December 2, 2009

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

Absent with Regrets: T. Whitehead (Personal)

Also Present: C. Murray, City Manager
H. Tomasik, Executive Director – Human Resources
T. Tollis, Treasurer; L. Friday, Director of Taxation;
J. Lee, Director of Customer Service, Access and Equity; R. Male, Director of Financial Services; M.
McChesney, Director of Information Services; M.
Zegarac, Director of Financial Planning and Policy; T.
Hewitson, Manager of Current Budgets & Fiscal Planning – Finance and Corporate Services
P. Barkwell, City Solicitor – Legal Services
A. Pekaruk, Director – Audit Services
K. Christensen, City Clerk
M. Meyer, Legislative Assistant, City Clerk’s Office

January 14, 2010

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)
THE AUDIT AND ADMINISTRATION COMMITTEE PRESENTS REPORT 09-018 AND RESPECTFULLY RECOMMENDS:

1. **2010 Tax Supported Operating Budget (FCS09120) (City Wide) (Item 4.1 – Dec. 2/09)**

   That Report FCS09120 respecting the 2010 Tax Supported Operating Budget be received for information.

2. **2010 Budget Request – Corporate Services Volunteer Advisory Committees (FCS09107) (City Wide) (Item 6.2 – Dec. 2/10)**

   (a) That the 2010 Volunteer Advisory Committee base budget submissions be approved as follows:

   (i) Advisory Committee on Immigrants & Refugees in the amount of $3,500.00;
   (ii) Gay, Lesbian, Bi-sexual, Transgender Advisory Committee in the amount of $3,890.00;
   (iii) Hamilton Aboriginal Advisory Council in the amount of $3,500;
   (iv) Hamilton Mundialization Committee in the amount of $5,890;
   (v) Status of Women Committee in the amount of $3,500.00;
   (vi) Committee Against Racism in the amount of $3,890.00; and

   (b) That, in addition to the base funding requests, that one-time funding from the Volunteer Committee Reserve be approved as follows:

   (i) Status of Women Committee in the amount of $2,000.00.
3. Return to Work Services Enhancement (HUR10001) (City Wide) (Item 6.1 – Jan. 14/10)

(a) That the 2010 Human Resources proposed Program Enhancement for Return to Work Services related to the addition of an Occupational Health Nurse and a Return to Work Services Assistant at a total cost of $206,050, to be funded from the LTD and WSIB reserves with no net impact on the levy, 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.


That Report HUR10002 respecting Non-Recommended Reduction – Mediation Sessions and Arbitration Hearings be received.

5. Non-Recommended Reduction - Employee Recognition (HUR10003) (City Wide) (Item 6.3 – Jan. 14/10)

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

6. Corporate Services - Not Recommended Program Reductions & Municipal Service Centre (MSC) Alternatives (FCS10012) (City Wide) (Item 6.4 – Jan. 14/10)

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

7. Corporate Services - Proposed Enhancements (FCS10013) (City Wide) (Item 6.5 – Jan. 14/10)

That the 2010 Corporate Services proposed Program Enhancement of $100,000 to support the implementation of the AODA standards be approved.
8. 2010 Tax Supported Operating Budget – City Manager (FCS09120(a)) (City Wide) (Item 6.6 – Jan. 14/10)

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

9. 2010 Tax Supported Operating Budget – Corporate Services (FCS09120(b)) (City Wide) (Item 6.7 – Jan. 14/10)

That the 2010 net operating levy for Corporate Services, inclusive of Savings Options per Appendix Two to report FCS09120(b), be approved at $25,633,716.

10. 2010 Tax Supported Operating Budget – Other Programs (FCS09120(c)) (City Wide) (Item 6.8 – Jan. 14/10)

(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 FCS09120(c) be received.

11. Physician Recruitment and Retention Additional Funding Request (Added Item 7.1 – Jan. 14/10)

That the following motion be referred to Committee of the Whole:

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.
FOR THE INFORMATION OF THE COMMITTEE:

December 2, 2009

(a) Changes to the Agenda (Item 1)

The Committee Clerk advised that there were no changes to the agenda. On a motion, the agenda was approved as presented.

(b) Declarations of Interest (Item 2)

None declared.

(c) Approval of Minutes of Previous Meeting (Item 3)

None

(d) Presentations (Item 5)

(i) 2010 Tax Supported Operating Budget – City Manager (FCS09120(a)) (City Wide) (Item 5.1)

Chris Murray, City Manager, provided an overview of the City Manager’s departmental budget. Copies of the PowerPoint presentation were distributed to the Committee.

Helen Hale Tomasik, Executive Director of Human Resources, provided an overview of the Human Resources portion of the City Manager’s departmental budget.

Members of the Committee requested and staff provided clarification respecting the historical recovery figure and the additional funds requested for mediation.

On a motion, the presentation respecting the 2010 Tax Supported Operating Budget – City Manager was received.

On a motion, Report FCS09120(a) respecting the 2010 Tax Supported Operating Budget – City Manager was tabled until the January 14, 2010 Audit and Administration Committee budget meeting, pending receipt of upcoming staff reports and additional information.
(ii) 2010 Tax Supported Operating Budget – Corporate Services (FCS09120(b)) (City Wide) (Item 5.2)

Tony Tollis, Treasurer, Finance and Corporate Services, provided an overview of the Corporate Services departmental budget. Copies of the PowerPoint presentation were distributed to the Committee.

Members of Committee requested and staff provided clarification respecting print costs, increases in the POA budget, and that the decision of Councillors to forego salary increases for 2010 was reflected in the Legislative budget.

On a motion, the presentation respecting the 2010 Tax Supported Operating Budget – Corporate Services was received.

