To: Mayor and Members Budget Steering Committee

From: Chris Murray
City Manager

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Date: February 5, 2009

Re: Intergovernmental Affairs Allocation (CM09-005) – (City Wide)

Council Direction:

During the 2009 budget deliberations, the Audit and Administration Committee discussed and directed staff that the “Intergovernmental Affairs” allocation of the “Administration – City Manager” portion of the City Manager’s Operating Budget be removed from the budget pending a report respecting this issue as directed by the Economic Development and Planning Committee.

Background:

Good relationships between all levels of government are essential in our democratic system. There is a need for the City to be at the table with senior levels of Provincial and Federal staff when policy development is occurring, scouting out and constantly communicating with the right officials in government to assist Hamilton in its Economic Development and infrastructure needs, and ultimately acquiring grants and funds to help us in growing Hamilton’s economy.

Council and staff have the responsibility to communicate decisions about policies and programs to senior levels of government. Improving communication with senior levels of provincial and federal staff contributes to building trust and confidence in government and aligns to Council’s strategic commitments of Effective Inter-governmental Relations, Image, and Fiscal Sustainability.

Furthermore, and in light of the recent Federal Infrastructure Stimulus Announcement, a sound advocacy approach through committed resources to intergovernmental affairs and government relations, focused on economic development, will ensure Hamilton is properly represented in the competition for its fair share of infrastructure investment.
In 2008, as part of the Economic Development: MOVING FORWARD Governance Review, Organizational Change, Engagement with Community and Enhanced Investment Funding Report (PED07306) a $150,000.00 allocation for Intergovernmental Affairs was approved by Council.

During implementing the enhanced Economic Development investment, the GM of Planning & Economic Development, along with senior staff, concluded that the goals and objectives of the Intergovernmental Affairs funding would be more accurately reflected corporately through the City Manager’s Office. This resulted in the GM of Planning & Economic Development instructing Finance & Administration to transfer that portion of the funding to the City Manager’s operating budget.

Then City Manager Glen Peace announced his retirement and in an acting capacity, Joe Rinaldo was appointed as City Manager. The executive search process culminating in the appointment of Chris Murray as City Manager took the remainder of the 2008 fiscal year to complete.

During the extended transition period, discussions regarding the inter-governmental function took place, however staff’s opinion was that any formal framework for this function should be directed through the new City Manager. Therefore, no monies were spent in 2008 and subsequently, unused funds totalling $150,000 were then transferred back into the Economic Development Investment Fund Reserve (112221), as directed through Council’s approval.

Concurrently to this, the Office of the City Manager in conjunction with senior staff and Council also undertook the development of the City’s new Corporate Strategic Plan, which was completed in June 2008. As part of the Corporate Strategic Plan, “Effective Inter-governmental Relations” was identified as a key focus area.

With the appointment of the new City Manager and a directive to implement the Council approved Corporate Strategic Plan, staff have begun to discuss and develop the framework that will guide the prudent, necessary and timely spending of these monies as it relates to Intergovernmental Affairs.

During the 2009 budget deliberations, the Audit and Administration Committee discussed and directed to staff that the “Intergovernmental Affairs” allocation of the “Administration – City Manager” portion of the City Manager’s Operating Budget be removed from the budget pending a report respecting this issue as directed by the Economic Development and Planning Committee.

Staff are in agreement and have taken direction to remove these monies from the 2009 City Manager’s Operating Budget.

Conclusion

The strategic rationale for initiating an effective intergovernmental affairs protocol, as articulated through the Economic Development enhancement discussions, holds as true today as it did when Council approved it several months ago.
Working in consultation, senior staff took concerted efforts to ensure these new enhancements were to be used strategically and within a framework that best reflected the overall Economic Development goals of the corporation. The conclusion was that the stability of senior staff leadership was crucial before moving forward.

With the Office of the City Manager firmly through its transition, there is a commitment and focus to develop the framework that will guide the strategic allocation of funds so that our economic development and corporate strategic goals can be achieved.

We therefore ask Council to authorize the transfer of the 2008 unused funds totaling $150,000 from the Economic Development Investment Fund Reserve (112221) as originally approved by CoW Report 07-036, Item 5 to the City Manager’s Office for Intergovernmental Affairs.

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Chris Murray
City Manager