



**Audit and Finance Standing Committee**  
**February 25, 2013**

**TO:** Chair and Members of the Audit and Finance Committee

Original Signed

**SUBMITTED BY:** \_\_\_\_\_  
Catherine Mullally, Director of Human Resources

**DATE:** 19 February 2013

**SUBJECT:** Human Resources 13/14 Preliminary Budget Presentation  
\_\_\_\_\_

**ORIGIN**

At the December 4, 2012 Committee of the Whole, Regional Council directed staff to present the 2013/14 draft Budget and Business Plans to the Audit and Finance Committee for review and discussion prior to consideration by Regional Council.

**RECOMMENDATION**

It is recommended that the Audit and Finance Committee direct staff to proceed to prepare the Human Resources Budget and Business Plan as proposed in the accompanying presentation, incorporating additional direction provided through the committee discussion on Human Resources for inclusion in the proposed HRM 13/14 Budget and Business Plan documents.

---

## **BACKGROUND**

As part of the design of the 2013-2014 Proposed Budget, the Audit and Finance Committee is reviewing each Business Unit's high level budget and proposed plans in advance of detailed Budget and Business Plan preparation.

At the December 4, 2012 Committee of the Whole Regional Council considered their Strategic Priority Outcomes and directed staff to: *“present the 2013/14 draft Budget and Business Plans to the Audit and Finance Committee for review and discussion prior to consideration by Regional Council following the priority outcomes described in Attachment “A” having regard to the changes and additional priorities raised by Council during the course of discussion in Committee of the Whole.”*

## **DISCUSSION**

Staff has prepared a draft Business Unit Budget and Business Plan presentation consistent with the fiscal direction received from the Audit and Finance Committee on December 19, 2012 and aligned with the Council Priorities discussed at the December 4<sup>th</sup> Committee of the Whole.

Following direction from the Audit and Finance Committee, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 13/14 Budget and Business Plan documents to be presented to Audit and Finance Committee as per the process and schedule endorsed by Regional Council on December 4, 2012.

## **BUDGET IMPLICATIONS**

The recommendations in this report will lead to the development of a proposed budget for 2013-14. There are no immediate financial implications from these recommendations. The broader financial implications will be discussed and debated as the budget is developed in more detail.

## **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

## **COMMUNITY ENGAGEMENT**

None are associated with this report.

## **ENVIRONMENTAL IMPLICATIONS**

None

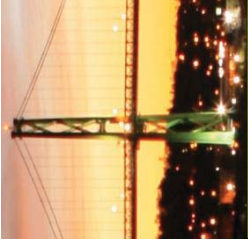




Audit and Finance Committee  
13/14 Draft  
Budget and Business Plan

Human Resources

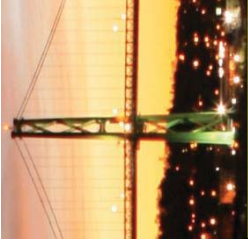
| February 27 , 2013



# Business Unit Overview

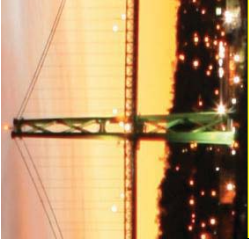
## Human Resources

**Human Resources is committed to providing innovative and practical human resource strategies and solutions that address business needs and promote service excellence.**



# Human Resources Service Areas

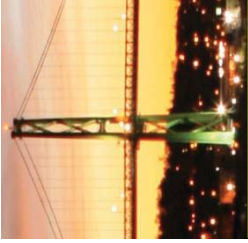
- **Director's Office**
- **Client Services**
- **Labour Relations**
- **Organizational Development, Health & Safety**
- **Total Compensation**



# Human Resources Service Areas

## Director's Office

- Provides leadership and strategic HR direction
- Ensures HR structure, resources, policies and business practices are aligned to support organizational and human resource effectiveness and capacity

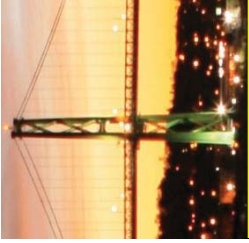


# Human Resources Service Areas

## Client Services

- **Provides expertise and consulting to Business Units to ensure efficient and consistent delivery of service in day-to-day operations, including:**
  - **Recruitment/selection/staffing**
  - **Workforce planning, succession planning, career development and management**
  - **Organizational design and realignment**
  - **General HR administration**
  - **Employee relations, performance management**

