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Item No. 7
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 18, 2017

SUBJECT: Proposed 2017/18 Multi-year Legal, Insurance and Risk Management Services
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 Legal, Insurance and Risk Management Services Budget and 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

Legal, Insurance and Risk Management Services 2017 – 2018 Multi-year 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.

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Report Approved by: _____
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902.490.42197

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Report and Financial Approval by: _____
Amanda Whitewood, Director of Finance & ICT/CFO, 902.490.6308

The background of the slide features a large, abstract geometric shape composed of several overlapping triangles in various shades of blue, ranging from a deep navy to a light sky blue. The word "HALIFAX" is prominently displayed in white, uppercase, sans-serif font within the dark blue upper portion of this shape.

HALIFAX

**Legal, Insurance and
Risk Management
Services
Multi-Year Budget &
Business Plan**

Committee of the Whole on Budget

February 1, 2017

Business Unit Overview

Legal, Insurance and Risk Management Services provides the Halifax Regional Municipality with quality, cost effective, timely, and accessible legal, insurance and risk management services for all facets of its operations across the organization.

Service Areas

Legal, Insurance and Risk Management Services has two 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

Accomplishments / Stats

- ❑ Represented HRM in a number of cases brought against the Municipality in diverse courts (Small Claims Court, Human Rights Tribunal, NSUARB, NS Supreme Court, etc.)
 - ❑ Engaged in 19 real estate transactions for 2016-17 valued at \$19.3M
 - ❑ Processed over 500 tax sale title searches for 2016-17
 - ❑ Prosecuted approximately 7,000 cases on behalf of HRP and the RCMP (mainly motor vehicle offences)
 - ❑ Prosecuted approximately 90% of all referrals received regarding By-law and other related offences this year
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Accomplishments / Stats cont'd

- ❑ Will address approx. 1500 insurance claims for HRM including Halifax Water, Library, and Boards and commissions in 2016-17
- ❑ Consulted in drafting a number of major contracts & agreements including the Sportsplex Revitalization Project, Cogswell Redevelopment, World Trade and Convention Centre, Dartmouth 4-pad, and Solar City

Internal to Legal Services:

- ❑ Final planning and implementation of *Legal Files* – Legal's new file/case management system
 - ❑ Completion of the Legal Services Employee Handbook
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16/17 Update

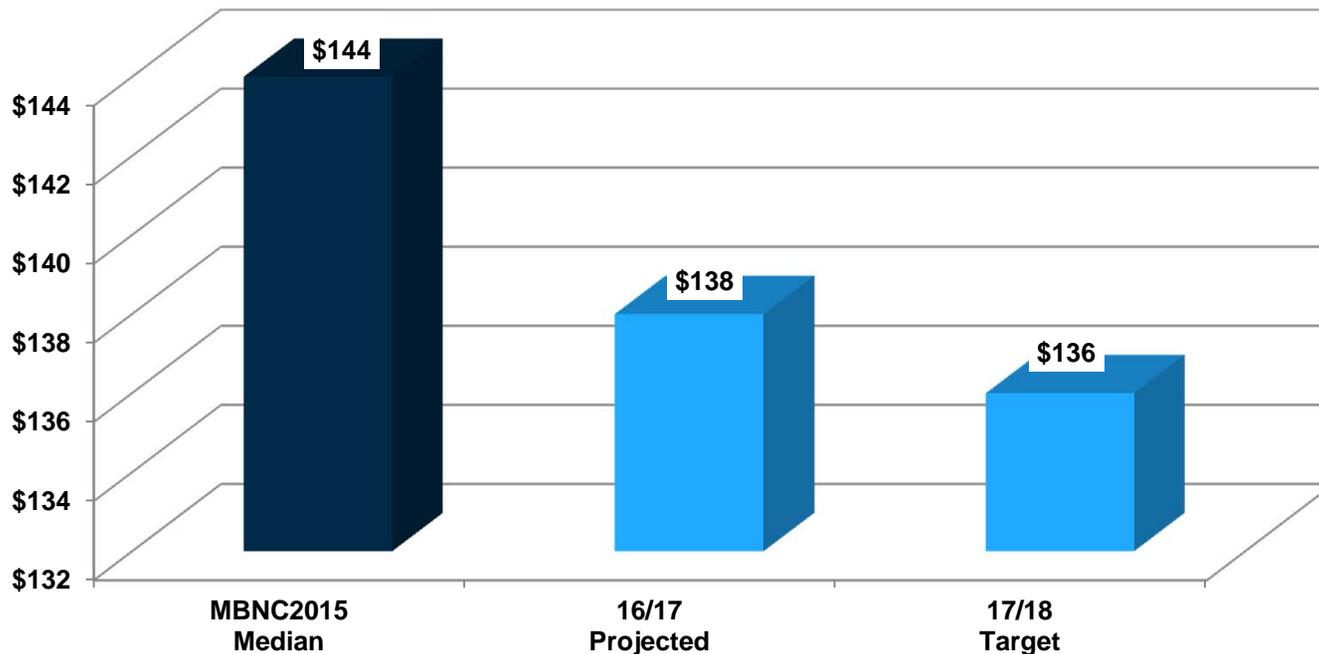
16/17 Plan	Status Update
By-law Review Project	<ul style="list-style-type: none"> • 45/122 reviewed as at January 13, 2017 • 12 new By-laws identified for 2017-18 • 7 new Administrative Orders • 16 amended Administrative Orders • Additional By-law amendments processed (Land Use, Subdivision and MPS)
LIRMS Business Unit Efficiencies	<ul style="list-style-type: none"> • Legal Services has implemented their case management software “Go Live” date was mid-October 2016
Contract Review	<ul style="list-style-type: none"> • Project did not progress in 2016/17 due to Legal’s increased role in contract negotiations and current levels of required contract review • Additional resources and expertise is required to advance this project
Changes to HRM Charter	<ul style="list-style-type: none"> • Legal Services continues to work with the CAO’s office and GREA to advance amendment requests
Draft Halifax Water Admin Order	<ul style="list-style-type: none"> • Legislative changes completed November 10, 2016, effective April 1, 2017

