Present: R. Powers (Chair)
Councillors B. Bratina, C. Collins, B. Morelli, M. Pearson, R. Powers and T. Whitehead

Absent with Regrets: Councillor B. Clark (personal)

Also Present: C. Murray, City Manager
T. McCabe, General Manager – Planning and Economic Development
R. Rossini, General Manager – Finance and Corporate Services
T. Tollis, Treasurer; M. McChesney, Director of Information Services; J. Lee, Director of Customer Service – Finance and Corporate Services
P. Barkwell, City Solicitor – Legal Services
H. Tomasik, Executive Director; L. Fontana, Director of Employee and Labour Relations; M. Agro, Manager of Organizational Development; – Human Resources
K. Christensen, City Clerk
M. Meyer, Legislative Assistant, City Clerk’s Office

1. CHANGES TO THE AGENDA

The Committee Clerk advised of the following changes to the agenda:

- Added as item 6.5.1 is correspondence from Tom Glendale respecting Report FCS10013, “Corporate Services Proposed Enhancements”.

- Added as Item 7.1 is a motion respecting Physician Recruitment and Retention Additional Funding Request.
2. DECLARATIONS OF INTEREST

None declared.

3. APPROVAL OF MINUTES OF PREVIOUS MEETING

3.1 Minutes of the budget meeting held on December 2, 2009

(Collins/Morelli)
That the minutes of the December 2, 2009 Audit and Administration Committee budget meeting be approved.

CARRIED

4. CONSENT ITEMS

None

5. PRESENTATIONS

None

6. DISCUSSION ITEMS

Rob Rossini, General Manager of Finance and Corporate Services, provided an introduction to the budget process for the meeting.

6.1 Return to Work Services Enhancement (HUR10001) (City Wide)

(Morelli/Bratina)
(a) That the 2010 Human Resources proposed Program Enhancement for Return to Work Services per Appendix A to report HUR10001 be approved;

(b) That Human Resources staff be directed to report back to the Audit and Administration Committee on a quarterly basis on budget reductions and savings resulting from the Return to Work Services program enhancement.

CARRIED
Councillor Collins wished to be recorded opposed.

Helen Hale Tomasik, Executive Director of Human Resources, provided overview of the report.

In response to questions from the Committee, staff advised of the following:

- The intent is to contract out the position. For 2010, the positions will be funded from a reserve account, causing no levy impact. Over time, the reductions will offset the cost of the positions, causing no net levy impact.
- Have priced this position appropriately and not seeing a need to increase the salary, as compensation staff have looked at it.
- When the Human Resources organizational review was conducted, the recommendation was that Return to Work Services be further reviewed. A subsequent review focused on this area.
- There are no current vacancies in Human Resources from which money can be allocated to these new positions.
- There is no one in the Public Health Department who currently has this expertise, as there is a clear separation between public health and occupational health responsibilities.
- The goal is to realize a 10% reduction in absenteeism by 2011, which will save an estimated $1 million.
- It is important to determine the cause of absenteeism.
- Staff advised of some of the results of the last City of Hamilton employee survey.
- Savings resulting from this position will include: reductions to the work accommodation budget, reductions to sick pay, reductions in Long-Term Disability and WSIB monies paid out.

6.2 Non-Recommended Reduction - Mediation Sessions and Arbitration Hearings (HUR10002) (City Wide)

(Collins/Pearson)
That Report HUR10002 respecting Non-Recommended Reduction – Mediation Sessions and Arbitration Hearings be received.

CARRIED

(Collins/Whitehead)
That the Senior Management Team be directed to report back with a strategy to deal with areas that are chronically under-funded.

CARRIED

Committee requested that staff provide an analysis of grievances. Staff advised that a comprehensive report will be coming back outlining the state of labour relations in Hamilton.
Committee expressed concerns about areas in the organization that are chronically over budget and have to be accounted for through a year-end variance.

6.3 **Non-Recommended Reduction - Employee Recognition (HUR10003) (City Wide)**

*(Collins/Pearson)*

That Report HUR10003 respecting Non-Recommended Reduction – Employee Recognition be received.  

**CARRIED**

Helen Hale Tomasik, Executive Director of Human Resources, provided an overview of report.

Committee discussed the importance of employee recognition.

6.4 **Corporate Services - Not Recommended Program Reductions & Municipal Service Centre (MSC) Alternatives (FCS10012) (City Wide)**

*(Collins/Whitehead)*

That the 2010 Corporate Services Reduction per Appendix A to Report FCS10012 be approved.

The motion LOST on the following recorded vote:

Yeas: Collins, Morelli, Whitehead  
Total: 3

Nays: Bratina, Pearson, Powers  
Total: 3

Absent: Clark  
Total: 1

*(Whitehead/Pearson)*

That Report FCS10012 regarding Corporate Services Department Budget Reduction Options & Municipal Service Centre (MSC) Alternatives be received.  

