0	0.0%
<i>Penalties and Interest</i>	(7,700,000)	(8,050,000)	(7,700,000)	0	(7,700,000)	0	0.0%
<i>PIL</i>	(13,999,999)	(14,605,452)	(13,999,999)	0	(13,999,999)	0	0.0%
<i>POA</i>	(2,884,638)	(2,729,902)	(3,168,851)	0	(3,168,851)	(284,213)	(9.9)%
<i>Right of Way Taxes</i>	(3,204,000)	(3,204,000)	(3,204,000)	0	(3,204,000)	0	0.0%
<i>Supplementary Taxes</i>	(6,300,000)	(9,000,000)	(6,700,000)	0	(6,700,000)	(400,000)	(6.3)%
<i>Tax Capping</i>	450,000	217,036	350,000	0	350,000	(100,000)	(22.2)%
<i>Tax Remissions/Write Offs</i>	<u>9,543,600</u>	<u>9,499,300</u>	<u>9,543,600</u>	<u>0</u>	<u>9,543,600</u>	<u>0</u>	<u>0.0%</u>
Total Non Program Revenues	(33,095,037)	(36,873,018)	(33,879,250)	0	(33,879,250)	(784,213)	(2.4)%
Provincial Funding/OMPF	(25,778,305)	(25,778,305)	(4,000,000)	0	(4,000,000)	21,778,305	84.5%
NET LEVY	(56,122,366)	(53,415,088)	(28,442,055)	0	(28,442,055)	27,680,311	49.3%

CITY OF HAMILTON 2011 TAX OPERATING BUDGET By Cost Category

Corporate Financials and Non Program Revenues							
	2010	2010	2011	2011	2011	2010 Budget /	
	Budget	Projected Actual	Base Budget	Savings Options	Draft Budget	\$	%
EMPLOYEE RELATED COST	4,757,234	11,441,739	10,852,379	0	10,852,379	6,095,145	128.1%
MATERIAL AND SUPPLY	281,724	701,235	68,510	0	68,510	(213,214)	(75.7)%
BUILDING AND GROUND	550	550	2,590	0	2,590	2,040	370.9%
CONTRACTUAL	280,838	109,150	898,196	0	898,196	617,358	219.8%
RESERVES / RECOVERIES	(7,840,186)	1,233,580	(8,391,233)	0	(8,391,233)	(551,047)	(7.0)%
COST ALLOCATIONS	(96,882)	(200,262)	(96,882)	0	(96,882)	0	0.0%
FINANCIAL	21,640,881	11,209,355	21,987,111	0	21,987,111	346,230	1.6%
CAPITAL FINANCING (E)	50,800	50,800	50,800	0	50,800	0	0.0%
TOTAL EXPENDITURES	19,074,959	24,546,147	25,371,471	0	25,371,471	6,296,512	33.0%
FEES AND GENERAL	(24,392,226)	(25,037,518)	(24,676,467)	0	(24,676,467)	(284,241)	(1.2)%
TAX AND RATES	(23,563,999)	(26,872,352)	(23,963,999)	0	(23,963,999)	(400,000)	(1.7)%
GRANTS AND SUBSIDIES	(25,778,305)	(25,778,305)	(4,000,000)	0	(4,000,000)	21,778,305	84.5%
RESERVES	(1,462,795)	(273,060)	(1,173,060)	0	(1,173,060)	289,735	19.8%
TOTAL REVENUES	(75,197,325)	(77,961,235)	(53,813,526)	0	(53,813,526)	21,383,799	28.4%
NET LEVY	(56,122,366)	(53,415,088)	(28,442,055)	0	(28,442,055)	27,680,311	49.3%

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Program

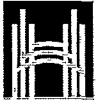
Capital Levy - Tax

	2010	2010	2011	2011	2011	2010 Budget /	
	Budget	Projected Actual	Base Budget	Savings Options	Draft Budget	\$	%
Boards and Agencies	869,961	869,820	869,820	0	869,820	(141)	(0.0)%
Corporate Financials	30,531,070	28,031,070	31,799,530	0	31,799,530	1,268,460	4.2%
Hamilton Emergency Services	1,074,750	1,074,750	1,075,340	0	1,075,340	590	0.1%
Community Services	6,550,870	6,550,870	6,561,320	0	6,561,320	10,450	0.2%
Public Health	85,980	85,980	85,980	0	85,980	0	0.0%
Planning and Development	895,400	895,400	892,440	0	892,440	(2,960)	(0.3)%
Public Works	39,506,370	39,506,370	41,475,970	0	41,475,970	1,969,600	5.0%
Police	921,740	921,740	925,600	0	925,600	3,860	0.4%
NET LEVY	80,436,141	77,936,000	83,686,000	0	83,686,000	3,249,859	4.0%

1

1

1



Hamilton

CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
Information Services Division

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: February 17, 2011	
SUBJECT/REPORT NO: Information Services Contract Savings and Incentives (FCS11024) (City Wide)	
SUBMITTED BY: Roberto Rossini General Manager, Finance & Corporate Services Department	PREPARED BY: Filipe Janicas 905-546-2424 ext 5705 Fred Snelling 905-574-2509 ext 6059
SIGNATURE:	

RECOMMENDATION:

- (a) That annualized savings from the printer and cell phone contracts of \$94,000 and \$77,700 respectively, be incorporated into the 2011 Operating Budget to reduce the levy requirement by a total of \$171,700;
- (b) That additional savings of \$218,000 in respect of the 5 year average annual contract incentive payments and bill credits be used to reduce the 2011 levy by \$131,000 and fund 1.0 FTE for a contract analyst (at a cost of \$87,000) to ensure further savings materialize;
- (c) That the annual contract incentive payments and bill credits be deposited into the IS Capital Reserve (account 108023) and then the amounts indicated in recommendation (b) above be funded from this Reserve;

- (d) That future projected savings, over and above the amounts set out in Recommendations (a) and (b) above, be split equally between the IS Capital Reserve and reduction of the tax levy;
- (e) That staff commit to providing Council with annual performance reporting to communicate the status of savings generated from management of IS contracts.

EXECUTIVE SUMMARY

The Information Services Division, Corporate Services Department, created a section in 2009 specifically to manage corporate technology contracts. The mandate of this group is to negotiate corporate technology contracts and then manage the contract to ensure the expected savings are realized.

In 2010, two large corporate contracts were negotiated and awarded. In July, 2010, the City awarded the Corporate Print Contract to Ricoh and December 1, 2010, was the implementation date of the Corporate Cellular Contract with Bell Mobility.

Reports FCS10053 "Office Printing Equipment and Related Support Services and Supplies Contract, RFP# C12-03-10" and FCS10029(a) "Wireless Cellular Services and Devices Agreement and FCS10029(b) "Wireless Cellular Services and Devices Agreement" included Contract Management Policies. These reports also included a recommendation "That the increase of 1 FTE for the management of all City Print Devices and Cell Phones be funded from savings achieved by the new contracts associated with these devices and forwarded to the 2011 Budget process for consideration", which was approved by Council.

Alternatives for Consideration – See Page 8.

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

Financial: The average annual savings when compared to the 2010 Net Budget from the new cellular devices contract is estimated at \$296,000 (comprised of \$78,000 in lower operational spending and an average incentive payment of \$218,000). Total net savings compared to budget over the 4 year contract is \$1.2 million. If the contract was extended for a 5th year the total net savings over 5 years when compared to our existing budget would be \$1.5 million.

The annual budgeted net savings for the new printer contract is \$94,000 or \$470,000 over the next 5 years.

The total annual cost of the proposed new FTE for contract management is \$87,000.

The incentive and bill credit savings component of the cellular devices contract (\$1,092,000) would be deposited into the IS reserve and an amount of \$131,000 would be withdrawn every year to fund part of the levy reduction.

Staffing: 1 regular FTE is proposed (Contract Analyst).

Legal: N/A.

HISTORICAL BACKGROUND (Chronology of events)

The Information Services Division, Corporate Services Department, created a section in 2009 specifically to manage corporate technology contracts. The mandate of this group is to negotiate corporate technology contracts and then manage the contract to ensure the expected savings are realized.

In 2010, two large corporate contracts were negotiated and awarded. In July, 2010, the City awarded the Corporate Print Contract to Ricoh with an anticipated annual net operational savings of **\$94,000** when compared to budget and potential actual savings of \$700,000 annually. December 1, 2010, was the implementation date of the Corporate Cellular Contract which will result in annual net savings of **\$77,700** plus additional incentive payments totalling \$1,092,000 over the 5 year term of the contract.

Reports FCS10053 "Office Printing Equipment and Related Support Services and Supplies Contract, RFP# C12-03-10" and FCS10029(a) "Wireless Cellular Services and Devices Agreement and FCS10029(b) "Wireless Cellular Services and Devices Agreement" included Contract Management Policies. These reports included the recommendation "That the increase of 1 FTE for the management of all City Print Devices and Cell Phones be funded from savings achieved by the new contracts associated with these devices and forwarded to the 2011 Budget process for consideration".

As indicated in report FCS10053, "Office Printing Equipment and Related Support Services and Supplies Contract, RFP# C12-03-10", a temporary 12 month IS position has been created to manage the Office Printing Equipment and Related Support Services and Supplies Contract (Print Contract) funded from existing resources in the approved capital project budget. This individual will also be responsible for managing the Cellular Contract and related support services. This position will verify the savings that are anticipated through Cellular Contract management, as well as, those savings

anticipated for the other major IS contracts. The intent is for this position to transition into full-time after an initial 12 month temporary posting, subject to Council approval.

A contract award report is being prepared for presentation to Council in 2011 for all corporate computing equipment. A policy, similar to the Print Management Policy and the Cellular Management Policy will accompany this report for Council approval. The purpose of this policy, as with the others, is to ensure the proposed savings are realized; that staff are allocated equipment in a fiscally responsible manner; that life-cycle practices are adhered to; that contracted prices are being honoured and that costs are being controlled.

POLICY IMPLICATIONS

Print Management Policy and the Cellular Contract Management Policy, both of these policies were developed to:

- Ensure the right equipment is provided in a fiscally responsible manner.
- Govern how all distributed equipment is physically allocated to staff or within the offices and buildings that accommodate City of Hamilton staff.
- Manage growth of the acquisition of equipment and control costs.

A similar policy will be developed as part of the Corporate Computer contract award for the above deliverables.

To achieve these deliverables contract management is required.

RELEVANT CONSULTATION

N/A.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

Cellular Services Contract

Actual Spending & Budget Savings

The City of Hamilton recently awarded the cellular services contract to Bell Mobility for a four year term with the option to extend for a 5th year. Along with allowing us to take advantage of the H.P.S.A. (High Speed Packet Access) network and zero cost state of

the art cell phones and Blackberry devices, this contract offers a number of incentives and potential additional savings for the City.

As outlined in report FCS10029(a), the average annual gross operating costs savings when compared to Actual spending from the new cellular devices contract is estimated at \$134,000 a year. These spending savings will be realized from areas such as:

- Reduction in cost of cellular service (monthly communications costs) for 1,500+ devices by \$2 per month
- Reduction in data charges for Blackberry devices by \$6 per month
- Elimination of \$40,000 in usage beyond the pool
- Reduction in text messaging charges
- Implementation of additional cost saving plans for air cards and modems
- Elimination of monthly system access fee of \$3.75
- Elimination of monthly 911 availability fee of \$0.75
- Elimination of activation fee of \$35.00
- Manage inventory of cellular devices
- Appropriately match user needs with cellular plans

In addition the City is receiving additional savings (average of \$218,000 per year) through bill credits and incentive payments. Accordingly, as outlined in report FCS10029(a), the average annual gross savings when compared to actual spending from the new cellular devices contract is estimated \$352,000 per year. Total gross savings compared to Actuals over the 4 year contract is \$1.4 million. If the contract was extended for a 5th year the total gross savings over 5 years when compared to current actual spending would be \$1.8 million.

It is projected that this contract will result in Net Budget operational savings of a minimum of \$77,700 annually (when compared to the City's 2010 Net Budget) plus another \$1.1 million in incentive payments and bill credits from Bell over a 5 year period. The total average annual net budget savings would be about \$296,000 per year. The total saving on a net budget basis would then be about \$1.5 million. The Net Budget savings is lower than the actual gross spending savings because the City was currently over spending its budget for cellular devices.

