



**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE MINUTES
January 14, 2015**

PRESENT:

Mayor Mike Savage
Deputy Mayor Lorelei Nicoll
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

STAFF:

Mr. Richard Butts, Chief Administrative Officer
Mr. John Traves, Municipal Solicitor
Ms. Sherryl Murphy, Deputy Municipal Clerk
Mr. Liam MacSween, 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_2015-01-14_live.mp4.html

The agenda, supporting documents, and information items circulated to Council are available online:

<http://www.halifax.ca/council/agendasc/150114cow-agenda.php>

The meeting was called to order at 10:00 a.m., and recessed at 12:00 p.m. Council reconvened in at 12:20 p.m. Council adjourned at 1:25 p.m.

1. CALL TO ORDER

Councillor Karsten, Chair called the meeting to order in Council Chambers, 3rd Floor City Hall, 1841 Argyle Street, Halifax.

2. APPROVAL OF THE MINUTES – NONE

The Chair suggested that the public participation sessions related to the budget take place after the presentation to Council is provided as opposed to the end of the meeting.

Committee of the Whole agreed by consensus to move the public participation sessions pertaining to the budget presentations.

3. Introductory Remarks – Chief Administrative Officer

The following documentation was before Committee of the Whole:

- A presentation dated January 15, 2015

Mr. Richard Butts, Chief Administrative Officer provided a brief presentation pertaining to the 2015/16 Budget and Business Plan Consultation.

Councillor Hendsbee joined the meeting at 10:09 a.m.

Councillor Karsten thanked Mr. Butts for his presentation and requested questions of clarification from Committee of the Whole. There were no questions of clarification from Committee of the Whole.

4. Chief Administrative Office

The following documentation was before Committee of the Whole:

- A staff recommendation report with attached presentation dated January 14, 2015
- Handout from Councillor Mosher regarding the Public Safety Office

Mr. Richard Butts, Chief Administrative Officer provided a presentation pertaining to the 2015/16 Chief Administrative Office Draft Budget and Business Plan.

Councillor Johns joined the meeting at 10:18 a.m.

Councillor Mosher joined the meeting at 10:23 a.m.

Councillor Karsten thanked Mr. Butts for his presentation and requested members of the public to come forward to speak on the 2015/16 Chief Administrative Office. The Chair called three times for speakers to come forward and speak on the budget. No speakers came forward.

Mayor Savage requested further information regarding full-time employees that are transferred from other departments within the organization.

Mr. Butts replied that on a go forward basis, the budget presentations will include a count of full time employees.

In response to a follow up request from Mayor Savage, Mr. Butts commented that coordination of accessibility initiatives throughout the municipality will be overseen by the Deputy Chief Administrative Officer's office.

Mayor Savage commented that the budget for the Office of the Mayor is included within the Chief Administrative Officer's Business Unit. He advised that his office's total budget is \$809,600, 83% of which is dedicated to compensation. He commented that staff in the Mayor's Office have dramatically cut spending in other areas and noted that there have been no significant increases in salary.

In regard to the overall 2015-2016 proposed budget Mayor Savage further inquired about the presentation of the overall debt situation of the municipality and specifically the line item within the budget related to Halifax Water.

Mr. Greg Keefe, Chief Financial Officer commented that the line item relating to Halifax Water relates to a loan associated with the Harbour Solutions project. He stated that, in terms of accounting, the municipality cannot transfer the balance of the loan to Halifax Water but is recovering the payments. With respect to the overall debt, Mr. Keefe advised that the municipality's debt at a net level has decreased.

MOVED by Councillor Watts, seconded by Deputy Mayor Nicoll that Committee of the Whole direct staff to proceed to prepare the 2015/16 CAO Business Unit 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 15/16 Budget and Business Plan.

Councillor Watts requested more detail pertaining to the Office of Diversity Inclusion. She noted that she continues to be concerned about the impact of HRM's vacancy management policy and expressed further concern respecting budget cutbacks. She inquired if the HRM Print Shop will be negatively affected by budget reductions and requested further information pertaining to HRM's youth attraction and retention which has been identified as a Council priority.

