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Jan 27/23
Attachment 1 - page 5
Attachment 2 - slide 15 only

Item No. 6.2
Budget Committee
January 27, 2023

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

SUBMITTED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

DATE: January 18, 2023

SUBJECT: Proposed 2023/24 Finance & Asset Management Budget and Business Plan

ORIGIN

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented to Regional Council on November 8, 2022, staff are required to present the draft 2023/24 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

That the Budget Committee:

1. Direct the Chief Administrative Officer to incorporate the Finance & Asset Management proposed 2023/24 Budget and Business Plan, as set out and discussed in the accompanying plan and supporting presentation, into the Draft 2023/24 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 plans to advance these outcomes.

As part of the design of the 2023/24 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.

This recommendation does not include the addition/removal of any proposed Budget Adjustment List options.

DISCUSSION

Staff has prepared the proposed 2023/24 Finance & Asset Management Budget and Business Plan consistent with the 2021- 2025 Strategic Priorities Plan approved on December 1, 2020, as well as budget direction provided on November 25, 2022.

Following direction from the Budget Committee, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed 2023/24 HRM Budget and Business Plan documents to be presented to Regional Council's Budget Committee, as per the process and schedule approved on November 8, 2022.

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

Budget Reductions

On November 25, 2022, Budget Committee directed staff to prepare a budget to set the average tax bill for residential and commercial properties at a four per cent increase. To meet this direction, Finance & Asset Management identified several options, including a proposed area rate administrative fee (Briefing Note BN007), and a reduction in 311 Customer Contact Centre service levels on statutory holidays (BN008).

The area rate fee is intended to offset the cost of collecting and administering community and private road area rates from a variety of Home Owners Associations operating independently of HRM. The \$70,000 revenue expected from this fee would result in a full cost recovery for HRM staff to administer these fees annually.

BN008 outlines the option to reduce service hours at 311 Customer Contact Centres on statutory holidays. All calls received on the 11 identified holidays would move to the after-hours urgent-only call system. This would result in a projecting savings of \$75,000 in 2023/24, and \$84,000 in subsequent years.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed 2023/24 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 associated with this report, 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.

Enterprise risks are reviewed as part of the strategic planning process and mitigating initiatives incorporated into business planning activities to reduce or eliminate the impact and likelihood of the risk occurring.

COMMUNITY ENGAGEMENT

The 2022 Municipal Services Survey was conducted from September 12 – 29, 2022. This survey was available online and by mail to all residents, and received 4,030 responses to a variety of budget, planning, and priorities questions. The results of the 2022 Resident Survey were provided in an information report presented to Regional Council on November 22, 2022.

The 2023/24 budget process also seeks to solicit public comment by inviting members of the public to provide feedback prior to each business unit budget and business plan presentation.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

Budget Committee could choose to amend the Budget and Business Plan as proposed in the supporting presentation through specific motion and direct the Chief Administrative Officer to prepare the Budget and Business Plan for inclusion in the proposed 2023/24 HRM Budget and Business Plan documents.

Budget Committee could also choose to add an item to the BAL through the following motion(s):

1. That the Budget Committee include a reduction of \$70,000 for Admin Fee Area Rate as outlined in the Briefing Note BN007 within the proposed 2023/24 Finance & Asset Management budget to the Budget Adjustment List as an operating revenue under budget option for consideration.
2. That the Budget Committee include a reduction of \$75,000 for Reduced Full-Service Operations – 311 Customer Contact Centres as outlined in the Briefing Note BN008 within the proposed 2023/24 Finance & Asset Management budget to the Budget Adjustment List as an expense under budget option for consideration.

ATTACHMENTS

Attachment 1 - 2023/24 Finance & Asset Management Proposed Budget and Business Plan

Attachment 2 - 2023/24 Finance & Asset Management Proposed Budget and Business Plan Presentation

Attachment 3 - Briefing Note (BN007) - Admin Fees Area Rate & Private Road Home Owners

Attachment 4 - Briefing Note (BN008) – Reduced Full-Service Operations – 311 Customer Contact Centre Closed on Stat Holidays

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.

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Page 5 only

FINANCE & ASSET MANAGEMENT

2023/24 BUDGET AND BUSINESS PLAN

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

READING THE BUDGET AND BUSINESS PLAN

Council and Administrative Priorities are represented within the *Budget and Business Plan* using the legend below. Strategic initiatives and deliverables supporting HalifACT are denoted. Estimated Completion (EST) applies to deliverables carried over from previous business plans and is the estimated date of completion. Target (T) 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>

Council Priorities	
	Prosperous Economy
	Communities
	Integrated Mobility
	Environment

Administrative Priorities	
	Responsible Administration
	Our People
	Service Excellence

HalifACT Acting on Climate Together Strategic[DM1][PM2] initiatives or deliverables supporting HalifACT.

OVERVIEW

Finance & Asset Management (FAM) supports Regional Council and Administrative Priorities through leadership of financial and strategic activities and providing services and advice. The FAM multi-year strategic initiatives continue in our current 2023/24 business plan.

ORGANIZATION CHART



FULL TIME EQUIVALENT COUNTS

Includes all approved and funded full time equivalents (FTEs).