Incentives & Credits

A significant portion of the projected savings, come from incentives offered by Bell Mobility to continue our relationship with them. The incentives are available either as cash payments or invoice credits. Over the next four years, these payments will amount to \$931,000. If the contract is extended to a fifth year, the total payments would be \$1.1 million.

Print Services Contract

The Office Printing Equipment and Related Support Services and Supplies Contract, was awarded in July 2010. The award of this contract allows for high-end equipment to be provided at highly competitive pricing and will result in operational net savings of a minimum of \$94,000 annually. Managing the print environment was identified as a key requirement for achieving the projected savings. Print management includes managing new acquisitions, assessing business unit needs, regular reporting on print usage to management, performing trend analysis and managing the services portion of the contract. Print management will enable verification of the savings that are anticipated through rigorous print contract management, as well as, those savings anticipated for the other major IS contracts.

In addition to the minimum net budgetary savings of \$94,000 (when compared to the 2010 budget) projected actual savings of \$700,000 (when compared to the 2010 actual spending) annually can be achieved through print management and would include items such as:

- A 7% overall reduction in hardware.
- Annual guaranteed 5% reduction in operating costs.
- Monitoring of pooled print volumes realizing potential savings.
- Savings of \$19,000 have already been achieved through contract negotiation for minimum volume costs on colour Multi Function Devices (MFD's).
- Annual review of minimum volume commitments to achieve additional savings.
- Monitoring payment of liquidated damages for breach of service levels specified in the RFP.
- Regular reporting and trend analysis of print usage are provided to management, including semi-annual reports to the General Managers and the City Manager.
- Ensuring the required annual operational savings specified in the RFP are obtained.
- Print need assessments are completed and required print equipment is provided to business units.
- Acceptance of allocated equipment has been received from each business unit.
- Requests for new print equipment are received and managed in accordance with the new Print Management Policy.
- Mandated service performance is managed.
- Print volumes and charges associated with them are verified.

Proposed Incentive Spending

	<u>Estimated Cost</u>
1. <u>Contract Administration Staffing</u>	<u>\$87,000/yr</u>

Proposed Incentive Spending Details

It is important that some of these incentives and savings are used to reduce taxation for the City. In addition, contract administration staffing is critical to ensure these large technology contracts are managed to maximize on-going savings and reduce costs.

1. **Contract Administration Staffing – Estimated \$87,000**

The annual net budget savings of \$77,700 from the cellular contract and \$94,000 from the print contract, as well as, yet unknown savings from the desktop contract will only be realized if spending is monitored, expansion is controlled, devices are administered and appropriate plans/devices are allocated. One additional contract management FTE would be allocated as a Contract Analyst (refer to Appendix A to report FCS11024 for the Job Description). Information Services is currently funding a temporary Contract Analyst position to assist in the roll-out of the print services and cellular contracts. The funding and term of this position expires in July, 2011. The Contract Analyst position would assist IS and the Contract Administration section with the following tasks:

Cellular Services

- Monitoring & analysis - Invoices must be monitored to ensure changes are properly reflected in a timely manner. This monitoring includes analysis of changes in user behaviour such as an increase in long distance or text messaging requiring plan adjustments to offset costs.
- Reporting – Monthly and quarterly reporting to business units and executive management will be completed by the Contract Analyst. Reporting will help identify normal business cellular costs, outliers and cost drivers.
- Cellular Plans - It is essential that plans be added and removed as necessary to ensure costs are minimized when and as device use changes. For example, when devices are taken outside of Canada significant additional charges can be incurred if the device is not on the proper plan.
- Terminations – The Contract Analyst position will ensure timely termination or suspension of cellular device plans. Without this

oversight the City has historically seen a number of devices being billed with zero minutes of use (air time). This also includes air cards (zero data usage).

Print Services

- This position would also look after the print services program consolidated in IS as part of the new contract (awarded to Ricoh). The new print services program includes a number of success metrics and trend analysis which the print management policy (approved in 2010) requires. These metrics are to be reported to city management regularly. This position would ensure the metrics are compiled and reported on in a timely manner. In addition to trend analysis reports alerting on cost outliers metrics include (but not limited to);
 - Number of impressions (by department)
 - Number of devices (and ratio to staff)
 - Duplexing percentage (and trees saved from duplexing)
 - Energy consumption

ALTERNATIVES FOR CONSIDERATION:

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

The alternative would be to continue with the current practice of having each business unit independently manage and account for cellular and print costs. This has proven ineffective and does not align with Council's approach to consolidate responsibility in Information Services for these programs.

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

- ◆ Financially Sustainable City by 2020
- ◆ Effective and Sustainable Growth Management

APPENDICES / SCHEDULES

Appendix A to Report FCS11024 – Contract Analyst Job Description.

CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT **(INFORMATION SERVICES DIVISION – INFRASTRUCTURE & OPERATIONS -** **LOCATION – 55 YORK BLVD., 6th FLOOR)**

CONTRACT ANALYSTS/IS BUSINESS INITIATIVES CO-ORDINATOR – CUPE 5167 **(1 TEMPORARY FULL TIME POSITION)**

SUMMARY OF DUTIES

Reporting to the Supervisor, Contract Administration the IS Business Initiatives Coordinator is responsible for: the preparation and monitoring of the Information Services (IS) Divisions service level agreements and contracts; preparing regular reporting for Senior Management: reviewing the on-going savings and expenditures related to specific IS contracts, conducting regular performance reviews with existing vendors and leading service management reviews. Overseeing new and existing IS technology to ensure most efficient usage, by monitoring and analyzing trends in usage in order to recommend efficiencies and potential savings. Assist in defining contracts which support business goals in collaboration with IS Management and stakeholders.

GENERAL DUTIES

Coordinates and leads regular reviews with vendors to ensure that the required financial targets in IS contracts are being met and oversees the achievement of targeted reductions in equipment and targeted savings as laid out in IS contracts.

Collaborates, with IS management to develop and maintain IS print equipment strategies and coordinates the negotiation, preparation and monitoring of the Division's: service level contracts.

Develops templates to assist IS sectional staff with the preparation of Requests for Information (RFI), Requests for Proposals (RFP).

Performs data collection and trends analysis for technology usage using workflow software and makes recommendations for changes to improve efficiency and performance.

Prepares regular reports to all levels of management, regarding technology usage throughout the City, highlighting, problems encountered, as well as overall results achieved on existing contracts.

Maintains an agreement, (i.e. service level, licence, inventory, etc.) tracking database to ensure the timely review and renewal of such contracts.

Works with the IS Service Desk to coordinate new equipment delivery and installation and allocation.

Resolves and any discrepancies associated with the contracts and escalates if necessary

Processes and makes recommendations on requests for new equipment following entitlement policy.

Develop Key Performance Indicators (KPI's)

Monitors contract performance for compliance with organizational needs and requirements, including follow-up checks for corrective action and escalates if necessary.

Where necessary, provides appropriate contract information to accounting and purchasing departments.

Coordinates and maintains communications with City staff regarding IS equipment and the policies and procedures regarding the on-going management of IS equipment acquisition and usage.

Develops/Executes/Collates results of customer satisfaction surveys

Works with vendor and IS Service Desk to organise training for staff during major IS equipment deployments.

Performs other duties as assigned which are directly related to the major responsibilities of the position.

Works in accordance with the provisions of the applicable Health and Safety legislation and all City of Hamilton corporate and departmental policies and procedures related to Occupational Health and Safety.

QUALIFICATIONS

1. University Degree or College Diploma in Business Administration, Information Systems, Computer Technology or related discipline.
2. Progressive work experience/knowledge in the areas of agreement administration, cost recovery/analysis.

3. Excellent verbal and written communication skills, with the ability to communicate effectively with all levels of staff and management.
4. Excellent organizational and time management skills. Demonstrated ability to organize work, set priorities and meet deadlines.
5. Previous experience in and knowledge of the principles, practices, policies and procedures of municipal contracts and budgets.
6. Previous project management experience in conducting business process reviews and developing policies and procedures.
7. Knowledge of IS service level management.
8. Ability to deal tactfully with vendors and suppliers who provide a broad spectrum of products and services.
9. Demonstrated ability to research, analyze and interpret statistical, financial and business practices information.
10. Must have excellent problem solving and negotiation skills.
11. Working knowledge of Microsoft Office programs (Microsoft Outlook, Word, Excel, MS Project and database software).

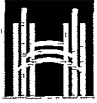
SALARY:

Salary Grade M

\$32.359 - \$33.830 - \$35.301 - \$36.772 per hour

HOURS:

35 hours per week



Hamilton

CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division

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

RECOMMENDATION

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

EXECUTIVE SUMMARY

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

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

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).

	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)
TOTAL	(5,951,300)	(394,200)	(6,345,500)

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

HISTORICAL BACKGROUND (Chronology of events)

As directed by the General Issues Committee (GIC) on January 21st, 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	\$	%
CITY MANAGER							
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%
TOTAL CITY MANAGER	8,824,763	8,907,694	8,914,398	0	8,914,398	89,635	1.0%

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



Hamilton

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

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

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



City Manager's Office

2011 Budget

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 Licenses, Bylaws, and enforcement, LRT Project, Ongoing Civil Litigation

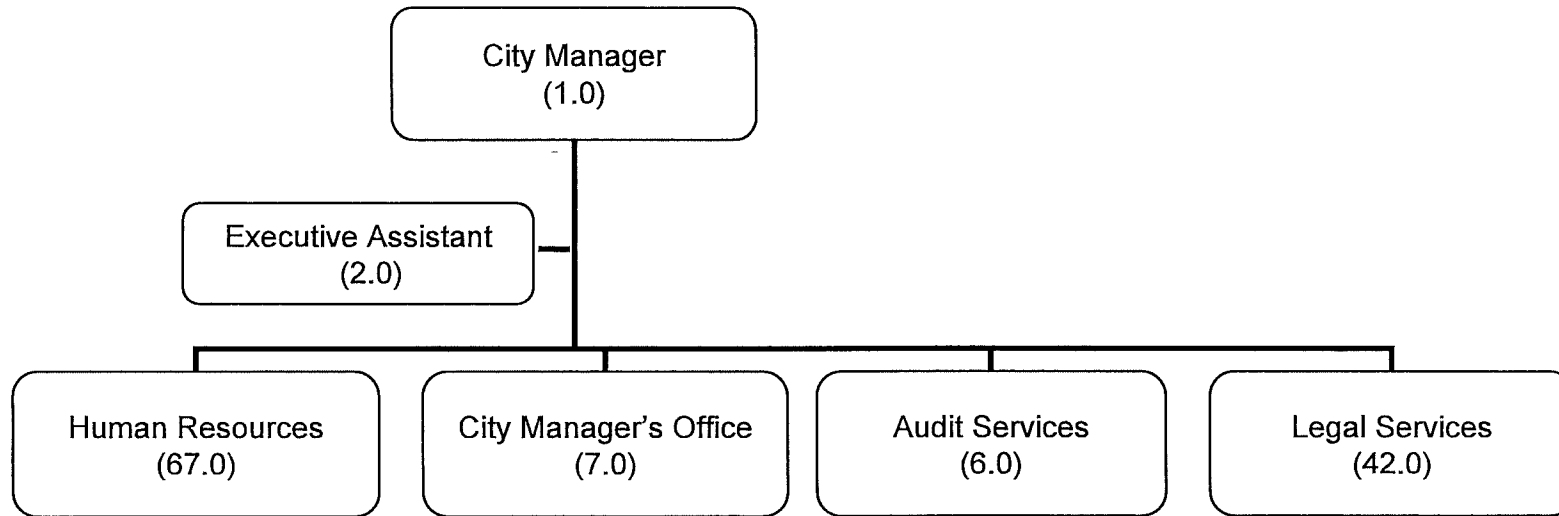
Corporate Priority Plan and Strategic Plan are included in the 2011 Tax Supported Operating Budget report



City Manager's Office

2011 Budget

OVERVIEW



Complement (FTE)	Management	Other	Total	Staff to Mgt Ratio
2010	14.0	110.0*	124.0	7.86
2011	14.0	110.0*	124.0	7.86
Change	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) through a user centred design methodology



