

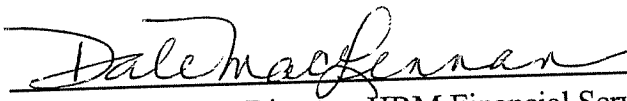


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**Halifax Regional Council**  
**February 22, 2005**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**   
Dale MacLennan, Director, HRM Financial Services

**DATE:** February 22, 2005

**SUBJECT:** Program and Service Review Issues

## **INFORMATION REPORT**

### **BACKGROUND**

This report responds to the inquiries by Councillors for additional information from the Business Units requested at the Program & Service Review Committee meetings between January 20<sup>th</sup> and February 2<sup>nd</sup>, 2005. The subject of these meetings was the presentation by the Business Units of their service-level implications of their business plans for the 2005-2006 fiscal year.

Each Business Unit presented their respective plan implications, detailing the expected service increases, decreases or services not being delivered resulting from their proposed Business Plan and the supporting budget envelope. Councillors were given the opportunity to address the Business Unit representatives and to request further clarification on the points and issues raised by the presentation. This report captures the additional information required to satisfactorily answer the questions needing clarification.

### **DISCUSSION**

#### **What is the cost of including remediation to the Sir Sanford Fleming Park Seawall?**

As a result of substantial discussion among staff, it is evident that the solution to this upgrade is not as simple as first anticipated. There are varying opinions as to the design solution and thus it was agreed that we need to consult with marine engineering expertise before an accurate estimate can be provided. However, this will take time and site assessment cannot be conducted under current ice and snow conditions so the cost estimate cannot be provided in the near future.

**What is the cost of giving school crossing guards a COLA or 2.5% wage increase?**

The Cost of Living Increase for Crossing Guards is projected to cost approximately \$25,000. (\$920K x 2.5% + benefits of \$1500). This is not reflected in the Proposed 05/06 Budget as the number of hours were increased in 04/05.

**What is the additional cost of sidewalk snowplowing under the various proposals from PWT?**

Public Works and Transportation will be going to Committee of the Whole with various sidewalk snow removal proposals. These proposals will include appropriate costing.

**What is the cost involved to train snowplow drivers to issue Summary Offence Tickets (SOTs)?**

There are two By-Laws applicable to this situation:

1. S-300 pertains to when a citizen shovels snow onto streets. We currently are not permitted to issue SOTs under S-300, and are awaiting Provincial approval for this authority.
2. S-139 pertains to when a vehicle is parked on the street and is obstructing municipal snow plows. Remediation involves either towing the vehicle or the issuance of a parking ticket, as it is a parking violation, and is enforced through Finance (Parking Enforcement). Alternatively, the snow plow driver has the option to plow around the offending vehicle.

EMS provided S-300 SOT and investigative training to a number of PWT staff. Gordon Hayward is the S-300 SOT administrator for S-300 and he is also the Snow & Ice Control Coordinator. The use of supervisors for parking enforcement and SOT's was a pilot project. Currently, plow operators notify supervisors when parked vehicles are a problem. To have them stop and issue tickets, wait for tow trucks, or SOT's (when approved) would create down time for the plows and add significantly to the overall cost of snow removal as well as decrease service delivery.

Finance and PWT Supervisors have been trained to issue S-139 tickets and to get vehicles towed. Training snowplow operators to issue SOT's will not improve service delivery and will increase the cost of snow removal due to the delay of waiting for appropriate parking enforcement staff to ticket and remove the vehicle.

Parking enforcement is provided through Finance, with a Commissionaire available on a 24/7 basis year round to manage parking enforcement issues. During the winter months, from January 3<sup>rd</sup> until March 31<sup>st</sup>, Finance provides an additional Commissionaire from 12-7 a.m in order to deal with parking and vehicle removal issues.

**Cost to move Heavy Urban Search and Rescue (HUSAR) to implementation? What are the annual maintenance costs and what is the amount of Federal Funding to maintain the service?**

2004 to 2008 (inclusive) total costs for HUSAR would be \$1,164,084. Municipal share (25%) would be: \$291,021. Federal Share (75%) is \$873,063. In addition another \$250,000 (non Joint Emergency Preparedness Program (JEPP) related) Capital budget required, plus approximately \$310,000 in vehicle funding.

Once the HUSAR Program is in place, maintenance costs would be \$100,000. \$25,000 municipal share and \$75,000 federal share, plus \$100,000 annual operating costs (Non JEPP related). Federal HUSAR Program has a current annual sustainable operating budget of \$3,000,000 for the five

Canadian Teams (Vancouver, Calgary, Toronto, Montreal, and Halifax).

HRM anticipates receiving:

2004/05: Municipal Share: \$39,000 / Federal Share: \$117,000  
2005/06: Municipal Share: \$111,790 / Federal Share: \$335,370  
2006/07: Municipal Share: \$86,081 / Federal Share: \$258,243  
2007/08: Municipal Share: \$54,150 / Federal Share: \$162,450

**What is the cost to implement weekly green cart pick-up in summer time throughout all HRM?**  
The cost of providing weekly summer green cart service to the remaining rural areas of HRM is \$80,000. The \$80,000 is for an increase in service to weekly for July and August for rural HRM only.

As part of the 04/05 Budget, Regional Council approved Weekly Summer Green Carts for all urban and some suburban areas of HRM. During the first week of Weekly Summer Green Carts collection last summer three additional suburban/rural areas were added-which are included in the proposed 05/06 budget.

