



P.O. Box 1749
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Item No. 5
Budget Committee
January 16, 2019
January 18, 2019

TO: Chair and Members of Budget Committee
(Standing Committee of the Whole on Budget)

SUBMITTED BY: ORIGINAL SIGNED

Jacques Dubé, Chief Administrative Officer

DATE: January 4, 2019

SUBJECT: Proposed 2019/20 Multi-year Finance, Asset Management & ICT Budget and Business Plan

ORIGIN

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented to Regional Council on October 16, 2018, staff is required to present the draft 2019/20 Business Unit Budget and Business Plans to the Budget Committee 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 Budget Committee direct staff to prepare the Finance, Asset Management & ICT 2019/20 Multi-year Budget and Business Plan, as proposed in the accompanying presentation, and to prepare Over and Under items for that Plan as directed by Regional Council.

BACKGROUND

As part of the design of the 2019/20 Budget and Business Plan development process, the Budget Committee is reviewing each Business Unit's budget and proposed plans, in advance of completing detailed HRM Budget and Business Plan preparation.

At the November 13, 2018 and December 4, 2018 Committee of the Whole meetings, Regional Council considered and confirmed their Council Priority Outcomes and on November 27, 2018 provided fiscal direction for the 2019/20 Multi-year budget, directing staff to: "direct staff to develop the 2019/20 Budget and 2020/21 Budget in Principle according to Council's approved priorities, and preliminary fiscal direction, including:

- maintaining the appropriate level of existing services with the addition of the new services previously approved by Council;
- a three-year capital budget that recapitalizes assets, funds growth related issues and is balanced to the fiscal framework
- a responsible debt position;
- appropriate reserve balances that allow for risk mitigation, future obligations, and opportunities; and,
- alignment of the current average tax bill for residential homes and commercial properties under two scenarios:
 - a) 1.9% increase for 2019/20;
 - b) 2.1% increase for 2019/20;
 - c) 2.9% increase for 2019/20.

DISCUSSION

Staff has prepared the proposed 19/20 Multi-year Budget and Business Plan consistent with the preliminary fiscal direction received from Council on November 27, 2018 and aligned with Council Priorities as approved on November 13, 2018 and December 4, 2018. The proposed Budget aligns with a 2.9% increase in the average tax bill for both residents and businesses.

Following direction from the Budget Committee, staff will proceed to complete the detailed Budget and Business Plan for inclusion in the proposed 2019/20 Multi-Year Budget and Business Plan documents to be presented to Council, as per the process and schedule approved in the October 16, 2018 staff report.

As part of the Budget process, Regional Council will be provided with a list of possible services increases and decreases that will allow them to more fully direct changes to the budget. As part of this "Over and Under" process, staff will provide budget options for Council's consideration that would achieve an alternative tax bill increase of either 2.1% or 1.9%.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed 2019/20 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.

RISK CONSIDERATION

Although there is no immediate risk related to financial decisions, there may be risks associated with individual decisions during the budget debate as they could favour short-term results over longer term strategic outcomes. Individual decisions made during budget debate will however, be considered for both short- and long-term impacts to levels of service, asset condition, and cost.

In addition, the administration seeks to reduce these risks in three ways; by providing Regional Council with several fiscal options to assist in the achievement of longer term strategic outcomes; by assessing both corporate and capital project risk and by providing the opportunity to draw Regional Council's attention to project or program related risk when reports are presented for consideration.

HRM implemented Enterprise risk management in 2015; corporate risks are evaluated annually during the business planning process and mitigating strategies are implemented to reduce the overall risk to the organization. Project related risk is evaluated during the capital planning process; project managers using the same risk assessment tools as those used to assess corporate risk, rate the relative risk of each discreet projects.

COMMUNITY ENGAGEMENT

No community engagement was sought for this report; however, the current budget consultation process seeks to solicit public comment on community priorities; members of the public are invited to provide feedback following each business unit budget and business plan presentation.

The Citizen Survey completed in September 2018 has also provided valuable information for assessing community priorities and expectations and has been incorporated into the planning work.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

The Budget Committee 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

- Finance, Asset Management & ICT 2019/20 Multi-year Budget and Business Plan Presentation
- Finance, Asset Management & ICT 2019/20 Draft Proposed Multi-Year Budget and Business Plan

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Lanna Prowse, Coordinator, Finance, Asset Management & ICT, 902.490.6527

ORIGINAL SIGNED

Financial Approval by:

Jane Fraser, CFO, Director of Finance and Asset Management & ICT, 902.490.4630

The word "HALIFAX" is written in a bold, white, sans-serif font, centered within a dark blue triangular shape that points downwards. The background of the slide features a large, abstract geometric design composed of several overlapping triangles in various shades of blue, creating a dynamic, modern look.

HALIFAX

Finance, Asset Management & ICT

2019/20 and 2020/21 Multi-Year
Budget & Business Plan

Committee of the Whole on Budget

January 16, 2019

Finance, Asset Management & ICT

We lead financial and technological stewardship through advice, governance, customer-focused services and policy.

We provide and support timely acquisition and disposal of all municipal assets.

Service Areas

Financial Policy & Planning – Bruce Fisher

Accountable for financial planning; coordination of the multi-year operating, capital and reserve budgets; financial support and oversight; grants support; and taxation policy.

Financial Reporting/Accounting/Payroll – Louis deMontbrun

Provides operating and capital accounting, projection and financial reporting, revenue and expenditure analysis and production and oversight of payroll.

Revenue/Treasury – Renee Towns

Accountable for tax and general revenue billings, collections, cash management, banking and the investment portfolio.

Procurement – Jane Pryor

Coordinates the acquisition of goods, services, coordination and administration of contracts; surplus storage and disposal; and management and warehousing of inventory.

Service Areas

Corporate Planning – Wendy Lines

Assists the organization in business planning and reporting; performance reporting and benchmarking; outcome and accountability reporting; and risk management.

Corporate Real Estate – Peter Stickings

Responsible for real estate acquisitions and disposals; industrial park development and sales; lease and accommodation management; and real estate advisory services.

Asset Management – Crystal Nowlan

The practice of managing assets to minimize the total cost of owning and operating assets while delivering desired service levels.

ICT – Sarah Teal

ICT is the steward of both enterprise solutions, and cybersecurity to maintain confidentiality, integrity, and availability of solutions and data for optimal business function.

About Us

Activity in 2018-19

- Value of Property Acquired **\$12.5M**
- Industrial Lots Sold **45 acres**
- Leases Under Management **450,000 square feet**
- **162,687** Tax Accounts Managed
- Bad Debt Write Off as a Percent of Billed Revenue-**0.2%**
- Number of invoices processed -18/19 **est. 95,000**
- T4's issued -18/19 **est.7,900**

About Us

Activity in 2018-19

- Total **57** Grants Value **\$462,413**
- Value of procurement solicitations awarded - **\$86.8 M**
- Value of issued inventory - **\$16.96 M** – inventory over 2.74 times/year
- E-mail accounts managed – **5,630**
- Spam blocked – **60,016,826**
- Service desk tickets – **18,867**
- Open data sets - **68**

Initiative Updates – Council Priorities

Governance and Engagement – Fiscal Responsibility

PCI (Payment Card Industry) Compliance Program (est. compl.Q4 19/20)

- The implementation of the PCI (Payment Card Industry) compliance program will help ensure that as HRM adopts electronic payment technologies, appropriate controls and safeguards are in place to secure and protect customer card data.

ICT Strategic Plan (est. compl Q3 19/20)

- ICT will work with the Executive Steering Committee to develop multi-year technology plans (5 and 10-year plans) to drive exceptional service delivery to customers through technology.

Initiative Updates – Council Priorities

Governance and Engagement - Municipal Governance

Cyber Security Framework (est. compl. Q4 20/21)

- Following up on the threat risk assessment conducted in 2018/19 ICT will develop a cyber security framework for HRM

Cash Management Audits (est. compl. Q4 19/20)

- Revenue division will enhance internal audits of cash handling units thereby safeguarding HRM financial assets.

Procurement Policy-Phase 2 Audit (est. compl Q4 19/20)

- Phase two in 2019/20 will include monitoring compliance to process and responding to any new recommendations from the follow-up audit

Initiative Updates – Council Priorities

Economic Development – Focus on the Regional Centre



Cogswell Redevelopment Program

- Complete RFP for Constructor Service (Q1 19/20)
- Initiate demolition of existing infrastructure (Q3 19/20)
- On-going communication regarding construction activity

Initiative Updates – Council Priorities

Economic Development – Promote and Maximize Growth

Prepare for Commercial Tax Averaging for 2020/21 (est. compl. Q3 20/21)

- Depending on final Regional Council direction, Financial Policy & Planning will:
 1. Prepare to introduce a system of commercial tax averaging for 2020/21;
 2. Conduct additional research and/or requests for legislative changes.

Update Commercial Tax Benchmarks (est.compl. Q3 19/20)

- Benchmarks comparing commercial taxes per square foot – HRM to other cities. First update since 2015.

Tax Reviews (est. compl. Q3 19/20)

- Non-Profit Tax Rebate and Low Income Tax Rebate – Review possible improvements and any changes that should be recommended.



Diversity & Inclusion Framework

Business Unit Goals

Inclusive Public Service

- To ensure societal concerns are considered in decisions, procurement will incorporate a social policy lens to the public procurement process. (Q3 19/20)

Safe, Respectful and Inclusive Work Environment

- To ensure inclusive and equitable access to municipal offices, Corporate Real Estate will consider the needs of all occupants and visitors through sensitive and thoughtful design of each space to be renovated. (Q3 19/20)

Diverse and Inclusive Environment

- To advance diversity and foster innovation in our environment, FAM&ICT will certify all hiring managers under the "Hiring Managers Certification Program" and support the employee self identification survey. (Q4 19/20)

Initiative Updates - HRM Administrative Priorities

Financial Stewardship

Strategic, Multi-year Business and Budget Plans

- **Corporate Service Catalogue Review and Update (est. compl Q4 19/20)**

The Corporate Planning Office will develop a project charter and lead the review and updating of the corporate service catalogue including alignment of services with community outcomes.

