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Item No. 6
Committee of the Whole
February 1, 2017

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Jacques Dubé, Chief Administrative Officer

DATE: January 12, 2017

SUBJECT: Proposed 2017/18 Multi-year Chief Administrative Office Business Unit Budget and Business Plan

ORIGIN

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented in the Information Report of November 22, 2016, staff is required to present the 2017/18 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 2017/2018 Multi-year Chief Administrative Office Business Unit Business Plan, including 2018/2019 in principle, as proposed in the accompanying presentation and consistent with the preliminary fiscal direction.

BACKGROUND

As part of the design of the 2017/2018 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 December 6, 2016 Committee of the Whole Regional Council considered and confirmed their Council Priority Outcomes and on December 14, 2016 provided fiscal direction for the 17/18 multi-year budget, directing staff to: "develop the 2017/18 Multi-year Budget and Business Plans in support of the fiscal direction and approved priorities."

DISCUSSION

Staff has prepared the proposed 17/18 Budget consistent with the preliminary fiscal direction received from Council on December 14, 2016 and aligned with Council Priorities as approved on December 6, 2016.

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 2017/18 Multi-year Budget and Business Plan documents to be presented to Council, as per the process and schedule in the November 22, 2016 Information Report.

RISK CONSIDERATION

None are specifically associated with this report.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed 2017-18 Multi-year budget. 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

Chief Administrative Office Business Unit 2017 – 2018 Multi-year Budget and Business Plan Presentation

**Chief Administrative Office Business Unit
Proposed 2017/2018 Multi-year Budget and Business Plan
Council Report**

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February 1, 2017

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 – Senior Advisor, Chief Administrative Office, 902.490.2292

Report Approved by: Original Signed

Jacques Dubé, CAO, Chief Administrative Office, 902.490.6430

Report and Financial Approval by: Original Signed

Amanda Whitewood, Director of Finance & ICT/CFO, 902.490.6308

The background of the slide features a large, stylized graphic of the Halifax logo. It consists of a dark blue triangle pointing downwards from the top left, and a light blue triangle pointing upwards from the bottom left, meeting at a point in the center. The word "HALIFAX" is written in white, bold, uppercase letters across the top right portion of the dark blue triangle.

HALIFAX

**Chief Administrative
Office Business Unit
Multi-Year Budget &
Business Plan**

Committee of the Whole on Budget

February 1, 2017

Business Unit Overview

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

Service Areas

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

- ❑ **Councillor's Support Office** – Coordinates constituent relations, communications and administrative support for members of 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 maintains the integrity of the Municipality's public records.
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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, brand management, media relations and corporate printing services.

Accomplishments / Stats

- ❑ 2016 Municipal and School Board election
 - ❑ Post-election Mayoral and Council orientation program
 - ❑ 22 successful infrastructure project funding applications equating to \$67 million in senior government contributions
 - ❑ 1100 public service announcements
 - ❑ 2,550 tweets on Municipal issues, resulting in approximately 6.5 million audience impressions and over 70,000 engagements
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Accomplishments / Stats

- ❑ 1,700 additional residents registered as users of various online engagement tools (30% increase)
 - ❑ Overall 40 % increase in resident participation in online engagement
 - ❑ Launched an online Halifax Opinion Panel program with approximately 900 registered users
 - ❑ 465 FOIPOP applications
 - ❑ Coordinated responses to 31 Recommendations from the Municipal Auditor General
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Accomplishments / Stats

Revised

- ❑ Renewed comprehensive diversity training and education program for HRM staff
- ❑ Approval and implementation of a new economic strategy for HRM
- ❑ Facilitated approval of a new Regional Council strategic plan

16/17 Update

Revised

16/17 Plan	Status Update
<p>Enhance the Board and Committee Appointment Process <i>Priority Outcome Supported - Council and Committee Governance (Municipal Governance)</i></p>	<ul style="list-style-type: none"> • Efforts on this item completed for 16/17 • Total numbers of applicants for appointments up from previous year by approximately 10% • Additional Efforts ongoing in 17/18
<p>Lead the implementation of procedural and governance changes as set out in the amendments to AO 1. <i>Priority Outcome Supported - Council and Committee Governance (Municipal Governance)</i></p>	<ul style="list-style-type: none"> • Amended A.O. approved and supporting business processes are now in place
<p>Support the business units in the development of records retention management plans as required under new AO <i>Priority Outcome Supported - Council and Committee Governance (Municipal Governance)</i></p>	<ul style="list-style-type: none"> • Efforts on this item completed for 16/17 • Additional Efforts ongoing in 17/18

