



CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: February 24, 2012	
SUBJECT/REPORT NO: 2012 Tax Supported Operating Budget – Recommendations (FCS12014) (City Wide)	
SUBMITTED BY: Roberto Rossini General Manager Finance & Corporate Services Department	PREPARED BY: Tom Hewitson (905) 546-2424 ext 4159
SIGNATURE:	

RECOMMENDATION

A. Planning & Economic Development Department

- (i) That the Planning & Economic Development operating budget (Book 2), Appendix 2-1, page 7, \$16,956,299 be approved.

B. Public Health Services Department

- (i) That the Public Health Services operating budget (Book 2), Appendix 2-2, page 51, \$10,302,772 be approved as amended by Appendix “A” to report FCS12014.

- (ii) That the Medical Officer of Health be authorized and directed to execute all 2012 Federal and Provincial Program Service Level Funding Agreements and any ancillary agreements required to give effect thereto and Contracts for Public Health Services as provided for in Appendix 2-2 to report FCS12014. This also includes the authority to authorize the submission of budgets and quarterly/year end reporting.

C. Community Services Department

- (iii) That the Community Services operating budget (Book 2), Appendix 2-3, page 85, \$136,702,451 be approved.
- (iv) That the General Manager of Community Services be authorized and directed to execute all 2012 Federal and Provincial Program Service Level Funding Agreements and any ancillary agreements required to give effect thereto and Contracts for Community Services as provided for in Appendix 2-3 to report FCS12014. This also includes the authority to authorize the submission of budgets and quarterly/year end reporting.

D. Hamilton Emergency Services Department

- (i) That the Hamilton Emergency Services operating budget (Book 2), Appendix 2-4, Page 141, \$94,425,107 be approved.

E. Public Works Department

- (i) That the Public Works operating budget, (Book 2), Appendix 2-5, page 175, \$183,782,187 be approved as amended by Appendix "A" to report FCS12014.

F. City Manager Department

- (i) That the City Manager operating budget (Book 2), Appendix 2-6, page 199, \$9,706,012 be approved.

G. Corporate Services Department

- (i) That the Corporate Services operating budget (Book 2), Appendix 2-7, page 224, \$19,324,791 be approved.

H. Legislative

- (i) That the Legislative operating budget (Book 2), Appendix 2-8, page 254, \$3,740,937 be approved.

I. Corporate Financials/Capital Financing/Non Program Revenues

- (i) That the Corporate Financials operating budget (Book 2), Appendix 2-8, page 256 and 261, \$6,240,930 be approved as amended by Appendix “A” to report FCS12014.
- (ii) That the Capital Financing operating budget (Book 2), Appendix 2-8, page 263, \$85,797,780 be approved.
- (iii) That the Non Program Revenues operating budget (Book 2), Appendix 2-8, page 265, -\$38,029,752 be approved as amended by Appendix “A” to report FCS12014.

J. Council Referred Items

- (i) That the Council Referred Items contained in Appendix “B” to report FCS12014, be received.

K. Requested Program Enhancements

- (i) That the Requested Program Enhancements contained in Appendix “C” to report FCS12014, be received.

L. 2012 Tax Levy

- (i) That the City Solicitor & Corporate Counsel be authorized and directed to prepare all necessary by-laws, for Council approval, for the purposes of establishing the tax levy.

EXECUTIVE SUMMARY

The 2012 Preliminary Tax Supported Operating Budget was submitted to Council on January 24, 2012 at GIC. Each department then provided GIC with an indepth presentation of their 2012 budget plan. Boards and Agencies also presented, as well as members of the public provided delegations.

Based on the feedback during this time, staff have developed a number of recommended options to reduce the average total tax impact from 2% (as submitted) to 1.4%. The reductions are identified in Appendix “A” to report FCS12014. Further information will be provided during a staff presentation at the February 24th GIC.

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The recommendations to this report ask Council to approve the budget as submitted in the preliminary document, less the recommended reductions contained in Appendix “A”. If desired, Council may approve additional reductions which would then be added to the amendment list (Appendix “A”).

The budgets for Boards and Agencies has been submitted to GIC through FCS12013 and are not included in the recommendations within this report. The approval of the Boards and Agencies budgets would occur through approval of the recommendations contained in staff report FCS12013.

Note: the average tax impact of 1.5% does NOT include approval of Council Referred Items (Recommendation J) or the Requested Program Enhancements (Recommendation K). Should Council wish to approve any of these items, it may do so, and these would then be added to Appendix A of this report.

Alternatives for Consideration – See Page 5.

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

Financial: Full financial information can be found in Books One and Two of the 2012 Tax Supported Preliminary Operating Budget.

