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**Item No. 15.1.1**  
**Halifax Regional Council**  
**July 8, 2025**

**TO:** Mayor Fillmore and Members of Halifax Regional Council

**FROM:** Cathie O'Toole, Chief Administrative Officer

**DATE:** June 10, 2025

**SUBJECT:** Options & Considerations For 2026-2027 Budget & Business Plan

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**ORIGIN**

THAT Halifax Regional Council direct the Chief Administrative Officer (CAO) to return to Council by June 2025 with a staff report that includes feasible options and considerations for the 2026/2027 budget and business planning process including the following:

1. Hold the expenditure levels flat for the 2026/2027 budget with consideration for an increase for inflation based on CPI, contractual commitments, mandatory provincial contributions, and items already approved by Council in the 2025/2026 budget.
2. Identify operating efficiencies and savings that could be implemented in this current budget year.
3. Examine options for long term efficiencies and savings in both the operating and capital budget including areas of duplication, service modernization, project integration, and potential redeployment of resources.
4. Identify options for revenue diversification and funding including financing tools, user fees, private and public partnerships, and revenue sharing.
5. Consider financial sustainability and service delivery enhancement opportunities for core services to identify efficiencies, find capacity, and increase productivity.
6. Timeline for the annual business planning and budget process that would be shorter and start earlier for Council and conclude with an approved budget no later than February 28th.

**EXECUTIVE SUMMARY**

Halifax Regional Municipality faces a period of sustained financial pressure, driven by inflation, expiring collective agreements, growth and rising service demands. While the municipality remains committed to delivering high-quality public services, maintaining fiscal sustainability will require focused effort across spending, efficiency, and revenue strategies.

This report outlines a pragmatic response to these challenges, presenting a series of recommendations that balance immediate cost containment with the need for longer-term transformation. It proposes a freeze on expenditure growth – except for inflationary and contractual obligations – while advancing both short-term operating efficiencies and a comprehensive review of services to assess alignment with Council priorities and value to the community.

The report also highlights HRM's ongoing overreliance on property taxation and recommends steps toward revenue diversification, including user fee modernization, improved cost recovery policies, and engagement with the Province to explore new funding arrangements such as HST revenue sharing.

Finally, a refined annual budget process is proposed to improve transparency, streamline decision-making, and maintain compliance with legislative timelines. Collectively, these actions represent a path forward that balances fiscal discipline with service sustainability, and positions Council to make informed, strategic decisions for 2026/27 and beyond.

While the report addresses each element of Council's motion, the broad scope and tactical nature of the request have limited the ability to provide deep analysis or a single strategic recommendation. The report should be viewed as a foundation for further Council direction and prioritization.

## **RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. Direct the Chief Administrative Officer to return to Council with a proposal for a comprehensive service review framework, including a classification model for core and non-core services, and options for internal or consultant-led execution.
2. Direct the Chief Administrative Officer to return with a corporate user fee policy and pricing strategy, including cost-recovery guidelines, inflation adjustment protocols, and fee exemption criteria.
3. Direct the Mayor to write to the Province of Nova Scotia requesting a formal review of service exchange and mandatory contributions as well as a funding agreement that provides HRM with a share of HST revenue or equivalent ongoing funding, in recognition of the Municipality's investments in capital infrastructure and economic development.
4. Direct the Chief Administrative Officer to prepare the 2026/2027 budget in accordance with the timeline as outlined in this report.
5. Direct the Chief Administrative Officer to reprioritize the capital plan as well as any new capital asks for the 2026/27 four-year period to ensure that projects advancing in the plan reflect infrastructure investments that deliver the greatest long-term cost savings or cost avoidance for taxpayers, specifically in support of existing municipal core services. This reprioritization is to be undertaken in alignment with the existing capital prioritization framework.

## **BACKGROUND**

On April 8, 2025, Halifax Regional Council passed a motion directing the Chief Administrative Officer (CAO) to return to Council by June 2025 with a staff report outlining feasible options and considerations for the 2026/27 budget and business planning process. This motion reflects Council's recognition of the growing financial pressures facing the municipality, the importance of strategic expenditure management, and the need to ensure long-term fiscal sustainability while maintaining high-quality public services.

The direction provided by Council identified six key areas of focus for analysis and planning:

1. **Expenditure Restraint:** Preparation of a 2026/27 budget scenario that holds spending at 2025/26 levels, with limited adjustments for inflation (based on the Consumer Price Index), collective agreements, provincial contributions, and previously approved commitments.
2. **Short-Term Efficiencies:** Identification of operating savings and process improvements that can be implemented within the current 2025/26 fiscal year.
3. **Long-Term Operational and Capital Efficiencies:** A comprehensive review of opportunities for efficiency gains, service modernization, project integration, and resource redeployment to address structural cost drivers across both operating and capital budgets.
4. **Revenue Diversification:** Exploration of new funding strategies, including user fees, financing tools, partnerships, and intergovernmental revenue sharing, to reduce HRM's reliance on property taxation.
5. **Core Service Review and Financial Sustainability:** Development of a framework for classifying and evaluating services to improve alignment with Council priorities, enhance productivity, and support sustainable service delivery.
6. **Improved Budget Process Timeline:** Design of a revised annual budget process that enables earlier decision-making and aims to conclude with budget approval no later than February 28, while still meeting legislated year-end financial requirements.

This staff report responds to Council's direction by providing a comprehensive overview of current financial challenges, proposed efficiency and revenue strategies, and options for process reform. It builds upon HRM's existing commitment to prudent financial management and continuous improvement, while also acknowledging that transformational change will require deliberate, phased planning and engagement with Council, staff, and the public.

## **DISCUSSION**

### **Preliminary Outlook for 2026/27**

The 2026/27 budget outlook reflects the impacts of inflation and previously approved commitments, while maintaining steady municipal services. The outlook, based on a Consumer Price Index (CPI) assumption of 2–3%, does not include any new service level increases beyond what has already been approved. Instead, it focuses on sustaining existing programs and services in the face of rising costs and deferred spending from prior years.

The total projected increase of \$60.6 million, as outlined in Table 1, is driven by several key factors. The largest portion, \$29.7 million, is related to compensation changes. This increase is primarily due to anticipated adjustments resulting from the expiry of nearly all collective agreements prior to the 2026/27 budget year. Additionally, compensation costs for positions that were prorated in the 2025/26 budget are

now fully annualized in the 2026/27 budget. The forecasted increase includes over \$2 million increase to payments & interest to service the increase amount of debt the municipality is taking, which is trending to reach capacity in the near future.

A further \$19 million increase reflects the ongoing impact of the 2025/26 Budget Adjustment List (BAL) decisions. An additional \$14.9 million results from the expiration of one-time funding and the deferral of projects into 2026/27. Finally, \$3.2 million is required for the full-year cost of previously approved service expansions, including new RCMP resources, the drop-in centre, and the after-hours individualized mobile engagement team.

**Table 1 – 2026/27 Budget Outlook Increases**

| Forecasted Changes         | Amount              |
|----------------------------|---------------------|
| Compensation Changes       | \$29,670,700        |
| BAL Full year Funding      | \$3,168,700         |
| Inflationary & Contractual | \$17,774,000        |
| Other & Revenue changes    | (\$4,973,700)       |
| One-time Funding Removed   | \$14,943,000        |
| <b>Total</b>               | <b>\$60,582,700</b> |

Funding this increase will require a property tax increase of approximately 7.5 per cent.

It is important to note that the 2026/27 budget outlook is subject to change because of future Council decisions, evolving economic conditions, and broader geopolitical uncertainties. While the current outlook is based on existing approvals and a CPI assumption of 2–3%, factors such as shifts in global markets, supply chain disruptions, interest rate fluctuations, or unforeseen local and international events could impact municipal revenues and expenditures. Additionally, any new service enhancements or policy directions from Regional Council may alter the financial forecast. Furthermore, the above outlook assumes that the current level of vacancies in the municipality is unchanged from 2025/26. If the number of vacancies begins to decline, there will be additional pressure on the 2026/27 budget.

## **Operational Efficiencies, Core Services, and Financial Sustainability**

### **Continuous Improvement and Efficiency Efforts**

HRM is committed to the continuous pursuit of operational efficiencies and service modernization to ensure responsible stewardship of public funds. In recent years, several initiatives have been implemented to reduce costs, streamline internal processes, and improve service outcomes. These include improvements to procurement, the implementation of digital permitting systems, enhancements in fleet management, and the consolidation of internal support functions.

Beyond completed actions, HRM staff have compiled a list of potential efficiencies, many of which are at varying stages of development. Some are ready for near-term implementation, while others require further analysis. This list reflects a phased and thoughtful approach to continuous improvement and financial sustainability and is included here as Attachment 3.

HRM also has a Corporate Performance team that strengthens the use of metrics, best practices and continuous improvements processes to deliver municipal goals efficiently and effectively. This team provides leadership and guidance to the entire organization through consultation, organizational change management, and training and tools to support a culture of continuous improvement.

### **Ongoing Commitment to Process Improvement**

Across departments, staff regularly identify and implement practical changes to improve efficiency, eliminate duplication, and enhance the delivery of services. This work is not confined to large transformation projects – it is part of the day-to-day fabric of how the municipality functions.

Examples include streamlining approval processes, automating repetitive administrative tasks, improving interdepartmental coordination, and eliminating outdated manual practices. These internal efforts often originate directly from frontline staff, supervisors, and managers who are closest to the work and best positioned to suggest meaningful changes. Departmental leadership encourages this work through regular business planning, employee engagement, and internal forums where improvement ideas are shared and developed.

In addition to these grassroots initiatives, the municipality benefits from the leadership of the Corporate Performance team. The team leads and supports improvement projects and equips staff with tools and frameworks to examine their services critically and to embed improvements that align with broader municipal goals. Appendix 4 provides a summary of continuous improvement projects that have been led or supported by the Corporate Performance team since 2023/24 and includes projects that have been completed and are in the implementation stages or are in progress, as well as potential projects that are being assessed for feasibility.

The Corporate Performance team has conducted a jurisdictional scan of service reviews across the country, interviewed several cities, and has outlined a Service Review Program aimed at providing a formal, consistent and transparent approach to documenting and reviewing municipal services. Service reviews explore opportunities to improve service quality and/or efficiency, reduce costs, and/or increase revenue.