On a motion, Report FCS09120(b) respecting the 2010 Tax Supported Operating Budget – Corporate Services was tabled until the January 14, 2010 Audit and Administration Committee budget meeting, pending receipt of upcoming staff reports and additional information.

(iii) 2010 Tax Supported Operating Budget – Other Programs (FCS09120(c)) (City Wide) (Item 5.3)

Mike Zegarac, Director of Financial Planning and Policy, Finance and Corporate Services, provided an overview of the operating budget for other programs. Copies of the PowerPoint presentation were distributed to the Committee.

Committee requested and staff provided clarification respecting the following:
- Contingency for operating
- Non-union raises (staff confirmed that these are still with the Non-Union Compensation Sub-Committee)
- Whether the HUC shareholders agreement can be revised to reflect a higher yield from dividends (staff advised that discussions have been initiated)
- Gapping (staff advised that departments have been asked to identify gapping savings and pressures and will report back in the new year)
- $16.5 million needed from government
- Impact of HST

Councillor Clark requested that staff look at what other municipalities are doing to mitigate budget shortfalls.

On a motion, the presentation respecting the 2010 Tax Supported Operating Budget – Other Programs was received.
On a motion, Report FCS09120(c) respecting the 2010 Tax Supported Operating Budget – Other Programs was tabled until the January 14, 2010 Audit and Administration Committee budget meeting, pending receipt of upcoming staff reports and additional information.

(e) 2010 Advance Payments to External Boards and Agencies (FCS09117) (City Wide) (Item 6.1)

The following motion was passed:
(a) That effective January 1, 2010, an advancement of funds be provided to the external boards and agencies, in the specified amount and on the specific dates as shown in Table One to Report FCS09117, “2010 Advance Payments to External Boards and Agencies”; and

(b) That any outstanding arrears due to the City of Hamilton, by any Boards or Agencies, be applied against the approved grant funding, including advances, until the debt is satisfied, at which point the organization will receive the balance of any approved payment.

This item was dealt with at the December 9, 2009 Council meeting.

(e) Adjournment

The meeting adjourned at 12:03 p.m.

Respectfully submitted,

Councillor B. Clark, Chair
Audit and Administration Committee

Mary-Ann Meyer
Legislative Assistant
Audit and Administration Committee
December 2, 2009
January 14, 2010

(a) **Changes to the Agenda (Item 1)**

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.

On a motion, the agenda was approved as amended.

(b) **Declarations of Interest (Item 2)**

None declared.

(c) **Approval of Minutes of Previous Meeting (Item 3)**

On a motion, the Minutes of the December 2, 2009 Budget Meeting of the Audit and Administration Committee were approved, as presented.

(d) **Return to Work Services Enhancement (HUR10001) (City Wide) (Item 6.1)**

Councillor Collins wished to be recorded opposed to the motion in Item 3 above.

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 net 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.

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

Committee passed the following motion:
That the Senior Management Team be directed to report back with a strategy to deal with areas that are chronically under-funded.

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.

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

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

Committee discussed the importance of employee recognition.

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

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.

That the 2010 Corporate Services Reduction per Appendix A to Report FCS10012 be approved.
The motion LOST on the following recorded vote:

Committee of the Whole – February 9, 2010
Committee passed a motion as outlined in Item 6 above.

(h) Corporate Services - Proposed Enhancements (FCS10013) (City Wide) (Item 6.5)

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 and passed the following motion:

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.

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

Committee passed the following motion:

That the correspondence from Tom Glendale be received and referred to staff for response to Committee of the Whole and the individual.

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

Report FCS09120(a) respecting the 2010 Tax Supported Operating Budget – City Manager was lifted from the table.

Committee passed a motion as outlined in Item 8 above. Committee also passed the following motion:

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

Report FCS09120(b) respecting the 2010 Tax Supported Operating Budget – Corporate Services was lifted from the table.

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.

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

Report FCS09120(c) respecting the 2010 Tax Supported Operating Budget – Other Programs was lifted from the table.

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.

(m) Physician Recruitment and Retention Additional Funding Request (Added Item 7.1)

That staff be directed to provide additional information to Committee of the Whole respecting the following motion:

    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.

(n) 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

Committee of the Whole – February 9, 2010
investigate other jurisdictions relative to the efficiencies and the responsibilities of such a position.

(o) Adjournment

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
# Program Enhancements

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<tr>
<th>Department</th>
<th>City Mgr</th>
<th>Division</th>
<th>Human Resources</th>
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<tbody>
<tr>
<td>Service</td>
<td>Return to Work Services</td>
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<td></td>
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<tr>
<td>Current Service Level</td>
<td>Occupational health expertise for disability management purchased from external service providers. Expertise limited to complicated cases. Delays in processing employee sick absences &amp; absence monitoring; case management filing delayed&gt; 3 mths</td>
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<tr>
<td>Proposed Service Level</td>
<td>Occupational health nursing expertise available for HS&amp;W programming Nurse consulting with depts on specific files and cases; IMEs required in rare cases Reporting of disability management performance to depts; reduced delays in case management filing</td>
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<td>Potential Impact</td>
<td>The total cost for the enhancement is approx $206,050 which will be funded through LTD and WSIB reserves with no net impact on levy</td>
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## Financial Analysis:

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<th>Operating Budget Impact</th>
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<td>Annualized Amount</td>
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<td>Annualized Net Impact</td>
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## Capital Budget Impact

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Form 1
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<th>In Camera: Date: Change Effective</th>
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<td>Program Cost Recovery</td>
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<td>ProRata % Savings in2010</td>
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SMT Direction, Risks & Other Comments

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