

# HALIFAX

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**Item No. 7**  
**Budget Committee**  
**February 4, 2022**

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

**SUBMITTED BY:**

Original Signed by 

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Jacques Dubé, Chief Administrative Officer

**DATE:** January 26, 2022

**SUBJECT:** Proposed 2022/23 Finance & Asset Management Budget and Business Plan

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## **ORIGIN**

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented to Regional Council on October 26, 2021, staff are required to present the draft 2022/23 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 the Chief Administrative Officer to incorporate the Finance & Asset Management proposed 2022/23 Budget and Business Plan, as set out and discussed in the accompanying report and supporting presentation, into the Draft 2022/23 Operating Budget.

## **BACKGROUND**

On January 12, 2021, Regional Council adopted a Strategic Planning Framework, establishing priority outcomes for their term, and directed staff to develop multi-year plans to advance these outcomes.

As part of the design of the 2022/23 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.

## **DISCUSSION**

Staff has prepared the proposed 2022/23 Finance & Asset Management Budget and Business Plan consistent with the 2021- 2025 Strategic Priorities Plan approved on December 1, 2020 as well as fiscal direction provided on November 23, 2021.

Following direction from the Budget Committee, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed 2022/23 HRM Budget and Business Plan documents to be presented to Regional Council's Budget Committee, as per the process and schedule approved on October 26, 2021.

As part of the budget process, Regional Council will be provided with a list of possible service increases and decreases that will allow them to more fully direct changes to the budget.

## **FINANCIAL IMPLICATIONS**

The recommendations in this report will lead to the development of a proposed 2022/23 Budget. There are no immediate financial implications from this recommendation. 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 that 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 risks when reports are presented for consideration.

HRM implemented Enterprise Risk Management in 2015. Corporate and operational 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 use the same risk assessment tools as those used to assess corporate risk to rate each discrete project.

## **COMMUNITY ENGAGEMENT**

The 2021 Resident Survey was conducted from September 1 – 24, 2021. This invitation-based survey was mailed to 20,000 randomly selected households across all districts and received 1,766 responses to a

variety of budget, planning, and priorities questions. The results of the 2021 Resident Survey were provided in an information report presented to Reginal Council on November 23, 2021.

The 2022/23 budget consultation process also seeks to solicit public comment by inviting members of the public to provide feedback following each business unit budget and business plan presentation.

**ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

**ALTERNATIVES**

The Budget Committee can choose to amend the Budget and Business Plan as proposed in the supporting presentation through specific motion, and direct staff to proceed to prepare the Budget and Business Plan for inclusion in the proposed 2022/23 HRM Budget and Business Plan documents.

**ATTACHMENTS**

Attachment 1 - 2022/23 Finance & Asset Management Proposed Budget and Business Plan

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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**HALIFAX**

# **FINANCE & ASSET MANAGEMENT**

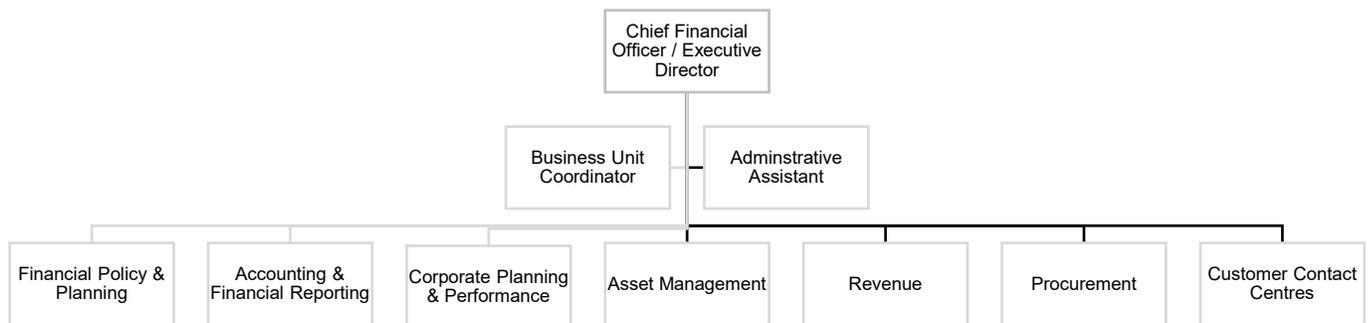
2022/23 BUDGET AND BUSINESS PLAN

**MISSION** WE PROVIDE FINANCIAL AND STRATEGIC LEADERSHIP THROUGH ADVICE, GOVERNANCE, CUSTOMER-FOCUSED SERVICES AND POLICY.

