



**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE MINUTES
February 19, 2014**

PRESENT: Mayor Mike Savage
Councillors: David Hendsbee
Lorelei Nicoll
Gloria McCluskey
Waye Mason
Russell Walker
Stephen Adams
Reg Rankin
Matt Whitman
Brad Johns
Steve Craig
Tim Outhit

REGRETS: Deputy Mayor Darren Fisher
Councillors: Barry Dalrymple
Bill Karsten
Jennifer Watts
Linda Mosher

STAFF: Mr. Richard Butts, Chief Administrative Officer
Mr. John Traves, Municipal Solicitor
Ms. Sherryll Murphy, Deputy Clerk
Mr. Quentin Hill, Legislative Assistant

The following does not represent a verbatim record of the proceedings of this meeting.

A video recording of this meeting is available:

http://archive.isiglobal.ca/vod/halifax/archive_2014-02-19_live.mp4.html

The agenda, supporting documents, and information items circulated to Council are available online: <http://www.halifax.ca/council/agendasc/140219cow-agenda.html>

The meeting was called to order at 10:07 a.m., and Council adjourned at 11:50 a.m.

1. CALL TO ORDER

Mayor Savage called the meeting to order at 10:07 a.m.

2. APPROVAL OF THE MINUTES – January 8 & 15, 2014

MOVED by Councillor McCluskey, seconded by Councillor Walker that the Committee of the Whole minutes of January 8 and 15, 2014 be approved as presented.

3. Budget Presentation – Chief Administrative Officer Business Unit

A staff report dated February 7, 2014 was before Committee of the Whole

Mr. Richard Butts, CAO provided the presentation to Council. He stated that there are \$12 million in expenditures under the CAO business unit with 83% of expenditures going to salary and benefits. He added that there are 79.5 permanent staff positions and 7.2 term/seasonal positions which are distributed through the following departments:

- Mayor's Office Administration
- Council Support Office
- CAO Administrative Office
- Municipal Clerks Office
- Corporate Communications
- DCAO Administrative Office
- Government Relations and External Affairs

Mr. Butts explained that he meets monthly with a review committee comprised of the business unit directors and conducts a critical review of all business unit deliverables (Business Plan Review Team). The CAO continued by providing the following highlights of the 247 business goals set for 2013 -2014:

- Enhanced the professionalism of Community Council, through table covers and signage as well as sound system provided at all meetings. Web casting pilot completed and delivery for Standing Committees is a proposed new service for 2014/15.
- Routine Information disclosure plan; corporate training on routine disclosure complete and access and privacy staff providing one on one support to business units. This is to increase the openness and transparency of government.
- Review of governance alternatives beginning with Standing and Advisory Committees. Monthly updates are being reported to Executive Standing Committee.
- Engage African Nova Scotian communities through ongoing consultations; sessions held throughout HRM to gain input from Nova Scotian communities. Final report being prepared for Council in early 2014 outlining recommended next steps.
- Municipal Branding program underway, final recommendation expected for April 2014.

Mr. Butts explained that the 2013/14 budget for the CAO office is expected to be \$400,000 over budget. The overage is from the Canada Revenue Agency (CRA) reassessment of the contributions to Greater Halifax Partnership (GHP) which were deemed to be HST appropriate. An arrears payment of \$300,000 had to be paid based on the CRA reassessment. The branding project also appears in the CAO business unit budget, although it will be paid out of the surplus. The proposed budget 2014/15 is set at \$12,477, 100 and will be \$100,000 less than the previous year.

Mr. Butts continued by providing Committee of the Whole with highlights of the priorities for 2014/15 as listed in the presentation.

The Mayor thanked Mr. Butts for his presentation and invited Councillors to ask questions relating to the presentation.

In response to questions, Mr. Bruce DeBaie, Managing Director Corporate Communications, advised that there are 25 full time positions in Corporate Communications. He added that he could provide Council with a list of those positions and what each position entails.

Councillor McCluskey requested more information on the governance project. She also wanted to know what divisions would not be filling the two vacant positions listed in the budget.

Mr. Butts clarified that the governance project is looking at the governance of Standing Committees and other Boards and Committees that Councillors' sit on. He noted that Councillors' sit on a number of committees and the project was to determine the most effective use of Councillors' time. He further added that any change in committee structure would be determined by Regional Council. Mr. Butts stated that the two vacant positions were from Corporate Communications.

MOVED by Councillor McCluskey, seconded by Councillor Whitman that the Committee of the Whole direct staff to proceed to prepare the 2014/2015 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 2014/2015 Budget and Business Plan documents.

Councillor Whitman requested information on how the reduction of \$100,000 to the election reserve would possibly affect the 2016 municipal election. He also requested information on e-voting for the 2016 in comparison to the last election.

Councillor Outhit arrived at 10:28 a.m.

Mr. Butts explained that there would be no impact to the election, the cut to the election reserve was to align the reserve to the actual cost of running the election.