Full Time Equivalent (FTE) Change Details	
Approved 2022/23 FTEs:	229.6
Transferred Positions:	
Finance positions transferred from Halifax Regional Police	7.0
New Positions:	
Business Analyst intern	0.8
Senior Financial Consultant - HalifACT	1.0
Remove 3 internship positions	(2.4)
Remove Payroll/Costing Coordinator Part-time	(0.6)
Capital Changes:	
	-
Total Changes	5.8
Total Budgeted 2023/24 FTEs	235.4

Includes full, part-time, and permanent positions - calculated value based on the normal working hours of each position.

STRATEGIC INITIATIVES

Initiative	Description	Priority & Outcome
Benefits Realization Achievements	Corporate Performance is tracking deliverables associated with continuous improvement activities through the Benefits Realization Framework. The overarching goal of a Performance Excellence Benefits Realization Framework is to establish a focus on outcome and benefits realization that support sustainable improvement and organizational success.	 Innovative Performance Excellence
Corporate Performance Management Program (CPMP)	The Corporate Performance Management Program (CPMP) aims to improve decision making and organizational performance through the establishment of relevant service standards and key performance indicators at all levels of the municipality and the data to support these indicators. Performance measures are presented in dashboards using business intelligence software and used by the organization to identify continuous improvement activities resulting in improved quality and/or efficiency of service-delivery.	 Well-Managed

Initiative	Description	Priority & Outcome
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.	 Financially Prepared 
Fiscal Sustainability Strategy	Scoping of Fiscal Sustainability Model that builds out a linear forecast model using different regression methods to credibly predict medium term expenditure growth. Total discretionary income in the HRM economy is determinant of public service demand. Led by Financial Policy Group, the Fiscal Sustainability Strategy will provide probabilistic forecasting of expenditures, scenario planning and integration of policy variables.	 Financially Prepared
Long Term Capital Planning - Phase 2	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.	 Well-Managed
Performance Excellence Program	Corporate Performance will continue to champion and support the implementation of a Performance Excellence (PE) program across the organization, with a focus on continuous improvement resulting from the Corporate Performance Management Program. The program will help Business Units consider more efficient, sustainable, and innovative approaches to the delivery of municipal programs and services that are aligned with our customer's expectations.	 Innovative Performance Excellence
Redesign of Community Grants Program	Realign the grants program to more accurately group organizations and to help achieve a more equitable treatment of groups and the relief they are provided.	 Inclusive Communities
Social Value Framework	Procurement will formally engage with vendor community, communities of interest and social enterprises to further refine the application and strategic approach of Council's approved Social Value Framework. This supports HRM's social strategy, economic growth and inclusive communities.	 Inclusive Communities

BUDGET

SERVICE AREA BUDGET OVERVIEW

Service Area	2021/22	2022/23	2022/23	Budget	2023/24	
	Actual	Budget	Projections		Δ 22/23 Budget	Δ %
Customer Contact Centres	\$ 2,541,885	\$ 2,671,000	\$ 2,675,200	\$ 2,681,600	\$ 10,600	0.4
Admin - Finance	854,330	1,012,735	912,735	1,024,800	12,065	1.2
Revenue	(301,275)	(337,000)	(225,900)	(1,232,400)	(895,400)	265.7
Corporate Planning	1,088,634	1,541,900	1,407,900	1,253,200	(288,700)	(18.7)
Accounting & Financial Reporting	3,740,738	4,006,000	4,787,000	4,971,700	965,700	24.1
Procurement	4,802,274	5,036,865	5,165,895	5,209,400	172,535	3.4
Asset Management	1,106,316	1,334,500	1,399,700	1,528,100	193,600	
Net Total	\$ 13,832,902	\$ 15,266,000	\$ 16,122,530	\$ 15,436,400	\$ 170,400	1.1

SUMMARY OF EXPENDITURE AND REVENUE

Expenditures	2021/22	2022/23	2022/23	Budget	2023/24	
	Actual	Budget	Projections		Δ 22/23 Budget	Δ %
Compensation and Benefits	\$ 16,778,976	\$ 17,915,200	\$ 18,665,700	\$ 18,477,500	\$ 562,300	3.1
Office	108,324	99,095	129,285	149,500	50,405	50.9
External Services	470,968	746,635	769,335	904,900	158,265	21.2
Supplies	8,198	23,000	23,000	22,800	(200)	(0.9)
Materials	-	-	-	-	-	-
Building Costs	1,280	-	-	-	-	-
Equipment & Communications	33,144	71,300	93,300	71,300	-	-
Vehicle Expense	638	-	-	-	-	-
Other Goods & Services	699,904	596,100	819,250	596,300	200	-
Interdepartmental	37,538	21,300	25,460	20,700	(600)	(2.8)
Debt Service	-	-	-	-	-	-
Other Fiscal	(7,581)	-	-	-	-	-
Total Expenditures	18,131,389	19,472,630	20,525,330	20,243,000	770,370	4.0