- **Corporate Performance Management Solution - Phase 1 (est. compl. Q4 19/20)**

Supported by the Information Technology division, the Corporate Planning Office will undertake an opportunity assessment for a Corporate Performance Management Solution and begin work on a business intelligence reporting environment.

Initiative Updates - HRM Administrative Priorities

Financial Stewardship

Risk Management Framework

- **Risk Management Framework - Operational Risk Governance (est. compl. Q4 19/20)**

The Corporate Planning Office will work with business units to incorporate operational risk into HRM's Enterprise Risk Management Framework through the establishment of a governance model and development of operational risk registries.

Initiative Updates - HRM Administrative Priorities

Our People

Engaged Workforce

- **Developing and Supporting FAM & ICT Leaders (est. compl. Q3 19/20)**
FAM & ICT will commit to creating career paths for key roles, create a succession plan committee, and provide development and succession opportunities.
- **Enhancing FAM & ICT Workplace Culture (est. compl. Q4 19/20)**
FAM & ICT will engage staff from all divisions in the development of an internal rewards and recognition program.
- **Improve FAM & ICT Employee Engagement (est. compl. Q2 19/20)**
FAM & ICT will develop an employee action plan in support of survey results.

Initiative Updates - HRM Administrative Priorities

Service Excellence

Performance Excellence

- **Money Belt Training (est. compl. Q3 19/20)**
Finance will train financial staff in deriving benefits for business cases and performance improvement initiatives.
- **Financial Analytics (est. compl. Q3 19/20)**
To strengthen the organization's financial analytical capabilities, Financial Policy & Planning will review and refine the following:
 - Reviewing the "Financial Impact" section of Regional Council reports;
 - Audit and Finance procedures around in-year budget changes;

Initiative Updates - HRM Administrative Priorities

Service Excellence

Performance Excellence

- **Procurement Service Model Review (est. compl. Q3 19/20)**
Procurement will develop a service model that best meets customer needs while considering structure and staffing needs.
- **SAP/Hana - Review Processes and Reports (initiated 20/21)**
Collaborating with ICT, Finance will review what management reports, processes, procedures and training would provide the highest customer service under SAP/Hana.
- **Real Estate Service Improvement Initiatives**
Continue to improve policy, standards and communication tools, supplemented with staff training, to foster service delivery improvements.

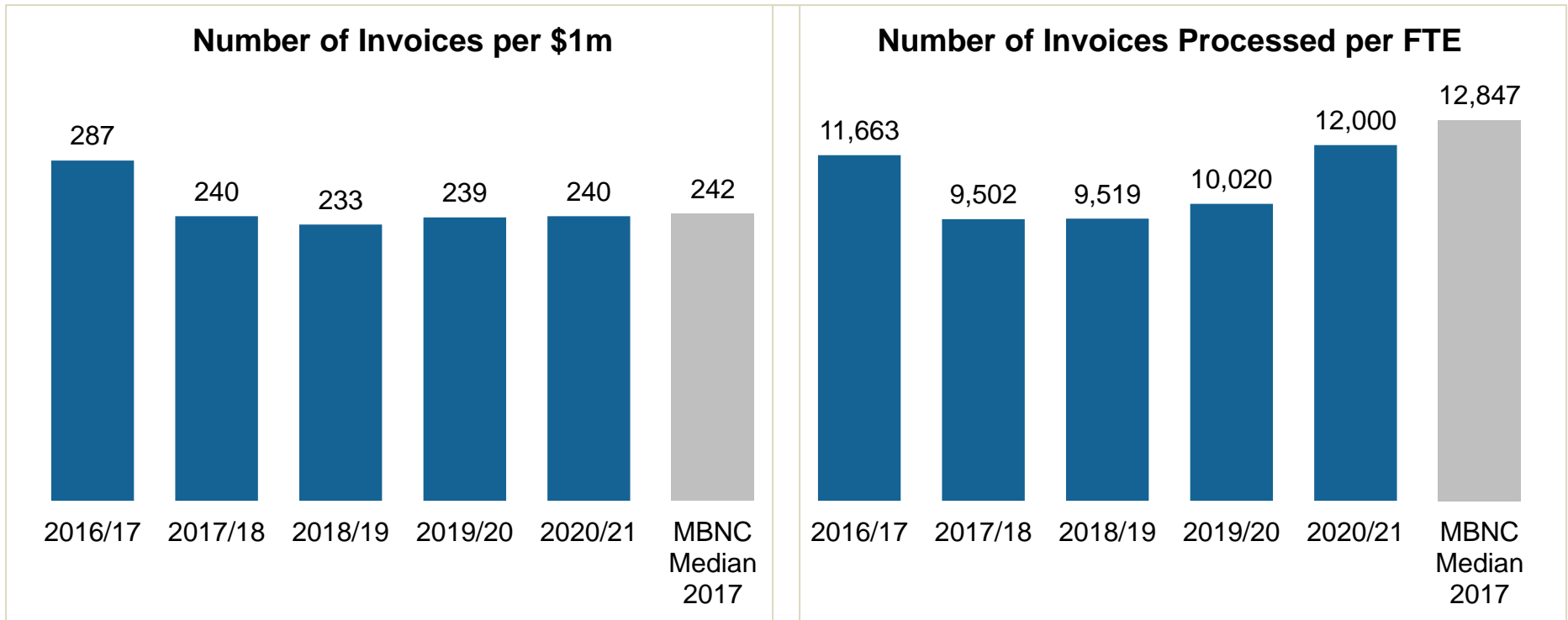
Key Performance Indicators

Economic Development – Supply of Lands

Corporate Real Estate Performance Measures	2018/19 Projected	2019/20 Planned
Property Acquisitions	\$12.5m	~\$6.0m
Property Disposals	\$3.3m	~\$47m
Industrial Park Sales	43.68 acres	30 acres
Industrial Park Acres (Gross Revenue)	\$10.9m	\$8.5m

The supply of Industrial, Commercial and Institutional Lands is a Regional Council priority outcome under economic development to ensure that there are sufficient industrial, commercial and institutional lands available to meet economic opportunities and growth of the commercial tax base. The risk is that there will not be sufficient land in the right locations available to support economic growth resulting in loss of economic opportunities.

Key Performance Indicators

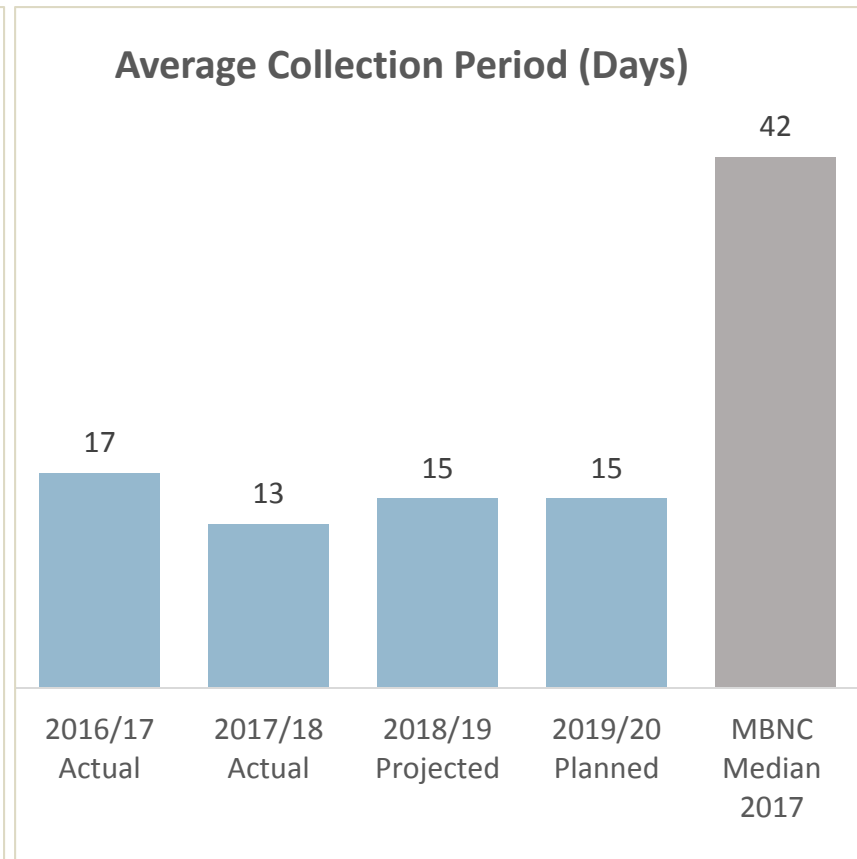
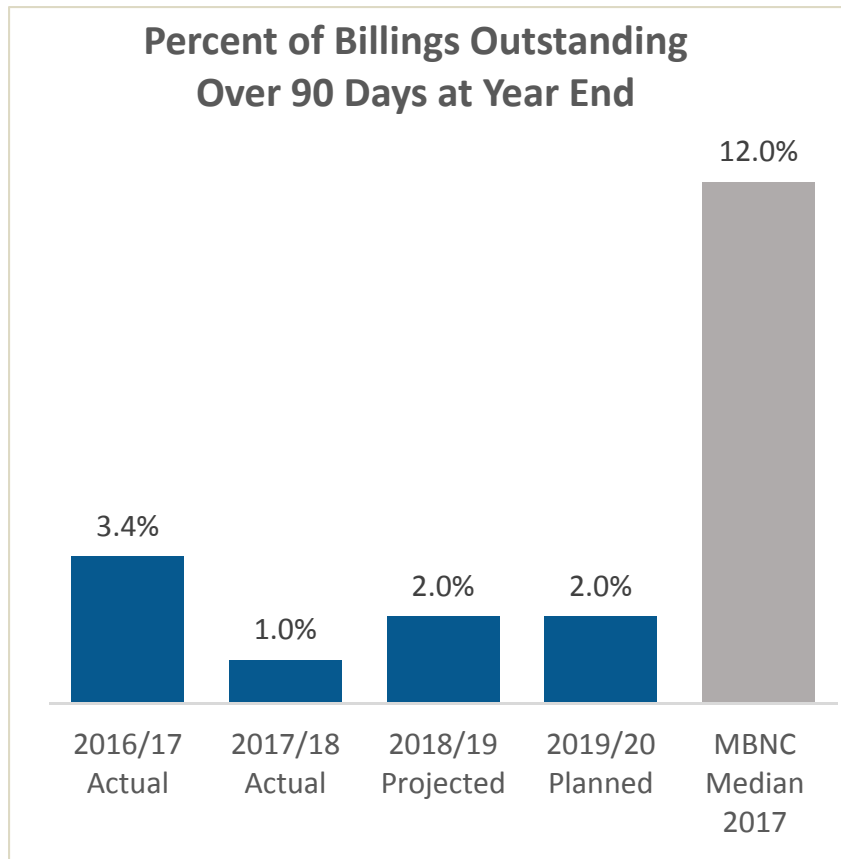


MBNCanada: Municipal Benchmarking Network Canada

Measures: FINV230 – Total Number of Invoices Processed per \$1,000,000 of Municipal Purchases (Operating and Capital) for Goods and Services.

