

Request for Recommendation Finance Committee



Type of Decision									
Meeting	March 5th, 2007				Report Date	March 5th, 2007			
Decision Requested		Yes	X	No	Priority		High		Low
	Direction Only			X	Type of Meeting	X	Open		Closed

Report Title
BREAKDOWN OF PROFESSIONAL DEVELOPMENT AND TRAINING FUNDS IN 2007 OPERATING BUDGET

Budget Impact / Policy Implication	Recommendation
------------------------------------	----------------

This report has been reviewed by the Finance Division and the funding source has been identified.

REPORT FOR INFORMATION ONLY

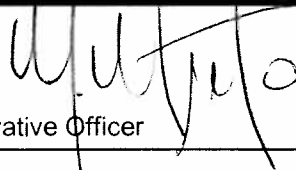
X Background Attached



Recommendation Continued

Recommended by the Department


Patrick Thomson, Director of Human Resources and Organizational Development

Recommended by the C.A.O.


Mark Mieto
Chief Administrative Officer

Report Prepared By	Division Review
 Patrick Thomson Director of Human Resources and Organizational Development	 Patrick Thomson Director of Human Resources and Organizational Development

BACKGROUND:

A request was made for a Breakdown of Professional Development and Training funds in the 2007 Operating Budget. This is attached as Appendix "A" to this Report. The 2007 total is \$1.6 MM. The \$1.9 MM shown in the budget binder includes \$278,000. for Police.

Past aggregate CGS wide budgets have been \$1.3 MM in 2003, \$1.1 MM in 2004, \$1.2 MM in 2005 and \$1.3 MM in 2006 (i.e. the budget is not growing incrementally every year).

Council retained Berkeley Management Consultants in 2005 to review Management structure and effectiveness at CGS. Their final report indicated repeatedly an urgent need for CGS to invest in training and development, findings our investment in training wholly inadequate: "Sudbury needs to invest in organizational development, especially training and succession planning." (Pages 14-15 - Final Report).

CGS's initial response was to create a "Organizational Development Reserve" in 2006 wherein all under expenditures in the attached accounts would be deposited at year end. At year end 2006 approximately \$150,000. was deposited to the reserve. Though staff was directed to return to Council with a budget option to increase our investment in training for the 2007 budget, given the other pressures on the budget, Senior Management determined to try and achieve results with the existing investment in Training and Development, contained in the base budget.

The total expenditures on professional development related expenditures includes legally required certifications and maintenance of credentials (e.g. Professional Engineering fees), travel expenditures for meetings, association fees, as well as formal training and development costs.

BENCHMARK RESULTS

Historically, the North American/Europe benchmark for investment in training as a percentage of payroll was considered at around one (1%) percent of payroll. However,

a report by The Conference Board of Canada in 2001 found that Canadian organizations spend an average of one point eight (1.8%) percent of their payroll on training and development and provide an average of thirty (30) hours of training per Employee.

If the one point eight (1.8%) percent of payroll benchmark were to be used for CGS, a **total of \$2,970,000. (1.8% of \$165 MM) would be expended on training and development** (over One (1) Million Dollars more than twice what is currently spent on all professional development expenditures.).

As quoted in a text on Training and Development, "... we conclude that this under investment in training and development might lead to a gap in essential knowledge and skills, and if Canadian organizations are going to be able to compete effectively, they must increase their investments in the development of human capital." (Managing Performance Through Training and Development, Alan M. Saks and Robert R. Haccoun, 2004). The benchmark identified in The Conference Board of Canada Report was six (6%) percent of payroll for those organizations identified as "highly productive". Interestingly, the Report also highlighted the fact that Canadian organizations spend less on training than organizations in the United States, Europe, Asia and the Pacific Rim (e.g. organizations in the United States spend \$1,115. per Employee compared to \$859. per Employee in Canada)

At the direction of the CAO, one of the objectives for the Organizational Development, Safety and Wellness Section is to undertake a detailed review of all professional development expenditures to ensure value for money. This has not been done to date. Given the above information, we believe any reduction in professional development expenditures would be premature and not in line with the strategic goals Council adopted from the Berkeley Report to invest more in Employee training to position CGS to face the challenges presented by our looming succession planning problem.

Individual Department/Division comments on their Professional Development Budgets are shown as Appendix "B".

