



## TOWN OF AURORA

### ADDITIONAL ITEMS (REVISED) FOR SPECIAL GENERAL COMMITTEE 2015 BUDGET REVIEW MEETING

**Monday, March 30, 2015**

**(continued from February 23, March 2, March 9, and March 23, 2015)**

**7 p.m.**

**Council Chambers**

- **Item 16 – Memorandum from Chief Administrative Officer  
Re: Proposed Budget Adjustment Impacts – Training & Development,  
Printing & Advertising, Telecommunications**

**RECOMMENDED:**

THAT the memorandum regarding Proposed Budget Adjustment Impacts – Training & Development, Printing & Advertising, Telecommunications be received; and

THAT the General Committee recommendations of March 23, 2015, being: (a) THAT the 2015 Draft Operating Budget be adjusted by increasing Total Departmental Revenue by \$100,000; (b) THAT the 2015 Draft Operating Budget be adjusted by reducing the “Training & Development” budget by \$100,000; and (c) THAT the 2015 Draft Operating Budget be adjusted by reducing the “Advertising” and “All Other – Printing–Advertising Related” budgets by a total of \$30,000, be combined and amended to read as follows:

THAT the 2015 Draft Operating Budget be adjusted by increasing Total Departmental Revenues and decreasing Total Departmental Expenses to result in a 2015 Town residential tax rate increase of an amount as directed by Council; and

THAT staff report back to Council throughout the 2015 fiscal year regarding the opportunities to meet this target.

- **Item 17 – Verbal Update from Director of Corporate & Financial Services/Treasurer  
Re: 2015 Operating Budget – Schedule 1 – Budget Review Committee  
Changes**

THAT the verbal update from the Director of Corporate & Financial Services/Treasurer regarding the 2015 Operating Budget – Schedule 1 – Budget Review Committee Changes be received for information.



## MEMORANDUM

**DATE:** March 30, 2015

**TO:** Mayor Dawe and Members of General Committee

**FROM:** Neil Garbe, Chief Administrative Officer

**RE:** Proposed Budget Adjustment Impacts – Training & Development, Printing & Advertising, Telecommunications

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### RECOMMENDATIONS

***THAT the additional information memorandum from the CAO, dated March 30, 2015, be received; and***

***THAT the General Committee recommendations of March 23, 2015, being: (a) THAT the 2015 Draft Operating Budget be adjusted by increasing Total Departmental Revenue by \$100,000; (b) THAT the 2015 Draft Operating Budget be adjusted by reducing the “Training & Development” budget by \$100,000; and (c) THAT the 2015 Draft Operating Budget be adjusted by reducing the “Advertising” and “All Other – Printing–Advertising Related” budgets by a total of \$30,000, be combined and amended to read as follows:***

***THAT the 2015 Draft Operating Budget be adjusted by increasing Total Departmental Revenues and decreasing Total Departmental Expenses to result in a 2015 Town residential tax rate increase of an amount as directed by Council; and***

***THAT staff report back to Council throughout the 2015 fiscal year regarding the opportunities to meet this target.***

### BACKGROUND

At its Budget meeting of March 23, 2015, General Committee recommended budget adjustments totalling \$230,000. Specifically, Committee recommended a \$100,000 decrease to training and development budgets, \$30,000 to printing and advertising budgets and identified an increase revenue target of \$100,000 to be found throughout the year and as approved by Council.

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Committee also sought additional information on the implications of such adjustments as well as additional detail on the telecommunications budgets. This information is listed on Attachment No. 1 to this memo.

## **COMMENTS**

At this time, senior staff wish to draw Committee's attention to two issues with the proposed cuts.

Firstly, the overall year end trend budget to actual comparison shows that in general budget funds being fully expended and in some cases over spent, but off set by fortuitous surplus revenues in supplementary taxes, planning fees and/or investment income. This trend of expenses spending to within 0.5% of total budget expenses suggests that the corporation's ability to manage unexpected expenditures is diminishing. Additional cuts to expenditures should be made with this awareness.

Secondly, making cuts without the benefit of the context of the entire budget, including any offsetting revenues, may unnecessarily overly constrain one area and impose hardships that can be mitigated through smaller reductions spread over multiple areas.