During 2025/26, Corporate Performance will conduct a pilot service review to better understand feasibility of the scope and methodology for ongoing reviews. The scope of these reviews can be internally completed with resources from Corporate Planning & Performance at a rate of two (2) to four (4) services per year to ensure that corporate resources are available to support implementation projects identified through service reviews completed.

Another significant component of HRM's modernization agenda includes the ongoing investment in technology to improve internal processes, enhance service delivery, and ensure long-term organizational resilience. The table provided in Appendix 5 outlines a wide range of IT projects across multiple business units that are underway or planned through the 2027-28 fiscal year. These projects span from foundational upgrades – such as replacing outdated telephony, cashiering, and fleet management systems – to more transformative initiatives like enterprise-level scheduling, HR and finance system modernization, and enhanced emergency services technologies. Many of these projects aim to reduce reliance on legacy systems, improve interoperability across departments, and enable real-time access to operational data. Others are focused on public-facing improvements, including enhanced digital engagement platforms, hybrid Council meeting capabilities, and expanded customer service channels. Collectively, these investments will strengthen HRM's digital infrastructure, support more efficient and equitable service delivery, and position the organization to adapt more effectively to evolving community needs and service demands.

HRM has also created a **Major Project Office (MPO)** to strengthen the planning and delivery of large-scale capital projects. This centralized function provides enhanced oversight and coordination of high-value, high-

impact infrastructure initiatives. By embedding technical expertise, project controls, and standardized planning methodologies within the MPO, HRM is better positioned to evaluate project readiness, understand resource demands, and assess downstream financial and service implications. This oversight helps to prioritize major capital projects more effectively and ensures alignment with corporate objectives, delivery capacity, and long-term financial sustainability.

These ongoing process improvements – whether small-scale or more strategic – are central to HRM's commitment to responsible service delivery. They demonstrate that the organization is not waiting for a formal review to begin making progress. Rather, staff are consistently looking for opportunities to work smarter, deliver better value, and adapt to evolving public needs and expectations.

### **Recommendation for a Comprehensive, Consultant-Led Review**

To identify transformational, cross-departmental efficiencies, staff recommend undertaking a comprehensive, consultant-led service review. This would bring structure, objectivity, and benchmarking capacity to the process and allow for the identification of larger-scale opportunities that may not emerge through internally driven reviews alone.

As a model, the City of Edmonton undertook a multi-year Program and Service Review beginning in 2019. This process involved external consultants and staff collaboration to classify all services, benchmark outcomes, and assess alignment with strategic priorities. Recommendations included changes to service levels, alternative delivery models, and reinvestment strategies. A similar structured approach could help HRM optimize resource allocation, improve service performance, and ensure alignment with Council priorities.

### **Short-Term Efficiencies for the 2025/26 Fiscal Year**

While comprehensive transformation requires time and resourcing, staff are also pursuing short-term efficiencies that can be implemented during the 2025/26 fiscal year to alleviate budget pressures without significant structural change. These include:

1. Discretionary Spending Restraint  
Departments have been directed to minimize spending on discretionary items such as travel, conferences, consulting contracts, and supplies. Internal review processes will identify low-value expenditures for reduction or elimination.
2. Vacancy Review  
While HRM does not currently practice formal vacancy management, departments will assess the necessity and timing of filling vacant positions. Temporary deferrals or reallocation of positions may help manage capacity pressures.
3. Process Improvements and Innovation  
Staff will be encouraged to propose workflow improvements and innovations that reduce duplication, eliminate unnecessary approvals or paperwork, and improve service delivery. An internal incentive program may be explored to recognize and reward cost-saving ideas.

### **Next Steps for Reviewing Core Services**

A key element of the motion is to explore opportunities to improve financial sustainability while maintaining or enhancing the delivery of core services. In order to support this direction, staff will return to Regional

Council with a detailed plan that outlines the proposed approach to reviewing and classifying municipal services. This plan will include:

- A proposed methodology for evaluating services against criteria such as legislative requirements, operational necessity, and alignment with Council priorities
- A framework for assigning preliminary classifications (e.g., core, non-core) to each service
- An overview of the consultation and engagement steps required prior to initiating any service review
- Options for either internally led or externally led reviews, including respective timelines and resourcing considerations

Municipal precedents in Canada provide helpful guidance for this work. Cities such as Edmonton, Toronto, Waterloo, and Vancouver have developed classification models that distinguish between legislated services, mandatory or operationally necessary services, and discretionary services that are often aligned with Council priorities or community needs. These classifications are typically supported by service inventories, structured evaluation criteria, and benchmarking to guide future decision-making.

Staff will examine these models in more detail and return to Council with a refined framework that proposes how HRM's services could be categorized within this structure. This will ensure that Council has the opportunity to provide direction on the approach and resulting classifications before any review process – whether internal or consultant-led – begins.

#### **Service Categories for Future Classification**

As part of future work, staff intend to organize services using a tiered model, consistent with approaches used in other municipalities. It is important to note that this classification has not yet been finalized. The categories outlined below represent a preliminary framework to support further analysis and discussion. Through the review process, staff anticipate that additional levels or refinements to these classifications may be required.

To support this work, Appendix 6 has been included as an example of how services could be classified using a similar model. The appendix outlines a sample framework that groups services into core (legally and practically required), and non-core (aligned to Council priorities, or discretionary (not required and delivered in response to community needs)). This example reflects a spectrum – from foundational services the municipality must deliver, to those chosen for their contribution to broader community outcomes – and is intended to inform and support the upcoming review process.

Staff are recommending that the detailed classification of services be completed as part of the broader effort to review services currently being delivered and to identify opportunities for efficiency. This integrated approach will return to Council with a more comprehensive recommendation on how to proceed with a structured service review. At this time, staff are not recommending any reductions to existing services. The focus remains on improving efficiency and establishing the necessary foundation for more in-depth analysis.

#### **Options for Revenue Diversification**

##### **Revenue Diversification: Context, Challenges, and Legislative Framework**

Revenue diversification is essential to HRM's long-term financial health. Currently, 82% of HRM's operating revenue comes from property taxation, tax agreements, and payments in lieu of tax. This reliance has remained at roughly 80% over time and significantly exceeds that of many other Canadian municipalities. A key reason is HRM's longstanding practice of maintaining relatively low user fees and charges and not

consistently adjusting them for inflation, particularly over the past decade. While this has supported affordability and accessibility of services, it places increasing pressure on the property tax base and limits HRM's fiscal flexibility and resilience. The Canadian Centre for Policy Alternatives has recently identified this reliance as a key financial vulnerability for municipalities.

#### Current Operating Revenue Inventory

*\*Percentages are approximate due to rounding*

1. General Property Tax Revenue – 71 per cent
2. Deed Transfer Tax – 7 per cent
3. Payments in Lieu of Tax – 5 per cent
4. Other Taxes – 2 per cent
5. Transfers from Other Levels of Government – 2 per cent
6. Interest Revenue – 2 per cent
7. Transit Fares – 4 per cent
8. Other Revenues – 5 per cent
9. Misc Revenue – 3 per cent

Diversifying HRM's revenue base would reduce financial risk and enhance the municipality's ability to fund services sustainably. The key benefits include:

1. Increased Financial Stability and Resilience  
Reduces reliance on a single revenue stream and insulates against economic shocks or downturns.
2. Enhanced Fiscal Flexibility  
Provides more room to adjust to emerging service needs, external funding changes, or economic pressures during the budget process.
3. Improved Long-term Planning  
Ensures that service and infrastructure investments can be aligned with reliable, multi-source funding strategies.

While revenue diversification offers these benefits, it is a long-term strategy. Many actions will require internal policy development, cost recovery analysis, or provincial legislative change. Short-term revenue gains should not be expected; instead, the objective is to build a more resilient and sustainable financial foundation.

#### Jurisdictional Scan

A comparison with other Canadian municipalities illustrates HRM's high reliance on property taxation. While every major city in the scan receives a significant portion of its revenue from property tax, most supplement this with more robust use of user fees, utility charges, fines, and cost-recovery policies.

- Toronto: Property tax represents 35% of the city's tax-supported operating budget. Its second-largest source is grants and subsidies from other governments, primarily for mandated services such as public health, social housing, childcare, and transit. Its third-largest source is user fees, largely based on full cost recovery.
- Vancouver: Funds 56% of its operating budget through property taxes. Utility fees for water, sewer, and solid waste — all reflecting full cost recovery — are its second-largest source, followed by user and development fees.



- Calgary: Property tax comprises 48% of operating revenue. Sales of goods and services (e.g., water utilities, transit, waste collection) are second, with contributions from reserves third.
- Edmonton: Property tax makes up 59% of the budget. The second-largest source is user fees, fines, and permits; the third is general revenues, including investments, stadium revenue, and local improvements.

In contrast, HRM lacks a corporate user fee policy. User fees are managed independently by business units, often without systematic review, inflationary adjustment, or cost recovery analysis. This decentralized approach limits HRM's ability to generate revenue from services and to ensure equity and consistency in pricing. Appendix 1 provides a breakdown of operating revenue composition across selected Canadian cities:

| <u>Municipality</u>               | <u>% Revenue from Property Tax</u> |
|-----------------------------------|------------------------------------|
| Toronto                           | 35%                                |
| Vancouver                         | 56%                                |
| Calgary                           | 48%                                |
| Edmonton                          | 59%                                |
| Winnipeg                          | 35%                                |
| Regina                            | 52%                                |
| Moncton                           | 88%                                |
| St. John's                        | 59%                                |
| Cape Breton Regional Municipality | 77%                                |
| Charlottetown                     | 54%                                |

These comparisons demonstrate that HRM's current model is an outlier. Most other cities have structured their revenue systems around broader user fee frameworks, supported by clear pricing policies and full or partial cost recovery standards.

### **Legislatively Permitted Revenue Sources**

The Halifax Regional Municipality derives its authority to raise revenue from the Halifax Regional Municipality Charter. The Charter outlines a defined set of revenue tools available to HRM, including property taxation, area rates, user fees, deed transfer taxes, service-specific levies, investment income, and licensing and regulatory charges. Each of these revenue sources is governed through specific by-laws and administrative orders, which must be created or amended by Council to implement or modify how these tools are used. While these instruments provide a foundation for municipal funding, they are prescriptive in nature and limit the Municipality's ability to respond flexibly to fiscal pressures and emerging community needs. *See Appendix 2 for a full listing of legislatively permitted revenue sources.*

Property taxation remains HRM's most significant revenue stream and is established annually by Council. Rates for residential and commercial properties are set based on service levels in urban, suburban, and rural areas. The Charter also permits differentiated commercial rates using specific criteria (e.g., frontage or building size). By-law T-200 governs taxation processes, while Administrative Order 10 addresses partial exemptions, such as for low-income households. Area rates and uniform charges are applied to fund localized services and are implemented in accordance with Administrative Order 45 and By-law P-1100, where applicable.