Staffing: A complement summary can be found in Appendix 1 – 4 of the 2012 Tax Supported Preliminary Operating Budget Book (One).

Legal: N/A.

HISTORICAL BACKGROUND (Chronology of events)

The 2012 Committee calendar includes a number of scheduled General Issues Committee meetings for the 2012 tax operating budget. The budget kick-off took place on January 24th, 2012, followed by various other GIC dates which allowed for departmental budget presentations. As of the writing of this report, the remaining scheduled GIC budget deliberation meeting dates are as follows:

- February 24th
- February 29th
- March 2nd
- March 6th
- March 7th (Council Budget Approval)

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)

N/A.

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.

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 “A” – 2012 Tax Supported Operating Budget Amendments

Appendix “B” – 2012 Council Referred Enhancements

Appendix “C” – 2012 Requested Program Enhancements

**CITY OF HAMILTON
2012 TAX OPERATING BUDGET AMENDMENTS**

<u>Department</u> <u>DESCRIPTION:</u>	FTE	Preliminary Budget	Net Levy Adjustment	Levy Increase \$	Residential Impact	
					Muni	Total
Operating Levy Impact Preliminary Budget - Budget Book (Jan. 24 GIC)	7,055.40	\$ 713,277,869		\$ 24,243,761	2.3%	2.0%
PROPOSED GIC AMENDMENTS:						
B&A Reduction to Niagara Conservation levy (FCS12013)			(8,697)			
PW Fare revenue increase (Transit)			(600,000)			
PW Fuel expense decrease (Transit)			(260,000)			
PHS Vector-Borne Diseases - Mosquito Traps and Testing			(20,656)			
PHS Vector-Borne Diseases - Staffing	(1.40)		(14,258)			
Non Prog Using reserves to phase out provincial revenue loss			(2,000,000)			
Corp Fin Utilize Benefit Reserve to offset Retiree Benefit Impact			(437,280)			
Corp Fin Updated corporate contingencies *			(370,000)			
Non Prog Budget Supplementary Tax Revenue @ 5yr Avg			(500,000)			
Corp Fin Updated calculation of Parkland purchases requirement			(108,000)			
Corp Fin Budget Operating Impacts based on 2012 Impact, not annualized impact			(400,000)			
				\$ (4,718,891)	-0.7%	-0.6%
TOTAL IMPACT	7,054.00	\$ 708,558,978		19,524,870	1.6%	1.4%

* Note - Includes reduction of General Contingency of -\$461,000, offset by an increase of \$91,000 required to fully implement Council's direction to add 2 FTEs in Internal Audit required to address workload issues (AF&A Report 11-003).

**CITY OF HAMILTON
2012 COUNCIL REFERRED ENHANCEMENTS**

INITIATIVE	ANNUALIZED			2012
	GROSS IMPACT	NET IMPACT	FTE	NET IMPACT
EMERGENCY SERVICES				
i EMS - Vehicle attendant to address gaps in infection control & to contain-reduce extended shifts & maintain-improve resource capacity (GIC 11-023)	\$ 68,320	\$ 68,320	1.40	68,320
ii EMS - Deploy 1 Paramedic Response Unit 24 hrs / 7 days to improve response capacity in Waterdown, Greensville and Flamborough (GIC 11-023)	\$ 588,688	\$ 588,688	5.62	588,688
iii EMS - Add 1 Paramedic Supervisor to focus on hospital offload matters and explore community initiatives to redirect demands (GIC 11-023)	\$ 139,010	\$ 139,010	1.00	139,010
iv EMS - Add 1 transport ambulance 12 hrs / 7 days to improve transport capacity City-wide (GIC 11-023)	\$ 587,462	\$ 587,462	5.50	-
EMERGENCY SERVICES SUBTOTAL	\$ 1,383,480	\$ 1,383,480	13.52	796,018
COMMUNITY SERVICES				
v City of Hamilton Arts Awards - new outlay for the City of Hamilton Arts Awards (E&CS Report 11-011, Item 5(c), CS10058(a)).	\$ 56,550	\$ 51,550	-	43,300
vi Addiction Services Initiative - Continuation of Services beyond June 30, 2012 as referred by Council (E&CS Report 10-013 Item 10(c), CS10086).	\$ 1,209,166	\$ 224,166	12.00	143,000
vii YWCA Grant - MacNab St. and Ottawa St. Senior Centres - enhancements to cover existing costs and operating pressures (E&CS Report 11-014 Item 15 (d), CS11002(a)).	\$ 85,400	\$ 85,400	-	85,400
COMMUNITY SERVICES SUBTOTAL	\$ 1,351,116	\$ 361,116	12.00	271,700

