



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 5 (i)**  
**Committee of the Whole**  
**January 13, 2016**

**TO:** Mayor Savage and Members of Halifax Regional Council  
**Original Signed**

**SUBMITTED BY:** Catherine Mullally, Director, Human Resources

**DATE:** January 4, 2016

**SUBJECT:** Proposed 2016/17 Human Resources Budget and Business Plan

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**ORIGIN**

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented in the Information Report of September 22, 2015, staff is required to present the 2016/17 draft Business Unit Budget and Business Plans to the Committee of the Whole for review and discussion prior to consideration by Regional Council.

**LEGISLATIVE AUTHORITY**

Halifax Charter, section 35 (1) The Chief Administrative Officer shall (b) ensure that an annual budget is prepared and submitted to the Council.

**RECOMMENDATION**

It is recommended that the Committee of the Whole direct staff to proceed to prepare the 2016/2017 Human Resources Budget and Business Plan as proposed in the accompanying presentation, incorporating additional direction provided by motion of Committee of the Whole for inclusion in the proposed HRM 16/17 Budget and Business Plan documents.

## **BACKGROUND**

As part of the design of the 2016/2017 Budget and Business Plan development process, the Committee of the Whole is reviewing each Business Unit's high level budget and proposed plans in advance of detailed HRM Budget and Business Plan preparation.

At the November 24, 2015 Committee of the Whole Regional Council considered and confirmed their Council Priority Outcomes and directed staff to: "develop the 2016/17 Budget and Business Plans in support of these priorities."

## **DISCUSSION**

Staff has prepared the proposed 16/17 Budget consistent with the preliminary fiscal direction received from Council on October 20, 2015 and aligned with Council Priorities as directed on November 24, 2015.

Following direction from the Committee of the Whole, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 2016/17 Budget and Business Plan documents to be presented to Council, as per the process and schedule in the September 22, 2015 Information Report.

## **FINANCIAL IMPLICATIONS**

The recommendations in this report will lead to the development of a proposed budget for 2016-17. 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.

## **COMMUNITY ENGAGEMENT**

None are specifically associated with this report.

## **ENVIRONMENTAL IMPLICATIONS**

None

## **ALTERNATIVES**

The Committee of the Whole can choose to amend the Budget and Business Plan as proposed in the accompanying presentation through specific motion, and direct staff to proceed to prepare the Budget and Business Plan for inclusion in the proposed HRM Budget and Business Plan documents.

## **ATTACHMENTS**

Human Resources 2016 – 2017 Budget and Business Plan Presentation

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Julie Gibson – Policy & Business Initiatives Coordinator, Human Resources, 902.490.1467

**Original Signed**

Report Approved by:

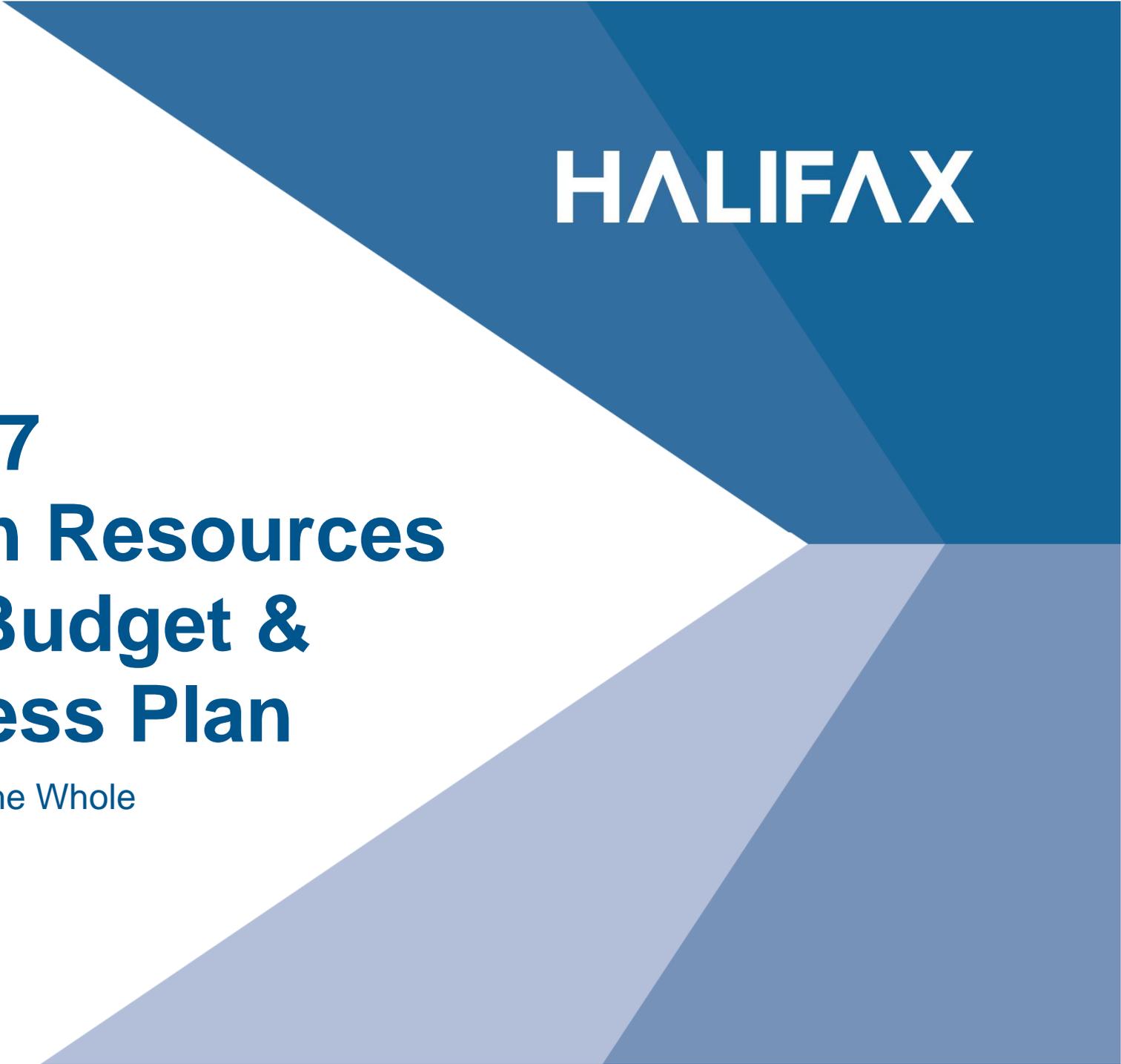
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Catherine Mullally, Director, Human Resources, 902.490.7239

**Original Signed**

Report and Financial  
Approval by:

\_\_\_\_\_  
Amanda Whitewood, Director of Finance & ICT/CFO, 902.490.6308

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The background features a large, stylized 'H' shape composed of several overlapping triangles in various shades of blue. The word 'HALIFAX' is written in white, bold, uppercase letters across the top right portion of the 'H'.

**HALIFAX**

**2016/17  
Human Resources  
Draft Budget &  
Business Plan**

Committee of the Whole

January 13, 2016

# Business Unit Overview

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- Human Resources (HR) is responsible for providing innovative and practical human resource strategies and solutions that address business needs and support organizational effectiveness.
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# Service Areas

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- ❑ **Director's Office** - Provides leadership and strategic direction in human resource management; ensures HR structure, resources, policies and business practices are aligned to support organizational efficiency and effectiveness.
  - ❑ **Client Services** – Provides expertise and consulting to Business Units to ensure efficient and consistent delivery of HR services and integration of human resource principles and practices in day-to-day operations.
  - ❑ **Labour Relations** – Serve as the employer's negotiator in collective bargaining with various unions representing its employees. Provides expertise and consulting to Business Units to ensure efficient and consistent delivery of labour relations service and integration of labour relations strategy and principles to support sustainable municipal services.
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# Service Areas

