



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

**Item No.**  
**Audit & Finance Standing Committee**  
**February 27, 2013**

**TO:** Chair and Members of Audit & Finance Standing Committee

Original Signed

**SUBMITTED BY:** \_\_\_\_\_  
Greg Keefe, Director, Finance and Information, Communication &  
Technology/CFO

**DATE:** February 15, 2013

**SUBJECT:** Finance and Information, Communication & Technology  
13/14 Preliminary Budget Presentation

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**ORIGIN**

At the December 4, 2012 Committee of the Whole, Regional Council directed staff to present the 2013/14 draft Budget and Business Plans to the Audit and Finance Committee for review and discussion prior to consideration by Regional Council.

**RECOMMENDATION**

It is recommended that the Audit and Finance Committee direct staff to proceed to prepare the Finance and Information, Communication and Technology (FICT) Budget and Business Plan as proposed in the accompanying presentation, incorporating additional direction provided through the committee discussion on February 27, 2013 for inclusion in the proposed HRM 13/14 Budget and Business Plan documents.

## **BACKGROUND**

As part of the design of the 2013-2014 Proposed Budget, the Audit and Finance Committee is reviewing each Business Unit's high level budget and proposed plans in advance of detailed Budget and Business Plan preparation.

At the December 4, 2012 Committee of the Whole Regional Council considered their Strategic Priority Outcomes and directed staff to: *“present the 2013/14 draft Budget and Business Plans to the Audit and Finance Committee for review and discussion prior to consideration by Regional Council following the priority outcomes described in Attachment “A” having regard to the changes and additional priorities raised by Council during the course of discussion in Committee of the Whole.”*

## **DISCUSSION**

Staff has prepared a draft Business Unit Budget and Business Plan presentation consistent with the fiscal direction received from the Audit and Finance Committee on December 19, 2012 and aligned with the Council Priorities discussed at the December 4<sup>th</sup> Committee of the Whole.

Following direction from the Audit and Finance Committee, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 13/14 Budget and Business Plan documents to be presented to Audit and Finance Committee as per the process and schedule endorsed by Regional Council on December 4, 2012.

## **FINANCIAL IMPLICATIONS**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of the Project and Operating reserves, as well as any relevant legislation.

## **COMMUNITY ENGAGEMENT**

None are associated with this report.

**ENVIRONMENTAL IMPLICATIONS**

None

**ALTERNATIVES**

The Audit and Finance Standing committee 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**

Presentation

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A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCfinance/index.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Lanna Prowse, Coordinator 490-6527

Original Signed

Financial Approval by:

\_\_\_\_\_  
Greg Keefe, Director of Finance and Information, Communication  
& Technology/CFO, 490-6308

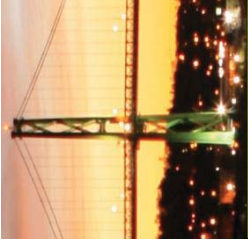
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Audit and Finance Committee  
13/14 Draft  
Budget and Business Plan

Finance and ICT

February 27, 2013

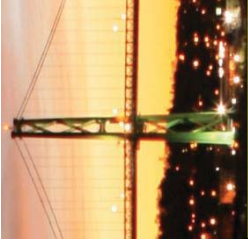


# FICT

## **Business Unit Overview**

**Finance leads HRM's Financial Stewardship activities in support of the administrative outcome areas and provides services and advice to internal clients, Council and residents of HRM.**

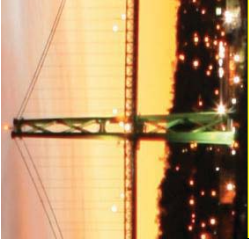
**ICT supports Organizational Capacity by providing reliable, cost effective, information and technology services to Business Units and Council.**



# FICT

## **Business Unit Overview continued...**

**Corporate Planning provides support to the organizational by assisting business units in strategic and operational decision making and maximizing collaboration on Council's priorities.**



# FICT Service Areas

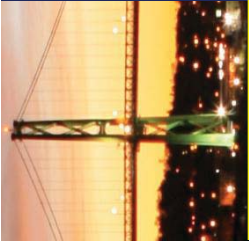
<b>Finance</b>	<b>ICT</b>	<b>Corporate Planning</b>
<ul style="list-style-type: none"><li>• <b>Accounting</b></li><li>• <b>Fiscal Policy and Financial Planning</b></li><li>• <b>Procurement</b></li><li>• <b>Revenue</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Planning and CRM</b> (Client Relationship Management)</li><li>• <b>Delivery</b></li><li>• <b>Operations</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Strategic and Business Planning</b></li><li>• <b>Performance Measurement</b></li><li>• <b>Service Improvement</b></li></ul>



