

CITY OF HAMILTON

***CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division***

Report to: Chair and Members Emergency & Community Services Committee	Submitted by: Roberto Rossini General Manager, Finance & Corporate Services Corporate Services Department Joe-Anne Priel General Manager Community Services Department
Date: November 16, 2009	Prepared by: Helen Klumpp 3508 Tom Hewitson 4159

**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

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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

2009 Budget		\$160,330,100
	2010 Levy Change	
	\$	
2010 Base Levy Change	\$1,457,800	
2010 Savings Options	-\$172,000	
2010 Budget Excluding Provincial Impact¹		\$161,615,900 0.8%
2010 Provincially Mandated	\$9,472,100	
2010 Provincial Upload	-\$16,735,200	
2010 Requested Budget	-\$5,977,300	\$154,352,800 -3.7%

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

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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.

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

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:

Council Referred Items	FTE	Gross Impact	Net Levy Impact	
			\$	%
Social Development & Early Childhood Services - Child Care service delivery model (CS09065)	1.50	\$ 120,000	\$ -	0.00%
Total Council Referred Items	1.50	\$ 120,000	\$ -	0.00%

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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).

	2009		2010 Requested	2010 Requested vs 2009 Restated	
	Budget	Restated			
Community Services	1,530.55	1,547.55	1,545.88	(1.67)	-0.1%

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.

Community Service Department							
	2009 Budget	2009 Projected Actual	2010 Base Budget	2010 Savings Options	2010 Requested Budget	2010 Requested / 2009 Restated	
						\$	%
Administration - Community Services	2,312,421	2,118,090	2,344,489	0	2,344,489	32,068	1.4%
Benefit Eligibility	7,524,423	7,570,798	7,868,271	(56,000)	7,812,271	287,848	3.8%
CityHousing Hamilton	304,524	259,865	291,597	0	291,597	(12,927)	(4.2)%
Culture	5,420,903	5,267,003	5,539,337	(80,000)	5,459,337	38,434	0.7%
Employment & Income Support	59,717,243	64,190,591	52,062,825	0	52,062,825	(7,654,418)	(12.8)%
Macassa Lodge	5,213,487	5,112,132	5,411,861	0	5,411,861	198,374	3.8%
Recreation	24,744,060	24,643,142	24,726,778	(36,000)	24,690,778	(53,282)	(0.2)%
Social Development & Early Childhood Services	7,194,140	7,036,682	7,215,506	0	7,215,506	21,366	0.3%
Social Housing & Homelessness	42,565,322	42,427,158	43,518,993	0	43,518,993	953,671	2.2%
Strategic Services	1,670,565	2,386,362	1,722,382	0	1,722,382	51,817	3.1%
Wentworth Lodge	3,663,016	3,649,718	3,822,778	0	3,822,778	159,762	4.4%
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.

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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