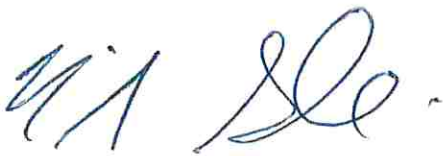


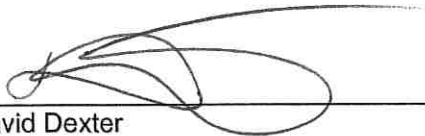
TOWN OF RICHMOND HILL
2019 Draft Operating Budget

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

2019 Draft Budget Submitted and Reviewed by:



Neil Garbe
Chief Administrative Officer



David Dexter
Director, Financial Services & Treasurer

TOWN OF RICHMOND HILL

2019 Draft Operating Budget

OFFICE OF THE CAO

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TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO – DEPARTMENTAL SUMMARY

OVERVIEW

The Office of the Chief Administrative Officer (CAO) provides corporate leadership in the overall management of the Town's five departments. In this role, the Chief Administrative Officer reviews and approves all recommendations made to Council and Committees of Council, and leads the corporate strategic planning process. The Chief Administrative Officer acts as department head to the Legal Services, Strategic Initiatives, and Communication Services divisions.

The operational divisions are comprised of the following:

- Office of the CAO
- Legal Services Division including Risk and Insurance
- Strategic Initiatives Division
 - Economic Development
 - Small Business Enterprise Centre (SBEC)
 - Small Business Enterprise Centre - Starter Company Plus
 - Continuous Improvement
- Communication Services Division including Access Richmond Hill

In addition, the Office of the CAO is responsible for overseeing and directing the administrative and operational functions of all departments.

2018 ACCOMPLISHMENTS

Legal Services:

- Continued efforts in litigation and LPAT, including successfully defending appeal of the Divisional Court Parkland decision
- Participated in various policy initiatives (review of Council Code of Conduct and Council Expense Policy)
- Implementation of numerous strategic land acquisitions and exchanges
- Participated in successful negotiation of contracts (ie. new David Dunlap Observatory Partnership Contracts)
- Created AODA compliant Certificate of Insurance Forms
- Developed improved insurance claims handling procedures and process flow

Strategic Initiatives Division:

- Strategic Plan Annual Report
- Employee Strategy
- Council Orientation
- Economic Development Strategy Implementation
- Socio-Economic Study
- GIS Strategy
- Service Reviews: Development Services Review, Human Resources Review, Fire & Emergency Services Shared Services Review, By-law & Licensing Core Services Review
- Lean Pilot Program Implementation
- Grow Key Performance Indicator Program
- Three Year Internal Audit Plan – Year 2 Internal Audits
- Development and implementation of Annual Grants Strategy

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO – DEPARTMENTAL SUMMARY

OVERVIEW - Continued

- Management of Gas Tax Funding
- Support Yonge Subway Extension Project – Preliminary Design and Engineering Phase
- Monitoring and responding to legislative and regulatory changes
- Support Mayor's involvement in LUMCO, MARCO and AMO

Communication Services Division

- Organized media events for the reopening of the David Dunlap Observatory and responded to many media inquiries/requests that followed
- Received several awards for design and communications work in support of corporate projects
- Provided strategic advice on a variety of matters including the Oak Ridges Library as well as other construction/infrastructure projects
- Organized Hill Talks and Hill Talks Unplugged sessions for staff
- Developed and implemented communication strategies for key projects including the 2018 Municipal Election, the Civic Precinct Project, Enterprise Resource Planning implementation and others
- Supported branding projects like the Development Application Signage project, Signage in Parks, the Downtown Core, and continued to enforce trademark and guideline infringements
- Provided issues management support on influential items like cannabis

Access Richmond Hill

- Celebrated the 10 Year Anniversary of ARH
- Expanded service delivery to include Water and Waste Water calls
- Introduced ARH Dashboard and real-time agent reporting
- Developed a Quality Assurance Program for ARH advisors
- Expanded Language line service to additional counters in EBC
- Re-introduced CRM reporting to business area managers, Directors, ELT and Members of Council
- Introduced a new online form for reporting Facility Maintenance requests
- Increased level of service for Parking with introduction the new AIMS parking control system to ARH staff
- Handled and tracked 2018 Municipal Elections calls and developed related knowledge base articles.
- Facilitated Employee Security Awareness and Service Experience training sessions for ARH staff

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO – DEPARTMENTAL SUMMARY

OVERVIEW – Continued

2019 PRIORITIES

Legal Services:

- Continue efforts in litigation and LPAT
- Continue participation in various policy initiatives and bring forward new Land Acquisition Policy
- Support other departments as required
- Implement a new Facility User Group Insurance Program
- Deliver Risk Management Training and Information Sessions to various departments

Strategic Initiatives Division:

- Strategic Plan Annual Report/New Implementation Plan
- Support Yonge Subway Extension Project – Preliminary Design and Engineering Phase
- Council Orientation
- Economic Development Strategy Implementation
- Business Continuity Plan
- Smart Cities Discussion Paper
- Civic Precinct
- Service Reviews: Development Services Review, Human Resources Review, Fire & Emergency Services Shared Services Review, By-law & Licensing Core Services Review
- Transition from Lean Pilot Program Implementation
- Grow Key Performance Indicator Program
- Three Year Internal Audit Plan – Year 3 Internal Audits
- Development and implementation of Annual Grants Strategy
- Management of Gas Tax Funding
- Monitoring and responding to legislative and regulatory changes
- Support Mayor's involvement in LUMCO, MARCO and AMO

Communication Services Division

- Develop and implement a Digital Strategy Review and improved online presence
- Begin work to develop a new Intranet (RHlink)
- Provide communications support for internal and external corporate initiatives (Employee Strategy, RHhub, Transportation Master Plan, Comprehensive Zoning Bylaw, events etc.)

Access Richmond Hill

- Develop and implement ARH Metrics and Advisor Key Performance Indicators
- Develop a business continuity plan for Access Richmond Hill
- Explore opportunities to expand call types

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO – DEPARTMENTAL SUMMARY

OVERVIEW – Continued

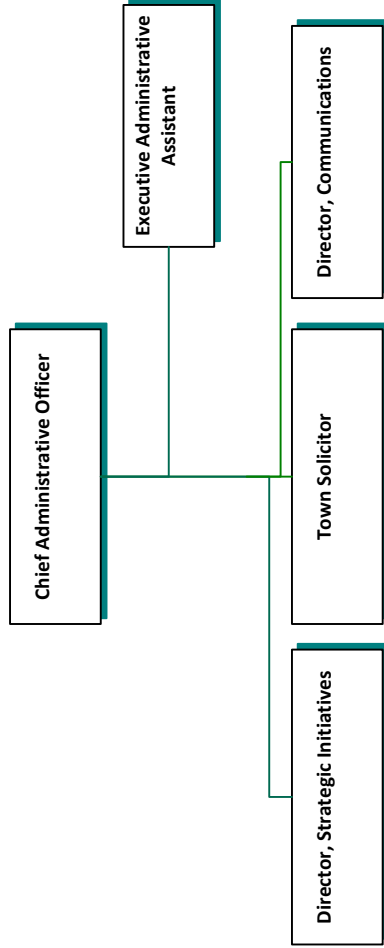
Full-Time Complement

	2018 Approved Budget	2019 Draft Budget
Office of the CAO	2	2
Legal Services Division	10	10
-Insurance & Risk	2	2
Strategic Initiatives Division	12	12
-Small Business Enterprise Centre & Starter Co Plus*	1	1
Communication Services Division	10	10
-Access Richmond Hill	15	15
Subtotal	52	52
Council Approved Service Level Changes		
New Staffing Requests		1
Total	52	53

