Tuesday, January 13, 2009

Present: B. Clark (Chair)
Councillors B. Bratina, C. Collins, B. Morelli, M. Pearson,
R. Powers and T. Whitehead

Also Present: Councillors S. Duvall, R. Pasuta, and T. Jackson
C. Murray, City Manager
T. Tollis, Acting General Manager, Finance and
Corporate Services
J. Kay, General Manager, Emergency Services
P. Barkwell, City Solicitor, Legal Services
A. Pekaruk, Director, Audit Services
A. Little, Acting Director, Information Services
M. Zegarac, Acting Director, Budgets & Finance
T. Hewitson, Manager, Current Budgets & Fiscal
Planning, Budgets & Finance
R. Hewitt, Manager, Finance & Administration,
Budgets and Finance
B. McMullen, Manager, Accounting Services,
Financial Services
J. Lee, Director, Customer Service, Access and
Equity
K. Christensen, City Clerk
M. Meyer, Legislative Assistant, City Clerk’s Office

Budget Steering Committee – February 10, 2009
Tuesday, January 27, 2009

Present:  B. Clark (Chair)
          Mayor Eisenberger
          Councillors B. Bratina, C. Collins, B. Morelli, M. Pearson,
          R. Powers and T. Whitehead

Also Present:  C. Murray, City Manager
               T. Tollis, Acting General Manager, Finance and
               Corporate Services
               P. Barkwell, City Solicitor, Legal Services
               A. Pekaruk, Director, Audit Services
               M. Zegarac, Acting Director, Budgets & Finance
               T. Hewitson, Manager, Current Budgets & Fiscal
               Planning, Budgets & Finance
               R. Hewitt, Manager, Finance & Administration,
               Budgets and Finance
               R. Male
               J. Lee, Director, Customer Service, Access and
               Equity
               H. Tomasik, Executive Director, Human Resources
               L. Fontana, D. Godwaldt
               K. Christensen, City Clerk
               M. Meyer, Legislative Assistant, City Clerk’s
               Office

THE AUDIT AND ADMINISTRATION COMMITTEE PRESENTS REPORT 09-001 AND
RESPECTFULLY RECOMMENDS:

1. 2009 Tax Supported Operating Budget (FCS09007) (City Wide) (Item 4.1 –
         Jan. 13)

    That Report FCS09007 respecting the 2009 Tax Supported Operating Budget be
    received for information.

2. 2009 Tax Supported Operating Budget – Other Programs (FCS09007c) (City
         Wide) (Item 4.1 – Jan. 27)

    (a) That the 2009 net operating levy for the Legislative budget be approved at
        $4,277,570 as amended by the following:

        (i) That increases to “Ward Budgets” be tabled;

    (b) That the 2009 Corporate Financials budget be approved at ($55,931,654)
        as amended by the following:

        Budget Steering Committee – February 10, 2009
(i) That the labour contractual contingency fund be reduced by 10%; and

(c) That the 2009 Capital financing charges be approved at $76,489,710.

3. **2009 Tax Supported Operating Budget – City Manager (FCS09007a) (City Wide) (Item 5.1 – Jan. 27)**

(a) That the 2009 net operating levy for City Manager, exclusive of Council referred items, be approved at $6,681,852 as amended by the following:

(i) That the “Intergovernmental Affairs” allocation of the “Administration – City Manager” portion of the City Manager’s Operating Budget be removed from the budget pending a report respecting this issue as directed by the Economic Development and Planning Committee; and

(b) That the 2009 City Manager Council referred items per Appendix Two to report FCS09007a be received for consideration.

4. **Sub-Committee respecting Customer Contact Centre (Added Motion)**

That a sub-committee be formed to investigate service level reductions in the Customer Contact Centre, as well as other cost-saving suggestions made in this budget process and previous budget processes, to be considered in the 2010 budget process.

5. **2009 Tax Supported Operating Budget – Corporate Services (FCS09007b) (City Wide) (Item 5.2 – Jan. 27)**

That the 2009 net operating levy for Corporate Services be approved at $25,554,621.