FINV325 – Number of Invoices Processed per Accounts Payable FTE

Key Performance Indicators



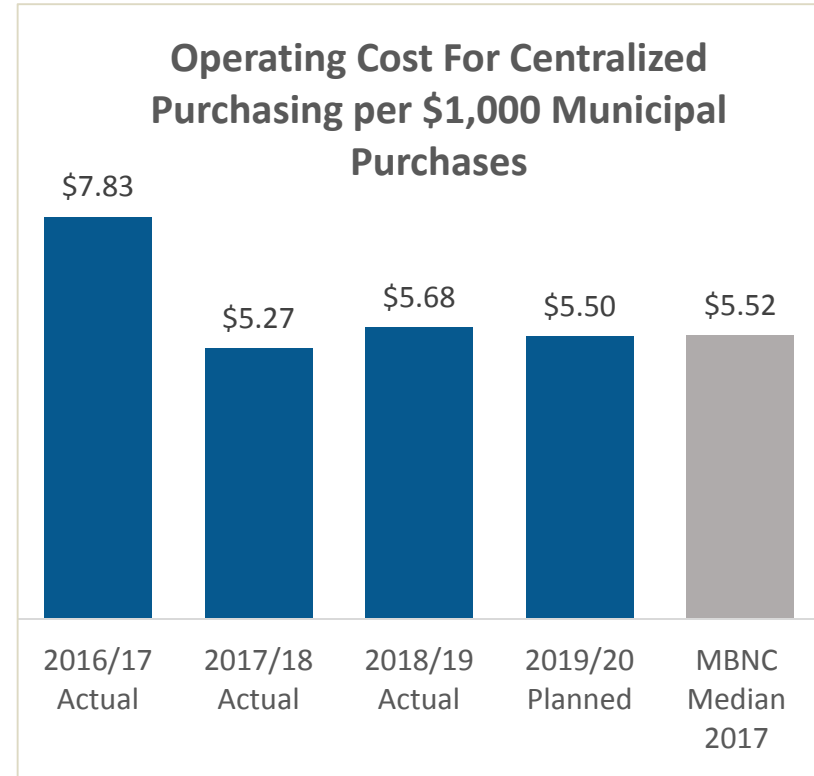
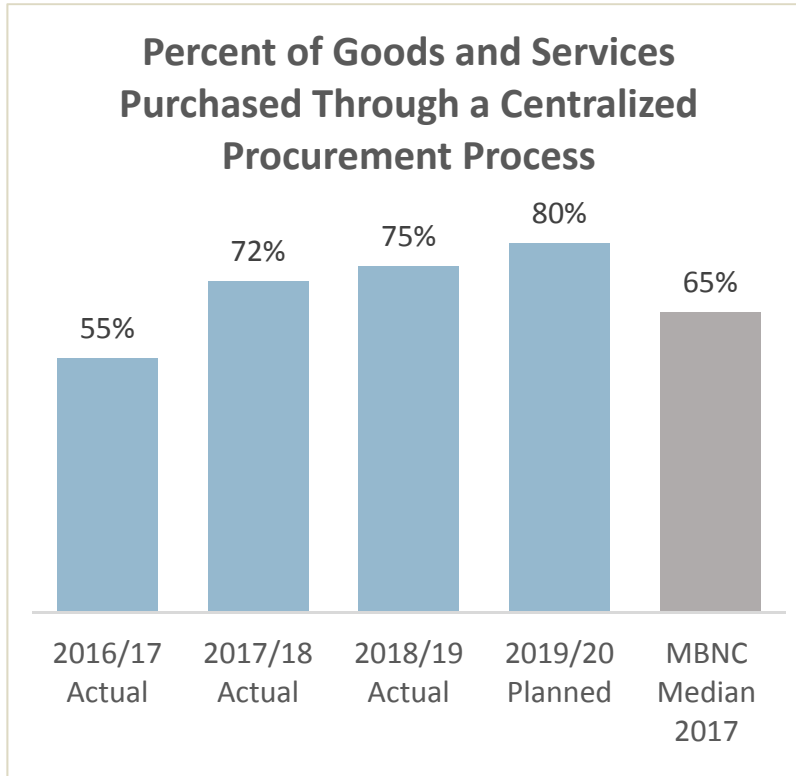
Notes:

MBNCanada: Municipal Benchmarking Network Canada

Measures: GREV320 - Percent of Billings Outstanding Over 90 Days at year end / GREV335 - Average Collection Period in Days

Key Performance Indicators

Governance and Engagement - Municipal Governance



Notes:

MBNCanada: Municipal Benchmarking Network Canada

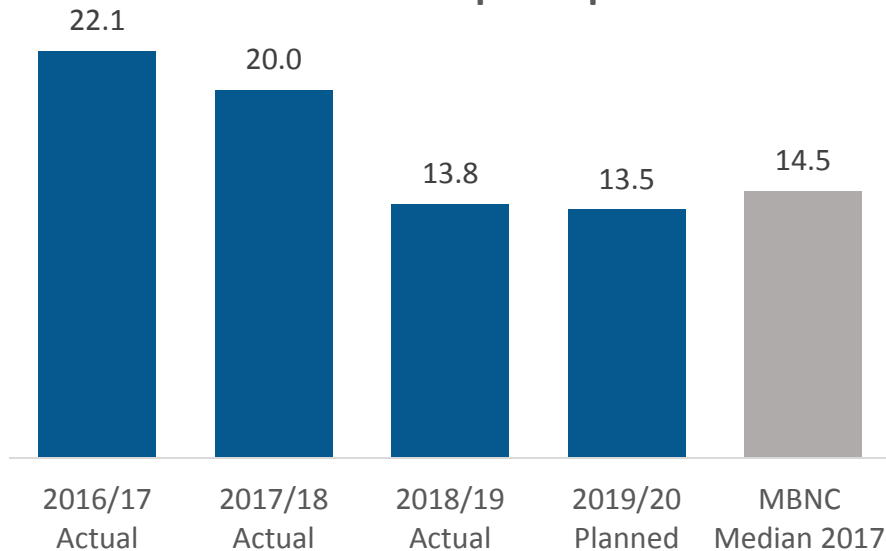
Measures: FPUR107 - Percent of Goods and Services Purchased (Operating and Capital) Through a Procurement Process

FPUR362 - Centralized Purchasing Division Operating Costs per \$1,000 Municipal Purchases (Operating and Capital) for Goods and Services through a Procurement Process.

Key Performance Indicators

Governance and Engagement - Communications

Number of Visitor Sessions to Municipal Website per Capita



Decrease in site visits due to website design changes in 2017. 2018/19 and 2019/20 numbers only represent visits to Halifax.ca.

Notes:

MBNCanada: Municipal Benchmarking Network Canada

Measure: INTN105 - Number of Visitor Sessions to Municipal Website per Capita

Operating Budget Overview

Summary of Expense & Revenue						
Expenditures	2017-18	2018-19	2018-19	2019-20		2020-21
	Actual	Budget	Projections	Budget	Δ 18-19 Bud.	Budget
Compensation and Benefits	23,411,555	25,763,600	24,057,872	27,513,900	1,750,300	27,320,100
Office	6,165,518	6,549,900	6,549,750	6,310,600	(239,300)	6,326,100
External Services	2,591,026	5,422,600	5,032,948	5,622,500	199,900	6,078,700
Supplies	10,323	15,200	15,500	15,000	(200)	15,000
Materials	27,391	35,000	62,355	35,000		35,000
Building Costs	610,046	815,900	778,450	898,900	83,000	916,100
Equipment & Communications	1,866,170	2,141,500	2,194,527	2,213,400	71,900	2,246,900
Vehicle Expense	289					-
Other Goods & Services	3,980,727	4,751,700	4,661,022	4,687,000	(64,700)	4,515,300
Interdepartmental	(319,050)	(243,800)	(317,062)	(359,700)	(115,900)	(359,700)
Other Fiscal	(77,261)	(562,900)	(365,100)	(426,800)	136,100	(436,800)
Total	38,266,735	44,688,700	42,670,262	46,509,800	1,821,100	46,656,700
Revenues						
Revenues	2017-18	2018-19	2018-19	2019-20		2020-21
	Actual	Budget	Projections	Budget	Δ 18-19 Bud.	Budget
Fee Revenues	(4,491,232)	(4,699,500)	(4,715,100)	(4,746,400)	(46,900)	(4,750,100)
Other Revenue	(1,082,638)	(468,000)	(486,463)	(484,500)	(16,500)	(484,500)
Total	(5,573,870)	(5,167,500)	(5,201,563)	(5,230,900)	(63,400)	(5,234,600)
Net Surplus/Deficit	32,692,865	39,521,200	37,468,699	41,278,900	1,757,700	41,422,100

