



**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE MINUTES
January 21, 2015**

PRESENT: Mayor Mike Savage
Councillors: Barry Dalrymple
David Hendsbee
Bill Karsten
Gloria McCluskey
Darren Fisher
Waye Mason
Jennifer Watts
Linda Mosher
Russell Walker
Stephen Adams
Reg Rankin
Matt Whitman
Brad Johns
Steve Craig
Tim Outhit

REGRETS: Deputy Mayor Lorelei Nicoll

STAFF: Mr. Greg Keefe, Director of Finance & ICT/Chief Financial Officer
Mr. John Traves, Municipal Solicitor
Ms. Cathy Mellett, Municipal Clerk
Ms. Jennifer Weagle, Legislative Assistant

The following does not represent a verbatim record of the proceedings of this meeting.

*A video recording of this meeting is available:
http://archive.isiglobal.ca/vod/halifax/archive_2015-01-21_live.mp4.html*

*The agenda, supporting documents, and information items circulated to Council are available online:
<http://www.halifax.ca/council/agendasc/150121cow-agenda.php>*

The meeting was called to order at 10:01 a.m., and recessed at 11:20 a.m. Committee of the Whole reconvened at 11:25 a.m. and adjourned at 12:15 a.m.

1. CALL TO ORDER

Councillor Karsten called the meeting to order at 10:01 a.m.

2. APPROVAL OF THE MINUTES – NONE

3. Human Resources

The following documentation was before Committee of the Whole:

- A recommendation report dated January 21, 2015, with attached presentation
- Table containing Staff Counts (FTEs) 2014/15 and 2015/16

Ms. Catherine Mullally, Director, Human Resources, presented the 2015/16 Human Resources Business Unit Budget and Business Plan.

Ms. Mullally noted a correction to page 15 of the presentation, under Health & Safety, that the provision of corporate safety services is to all “community recreation centres”, not “multi-district facilities”.

MOVED by Councillor Craig, seconded by Councillor Whitman, that the Committee of the Whole direct staff to proceed to prepare the 2015/16 Human Resources Business Unit Budget and Business Plan as proposed in the presentation attached to the January 21, 2015 staff report, incorporating additional direction provided by motion of Committee of the Whole for inclusion in the proposed HRM 15/16 Budget and Business Plan documents.

Responding to a question from Councillor Craig regarding why “service excellence” was omitted from the responsibilities of Human Resources on slide 2 of the presentation, Ms. Mullally advised that providing and supporting service excellence remains a goal of Human Resources.

In response to a question from Councillor Craig regarding what Human Resources is doing to support efforts to reduce absenteeism, Ms. Mullally advised that a report addressing that subject would be before the Executive Standing Committee the following week which discusses a client focused approach and supporting employees to be at work well on a regular basis. Ms. Mullally also advised that Human Resources is working with ICT staff to make data regarding absenteeism more accessible for business unit directors and managers.

Responding to questions from Councillor Craig regarding upcoming labour relations matters, Mr. John Traves, Municipal Solicitor, advised that the strategy and resources needed for upcoming union negotiations were addressed in a recent In Camera report to Council. He confirmed that no additional staff will be needed for this task.

Councillor Hendsbee arrived at 10:24 a.m.

Noting that there are two business unit budgets to be presented today, the Chair suggested that Public Participation be held following each presentation.

5. Public Participation

The Chair called three times any member of the public wishing to address Council on the subject of the 2015/16 Budget to come forward. No members of the public came forward at this time.

3. Human Resources (continued)

Councillor Watts noted that the Diversity Consultant position was moved from Human Resources to the Office of the Chief Administrative Officer and expressed concern with not having a Diversity Consultant involved in the day to day operations of the Human Resources department. Ms. Mullally advised that the intent of the centralization of a Diversity and Inclusion Office within the Office of the Chief Administrative Officer was to better serve the municipality as a whole. She indicated that one of the core values of the municipality's People Plan (Human Capital Strategy) is diversity and inclusion, which will be incorporated in all functions of Human Resources.

