

MUNICIPALITY OF CHATHAM-KENT

CORPORATE SERVICES

FINANCIAL SERVICES

INFORMATION REPORT

TO: Mayor and Members of Council

FROM: Yufang Du, Financial Analyst

DATE: September 4, 2008

SUBJECT: 2007 Use of Consultants

This report is for the information of Council.

BACKGROUND

Chatham-Kent requires the utilization of consultants when their expertise is necessary or when there is workload that municipal staff cannot accommodate. The use of consultants is a normal business practise.

COMMENTS

Figure 1 is a summary of consultants used by the Municipality during 2007. For comparison the 2007 Budget and 2006 Actual figures have also been included.

Figure 1 - Use of Consultants Summary				
Municipality of Chatham-Kent	<u>2006 YTD</u>	<u>2007 YTD</u>	<u>2007 Base Budget</u>	<u>2007 Sup Budget</u>
<u>Municipal and Drainage</u>				
Total Municipal Operations (excluding Lifecycle)	\$1,581,300	\$3,201,200	\$1,330,000	\$2,021,900
Total Municipal Lifecycle	716,700	901,800	901,800	-
Total Municipal Capital	1,025,100	1,525,000	1,525,000	-
Total Drainage (Local Improvements)	367,600	379,400	379,400	-
Total	3,690,700	6,007,400	4,136,200	2,021,900
<u>PUC -Water/WW</u>				
PUC Capital-Sanitary Sewers	368,500	101,600	101,600	-
PUC Capital-WPCP	87,300	202,300	202,300	-
PUC Capital-Water	938,800	596,600	596,600	-
PUC - Water/Wastewater operations	273,600	431,600	431,600	-
Total	1,668,200	1,332,100	1,332,100	-
Grand Total	\$5,358,900	\$7,339,500	\$5,468,300	\$2,021,900

This summary does not include C-K Energy or any of its subsidiaries. Figures used are those charged to consulting expense lines in the financial records. During 2007 consulting fees were \$7,339,500 (\$5,358,900, 2006). The \$2 million dollar increase comprises primarily of one time projects.

Figure 2 breaks down the expenditures by the type of consultant.

Figure 2 - Consultants by Type				
Municipality of Chatham-Kent	<u>2006 YTD</u>	<u>2007 YTD</u>	<u>2007 Base Budget</u>	<u>2007 Sup Budget</u>
Architect Fees	\$89,900	\$24,200	\$24,200	-
Appraisal Fees	8,800	2,700	6,800	-
Audit/Financial Fees	132,100	128,200	111,300	2,200
Corporate Search Fees	1,500	3,200	2,300	-
Compensation Specialists	-	11,100	5,000	20,000
Computer Consultants	36,900	12,500	95,400	6,000
Consulting Fees	426,500	1,296,400	315,200	587,200
Engineering Fees				
Drainage	367,600	379,400	379,400	-
IES Bridges, Roads	691,500	1,145,800	1,144,100	-
Other Engineering fee	<u>496,700</u>	<u>886,300</u>	<u>886,300</u>	-
Total Engineering Fees	1,555,800	2,411,500	2,409,800	-
Environmental Assess't fees	42,200	25,800	29,700	-
Outside Legal Counsel	367,100	575,600	371,200	312,300
Miscellaneous Studies	19,000	106,600	63,000	260,000
Other professional fees	310,900	964,200	208,400	791,200
Project Mgmt Fees	236,600	65,700	65,700	-
Planning (Contracted)	424,700	334,500	387,000	43,000
Survey/Search fees	38,700	45,200	41,200	-
Grand Total	\$3,690,700	\$6,007,400	\$4,136,200	\$2,021,900
<u>The actuals are the actual money spent in 2007.</u>				
<u>Encumbrances and previous years balance forward are not included in actuals</u>				

Figure 3 is a summary of consultants used by PUC. It breaks down the expenditures by the type of consultant.