Revenues	2021/22	2022/23	2022/23	Budget	2023/24	
	Actual	Budget	Projections		Δ 22/23 Budget	Δ %
Tax Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	-
Area Rate Revenue	-	-	-	-	-	-
Tax Agreements	-	-	-	-	-	-
Payments in Lieu of taxes	-	-	-	-	-	-
Transfers from other Gov'ts	-	-	-	-	-	-
Interest Revenue	-	-	-	-	-	-
Fee Revenues	(3,617,881)	(3,516,300)	(3,516,300)	(4,116,300)	(600,000)	17.1
Other Revenue	(680,606)	(690,330)	(886,500)	(690,300)	30	
Total Revenues	(4,298,487)	(4,206,630)	(4,402,800)	(4,806,600)	(599,970)	14.3
Net Total	\$ 13,832,902	\$ 15,266,000	\$ 16,122,530	\$ 15,436,400	\$ 170,400	1.1

OPERATING – SUMMARY OF CHANGES

Change Description / Service Impact	Amount
Approved 2022/23 Budget	\$ 15,266,000
Compensation Changes:	
New and transferred FTEs and other compensation adjustments	812,400
Increase in vacancies	(250,000)
Revenue Adjustments:	
Tax Certificates	(400,000)
Tax Information Revenue	(200,000)
Other Budget Adjustments:	
Increase in Professional Fees for survey costs	100,000
Increase in Outside personnel	58,000
Bids and Tenders software	50,000
Total Proposed Changes	\$ 170,400
2023/24 Budget	\$ 15,436,400

SERVICE AREA PLANS

ACCOUNTING & FINANCIAL REPORTING

Accounting & Financial Reporting is responsible for the development of annual Operating and Reserve budgets as well as providing services, support and advice to internal clients, Regional Council, and residents of the municipality. A focus on ensuring the fiscal sustainability of the municipality through effective controls, strategies, planning and reporting.

Services Delivered

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

Accounts Payable Payment Processing. This service is responsible for the accurate and timely processing and payment of the Halifax Regional Municipality invoices.

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.

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

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

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.

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.

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.

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.

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.

Service Delivery Performance Measures

Performance Measures	2020/21 Actual	2021/22 Actual	2022/23 Projected	2023/24 Projected
# of capital projects managed for budgeting and accounting	179	242	245	190
\$ of capital projects managed for budgeting and accounting	\$148M	\$200M	\$226M	\$320M
# of requests for change processed for EAM systems users	330	323	455	450

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.

Corporate Performance (CPE) strengthens the use of metrics, best practices, and technology to deliver municipal goals efficiently and effectively. Focusing on continuous improvement principles, CPE aims to improve customer satisfaction, employee engagement, operational performance, and increase public trust and confidence in the municipality. CPE provides leadership and guidance to the entire organization through consultation, organizational change management, and lean methodologies that support the culture of continuous improvement.

Services Delivered

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.

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.

Continuous Improvement Training & Awareness. Corporate Performance will continue to deliver training and materials to the organization to build awareness about the concepts of performance excellence, continuous improvement, and innovative thinking.

Continuous Improvement Support. This service includes supporting business units in identifying continuous improvement projects, mentorship and/or leadership through projects, project management, and reporting on results of performance excellence initiatives.

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.

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

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.

Service Delivery Performance Measures

Performance Measures	2020/21 Actual	2021/22 Actual	2022/23 Projected	2023/24 Planned
# of municipal divisions with service dashboard	N/A	2	4	6
# of people trained in Performance Excellence & Lean methodologies	153	74	75	75
# of corporate improvement projects completed ¹	1	7	6	5
Notes	1) The number of people trained reflects the number of registrations to Performance Excellence courses and Lean certifications.			

Performance Measures Analysis

The Corporate Performance Management Program kicked off with the release of the Strategic Performance Dashboard, the Corporate Performance Dashboard, and two service dashboards – The Halifax Fire & Emergency Response Dashboard and the Building Maintenance Dashboard in 2021/22. These were completed in partnership with business unit subject matter experts and Digital Services to increase accountability and transparency towards municipal performance as well as aid the municipality in strategic and business planning, adopt consistent key performance indicators, and lessen the administrative burden of reporting by automating key performance indicators.

The goal of 2022/23 was to complete four service dashboards (dashboards aimed at reporting performance at a divisional level or service level) but became unfeasible as Corporate Performance dealt with staffing changes, and Digital Services struggled to hire for key positions. Currently, it is expected that Parking Services and Solid Waste will have service dashboards by the end of fiscal 2022/23. In addition, Corporate Performance has worked with the Office of Diversity & Inclusion, the Environment & Climate Change Office, and Human Resources & Corporate Communications in the development of key performance indicators in 2022/23.

The total number of people trained in Performance Excellence or Lean methodologies in 2022/23 is expected to be 75 as a Yellow Belt session is offered in February 2023. Performance Excellence basic training is offered online and due to low promotion on the courses available, the number of people taking the online training is low. Corporate Performance will work on promoting these online courses as well as offering in-person sessions to front-line workers. Most of the people trained in 2022/23 are Yellow Belt Certifications due to the resumption of in-person sessions as well as virtual offerings, which have been a success.