The benefits of weekly summer green cart service for the remaining rural HRM is marginal as the density of housing in rural HRM is very low with larger yards. Houses farther apart result in fewer complaints of odours from green carts. Last spring staff did not recommend the provision of Weekly Summer Green Carts (at all), as the benefits were marginal and there were other funding pressures facing HRM.

The proposed 05/06 EMS budget contains appropriate funding for weekly green cart collection in July and August in urban/suburban HRM - but not in rural HRM.

**What is the cost of after-hours By-Law Enforcement (Parking Enforcement) service throughout the year to provide more proactive enforcement? Potential revenue generated?**  
Commissionaires have various shifts that cover up until 6:00 p.m., but not all meter zones are covered every day up until that time.

Net annual revenue to extend the parking meter program from 6:00 p.m. to 8:00 p.m. Monday - Friday is estimated at \$402,000 (Revenue \$446K / Cost: \$44K). Net revenue to extend the parking meter program from 9:00 a.m. to 6:00 p.m. on Saturday is estimated at \$390,000 (Revenue: \$423K /Cost: \$33K).

There are a number of Canadian cities that currently enforce parking meter operations on Saturday, incl. St. John, Ottawa, Toronto, Edmonton, and Vancouver. This is not part of the Proposed 05/06 Budget.

**What is the cost of after-hours By-Law Enforcement (non-Parking) service throughout the year to provide more proactive enforcement?**  
HRM currently provides approximately 35 hours per week of summer after-hours services per FTE,

at a case/day rate of approximately 7/day. An additional FTE would allow for an increase of approximately 35 cases per week.

After Hours Rate (per officer):

Enforcement: \$33.00/hour (includes salaries / benefits / vehicles and related costs)

Methods and Procedures Support: \$12.00/hour (incl. salaries / benefits and related costs)

Remedy: \$45.00/hour (includes salaries / benefits / vehicles and related costs)

Total Integrated Hourly average: \$90.00/hour

### **What is the cost of expanding water quality monitoring program?**

As is, the Water Quality Monitoring Program is intended to establish baseline information for all key areas of concern in HRM. While it does not measure all lakes/streams, it establishes a representative sample of water quality for HRM. The water quality monitoring program is based on the Water Resource Management Study (2003) to conduct quarterly sampling of 50 lakes/streams in different areas of HRM. These sites will be based on a priority list (to be developed).

This program differs from the Watershed studies program. Under the Regional Plan, funding is being provided in 05/06 to complete watershed studies for Hubbards, Musquodoboit Harbour and Fall River. Each watershed study is estimated to cost \$100,000. There are seven additional watersheds which are expected to be impacted by development, for which studies should be undertaken. These are being scheduled for subsequent years..

### **What is the cost to expand mobile hazardous waste (MHW) depot service? Would that be offset with reduction of service in Bayer's Lake?**

The daily cost of one Mobile Hazardous Waste depot (including advertising) is approximately \$11,000. The additional factors to be considered include a determination of the area to receive the mobile service, number of days the depot would run, and finding an appropriate location to set up the mobile depot. Any increase in MHW would result in a corresponding decrease in service levels at the Bayer's Lake facility, in order to remain cost-neutral.

### **What is the cost of expanded pickup of organic matter from Hurricane Juan affected areas?**

Since Hurricane Juan, residents in all areas have had the opportunity to dispose of 180 bundles of organic material (6100 kg) using normal green cart organics collection.

Most requests relate to disposal of larger trees and major tree falls, the size of which prevents their inclusion in the HRM residential collection services as these vehicles are not suitable for large trees/branches.

It is not possible for EMS to cost this service. EMS would have to make too many assumptions relative to the scope of the problem. There are also legal and insurance risks which would have to be costed in order to get a true picture of the total cost to HRM. There is no provision for this service in the EMS 05/06 budget.

HRM-EMO in conjunction iwth Nova Scotia EMO is developing a program to provide for residential removal of fallen trees as a result of Juan and the Brown Spruce Long Horn Beetle in the

affected rural areas. Target date for program launch is spring 2005 and is pending federal government support and CFIA approvals.

**What is the cost for the expanded maintenance for parks (expanded general operation maintenance of parks)?**

After reviewing the existing parks maintenance resources, it is the recommendation of RPAM that improvements to parks maintenance can be made within the existing budget envelope.

Current initiatives for Sir Sanford Fleming Park include:

- Enhanced park patrol;
- Continued Juan clean-up and restoration;
- Two (2) FTEs dedicated to the park.

Public Gardens, Phase II Restoration: New entrance halfway down Spring Garden Road; 3 new buildings (washrooms, interpretive centre and cafeteria/food court); and new gate.

Develop restoration plans for Point Pleasant Park (competition in progress), Hemlock Ravine and Shubie Park.

**What is the cost implication of providing multilingual tourism literature?**

It would cost an estimated \$30,000 - \$50,000 to print sufficient quantities of the two primary visitor information products distributed directly by RTC. This would provide the information in up to three languages other than English.

**What money is allocated to Destination Halifax? What is the difference between the Destination Halifax and the Special Events Reserve, and how are these monies distributed and spent?**

See *Appendix A*.

**What is the cost to provide additional staff support to the Councillor's office / Mayor's Office?**

Councillor's Office: Per FTE: \$45,292, includes benefits and set up costs.