Staff are suggesting that, rather than specific cuts to budget areas that actually span many budget centres, Committee establish an overall budget target and allow staff to look throughout the organization, including these specific areas, and establish the priorities for reductions. This would be similar to the recommendation to increase revenues with the target being \$100,000.

Following budget approval, Staff could then bring forward a suite of reductions for Council to consider in a similar manner as presented by the CAO on March 9. This also provides staff with the ability to work towards a suite of reductions that have the same net impact.

Should Council not approve any of the recommendations of staff, then Council would need to consider any shortfall in the budget amount in the 2016 budget process.

If Committee is receptive to such an approach, the three budget adjustments currently adopted by budget committee should be amended in favour of a more universal budget reduction item.

## **ATTACHMENTS**

Attachment No. 1: Additional information on the implications of adjustments and additional detail on the telecommunications budgets

Attachment No. 1

**Training & Development**

The following detail provides additional information regarding the total cost to the Corporation of Training & Development.

Item	2015 Budget
Training & Development	\$ 196,050
Less Committee Adjustment	(100,000)
Less Mandatory Training	<u>(57,530)</u>
<b>Remaining Budget</b>	<b>\$ 38,520</b>

**Note**

Excludes Council Conference Costs of \$ 27,000

Training & Development original budget includes three distinct elements: Corporate Training, Courses & Seminars and Conference provisions as follows.

Corporate Training includes provisions to participate in N6 training and development initiatives, including leadership, managerial, succession staff, and other specialty type training, as well as some detailed software training. This fund is administered by Human Resources and allows for all staff training, as well as target groups or individual training as appropriate.

Courses & Seminars is a fixed allocation of \$310 per full time staff, allocated to each department. The funding is normally found to be insufficient to send each staff member to training each year, so the funding is moved around and allocated based on need by staff at the discretion of the department management.

Conference provisions are also included in Training & Development. Conference funding is a fixed allocation formula being \$4,000 for the CAO, \$2,000 for each Director and \$1,200 for each Manager. Like the \$310 per person amount above, these allocations can be shifted within each department to ensure needed training is provided to key staff, resulting in normally some rotation each year of who goes to an association type conference. The values used for these two formula driven budget allocations per person have not been adjusted since 2011.

Mandatory and Special training is funding provided to certain staff to maintain their certifications, professional accreditations and safety and workplace training.

Impact of Proposed Budget Adjustment

**Our Vision - “To be respected leaders in municipal government, seeking innovative approaches and effective solutions that meet the community expectations”**

**Our Mission – “A professional and resilient organization dedicated to providing high quality service and better understanding the need of our community”**

The Town has undertaken a number of initiatives as the foundational work in support of our Vision such as Excellence Canada certification, top 100 employers, employee engagement surveys and developing performance evaluation measures that reflect our Corporate Values. Excellence Canada is an overarching standard for Excellence, Innovation and Wellness and in the fall of 2014 the Town was successful in achieving first level bronze certification; a success that is the pride of the Town and its employees.

The cornerstone of these initiatives is our investment in professional growth and development. It directly influences our ability to recruit and retain qualified staff, it is critical as a succession planning tool, develops our leaders of today and tomorrow and makes Aurora a desired place to work. We are known as an employer who invests in our workforce and people come here because of that. The result is a professional, dedicated and engaged workforce delivering high quality service to our community and employees.

Staff can review the program with the view to maintaining the core of the program and achieve budgetary savings. However, the proposed reduction of \$100,000 would severely limit the Town’s ability to offer training and development opportunities beyond the mandatory training level.

Staff are also cognizant that such a budget reduction in one year would be difficult to be replaced in the near term given the budget forecast.

**Printing & Advertising**

The following provides additional information regarding the total cost to the Corporation of printing and advertising.

Item	2015 Budget
Advertising	\$ 260,460
Printing - Advertising Related	34,500
	<u>294,960</u>
Less: Corporate / Special Events	(32,000)
Less: Leisure Guide Advertising Revenue	(40,000)
	<u><b>\$ 222,960</b></u>

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The total printing and advertising budget includes a \$32,000 provision for corporate events which are coordinated by the Communications Division. These events include citizen of the year, community recognition/volunteer awards, home show, and street festival representation.

