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Item No. 4 (i)
Committee of the Whole
January 13, 2016

TO: Mayor Savage and Members of Halifax Regional Council
Original Signed

SUBMITTED BY: Martin C. Ward, Q.C., Acting Director of Legal, Insurance and Risk Management Services

DATE: January 13, 2016

SUBJECT: Proposed 2016/17 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 September 22, 2015, staff is required to present the 2016/17 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 2016/2017 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 16/17 Budget and Business Plan documents.

BACKGROUND

As part of the design of the 2016/2017 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 24, 2015 Committee of the Whole Regional Council considered and confirmed their Council Priority Outcomes and directed staff to: "develop the 2016/17 Budget and Business Plans in support of these priorities."

DISCUSSION

Staff has prepared the proposed 16/17 Budget consistent with the preliminary fiscal direction received from Council on October 20, 2015 and aligned with Council Priorities as directed on November 24, 2015.

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 2016/17 Budget and Business Plan documents to be presented to Council, as per the process and schedule in the September 22, 2015 Information Report.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed budget for 2016-17. 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 2016 – 2017 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.

Report Prepared by: Karen Marr – Coordinator, Legal, Insurance and Risk Management Services,
902.490.1353

Original Signed

Report and Financial
Approval by:

Amanda Whitewood, 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, ranging from a dark navy blue to a light sky blue. The word 'HALIFAX' is printed in white, bold, uppercase letters across the top right portion of the dark blue area.

HALIFAX

2016/17

**Legal, Insurance
and Risk Management
Services**

**Draft Budget &
Business Plan**

Committee of the Whole

January 13, 2016

Business Unit Overview

Legal, Insurance and Risk Management Services

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
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Legal, Insurance and Risk Management Services Accomplishments

- 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.)
 - Prosecuted approximately 8900 cases on behalf of HRP and the RCMP (mainly motor vehicle offences)
 - Will prosecute approximately 90% of all referrals received regarding By-law and other related offences this year
 - Engaged in 10 real estate transactions to date in fiscal 2015-16 and processed 600 tax sale title searches for 2015-16
 - Assisted in drafting a number of major contracts on behalf of the municipality including Otter Lake, Irving Tax Agreement, Service Exchange Agreement with Halifax Water, and a number of procurement contracts
 - Will address approx. 1500 insurance claims for HRM including Halifax Water, Library, and Boards and Commissions in 2015-16
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15/16 Update

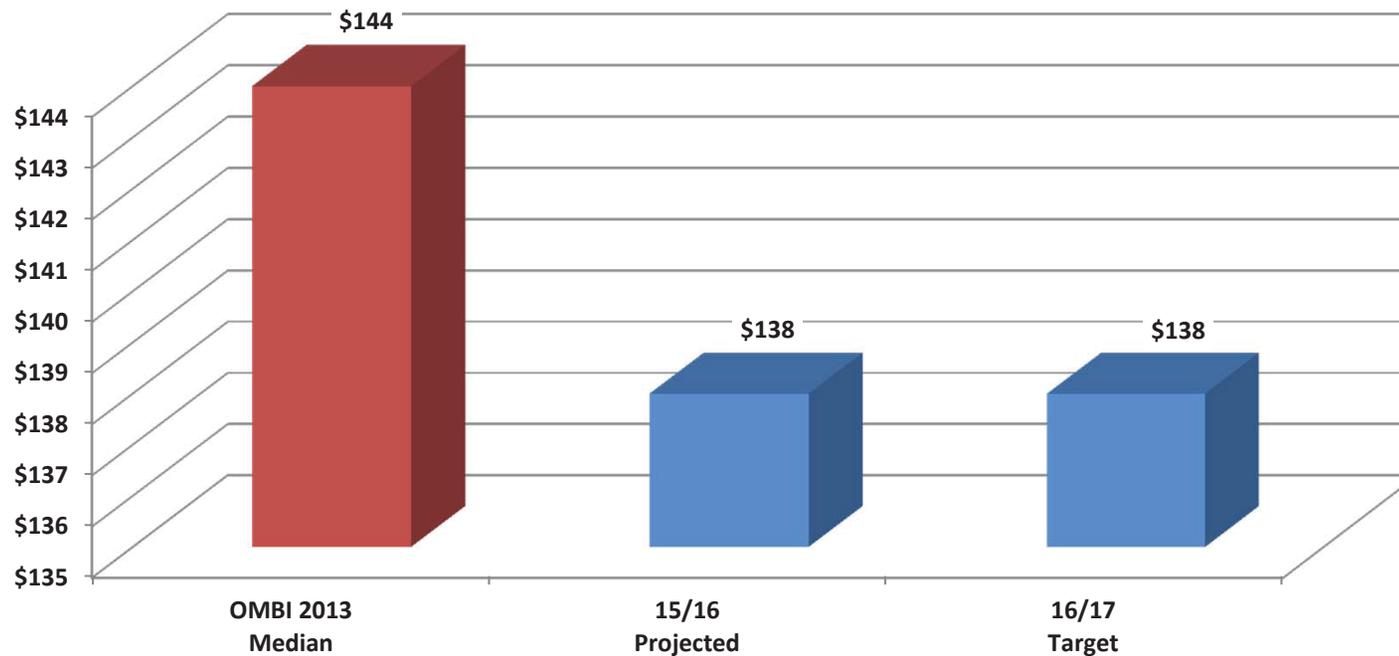
15/16 Plan	Status Update
By-law Review Project	<ul style="list-style-type: none">• 38 /122 reviewed as at October 30th• 10 new By-laws developed• 10 new or amended Admin Orders• 18 By-law amendments• Report to Council early in the new year to review/set priorities for 2016-17
Contract Review	<ul style="list-style-type: none">• Project struggled in 2015-16 due to Legal's increased role in contract negotiations• Additional resources and expertise is required to advance this project• Competition underway for securing an additional corporate/commercial lawyer