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- ❑ **Organizational Development & Health** – Responsible for a variety of functional areas, including: Organizational Development, Talent Management ,Corporate Learning and Development, Business Transition, Conflict Resolution, Corporate Safety, and Workplace Health Services.
  - ❑ **Corporate Safety** – Responsible for developing a Corporate Occupational Health and Safety Plan including strategies to reduce incident/accident trends and risk while focussing on consistency of awareness and compliance.
  - ❑ **Total Compensation** – Responsible for Total Compensation Strategy including design, policy and administration, benefits plan consulting and administration, Pension Strategy, HR Information/Reporting (SAP/HR), Labour Market Research, Job Evaluation and Workforce Planning.
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# 15/16 Update

| 15/16 Plan                                                  | Status Update                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Corporate Occupational Health and Safety Plan</b></p> | <ul style="list-style-type: none"> <li>Year 2 deliverables include the installation of Health &amp; Safety Communication Boards in all HRM facilities, OHS Technology solution for Accident /Incident Reporting, and Workplace Violence Prevention Training.</li> </ul> |
| <p><b>Modernization of HR Service Delivery Model</b></p>    | <ul style="list-style-type: none"> <li>The review of HR Service Delivery is complete and an Implementation Plan to modernize HR has been developed. The plan addresses changes to organizational structure, systems, processes and technology.</li> </ul>               |
| <p><b>The HRM People Plan</b></p>                           | <ul style="list-style-type: none"> <li>Completed consultation phase with Business Units to identify People Plan priorities over the next three years.</li> </ul>                                                                                                        |

# 15/16 Update

| 15/16 Plan                        | Status Update                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>HRM Bridging Program</b>       | <ul style="list-style-type: none"><li>• Internship/Bridging the Gap program is in its third year and has been launched for 15/16 resulting in the hire of 18 interns. Next steps this business cycle include a program evaluation and preparation of a business case for the CAO for the next budget year (16/17).</li></ul>           |
| <b>Attendance Support Program</b> | <ul style="list-style-type: none"><li>• Revised the Attendance Support Policy and Program to better align with organizational requirements.</li><li>• Launched a technology tool in partnership with Finance-ICT to provide attendance data with analysis capability to Manager's to support more effective decision making.</li></ul> |

# 15/16 Update

| 15/16 Plan                          | Status Update                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Collective Bargaining</b></p> | <p>This is an ongoing activity throughout the business cycle. Current bargaining activities include:</p> <ul style="list-style-type: none"> <li>• <b>NSUPE 13</b> – Collective bargaining in progress</li> <li>• <b>HRPA (Police)</b> – Bargaining has commenced to achieve a new collective agreement as a result of the expiry of a 12 year collective agreement on March 31,2015.</li> <li>• <b>IAFF (Fire and Emergency)</b> - 2009 contract re-opener continues to be outstanding and has advanced to interest arbitration. 12 year contract expires in 2016.</li> <li>• <b>CUPE 108</b> - Agreement expired October 31,2015 - Bargaining notice has been filed but not commenced.</li> <li>• <b>ATU 508 (Transit)</b> - Agreement will expire August 31,2016 - Stakeholder consultation is underway.</li> </ul> |



# 15/16 Update

| 15/16 Plan                                                                                       | Status Update                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Development of Workforce Data and analytics to improve decision making capability.</b></p> | <ul style="list-style-type: none"> <li>• HR Technology Road map has been prepared in partnership with ICT. OHS Incident Reporting System is in progress.</li> <li>• HR in partnership with Finance –ICT &amp; Payroll continues to improve reporting capabilities in a number of areas including employee absences, safety and workforce trends.</li> </ul> |
| <p><b>Transformation of Corporate Learning and Development Strategy &amp; Program</b></p>        | <ul style="list-style-type: none"> <li>• Review of HRM’s Corporate Learning and Development program has been completed and an Implementation Plan has been prepared to address the recommendations from the Auditor General’s Report.</li> </ul>                                                                                                            |



# 15/16 Update

## Corporate Safety

Plan deliverables included the installation of Health & Safety Communication Boards in all HRM facilities, OHS Technology solution for Accident /Incident Reporting, and Workplace Violence Prevention Training.



### Safety first!

Health & Safety Communication Boards are coming soon. Easily access information about first aid contacts, hazard alerts, wellness topics and more!