Responding to questions from Councillor Watts regarding the use of an external consultant for the HR Service Delivery Review, Ms. Mullally explained that they partnered with an external organization to undertake the review to have an external view on the municipality's human resources service delivery, and also to speed up the process. She indicated that a recommendation report will be provided to the Audit and Finance Standing Committee for phase 2 of the project.

Councillor Watts commented on vacancy management and the uncertainty that it can create for employees in terms of advancement within HRM's public service. She noted the importance of retaining and supporting the advancement of employees within the organization. Ms. Mullally commented on the benefits of a well engaged, productive workforce, while managing recruitment and replacement costs. She noted that the municipalities turn over and vacancy rates are well within the norm.

In response to a question from Councillor Johns, Ms. Mullally advised that the total number of active employees within the organization at the end of September 2014 was 3,623, noting that she does not have a more current figure at this time.

Responding to a question from Councillor McCluskey, Ms. Mullally advised that Human Resources has a responsibility to present a biannual workforce report to the Executive Standing Committee. Ms. Cathy Mellett, Municipal Clerk, clarified that the presentation of the biannual workforce report to the Executive Standing Committee was approved in an amendment to the Terms of Reference of the Executive Standing Committee, as approved by Regional Council.

Councillor McCluskey inquired as to the number of employees on stress leave. Ms. Mullally advised that for privacy reasons, she could not specify this number although she did advise that there are 103 employees on long term disability leave.

At the request of Councillor McCluskey, Ms. Mullally clarified that Human Resources has 54 full time employees, but are currently operating at 47, with the remaining 7 as vacant positions. She indicated that when the structure of the Human Resources department is looked at through the Service Delivery Review, they will determine what the requirements are for the department.

In response to questions from Councillor McCluskey, Ms. Mullally indicated that "external services" listed in the Operating Budget Overview on page 8 of the presentation includes the Employee and Family Assistance Program service.

Responding to questions from Mayor Savage, Ms. Mullally advised that external executive recruitment is not included in the Human Resources budget, and the cost for that service would be up to the business unit. She clarified that external executive recruitment is only used to fill a senior level position that may be hard to fill, and a business case is used to determine whether the service is required.

In response to questions from Councillor Hendsbee regarding upcoming retirement numbers, Ms. Mullally advised that the period up to 2018 anticipates a higher than average number of retirements. She indicated that employees are retiring later than their eligibility.

Responding to further questions from Councillor Hendsbee, Ms. Mullally indicated that the budget for the number of full time employees as of September 30, 2014 was for 3,800 staff.

Councillor Hendsbee noted concerns regarding the retention of staff, in light of the competitive job market and heavy workloads. Ms. Mullally indicated that the organization's turnover rate is quite reasonable, and Human Resources works with department directors and managers in workforce planning to achieve their business goals. She explained that with regard to non-union pay, the pay bands were recently adjusted and are reviewed every two years. In terms of pay for unionized employees, Ms. Mullally advised that bargaining is used to determine the total compensation package for unionized staff.

With respect to questions about diversifying the organization's workforce, Ms. Mullally advised that a self-identification survey was undertaken, but statistically the results were not significant enough to report. She confirmed that Human Resources are working to achieve the organization's goal of increased diversity.

At the request of Councillor Hendsbee, Ms. Mullally indicated that she would provide Council with a report containing data on the uptake of the Employee and Family Assistance Program.

Councillor Watts inquired about what the municipality as an employer is doing to support accessibility in the workplace. Ms. Mullally indicated that the Diversity and Inclusion Office is an internal and external facing office. She advised that the Municipality does not have a specific account for funding adaptive technology but individual business units work to accommodate employees.

At the request of Councillor Watts, Ms. Mullally advised she would circulate a copy of the municipality's People Plan (Human Capital Strategy) to members of Council.

Councillor Mosher noted concern with significant increases to non-union pay band changes, and questioned what impact this would have on the budget. Mr. Britt Wilson, Manager, Total Compensation, Human Resources, clarified that when the non-union pay bands were reviewed, the salaries of existing employees were examined, and the lower part of the pay band was set so that existing employees' salaries would not change. He also noted that market wages were taken into account when calculating the pay bands, for the organization to be able to attract and retain quality employees. Mr. Wilson advised that a wage model is used for budgeting at the existing pay grade, and any changes that occurred during the year would have to be absorbed within that business unit for that year. The wage model would then be adjusted for the following year.