Corporate Performance has completed four corporate continuous improvement projects in partnership with other business units. These include Fire Fleet Optimization (Phase I), Enterprise Risk Management Process Review, Meeting Process – Current State Description, Costing, and Recommendations for Municipal Clerk’s Office, and the Small Equipment Policy and Implementation. It is expected that two other projects will be complete by March 31, 2023. Currently, there are a total of seven corporate projects in flight.

2023/24 Key Deliverables		Priority & Outcome	Target (T) / Estimated Completion (EST)
Name	Description		
Corporate Performance Strategy	Corporate Performance will complete a document defining a service-model to achieve the goals of the Corporate Performance Management Program and support business units in reviewing service standards, efficiency, and effectiveness of the operation, identifying continuous improvement initiatives, and monitoring the benefits of these initiatives.	 Well-Managed	T - Q4 2024/25
KPI Info Collection Tool Implementation	Corporate Performance will roll-out the KPI Data Collection Tool to make the organizational KPI collection and approval process more efficient. This will include testing the new application and training for all users.	 Well-Managed	T - Q4 2023/24
Performance Excellence Project Leadership	To encourage continuous improvement methodologies and enhance service delivery, Corporate Performance will lead 5 Corporate PE projects while providing project support to business unit led projects in 23/24.	 Innovative Performance Excellence	T - Q4 2023/24
Service Catalogue Updates	Corporate Planning will work with business units to update the municipal service catalogue, including identifying service boundaries where applicable.	 Well-Managed	T - Q4 2023/24
Service Performance Evaluation and Dashboards	Corporate Performance will undertake the service performance evaluation of 4 services to determine appropriate KPI's and the development of up to 2 service dashboards to automate performance reporting.	 Well-Managed	T - Q4 2023/24
Strategic and Business Planning Tool	Define requirements and conduct market scan for an enterprise planning tool that aligns strategic and business planning, development of linkages with various organizational plans and risk mitigation efforts and provides reporting capabilities.	 Well-Managed	T - Q4 2024/25

CUSTOMER CONTACT CENTRES

The Customer Contact Centres division is committed to supporting Regional Council priorities by providing high quality services by phone, in-person, or on-line and connecting residents to important municipal services and information available in more than 150 languages.

Services Delivered

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.

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 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.

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 Performance Measures

Performance Measures	2020/21 Actual	2021/22 Actual	2022/23 Projected ¹	2023/24 Planned
Contact Centre Quality	82%	84%	84%	84%
Call Volume	342K	348K	350K	350K
Email Volume	14K	40K	42K	42K
Abandon Rate	6%	6%	7%	6%
# of Counter Service Transactions	34K	34K	33K	33K
Customer Service Centre Revenue Processed	102M	112M	106M	106M
Notes	1) 2022/23 projection can be impacted based on weather. The projection is based on current trending.			

Performance Measures Analysis

The 2021/22 year- end quality results positively reflect efforts to improve on the overall level of service provided to customers, with an 84% quality score (target is 80%).

The addition of email routing to our telephony system in November 2020 continues to provide benefits to the organization through increased improvements to service standards and effective routing and tracking of internal and external customer emails. Email volume continues to increase year over year.

Up-front messaging and information mailboxes deflected approximately 30% of the 348,000 customer telephone contacts during the previous fiscal. For the period up to December 31, 2022, customers dialed the 311 Contact Centre 268,000 and emailed 34,000 times for services related to transit, garbage and recycling, tax, road operations, animal licensing, parking enforcement and civic events. Approximately 28% of telephone contacts were handled by information mailboxes and/or up-front messaging. Based on current trends, for the 2022/23 fiscal, we are projecting a slight increase in the number of calls to 311 over the previous fiscal.

The mandate of our Customer Service Centres is to provide support and assistance to HRM (Halifax Regional Municipality) customers regarding municipal services. In the previous fiscal, Customer Service Representatives processed 34,000 financial transactions and collected \$112 million in revenue. Transactions declined by 18% over the previous fiscal, which is attributed to an increase in self-serve usage and enhancements made to online services and information. Like the 311 Contact Centre, this reduction is related to our approach to providing a multi-channel customer service strategy. For the period up to December 31, 2022, Customer Service Centre transaction volumes are in line with the previous fiscal. We anticipate In-person transactions to remain similar in fiscal 2023/24.

2023/24 Key Deliverables		Priority & Outcome	Target (T) / Estimated Completion (EST)
Name	Description		
New Telephony and Workforce Management System	Working with Information and Technology, Customer Contact Centres will review and evaluate a replacement of the 311 Telephony System and Workforce Management System.	 Exceptional Customer Service	T - Q4 2023/24

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 Performance Measures

Performance Measures	2020/21 Actual	2021/22 Actual	2022/23 Projected	2023/24 Planned
% of inventory on contract	60%	51%	60%	60%
Average number of bids per publicly posted solicitations per year	3.5	2.9	3.5	4.0
Notes				

Performance Measures Analysis

% of inventory on contract – Goal remains at 60% minimum. Labor issues over past two years has impacted being able to pull and analyze data needed to create solicitations to post for vendors to bid on, resulting in agreements of inventoried items on contract.

Average # of bids – Labor shortage has impacted vendors’ ability to submit bids; they are bidding on what they can handle with their current staffing compliment, resulting in fewer bids being received by entities such as HRM.

