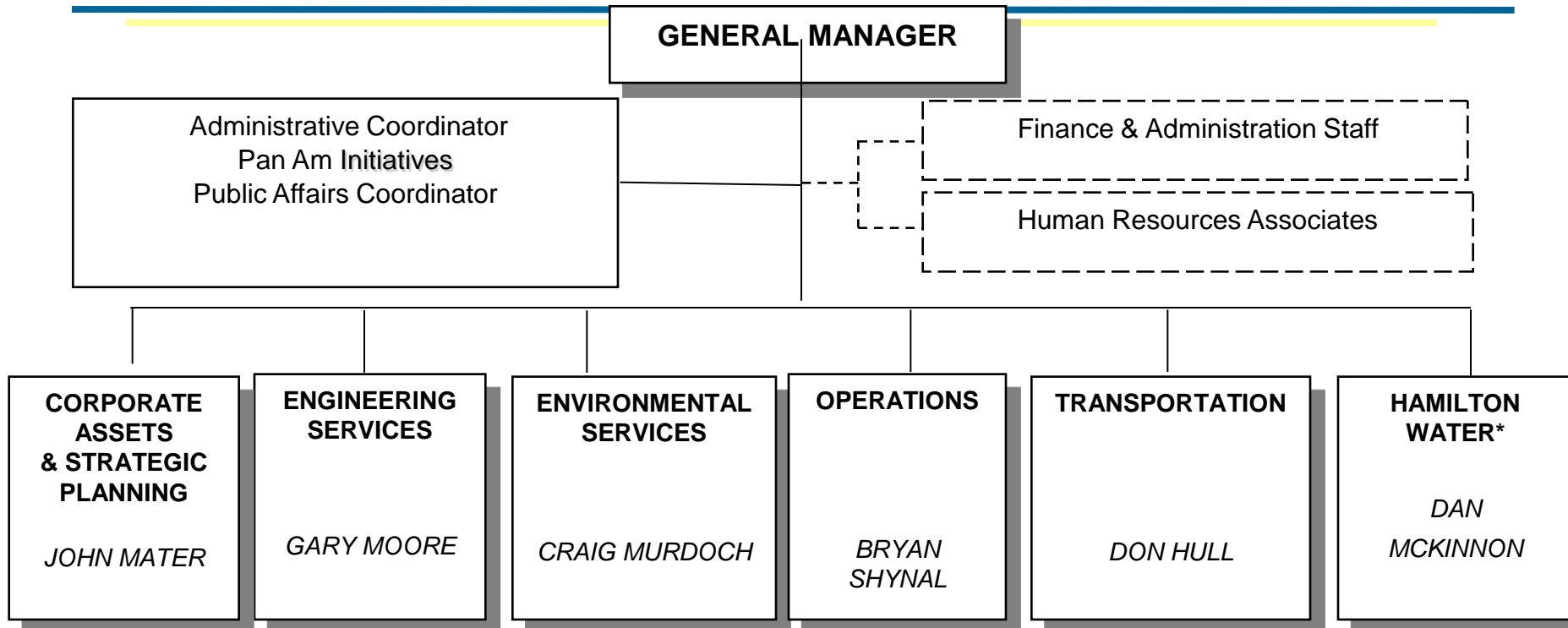




Hamilton

PUBLIC WORKS Draft 2013 Operating Budget

2013 Tax Operating Budget Workshop
General Issues Committee
November 29, 2012



Complement (FTE)	Management*	Other	Total	Staff to Mgt Ratio
2012 Restated	46.0	2,044.64	2,090.64	44.37:1**
2013	43.0	2,041.64	2,084.64	47.47:1**
Change	-3.0	-3.00	-6.0	

*Includes FTE for Manager, Harbour Remediation ** staff to Mgt ratio does not include F&A and HR distributed staff



	Tax FTE's	Rate FTE's	Total FTE's
Public Works Complement			
2012 Requested Budget - TAX & Rate	1,799.40	272.60	2,072.00
GIC Mar 27, 2012 - One-time maintenance of roundabouts	1.66	0	1.66
Centennial Pkwy Transit Route Expansion - FCS12049/PW12054	2.00	0	2.00
Operating Impacts from Capital	4.02	0	4.02
Total Additions	7.68	0.00	7.68
Net Change	7.68	0.00	7.68
2012 Approved Budget - TAX & Rate	<u>1,807.08</u>	<u>272.60</u>	<u>2,079.68</u>
In Year Transfers/Approvals			
2012 Approved In Year Report PW12005 re: Waste Collection	10.96	0.00	10.96
2012 Transfer of Inf & Source Water Planning (510350) to WWW	-17.00	17.00	0.00
2012 Transfer to Corporate Services (Procurement) FCS12049/PW12054	-1.00	0.00	-1.00
2012 Approval for Harbour Remediation	0.00	1.00	1.00
Total Additions	10.96	1.00	11.96
Total Transfers	-18.00	17.00	-1.00
Net Change	-7.04	18.00	10.96
2012 Restated Budget - TAX & Rate	<u>1,800.04</u>	<u>290.60</u>	<u>2,090.64</u>
2013 PW Restructuring	-4.00	-2.00	-6.00
- 2 Senior Directors, 1 Director, 2 Admin 1's, 1 Admin 2			
2013 Requested Budget - TAX & Rate	<u>1,796.04</u>	<u>288.60</u>	<u>2,084.64</u>
PW Restructuring has resulted in 2013 Budget Reductions of \$	\$529,813	\$270,010	\$799,823