Other authorized revenue tools include the Deed Transfer Tax, governed by By-law D-200, and user fees for services such as transit and recreation, governed under By-law U-100, Administrative Order 39, and Administrative Order 2019-010-ADM. HRM also has authority to impose infrastructure-related charges for wastewater, stormwater, and civic services under By-law C-600, By-law C-800, and By-law C-300. However, it is important to note that development charges are currently frozen by the Province, limiting HRM's ability to recover growth-related costs through these mechanisms. Investment income is managed under Council's approved Investment Policy, while additional licensing and regulatory charges are authorized through various service-specific by-laws (e.g., By-law T-1000, By-law L-500).

Modifications to any of these revenue streams — whether structural, rate-based, or programmatic — typically require updates to the applicable by-laws or administrative orders. Given HRM's heavy reliance on property taxation and limited ability to adopt new revenue sources under current legislation, the Municipality may wish to explore opportunities for revenue diversification in coordination with the Province. This could include seeking legislative amendments or piloting new fiscal tools to support sustainable service delivery and long-term financial resilience.

#### **Legislatively Prohibited or Limited Revenue Sources**

While the Charter grants HRM authority over specific revenue tools, it also explicitly prohibits or restricts others. These constraints reduce the municipality's ability to implement innovative or diversified revenue options. The following revenue tools are currently prohibited:

| <u>Revenue Source</u>           | <u>Status/Constraint</u>   |
|---------------------------------|--|
| Sales Tax                       | Not permitted under provincial legislation.                                |
| Income Tax                      | Municipal income taxation is prohibited.                                   |
| Revenue-Generating License Fees | Fees must reflect cost of service only; surplus generation is not allowed. |
| Lotteries or Gambling Revenue   | HRM may not operate or derive revenue from these activities.               |
| Borrowing for Operating Costs   | Borrowing is limited to capital purposes or specific project-based uses.   |

There are also restrictions within permitted revenue tools. For example, while differentiated commercial tax rates based on frontage, square footage, or assessment tiers are allowed, similar structures cannot be applied to residential or resource properties. Minimum property taxes may only be applied per dwelling, limiting their applicability. HRM cannot currently tax based on property usage, such as vacancy. On March 5, 2024, Council approved a formal request to the Province to permit a vacant residential lot tax, but enabling legislation has not yet been enacted.

In addition to the limitations above, several new revenue tools that could support diversification would require changes to provincial legislation, including:

- Local fuel, gas, or carbon taxes
- Road pricing, tolling, or congestion charges
- Broader or more flexible vacancy taxes
- Tiered or progressive deed transfer tax structures
- Expanded hotel, Airbnb, or tourism marketing levies

Advocating for greater legislative flexibility in these areas would enhance HRM's ability to diversify its revenue sources and reduce over-reliance on property taxation.

### **Developing New Revenue Source Ideas**

To support long-term financial resilience, HRM can actively explore new revenue sources within its existing legislative framework. A comprehensive scan of the Halifax Regional Municipality Charter, as outlined in Appendix 2, would help identify revenue tools that are legally available but currently underutilized. Many of these options can be implemented through updates to existing by-laws or administrative orders, without requiring legislative change from the Province. For example, adjustments to user fee structures, the introduction of new service-specific charges, or the expansion of licensing and regulatory fees could provide meaningful revenue gains while maintaining consistency with HRM's affordability goals.

Strategic partnerships with private sector and not-for-profit organizations also offer opportunities to diversify HRM's revenue base and expand service providers for key community development initiatives. Enhanced corporate sponsorships, donations programs, naming rights agreements, or public-private initiatives can create new income streams while fostering economic development and community investment. These approaches have been successfully adopted in other municipalities to support infrastructure, transit, and recreational facilities.

Benchmarking against peer municipalities may also yield actionable insights. A targeted jurisdictional scan could highlight innovative revenue practices in similar cities, such as flexible user fee frameworks, development-based levies, and targeted charges for discretionary services. Identifying such practices would help HRM tailor solutions that reflect local policy goals and community expectations, while addressing its current over-reliance on property taxation.

In addition, HRM may wish to pursue broader intergovernmental funding arrangements. One potential approach is to negotiate a formalized funding agreement with the Province of Nova Scotia that would allocate a share of HST revenue collected within HRM's boundaries. Such an agreement could recognize the Municipality's significant role in driving regional economic growth through major infrastructure investments and hosting of high-profile events — such as the World Junior Hockey Championships, SailGP, the Juno Awards, and the North American Indigenous Games — all of which generate substantial economic and tourism benefits for the Province. Current funding arrangements do not reflect HRM's considerable upfront costs in supporting these events and amenities.

In addition to a broader revenue-sharing agreement, HRM could also seek a cap on mandatory contributions it collects and remits on behalf of the Province. These contributions — particularly mandatory payments for education — have continued to increase significantly year over year, placing additional pressure on taxpayers. A capped or more predictable contribution model would provide the Municipality with greater ability to maintain affordability for residents without impacting core municipal services.

Finally, HRM has already taken steps to advocate for new revenue tools. On March 5, 2024, Council submitted a formal request to the Province seeking the authority to implement a residential vacant lot tax. This proposed tool would encourage property development and address housing availability by incentivizing owners to develop or dispose of underused residential lands. Legislative approval is required before this tax can be enacted.

Together, these strategies offer a roadmap to begin diversifying HRM's revenue base — not through

immediate gains, but through steady progress toward a more balanced, adaptable, and sustainable fiscal framework.

### **Increasing Existing Revenues**

While long-term revenue diversification is critical to HRM's financial resilience, the Municipality can also strengthen its near-term position by maximizing existing revenue tools, particularly through adjustments to user fees, licensing charges, administrative fees, and commercial agreements. These mechanisms offer an immediate and legislatively permitted alternative to increasing property taxes.

### **Legal Framework for Fee-Based Revenues**

The Halifax Regional Municipality Charter authorizes Council to impose fees and charges for municipal services (e.g., s. 102–104). While it requires that fees reflect the cost of providing the service, it does not prescribe a detailed or narrow definition of “cost.” This gives HRM flexibility to design fees that are reasonably aligned with the actual cost of delivering services, so long as they are not intended to generate surplus revenue.

### **Opportunities to Enhance Revenue Within Existing Authority**

#### **1. Cost Recovery for User Fees**

Many HRM service areas (e.g., recreation, licensing, waste services) currently do not reflect full cost-recovery. A systematic review of fee structures would bring HRM in line with practices in other municipalities and help reduce reliance on the property tax base.

#### **2. Development of a Corporate User Fee Policy**

User fees are currently managed independently by business units, without a consistent corporate framework for pricing, inflationary adjustments, or cost tracking. Establishing a corporate user fee and cost recovery policy would promote transparency, consistency, and financial sustainability. The policy could include:

- Principles for calculating and updating fees.
- Criteria for exemptions and subsidies.
- Guidelines for routine inflationary adjustments.
- Defined cycles for periodic fee reviews.

#### **3. Parking, Fines, and Administrative Fees**

HRM could optimize revenue from parking meters, fines, penalties, and administrative charges, particularly where current rates are outdated or not reflective of the true cost to the Municipality for enforcement or processing.

#### **4. Systematic Indexation**

Introducing inflation-indexed fee schedules would help HRM maintain cost alignment over time and avoid the need for sudden or large rate increases.

#### **5. Commercial Rental and Lease Rate Reviews**

HRM also leases facilities — such as stadiums, arenas, or recreation spaces — to private or professional organizations for exclusive or commercial use. These are governed by contractual agreements, not subject to cost recovery limits, and may be priced based on market value or strategic benefit. Reviewing and updating commercial lease rates and rental terms to reflect current market conditions, brand visibility, and economic impact can generate meaningful new revenue without burdening residents or increasing taxes.

### **Implementation Considerations**

To move forward, HRM may:

- Initiate a comprehensive review of user fees, charges, and commercial agreements across all service areas.
- Develop and adopt a corporate pricing and cost recovery policy.
- Consult stakeholders and the public to balance affordability and access with financial responsibility.
- Leverage data tools to improve cost tracking, fee setting, and contract oversight.

By strengthening its approach to existing revenues — including public-facing fees and commercial agreements — HRM can enhance financial sustainability without new taxation powers. This strategy provides a practical and actionable path forward that complements longer-term revenue diversification efforts.

### **Timeline for the Annual Budget**

Improving the municipality's budget timeline is an opportunity to better align Council decision-making, service planning, and public engagement within the fiscal constraints of a March 31 year-end. A well-managed budget cycle enables earlier direction, better integration of service priorities, and smoother deliberation, even within HRM's legislated constraints.

### **Key Constraints**

Two primary constraints shape HRM's ability to finalize its budget earlier:

- **Assessment Roll Timing:** The finalized property assessment roll from PVSC is received in late December. Until then, HRM cannot accurately confirm new growth or changes to the tax base.
- **Deficit Requirement:** Under the HRM Charter, any operating deficit must be included in the next year's budget. Final projections are only available after Q3 and year-end close – typically late February to early March.

These constraints make it impractical for HRM to finalize its budget before February. However, Council can still take meaningful steps to streamline the process within the statutory deadline of March 31.

### **Refined Process Model**

To improve predictability and deliberation, HRM has updated its internal budget cycle and expectations:

- **Mid-November:** A Budget Direction report will be brought forward. This outlines high-level fiscal parameters and includes business unit service enhancement submissions.
- Council will decide at that time which enhancements to advance.
- These endorsed items will be built directly into the budget that staff bring forward in February and March.
- Presentations will focus solely on the overall budget and the cost of those pre-approved enhancements. They will exclude extraneous information about the business unit, such as general updates or past achievements, to maintain focus on fiscal decision-making. Council will be encouraged to limit debate to financial matters, with off-topic discussions deferred to regular Council meetings or appropriate standing committees.

