SUBJECT: 2010 Tax Supported Operating Budget – Community Services (FCS09120f) (City Wide)

RECOMMENDATION:

(a) That the 2010 net operating levy for Community Services, inclusive of Savings Options per Appendix Two to report FCS09120f, be approved at $154,352,817;

(b) That the 2010 Community Services Council referred item- per Appendix Three to report FCS09120f be considered by the Emergency and Community Services Committee; and

(c) That the General Manager of Community Services be authorized and directed to execute all statutory 2010 Federal and Provincial Program Service Level Funding Agreements and Contracts for Community Services. This also includes the authority to authorize the submission of budgets and quarterly/year end reporting.

Roberto Rossini
General Manager, Finance & Corporate Services
Corporate Services Department
Joe-Anne Priel  
General Manager  
Community Services Department

**EXECUTIVE SUMMARY:**

The 2010 Community Services budget is submitted for Council’s consideration.

**2010 Requested Budget – Community Services**

The following table highlights the 2010 Requested Budget versus the Budget Guideline.

### 2010 Submission vs. Budget Guideline

<table>
<thead>
<tr>
<th></th>
<th>2009 Budget</th>
<th>$160,330,100</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010 Levy Change</td>
<td>$</td>
</tr>
<tr>
<td>2010 Base Levy Change</td>
<td>$1,457,800</td>
<td></td>
</tr>
<tr>
<td>2010 Savings Options</td>
<td>-$172,000</td>
<td></td>
</tr>
<tr>
<td><strong>2010 Budget Excluding Provincial Impact</strong></td>
<td>$161,615,900</td>
<td>0.8%</td>
</tr>
<tr>
<td>2010 Provincial Mandated</td>
<td>$9,472,100</td>
<td></td>
</tr>
<tr>
<td>2010 Provincial Upload</td>
<td>-$16,735,200</td>
<td></td>
</tr>
<tr>
<td><strong>2010 Requested Budget</strong></td>
<td>-$5,977,300</td>
<td>$154,352,800</td>
</tr>
</tbody>
</table>

1 - Council Guideline is 2% or less excluding provincial impacts.

As shown above, the 2010 Community Services requested budget is well below the Council approved guideline of 2.0% or less. The reduction in the Community Services levy of approximately -$6.0 million or -3.7% is mainly driven by the upload of social services costs (OW/ODSP) to the Province. As indicated, -$16.7 million is the estimated upload savings. There will be an offsetting loss in OMPF revenue (noted in FCS09120c, “Other Programs”).

Exclusive of the provincial impacts, the Community Services budget is increasing by approximately $1.3 million or 0.8%. Base expenditures are increasing about $2.9 million, mainly as a result of employee related costs, increase in OW eligible dental costs as a result of the increased caseload and cost per claim and an increase in CityHousing Hamilton subsidy. However, these have been significantly offset by efficiencies and
other savings of about -$1.5 million as a result of a thorough review of 2009 expenses, program utilization reviews and favourable contract negotiation.

Provincially mandated costs are increasing by $9.5 million or 6%, mainly driven by increasing Ontario Works (OW) caseload costs. The 2010 budget is based on the 2009 actual caseload and year end forecast plus a 1.5% average monthly increase. This equates to a 46.7% increase in budgeted monthly caseload of 15,401 for 2010 compared to the 2009 budgeted average caseload of 10,500. Current caseload statistics are indicating that this assumption is warranted; however, the extent of the current recession is uncertain and could adversely impact the OW budget in 2010. Other mandated increases include social housing benchmarks and emergency shelter per diem increases.

The 2010 budget submission includes savings options totalling -$172,000 described below.

Savings Options

Savings options for Community Services totalling -$172,000 have been included in the 2010 requested budget. The following table identifies these savings options and further information is provided in the detailed forms included in Appendix Two to report FCS09120f.

<table>
<thead>
<tr>
<th>Savings Options</th>
<th>FTE</th>
<th>$ Levy Impact</th>
<th>Gross</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit Eligibility - eliminate child minding (1550 Upper James, 250 Main)</td>
<td>(1.00)</td>
<td>$ (56,000)</td>
<td>$ (56,000)</td>
<td></td>
</tr>
<tr>
<td>Culture - Hamilton Farmers' Market: eliminate weekday free parking</td>
<td>-</td>
<td>$ (40,000)</td>
<td>$ (40,000)</td>
<td></td>
</tr>
<tr>
<td>Culture - Hamilton Farmers' Market: eliminate Saturday free parking</td>
<td>-</td>
<td>$ (40,000)</td>
<td>$ (40,000)</td>
<td></td>
</tr>
<tr>
<td>Recreation - Outdoor Pools: eliminate extended hours in June and September</td>
<td>(0.12)</td>
<td>$ (40,650)</td>
<td>$ (36,000)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Savings Options</strong></td>
<td>(1.12)</td>
<td>(176,650)</td>
<td>(172,000)</td>
<td></td>
</tr>
</tbody>
</table>

Council Referred Items

A Council referred item has been included for consideration with zero impact on the net levy. The detailed form on the Council referred item is included in Appendix Three to report FCS09120f. The following table identifies the Council referred item:

<table>
<thead>
<tr>
<th>Council Referred Items</th>
<th>FTE</th>
<th>Gross Impact</th>
<th>Net Levy Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Development &amp; Early Childhood Services - Child Care service delivery model (CS09065)</strong></td>
<td>1.50</td>
<td>$ 120,000</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total Council Referred Items</strong></td>
<td>1.50</td>
<td>$ 120,000</td>
<td>$ -</td>
</tr>
</tbody>
</table>
Complement

The 2010 requested complement for Community Services is declining by -1.67 FTE when compared to the 2009 restated complement. This change is as a result of the proposed reduction of -1.12 FTE identified above in savings options, an additional reduction of -3.25 FTE due to program completion/termination of funding, partially offset by an increase of 2.70 FTE for the Immigration Strategy (CS09030). The increase in complement reflected in 2009 restated is mainly as a result of the Council approved Ontario Works Phase 2 Contingency Plan (20fte; CS09021a).