Mayor's Office: Per FTE \$50,000, includes benefits and set up costs.

We are looking at ways to increase support to the Mayor and Councillors offices, such as increasing linkages with resources in other business units, and facilitating easier access to current information.

Currently there are 4 Councillors Assistants and two Administrative support positions. We are proposing shifting one of these support positions to an Administrative Assistant position within City Hall. At the same time, we will realign the Councillor support roles such that there will one Administrative Support person and five Councillor's Assistants supporting the Councillor's office.

**Please provide a report on Accessible Taxi.**

An Information Report was submitted to Regional Council on February 2, 2005.

**What is the status of the Economic Strategy?**

HRM's goal is to develop a coordinated economic strategy for all of HRM that builds on the resources and opportunities available to the region. As part of the Regional Plan, a long term economic potential study was completed and the Halifax Chamber of Commerce was retained to hold an economic summit on areas needed to be addressed in order to enhance our economic viability. As well, the preferred alternative for the Regional Plan provides new opportunities for economic development. The opportunities arising from this work are being discussed amongst key stakeholders to develop a common economic development vision for HRM, from which the priorities of the GHP and HRDA will be driven. Fred Morely, Senior Economist and Vice President, GHP, will be seconded to HRM and will lead the development of an economic strategy on behalf of HRM.. The strategy will be brought to Council for discussion and approval.

**What is our commercial rate compared to Moncton?**

HRM Commercial tax rate:

Urban General Rate	3.272
Fire Hydrants	0.083
Supplementary Education (Halifax)	0.249
Total / \$100 assessment	3.604

Moncton Non-Residential tax rate:

Provincial Tax	2.4788
Municipal Tax	2.2500
Assessment charge	0.0200
Total / \$100 assessment	4.7488

**How many P3 schools are there? Why aren't they paying taxes?**

There are 11 P3 schools within the HRM. As per the Assessment Act, the property of every college, academy or other public institution of learning is exempt from taxation.

**Do we get a grant on the jail?**

As per the Assessment Act, jails are exempt from taxation.

**In Legal Services, where are staff allocating resources?**

- 25% - Law Enforcement
- 20% - Personal Injury Litigation
- 20% - Land Use Planning
- 10% - General Litigation
- 10% - Administrative Law
- 10% - General Solicitor Work
- 5% - Labour Law

**In Police Services, what is the budgeted cost of additional items included in the Business Plan?**

Traffic Division (20 Officers phased in over 3 years):

- Year 1: \$231,315/10 FTEs (partial year cost for 10 Officers - post-training)
- Year 2: - \$762,495/20 FTEs (cost for Yr.1 Officers, ½ year cost for 10 additional Yr.2).
- Year 3 - \$1,131,760/20 FTEs (full cost for 20 Officers)

Community Support (12 Officers phased in over 3 years):

- Yr. 1 - \$138,749/6 FTEs (partial year cost for 6 Officers - post training)
- Yr. 2 - \$457,497/12 FTEs (cost for Yr.1 Officers, ½ year cost for 6 additional Yr.2)
- Yr. 3 - \$679,056/12 FTEs (full cost for 12 Officers)

**Provide a list of the amendments that have been requested by HRM to the MGA, as well as the status of requested amendments.**

This list has been attached in *Appendix B*.

**What are the Terms of Reference and Mandate of the Audit Committee and the Business Systems Control Group?**

The mandate of the Audit Committee is found in the Municipal Government Act (MGA), sections 42-44. These sections can be found in *Appendix C*.

The Terms of Reference for the Business Systems and Control Group (BS&CG) can be found in *Appendix D*.

**What are the costs of the service enhancements and the financial requirements to modernize HRM's Library locations?**

Architect engagement and development of design drawings for Central Library:

- Designate & secure site, Spring Garden Road and Queen Street corner (Queen Street Master Plan Study)
- \$500,000 for engagement of architect and preparation of design drawings.
- Operating funds of \$150,000 to conduct a capital campaign to raise funds

HRM staff has recently identified an opportunity to start a Reserve to support the Capital Campaign and future design costs, etc for a new central library. The Business Case for this potential reserve will be presented to Council at a future date. Once approved, this reserve will be used to support the staffing needs for the Capital Campaign.

**Relocation and expansion of Woodlawn Branch**

- Year 1: \$50K Capital
- Year 2: \$1,000,000 Capital  
\$343,000 Operating

**Expansion of operating hours of service:**

- Spring Garden Rd: \$120,000 (Monday 10:00 a.m. - 9:00 p.m.)
- Dartmouth North: \$30,000 - Extend service from 33 to 40 hours/week.

Renovations to Captain William Spry Library - \$375,000

Library has identified a need to increase the budget for new collections by 6% annually in order to keep up with inflation, reduce public wait-times, and speed up turnover rates.

The Library has recently identified an opportunity to start a Reserve to support the Capital Campaign Staffing need. Funds will be transferred from the Library Grant received from the Province of Nova

**How much is spent on advertising and consulting services?**

A spreadsheet detailing the budgets and actuals for advertising costs and consulting services by Business Unit is attached as an appendix to this report. See *Appendix E*.

**What is the general cost of a tender; the cost to re-tender and the cost implications to meet the provincial practice of posting tender results to the web shortly after closing?**

The cost of tendering varies greatly depending upon the needs of the tender. The cost of advertising is approximately \$460 per ad, which is run twice per week. If four tenders are advertised then the cost per tender to advertise is approximately \$230.

