SUBJECT: Audit and Administration Committee Budget Follow-up - Municipal Service Centres FCS09024 (City Wide)

RECOMMENDATION:
That Report FCS09024 be received for information.

EXECUTIVE SUMMARY:
During 2009 budget deliberations, the Audit and Administration Committee discussed the Municipal Service Centres and provided direction to staff to report back with respect to possible service reductions and associated savings through closing the Municipal Service Centres on certain days of the week. In addition, the committee provided direction to seek efficiencies over the course of 2009, review alternative service delivery options and revenue-generating possibilities.

Three options are provided that would achieve reduced hours at the centres, with accompanying budget savings. Further reduction beyond the savings noted in the first three options would require further study to assess impacts.

BACKGROUND:
On January 27, 2009, the Audit and Administration Committee discussed the budget and operation of the Municipal Service Centres and approved the following two motions:
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; and

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.

The information provided primarily addresses the first of the two motions, while the second is intended to be addressed over the course of 2009. Brief comments have been provided for the review over the course of 2009 for the information of committee members.

**ANALYSIS/RATIONALE:**

The following background information should be considered in the deliberation of this report.

During 2008, there were 74,577 visitors to the Municipal Service Centres in order to access City services and information. Many services are available at the centres including the ability to pay tax payments and parking tickets, purchase animal control licenses, obtain marriage licenses, burial permits, HES burn permits, culture and recreation registrations and payment of invoices, well water testing drop-offs, access to Hamilton Tourism services, obtain a blue box, green cart, or buy a composter, as well as sign up for a bulk pick-up. In addition, the Service Centre staff are available to assist the Contact Centre with call-handling, when available, and during peak periods. Commencing in January, 2009, Provincial Offences tickets will also be accepted at the Municipal Service Centres.

The Municipal Service Centre staff accepted over $28 million in revenue and processed approximately $20 million in other payments through an automated payment processing machine. In addition to providing over the counter services for payments, applications and information, they also provide processing support to Animal Control (over 10,000 licences), Culture & Recreation Facility Bookings and Registration processing, Public Heath mailings, assistance with Special Events (i.e. issuing residents with street parking permits during Peach Festival, etc.), and other requests from other departments/divisions. Details of usage are included in Appendix A of report FCS09024.

Although the Municipal Service Centres are in the former municipal offices, this provides for service delivery at a convenient location for customers, maintaining the locations used prior to amalgamation. The decision to leave them in their current locations after amalgamation has provided some level of continuity for suburban and rural residents and businesses with respect to access to municipal services.
ALT ER N A T I V E S  F O R  C O N S I D E R A T I O N:

As requested by the Audit and Administration Committee, we are providing 3 options addressing service reductions.

Option 1: Municipal Service Centres all open 4 days per week

Option 1 is to keep all 5 service centres open 4 days per week. Each centre would be closed on a different day of the week, reducing service by one day per week. This option would provide for a reduction in employee costs of $180,000 and a reduction of 3 FTEs through lay-offs.

There are a number of concerns with this option. The differing schedules in each centre creates confusion for the customers in trying to access the services, and frustration if they attend the centres on a day they are closed. In addition, the ability to advertise the locations and hours of operation for payments of tax bills, animal control licenses, parking tickets, etc., becomes much more difficult and confusing. Currently the tickets, and tax bills note the 5 locations and that they are open Monday to Friday. The details of which centres are open which days will possibly not fit on these notices and tickets, causing confusion for the residents. Challenges are also created in scheduling staff and ensuring coverage; staff will need to work 4 days a week in one centre, and the fifth day in an alternate centre.

Option 2: Municipal Service Centres Open 3 days per week

Option 2 is to keep all 5 service centres open 3 days per week. Each centre would be closed on 2 different days of the week, reducing service by two days per week per centre. This option would provide for a reduction in employee costs of $300,000, and a reduction of 5 FTEs through lay-offs.

This option raises the same challenges and concerns as Option 1, but heightens the possibility of confusion for the customers in trying to access the services, and frustration if they attend the centres on a day they are closed. The ability to advertise the locations and hours of operation for payments of tax bills, animal control licenses, parking tickets, etc., becomes much more difficult and confusing. It may not be possible to include the details of which centres are open which days on tax notices, parking tickets, animal control renewal notices, etc. causing confusion for the residents. Challenges are also created in scheduling staff and ensuring coverage; this option retains one additional staff to ensure centres are adequately staffed for service.