2023/24 Key Deliverables		Priority & Outcome	Target (T) / Estimated Completion (EST)
Name	Description		
E-Sourcing Solution	Procurement implementation of an eSourcing solution. Increasing ability to impact social and community benefits. Increasing compliance and minimizing risk within the procurement process. Process efficiencies for Procurement, clients, social enterprise and the vendor community.	 Community Focused	T - Q4 2023/24
Fleet Inventory Service Delivery	Using performance excellence principles and in conjunction with Corporate Performance, review and initiate service Inventory’s service delivery to Transit and Corporate Fleet. Specific initiatives are: Parts Request & Fulfillment, Alternative Procurement Methods, Warranty Management, Tire Management, Space Utilization.	 Exceptional Customer Service	T - Q4 2024/25

2023/24 Key Deliverables		Priority & Outcome	Target (T) / Estimated Completion (EST)
Name	Description		
Social Value Framework	Procurement will formally engage with vendor community, communities of interest and social enterprises to further refine the application and strategic approach of Council's approved Social Value Framework. This supports HRM's social strategy, economic growth and inclusive communities.	 Inclusive Communities	T - Q3 2023/24

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. In addition, responsible for Grants and Contributions and Tax & Fiscal Policy development.

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.

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.

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

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.

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

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

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 Performance Measures - Taxation

Performance Measures	2020/21 Actual	2021/22 Actual	2022/23 Projected	2023/24 Planned
Per cent of prior year's tax arrears not collected in the current year as a percent of the current year levy	2.00%	1.85%	2.00%	2.00%
Current year's tax arrears as a percent of current year levy	2.66%	1.75%	2.00%	2.00%
Operating cost to maintain property tax accounts per property tax account serviced	\$14.60	\$14.60	\$14.60	\$14.60

Service Delivery Performance Measures – General Revenue

Performance Measures	2020/21 Actual	2021/22 Actual	2022/23 Projected	2023/24 Planned
Per cent of billings outstanding over 90 days at year end	2.0%	3.11%	3.00%	3.00%
Bad debt write off as a percent of billed revenue	0.2%	0.3%	0.3%	0.3%
Operating cost of accounts receivable function per invoice	\$24.75	\$24.75	\$24.75	\$24.75
Average collection period (days)	15	15	15	15
% of resident inquiries completed within 2 business days	98%	89% ¹	98%	98%

Notes 1) This measure is lower due to a 25% increase in service requests.

Performance Measures Analysis

Per cent of billing 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.

2023/24 Key Deliverables		Priority & Outcome	Target (T) / Estimated Completion (EST)
Name	Description		
Tax and Fee Revenue Strategy	Implement new user fees that align with fees changed in other jurisdictions.	 Responsible Administration	T – Q1 2023/24

REVISED
Slide 15 only

FINANCE & ASSET MANAGEMENT

2023/24 Budget & Business Plan
Committee of the Whole on Budget
January 27, 2023



MISSION

We provide financial and strategic leadership through advice, governance, customer-focused services and policy.

SERVICE AREAS

Chief Financial Officer / Executive Director

Provides leadership and stewardship of the FAM business unit while providing high-quality financial information and advice to Regional Council, Executive, Senior Management and staff.

Accounting & Financial Reporting

Responsible for the development of annual Operating and Reserve budgets as well as providing services, support and advice to internal clients, Regional Council, and residents of the municipality. A focus on ensuring the fiscal sustainability of the municipality through effective controls, strategies, planning and reporting.

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.

Corporate Planning & Performance

Supports business units in strategic and business planning, performance reporting and benchmarking, provides leadership, support, and guidance through continuous improvement engagements, change management and encouraging the practice of continuous improvement.

SERVICE AREAS

Customer Contact Centres

The Customer Contact Centres division is committed to supporting Regional Council priorities by providing high quality municipal services by phone, email, in-person, or on-line, connecting residents to important services and information in more than 150 languages.

Procurement

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

Revenue, Treasurer

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. In addition, responsible for Grants and Contributions and Tax & Fiscal Policy development.

ABOUT US

GRANTS ISSUED (FINANCE)

900

TAX RELIEF (FISCAL)

\$6M

RESIDENTIAL ASSESSMENT

\$46.8B

TOTAL EMPLOYEES TRAINED IN
PERFORMANCE EXCELLENCE & LEAN

899

TAX ACCOUNTS
MANAGED

165K

CALLS RECEIVED AT THE
CUSTOMER CONTACT CENTRE

349K

TRANSACTIONS PROCESSED AT
THE CUSTOMER SERVICE CENTRES

35K

VALUE OF TRANSACTIONS PROCESSED
AT THE CUSTOMER SERVICE CENTRES

\$112M

SUCSESSES



Implemented Microsoft Teams for Budget & Business Planning



Applied an Environmental, Social and Governance (ESG) lens to the municipality's investment policy