Service Area Budget Overview

Service Area	2017-18	2018-19	2018-19	2019-20		2020-21
	Actual	Budget	Projections	Budget	Δ 18-19 Bud.	Budget
Admin - Finance	737,936	906,800	917,700	947,500	40,700	935,000
Corporate Planning	478,119	392,200	376,900	388,700	(3,500)	388,700
Procurement	4,251,820	4,456,100	4,488,600	4,775,700	319,600	4,773,400
Fiscal Policy & Financial Planning	1,527,822	1,634,800	1,622,500	1,668,300	33,500	1,668,300
Revenue	(515,619)	(793,700)	(790,900)	(761,700)	32,000	(761,700)
Financial Reporting	3,908,081	4,073,100	4,019,000	4,175,500	102,400	4,175,500
Information Technology	18,150,051	23,423,600	21,674,599	24,735,200	1,311,600	24,999,700
Asset Management	432,687	594,600	580,200	616,300	21,700	616,300
Corporate Real Estate	3,721,968	4,833,700	4,580,100	4,733,400	(100,300)	4,626,900
Net Surplus/Deficit	32,692,865	39,521,200	37,468,699	41,278,900	1,757,700	41,422,100

Staff Counts

Funded FTEs Includes full & part-time permanent positions	2018/19 Approved	2019/20 Planned Change (+/-)	2019/20 Planned FTE's
Full Time	308.6	6.6	315.2
Seasonal, Casual and Term	5.5	-1.0	4.5
Total	314.1	5.6	319.7

Summary of Budget Changes

Description	Change Description / Service Impact	2019/20 Planned Change (\$)	Amounts
Approved 18/19 Budget			\$39,521,200
Compensation	Salary increases (includes additional 5.6 FTE's)	\$1,750,300	\$1,750,300
Budget Adjustments	Savings in Software, Licenses and Printing costs	(\$239,300)	\$7,400
	Increase in Revenues and Recoveries	(\$63,400)	
	Increase in External Services for service enhancements	\$199,900	
	Increase in Building/Facility Leasing costs	\$83,000	
	Misc. cost increases	\$27,200	
Total Proposed Changes			\$1,757,700
Proposed 19/20 Budget			\$41,278,900

Operating Reductions to 2.1%

Option Description / Service Impact	One-time / On-going	19/20 Amount	20/21 Amount
ICT – Partnership with VOLTA would not be achievable/ No significant effects to service	Ongoing	\$250,000	\$250,000
ICT - Reduce Operating Cost of Capital-Compensation/ Achievable without significant changes to service levels.	Ongoing	\$298,000	\$298,000
Total Proposed Reductions		\$548,000	\$548,000

Operating Reductions to 1.9%

Option Description / Service Impact	One-time / On-going	19/20 Amount	20/21 Amount
ICT – Partnership with VOLTA would not be achievable/ No significant effects to service	Ongoing	\$250,000	\$250,000
ICT - Reduce Operating Cost of Capital-Compensation/ Achievable without significant changes to service levels.	Ongoing	\$298,000	\$298,000
Corporate Real Estate – reduce contract services used for capital requirements on corporate accommodations/Achievable without significant changes to service levels.	Ongoing	\$50,000	\$50,000
Total Proposed Reductions		\$598,000	\$598,000

Operating Options Over Budget

Option Description / Service Impact	One-time / On-going	19/20 Amount	20/21 Amount
Partner with Volta	Ongoing	\$250,000	\$250,000
Total Proposed Increases		\$250,000	\$250,000

Operating Options Under Budget

Option Description / Service Impact	One-time / On-going	19/20 Amount	20/21 Amount
Reduce municipal property tax expense on leased accommodations.	Multi - year	\$50,000	\$50,000
Reduce training and education expense by using utilizing cost effective alternatives	Multi- year	\$50,000	\$50,000
Increase facility rental revenue	On-going	\$50,000	\$50,000
Increase recovery from external parties	On-going	\$75,000	\$75,000
Total Proposed Cost Reductions and Increases to Revenue		\$225,000	\$225,000

Finance, Asset Management & ICT

We lead financial and technological stewardship through advice, governance, customer-focused services and policy.

We provide and support timely acquisition and disposal of all municipal assets.

Finance, Asset Management & ICT

2019/20 – 2020/21 Multi-Year Budget and Business Plan

Mission: Leading Financial and Technological Stewardship

We lead financial and technological stewardship through advice, governance, customer-focused services and policy.

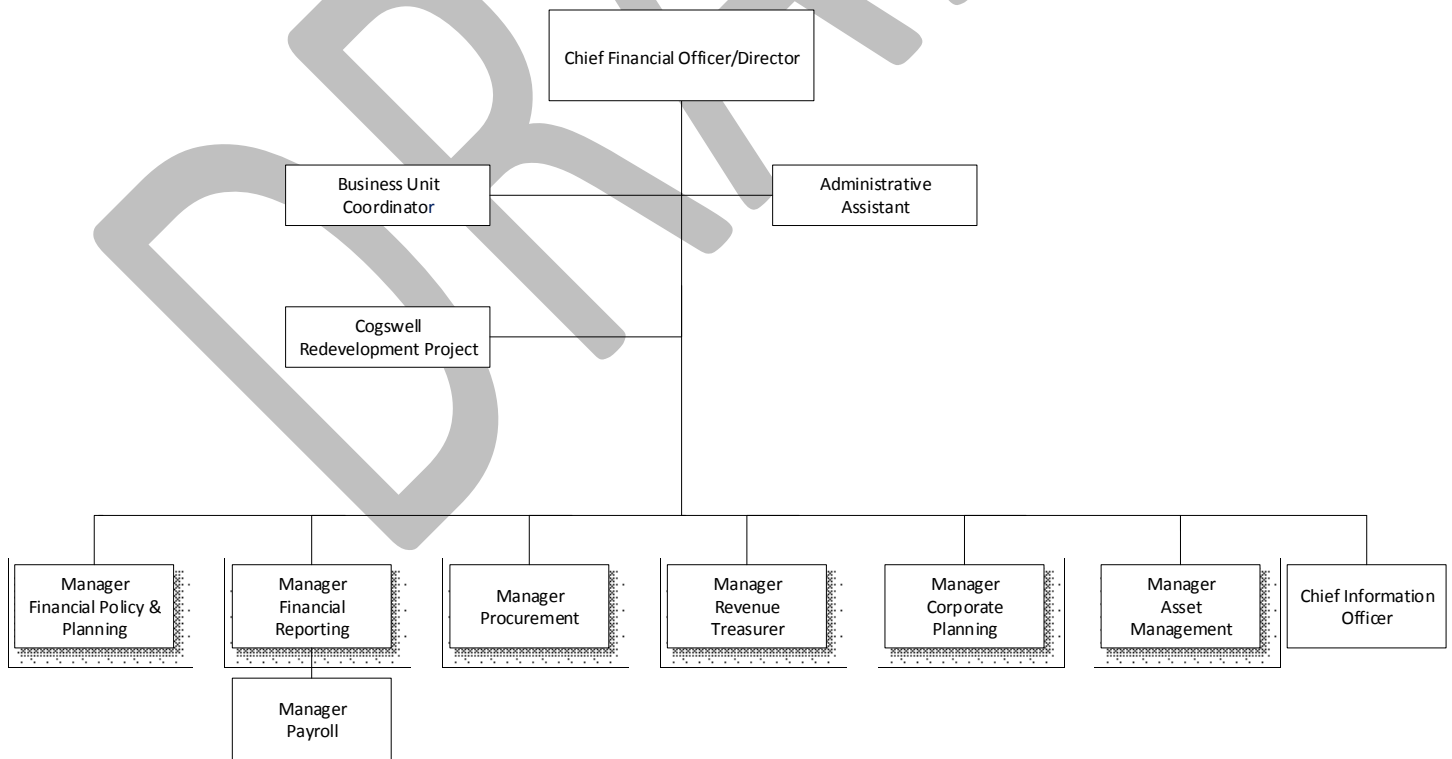
We provide and support timely acquisition and disposal of all municipal assets.

FINANCE, ASSET MANAGEMENT & ICT OVERVIEW

Finance, Asset Management & ICT is committed to advancing Regional Council and administrative priority outcomes of:

- Governance and Engagement - Fiscal Responsibility
- Service Excellence - Service Delivery
- Service Excellence - Service Improvements
- Social Development - Social Infrastructure
- Economic Development - Supply of Industrial, Commercial, and Institutional Lands
- Financial Stewardship - Risk Management Framework
- Financial Stewardship - Strategic, Multi-year Business and Budget Plans
- Financial Stewardship - Financial Position

This is achieved through leadership of financial stewardship activities and providing services and advice to internal clients, Regional Council and residents of Halifax. Corporate Planning provides support to the organization by assisting business units in strategic and operational decision-making; performance management and maximizing collaboration on Regional Council’s priorities. Corporate Real Estate and Asset Management improves the way that our municipal assets are managed within HRM. ICT will focus on improved internal and external processes and tools to support business units in their service delivery, including proactive solutions and infrastructure monitoring.



Funded Full Time Equivalents (FTEs)

Funded FTEs Includes full & part-time permanent positions	2018/19	2019/20	2019/20
	Approved	Planned Change (+/-)	Planned Total FTE's
Full Time	308.6	6.6	315.2
Seasonal, Casual and Term	5.5	-1.0	4.5
Total	314.1	5.6	319.7

Business Unit Tax Allocation

To be updated in final draft

Tax Allocation	2018/19 Planned	2019/20 Planned	2020/21* Planned
Percent of the average tax bill spent on Finance & Asset Management	NA	NA	NA
Average tax bill amount spent on Finance & Asset Management	NA	NA	NA

* Based on an average tax bill for a single-family home (assessed at \$ NA in 2018)

Multi-Year Initiatives (2019/20 – 2020/21)

Financial Stewardship - Risk Management Framework

Risk Management Framework

Develop a risk management framework with the appropriate governance model to anticipate, manage, and mitigate enterprise and corporate risk. This requires each business unit to assign risk subject matter experts to be trained to develop and maintain operational risk registries.

Financial Stewardship - Strategic, Multi-year Business and Budget Plans

Review and Validate Services, Service Levels and Standards

All existing services will be reviewed to validate current service levels and service standards; business units will be responsible for providing updated information to the service catalogue and FAM&ICT will evaluate the effectiveness of enhancing this information with Municipal Benchmarking Network Canada information. In addition, FAM & ICT will undertake a budget and business plan review to inform a customer-centric service delivery model.