<table>
<thead>
<tr>
<th></th>
<th>2009 Budget</th>
<th>2009 Restated</th>
<th>2010 Requested</th>
<th>2010 Requested vs 2009 Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Services</td>
<td>1,530.55</td>
<td>1,547.55</td>
<td>1,545.88</td>
<td>(1.67) -0.1%</td>
</tr>
</tbody>
</table>

BACKGROUND:

The budget summaries and overviews for the Community Services are included in the attached Appendix One to report FCS09120f. During the budget committee meetings commencing in December, staff will present the department and divisional budgets and explain the requirements for 2010.

ANALYSIS/RATIONALE:

As indicated, the Community Services requested budget is declining by approximately -$6.0 million or -3.7%. The following identifies the department submission, by division.

<table>
<thead>
<tr>
<th>Community Service Department</th>
<th>2009 Budget</th>
<th>2009 Projected Base Savings</th>
<th>2010 Requested Base Savings Options</th>
<th>2010 Requested Budget</th>
<th>2010 Requested / 2009 Restated $</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration - Community Services</td>
<td>2,312,421</td>
<td>2,118,090</td>
<td>2,344,489</td>
<td>0</td>
<td>2,344,489</td>
<td>32,068</td>
</tr>
<tr>
<td>Benefit Eligibility</td>
<td>7,524,423</td>
<td>7,570,798</td>
<td>7,668,271</td>
<td>(56,000)</td>
<td>7,812,271</td>
<td>267,848</td>
</tr>
<tr>
<td>City Housing Hamilton</td>
<td>304,524</td>
<td>259,865</td>
<td>291,597</td>
<td>0</td>
<td>291,597</td>
<td>(12,927)</td>
</tr>
<tr>
<td>Culture</td>
<td>5,420,903</td>
<td>5,267,003</td>
<td>5,539,337</td>
<td>(80,000)</td>
<td>5,459,337</td>
<td>38,434</td>
</tr>
<tr>
<td>Employment &amp; Income Support</td>
<td>59,717,243</td>
<td>64,190,591</td>
<td>52,062,825</td>
<td>0</td>
<td>52,062,825</td>
<td>(7,654,418)</td>
</tr>
<tr>
<td>Macassa Lodge</td>
<td>5,213,487</td>
<td>5,112,132</td>
<td>5,411,861</td>
<td>0</td>
<td>5,411,861</td>
<td>198,374</td>
</tr>
<tr>
<td>Recreation</td>
<td>24,744,060</td>
<td>24,643,142</td>
<td>24,726,778</td>
<td>(36,000)</td>
<td>24,690,778</td>
<td>(53,282)</td>
</tr>
<tr>
<td>Social Development &amp; Early Childhood Services</td>
<td>7,194,140</td>
<td>7,036,682</td>
<td>7,215,506</td>
<td>0</td>
<td>7,215,506</td>
<td>21,366</td>
</tr>
<tr>
<td>Social Housing &amp; Homelessness</td>
<td>42,565,322</td>
<td>42,427,158</td>
<td>43,518,993</td>
<td>0</td>
<td>43,518,993</td>
<td>953,671</td>
</tr>
<tr>
<td>Strategic Services</td>
<td>1,670,565</td>
<td>2,386,362</td>
<td>1,722,382</td>
<td>0</td>
<td>1,722,382</td>
<td>51,817</td>
</tr>
<tr>
<td>Wentworth Lodge</td>
<td>3,663,016</td>
<td>3,649,718</td>
<td>3,822,778</td>
<td>0</td>
<td>3,822,778</td>
<td>159,762</td>
</tr>
</tbody>
</table>

NET LEVY | 160,330,104 | 164,661,541 | 154,524,817 | (172,000) | 154,352,817 | (5,977,287) | (3.7)% |

Again, of note, the above includes a $16.7 million reduction for the provincial social services upload. This is offset in the corporate financials budget with a commensurate reduction in OMPF funding.
ALTERNATIVES FOR CONSIDERATION:

Council can direct changes to this budget submission as required.

Staff will continue to monitor the 2009 year-end actuals, to see if there are further opportunities to reduce the 2010 budget.

FINANCIAL/STAFFING/LEGAL IMPlications:

The attached Appendix One to report FCS09120f provides the summary budget and complement data related to the Community Services budget.

POLICIES AFFECTING PROPOSAL:

N/A

RELEVANT CONSULTATION:

This budget has been developed in conjunction with internal and external partners.

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
- Environmental Well-Being is enhanced. ☐ Yes  ☑ No
- Economic Well-Being is enhanced. ☑ Yes  ☐ No

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