

**CITY OF HAMILTON**

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

<b>Report to:</b> Chair and Members Public Works Committee	<b>Submitted by:</b> Roberto Rossini General Manager, Finance & Corporate Services Corporate Services Department  Gerry Davis, CMA General Manager, Public Works Department
<b>Date:</b> November 16, 2009	<b>Prepared by:</b> Anna Apkarian 6415 Tom Hewitson 4159

**SUBJECT: 2010 Tax Supported Operating Budget – Public Works (FCS09120h)  
(City Wide)**

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**RECOMMENDATION:**

- (a) That the 2010 net operating levy for Public Works be approved at \$176,877,231;  
and
- (b) That the 2010 Public Works Council referred items per Appendix Two to report  
FCS09120h be considered by the Public Works Committee.

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

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Gerry Davis, CMA  
General Manager,  
Public Works Department

**SUBJECT: 2010 Tax Supported Operating Budget – Public Works (FCS09120h)  
(City Wide) - Page 2 of 4**

**EXECUTIVE SUMMARY:**

The 2010 Public Works budget is submitted for Council's consideration.

2010 Requested Budget – Public Works

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

**2010 Submission vs. Budget Guideline**

<b>2009 Budget</b>		<b>\$171,057,200</b>
	<b>2010 Levy Change</b>	
	\$	
<b>2010 Base Levy Change</b>	<b>\$5,820,000</b>	
<b>2010 Savings Options</b>	<b>\$0</b>	
<b>2010 Budget Excluding Provincial Impact<sup>1</sup></b>		<b>\$176,877,200 3.4%</b>
<b>2010 Provincially Mandated</b>	<b>\$0</b>	
<b>2010 Requested Budget</b>	<b>\$5,820,000</b>	<b>\$176,877,200 3.4%</b>

<sup>1</sup> - Council Guideline is 2% or less excluding provincial impacts.

Included in the base levy change are efficiencies realized totalling -\$5.4 million which will be highlighted in the Public Works departmental budget presentation. Some of these efficiencies were achieved through the restructuring of the department as well as reducing costs to reflect actuals and have resulted in the Public Works holding expenses at 2% in spite of significant pressures from staff wage agreements and declines in both Transit and Recycling revenues.

The 2010 Public Work's budget submission results in a levy increase of \$5.8 million or 3.4%. As referenced above, the main cost drivers resulting in this budget exceeding the guideline of 2% or less are the decreased commodity prices for recyclable materials reducing revenue in Waste Management (\$2.4 million), and employee-related wage settlements in excess of 2%. Also note that the requested budget includes all of the Council direction related to Transit approved on November 11, 2009.

The Water and Wastewater budget submission for Public Works will be a separate report presented to Committee of the Whole on December 4, 2009.

Council Referred Items

Council referred items totalling \$1.5 million have been included for consideration, but are not included in the requested levy pending further direction from Council. Detailed forms on the Council referred items are included in Appendix Two to report FCS090120h. The following table identifies these Council referred items:

**SUBJECT: 2010 Tax Supported Operating Budget – Public Works (FCS09120h)  
(City Wide) - Page 3 of 4**

Council Referred Items	FTE	Gross Impact	Net Levy Impact	
			\$	%
O&M - street tree trimming (phase 4 of 10) (PW04015b)	5.00	\$ 530,000	\$ 530,000	0.3%
O&M - sports field line painting (impacts of Cosmetic Pesticides Act) (PW08143b)	-	\$ 150,000	\$ 150,000	0.1%
Waste - diversion options: enhanced by-law enforcement (PW07171b)	-	\$ -	\$ -	0.0%
Parks & Cemeteries - operating impacts from capital	9.15	\$ 418,100	\$ 418,100	0.2%
Roads - operating impacts from capital	1.45	\$ 262,790	\$ 262,790	0.2%
Forestry & Horticulture - operating impacts from capital	-	\$ 51,000	\$ 51,000	0.0%
Traffic - operating impacts from capital	-	\$ 59,000	\$ 59,000	0.0%
<b>Total Council Referred Items</b>	<b>15.60</b>	<b>\$ 1,470,890</b>	<b>1,470,890</b>	<b>0.9%</b>

If approved, the above Council referred items would result in an increase to the Public Works budget of approximately \$1.5 million or 0.9%.

Complement

The 2010 Public Works requested complement results in a reduction of -4.0 FTE. The complement has been reduced in Energy, Fleet & Facilities (-1.0 FTE), Operations & Maintenance (-2.0 FTE) and Waste Management (-1.0 FTE) as a result of the Public Works departmental reorganization.

	2009		2010 Requested	2010 Requested vs 2009 Restated	
	Budget	Restated			
<b>Public Works</b>	1,750.48	1,750.48	1,746.48	(4.00)	-0.2%

**BACKGROUND:**

The budget summaries and overviews for Public Works are included in the attached Appendix One to report FCS09120h. During the budget committee commencing in December, staff will present the department and divisional budgets and explain the requirements for 2010.

**ANALYSIS/RATIONALE:**

As indicated, the Public Works requested budget is increasing by approximately \$5.8 million or 3.4%. The following identifies the department submission, by division (excluding the Council referred items).

**SUBJECT: 2010 Tax Supported Operating Budget – Public Works (FCS09120h)  
(City Wide) - Page 4 of 4**

**Public Works - Tax**

	2009 Budget	2009 Projected Actual	2010 Base Budget	2010 Savings Options	2010 Requested Budget	2010 Requested / 2009 Restated	
						\$	%
Capital Planning & Implementation	0	0	0	0	0	0	0.0%
Energy, Fleet & Facilities	6,968,566	7,153,066	6,993,549	0	6,993,549	24,983	0.4%
Operations and Maintenance	90,817,538	92,216,867	92,656,712	0	92,656,712	1,839,174	2.0%
General Administration	220,937	126,802	223,748	0	223,748	2,811	1.3%
Transit	42,208,389	42,218,903	43,483,403	0	43,483,403	1,275,014	3.0%
Waste Management	30,841,774	32,828,691	33,519,819	0	33,519,819	2,678,045	8.7%
<b>NET LEVY</b>	<b>171,057,202</b>	<b>174,544,330</b>	<b>176,877,231</b>	<b>0</b>	<b>176,877,231</b>	<b>5,820,029</b>	<b>3.4%</b>

**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 FCS09120h provides the summary budget and complement data related to the Public Works 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