Appendix "A"
2007 Current Budget
Professional Development

Cost Centre No. Number	Cost Centre Name	Account	Name	2007 Budget	2006 Budget
B.A.05.00.00.00	Office of the Mayor	68020-01-0205	Conference/Seminars	25,627	25,100
B.A.10.00.00.00	Council Expenses	68010-01-0210	Association Dues	48,686	47,685
		68023-01-0210	Council Travel	20,420	20,000
B.C.05.00.00.00	CAO	68085-01-0250	Professional Development	26,591	32,900
C.A.05.00.00.00	Admin Services	68085-01-1005	Professional Development	8,343	10,130
		68135-01-1005	Tuition Fees	2,042	2,000
C.B.10.05.00.00	Clerk's & Election Services	68085-01-1510	Professional Development	4,595	2,500
C.B.15.00.00.00	Communications & French Language	68085-01-0260	Professional Development	10,320	10,108
C.B.20.00.00.00	Legal Services	68085-01-1505	Professional Development	21,899	19,490
C.B.25.00.00.00	Provincial Offences	68085-01-1550	Professional Development	10,252	12,000
C.C.00.00.00.00	Information Technology	68085-01-1110	Professional Development	54,294	14,000
D.A.05.00.00.00	Human Resources	68085-01-1305	Professional Development	291,346	306,365
E.A.05.00.00.00	General Manager's Office	68085-01-2005	Professional Development	3,063	3,000
E.C.00.00.00.00	Economic Development	68085-01-2105	Professional Development	16,254	20,920
E.P.00.00.00.00	Planning & Development	68085-01-2405	Professional Development	40,142	39,316
E.S.00.00.00.00	Building, Enforcement, Compliance	68085-01-2410	Professional Development	21,533	11,010
E.T.10.00.00.00	Greater Sudbury Transit Services	68085-01-4760	Professional Development	33,295	32,610
E.T.15.00.00.00	Parking	68085-01-4713	Professional Development	5,085	4,980
E.T.20.00.00.00	Crossing Guards	68085-01-4750	Professional Development	2,491	2,440
F.A.05.00.00.00	Financial Services Admin	68085-01-1205	Professional Development	12,466	12,210
		500 0136	Tuition Fees	1,623	1,590
F.B.08.05.00.00	Financial Support & Budgeting	68085-01-1210	Professional Development	4,000	2,050
F.B.08.08.00.00	Financial Planning & Policy	68085-01-1215	Professional Development	3,145	3,080
F.B.11.08.00.00	Accounting Services	68085-01-1225	Professional Development	4,329	4,240
F.B.11.11.00.00	Financial Information Systems	68085-01-1226	Professional Development	53,347	52,250
F.B.11.13.00.00	Taxation	68085-01-1230	Professional Development	4,268	4,180
F.D.05.00.00.00	Supplies & Services	68085-01-1405	Professional Development	2,073	2,030
L.A.05.00.00.00	General Manager's Office	68085-01-3005	Professional Development	23,442	22,960
		68135-01-3005	Tuition Fees		
L.F.05.00.00.00	Admin & Financial Services	68085-01-4016	Professional Development	15,550	4,500
L.H.00.00.00.00	Housing Services	68085-01-2485	Professional Development	40,840	40,000
		68008-01-2485	Accreditation Fees	3,594	3,520
L.L.00.00.00.00	Long Term Care & Seniors Services	68085-01-3320	Professional Development	105,129	54,380
L.O.05.00.00.00	OW - General Admin	68085-01-3405	Professional Development	161,993	66,370
L.O.12.00.00.00	Shelters & Homelessness	68085-01-3070	Professional Development	6,500	6,000
L.O.23.00.00.00	Employment Support Services	68125-01-3205	Travel & Accommodation	5,922	5,800
		68085-01-3205	Professional Development		
		68020-01-3205	Conference/Seminars	8,168	8,000
		68055-01-3205	Memberships	1,021	1,000
L.P.01.00.00.00	Citizen Services Administration	68085-01-4205	Professional Development	16,336	16,000
L.P.20.00.00.00	Children Services	68085-01-3105	Professional Development	12,305	11,120
L.R.05.00.00.00	Leisure Services Administration	68085-01-4305	Professional Development	34,408	33,700
L.R.20.00.00.00	Community Partnerships	68085-01-0270	Professional Development	7,150	
P.A.05.00.00.00	General Manager's Office	68085-01-5005	Professional Development	20,879	20,450
		68135-01-5005	Tuition Fees	13,447	13,170
		68130-01-5005	Travel & Conferences	20,420	20,000
P.E.05.00.00.00	Engineering Administration	68085-01-5105	Professional Development	33,786	18,400
		68130-01-5105	Travel & Conferences	15,000	
P.E.30.00.00.00	Asset Management	68085-01-1540	Professional Development	9,934	9,730
		68130-01-1540	Travel & Conferences	10,210	10,000
P.M.15.00.00.00	Water Maintenance	68085-01-5201	Professional Development	71,146	40,300
P.M.25.00.00.00	Roads Maintenance	68085-01-5205	Professional Development	60,525	25,000
		68015-01-5205	Certification Costs	30,000	
P.M.35.00.00.00	Strategic Support Services	68085-01-5030	Professional Development	31,947	31,290
P.N.05.00.00.00	Waste Mgmt Admin	68085-01-5505	Professional Development	6,105	5,000
P.Q.10.05.00.00	Emergency Management	68085-01-6105	Professional Development	9,036	8,850
		68130-01-6105	Travel & Conferences	14,378	14,670
P.Q.20.05.00.00	Fire Services Base Costs	68085-01-6205	Professional Development	89,511	87,670
P.R.00.00.00.00	Emergency Medical Services	68085-01-6305	Professional Development	63,817	62,505
Total				1,674,028	1,338,569

* denotes areas where the professional development actuals were matched to budget as these areas keep the surpluses generated in their areas.

