

TO: Chair and Members of the Audit and Finance Committee

Original Signed

SUBMITTED BY: _____
Greg Keefe, Director of Finance & ICT, CFO

DATE: February 18, 2013

SUBJECT: CAO Business Unit 13/14 Preliminary Budget Presentation

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 CAO Business Unit Budget and Business Plan as proposed in the accompanying presentation, incorporating additional direction provided through the committee discussion on February 27, 2012 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 4th 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.

BUDGET IMPLICATIONS

The recommendations in this report will lead to the development of a proposed budget for 2013-14. There are no immediate financial implications from these recommendations. The broader financial implications will be discussed and debated as the budget is developed in more detail.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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 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

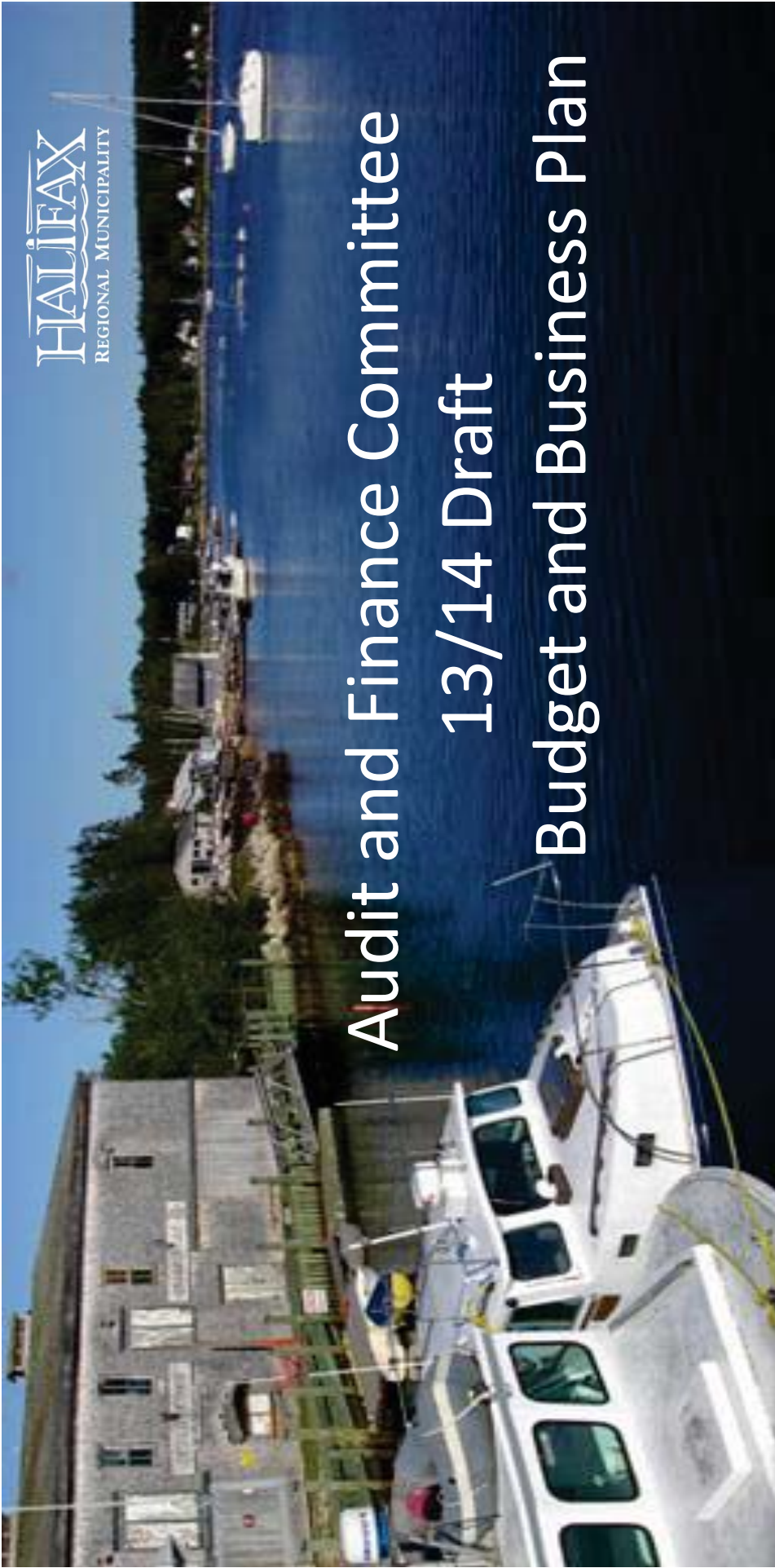
None

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.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: Steven Higgins – Executive Assistant CAO Office 490-2292