2012 Variance Projection and Implications for 2013



2012 Budget Projected Variance

	2012 Budget	2012 Projected Actual	\$ Variance	% Variance
PW General Admin	\$24,720	\$24,720	\$0	0.0%
ESI	0	0	0	0.0%
OWM	118,156,790	119,317,540	(1,160,750)	0.0%
TEF	63,851,840	64,451,840	(600,000)	0.0%
TOTAL	\$182,033,350	\$183,794,100	(\$1,760,750)	1.8%

“() ” – Denotes unfavourable variance



2012 Budget Variance Explanation

Favourable/Unfavourable Revenues (000's):

- Recycling Revenues	(\$870)
- Municipal Hazardous or Special Waste Subsidies	(\$1,700)
- WDO Subsidy	\$605

Favourable/Unfavourable Expenditures (000's):

- Winter Season	\$2,300
- Contractual re: Forestry Building Renovations	(\$2,100)
Other Contractual	\$600
- Streetlighting	(\$400)
- Facility Expenditures	(\$95)
- Fleet Non Recoverable Expenditures	(\$100)



- Major variance items that may have implications for 2013
 - **Potential levy requirements**
 - **Streetlighting connections & contract costs**
(\$1.0M included in draft budget)
 - **Potential levy savings**
 - **Transit Parts** (\$375K included in draft budget)
 - **Winter Season** – alternate to 5 year average \$1.2M
(option to be reviewed)



2013 Draft Budget Department Summary



2013 Operating Budget by Cost Category (Expenditures)

	2012 Budget	2013 Draft Budget	\$ Change	% Change
Employee Related Cost	\$145,323,780	\$150,310,990	\$4,987,210	3.4%
Material and Supply	20,032,680	22,870,790	2,828,510	14.2%
Vehicle Expenses	30,706,940	34,242,570	3,535,630	11.5%
Building and Ground	8,412,620	8,496,670	84,050	1.0%
Consulting	266,160	266,160	0	0.0%
Contractual	73,418,490	75,333,910	1,915,420	2.6%
Agencies and Support Payments	497,220	168,250	(328,970)	(66.2)%
Reserves/Recoveries	(20,437,460)	(18,960,870)	1,476,590	7.2%
Cost Allocations	919,040	796,530	(122,510)	(13.3)%
Financial	3,043,570	3,083,050	39,480	1.3%
Capital Financing (E)	55,950	55,950	0	0.0%
Capital Expenditures	0	0	0	0.0%
TOTAL EXPENDITURES	\$262,238,990	\$276,663,980	\$14,424,990	5.5%



2013 Budget Pressures / Challenges

Draft Budget Pressures

(000's)

Employee Related Costs (excludes winter)		\$4,560
Salaries & Wages	\$2,560	
OMERS	1,169	
Benefits	<u>829</u>	
Winter Season (include EE cost \$430K)		\$3,043
AODA Implementation (phase-in over 3 years) PW03128d		\$2,300
Fuel		\$3,000
Streetlighting Connections & Contract		\$1,000
Waste Program Revenues		\$1,200
Contribution to Fleet Reserve		\$450

Operating impacts from capital *

\$1,338 *

* - Operating impacts from capital are budgeted corporately pending approval



2013 Operating Budget by Cost Category (Revenues)

	2012 Budget	2013 Draft Budget	\$ Change	% Change
Fees and General	(\$62,255,220)	(\$63,306,090)	(\$1,050,870)	(1.7)%
Tax and Rates	0	0	0	0.0%
Grants and Subsidies	(14,405,230)	(14,269,910)	135,320	0.9%
Reserves	(3,545,190)	(1,195,190)	2,350,000	66.3%
TOTAL REVENUES	(\$80,205,640)	(\$78,771,190)	\$1,434,450	1.8%



2013 Budget Pressures / Challenges

Draft Budget Pressures - Revenues (\$000's)

Reserve Elimination	
Waste Management	(1,700)
Street Light - Global Adjustment	(600)
Centennial Route	(50)
	<hr/>
	(2,350)
Fees and General	
Pavement Cuts	914
Various Revenues	1,129
Recycling Revenues	(893)
Reduced HRPI Contribution	(100)
	<hr/>
	1,050
Grants & Subsidies	
WDO	174
Various	177
MHSW	(486)
	<hr/>
	(135)