Financial Stewardship - Financial Position

Enhance Management Reporting to Support Operational Decision-making

Business units require enhanced management reporting to support decision making. To support this initiative an organizational needs assessment will be conducted and jurisdictional scans of both the public and private sector; the outcome of which will be a discrete list of reports to be developed and provided to the business units.

Business Case Process

Implement a robust business case process that assesses risk, and evaluates financial and non-financial benefits of projects, services, and programs. Based on criteria business unit's will be responsible for submitting business cases for evaluation and ranking before assignment within capital process.

Accurate Projections

Working with business units provide credible and explainable projections for revenue, compensation and operations to inform responsible decision making and increase transparency.

Economic Development – Supply of Industrial, Commercial, and Institutional Lands

Supply of Industrial Lands

To ensure that there are sufficient industrial, commercial and institutional lands available to provide economic opportunities, HRM will maintain and/or expand its industrial land base to ensure a 20-year supply of land. Key activities and initiatives for the next two years will include:

1. Updating the Business/Industrial Park Functional Plan (2019/20 deliverable)
2. Informing capital plans (2019/20 deliverable)
3. Initiating secondary planning process for Ragged Lake (2019/20 deliverable)
4. Amending zoning at Aerotech Business Park (2020/21 deliverable)
5. Addressing access to Phase 13 Burnside (2020/21 deliverable)

Economic Development – Focus on the Regional Centre

Cogswell Redevelopment Program

The Cogswell Redevelopment Program is a significant "City Building" project intended to transform lands supporting aging, underutilized transportation infrastructure (Cogswell Interchange) into a vibrant, mixed use neighbourhood, reintegrating the historic fabric of downtown and the waterfront with the north end of the city. Demolition of existing infrastructure and its replacement with a new at-grade street network, parks and open spaces, and development blocks are estimated to take 3-4 years, starting in mid-2019. Phased release of the newly created land parcels for high value residential/mixed use buildings will occur in the following 4-5 years. In 2019/20, staff will:

1. Complete the RFP process for the construction services contract in Q1 2019, following presentation of the 90% design to Regional Council.

2. Initiate demolition of existing interchange infrastructure and commence reconstruction in Q2 2019.

Service Delivery - Innovation

Service Innovation and Transformation

Technology is changing the way citizens and businesses expect to engage with the municipality. There is an expectation for streamlined services which can be leveraged through a multitude of channels to meet the needs of citizens, businesses, visitors and governing bodies - our customers. Through both short and long-term planning, ICT will continue to advance critical initiatives including the ICT Strategic Plan, IT Asset Management, and Enterprise Content Management Strategy to drive exceptional service delivery to customers through technology enhancements.

Diversity & Inclusion

All HRM business units are undertaking initiatives to advance diversity and inclusion to foster innovation and support an improved understanding of the community. Over the next two years, Finance & Asset Management will focus on incorporating related Diversity Framework efforts into business planning practices and tools to ensure corporate focus and tracking of these efforts, certifying all hiring managers under the "Hiring Managers Certification Program", and supporting the employee self identification survey.

Finance, Asset Management & ICT Budget

Key Capital Investments

Regional Council Outcome Supported	Capital Project Name	2019/20 Capital Cost	2019/20 OCC	2020/21 Capital Cost
Service Delivery				
Innovation	Revenue & Financial Accounting Management Solution	\$6,800,000	\$229,000	\$900,000
	SAP Procurement	\$2,500,000	–	\$500,000
	ICT Infrastructure Recap	\$1,875,000	–	\$1,225,000
	Corporate Scheduling	\$1,835,000	\$84,000	\$1,220,000

Operating Budget

Budget by Service Area

Service Area Budget Overview						
Service Area	2017-18	2018-19	2018-19	2019-20		2020-21
	Actual	Budget	Projections	Budget	Δ 18-19 Bud.	Budget
Admin - Finance	737,936	906,800	917,700	947,500	40,700	935,000
Corporate Planning	478,119	392,200	376,900	388,700	(3,500)	388,700
Procurement	4,251,820	4,456,100	4,488,600	4,775,700	319,600	4,773,400
Fiscal Policy & Financial Planning	1,527,822	1,634,800	1,622,500	1,668,300	33,500	1,668,300
Revenue	(515,619)	(793,700)	(790,900)	(761,700)	32,000	(761,700)
Financial Reporting	3,908,081	4,073,100	4,019,000	4,175,500	102,400	4,175,500
Information Technology	18,150,051	23,423,600	21,674,599	24,735,200	1,311,600	24,999,700
Asset Management	432,687	594,600	580,200	616,300	21,700	616,300
Corporate Real Estate	3,721,968	4,833,700	4,580,100	4,733,400	(100,300)	4,626,900
Net Surplus/Deficit	32,692,865	39,521,200	37,468,699	41,278,900	1,757,700	41,422,100

Summary of Changes Included Proposed Budget

Budget Year	Change Description / Service Impact	2019/20 Planned Change (\$)	Amounts
2018/2019 Approved Budget			\$39,521,200
Compensation	Salary increases – includes 5.6 new FTE's	\$1,750,300	\$1,750,300
Budget Adjustments	Cost savings in Software, Licenses and Printing	(\$239,300)	\$7,400
	Increase in Revenues and Recoveries	(\$63,400)	
	Increase in External Services for service enhancements	\$199,900	
	Increase in Facility Leasing and Building Costs	\$83,000	
	Misc. cost increases	\$27,200	
Total Impact of Changes			\$1,757,700
2019/2020 Proposed Budget			\$41,278,900

Summary of Expense & Revenue

Summary of Expense & Revenue						
Expenditures	2017-18	2018-19	2018-19	2019-20		2020-21
	Actual	Budget	Projections	Budget	Δ 18-19 Bud.	Budget
Compensation and Benefits	23,411,555	25,763,600	24,057,872	27,513,900	1,750,300	27,320,100
Office	6,165,518	6,549,900	6,549,750	6,310,600	(239,300)	6,326,100
External Services	2,591,026	5,422,600	5,032,948	5,622,500	199,900	6,078,700
Supplies	10,323	15,200	15,500	15,000	(200)	15,000
Materials	27,391	35,000	62,355	35,000		35,000
Building Costs	610,046	815,900	778,450	898,900	83,000	916,100
Equipment & Communications	1,866,170	2,141,500	2,194,527	2,213,400	71,900	2,246,900
Vehicle Expense	289					-
Other Goods & Services	3,980,727	4,751,700	4,661,022	4,687,000	(64,700)	4,515,300
Interdepartmental	(319,050)	(243,800)	(317,062)	(359,700)	(115,900)	(359,700)
Other Fiscal	(77,261)	(562,900)	(365,100)	(426,800)	136,100	(436,800)
Total	38,266,735	44,688,700	42,670,262	46,509,800	1,821,100	46,656,700
Summary of Revenue						
Revenues	2017-18	2018-19	2018-19	2019-20		2020-21
	Actual	Budget	Projections	Budget	Δ 18-19 Bud.	Budget
Fee Revenues	(4,491,232)	(4,699,500)	(4,715,100)	(4,746,400)	(46,900)	(4,750,100)
Other Revenue	(1,082,638)	(468,000)	(486,463)	(484,500)	(16,500)	(484,500)
Total	(5,573,870)	(5,167,500)	(5,201,563)	(5,230,900)	(63,400)	(5,234,600)
Net Surplus/Deficit	32,692,865	39,521,200	37,468,699	41,278,900	1,757,700	41,422,100

FINANCE, ASSET MANAGEMENT & ICT SERVICE AREA PLANS (2019/20 - 2020/21)

Director's Office

Director's Office Deliverables (2019/20 – 2020/21)

2019/20 – 2020/21 Deliverables with Estimated Completion
Financial Stewardship
<p>Oversight of the Financial Stewardship Strategic Initiatives Working with business unit peers, the Director's Office will develop a budget and business planning process that is streamlined, predictable and reflects best practise.</p>
Our People
<p>Developing and Supporting FAM & ICT Leaders To develop and support its leaders, FAM & ICT will commit to creating career paths for key roles, create a succession plan committee, and provide development and succession opportunities. [Est. Compl. Q3 19/20]</p>
<p>Enhancing FAM & ICT Workplace Culture To enhance its workplace culture, FAM & ICT will develop an internal rewards and recognition program. [Est. Compl. Q4 19/20]</p>
<p>Improve FAM & ICT Employee Engagement To improve its employee engagement, FAM & ICT will develop an employee action plan in support of survey results. [Est. Compl. Q2 19/20]</p>
<p>FAM & ICT Diverse and Inclusive Environment To advance diversity and foster innovation in our environment, FAM & ICT will certify all hiring managers under the "Hiring Managers Certification Program" and support the employee self identification survey. [Est. Compl. Q1 20/21]</p>
<p>FAM & ICT Healthy Workforce To create a safety and wellness culture that results in improved health and reduction in injuries and lost time, FAM & ICT will complete "Working Mind" training and support the Health and Wellness survey. [Est. Compl. Q3 19/20]</p>
Service Excellence
<p>FAM & ICT Service Delivery Model Improvements To advance performance excellence through process improvement and technology utilization, FAM & ICT will undertake a budget and business plan service review to inform a customer-centric service delivery model. FAM&ICT will continue with performance excellence training of front line staff and money belt training for finance staff. [Est. Compl. Q2 19/20]</p>

Finance Divisions

Finance, which includes the three divisions of Financial Policy and Planning, Financial Reporting and Payroll, and Revenue, is committed to supporting Regional Council and administrative priorities through leadership of financial stewardship activities and providing services and advice to internal customers, Regional Council, and residents of Halifax.

Services Delivered:

Financial Policy and Planning

Governance and Engagement - Fiscal Responsibility

Budget Coordination - Development of the annual Operating, Capital, and Reserve budgets for the Municipality to ensure the fiscal sustainability of the municipality.

Financial Advisory Services - The provision of advisory services and support to HRM Business Units across a wide-spectrum of finance-related issues.

Regional Council Report Review & Support - Provide support and financial review to the Regional Council report process.