Strategic Performance Report – progress report on Strategic Priorities Plan



Implemented the Climate Action Tax and funding model for strategic initiatives



Provided financial, procurement, call centre support to the housing crisis file



New Procurement Policy

SUCSESSES



Strategic Snapshot (public facing dashboard) launched May 2022



Best value / social value procurement



Implemented Corporate Small Equipment Policy



Implemented SAP Tax and Revenue Module



84% approachability of direct supervisor; 87% treated in a respectful manner



Joint procurement with Halifax Water for urgent and dispatch after-hours services

CURRENT & PLANNED INITIATIVES

COUNCIL PRIORITIES

ENVIRONMENT/HALIFACT

- Engage financial institutions as partners to provide custom financing so HalifACT goals can be realized

COMMUNITIES

- Redesign of Community Grants Program
- Social Value Framework



CURRENT & PLANNED INITIATIVES

ADMINISTRATIVE PRIORITIES RESPONSIBLE ADMINISTRATION

- Tax and Fee Revenue Strategy
- Long-term Capital Planning – Phase 2
- Corporate Performance Strategy
- Service Catalogue updates
- Service performance evaluation and dashboards



CURRENT & PLANNED INITIATIVES

ADMINISTRATIVE PRIORITIES

SERVICE EXCELLENCE

- Fleet inventory service delivery
- New Telephony and Workforce Management System
- Performance excellence project leadership





CURRENT & PLANNED INITIATIVES

DIVERSITY & INCLUSION

- Optimizing the Affordable Access Program
- Accessible service delivery enhancements
- E-Sourcing Solution – Procurement



KEY PERFORMANCE INDICATORS



\$112M

Customer Service Centre
Revenue Processed



86%

Customer Contact
Centre Quality



15

Average Collection
Period (Days)