Should Council consider option 1 or 3, it is our belief that the other centres would be able to address the anticipated increase in customers and the reallocation of processing work. With Option 2, and service centres being open only 3 days per week, there will be impacts on other departmental areas related to processing work, as well as impacts on usage of the other centres and City Hall by citizens. The predicted impact of this option can not be quantified, as we cannot pre-determine the way that citizens will change the avenues they use to access City services.
Option 3: Close one Municipal Service Centre (provide outreach services 1 day per week in the 5th centre)

Closing one centre would provide for maintaining the service at 4 centres at their current level of service. This option provides for service in the 5th centre 1 day per week. This option would provide for a reduction in employee costs of $120,000 and a reduction of 2 FTEs, through lay-offs.

This option provides a greatly reduced service level in one centre, but does maintain services in the same locations as are currently in place. This option is similar to the current outreach program used by the Federal Government where federal government services are provided in our Dundas and Waterdown Centres one day per week. This option could be less disruptive to the largest number of customers, as 4 of the centres would maintain their current operational schedule. Challenges are also created in scheduling staff and ensuring coverage.

It is believed that citizens will utilize the services of one of the other service centres, should this option be approved, increasing the service usage of those centres.

2009 Efficiency Review

The Service Centres are designed to provide a variety of counter services to the public at locations more easily accessed by the citizens. They function most efficiently when they are also able to have steady processing work between customers. There are several matters that, if addressed, would assist with future decision making. One is the level of service uptake that warrants maintaining a service centre. The second matter is addressing if the service centres are in the preferred locations for serving the broadest population, or if re-location would serve a broader base of customers. The other matter is developing a corporate approach or strategy to ensure full utilization of capacity for processing work between customers. Addressing these factors would facilitate maintaining and perhaps maximizing counter service for customers, while facilitating the optimum level of processing work at the service centres. All of these factors should be evaluated during the 2009 review. With a commitment to maximizing the processing work undertaken at the service centres, efficiencies could be gained, while maintaining the service delivery centres in their current locations.

As the Glanbrook Centre has the least amount of visitors per year, the automated processing machine is operated there. In 2010, with the return to City Hall, consideration is being given to moving the automated processing machine back to City Hall, to address the excess capacity of staff in the Tax Division and to take advantage of possible bank charge savings through encoding of cheque payments through the machine. Should the remittance processing machine be relocated to City Hall, the bulk of the processing work currently undertaken in the Glanbrook Centre will be removed. The relocation of the machine should be considered in the evaluation of efficiency options. Consideration could also be given to relocating the Glanbrook Centre to a
more populous area on the mountain, accessible by bus. This option would not generate budget savings, but would provide for greater utilization of the centre services.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Option 1: Savings - $180,000  3 FTEs
Option 2: Savings - $300,000  5 FTEs
Option 3: Savings – $120,000  2 FTEs

Other operational and security issues related to shared office space and equipment will need to be addressed with other occupants of the buildings, which may impact negatively on community partners.

**POLICIES AFFECTING PROPOSAL:**

All staff impacted by reductions are members of CUPE 5167, and positions will be eliminated through lay-offs. Lay-offs will be completed in accordance with the notice provisions required in the contract. Employees impacted will have the rights of members under the contract to displace other employees of lower seniority in accordance with the contract provisions.

**RELEVANT CONSULTATION:**

**CITY STRATEGIC COMMITMENT:**

By evaluating the “*Triple Bottom Line*”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced.  ☐ Yes  ☑ No

Removing ease of access to Municipal Service Centres would have a negative effect on community well-being.

Environmental Well-Being is enhanced.  ☐ Yes  ☐ No

There is no benefit to environmental well-being.

Economic Well-Being is enhanced.  ☐ Yes  ☑ No

It is unclear what the end result on economic well-being would be, dependent on the option chosen for implementation. A budget savings would enhance the economic well-being, but resulting constituent frustration or confusion may create a disbenefit, and multiple trips to different centres for service.

Does the option you are recommending create value across all three bottom lines?  ☐ Yes  ☑ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants?  ☐ Yes  ☑ No
### MUNICIPAL SERVICE CENTRE STATS

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