* Full-Time Casual Staff



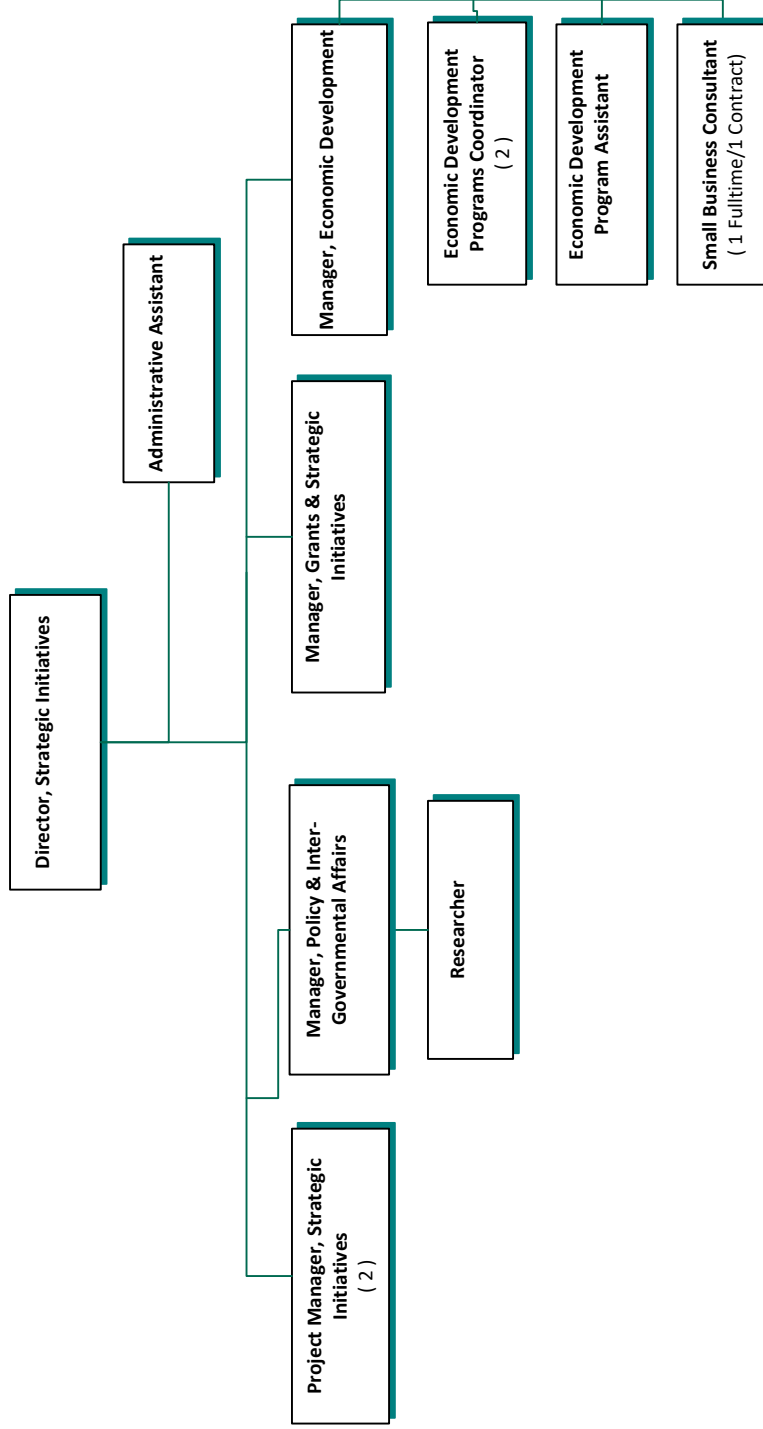
TOWN OF RICHMOND HILL
Office of the CAO
Organizational Chart



Total Approved Staff Complement
51 Full time



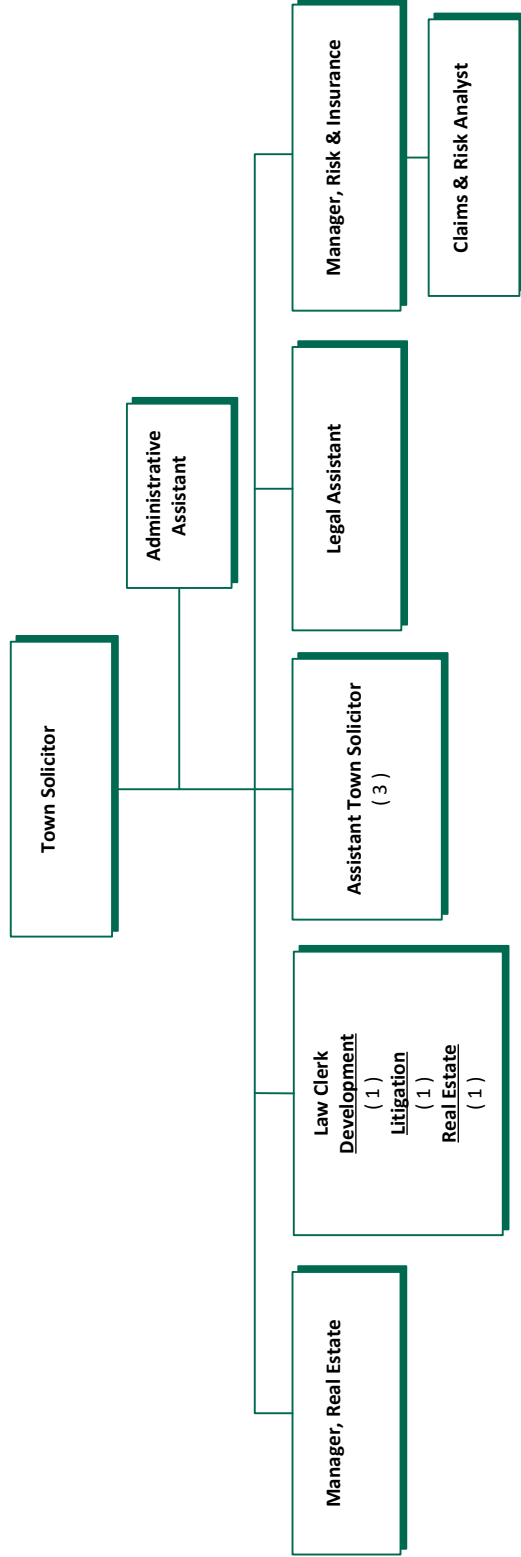
TOWN OF RICHMOND HILL
Office of the CAO – Strategic Initiatives
Organizational Chart



Total Approved Staff Complement
12 Full time
*1 Contract (Fulltime)



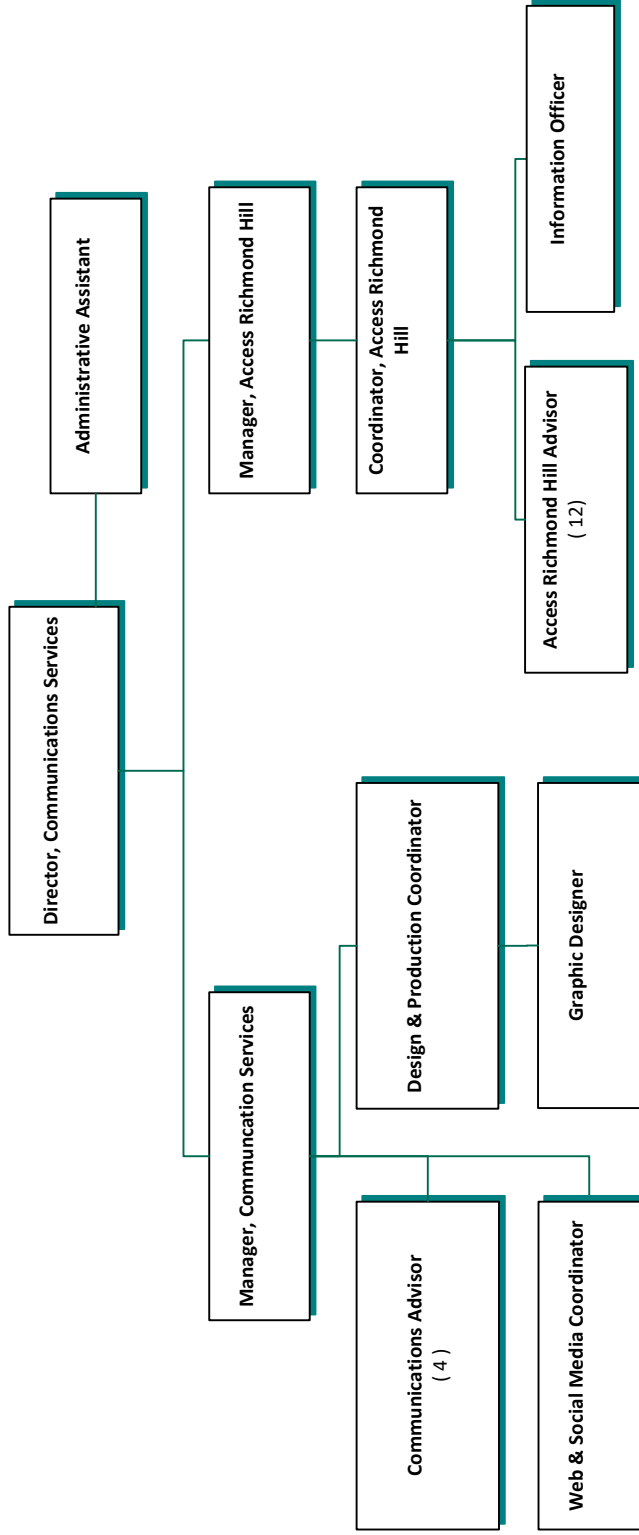
TOWN OF RICHMOND HILL
Office of the CAO – Legal Services
Organizational Chart