Figure 3 - PUC Consultants by Type		
Municipality of Chatham-Kent	<u>2006 YTD</u>	<u>2007 YTD</u>
Audit/Financial Fees	\$13,300	\$13,300
Consulting Fees	126,300	48,900
Engineering Fees	1,518,200	1,101,200
Outside Legal Counsel	5,600	144,600
Other professional fees	4,800	24,100
Grand Total	\$1,668,200	\$1,332,100

A breakdown of consultant costs by department, consisting of a four page summary, is available on request should additional information be requested.

CONSULTATION

Departments are responsible for coding their expenses to appropriate ledger accounts and routinely review account balances to promote accuracy.

FINANCIAL IMPLICATIONS

Consultants used by the PUC are funded through user fees. Drainage consultants are funded through related grant programs or recovered from drainage assessments. Some capital projects are to be financed through future years' savings and/or rate recoveries. As well, a number of other projects are funded at least in part through grants at either the provincial or federal level. The remainder is included in the Municipal Budget.

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Attachment(s) – None

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2007 Use of Consultant By Department	2006	2007	2007	2007
Municipality of Chatham-Kent	YTD Actuals	YTD Actuals	Base Budget	Supp Budget
Municipal and Drainage				
Non Departmental				
Financial Expenses	\$28,500	\$158,000	\$27,200	\$200,000
Total Non Departmental	28,500	158,000	27,200	200,000
Economic Dev/Fire Services				
Economic Development Services	20,200	150,300	63,500	120,000
Fire Services	17,900	45,600	-	41,700
Total Economic Dev/Fire Services	38,100	195,900	63,500	161,700
Corporate Services				
Corporate Services Admin	-	31,100	20,800	-
Financial Services	82,800	76,000	76,000	-
Human Resources	165,000	202,800	64,100	195,400
Information Technology Services	10,400	169,600	87,400	6,000
Legal Services	34,700	18,400	121,500	-
Total Corporate Services	292,900	497,900	369,800	201,400
Health & Family Services				
Children's Services	67,100	770,600	23,700	757,100
Senior Services	10,500	10,900	10,000	-
Health Services	261,800	318,300	180,700	39,900
Ontario Works	43,000	24,900	10,000	17,200
Social Housing	92,300	253,400	-	191,800
Total Health & Family Services	474,700	1,378,100	224,400	1,006,000
Infrastructure & Engineering Services				
Engineering & Traffic	178,400	102,900	130,900	-
Drainage, Environmental & Fleet	22,100	24,800	-	80,000
Public Works	643,500	859,400	857,200	-
Total Infrastructure & Engineering Services	844,000	987,100	988,100	80,000
Community & Development Services				
Community & Development Services Admin	30,400	-	-	-
Building, Enforcement & Licensing Serv.	5,800	33,200	12,000	-
Community Services	98,100	374,100	44,700	290,800
Customer Services	15,300	19,400	13,700	-
Planning Services	406,600	348,600	410,000	43,000
Total Community & Development Services	556,200	775,300	480,400	333,800
Police Services				
Police Services	59,100	105,200	78,400	39,000
Total Police Services	59,100	105,200	78,400	39,000
Federal Gas Tax	4,000	3,000	-	-
Federal Transit	500	2,500	-	-
Capital/Local Improv/Drainage/Restruct				
Drainage	367,600	379,400	379,400	-
Capital Projects - New Structure	1,025,100	1,525,000	1,525,000	-
Total Capital/Local Improv/Drainage/Restruct	1,392,700	1,904,400	1,904,400	-
Total	3,690,700	6,007,400	4,136,200	2,021,900
PUC - Water/WW				
PUC Capital-Sanitary Sewers	368,500	101,600	101,600	-
PUC Capital-WPCP	87,300	202,300	202,300	-
PUC Capital-Water	938,800	596,600	596,700	-
PUC - Water/Wastewater operations	273,600	431,600	431,600	-
Total	1,668,200	1,332,100	1,332,200	-
GRAND TOTAL	\$5,358,900	\$7,339,500	\$5,468,400	\$2,021,900