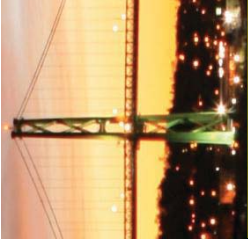
Original Signed

Report Approved by: Richard Butts – Chief Administrative Officer



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

Chief Administrative Office | February 27, 2013



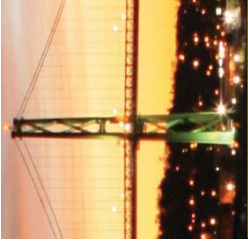
CAO Business Unit

Business Unit Overview

- The CAO Business Unit provides Administrative support to Mayor and Council, corporate records management, communications services, management of intergovernmental and stakeholder relations and overall strategic and operational oversight to the organization.
- These services are delivered by 77 staff positions
- There are seven service areas within the business unit:

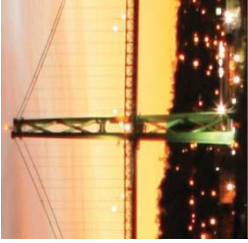
CAO Administrative Office
Corporate Communications
Office of the Mayor
Government Relations and External Affairs

DCAO Administrative Office
Office of the Municipal Clerk
Councillor Support Office



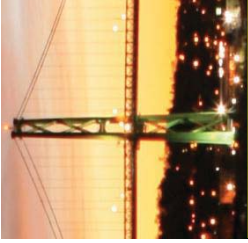
CAO Business Unit Service Areas

- **CAO Administrative Office**
 - Leadership of the administrative branch of municipal government
 - Assignment of resources to implement policies and programs as directed by Council
 - Overall strategic and operational direction to all HRM's business units
 - Direct oversight to Finance, Human Resources, Legal Services and Halifax Police
- **DCAO Administrative Office**
 - Support for the CAO's leadership of the administrative branch of municipal government
 - Direct oversight to HRM's operational business units – Transportation and Public Works, Planning and Infrastructure ,Community and Recreation Services, Metro Transit and Halifax Regional Fire and Emergency Services
 - Delivery of special projects as directed by the CAO



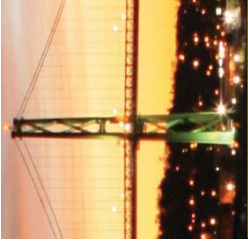
CAO Business Unit Service Areas

- **Corporate Communications**
 - Management of HRM interaction with media
 - Delivery of strategies and tools to promote employee engagement, leadership visibility, and positive organizational culture
 - Development and delivery of marketing strategies and services
 - Development and implementation of HRM visual identity standards
 - Delivery of printing, copying, bindery and distribution/mailing services
- **Office of the Municipal Clerk**
 - Delivery of procedural and legislative support to Regional Council, Community Councils, Boards, Committees and Commissions
 - Creation, maintenance and certification of Council records
 - Facilitation of public access to the legislative process
 - Organization of Municipal and School Board Elections
 - Oversight of the Access & Privacy Office
 - Management of the Corporate Records Facility & Municipal Archives



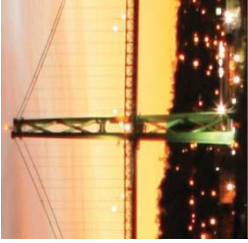
CAO Business Unit Service Areas

- **Office of the Mayor**
 - Delivery of operational and administrative support to the Mayor
 - Coordination of resident issues, providing responses to resident's questions and preparing correspondence and district communications on behalf of the Mayor
- **Councillor Support Office**
 - Delivery of operational and administrative support to Council
 - Coordination of resident issues, providing responses to resident's questions and preparing correspondence and district communications on behalf of Councillors
 - Maintenance of Councillor websites and preparation of newsletters, speeches, briefing notes, and Public Service Announcements