## FINANCE & ASSET MANAGEMENT OVERVIEW

Finance & Asset Management (FAM) supports Regional Council and Administrative Priorities through leadership of financial and strategic activities and providing services and advice. Several of the FAM multi-year strategic initiatives continue in our current 2022/23 business plan.

## FINANCE & ASSET MANAGEMENT ORG CHART



### FUNDED FULL TIME EQUIVALENTS (FTES)

Full Time Equivalent	2021/22 Budget #	Transfers (+/-)	Change s (+/-)	2022/23 Budget #	\$ Budget Change
Operating	326.3	(99.7)	3.0	229.6	357,747
Capital	32.0	(32.0)	-	-	N/A
<b>Total</b>	<b>358.3</b>	<b>(131.7)</b>	<b>3.0</b>	<b>229.6</b>	<b>\$ 357,747</b>

*Includes full & part-time and permanent positions. Calculated value based on the normal working hours of each position*

\* Transfers: Corporate Real Estate had 22 positions which transferred from Finance & Asset Management (FAM) to Corporate & Customer Services (CCS); Information Technology had 155.1 positions which transferred from FAM to Information Technology (IT); Corporate Planning had 6 positions which transferred from CCS to FAM; Customer Contact Centres had 39 positions which transferred from CCS to FAM.

\*\* Changes: At the beginning of July 2021, the Organizational Performance Excellence division moved from Corporate & Customer Services to Finance & Asset Management to merge with Corporate Planning; becoming the Corporate Planning & Performance division. This integrated team increased by 2.6 FTE. Two of these positions are Bridging the Gap Interns, 18-month term positions, the addition of a Senior Business Performance Analyst, approved through the Staffing Resource Fund, resulted in 0.6 FTE. Procurement increased by one FTE; adding the Strategic Portfolios & Policies Consultant position. Procurement also replaced three Purchasing Clerk positions with three Buyer positions, removed the Senior Procurement Analyst position and added the Procurement Practices Consultant position. Revenue increased by one FTE; the Senior Financial Consultant and Administrative Support Assistant positions were added, and the position of Customer Account Analyst was removed. Asset Management increased by one FTE; the Finance Capital Business Partner position was added.

Financial Reporting decreased by two FTE; Accounting Support Representative and Human Resources System Trainer positions were removed. Fiscal Policy & Financial Planning decreased by 0.2 FTE; a Grants Policy Intern was added while the Program Technician Grants position was removed. Customer Contact Centres decreased by 0.4 FTE.

## STRATEGIC INITIATIVES

### INITIATIVES SUPPORTING REGIONAL COUNCIL PRIORITIES

#### Redesign of Community Grants

The municipality will streamline the Community Grants and Non-Profit Tax Relief programs to make the application process easier, fairer, and more inclusive. The redesign - which will include more transparent evaluation criteria - aims to attract more people and groups, better target areas where funding is needed, as well provide a consistent process and approach for all requests.

### INITIATIVES SUPPORTING HALIFACT

#### Environment/HalifACT

Finance & Asset Management plan to be a key support for the HalifACT Sustainable Financing Strategy. In particular, the Financial Policy & Planning and Asset Management Office teams will work closely with the Environment & Climate Change team and their key stakeholders to develop the financing strategy to operationalize the HalifACT Plan over the next 30 years, as well as, supporting the coordination and prioritization of interdepartmental capital projects, cost sharing agreements, and establishing asset data management of natural assets.

### INITIATIVES SUPPORTING ADMINISTRATIVE PRIORITIES

#### Fiscal Sustainability Strategy

Based on Council's strategic vision, the municipality is conducting long-term financial planning with a focus on sustainability. It includes a one-year budget, a three-year outlook, and a long-term plan. Several critical components are currently being implemented. In 2022/23 the focus will be on the Tax and Fee Revenue Strategy and on continuing improvements to existing processes.

#### 20-Year Community Vision

Enhanced, best-practice approaches are coming to the municipality's budget and business planning processes. The municipality is undertaking a 20-year Community Vision to understand the unique perspective of our diverse communities. This information will be used to cast mid-range plans and budgets with the view to a longer-term perspective of how our community wants to grow and evolve.

#### Commercial Taxation Options

The municipality will assess, develop, and implement commercial taxation policy changes per Regional Council direction and the fiscal sustainability strategy. This includes a 3-year phase-in of assessment increases and property tax relief for small business.

## Service-Centred Budget and Reporting

To improve financial transparency and enhance decision making, the municipality will move towards budgeting and reporting on the delivery of its services. Critical elements include improved costing and reporting that is integrated into operating, capital, and reserve budgets and projections. This is a longer-term initiative and is dependent on the successful implementation of the new SAP system and its associated components.