Total Approved Staff Complement
12 Full time



TOWN OF RICHMOND HILL
Office of the CAO – Communication
Organizational Chart



Total Approved Staff Complement
25 Full time

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO – DEPARTMENTAL SUMMARY

OVERVIEW - Continued

2019 Budget Highlights

	2017 Actuals	Preliminary Actuals 30-Nov-18	2018 Approved Budget	2019 Draft Budget	Variance (Favourable) / Unfavourable	
Expenditures						
Personnel - Full-Time	\$ 5,570,189	\$ 5,578,317	\$ 6,590,000	\$ 6,875,700	\$ 285,700	
Personnel - Casual	381,863	357,122	221,800	172,100	(49,700)	
Contracts / Services	1,606,385	1,549,188	1,966,700	2,129,400	162,700	
Materials / Supplies	236,973	210,627	262,800	281,900	19,100	
Other Expenditures	570,971	386,090	534,200	550,100	15,900	
Transfer to Other Funds	389,233	203,900	272,000	272,000	-	
Total Expenditures	8,755,614	8,285,244	9,847,500	10,281,200	433,700	4.4%
Revenues						
User Fees	(133,051)	(101,977)	(103,600)	(103,600)	-	
Grants / Donations	(241,928)	(225,200)	(305,900)	(311,500)	(5,600)	
Reserve and Reserve Funds	(457,128)	(390,843)	(762,100)	(769,900)	(7,800)	
Total Revenues	\$ (832,107)	\$ (718,021)	\$ (1,171,600)	\$ (1,185,000)	\$ (13,400)	-1.1%
Net Budget	\$ 7,923,507	\$ 7,567,223	\$ 8,675,900	\$ 9,096,200	\$ 420,300	4.8%

	2018 Approved Budget	2018 Base	2018 Legislated	2018 Annualization	New/Growth Staff & Programs	2019 Draft Budget
Expenditures						
Personnel - Full-Time	\$ 6,590,000	\$ 189,700	\$ -	\$ 54,500	\$ 41,500	\$ 6,875,700
Personnel - Casual	221,800	17,700	-	(67,400)	-	172,100
Contracts / Services	1,966,700	78,700	20,000	(91,000)	55,000	2,029,400
Materials / Supplies	262,800	18,800	-	-	300	281,900
Other Expenditures	534,200	115,900	-	-	-	650,100
Transfer to Other Funds	272,000	-	-	-	-	272,000
Total Expenditures	\$ 9,847,500	\$ 420,800	\$ 20,000	\$ (103,900)	\$ 96,800	\$ 10,281,200
Revenues						
User Fees	(103,600)	-	-	-	-	(103,600)
Grants / Donations	(305,900)	14,400	(20,000)	-	-	(311,500)
Reserve and Reserve Funds	(762,100)	(74,400)	-	121,600	(55,000)	(769,900)
Total Revenues	\$ (1,171,600)	\$ (60,000)	\$ (20,000)	\$ 121,600	\$ (55,000)	\$ (1,185,000)
Net Budget	\$ 8,675,900	\$ 360,800	\$ -	\$ 17,700	\$ 41,800	\$ 9,096,200

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO – DEPARTMENTAL SUMMARY

OVERVIEW - Continued

2019 Budget Summary – by Division

Expenditures	2017 Actuals	Preliminary Actuals 30-Nov-18	2018 Approved Budget	2019 Draft Budget	Variance (Favourable) / Unfavourable	
Office of the CAO	\$ 539,676	\$ 550,317	\$ 703,700	\$ 713,400	\$ 9,700	
Legal Services	3,949,385	3,489,865	4,056,300	4,349,900	293,600	
Strategic Initiatives	1,742,506	1,760,917	2,218,950	2,238,500	19,550	
Communication Services	2,524,047	2,484,145	2,868,550	2,979,400	110,850	
Total Expenditures	\$ 8,755,614	\$ 8,285,244	\$ 9,847,500	\$ 10,281,200	\$ 433,700	4.4%

Revenues

Office of the CAO	\$ (449)	\$ (13,100)	\$ (13,100)	\$ (6,500)	\$ 6,600	
Legal Services	(533,192)	(361,763)	(614,300)	(702,600)	(88,300)	
Strategic Initiatives	(291,428)	(293,046)	(439,500)	(374,700)	64,800	
Communication Services	(7,038)	(50,112)	(104,700)	(101,200)	3,500	
Total Revenues	\$ (832,107)	\$ (718,021)	\$ (1,171,600)	\$ (1,185,000)	\$ (13,400)	-1.1%

Net Budget

Office of the CAO	\$ 539,227	\$ 537,217	\$ 690,600	\$ 706,900	16,300	
Legal Services	3,416,193	3,128,102	3,442,000	3,647,300	205,300	
Strategic Initiatives	1,451,078	1,467,871	1,779,450	1,863,800	84,350	
Communication Services	2,517,009	2,434,033	2,763,850	2,878,200	114,350	
Total Net Budget	\$ 7,923,507	\$ 7,567,223	\$ 8,675,900	\$ 9,096,200	\$ 420,300	4.8%

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO – DEPARTMENTAL SUMMARY

Budget Variance Explanations	2018 Budget	2019 Budget	Incremental Change	% Change Over Prior Year	Explanation
2018 Net Budget			\$ 8,675,900		
EXPENDITURES					
Full-Time Salaries & Benefits	6,590,000	6,779,700	189,700		Grade / step rate and benefit rate increases, as well as general cost of living increases
Casual Wages & Benefits - Communications	32,750	46,500	13,750		Pay equity review for part-time staff
Casual Wages & Benefits - SBEC & Starter Co Plus	115,550	119,500	3,950		Increase to reflect step level of staff
Personnel Services - Total	6,738,300	6,945,700	207,400		
Contracts / Services					
<u>Legal Services</u>					
Legal Liability Insurance	4,800	5,300	500		Increased costs to reflect past trends
Corp. Searches & Legal Disbursements	5,500	8,100	2,600		Increased searches required by By-Law/Purchasing/Fire
Consulting Contract	55,000	80,000	25,000		Increased cost to reflect insurance broker services
Insurance Premium	1,651,700	1,734,300	82,600		Increased costs to reflect new contract rates including for Oak Ridges Library, DDO & general property insurance increases.
Insurance Recovery	(640,300)	(672,300)	(32,000)		Increase in Recovery is reflective of premium increase
Materials / Supplies					
<u>Legal Services</u>					
Mileage	1,500	2,000	500		Increase to reflect additional staff requirements
Office Supplies	4,900	5,200	300		Increase to reflect additional staff requirements
Subscription & Books	91,000	110,000	19,000		Increase costs of inserts and updates and to keep in line with prior year spending
Tuition	9,000	7,000	(2,000)		Law Clerk Certificate program completed for 2 admin staff.
Training - Mandatory	4,400	6,400	2,000		Increase to reflect additional CPD costs for Risk & Insurance and Legal staff
Municipal Business	4,200	3,200	(1,000)		Decreased cost to reflect past trends
Other Expenditures					
<u>Legal Services</u>					
Minor Capital	10,000	5,000	(5,000)		Decreased cost due to removal of prior year Audit Security recommendation.
Building Appraisal	-	100,000	100,000		Building appraisal costs, based on 5 year cycle
Miscellaneous Claims Expense	10,000	50,000	40,000		Increased costs to reflect past trends
<u>Small Business Enterprise Center</u>					
MEDT / SBEC Expenditures	24,400	16,100	(8,300)		Decrease in programming expenses
Summer Co Grants to Issue	48,000	39,000	(9,000)		Reduced number of participants
<u>Starter Company Plus Program</u>					
Starter Company Plus Expenditures	4,900	3,100	(1,800)		Decrease in programming expenses
			213,400		
Total Expenditures			420,800	4.9%	