The balance of the printing and advertising budget includes traditional advertising, specialized printing, along with the addition of creative design and support for electronic communications, as well as support for a number of other initiatives of the departments of the Town.

Examples of specific costs include the weekly notice board (Auroran contract), advertising in other magazines, recruitment advertising, statutory planning notification advertising (both local papers each ad), three annual leisure guides (cost is fully offset by advertising revenues budgeted in the PRS budget), trail maps, waste calendar, blank tax bill stock, envelopes, letterhead, a proposed new annual report, informational brochures, guides and booklets printed by professional print houses.

Along with these tangible printed items, the funding is also used to provide the Ping-street app suite, Where's My Plow and My-Waste apps, on-line advertising (recruiting, and social media channels), streaming media program, website support and programming, Citizen Budget survey, event photography, and creative design support.

This budget item does not include the cost of plain paper, supplies and capital lease costs of the Town's fleet of multifunction printer/copier devices or documents or publications produced entirely by staff using plain or coloured stock.

#### Impact of Proposed Budget Adjustment

On short notice, staff are unable to identify specific print or advertising items to delete from the normal production activity. Printing & Advertising includes most outward communications to residents. Cuts to this area will result in a reduction in communications with the community. Duplicate planning notices in both local newspapers would be an example of recommended cuts.

#### **Telecommunications**

The following provides additional information regarding the total cost to the Corporation of telecommunications:

Item	2015 Budget
Telephone Lines	\$ 42,000
Long Distance Lines	1,700
Mobile Plan Charges	88,700
Corporate Fax Lines	4,500
Internet Line	20,000
Telephone Service Agreement	17,000
Equipment Repairs	10,100
Emergency Operations Centre	11,500
	<u>195,500</u>
Telecom Contracts	33,500
	<u><b>\$ 229,000</b></u>

Overall in 2015, the Telecommunications budget has increased by 11%. Drivers that have increased within this department code are mobile equipment, mobile plan charges, and the telephone service agreement.

Contracts

Included in the Telecommunications contracts is the \$27,500 annual payment to York Region for the fiber that provides the medium that connects all of our Town facilities together via a wide area network (WAN). The fiber service provides us with a 10 gb connection to all our remote sites.

The 2014 budget for Telecom Contracts amounted to \$44,300 as we transitioned to the new service. Annual wireless costs amounted to \$10,800. This amount was removed from the 2015 budget as we no longer needed the wireless connection in place. For the 2015 budget, we have included an additional \$6,000 expenditure to increase the annual payment to York Region for additional Town sites joining the fiber ring and expanding the service. Sites added include the AFLC, the Cultural Centre, and the JOC. The \$33,500 contracts 2015 item includes only the fibre service contract.

Mobile Plan Charges

Acquisition of mobile equipment (cell phones, smart phones, office and field tablets) is captured in this department code. Decisions to acquire devices for staff are made by the Department Head based on business requirements. In recent years, to improve communication, responsiveness, efficiency and field capability, all pagers have been phased out, and many of the traditional cell-only phones have been changed to Blackberries. These units require a more expensive data plan as well as server capacity and licencing. Considering this service trend additional funds were allocated for 2015 to provide the funds to supply the need as identified by the departments. Field and office tablet devices are also emerging as useful and viable devices in some work situations. Additional tablets are planned for use by Councillors for the paperless agenda management system later this year.

Increased costs of telecommunications can be expected as the Town strategically deploys increasing numbers of mobility computing and communications devices such as field and office tablets, smart phones, and in-vehicle devices. The Town has committed in the Strategic Plan to mobilize its workforce, and leverage technology to improve service, efficiency or effectiveness. Doing so will naturally increase capital costs, as well as the operational costs of connecting and supporting the devices and staff. The mobility initiatives being undertaken by the Town are generally in line with industry best practices.

#### Telephone Service Agreement

In November 2013, IT Services upgraded our Corporate PBX. The first year of service and support was included in this capital project expenditure. The remaining two months of support was captured in the 2014 budget amounting to \$2,800. For 2015, the full year of support is required amounting to an additional \$14,200. This has contributed to the increase overall within the Telecommunications budget.