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Item No. 4
Committee of the Whole
January 14, 2015

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY: John Traves, Director, Legal, Insurance, and Risk Management Services

DATE: January 5, 2015

SUBJECT: Proposed 2015/16 Legal, Insurance, and Risk Management Services
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 Legal, Insurance, and Risk Management Services 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

Legal, Insurance, and Risk Management Services Business Unit 2015 – 2016 Budget and Business Plan Presentation

**Legal, Insurance, and Risk Management Business Unit
Proposed 2015/2016 Legal, Insurance, and Risk Management Services Business Unit
Budget and Business Plan
Committee of the Whole**

- 3 -

January 14, 2015

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: Karen Marr – Coordinator, Legal, Insurance, and Risk Management, 902.490.2292

Original Signed

Report & Financial Approval by: _____
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 top right portion of the 'H' is a dark blue, while the bottom right portion is a lighter, medium blue. The left side of the 'H' is white, creating a sharp contrast with the blue shapes.

HALIFAX

**2015/16 Legal,
Insurance, and Risk
Management
Services (LIRMS)
Draft Budget and
Business Plan**

Committee of the Whole

January 14, 2015

Business Unit Overview

- This business unit has two sections - Legal Services, and Risk and Insurance Services which together provide support to HRM initiatives and operations.

Service Areas

- ❑ **Legal Services** – supports Regional Council, its boards, commissions, committees and the business units with litigation, prosecution, and solicitor services
- ❑ **Risk and Insurance Services** – responsible for insurance claims brought against or made on behalf of HRM, risk management processes, and insurance coverage

14/15 Progress Update

14/15 Plan	Progress Update
Commence By-law review project	Priorities outlined, 31/122 reviewed as of Nov., 2014 – project is 25% complete including development of 6 new By-laws
Perform a strategic review of the Municipal Charter and all MOUs	Initial consultations have been held with business units and with the Province. This will be carried through to 2015/16 under the CAOs Office.
Ensure ABCs align with Facility Lease Agreement process and are included in group insurance program	Proceeding as part of the multi-district facility review process.
Assist in development of policy, agreements, and legal framework to assist in achieving Council mandated outcomes	Achieved a better level of response and working relationships with Business Units and Council.



14/15 Progress Update

14/15 Plan	Progress Update
Roll out of Environmental Impairment Liability Coverage	Coverage for Solid Waste and SEMO is a priority. Risk and Insurance will continue to work with the business units acquiring additional coverage on a site by site basis. Also working with HRWC to provide this coverage for their operations.
Articled Clerk Program	Implemented with the assistance of the HRM Bridging Program
Tax Sale Project	Working group established with Province and file review underway.
Contract Review - review and/or standardization of contracts and leases	Collection and identification of templates underway – project progress is slower than anticipated due to volume of daily contract review.

HALIFAX

14/15 Progress Update

14/15 Plan	Progress Update
Develop and implement a "user group" insurance program for renters of HRM facilities	Work underway with ICT to collect data to complete risk assessment due to variety of activities by renters of HRM facilities. Anticipated rollout of coverage to commence by end of fiscal 2014/15.
Business Unit Efficiencies	RFP to be initiated for the acquisition and implementation of case management software. Standard business processes are being implemented and documented for a "user manual".

Operating Budget Overview

Cost Element Groups	2013-14		2014-15		2015-16
	Budget	Actual	Budget	P7 Projection	Proposed
Expenditures					
Compensation and Benefits	3,050,800	2,937,268	3,173,100	3,171,200	3,746,400
Office	117,600	126,952	96,600	93,600	94,600
External Services	508,100	326,654	386,100	377,500	399,200
Supplies	4,000	3,190	4,000	2,700	2,500
Materials	0	129	0	0	0
Building Costs	0	694	0	0	0
Equipment & Communications	0	877	0	0	0
Vehicle Expense	0	0	0	0	0
Other Goods & Services	180,900	171,453	189,400	188,100	195,900
Interdepartmental	0	100	0	0	
Debt Service	0	0	0	0	
Other Fiscal	-470,900	-459,886	-449,700	-449,700	-439,900
Total	3,390,500	3,107,431	3,399,500	3,383,400	3,998,700
Revenues					
Tax Revenue	0	0	0	0	
Area Rate Revenue	0	0	0	0	
Fee Revenues	-211,500	-192,047	-186,400	-186,400	-182,000
Other Revenue	-31,000	-154,584	-31,000	-49,400	-40,000
Inter-Departmental Transfer (Real Estate Disbursements)					-30,000
Total	-242,500	-346,631	-217,400	-235,800	-252,000
Net Surplus/Deficit	3,148,000	2,760,800	3,182,100	3,147,600	3,746,700

Service Area Budget Overview

Net LIRMS Expenses by Service Area	13/14		14/15		15/16
	Budget	Actual	Budget	P7 Projection	Proposed Budget
Legal Services	3,148,000	2,760,800	3,182,100	3,147,600	3,746,700
Risk and Insurance Services	0	0	0	0	0
Business Unit Total	3,148,000	2,760,800	3,182,100	3,147,600	3,746,700

* Risk and Insurance Services is funded entirely from the Self-Insurance Reserve (Q306), therefore the net budget is 0. The Reserve is funded from corporate operating account M320 – Insurance Claims.

15/16 Operating Budget Highlights

- ❑ Legal's budget increase is primarily a result of addressing market compensation issues in 2014/15 with respect to the lawyers employed within Legal Services.
- ❑ Addition of one solicitor position to assist with the Charter work being undertaken.

Compensation & Benefits

2015/16 Impacts are due to:

- ❑ Increase in staffing - 1 new solicitor
- ❑ Overlap in maternity leave caused by delays in hiring
- ❑ Market adjustment to lawyers' salaries

15/16 Priority Initiatives

Priority Outcome (Why we are doing it)	Strategic Initiative (What we propose to do)
Focus on the Regional Centre	By-law Review Project (Year 2) - includes drafting of new, as well as amending, repealing, and consolidating existing by-laws
Risk Management	Contract Review (Year 2) - working with business units to identify, prioritize, and undertake a comprehensive review of HRM contracts, agreements, and leases, and develop standard templates where appropriate
Continuous Improvement	LIRMS Business Unit Efficiencies - a multi-year initiative to implement improvements in technology, processes, physical and electronic file and case management, and categorization and management of physical legal files
Governance and Communications	HRM Charter Review – Support the CAO's office in facilitating the review of the municipal charter and determining the impact of the related changes

Questions and Discussion