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO – DEPARTMENTAL SUMMARY

Budget Variance Explanations	2018 Budget	2019 Budget	Incremental Change	% Change Over Prior Year	Explanation
REVENUES					
Grants / Donations					
<u>SBEC & Starter Company Plus Program</u>					
Grants	(305,900)	(291,500)	14,400		Increase Grants to reflect disbursement of funding to participants and salary and program costs.
Reserve and Reserve Funds					
<u>Office of the CAO</u>					
Transfer fr Tax Rate Stabilization Reserve	(13,100)	(6,500)	6,600		Phased-in reduction for compensation review
<u>Legal Services</u>					
Transfer fr Tax Rate Stabilization Reserve	(27,100)	(11,000)	16,100		Phased-in reduction for compensation review and decrease of \$5K related to prior year Audit Security recommendation
Transfer fr Insurance Reserve	(140,000)	(275,000)	(135,000)		Additional funding for Building Appraisal costs & increase in Miscellaneous Claims Expense
<u>Strategic Initiatives</u>					
Transfer fr Tax Rate Stabilization Reserve	(28,100)	(13,700)	14,400		Phased-in reduction for compensation review & Bill 148
<u>Communications</u>					
Transfer fr Tax Rate Stabilization Reserve	(43,900)	(20,400)	23,500		Phased-in reduction for compensation review & Bill 148
Total Revenues			(60,000)		
Base Budget			360,800		
% Change Over 2018 Net Budget				4.2%	
Legislated					
<u>Communications</u>					
Consulting Contracts	38,000	48,000	10,000		Public communication and education on cannabis usage
Advertising	10,200	20,200	10,000		Public communication and education on cannabis usage
Provincial Grants	-	(20,000)	(20,000)		Provincial Grant for cannabis implementation
Total Legislated Changes			0		
% Change Over 2018 Net Budget				0.0%	
Growth					
Annualization					
Programs Annualization					
<u>Strategic Initiatives</u>					
Contracts / Services - Consulting	91,000	-	(91,000)		Lean Innovation Pilot Program from prior year
Transfer from Training & Development Reserve	(91,000)	-	91,000		Lean Innovation Pilot Program from prior year
Full-Time Staffing Annualization					
<u>Strategic Initiatives</u>					
Conversion - Program Assistant Econ. Development	84,700	88,000	3,300		Annualization costs for converted position
Conversion - Small Business Consultant SBEC	6,000	20,400	14,400		Annualization costs for converted position
Casual Staffing Requests					
<u>Legal</u>					
Insurance & Claims Clerk - Contract	71,400	40,800	(30,600)		Annualization costs for position approved in the 2018 Budget process. Full year request in 2018 versus 6 month contract extension in 2019.
Transfer from Insurance Reserve	(71,400)	(40,800)	30,600		
Total Approved Service Level Changes			17,700		
% Change Over 2018 Net Budget				0.2%	

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO – DEPARTMENTAL SUMMARY

Budget Variance Explanations	2018 Budget	2019 Budget	Incremental Change	% Change Over Prior Year	Explanation
New Programs Request					
<u>Strategic Initiatives</u>					
Contracts / Services - Consulting		55,000	55,000		Lean Innovation Pilot Program
Transfer from Training & Development Reserve		(55,000)	(55,000)		Lean Innovation Pilot Program
Staffing Requests					
<u>Legal Services</u>					
Risk & Insurance Clerk		41,800	41,800		July Start Date
Total Growth			41,800		
% Change Over 2018 Net Budget				0.5%	
Incremental Change			420,300		
Net Budget			9,096,200	4.8%	

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO

Program Description

The Office of the CAO provides corporate leadership in the overall management of the Town's operations. Pursuant to the Municipal Act, the Chief Administrative Officer is the Head of the Corporation's Civil Service and is responsible for exercising general control and management of the affairs of the municipality for the purpose of ensuring its efficient and effective operation. The Chief Administrative Officer is responsible for the Legal Services Division (which includes Real Estate and Risk & Insurance), the Strategic Initiatives Division (which includes the Small Business Enterprise Centre), and the Communication Services Division (which includes Access Richmond Hill).

The Office of the CAO is also responsible for overseeing and directing the administrative and operational functions of all departments. In this role, the Chief Administrative Officer reviews and approves all recommendations made to Council and Committees of Council and is charged with the responsibility of ensuring that the policy directions of Council are implemented. The office liaises with municipal, regional, provincial and federal government officials and organizations, as well as business and resident community groups to present municipal positions and to seek input into the formulation of policies.

2019 Budget Highlights

	2017 Actuals	Preliminary Actuals 30-Nov-18	2018 Approved Budget	2019 Draft Budget	Variance (Favourable) / Unfavourable	
Expenditures						
Personnel - Full Time	\$ 441,878	\$ 429,727	\$ 486,800	\$ 496,200	\$ 9,400	
Contracts / Services	34,128	71,168	150,000	150,000	-	
Materials / Supplies	58,534	49,365	66,100	66,400	300	
Other Expenditures	5,136	57	800	800	-	
Total Expenditures	\$ 539,676	\$ 550,317	\$ 703,700	\$ 713,400	\$ 9,700	1.4%
Revenues						
User Fees	(449)	-	-	-	-	
Reserve and Reserve Funds	-	(13,100)	(13,100)	(6,500)	6,600	
Total Revenues	\$ (449)	\$ (13,100)	\$ (13,100)	\$ (6,500)	\$ 6,600	
Net Budget	\$ 539,227	\$ 537,217	\$ 690,600	\$ 706,900	\$ 16,300	2.4%

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO - Continued

2019 Budget Highlights

	2018 Approved Budget	Base	Legislated	Annualization	New/Growth Staff & Programs	2019 Draft Budget
Expenditures						
Personnel - Full Time	\$ 486,800	\$ 9,400	\$ -	\$ -	\$ -	\$ 496,200
Contracts / Services	150,000	-	-	-	-	150,000
Materials / Supplies	66,100	-	-	-	300	66,400
Other Expenditures	800	-	-	-	-	800
Total Expenditures	\$ 703,700	\$ 9,400	\$ -	\$ -	\$ 300	\$ 713,400
Revenues						
User Fees	-	-	-	-	-	-
Reserve and Reserve Funds	(13,100)	6,600	-	-	-	(6,500)
Total Revenues	(13,100)	6,600	-	-	-	(6,500)
Net Budget	\$ 690,600	\$ 16,000	\$ -	\$ -	\$ 300	\$ 706,900

Base Expenditures

- Full-Time salaries & benefits have increased due to fixed benefit rate and general cost of living increases.
- Consulting contracts are as follows:

	<u>2018</u>	<u>2019</u>
General Corporate Priorities	\$ 50,000	\$ 50,000
Internal Audit	100,000	100,000
	<u>\$150,000</u>	<u>\$150,000</u>

Base Revenues

- Decrease in Transfer from Reserves due to the phased-in reduction of funding for the compensation review.

Growth

- External training costs have increased due to the new staffing request for a Risk and Insurance Clerk.

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO

LEGAL SERVICES DIVISION

Program Description

The Legal Services Division provides a range of legal services to Town Council, Committees, Town Departments and the Committee of Adjustment including legal opinions, representation of the Town before the Ontario Municipal Board, other tribunals and the courts. The Legal Services Division's mandate includes processing of subdivision agreements, real estate transactions and preparation of other agreements.

Also part of the Legal Services Division is the Corporate-wide Insurance Risk Management program. This program is designed to protect and conserve Town resources from unanticipated losses.

2019 Budget Highlights

	2017 Actuals	Preliminary Actuals 30-Nov-18	2018 Approved Budget	2019 Draft Budget	Variance (Favourable) / Unfavourable	
Expenditures						
Personnel - Full Time	\$ 1,716,085	\$ 1,579,452	\$ 1,790,600	\$ 1,882,300	\$ 91,700	
Personnel - Casual	13,356	69,768	71,400	40,800	(30,600)	
Contracts / Services	1,274,536	1,259,439	1,420,700	1,499,400	78,700	
Conveyancing/Title Searches	50,345	23,685	40,000	40,000	-	
Outside Legal	32,767	14,324	150,000	150,000	-	
Legal Liability Insurance	5,971	3,141	4,800	5,300	500	
Corp. Searches & Legal Disbur.	5,826	5,799	5,500	8,100	2,600	
Appraisal Fees	26,458	27,607	60,000	60,000	-	
Leasing Costs	-	-	32,000	-	(32,000)	
Sales Comm & Mkt Fees	2,842	-	32,000	32,000	-	
Property Acquisitions/Disposal Cts	13,928	32,119	30,000	62,000	32,000	
Consulting Contracts (Risk & Ins)	149,021	(880)	55,000	80,000	25,000	
Insurance Premium	1,627,578	1,633,945	1,651,700	1,734,300	82,600	
Insurance Recovery	(640,200)	(480,300)	(640,300)	(672,300)	(32,000)	
Materials / Supplies	118,591	113,614	131,600	150,400	18,800	
Other Expenditures	437,584	263,692	370,000	505,000	135,000	
Transfers to Other Funds	389,233	203,900	272,000	272,000	-	
Total Expenditures	\$ 3,949,385	\$ 3,489,865	\$ 4,056,300	\$ 4,349,900	\$ 293,600	7.2%
Revenues						
User Fees	(130,564)	(99,566)	(100,600)	(100,600)	-	
Reserve and Reserve Funds	(402,628)	(262,197)	(513,700)	(602,000)	(88,300)	
Total Revenues	\$ (533,192)	\$ (361,763)	\$ (614,300)	\$ (702,600)	\$ (88,300)	-14.4%
Net Budget	\$ 3,416,193	\$ 3,128,102	\$ 3,442,000	\$ 3,647,300	\$ 205,300	6.0%