16/17 Update

16/17 Plan	Status Update
<p>Business Attractiveness Promotion <i>Priority Outcome Supported – Economic Development (Promote and Maximize Growth)</i></p>	<ul style="list-style-type: none"> Worked closely with the Halifax Partnership to launch the Sell Halifax Program with Mayor in June 2016.
<p>Rural Economic Development Opportunities Identification <i>Priority Outcome Supported – Economic Development (Rural Economic Development)</i></p>	<ul style="list-style-type: none"> Support to Destination Eastern and Northumberland Shores (DEANS). Special Rural Halifax analysis in 2016 Halifax Index.
<p>African Nova Scotian Communities - Enhance Service Delivery <i>Priority Outcome Supported – Social Development (Equity and Inclusion)</i></p>	<ul style="list-style-type: none"> Community circles held on municipal employment and municipal and school board elections. New employee training developed and delivered.
<p>Red Tape Reduction Initiative <i>Priority Outcome Supported – Service Delivery (Service to Our Business)</i></p>	<ul style="list-style-type: none"> Work started with provincial Office of Regulatory Affairs and Service Effectiveness on joint project. Signed memorandum of understanding with the Office. Advisory group of external stakeholders established.

16/17 Update

16/17 Plan	Status Update
<p>Navigator Program <i>Priority Outcome Supported – Social Development (Social Infrastructure)</i></p>	<ul style="list-style-type: none"> Support provided to the navigator program that helps homeless and street-involved individuals access employment and housing, and navigate health, mental health and addictions support services.
<p>Social Media Governance <i>Priority Outcome Supported – Governance and Engagement (Communications)</i></p>	<ul style="list-style-type: none"> Developed social media policy strategy to improve internal governance and use; developed strategy to improve social media content and audience engagement within campaigns for the municipal election, October Trails Challenge and Crosswalk Safety
<p>Crisis Communication Strategy <i>Priority Outcome Supported – Healthy, Liveable Communities (Public Safety)</i></p>	<ul style="list-style-type: none"> Developed crisis communications plan for potential incidents including a lockdown protocol for municipal facilities and a decision tree for crisis management team
<p>Diversity and Inclusion Office Communications and Promotion <i>Priority Outcome Supported – Social Development (Equity and Inclusion)</i></p>	<ul style="list-style-type: none"> Developed and launched visual identity for the Diversity and Inclusion office with associated program to recognize community leadership of D&I values

Initiatives

Initiative / Priority Outcome	Proposed 17/18 Cost	Projected 18/19 Cost	Efficiency Gain / Value for \$ / Comment
Improve employee engagement and collaboration with updated intranet <i>Governance and Engagement (Communications)</i>	\$50,000	\$50,000	Streamline processes, improve productivity and knowledge sharing
Leverage benefits of new halifax.ca through social media strategy and author training <i>Governance and Engagement (Public Engagement)</i>	\$20,000	\$10,000	Improved public access to information, services and interaction with municipality
Define public engagement practices appropriate for projects of varying scale/scope <i>Governance and Engagement (Public Engagement)</i>	No defined program costs - To be delivered from within existing operating resources		More consistent, predictable and meaningful public engagement
Conduct crisis communications simulation exercises <i>Healthy, Liveable Communities (Public Safety)</i>	\$10,000	\$10,000	Public has confidence in municipality's ability to manage crises

Initiatives

Initiative / Priority Outcome	Proposed 17/18 Cost	Projected 18/19 Cost	Efficiency Gain / Value for \$ / Comment
<p>Lead implementation, and tracking of deliverables and outputs from the economic strategy. <i>Economic Development (Promote and Maximize Growth)</i></p>	<p>No defined program costs - To be delivered from within existing operating resources</p>		<p>Economic growth leads to medium/long term benefits for municipality esp. from increased commercial activity</p>
<p>Promote equitable access to municipal services through training, engagement and implementation of diversity and inclusion plans and initiatives. <i>Social Development (Equity and Inclusion)</i></p>			<p>Improved access to information, services and interactions with municipality</p>
<p>Coordinate and track requests for legislation including the Halifax Charter review. <i>Governance and Engagement (Municipal Governance)</i></p>			<p>Increased authority leads to improved ability for municipality to respond to issues</p>

