

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
APRIL 11, 2007

PRESENT:

Mayor Peter Kelly
Deputy Mayor Sue Uteck
Councillors: Krista Snow
Harry McInroy
Gloria McCluskey
Andrew Younger
Bill Karsten
Becky Kent
Jim Smith
Mary Wile
Dawn Sloane
Shelia Fougere
Russell Walker
Debbie Hum
Linda Mosher
Brad Johns
Bob Harvey
Gary Martin
Gary Meade

REGRETS:

Councillors: Steve Streach
David Hendsbee
Patrick Murphy
Steve Adams
Reg Rankin

STAFF:

Mr. Dan English, Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Jan Gibson, Municipal Clerk
Ms. Chris Newson, Legislative Assistant
Ms. Sheilagh Edmonds, Legislative Assistant

TABLE OF CONTENTS

1.	CALL TO ORDER	3
2.	APPROVAL OF THE MINUTES	3
3.	BUDGET DELIBERATIONS	3
3.1	Human Resources	3
3.2	Business Planning & Information Management	6
3.3	Finance/Fiscal	8
3.4	Office of the Chief Administrative Officer	11
4.	ADJOURNMENT	11

1. CALL TO ORDER

The meeting was called to order at 10:35 a.m.

The Committee agreed to deal with the parking lot report on Thursday, April 12th at 1:30 p.m. Ms. Cathie O'Toole, Acting Director, Finance Services, confirmed that staff would have the information circulated to Council by 11:00 a.m. on Thursday, April 12th.

2. APPROVAL OF THE MINUTES - None

3. BUDGET DELIBERATIONS

3.1 HUMAN RESOURCES

Ms. Cathi Mullally, Acting Director, Human Resources, presented.

Councillor Sloane entered the meeting at 10:37 a.m.

Highlights of the Human Resources presentation are as follows:

- 51% of HRM employees are eligible to retire within 10 years, 31% are eligible to retire within 5 years.
- Globally, it is more of an employee's market rather than an employer's market.
- People are staying in school longer or returning to school. The population is aging and the birthrate is declining.
- Higher level of skill required for most positions resulting in increased competition for skilled employees. The public sector, specifically the Municipal Government, is third on the list of those most impacted in regard to skilled / high talented employees.

Councillor Mosher entered the meeting at 10:43 a.m.

- HRM is at full employment (4.4 on scope).
- The average age of an HRM worker is 44 years.
- 74% of the HRM workforce is male, 26% female.
- 41% of HRM Managers can retire within 5 years, 66% within 10 years
- 45% of HRM Front Line Supervisors (feeder group) are eligible to retire within 5 years, 68% within the next 10 years.
- HRM must manage to mitigate that loss through the recruitment and retention of employees of all ages by means of succession planning; offering work-life balance; career development and offering retention incentives rather than retirement incentives.
- There are generational differences and the "one size fits all approach" will not work as people live longer with a shorter time span between generations. HRM must attract and retain high skilled employees.

- HRM has to be seen as people oriented and understand things that will engage our employees.
- Reasons for why employees become disengaged include lack of; employee recognition, growth / development, trust in senior leadership and perception of fairness.

Councillor Kent entered the meeting at 10:51 a.m.

- For HRM to become an Employer of choice, work has to be done in areas such as; workplace culture, fair compensation, employee rewards and recognition, management practices, leadership capability and measurement. In the past, the management style was the Command Control Capacity, now it is Leadership Style.

Councillor Smith entered the meeting at 10:53 a.m.

- Currently, HRM is experiencing a skill shortage in areas such as Engineers, Landscape Architects, Accountants and Mechanics.
- HRM has an aging workforce, the average age of a Manager is 44 years.
- Only 1 in 5 employees feel they are fully engaged in their job.
- Investing in our people will influence the quality of HRM's service delivery now and into future.

HRM can invest in its people by:

- supporting the development of a multi-year corporate Human Resource plan to provide strategic framework for HRM's Human Resources activities.
- demonstrate commitment to the establishment of a positive organizational culture and work environment.
- clearly articulate the type of employer HRM is and what is expected by designing cornerstones and values.
- supporting HRM becoming recognized as an Employer of choice.

Staff responded to questions and comments of Council as follows:

In response to Mayor Kelly, Ms. Mullally advised that HRM will incorporate initiatives from the Diversity and Immigration Action Plans and develop partnerships to work with organizations to bring Immigrants into the workplace. Deputy CAO Kaiser added that with the declining birthrate, implementing the Immigration Strategy will be more important. HRM's Cultural Policy is closely linked to the strategy on diversity and HRM will work with other community components on these initiatives.