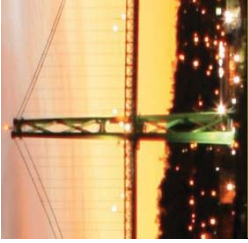




# Human Resources Service Areas

## **Organizational Development, Health & Safety:**

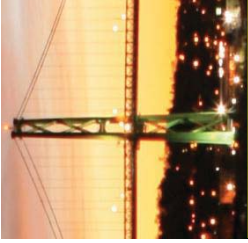
- **HR Planning & Organizational Development**
- **Corporate Diversity & Inclusion**
- **Business Transition including Change Management**
- **Conflict Resolution, Human Rights**
- **Corporate Training & Leadership Development**
- **Developing internal capacity (i.e.. coaching, mentoring)**
- **Corporate Safety**
- **Workplace Health Services**



# Human Resources Service Areas

## **Labour Relations:**

- **Labour relations strategy including collective bargaining**
- **Labour and collective agreement administration**
- **Grievance, arbitration and labour dispute resolution expertise**
- **Efficiency and consistency in delivery of labour service and the integration of labour relations for the organized workforces across the organization**



# Human Resources Service Areas

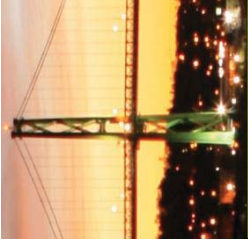
## **Total Compensation:**

- **Total Compensation Strategy including design & administration**
- **Benefits plan administration & Customer Care**
- **Human Resource compensation policy**
- **Human Resource information/Reporting (SAP/HR)**
- **Labour market research**
- **Job Evaluation design and administration**
- **HR business process consulting**



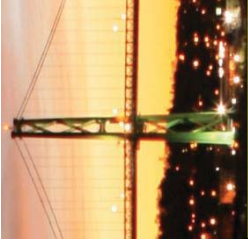
# 12/13 Operating Budget Overview

Cost Element Groups	2010-11 Budget	2011-12 Budget	2012-13 Budget	2012-13 Q3 Projection
Expenditures				
Compensation and Benefits	4,103,400	4,527,419	4,612,500	4,443,100
Office	56,410	55,178	56,700	57,200
External Services	234,204	306,160	290,800	373,600
Supplies	7,000	7,000	9,000	9,100
Equipment & Communications	2,000	2,000	3,000	1,000
Vehicle Expense				1,300
Other Goods & Services	686,035	519,213	484,400	486,300
Interdepartmental				200
<b>Total</b>	5,089,049	5,416,970	5,456,400	5,371,800
Revenues				
Other Revenue	(80,000)	(80,000)	(80,000)	(80,000)
<b>Total</b>	(80,000)	(80,000)	(80,000)	(80,000)
<b>Net Surplus/Deficit</b>	5,009,049	5,336,970	5,376,400	5,291,800



# Service Area Budget Overview

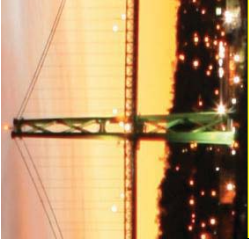
Net Human Resources Expenses by Service Area	10/11 Budget	11/12 Budget	12/13 Budget	Q3 Projection
Director's Office	409,315	401,941	420,600	438,400
Client Services	1,390,940	1,429,492	1,461,600	1,423,200
Labour Relations	570,050	556,347	472,600	537,600
Organizational Development, Health & Safety	2,009,970	2,247,265	2,299,500	2,195,300
Total Compensation	628,774	701,925	722,100	697,200
Human Resources Net Expenses	5,009,049	5,336,970	5,376,400	5,291,700



# Year to Year Base Comparison

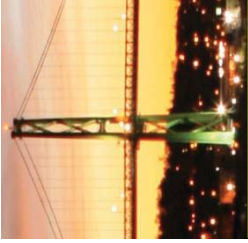
## 12/13 Services at 13/14 Costs including Inflation, Contracts, etc.