Tax and Fiscal Policy Development - The review and development of principles and policies to guide taxation and fiscal policy that is sustainable in the long term.

Social Development - Social Infrastructure

Grants and Contributions Program Support - Provision of leadership and support in the policy and program delivery regarding grants.

Financial Reporting

Governance and Engagement - Fiscal Responsibility

Accounts Payable Payment Processing - This service is responsible for the accurate and timely processing and payment of HRM invoices.

Accounting Controls and Reporting - This service is responsible for preparing consolidated financial statements and accurate and timely management reports.

Revenue and Expenditure Reporting and Analysis - This service provides oversight of accounting functions and maintains effective internal controls.

Service Delivery - Responsible for assisting business units with budget, projections, and revenue and expenditure review and analysis.

Payroll Services - Provide payroll administration services to HRM and Agencies, Boards, and Commissions

Position Management - Maintains Organizational Management structure in SAP. Prepares and reconciles wage model budget.

Revenue

Governance and Engagement - Fiscal Responsibility

Cash Management - This service provides receipts processing, coordination of banking services, monitoring of deposits, and administration of internal cash controls and Payment Card Industry (PCI) Compliance.

Transit and Parking Meter Revenue Processing - This service is responsible for processing, depositing, and safeguarding HRM's coin revenue.

Collections - This service is responsible for administration of delinquent accounts related to property tax and non-property tax revenues.

General Revenue - This service is responsible for the billing and administration of all non-property tax revenues.

Taxation Services - This service is responsible for the billing and administration of property tax revenues.

Treasury Services - This service ensures that investments are made in accordance with the HRM Investment Policy and manages changes to the policy through consultation with the HRM Investment Policy Advisory Committee.

Service Delivery Measures

Finance Divisions Performance Measures	2016/17 Actual	2017/18 Actual	2018/19 Projected	2019/20 Planned	MBNC Median* 2017
Taxation					
Percent of Prior Year's Tax Arrears Not Collected in the Current Year as a Percent of the Current Year Levy	1.1 %	1.1%	1.1%	1.1%	1.2%
Current Year's Tax Arrears as a Percent of Current Year Levy	3.1%	3.0%	3.0%	3.0%	2.2%
Operating Cost to Maintain Property Tax Accounts per Property Tax Account Serviced	\$14.65	\$14.63	\$14.70	\$14.65	\$13.69
General Revenue					
Percent of Billings Outstanding Over 90 Days at Year End	3.38%	1.0%	2.0%	2.0%	12.0%
Bad Debt Write Off as a Percent of Billed Revenue	0.2%	0.2%	0.2%	0.2%	0.1%
Operating Cost of Accounts Receivable Function per Invoice	\$23.46	\$24.71	\$24.75	\$24.75	\$24.67
Average Collection Period (Days)	17	13	15	15	42
% of Resident Inquiries Completed Within 2 Business Days	98.8%	98.4%	98.0%	98.0%	N/A

* Municipal Benchmarking Network Canada

The Revenue service levels and costs are comparable to the MBNC median. A new Revenue management system implementation will allow for lower costs and expedited service, however, until the system is implemented we expect costs and service levels to remain consistent.

Finance Divisions Performance Measures	2016/17 Actual	2017/18 Actual	2018/19 Projected	2019/20 Planned	MBNC Median* 2017
Financial Reporting					
Operating Cost per Payroll Direct Deposit or Cheque	\$3.30	\$3.31	\$3.40	\$3.51	\$4.71
Total Number of Invoices Processed per \$1,000,000 of Municipal Purchases (Operating and Capital) for Goods and Services	287	240	233	239	242
Accounts Payable Operating Cost per Invoice Processed	\$6.12	\$7.37	\$7.00	\$6.94	\$6.62
Number of Invoices Processed per Accounts Payable FTE	11,663	9,502	9,519	10,020	12,847
Percent of Invoices Paid Within 30 Days	73.5%	55.0%	55.0%	75.0%	70.4%

* Municipal Benchmarking Network Canada

Operating Cost per Payroll Direct Deposit or Cheque

Costs are increasing slightly, primarily as a result of wage increases.

Total Number of Invoices Processed per \$1,000,000 of Municipal Purchases (Operating and Capital) for Goods and Services:

Projecting a modest increase in the value of each invoice and minor increases in the number of invoices.

Accounts Payable Operating Cost per Invoice Processed

Slight reduction in costs related to increase in vacancies and an increase in the number of invoices processed.

Percent of Invoices Paid Within 30 Days

In 2018/19, the process was changed to reduce the number of invoices requiring a purchase order, which should reduce the delays in processing the invoices and payments. However, the changes have not been made early enough to affect the percentages for 2018/19. In 2019/20, we expect the process to get back to normal and that this will result in an increase in the percentage.

Finance Divisions Key Deliverables (2019/20 – 2020/21)

2019/20 – 2020/21 Deliverables with Estimated Completion
<p align="center">Economic Development - Promote and Maximize Growth</p>
<p>Prepare for Commercial Tax Averaging for 2020-21 Depending on final Regional Council direction, Financial Policy & Planning will (1) prepare to introduce a system of commercial tax averaging for 2020-21; (2) conduct additional research and/or requests for legislative changes. [Est. Compl. Q3 20/21]</p>
<p align="center">Governance and Engagement - Fiscal Responsibility</p>
<p>PCI (Payment Card Industry) Compliance Program The implementation of the PCI (Payment Card Industry) compliance program will help ensure that as HRM adopts electronic payment technologies, appropriate controls and safeguards are in place to secure and protect customer card data. . [Est. Compl. Q4 19/20]</p>
<p align="center">Governance and Engagement - Municipal Governance</p>
<p>Cash Management Audits FAM Revenue will enhance internal audits of cash handling units. This will strengthen internal controls, help standardize process and ensure best practices are followed across all cash handling units. [Est. Compl. Q4 19/20]</p>
<p align="center">Financial Stewardship – Financial Position</p>
<p>Enhance Management Reporting to Support Operational Decision Making To support the goal of optimizing HRM's financial position, Financial Reporting will consult with business units to provide improved management reports. Work includes conducting a needs assessment with the business units and jurisdictional scan, identifying reports to be developed, and working with ICT to develop these reports. [Est. Compl. Q4 19/20]</p>
<p>Accurate Projections Program To support the goal of optimizing HRM's financial position, Financial Reporting will provide tools and training to business unit staff to improve the accuracy of their financial projections (both operating and capital). Work includes establishing a training program on predictive modeling and the attributes involved in making sound projections. Key performance indicators will be established including expected quarterly accuracy targets. [Est. Compl. Q4 19/20]</p>
<p align="center">Service Excellence - Performance Excellence</p>
<p>Money Belt Training To support the benefits realization framework and business case process, working with Organizational Performance Excellence FAM & ICT will train staff in deriving benefits for business cases and performance improvement initiatives [Est. Compl. Q4 19/20]</p>
<p>SAP/Hana - Review Processes and Reports FAM&ICT will review what management reports, processes, procedures and training would provide the highest customer service under SAP/Hana (implementation and ongoing use). [Est. Compl. 20/21]</p>
<p>Financial Analytics To strengthen the organization's financial analytical capabilities, Financial Policy & Planning will review and refine the following practices: - Reviewing the "Financial Impact" section of Council reports; - Audit and Finance procedures around in-year budget changes [Est. Compl. Q3 19/20]</p>
<p align="center">Service Excellence - Inclusive Community Engagement</p>
<p>FAM & ICT Community Outreach To ensure consistent, inclusive, and innovative engagements, Financial Policy & Planning seek guidance from Corporate Communications' Community Outreach Initiative as it conducts engagements related to Grants, Tax Relief, and Commercial Taxation. [Est. Compl. Q4 19/20]</p>

Corporate Planning

Corporate Planning is committed to supporting Regional Council and administrative priorities by assisting business units in strategic planning; business planning; performance reporting and benchmarking; outcome and accountability reporting; and risk management.

Services Delivered:

Governance and Engagement - Fiscal Responsibility

Strategic and Business Planning - This service provides guidance and support to business units in their strategic and operational planning and decision-making, ensuring that these processes are tightly integrated with HRM's budgeting processes; and that cross-collaboration is maximized to achieve multi-jurisdictional strategic priorities.

Enterprise Risk Management - This service is responsible for the development of governance of the Enterprise Risk Management framework and associated processes. The business unit is responsible for ensuring that risks are appropriately identified through the business planning process then, evaluated, and managed by the responsible business unit.

Service Excellence - Service Improvements

Performance Measurement - This service provides methods and tools that allow for the coordinated, focused, and objective reporting on service performance, priority outcomes, and business plan accountability for the organization.

Service Delivery Measures

Corporate Planning Performance Measures	2016/17 Actual	2017/18 Actual	2018/19 Projected	2019/20 Planned
Operational Risk Registers - Compliance to objective	-	-	-	100%
Service Catalogue Refresh - Participation Rate	-	-	-	50%

Operational Risk Registers - Compliance to Objective

The success of the implementation of a robust risk management framework is dependent on the adoption and implementation of operational risk registers at the business unit level. Corporate Planning is targeting completion of the roll out of this performance metric by Q4 19/20.

Service Catalogue Refresh - Participation Rate

A service catalogue refresh is foundational work required to articulate HRM services and related service delivery standards and also to understand the cost of services related to these standards. The success of this initiative is dependent on active participation of business units in completing this work therefore the performance metric is targeting 50% participation by Q4 19/20.