Mr. Butts commented that he did not have specific information regarding the youth retention and attraction available but would follow up with the Councillor in the near future. With respect to diversity inclusion, Mr. Butts commented the CAO's business unit has taken a great deal of measures to make the municipality more diverse and inclusive and has strived to take down and identify systemic barriers that the organization may not have been fully aware of in the past.

With respect to Vacancy Management, Mr. Butts commented that the number of vacancies within the organization is no greater or less than any other corporation of a similar size. He advised that the organization is constantly changing and noted that when an investment is made into hiring new employees, the assumption is that the new hire will comprise a long term investment of approximately twenty-five years. He advised that each new position that becomes available is scrutinized by his office to ensure that the investment is required. He remarked that increased costs relating to compensation are common among municipalities and advised that HRM is striving to become more effective in this regard not by cutting positions but rather by providing services in a different and more efficient manner.

Councillor McCluskey inquired as to how many people are currently working within the Office of Corporate Communications and asked for further information pertaining to the roles of staff within the office.

Mr. Butts provided a breakdown of the twenty six positions within the Corporate Communications Office and advised that the print shop staff is also included within that division. He further advised that the CAO's Business Unit has realized a net increase of three positions as they have been transferred in from other Business Units.

Councillor Mosher cited recent discussions at the Board of Police Commissioners pertaining to the costs associated with relocating the public safety office. She referenced correspondence which was circulated to Board of Police Commissioners which noted that the funding received from the Provincial government for the current public safety officer position will be cut due to a stipulation in the agreement that funding is used for a sworn police officer only. She requested commentary from the Solicitor as to whether or not an amendment to the HRM Charter is required to move the Public Safety Office from Halifax Regional Police to HRM Administration.

Mr. Butts noted that funding provided to HRP for the public safety office was an unintended negative consequence which was communicated to the Chief of Halifax Regional Police only recently. He noted that staff is early on in the budget process and will look at options to help rectify the loss of funding from the province.

Mr. Traves, Municipal Solicitor, commented that Legal Services provided legal advice on whether or not a Charter amendment is required to move the public safety office as part of the work that was conducted when Council initially provided direction to move the office from Halifax Regional Police to Administration. He commented that he will review the matter further and provide a report back to Council in the near future.

Councillor Mosher noted a rather significant increase to the Government Relations and External Affairs (GREA) budget and requested further information regarding its role within the organization, the staff compliment and the positions which are currently staffed.

Mr. Butts commented that office is comprised of twelve individuals and provided commentary with respect to the various positions within the division. He further stated that a great deal of the Government Relations and External Affairs budget is related to funding for the Business Improvement Districts, the Greater Halifax Partnership, and Destination Halifax. He commented that a briefing note on this matter will be prepared for Council's consideration.

Councillor Fisher requested further information regarding translation services for Council meetings.

Ms. Cathy Mellett, Municipal Clerk, stated that the service is specifically for the deaf and hard of hearing community. She commented that previously, a local service provider which provided translation services in American Sign Language for meetings of Council was used, but unfortunately was unable to commit to the scheduling associated with Council meetings. She advised that the new service will provide real time text of Council meetings so that those who are deaf or hard of hearing can follow along.

Councillor Fisher inquired if there are plans to provide translation services of Council meetings in other languages. Ms. Mellett noted that unfortunately translation services to other languages are very expensive and are not within the current budget. She further advised that HRM Customer Contact Centres (311) provide translation services in other languages for in-coming calls when required.

Councillor Craig commented that he would like to see a breakdown of numbers related to full-time employees, full-time equivalent employees and part-time employees contrasted with a head count of the entire organization. He commented that the numbers would be very helpful in regard to vacancy and workload management and stated that factors such as overtime we pay and compensation should also be captured within the numbers to provide Council a better idea of the budgetary costs associated with compensation. He further inquired if HRM has an individual who looks specifically at accessibility issues within the municipality and requested a specific dollar amount that is spent on accessibility coordination.

Mr. Butts commented that he did not have the information pertaining to accessibility readily available but can provide a briefing note to Council on this matter. He advised that accessibility is a strategic priority of Council and that staff is working diligently to identify how matters pertaining to accessibility can be improved throughout the municipality.