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO

LEGAL SERVICE DIVISION – Continued

2019 Budget Highlights

	2018 Approved Budget	Base	Legislated	Annualization	New/Growth Staff & Program	2019 Draft Budget
Expenditures						
Personnel - Full Time	\$ 1,790,600	\$ 50,200	\$ -	\$ -	\$ 41,500	\$ 1,882,300
Personnel - Casual	71,400	-	-	(30,600)	-	40,800
Contracts / Services	1,420,700	78,700	-	-	-	1,499,400
Materials / Supplies	131,600	18,800	-	-	-	150,400
Other Expenditures	370,000	135,000	-	-	-	505,000
Transfers to Other Funds	272,000	-	-	-	-	272,000
Total Expenditures	\$ 4,056,300	\$ 282,700	\$ -	\$ (30,600)	\$ 41,500	\$ 4,349,900
Revenues						
User Fees	(100,600)	-	-	-	-	(100,600)
Reserve and Reserve Funds	(513,700)	(118,900)	-	30,600	-	(602,000)
Total Revenues	\$ (614,300)	\$ (118,900)	\$ -	\$ 30,600	\$ -	\$ (702,600)
Net Budget	\$ 3,442,000	\$ 163,800	\$ -	\$ -	\$ 41,500	\$ 3,647,300

Base Expenditures

- Full-time Salaries & Benefits have increased due to grade / step level, benefit rate and general cost of living increases.
- Contracts costs increased \$78,700, mainly due to Insurance broker services rate increases, as well as increased insurance premiums due to additional coverage for Oak Ridges Library, David Dunlap Observatory and other general property.
- Materials and Supplies include a \$19,000 increase for subscriptions and legal books, reflective of escalating costs.
- Other Expenditures primarily increased by \$135,000 due to building appraisal fees (\$100,000) which are incurred once every five years and miscellaneous claims expenses (\$40,000). These costs are fully funded through the Insurance Reserve Fund.

Base Revenues

- Reserve and Reserve Funds increased to reflect the funding for the building appraisal fees and miscellaneous claims expenses. The increase was offset by a decrease in Transfer from Reserves due to the phased-in reduction of funding for the compensation review.

Growth – Annualization & New Full Time Staffing Request

- Staffing request for \$41,500 is included for a full-time Risk & Insurance Clerk, with an expected start date of July 2019
- Annualization costs reflect the elimination of prior year Council approved service level increase for an Insurance and Claims Clerk (contract), which was fully funded by the Insurance Reserves. The responsibilities of this position will be transferred to the full-time staffing request.

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO

STRATEGIC INITIATIVES DIVISION

Program Description

The Strategic Initiatives Division supports the Chief Administrative Officer in directing and championing the Town's strategic planning, corporate policy development, intergovernmental affairs, economic development strategy, corporate performance monitoring, organizational reviews, and service improvement initiatives. It also takes a lead role in special projects as directed by the CAO and Council. The Strategic Initiatives Division is also responsible for identifying opportunities and priority areas for grants.

Also part of the Strategic Initiatives Division is the Small Business Enterprise Centre, including the Starter Company program. The Small Business Enterprise Centre is a partnership between the Town and the Province of Ontario, through the Ministry of Economic Development, Trade & Employment, and the Ministry of Research & Innovation (MEDTE/MRI). The program provides guidance and support to new and growing businesses in the community.

2019 Budget Highlights

	2017 Actuals	Preliminary Actuals 30-Nov-18	2018 Approved Budget	2019 Draft Budget	Variance (Favourable) / Unfavourable	
Expenditures						
Personnel - Full Time	\$ 1,169,280	\$ 1,248,976	\$ 1,611,200	\$ 1,718,700	\$ 107,500	
Personnel - Casual	202,637	205,856	115,550	82,700	(32,850)	
Contracts / Services	231,196	160,288	310,400	274,400	(36,000)	
Consulting Contracts	95,753	62,731	155,500	119,500	(36,000)	
Marketing & Events	135,443	97,557	154,900	154,900	-	
Materials / Supplies	17,890	23,629	26,400	26,400	-	
Other Expenditures	121,503	122,168	155,400	136,300	(19,100)	
Total Expenditures	\$ 1,742,506	\$ 1,760,917	\$ 2,218,950	\$ 2,238,500	\$ 19,550	0.9%
Revenues						
Grants / Donations	(241,928)	(224,500)	(305,900)	(291,500)	14,400	
Reserve and Reserve Funds	(49,500)	(68,546)	(133,600)	(83,200)	50,400	
Total Revenues	\$ (291,428)	\$ (293,046)	\$ (439,500)	\$ (374,700)	\$ 64,800	14.7%
Net Budget	\$ 1,451,078	\$ 1,467,871	\$ 1,779,450	\$ 1,863,800	\$ 84,350	4.7%

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO

STRATEGIC INITIATIVES DIVISION - Continued

2019 Budget Highlights

	2018 Approved Budget	Base	Legislated	Annualization	New/Growth Staff & Program	2019 Draft Budget
Expenditures						
Personnel - Full-Time	\$ 1,611,200	\$ 53,000	\$ -	\$ 54,500	\$ -	\$ 1,718,700
Personnel - Casual	115,550	3,950	-	(36,800)	-	82,700
Contracts / Services	310,400	-	-	(91,000)	55,000	274,400
Materials / Supplies	26,400	-	-	-	-	26,400
Other Expenditures	155,400	(19,100)	-	-	-	136,300
Total Expenditures	\$ 2,218,950	\$ 37,850	\$ -	\$ (73,300)	\$ 55,000	\$ 2,238,500
Revenues						
Grants / Donations	(305,900)	14,400	-	-	-	(291,500)
Reserve and Reserve Funds	(133,600)	14,400	-	91,000	(55,000)	(83,200)
Total Revenues	\$ (439,500)	\$ 28,800	\$ -	\$ 91,000	\$ (55,000)	\$ (374,700)
Net Budget	\$ 1,779,450	\$ 66,650	\$ -	\$ 17,700	\$ -	\$ 1,863,800

Base Expenditures

- Full-time Salaries & Benefits have increased due to step level, benefit rate and general cost of living increases.
- Casual wages and benefits increased to reflect step level increase of staff.
- As well under the Contracts/Services category - Marketing & Events is included at \$154,900, the same level as in 2018. Examples of expenditures include two annual events - MedEdge and the Creative Industries Symposium - and funds all economic development marketing activities.

The following is requested for the 2019 Budget:

	<u>2018</u>	<u>2019</u>
Partnership / Sponsorship Activities	\$39,200	\$39,200
Marketing Promotion	41,500	43,600
Local Event Programs	44,200	44,200
International Investment Program	20,000	25,000
Advertisements	10,000	12,000
	\$154,900	\$154,900

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO

STRATEGIC INITIATIVES DIVISION – Continued

- Other expenditures decreased due to program expenses decreases in both Small Business Enterprise Centre and Starter Company Plus.

Base Revenues

- Grants and Donations increased \$14,400 to reflect disbursement of grant funding to Starter Company Plus participants and also the increases in personnel costs for the Small Business Enterprise Centre and Starter Company Plus.
- Decrease in Transfer from Reserves due to the phased-in reduction of funding for the compensation review and Bill 148 Legislation

Growth – Annualization

- Annualization costs reflect prior year Council approved service level increase for conversion of a Program Assistant, Economic Development & Small Business Development Consultant
- The Contract/Services account decreased \$91,000 to reflect the consulting cost for the Lean Innovation Pilot Program from prior year, which was fully funded from the Staff Training & Development Reserves.

Growth – New Programs Request

- The Contract/Services account increased \$55,000 to reflect the consulting cost for the Lean Innovation Pilot Program, which is fully funded from the Staff Training & Development Reserves.

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO

COMMUNICATION SERVICES DIVISION

Program Description

Communication Services provides communications leadership for the Town of Richmond Hill in the form of strategic communication planning and advice for all Departments and Mayor & Council, crisis communications, media relations, social medial management, reputation management, issues management identification and advice, brand management, internal communications and facilitates Communications related training for staff.

Communication Services is also responsible for the provision of services on behalf of municipal departments through the Access Richmond Hill (ARH) contact centre.

ARH responds to general inquiries and concerns regarding programs and services and accepts in person payments for property tax, water bills, parking tickets and permits. ARH also addresses customer service requests for various town functions including parks, forestry and winter maintenance.