Corporate Planning Key Deliverables (2019/20 – 2020/21)

2019/20 – 2020/21 Deliverables with Estimated Completion
Governance and Engagement - Public Engagement
<p>Citizen Survey To support the Council Priority Outcome of Public Engagement, the 2020 Citizen Survey will be conducted in partnership with Corporate Communications with an effort to ensure a representative sample of HRM's diverse communities are included. [Est. Compl. 20/21]</p>
Financial Stewardship - Risk Management Framework
<p>Risk Management Framework - Operational Risk Governance To support the goal of anticipating, mitigating and managing organizational risk, the Corporate Planning Office will work with business units to incorporate operational risk into HRM's Enterprise Risk Management Framework through the establishment of a governance model and development of operational risk registries. [Est. Compl. Q2 19/20]</p>
<p>Risk Management Framework - Maturity Assessment To support the goal of anticipating, mitigating and managing organizational risk, the Corporate Planning Office will undertake a maturity assessment and gap analysis and develop actions plans to reach the desired state. [Est. Compl. Q4 19/20]</p>
Financial Stewardship - Strategic, Multi-year Business and Budget Plans
<p>Corporate Service Catalogue Review and Update To advance strategic, multi-year business plans and budgets that are equitable and sustainable, the Corporate Planning Office will develop a project charter and lead the review and updating of the corporate service catalogue including alignment of services with community outcomes. [Est. Compl. Q4 20/21]</p>
<p>Corporate Performance Management Solution - Phase 1 Supported by the Information Technology division, the Corporate Planning Office will undertake an opportunity assessment for a Corporate Performance Management Solution and begin work on a business intelligence reporting environment. Corporate key performance indicators will also be confirmed. [Est. Compl. Q4 19/20]</p>
<p>Corporate Performance Management Solution - Phase 2 Supported by the Information Technology division, the Corporate Planning Office will establish a business intelligence solution for reporting on available corporate key performance indicators. [Est. Compl. 20/21]</p>

Procurement

Procurement coordinates the acquisition of goods, services, coordination and administration of contracts; surplus storage and disposal; and management and warehousing of inventory.

Services Delivered:

Governance and Engagement - Fiscal Responsibility

Inventory Management – Based on consultation with client business units, this service is responsible for stocking, storing, and issuing goods from warehouses, salt domes, and fuel depots. They also work with the Procurement staff on specifications for solicitations, as initiated by client business units for both stock and non-stock items. Staff are also responsible for the disposal of surplus HRM assets, excluding real estate.

Purchasing – In consultation with client business units, this service is responsible for the administration of the procurement policy for the purchase over \$1,000. They also monitor current trends on procurement practice and

potential for HRM policy amendments. They work with industry to identify possible barriers to doing business with HRM.

Service Delivery Measures

Procurement Planning Performance Measures	2016/17 Actual	2017/18 Actual	2018/19 Projected	2019/20 Planned	MBNC Median* 2017
% of inventory on contract	36%	49.4%	56.7%	60%	NA
Percent of Goods and Services Purchased (Operating and Capital) Through a Centralized Procurement Process	55%	71.7%	75%	80%	65.0%
Operating Costs for Centralized Purchasing per \$1,000 Municipal Purchases (Operating and Capital) for Goods and Services Through a Procurement Process	\$7.83	\$5.27	\$5.68	\$5.50	\$5.52

* Municipal Benchmarking Network Canada

% of inventory on contract

Project was on hold for a few months due to staffing issues. Goal is 60% for 2019/20.

Procurement Key Deliverables (2019/20 – 2020/21)

2019/20 – 2020/21 Deliverables with Estimated Completion
Governance and Engagement - Municipal Governance
Response to AG's Audit of Procurement - Phase 2 Phase two in 2019/20 will include monitoring compliance to process and responding to any new recommendations from the follow-up audit expected between May 2018 and October 2019. [Est. Compl. Q4 19/20]
Procurement Card Audit Response Procurement will address the recommendations that result from the Auditor General's Audit of Procurement Cards (PCards). [Est. Compl. Q4 19/20]
Amendments to Procurement Policy Working with business units and the vendor community Procurement will identify changes required to the Procurement Policy and seek approval of Regional Council. [Est. Compl. Q4 19/20]
Social Development - Equity and Inclusion
Procurement Social Policy Lens To ensure societal concerns are considered in decisions, Procurement will incorporate a social policy lens to the public procurement process. [Est. Compl. Q3 19/20]
Service Excellence - Performance Excellence
SAP Release Strategy - Revisions Procurement, supported by ICT, will make required revisions to Release Strategy based on proposed SAP upgrade to S4Hanna, to reflect the move to position-based security roles, and to incorporate award levels as outlined in the Procurement Policy. [Est. Compl. Q4 20/21]

2019/20 – 2020/21 Deliverables with Estimated Completion

Fleet Focus Review Project

Procurement and the Asset Management Office, will participate in the project to address issues related to the Fleet Focus software. [Est. Compl. Q4 19/20]

Procurement Service Model Review

In consultation with business units Procurement will develop a service model that best meets customer needs while considering structure and staffing needs. [Est. Compl. Q4 19/20]

Goods Received Process Improvement

To advance performance excellence through process improvement and technology utilization, Procurement will complete Value Stream Mapping and process improvement related to Goods Received. [Est. Compl. Q4 19/20]

Corporate Real Estate

Corporate Real Estate is committed to supporting Regional Council priorities through real property acquisition and disposal services; industrial park development sales and land management; valuation and appraisal; negotiation and lease management where HRM is either landlord or tenant; portfolio development, accommodations planning; and real estate advisory services.

Services Delivered:

Economic Development – Supply of Industrial, Commercial, and Institutional Lands

Industrial Park Development - This service is responsible for strategic planning and program delivery of industrial park inventory and the sale of the building lot inventory to the private sector for industrial/commercial development.

Financial Responsibility – Responsibility for Resources

Acquisition and Disposal - This service is responsible for property acquisition and disposal for municipal purposes.

Leasing and Tenant Services - This service is responsible for acquiring leased properties to meet clients' requirements, leasing of municipal properties for use by third parties, managing financial and landlord/tenant contract functions, and accommodation and portfolio management services.

Service Delivery Measures

Corporate Real Estate Performance Measures	2016/17 Actual	2017/18 Actual	2018/19 Projected	2019/20 Planned
Property Acquisitions	\$2.1m	\$5.15m	\$12.5m	~\$6.0m
Property Disposals	\$1.1m	\$3.1m	\$3.3m	~\$47m
Industrial Park Sales	52.0 acres	17.69 acres	43.68 acres	30 acres
Industrial Park Acres (Gross Revenue)	\$12.8m	\$5.1m	\$10.9m	\$8.5m

The supply of Industrial, Commercial and Institutional Lands is a Regional Council priority outcome under Economic Development to ensure that there are sufficient industrial, commercial and institutional lands available to meet economic opportunities and growth of the commercial tax base. The risk is that there will not be sufficient land in the right locations available to support economic growth resulting in loss of economic opportunities. The sale of municipally-owned industrial park inventory is highly dependent upon the economic climate and real estate market demand cycles. HRM has been maintaining a multi-year supply of industrial lot inventory to meet these needs and with a standard transaction policy in place for lot sale, HRM can offer and deliver a predictable transaction timeline.

Corporate Real Estate Key Deliverables (2019/20 – 2020/21)

2019/20 – 2020/21 Deliverables with Estimated Completion
Economic Development - Supply of Industrial, Commercial and Institutional
<p>Supply of Industrial Lands - Business/Industrial Park Functional Plan HRM will maintain and/or expand its industrial land base to ensure a 20-year supply of land. In support, Real Estate will update the Business/Industrial Park Functional Plan. [Est. Compl. Q4 19/20]</p>
<p>Supply of Industrial Lands - Capital Plans HRM will maintain and/or expand its industrial land base to ensure a 20-year supply of land. In support, Real Estate will plan long term capital plans to support build out of Phase 13 Burnside. [Est. Compl. Q4 19/20]</p>
<p>Supply of Industrial Lands - Ragged Lake Secondary Planning HRM will maintain and/or expand its industrial land base to ensure a 20-year supply of land. In support, Real Estate will complete necessary background reports on Ragged Lake expansion and introduce and initiation report to Regional Council for the secondary planning process for Ragged Lake. [Est. Compl. Q4 19/20]</p>
<p>Supply of Industrial Lands - Burnside Zoning HRM will maintain and/or expand its industrial land base to ensure a 20-year supply of land. The re-zoning of existing Burnside including future Phase 13 Burnside is well advanced with public Open House in January 2019. The servicing and zoning of the future Phase 14 Lands has not yet commenced. [Est. Compl. Q4 19/20]</p>
<p>Supply of Industrial Lands - Burnside Phase 13 Access HRM will maintain and/or expand its industrial land base to ensure a 20-year supply of land. In support, Real Estate will enter into a cost sharing agreement with the Province who will be constructing and providing access to municipal lands at Phase 13 Burnside. [Est. Compl. 20/21]</p>
<p>Supply of Industrial Lands - Aerotech Zoning HRM will maintain and/or expand its industrial land base to ensure a 20-year supply of land. In support, Real Estate will submit an application for rezoning to Planning & Development for Aerotech Business Park. [Est. Compl. 20/21]</p>
Governance and Engagement - Fiscal Responsibility
<p>Corporate Accommodations Plan Implementation - Years 1 / 2 The Corporate Accommodations Plan will reduce the size of the leased portfolio to achieve savings, provide modern healthy work environment, provide consistent standard for both space and work stations, creating efficiencies by reducing and reconfiguring of space. 19/20 deliverables include renovation 6th floor Alderney Gate; initiate space planning for Alderney 2, 3 & 5; and P&D renovations Mellor Avenue. 20/21 deliverables include HRFE Admin & Prevention and Alderney Gate 5th Floor.</p>
Social Development - Equity and Inclusion

2019/20 – 2020/21 Deliverables with Estimated Completion

Corporate Accommodations Strategy

To ensure inclusive and equitable access to municipal offices, Corporate Real Estate will consider the needs of all occupants and visitors through sensitive and thoughtful design of each space to be renovated.

Design features include use of hard surface flooring, widened corridors, lower counter heights, employee wellness rooms which also serve as prayer rooms or lactation rooms, universal/gender neutral locker rooms & washrooms with accessible showers. All workstations and office suites allow a 5ft turn radius for accessibility and include ergonomic features such as a height adjustable worksurfaces, fully articulating dual monitor arms and adjustable keyboard trays. [Est. Compl. Q4 19/20]

Service Excellence - Performance Excellence

Real Estate Service Improvement Initiative

Implementation of service delivery improvements to align with corporate priorities and to meet growing service demands.