[hrmmatters.ca](http://hrmmatters.ca)

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# Operating Budget Overview

| Cost Element Groups          | 2014-15          |                  | 2015-16          |                  | 2016-17          |
|------------------------------|------------------|------------------|------------------|------------------|------------------|
|                              | Budget           | Actual           | Budget           | Q3 Projection    | Proposed         |
| <b>Expenditures</b>          |                  |                  |                  |                  |                  |
| * Compensation and Benefits  | 4,823,700        | 4,356,545        | 4,761,500        | 4,604,540        | 4,794,900        |
| * Office                     | 33,600           | 30,197           | 34,600           | 34,673           | 33,600           |
| * External Services          | 264,400          | 407,638          | 683,100          | 983,700          | 215,600          |
| * Supplies                   | 1,500            | 899              | 1,500            | 7,000            | 1,500            |
| * Materials                  | 0                | 0                | 0                | 300              | 0                |
| * Building Costs             | 0                | 675              | 0                | 2,800            | 0                |
| * Equipment & Communications | 3,000            | 0                | 3,000            | 1,800            | 3,000            |
| * Vehicle Expense            | 0                | 1,502            | 0                | 0                | 0                |
| * Other Goods & Services     | 438,100          | 418,327          | 439,300          | 452,511          | 427,800          |
| * Interdepartmental          | 0                | 1,835            | 0                | (250,000)        | 0                |
| * Debt Service               | 0                | 0                | 0                | 0                |                  |
| * Other Fiscal               | 0                | 0                | (389,600)        | (389,600)        | 0                |
| ** Total                     | 5,564,300        | 5,217,617        | 5,533,400        | 5,447,724        | 5,476,400        |
| <b>Revenues</b>              |                  |                  |                  |                  |                  |
| * Provincial Grant           | 0                | 0                | 0                | 0                | 0                |
| * Area Rate Revenue          | 0                | 0                | 0                | 0                | 0                |
| * Fee Revenues               | 0                | 0                | 0                | 0                | 0                |
| * Other Revenue              | (80,000)         | (144,067)        | (80,000)         | (80,000)         | (80,000)         |
| ** Total                     | (80,000)         | (144,067)        | (80,000)         | (80,000)         | (80,000)         |
| <b>Net Surplus/Deficit</b>   | <b>5,484,300</b> | <b>5,073,550</b> | <b>5,453,400</b> | <b>5,367,724</b> | <b>5,396,400</b> |

# Service Area Budget Overview

| Net HR Expenses by Service Area                | 14/15            |                  | 15/16            |                  | 16/17            |
|------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                                | Budget           | Actual           | Budget           | Q3 Projection    | Proposed Budget  |
| <b>Director's Office</b>                       | 414,000          | 544,354          | 481,400          | 422,100          | 358,000          |
| <b>Client Services</b>                         | 1,565,100        | 1,393,053        | 1,529,800        | 1,501,760        | 1,542,800        |
| <b>Labour Relations</b>                        | 596,500          | 576,882          | 597,200          | 586,800          | 560,900          |
| <b>Organizational Development &amp; Health</b> | 1,870,000        | 1,679,091        | 1,707,000        | 1,815,439        | 1,831,700        |
| <b>Corporate Safety</b>                        | 341,400          | 248,352          | 439,900          | 343,500          | 374,100          |
| <b>Total Compensation</b>                      | 697,300          | 631,819          | 698,100          | 698,125          | 728,900          |
| <b>Business Unit Total</b>                     | <b>5,484,300</b> | <b>5,073,550</b> | <b>5,453,400</b> | <b>5,367,724</b> | <b>5,396,400</b> |



# Staff Counts (FTEs)

| Service Area                                   | 2014/2015 | 2015/2016 | 2016/2017 |
|------------------------------------------------|-----------|-----------|-----------|
| <b>Human Resources Total</b>                   | 54        | 54        | 54        |
| <b>Director's Office</b>                       | 3         | 3         | 3         |
| <b>Client Services</b>                         | 16        | 16        | 16        |
| <b>Labour Relations</b>                        | 6         | 6         | 6         |
| <b>Organizational Development &amp; Health</b> | 17        | 16        | 16        |
| <b>Corporate Safety</b>                        | 4         | 5         | 5         |
| <b>Total Compensation</b>                      | 8         | 8         | 8         |