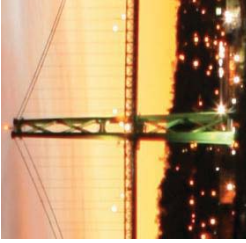
CAO Business Unit Service Areas

- **Government Relations and External Affairs**
 - Enhancement of relationships with other levels of government and community stakeholders
 - Development of intergovernmental relations strategies and monitoring of priorities
 - Corporate policy development and analysis
 - Management of processes and initiatives that advance HRM's economic objectives
 - Development and management of service level agreements with HRM's economic development partners (eg. Greater Halifax Partnership (GHP) and Business Improvement Districts (BIDs))
 - Leadership of the economic prosperity community outcome area



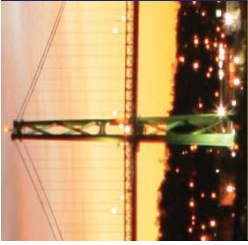
12/13 Operating Budget Overview

CAO Business Unit	Budget 10/11	Budget 11/12	Budget 12/13	Projection 12/13 - November	Proposed 13/14 Budget
Expense					
Building Costs	8,000				
Compensation and Benefits	7,222,423	8,249,557	8,240,100	8,083,263	7,799,300
Equipment & Communications	40,500	44,300	43,400	71,400	53,000
External Services	367,460	381,265	1,034,700	1,327,100	248,600
Interdepartmental				22,100	0
Office Expenditures	946,727	999,180	1,455,200	1,204,000	1,060,200
Other Fiscal	2,882,407	3,222,027	2,181,000	2,121,800	3,928,300
Other Goods & Services	1,035,775	1,018,405	1,058,900	1,133,900	809,000
Supplies	116,960	102,360	102,400	102,700	90,400
Materials					500
Vehicle Expense		50,301	44,000	44,000	46,700
Expense Total	12,620,252	14,067,395	14,159,700	14,110,263	14,035,500
Revenue					
Area Rate Revenue			(1,968,100)	(1,968,100)	(1,968,100)
Fee Revenues	(30,800)	(32,300)	(40,200)	(45,300)	(40,200)
Other Revenue	(86,300)	(52,000)	(29,400)	(28,900)	(10,000)
Payments in Lieu of taxes			(157,000)	(157,000)	(157,000)
Tax Revenue	1,504,307)	1,843,927)			
Revenue Total	(1,621,407)	(1,928,227)	(2,194,700)	(2,199,300)	(2,175,300)
CAO Total	10,998,845	12,139,168	11,965,000	11,910,963	11,860,200



Service Area Budget Overview

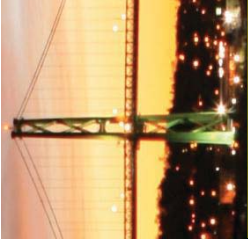
CAO BU Expenses by Service Area	10/11 Budget	11/12 Budget	12/13 Budget	Q3 Projection	Proposed 13/14 Budget
CAO Office	696,733	800,300	662,600	662,600	621,900
Corporate Communications	2,072,677	2,926,612	3,088,600	3,040,900	3,220,300
Councillor Support	2,806,950	2,993,424	2,684,500	2,669,163	2,394,500
DCAO Operations	497,784	514,840	521,000	521,000	519,800
Government Relations & External Affairs	2,374,807	2,099,556	2,188,800	2,188,800	2,094,400
Mayor's Office	752,946	775,447	780,600	780,600	817,200
Municipal Clerks	1,796,948	2,028,989	2,038,900	2,047,900	2,192,100
CAO BU Net Expenses	10,998,845	12,139,168	11,965,000	11,910,963	11,860,200



Year to Year Base Comparison

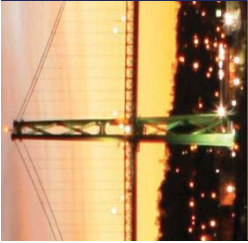
12/13 Services at 13/14 Costs including Inflation, Contracts, etc.