1. Complete update and replace 1997 policy with new Administrative Order for industrial park transaction policy.
2. Complete Design Manual for industrial park site development guidelines for industry and purchasers.
3. Develop updated service menu and web content for Corporate Real Estate for clients.
4. Improve turnaround of legal agreements through more use of standard agreements.
5. Continue Performance Excellence and PMP training for select staff. Est. Compl. Q4 19/20]

Asset Management Office

The Asset Management Office is committed to supporting Regional Council priorities. It ensures that citizen services are enabled by a portfolio of assets that is proactively, effectively, and efficiently managed.

Services Delivered:

Governance and Engagement – Municipal Governance

Asset Management Governance Support - This service creates, updates, and provides ongoing support for the Asset Management Governance Model including framework, policies, and standards. It supports process owners in their roles and facilitates relationships between enabling stakeholders.

Service Excellence – Service Improvements

Performance Reporting and Continuous Improvement Support - This service provides leadership in evolving practices, technology, work coordination, and supports movement from reactive to proactive asset management. Effectiveness and outcome reporting are used to guide improvement.

Financial Responsibility – Financial Impact

HRM Asset Portfolio and Budget Support – This service supports budget submissions and coordinates with external funding programs to support asset management requirements.

Service Excellence – Service Delivery

Asset Management Process, Tools, and Training - The service provides expertise, technology, and training that enhance business units' ability perform effective asset management.

Asset Management Office Key Deliverables (2019/20 – 2020/21)

2019/20 – 2020/21 Deliverables with Estimated Completion
Service Delivery - Service to our People
<p>Enterprise Asset Management (EAM) In 2019/20, the Asset Management Office will continue to expand asset management (AM) methodology implementation and EAM capabilities, including data governance, and guidance for evidence-based decision-making. Functionality within EAM systems will expand where business processes are ready to progress, and will partner to identify performance excellence opportunities. [Est. Compl. Q4 19/20]</p>
<p>Asset Data Management In 2019/20, the Asset Management Office will continue to work with business partners to facilitate asset roles and responsibilities and provide guidance improve asset data quality, including increasing recorded asset condition ratings. [Est. Compl. Q4 19/20]</p>
<p>Asset Management Plans Upon having Council approve the Corporate Asset Management Policy, the Asset Management Office will begin work with each asset group to develop lifecycle intervention documents, Asset Management Plans. This will also serve as a basis to build a State of Infrastructure Report. [Est. Compl. Q3 20/21]</p>
Financial Position - Financial Stewardship
<p>Develop Capital Project Business Case Process To support the goal of optimizing HRM's financial position, the Asset Management Office will develop the capital project business case template, establish the appropriate governance model, train and support business units in the business case development, and integrate into the operational and business planning process. The Asset Management Office will continue the Capital Reform work begun in 2018/19 which implemented the Capital Prioritization Framework. The 2019/20 work will focus on integrating lessons learned from the 2018/19 process including improvements to capital governance. Aim is to implement business case processes for new projects and improve the capital projections process. [Est. Compl. Q4 19/20]</p>
Service Excellence - Performance Excellence
<p>Fleet Focus Interface Improvement EAM Steering Committee approved to move this capital project forward. The Asset Management Office will undertake an impact assessment to understand the timing implications between the Fleet Focus interface and the SAP HANA upgrades, establish a project team, and development interface requirements. This important project impacts 3 business units [Est. Compl. Q4 20/21]</p>

Information, Communication and Technology (ICT)

ICT will focus on improved and external processes and tools to support business units in their service delivery, including proactive solutions and infrastructure monitoring.

Information, Communication, and Technology is committed to providing customer service and technology expertise in support of Regional Council and administrative priorities. ICT is engaging HRM Executive to align corporate vision with technology architecture to drive the continued development of an HRM that is a digital service delivery organization.

ICT supports business units in their journey to performance excellence through improvements to systems and working to provide continuous improvement and ease of service for technology advancements. This includes access

to devices and services, analysis of data for informed business decisions, and refinement of foundational business systems to drive business process improvements.

Services Delivered:

Service Excellence – Performance Excellence

Service Desk - Break/Fix and Service Request Management - Service requests are filtered through the service request system or the ICT Service Desk to ensure that they are logged, assigned to the most appropriate group, monitored, resolved, and tracked for service performance monitoring and future predictive analysis to provide improved customer service.

Data Management and Analytics - This service comprises all the disciplines related to managing spatial and non-spatial data as a valuable resource and the application of business rules and tools to deliver information that allows business units to make informed decisions.

Personal Computing Services - This service provides mobile and personal computing technology.

Telecommunications Services - This service is responsible for providing telecommunications related services including voice, audio conferencing, mobile and radio, Internet, network, and remote access.

ICT Business Applications Management - This service is responsible for the operation, maintenance, and support of business applications that support the service delivery of HRM business units.

ICT Infrastructure Management - This service provides server, network, and security infrastructure to support the operation of and access to HRM business applications and ICT services. Also provided are the operation, maintenance, and support of Emergency Services applications and the corporate email system along with the supporting systems.

Enable New and Enhanced Business Solutions - This service facilitates ICT customers' business success through the introduction of beneficial changes to process and technology. In partnership with customers, this service ensures joint responsibility for maximizing HRM investments.

Service Delivery Measures

Information, Communication, and Technology Performance Measures	2016/17 Actual	2017/18 Actual	2018/19 Projected	2019/20 Planned	MBNC Median ⁽¹⁾ 2017
ICT Service Desk – Inbound Contact Volume ⁽²⁾	33,223	27,673	28,231	28,600	NA
ICT-Service Desk - Customer Satisfaction ⁽³⁾	98%	93%	97%	97%	NA
Number of Visitor Sessions to Municipal Website per Capita ⁽⁴⁾	22.1	20	13.8	13.5	14.5
Number of Information Technology Devices per Total Supported Municipal Full Time Equivalent (FTE)	0.92	0.97	TBD	TBD	0.98
Total Cost for Information Technology per Supported Municipal Full Time Equivalent (FTE)	\$6,425	\$7,336	Not Available	Not Available	\$4,003

(1) Municipal Benchmarking Network Canada- Note that the Median is an average of the supplied information from each municipality and does not represent a desired benchmark for HRM's optimal performance.

(2) Measures call volume, not performance. Over the next year, ICT will be developing more meaningful measures.

(3) Satisfaction rate reflects a 1-3% response rate from service desk surveys. Improved feedback methods are being investigated.

(4) Population - 425,871(16/17), 431,701 (17/18 and future years)

Technology is a key enabler for optimizing business processes, service to citizen, and evidence based transparent reporting. As HRM continues to advance towards a smarter city, ICT has increased the technical footprint across HRM to support frontline data entry and access to information. The increased footprint has numerous impacts such as the increase seen year over year for devices per FTE and costs between 2016 and 2017. As several major business transformation projects get underway (Permitting and Licensing, Parking, Recreation, and internal administration advancements for HR and Finance which is foundational to optimal municipal operations) it is expected that the technology costs and devices will continue to increase throughout the transition to support secure digital customer service.

Information, Communication & Technology (ICT) Key Deliverables (2019/20 – 2020/21)

2019/20 – 2020/21 Deliverables with Estimated Completion
Service Delivery - Innovation
<p>Enterprise Content Management (ECM) Implementation Plan (5 year) and Employee Intranet Delivery & Implementation (Est Compl: 19/20)</p> <p>1) The volume of content generated by Halifax's growing number of IT-enabling business solutions has warranted the need for an Enterprise Content Management solution (ECM) that will better support the capture, storage and delivery of information across the organization; citizens and businesses will benefit through access to more timely and accurate information.</p> <p>To address this need, a 5 year plan will be developed to drive implementation of ECM across the organization.</p> <p>2) In parallel, an innovative quick-win initiative will be kicked off to use the selected ECM technology to redevelop Halifax's Intranet solution</p>
<p>SAP Optimization, Enhancements and Solution Implementations (Est Compl: 21/22)</p> <p>To ensure SAP, one of Halifax's key underlying and foundation technologies, can continue to support the delivery of transformational services to citizens and businesses, ICT is undertaking a portfolio of SAP initiatives that will enable ongoing and necessary technology optimizations and enhancement implementations.</p>
Service Delivery - Service to our People
<p>Service Delivery on the Web (Est Compl: 20/21)</p> <p>Customer service is a key focus for HRM and the corporate website is key to providing exceptional customer service. The transformation of the corporate website will provide citizens with digital solutions to services to allow them to interact with the municipality in an innovative and streamlined manner.</p>
<p>Customer Relationship Management (CRM) Delivery and Implementation - Preparation Phase. (Est Compl: 20/21)</p> <p>To provide citizens and businesses with easy access to answers and services they need, when, where and how they choose, HRM will implement a new Customer Relationship Management solution, providing users with an innovative single point of entry experience. The corporate CRM roadmap reflects a multi-year Implementation plan with 4 distinct phases / releases. The largest of those is the "Preparation" phase which is a foundational component that supports 3 customer facing releases.</p>
Governance and Engagement - Fiscal Responsibility
<p>ICT Strategic Plan (Est Compl: 21/22)</p> <p>HRM has 11 distinct business units with additional partners such as Halifax Water and Halifax Libraries, who all have individual business needs. The business needs must be balanced with foundational corporate solutions to support service delivery to customers through progressive and stable technology. Through both short and long-term planning, ICT will work with the Executive Steering Committee and their business unit teams to develop multi year technology plans (5 and 10-year plans) to drive exceptional service delivery to customers through technology enhancements</p>
<p>ICT Asset Management (Est Compl: 20/21)</p> <p>IT assets are pivotal to nearly every area of service delivery. IT will continue its work on the definition and refinement of ongoing IT asset (hardware and software) lifecycle management processes. Management of defined assets will improve fiscal responsibility and service delivery and assist with minimizing risks and related costs of capital investments.</p>
Governance and Engagement - Municipal Governance
<p>Cyber Security Framework (Est Compl: 20/21)</p> <p>Develop a cyber security framework for HRM that includes a dedicated leader and team, policies, processes, tools, education, and training to strength HRM technology in the tenets of availability, integrity, and confidentiality.</p>