Responding to questions from Councillor Whitman regarding the non-union salary bands, Mr. Greg Keefe, Director of Finance & ICT/Chief Financial Officer, advised that any changes to the pay bands for this coming fiscal year are already incorporated within the budget figures before Council. He indicated that staff will prepare a report with projections of the impact on the next fiscal budget for any Individual Salary Adjustments (ISA) with the new non-union salary bands.

Councillor Outhit inquired whether the municipality is experiencing not being able to recruit top candidates from the private sector market based on wages, and Ms. Mullally confirmed that this has been happening. She noted that the municipality has been fortunate to be able to hire excellent candidates that have retired from other public sector positions. .

In response to an inquiry from Councillor Craig, Ms. Mullally advised that funds for workers compensation and long term disability still reside within the total compensation budget of business units. Responding to further questions from Councillor Craig regarding technology used by Human Resources, Ms. Mullally advised that the department is in the process of developing a technology roadmap, and has limited capability currently.

Councillor Mason arrived at 11:09 a.m.

In response to a question from Councillor McCluskey with regard to which municipalities were used as comparison in setting the adjusted non-union pay scales, Mr. Wilson advised that a database from the Haye Consulting Group was used, which included 150 public sector organizations across Canada, with a

50% median (P50) to set the top of the band. Mr. Wilson further clarified that approximately 15-20% of the organizations compared were from the Maritime Provinces.

Councillor Mosher referenced a copy of the Hay Group Labour Market of Broader Public Sector Canada Participant List from 2006. Staff indicated that an updated version would be circulated to members of Council.

MOTION PUT AND PASSED.

Committee of the Whole recessed at 11:20 a.m., reconvening at 11:25 a.m.

4. Finance and Information, Communication, and Technology (FICT)

The following documentation was before Committee of the Whole:

- A recommendation report dated January 21, 2015, with attached presentation
- A table of Staff Counts (FTEs) of 2014/15 and 2015/16.

Mr. Greg Keefe, Director, Finance and ICT, presented the 2015/16 FICT Business Unit Budget and Business Plan.

5. Public Participation

The Chair opened the floor to any member of the public wishing to address Council on the subject of the 2015/16 Budget.

Mr. Colin May, Dartmouth, discussing whether the Municipality had a surplus or a deficit last year, noted that the Chronicle Herald had published that the Municipality had a \$6 million surplus this past budget year. Mr. May advised that upon review of the General Rate Surplus, this figure turned out to be in error on behalf of the Herald, and was left uncorrected by the Municipality. He suggested that it is important when dealing with year-end financial reporting, to put out a press release explaining the information. He indicated that it should be up to Council to transfer money to reserves and not the administration, and this should be done prior to the financial statements being adopted.

The Chair called three times for any further speakers. None came forward.

4. Finance and Information, Communication, and Technology (FICT) (continued)

At the invitation of Mayor Savage, Mr. Keefe spoke in response to Mr. May's comments, noting that the Municipality is running fairly large surpluses, which can be attributed in part to the consolidation with Halifax Water, along with asset transfers to the Municipality, such as infrastructure from private developments. He agreed with Mr. May that the more meaningful number to look at is the general rate surplus. Mr. Keefe noted that in previous years the practice was to carry over surpluses year after year, although this was changed to place the surplus in a reserve to avoid double reporting surpluses. He noted that this caused some confusion as to whether or not there was a surplus, and there will be a staff report available on the issue in February.

Mayor Savage took a moment to thank Mr. Bruce Fisher, Manager, Financial Policy and Planning, for visiting schools to teach students about budgeting and choices as a part of the budget consultation process.