6. **2009 Budget Request - Corporate Services Volunteer Advisory Committees (FCS09004) (City Wide) (Item 5.3 – Jan. 27)**

(a) That the 2009 base budget submissions be approved as follows:

(i) Advisory Committee on Immigrants & Refugees in the amount of $3,500.00;

(ii) Gay, Lesbian, Bi-sexual, Transgender Advisory Committee in the amount of $3,890.00;

(iii) Hamilton Aboriginal Advisory Council in the amount of $3,500;

(iv) Hamilton Mundialization Committee in the amount of $5,890

**Budget Steering Committee – February 10, 2009**
(v) Status of Women Committee in the amount of $3,500.00;
(vi) Committee Against Racism in the amount of $3,890.00

(b) That, in addition to the base funding requests, that one-time funding from the Volunteer Committee Reserve be approved as follows:
(i) Status of Women Committee in the amount of $2,000.00.

7. **Human Resources Budget Status Report (HUR08008) (City Wide)**
   (Recommendation (b) was referred to the 2009 budget process on June 18, 2008) (Item 5.4 – Jan. 27)

That Report HUR08008 respecting the Human Resources Budget Status Report be received for information.

8. **2009 Program Change Options – City Manager (FCS09011a) (City Wide)**
   (Item 5.5 – Jan. 27)

That the 2009 Program Change Options for City Manager, as per Appendix One to report FCS09011a, be approved.

**FOR THE INFORMATION OF THE COMMITTEE:**

January 13, 2009

(a) **Changes to the Agenda (Item 1)**

The Clerk advised that there were no changes to the agenda. On a motion, the agenda was approved as presented.

(b) **Declarations of Interest (Item 2)**

The Chair requested if there were any declarations of interest, of which there were none.

(c) **Adoption of Minutes (Item 3)**

None.
(d) Presentations (Item 4)

(i) 2009 Tax Supported Operating Budget (FCS09007) (City Wide) (Item 4.1)

Tony Tollis presented a Corporate Overview of the 2009 Tax Supported Operating Budget. Copies of the presentation were distributed to the Committee.

On a motion, the presentation respecting the 2009 Tax Supported Operating Budget was received.

(ii) 2009 Tax Supported Operating Budget – City Manager (FCS09007a) (City Wide) (Item 4.2)

Chris Murray, City Manager, provided an overview of the City Manager’s departmental budget. Copies of the PowerPoint presentation were distributed to the Committee.

Helen Hale Tomasik, Executive Director of Human Resources, provided an overview of the Human Resources portion of the City Manager’s departmental budget.

Members of the Committee provided the following comments and requested the following information:

➢ Councillor Whitehead requested information respecting the ratio of dollars per grievances per year, as well as how many are getting to arbitration.
   ▪ Staff advised that there is no grievance tracking system at present, but they will be gathering some comprehensive statistics and may have a system in place in Q1/09.

➢ Councillor Whitehead suggested that staff look into a different model, perhaps involving education, to help lower legal costs.

➢ Councillor Collins requested that staff investigate ways to decrease internal support services in order to save money, such as increasing internal hiring times and investigating the yield has been garnered from the round table and whether savings could be achieved by eliminating some or all of the resources allocated to it.

On a motion, the presentation respecting the 2009 Tax Supported Operating Budget – City Manager was received.

On a motion, Report FCS09007a respecting the 2009 Tax Supported Operating Budget – City Manager was tabled until the January 27, 2009
Audit and Administration Committee budget meeting, pending receipt of upcoming staff reports and additional information.

(iii) 2009 Tax Supported Operating Budget – Corporate Services (FCS09007b) (City Wide) (Item 4.3)

Tony Tollis, Acting General Manager, Finance and Corporate Services, provided an overview of the Corporate Services departmental budget. Copies of the PowerPoint presentation were distributed to the Committee.

Mike Zegarac, Acting Director of Budgets and Finance, provided an overview of the Budgets and Finance portion of the Corporate Services departmental budget.

Kevin Christenson, City Clerk, provided an overview of the Office of the City Clerk portion of the Corporate Services departmental budget.

Members of the Committee requested the following information:

➢ Councillor Bratina inquired as to the costs of printing agendas.
  o The City Clerk advised that he will send Committee members information respecting costs.

Jane Lee, Director of Customer Service, provided an overview of the Customer Service, Access & Equity portion of the Corporate Services departmental budget.