This structure keeps the process focused, supports early alignment, and avoids shifting targets during deliberation.

### **Alignment with Current Budget Process**

The refined budget timeline is closely aligned with HRM's existing process, maintaining the core structure

that Council is familiar with while incorporating several key improvements to enhance efficiency and focus. Notable refinements include:

- Earlier consideration of service enhancements: Service enhancement proposals will now be presented as part of the mid-November Budget Direction report, enabling Council to provide early direction and reducing the need for major changes during the formal budget presentations in February and March.
- Standalone public participation session: A single, dedicated public engagement opportunity will replace the previous practice of integrating public participation at the beginning of each budget meeting, resulting in a more cohesive and accessible process.
- Streamlined presentations and business plans: Presentations will be simplified to emphasize financial decisions, removing extraneous operational updates or historical context. Similarly, business plans will be more concise and strategic, focusing on service outcomes, financial impacts, and risk.

These adjustments preserve the strengths of the current cycle while better aligning the process with Council's decision-making needs, fiscal realities, and public engagement expectations.

To ensure that these improvements are effective, it is essential that Council remain focused on financial matters during deliberations. Non-budget-related discussions should be redirected to regular Council meetings or relevant standing committees. This discipline will help maintain the proposed timeline and ensure an efficient, well-structured process, with final budget approval continuing to target the March 31 deadline.

### **Streamlining Measures**

To improve process efficiency without compromising accountability:

- Late capital changes will be limited unless urgent or risk driven.
- Council agenda items will be bundled where possible to avoid duplication (e.g., service enhancements, reserve strategies).
- A standalone public participation session will be scheduled to replace fragmented participation at the start of each meeting.
- Business plan documents will be made shorter, more strategic, and easier to digest, emphasizing service outcomes, financial impact, and risk.

### **March 31 as the Target**

Staff recommend that Council maintain a **March 31 final approval target**. While aspirational goals such as February 28 have been discussed, the March 31 date reflects the practical and legal realities tied to assessment and year-end financials.

### **FINANCIAL IMPLICATIONS**

There are no immediate financial impacts resulting from this report. However, should Regional Council direct staff to undertake an external service review, associated consulting costs would be incurred and would require identification of appropriate funding. It is anticipated that the review may also identify operational efficiencies and cost savings that could help offset these expenses over time

### **RISK CONSIDERATION**

There are moderate risks associated with the implementation of the directions outlined in this report. These risks primarily relate to the potential complexity, timing, and resourcing required to deliver a comprehensive

review of services, implement efficiency measures, and explore revenue diversification within the timeline set by Council.

Key risks include:

- **Capacity and Resourcing Constraints:** Undertaking a detailed service classification exercise, operational review, and revenue analysis will require significant staff time and coordination. Competing priorities may impact on the pace and depth of analysis.
- **Implementation Risk:** Identifying potential efficiencies or new revenue tools does not guarantee successful implementation. Operational changes may require system updates, process redesign, or union engagement. Revenue measures may require Council approval, public consultation, or legislative amendments.
- **Change Management and Stakeholder Impact:** Changes to service levels, delivery models, or pricing structures may impact employees, residents, or community stakeholders. Without careful communication and engagement, there is a risk of misalignment with public expectations or operational disruption.
- **Financial Risk:** While many of the initiatives proposed aim to improve financial sustainability, some may require up-front investments (e.g., consultant fees or system changes) before realizing long-term savings. If anticipated efficiencies or revenues do not materialize, there may be increased fiscal pressure.

These risks will be mitigated through strong project planning, early Council engagement on key decisions, and phased implementation where appropriate. Ongoing monitoring and reporting will support transparency and allow for course correction as needed.

## **COMMUNITY ENGAGEMENT**

Community engagement was not required.

## **ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

## **ALTERNATIVES**

### **1. Status Quo – Do Not Proceed with Additional Review or Analysis**

Council could choose not to pursue further service reviews, efficiency identification, or revenue diversification initiatives beyond existing internal efforts. While this would avoid the need for additional staff time or consulting costs in the short term, it would limit the municipality's ability to respond to ongoing fiscal pressures and may result in more difficult trade-offs during the 2026/27 budget process.

### **2. Undertake an Internal Review Only**

Council could amend the motion and direct staff to conduct all service and efficiency reviews using internal resources. This approach would reduce or eliminate consulting costs but may result in a more limited or incremental analysis, due to resource constraints and the potential lack of external benchmarking or objectivity.

### **3. Defer Some Components to a Later Budget Cycle**

Council could amend the motion and direct that only a subset of the items identified in the motion be

addressed in time for the 2026/27 budget, with more complex or resource-intensive components (such as a full-service review or revenue diversification strategy) deferred to a future planning cycle. While this would reduce immediate workload, it may also delay opportunities to enhance financial sustainability and improve service alignment.

### **LEGISLATIVE AUTHORITY**

*Halifax Regional Municipality Charter, as follows:*

Section 35(1)(b):

*“The Chief Administrative Officer shall... ensure that an annual budget is prepared and submitted to the Council.”*

Section 59(3):

*“In addition to matters specified in this Act or another Act of the Legislature, the Council may adopt policies on any matter that the Council considers conducive to the effective management of the Municipality.”*

Section 79A(1):

*“Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if (a) the expenditure is included in the Municipality’s operating budget or capital budget or is otherwise authorized by the Municipality.”*

Section 93:

1. *“The Council shall make estimates of the sums that are required by the Municipality for the fiscal year.*
2. *The estimates shall include the probable revenue from all sources other than taxes for the fiscal year and make due allowance for*
  - a. the abatement and losses that might occur in the collection of the taxes; and*
  - b. taxes for the current fiscal year that might not be collected.*
3. *The Council shall include an allowance to provide for any variation in the total assessed value shown on the roll that might result from assessment appeals.*
4. *The Council shall include in its estimates the deficit from the preceding fiscal year.*
5. *The Council may include in its estimates an amount for*
  - a. contingencies and unforeseen expenses in matters on which it may vote and expend money; and*
  - b. all or part of any surplus of previous fiscal years that will be available for the current fiscal year.*
6. *The Council shall authorize the levying and collecting of a*
  - a. commercial tax rate of so much on the dollar on the assessed value of taxable commercial property and business occupancy assessment; and*
  - b. residential tax rate of so much on the dollar on the assessed value of taxable residential property and resource property.”*

Section 102:

*“Subject to the approval of the Board for those services that are subject to the Public Utilities Act, the Council may, by by-law, prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law.”*



Section 104:

*“The Council may make by-laws imposing, fixing and providing methods of enforcing payment of charges for*

*a. the laying out, opening, constructing, repairing, improving and maintaining of streets, curbs, gutters and sidewalks;*

*b. the laying out, opening, constructing, repairing, improving and maintaining of sewer systems;*

*c. the laying out, opening, constructing, repairing, improving and maintaining of water systems;*

*d. transit facilities;*

*e. the collection and disposal of solid waste;*

*f. the provision of police and fire protection;*

*g. the provision of other municipal services.”*

## **ATTACHMENTS**

Appendix 1 – Jurisdictional Scan Operating Revenue Breakdown Charts

Appendix 2 – Legislatively Permitted Revenue List

Appendix 3 – List of Efficiencies

Appendix 4 – Corporate Continuous Improvement Projects (2023-2025)

Appendix 5 – List of IT Projects

Appendix 6 – Potential Service Classifications

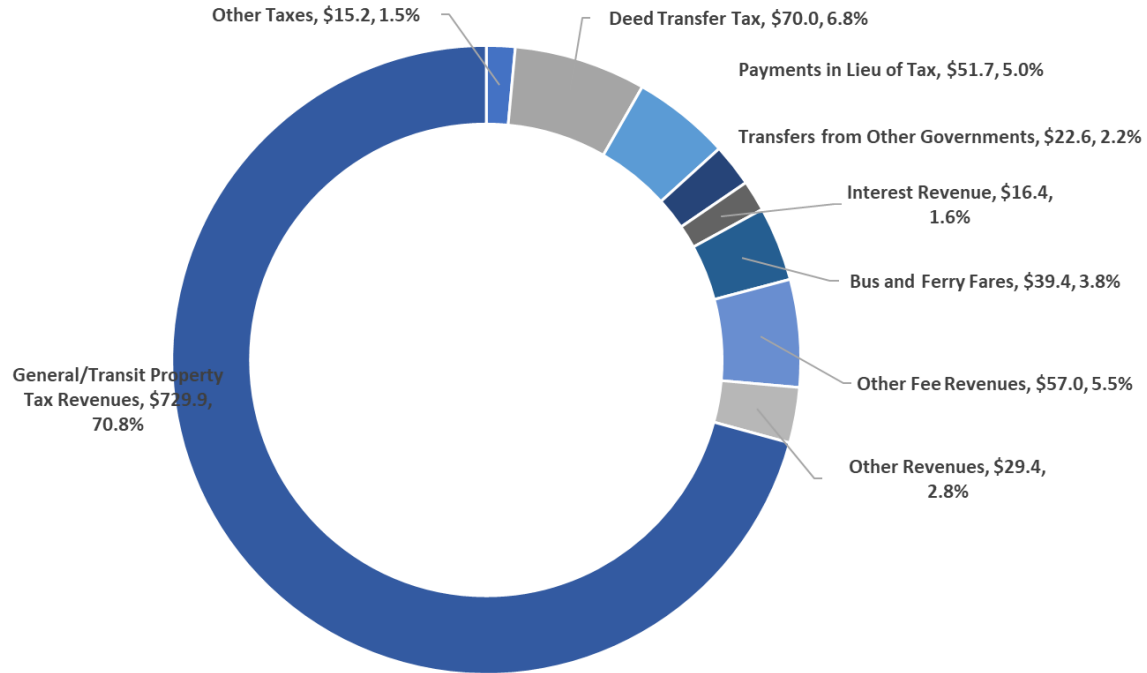
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Report Prepared by: Dave Harley, Director Accounting & Financial Reporting, Finance & Asset Management