MOVED by Councillor Rankin, seconded by Councillor Walker, that the Committee of the Whole direct staff to proceed to prepare the 2015/16 FICT Business Unit Budget and Business Plan as proposed in the presentation attached to the January 21, 2015 staff report, incorporating additional direction provided by motion of Committee of the Whole for inclusion in the proposed HRM 15/16 Budget and Business Plan documents.

Councillor Rankin requested that staff consider improving terminology of statements to be more understandable for the public, in particular, avoiding acronyms. He also suggested that the reduction in the Municipality's debt levels be better communicated to the public. Mr. Keefe concurred with Councillor Rankin's comments, and indicated that staff were asked by the CAO this year to better communicate the story of the Municipal budget for citizens.

Councillor Hendsbee inquired whether there will be any index measures to counterbalance assessment adjustments for not-for-profit agencies. Mr. Keefe explained that this hasn't been decided yet, and is a part of the ongoing review of the grants program. He explained that the costs for those adjustments are contained in the fiscal budget, not the capital budget.

In response to a question from Councillor Hendsbee regarding a requested report on the tax refund for overpayments for errors in the assessment rolls, Mr. Keefe indicated that an anticipated date for that report has not yet been finalized.

Councillor Hendsbee inquired whether travel allowances were being re-evaluated, noting that the Municipality's rates are considerably lower than those provided for provincial, federal and Halifax Water employees. The Chair clarified that there was no report requested regarding travel allowances.

Mr. Keefe confirmed at the request of Councillor Hendsbee that work is underway to re-evaluate charges and fines contained in By-law B-400, respecting Burglary, Robbery and Fire Alarm Systems.

Councillor Hendsbee suggested that he would like to see a staff report containing the structure of current fees and fines set out in HRM Administrative Orders and By-laws, in a table format. Mr. Traves reminded Council that there was already a motion on the floor, and suggested that Councillor Hendsbee could bring forward such a motion after the current motion is voted upon.

At the request of Councillor Mason, Mr. Keefe indicated that false alarm fees charged by the Municipality are lower than in other parts of country.

Councillor Watts, noting that finding results through the search function of the Halifax website is difficult, inquired as to the next phase of the refresh project for the website. Mr. Keefe confirmed that the functionality of the search tool will be a part of the next phase of the project, along with improving online payment options and designing a cleaner interface.

In response to a specific question from Councillor Watts regarding when residents will have the ability to purchase parking permits online, Mr. Keefe advised that this should be functional in 2016/17.

Councillor McCluskey encouraged staff to work with the police to determine the true cost of break and enters to residences without security systems compared to fines charged for false alarm calls for residences with security systems.

Mayor Savage thanked Mr. Keefe for his service to the Municipality. He inquired whether there are any budget implications associated with further opening up data to residents and networks. Mr. Keefe indicated that there are no major budget implications, and any costs would already be worked into the budget. Mr. Keefe noted that some staff have been reassigned within FICT, dedicated to moving forward Smart City projects such as the parking strategy, LED streetlights, remotely read water meters, and downtown WiFi.

Mayor Savage inquired whether staff are working on any initiatives to improve communication with groups not traditionally communicated well with, such as residents of Acadian heritage, those with disabilities, or residents speaking foreign languages. Ms. Donna Davis, Chief Information Officer, advised that during the next phase of the website redesign, improvements will be made with these groups in mind, adding that seniors will also be a focus.

MOTION PUT AND PASSED.

MOVED by Councillor Hendsbee, seconded by Councillor McCluskey, that Committee of the Whole request a staff report containing the structure of current fees and fines set out in HRM Administrative Orders and By-laws, in a table format.

At the request of members, Councillor Hendsbee clarified that this would not include recreation or programming fees.

MOTION PUT AND PASSED.

MOVED by Councillor Hendsbee that Committee of the Whole request a staff report reviewing and evaluating mileage rates, in comparison to mileage rates provided by the province and the Halifax Water Commission.

There being no seconder, the **MOTION WAS LOST.**

5. Public Participation

Public participation was held following the presentation of each business unit budget. Refer to pages 2 and 5.

6. ADJOURNMENT

The meeting was adjourned at 12:15 p.m.

Cathy J. Mellett
Municipal Clerk