# 16/17 Cost Reductions

| Cost Reduction Initiative | Proposed 16/17 Saving | Projected 17/18 Saving | Projected 18/19 Saving | Impact on Service Delivery                                          |
|---------------------------|-----------------------|------------------------|------------------------|---------------------------------------------------------------------|
| Vacancy Savings           | 424,800               | 104,000                | 104,000                | Delayed hiring of vacant positions may impact service improvements. |
| Service Efficiencies      | 90,400                | 90,400                 | 90,400                 |                                                                     |
|                           |                       |                        |                        |                                                                     |
|                           |                       |                        |                        |                                                                     |
| <b>Total Reductions:</b>  | <b>\$515,200</b>      | <b>\$194,400</b>       | <b>\$194,400</b>       |                                                                     |



# 16/17 Initiatives

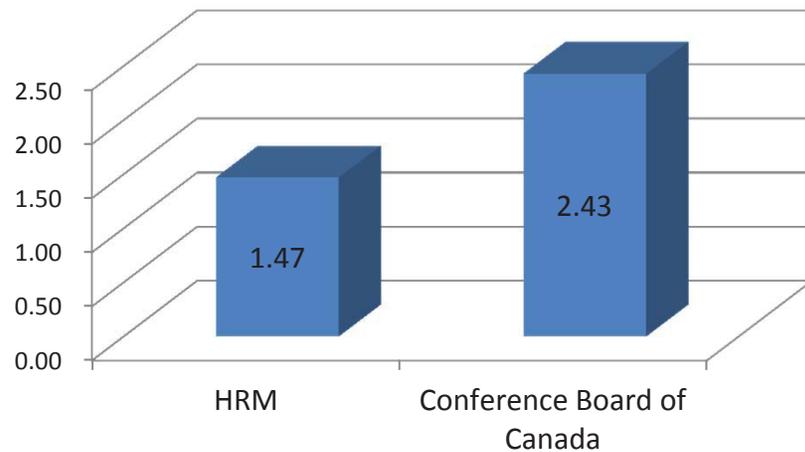
| Initiative                                                                                                                                                                                                                                                                                                                                                     | Priority                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| <p><b>Health and Safety Plan -</b><br/>To prevent and reduce accidents in the workplace, Human Resources will complete Year 3 of the Occupational Health and Safety Plan for HRM in partnership with the Business Units.</p>                                                                                                                                   | <p>Health and Safety – Safety First Culture</p> |
| <p><b>HRM People Plan -</b><br/>HR will lead the implementation of the HRM People Plan - HR Strategy objectives scheduled for 16-17 in partnership with stakeholders. The Plan will support having the right people, with the right skills, in the right job, at the right time, at the right cost in order to achieve the priorities of Regional Council.</p> | <p>Our People – Talent Blueprint</p>            |
| <p><b>Attendance Support Program -</b><br/>HR will continue to enhance the attendance support program and support the business units with implementation.</p>                                                                                                                                                                                                  | <p>Our People/Financial Responsibility</p>      |

# 16/17 Initiatives

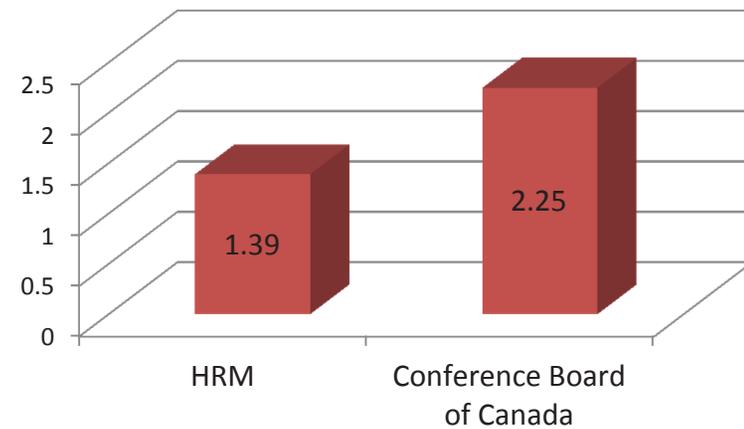
| Initiative                                                                                                                                                                                                                                                                              | Priority                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <p><b>HR Service Delivery Modernization -</b><br/>To improve and modernize the delivery of HR services, Human Resources will begin implementation of the recommendations scheduled for 2015/16 from the consultant's report.</p>                                                        | Service Excellence – Continuous Improvement |
| <p><b>Lead Collective Bargaining -</b><br/>To meet our Employer obligations and support the delivery of efficient, effective municipal services, Human Resources will undertake collective bargaining initiatives scheduled for 2016-17 and those carried forward from prior years.</p> | Our People / Financial Responsibility       |

