

HALIFAX

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Item No. 3
Committee of the Whole
January 14, 2015

TO: Mayor ~~Savage~~ and Members of Halifax Regional Council

SUBMITTED BY: Original Signed
~~Richard Butts, Chief Administrative Officer~~

DATE: January 14, 2015

SUBJECT: Proposed 2015/16 CAO Business Unit Budget and Business Plan

ORIGIN

At the October 21, 2014 Committee of the Whole, Council directed staff to present the 2015/16 draft Business Unit Budget and Business Plans to the Committee of the Whole for review and discussion prior to consideration by Regional Council.

LEGISLATIVE AUTHORITY

Halifax Charter, section 35 (1) The Chief Administrative Officer shall (b) ensure that an annual budget is prepared and submitted to the Council.

RECOMMENDATION

It is recommended that the Committee of the Whole direct staff to proceed to prepare the 2015/2016 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 documents.

BACKGROUND

As part of the design of the 2015/2016 Budget and Business Plan development process, the Committee of the Whole is reviewing each Business Unit's high level budget and proposed plans in advance of detailed HRM Budget and Business Plan preparation.

At the November 18, 2014 Committee of the Whole Regional Council considered and confirmed their Council Priority Outcomes and directed staff to: "develop the 2015/16 Budget and Business Plans in support of these priorities."

DISCUSSION

Staff has prepared the proposed 15/16 Budget consistent with the preliminary fiscal direction received from Council on October 21, 2014 and aligned with Council Priorities as directed on November 18, 2014.

Following direction from the Committee of the Whole, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 2015/16 Budget and Business Plan documents to be presented to Council, as per the process and schedule endorsed by Regional Council on October 21, 2014.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed budget for 2015-16. 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.

COMMUNITY ENGAGEMENT

None are specifically associated with this report.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

The Committee of the Whole 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

CAO Business Unit 2015 – 2016 Budget and Business Plan Presentation

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Steven Higgins – Executive Assistant to the Chief Administrative Officer, 902.490.2292

Financial Approval by: Original Signed
Greg Keefe, Director of Finance & ICT/CFO, 902.490.6308

The background features a large, stylized 'H' shape composed of several overlapping triangles in various shades of blue. The word 'HALIFAX' is written in white, bold, uppercase letters across the top right portion of the 'H'.

HALIFAX

**2015/16 Chief
Administrative Office
Draft Budget and
Business Plan**

Committee of the Whole

January 14, 2015

Business Unit Overview

- Provides corporate leadership, strategic direction and operational guidance to deliver professional public service in support of Council.
 - Manages HRM's public relations, communications, external and intergovernmental partnerships
 - Provides administrative and legislative support to the Mayor and Council.
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Service Areas

- ❑ **CAO Office** – Provides corporate leadership, strategic direction and operational guidance.
- ❑ **DCAO Office** – Provides leadership, oversight and strategic direction to the five operational business units.
- ❑ **Office of the Mayor** - Coordinates constituent relations, communications and admin support to the Mayor.

Service Areas

- ❑ **Councillor's Support Office** – Coordinates constituent relations, communications and administrative support for members of Regional Council.

- ❑ **Office of the Municipal Clerk** – Provides administrative support and meeting coordination to Regional Council, Community Council and Council's standing committees. Ensures transparent access to local government and maintain the integrity of the Municipality's public records.

Service Areas

- ❑ **Government Relations & External Affairs** – Provides strategic advice to the corporation on a range of initiatives focussed on creating opportunities for effective integration with external partners

- ❑ **Corporate Communications** – Provides internal and external communications services, corporate marketing and brand management, printing services and media relations.

14/15 Progress Update

14/15 Plan	Progress Update
Financial Sustainability and Long Term Fiscal Health	<ul style="list-style-type: none"> Multiple BU driven initiatives are now embedded throughout the organization to further this objective.
Intergovernmental Relations	<ul style="list-style-type: none"> Charter review project proceeding. Two legislative amendments achieved during the fall sitting. Staff actively working with PNS on infrastructure funding applications.
"Right-sizing" the Public Service	<ul style="list-style-type: none"> Service reviews ongoing. Vacancy management now embedded in corporate business practice. BU/divisional alignment reviews are ongoing (HR, Fire, Parks, Planning and Development).