15/16 Update

15/16 Plan	Status Update
LIRMS Business Unit Efficiencies	<ul style="list-style-type: none">• Legal Services has secured case management software and project implementation is underway – “go live” tentatively scheduled for Spring of 2016
HRM Charter Review	<ul style="list-style-type: none">• This project is now taking a back seat to municipal finance reform• It is evident that the Charter is more likely to be reviewed and come forward in strategic pieces than completed as one entire review

Legal Service Costs

Legal Operating Costs per
In-House Lawyer Hour



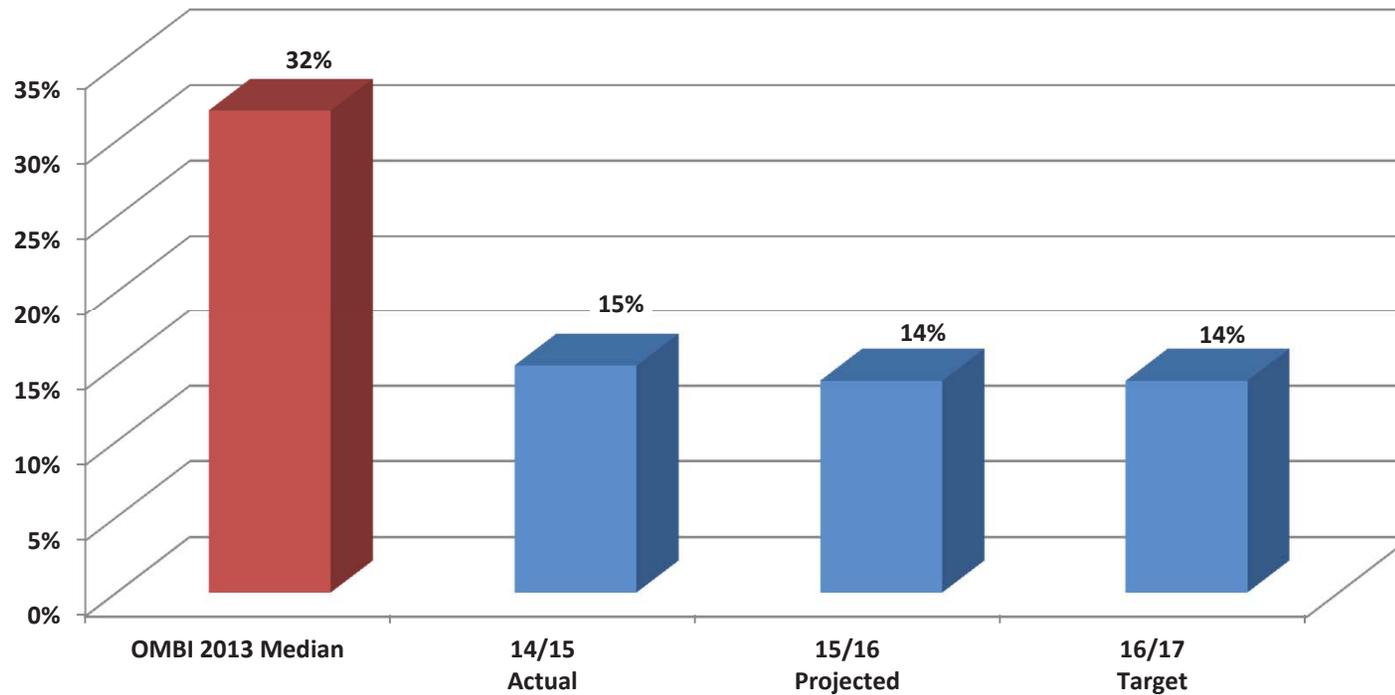
Note:

- 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)
- **OMBI: Ontario Municipal Benchmarking Initiative**
- **OMBI Indicator Definition: In-House Legal Operating Costs per In-House Lawyer Hour**



External Legal Service Cost

Proportion of Legal Costs are that External



Note:

- OMBI: Ontario Municipal Benchmarking Initiative
- OMBI Indicator Definition: Total External Cost per Total Municipal Legal Costs

Operating Budget Overview

Cost Element Groups	2014-15		2015-16		2016-17
	Budget	Actual	Budget	3 rd Quarter Projection	Proposed
* Compensation and Benefits	3,173,100	3,176,211	3,745,800	3,731,620	3,826,900
* Office	96,600	72,248	94,600	103,800	101,600
* External Services	386,100	333,506	399,200	401,200	347,000
* Supplies	4,000	902	2,500	2,500	1,500
* Materials	0	0	0	0	0
* Building Costs	0	0	0	0	0
* Equipment & Communications	0	0	0	0	0
* Vehicle Expense	0	0	0	0	0
* Other Goods & Services	189,400	209,066	195,900	194,600	206,400
* Interdepartmental		250			
* Other Fiscal	(449,700)	(423,381)	(30,000)	(30,000)	
** Total	3,399,500	3,368,802	4,408,000	4,403,720	4,483,400
Revenues					
* Fee Revenues	(186,400)	(183,240)	(182,000)	(205,900)	(175,000)
* Inter-Departmental Transfer (Real Estate Disbursements)			(40,000)	(46,800)	(20,000)
* Other Revenue	(31,000)	(22,942)			(35,000)
** Total	(217,400)	(206,182)	(222,000)	(252,700)	(230,000)
Net Surplus/Deficit	3,182,100	3,162,621	4,186,000	4,151,020	4,253,400

Service Area Budget Overview

Net Legal, Insurance and Risk Management Services Expenses by Service Area	14/15		15/16		16/17
	Budget	Actual	Budget	3 rd Quarter Projection	Proposed Budget
Legal Services	3,182,100	3,162,621	3,746,100	3,677,580	3,746,700
Risk and Insurance Services	0*	0*	439,900	473,440	506,700
Business Unit Total	3,182,100	3,162,621	4,186,000	4,151,020	4,253,400

* Risk and Insurance Services was funded entirely from the Self-Insurance Reserve (Q306) in 2014/15, therefore the net budget was zero. The Reserve is funded from corporate operating account M320 – Insurance Claims.



Staff Counts (FTEs)

Service Area	2013/2014 FTEs	2015/2016 FTEs	2016/2017 FTEs
Legal, Insurance and Risk Management Services Total	34	36	36
Director's Office	2	2	2
Legal Services	27	28	28
Risk and Insurance Services	5	6	6

16/17 Cost Reductions

Cost Reduction Initiative	Proposed 16/17 Saving	Projected 17/18 Saving	Projected 18/19 Saving	Impact on Service Delivery
Library Resource Review		8,000		n/a
Total Reductions:		8,000		

Questions and Discussion