## Corporate Performance Management Program

The Corporate Performance Management Program (CPMP) aims to improve decision making and organizational performance through the establishment of key performance indicators and the data to support these indicators. Business results are presented in dashboards using business intelligence software and used by the organization to enhance the achievement of strategic or service outcomes, through continuous improvement activities. The program is HRM's business solution developed as a quality management system aligned with ISO 9001 and ISO-18091.

## Long-term Capital Planning

The municipality continues to develop additional analysis and trending techniques to better inform management and Regional Council. Focus is on a long-term Capital Funding Framework, developing asset management plans with HRM business units to collect and record asset condition, and criticality levels for major asset classes.

## Diversity and Inclusion Framework

Under the municipality's Diversity & Inclusion Framework, Finance & Asset Management continue to carry out our respective initiatives to ensure inclusive service, safe, respectful, and inclusive work environments, equitable employment, meaningful partnerships, accessible information, and communication in the organization.

## FINANCE & ASSET MANAGEMENT BUDGET

### OPERATING - BUDGET BY SERVICE AREA

Service Area	2020/21 Actual	2021/22 Budget	2021/22 Projections	2022/23 Budget	Δ 21/22 Budget	Δ %
Admin - Finance	\$ 703,175	\$ 835,800	\$ 834,290	\$ 1,287,735	\$ 451,935	54.1
Asset Management	972,191	1,217,800	1,263,900	1,334,500	116,700	9.6
Corporate Planning	1,118,301	1,385,500	1,258,597	1,541,900	156,400	11.3
Financial Policy & Financial Planning	917,748	1,034,900	906,500	992,900	(42,000)	(4.1)
Financial Reporting	3,591,928	4,180,700	3,851,600	4,006,000	(174,700)	(4.2)
Procurement	4,657,334	4,671,650	4,835,415	5,036,865	365,215	7.8
Revenue	(513,029)	(458,950)	(1,043,010)	(1,329,900)	(870,950)	189.8
Customer Contact Centres	2,444,893	2,743,200	2,485,045	2,671,000	(72,200)	(2.6)
<b>Net Total</b>	<b>\$ 13,892,540</b>	<b>\$ 15,610,600</b>	<b>\$ 14,392,337</b>	<b>\$ 15,541,000</b>	<b>\$ (69,600)</b>	<b>(0.4)</b>

## OPERATING - SUMMARY OF CHANGES

Change Description / Service Impact	Amount
<b>Approved 2021/22 Budget</b>	<b>\$15,610,600</b>
Compensation Changes:	
New positions and salary adjustments (includes 3 new FTE)	336,395
Revenue Adjustments:	
Decrease in salt sale revenue	132,300
Other revenue adjustments	(34,200)
Increase in tax sale admin fees and revenue	(152,000)
Increase in tax certificate revenue	(700,000)
Other Budget Adjustments:	
Increase in consulting fees	190,000
Increase in salt attendant contract	83,000
Increase in membership dues and training	43,700
Other minor adjustments	31,205
<b>Total Changes</b>	<b>\$ (69,600)</b>
<b>2022/23 Budget</b>	<b>\$ 15,541,000</b>

## OPERATING- SUMMARY OF EXPENDITURE &amp; REVENUE

Expenditures	2020/21 Actual	2021/22 Budget	2021/22 Projections	2022/23 Budget	Δ 21/22 Budget	Δ %
Compensation and Benefits	\$ 16,026,625	\$ 17,578,805	\$ 16,773,527	\$ 17,915,200	\$ 336,395	1.9
Office	65,010	90,445	109,785	99,095	8,650	9.6
External Services	656,305	761,750	698,830	1,021,635	259,885	34.1
Supplies	12,869	21,700	20,900	23,000	1,300	6.0
Materials	(1,314)	-	-	-	-	-
Building Costs	452	-	5,500	-	-	-
Equipment & Communications	50,643	71,300	89,100	71,300	-	-
Vehicle Expense	876	-	550	-	-	-
Other Goods & Services	297,222	518,300	551,945	596,100	77,800	15.0
Interdepartmental	6,570	21,000	22,800	21,300	300	1.4
Other Fiscal	(10,826)	-	-	-	-	-
<b>Total Expenditures</b>	<b>17,104,432</b>	<b>19,063,300</b>	<b>18,272,937</b>	<b>19,747,630</b>	<b>684,330</b>	<b>3.6</b>

Revenues	2020/21 Actual	2021/22 Budget	2021/22 Projections	2022/23 Budget	Δ 21/22 Budget	Δ %
Fee Revenues	\$ (2,847,560)	\$ (2,776,300)	\$ (3,416,300)	\$ (3,516,300)	\$ (740,000)	26.7
Other Revenue	(364,331)	(676,400)	(464,300)	(690,330)	(13,930)	2.1
<b>Total Revenues</b>	<b>(3,211,891)</b>	<b>(3,452,700)</b>	<b>(3,880,600)</b>	<b>(4,206,630)</b>	<b>(753,930)</b>	<b>21.8</b>
<b>Net Total</b>	<b>\$ 13,892,540</b>	<b>\$ 15,610,600</b>	<b>\$ 14,392,337</b>	<b>\$ 15,541,000</b>	<b>\$ (69,600)</b>	<b>(0.4)</b>