2013 Draft Operating Budget Savings Summary

Savings included in draft budget:

- **Efficiencies**

– Transit Vehicle Parts	\$375,000
– PW Restructuring (\$799,823 gross)	\$529,813
– Natural Gas & Utilities	\$116,150

Revenues

– User Fees	\$188,970
– Transit Fares (no fare increase)	\$ 87,560
– Advertising Shelters & Urban Charters	\$115,000



2013 Draft Budget By Division

	2012 Budget	2013 Draft Budget	\$ Change	% Change
PW General Admin	\$24,720	\$0	(\$24,720)	(100.0)%
ESI	0	0	0	0%
OWM	118,156,790	124,495,690	6,338,900	5.4%
TEF	63,851,840	73,397,100	9,545,270	14.8%
TOTAL	\$182,033,350	\$197,892,790	\$15,859,440	8.7%



Recommended Options to Achieve a 0% Levy Increase

SERVICE	FTE	Net \$ (000's)	Impact (L/M/H)
TEF – Traffic Fund Streetlighting increase from Energy Reserve	(0.0)	(\$300)	M
PW – Reduce Fuel price currently at \$1.16/L for Diesel & Unleaded – (options TBD)	(0.0)	TBD	M
TEF - Transit 1a) Vehicle Parts 1b) NGV Station Mtnce 1c) Contribution to reserve reduction	(0.0)	(\$800)	M
SUBTOTAL this page	(0.0)	(\$1,100)	

L = low, M = moderate, H = high



Recommended Options to Achieve a 0% Levy Increase

SERVICE	FTE	Net \$ (000's)	Impact (L/M/H)
TEF – Transit - Reduce Tires & Tubes	(0.0)	(\$250)	H
TEF – Transit – Fare Increase	(0.0)	(TBD)	M
OWM - Recycling Reserve	(0.0)	(\$ 890)	M
OWM - Winter Season (cumulative vs 5 year rolling average)	(0.0)	(\$1,200)	M
SUB-TOTAL this page	(0.0)	(\$2,340)	
TOTAL	(0.0)	(\$3,440)	

L = low, M = moderate, H = high



Recommended Options to Achieve a 0% Levy Increase

SERVICE	FTE	Net \$ (000's)	Impact (L/M/H)
• Bio-Diesel Savings	0.0	TBD	M
• McMaster Lease	0.0	TBD	M
• Service Level Impacts – options as per Service Delivery Review	TBD	TBD	H
TOTAL	TBD	(TBD)	

L = low, M = moderate, H = high



2013 Council Referred Items to Date



2013 Council Referred Items

SERVICE	FTE	Net \$(000's)
OWM – Street Tree Trimming Program	0.0	\$0
OWM - Road and Sidewalk Safety Maintenance	0.0	1,370
OWM - Storm Water Facilities Maintenance	0.0	1,140
OWM – Horticulture Beautification	TBD	TBD
OWM – Winter Control Program: Increased WCP service level for residential class three roadways with rural cross section (<i>PW Motion Apr. 2/12, pending report back</i>)- pilot with existing resources	0.0	\$0
SUB TOTAL this page	0.0	\$2,510



2013 Council Referred Items

SERVICE	FTE	Net \$(000's)
OWM – Grass Mowing Parks: Increased frequency of spring mowing at parks for one (1) month (<i>PW Motion June 4/12, pending report back</i>)	0.0	\$600
OWM – Rural Roadside Grass Mowing: 1 additional mowing cycle @ \$100,500 & addition of back of ditch to first cutting cycle @ \$31,300 (<i>PW Motion June 4/12, pending report back</i>)	0.0	132
OWM – Urban Boulevard Grass Mowing: 3 additional cycle cuts @ \$26,850 /cycle to increase the service level from 9 to 12 cycles per season (<i>PW Motion June 4/12, pending report back</i>)	0.0	81
SUBTOTAL this page	0.0	\$813



2013 Council Referred Items

SERVICE	FTE	Net \$(000's)
OWM – Parks: 1 additional month of spray pad operation <i>(PW Motion June 4/12)</i>	0.0	\$64
City Wide – Corporate Green Cart Program <i>(PW12004a and PW11096b, June 18/12)</i>	0.0	40
SUBTOTAL this page	0.0	\$104
TOTAL	0.0	\$3,427



2013 Department Potential Enhancements

2013 Program Enhancement Requests

SERVICE	FTE	Net \$(000's)
TEF – Traffic Signal Mtce. Employee costs - \$180K Vehicle costs - \$100K (one time costs) (Funded from Red Light Camera Reserve)	2.0	180
TEF – Traffic Sign & Pavement Marking Mtce. Employee costs - \$180K Vehicle costs - \$100K (one time costs) (Funded from Red Light Camera Reserve)	2.0	180
TEF – Security Master Plan	TBD	TBD
TOTAL	4.0	\$360



Hamilton

Questions