14/15 Progress Update

14/15 Plan	Progress Update
Improved Stakeholder Engagement	<ul style="list-style-type: none">Stakeholder relationships have been maintained or enhanced through various projects e.g. HIAA, Province.
ABC Governance Review	<ul style="list-style-type: none">Governance review project complete and changes are being implemented.
Corporate Policy Review - ensure overall HRM goals and policies are being followed	<ul style="list-style-type: none">Corporate policy inventory now complete and the framework and approach has been rolled out to all business units.

14/15 Progress Update

14/15 Plan	Progress Update
Promote Immigration	<ul style="list-style-type: none">• Local Immigration Partnership program has been launched.• Subcommittee structure now developing action plans.• Design and content of the Welcoming Guide under review.
Promote Small Business Success	<ul style="list-style-type: none">• 73 of GHP's 85 Smart Business retention visits were with small and medium sized enterprises.
Rural Economic Development	<ul style="list-style-type: none">• GHP is actively engaged with Eastern HRM Region Communities Economic Development Network and Sheet Harbour Chamber of Commerce.• Support to DEANS has been provided.

14/15 Progress Update

14/15 Plan	Progress Update
Enhanced Governance Structure and Decision Making	<ul style="list-style-type: none"> • Council's governance review program supported. • Decision making & advisory bodies of Council and Community Councils supported.
Strengthen HRM's Communications channels and processes	<ul style="list-style-type: none"> • Master brand implemented • Employee hub adopted by 2/3 of all computer users in HRM. • Digital screens launched to internal and external audiences. • Halifax.ca revamped with improved content and mobile access. • Improved social media integration with all communication.

15/16 Operating Budget Highlights

Within this year's proposed CAO BU operating budget, there are a few significant highlights:

- ❑ Two new service offices to respond to Council's approved priorities:
 - Public Safety Office
 - Diversity and Inclusion Office
- ❑ New translation services for Council broadcasts (CART – Computer Aided Remote Translation)
- ❑ Strategic alignment review in Corporate Communications to increase cost effectiveness and service capacity

15/16 Operating Budget Context

Significant portions of the overall business unit expenses are fixed amounts:

- ❑ 45% of gross BU expenses are fixed amounts not readily available for routine annual reduction efforts (BID Funding, Destination Halifax Funding, GHP Funding, election reserve funding etc.).
- ❑ All budget reduction efforts sourced from the remaining 55% of the gross expenses
- ❑ Only 13% of gross expenses are discretionary non-compensation costs available for reduction

Operating Budget Overview

Expenditures	2013 Budget	2013 Actual	2014 Budget	2014 Projected.	2015 Budget
* Compensation and Benefits	8,073,400	8,010,455	8,346,700	7,987,400	8,895,900
* Office	1,060,200	983,741	969,600	993,700	950,300
* External Services	214,400	339,655	213,900	200,900	278,400
* Supplies	90,400	75,872	93,400	93,000	83,400
* Materials	500		500	500	0
* Building Costs		569	15,000	15,000	13,000
* Equipment & Communications	53,000	51,632	64,000	64,400	53,500
* Vehicle Expense	46,700	36,708	46,700	46,700	41,900
* Other Goods & Services	929,300	1,018,991	966,400	934,600	793,100
* Interdepartmental	-	44,330	-	9,000	
* Other Fiscal	5,801,700	6,275,497	5,884,800	6,092,200	5,884,800
** Total	16,269,600	16,748,789	16,601,000	16,419,400	16,994,300
Revenues	2013 Budget	2013 Actual	2014 Budget	2014 Projected	2015 Budget
* Tax Revenue	- 1,909,400	- 1,880,516			
* Area Rate Revenue			- 1,950,000	- 1,950,000	- 1,950,000
* Payments in Lieu of taxes	- 138,000	- 138,000	- 147,700	- 147,700	- 147,700
* Fee Revenues	- 40,200	- 43,900	- 40,200	- 40,000	- 40,200
* Other Revenue	- 1,609,000	- 1,778,616	- 1,609,000	- 1,929,200	- 1,609,000
** Total	- 3,696,600	- 3,841,033	- 3,746,900	- 4,066,900	- 3,746,900
Net Surplus/Deficit	12,573,000	12,907,756	12,854,100	12,352,500	13,247,400