Of 367 tenders issued in 04/05, only 11 were re-tendered. The cost to re-tender approximates the original ad placement cost.

With regards to the posting of results on the internet we now post notification of the contract awards; however additional staff costs would be incurred to post the accompanying bids and tender amounts. A more thorough notification process could be accomplished, either through web services or SAP. It is estimated that this would cost an additional \$10,000.

**Breakdown of the District Capital Funds - by asset category.**

A review of the expenditures this year-to-date and the prior three (3) years and the breakdown is attached. Summary details show 67% has been spent on Parks and Playgrounds, 22% on Community Centres, 9% on Public Works and 2% on other, e.g., Police.

**Provide an in-camera report on the # of employees on LTD.**

Louis Coutinho (Director, Human Resources) will provide this report to Regional Council.

**What percentage of revenue goes to service debt?**

Budgeted principal and interest payments in 05/06 are \$53.9 million. This equates to approximately 9.0% of revenue.

**Clarify what services are covered through the tax structure.**

The guiding principles of HRM's tax structure are to ensure that:

- Each taxpayer pays for services received,
- Each taxpayer shares in paying for services they have access to;
- Each taxpayer pays for basic universal services to ensure a basic standard of service throughout HRM



- The commercial tax base exists for the benefit of all HRM

The Base Rate includes most of the basic services available across HRM, including fire, policing, compost, recycling and solid waste collection, recreation programming, planning, libraries, streetlights, sports fields and playgrounds. Also included are administrative and fiscal costs. Municipal Water service is paid for through the water bill, not the property tax system. Sewer service is paid by a charge on the water bill. It is only levied on sewer users.

Not included in the Base Tax Rate are several key services including transit and sidewalks. These services are all "add-ons" for the suburban and rural areas of HRM. These property owners do not pay for such services unless they have access to them in their local area. In those instances, the costs are paid through a local area rate based on local costs. This system prevents Suburban and Rural taxpayers from paying for services they do not receive while allowing the areas the flexibility to acquire or manage services locally.

The inclusion of a service in the Base Tax Rate does not mean every community has equal access to individual services. There is no intention to provide the same level of service in every area of HRM. Rather, service levels depend on the service standards set by Council.

**Approved Tax Structure Model**  
(Effective January 1<sup>st</sup>, 2003)

<i>Service</i>	<b>Rural (Base) General Tax Rate</b>	<b>Suburban General Tax Rate</b>	<b>Urban General Tax Rate</b>
Policing, Solid Waste, Recreation Programs, Planning, Libraries, Sports fields, Playgrounds, Administration	Included in the Base General Tax Rate		
Fire Suppression			
Street lighting			
Recreational and Community Facilities (Capital Costs - Cost Sharing)			
Recreational and Community Facilities (Operating Costs)	Area Rate	Included in the Urban and Suburban General Tax Rates	
Crosswalk Guards	Area Rate		

Transit	Area Rate	Area Rate	Included in the Urban General Tax Rate
Sidewalks	Area Rate	Area Rate	
Fire Hydrants	Area Rate	Area Rate	Area Rate

**What is the cost and long term impact of providing U-pass service?**

To provide the services, there is an initial cost of \$450,000 to rebuild 8 buses. We will propose through a separate report to Council that the initial cost be funded from the Service Improvement Reserve.

Five of these buses will be used to provide a shuttle service from 0700 - 1800 from strategic terminal locations to Dalhousie University. The remaining three buses will be used to provide peak hour service to the other routes servicing Dalhousie. At present, our best estimate is that the operations of this project will be cost neutral.

Service is scheduled to begin in January 2006 and will assist in increasing overall transit ridership and reducing road congestion and traffic noise in the Dalhousie area. A risk that will need to be managed is the fact that the rebuilt buses being used to start this program will have to be replaced in approximately three - five years.

At present, this service enhancement has only been costed for Dalhousie University. While we have had preliminary discussions with Mount St. Vincent, service implementation is not included in the 05/06 proposed budget. The goal is to begin service to Mount St. Vincent in the fall of 2006.

**What options are available regarding the increase of Councillor's funds?**

Staff proposes a capital fund entitled Building Communities. \$575,000 has been allocated to this fund, with the main focus being Parks and Playgrounds. The funds will be allocated to each Community Council on a pro-rata basis (pro rated based on number of Councillors). Staff will return whht details on how the Building Communities Capital Fund will operate.

**What is the money used for if we keep the tax lift?**

The additional funds received by HRM will be used primarily to support Capital project priorities.

**What is the break down of the amount paid to the RCMP?**

HRM pays the Province of Nova Scotia based on the number of FTE's provided. The total cost includes all support required by that officer to provide the service required. The cost per officer is budgeted at \$96,906 per FTE for 05/06. This amount is broken out as follows (based on the approved 04/05 budget):

Wages and Benefits:	63.71%
Transportation/Communications	2.60%
Professional/Special Services	3.27%

Other*	10.08%
Capital	2.17%
Administration	13.17%
Training and Accommodation	4.73%
External Review	0.26%

\* Other includes Rentals, repairs and maintenance, utilities, materials, supplies, machinery, equipment, and other payments.