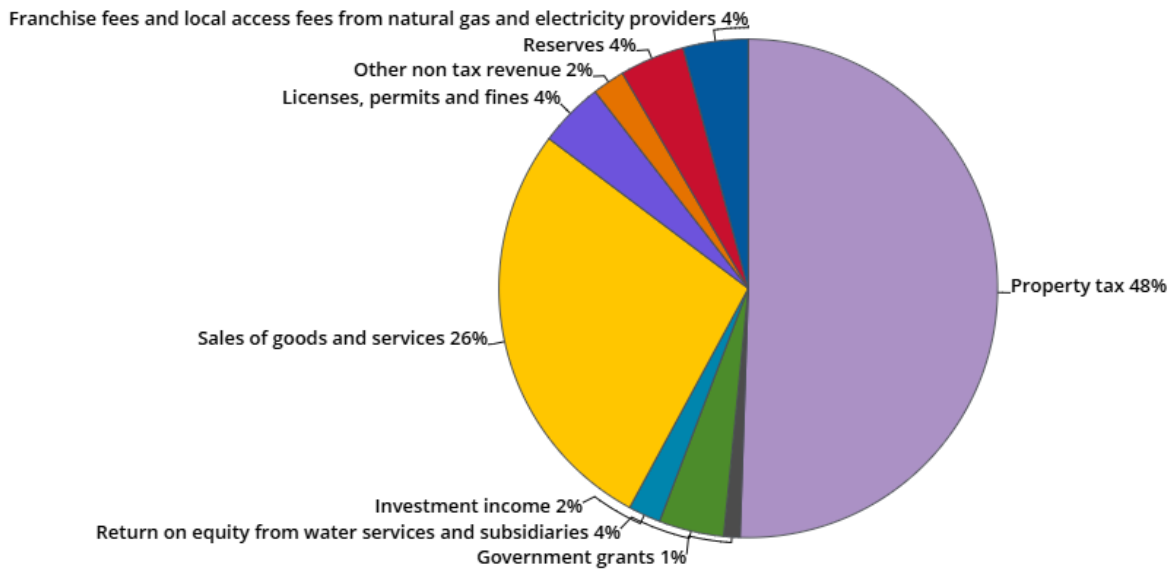
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## Operating Revenue Pie Charts from Various Jurisdictions

### HRM:



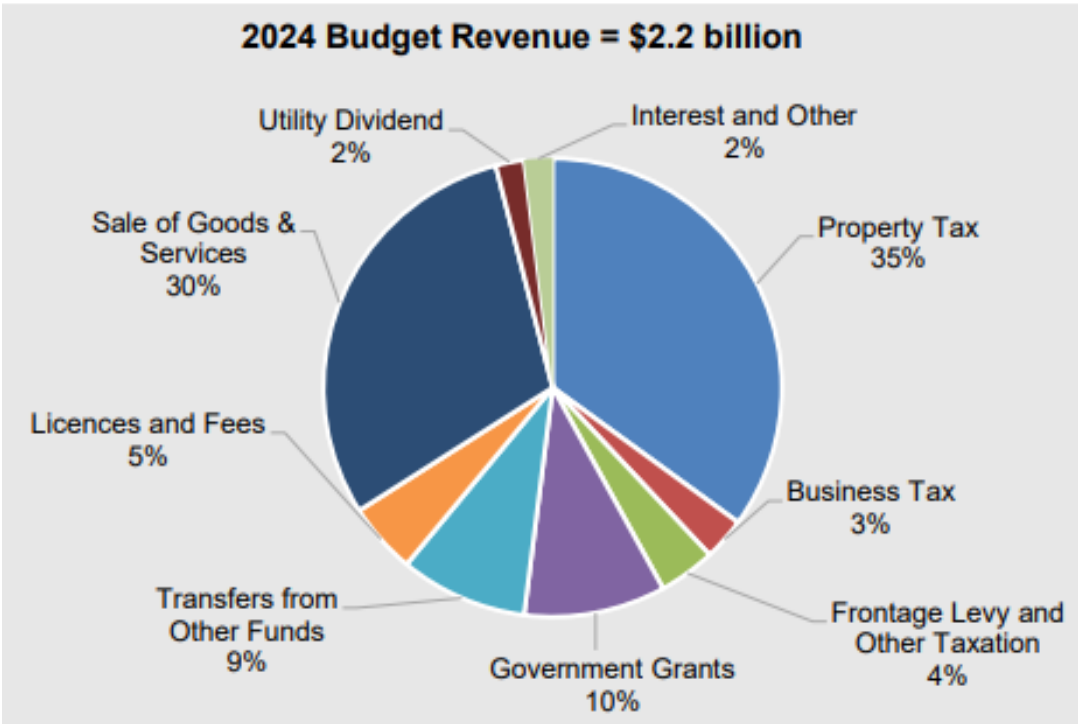
### Calgary:



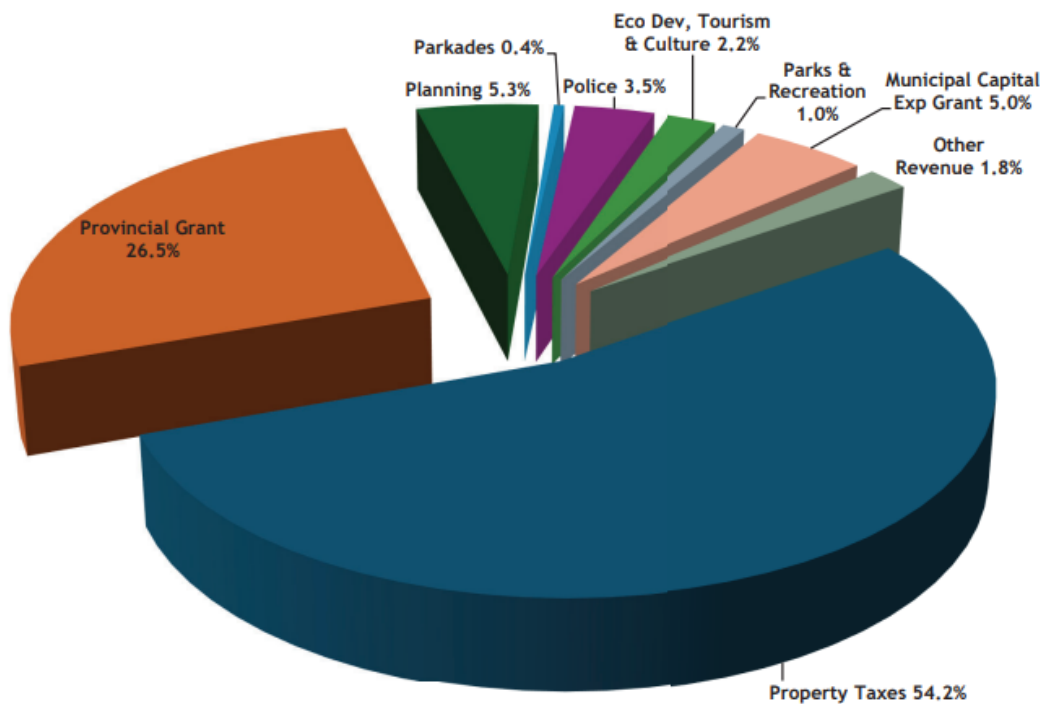
Edmonton:



Winnipeg:

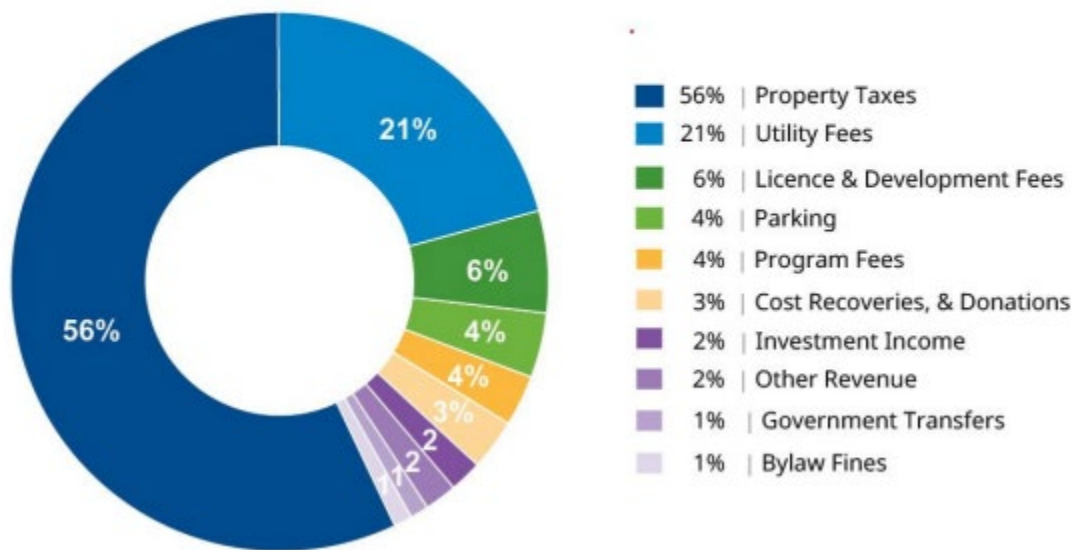


Charlottetown:



Vancouver:

2025 Operating Revenues (\$2,342 million)



## Halifax Charter Legislatively Permitted Revenue

1. Taxation
  - a. The Charter requires HRM to set annually commercial and residential tax rates for urban, suburban, and rural areas receiving the corresponding level of service.
  - b. Council may set different commercial tax rates in different areas as designated by Council. It may set different commercial tax rates based on length or proportion of frontage to public/private roads, square metres in a property, number of square metres in all commercial buildings on a property, a combination of the two, set tiered or escalating rates based on the prior criteria, and different rates based on any combination of the list.
  - c. Commercial rates applied per section b. are subject to ministerial approval every four years.
  - d. Council can designate a minimum tax per dwelling unit per property. This would apply as an additional tax if applied property taxes do not meet the minimum amount.
2. Area Rates
  - a. Council may spend money in an area, or for the benefit of an area, for any purpose for which the Municipality may expend funds or borrow. Council may then recover annually from the area the amount required or as much of that sum as the Council considers advisable to collect in any one fiscal year by an area rate of so much on the dollar on the assessed value of the taxable property or occupancy assessments in the area, based on residential, commercial, or resource designation. A uniform charge per property or per dwelling unit can be levied instead.
3. Recreational Property Tax
  - a. Tax exempt properties which are assessed as recreational property are levied a tax per acre at a dollar amount which increases by 5 per cent each fiscal year.
4. Conservation Property Tax
  - a. The Minister of Environment and Climate Change shall in each year pay to the Municipality in respect of conservation property exempt from taxation situate therein a grant equal to the amount that would have been due and payable to the Municipality had each conservation property in the Municipality continued to be classified as it was immediately before becoming a conservation property.
5. Farm Property Tax
  - a. The Minister shall in each year pay to the Municipality in which farm property exempt from taxation is situate a grant equal to \$2.10 per acre in respect of the land. This amount increases by CPI each year.
6. Forest Property Tax
  - a. In lieu of all rates and taxes of the Municipality, an owner of forest property bona fide used or intended to be used for forestry purposes shall annually pay a tax, to be known as a forest property tax, equal to \$0.25 per acre for resource and \$0.40 per acre for commercial plus \$0.01 per acre if fire protection applies.
7. Deed Transfer Tax
  - a. Council may determine, by by-law, that a deed transfer tax applies in the municipality and the rate of the deed transfer tax, but the rate of the deed transfer tax shall not exceed one and one half per cent of the value of the property transferred.
8. User Charges
  - a. Council may, by by-law, prescribe charges for the provision of services for persons who use or benefit from the service, on a basis to be set out in the by-law. This section covers most of the transit, recreation, and other user fees that HRM currently utilizes.
9. Other Charges
  - a. Council may make by-laws imposing, fixing and providing methods of enforcing payment for charges for:
    - i. Wastewater or stormwater systems
    - ii. Expenditures incurred for the district energy system within the Cogswell District Energy Boundary
    - iii. Wastewater management
    - iv. Solid waste facilities