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%
NET LEVY	8,824,763	8,907,694	8,914,398	0	8,914,398	89,635	1.0%

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Cost Category

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>	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%
TOTAL EXPENDITURES	11,025,206	10,974,982	11,150,891	0	11,150,891	125,685	1.1%
<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)%
TOTAL REVENUES	(2,200,443)	(2,067,289)	(2,236,493)	0	(2,236,493)	(36,050)	(1.6)%
NET LEVY	8,824,763	8,907,694	8,914,398	0	8,914,398	89,635	1.0%

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)%
NET LEVY	1,215,733	777,267	1,248,596	0	1,248,596	32,863	2.7%

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

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

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

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



Hamilton

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 HPPFA 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 Award for City of Hamilton Public Service Excellence (F1-DER1.4)

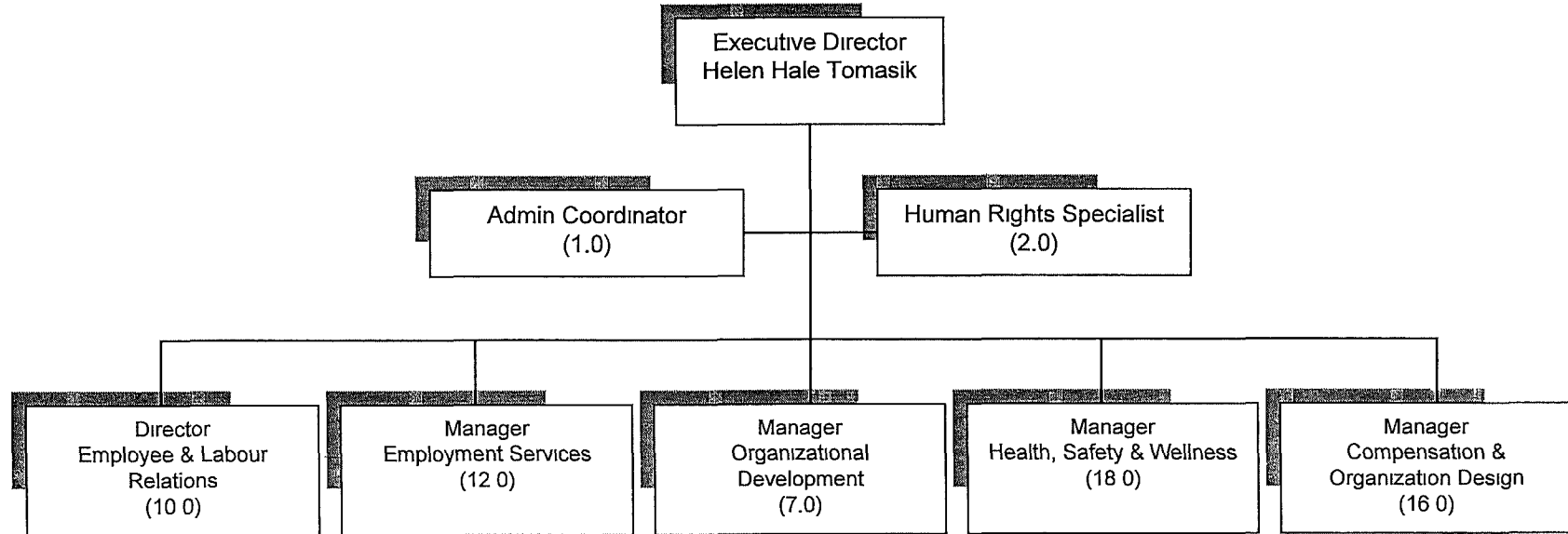
Corporate Priority Plan and Strategic Plan are included in the 2011 Tax Supported Operating Budget report



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%
NET LEVY	4,746,474	4,296,757	4,746,147	0	4,746,147	(327)	(0.0)%

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%
TOTAL EXPENDITURES	6,368,147	5,785,276	6,403,870	0	6,403,870	35,723	0.6%
<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)%
TOTAL REVENUES	(1,621,673)	(1,488,519)	(1,657,723)	0	(1,657,723)	(36,050)	(2.2)%
NET LEVY	4,746,474	4,296,757	4,746,147	0	4,746,147	(327)	0.0%

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

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



City Manager's Office

2011 Budget

AUDIT SERVICES

Corporate Priority Plan / Strategic Plan – 2010 Accomplishments

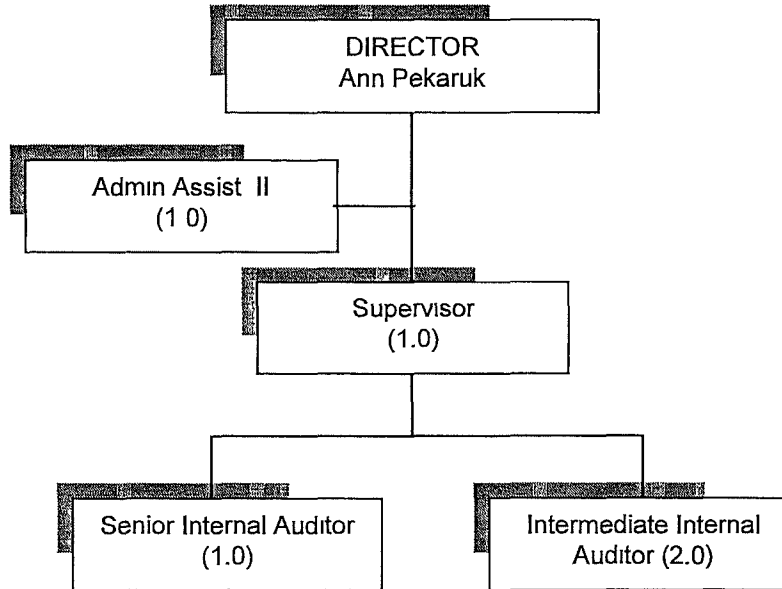
- Completion of 11 audits and reviews, 13 follow ups and 1 fair wage compliance review; 5 other audits/reviews are currently in progress resulting in a 93% completion rate for the 2010 Council approved work plan
- 202 audit recommendations made to strengthen controls and improve efficiency and effectiveness 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

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%
NET LEVY	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%
TOTAL EXPENDITURES	657,081	612,580	660,784	0	660,784	3,703	0.6%
TOTAL REVENUES	0	0	0	0	0	0	0.0%
NET LEVY	657,081	612,580	660,784	0	660,784	3,703	0.6%

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

2010 NET BUDGET	\$2,205,475
2011 NET REQUESTED BUDGET	\$2,258,871
2011 NET CHANGE	\$53,396
2011 FTE	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 Priority Plan and Strategic Plan are included in the 2011 Tax Supported Operating Budget report

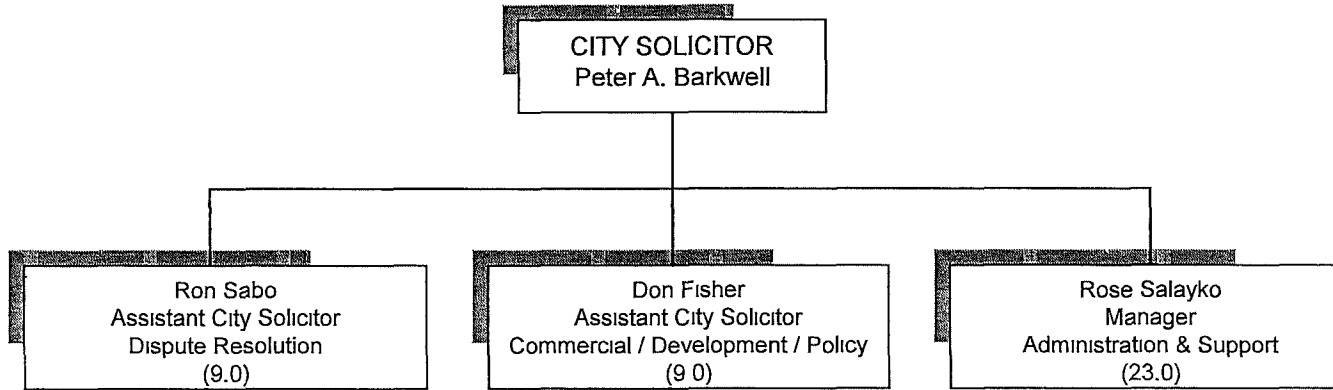


Hamilton

Corporate Services

2011 Budget

LEGAL SERVICES



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

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Program

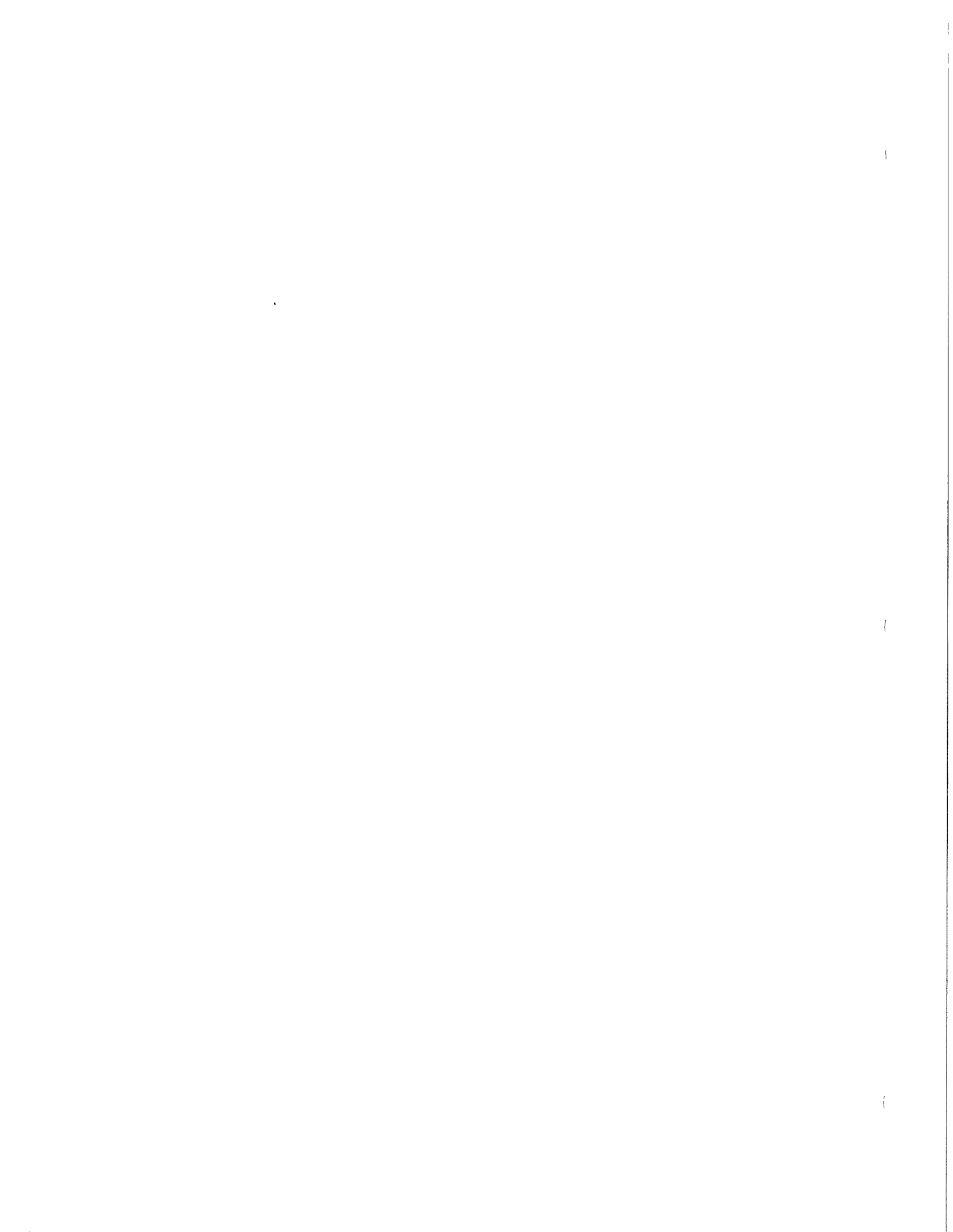
Legal

	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%
NET LEVY	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%
TOTAL EXPENDITURES	2,784,245	3,799,860	2,837,641	0	2,837,641	53,396	1.9%
<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%
TOTAL REVENUES	(578,770)	(578,770)	(578,770)	0	(578,770)	0	0.0%
NET LEVY	2,205,475	3,221,090	2,258,871	0	2,258,871	53,396	2.4%





Hamilton

CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: February 17, 2011	
SUBJECT/REPORT NO: 2011 Tax Supported Operating Budget – Corporate Services (FCS11023c) (City Wide)	
SUBMITTED BY: Roberto Rossini General Manager Finance & Corporate Services Department	PREPARED BY: Gershom Moyo (905) 546-2424 ext 4522 Tom Hewitson (905) 546-2424 ext 4159
SIGNATURE:	

RECOMMENDATION

- (a) That the 2011 net operating levy for Corporate Services of \$18,870,924 be approved;
- (b) That the 2011 Requested Program Enhancements pertaining to Corporate Services as per Appendix Three to report FCS11023c be approved.