Service Area	12/13 Budget	13/14 Cost
Director's Office	420,600	408,100
Client Services	1,461,600	1,546,300
Labour Relations	472,600	580,600
Organizational Development, Health, & Safety	2,299,500	2,424,300
Total Compensation	722,100	769,500
Business Unit Total	\$5,376,400	\$5,728,800



# 13/14 Cost Reduction Initiatives

Cost Reduction Initiatives	Proposed 13/14 Saving	Projected 14/15 Saving	Projected 15/16 Saving
EFAP Supplemental Costs	30,000		
HR Programs/ Consulting Fees	43,000		
Vacancy Savings	90,000		
<b>Total to offset Base Cost Increase</b>	<b>163,000</b>		

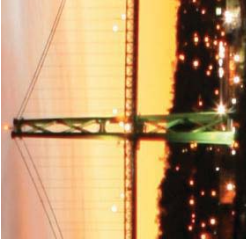


# 13/14 Priority Initiatives

**Administrative Priority - Organizational Capacity (OC):** HRM achieves maximum benefit from its technology, human and information resources ensuring value for tax payers' dollars

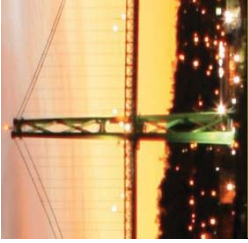
Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
<ul style="list-style-type: none"> <li>Develop a leadership orientation program</li> <li>Enhance Leadership Development Program</li> </ul>				<p><b>OC: Leadership</b> – HRM has strong and effective formal and informal leaders at every level of the organization</p>
<ul style="list-style-type: none"> <li>Implement a workforce plan to meet the demands of the organization</li> </ul>				<p><b>OC: Succession Planning</b> – HRM attracts and retains a diverse, highly skilled, high performing workforce.</p>
<ul style="list-style-type: none"> <li>Promote a culture of inclusion that will attract and retain diverse employees at all levels of the organization.</li> <li>Develop and conduct a diversity survey</li> <li>Review and update corporate diversity strategy/plan in partnership with business units</li> </ul>				<p><b>OC: Succession Planning</b> – HRM attracts and retains a diverse, highly skilled, high performing workforce.</p>





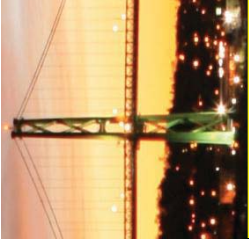
# 13/14 Priority Initiatives

Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
<ul style="list-style-type: none"> <li>Complete a review of recruitment processes to identify any barriers that may exist for all potential candidates.</li> <li>Review employment and compensation policies, programs, to ensure they are attractive and fiscally sustainable</li> </ul>				<p><b>OC: Succession Planning</b> – HRM attracts and retains a diverse, highly skilled, high performing workforce.</p>
<ul style="list-style-type: none"> <li>Deliver newly developed ethics training for employees.</li> </ul>				<p><b>OC: Workplace Culture</b> – HRM has a positive and constructive workplace culture.</p>
<ul style="list-style-type: none"> <li>Offer an employee development training program linked to operational capacity</li> <li>Review current tuition reimbursement business practice for effectiveness and consistency.</li> </ul>				<p><b>OC: Learning</b> – HRM is an organization of continuous learning</p>



# 13/14 Priority Initiatives

Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
<ul style="list-style-type: none"><li>Expand health, safety &amp; wellness workplace initiatives to ensure alignment with workplace trends regarding illness and injury.</li><li>Continue promoting current health, safety and wellness initiatives.</li><li>Enhance Return-To-Work (RTW) process, Duty-To-Accommodate (DTA) process with all Business Unit / leadership teams.</li></ul>				<b>OC: Health &amp; Safety –</b> HRM is a safe and healthy workplace



# 13/14 New or Expanded Services

New or Expanded Service	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Human Resources Service Review*	100,000			
Safety Consultant	37,500	75,000	37,500	
* Estimated cost - RFP				



# Questions and Discussion

Human Resources

| February 27, 2013