

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL COMMITTEE OF THE WHOLE MINUTES OCTOBER 14, 1997

PRESENT:

Mayor Walter Fitzgerald
Deputy Mayor Jack Greenough
Councillors: Bill Dooks
Gordon R. Snow
David Hendsbee
Harry McInroy
Condo Sarto
Bruce Hetherington
Clint Schofield
John Cunningham
Jerry Blumenthal
Graham L. Downey
Larry Uteck
Howard Epstein
Russell Walker
Bill Stone
Ron Hanson
Stephen Adams
Bob Harvey
Peter Kelly
Reg Rankin

REGRETS:

Jack Mitchell

STAFF MEMBERS:

Mr. Ken Meech, Chief Administrative Officer
Mr. Barry Allen, Acting Municipal Solicitor
Ms. Jane Nauss, Assistant Municipal Clerk

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Mayor Fitzgerald called the meeting to order at 7:30 p.m.

1. APPROVAL OF MINUTES - September 9, 1997

MOVED by Councillors Blumenthal and Schofield to adopt the minutes of September 9, 1997. MOTION PUT AND PASSED UNANIMOUSLY.

2. PRESENTATION AND OVERVIEW - PROGRAM AND SERVICE REVIEW

Ms. Val Spencer, Commissioner, Priority and Policy, addressed Council noting that Mr. Don Moors, Cooper & Lybrand Consulting, would be making a presentation on "HRM Program & Service Review." A document entitled "Council Start Up Briefing - October 14, 1997" was distributed to Council.

Mr. Moors introduced the team from Coopers & Lybrand Consulting, who would be guiding Council through the process (Messrs. Ward Melhuish, Daniel Kimura and Mike Casey and Ms. Jeanne Suber and Gloria Banks).

Items to be reviewed included:

- Rationale & Benefits: Why is the Program and Service Review Occurring?
- ABC (Activity Based Costing) Process and Outcomes: What will occur during the ABC phase of the Review?
- Roles and Responsibilities: How will HRM mobilize to complete the ABC initiative?
- Timeframes & Deliverables: What will be delivered and When
- Comments & Questions.

Why is the Program and Service Review Occurring?

- ▶ there is a belief that the Review is focused on fiscal challenges dealing with amalgamation
- ▶ budget process has to move into sound budget information
- ▶ need to balance service levels - urban/rural - and resources
- ▶ better accountability
- ▶ Program and Service Review evolved from a comprehensive audit
- ▶ identified service level goals
 - longer term
 - visionary (visions become goals - set targets along the way to reach goals)

- set service level targets - movement towards goals related to budget and planning process
- measure / report actual performance to target
- project and report costs to measure service level targets
- this process could allow us to better match service levels with available tax dollars
- Council wants to become familiar with efficiencies and resourcing.

What will occur during a Program and Service Review?

- ▶ Public Survey - looks at areas of effectiveness, alternatives
- ▶ Activity Based Costing (ABC)
- ▶ Municipal Reference Model (MRM) - thorough framework through which a Program and Service Review can follow
- ▶ Other components can be added
- ▶ Ongoing process that will contribute to a number of budget cycles (should be an ongoing management tool).

Program & Service Review

- ▶ ABC Initiative
- ▶ Public Survey
- ▶ Service Profiles
- ▶ Municipal Reference Model

Together, these initiatives flow into yearly budget plan.

Activity Based Costing: Overview

- ▶ This provides a new look at costing and helps close the gap between line functions and cost management.

Traditional Costing Methods

- ▶ What was spent (resources) - What was produced (outputs)

Activity Based Costing Method

- ▶ What was spent
- ▶ How was it spent
- ▶ What was produced (product or services)

Data derived provides performance evaluation in terms of delivery. Also, ABC data can be utilized as a decision making tool and helps one to understand the following:

- activity based analysis
- performance measurement
- planning and budgeting
- process analysis.

Activity Based Budget

- ▶ forecast workload requirements
- ▶ establish the demands on activities
- ▶ determine the required resources
- ▶ convert to budget requirements.

Benchmarking/Best Practices

- ▶ compare - provide background information to use as a tool for best practices (borrowing good practices of others to help with own service levels).

Program & Service Review Methodology

- ▶ need to educate staff, create an awareness plan
- ▶ collect & review resource and budget data
- ▶ Program and Service Review definitions
- ▶ establish selection criteria
- ▶ review public survey results
- ▶ select services for costing
- ▶ collect resource drivers
- ▶ collect activity drivers
- ▶ identify acceptable service levels
- ▶ populate ABC model/refine MRM.

Mobilizing: Roles & Responsibilities

- ▶ What does Council want (Council perspective)

Council needs to determine what it wants to achieve as a result of this Program & Service Review.

A review of the role of Council, staff, the public and the Consultants, during this Program & Service Review, was undertaken.

Timeframes & Deliverables

- ▶ Program & Service Review will be an ongoing planning tool
- ▶ key milestones include
 - 9 - 10 week ABC initiative
 - Council input on selection criteria
 - Interim progress reports to Council
 - final report and Council briefing early January/98.

In closing, Mr. Melhuish stated this is not an audit of performance; rather, this process is focusing on costing. As the program progresses, however, this will change.

Mayor Fitzgerald thanked Messrs Moors and Melhuish for their presentation.

Comments from Council and responses from the Consultants on the presentation were as follows:

- ▶ Councillor Hendsbee suggested that postal codes be included in the survey to determine where the data is derived.
- ▶ Mr. Moors stated that the public process will need to be revisited and that they could meet with staff on this aspect, later this week. Mr. Ken Meech, Chief Administrative Officer, noted this issue has been discussed internally and that it may be more productive to discuss this aspect in greater detail at the end of this exercise. At that point in time, all information will be available, from which to make a decision.
- ▶ In response to an enquiry of Councillor Kelly as to who is the "client," Mr. Moors advised that the "client" is Val Spencer, Commissioner of Priority and Policy, and Mr. Dan Gautreau, Priority and Policy.
- ▶ Mr. Moors advised there have been 200 municipal services defined. This was guided by the Municipal Reference Manual.
- ▶ In response to an enquiry of Councillor Cooper as to which program area will be reviewed, Mr. Moors advised that this will be a decision of Council. Further, information rolled into a Program & Service Review can be rolled into a Comprehensive Audit. Mr. Ken Meech, Chief Administrative Officer, stated that

the municipality will be reviewing all services and that staff was currently targeting individual activities within a service.

- ▶ In response to a comment from Councillor Cooper that he would like to see a paper developed on a program area and activities, Mr. Ken Meech advised this would be developed as part of Council's involvement.
- ▶ In response to an enquiry from Councillor Blumenthal if comparisons from the four former units would be made, Mr. Melhuish stated they will not be looking at historical data but current data. Further, Mr. Ken Meech stated that the Municipal Reference Model was initiated some time ago and that staff will be comparing HRM services with other municipalities of comparative size, etc.
- ▶ Councillor Kelly stated that residents want to have input into this process.

3. ADJOURNMENT

MOVED by Councillors Blumenthal and Rankin to adjourn the meeting at 9:00 p.m.
MOTION PUT AND PASSED.

Jane Nauss
ASSISTANT MUNICIPAL CLERK