# HR Staff to Employee Ratios

### HR Staff to Employee Ratio - FTE's

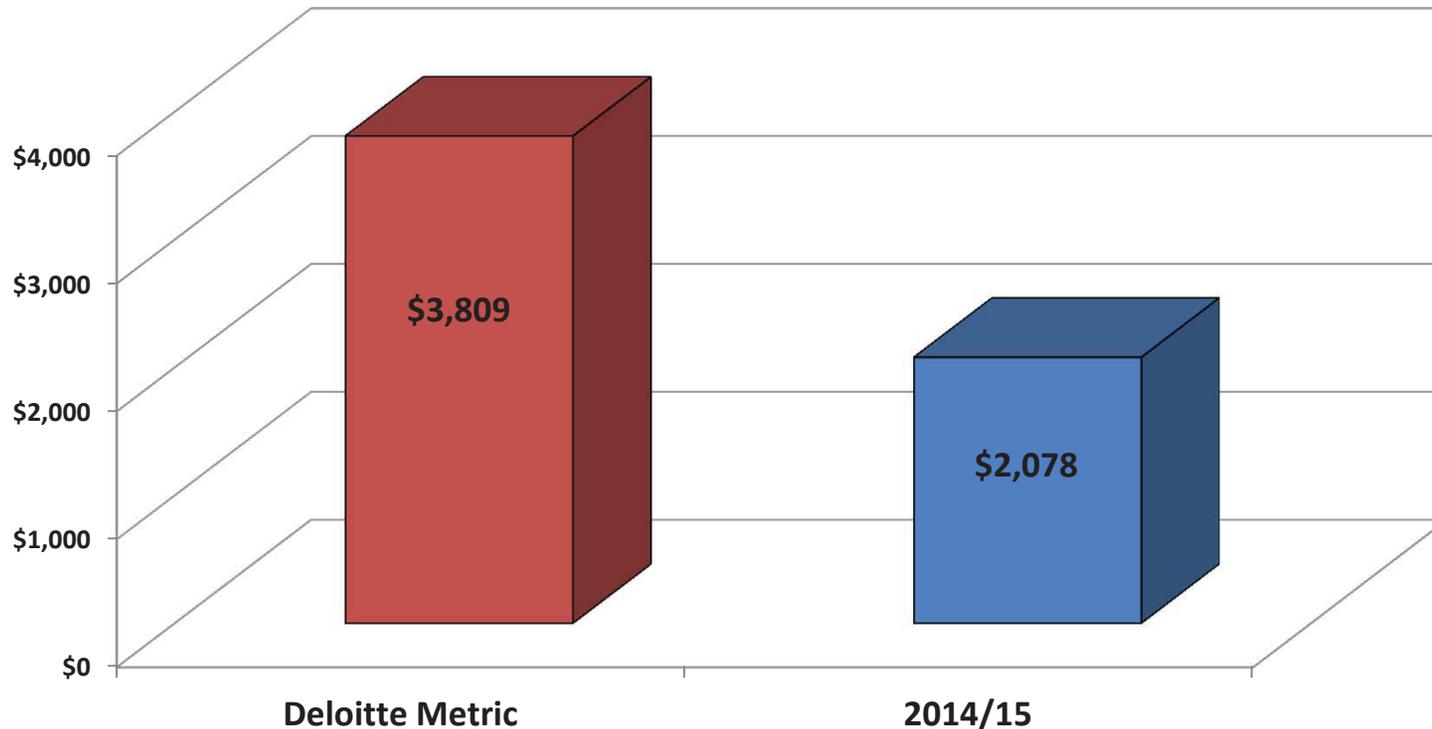


### HR Staff to Employee Ratio - Headcount



Note: Benchmark data taken from the Conference Board

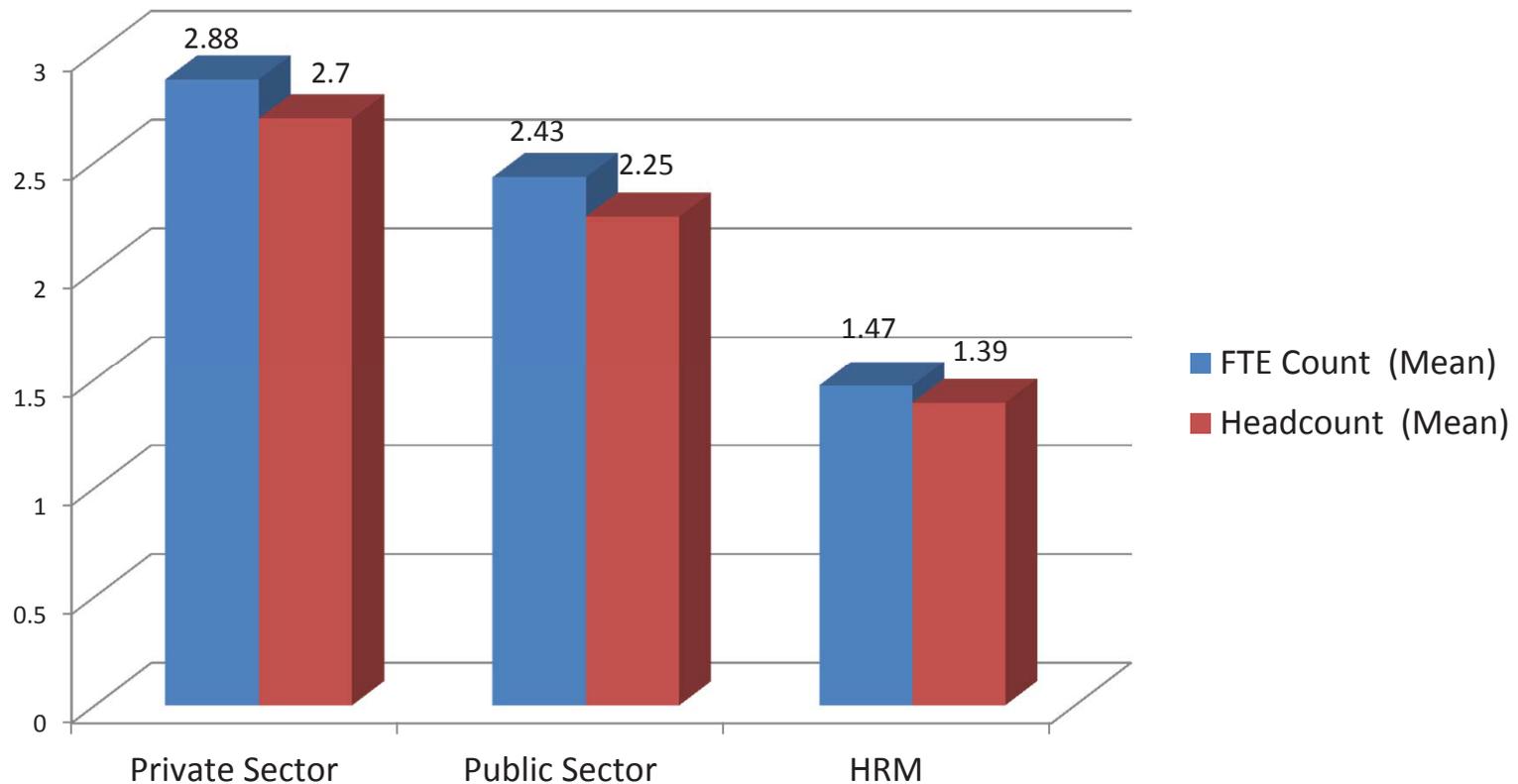
# HR Spend per Employee



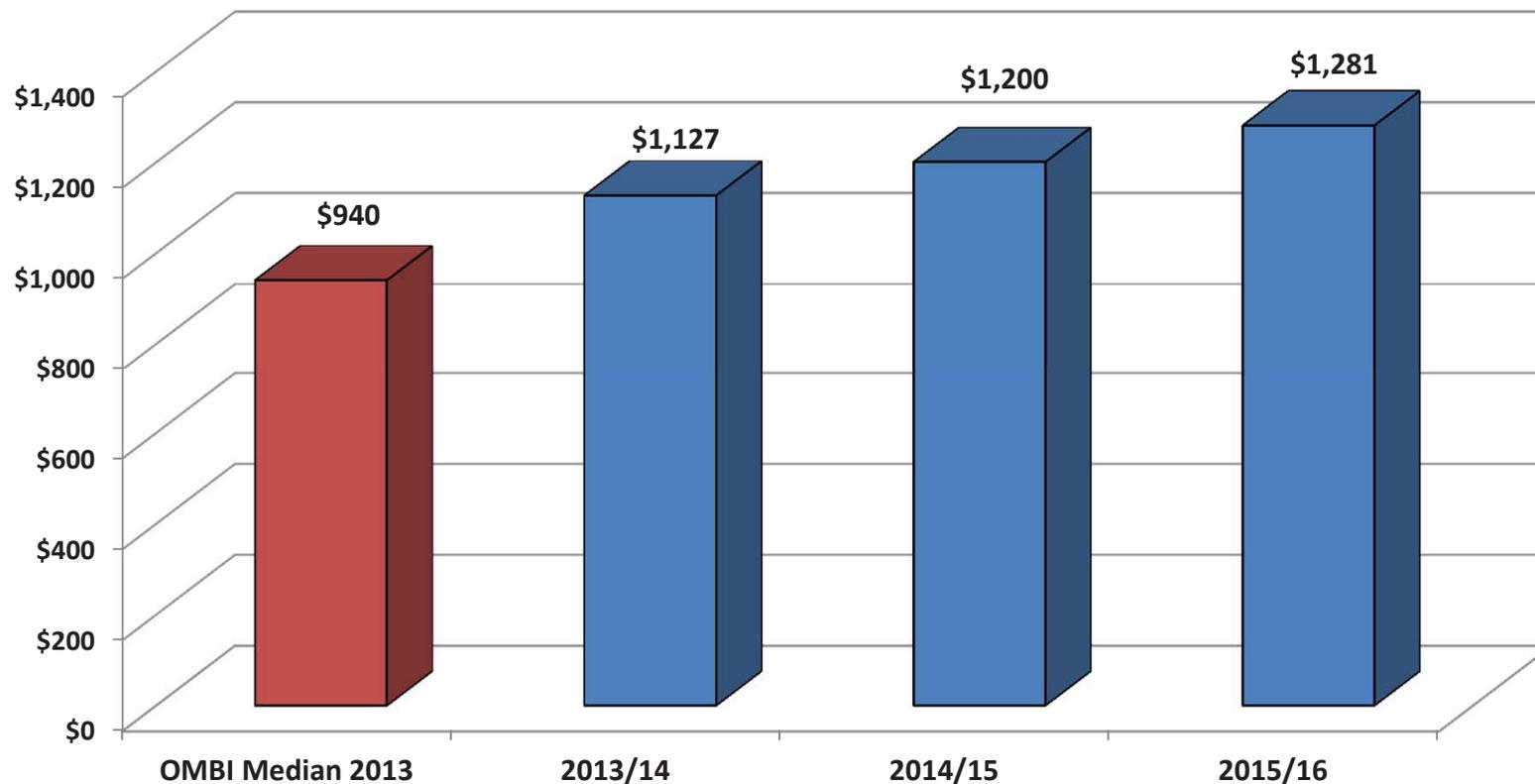
**Note:** This metric was calculated as part of the HR Service Review/Modernization Project. It includes all HR spending and is benchmarked against Deloitte's metric from similar-sized organizations includes 251 HR Professionals surveyed from a range of industries.

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# HR Staff to Employee Ratio - by Sector



# HR Admin Operating Cost per Employee



**Note:** - OMBI: Ontario Municipal Benchmarking Initiative.  
- OMBI indicator definition: Human Resources administration operating expense per T4 supported.

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# Questions and Discussion