



CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division

TO: Chair and Members Emergency & Community Services Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: February 17, 2011	
SUBJECT/REPORT NO: 2011 Tax Supported Operating Budget – Community Services (FCS11023e) (City Wide)	
SUBMITTED BY: Roberto Rossini General Manager Finance & Corporate Services Department Joe-Anne Priel General Manager Community Services Department	PREPARED BY: Helen Klumpp (905) 546-2424 ext 3508 Tom Hewitson (905) 546-2424 ext 4159
SIGNATURE:	

RECOMMENDATION

- (a) That the 2011 net operating levy for Community Services of \$137,203,270, inclusive of Recommended Savings Options as per Appendix Three to report FCS11023e, be considered;

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- (b) That the 2011 Council Referred Items pertaining to Community Services as per Appendix Four to report FCS11023e be considered;
- (c) That the 2011 Requested Program Enhancements pertaining to Community Services as per Appendix Five to report FCS11023e be considered;
- (d) That the General Manager of Community Services be authorized and directed to execute all 2011 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 One to report FCS11023e. This also includes the authority to authorize the submission of budgets and quarterly/year end reporting.

EXECUTIVE SUMMARY

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

2010 Budget	\$155,149,400
2011 Base Budget ¹	\$137,437,300
2011 Savings Options	(\$234,000)
2011 Draft Budget	\$137,203,300
\$ Change (inclusive of upload savings)	(\$17,946,100)
% Change (inclusive of upload savings)	(11.6%)
\$ Change (exclusive of upload savings)	\$3,853,800
% Change (exclusive of upload savings)	2.5%

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

As shown above, the draft 2011 Community Services budget results in a net levy reduction of approximately -\$17.9 million or -11.6%. Included in this budget reduction are upload savings of approximately \$21.8 million which are offset by a corresponding decrease in OMPF/Provincial Funding (Non-Program Revenues Budget FCS11023d). For 2011, the province will have assumed all costs for the ODSP program and will continue to gradually assume the municipal share of Ontario Works payments and benefits from 80 to 100% through to 2018. In 2011, the cost share ratio will be 81.2/18.8.

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Exclusive of the 2011 upload savings, the Community Services budget is increasing approximately \$3.9 million or 2.5%. Base expenditures are increasing about \$4.1 million or 2.7% mainly as a result of employee related costs, special support increases and an increase in CityHousing Hamilton subsidy. These increases are offset by various base budget savings and recommended savings options as outlined further in the report, for a net base budget increase of \$2.8 million or 1.8%.

Provincially mandated costs are increasing by approximately \$1m net or 0.7% mainly driven by social housing benchmarks at approximately \$1.8m. The Province establishes these cost and revenue project benchmarks used to set minimum funding levels paid by municipalities to social housing providers.

This is offset by net savings in Ontario Works (OW) caseload costs of \$820,000. The 2011 budget is based on the 2010 actual OW caseload plus a 4.4% average monthly increase. This equates to a monthly average caseload of 13,855 compared to the 2010 budgeted average caseload of 14,413. Current caseload statistics are indicating that this assumption is warranted; however the economy is uncertain and could adversely impact the OW budget in 2011. Lastly, effective December 1, 2010, there was a 1% increase applied to Ontario Works benefits (basic needs, shelter, temporary care) which increases the cost per case from budget year to year.

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/minimal 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 FCS11023e identifies these base budget savings totalling -\$1.3 million (updated from -\$1.1 million identified in the Budget Summary Report FCS11023) which have been identified within the Community Services budget.

Recommended Savings Options

In addition to base budget savings, recommended savings options were developed for Council’s consideration. These savings options are treated separately as they may have a small impact on staffing or service levels, however are being recommended, and as such, included in the 2011 draft budget.

Recommended savings options identified within the draft 2011 Community Services budget total -\$234,000 (annualized -\$288,000). The following table identifies these recommended savings options. Further information is provided in the detail forms include in Appendix Three to FCS11023e.