**How does the calculation for Mandatory Education work?**

Under provincial statute every municipality is required to make a mandatory contribution to its school board. That contribution is set at the value of the "Education Rate" times the previous year's "Uniform Assessment". HRM's uniform assessment for 2005-2006 is estimated at \$23.5 Billion. The Province of Nova Scotia sets the Education Rate each year. In 2004-2005 the rate was set at 35.10¢ per \$100 of uniform assessment. HRM has assumed the Education rate to remain at 35.10¢ for 2005-2006. This would produce a total liability for the municipality of \$78.3 million, an increase of \$5.7 million or 7.8% over the previous year's budget of \$72.6 million.

**What are the implications of a tax rate reduction ranging from 1% - 7.6%?**

Tax rate reductions would cost approximately:

Tax Reduction	Foregone Revenue
1%	\$2.9 million
2%	\$6.8 million
3.2% (Revenue Strategy)	\$11.4 million
7.6% (Average Increase)	\$28.6 million

In the case of a 1% to 3.2% tax reduction, this would be achieved through reductions in the capital budget. Depending on the extent of the reduction significant portions of the capital budget would have to be re-worked.

A more extensive tax reduction would likely also require decreases in the operating budget, including services provided to the public. Some costs are fixed or legislative in nature and cannot be eliminated. Other costs require a phase-out period. Financial staff would have to re-develop major portions of the budget in order to achieve something such as a 7.6% reduction.

**What tools and options are available regarding recommended changes to the provincial assessment process?**

This information will be provided to Council in a separate report.

**What assistance can be offered to property owners who have received an assessment increase of 25% or greater?**

HRM has no legal mechanism in place to provide assistance to property owners who have experienced an increase in assessed value of 25% or greater. HRM does have a program to assist

low income earners (\$26,000 annual household income or less) through a tax rebate or a tax deferral. We are currently looking at enhancements to the program.

Property owners who experienced significant increases in assessed values may have been eligible to apply for the Provincial Assessment Cap program. Applications needed to have been completed in November, 2004 and sent to the Province of Nova Scotia.

**What are the potential ramifications of making changes to the Deed Transfer Tax?**

The Deed Transfer Tax is budgeted at \$29 million in 05/06. Current analysis indicates that reducing the Deed Transfer Tax from 1.5% to 1.0% on the first \$100,000 would cause a reduction in revenue of approximately \$5.28 million or 18.2%.

**What is the monetary support available to a MLA compared to a Regional Councillor?**

Due to time constraints in meeting the budget preparation deadline, staff was unable to undertake the research required to provide the comparative information requested.

**BUDGET IMPLICATIONS**

Project Name	Total Cost	Operating/Capital
COLA for Crossing Guards	\$25,000	Operating
HUSAR	\$291,021/\$25,000	Capital/Operating
Weekly Green Cart - Rural	\$80,000	Operating
Expanded Parking Meter Enforcement	(\$402,000) Evenings (\$390,000) Saturday	Operating
Expanded By-Law Enforcement	\$90.00/hour	Operating
Expand Water Quality Monitoring Program	\$100,000/watershed study	Operating
Expand Mobile Hazardous Waste Depot Service	\$11,000/day	Operating
Multi-Lingual Tourism Literature	\$50,000	Operating
Additional support to Councillor's/City Hall	\$45,292 Councillor's Office - included in Proposed Budget \$50,000 City Hall support	Operating



## **Appendix A**

### **Hotel Levy / Destination Halifax / Special Events Reserve / Annual Events**

#### **Hotel Tax Levy**

In 2001, in response to urging from the tourism industry, a hotel room levy was established through Provincial legislation and Council approval. Implemented at the beginning of the 2002-2003 fiscal year, the levy rate was set at 1.5% of the daily room rental fee and is now applicable to all tourism accommodation properties containing 20 or more rental rooms. The revenue collected on a monthly basis by HRM is distributed 2/3 to Destination Halifax for incremental tourism marketing purposes and 1/3 to the HRM Special Events Reserve Account for use in providing funding to host major events. HRM maintains its legislative responsibility and resulting accountability to make all decisions related to taxes it levies. As outlined in the provincial enabling legislation, the levy rate is set by Council to a maximum of 2%.

#### **Destination Halifax**

The objective of Destination Halifax is to combine the marketing efforts of a number of organizations within HRM in the implementation of an annual marketing plan designed to increase tourism visitation to and expenditure within HRM. Focus is on a year round basis and aimed at the business, leisure, and convention markets. The Destination Halifax share of the hotel levy revenue provides for incremental resources to strengthen HRM's identity in the marketplace in the face of ever increasing competition in order to maintain and increase revenues. The projected transfer for 2005-2006 is \$ 1,120,000.

At the time the Memorandum of Understanding was entered into with the Hotel Association of Nova Scotia, RTC continues to maintain in its operating budget the previously existing level of marketing resources in the amount of \$373,000. This consists of three HRM staff who work for Destination Halifax, with the remainder of the budget transferred to Destination Halifax quarterly as an operating grant.

At present, HRM has three representatives on the Board of Directors for Destination Halifax: Mayor Peter Kelly; Councillor Len Goucher; and Dan English, Deputy CAO. If it is the wish of Council, Destination Halifax is available to present their proposed annual business plan to Council for information and feedback purposes as part of HRM's annual business planning process.