## FINANCE & ASSET MANAGEMENT SERVICE AREA PLANS (2022/2023)

### FINANCIAL POLICY & PLANNING

Financial Policy & Planning develops and refines tax and fiscal policies related to the municipality's fiscal management, debt policy, reserve policy and property tax. It also manages the annual operating and reserve budgets and provides financial advice and analysis to ensure long-term fiscal sustainability.

#### SERVICES DELIVERED

##### **Budget Coordination**

Development of the annual Operating and Reserve budgets for the municipality to ensure the fiscal sustainability of the municipality. This includes setting the property tax rates.

##### **Financial Leadership**

Enable the long-term financial sustainability of the municipality through the development, enhancement and implementation of practices and strategies for the municipality.

##### **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. This includes the development of a long-term financial plan, a tax and fee strategy and the eventual development of service-centered budgeting and reporting.

##### **Grants and Contributions Program Support**

Provision of leadership and support in the policy and program delivery regarding grants and non-profit taxation.

#### FINANCIAL POLICY & PLANNING KEY DELIVERABLES (2022/23)

<b>Prosperous Economy - Economic Growth</b>
<p><b>Prepare for Commercial Tax Changes</b> (Est. Completion: Q3 2022/2023)</p> <p>Depending on final Regional Council direction, Financial Policy &amp; Planning will (1) prepare to introduce a system of commercial tax averaging; and (2) continue to support Regional Council's efforts on small business tax relief.</p>
<b>Responsible Administration - Financially Prepared</b>
<p><b>Long-term Financial Planning</b> (Est. Completion: Q4 2022/2023)</p> <p>To support long-term sustainable and resilient financial planning, Financial Policy &amp; Planning will provide a twenty-year financial model that considers economic, demographic, environmental, technological and settlement pattern influences.</p>

**Tax and Fee Revenue Strategy** (Target: Q3 2022/2023)

As part of the Fiscal Sustainability Strategy, provide a Tax and Fee Revenue Strategy to Regional Council that will establish guiding principles for user fees and property taxes.

**HalifACT – Sustainable Financing Strategy (Responsible Administration – Financially Prepared)**

**HalifACT Financing Strategy** (Target: Q4 2023/2024)

Support development of a financing strategy to operationalize the HalifACT climate action plan over 30 years.

*Est. Completion applies to deliverables carried over from previous business plans and is the estimated date of completion*

*Target applies to new deliverables and is the original target completion date*

For more information on HalifACT initiatives visit: <https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/220121cow05i.pdf>

## ACCOUNTING & FINANCIAL REPORTING

Accounting & Financial Reporting 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 the municipality.

### SERVICES DELIVERED

#### **Accounts Payable Payment Processing**

This service is responsible for the accurate and timely processing and payment of the Halifax Regional Municipality 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.

#### **Regional Council Report Review & Support**

Provide support and financial review to the Regional Council report process.

#### **Service Delivery**

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

#### **Payroll Services**

Provide payroll administration services to the Halifax Regional Municipality and Agencies, Boards, and Commissions.

## Financial Advisory Services

The provision of advisory services and support to the Halifax Regional Municipality Business Units across a wide-spectrum of finance-related issues.

### ACCOUNTING & FINANCIAL REPORTING KEY DELIVERABLES (2022/23)

<b>Service Excellence – Innovative Performance Excellence</b>
<p><b>SAP/Hana- Future State Definition and Design Support</b> - (Est. Completion: Q4 2023/2024)</p> <p>Working with the project team, defining requirements and future reporting needs for SAP/S4 HANA to meet those requirements and allow for reporting efficiencies to improve analysis for the business. Once this has been defined, the project team will ensure that the new system is designed to meet needs of the various stakeholders throughout the municipality and ensure the requirements identified will be delivered.</p>
<p><b>Budget Process Service Excellence Project</b> (Est. Completion: Q4 2023/2024)</p> <p>The Budget Process Service Excellence Project is a combination of the previous three Organizational Performance Excellence (OPE) projects which included 1) budget process, 2) wage model and 3) projections. In partnership with Financial Policy and Planning and the OPE office these three facets of the budget process will be reviewed to learn more about our businesses' needs and those of the Finance team. This work will improve these core financial services while positioning the team as a true strategic partner. In collaboration with the CAO and Diversity and Inclusion/ANSAIO, Finance will develop a methodology to integrate equity as a core principle in the municipal budgeting process.</p>

## REVENUE

This division is accountable for tax and general revenue billings, collections, cash management, banking and the investment portfolio and establishing and overseeing the Payment Card Industry Data Security Standard compliance program.