EXECUTIVE SUMMARY

The draft 2011 Corporate Services budget is submitted for Council's consideration.

2010 Budget	\$18,935,900
2011 Base Budget ¹	\$18,870,900
2011 Savings Options	\$0
2011 Draft Budget	\$18,870,900
\$ Change	(\$65,000)
% Change	(0.3%)

¹ inclusive of base budget savings (see Appendix Two for details)

As shown above, the draft 2011 Corporate Services budget results in a net levy reduction of approximately -\$65,000 or -0.3%. The major cost drivers being:

- ✓ Increase in OMERS costs \$195,000
- ✓ Increase in Government/Employer Benefits \$88,900
- ✓ Software License Fees \$178,000
- ✓ Net Increase in Investment Income \$(201,000)

These increases have been mitigated by reductions in administrative and operating expenses across the department. As well, there has been an increase in cost recoveries from eligible program areas and capital projects in line with the Council approved cost recovery methodology

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. Appendix Two to report FCS11023c identifies these base budget savings totalling -\$193,000 (updated from -\$144,000 identified in the Budget Summary Report FCS11023) which have been identified within the Corporate Services budget.

Requested Program Enhancements

Corporate Services is requesting additional program enhancements totalling \$184,000 (net) / 3.0 FTE as identified in the following table. These enhancements are not included in the draft 2011 budget pending Council consideration.

Requested Program Enhancements	FTE	Annualized Impact	
		Gross	Net
Provide a single point of contact for Automated Vehicle Location for EMS, Water, and By-law enforcement	0.50	46,500	-
Wireless Network expansion required for various City departments	1.00	97,000	97,000
Infrastructure sustenance required for Transit support systems	0.50	46,500	-
Manage Office Printing and Supplies Contract per Audit recommendation	1.00	87,000	87,000
Total Requested Program Enhancements	3.00	\$ 277,000	\$ 184,000

The detailed forms on these requested program enhancements are included in Appendix Three to report FCS11023c.

Complement

The 2011 draft complement for the Corporate Services is 300.84 FTE, representing a reduction of -1.06 FTE when compared to the 2010 restated complement. This reduction is as a result of -1.0 FTE reduction to a Customer Service Representative and a small -0.06 FTE reduction for a part-time student in Clerks.

	2010		2011 Draft	2011 Draft vs 2010 Restated	
	Approved	Restated			
Corporate Services	301.90	301.90	300.84	(1.06)	-0.4%

Alternatives for Consideration – See Page 5

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

Financial: The draft 2011 Corporate Services budget results in a net levy decrease of approximately -\$65,000 or -0.3%.

Staffing: The draft 2011 Corporate Services budget results in a complement of 300.84 FTE. This represents a reduction of -1.06 FTE from the 2010 restated complement.

Legal: N/A

HISTORICAL BACKGROUND (Chronology of events)

As directed by the General Issues Committee (GIC) on January 21st, staff are bringing forward the 2011 draft budget based on the City's current position. The budget summaries and overviews for Corporate Services are included in the attached Appendix One to report FCS11023c. 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 Corporate Services draft budget is decreasing by approximately -\$65,000 or -0.3%. 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	\$	%
CORPORATE SERVICES							
Administration	237,067	227,891	235,575	0	235,575	(1,492)	(0.6)%
Financial Planning and Policy (1)	878,483	450,685	504,926	0	504,926	(373,558)	(42.5)%
City Clerk	1,489,222	1,499,222	1,512,152	0	1,512,152	22,930	1.5%
Customer Service, Access & Equity	4,453,897	4,259,053	4,468,487	0	4,468,487	14,590	0.3%
Information Services (2)	7,231,723	7,231,723	7,430,666	0	7,430,666	209,428	2.9%
Treasury Services	4,655,967	4,939,261	4,719,118	0	4,719,118	63,152	1.4%
TOTAL CORPORATE SERVICES	18,935,874	18,607,835	18,870,924	0	18,870,924	(64,950)	(0.3)%

Major year-on-year variances are due to the following:

1. Financial Planning & Policy
 - ✓ Increase in cost recoveries \$ (222,000)
 - ✓ Net increase in investment income \$ (201,000)
 - ✓ Increase in Govt/Employer Benefits \$ 48,000

2. Information Services
 - ✓ Increase in Software License Fees \$ 178,000

- ✓ Increase in Govt/Employer Benefits \$83,000
- ✓ Reductions in administrative and operating costs \$(52,000)

Increases in the other divisions are largely driven by OMERS and benefits costs.

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 Two – 2011 Base Budget Savings

Appendix Three – 2011 Requested Program Enhancements

APPENDIX 1
DEPARTMENT / DIVISIONAL OVERVIEWS

2011 Budget

CORPORATE SERVICES



Hamilton

Corporate Services

2011 Budget

OVERVIEW

Major CHALLENGES the Department is facing, today...

- Financial Sustainability and need to grow the economy and non-residential tax base
- 2011 Budget challenges and pressures and keep tax increase to 2% or less.
- Tax Arrears and Revenue pressures eg. POA, Supplementary Assessment
- Lack of IT resources and investments
- Web site problems: governance, search engine, managing info, more business transactions, etc.
- Increasing Customer Service expectations, AODA Legislation & Regulatory compliance
- Proactive Risk Management and reducing legal exposures and law suits
- Maintaining a balance between effective, streamlined Purchasing and transparency / fairness
- Post Election de-brief / Ward Boundary Review for 2014 Election
- Demands to continually reduce costs, but achieve results with limited resources
- Infrastructure financing and impacts on future debt and reserves
- Need for change management process, tools and resources to assist in development and implementation of efficiency measures
- Legislative changes (Bill 212) affecting POA



Corporate Services

2011 Budget

OVERVIEW

Corporate Priority Plan / Strategic Plan – 2011 Initiatives/Objectives

- Continue to maintain 90% rate responding to MFIPPA requests within 30 days
- Move to new facility for off-site records storage
- 2010 Municipal Election de-brief and Ward Boundary Review
- Implementation of Payment Card Industry (PCI) Compliance requirements for Credit Card Security
- Accounts Payable Program Review
- Review & Improvement of Efficiencies in Payment Processing
- Pan Am Games (stadium and Velodrome Business Case and Financing Plan, and Social Inclusion Strategy)
- Preparing Financial Sustainability Plan
- Continuing to lobby the Province for fair funding and uploading the cost of social services
- Building an Information Services Strategy
- Institute dynamic pension investments policy
- Implement new corporate contracts and management policies for printers, cellular devices and desktops/laptops
- Develop 2011 Departmental Business and Work plans
- Maintain City Credit Rating (F2-DER 2.2)
- Call Rationalization Implementation
- Implement Workforce Management & Quality Monitoring
- Corporate implementation of AODA Regulations
- Developing and implementing the 2011 AODA Accessibility Plan
- Implementing the Equity & Inclusion Policy – tools development & communications
- Review, Revise and Develop Financial Policies and Procedures (F2-DER 2.2)
- Initiate Development of Multi-Year Budgeting and Business Planning (F2)
- Performance Management “Dashboard” Pilot Project (F2)
- Manage Development Charge Appeals (F2)
- Deliver 2011 Levy Rate Supported Budgets (F2)
- Build Disaster Recovery Facility
- Implement recommendations from the Purchasing Program Review

Corporate Priority Plan and Strategic Plan are included in the 2011 Tax Supported Operating Budget report

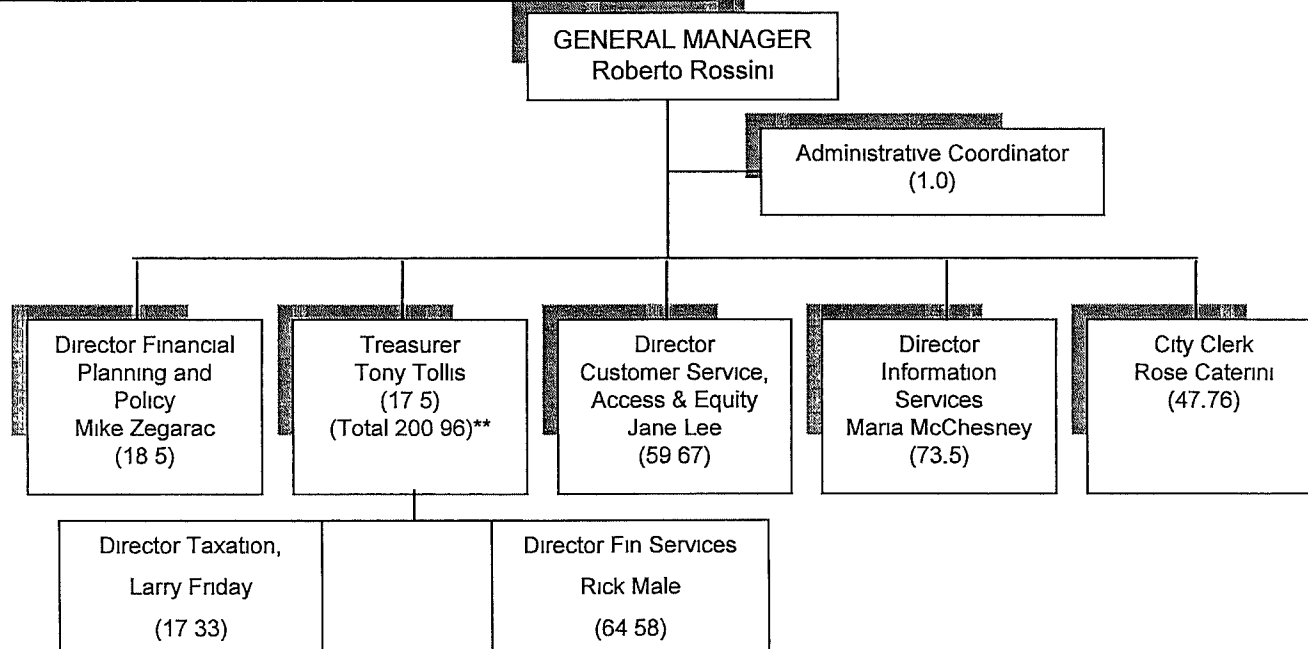


Hamilton

Corporate Services

2011 Budget

OVERVIEW



Complement (FTE)	Management	Distributed Management**	Other Staff	Distributed Staff**	Total	Staff to Mgt Ratio
2010	23.00	3.00	277.84	98.55	402.39	14.48
2011	25.00	3.00	275.84	98.55	402.39	13.37
Change	2.00	0.00	(2.00)	0.00	0.00	(1.13)

** Includes 101.55 fte F&A staff whose budgets are included within operating departments

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Program

Corporate Services

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
City Clerk	1,489,222	1,499,222	1,512,152	0	1,512,152	22,930	1.5%
Corporate Services - Administration	237,067	227,891	235,575	0	235,575	(1,492)	(0.6)%
Customer Service	4,453,897	4,259,053	4,468,487	0	4,468,487	14,590	0.3%
Financial Planning & Policy	878,483	450,685	504,926	0	504,926	(373,558)	(42.5)%
Information Services	7,221,238	7,231,723	7,430,666	0	7,430,666	209,428	2.9%
Treasury Services							
> <i>Financial Services</i>	3,303,748	3,350,000	3,359,606	0	3,359,606	55,858	1.7%
> <i>Taxation</i>	707,109	705,200	683,497	0	683,497	(23,612)	(3.3)%
> <i>Other</i>	<u>645,110</u>	<u>884,061</u>	<u>676,016</u>	<u>0</u>	<u>676,016</u>	<u>30,905</u>	<u>4.8%</u>
<i>Total</i>	4,655,967	4,939,261	4,719,118	0	4,719,118	63,152	1.4%
NET LEVY	18,935,874	18,607,835	18,870,924	0	18,870,924	(64,950)	(0.3)%