#### **Special Events Reserve Account**

The Special Events Reserve provides financial assistance for hosting national or international cultural, sports and heritage events that do not occur annually. Preference is given to events and activities which are free or low cost for the public to attend, cost-shared with other government partners, occur between November 1<sup>st</sup> and April 30<sup>th</sup>, and have broad public appeal and community interest. In addition twinnings, memorials, commemoratives, receptions and other special functions may be eligible for funding. Eligible expenses also include the provision and maintenance of HRM infrastructure for special events. Projected revenue for the 2005/06 Events Reserve is \$830,000 (\$560,000 hotel tax, \$270,000 carry over) and examples of events to be assisted in 05/06 include the Juno Awards, Sprint Triathlon National Championships, and 50<sup>th</sup>

Anniversary celebration for the MacDonald Bridge.

**Annual Events**

As indicated above, annual events are not eligible for Events Reserve funding. All funding provided by RTC to annual events comes from the operating budget and includes operating costs for events which are organized and implemented directly by HRM staff in conjunction with Committees of Council (i.e. Canada Day, Natal Day) and direct grants to annual events that are conducted by external event organizers (i.e. Buskers Festival, Atlantic Film Festival, Atlantic Jazz Festival). In addition, the RTC operating budget includes an Attractions and Events Grants Program of \$25,000 which provides annual grants of approximately \$500 - \$2,500 to not-for-profit organizations to assist in hosting community events and a Summer Festival Grant of approximately \$30,000 which is awarded annually to provide a legacy enhancement for a community event in rural HRM. The total amount budgeted for the fiscal year 2005/06 for annual events is \$493,585.00.

## Appendix B

### List of Amendments requested by the HRM to the Municipal Government Act

#### HRM's Wish List for Legislation

1. Amendment to MGA to allow a municipality to require a hydro-geological (groundwater) assessment prior to approval of subdivisions. Would require either an enabling amendment to the MGA or an amendment to the Provincial Subdivision Regulations.
2. An amendment to the MGA to eliminate the option of an appeal to the UARB under the Public Utilities Act by NSPI and other relating to the subdivision by-law and underground services.
3. Amendments to the MGA to give us the ability to designate and enforce reserved lanes (initially for buses) and to employ transit priority signals.
4. Capital Transportation Authority legislation
5. Natural Gas tax model legislation (and MGA amendment to enable municipal investments in Natural Gas franchises, and other utilities, such as wind farms)

#### Items HRM current has before the Province:

6. Liability of Landlords and Owners for Noise Generated from Multi-Unit Residential Buildings (sent Oct. 22, 2003)
7. MGA amendment to permit municipalities to formally close unused portions of public streets without public hearings where the market value is less than \$50,000 (sent May 12, 2003) - **Legislation adopted Fall of 2004.**
8. MGA amendment enabling Council to adopt a code of ethics (sent May 12, 2003)
9. MGA amendment to allow local improvement charges for water utility projects (sent March 13, 2003)
10. MGA amendment to make it a prosecutable offense against the Act if the terms and conditions of a Development Agreement are not met. (Sent February 13, 2004 as a change from the request sent Sept. 6, 2003 to permit a municipality to refuse to enter into a development agreement where applicant is in violation of an existing agreement) - **Adopted Spring 2004.**
11. Amendment to Residential Tenancies Act placing duties on landlords and tenants respecting solid waste regulations (October 21, 2003)



12. MGA amendment to permit municipalities to further regulate vacant buildings (sent Dec. 3, 2003) - **Legislative amendments adopted Spring 2004, but less than HRM requested.**
13. Pension Benefit Act changes exempting municipalities from the “grow in” provisions respecting solvency evaluations (sent Feb. 7, 2003) - **Province amended Reulations under Pension BenefitsAct to accomplish this December 2004.**
14. Flexibility to enable incentives or grants to property owners (outside of heritage properties) to encourage facade improvements or other improvements (re-use of vacant space) which aid in downtown revitalization.
15. Ability to use financial incentives related to brownfield redevelopments to offset development costs.
16. Amendment of Section 274 MGA to allow a capital cost charge for buses. Currently can charge for bus bays. (Requested July 2004)
17. Request that a Statement of Provincial Interest be added to MGA respecting significant wildlife habitat areas. (Requested July 2004)
18. Provincial Regulations regarding solid fuel burming appliances. (Requested September 2004)
19. Requested proclamation of amendment to Motor Vehicle Act increasing fines for parking tickets from \$15.00 to \$25.00. (Requested September 2004)
20. Requested amendments to Summary Proceedings Act, MunicipalGovernment Act, Building Code Act and Remission Of Penalties Act to make for more effective enforcement. (Requested November 2004)
21. Requested amendments to the Building Code Regulations to enable with-holding of permits pending confirmation of compliace with Noise By-law. (Requested November 2004).

## Appendix C Mandate of the Audit Committee

### **Municipal auditor**

**42** (1) The council shall appoint a municipal auditor who is registered pursuant to this Act to be the auditor for the municipality.

(2) The auditor shall report to the council on the accounts and funds

- (a) administered by the council; and
- (b) where the control is apparent or implied in the council.

(3) The auditor's report shall contain the information, and be in the form, required pursuant to this Act.

(4) The auditor's report shall be filed with the council and the Minister by July 31 in each year.

(5) The auditor shall report, to the council and to the Minister, any management letters and any communication from the auditor detailing weaknesses in internal control, deficiencies in management information systems or other areas requiring improvement.

(6) The financial statements of a municipality, as reported on by the auditor, shall set out the remuneration paid to each council member and the chief administrative officer.