**CITY OF HAMILTON
2012 COUNCIL REFERRED ENHANCEMENTS**

INITIATIVE	ANNUALIZED			2012
	GROSS IMPACT	NET IMPACT	FTE	NET IMPACT
PUBLIC WORKS				
viii Transit ATS - Implement New AODA Eligibility & Registration for Transit ATS (PW03128)	\$ 1,750,000	\$ 1,750,000	2.00	875,000
ix Forestry and Horticulture - Street Tree Trimming Program (PW05015a&b). Deferral recommended of \$1.326M, including 2012 and deferred amounts from 2010 and 2011	\$ -	\$ -	-	-
x Waste Management - Commercial Green Cart Collection (PW07151c) Extending program to approx 2,000 eligible commercial properties in 2012	\$ 140,000	\$ 140,000	-	140,000
xi Roads - Road & Sidewalk Safety Maintenance (PW11017) - address deficiencies: sidewalk (\$600K); road surface (\$500K); Minimum Maintenance Standards compliance.	\$ 1,100,000	\$ 1,100,000	-	1,100,000
xii Roads - Storm Water Facilities Maintenance (2011 Budget); Catch basin Inspection & 3 Cleaning Cycle (\$300K); Catch basin repairs (\$150K); Storm Water Pond Maintenance \$650K); Culvert & Outfall inspection & maintenance (\$270k)	\$ 1,370,000	\$ 1,370,000	-	1,370,000
PUBLIC WORKS SUBTOTAL	\$ 4,360,000	\$ 4,360,000	2.00	3,485,000
CITY MANAGER				
xiii Audit Services - Two performance auditors for value for money audits (referred under the hybrid Auditor General model - AF&A June 8, 2011).	\$ 296,300	\$ 296,300	2.00	108,875
xiv Legal Services - Additional Municipal Prosecutor to meet Transfer Agreement/MOU obligation , all costs funded by fine revenue; no impact on tax levy, (see Report Municipal Law Enforcement Workload Challenges (PED 11122(a)/LS 11007(a)/FCS 11049(a)).	\$ 112,097	\$ -	1.00	-
CITY MANAGER SUBTOTAL	\$ 408,397	\$ 296,300	3.00	108,875

**CITY OF HAMILTON
2012 COUNCIL REFERRED ENHANCEMENTS**

INITIATIVE	ANNUALIZED			2012
	GROSS IMPACT	NET IMPACT	FTE	NET IMPACT
CORPORATE SERVICES				
xv City Clerk - Implementation of Early Resolution Process will increase the demand for prosecutors and impact call volumes, scheduling, paperwork, and public service requests - requires hiring of an additional Court Reporter is being recommended.	\$ 83,847	\$ -	1.00	-
CORPORATE SERVICES SUBTOTAL	\$ 83,847	\$ -	1.00	-
CORPORATE FINANCIALS				
xvi Increase in Physican Recruitment Cost - Referred from BOH11-007.	\$ 25,000	\$ 25,000	-	25,000
CORPORATE FINANCIALS SUBTOTAL	\$ 25,000	\$ 25,000	0.00	25,000
TOTAL COUNCIL REFERRED ITEMS	\$ 7,611,840	\$ 6,425,896	31.52	4,686,593

**CITY OF HAMILTON
2012 REQUESTED PROGRAM ENHANCEMENTS**

INITIATIVE	ANNUALIZED			2012
	GROSS IMPACT	NET IMPACT	FTE	NET IMPACT
PLANNING & ECONOMIC DEVELOPMENT				
i Building Services - Increase Application Analyst position from 0.4 FTE to 1.0 FTE to be funded from the Enterprise Model.	\$ 60,414	\$ -	0.60	-
ii Economic Development - Hire Youth Advisor on contract to expose youth to benefits of entrepreneurship.	\$ 82,500	\$ -	1.00	-
PLANNING & ECONOMIC DEVELOPMENT SUBTOTAL	\$ 142,914	\$ -	1.60	-
COMMUNITY SERVICES				
iii City Housing - Enhance on site staff presence per Board of Directors' report # 10020 and 10037	\$ 642,270	\$ -	20.00	-
iv Recreation - Incremental Operational cost of New Wentworth twin pad arena complex	\$ 444,000	\$ 339,000	4.82	197,000
COMMUNITY SERVICES SUBTOTAL	\$ 1,086,270	\$ 339,000	24.82	197,000
PUBLIC WORKS				
v Horticulture - Maintenance of new traffic roundabouts	\$ 161,440	\$ 161,440	1.66	161,440
PUBLIC WORKS SUBTOTAL	\$ 161,440	\$ 161,440	1.66	161,440
TOTAL REQUESTED PROGRAM ENHANCEMENT ITEMS	\$ 1,390,624	\$ 500,440	28.08	358,440