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

Corporate Services

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
EMPLOYEE RELATED COST	25,927,230	26,024,313	26,123,066	0	26,123,066	195,835	0.8%
MATERIAL AND SUPPLY	2,328,463	2,433,970	2,486,544	0	2,486,544	158,081	6.8%
VEHICLE EXPENSES	22,190	22,190	23,300	0	23,300	1,110	5.0%
BUILDING AND GROUND	417,454	416,622	355,288	0	355,288	(62,166)	(14.9)%
CONSULTING	199,470	199,470	201,470	0	201,470	2,000	1.0%
CONTRACTUAL	2,895,990	2,901,223	2,906,542	0	2,906,542	10,552	0.4%
RESERVES / RECOVERIES	(2,066,606)	(2,119,288)	(2,039,754)	0	(2,039,754)	26,852	1.3%
COST ALLOCATIONS	(4,490,462)	(4,470,361)	(4,734,766)	0	(4,734,766)	(244,304)	(5.4)%
FINANCIAL	1,079,020	1,087,661	1,199,720	0	1,199,720	120,700	11.2%
TOTAL EXPENDITURES	26,312,749	26,495,800	26,521,409	0	26,521,409	208,660	0.8%
FEES AND GENERAL	(5,987,433)	(6,431,255)	(6,054,354)	0	(6,054,354)	(66,921)	(1.1)%
TAX AND RATES	(130,000)	(130,000)	(133,000)	0	(133,000)	(3,000)	(2.3)%
RESERVES	(1,259,442)	(1,326,710)	(1,463,131)	0	(1,463,131)	(203,689)	(16.2)%
TOTAL REVENUES	(7,376,875)	(7,887,965)	(7,650,485)	0	(7,650,485)	(273,610)	(3.7)%
NET LEVY	18,935,874	18,607,835	18,870,924	0	18,870,924	(64,950)	(0.3)%

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Program

Corporate Services - Administration
--

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
General Manager	237,067	227,891	235,575	0	235,575	(1,492)	(0.6)%
NET LEVY	237,067	227,891	235,575	0	235,575	(1,492)	(0.6)%

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Cost Category

Corporate Services - Administration

	2010	2010	2011	2011	2011	2010 Budget /	
	Budget	Projected Actual	Base Budget	Savings Options	Draft Budget	\$	%
<i>EMPLOYEE RELATED COST</i>	326,870	317,602	324,332	0	324,332	(2,538)	(0.8)%
<i>MATERIAL AND SUPPLY</i>	7,730	7,730	7,730	0	7,730	0	0.0%
<i>BUILDING AND GROUND</i>	460	460	340	0	340	(120)	(26.1)%
<i>CONTRACTUAL</i>	5,806	5,890	5,890	0	5,890	84	1.4%
<i>RESERVES / RECOVERIES</i>	8,702	8,710	8,682	0	8,682	(20)	(0.2)%
<i>COST ALLOCATIONS</i>	(116,211)	(116,211)	(115,108)	0	(115,108)	1,103	0.9%
<i>FINANCIAL</i>	3,710	3,710	3,710	0	3,710	0	0.0%
TOTAL EXPENDITURES	237,067	227,891	235,575	0	235,575	(1,492)	(0.6)%
TOTAL REVENUES	0	0	0	0	0	0	0.0%
NET LEVY	237,067	227,891	235,575	0	235,575	(1,492)	(0.6)%

Corporate Services

2011 Budget

CITY CLERK'S

Purpose / Function

- To provide efficient and timely support and regulatory programs to Council, citizens, staff and external groups in order to ensure compliance with legislative requirements and procedures.

Services Provided

Information Management and Records

Vital Statistics

Legislative Services

Print Shop / Mail Room

Provincial Offences Court Admin

Freedom of Information

Elections

2010 NET BUDGET	\$1,489,222
2011 NET REQUESTED BUDGET	\$1,512,152
2011 NET CHANGE	\$22,930
2011 FTE	47.76



Hamilton

Corporate Services

2011 Budget

CITY CLERK'S

Corporate Priority Plan / Strategic Plan – 2010 Accomplishments

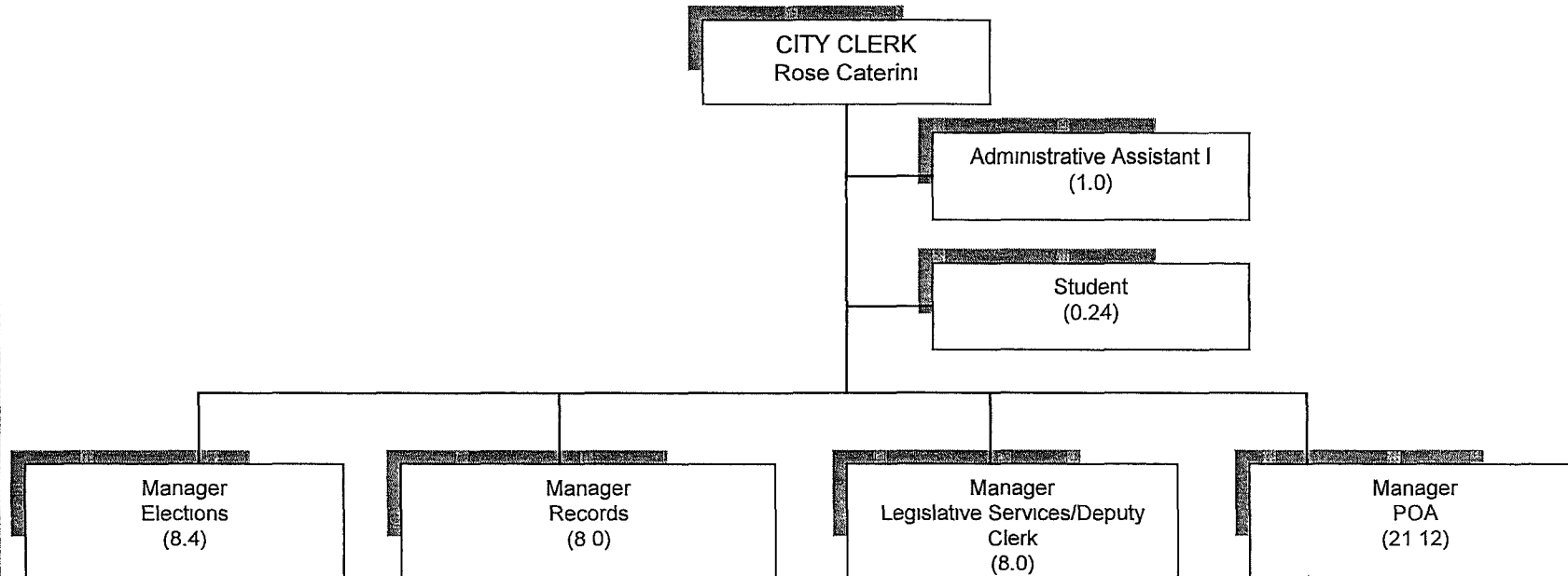
- Maintained 90% plus response rate on responding to MFIPPA requests within 30 days
- Updated Procedural By-law enacted incorporating amendments to legislation and parliamentary practice
- Implementation of Electronic Document Records Management System
- Supported Governance Committee
- Implementation of 2010 Municipal Election
- New term Governance Meetings – Orientation Meeting, Nominating Meeting & Inaugural Meeting
- Organized orientation sessions for Citizens applying to Volunteer Committees
- Participated in implementation of electronic voting system in Council Chambers
- Participated in implementing webcasting services for Council/Committee meetings to improve customer service to public



Corporate Services

2011 Budget

CITY CLERK'S



Complement (FTE)	Management	Other	Total	Staff to Mgt Ratio
2010	4.00	43.82	47.82	10.96
2011	6.00	41.76	47.76	6.96
Change	2.00	(2.06)	(0.06)	(4.0)



CITY OF HAMILTON

2011 TAX OPERATING BUDGET

By Program

City Clerk

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
City Clerk - Admin	1,705	0	(3,965)	0	(3,965)	(5,670)	(332.5)%
Counter Services	(166,299)	(160,000)	(164,567)	0	(164,567)	1,732	1.0%
Elections	246,720	252,685	249,382	0	249,382	2,662	1.1%
FOI	112,569	110,500	125,446	0	125,446	12,877	11.4%
Legislative Support	735,822	729,562	723,445	0	723,445	(12,377)	(1.7)%
POA	0	0	0	0	0	0	0.0%
Print & Mail	155,718	159,584	169,410	0	169,410	13,692	8.8%
Records	402,986	406,891	412,999	0	412,999	10,013	2.5%
NET LEVY	1,489,222	1,499,222	1,512,152	0	1,512,152	22,930	1.5%

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Cost Category

City Clerk

	2010	2010	2011	2011	2011	2010 Budget /	
	Budget	Projected Actual	Base Budget	Savings Options	Draft Budget	2011 Draft \$	%
<i>EMPLOYEE RELATED COST</i>	3,983,182	4,091,800	3,981,397	0	3,981,397	(1,785)	(0.0)%
<i>MATERIAL AND SUPPLY</i>	864,947	867,493	864,947	0	864,947	0	0.0%
<i>VEHICLE EXPENSES</i>	17,150	17,150	18,140	0	18,140	990	5.8%
<i>BUILDING AND GROUND</i>	151,222	151,494	149,920	0	149,920	(1,302)	(0.9)%
<i>CONTRACTUAL</i>	416,834	420,398	417,105	0	417,105	271	0.1%
<i>RESERVES / RECOVERIES</i>	(572,995)	(556,435)	(552,378)	0	(552,378)	20,617	3.6%
<i>COST ALLOCATIONS</i>	(479,527)	(477,400)	(561,750)	0	(561,750)	(82,223)	(17.1)%
<i>FINANCIAL</i>	501,930	530,830	501,930	0	501,930	0	0.0%
TOTAL EXPENDITURES	4,882,743	5,045,330	4,819,311	0	4,819,311	(63,432)	(1.3)%
<i>FEES AND GENERAL</i>	(3,351,811)	(3,504,398)	(3,265,449)	0	(3,265,449)	86,362	2.6%
<i>RESERVES</i>	(41,710)	(41,710)	(41,710)	0	(41,710)	0	0.0%
TOTAL REVENUES	(3,393,521)	(3,546,108)	(3,307,159)	0	(3,307,159)	86,362	2.5%
NET LEVY	1,489,222	1,499,222	1,512,152	0	1,512,152	22,930	1.5%

Corporate Services

2011 Budget

CUSTOMER SERVICE, ACCESS & EQUITY

Purpose / Function

- Customer service through telephone & e-mail at the Customer Contact Centre 546-CITY (2489); a 24/7 operation which responds to After Hours Municipal Emergency calls
- In person customer service at the Citizen Service Centre in City Hall & 5 Municipal Service Centres
- Access & Equity Office develops & implements internal & external initiatives that ensure equitable & inclusive access to city services, programs & opportunities
 - work with departments & community to identify needs, barriers & strategies to address inequities,
 - an emphasis on anti-racism and accessibility;
- Provide support/training/advice to internal departments & Council regarding customer service, access & equity matters

Services Provided

- Administration
- Customer Contact Centre
- Access & Equity
- Municipal Service Centres