- v. Transit facilities
  - vi. Municipal portion of the capital cost of installing a water system
  - vii. Capital and maintenance cost of streets, curbs, sidewalks, gutters, bridges, culverts and retaining walls
  - viii. Major tree removal
  - ix. placing the wiring and other parts of an electrical distribution system underground
  - x. a special purpose tax account to provide for future expenditures for wastewater facilities, stormwater systems, water systems, transit facilities or other anticipated capital requirement
  - xi. parks, playgrounds, trails, bicycle paths, swimming pools, ice arenas, recreation centres and other recreational facilities
  - xii. fire departments and other fire facilities
  - xiii. public libraries and other library facilities
  - xiv. a one-time redevelopment charge on new or renovated buildings to pay for additional or trunk sanitary or storm sewer capacity or additional wastewater facility capacity required to accommodate the effluent from the buildings
  - xv. a one-time sewer or storm drainage charge
10. Investment Revenue
- a. Funds in a sinking fund, capital reserve fund, utility depreciation fund or other fund of the Municipality must be either deposited in an interest-bearing account, invested pursuant to an investment policy adopted by Council, and invested with a permitted trustee.
11. By-law creation
- a. Council can create by-laws for a varied list of purposes, and along side establish fees for licences, permits or approvals, including fees for licences, permits and approvals that may be in the nature of a reasonable tax for the activity authorized or for the purpose of raising revenue, which fees may be set or altered by policy.
  - b. the creation of offences in a by-law, and for each offence, imposing a fine not exceeding ten thousand dollars including the imposition of a minimum fine, and providing for the imposition of a penalty for an offence that is in addition to a fine or imprisonment if the penalty relates to a fee, cost, rate, toll or charge that is associated with the conduct that gives rise to the offence.

**New Efficiencies and Initiatives**

| Initiative Name                                | Business Unit           | Division (Service Area)      | Brief Description of Initiative / How will savings be achieved   | Projected Annual Cost Savings (\$) | Type of Savings             | Fiscal Year of Implementation | Impact/disruption  | Dependencies or Resourcing Needs  |
|--|-------------------------|------------------------------|--|------------------------------------|-----------------------------|-------------------------------|--|---|
| Extra Duty Administrative Fee Increase         | Halifax Regional Police | Shared Support               | Increase the administrative fee for private, for-profit entities from 3% to 10% as per 2023-24 BAL Briefing Note BN011 - Extra Duty Fee, subject to updating.  | \$ 70,000                          | Cost Recovery               | 2025/26                       | No service impacts/disruptions expected.   | Requires analysis from HRM Grants to determine which organizations this can be applied. |
| Online Police Checks                           | Halifax Regional Police | Shared Support               | Changing vendors, resulting in increased per check fees and availability for more checks to be processed.  | \$ 225,000                         | Cost Recovery               | 2025/26                       | No service impacts/disruptions expected.   | HRM ICT involved in contract negotiations.  |
| Anti-Idling                                    | PFE                     | Corporate Fleet              | Anti-Idling<br>This is an awareness campaign. We already have the reporting capability and a draft memo for ELT on each BU idling data. Data shows \$184,000 in fuel annually for idling. With goal of reducing by 50% has potential to save \$90,000 annually.                  | \$ (90,000)                        | Operating (fuel)            | 2026/27                       | Decrease in emissions  | User BU's   |
| Inhouse Fire Light Fleet Maintenance & Repairs | PFE                     | Corporate Fleet              | Fire Light Fleet Maintenance & Repairs - Bring inhouse   | Require Analysis                   |                             | TBD                           | Part of Facility Capacity review   | Yes   |
| Inhouse Upfitting Emergency Vehicles           | PFE                     | Corporate Fleet              | Upfitting Emergency Vehicles inhouse   | Require Analysis                   |                             | TBD                           | Part of Facility Capacity review   | Yes   |
| Inhouse Autobody repairs                       | PFE                     | Corporate Fleet              | Autobody repairs - inhouse   | Require Analysis                   |                             | TBD                           | Part of Facility Capacity review   | Yes   |
| Leasing & Accommodations Mgmt. Software        | PFE                     | CRE                          | Software will eliminate multiple manual spreadsheets, reducing overall effort as well as duplication of effort and risk of errors or data loss.  | \$10K - \$60K                      | Ongoing operational savings | 2026/27                       | Short term impact to staff resources during procurement and implementation. Expected to create staff capacity once full implementation complete. |   |
| Carpet cleaning                                | PFE                     | FMO                          | Eliminate carpet cleaning by contractors and add to internal custodian's scope of work   | \$ (9,000)                         | Ongoing operational savings | 2025/26                       | May require changes to custodians job description  | Requires up front purchase of carpet cleaning equipment (approx. \$10,000)              |
| Automate Solar City Program                    | PFE                     | Environment & Climate Change | Automate some processes of administering the Solar City Program. This will save staff time allowing staff to focus on other projects.  | TBD                                | Ongoing operational savings | 2025/26                       | No service impacts/disruptions expected.   | Requires collaboration with Finance & ICT   |
| Increase PPA for corp electricity PPA          | PFE                     | Environment & Climate Change | HRM can enter into a PPA for corporate electricity consumption of the following: Domestic rate codes, Streetlighting and new EV charging installs. HRM has already signed a similar PPA which is expected to result in a lower cost of electricity. (See signed PPA for details) | TBD                                | avoided cost                | 2025/26                       | No service impacts/disruptions expected.   | requires collaboration with Legal, Procurement, Finance & PW                            |

## New Efficiencies and Initiatives

| Initiative Name                      | Business Unit   | Division (Service Area)      | Brief Description of Initiative / How will savings be achieved  | Projected Annual Cost Savings (\$) | Type of Savings                         | Fiscal Year of Implementation | Impact/disruption  | Dependencies or Resourcing Needs            |
|--------------------------------------|-----------------|------------------------------|---|------------------------------------|---|-------------------------------|--|---|
| Streetlighting - Measurements Canada | PFE             | Environment & Climate Change | Nova Scotia Power currently bills HRM for streetlighting by estimating consumption. Through Measurements Canada, HRM can apply for temporary (5-year) approvals to use nodes to measure power consumption of streetlights for billing purposes. Determining accurate electricity consumption could reduce the cost to HRM rather than relying on estimates of Nova Scotia Power | TBD                                | Ongoing operational savings potentially | 2025/26                       | No service impacts/disruptions expected.   | Required collaboration with NSP, PW and ICT |
| Inside AAB Changes                   | Halifax Transit | Transit Operations           | Reduction of call taking on Sunday & evenings   | \$ 30,000                          | Ongoing operational savings             | 2026/27                       | With the implementation of online services we will see a minimal impact to customer levels.  | Implementation of Technology                |
| SmartRide                            | Halifax Transit | PACE                         | SmartRide is a subscription-based online ride-sharing platform designed to help residents find carpool partners. However, it has been underused and hasn't been actively promoted due to safety concerns.   | \$ 15,000                          | Ongoing operational savings             | 2025/26                       | Small number of impacted users. The underutilization means that the municipality is not maximizing the value of its investment in the service.   | N/A   |
| Riders Guide and Route Map           | Halifax Transit | PACE                         | Savings from discontinuing the printing of updated Riders Guides and Route Maps for transit service would be achieved by eliminating costs related to printing, materials, and distribution, while relying on digital platforms to provide real-time updates and information.   | \$ 50,000                          | Ongoing operational savings             | 2025/26                       | Discontinuing the printing of updated Riders Guides and Route Maps would save on printing and distribution costs but could create accessibility challenges for individuals without access to digital platforms. It may also reduce public awareness of route changes, negatively impact user experience, and limit visibility of Halifax Transit, potentially creating an equity issue for those relying on printed materials. | N/A   |
| Coolant Hose Replacement Program     | Halifax Transit | Transit Fleet                | Savings are achieved by eliminating the cost of replacing coolant hoses at 100,000 km intervals, reducing maintenance expenses.   | \$ 200,000                         | On going operational savings            | 2025/26                       | No service impacts or disruptions expected, however, this approach assumes the hoses remain in good condition beyond the previous replacement schedule, potentially reducing the frequency of parts replacement.   | N/A   |