Councillor Craig noted a recent town hall meeting related to accessibility and inquired if the utilization of American Sign Language interpreters or something similar for public meetings and HRM events has also been given consideration in the budget for the deaf and hard of hearing community.

Ms. Mellett noted that the line item within the Municipal Clerk's Office budget is exactly what the funding is provided for. She noted the funding will give the Municipal Clerk's Office the ability, on a selected basis as well as for Council meetings, to provide text services to the deaf and hard of hearing community.

Councillor Outhit expressed his support for the budget and noted that Council was able to freeze taxes for the past three years but is now faced with tough fiscal decisions. He requested further information in relation to compensation and vacancy management and the affect it will have on future budgets.

Mr. Butts noted that the issue of compensation within the organization is both an opportunity as well as a challenge. He noted that the future of municipal governments that are under fiscal pressure is to find ways to deliver services in a more innovative and effective manner. He provided further commentary regarding opportunities currently being explored by staff to improve attendance, reduce overtime costs, and deliver services more effectively.

Councillor Outhit expressed his view that Halifax Transit has increased spending which has resulted in relatively flat ridership and slight increases in revenue. He inquired as to what measures have been put in place to help mitigate this for Halifax Transit. He further inquired if the Greater Halifax Partnership is conducting interviews with small businesses to see what can be done in terms of policy changes to strengthen small business in HRM.

Mr. Butts noted that Halifax Transit has grown aggressively over the past few years. He commented that Council has directed a review of the Business Unit's operations predicated on feedback from the community and expressed his view that the work being conducted by staff will make the system more effective and efficient. With respect to the Greater Halifax Partnership, he noted that data that is provided by the organization assists greatly in delivering Council's economic priorities.

Deputy Mayor Nicoll inquired when the Corporate Policy Review project and Transit plan is expected to be back before Council for consideration. She requested a breakdown of the Councillor Support Office's budget.

Mr. Butts commented that an information report with respect to the Corporate Policy Review can be provided to the Executive Standing Committee to update members of Council. He advised that the Transit plan has gone out for public consultation to get better data to guide decision making and that Mr. Eddie Robar, Director of Halifax Transit can provide a briefing note to Council with and update on this matter in the near future.

With respect to the Councillor Support Office budget, Mr. Butts provided commentary with respect to increases in Individual Salary Adjustments \$77,400 and noted efficiency savings of \$31,800.

Deputy Mayor Nicoll noted that the reduction of advertising and promotional accounts for Councillors has likely been included in the efficiency savings and noted that she would like to propose a supplemental motion requesting a staff report on the matter. She cited concern which was expressed to her by many of her colleagues respecting a cut in advertising and promotional funding for community events.

MOVED Deputy Mayor Nicoll, seconded by Councillor Hendsbee that Committee of the Whole request a staff report assessing the Advertising, Promotional and Discretionary accounts in the Councillor Support Office to allow for more flexibility in servicing the present and anticipated community needs.

In response to a follow up question from Councillor Johns, Ms. Cathie Barrington, Manager, Councillor Support Office commented that staff is currently reviewing the District Capital policy and the criteria that is within it. She advised that advertising and promotional accounts are an internal budget issue while District Capital funds are managed by Finance.

Councillor Whitman commented that he would support more flexibility with respect to the use of District Capital Funds to support local community groups and sports teams.

MOTION PUT AND PASSED.

With respect to the main motion, Councillor Rankin expressed his support for the budget process and noted that it has become more open and transparent over the past several years. He noted that increases in expenditures for transit are a result of input from the community and advised that HRM is in an enviable position as it has been able to significantly reduce its debt. With respect to Solid Waste, Councillor Rankin noted that costs will not increase for consumers and inquired if the figures listed in the budget are gross or net expenditures.

Mr. Keefe commented that the expenditures illustrated under the solid waste budget are gross expenditures and noted that recoveries against the expenditures are not listed.

Councillor Hendsbee thanked Deputy Mayor Nicoll for bringing up the issue of discretionary funds for Councillors and the loss of revenue from members sitting on the Bridge Commission. He inquired about the possibility of placing updated Organizational Charts including contact information for staff members on the new website as well as any future plans to provide further language options on the Halifax.ca website. He requested further commentary on existing plans to expand visitor information centres in the South Shore and Musquodoboit Valley area.