2007 Use of Consultant By Type	2006	2007	2007	2007	2007	2007
Municipality of Chatham-Kent	YTD Actuals	YTD Actuals	Base Budget	Supp Budget	Projects	Consultants
Architect fees						
Capital - Recreation	-	\$12,700	\$12,700	-		
Capital - Homes	89,900	11,500	11,500	-		
Total Architect fees	89,900	24,200	24,200	-		
Appraisal Fees						
Legal Services	7,300	2,700	6,800	-		
Capital - Econ Dev	1,500	-	-	-		
Total Appraisal Fees	8,800	2,700	6,800	-		
Audit/Financial Fees						
Financial Expenses	25,700	30,400	27,200	-	Post employee benefit valuation, Credit rating, OIPC analysis, BMA study	BMA Management, K-W Actuarial, Standard & Poor'S, Borden Ladner Gervais
Financial Services	76,000	76,000	76,000	-	Financial Statement Audit Etc.Audit	Deloitte Touche Inc.
Health & Family Services	23,300	10,200	2,000	2,200		
Federal Gas Tax	4,000	3,000	-	-		
Federal Transit	500	2,500	-	-		
Lifecycle-Bridges	1,000	1,000	1,000	-		
Capital - Econ Dev	1,000	1,000	1,000	-		
Capital - Ambulance	600	600	600	-		
Capital - Homes	-	3,400	3,400	-		
Total Audit Fees	132,100	128,200	111,300	2,200		
Corporate Search Fees	1,500	3,200	2,300	-		
Compensation Specialists						
Human Resources	-	11,100	5,000	20,000		
Total Compensation Specialists	-	11,100	5,000	20,000		
Computer Consultants						
Information Technology Services	6,400	12,500	87,400	6,000	\$ 80,898 Was Encumbered For ITS Strategic Plan	
Engineering & Traffic	30,500	-	8,000	-		
Total Computer Consultants	36,900	12,500	95,400	6,000		
Consulting Fees						
Financial Expenses	-	127,600	-	200,000	Corporate Review, \$72,380 Was Encumbered To Finish Corporate Review in 2008	Berkeley Consulting Group
Fire Services	17,900	45,600	-	41,700	Fire Master Plan	T L Powell & Associates Ltd.
Human Resources	-	1,400	-	35,000	Pay Equity Consultant	Annetts & Associates Inc
Information Technology Services	-	157,100	-	-	ITS Strategic Plan	MCGG Ltd.
Children's Services	60,400	137,400	15,000	122,500	Best Start Program	Pauline Lewis & Associates Inc And Anita Jackson Consultants Inc.
Health Services	102,900	166,200	52,800	18,400	School Age Health	H. Wayne Mckay, Executive House And Various Others
Social Housing	53,700	114,200	-	78,800	\$51000 Budget For Housing Receivership Issue, \$62476 spent on Labourview co-op Homes, Inc.	Horwath Orenstein, Tim Welch Consulting
Engineering & Traffic	147,900	102,900	102,900	-	Transfc Analysis	Itrans Consulting Inc, Dillon Consulting Limited
Transit	-	-	20,000	-		
CS, Culture prog	4,000	86,600	-	90,800	Culture Mapping	Navigator Limited
CS, Park,Cemeteries,Hort	11,200	233,000	-	-	Parks & Rec. Master Plan	IBI Group
Capital - Econ Dev	-	71,100	71,100	-	Csx Rail Line Acquisition	Deloitte Inc., Lansink Appraisals And Consult., Cando Contracting
Capital - Traffic	26,600	-	-	-		
Capital - Planning	1,900	53,400	53,400	-	Development Charges Study	Watson & Associates Economists
Total Consulting Fees	426,500	1,296,400	315,200	587,200		
Engineering Fees						

