
MEMORANDUM

May 21, 2009

TO: All Staff

FROM: Penny Ballem, MSc MD FRCP
City Manager

SUBJECT: Human Resource Measures - Update

I am writing to you in follow-up to my February 13 memo to all staff, in which I outlined some of the human resources measures that we would be taking immediately to help reduce the projected tax increase for residents and businesses in 2009.

I recognize that finalizing our approach to the budget has been a difficult and challenging process, and I want you to know the results it has achieved. By reducing overtime, auxiliary and temporary staff hours, by holding positions vacant where possible, and by reviewing many of contracts and projects, we brought the budget for 2009 down by more than \$16.2 million, bringing our overall tax increase to 5.85% across Vancouver residents and businesses this year. That work which culminated in the presentation of the final budget to Council in April 2009 was a significant accomplishment in a short period of time and I am very appreciative of all of your hard work and cooperation.

As I said in February, these actions are short-term measures and we have more challenges ahead of us to find ways to best restructure and reorganize our resources to meet our key business needs. That work is ongoing with some assistance from external consultants and as we review the opportunities for shared services and clarify our core activities, I will continue to share information with all staff.

With regard to our budget, we have had a preliminary look at the first quarter revenues and expenditures and currently our projection to year end is on track for a balanced budget, however things remain very tight.

Over the last 3 months, I have been asked a number of important questions by many of you and I would like to use this opportunity to share my answers with all staff.

How long will the hiring freeze last? This measure will likely be in place until the end of the year. Between now and then the Corporate Management Team will be working on service delivery options which will allow us (as noted above) to restructure how we deliver some

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services in a way which will allow us to continue with a sustainable financial plan into 2010 and beyond.

Will there be early retirement incentive options: Given the associated costs, there are currently no plans to implement a broad-based retirement incentive program at this time.

Voluntary leave program: Recognizing that some specific work areas are experiencing reduced work demands as a direct result of slowed economy, we are considering a Voluntary Leave Program which can be available where circumstances permit and where interested staff wish to take advantage of such a program.

These would enable some staff to be eligible to take a temporary leave without pay, if this fits within operational needs. In the coming weeks, Human Resources will be working with managers to share more details and application criteria. Given our current ongoing demands—and our additional responsibilities as Host City for 2010 Winter Games—we will have to be thoughtful about how we implement this program.

If you have any questions about these human resources measures, please email

askHR@vancouver.ca

Retirements & Resignations

I appreciate that this is a period of much change with a number of comings and goings. Looking at the past few years in the City and the demographics of our organization, there has been a steady movement of staff in and out of the organization, some of these due to retirement and some related to individuals pursuing new career opportunities. Change is sometimes difficult but overall the ability for organizations to change and renew is a measure of organizational health and resilience. In addition these changes not only bring new people into the organization, but, just as important, provide interesting new opportunities for those within the organization.

Response to Media Reports:

In the public sector, we are subject to a high level of transparency and scrutiny in regard to compensation of our staff, and at times, there can be distortion of the facts. It is always important to ensure that the facts are correct. **Patrice Impey** is our new **Chief Financial Officer** and we are delighted and very fortunate to have her on our team. Some of the coverage by the media of her terms of employment misrepresented the facts. The terms and conditions of Patrice's employment as the Chief Financial Officer were reviewed and approved by Human Resources and Council and are directly aligned with the pay scale, vacation and benefits routinely available in the organization for anyone in her position.

There has been other speculation recently in the media in regard to the retirements of Dave Rudberg and Chief Ray Holdgate. Both of these individuals have retired from the City after many decades of distinguished service - there was no severance involved.

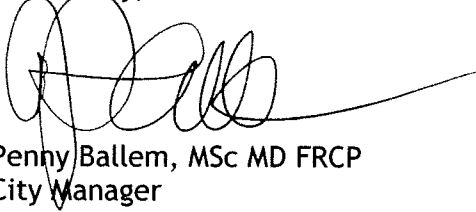
In cases where severance has been paid by the City, this information is available to anyone requesting it under the procedures of the FOI legislation. In addition, the City routinely reports the number of severances paid out in any year when we report our statement of financial information at year end.

Awards & Kudos

On another note, I just want to say how impressed I am with the remarkable work of many of the city staff - every week I receive news of awards and recognition which comes from external partners - locally, provincially, nationally and internationally for our staff and their work. I am trying to ensure that we highlight these kudos at Council and through CityWire and other communications vehicles. This recognition reflects the commitment of all of you to serving the citizens of Vancouver.

Thank you for continued support and commitment to the City of Vancouver.

Yours truly,

A handwritten signature in black ink, appearing to read 'Penny Ballem', with a long horizontal line extending to the right.

Penny Ballem, MSc MD FRCP
City Manager

tel: 604.873.7626
fax: 604.873.7641
penny.ballem@vancouver.ca

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