

CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division

Report to: Chair and Members Audit and Administration Committee	Submitted by: Roberto Rossini General Manager, Finance & Corporate Services Corporate Services Department Chris Murray City Manager
Date: November 16, 2009	Prepared by: Robin Hewitt 4522 Tom Hewitson 4159

**SUBJECT: 2010 Tax Supported Operating Budget - City Manager (FCS09120a)
(City Wide)**

RECOMMENDATION:

That the 2010 net operating levy for City Manager be approved at \$6,944,301.

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

Chris Murray
City Manager

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EXECUTIVE SUMMARY:

The 2010 City Manager budget is submitted for Council's consideration.

2010 Requested Budget – City Manager

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

2010 Submission vs. Budget Guideline

2009 Budget		\$6,683,000
	2010 Levy Change	
	\$	
2010 Base Levy Change	\$261,300	
2010 Savings Options	\$0	
2010 Budget Excluding Provincial Impact¹		\$6,944,300 3.9%
2010 Provincially Mandated	\$0	
2010 Requested Budget	\$261,300	\$6,944,300 3.9%

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

As shown above, the 2010 City Manager budget submission results in a levy increase of \$261,300 or 3.9%. The major cost drivers are employee costs and increased mediation costs.

Efficiencies realized in Human Resources as a result of changes in vacation pay-out procedures and a new contract negotiated with Manulife, have resulted in corporate-wide savings of approximately \$573,000. These efficiency savings, although initiated by Human Resources, are reflected in the departmental budget submissions (savings in employee vacation and benefit costs).

Complement

The 2010 requested complement for City Manager is 63 FTE, representing no increase compared to the 2009 restated complement. The increase in complement shown below in 2009 restated is as a result of 2.0 FTEs being transferred from Strategic Services (Community Services) to the City Manager's Office.

	2009		2010 Requested	2010 Requested vs 2009 Restated	
	Budget	Restated			
City Manager	61.00	63.00	63.00	-	0.0%

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BACKGROUND:

The budget summaries and overviews for the City Manager's Office are included in the attached Appendix One to report FCS09120a. 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 City Manger requested budget is increasing by \$261,300 or 3.9%. The following identifies the department submission, by division.

City Manager							
	2009 Budget	2009 Projected Actual	2010 Base Budget	2010 Savings Options	2010 Requested Budget	2010 Requested / 2009 Restated	
						\$	%
Administration - City Manager	1,030,125	785,379	1,049,252	0	1,049,252	19,127	1.9%
Human Resources	5,092,228	5,072,657	5,316,571	0	5,316,571	224,343	4.4%
Internal Audit	560,679	519,192	578,478	0	578,478	17,799	3.2%
NET LEVY	6,683,032	6,377,227	6,944,301	0	6,944,301	261,269	3.9%

Approximately 40% of the budget increase (\$100,000) is as a result of increased mediation costs.

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/LLEGAL IMPLICATIONS:

The attached Appendix One to report FCS09120a provides the summary budget and complement data related to the City Manager budget.

POLICIES AFFECTING PROPOSAL:

N/A

RELEVANT CONSULTATION:

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

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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