### SERVICES DELIVERED

#### 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 the municipality'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 has responsibility to make investments in accordance with the Halifax Regional Municipality Investment Policy and manages changes to the policy through consultation with the Halifax Regional Municipality Investment Policy Advisory Committee. The Investment Policy Guides Treasury Services to make investments that produce a competitive rate of return while keeping capital preservation and liquidity needs at the forefront. In addition, the service safeguards the municipality's treasury assets.

#### SERVICE DELIVERY MEASURES

Taxation Performance Measures	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Projected	Planned
Percent of Prior Year's Tax Arrears Not Collected in the Current Year as a Percent of the Current Year Levy	1.1%	2.0%	2.2%	2.2%
Current Year's Tax Arrears as a Percent of Current Year Levy	3.0%	2.66%	5.34%*	5.0%*
Operating Cost to Maintain Property Tax Accounts per Property Tax Account Serviced	\$14.65	\$14.60	\$14.60	\$12.00

\*These measures are high due to ongoing COVID-19 impacts.

General Revenue Performance Measures	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Projected	Planned
Percent of Billings Outstanding Over 90 Days at Year End	2.0%	2.0%	3.0%	3.00%
Bad Debt Write Off as a Percent of Billed Revenue	0.2%	0.2%	1.56%	1.00%
Operating Cost of Accounts Receivable Function per Invoice	\$24.75	\$24.75	\$24.75	\$22.00

<b>General Revenue Performance Measures</b>	<b>2019/20</b> Actual	<b>2020/21</b> Actual	<b>2021/22</b> Projected	<b>2022/23</b> Planned
Average Collection Period (Days)	15	15	15	15
% of Resident Inquiries Completed Within 2 Business Days	98%	98%	98%	98%

PERCENT OF BILLINGS OUTSTANDING OVER 90 DAYS AT YEAR END

COVID-19 is leading to a slight increase in receivables over 90 days, the majority are expected to eventually be collected.

AVERAGE COLLECTION DAYS

COVID-19 is the main factor in the increase of outstanding current year tax arrears. These taxes will be eventually recouped either via collection efforts or via the tax sale process.

GENERAL

Measures are expected to remain constant for 2022/23 and the foreseeable future except for the cost to maintain tax accounts and operating costs of accounts receivable, which are expected to decrease with the migration to a new tax system.

REVENUE KEY DELIVERABLES (2022/23)

<b>Responsible Administration - Well Managed</b>
<p><b>Revenue Replacement Project</b> (Est. Completion: Q4 2022/2023)</p> <p>The Revenue Replacement project has been included as part of the broader Business Foundations initiative. Revenue will replace the obsolete revenue management system with a new solution that will allow for enhanced customer self-service opportunities and new revenue streams.</p>
<b>Service Excellence - Exceptional Customer Service</b>
<p><b>Optimize Affordable Access Program</b> (Est. Completion: Q4 2022/2023)</p> <p>Streamline the application intake of the affordable access program to speed internal processing and to make it easier for clients to apply for the program and annually renew their application.</p>

## CORPORATE PLANNING & PERFORMANCE

The Corporate Planning Office (CPO) supports Regional Council and administrative priorities by assisting business units in strategic planning, business planning, performance reporting, and benchmarking, outcome and accountability reporting, and community engagement through various channels including bi-annual budget and resident surveys.

Organizational Performance Excellence (OPE) enables an integrated and coordinated approach to service delivery and the practice of continuous improvement to improve value-added activities and deliver desired service results. Focusing on these principles, the practice enables improvements to customer satisfaction, employee engagement, operational performance, and increases public trust and confidence in the municipality. The OPE Office provides leadership and guidance to the entire organization through consultation, organizational change management, and methodologies that support the culture of continuous improvement.

### SERVICES DELIVERED

#### **Strategic Planning**

This service supports Regional Council and CAO in the development of a four-year strategic planning framework comprised of Council and Administrative Priority Outcomes and leads the organization in development of strategic initiatives aligned with this framework. The output of this work is the development of the four-year Halifax Regional Municipality Strategic Priorities Plan.

#### **Business Planning**

This service facilitates and supports business units in their operational planning and decision-making and production of annual business plans and presentations, ensuring that these processes are integrated with the municipality's budgeting processes.

#### **Resident Engagement**

This service involves the solicitation of public opinion related to community priorities as well as the services provided by the municipality.

