



Hamilton

CITY MANAGER

Draft 2013 Operating Budget

2013 Tax Operating Budget Workshop
General Issues Committee



2012 Variance Projection and Implications for 2013



2012 Budget Projected Variance

	2012 Budget	2012 Projected Actual	\$ Variance	% Variance
Administration – City Manager	\$1,213,190	\$1,143,910	\$69,280	5.7%
Audit Services	\$932,980	\$854,860	\$78,120	8.4%
Human Resources	\$4,784,610	\$4,763,590	\$21,020	0.4%
Legal	\$2,853,000	\$3,028,080	(\$175,080)	-6.1%
TOTAL	\$9,783,780	\$9,790,440	(\$6,660)	-0.1%

“() ” – Denotes unfavourable variance



2012 Budget Variance Explanation

- Contractual Obligations (Legal & HR)
 - Unfavourable Legal Fees & Arbitration costs are recovered from other Departments (HR)
 - Unbudgeted Expert Witness Fees & other contractual obligations (Legal)
- Gapping (all areas)



- Major variance items that may have implications for 2013
 - Legal Fees (HR) - \$500k
 - Arbitration Costs (HR) - \$110k



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2013 Draft Budget Department Summary



2013 Draft Budget By Division

	2012 Budget	2013 Draft Budget	\$ Change	% Change
City Manager - Admin	\$1,213,190	\$1,243,220	\$30,030	2.5%
Audit Services	\$932,980	\$953,940	\$20,960	2.2%
Human Resources	\$4,784,610	\$4,987,290	\$202,680	4.2%
Legal Services	\$2,853,000	\$2,958,370	\$105,370	3.7%
TOTAL	\$9,783,780	\$10,142,810	\$359,030	3.7%



2013 Operating Budget by Cost Category (Expenditures)

	2012 Budget	2013 Draft Budget	\$ Change	% Change
Employee Related Cost	\$12,910,830	\$13,399,290	\$488,460	3.8%
Material and Supply	\$598,250	\$588,010	(\$10,240)	-1.70%
Building and Ground	\$25,160	\$19,410	(\$5,750)	-22.9%
Consulting	\$194,240	\$194,240	\$0	0%
Contractual	\$1,177,790	\$1,234,370	\$56,580	4.8%
Reserves/Recoveries	(\$1,104,690)	(\$1,090,680)	\$14,010	-1.3%
Cost Allocations	(\$3,101,090)	(\$3,132,100)	(\$31,010)	1.0%
Financial	\$951,360	\$948,600	(\$2,760)	-0.3%
TOTAL EXPENDITURES	\$11,651,850	\$12,161,130	\$509,280	4.4%



2013 Operating Budget by Cost Category (Revenues)

	2012 Budget	2013 Draft Budget	\$ Change	% Change
Fees and General	(\$59,360)	(\$60,360)	(\$1,000)	1.7%
Reserves	(\$1,808,710)	(\$1,957,960)	(\$149,250)	8.3%
TOTAL REVENUES	(\$1,868,070)	(\$2,018,320)	(\$150,250)	8.0%
NET LEVY	\$9,783,780	\$10,142,810	\$359,030	3.7%



2013 Budget Pressures / Challenges

- Major pressures
 - Employee related expenses \$337k
 - Rent \$55k

- Council pre approvals impacting budget
 - Performance Auditors (funded from Reserves)



2013 Budget Opportunities

Budget savings

- **Efficiencies** **(\$26,050)**
 - CMO Admin (\$12,530)
 - Human Resources (\$ 4,820)
 - Legal Services (\$ 8,700)

- **Revenues** **(\$2,000)**
 - Audit Services (\$ 1,000)
 - Human Resources (\$ 1,000)



2013 Council Referred Items to Date



2013 Council Referred Items

SERVICE	FTE	Net \$(000's)
HR – Legal Fees	0.0	200
HR – Arbitration Costs	0.0	50
TOTAL	0.0	\$250