Members of the Committee provided the following comments and requested the following information:

➢ Councillor Collins requested that staff investigate the following:
  (i) Opportunities to rely on customer service representatives in other areas of the organization to answer calls, rather than relying solely on the customer contact centre, by investigating where large volumes of calls to the customer contact centre are directed and putting those numbers in the blue pages of the phone book.
  (ii) Municipal Service Centre options – Are all of the service centres required? Could they have alternating days of service? Can other municipal buildings, such as libraries, be used?

Staff were requested to come back with cost-saving alternatives for the January 27, 2009 Audit and Administration Committee meeting.

➢ Councillor Whitehead requested that staff provide the following information:
  (i) Tracking of over-the-counter service utilization within the day (e.g., peak periods/hours) in order to better define and allocate resources
(ii) Criteria for service centres so that everyone has the same access (geographically – need to look at catchments).

(iii) Data on what percentage of community centres are occupied, who is occupying them, and revenue-generation.

Brian McMullen, Manager of Accounting Services, provided an overview of the Financial Services portion of the Corporate Services departmental budget.

Members of the Committee provided the following comments and requested the following information:

- Councillor Collins requested that staff provide information respecting bulk purchasing opportunities.

- Councillor Whitehead asked whether staff have investigated buying products off the shelf or compared the cost of buying over the counter versus buying from a supplier. He also asked whether staff have looked into buying over the counter versus special orders.
  - The Acting General Manager of Finance and Corporate Services advised that he would ask the Director of Financial Services to speak to Committee respecting that. The Chair requested that the Director of Financial Services meet with Councillor Whitehead prior to coming back to Committee.

Al Little, Manager of Business Applications, provided an overview of the Information Services portion of the Corporate Services departmental budget.

Members of the Committee provided the following comments and requested the following information:

- Councillor Whitehead requested a copy of the cost-benefit analysis comparing owning the servers versus leasing them, which was conducted as part of the Director’s review of the organization of Information Services.

- Councillor Collins suggested that staff investigate utilizing technology more often when advertising (e.g., e-newsletters), as opposed to paying print advertising costs.

Peter Barkwell, City Solicitor, provided an overview of the Legal Services portion of the Corporate Services departmental budget.

Larry Friday, Director of Taxation, provided an overview of the Taxation portion of the Corporate Services departmental budget.

On a motion, the presentation respecting the 2009 Tax Supported Operating Budget – Corporate Services was received.
On a motion, Report FCS09007b respecting the 2009 Tax Supported Operating Budget – Corporate Services was tabled until the January 27, 2009 Audit and Administration Committee budget meeting, pending receipt of upcoming staff reports and additional information.

(iv) 2009 Tax Supported Operating Budget – Other Programs (FCS09007c) (City Wide) (Item 4.4)

On a motion, Report FCS09007c respecting the 2009 Tax Supported Operating Budget – Other Programs and the corresponding presentation was tabled until the January 27, 2009 Audit and Administration Committee budget meeting.

(e) Adjournment

The meeting adjourned at 4:55 p.m.
January 27, 2009

(a) **Changes to the Agenda (Item 1)**

The Clerk advised that there were no changes to the agenda. On a motion, the agenda was approved as presented.

(b) **Declarations of Interest (Item 2)**

The Chair requested if there were any declarations of interest, of which there were none.

(c) **Adoption of Minutes (Item 3)**

Minutes of January 13, 2009 Budget Meeting

The Minutes of the January 13, 2009 Budget Meeting of the Audit and Administration Committee were approved, as presented.

(d) **Presentations (Item 4)**

(i) **2009 Tax Supported Operating Budget – Other Programs (FCS09007c) (City Wide) (Item 4.1)**

Report FCS09007c and the corresponding presentation was lifted from the table.

Tony Tollis presented an overview of the 2009 Tax Supported Operating Budget – Other Programs.

The following direction was given to staff via motion:

(a) That staff be directed to prepare a report providing an analysis and business plan for the trunk radio system.

(b) That staff be directed to prepare a report consisting of an overview on the $100,000 Special Events Subsidy for HECFI.

(c) That staff be directed to report back on the contractual obligations entered into with the Hamilton Bulldogs.