2010 NET BUDGET	\$4,453,897
2011 NET REQUESTED BUDGET	\$4,468,487
2011 NET CHANGE	\$14,590
2011 FTE	59.67



Corporate Services

2011 Budget

CUSTOMER SERVICE, ACCESS & EQUITY

Corporate Priority Plan / Strategic Plan – 2010 Accomplishments

- Completed consolidation of Citizen Service Centre at City Hall
- Completed restructuring of Municipal Service Centre staffing model
- Confirmed Service Canada partnership to expand service to Ancaster Municipal Service Centre and Citizen Service Centre at City Hall
- Workforce and Quality Management project launch at Customer Contact Centre
- Developed an enhanced security plan at Customer Contact Centre with Bill 168 amendments to the Occupational Health and Safety Act
- Enhanced Customer Contact Centre Business Continuity Plan
- Analysis of operational impacts and development of preliminary steps to implementation of the Call Handling Efficiency Review
- Completion and Approval of Corporate Equity and Inclusion policy
- Continued inter-departmental implementation of the Customer Service Standard of the Accessibility for Ontarians with Disabilities Act
- Developed policies and procedures for implementation of AODA Customer Service Standard
- Completion of first Compliance report for Compliance with the AODA Customer Service Standard
- Completed AODA Customer Service Handbook
- Completed 2010 Accessibility Plan

Corporate Priority Plan and Strategic Plan are included in the 2011 Tax Supported Operating Budget report

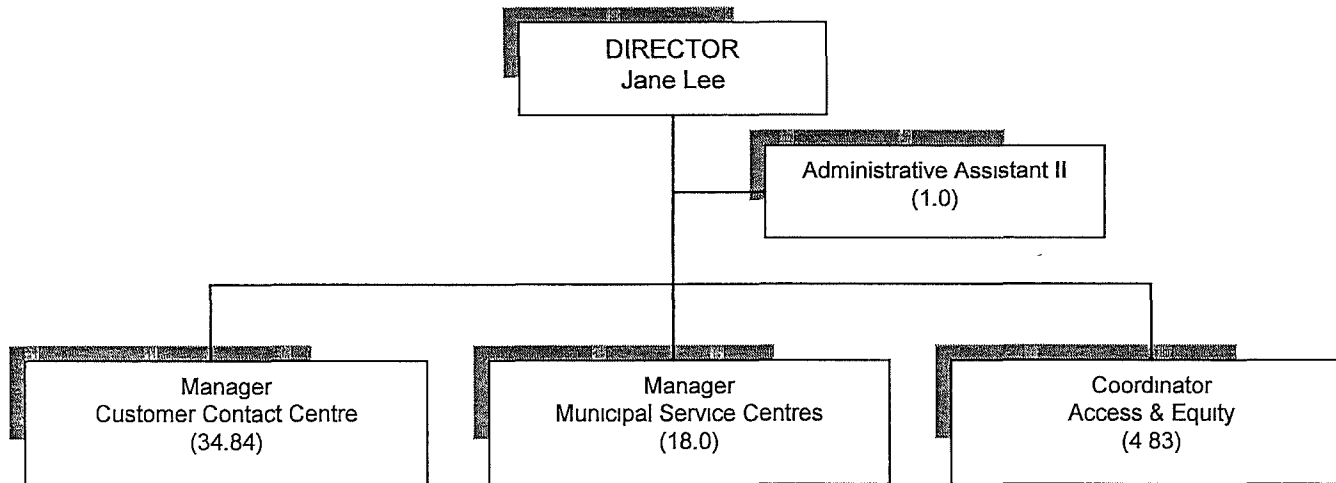


Hamilton

Corporate Services

2011 Budget

CUSTOMER SERVICE, ACCESS & EQUITY



Complement (FTE)	Management	Other	Total	Staff to Mgt Ratio
2010	4.00	56.67	60.67	14.17
2011	4.00	55.67	59.67	13.92
Change	0.00	(1.00)	(1.00)	(0.25)



CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Program

Customer Service

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Access & Equity	475,716	558,329	485,574	0	485,574	9,858	2.1%
AODA Accessibility	100,000	0	100,000	0	100,000	0	0.0%
Customer Contact Centre	2,296,878	2,124,695	2,277,501	0	2,277,501	(19,378)	(0.8)%
Customer Service - Administration	287,004	286,452	290,007	0	290,007	3,003	1.0%
Municipal Service Centre	1,294,298	1,289,577	1,315,406	0	1,315,406	21,107	1.6%
NET LEVY	4,453,897	4,259,053	4,468,487	0	4,468,487	-14,590	0.3%

CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Cost Category

Customer Service

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
<i>EMPLOYEE RELATED COST</i>	4,144,159	3,953,460	4,175,206	0	4,175,206	31,047	0.7%
<i>MATERIAL AND SUPPLY</i>	95,687	94,487	94,487	0	94,487	(1,200)	(1.3)%
<i>BUILDING AND GROUND</i>	77,492	76,388	63,430	0	63,430	(14,062)	(18.1)%
<i>CONSULTING</i>	149,510	149,510	149,510	0	149,510	0	0.0%
<i>CONTRACTUAL</i>	82,716	77,975	83,194	0	83,194	478	0.6%
<i>RESERVES / RECOVERIES</i>	89,013	91,913	87,340	0	87,340	(1,673)	(1.9)%
<i>COST ALLOCATIONS</i>	(213,740)	(213,740)	(213,740)	0	(213,740)	0	0.0%
<i>FINANCIAL</i>	29,060	29,060	29,060	0	29,060	0	0.0%
TOTAL EXPENDITURES	4,453,897	4,259,053	4,468,487	0	4,468,487	14,590	0.3%
NET LEVY	4,453,897	4,259,053	4,468,487	0	4,468,487	14,590	0.3%

Corporate Services

2011 Budget

FINANCIAL PLANNING & POLICY

Purpose / Function

- To provide sound financial planning in the areas of Operating and Capital Budgets, Tax and Fiscal Policy, and Investments, as well as, providing accurate and timely financial information to Senior Management Team and Council.

Services Provided

Provides corporate financial planning, policy and strategic advice through the General Manager of Finance and Corporate Services, to Council, its committees, the City Manager, and to divisions, agencies, boards and commissions.

Performs short and long-term borrowing and investment for the Corporation, and develops and monitors related policies

2010 NET BUDGET	\$878,483
2011 NET REQUESTED BUDGET	\$504,926
2011 NET CHANGE	\$(373,558)
2011 FTE	18.5



Corporate Services

2011 Budget

FINANCIAL PLANNING & POLICY

Corporate Priority Plan / Strategic Plan – 2010 Accomplishments

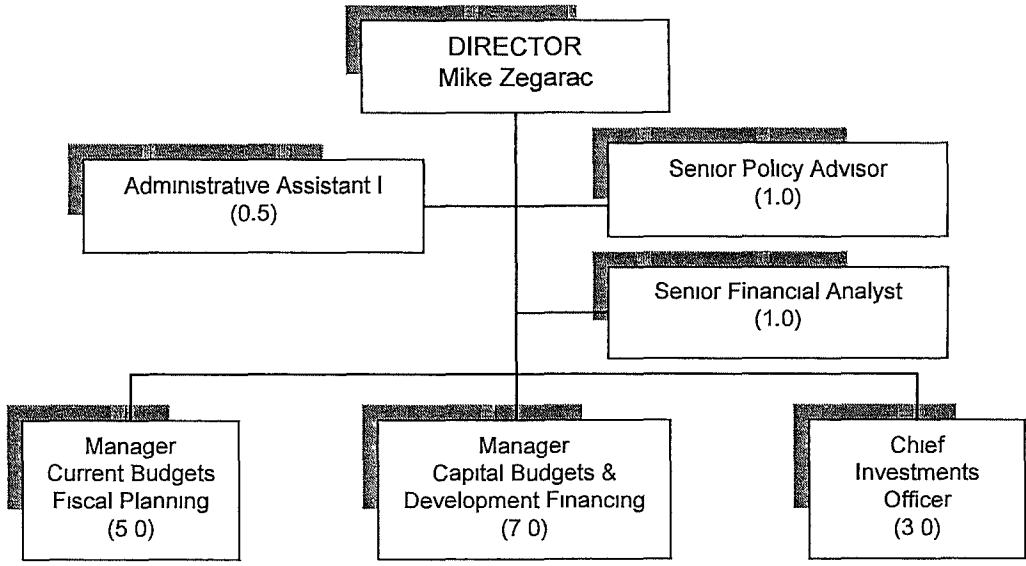
- Review /revise & develop Financial Policies and Procedures F2-DER 2.1
- Maintain City Credit Rating AA Stable F2-DER 2.2
- Completed and received Council approval for 2009 Annual Reserve Report F2-DER 2.2
- Coordinated and completed working group review of Works in Progress (WIPs) F2-DER 2.6
- Ongoing maintenance of Development Agreements F2-DER 2.3
- Supported in the Area Rating Review – Citizens Panel F7
- Completed and received Council approval of 2010 Tax-Supported Capital Budget and 2010-2019 Capital Forecast F2-DER 2.6
- Completed and received Council approval of 2010 Tax-Supported and Rate-Supported Budgets F2-DER 2.1
- Federal Gas tax Amending Agreement Executed for 2010-2104 F2-DER 2.6
- Directed \$25 million municipal loan through CMHC F2-DER 2.6
- Directed \$2.5 million loan and \$300,000 grant for hybrid bus purchases F2-DER 2.6
- Coordinated Grant Reporting & Amending Agreements (ISF, RInC/REC, MIII, IOA) F2-DER 2.6
- Horizon Utilities Service Level Amending Agreement Executed for 2010-2014 F2-DER 2.1
- Managed Reserves, Future Fund, Cemetery Trust, and Pensions F2-DER 2.5
- Directed revision of Policies for Reserves/Revenues to reflect changes to Municipal Act 2009 F2-DER 2.2



Corporate Services

2011 Budget

FINANCIAL PLANNING & POLICY



Complement (FTE)	Management	Other	Total	Staff to Mgt Ratio
2010	4.00	14.50	18.50	3.60
2011	4.00	14.50	18.50	3.60
Change	0.00	0.00	0.00	0.00



CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Program

Financial Planning & Policy
--

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2011 Budget / 2010 Draft	
						\$	%
Administration	71,156	85,685	135,060	0	135,060	63,904	89.8%
Capital Budget	207,881	0	0	0	0	(207,881)	(100.0)%
Current Budget	363,846	365,000	369,866	0	369,866	6,020	1.7%
Investments	235,600	0	0	0	0	(235,600)	(100.0)%
NET LEVY	878,483	450,685	504,926	0	504,926	(373,558)	(42.5)%

CITY OF HAMILTON 2011 TAX OPERATING BUDGET By Cost Category

Financial Planning & Policy
--

	2010	2010	2011	2011	2011	2010 Budget /	
	Budget	Projected Actual	Base Budget	Savings Options	Draft Budget	2011 Draft \$	%
<i>EMPLOYEE RELATED COST</i>	1,942,006	1,895,065	1,989,854	0	1,989,854	47,848	2.5%
<i>MATERIAL AND SUPPLY</i>	19,500	19,500	19,500	0	19,500	0	0.0%
<i>BUILDING AND GROUND</i>	4,370	4,370	3,740	0	3,740	(630)	(14.4)%
<i>CONSULTING</i>	20,000	20,000	22,000	0	22,000	2,000	10.0%
<i>CONTRACTUAL</i>	57,656	56,960	57,680	0	57,680	24	0.0%
<i>RESERVES / RECOVERIES</i>	23,898	24,641	23,499	0	23,499	(399)	(1.7)%
<i>COST ALLOCATIONS</i>	147,793	145,685	89,740	0	89,740	(58,053)	(39.3)%
<i>FINANCIAL</i>	422,670	404,061	547,870	0	547,870	125,200	29.6%
<i>TOTAL EXPENDITURES</i>	2,637,893	2,570,282	2,753,883	0	2,753,883	115,989	4.4%
<i>FEES AND GENERAL</i>	(1,087,981)	(1,384,597)	(1,289,315)	0	(1,289,315)	(201,334)	(18.5)%
<i>RESERVES</i>	(671,429)	(735,000)	(959,642)	0	(959,642)	(288,213)	(42.9)%
<i>TOTAL REVENUES</i>	(1,759,410)	(2,119,597)	(2,248,957)	0	(2,248,957)	(489,547)	(27.8)%
<i>NET LEVY</i>	878,483	450,685	504,926	0	504,926	(373,558)	(42.5)%

Corporate Services

2011 Budget

INFORMATION SERVICES

Purpose / Function

- To take a leadership role in delivering comprehensive IT services, to meet the City's vision and corporate goals in an efficient and cost-effective way, for the benefit of the City organization and the community.

