SUBJECT: Services Provided by Interim HR Directors (HUR08016) - (City Wide)

RECOMMENDATION:

That report HUR08016 be received for information.

EXECUTIVE SUMMARY:

Staff was requested to prepare an information report respecting the services provided by the interim Human Resources Directors, the terms and conditions of the appointments as well as the staffing issues that were present at the time. This report documents all relevant data for the information of the Audit and Administration Committee.

BACKGROUND:

At the Audit and Administration Committee of June 18, 2008, staff was requested to prepare an information report respecting the services provided by Ms Brenda Glover and the terms and conditions of her hiring to be presented at a meeting of the Audit and
Administration Committee. The Committee noted that the report should also include the staffing issues at the time Ms Glover was hired.

**ANALYSIS/RATIONALE:**

The General Manager, Human Resources (HR) left the employ of the City of Hamilton, effective April 2, 2007. The City Manager appointed the Director of Employment and Client Services as the Acting Senior Director of Human Resources at that time. The Director of Organizational Development and Client Services announced her resignation on April 23, 2007, effective June 14, 2008. On May 15th, the Acting Senior Director of Human Resources announced his departure for the City of Guelph, effective June 15, 2008. At the time of the HR General Manager’s departure, the City Manager sought Council’s approval for a Human Resources Organizational Review to be completed by the end of September. The City Manager also advised Council that Human Resources would report to the General Manager of Corporate Services until the organizational review was completed.

With the pending loss of all but one member of the senior leadership team in Human Resources (HR), the City Manager met with the Acting Senior HR Director, the Director of Labour Relations and members of Senior Management Team (SMT) to determine an interim HR management solution until replacements for the two permanent HR Director positions could be hired. Cathi Berge was appointed to the Acting Senior Director of Human Resources role, effective June 18, 2007, and agreed to serve in this role provided that appropriate interim leadership support could be found to keep the department upright until the permanent leadership was hired.

In May 2007, the Acting Senior HR Director attempted to get three quotes from senior Human Resources people who had experience in the municipal sector through contacts with two Executive Search firms as well as contacting individuals directly. He was up against significant obstacles as the departure of the leadership in Hamilton had spread throughout the province and all people approached were either not interested or declined after brief contemplation. In the end, only Brenda Glover agreed to come for an interview with the City Manager and a sole source purchase order was secured. Ms Glover came highly qualified as the former Executive Director of Human Resources for the City of Toronto and was currently practicing as a Human Resources Management Consultant and employment lawyer. The City Manager appointed Brenda Glover as Interim HR Director effective June 4, 2007. With the pending contracts that needed to be bargained, Cathi Berge sought referrals from employment legal firms for individuals who were experienced negotiators. She actively pursued three individuals, and ultimately was able to convince only Dail Levesque, a retired Municipal HR Director with an extensive labour relations career, to come to Hamilton. As with Ms Glover, a sole source purchase order was attained and Mr Levesque started his appointment as Interim HR Director on June 11, 2007.

In this interim management structure, Ms Berge’s responsibility was to maintain oversight of the day-to-day functions of the Labour Relations Section and all labour relations staff reported to her. She also assumed responsibility for the Human Rights,
Compensation and Benefits functions with the associated staff reporting to her. Ms Glover was responsible for the Staffing, Payroll, HR Records, HR Policy, Planning and Information, HR Information Systems, Organizational Development, Wellness and HR Communications sections, with the associated staff reporting to her. The City Manager also appointed Ms Glover as the HR Lead to liaise with Oliver Wyman for the HR Organizational Review and to provide on-going administration of the organizational review process. Mr Levesque was assigned responsibility for the collective bargaining with CUPE 5167, CUPE 1041, ONA Public Health and CLAC as well as overseeing the Health and Safety and Return to Work/Work Accommodation sections.