#### **Performance Measurement**

This service provides methods and tools that allow for the coordinated, focused, and objective reporting of strategic priority outcomes, corporate performance, service performance as well as business plan accountability for the organization.

#### **Performance Excellence Leadership**

The overall leadership and engagement of the performance excellence program is supported and administered to ensure long term sustainable success, and a focus on the customer.

#### **Organizational Change Management Leadership**

Motivation toward Performance Excellence is enabled by effective change management and communications strategies that encourage attitudes, behaviors and actions aligned at every level of the organization.

#### **Organizational Portfolio Management**

Organizational Performance Excellence will continue to develop and support collaborative approaches and innovative decision making across the organization with a focus on engaging employees, collaborative problem solving, improving service, and lowering costs.

SERVICE DELIVERY MEASURES

Performance Measures	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Projected	Planned
# of business units with service dashboard	N/A	N/A	2	4
# of people trained in Performance Excellence & Lean Six Sigma methodologies	280	153	50	50
# Corporate Improvement Projects Completed	6	1	7	6

PERFORMANCE ANALYSIS

In 2021/22, the Performance Excellence (PE) training program continued to focus on tools that measure progress and address performance gaps. OPE promoted the Benefits Realization tracking tool and worked with CPO to adjust the Accountability Tracker to assist business units with reporting on continuous improvement project results and financial benefits. Focusing on benefits realization encourages evidence-based decision making and the realization of strategic outcomes. It is also important to recognize the non-financial benefits which can improve other aspects (ex. Cultural) and may improve the likelihood of success for future initiatives by contributing to an overall positive attitude and understanding of continuous improvement.

CORPORATE PLANNING & PERFORMANCE KEY DELIVERABLES (2022/23)

<b>Responsible Administration - Well Managed</b>
<p><b>Core Process Review</b> (Target: Q4 2022/2023)</p> <p>Organizational Performance Excellence will undertake the review of two core processes documenting and aligning the process, procedures policies and standards to the Corporate Performance Management Program enabling continuous improvement activities and data development agenda.</p>
<p><b>Strategic Priorities Plan - Annual Progress Report</b> (Target: Q2 2022/2023)</p> <p>Corporate Planning will develop an Annual Progress Report for the municipality’s Strategic Priorities Plan. This public facing document will provide an overview of progress to plan as well as performance results in the achievement of strategic outcomes.</p>

<b>Responsible Administration - Community Focused</b>
<p><b>Community Visioning Document</b> (Target: Q4 2022/2023)</p> <p>Corporate Planning will work with internal stakeholders and consultants to develop a draft 20-year Community Vision document to be used for community engagement activities.</p>
<p><b>World Council on City Data – Sustainable Cities Indicators Annual Information Report</b> (Target: Q2 2022/2023)</p> <p>Corporate Planning &amp; Performance will develop an Annual Information Report for Regional Council and the organization of benchmark results resulting from WCCD-Sustainable Cities Indicators.</p>
<b>Service Excellence – Innovative Performance Excellence</b>
<p><b>Service Performance Evaluation and Dashboards</b> (Target: Q4 2022/2023)</p> <p>Organizational Performance Excellence will undertake the service performance evaluation of four services, determining appropriate KPI's, the data to support them, development of service dashboards, and recommended actions for process and information improvement.</p>
<p><b>Benefits Realization Tracking</b> (Target: Q4 2022/2023)</p> <p>OPE will monitor Benefits Realization tracking across the organization, ensure it is utilized to measure financial/non-financial benefits on all new continuous improvement project submissions.</p>

## PROCUREMENT

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

### SERVICES DELIVERED

#### 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 municipality assets, excluding real estate.

#### Purchasing

In consultation with client business units, this service is responsible for the administration of the procurement policy for purchases over \$1,000. Current trends are monitored on procurement practice, potential for municipal policy amendments, opportunities for strategic sourcing, and working with industry to identify possible barriers to doing business with the municipality. Competitive Procurement is used for procurement of all Goods, Services and

Construction, using solicitation tools that include Tenders, Request for Proposals (RFP) & Request for Quotation (RFQ).

**SERVICE DELIVERY MEASURES**

Performance Measures	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Projected	Planned
% of inventory on contract	58%	60%	65%	65%*
Average Number of bids per Publicly Posted Solicitations Per Year	Not reported	3.5*	3.7	3.8

**% OF INVENTORY ON CONTRACT**

Per cent of inventory: For 2022/23 - goal remains unchanged at 65 per cent. We experienced staffing challenges in 2021/22 which prevented us from reaching the goal so will carry over to 2022/23.

**AVERAGE NUMBER OF BIDS PER PUBLICLY POSTED SOLICITATIONS**

This KPI indicates vendor interest in doing business with the municipality. For 2022/23 – increase goal to 3.8.