2007 Use of Consultant By Type	2006	2007	2007	2007	2007	2007
Municipality of Chatham-Kent	YTD Actuals	YTD Actuals	Base Budget	Supp Budget	Projects	Consultants
IES, CK Operations - Roads	6,400	1,700	-	-		
IES, Lifecycle-Bridges	598,200	856,000	856,000	-	Various Bridge Projects	Dillon Consulting, Engineered Managemnet, Stantec Consulting Ltd, Todgham & Case, Totien Sims
IES, Lifecycle-Roads	10,200	200	200	-		
Lifecycle-Storm Sewers	11,900	-	-	-		
CS, Lifecycle Arena	-	1,000	1,000	-		
CS, Lifecycle building	79,700	43,600	43,600	-	Building Mtee	Smylie & Crow Associates Inc, Jopden & Cook Architect
Capital - Recreation	51,200	2,900	2,900	-		
Capital - Storm Sewers	253,400	430,400	430,400	-	Dresden Northwest Quad, Van Allen, Walby Baseline	Todgham & Case Associates Inc, Dillon Consulting, Earth Tech
Capital - Traffic	59,900	34,100	34,100	-	Master Transportation Plan, Richmond Road Widening	Dillon Consulting Limited, Delcan Corp
Capital - Econ Dev	4,900	33,500	33,500	-	Csx Rail Line Acquisition	Sendex Environmental Corp
Capital - Cultural	-	12,800	12,800	-		
Capital - Buildings	-	203,700	203,700	-	Civic Centre Hvac Unit	Smylie & Crow Asso, Handy Bros
Capital - Engin	31,600	73,200	73,200	-	Civic Centre Standby Power, Civic Centre Server room	Cem Engineering
Capital - Roads	76,700	287,900	287,900	-	St.Clair-Menaughton to Gregory, Tecumseh and Area Rds	Dillon Consulting, Todgham & Case
Capital-Sidewalks	1,800	400	400	-		
Capital - Health & Family Serv	-	28,100	28,100	-	Wish Centre Purchase	Jorden & Cook Architect
Capital - Planning	2,400	8,300	8,300	-		
Capital - Police	-	14,300	14,300	-		
Drainage	367,600	379,400	379,400	-	Various Drains	Dillon Consulting, Todgham & Case
Total Engineering Fees	1,555,800	2,411,500	2,409,800	-		
Environmental Assess't fees						
Legal Services	-	-	3,900	-		
Capital - Econ Dev	40,500	25,800	25,800	-	Global Vehicle System, Pabc Kent	Golder Associates Ltd.
Capital - Homes	1,700	-	-	-		
Total Enviornment Assess't fees	42,200	25,800	29,700	-		
Outside Legal Counsel						
Financial Expenses	2,900	-	-	-		
Human Resources	164,100	189,300	58,300	140,400	\$120,355 To Fund HR Outside Legal - Arbs	Hicks Morley Hamilton Stewart
Legal Services	13,700	4,900	98,600	-		Raphael Partners
Senior Services	10,500	10,900	10,000	-		
Health Services	6,100	-	2,900	-		
Ontario Works	2,400	-	2,000	-		
Social Housing	38,600	139,200	-	113,000	\$111,691, Sh-Labourview Co-Op Homes Inc.	Raphael Partners
Drainage, Environmental & Fleet	-	-	-	20,000		
Community & Development Services Adm	25,500	-	-	-		
Building, Enforcement & Licensing Serv.	4,300	28,400	10,000	-	Building, Enfore, Lic Serv - Adm	Jim Renick
Planning Services	30,000	24,400	31,600	-	Heavings - Development Services	Jim Renick
Police Services	43,600	89,600	68,900	39,000	Trsf \$38,958 From Incamera Reserve To Fund Police Services Arb Costs	Hicks Morley Hamilton Stewart
Capital - Traffic	-	200	200	-		
Capital - Parking	2,300	800	800	-		
Capital - Econ Dev	12,500	83,000	83,000	-	Csx Rail Line Acquisition, Gloval Vehicle System, Pabc Kent	Richie Ketcheson Hart & Bigga And Raphael Partners
Capital - Homes	500	-	-	-		
Capital-Sidewalks	-	4,000	4,000	-		
Capital - Legal	-	900	900	-		
Capital - Planning	10,200	-	-	-		
Total Outside Legal Counsel	367,100	575,600	371,200	312,300		

