SUBJECT: 2010 Tax Supported Operating Budget – Hamilton Emergency Services (FCS09120g) (City Wide)

RECOMMENDATION:

(a) That the 2010 net operating levy for Hamilton Emergency Services be approved at $87,795,128.

Roberto Rossini
General Manager, Finance & Corporate Services
Corporate Services Department

Jim Kay
General Manager / Chief
Hamilton Emergency Services
EXECUTIVE SUMMARY:

The 2010 Hamilton Emergency Services (HES) budget is submitted for Council’s consideration.

2010 Requested Budget – Hamilton Emergency Services

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

<table>
<thead>
<tr>
<th>2010 Submission vs. Budget Guideline</th>
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<tr>
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<tr>
<td>2010 Base Levy Change</td>
</tr>
<tr>
<td>2010 Savings Options</td>
</tr>
<tr>
<td>2010 Budget Excluding Provincial Impact 1</td>
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<td>2010 Provincialy Mandated</td>
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<td>2010 Requested Budget</td>
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1 - Council Guideline is 2% or less excluding provincial impacts.

The Hamilton Emergency Services budget submission results in a levy increase of approximately $3.3 million, or 3.9%. The main cost driver resulting in this budget submission exceeding the guideline of 2.0% or less is employee related expenses which are increasing at a rate greater than the guideline.

Since 90% of the HES department budget is comprised of employee related expenses, it is very difficult to develop savings options that are consistent with the approved budget principles, in particular that do not impact service.

Complement

The 2010 requested complement for Hamilton Emergency Services is remaining unchanged from the previous year at 837.3 FTE.
BACKGROUND:

The budget summaries and overviews for Hamilton Emergency Services are included in the attached Appendix One to report FCS09120g. 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 Hamilton Emergency Services requested budget is increasing by approximately $3.3 million, or 3.9%. The following identifies the department submission, by division.

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<tbody>
<tr>
<td>Corporate Radio System</td>
<td>835,030</td>
<td>797,593</td>
<td>844,696</td>
<td>0</td>
<td>844,696</td>
</tr>
<tr>
<td>Emergency Management</td>
<td>305,580</td>
<td>315,329</td>
<td>312,666</td>
<td>0</td>
<td>312,666</td>
</tr>
<tr>
<td>Emergency Medical Services</td>
<td>14,365,901</td>
<td>13,566,710</td>
<td>15,239,372</td>
<td>0</td>
<td>15,239,372</td>
</tr>
<tr>
<td>Emergency Services Admin</td>
<td>969,415</td>
<td>967,622</td>
<td>996,806</td>
<td>0</td>
<td>996,806</td>
</tr>
<tr>
<td>Fire Services</td>
<td>68,002,649</td>
<td>66,879,994</td>
<td>70,401,587</td>
<td>0</td>
<td>70,401,587</td>
</tr>
</tbody>
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NET LEVY  

| NET LEVY | 84,478,575 | 82,527,248 | 87,795,128 | 0 | 87,795,128 | 3,316,553 | 3.9% |

With respect to Emergency Medical Services, approximately half of the $873,000, 6.1% increase relates to a funding revision. In 2009, based on the funding allocation announced by the Province, the grant was effectively 51%. For 2010 staff are budgeting at a 50% funding level. Had the funding in 2009 been budgeted at 50% level, the 2010 EMS increase would have been about 3.4%, resulting in the overall HES net levy impact being $2.9 million or 3.4%.

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 FCS09120g provides the summary budget and complement data related to the Hamilton Emergency 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 ☐