(7) No person shall be appointed as auditor who, at any time during the fiscal year in which the auditor is appointed, is or has been

- (a) a council member;
  - (b) a contractor hired by the municipality; or
  - (c) an employee of the municipality,
- except that an auditor may be reappointed as auditor.

### **Access by auditor**

**43** (1) The auditor has access at all times to the books, accounts and vouchers of the municipality and may require from the employees of the municipality such information and explanations as may be necessary for the performance of the auditor's duties.

(2) The employees of a municipality shall, on request, promptly provide access, information and explanations to the auditor.

**Audit committee**

44 (1) The council shall annually appoint an audit committee.

(2) The responsibilities of the audit committee include

(a) a detailed review of the financial statements of the municipality with the auditor;

(b) an evaluation of internal control systems and any management letter with the auditor;

(c) a review of the conduct and adequacy of the audit;

(d) such matters arising out of the audit as may appear to the audit committee to require investigation;

(e) such other matters as may be determined by the council to be the duties of an audit committee;

(f) any other matters as may be determined by the council.

## Appendix D

### Terms of Reference - Business Systems and Control Group

#### . Charter

This charter is established under the authority of the Chief Administrative Officer of the Halifax Regional Municipality.

The charter establishes the purposes, authorities and responsibilities of the business systems and control function so that it can provide an effective and value added service to the HRM.

#### **Objective:**

The Business Systems and Control Group's overall objective is to assist management of the Halifax Regional Municipality in the effective discharge of their duties and responsibilities by providing them with objective analyses, appraisals, recommendations, counsel and information concerning the activities reviewed. In meeting this objective, the group will comprise of two roles:

- . Business Advisory role
- . Policy Compliance role

#### . **Business Advisory:**

To conduct managerial, financial, operational and investigative studies for HRM business units and related bodies to provide recommendations for the enhancement of business outcomes and processes. The recommendations will result from the group working as agents of change through the promotion of continuous improvement and cost-effective innovative solutions.

To coordinate and monitor the delivery of operational and program studies undertaken by business units, conducted internally and/or externally.

To provide consulting services which assist staff in designing management accountability systems and re-engineering operations. Advise and provide input relating to efficiency, effectiveness and control factors that will be identified through participation in corporate and business unit initiatives on a pro-active basis.

#### **Policy Compliance**

To review existing HRM policies and recommend improvements and/or requirements for additional policies.

To review corporate policies relating to compliance with laws and regulations, ethics, and conflicts of interest.

To carry out special internal audit assignments ranging from consulting work to investigating suspected fraud or wrongdoing.

#### **Business and Audit Standards**

Confidentiality - Information that is gained during the course of an assignment is confidential and will not be used or conveyed for purposes outside the scope of approved responsibilities. Special arrangements will be made when examining confidential items to ensure confidentiality is maintained.

## Business Advisory

Management Consulting services will be undertaken, as follows:

- . Collaborative and facilitative approach
  - . Problem-solving approach.
  - . Reporting must be timely, honest and objective.
  - . Studies must be performed with proficiency and due professional care.
- . Policy Compliance Internal Auditing will be conducted in a manner consistent with the *Standards for Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors.

Specific standards to be followed include:

- . The Business Systems and Control Group must be independent of the activities they review and audit and must maintain an independent outlook.
- . Reporting must be timely, honest and objective.
- . Reviews must be performed with proficiency and due professional care.
- . Evidence supporting audit/review observations must be sufficient, reliable, competent and appropriate to the review topic.
- . The Group will maintain a quality assurance program to review the Business Systems and Control operations to ensure that the work complies with this charter and solicit an external quality review at least once every three (3) years unless limited resources or other unforeseen factors justify a different interval. The review will determine compliance with the standards incorporated into this charter and shall be conducted by qualified, objective persons who are independent of the HRM's functions and activities.

## Reporting Structure

As part of the annual business planning process, the annual work plan will be reviewed and approved by the Chief Administrative Officer and reflected in the annual business plan for the Business Unit.

For the purposes of administration of the day-to-day function, the Business Systems and Control Group will report to the Director of Finance. Specifically, in the area of work plans, business plan and budget, achievement of goals and objectives and human resources and personal performance.

For the purposes of reporting on findings and recommendations, the Group will report to the respective Business Unit Director and the Chief Administrative Officer through to the Audit Committee.

## Authority

To the extent permitted by law, the Business Systems and Control Group shall have access to all activities, properties, personnel, and records which are relevant to an area under study or review.

## Independence

### . Business Advisory

Independence in where and how facts are gathered regarding a specific business study and the ability to make unabridged and appropriate recommendations is integral to the success of this function. In delivering Business Advisory services, we will attempt to provide reasonableness tests to maintain a level of objectivity and independence.

. Policy Compliance

Independence reflects freedom to determine audit or assurance scope and to perform the appropriate scope of work.

The Business Systems and Control Group shall be free from control or undue influence in:

- . the selection and application of audit techniques, procedures and programs;
- . the interpretation of facts revealed by the examination or in the development of recommendations or opinions;
- . the selection of areas, activities, personal relationships and managerial policies to be examined; and
- . Selection of legitimate sources of information, records and other materials needed to perform the required services.

**Objectivity**

Objectivity is an essential element of independence and must exist in both Management Consulting and Internal Auditing.

Staff of Business Systems and Control will only participate in an advisory capacity in the planning, development, implementation and modification of business systems - computerized or manual. In addition, where required, staff will test the reasonableness of assumptions and/or relevant findings for material bias.