Services Provided

- Desktop Hardware and Software Support
- Voice and Data Network Communications
- Corporate and Departmental Business System Support
- Web-Based Applications and Services
- Geographical Information Systems (G.I.S)
- IT Consulting – Business Process Reengineering support
- Data Management Services
- Project Management Services
- IT Strategic Planning

2010 NET BUDGET	\$7,221,238
2011 NET REQUESTED BUDGET	\$7,430,666
2011 NET CHANGE	\$209,428
2011 FTE	73.5



Corporate Services

2011 Budget

INFORMATION SERVICES

Corporate Priority Plan / Strategic Plan – 2010 Accomplishments

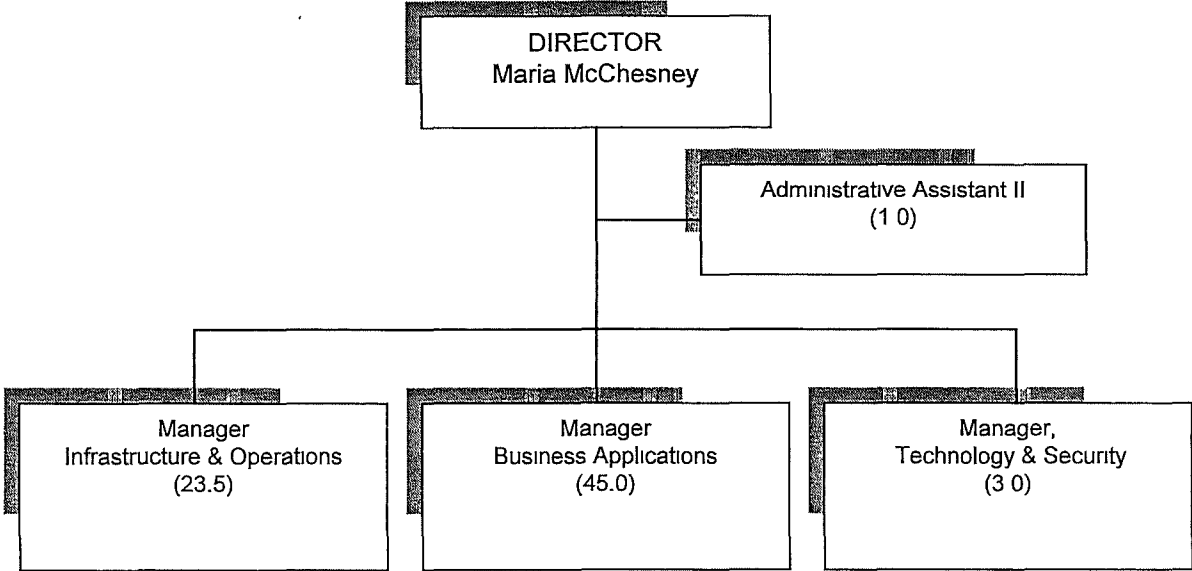
- Developed and implemented all the necessary application changes to support the Harmonized Sales Tax
- Completed the impact assessment and implemented changes required to ensure PCI DSS Compliance (Credit Card Security requirements)
- Provided all the IT infrastructure and application support required to support the 2010 Election
- Worked with HES – Fire to support their requirements for Corporate Radio CAD Training Center, Fire Truck Mobile Devices and Fire Station Alerting.
- Worked with Public Health to complete several enhancements to their Dental Application (ABELDent), completed the upgrade for the Mental Health Application and implemented the ACES - Acute Care Enhanced Surveillance application.
- Supported Public Works on the Hanson Upgrade Project Charter as well as the Presto Card Initiative.
- Worked with community services to provide information technology for Cultural Mapping Project, Residents for lodges, Overpayments Recovery, Family Support Unit System, Employment System
- Implemented a support model for the budget application Clarity and also implemented several enhancements to our tax applications, Vailtech.
- Upgraded the Voice Application and commenced delivery of several features to support AODA. Several upgrades were completed for the network, including the wireless implementation at the lodges and increasing the internet bandwidth.
- Implemented the infrastructure required for the new City Hall and completed all the staff desktop moves back to City Hall.
- Awarded the contract for Printers and Cellular
- Selected a Service Management Tool to support our internal business processes and Re-engineer IS business process for the service management application



Corporate Services

2011 Budget

INFORMATION SERVICES



Complement (FTE)	Management	Other	Total	Staff to Mgt Ratio
2010	4.00	69.50	73.50	17.37
2011	4.00	69.50	73.50	17.37
Change	0.00	0.00	0.00	0.00



CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Program

Information Services

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Business Applications	4,256,258	4,262,939	4,343,853	0	4,343,853	87,595	2.1%
Equipment and Maintenance	5,000	5,000	5,000	0	5,000	0	0.0%
Infrastructure & Operations	4,372,655	4,339,095	4,468,916	0	4,468,916	96,261	2.2%
IS - Admin	(1,756,503)	(1,725,000)	(1,719,607)	0	(1,719,607)	36,896	2.1%
Technology & Security	343,829	349,689	332,505	0	332,505	(11,324)	(3.3)%
NET LEVY	7,221,238	7,231,723	7,430,666	0	7,430,666	209,428	2.9%

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

Information Services

	2010	2010	2011	2011	2011	2010 Budget /	
	Budget	Projected Actual	Base Budget	Savings Options	Draft Budget	\$	%
<i>EMPLOYEE RELATED COST</i>	7,224,675	7,230,000	7,276,275	0	7,276,275	51,600	0.7%
<i>MATERIAL AND SUPPLY</i>	896,978	990,760	1,075,388	0	1,075,388	178,410	19.9%
<i>VEHICLE EXPENSES</i>	5,040	5,040	5,160	0	5,160	120	2.4%
<i>BUILDING AND GROUND</i>	151,800	151,800	112,408	0	112,408	(39,392)	(25.9)%
<i>CONTRACTUAL</i>	1,736,973	1,745,000	1,795,308	0	1,795,308	58,335	3.4%
<i>RESERVES / RECOVERIES</i>	438,369	341,883	421,498	0	421,498	(16,871)	(3.8)%
<i>COST ALLOCATIONS</i>	(3,009,837)	(3,010,000)	(3,091,581)	0	(3,091,581)	(81,744)	(2.7)%
<i>FINANCIAL</i>	19,500	19,500	19,500	0	19,500	0	0.0%
TOTAL EXPENDITURES	7,463,498	7,473,983	7,613,956	0	7,613,956	150,458	2.0%
<i>FEES AND GENERAL</i>	(242,260)	(242,260)	(183,290)	0	(183,290)	58,970	24.3%
TOTAL REVENUES	(242,260)	(242,260)	(183,290)	0	(183,290)	58,970	24.3%
NET LEVY	7,221,238	7,231,723	7,430,666	0	7,430,666	209,428	2.9%

Corporate Services

2011 Budget

TREASURY

Purpose / Function

- To provide sound financial policy, support services and monitoring in the areas of Financial Services (A/R, A/P, Payroll, Pensions, Accounting), Taxation and Risk Management, as well as, providing accurate and timely Financial and Administrative support services to assist the Operating Divisions/Management to effectively produce, monitor and control Operating and Capital Budgets.

Services Provided

Financial Services -Financial Services provides various corporate services, including financial reporting, record keeping, payroll/pension services, procurement of goods, accounts payable services and collection of general revenues (non-tax);

Provides support to users of corporate software applications, such as, payroll, accounts receivable, purchasing and general ledger.

Taxation - Responsibilities include the issuance of tax bills and reminder notices, together with the processing of payments and adjustments, to tax accounts; Arrears collections, tax registrations, tax sales, assessment appeals processing, challenging and participating in the assessment appeal process; Administration of programs e.g., seniors' tax credit, senior and disabled tax deferral program, compassionate appeals and charitable and vacancy appeals



Hamilton

Corporate Services

2011 Budget

TREASURY

Services Provided –Con’t

Finance and Administration - Finance & Administration Managers and their staff provide Finance and Administration support to all Operating Departments;

They process all their Payroll, Accounts Payable and other financial requirements;

They also co-ordinate the preparation of the detailed annual Budgets for their respective portfolios.

Risk Management- Risk Management is responsible for the administration of the City of Hamilton’s Insurance Program. The premiums for the City are approximately \$4 million per year and the claims costs are approximately \$7 million per year. Work with other departments in developing Risk Management strategies.

2010 NET BUDGET	\$4,655,967
2011 NET REQUESTED BUDGET	\$4,719,118
2011 NET CHANGE	\$63,152
2011 FTE	200.96 *

* Includes 101.55 FTE F&A staff whose budgets are included within operating departments



Corporate Services

2011 Budget

TREASURY

Corporate Priority Plan / Strategic Plan – 2010 Accomplishments

- Completion of Corporate Procurement review
- Complete Purchasing Card Review and implement recommendations.
- Completed Finance and Administration re organization.
- Assisted in the financial assessment of the Recreation Division review and re-organization.
- Completed Tangible Capital Assets Accounting Policy, Valuation and Reporting for 2009 Financial Statements
- Implemented HSR Pension and OMERS conversion
- Coordinated the implementation of Harmonized Sales Tax at the City
 - Commenced the analysis to move to an external E-Procurement solution
- Reviewed Travel Policy
- Developed Transit Receivables Write Off Policy
- Implementation of new Cost Allocation methodology resulting in movement from Cost Allocations to Direct Charges for Utilities, Rent and Vehicle charges
- Successful Collection of 2008 PIL of taxes from Federal Government (\$980,000).
- Successful resolution of 2007 - 2010 assessment appeal on New Federal Building at 55 Bay St. N.
- Creation of new Mid -Month Pre-Authorized Tax Payment Plan.
- Re-Organization of Tax Area with transfer of front counter duties to Customer Service Division.
- Organization of Move back to City Hall from City Centre.
- Successfully negotiated the placement of City's Property and Liability Insurance program for 2011/2012 through Jardine Lloyd Thompson Canada Inc resulting in a premium savings of \$259,000 or 7%
- Negotiated with new insurer to freeze premiums for municipal liability coverage at their proposed level until 2013 (subject to specified Loss Ratios), representing potential savings of approximately \$1.0 million over 3 years.

Corporate Priority Plan and Strategic Plan are included in the 2011 Tax Supported Operating Budget report

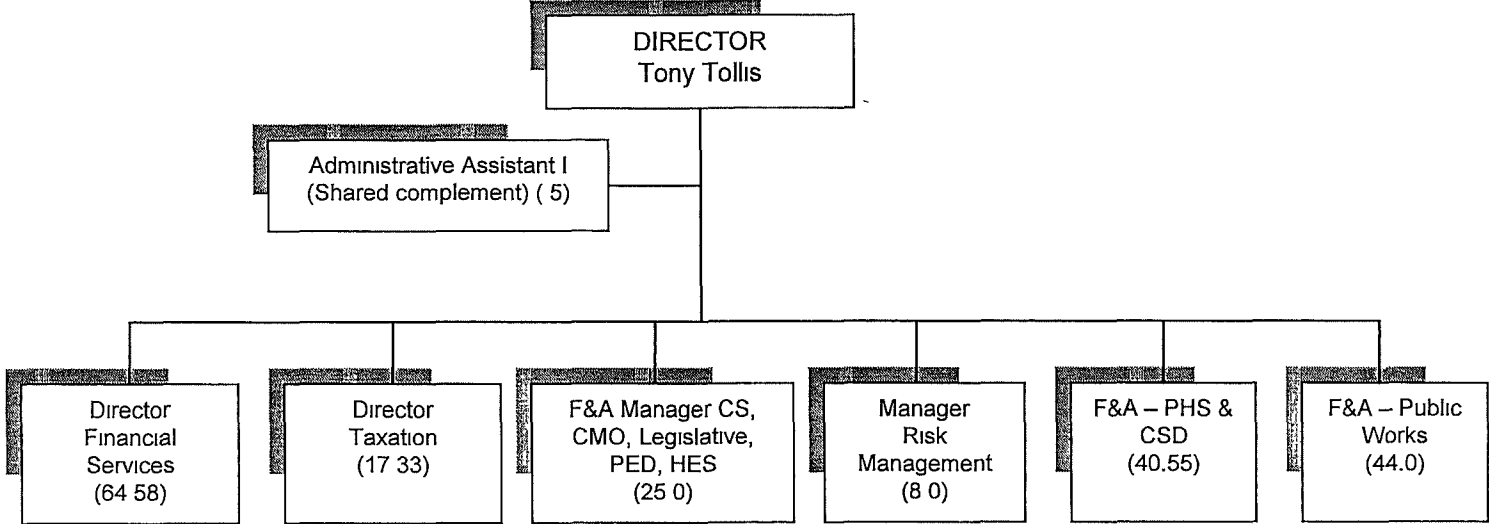


Hamilton

Corporate Services

2011 Budget

TREASURY



Complement (FTE)	Management	Distributed Management *	Other Staff	Distributed Staff *	Total	Staff to Mgt Ratio
2010	10.00	3.00	89.41	98.55	200.96	14.46
2011	10.00	3.00	89.41	98.55	200.96	14.46
Change	0.00	0.00	0.00	0.00	0.00	0.00

* Represents distributed staff whose budgets are in operating departments.