It was anticipated that the interim Directors would serve until the end of October, at which time the two new permanent directors would be in place and the organizational review would be completed. By September it was apparent that the HR organizational review would not be completed until closer to the end of the year and the internal/external recruitment process did not bring forward appropriate candidates to fill the vacant Director positions. Consequently, the City Manager asked Ms Glover if she would extend her management consultant contract to the end of February, 2008. Ms Glover agreed to do so, provided that Human Resources assign to her some employment law issues that normally would be sent out for external legal advice, during the term of this extended arrangement. In consultation with Cathi Berge and Peter Barkwell, the City Manager agreed to these terms and her management consultant contract with the City Manager was extended to February 27, 2008. Her legal assignment work would be billed at a different rate than her management consultant work. Given the status of the CUPE 5167 bargaining and the organizational review, Cathi Berge also extended Mr Levesque’s contract until February 27, 2008.

In November, 2007, Ian Smith of Oliver Wyman presented the outcome of the Human Resources Organizational Review to the Senior Management Team. The purpose of this review was to recommend the appropriate HR organizational structure, level of resources to support the HR organizational structure and a corporate reporting structure for an effective and efficient human resources department for the City of Hamilton. The review included an analysis of service expectations/demands, current and future challenges facing the City, the capacity to manage human resource issues within the current environment, the anticipated resources to meet future demands, and the complexity of employee groups and human resources services. The review also took into consideration HR best practices, benchmarking and the structures and resources in comparable municipalities. The bottom line recommendation from Oliver Wyman was an additional 19 FTEs at a cost of $1.8 million for salaries alone. Given the current fiscal climate, SMT could not accept Oliver Wyman’s HR Staffing recommendations and tasked Ms Glover to work with the General Manager of Corporate Services to come up with an alternative model that was more fiscally palatable, that would respect the most significant Oliver Wyman recommendations, and that would begin to position Human Resources well for the future.

The HR Organizational Review was presented to Audit and Administration Committee on January 16, 2008. On January 22, 2008 Cathi Berge announced that she was leaving the organization at the end of February. The City Manager appointed Helen Hale Tomasik as Acting Executive Director of Human Resources, effective March 3, 2008,
with the mandate to rebuild and revitalize the division to address the business needs of the organization. One of the agreed conditions of this appointment was Ms Tomasik being able to access HR consultant expertise until such time as the new HR management team was in place. Ms Glover’s contract was subsequently extended beyond February 27, 2008, with the following scope:

- Assist with the implementation of the organization review, including setting up the distributed model for service delivery, termination of HR staff, and recruitment of the new management staff
- HR management consulting services as required until management positions were filled
- Continue leadership of the Leadership Round Table through to the final presentations to SMT in June
- Ongoing expert advice on human resource matters and current policy matters that were under review e.g. military leave policy, criminal reference checks
- Termination workshop for HR staff
- Investigative services as required

In addition, as had previously been arranged by the City Manager, Mr Levesque was retained for the mediation of the outstanding issues from the CUPE 5167 negotiations. Mr Levesque also provided advice to the Executive Director and Labour Relations Officers on the administration of the new collective agreements with CUPE 5167 and ATU on several occasions during the March to June 2008 transition period.

ALTERNATIVES FOR CONSIDERATION:

Not applicable

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

From June 2007 to February 2008, the Interim Directors’ consulting fees & expenses were as follows:

Brenda Glover: $170,200.00  
Expenses: 7,124.70

Dail Levesque: $108,000.00  
Expenses: 33,043.33

Total Consulting Fees, June 2007 to February 2008: $318,368.03

By comparison, had the General Manager and two Directors still been in the City of Hamilton employ, their salary and benefits during this time period would have been approximately $350,000.00 plus employee related expenses.
From March 2008 to July 2008, Ms Glover’s and Mr Levesque’s consulting fees and expenses were as follows:

Brenda Glover: $45,300.00
Expenses: 1,445.90

Dail Levesque: $3,000.00
Expenses: 1,291.68

Total consulting fees from March 2008 – July 2008 $51,037.58

**POLICIES AFFECTING PROPOSAL:**

Not applicable

**RELEVANT CONSULTATION:**

Cathi Berge and Mark Amorosi, former Senior Directors of Human Resources were consulted in the preparation of this report

**CITY STRATEGIC COMMITMENT:**

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. □ Yes ☑ No

Environmental Well-Being is enhanced. □ Yes ☑ No

Economic Well-Being is enhanced. □ Yes ☑ No

Does the option you are recommending create value across all three bottom lines?

□ Yes ☑ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants?

□ Yes ☑ No