51%

Percentage of Inventory
Items on Contract



2.9

Average Number
of Bids per Public
Posted Solicitation

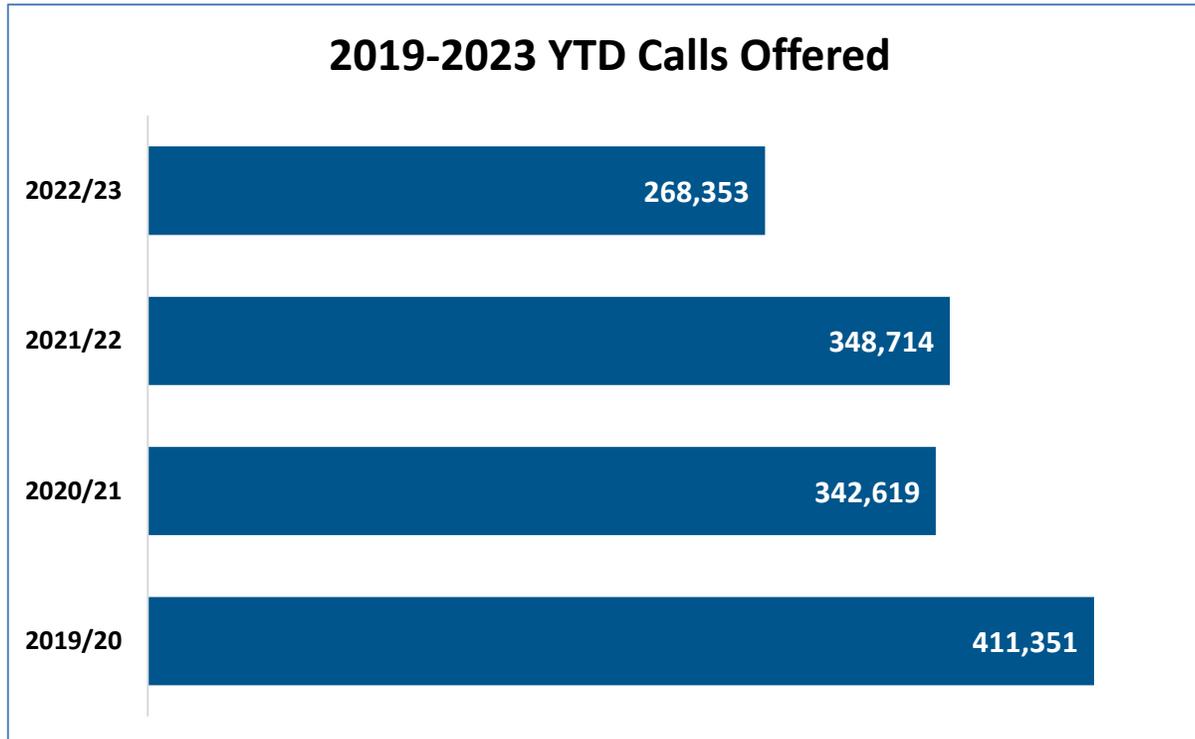


1.75%

Current year's tax arrears
as a percent of current year
levy

KEY PERFORMANCE INDICATORS

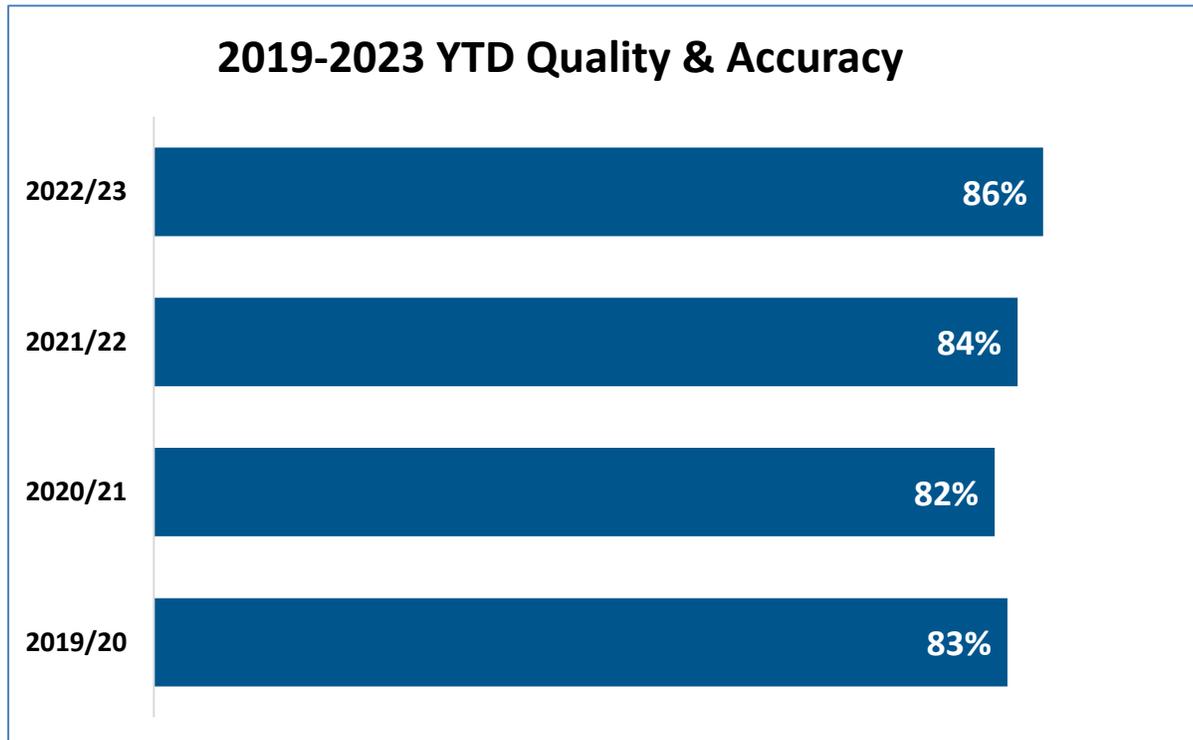
311 – CALL VOLUME



- Call volume is consistent year-over-year for the seven-month period. Weather conditions over the next four to five months will influence total annual volume
- Year to date, 28 per cent of calls have been handled by the Interactive Voice Response (IVR)
- Customer Contact Centres continue to proactively identify and implement strategies to improve overall customer satisfaction

KEY PERFORMANCE INDICATORS

311 – QUALITY AND ACCURACY



- Measures accuracy and quality of service
- Target: 80 per cent
- Year to date: 86 per cent
- Improving quality of service delivery drives higher customer satisfaction and increases confidence in the services provided by the municipality

OPERATING BUDGET

STAFF COUNTS

Includes all approved and funded full time equivalents (FTEs)

Full Time Equivalent (FTE) Change Details	
Approved 2022/23 FTEs:	229.6
Transferred Positions:	
Finance positions transferred from Halifax Regional Police	7.0
New Positions:	
Business Analyst intern	0.8
Senior Financial Consultant – HalifACT	1.0
Remove 3 internship positions	(2.4)
Remove Payroll/Costing Coordinator Part-time	(0.6)
Capital Changes:	
	-
Total Changes	5.8
Total Budgeted 2023/24 FTEs	235.4

Includes full, part-time, and permanent positions - calculated value based on the normal working hours of each position.

OPERATING BUDGET

SUMMARY OF CHANGES

Change Description / Service Impact	Amount
Approved 2022/23 Budget	\$ 15,266,000
Compensation Changes:	
New and transferred FTEs and other compensation adjustments	812,400
Increase in vacancies	(250,000)
Revenue Adjustments:	
Tax Certificates	(400,000)
Tax Information Revenue	(200,000)
Other Budget Adjustments:	
Increase in Professional Fees for survey costs	100,000
Increase in Outside personnel	58,000
Bids and Tenders software	50,000
Total Proposed Changes	\$ 170,400
2023/24 Budget	\$ 15,436,400

OPERATING BUDGET

OPTIONS UNDER BUDGET

Reduction Description / Service Impact	Revenue / Expense	One-time / Sustainable	2023/24 Amount	2024/25 Amount
Admin Fees - Area Rates & Private Home owners	Revenue	Sustainable	(70,000)	(70,000)
Service Reduction 311	Expense	Sustainable	(75,000)	(84,000)
Total Reductions			\$ (145,000)	\$ (154,000)

THANK YOU

Budget Adjustment List Briefing Note

Admin Fees Area Rate & Private Road Home Owners

COW Date: January 27, 2023

Business Unit: FAM

Tracking Id	Revenue, Expense, or Capital	2023/24 Amount (negative is savings/revenue)	2024/25 Amount (negative is savings/revenue)
BN007	Operating Revenue	(\$70,000) (Ongoing)	(\$70,000)
Four Year Impact	\$70K / year (\$280K over 4 years)		
Adjustment Description	This Briefing Note outlines the revenue associated with charging a 5% administrative fee to collect community and private road area rate funds.		
Priority Alignment	Responsible Administration – Well-Managed		

The Halifax Regional Municipality collects community and private road area rate funds from a variety of Home Owners Associations (HOAs). These HOAs are self governing and operate independently from the municipality. The funds collected are distributed to the HOA to be spent according to the HOA's mandate. For private road HOAs, these funds support private (not municipally owned) roads. The community area rates support local community initiatives such as movie nights and community beautification, i.e. programs that would not be offered by the municipality.