**PROCUREMENT KEY DELIVERABLES (2022/23)**

<b>Service Excellence - Performance Excellence</b>
<p><b>Procurement Redesign</b> (Est. Completion: Q4 2022/2023)</p> <p>Procurement will design and implement an enhanced service delivery model with the goal of becoming a strategic business partner with HRM's business units in the procurement of goods and services. The model will improve customer service with internal and external clients, shorten the time to market and award with vendors, use strategic buying practices, and make better use of taxpayers' dollars. Implementation of the new service delivery model will occur in 2022/23.</p>
<p><b>SAP Release Strategy</b> (Est. Completion: Q4 2023/2024)</p> <p>Release Strategy will be part of the implementation of S4 Hanna and reflect award levels as outlined in the Procurement policy.</p> <p>Release procedures are approval procedures for purchasing documents such as purchase requisitions and purchase orders (POs). A release strategy involves a process where the approver verifies document data (such as material, quantity, and value) and then authorizes the purchase.</p> <p>Implementation of Release Strategy, based on position role (not person), will provide a more robust and efficient process for the municipality.</p>

## ASSET MANAGEMENT OFFICE

The practice of managing assets to minimize the total costs of owning and operating assets while delivering desired service levels, coordination and oversight of the multi-year Capital budget, projections, and accounting.

### SERVICES DELIVERED

#### **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.

#### **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.

#### **HRM Asset Portfolio and Capital Budget Coordination**

This service facilitates the organization of critical data inputs and drivers, integration of multiple policies and standards, coordination and collaboration factors, and application of fiscal stewardship tools required to lead the capital budget development and its transformation from a single-year approach to a 10-year outlook, focused on sustainability. This work balances long-term outcomes for safe, reliable, and cost-effectively managed assets with the demand for growth. This service also coordinates with various stakeholders to enhance the municipality's asset investment capacity.

#### **Asset Management Process, Tools, and Training**

This service provides expertise, technology, and training that enhance business units' ability to perform effective asset management. Remaining current with technological advancements in the industry along with developing strong relationships for a deep understanding of the business needs, enables this service to continuously review and improve functionality of tools for the organization and optimal service to the community. Regular partnership engagement and feedback from the business units is key to this approach.

### ASSET MANAGEMENT OFFICE KEY DELIVERABLES (2022/23)

<b>Responsible Administration – Well Managed</b>
<p><b>Asset Management Plans (AMP's)</b> (Target: Q4 2022/2023)</p> <p>To transition asset lifecycle management to a more proactive, reliable, and sustainable state, the Asset Management Office will work towards establishing a corporate Asset Management Policy to draft preliminary AMPs for each major asset class with existing available information. An action plan to improve content will be developed in the next fiscal year. This is a multi-year initiative.</p>

**Asset Data Management** (Target: Q4 2022/2023)

The Asset Management Office will continue to work with business partners to facilitate asset roles and responsibilities and provide guidance to improve asset data quality, including increasing recorded asset condition ratings. This is a multi-year initiative.

## CUSTOMER CONTACT CENTRES

The Customer Contact Centres division is committed to supporting Regional Council priorities by providing high quality municipal services by phone, in-person, or on-line. Customers can call 311 toll-free from anywhere in the municipality and access a wide range of municipal information and services. 311 directly connects residents to important municipal services and information. This critical service is available in more than 150 languages, which is especially important during times of crisis. HRM also operates three walk-in Customer Service Centres throughout the municipality.

### SERVICES DELIVERED

#### **Corporate Contact Centre**

The 311 Contact Centre serves as the initial intake point for customer service requests; providing responses to general inquiries (Tier 1), as well as intake and referral for requests that require business unit level expertise (Tier 2). Customer Contact Centres assist customers who dial 311 or email [contactus@311.halifax.ca](mailto:contactus@311.halifax.ca) by leveraging information mailboxes, upfront messaging and Customer Service Specialists who deliver professional, friendly, helpful, and high-quality service and support. The team aspires to consistently meet or exceed internal and external customer expectations and deliver on corporate targets and objectives.

#### **311 After-Hours Dispatch**

The culture of service continues after regular business hours. Customers receive support and assistance with urgent issues related to transportation, municipal operations, facilities, animal control services and illegally parked vehicles. The after-hours service is provided by an outsourced partner who handles urgent calls after the full service 311 Contact Centre closes at 8:00 pm on Monday to Friday, and 5:30 pm on Saturday and Sunday.

#### **Customer Service Centres**

The Customer Service Centres offer professional, in-person service delivery to customers throughout the Halifax region. Comprised of two full-service locations and one satellite office, the team provides support and assistance for financial transactions such as property tax, permits, licenses, and information related to programs and services offered by HRM.