CITY OF HAMILTON
2011 TAX OPERATING BUDGET
By Program

Treasury Services

	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
Finance & Administration	415,061	594,061	427,771	0	427,771	12,710	3.1%
Financial Services	3,303,748	3,350,000	3,359,606	0	3,359,606	55,858	1.7%
Risk Management Administration	27,712	40,000	38,347	0	38,347	10,636	38.4%
Taxation	707,109	705,200	683,497	0	683,497	(23,612)	(3.3)%
Treasury Administration	202,338	250,000	209,897	0	209,897	7,559	3.7%
NET LEVY	4,655,967	4,939,261	4,719,118	0	4,719,118	63,152	1.4%

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

Treasury Services							
	2010 Budget	2010 Projected Actual	2011 Base Budget	2011 Savings Options	2011 Draft Budget	2010 Budget / 2011 Draft	
						\$	%
<i>EMPLOYEE RELATED COST</i>	8,306,338	8,536,386	8,376,002	0	8,376,002	69,664	0.8%
<i>MATERIAL AND SUPPLY</i>	443,621	454,000	424,492	0	424,492	(19,129)	(4.3)%
<i>BUILDING AND GROUND</i>	32,110	32,110	25,450	0	25,450	(6,660)	(20.7)%
<i>CONSULTING</i>	29,960	29,960	29,960	0	29,960	0	0.0%
<i>CONTRACTUAL</i>	596,005	595,000	547,365	0	547,365	(48,640)	(8.2)%
<i>RESERVES / RECOVERIES</i>	(2,053,593)	(2,030,000)	(2,028,395)	0	(2,028,395)	25,198	1.2%
<i>COST ALLOCATIONS</i>	(818,940)	(798,695)	(842,327)	0	(842,327)	(23,387)	(2.9)%
<i>FINANCIAL</i>	102,150	100,500	97,650	0	97,650	(4,500)	(4.4)%
TOTAL EXPENDITURES	6,637,651	6,919,261	6,630,197	0	6,630,197	(7,453)	(0.1)%
<i>FEES AND GENERAL</i>	(1,305,381)	(1,300,000)	(1,316,300)	0	(1,316,300)	(10,919)	(0.8)%
<i>TAX AND RATES</i>	(130,000)	(130,000)	(133,000)	0	(133,000)	(3,000)	(2.3)%
<i>RESERVES</i>	(546,303)	(550,000)	(461,779)	0	(461,779)	84,524	15.5%
TOTAL REVENUES	(1,981,684)	(1,980,000)	(1,911,079)	0	(1,911,079)	70,605	3.6%
NET LEVY	4,655,967	4,939,261	4,719,118	0	4,719,118	63,152	1.4%

APPENDIX 2
BASE BUDGET SAVINGS: SUMMARY

2011 Tax Operating Budget - Budget Savings (Efficiencies / Revenues / Reductions)

DEPARTMENT: Corporate Services

Note: identified budget savings have no impact on program / service levels and have been incorporated into the 2011 departmental base budget

DIVISION	SERVICE / PROGRAM	DESCRIPTION OF BUDGET SAVINGS	\$ GROSS IMPACT	\$ NET IMPACT
Treasury Services	Fees	Increase in Tax Certificate Fees	\$ (20,000)	\$ (20,000)
Information Services	Contractual	Decrease in IP Telephony Costs	\$ (63,166)	\$ (63,166)
Customer Services	Salaries & Benefits	Reduction of 1FTE in Customer Contact/Call Centre	\$ (60,970)	\$ (60,970)
Treasury Services	Contractual	Decrease in Contractual Services Budget	\$ (48,640)	\$ (48,640)
TOTAL BUDGET SAVINGS INCORPORATED INTO THE 2011 DEPARTMENTAL BASE BUDGET			(\$192,776)	(\$192,776)

APPENDIX 3

REQUESTED PROGRAM ENHANCEMENTS



**City of Hamilton
Proposed Operating Budget Changes - Year 2011**

			Program Enhancements		Impact - High
Department	Corporate Services	Division	Information Services		
Service	Automated Vehicle Location (AVL) Sustainability - Network Analyst 1				
Current Service Level	108 vehicles are equipped with the Automatic Vehicle Location (AVL) system in Water/Wastewater, Municipal Law Enforcement and Emergency Medical Services. The project did not provide for a sustainability model. The City is experiencing performance and reliability problems. There is no identified funding model, no maintenance or growth strategy and no required expert resources.				
Proposed Service Level & Potential Impact	To ensure that the AVL program is sustainable, a dedicated Subject Matter Expert (SME) at 0.5 FTE is required. The SME will be a single point of contact for AVL issues. They will handle all application development activities including reports and vendor coordination, monitor architectural needs to assure system performs to realistic expectations. They will also ensure that the server architecture is sufficient to meet known requirements and will handle database licensing, maintenance, vendor development and system improvements. The 2011 annual sustainability costs are estimated at \$93,000 but funding is being provided by the operating departments and only the 1 FTE is required to fill position permanently rather than temporarily.				
Financial Analysis:					
Operating Budget Impact			Strategic Plan Linkage:		
Description	Annualized Amount	Pro Rata for 2011 @ 58%	2.1: Financial Sustainability		
Employee Expenses	46,500	27,125	Tax increase/hold at or below rate of inflation, net of downloading, program changes and service level enhancements		
Other Expenses	-	-			
Total Gross Expenditure	46,500	27,125			
Less: Revenues	-	-			
- 100%	(46,500)	(27,125)			
Net Impact			Capital Budget Impact		
			Year 2011	Years 2012 & Beyond	Total
FTE	0.50	0.50	-	-	-
CS_IS_1			Update Ver	1	00



City of Hamilton
Proposed Operating Budget Changes - Year 2011

		Program Enhancements												
Department	Corporate Services	Division	Information Services											
Service	Wireless Network Infrastructure - Network Analyst 1													
Current Service Level	Over the past three years City departments have been requesting expansion to the City's internal wireless network. This expansion facilitates key operational, network applications and services for an number of departments such as; Macassa and Wentworth Lodge, Hamilton Public Library, Hamilton Emergency Services, Hamilton Street Railway, Council Chambers and general wireless hot spot data connections													
Proposed Service Level & Potential Impact	Over the past 3 years the wireless network has seen a growth rate of approximately 220%, totaling approximately 275 access points. It is anticipated that this growth will continue over the next few years. One staff position (Network Analyst) is required to manage the implementation of new wireless access points as well the maintenance of the existing wireless network infrastructure including access points, wireless controllers, control systems, management software and maintenance contracts													
Financial Analysis:														
Operating Budget Impact			Strategic Plan Linkage:											
Description	Annualized Amount	Pro Rata for 2011 @ 58%	2.1: Financial Sustainability											
Employee Expenses	97,000	56,583	Tax increase/hold at or below rate of inflation, net of downloading, program changes and service level enhancements											
Other Expenses	-	-												
Total Gross Expenditure	97,000	56,583												
Less: Revenues	-	-												
- 0%	-	-												
Net Impact	97,000	56,583	<table border="1"> <thead> <tr> <th colspan="3">Capital Budget Impact</th> </tr> <tr> <th>Year 2011</th> <th>Years 2012 & Beyond</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>			Capital Budget Impact			Year 2011	Years 2012 & Beyond	Total	-	-	-
Capital Budget Impact														
Year 2011	Years 2012 & Beyond	Total												
-	-	-												
FTE	1.00	1.00												
CS-IS-3			Update Ver 1 00											



City of Hamilton
Proposed Operating Budget Changes - Year 2011

		Program Enhancements		
Department	Corporate Services	Division	Information Services	
Service	Transit Technology Upgrades - Network Analyst 1			
Current Service Level	With the implementation of the transit technology replacement project a number of systems were replaced including but not limited to, scheduling applications, radio system infrastructure, web site enhancements, database enhancements (redundancies), and IVR upgrades. The implementation of these new and upgraded systems over the past four years is now complete and operational.			
Proposed Service Level & Potential Impact	This increase in usage impacts the Infrastructure and Operations section in that there is a net increase in infrastructure support (servers, data backups, patching and maintenance), network infrastructure, and after hours support. Through the implementation HSR funded 1 full time temporary Network Support Analyst position. This expired in August 2010 (18 months). Also identified through the project implementation was the requirement for a permanent Network Analyst position to look after the above noted support impacts. Transit has agreed to transfer the funding for .5 of an FTE salary to Information Services. Therefore this enhancement request is for only the .5 FTE increase in the compliment and does not require any additional funding.			
Financial Analysis:				
Operating Budget Impact		Strategic Plan Linkage:		
Description	Annualized Amount	Pro Rata for 2011 @ 58%	2.1: Financial Sustainability	
Employee Expenses	46,500	27,125	Tax increase/hold at or below rate of inflation, net of downloading, program changes and service level enhancements	
Other Expenses	-	-		
Total Gross Expenditure	46,500	27,125		
Less: Revenues	-	-		
- 100%	(46,500)	(27,125)		
Net Impact			Capital Budget Impact	
			Year 2011	Years 2012 & Beyond
FTE	0.50	0.50	-	-
CS-IS-4		Update Ver. 100		



**City of Hamilton
Proposed Operating Budget Changes - Year 2011**

		Program Enhancements			
Department	Corporate Services	Division	Information Services		
Service	Contract Management - Network Analyst				
Current Service Level	Currently, cellular services are managed by a combination of Purchasing (ordering of cell phones) and Information Services (responsible for establishing a standard for and ordering Blackberry devices and cellular modems) Neither group is responsible for managing the contract, monitoring usage, or enforcing policies				
Proposed Service Level & Potential Impact	<p>The responsibility for all cellular services will be consolidated into the I.S. Division of Corporate Services to increase efficiency with having a single contact point, reduce cost through appropriate plan management, ensure policy adherence and implement a cellular management solution. It will also address a recommendation approved by Council (AUD10009). As indicated in report FCS10053, a temporary 12 month IS position has been created to manage the Office Printing Equipment and Related Support Services and Supplies contract (Print Contract) funded from existing resources in the approved capital project budget. This position will verify the savings that are anticipated through cellular contract management, as well as those savings anticipated for the other major IS contracts. The position will transition into full time after an initial 12 month period, subject to Council approval. The position would also be directly involved in the deployment of the new cellular equipment ensuring that:</p> <ul style="list-style-type: none"> • Regular reporting and trend analysis of cellular usage is provided to management, including semi-annual reports to the General Managers and the City Manager. • Cellular needs assessments are completed and required cellular equipment is provided to business units • A customer satisfaction is monitored and addressed appropriately for cellular services. • Requests for new cellular equipment are received and managed in accordance with the new Cellular Management Policy • Mandated service performance is managed and cellular services and charges associated with them are verified 				
Financial Analysis:					
Operating Budget Impact			Strategic Plan Linkage:		
Description	Annualized Amount	Pro Rata for 2011 @ 58%	2.1: Financial Sustainability		
Employee Expenses	87,000	50,750	Tax increase/hold at or below rate of inflation, net of downloading, program changes and service level enhancements		
Other Expenses	-	-			
Total Gross Expenditure	87,000	50,750			
Less: Revenues	-	-			
- 0%	-	-			
Net Impact	87,000	50,750			
FTE	1.00	1.00			
CS-IS-2			Update Ver		1 00