Services are provided by telephone, email and in person.

2019 Budget Highlights

	2017 Actuals	Preliminary Actuals 30-Nov-18	2018 Approved Budget	2019 Draft Budget	Variance (Favourable) / Unfavourable	
Expenditures						
Personnel - Full Time	\$ 2,242,946	\$ 2,320,161	\$ 2,701,400	\$ 2,778,500	\$ 77,100	
Personnel - Casual	165,870	81,499	34,850	48,600	13,750	
Contracts / Services	66,525	58,293	85,600	105,600	20,000	
Consulting Contracts	32,270	36,900	46,400	56,400	10,000	
Advertising	11,303	8,971	10,200	20,200	10,000	
Promotion	22,952	12,422	29,000	29,000	-	
Materials / Supplies	41,958	24,018	38,700	38,700	-	
Other Expenditures	6,748	173	8,000	8,000	-	
Total Expenditures	\$ 2,524,047	\$ 2,484,145	\$ 2,868,550	\$ 2,979,400	\$ 110,850	3.9%
Revenues						
User Fees	(2,038)	(2,412)	(3,000)	(3,000)	-	
Grants / Donations	-	-	-	(20,000)	(20,000)	
Reserve and Reserve Funds	(5,000)	(47,700)	(101,700)	(78,200)	23,500	
Total Revenues	\$ (7,038)	\$ (50,112)	\$ (104,700)	\$ (101,200)	\$ 3,500	3.3%
Net Budget	\$ 2,517,009	\$ 2,434,033	\$ 2,763,850	\$ 2,878,200	\$ 114,350	4.1%

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO

COMMUNICATION SERVICES DIVISION – Continued

2019 Budget Highlights

	2018 Approved Budget	Base	Legislated	Annualization	New/Growth Staff & Programs	2019 Draft Budget
Expenditures						
Personnel - Full-Time	\$ 2,701,400	\$ 77,100	\$ -	\$ -	\$ -	\$ 2,778,500
Personnel - Casual	34,850	13,750	-	-	-	48,600
Contracts / Services	85,600	-	20,000	-	-	105,600
Materials / Supplies	38,700	-	-	-	-	38,700
Other Expenditures	8,000	-	-	-	-	8,000
Total Expenditures	\$ 2,868,550	\$ 90,850	\$ 20,000	\$ -	\$ -	\$ 2,979,400
Revenues						
User Fees	(3,000)	-	-	-	-	(3,000)
Grants / Donations	-	-	(20,000)	-	-	(20,000)
Reserve and Reserve Funds	(101,700)	23,500	-	-	-	(78,200)
Total Revenues	\$ (104,700)	\$ 23,500	\$ (20,000)	\$ -	\$ -	\$ (101,200)
Net Budget	\$ 2,763,850	\$ 114,350	\$ -	\$ -	\$ -	\$ 2,878,200

Base Expenditures

- Full-time Salaries & Benefits have increased due to grade / step level, benefit rate and general cost of living increases.
- Contract/Services category includes consulting contracts, advertising, promotion and marketing events
- Consulting contracts are included at \$46,400 for 2019, the following provides the details for this account:

	<u>2018</u>	<u>2019</u>
Media Monitoring	\$17,000	\$17,000
Photography	10,000	10,000
Graphic Design Work of Town Initiatives	6,000	6,000
Translation of Town Printed Materials	5,000	5,000
Language Line	8,400	8,400
	\$46,400	\$46,400

- Advertising is included at \$10,200, the same level as in 2018. This amount covers the costs associated with purchasing ads in community and ethno-cultural publications.
- Promotion and marketing campaign are included at \$29,000 the same level as 2018 for the purchase of corporate and promotional merchandise.

TOWN OF RICHMOND HILL

2019 Draft Budget

OFFICE OF THE CAO

COMMUNICATION SERVICES DIVISION – Continued

Base Revenues

- Decrease in Transfer from Reserves due to the phased-in reduction of funding for the compensation review and Bill 148 Legislation

Legislated

- Contracts / Services have increased by \$20K for additional costs related to public education and communication on cannabis usage. These costs are funded through Provincial Grants.

New Initiative – Lean Program

Overview/Background

Lean is a continuous improvement approach that engages staff in making day-to-day processes more efficient and effective. Lean engages all staff to innovate and build capacity to continue to provide exceptional service to our community.

Through the 2018 budget process, Council approved a business case for a new initiative that piloted a Lean program in the organization. The goal of this initiative was to build awareness of and desire for a continuous improvement program based on Lean at the Town, and to pilot the approach in two to four service areas. The 2018 pilot project introduced Lean to over 100 staff, trained almost 60 staff in Lean tools and thinking, and is completing 3 pilot Lean process improvement projects with anticipated benefits to service delivery and quality, as well as staff effort and engagement.

This business case requests ongoing annual operating funding to continue integrating Lean as a tool for service improvement at the Town of Richmond Hill.

Project Description

The purpose of the Lean Program is to engage staff by improving innovation and community focus, and to build capacity by improving service delivery and quality.

The Lean Program is made up of the following deliverables:

Lean Activities: The Lean Program will continue to complete Lean process improvement projects, and will aim to carry out approximately 5 to 10 process improvement projects annually. The Program will also engage, educate and empower staff to realize smaller and informal “just-do-it” improvements.

Lean Training, Education and Mentorship: The Lean Program will continue providing training to Lean participants at the “white belt” level, Lean facilitators/ project leaders at the “green belt” level and Lean champions. The Program will also train one Lean expert at the “black belt” level to coordinate the Lean Program, provide mentorship to “green belts”, develop Program tools and templates, and carry out regular education sessions open to all interested Town staff.

Lean Program Support: The Lean Program will continue to consistently evaluate, measure and report on the results of Lean projects and the cumulative impact of the Program. The Program will also continue to communicate the Town’s approach to service improvement to the community and staff, and will continue to share Lean knowledge and expertise with other municipalities and organizations. The Program will develop an ongoing intake process that supports Departments to identify and prioritize Lean opportunities.

Staffing Requirements/Project Costs

The Lean Program will continue to be coordinated by Strategic Initiatives, and can be accommodated within the existing staff complement.

Staff from all Departments will be involved in the Lean Program. Lean process improvement projects take 3 to 6 months to complete, and require a time commitment of approximately ½ a day to 1 day per week from participants (depending on their role in the Lean project) to attend training and to facilitate or participant in workshops. This short-term staff commitment is accommodated within existing Departmental resources. The Program will develop an ongoing intake process, aligned with annual work plans, that supports Departments to identify, prioritize and resource Lean opportunities.

\$55,000 in ongoing annual operating funding is required for an external vendor to provide training in Lean tools and thinking. The funding for this training is from the Training and Development Reserve and provides for annually:

- Training 5 staff at the “green belt” level to lead Lean process improvement projects, including project management and facilitation fundamentals
- 4 “white belt” classes for all staff participating in Lean process improvement projects
- 1 “champion” class for Managers, Directors and Commissioners leading Lean process improvements
- 1 staff trained at the advanced Lean “black belt” level to coordinate the Lean Program

Strategic Alignment

This initiative supports Goal 4 of the Town of Richmond Hill’s Strategic Plan: Wise Management of Resources, Outcome 2: Being Responsible - Serve as a role model for municipal management.

The Lean Program also supports the Town’s commitment to service excellence by integrating new and innovative approaches to service improvement. It supports the goal to ensure that staff are supported and have the tools they need to successfully provide services to our residents.

Comparative Analysis

In developing the Lean Program, staff carried out best practice research with the cities of Mississauga, Oshawa, Kawartha Lakes, Fredericton, and with local Richmond Hill organizations Mackenzie Health and Staples Canada Inc.

Comparator	Population	Year Lean Program Initiated
City of Fredericton	58,220	2010
City of Kawartha Lakes	75,423	2013
City of Mississauga	721,599	2013
City of Oshawa	159,458	2014
Mackenzie Health	N/A	2010
Staples Canada	N/A	2007

Key findings from this research were:

- The purpose of Lean is NOT to cut costs or services. The purpose of Lean is to create a culture of continuous improvement through customer value and employee engagement.
- Lean is ultimately a cultural change program and has an impact on how people think and carry out their day to day work.
- There is no “one size fits all” approach to deploying Lean. There are different options for how a Lean Program is organized and governed, the levels of training offered, the types of Lean events or projects, and how Lean opportunities are prioritized.

As part of the Lean Program, Strategic Initiatives staff are participating in the Lean municipal network in Southern Ontario and Canada to share knowledge and experience with other organizations. This includes participation in the Southern Ontario Lean Community Practice and attendance at the 2018 Canadian Lean Summit. Strategic Initiatives staff will continue to stay engaged in these forums, and look for more opportunities to grow the Town’s knowledge of Lean in municipal government.