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2013 Draft Budget CMO Administration



2013 Draft Budget By Program

	2012 Budget	2013 Draft Budget	\$ Change	% Change
City Manager's Office	\$1,183,190	\$1,213,220	\$30,030	2.5%
OMBI Membership	\$30,000	\$30,000	0	0.0%
TOTAL	\$1,213,190	\$1,243,220	\$30,030	2.5%



- Major Pressures

- Employee Related costs	\$36,720
- Reduced Sponsorships	(\$3,500)
- Corporate Costs	(\$3,190)

Total **\$ 30,030**



2013 Budget Opportunities

- **Efficiencies**

- Employee Related (\$9,030)
- Sponsorships (\$3,500)

Total **(\$ 12,530)**



2013 Draft Budget Audit Services



2013 Draft Budget By Program

	2012 Budget	2013 Draft Budget	\$ Change	% Change
Audit Services	\$932,980	\$953,940	\$20,960	2.2%
TOTAL	\$932,980	\$953,940	\$20,960	2.2%



2013 Budget Pressures / Challenges

• Major pressures		\$20,960
- Salary & benefit costs	25,390	
- Recoveries (City)	(1,000)	
- Corporate Charges	(3,430)	
• Council pre approvals impacting budget		\$ 0
- Performance Auditors	286,300	
- Funded from Reserve	(286,300)	
Total		<u>\$20,960</u>



2013 Budget Opportunities

• Revenues	(\$1,000)
- City Recoveries	
Total	<u>(\$1,000)</u>



2013 Draft Budget Human Resources



2013 Draft Budget By Program

	2012 Budget	2013 Draft Budget	\$ Change	% Change
HR Admin & Human Rights *	\$814,000	\$884,210	\$70,210	8.6%
Employment Services	\$962,740	\$988,460	\$25,720	2.7%
Labour Relations	\$1,490,420	\$1,493,030	\$2,610	0.2%
Organizational Development	\$468,270	\$470,820	\$2,550	0.5%
Health, Safety & Wellness	\$975,310	\$1,046,460	\$71,150	7.3%
Compensation & Benefits	\$1,162,500	\$1,203,830	\$41,330	3.6%
Sub-total	\$5,873,240	\$6,086,810	\$213,570	3.6%
* IND CA's	(\$1,088,630)	(\$1,099,520)	(\$10,890)	1.0%
TOTAL	\$4,784,610	\$4,987,290	\$202,680	4.2%



2013 Budget Pressures / Challenges

- Major pressures

- Salary & Benefit	\$153,020
- Rent	\$49,910
- Indirect Recoveries	(\$10,890)
- Budget reductions	(\$4,820)
- Direct Corp Costs	(\$1,620)
- Photocopy fees	(\$1,000)
- Other	\$18,080

Total

\$202,680



2013 Budget Opportunities

- **Efficiencies** **(\$4,820)**
 - Employee related (\$1,800)
 - Office supplies (\$320)
 - Phones (\$2,700)

- **Revenues** **(\$1,000)**
 - Photocopy fees

- **Total** **(\$5,820)**



2013 Draft Budget Legal Services



2013 Draft Budget By Program

	2012 Budget	2013 Draft Budget	\$ Change	% Change
Legal Services	\$2,853,000	\$2,958,370	\$105,370	3.7%
TOTAL	\$2,853,000	\$2,958,370	\$105,370	3.7%



- Major pressures

- Sal & Benefit costs	\$119,740
- Rent	\$7,930
- Computer Software	(\$4,000)
- Corporate charges	\$2,730
- Indirect Legal Recovery	(\$17,330)
- Court Costs & Info retrieval	(\$3,700)

Total

\$105,370



2013 Budget Opportunities

- **Efficiencies**

- Computer Software	(4,000)
- Printing	(1,000)
- Court Litigation Costs	(2,700)
- Information Retrieval	(1,000)

Total

(\$8,700)