Ms. Lori McKinnon, Election Coordinator, advised that HRM is currently in preliminary discussion with Dalhousie University to look at new technologies including E-voting and citizen

engagement for the upcoming 2016 election. She added that an election plan would be forthcoming.

Councillor Mason asked if the budget incorporated the webcasting of Community Councils and Standing Committees. He also wondered if there was increased work pressure on the staff in the Clerk's office with the additional workload with the increased transparency measures put in place.

Ms. Sherryll Murphy, Deputy Clerk advised that the Standing Committees would be broadcast in the upcoming year. She added that there is going to be an intern hired for the Municipal Clerk's office for 18 months to look after the Planning Advisory Committees, which is a new responsibility for the Legislative Assistants. She added that the hiring of the intern would help free up the Legislative Assistants to work on some of the additional work requested of the office.

In response to Councillor Mason, Mr. Butts advised that he would provide an update to Council on the district capital policy revision at a later date.

Councillor Hendsbee noted that there is a gap between the provincial and municipal mileage rates. He questioned if there was consideration of increasing the municipal mileage rate to equal the provincial policy. He also asked if there was consideration given to increasing the advertising budget for the Council Support Office. He applauded the addition of the rural Council Constituency Coordinator positions.

Mr. Greg Keefe, Director of Finance advised that they had not made any changes to the mileage policy and were aware that the current rate is lower than the provincial and federal rates. He added that it was something that was discussed by the Auditor General and would be something staff would be considering in the upcoming year.

Mr. Butts stated that the advertising budget for the Council Support Office was set at \$86,000 in the previous year and there was no change considered for the upcoming budget.

Councillor Nicoll asked what the cost of the branding project would be and when the HRM website would be improved and updated. She also wanted to know how residents interact and contact HRM through the current website. She added that there have been some changes in the Councillor Support Office but there had not been any additional strategic support provided.

Mr. DeBaie stated that staff is currently compiling an inventory of where all the visual logos exist and will prioritize replacement of those logos into an implementation schedule. The goal in the implementation schedule is to create as little waste as possible. He advised that concurrent with the branding exercise, the website is being streamlined and improved and would be launched along with and including any recommendations from the branding exercise. He added that staff continually looks at how users interact with the website and use that information to make improvements.

In response to Councillor Craig, Mr. DeBaie advised that the two vacant positions in Corporate Communications were in located in the print shop and there was no need to replace them. He

noted that there were two supervisors and one had since retired and there was no need to fill that position.

Councillor Craig questioned why there was still an increase in compensation even though there was a reduction in staff.

Mr. Butts advised that employee compensation is the biggest pressure on the municipality. He added that that pressure is managed through reductions to external services, supplies and materials. Compensation is not as easy to control, due to collective bargaining agreements and performance increases. The way to offset increased compensation is through process improvements and identifying efficiencies.

Councillor McCluskey suggested that the branding program should be brought forward to a Committee of the Whole meeting as not all Councillors are able to participate.

Mr. DeBaie advised that the brand engagement process was still underway and would be considered by the Executive Standing Committee on March 24, 2014. He added that it would then be forwarded to Regional Council for final decision. There had been over 20,000 people engaged in the project along with consultation of stakeholders such as business leaders, academia.

Mayor Savage stated that he had received considerable amount of positive feedback at many events he had attended with residents stating that they were involved in the branding program.

Councillor Whitman requested than any pending projects wait to have the HRM logo displayed until the branding project is completed.

Mayor Savage advised that staff in his office had cut the Mayor's office expenses by \$25,000 finding savings in reduced advertising and special events. He explained that based on all departments finding cuts they felt it was prudent that the Mayor's Office do so as well.

The motion was now before the Committee.

MOTION PUT AND PASSED.

4. Budget Presentation- Legal, Insurance and Risk Management Service

The following documents were before the Committee of the Whole:

- A staff report dated February 5, 2014
- A revised slide 7

Mr. Johns Traves, Director Legal, Insurance and Risk Management provided the presentation to Committee of the Whole. Mr. Traves advised that there are 29 full time positions in the Legal Services division and 4.5 full time positions in the Risk and Insurance Services division.

Mr. Traves outlined the following 2014/15 progress updates:

- Legal Services has implemented the bulk of the recommendations from the Catalyst Consulting report.
- Litigation Team successfully handled large number of files in house, instead of having to contract the work out.
- All real estate transactions being completed internally.
- Team structure has proven to be effective in responding to business unit requirements.
- Insurance program renewed.

In relation to the proposed 2014/2015 Legal Department budget, Mr. Traves provided the following detail:

- Budget is stable around 3.1 million dollars, small increase of \$49,600 is based on salary increases.
- Process seeking approval to move Risk Administrative Assistant from part time to full time position, covered by reserve account.
- Goal to create a summer student/articling student program.
- Cost reduction through staffing up. Allows more files to be handled “in-house” rather than contracting out.
- By-law review project now has a full time solicitor working on it.
- Strategic Review of the Municipal Charter in the upcoming year, expected to take 15 months.