Initiatives

Initiative / Priority Outcome	Proposed 17/18 Cost	Projected 18/19 Cost	Efficiency Gain / Value for \$ / Comment
<p>Stimulate positive corporate culture change and promote performance excellence through application of Lean Six Sigma principles <i>Service Delivery (Innovation)</i></p>	<p>To be delivered from within existing operating resources</p>		<p>Medium to long term efficiency benefits that will significantly improve corporate service delivery and enhance financial stewardship creating enhanced decision making alternatives for Council.</p>

Operating Budget Overview

Expenditures	2015 Budget	2015 Actual	2016 Budget	2016 Projection	2017 Budget	2018 Budget
Compensation and Benefits	8,893,600	8,738,451	9,054,400	9,035,100	8,704,200	8,704,200
Office	957,300	922,296	1,416,000	1,418,000	1,015,300	1,014,300
External Services	278,400	373,874	1,501,750	1,498,050	316,600	311,600
Supplies	83,400	51,651	83,950	83,950	83,400	83,400
Building Costs	13,000	15,950	33,000	33,000	13,000	13,000
Equipment & Communications	53,500	50,018	161,500	161,500	66,900	53,000
Vehicle Expense	41,900	38,836	41,900	41,900	41,900	41,900
Other Goods & Services	786,100	762,639	979,000	1,004,960	837,700	837,100
Interdepartmental		(163,949)	2,700	2,700		
Other Fiscal	6,010,600	6,430,662	4,037,800	4,970,500	6,596,600	6,436,600
Total	17,117,800	17,220,427	17,312,000	18,249,660	17,675,600	17,495,100
Revenues						
Area Rate Revenue	(2,049,800)	(2,042,344)	(2,209,000)	(2,209,000)	(2,209,000)	(2,209,000)
Payments in Lieu of taxes	(143,100)	(143,029)	(138,100)	(138,100)	(138,100)	(138,100)
Fee Revenues	(40,200)	(37,100)	(40,200)	(40,000)	(40,200)	(40,200)
Other Revenue	(1,609,000)	(2,039,543)	(1,609,000)	(2,554,400)	(1,609,000)	(1,609,000)
Total	(3,842,100)	(4,262,016)	(3,996,300)	(4,941,500)	(3,996,300)	(3,996,300)
Net Surplus/Deficit	13,275,700	12,958,411	13,315,700	13,308,160	13,679,300	13,498,800

Service Area Budget Overview

Service Area	2015 Budget	2015 Actual	2016 Budget	2016 Projection	2017 Budget	2018 Budget
Councillor Support	2,587,300	2,440,814	2,621,500	2,621,500	2,656,700	2,656,700
Mayors Office	812,500	764,809	812,100	812,100	809,400	809,900
CAO Office	706,700	752,243	826,900	810,400	769,300	769,300
Government Relations & External	3,168,700	2,979,247	3,104,800	3,135,460	3,505,100	3,325,100
Corporate Communications	3,250,900	3,306,597	3,100,800	3,083,200	3,083,600	3,082,600
Municipal Clerks	2,126,000	2,056,645	2,188,300	2,184,200	2,193,500	2,193,500
DCAO Operations	623,600	658,055	661,300	661,300	661,700	661,700
Total	13,275,700	12,958,411	13,315,700	13,308,160	13,679,300	13,498,800

Staff Counts (FTEs)

CAO Unit	2016/17 TOTAL FTE COUNT	2017/18 TOTAL FTE COUNT <i>(Proposed)</i>	2018/19 TOTAL FTE COUNT <i>(Proposed)</i>
CAO Administrative Office	5.0	5.0	5.0
Corporate Communications	22.0	22.0	22.0
Councillor Support (not including elected officials)	12.0	12.0	12.0
DCAO Operations	4.0	4.0	4.0
Government Relations & External Affairs	12.4	12.4	12.4
Mayors Office	6.0	6.0	6.0
Municipal Clerks	34.1 (includes temp positions related to the election)	22.8	22.8
CAO Unit Total	95.5	84.2	84.2