Mr. Butts noted that staff is currently working on enhancements to the Halifax.ca website and noted that staff will report to Council on this matter as the work progresses. He stated that there are significant cost pressures with respect to the operating budget and commented that he is not sure that staff would recommend expanding visitor centres in the Musquodoboit Valley area at the present time. With respect to the loss of honorariums for the Halifax Harbour Bridge Commission, he advised that any loss would be reflected in the budget.

Councillor Johns commented that he would like to see a list of full time, part-time and contract positions that comprise the office of Corporate Communications including a description of the roles and responsibilities associated with the positions. He further commented that Councillor Support Office is now responsible for upgrading technology used by Councillors such as smart phones and tablets and expressed his view that more funding should be available in this area. He concluded by commending the Chief Administrative Officer and staff with respect to the marginal Consumer Price Index increase on the average home which was implemented as part of Council's fiscal direction. He noted that the CPI index is very significant and has been unprecedented across many municipalities.

Mr. Butts thanked the Councillor for his compliments and accepted them on behalf of the entire public service. He noted that staff works very hard to deliver on Council's mandate and fulfil Council's priorities. He commented that technology is evolving very quickly and that staff is looking at models to refresh technologies more quickly than it has in the past.

MOTION PUT AND PASSED.

Committee of the Whole took a twenty minute break.

Committee of the Whole reconvened in Council Chambers, 3rd Floor City Hall, 1841 Argyle Street, Halifax.

5. Legal, Insurance, and Risk Management Services

The following documentation was before Committee of the Whole:

- A staff recommendation report and presentation dated January 5, 2015

Mr. John Traves, Director of Legal, Insurance, and Risk Management Services provided a presentation pertaining to the proposed 2015/16 Legal, Insurance, and Risk Management Services Business Unit Budget and Business Plan.

Councillor Karsten thanked Mr. Traves for his presentation and requested questions of clarification from Committee of the Whole.

MOVED by Councillor Adams, seconded by Councillor Walker that Committee of the Whole direct staff to proceed to prepare, Legal, Insurance and Risk Management Services Business Unit 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 15/16 Budget and Business Plan documents.

Councillor Adams provided commentary respecting the amount of money that is paid by Community Boards and Committees to obtain directors liability insurance to operate in HRM owned facilities. He inquired if there is the possibility to develop a blanket insurance policy to cover all community groups who wish to run events in HRM owned facilities.

Mr. Traves commented that community boards seeking to obtain insurance must establish that they have an insurable interest. He advised that it would be very difficult for staff to provide insurance coverage to boards that are not comprised of municipal employees or Councillors. He noted that staff has been able to provide insurance for entities such as fire halls that utilize municipal property which are HRM's insurable interests by default, and are covered under HRM's facility insurance. He noted that insurance cannot be extended to public organizations which are outside of the municipality, despite the public good that most of those bodies may be undertaking.

Mayor Savage requested further information pertaining to budget increases related to the compensation review for lawyers employed by HRM.

Mr. Traves provided commentary with respect to the current compensation plan for HRM lawyers and noted that it is based on the compensation scheme that is utilized by provincial Department of Justice for provincial lawyers. He noted that HRM's pay plan is performance based and incents individuals for good performance. He further advised that HRM's plan does not compensate senior lawyers at the same rate of that of provincial lawyers because of the performance measures that are in place which may allow individuals to achieve a rate of salary.

Mayor Savage noted that in some instances, external consultants for particular legal jobs may be more fiscally prudent as the organization is not burdened with high costs related to compensation. He requested further commentary in this regard.

Mr. Traves commented that from time to time, there are projects where contracted lawyers are placed on salary for an extended period of time depending on the nature of the work. He noted that depending on the circumstances, contracted lawyers terms may be extended if there is other work where their expertise is needed. Otherwise he noted, in situations where a specific skill set is required that is not readily available on staff, Legal Services will look to external organizations to contract work.