Committee requested that staff provide information respecting the 38% reduction in material and supplies.
On a motion, Committee moved in camera at 10:05 a.m. pursuant to section 8.1, subsection (d) of the City’s Procedural By-Law and Section 239 of the Ontario Municipal Act, as the subject matter pertains to labour relations and employee negotiations. Committee reconvened in Open session at 10:33 a.m.

Committee gave staff direction in camera with nothing to report in open session.

On a motion, the presentation respecting the 2009 Tax Supported Operating Budget – Other Programs was received. The in camera presentation respecting Corporate Contingencies will remain confidential and restricted from public access, pursuant to Section 8.1, subsection (d) of the Procedural By-Law and section 239 of the Municipal Act, 2001 as the subject matter pertains to labour relations and employee negotiations.

Committee made the following amendments to Report FCS09007c respecting the 2009 Tax Supported Operating Budget – Other Programs:

(a) That increases to “Ward Budgets” be tabled.

(b) That the labour contractual contingency fund be reduced by 10%.

Committee agreed that the contingency fund could be increased again prior to the ratification of the budget, pending information from staff as directed in closed session.

(e) 2009 Tax Supported Operating Budget – City Manager (FCS09007a) (City Wide) (Item 5.1)

Report FCS09007a respecting the 2009 Tax Supported Operating Budget – City Manager was lifted from the table.

The following direction was given to staff via motion:

(a) That staff be directed to prepare a report respecting the possibility of reducing one or two Communications FTEs.

(b) That staff be directed to investigate the amount of cost savings that could be accrued by extending Christmas shutdown by an additional day, and that this information be included in the City Manager’s report on mitigating employee costs.

Committee made the following amendment to Report FCS09007a respecting the 2009 Tax Supported Operating Budget – City Manager:
That the “Intergovernmental Affairs” allocation of the “Administration – City Manager” portion of the City Manager’s Operating Budget be removed from the budget pending a report respecting this issue as directed by the Economic Development and Planning Committee.

(f) 2009 Tax Supported Operating Budget – Corporate Services (FCS09007b) (City Wide) (Item 5.2)

Report FCS09007b respecting the 2009 Tax Supported Operating Budget – Corporate Services was lifted from the table.

Committee passed the following motion:

(a) That staff be directed to prepare a report for the 2009 budget process that would illustrate options and alternatives that would increase efficiencies and reduce costs in the Customer Contact Centre.

(b) That a sub-committee be formed to investigate service level reductions in the Customer Contact Centre, as well as other cost-saving suggestions made in this budget process and previous budget processes, to be considered in the 2010 budget process.

The motion CARRIED on the following recorded vote:

Yeas: Clark, Collins, Morelli, Whitehead
Total: 4
Nays: Bratina, Pearson, Powers
Total: 3
Absent: Eisenberger
Total: 1

Committee advised that they do not want staff to hire a consultant to investigate ways to increase efficiencies and decrease costs.

Suggestions to mitigate costs included but were not restricted to the following:

- An online phone directory
- Eliminating FTEs
- Centralizing or decentralizing the service delivery model

The following direction was given to staff via motion:

(i) That staff be directed to investigate and report back on reductions in services at Municipal Service Centres, specifically with respect to reductions in the number of days of the week that they are open.

The motion CARRIED on the following recorded vote:

Yeas: Clark, Collins, Eisenberger, Morelli, Whitehead
Total: 5
Nays: Pearson, Powers
Total: 2
Absent: Bratina
Total: 1

(ii) That staff be directed to report back on alternative service delivery models; efficiencies in delivering service, which would not exclude the incorporation of library services; and additional revenue-generating opportunities for Municipal Service Centres.

(g) Human Resources Budget Status Report (HUR08008) (City Wide)
(Recommendation (b) was referred to the 2009 budget process on June 18, 2008) (Item 5.4)

Helen Hale Tomasik advised that recommendation (b) had been incorporated into the Human Resources Division operating budget.

The following direction was given to staff via motion:

That staff be directed to prepare a report respecting options for possible service level reductions in the Human Resources Division.

(h) Adjournment

The meeting adjourned at 12:15 p.m.

Respectfully submitted,

Councillor B. Clark, Chair
Audit and Administration Committee

Mary-Ann Meyer
Legislative Assistant
Audit and Administration Committee
January 27, 2009