## New Efficiencies and Initiatives

| Initiative Name   | Business Unit          | Division (Service Area)         | Brief Description of Initiative / How will savings be achieved  | Projected Annual Cost Savings (\$)   | Type of Savings                    | Fiscal Year of Implementation                                      | Impact/disruption  | Dependencies or Resourcing Needs  |
|---|------------------------|---------------------------------|---|--------------------------------------|------------------------------------|--|--|---|
| Elimination of Contracted Cleaning Services by bringing the services in-house with Additional Hostler Positions | Halifax Transit        | Transit Fleet                   | Savings are achieved by aligning staffing ratios with industry standards through the addition of nine (9) Hostlers, which eliminates the need to send buses to vendors for cleaning and reduces the reliance on Hostler/Repairpersons to perform cleaning tasks, allowing them to focus on their primary duties of supporting mechanics. This streamlines operations and reduces external service costs, while also increasing staff efficiency.  | Vendor Costs:<br>\$125,000 (2024/25) | On going operational savings       | 2025/26  | Bringing cleaning services in-house by adding Hostler positions would save costs by eliminating contracted services, improve bus cleanliness, and enhance the rider experience, supporting Halifax Transit's commitment to clean and reliable services. Additional training and adjustments would be required during the transition. | Nine (9) additional Hostler Positions   |
| Additional Hostler Repairpersons  | Halifax Transit        | Transit Fleet                   | Aligning our staffing ratio with industry standards with the addition of up to Eight (8) Hostlers will ensure that we have the right number of personnel available to support our mechanics throughout the day and on the weekend evening shifts where there is a lack of personnel. The Hostler/Repairperson aids the mechanic by performing routine servicing tasks and non-safety critical mechanical repairs. Currently, due to absences, vacancies and incorrect ratio of hostler:bus, existing personnel are performing some of the duties of the Hostler role resulting in their duties being performed by the mechanic. |                                      | On going operational savings       | 2025/26  | To maintain a sufficient number of safe and reliable buses daily without additional resources, we rely on overtime and increased outsourcing, both of which are more costly than managing the work internally and depending on vendor capacity this could adversely impact bus availability.   | Eight (8) additional Hostler Repair persons   |
| Decommission Public Wifi  | Information Technology | Service Management & Operations | Decommission all Public Wifi sites across HRM.  | \$ 450,000                           | Annual ongoing operational savings | 2025/26 - 50% savings of remaining term.<br>2026/27 - 100% savings | Service will be cut so it will be permanently disrupted.   | Requires IT staff to coordinate, Legal Services and Procurement to execute paperwork. |

## New Efficiencies and Initiatives

| Initiative Name                    | Business Unit            | Division (Service Area)         | Brief Description of Initiative / How will savings be achieved  | Projected Annual Cost Savings (\$)   | Type of Savings                      | Fiscal Year of Implementation  | Impact/disruption  | Dependencies or Resourcing Needs                   |
|------------------------------------|--------------------------|---------------------------------|---|--|--------------------------------------|--|--|--|
| Block Mobile Phone Roaming         | Information Technology   | Service Management & Operations |   | Last 12 months costing bumping down a bit to be conservative, dependent on travel, might not realize this same amount:<br>Roaming Data: ~\$5500.00<br>Roaming Voice: ~\$3000.00<br><br>June 2023 to June 2024 costing: \$10K | Annual ongoing operational savings   | 2025-26 (Prorated cost savings accordingly depending on effective date). | Service will be disabled so users who travel with their HRM device will have no service if device is taken to international destination. | Minimal to make the change initially.              |
| Parking Rate Review                | Halifax Public Libraries | Branches/Public Services        | review and increase parking rates at Halifax Central Library  | \$ 50,000  | increase annual revenue              | 2025/26  | No service impacts/disruptions expected.   | none   |
| Room Rental Rate Review            | Halifax Public Libraries | Branches/Public Services        | Review and increase room rental rates for rental spaces at HPL  | \$ 20,000  | increase annual revenue              | 2025/26  | No service impacts/disruptions expected.   | none   |
| Cafe Service Review                | Halifax Public Libraries | Branches/Public Services        | Café Services will have an adjusted revenue model from previous   | \$ 20,000  | increase annual revenue              | 2025/26  | No service impacts/disruptions expected.   | successful café provider                           |
| Landline Phone Review              | Halifax Public Libraries | Administrative Services         | Reduction expected of number of phone lines   | \$ 15,000  | Annual Savings                       | 2025/26  | No service impacts/disruptions expected.   | staffing to implement                              |
| Scheduling Software Implementation | Halifax Public Libraries | Branches/Public Services        | Implementation of scheduling software from manual work  |  | staff time and involvement           | 2025/26  | No service impacts/disruptions expected.   | appropriate software and successful implementation |
| Saltscales Attendants              | FAM                      | Procurement                     | Salt scales attendant reduction   | \$ 300,000   | Ongoing operational savings          | 2025/26  |  |  |
| P Card Program Changes             | FAM                      | Procurement                     | Change in P card process to require cardholder responsibility frees up ~15 days a month, freeing up procurement agents to improve customer service; increased streamlined workflow for staff for approvals. |  | No savings, operational efficiencies | 2025/26  |  |  |
| Intake Tool - Service Now          | FAM                      | Procurement                     | Users are required to enter requests using Service Now intake tool, streamlining the consistency of intake and removing the manual effort and associated variability.                                       |  | No savings, operational efficiencies | 2025/26  |  |  |
| Increase markup on salt            | FAM                      | Procurement                     | Annually increase the markup on Salt by a slight amount   | \$ 50,000  | Ongoing operational savings          | 2025/26  |  |  |

## New Efficiencies and Initiatives

| Initiative Name                                     | Business Unit | Division (Service Area)          | Brief Description of Initiative / How will savings be achieved   | Projected Annual Cost Savings (\$) | Type of Savings                       | Fiscal Year of Implementation | Impact/disruption | Dependencies or Resourcing Needs  |
|---|---------------|----------------------------------|--|------------------------------------|---------------------------------------|-------------------------------|-------------------|---|
| Mobility for CityWorks                              | FAM           | Asset Management                 | Mobility for CityWorks - provide field staff the ability to update work orders in the field to attach pictures, etc. reducing the time delay and creating more capacity. This efficiency will enable the capacity to apply for claims for disasters as better information is available for submission.           |                                    | No savings, operational efficiencies  | TBD                           |                   |   |
| Fleet Management Solution                           | FAM           | Asset Management                 | Improving system interfaces with SAP to save time for staff on daily error management and procurement work-arounds. Will open up additional system functionality for better asset lifecycle management, preventative maintenance, and possibly automating current manual processes like fuel ticket data inputs. |                                    | No savings, operational efficiencies  | TBD                           |                   |   |
| Governance Framework                                | FAM           | Asset Management                 | Improve the governance to right size for more complex and significant larger capital program.  |                                    | No savings, operational efficiencies  | TBD                           |                   |   |
| City Works Enhancement                              | FAM           | Asset Management                 | Provide external contractors access to City Works to streamline the processing of requests and reduce manual intervention required to properly route requests.   |                                    | No savings, operational efficiencies  | 2025/26                       |                   |   |
| Survey Distribution                                 | FAM           | Corporate Planning & Performance | Investigate different channels of conducting citizen surveys with the objective of reducing mailing costs  |                                    | Potential ongoing operational savings | 2027/28                       |                   |   |
| Centralizing service reviews and business analytics | FAM           | Corporate Planning & Performance | Intercepting requests from other business units for new positions for business analytics and consultant work for service reviews, service delivery options, lean process assessments. CPP will absorb this work, contributing to the mandate of centralization of services.                                      |                                    | Potential ongoing operational savings | TBD                           | None              | Only dependency/resourcing need will be secured funding to conduct the survey / surveys in fiscal year 2027/28. |
| Citizen Portal                                      | FAM           | Revenue                          | Citizen portal for requests related to property taxes  |                                    | Potential ongoing operational savings | TBD                           |                   |   |
| Automate Tax Bill Reprints                          | FAM           | Revenue                          | Tax bill reprints are currently done manually by staff which can be very time consuming, especially as the requests can currently go back to 2008. Staff are investigating creating these automatically within TRM.  |                                    | Potential ongoing operational savings |                               |                   |   |
| Area Rate Admin Fees                                | FAM           | Revenue                          | Area rate admin fees - implement an area rate admin fee for both community area rates and private roads to partially recover the costs of administrating these rates.  | \$ 100,000                         | Ongoing operational savings           | 2025/26                       |                   |   |

## New Efficiencies and Initiatives

| Initiative Name   | Business Unit | Division (Service Area) | Brief Description of Initiative / How will savings be achieved  | Projected Annual Cost Savings (\$)  | Type of Savings                       | Fiscal Year of Implementation | Impact/disruption | Dependencies or Resourcing Needs |
|---|---------------|-------------------------|---|---|---------------------------------------|-------------------------------|-------------------|----------------------------------|
| False Alarm Rates   | FAM           | Revenue                 | False alarms simplification to reduce the number of appeals, creating efficiencies for staff.   |   | No savings, operational efficiencies  | 2025/26                       |                   |                                  |
| Create online forms for the non-profit tax relief program | FAM           | Revenue                 | NFP forms - create online application and confirmation forms for the non-profit tax relief program and integrates directly with TRM to automatically update the records upon submission, reducing the requirement for manual entry.   |   | No savings, operational efficiencies  |                               |                   |                                  |
| Tax Sale Posters  | FAM           | Revenue                 | Tax sale posters are currently delivered by an external party, may be an opportunity for these to be delivered via an internal resource.  |   | Potential ongoing operational savings | TBD                           |                   |                                  |
| New ERP System  | FAM           | Accounting              | Implement a new ERP system to eliminate manual processes.   |   | No savings, operational efficiencies  | TBD                           |                   |                                  |
| Billing for HRM Owned Properties                          | FAM           | Revenue                 | Many business units are involved in lease or license agreements for HRM-owned properties; once an agreement is in place, that portion of the property becomes taxable. This initiative creates a process to send data to PVSC to assess the property accordingly and then for HRM to bill the tenants properly.   |   | Potential revenue                     | 2025/26                       |                   |                                  |
| Access-a-bus telephony                                    | FAM           |                         | Access-a-bus telephony  |   | Potential ongoing operational savings | TBD                           |                   |                                  |
| Consolidate MDF's   | FAM           |                         | MDF's - consolidation of administrative functions for agency boards   |   | Potential ongoing operational savings | TBD                           |                   |                                  |
| False Alarm Billing                                       | FAM           | Revenue                 | Utilize AI for false alarm billings to attach tickets to invoices to reduce the number of requests for tickets from property owners.  |   | No savings, operational efficiencies  | TBD                           |                   |                                  |
| Levels of Service for Asset Management                    | FAM           | Asset Management        | As with the Road Network presented to Council January 2022, the work would be completed for all other major asset groups to help to choose the levels of service that are agreed upon and affordable with the public (rationalization). Levels of Service determine the level of investment needed for assets to provide reliable service (how much, when, what level of quality) | Too soon to tell - 3-5 years out; may be clarity in willingness to pay by asset group | May be both savings and efficiencies  |                               |                   |                                  |