**CARRIED**

Rob Rossini, General Manager of Finance and Corporate Services, provided an overview of the report and outlined the three service reduction options presented in the “Alternatives for Consideration” section.

Committee discussed the various options.
6.5 Corporate Services - Proposed Enhancements (FCS10013) (City Wide)

(Collins/Whitehead)
(a) That the 2010 Corporate Services proposed Program Enhancement item per Appendix A to Report FCS10013 be approved;

(b) That staff be directed to report back to Committee of the Whole respecting the savings that can be achieved through the implementation of the proposed Program Enhancement per Appendix B to Report FCS10013.

CARRIED

Rob Rossini, General Manager of Finance and Corporate Services, provided an overview of the report.

Committee discussed the need to enhance the City of Hamilton website.

6.5.1 Correspondence from Tom Glendale respecting Report FCS10013, “Corporate Services Proposed Enhancements” (Added Item)

(Whitehead/Collins)
That the correspondence from Tom Glendale be received and referred to staff for response to Committee of the Whole and the individual.

CARRIED

6.6 2010 Tax Supported Operating Budget – City Manager (FCS09120(a)) (City Wide)

(Pearson/Morelli)
That Report FCS09120(a) respecting the 2010 Tax Supported Operating Budget – City Manager be lifted from the table.

CARRIED

(Collins/Morelli)
(a) That Report FCS09120(a) respecting the 2010 Tax Supported Operating Budget – City Manager be referred to Committee of the Whole;

(b) That Human Resources staff be directed to report to Committee of the Whole with additional information respecting service level
changes to achieve a 2% net levy increase.  

CARRIED

6.7 2010 Tax Supported Operating Budget – Corporate Services (FCS09120(b)) (City Wide)

(Pearson/Morelli)
That Report FCS09120(b) respecting the 2010 Tax Supported Operating Budget – Corporate Services be lifted from the table.  

CARRIED

(Morelli/Pearson)
That the 2010 net operating levy for Corporate Services, inclusive of Savings Options per Appendix Two to report FCS09120b, be approved at $25,633,716.  

CARRIED

Committee discussed the report. Staff provided clarification on costs associated with Treasury Services and Legal Services, and advised that the amount of the 2010 net operating levy for Corporate Services has increased due to costs associated with the City Clerks Department.

6.8 2010 Tax Supported Operating Budget – Other Programs (FCS09120(c)) (City Wide)

(Pearson/Morelli)
That Report FCS09120(c) respecting the 2010 Tax Supported Operating Budget – Other Programs be lifted from the table.  

CARRIED

(Pearson/Collins)
(a) That the 2010 net operating levy for the Legislative budget be approved at $4,224,394;

(b) That the 2010 Corporate Financials budget be approved at $3,881,343;

(c) That the 2010 Non-Program Revenues budget be approved at ($58,224,047);

(d) That the 2010 Capital Financing Charges be approved at $80,436,000; and

(e) That the 2010 Corporate Financials Council referred item per Appendix Two to report FCS09120c be received.
Councillor Bratina wished to be recorded opposed to recommendation (d).

Rob Rossini, General Manager of Finance and Corporate Services, provided an overview of the report. With respect to item (e), he advised that, given budget challenges, staff recommend that Committee receive the item for information and take no action. He also advised that the figure in recommendation (d) has changed to $80,436,000.

Councillor Collins asked what caused the 19.3% increase in Corporate Financials – Operating. Mr. Rossini advised that he would get back to Councillor Collins with that information.

### 7. MOTIONS

#### 7.1 Physician Recruitment and Retention Additional Funding Request

(Whitehead/Pearson)
That an additional $10,000, to be added to the existing Physician Recruitment and Retention annual budget of $40,000; for a total of $50,000 annually, to be funded from the Corporate Financials budget.

(Pearson/Collins)
That the motion be referred to Committee of the Whole and that staff be directed to provide additional information to Committee of the Whole respecting the motion.

CARRIED

### 8. NOTICES OF MOTION

Councillor Whitehead brought forward the following notice of motion:

That staff be directed to report back to the Audit and Administration Committee respecting the creation of an Auditor General position and investigate other jurisdictions relative to the efficiencies and the responsibilities of such a position.

CARRIED

### 9. GENERAL INFORMATION/OTHER BUSINESS

None
10. PRIVATE AND CONFIDENTIAL

None

11. ADJOURNMENT

(Pearson/Whitehead)
The meeting adjourned at 12:29 p.m.

Respectfully submitted,

Councillor R. Powers, Chair
Audit and Administration Committee

Mary-Ann Meyer
Legislative Assistant
Audit and Administration Committee
January 14, 2010