Corporate total plus Police - 2006 1,545,670

Corporate total plus Police - 2007 1,952,432

Appendix "B"

Professional Development Budget – Community Development

Overall increase from 2006 to 2007 – 57.8% or \$162,008

Specifics:

Admin & Financial Services – 245.6% or \$11,000

The increase in expenditures represents costs associated with a staff member's participation on the board of directors of the Ontario Municipal Social Services Association (OMSSA). Term will end in March 2008. Expenditures in 2006 were allocated amongst three different sections (Admin & Finance, OW & Housing)

Pioneer Manor – 93.3 % or \$50,749

Pioneer Manor has instituted a mandatory one-day of training for all staff to cover requirements as defined by the Ministry of Labour, Occupational Health and Safety Act and Ministry of Health and Long Term Care. This training covers such items as WHIMS updates, Employee's responsibilities under the Occupational Health and Safety Act, Working Safely and Fire/Emergency Plan.

Reflected in the budget is also the need to train upwards of an additional 100 additional employees as a result of staffing for the interim beds.

Ontario Works – 110.6% or \$96,434

\$62,500 dollars of the increase is fully funded through Ministry of Community and Social Services. Money was previously used to fund Family Support Worker, which is no longer budgeted in 2007. Funds can only offset new expenditures.

The vast majority of the remainder of funds have been re-allocated from other areas and thus revenue neutral.

Additional professional development courses planned for the remainder of 2007 are as follows;

- Dealing with difficult people
- Pride Program
- Facilitator's training
- Spring forum/Leadership
- OW Core Training (Legislation)
- Service Delivery Model Technology Core Training
- Service Delivery Model Technology Overpayment Training
- Service Delivery Model Technology Financial Training
- Management Excel training
- Ontario Works / ODSP Program Forum for 2007 - "Building Partnerships to Achieve Results"

Children Services – 10.7% or \$1,185

This is related to the Best Start program and is fully funded with no financial impact to the city.

Leisure Services - 2.1%

The department has an annual allocation of \$41,558.00. The expenses applied to this account include: yearly membership to PRO (Professional Recreation Organization) and ORFA (Ontario Recreation Facilities Association); staff attendance at one major conference/workshop per year; unionized employee training such as propane training, ski lift mechanic certification and other provincially mandated certifications.

Roads - 262.1% Increase (from \$25,000 to \$90,525)

50% of this budget is for winter training. There are 129 employees in the Roads Section, which this line supports. It also includes professional dues and certification costs for about 10 engineers and technicians. This budget also supports our health and safety training, professional development training, software support and equipment training for the workers.

Solid Waste (22% increase from \$5,000 to \$6,105)

22% represents a \$1,000 reallocation from cell phone to education.

Engineering Services Division Engineering – 165.0% increase (from \$18,400 to \$48,786)

The Engineering Division budget shows an increase from \$18,400 to \$48,786 or a 165 percent increase.

This budget has been historically overspent primarily as a result of the need for technical training of our new employees primarily in the Drafting and Design Sections.

When we set up the original budgets at amalgamation, we were hopeful that our staffing would stabilize and within several years, we would have the “surge” of necessary new training completed. This has not occurred. Staff have and continue to bid out to other sections requiring new staff to be continually backfilled and trained. We currently need approximately \$20,000 annually for training of draftspersons and designers alone.

The over expenditure was compounded when the Engineering Division was subdivided as part of our recent blueprint reorganization. Funding from other Sections was no longer available for internal redistribution to balance the needs.

As part of developing/implementing succession planning, we need to send more staff to major training courses and conferences including the AWWA (American Water Works Association) and APWA (American Public Works Association). The international conferences and exhibitions offer 4 days of continued educational sessions, equipment

exhibits, and mentoring opportunities with Infrastructure organizations across North America and the world. The cost for attending one of these sessions is approximately \$3,000 to \$5,000. We attempt to send one individual where we should be sending two or three. With the increase in funding, we will plan to send additional staff to these conferences. The next generation of Managers and Directors have to be equipped and trained for their future roles.

Historically, our over expenditures in Professional Development and Training were covered by under expenditures in Salaries and Benefits within the Division. This cost centre zeros out as it is distributed to the operating divisions.