Service Area Budget Overview

Service Area	2013 Budget	2013 Actual	2014 Budget	2014 Projected	2015 Budget	2015 Bud Var.
CAO Office	621,900	585,660	876,300	726,300	706,700	169,600
DCAO Operations	519,800	554,712	539,300	539,300	623,600	(84,300)
Mayors Office	805,000	720,219	809,600	737,800	812,500	(2,900)
Councillor Support	2,564,100	2,427,619	2,541,700	2,528,300	2,587,300	(45,600)
Municipal Clerks	2,190,900	2,136,545	2,153,500	2,137,800	2,126,000	27,500
Government Relations & External Affairs	2,651,000	3,133,407	2,712,600	2,529,100	3,138,200	(425,600)
Corporate Communications	3,220,300	3,349,594	3,221,100	3,153,900	3,253,100	(32,000)



Year to Year Base Comparison

14/15 Services at 15/16 Costs including Inflation, Contracts, etc.

Service Area	2014 Budget	15/16 Cost	15/16 Proposed
CAO Office	876,300	894,177	706,700
DCAO Operations	539,300	550,333	623,600
Mayors Office	809,600	826,072	812,500
Councillor Support	2,541,700	2,594,426	2,587,300
Municipal Clerks	2,153,500	2,191,140	2,126,000
Government Relations & External Affairs	2,712,600	2,708,936	3,138,200
Corporate Communications	3,221,100	3,288,305	3,253,100
Business Unit Total	12,854,100	13,053,391	13,247,400

15/16 Cost Reduction Initiatives

Cost Reduction Initiative	Proposed 15/16 Saving	Projected 16/17 Saving	Projected 17/18 Saving
Advertising, Printing, equipment and contract services reductions	42,500		
Transfer FCM and UNSM membership fees from Clerk (A121) to Fiscal	118,500*		
Phase one of Strategic re-alignment in Corporate Communications (Vacancy Management)	45,000		
Miscellaneous Efficiencies	72,544		
Total CAO BU budget reductions	278,544		
Total to offset Base Cost increase	160,044		

** Reduction to BU budget but net zero corporate impact to bottom line*



15/16 Priority Initiatives

Priority Outcome (Why we are doing it)	Strategic Initiative (What we propose to do)	Proposed 15/16 Cost	Projected 16/17 Cost	Projected 17/18 Cost
Rural Economic Development	Rural Economic Development	Effort within existing budget		
Welcoming Community	Diversity and Inclusion	Effort within existing budget		
Youth Attraction and Retention	Youth Attraction and Retention	Effort within existing budget		
ABCs	ABC Governance Review	Effort within existing budget		
Policy Engagement	Changes to HRM Charter	Effort within existing budget		

15/16 Priority Initiatives

Priority Outcome (Why we are doing it)	Strategic Initiative (What we propose to do)	Proposed 15/16 Cost	Projected 16/17 Cost	Projected 17/18 Cost
Communications	Improved Internal and External Communications	Effort within existing budget		
Inclusive and Accessible Community	Implementation of Diversity and Inclusion Office	53,000		
Inclusive and Accessible Community	Accessibility Coordination	Effort within existing budget		
Inclusive and Accessible Community	Engagement of African Nova Scotian Community	Effort within existing budget		
Public Safety	Implementation of Public Safety Office	Effort within existing budget		
Financial Responsibility	Right-sizing the Public Service	Effort within existing budget		

15/16 New or Expanded Services

Priority Outcome Supported	New or Expanded Service	Proposed 15/16 Cost	Projected 16/17 Cost	Projected 17/18 Cost
Inclusive and Accessible Community	CART (Computer Aided Remote Translation Services) services for Council and select committees	75,000		

Questions and Discussion