Ms. Mullally responded to Mayor Kelly that over the next five years, HRM's compensation package will see a needed increase to adjust the salary bands; currently there are some Supervisors earning less than those employees they supervise. Ms. Mullally stressed that

HRM is not overpaying union colleagues as they are within reasonable bans.

Ms. Mullally added that one challenge the municipal government faces is that other public sector employers look to Municipal Government as a source to fill gaps in their workforce.

Ms. Cathie O'Toole, Acting Director, Finance Services, advised that employee compensation will be discussed further during the fiscal services presentation as salaries/benefits are the largest portion of their budget. Mr. Paul Fleming added that the CIP is running at 2% and wage inflation around 4% and upwards.

In response to questions/comments of Council, staff provided the following information:

- Retaining summer students as part-time employees during the winter months is under consideration, however; the collective agreement outlines the term of employment.
- HRM is in a state of transformation and there are many opportunities to be considered. HRM's goal is to be innovative. Partnerships/Memorandum of Understanding (MOU's) with various educational institutions is one matter under consideration for streamlining students into the workforce, specifically for Engineering positions.
- Some new employees prefer to be retained on contract as they do not wish to pay into an expensive pension plan.
- Additional staff have been added to obtain a more effective framework to deal with Workers Compensation Board issues. There is a joint project underway with the Workers Compensation Board (WCB).

Councillor Karsten entered the meeting at 11:18 a.m.

- New legislation on mandatory retirement will not be a huge challenge for HRM. Knowledge transfer and retaining skilled employees are means to address retirement issues.
- Contracting out for services is a cost born by the Business Unit. Options are being considered.

Deputy CAO Kaiser responded to Councillor Snow that HRM will have no choice but to move forward with a compensation plan in order to retain employees.

In response to numerous comments from various Councillors in regard to the number of internal departmental re-organizations in the past year, Deputy CAO Kaiser advised that staff will provide a higher level of support during re-organization of Business Units.

Ms. Mullally responded to members of Council, in regard to the number of acting positions in HRM, explaining that acting positions are a developmental opportunity for an employee to develop/obtain a skill set in a challenged labour force/market.

Councillors McInroy and Mosher commented that monetary issues are not the only incentive to attract and retain employees.

Councillor McInroy suggested that HR ensure there are effective Performance Management Practices in place and ensure that performance evaluations are also effective.

Councillor Mosher commented on the importance of hiring the right person and if that person does not work out, terminate the employee rather than transferring them to another department. HRM has to foster a culture of change and encourage mentorship programs. She added that employees also look for a vibrant community, proper housing and infrastructure to ensure a good work/life balance. She suggested a strategy be developed to survey what it is people want.

Deputy Mayor Uteck commented that she would like to see the William Mercer report come to Council. She also requested to see the employee numbers including vacancies by department. She further commented that HRM has to settle down in regard to internal reorganizations and determine where HRM is going in order to lead the employees. Ms. Mullally responded that staff will create a base for bench marking.

Ms. Mullally responded to Councillor Wile that HR is exploring technology that will help reference resumes and keep them on file; currently, no unsolicited resume is turned away.

The meeting recessed at 12:00 noon.

The meeting reconvened at 1:34 p.m. with the same members present

3.2 BUSINESS PLANNING & INFORMATION MANAGEMENT

Ms. Donna Davis, Acting Director, Business Planning and Information Management, addressed Council and recognized her staff members that participated in her business unit's budget and business planning process.

She began her presentation with an overview of the Business Unit and her budget approach, and then outlined the increases in services, decreases and operational pressures, and expected services that would not be delivered in the upcoming year.

At approximately 1:40 p.m. Ms. Mary Ellen Donovan, Municipal Solicitor; and Councillors McInroy and Murphy entered the meeting.

With regard to increases in services Ms. Davis highlighted the following:

C This year there will be a shift from a project approach to civic addressing to an

- ongoing program approach; in order to do this, a civic addressing coordinator position will be created and there is no added cost associated with this.
- C Supporting the corporate asset management project - data group is building a base inventory of all assets and the data is necessary in order to undertake more sophisticated levels of asset management.
 - C Additional web technology - additional support for the business needs in the organization such as allowing for online videos; web services for tutorial; staff will monitor performance around the web-based services.
 - C Phase 1 of the Corporate Document Management project will be implemented with the focus on reports to Council and Council packages. The thrust of the project is to have one single repository for all electronic documents.
 - C An IT Security Specialist position will be implemented; and this will protect the significant investment in technology that HRM has made.