2007 Use of Consultant By Type	2006	2007	2007	2007	2007	2007
Municipality of Chatham-Kent	YTD Actuals	YTD Actuals	Base Budget	Supp Budget	Projects	Consultants
Miscellaneous Studies						
Economic Development Services	19,000	106,600	63,000	60,000	EDS Strategic Updat, Wburg Commtask Force, \$52,836 Was Encumbered For Environmental Studies	Millier Dickinson Blais Inc., Wcm Consulting
Community Services	-	-	-	100,000	Cultural Centre Masterplan. \$100,000 Was Encumbered for Completion in 2008	
Library Services	-	-	-	100,000	Library Master Plan. \$100, 000 Was Encumbered For Carrying Out the Project in 2008	
Total Miscellaneous Studies	19,000	106,600	63,000	260,000		
Other professional fees						
Economic Development Services	2,000	43,700	500	60,000	Wburg Commtask Force-Proj/Serv	Capital Consulting Group, Llc
Corporate Services	-	32,100	21,600	-	\$39,000 encumbered for Strategic Sessions and Goal Setting	Toe Consulting Inc.
Children's Services	6,700	633,200	8,800	634,700	Best Start Program	Various Childcare Srvc Providers
Health Services	132,900	140,500	122,600	21,600	\$136,197 spent for School Age Health	Various Medical Professionals.
Ontario Works	35,600	22,700	8,000	15,000		
Drainage, Environmental & Fleet	22,100	24,800	-	60,000	Landfill	Todgham & Case Associates
Public Works	15,800	500	-	-		
Community & Development Services	23,400	27,500	13,800	-		
Police Services	15,500	15,700	9,600	-		
Capital - Storm Sewers	-	6,800	6,800	-		
Capital - Recreation	12,000	-	-	-		
Capital - Parking	1,700	-	-	-		
Capital - Econ Dev	4,800	11,400	11,400	-		
Capital - Roads	(3,700)	3,800	3,800	-		
Capital - Homes	42,100	1,500	1,500	-		
Total Other professional fees	310,900	964,200	208,400	791,200		
Project Mgmt Fees						
Capital - Homes	236,600	65,700	65,700	-		
Total Project Mgmt Fees	236,600	65,700	65,700	-		
Planning (Contracted)						
Financial Services	10,800	-	-	-		
Building, Enforcement & Licensing Serv.	-	1,800	-	-		
Planning Services	376,600	324,200	378,500	43,000	Consents/Zoning Amendments, Zoning By Law	Storey Samways Planning Ltd.
Capital - Planning	37,300	8,500	8,500	-		
Total Planning	424,700	334,500	387,000	43,000		
Survey/Search fees						
Legal Services	13,800	10,800	12,200	-		
Health Services	1,600	3,500	-	-		
Social Housing	-	-	-	-		
Customer Services	-	1,900	-	-		
Capital - Roads	23,300	29,000	29,000	-	Gravel Pit Expansion	Todgham & Case Associates
Total Compensation Specialists	38,700	45,200	41,200	-		
Grand Total	3,690,700	6,007,400	4,136,200	2,021,900		

The actuals are the actual money spent in 2007.

Encumbrances and previous years balance forward are not included in actuals

Encumbrances for finishing projects in 2008 are in Project column

Any actual and budget amount in excess of \$25,000 has an explanation in Project and Consultant Column