Analysis of Alternative Approaches

Do not continue with the Lean Program

Innovation was identified as a key area of focus in the Employee Engagement Survey (June 2017), and an Employee Strategy has been developed as a response to the feedback. Not continuing with the Lean Program would be a missed opportunity to respond to feedback on innovation from the employee survey.

Through the 2018 pilot phase of the Lean Program, over 100 staff were introduced to Lean and 60 trained in Lean tools and thinking. Not continuing with the Lean Program would be a missed opportunity to fully leverage this investment in building staff competencies for service improvement.

Lastly, the 2018 pilot phase is anticipated to demonstrate improvements to service delivery and quality, and staff effort and engagement. Not continuing with the Lean Program would be a missed opportunity to see these benefits in other process improvement projects.

Status quo – Maintain the Pilot Program Pace and Approach

To reduce annual operating costs, the pace of integration of Lean could be maintained at only two to four process improvement projects annually. New planned activities such as the introduction of “just do its,” black belt training, and regular learning opportunities for any interested staff could be eliminated.

Lean is ultimately a cultural change that requires Lean knowledge and practice across the organization. The recommended Lean Program builds on the momentum achieved through the pilot phase, and grows a critical mass of staff experiencing the benefits of Lean.

The recommended approach also remedies the initial lessons learned from the pilot phase. The pilot phase has demonstrated that project participants require more support in project management and facilitation, and that a Lean coordinator in Strategic Initiatives is required to provide mentorship and coaching to all Lean initiatives. Maintaining the pilot phase approach could result in lower commitment to the Lean Program as participants grow frustrated with the skills and support they need to be successful.

Cost and Benefit Analysis

The purpose of the Lean Program is to engage staff by improving innovation and community focus, and to build capacity by improving service delivery and quality. Staff are requesting ongoing annual operating funding for a permanent Lean Program.

The benefits of a permanent Lean Program are:

- Increasing the number of staff trained in Lean as a service improvement tool
- Improvements in employee engagement on innovation and community focus for Lean project participant’s
- Reduction in how long a process takes from start to finish (lead time)
- Reduction in how much staff time it takes to complete a process (staff effort time)

Conclusions and Recommendations

Lean is a continuous improvement approach that engages staff in making day-to-day processes more efficient and effective. In 2018, a pilot phase was completed resulting in almost 60 staff trained in Lean tools and thinking, 3 Lean process improvement projects underway, and anticipated benefits to service delivery, quality, staff effort and employee engagement. The Lean Program supports the Town’s commitment to provide exceptional public service, and will build on the successes and momentum of the pilot phase in 2018.

Staff are recommending approval of this business case for a Lean Program, including ongoing annual operating funding to continue integrating Lean as a tool for service improvement at the Town of Richmond Hill. \$55,000 is requested from the Training and Development Reserve.

Risk and Insurance Clerk – New Staff Request

Overview

The Risk Management Section is responsible for the corporate risk management program within the Town. This program includes managing the Town's insurance program, claims administration and the promotion of risk based decision making within the corporation.

As a result of a management structure review, the Risk Management Section, previously in the Corporate and Financial Services Department, moved to the Chief Administrative Officer's Department, specifically the Legal Services Division.

The Risk Management Section is staffed by a Manager, Risk and Insurance and a Claims and Risk Analyst. When the section was in Corporate and Financial Services, it was also supported by the Administrative Assistant to the Commissioner, who maintained Certificates of Insurance (COI) records received from third parties, validation of WSIB certification on active service contracts, quarterly reconciliation of the Facility User Insurance Program, as well as a number of other administrative tasks. Since moving to the CAO Department, and in order to resource this work, a one year contract Insurance and Claims Clerk position had been temporarily hired so that a review of the volume of work and capacity of the current staff could be undertaken to determine if additional resources were required to deliver the existing service levels of the section.

Centralizing risk management and, specifically, the management of COI records is a best practice in that it:

- Provides verification that accurate and legally binding insurance coverage has been placed by the Town's partners, vendors, suppliers, developers, etc.
- Provides the Town with evidence of financial backing for risk transfer arrangements entered into and incorporated into Town contracts and agreements with suppliers, vendors, tenants, licensees, developers, etc.
- Ensures that the Town will be provided with a legal defense and any damages compensation will be provided through the insurance provider for the contractor, vendor, supplier who is found responsible for the damages or injuries sustained;
- Over time will reduce the Town's Insurance costs when insurers become aware that the Town is actively utilizing risk transfer arrangements; i.e., the Town's Insurance policies will not be required to respond to claims filed against the Town related to suppliers, contractors, developers, etc. activities.
- The COI process is outlined in Appendix A.

The count of current COI in the Claims and Certificate System (CCS) is 606, though it's known that this does not represent the potential volume of COIs that should be recorded as more immediate operational needs have been prioritized over maintaining the CCS system in the past.

In order to help understand the volume of potential COI, indicators about the sources of COI are listed below.

- Approximately 308 active vendor contracts managed annually through Procurement.
- Approximately 308 WSIB certifications for all active vendor contracts.
- 190 development and subdivision (potentially and additional 190 contractors on site) active agreements – all unassumed by the Town or within the 2 year maintenance period.
- 34 Private Property Parking Enforcement Contracts annually.
- Approximately 30 Community Services program providers (contractors) annually.
- An average of 12 annual Special Events hosted by the Town through Community Services, each of which may require a number of vendors to provide evidence of insurance.
- More than 30 Lease, Licence and Easement Agreements, etc.

The results of this review indicated that:

- The Risk Management Section should resource the administrative screening and tracking of all COI activities in order to ensure the Manager has time for more strategic activities.
- Past administrative activities in support of risk management are not currently resourced in a sustainable way (meaning they are only resourced on a contract basis).

Business Case - New Staff Request

Risk and Insurance Clerk

- Approval for an additional FTE position to support the Risk Management Section, specifically to administer COI processing, should be sought for the 2019 budget. If such a position is not approved, existing service levels should be revisited in order to ensure that these are appropriate for the resources available.

Program Description

Reporting to the Manager, Risk and Insurance, the role of the Risk and Insurance Clerk in the Risk Management Section will be:

- Administer the third party Certificate of Insurance (COI) process for Vendors/Suppliers; Lease/License/Encroachment/Easement/Consent to Enter/etc. Agreements; Recreation Services Programming Agreements; Development/Subdivision/Site Plan Agreements; Private Parking Ticket Officers, Tow Trucks; Filming Permits/Road Closures/ Road Occupancy Permits; Special Events; and Fireworks Permits, among others that may arise. This includes the creation of 300 or more new COI files annually into the Certificate System; review of all new COI's received Town wide for compliance and follow up, and issue non-compliance and expiring insurance notices;
- Liaise with external Insurance Brokers and Suppliers to coordinate receipt of accurate evidence of insurance;
- Liaise with internal project and program managers throughout the corporation to ensure that insurance requirements are incorporated and maintained within all contract terms;
- Respond to requests for evidence of the Town's Insurance Program Town COI's (where the Town is a third party) as required for funding agreements, events on non-Town property, etc.;
- Validation of active WSIB for suppliers and vendors with current service contracts.
- Coordinate Litigation Checks with Town Solicitor's office; prior to the award of any new procurement call the Town must ensure that there is no current active litigation with the successful respondent;
- "Game Day" Facility User Group Insurance Program Administration. Work with facility booking staff, permitting staff and Theatre staff, whose clients purchase this low-cost liability insurance to cover their exposure when utilizing Town facility space. Quarterly reconciliations of bookings and insurance premium collected is required;
- Organize and maintain files, prepare files for storage, retrieves off-site files, prepares new files and inputs data into the records management system on behalf of the Risk Management section.
- Respond to mail, email, phone and in-person inquiries and requests for information from internal and external customers, screen, redirect and prioritize calls/items as required, initiate responses as appropriate and escalate critical items while ensuring all confidential information is handled appropriately.
- Provide back-up and assistance to the Risk Manager and Claims and Risk Analyst during vacation, or periods of high volume requests for Risk Management and claims assistance.

Implementation of this position will allow the Risk Manager to:

- Focus on cost saving measures related to loss control, risk financing and risk transfer arrangements;
- Develop statistical analysis of historical claims experience and expenses incurred and allow the Risk Manager to evaluate and implement optimal levels for insurance deductibles and self-insured retention levels;
- Manage the overall Town-wide Risk Management approach;
- Deliver Town-wide Risk Management training and initiatives designed to build awareness at various levels within the Town.

Strategic Alignment

The addition of a Risk and Insurance Clerk position relates to the Strategic Plan Goal of “wise management of resources in Richmond Hill” and the objective of being responsible by serving as a role model for municipal management in the consideration and management of risk.