The collection and distribution of area rates is a service to these HOAs, who would otherwise be required to obtain the funds directly from residents in their area. As well, if a homeowner is delinquent in paying their taxes the municipality still advances the full amount of the funds to the HOA. The administration of these rates currently requires 70% of one FTE and includes tasks such as:

- annually obtaining HOA documentation and confirming rates to be collected
- GIS mapping and boundary confirmation for the interim and final tax bills
- responding to general HOA questions
- preparing and tallying ballots where the HOA requests a change to their rate (postage and printing costs borne completely by the municipality)

The proposal of a 5% administrative fee to collect these funds represents the administrative fee that would result in a full cost recovery for HRM staff to administer these rates annually. For reference, the Municipality of East Hants charge a 5% administrative fee to their private road home owner's associations.

Budget Adjustment List Briefing Note

Reduced Full-Service Operations - 311 Customer Contact Centres Closed on Stat Holidays

COW Date: January 27, 2023

Business Unit: Finance & Asset Management

Tracking Id	Revenue, Expense, or Capital	2023/24 Amount (negative is savings/revenue)	2024/25 Amount (negative is savings/revenue)
BN008	Expense	(\$75,000) (Ongoing)	(\$84,000)
Four Year Impact	The anticipated four year savings (reduction in expense) is \$327,000.		
Adjustment Description	This Briefing Note outlines the cost and impact associated with reduced operations of full-service delivery at 311 Customer Contact Centre on stat holidays.		
Priority Alignment	Service Excellence		

311 Customer Contact Centre currently provides full-service delivery to our customers 363 days per year. 311 directly connects residents to important municipal services and information. This critical service is available in more than 150 languages.

The 311 Customer Contact Centres is currently open 7 days a week for full-service as follows:

- Monday to Friday 8:00 am-8:00 pm
- Saturday and Sunday 9:00 am-5:30 pm
- 311 is currently closed two days of the year: Christmas Day and New Year's Day.

Telephony Email contactus@311.halifax.ca is available to HRM customers during full-service hours only.

Reduced service delivery for all stat holidays

All calls received would move to the after-hours urgent-only call system.

Customers who call 311 during off-hours will be prompted to a dedicated phone number for after-hour inquiries that are urgent. All other calls will be provided information only via after-hours Interactive Voice Response (IVR) and instructed to call back for non-urgent issues during regular 311 hours.

After-hours services provide customers with support and assistance for urgent issues related to transportation, municipal operations, facilities, animal control services and illegally parked vehicles, after the full-service 311 Contact Centre closes.

Call and Email Volume – Stat Holidays 2021 and 2022

	Holiday	2021 Holidays	Calls	Emails	2022 Holidays	Calls	Emails
1	Heritage Day	Feb 15, 2021	728	NA	Feb 21 2022	458	94
2	Good Friday	April 2, 2021	437	NA	Apr 15 2022	294	74
3	Easter Monday	April 5, 2021	868	NA	Apr 18 2022	876	74
4	Victoria Day	May 24, 2021	403	NA	May 23 2022	431	66
5	Canada Day	July 1, 2021	590	NA	July 1 2022	784	72
6	Natal Day	Aug 2, 2021	543	NA	Aug 1 2022	693	69
7	Labour Day	Sept 6, 2021	404	NA	Sept 5 2022	415	103
8	Truth & Reconciliation	Sept 30, 2021	1,031	75	Sept 30 2022	1,670	125
9	Thanksgiving	Oct 11, 2021	285	48	Oct 10 2022	391	85
10	Remembrance	Nov 11, 2021	427	53	Nov 11 2022	422	73
11	Boxing Day	Dec 26, 2021	262	30	Dec 26 2022	312	38
Total			5978	206		6,746	873

Average Daily Call Volume

Year	Mon - Friday Regular Day	Saturday / Sunday	Stat Holiday
2021	1295	325	543
2022	1208	445	613

Possible Risks

- Reduced Service Standards
- Emails received after 8 pm on last business day worked will not be responded to until next working business day (36 plus hours to forward service request to Business Unit)
- Residents may try to reach Business Unit and or contact Councillors directly if unable to reach 311
- Urgent Service Request emails sent by the after-hours partner will not be sent to Business Units until next working business day
- Service requests for Animal Services dispatched by after-hours partner will not be issued by 311 until next working business day
- Possible weather events (Hurricanes etc.) - Overtime costs if event occurs on a holiday