Ms. Davis reviewed the decreases in service and operational pressures, noting the following points:

- C Service rationalization proposed for the visitor information locations based on traffic patterns and demand; this enables a reallocation of funds which will ensure staff have enough funds to operate the other centres and pay staff appropriately. The goal for client services is further review and analyse the rest of the visitor centres.
- C Ability to manage FOIPOP requests in a designated time frame - new legislation will draw further resources from records management group
- C Insufficient funding for training technical staff.
- C Salary and overtime funding shortfall in the Call Centre. The Call Centre has not been fully funded in the same manner that Police and Fire has been funded, and staff will continue to put forward the position that it should be fully funded.
- C Limited capacity this year for the Call Centre to take on additional HRM business.

In conclusion, Ms. Davis advised that staff are continuing to carry out quality monitoring in the Corporate Call Centre which focusses on the calls themselves and not necessarily on the Hansen Service Requests.

At 1:51 p.m. Deputy Mayor Uteck entered the meeting.

Ms. Davis and members of her staff responded to questions.

Councillor Sloane advised that, recently, she tried to pay a parking ticket online but had difficulty in doing so and eventually ended up going into the Call Centre to pay. Councillor Sloane noted that there are three or four different prices that are not on the online list and requested that this be revised.

At 2:08 p.m. Councillor Mosher entered the meeting.

In response to a question by Councillor Snow, Ms. Davis advised that staff are aware of the assistance GIS can provide Councillors and are committed to ensure the Councillors receive one-on-one training in this regard.

Councillor Snow also noted that her residents felt that the last street name change staff carried out, did not provide the residents with enough notification. She suggested in future, staff carry out a mail-out survey so all residents will have a voice.

At 2:16 p.m. Councillor Johns entered the meeting.

Councillor Murphy made reference to the map the Visitors Information Centre provides and advised that it was inadequate. He suggested that if it were combined with the Metro Transit map, more visitors would utilize the bus service.

Ms. Cathy Mellett concurred that the map was inadequate and advised that staff were making product improvement a focus this year. She added that staff sent out a Request for Proposals in regard to partnership opportunities with private industry, however, there were no responses.

Councillor Murphy suggested that this was a role that Destination Halifax should be involved with.

At 2:57 p.m Council recessed

The meeting reconvened at 3:12 p.m. with Deputy Mayor Uteck in the Chair.

3.3 FINANCE/FISCAL

Ms. Cathie O'Toole, Acting Director of Finance presented the budget for Financial Services.

Highlights of service increases are as follows:

- C The tax reform process--building on improvements initiated last year; communication of how the Municipality spends money and collects money will be an important focus.
- C Starting in 06/07 and continuing in 07/08 electronic services such as electronic billings and electronic payments to vendors will be increasing
- C Tax sale process - due to staff shortages, staff have been behind in processing properties that have been arrears--staff will work to lower the amount of properties that are in arrears
- C Administration of private roads maintenance policy

Ms. O'Toole advised that decreases in services are really more about restrictions as a result of capacity, noting that staff resource and availability will decline slightly over the next two months because of their involvement in the revenue solutions project. Ms. O'Toole added that, within Finance, there is very little capacity for staff to deal with large new projects because of the tax reform project currently underway, revenue projects and implementation of recommendations that came from the Business Systems and Control group around Payroll operations.

Ms. O'Toole concluded by advising that there were not any services that are not expected to be delivered but cautioned that new service requests from Business Units may not be able to be met. She noted that the transition of Wastewater Services to the Halifax Regional Water Commission may provide staff some flexibility next fiscal year because HWRC will take on the financial services of Wastewater.

Ms. O'Toole and members of her staff responded to questions.

At 3:42 p.m. Mayor Kelly entered the meeting and assumed the Chair.

Fiscal Services

Ms. Cathie O'Toole, Acting Director, Financial Services presented the budget for Fiscal Services. In her comments she noted that Fiscal contains all non-departmental revenues and obligations. She noted that two recent decisions that Council made which are not reflected in the budget book will be reflected in the final version of the budget. One is in regard to the distribution of the Marketing Levy and the other is the decision with respect to supplementary education.