Service Area	12/13 Budget	13/14 Cost
CAO Office	662,600	710,533
Corporate Communications	3,088,600	3,268,566
Councillor Support	2,684,500	2,880,765
DCAO Operations	521,000	554,232
Government Relations & External Affairs	2,188,800	2,243,436
Mayor's Office	780,600	883,645
Municipal Clerks	2,038,900	2,209,375
CAO Total	11,965,000	12,700,541



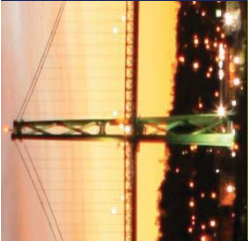
13/14 Cost Reduction Initiatives

Cost Reduction Initiatives	Proposed 13/14 Saving	Projected 14/15 Saving	Projected 15/16 Saving
Operational efficiencies in supplies, equipment, facilities rental, training, conferences, membership dues etc.	80,600		
External Services such as professional and consulting fees and contract services	28,000		
Vacancy management	135,400		
Total to Offset Base Cost Increase	244,000		



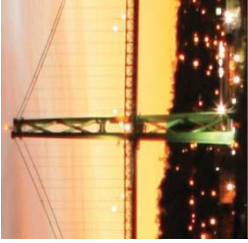
13/14 Priority Initiatives

Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Develop and lead a government relations strategy for legislative amendments that advance Regional Plan and Centre Plan goals	Effort from within the existing operating envelope			Economic Development
Participate on the Capital Ideas' Strategic Urban Partnership with all three levels of government and stakeholders to ensure viability and success of the Regional Centre	Effort from within the existing operating envelope			Economic Development
Identify and incorporate year 3 economic strategy priorities into SLA between HRM and GHP tying costs with services provided to show value for investment	Effort from within the existing operating envelope			Economic Development
Continue advocacy strategy to enable Density Bonusing and Site Plan Approval throughout HRM. These are currently tabled in Bill 160 before the Legislature	Effort from within the existing operating envelope			Healthy Communities



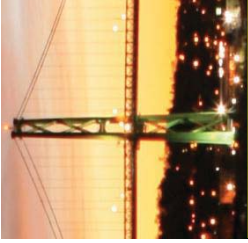
13/14 Priority Initiatives

Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Ensure HRM's success as Canada's Atlantic Gateway. Consider Gateway priorities when determining HRM transportation planning and infrastructure priorities	Effort from within the existing operating envelope			Healthy Communities
Communicate HRM needs and resources and ensure they are incorporated into the planning by participating on the Intergovernmental Ships Partnership Committee	Effort from within the existing operating envelope			Governance and Communications
Engage African Nova Scotian communities through ongoing consultations that will inform the work of HRM and support future collaborations and initiatives	Effort from within the existing operating envelope			Governance and Communications
Work collaboratively with HRM business units to identify and influence organizational policies, processes and procedures to improve the delivery of service to African NS communities in HRM	Effort from within the existing operating envelope			Governance and Communications



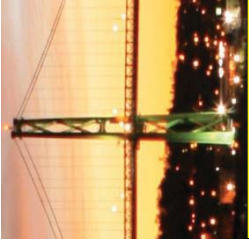
13/14 Priority Initiatives

Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
DH Coordination – Improve and/or formalize relationship with Destination Halifax	Effort from within the existing operating envelope			Governance and Communications
Establish a framework to provide central corporate support for policy development across HRM	Effort from within the existing operating envelope			Excellence in Service Delivery
Develop long-term government relations priorities and legislative requests that advance HRM major corporate policy initiatives	Effort from within the existing operating envelope			Excellence in Service Delivery
Coordinate the alignment of appropriate HRM business processes to support the delivery of economic development priorities	Effort from within the existing operating envelope			Excellence in Service Delivery



13/14 Priority Initiatives

Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Develop a coordinated advocacy strategy outlining HRM's priorities for the federal Long Term Infrastructure Plan	Effort from within the existing operating envelope			Excellence in Service Delivery
Improve and/or formalize relationships with HRM BIDs	Effort from within the existing operating envelope			Governance and Communications
Implement a corporate-wide information and records management training program	Effort from within the existing operating envelope			Excellence in Service Delivery
Improvements to HRM's external web presence including development of a social media hub	Effort from within the existing operating envelope			Governance and Communications



13/14 New or Expanded Services

New or Expanded Service	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Realign Councilor support resources to reflect one support role for each two Councilors	70,000			Governance and Communications
Development of a corporate policy coordination division with GREA to be implemented in 13/14	Delivered within the existing envelope			Organizational Capacity



Questions and Discussion

Chief Administrative Office | February 27, 2013