



Audit, Finance and Administration Committee

BUDGET MINUTES

Thursday, February 17, 2011

11:26 a.m.

Council Chambers

City Hall

71 Main Street West

Hamilton, Ontario

Present: Councillors B. Clark (Chair), B. Johnson (Vice Chair)
B. Morelli, M. Pearson, R. Powers

Also Present: C. Murray, City Manager
R. Rossini, General Manager, Finance & Corporate Services
T. Tollis, Treasurer
M. Zegarac, Director, Financial Planning & Policy
H. Hale Tomasik, Executive Director, H.R. & Organizational Dev.
S. Paparella, Legislative Assistant, Office of the City Clerk

FOR THE INFORMATION OF COMMITTEE:

The Audit, Finance & Administration Committee Budget meeting was called to order.

(Pearson/Morelli)

That the Audit, Finance & Administration Committee Budget meeting be recessed, in order to first consider the Items on the February 2, 2011, which was postponed until February 17, 2011, due to inclement weather conditions.

CARRIED

(Pearson/Powers)

That the Audit, Finance & Administration Committee Budget meeting reconvene at 11:23 a.m.

CARRIED

(a) CHANGES TO THE AGENDA (Item 1)

There were no changes to the agenda.

(Pearson/Morelli)

That the agenda for the February 17, 2011 Budget meeting of the Audit, Finance & Administration Committee be approved, as presented.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) 2011 Tax Supported Operating Budget – City Manager (FCS11023(b)) (City Wide) (Item 7.1)

Chris Murray, City Manager, provided a presentation respecting Report FCS11023(b), the 2011 Tax Operating Budget for the City Manager's Office. Mr. Murray's comments included, but were not limited to, the following:

- The City Manager's office currently has one position that has not yet been filled; it is the Government Relations position.
- The four Divisions under the City Manager's are Human Resources, City Manager's Office – Administration, Audit Services and Legal Services.
- The significant pressures driving the budget are employee related costs (this includes merit and benefit costs), which are offset by increased recoveries from WSIB and Benefit Reserves and increased indirect recoveries for Human Resources and the City Manager's Office Administration Budget.
- There is a savings in rent for the new Return to Work services location and from the new contract for Employee and Family Assistance Program for Human Resources.

Helen Hale-Tomasik, Executive Director, Human Resources and Organizational Development, provided a presentation respecting the Human Resources Division's portion of Report FCS11023(b) - 2011 Tax Supported Operating Budget – City Manager's Office. Ms. Tomasik's comments included, but were not limited to, the following:

- A detailed report will be coming to the Audit, Finance & Administration Committee in April respecting the 2010 Disability Management IT system.
- The Employee Recognition Program budget was increased last year to cover the costs associated with the City Manager's Award, Years of Service pins, floral arrangements to families of deceased employees, etc.
- The Human Resources Division's budget is coming in as zero this year.
- 85% of HR budget is employee costs.
- Allocation to reserves has been adjusted to properly reflect Long Term Disability, Short Term Disability, etc.
- Biggest overage for this year is for the Carpenters Union matter.
- Decreased grievances (460 versus 622 in 2009, a 26% drop).
- Administration savings and cost avoidance within Benefits Administration (\$267,000).

- Contractual: Rent covers items such as: a negotiated stipend with CUPE at the beginning of every year to pay for their participation in negotiation meetings; special projects such as the Career Education Program; and, consulting services for the Leadership Roundtable.
- Benefits Administration - \$70,000 or use of the intelligence of Mercer.

(i) Staff Direction: City Manager's Office – Administration

- **Explanation of Line Items** – Staff was directed to report back on what the line item “Building and Grounds” covers for each Department/Division and how those funds are allocated.

Staff was also directed to provide the operating definition for each category (line item) and a summary of the expenses that fall under those categories for all Departments/Divisions, as the budget process moves forward.

- **Realignment of Staffing** – Staff was directed to illustrate, in the report respecting staffing that is forthcoming to the General Issues Committee, the “shifting” of staff from one Department/Division to another. That report should also provide both impact numbers and net numbers.
- **Hiring of Consultants:**

(Morelli/Johnson)

That staff be directed to investigate the feasibility of amending the Purchasing Policy to afford Council an opportunity to understand the scope and funding required for each consultant contract, and to consider those contracts before the appropriate Standing Committee, and report back to the Purchasing Sub-Committee.

CARRIED

(ii) Staff Direction: Human Resources Division

- **Leased Space** – Staff was directed to separate leased space from the Contractual or Building and Ground line item for each Department and to provide a comparative summary (by Department) to the General Issues Committee.
- **Consulting Line Item** – Committee was advised that the Consulting line item in the Human Resources budget should be listed as under spent for 2010. The Executive Director of Human Resources and

Organizational Development will review and report back to the Audit, Finance & Administration Committee.

Work Plans and Service Levels – With regard to establishing service levels (for HR and all Departments), what options does the City have, as it relates to establishing the 2011 budget?

- **Management to Staff Ratio** – In terms of benchmarking, where does the City stand?

(Powers/Pearson)

(a) That the presentation provided by Chris Murray, City Manager, and Helen Hale Tomasik, Executive Director of Human Resources and Organizational Development, respecting Report FCS11023(b) – 2011 Tax Supported Operating Budget for the City Manager’s Office, be received.

(b) That Report FCS11023(b), respecting the 2011 Tax Supported Operating Budget for City Manager’s Office, be tabled.

CARRIED

**(d) 2011 Tax Supported Operating Budget – Corporate Services (FCS11023(c))
(City Wide) (Item 7.2)**

(Powers/Pearson)

That Report FCS11023(c), respecting the 2011 Tax Supported Operating Budget for the Corporate Services Department, be tabled.

CARRIED

**(e) 2011 Tax Supported Operating Budget – Other Programs (FCS11023(d))
(Item 7.3)**

(Powers/Pearson)

That Report FCS11023(d), respecting the 2011 Tax Supported Operating Budget for Other Programs, be tabled.

CARRIED

**(f) 2011 Budget Requests – Volunteer Advisory Committees (FCS11016) (City
Wide) (Item 8.1)**

(Powers/Pearson)

That Report FCS11016, respecting the 2011 Budget Requests – Volunteer Advisory Committees, be tabled.

CARRIED

(g) AJOURNMENT (Item 13)

(Pearson/Powers)

There being no further business, the Audit and Administration Committee adjourned at 12:52 p.m.

CARRIED

Respectfully submitted,

Councillor Brad Clark, Chair
Audit, Finance and Administration Committee

Stephanie Paparella
Legislative Assistant
February 17, 2011