At 3:44 p.m. Councillor Karsten retired from the meeting.

With regard to changes in Fiscal from last year to this year, Mr. O'Toole advised that transfers to the Province are increasing by \$7.9 million and monies to pay the mandatory provincial contribution will be raised through provincial area rates, and this will be 39 cents on the residential and 37.1 cents on the commercial rate. She explained that the residential and commercial rates are based upon formulas that the Province uses to bill HRM. There are very clear cost drivers for education, corrections, housing and assessments so HRM can allocate costs to the residential and commercial rate in a more refined manner than it can with its municipal services.

Ms. O'Toole also advised that net reserve funding requirements show a \$3.3 million increase, which is a result of increase in the election reserve and ferry reserve. She added that less money will be taken out of reserves this year than other years and the position of the Reserves is improving, however it is still not good.

Other highlights of her presentation are:

- C Debt charges are up by \$1.8 million.
- C Other goods and services are have increased by \$3.5 million and most of this is the operating cost of new capital projects.
- C On the revenue side, property taxes are up by \$29.1 million and grants in lieu are up by \$1 million.
- C There has been a decrease in expenditure in regard to capital from operating in that funding transfers from the operating budget to the capital budget for capital projects this year has decreased by \$647,000.
- C There has been a decrease in revenue in tax agreements of \$1.5 million and this relates to Nova Scotia Power tax agreement - this was due to a change in methodology.

Ms. O'Toole responded to questions.

In response to a question by Mayor Kelly, Ms. O'Toole advised that the motion of Council did not specify that four different rates were to be shown on the tax bill, and that it was staffs' intention to show one rate.

MOVED by Councillor Younger, seconded by Councillor McCluskey that the Managers Contingency account be placed in the Parking Lot and that it be reduced from \$153,200 to \$0. MOTION PUT AND PASSED.

Councillor Younger MOVED that \$69,000 from the Councillors Discretionary Fund be placed in the parking lot as 0 dollars. There was no seconder to the motion and the MOTION WAS LOST.

Councillor Johns advised that he would like staff to provide him information on when the various reserves were established. Councillor Johns added that he would like to have a discussion in regard to the blurb provided in the budget book regarding what each reserve is for, how it can be used and what it can be used for. He advised that he would like to have specific information on Reserve Q107 - Parkland Development pointing out that he would like to see where the money is coming from that goes into the Reserves and a list of projects that the money is being spent on.

MOVED by Councillor Johns, seconded by Councillor Snow that \$11,500 be moved into the Parking Lot to be used by the Councillors (\$500/Councillor) to assist with each Councillors' office administration (e.g. filing) requirements. MOTION DEFEATED.

In response to a question by Councillor Johns concerning Reserve Q108 - Kingswood Water, Ms. O'Toole advised that she believed this was funded through an area rate but

that she would check on this and get back to the Councillor.

Referring to a previous comment by Councillor Johns, Ms. O'Toole advised that when the approved budget book is printed, staff will change the blurb in front of the Reserves to indicate the year they were established. She also noted that a Reserve Strategy is in their business plan this year.

Councillor Snow advised that she felt it is important for the residents to see the breakdown of the education rate.

MOVED by Councillor Snow, seconded by Councillor McCluskey that staff provide four separate area rate calculations on the tax bill in regard to the education rate. MOTION PUT AND PASSED.

Deputy Mayor Uteck suggested it would be beneficial for Council to have a comparative analysis of the past seven years of increases in services such as new curb and gutter, dog licenses, parking metres, deed licensing transfer. She added that it would be good for Council to see everything the Municipality charges the public for in doing business and have this as part of the overall budget wrap-up.

In response, Ms. Geri Kaiser, Acting Chief Administrative Officer advised that staff has not done a satisfactory job in providing a five year trend line. She noted that it would be difficult to have this information by the time the budget is ready for approval but staff will have it for next year's budget and the information will probably be available within the next three to six months.

3.4 OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

Mr. Dan English, Chief Administrative Officer addressed Council and presented his business plan for 2007/08. In his remarks he advised that it was essentially a 'status quo' budget with no decreases in service or services expected not to be delivered.

Mr. English and staff from his Business Unit responded to questions.

4. ADJOURNMENT

At this time, Mayor Kelly advised that the meeting would adjourn and reconvene tomorrow at 1:30 p.m. Discussion to continue with the CAO's business plan and budget.

The meeting adjourned at 4:36 p.m.

Jan Gibson
Municipal Clerk