In response to a follow up question from Mayor Savage, Mr. Traves noted that he does not see a time when staff will not need to obtain private legal services for certain circumstances. He noted that the goal of Legal Services is to provide first-rate legal service which is as good as or better than that of the private sector and advised that there is a challenge in finding lawyers in the private sector that have as much expertise and experience in matters such as real property, by-laws and litigation than that of the current staff compliment. He stated that Legal Services also ensures that there is enough room within their budget to obtain outside legal work when it is warranted to ensure the most efficient and cost effective service to the public and Council.

Councillor Watts requested further clarification on Councillor Adams question with respect to insurance required by outside groups for HRM owned facilities and the program that is identified in the staff report which expands liability insurance to community groups.

Mr. Traves commented that Councillor Adams question related to Board of Directors Liability Insurance which seeks to provide insurance coverage for a particular Community Board's operations or actions within HRM owned buildings. He noted that this type of insurance has become quite expensive and is

very difficult to manage. He advised that it is outside of the purview of the program that is identified within the staff report.

Mr. Joel Plater, Manager of Risk and Insurance, Legal Services, Insurance and Risk Management noted that the identified program as referenced by Councillor Watts is designed to offset liabilities for those who rent from HRM facilities. He provided the example of a hockey association renting ice time and noted that the program would extend insurance to those who rent on a one off basis to protect themselves.

Mr. Traves noted that the program as alluded to by Mr. Plater, applies to the activities that take place on the ice and not the activities of a Board of Directors in managing the affairs an organization.

Mr. Traves added that Legal Services would always strongly recommend that community groups acquire their own insurance before hosting an event for their own protection. He noted that there is recognition that it is difficult on the part of the organizers of a pick-up game of hockey to acquire proof of liability insurance and advised that the program is intended to provide the option of coverage if it is sought by the renters. He stated that the insurance coverage extended by HRM may or may not be satisfactory for a claim that may come against a group but will satisfy the municipality's requirement that the group has insurance to cover liabilities.

Councillor Watts noted a tremendous advancement in drafting of By-laws as undertaken by HRM's legal team and stated that it is tedious and hard to deal with work. She noted that the work in this regard is very important and expressed her support for ongoing advancements in the area.

Councillor McCluskey requested further information pertaining to the HRM departments that are served by Legal Services.

Mr. Traves noted that HRM Legal Services provides some services to Halifax Water. Generally speaking, he noted that the lawyers on staff provide legal services for the entire organization with exception of the Halifax Regional Libraries which tends to use external legal services.

In response to a follow up question from Councillor McCluskey, Mr. Traves noted that \$399,200 line item, for external services comprises costs associated with outside legal fees, disbursements and professional fees, litigation disbursements, and prosecution services. He noted that there are recoveries for some of the expenditures that he has listed.

Councillor McCluskey requested further information with respect to the budget line item that is labelled "other goods and services". Mr. Traves replied that the line item covers expenditures associated with membership dues, training, travel, education, books and periodicals, meals and rewarding excellence.

Councillor Outhit thanked Mr. Traves for his presentation and echoed previous comments respecting the excellent work being undertaken by HRM's legal team. He requested further information with respect to a new hire and inquired if the person that has been retained is working solely on the upcoming Charter Review project.

Mr. Traves commented that that the position as referenced by the Councillor is a transfer of a permanent position from Transportation and Public Works, which is currently filled by a lawyer on a contract basis. He noted that the lawyer that has been retained is continuing work that otherwise would have been undertaken by the lawyers that are working on the Charter file.

Councillor Outhit inquired if compensation scales for in-house counsel from private sector law firms were considered when reviewing the compensation scheme for HRM lawyers.

Mr. Traves commented that his predecessor had consulted him with respect to the compensation review and noted that the underlying pay scale is driven by the interest arbitration of Crown lawyers. He further advised that HRM's model is based off of public sector compensation levels.

MOTION PUT AND PASSED.

6. Public Participation

The Chair called for members of the public to come forward and speak on the Legal, Insurance, and Risk Management Services budget. There were no speakers present.

7. ADJOURNMENT

The meeting was adjourned at 1:25 p.m.

Cathy J. Mellett
Municipal Clerk