The Customer Contact Centre team's commitment to customers is directly aligned with HRM's Service Excellence priority outcome. The 311 Contact Centre and the Customer Service Centres are ambassadors for HRM and take pride in building relationships with every customer, regardless of the level of interaction. Embedded in the work group's culture is a strong desire to deliver a positive customer experience, which ultimately results in higher customer satisfaction. The integration of an email option to the telephony system, provides an additional channel of service delivery to customers.

## SERVICE DELIVERY MEASURES

Performance Measures	2019/20	2020/21	2021/22*	2022/23
	Actual	Actual	Projected	Planned
Contact Centre Quality	83%	82%	83%	83%
Call Volume	411K	342K	360K	400K
Abandon Rate	6.3%	6%	7%	7%
# of Counter Service Transactions	104K	42K	42K	45K
Customer Service Centre Revenue Processed	\$196M	\$102M	\$110M	\$110M

\* 21/22 projection can be impacted based on weather. The projection is based on current trending.

## PERFORMANCE ANALYSIS

The 2020/21 year-end quality and accuracy statistics positively reflect efforts to continue to provide service excellence on the overall level of service provided to customers, with an 82 per cent quality & accuracy score, exceeding the 80 per cent target.

The implementation of Elements call routing technology and the recent integration of the Email Telephony option, continue to provide benefits to the organization through the effective routing and tracking of internal and external customer calls. Up-front messaging and information mailboxes deflected approximately 29 per cent of the 342K customer contacts during 2020/21 fiscal. For the period up to October 31, 2021, customers dialed the 311 Contact Centre 204,943 times and sent 17,022 emails for services related to weather events, transit, garbage and recycling, tax, road operations, animal licensing, parking enforcement, and COVID related updates. Approximately 28 per cent of those contacts were handled by information mailboxes and/or up-front messaging. Based on current trends, for the 2021/2022 fiscal, the number of calls to 311 remain consistent over the previous fiscal and emails to 311 are showing a substantial increase.

The Customer Service Centres provide an avenue for customers to conduct financial transactions for municipal services in an in-person setting. In the previous fiscal year, Customer Service Representatives processed over 42K financial transactions and collected \$102,719,522 in revenue. Both transactions and revenue numbers decreased over the previous fiscal. The decrease in revenue and transactions can be attributed to the closure of in-person services at the Centres from March to August 2020 due to COVID restrictions. In addition, in August 2020, two of the Customer Service Centres (Duke Street and Acadia Centre) permanently closed. Services are now supported by the three remaining Customer Service Centres at Bayers Road, Alderney and Musquodoboit. The closures were in alignment with the Corporate Customer Service Strategy, Corporate Accommodations, Planning & Development front counter intake of permits, and promotion of the on-line customer service channel. The proposed changes align with changing consumer behaviors, respecting Council's investment in technology and digital strategy.

For the period up to October 31, 2021, Customer Service Centre transaction volumes are reflecting an increase over the previous fiscal, as customers increase their in-person transactions.

CUSTOMER CONTACT CENTRES KEY DELIVERABLES (2022/23)

<b>Service Excellence – Exceptional Customer Service</b>
<p><b>After-Hours – Service Delivery for Urgent Calls</b> (Target: Q4 2022/23)</p> <p>HRM Customer Contact Centres will work in collaboration with the Halifax Water Customer Care Centre for preparation of a joint RFP to secure an outsourced service provider that will deliver after-hours service. This will ensure that urgent and safety critical Municipal service calls received after the Service Centres close, will be supported by immediate dispatch services.</p>
<b>Communities – Inclusive Communities</b>
<p><b>Accessible Service Delivery Enhancements - Analysis and Evaluation</b> (Target: Q4 2022/23)</p> <p>Customer Contact Centres will research and evaluate additional service channels to incorporate more inclusive tools to assist in how we communicate and deliver services to our customers and community on their terms.</p>
<b>Our People-Engaged &amp; Skilled People</b>
<p><b>Front-line Teams Training - New Posse, SAP, and Teller POS Technology</b> (Target: Q4 2022/23)</p> <p>Customer Contact Centres will work in collaboration with Permitting, Licensing &amp; Compliance and Tax &amp; Revenue to ensure all team members are fully engaged and skilled to deliver information and services to our customers and community via the new technology.</p>
<b>Our People – Diverse, Inclusive &amp; Equitable Environment</b>
<p><b>Meaningful Partnerships</b> (Est. Completion: Q4 2022/2023)</p> <p>Customer Contact Centres will continue to develop partnerships with Universities, Colleges, and Community Groups (via information sessions and events) to reach diverse communities in support of the municipality's diversity and inclusion goals and objectives related to employment and education on municipal services.</p>