16/17 Update

16/17 Plan	Status Update
Post-Election Council Training	<ul style="list-style-type: none"> Revised and delivered training/information sessions for new Council.
Risk and Claims Policy and Procedures Manual	<ul style="list-style-type: none"> Initial draft complete and ready for Director review and input
Storage Tank Assessment	<ul style="list-style-type: none"> 90% complete Known fuel tanks reviewed and insured with nominal exceptions BMS prioritizing upgrades on remaining tanks Staff are identifying known fuel storage tanks to determine if additional insurance may be required
Insurance Coverage Augmentation – Fine Arts and Playgrounds	<ul style="list-style-type: none"> 15% complete High value playground and sports fields identified and will be added to the insurance book of values Fine Arts portion to begin in 2017-18 if budget approval is received

Legal Service Costs

Legal Operating Costs per In-House Lawyer Hour



Note:

- HRM results based on average cost/hr (lawyer's salaries/benefits + bar fees + overhead divided by 1400 working hours (allowing for 4 wks.. vac., 12 holidays and 5 sick/emerg days)
- **MBNC: Municipal Benchmarking Network Canada**
- **MBNC Indicator Definition: In-House Legal Operating Costs per In-House Lawyer Hour**



Operating Budget Overview

Operations by Expenditure type	15/16		16/17		17/18	18/19
	Budget	Actual	Budget	Projection	Proposed Budget	Proposed Budget
Compensation and Benefits	3,745,800	3,657,688	3,826,900	3,678,600	3,855,300	3,856,000
Office	94,600	93,931	101,600	108,000	97,300	98,000
External Services	399,200	209,439	347,000	332,500	334,800	353,100
Supplies	2,500	3,301	1,500	1,600	1,500	1,500
Building Costs		186		900		
Vehicle Expense		445				
Other Goods & Services	195,900	203,257	206,400	192,900	223,200	230,300
Interdepartmental		436		3,100	1,600	1,600
Other Fiscal	(30,000)	(7,445)	(20,000)	(10,000)	(10,000)	(10,000)
** Total Expenditures	4,408,000	4,161,237	4,463,400	4,307,600	4,503,700	4,530,500
Fee Revenues	(182,000)	(205,866)	(185,000)	(185,000)	(190,700)	(194,500)
Other Revenue	(40,000)	(31,408)	(25,000)	(50,500)	(25,000)	(25,000)
** Total Revenue	(222,000)	(237,274)	(210,000)	(235,500)	(215,700)	(219,500)
Business Unit Total	4,186,000	3,923,963	4,253,400	4,072,100	4,288,000	4,311,000

Service Area Budget Overview

Net Operations Support Expenses by Service Area	15/16		16/17		17/18	18/19
	Budget	Actual	Budget	Projection	Proposed Budget	Proposed Budget
Legal Services	3,746,100	3,448,722	3,746,700	3,560,500	3,754,800	3,776,300
Risk and Insurance Services	439,900	475,241	506,700	511,600	533,200	534,700
Business Unit Total	4,186,000	3,923,963	4,253,400	4,072,100	4,288,000	4,311,000

Staff Counts (FTEs)

Service Area	14/15	15/16	16/17	17/18 (Proposed)	18/19 (Proposed)
Directors Office	2	2	2	2	2
Legal Services*	27.7	28.7	28.7	28.7	28.7
Risk and Insurance Services	5	6	6	6	6
Business Unit Total	34.7	36.7	36.7	36.7	36.7

Summary of 2- Year Budget Changes

	Proposed 2017/18 Budget	Proposed 2018/19 Budget
Starting Budget 2016-17	4,253,000	4,253,000
Total Change Included	35,000	58,000
Proposed Budget	4,288,000	4,311,000

Changes Included in Proposed Budget

Proposed Change	Proposed 17/18 \$ Impact	Projected 18/19 \$ Impact	2 Year Cumulative
Annual Compensation & Benefits increase	\$28,400	\$44,600	\$73,000
Increased Revenue	-\$5,700	-\$9,500	-\$15,200
(Reduction)/Increase office and other expenses	-\$1,300	\$4,400	\$3,100
Increase in Nova Scotia Barristers' Society Fees	\$13,600	\$18,500	\$32,100
Total Impact of changes	\$35,000	\$58,000	\$93,000

Questions and Discussion