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Recommended Savings Options	FTE	2011 Impact	
		Gross	Net
Child Minding services - 2255 Barton - discontinue service due to low utilization rates	(1.00)	(77,868)	(77,868)
Child Minding services - Career Development Center discontinue service due to low utilization rates	(1.00)	(53,064)	(53,064)
Reassign scheduling clerk duties to Intake Section	(1.00)	(43,474)	(43,474)
Reduction in purchase of ergonomic chairs/desks	-	(59,574)	(59,574)
Total Recommended Savings Options	(3.00)	\$ (233,980)	\$ (233,980)

Council Referred Items

During the year, a number of items have been referred to the 2011 budget process for consideration. These items are not included in the draft 2011 budget pending Council consideration.

The following table identifies the Council referred items pertaining to the Community Services budget. The detailed forms on these items are included in Appendix Four to report FCS11023e.

Council Referred Items	FTE	Annualized Impact	
		Gross	Net
Cultural mapping per City's approach to community building - Report CS10057	2.00	235,000	235,000
Arts Awards - Expenditures for additional awards, event presentation, outreach/marketing and delivery - Report CS10058	-	62,550	59,550
Emergency Food Assistance - Christmas Hamper Program and Summer Shortfall - Report CS09072(a)	-	350,000	350,000
Completion of Rooming Housing Strategy Report PED05125(e)/SPH05066(e)	-	64,869	64,869
Macassa Lodge - Compliance for food service workers with the new Long Term Care Homes Act per Council Report CS10087	2.50	125,000	125,000
Total Council Referred Items	4.50	\$ 837,419	\$ 834,419

Requested Program Enhancements

Community Services is requesting additional program enhancements totalling \$210,000 as identified in the following table. These enhancements are not included in the draft 2011 budget pending Council consideration.

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Requested Program Enhancements	FTE	Annualized Impact	
		Gross	Net
Hamilton Center for Civic Inclusion (HCCI)	-	130,000	130,000
Hamilton Farmers' Market Programming - seasonal market, development of related events	-	30,000	30,000
Battle of Stoney Creek re-enactment - funds required to build up event to a tourism marquee standard	-	60,000	50,000
Domiciliary Hostel Program - Team Control Clerk and Program Manager and implement review recommendations.	1.10	96,693	-
Housing Programs Administration (SHRRP/STRSP) staffing for Social Housing Renovation Retrofit Program	1.00	59,000	-
Addictions Service Initiative and counselling to chronic shelter users	0.50	65,370	-
Macassa Lodge - RAI-MDS electronic resident records mandated by MOHLTC	1.00	98,280	-
Wentworth Lodge - RAI-MDS electronic resident records mandated by MOHLTC	0.80	78,800	-
Total Requested Program Enhancements	4.40	\$ 618,143	\$ 210,000

The detailed forms on these requested program enhancements are included in Appendix Five to report FCS11023e.

Complement

The 2011 draft complement for the Community Services is 1,562.90 FTE, representing a reduction of -1.53 FTE when compared to the 2010 restated complement. This complement reduction is inclusive of the -3.0 FTE identified in the recommended savings options. Other complement changes include a reduction of -7.03 FTE due to the completion of program funding or reductions to maintain costs within funding envelopes. The Addictions Services Initiative (CS10086) contributed 10.5 FTE. The remaining changes were the addition of 1 FTE per the CityHousing Hamilton operational review and a reduction of -3.0 FTE as a result of staffing mix adjustments in the Ontario Works program.