2017/18 and 2018/19 Chief Administrative Office Business Unit Draft Budget and Business Plan



Summary of 2-Year Budget Changes

	Proposed 2017/18 Budget	Proposed 2018/19 Budget
Starting Budget 2016-17	\$13,315,700	\$13,315,700
Total Change Included	\$363,600	\$183,100
Proposed Budget	\$13,679,300	\$13,498,800

Changes Included in Proposed Budget

Proposed Change	Proposed 17/18 \$ Impact	Projected 18/19 \$ Impact	2 Year Cumulative	Impact on Service Delivery
Add Implementation of Navigator Program	\$45,000	\$45,000	\$90,000	Unbudgeted expenses initiated “in year” in 16/17 fiscal cycle – Reflects as a year over year increase in CAO Business Unit but is off-set by a corresponding budget transfer from Fiscal Services. Will be delivered within existing budget allocation.
Add Red Tape Reduction Initiative	\$160,000	0	\$160,000	
Destination Halifax Funding Adjustment	\$104,500	\$104,500	\$209,000	
Add Expenses to Advance Accessibility Strategy Development	\$100,000	\$80,000	\$180,000	Will be delivered within existing budget allocation.

Changes Included in Proposed Budget

Proposed Change	Proposed 17/18 \$ Impact	Projected 18/19 \$ Impact	2 Year Cumulative	Impact on Service Delivery
Miscellaneous Budget Reductions	- \$39,900	- \$40,400	- \$80,300	Minimal service impact – will be absorbed within current budget
Compensation Adjustments (reductions)	- \$6,000	- \$6,000	- \$12,000	Minimal service impact - Salary changes and position adjustments.
Total Impact of changes	\$363,600	\$183,100	\$546,700	

Operating Options Below Budget

Option Description	17/18 Amount	17/18 Avg Bill Impact	18/19 Amount	18/19 Avg Bill Impact	2 Year Cumulative	Strategic Alignment (Priority Outcome)
Review of grant contributions to Destination Halifax and the Halifax Partnership	0		N/A		N/A	Economic Development - Promote and Maximize Growth
Structural alterations to CAO Reporting Structure	-\$300,000	-\$1.18	-\$300,000	-\$1.18	-\$600,000	Our People - Leadership
Total Impact of options	-\$300,000	-\$1.18	-\$300,000	-\$1.18	-\$600,000	

Operating Options Over Budget

Option Description	17/18 Amount	17/18 Avg Bill Impact	18/19 Amount	18/19 Avg Bill Impact	2 Year Cumulative	Strategic Alignment (Priority Outcome)
Increase election reserve funding to accommodate increasing election expenses in advance of 2020	0	0	\$100,000	\$0.39	\$100,000	Governance and Engagement – Municipal Governance
Increase International Partnership Activity	\$30,000	\$0.12	\$30,000	\$0.12	\$60,000	Economic Development - Promote and Maximize Growth
Implement French Translation Services for Municipal PSA's	\$100,000	\$0.39	\$100,000	\$0.39	\$200,000	Social Development - Equity and Inclusion

Operating Options Over Budget

Revised

Option Description	17/18 Amount	17/18 Avg Bill Impact	18/19 Amount	18/19 Avg Bill Impact	2 Year Cumulative	Strategic Alignment (Priority Outcome)
Additional Resources for the Access and Privacy Office	\$60,000	\$0.24	\$60,000	\$0.24	\$120,000	Governance and Engagement – Municipal Governance
Develop poverty reduction strategy	\$50,000	\$0.20	0	0	\$50,000	Social Development - Housing and Neighborhoods
Financial Support for Engage NS	\$50,000	\$0.20			\$50,000	Governance and Engagement (Public Engagement)
Total Impact of options	\$290,000	\$1.15	\$290,000	\$1.14	\$580,000	

Business Unit Wrap Up Slide

- Primarily administrative services
- Significant portion of operating expenses attached to compensation
- Impacts of the 2016 election on the year-to-year overall budget changes
- GREA's service area budget is relatively large by comparison due to various grants and transfers to outside agencies

Questions and Discussion