Comparative Analysis

Benchmarking indicates that some comparator municipalities have FTE administrative support for their Risk Management programs, though notably the municipalities surveyed do not have a centralized COI management process. Details on resourcing and the COI process from responding municipalities are attached as Appendix B.

Risk Management staff feel that the centralization of this process is important for the corporate-wide management of risk, as placing decision making about third party insurance with risk experts helps to better manage the Town’s liability. This is also in line with the Regional Risk Management program.

Analysis of Alternative Approaches

Using existing staff support resources was considered. However, existing Legal Division staff are at capacity supporting the four lawyers, three law clerks and Manager of Real Estate and cannot accommodate the additional workload proposed for the Risk and Insurance Clerk.

Likewise, there are no existing available resources in the Risk Management Section to complete these tasks. The Manager of Risk and Insurance provides strategic management and oversight of the Town’s corporate Risk Management Program and insurance and claims processes. The Manager is responsible not only for the management of risk at the Town, but also the strategy for mitigating the wide-array of potential risks that the municipality and the community assets it stewards may face.

The role of the Claims and Risk Analyst is to coordinate and administer the insurance claims process for the Town and assist the Manager in the implementation of a Risk Management Program. The Analyst is responsible for reviewing and analyzing information provided by departments to determine any liability on the part of the Town in conjunction with minimum maintenance standards, by-laws, the *Municipal Act* and other provincial legislation. There are approximately 140 new claims received annually.

Cost and Benefit Analysis

The proposed position would be at an Administrative – Level 3.

Business Case - New Staff Request

Risk and Insurance Clerk

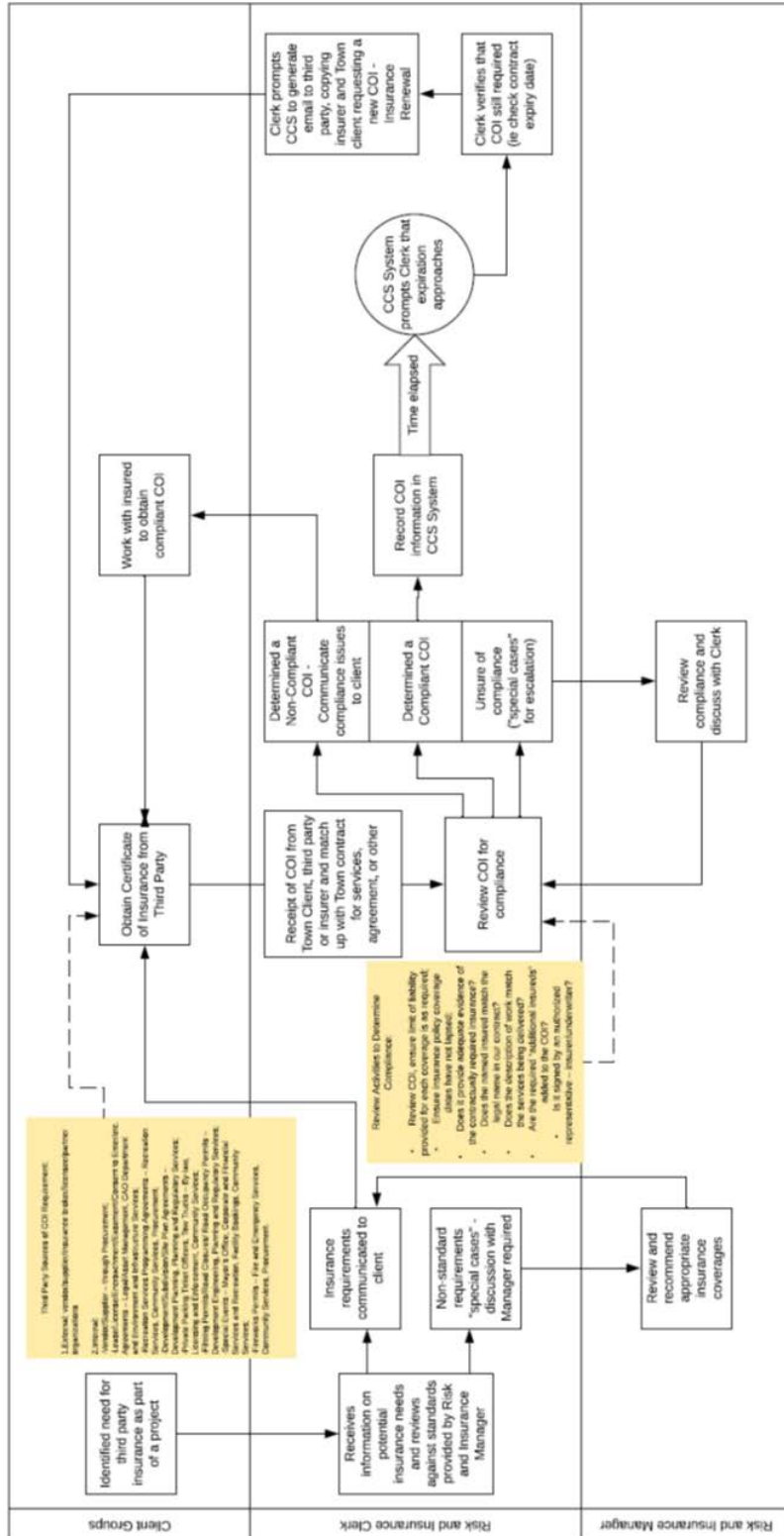
	Current Year (2019) Impact	Full Year (2020) Impact
Start Date	01-Jul-19	
End Date or Contract Terms	31-Dec-19	
Full Time or Contract	Full Time	Full Time
CUPE/Admin/SEA/FIRE	Admin	Admin
Grade	3	3
Step	3	4
Annual Salary	\$65,600	\$68,200
Annual Benefit	17,300	18,000
Operating Costs		
Salaries (Prorated Salary Based on Start Month)	32,800	68,200
Benefits	8,700	18,000
Corporate allocation for training	300	300
Minor Capital (cell phone and smart phone charges)		
Total Operating Costs	\$41,800	\$86,500
Funding Source		
Tax Rate	41,800	86,500
Total Funding Sources	\$41,800	\$86,500
Difference	0	0
Funding Source		
Reserve Fund - Specify		
Grants		
Cash to Capital Reserve	0	0
Total Funding Sources	\$0	\$0
Difference	0	0
Total Operating and Capital Costs	\$41,800	\$86,500

Conclusions and Recommendations

A review of the Risk Management Section, specifically the management of the COI process, concluded that additional resources must be considered in order to continue the current risk transfer and mitigation function in support of the Town and its stakeholders. This business case recommends that an additional FTE be added to the Risk Management Section to support this activity and other administrative tasks so that the Risk Management team can continue to deliver best practices in risk transfer and mitigation on behalf of the corporation.

Appendix A: Certificates of Insurance Process Map

Certificate of Insurance (COI) Process Flow



Business Case - New Staff Request

Risk and Insurance Clerk

Appendix B: Benchmarking

Municipality	Staffing	COI Management	COI Volume	COI Types
Markham	3 FTEs involved in RM and Insurance Claims, but with other duties as well. No staff dedicated to COI management	Managed by the initiating department – Purchasing manages all COI related to procurement agreements, Legal manages for Development agreements – 1 FTE in each area	Volume not readily available	Vendors, Developers, Service providers, Licensees, Easements, Encroachments, Special Events
Vaughan	Manager, Risk Analyst, Claims Analyst, 2 clerical assistants who support Risk “when possible”	Each department/project manager manages the certificate for ongoing projects, Purchasing collects those related to RFPs in the first year.	No data	“Ideally we would manage them all”
Burlington	2 FTE	Primarily Risk Management and Procurement departments	About 60 per year through Risk Management	Vendors, Developers, Service providers, Licensees, Easements, Encroachments, Special Events
Calgary	Risk and Insurance – 4 FTE; Claims – 21 FTE	Not managed by Risk and Insurance staff	Estimate about 30,000 annually	Vendors, Developers, Service providers, Licensees, Easements, Encroachments, Special Events
Newmarket	<i>No response</i>			
Oakville	<i>No response</i>			

It should be noted here that in municipalities where COI tracking is not centralized, each department is responsible for collecting, verifying accuracy, and tracking renewals of all COIs required to be received from their respective area contracts and agreements.

- Procurement obtains the original COI’s at contract award and Dept Rep’s will maintain current/renewal COI’s for the duration of the contract term.
- Legal and Real Estate track and retain current/renewal COI’s for all Leases, License Agreements, Encroachment Agreements, etc.
- Development and Engineering track and retain current/renewal COI’s for all Developers, and their contractors;
- Etc.