MOVED by Councillor McCluskey, seconded by Councillor Whitman that Committee of the Whole direct staff to proceed to prepare the 2014/2015 Legal, Insurance and risk Management Services 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 14/15 Budget and Business Plan Documents.

Councillor McCluskey asked how many solicitors are in the legal department and how many were added in the last year. She also questioned if there should be more savings on contracted legal work with the hiring of additional staff. The Councillor also inquired about outstanding taxes owed and if the municipality is using the Assessment Act to put the property up for sale to recover the taxes.

Mr. Traves stated that there are currently 19 full time solicitors in the legal department with six (6) being hired over the past year. He advised that the outside legal costs will come down with the hiring of the additional six lawyers, however there are a number of cases that were contracted out that had not been completed. Mr. Traves advised that there had been a challenge on resources to pursue some of the property tax sales. He added that the hiring of additional solicitors has allowed focus on this work.

Councillor Mason questioned if a timeline could be provided to Council and the public on the by-law review and some detail on what it will look like. He also wanted to know if Halifax Regional Police (HRP) would be using more in house counsel instead of using outside legal services.

Mr. Traves advised that he could come back with more information on the by-law review at a future meeting. The cost of HRP utilizing HRM legal services has no net impact on the legal department budget as the cost is recovered from the police department.

Councillor Hendsbee asked if the HRM insurance policy is being extended to community based organizations.

Mr. Joel Plater, Manager, Risk and Insurance Services explained that HRM insurance would cover programs run by HRM staff. He added they would be able to provide access to insurance to those community groups that operate in various areas but it would be the responsibility of the community group to secure insurance on their own.

The motion was now before the Committee.

MOTION PUT AND PASSED.

5. Budget Presentation – Human Resources

A staff report dated February 7, 2014 was before Committee of the Whole

Ms. Catherine Mullally, Director Human Resources provided the presentation to the Committee. She provided the following highlights:

- Implementation of year two activities of the HRM People Plan
- New Applicant Tracking system in place as of July 2013
- Currently in negotiations with CUPE 4814, CUPE 108, HRP and IAFF.
- Increased emphasis on workplace safety as directed by the CAO.
- Updating and distributing changes to the Workplace Rights policy.
- Improvements in employee communications.
- Total reduction in 14/15 operating expenses by roughly \$500,000; large portion is from position vacancy savings, efficiencies in corporate training.

MOVED by Councillor Mason, seconded by Councillor Nicoll that the Committee of the Whole direct staff to prepare the 2014/2015 Human Resources 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 14/15 Budget and Business Plan documents.

MOTION PUT AND PASSED.

6. Budget Presentation – Finance & Information, Communication and Technology

A staff report dated February 7, 2014 was before Committee of the Whole

Mr. Greg Keefe, Chief Financial Officer provided the presentation to Committee of the Whole.

Mr. Keefe provided the following highlights from the presentation:

- Conducted citizen engagement for the 2014-2015 budget and plan on continuing the program next year.
- New Grants Policy has been forwarded to the Grants Committee.
- Open Data Pilot launched and very successful.
- Full Review of HRM Service Catalogue.

Mr. Keefe noted that there would be an increase to the Finance and ICT budget in the 2014-2015 year. He explained that one of the major costs was the change to SAP which was included in the upcoming budget year. He also noted that all of HRM's printing costs were included in the Finance and ICT budget since the contract was signed with Xerox. Previously, all printing costs were covered by each individual business unit.

Mr. Keefe noted that there is a reduction of \$600,000 in operating expenses and over the last three years as there has been a reduction of 30 positions from Finance and ICT. Mr. Keefe added that there will be the launch of E-delivery for tax bills and licensing; review of landline telephone use; and administrative services review initiative to implement the Auditor General Report recommendations.

MOVED by Councillor Walker, seconded by Councillor Adams that the Committee of the Whole direct staff to proceed to prepare the 2014/2015 Finance and Information, Communication and Technology (ICT) 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 14/15 Budget and Business Plan documents.

Councillor Mason expressed interest in seeing how cost reductions could come about through embracing technology. He suggested that staff should hold a lunch and learn session with Council on how they see technology playing a role in the cost reduction measures.

Councillor Outhit asked if there was going to be two budgets presented. He wondered if there would be a budget with various scenarios such as a budget with a tax increase.

Mr. Keefe advised that staff would be coming back to Council with the complete budget with various scenarios for Council to consider.

MOTION PUT AND PASSED.

7. Public Comments

Mayor Savage called three times for members of the public to come forward to speak on the budget. There was none present.

8. ADJOURNMENT

The meeting was adjourned at 11:50 am

Cathy J. Mellett
Municipal Clerk