# 12/13 Operating Budget Overview

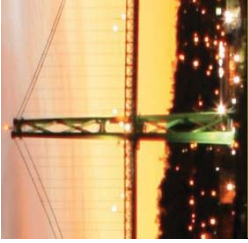
Cost Element Groups	2010-11	2011-12	2012-13	2012-13
Expenditures	Budget	Budget	Budget	Q3 Projection
* Compensation and Benefits	20,444,252	21,684,283	21,178,200	20,020,598
* Office	4,099,257	3,972,993	3,572,300	3,610,080
* External Services	699,232	671,485	939,000	1,512,686
* Supplies	14,350	29,470	34,000	31,900
* Materials	58,000	34,700	24,000	25,709
* Building Costs	2,000	2,000		1,409
* Equipment & Communications	2,550,083	2,670,558	2,670,100	2,317,432
* Vehicle Expense		3,000	9,100	16,700
* Other Goods & Services	890,200	513,837	562,700	552,321
* Interdepartmental	18,700	12,526		
* Debt Service				(35,432)
* Other Fiscal	(660,374)	(475,249)	(72,000)	(82,000)
** Total Expenditures	28,115,700	29,119,603	28,917,400	27,972,402
<b>Revenues</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Q3 Projection</b>
* Tax Revenue				
* Area Rate Revenue				
* Fee Revenues	(2,359,883)	(2,380,000)	(2,370,000)	(2,383,036)
* Other Revenue	(288,100)	(204,400)	(310,000)	(442,693)
** Total Revenues	(2,647,983)	(2,584,400)	(2,680,000)	(2,825,729)
<b>Net Surplus/Deficit</b>	<b>25,467,717</b>	<b>26,535,203</b>	<b>26,237,400</b>	<b>25,146,674</b>





# Service Area Budget Overview

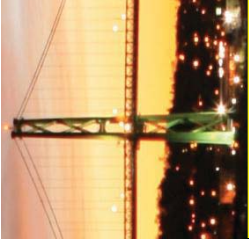
Net FICT Expenses by Service Area	10/11 Budget	11/12 Budget	12/13 Budget	Q3 Projection
Finance	10,353,643	11,027,881	10,212,000	9,501,836
Information, Communication and Technology	14,930,929	14,928,070	15,505,000	15,163,113
Corporate Planning	183,145	579,252	520,400	481,725
<b>FICT Net Expenses</b>	<b>25,467,717</b>	<b>26,535,203</b>	<b>26,237,400</b>	<b>25,146,674</b>



# Year to Year Base Comparison

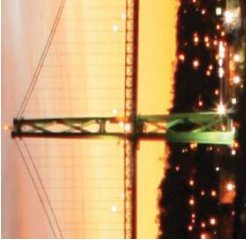
## 12/13 Services at 13/14 Costs including Inflation, Contracts, etc.

Service Area	12/13 Budget	13/14 Cost
Finance	10,212,000	10,505,500
Information, Communication and Technology	15,505,000	15,936,300
Corporate Planning	520,400	553,300
<b>Business Unit Total</b>	<b>26,237,400</b>	<b>26,995,100</b>



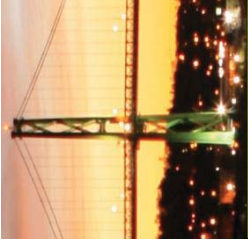
# 13/14 Cost Reduction Initiatives

Cost Reduction Initiatives	Proposed 13/14 Saving	Projected 14/15 Saving	Projected 15/16 Saving
Compensation Efficiencies	642,000	642,000	642,000
Computer Hardware Cost Reductions	200,000	200,000	200,000
Continued Efficiencies	158,000	158,000	158,000



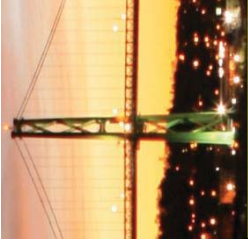
# 13/14 Priority Initiatives

Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Document and report on internal controls for the Audit and Finance Standing Committee	Effort			Financial Stewardship
Long Term Financial Visioning for HRM-10 years	Effort			Financial Stewardship
Consultation and research on Commercial Tax				Governance and Communication Financial Stewardship
Redesign HRM's Web Site <i>CPC1000001 Internet Program</i>	<i>Capital Funds</i> 600K			Governance and Communication



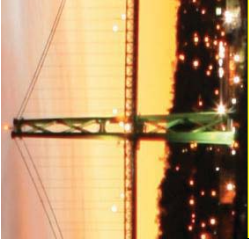
# 13/14 Priority Initiatives

Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Open Data Initiative <i>C199001 EDS/BI</i>	Capital Funds 70K	OCC 70K	OCC 70K	Governance and Communication
Establish Enterprise Risk Management for HRM	Effort			Financial Stewardship
Development of Key Performance Indicators and Service Standards	Effort			Excellence in Service Delivery
East Port District Energy Project	300K		Capital Funds 22M	Healthy Communities



# 13/14 New or Expanded Services

New or Expanded Service	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Managed Print Services <i>Total Cost \$600K</i>	300K	300K	300K	Organizational Capacity
Public Consultation on the Budget				Financial Stewardship Governance and Communication
Ongoing work on further organizational efficiencies: <ul style="list-style-type: none"> <li>• Procurement Coordination</li> <li>• Shared Services</li> <li>• Business Process Improvements</li> </ul>	Effort			Financial Stewardship



# 13/14 Change of Services

This item is not reflected in current envelope and would require additional funding.	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Standard and Poor's Credit Rating Service	35K	35K	35K	Financial Stewardship



Questions and Discussion

February 27, 2013

Finance and ICT