	2010		2011 Draft	2011 Draft vs 2010 Restated	
	Approved	Restated			
Community Services	1,557.60	1,564.43	1,562.90	(1.53)	-0.1%

The 6.83 FTE increase between the 2010 approved and restated budget is as a result of the following: Council approval of an increase in 10.5 FTE for 100% funded positions in Macassa and Wentworth Lodge (CSD10087) involving funding for the long-term care homes sector to support the increased acuity needs of residents in Long-Term Care homes as well as to support the implementation of the Long-Term Care Homes Act, 2007 and Ontario Regulation 79/10 that came into effect July 1, 2010. A 0.33 FTE for

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100% funded case aide for the Affordable Transit Pass Program up to March 31, 2011 (ECS08051) was also approved mid year. This is partially offset by 3 FTE transferred to Public Health and 1 FTE transferred to the City Manager's Office.

Alternatives for Consideration – See Page 7

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

Financial: The draft 2011 Community Services budget results in a net levy decrease of approximately -\$17.9 million or -11.6%. This decrease is inclusive of upload savings totalling \$21.8 million which are fully offset by a corresponding reduction in OMPF/Provincial Funding in the Non-Program Revenues budget. Exclusive of the \$21.8 million upload savings, the Community Services budget is increasing approximately \$3.9 million or 2.5%.

Base budget maintenance increases of approximately \$4.1 million or 2.7% due to employee related costs, special support increases and CityHousing Hamilton subsidies are offset by -\$1.2 million in base budget savings and -\$233k in recommended savings options. Provincially mandated increases of approximately \$1.9 million include social housing benchmarking costs, emergency shelter per diem increases as well as OW increased benefit costs. These are offset by savings as a result of the OW average caseload assumptions for 2011.

Staffing: The draft 2011 Community Services budget results in a complement of 1,562.90 FTE. This represents a reduction of -1.53 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 the Community Services department are included in the attached Appendix One to report FCS11023e. Senior Management Team will continue its internal process to develop further budget savings and present these during budget deliberations in March/April, 2011.

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POLICY IMPLICATIONS

N/A

RELEVANT CONSULTATION

The budget has been developed in conjunction with internal partners.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

As indicated, the Community Services draft budget is decreasing by approximately - \$17.9 million or -11.6% (inclusive of upload savings) or increasing approximately \$3.9 million or 2.5% (exclusive of upload savings). The following table identifies the draft budget by division.

	2010		2011			2011 Draft	
	Budget	Projected Actuals	Base Budget	Savings Options	Draft Budget	vs. 2010 Budget	
						\$	%
COMMUNITY SERVICE DEPARTMENT							
Administration - Community Services	2,359,158	2,332,447	2,449,079	0	2,449,079	89,921	3.8%
Benefit Eligibility	7,429,376	8,415,087	7,767,136	(77,868)	7,689,268	259,893	3.5%
City Housing Hamilton	0	0	0	0	0	0	0.0%
Culture	5,569,112	5,308,961	5,671,852	0	5,671,852	102,741	1.8%
Employment & Income Support (inclusive of upload savings)	51,293,091	49,562,938	28,812,762	(96,538)	28,716,224	(22,576,867)	(44.0)%
Housing & Homelessness	43,953,606	43,960,677	46,758,865	0	46,758,865	2,805,259	6.4%
Macassa Lodge	5,205,913	4,865,671	5,430,077	0	5,430,077	224,164	4.3%
Recreation	26,678,207	24,806,200	27,639,297	0	27,639,297	961,090	3.6%
Social Development & Early Childhood Services	7,344,441	7,371,476	7,371,367	0	7,371,367	26,926	0.4%
Strategic Services	1,608,478	1,546,883	1,693,069	(59,574)	1,633,495	25,017	1.6%
Wentworth Lodge	3,708,047	3,657,445	3,843,746	0	3,843,746	135,699	3.7%
TOTAL COMMUNITY SERVICES DEPARTMENT	155,149,428	151,827,786	137,437,250	(233,980)	137,203,270	(17,946,158)	(11.6)%
TOTAL COMMUNITY SERVICES DEPARTMENT (exclusive of upload savings)						3,853,842	2.5%

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 Recommended Savings Options

Appendix Four – 2011 Council Referred Items

Appendix Five – 2011 Requested Program Enhancements