**Management Responsibilities**

Management of HRM accept, as a partner the Business Systems and Control Group, and agree to participate fully in the process of determining areas of opportunity and business risk for the HRM. Management understands that they are the owner of the processes, opportunities and business risks and it is their responsibility to exploit opportunity and control underlying business risks, not the Business Systems and Control Group.

### Appendix E - Summary of Advertising and Consulting Costs

Business Unit	Cost Element	Description	2004/05 Fiscal Year		Budget
			Actual (to Feb 4/05)	Committed Total	
Governance	6912	Adv/Promotion	1,379,226	16097	1,395,323
	6303	Consulting Fees	47,860	19,712	67,572
	6301	Professional Fees	789	0	789
	6310	Outside Personnel	0	0	0
	6399	Contract Services	72,283	124	72,407
Environmental Mgmt	6912	Adv/Promotion	392,944	11,879	404,823
	6303	Consulting Fees	13,234	829	14,063
	6301	Professional Fees	11,801,947	5	11,801,952
	6310	Outside Personnel	12	0	12
	6399	Contract Services	9,318,659	613,882	9,932,541
Fire	6912	Adv/Promotion	19,968	0	19,968
	6303	Consulting Fees	250	0	250
	6301	Professional Fees	345	0	345
	6310	Outside Personnel	0	0	0
	6399	Contract Services	134,512	12,964	147,476
Human Resources	6912	Adv/Promotion	3,296	0	3,296
	6303	Consulting Fees	14,726	0	14,726
	6301	Professional Fees	107,498	39,717	147,215
	6310	Outside Personnel	0	0	0
	6399	Contract Services	98,556	0	98,556

### Appendix E - Summary of Advertising and Consulting Costs

Business Unit	Cost Element	Description	2004/05 Fiscal Year		Budget
			Actual (to Feb 4/05)	Committed Total	
Legal	6912	Adv/Promotion	0	0	0
	6303	Consulting Fees	0	0	0
	6301	Professional Fees	0	0	0
	6310	Outside Personnel	0	0	0
	6399	Contract Services	4,446	4,446	2,910
Planning & Development	6912	Adv/Promotion	47,378	0	47,378
	6303	Consulting Fees	22,571	30,131	52,702
	6301	Professional Fees	2,865	926	3,791
	6310	Outside Personnel	0	0	0
	6399	Contract Services	26,922	0	26,922
Public Works & Transportation	6912	Adv/Promotion	97,608	4,448	102,056
	6303	Consulting Fees	21,117	1	21,118
	6301	Professional Fees	217,382	0	217,382
	6310	Outside Personnel	25,155	523	25,678
	6399	Contract Services	5,817,282	419,365	6,236,647
Recreation, Tourism and Culture	6912	Adv/Promotion	101,232	2,311	103,543
	6303	Consulting Fees	981	0	981
	6301	Professional Fees	2,524	0	2,524
	6310	Outside Personnel	6,193	0	6,193
	6399	Contract Services	162,656	14,314	176,970
					222,940
					9,700
					11,700
					3,000
					241,323



## Appendix E - Summary of Advertising and Consulting Costs

Business Unit	Cost Element	Description	2004/05 Fiscal Year		Budget
			Actual (to Feb 4/05)	Committed Total	
Real Property & Asset Mgmt	6912	Adv/Promotion	41,825	15,146	56,971
	6303	Consulting Fees	55,913	23,156	79,069
	6301	Professional Fees	32,675	0	32,675
	6310	Outside Personnel	408,138	36,363	444,501
	6399	Contract Services	3,435,850	255,430	3,691,280
					107,345
					20,370
					12,998
					135,615
					943,760
Regional Police	6912	Adv/Promotion	30,439	0	30,439
	6303	Consulting Fees	0	0	0
	6301	Professional Fees	0	0	0
	6310	Outside Personnel	0	0	0
	6399	Contract Services	999,922	10,637	1,010,559
					6,693
					9,215
					0
					0
					928,464
Outside Police	6912	Adv/Promotion	0	0	0
	6303	Consulting Fees	0	0	0
	6301	Professional Fees	0	0	0
	6310	Outside Personnel	0	0	0
	6399	Contract Services	14,985,942	0	14,985,942
					16,348,000
Integrated Emergency Services	6912	Adv/Promotion	196	0	196
	6303	Consulting Fees	0	0	0
	6301	Professional Fees	0	0	0
	6310	Outside Personnel	0	0	0
	6399	Contract Services	125	0	125
					0
					0
					0
					0
					0

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**Appendix E - Summary of Advertising and Consulting Costs**

Business Unit	Cost Element	Description	2004/05 Fiscal Year		Budget
			Actual (to Feb 4/05)	Committed Total	
Shared Services	6912	Adv/Promotion	5,089	5,089	10,088
	6303	Consulting Fees	44,174	121,626	222,130
	6301	Professional Fees	1,210	1,210	4,574
	6310	Outside Personnel	6,092	6,092	0
	6399	Contract Services	67,226	71,204	146,761
			0		
			77,452		
			3,978		
Non-Departmental	6912	Adv/Promotion	250	250	0
	6303	Consulting Fees	39,999	39,999	0
	6301	Professional Fees	0	0	0
	6310	Outside Personnel	0	0	0
	6399	Contract Services	296,236	296,236	71,900