## New Efficiencies and Initiatives

| Initiative Name  | Business Unit | Division (Service Area)      | Brief Description of Initiative / How will savings be achieved   | Projected Annual Cost Savings (\$) | Type of Savings                           | Fiscal Year of Implementation | Impact/disruption                                    | Dependencies or Resourcing Needs                      |
|--|---------------|------------------------------|--|------------------------------------|---|-------------------------------|--|---|
| Major Projects Office dedicated finance support                        | FAM           | Asset Management             | For large, complex capital projects encompassing multiple business unit stakeholders, dedicated finance support staff (procurement and accounting) helps mitigate various project risks that would arise in the absence of financial due diligence.  | 1-2% project costs                 | One-time operational and capital savings' |                               |  |   |
| Increasing Parking Revenue   | Public Works  | Traffic & Parking Management | Increase Parking revenue by extending hours and/or increasing hourly rates   | \$ 1,000,000                       | New revenue                               | 2025/26                       | Increased user cost (new revenue stream)             | None  |
| Public Works Service Delivery Review                                   | Public Works  | Executive Director's Office  | Hire a third party consultant to complete a service review of PW operations  | TBD                                | Increased efficiency                      | 2027/28                       | No service impacts/disruptions expected.             | Requires funding to hire consultant                   |
| Increase Parking Enforcement Hours                                     | Public Works  | Traffic & Parking Management | Move Parking Enforcement to a 40-hour work week to extend enforcement capability   | TBD                                | New revenue                               | 2026/27                       | Increased service levels for enforcement             | Would require union agreement to adjust hours of work |
| Adding pool of casual Parking Enforcement Officers to cover leaves     | Public Works  | Traffic & Parking Management | Having additional staff allows revenue to be generated when full time staff are on leave   | TBD                                | New revenue                               | 2027/28                       | None   | Needs new staff and union agreement                   |
| Transition high mileage staff from personal vehicles to fleet vehicles | Public Works  | Various                      | Move staff whose annual mileage claims exceed the cost of maintaining a fleet vehicle into HRM fleet   | TBD                                | Savings                                   | 2027/28                       | Additional inventory for Corporate Fleet to maintain | New fleet vehicles and associated capital expense     |
| Lower Out of Town Travel   | CAO           | GREA                         | Money is part of the International Partnerships Policy to support Mayor's travel to sister cities.   | \$ 10,000                          | Ongoing operational savings               | 2026/27                       | No service impacts/disruptions expected.             | None  |
| Lower Special Projects - International Partnerships Policy             | CAO           | GREA                         | The international partnerships policy to support hosting incoming delegations. There is still \$15,000 in this line item to be used for Protocol   | \$ 4,600                           | Ongoing operational savings               | 2026/27                       | No service impacts/disruptions expected.             | None  |
| Engage NS Funding  | CAO           | GREA                         | Final year of a four-year funding commitment/ subject to contribution agreement.   | \$ 80,000                          | Cost Avoidance                            | 2026/27                       | Potential lost of relationship                       | None  |
| Grants for Business Improvement Districts                              | CAO           | GREA                         | Beyond the area rate levy, we distribute annual grants to the 9 BIDs, based on a funding formula. This money was centralized from a couple of other BU budgets a few years ago and supports events, beautification, and other projects. FYI, the BIDs have asked for an increase in this funding for the past two years. | \$ 207,000                         | Cost Avoidance                            | 2026/27                       | Potential lost of relationship                       | None  |
| No increase Halifax Partnership  | CAO           | GREA                         | As per our service agreement, the annual contribution to the Partnership is increased by 2% per year. This amount represents the anticipated increase in 26/27.  | \$ 44,900                          | Cost Avoidance                            | 2026/27                       | Potential lost of relationship                       | None  |

## New Efficiencies and Initiatives

| Initiative Name  | Business Unit      | Division (Service Area) | Brief Description of Initiative / How will savings be achieved  | Projected Annual Cost Savings (\$) | Type of Savings             | Fiscal Year of Implementation | Impact/disruption                        | Dependencies or Resourcing Needs |
|--|--------------------|-------------------------|---|------------------------------------|-----------------------------|-------------------------------|--|----------------------------------|
| Move media response tracking from Function Fox (contract) to SharePoint software | CAO                | COMMS                   | External Service Provider:<br>Move media response tracking from Function Fox (contract) to SharePoint software. These funds are available this fiscal (2025/26) and next fiscal (2026/27); however, per our commitment to the IT Investment Committee, these funds are allocated for future years (starting in 2027/28) to offset costs associated with onboarding a new Digital Asset Bank solution being sourced by IT.   | \$ 12,000                          | Ongoing operational savings | 2025/26                       | No service impacts/disruptions expected. | Future work with IT              |
| Print Services Revenue opportunities   | CAO                | COMMS                   | Print Services: Identified opportunities to generate an estimated \$40,000-\$100,000/ year in incremental revenue through Print Services. We're currently advancing an opportunity assessment via IT, as approved by the IT Investment Committee, to modify the Digital Store Front (DSF) which will allow MASH sector organizations to place print job requests through our DSF online portal. If we were to generate this money, it is foundational work this year for work to begin (if approved) to proceed the following year. | \$40,000 - \$100,000               | Revenue Generation          | 2026/27                       | No service impacts/disruptions expected. | Future work with IT              |
| Compensation cost Savings  | CAO                | TBD                     | Cost savings from vacancies and possible elimination of two vacant positions. More details to be provided at a later date.  | \$ 200,000                         | Ongoing operational savings | 2026/27                       | No service impacts/disruptions expected. | None                             |
| Centralized communication support  | CAO                | COMMS                   | Centralized communication support   | TBD                                | Ongoing operational savings | 2026/27                       | TBD                                      | None                             |
| Reallocation of workload for Summer Recreation Inclusion Coordinators            | Parks & Recreation | Recreation              | Reducing overall number of inclusion coordinators and reallocating work load.   | TBD                                | Direct cost savings         | 2026/27                       | Minimal                                  | n/a                              |
| STILL EXPLORING POSSIBILITY Admins at Desk                                       | Parks & Recreation | Recreation              | Increase hours of admins at the desk, decrease front desk staff hours.  | TBD                                | Direct Cost Savings         | 2025/26                       | Minimal - Small potential for overtime.  | n/a                              |
| Explore Grant opportunities  | Parks & Recreation | Recreation              | Committee to look at opportunities (ongoing). Pulling information for 2025 and 2024, as it is looking like more grants were received in 2025 than in 2024   | \$ 25,000                          | increased revenue           | 2025/26                       |  | n/a                              |
| Plastic Welding  | Parks & Recreation | Parks                   | Plastic welding at Playgrounds done in-house rather than contracted out.  | \$ 10,000                          | Direct Cost Savings         | 2025/26                       | Do plastic welding with in-house staff.  | n/a                              |
| Field Monitors   | Parks & Recreation | Parks                   | Review options for Field Monitors - in house? Potentially ending contract for field monitors.   | \$ 100,000                         | Direct Cost Savings         | 2026/27                       |  | Requirement for internal hiring  |

**New Efficiencies and Initiatives**

| Initiative Name                            | Business Unit | Division (Service Area) | Brief Description of Initiative / How will savings be achieved  | Projected Annual Cost Savings (\$) | Type of Savings             | Fiscal Year of Implementation | Impact/disruption                        | Dependencies or Resourcing Needs                         |
|--|---------------|-------------------------|---|------------------------------------|-----------------------------|-------------------------------|--|--|
| EHSM Safety Incident Reporting Replacement | HR            | Employee Wellbeing      | Implement Microsoft Forms based safety incident reporting system. Save 38k in annual licensing fees, avoid substantial replacement costs, improve end-user satisfaction and efficiency in reporting (time, user experience, etc.) | \$ 38,000                          | Ongoing operational savings | 2025/26                       | No service impacts/disruptions expected. | Internal Safety resources for rollout.                   |
| Recruiting Process Efficiencies            | HR            | Talent Management       | Implement recommendations from Continuous Improvement project analysis to build recruiter capacity and reduce hiring manager workload.  | \$ -                               | Cost avoidance              | 2025/26                       | No service impacts/disruptions expected. | Successfactors Recruitment and Onboarding implementation |

### In progress or recently Completed Initiatives

| Initiative Name                  | Business Unit   | Division (Service Area)                  | Brief Description of Initiative / How will savings be achieved   | Projected Annual Cost Savings (\$) | Type of Savings             | Fiscal Year of Implementation | Impact/disruption   | Dependencies or Resourcing Needs                             |
|----------------------------------|-----------------|--|--|------------------------------------|-----------------------------|-------------------------------|---|--|
| Position Consolidation           | Public Works    | Traffic & Parking                        | Eliminated the position of Director, Parking and streamlined the Parking divisional structure. Savings were used to fill FTE requirements in other PW departments  | \$ 150,000                         | Savings                     |                               |   |  |
| Turner Drive Materials Storage   | Public Works    | Infrastructure, Maintenance & Operations | IMO reorganized the material storage area at the Turner Drive depot to reduce operating costs and extend its useful life.  | \$ 1,200,000                       | Savings                     |                               | none  | none   |
| Position Consolidation           | Public Works    | Design & Construction                    | Eliminated the position of Construction Instructor, Construction Services, the position was converted to the Manager, Project Management in PW, mitigating the impact of the new position to the operating budget.   | \$ 60,000                          | Savings                     | 2024/25                       | none  | none   |
| Deactivation of FEP/WSF          | Public Works    | Solid Waste                              | Due to the success of the Municipality's waste diversion programs, the front end processor and waste stabilization facilities at Otter Lake were deactivated in 2022.  | \$ 2,000,000                       | Cost avoidance              |                               |   |  |
| Transit Pass Printing            | Halifax Transit | PACE                                     | A new printer with advanced capabilities was acquired in partnership with the HRM Print Centre to enable the municipality to print monthly transit passes in-house. While the cost of purchasing passes from a vendor was low, this solution will save on shipping costs and provide the municipality with greater flexibility to adjust the number of passes required each month, minimizing waste. | \$ 10,000                          | Ongoing operational savings | 2025/26                       | The impact of acquiring a new printer for in-house printing of monthly transit passes will result in cost savings through reduced shipping fees and better control over the quantity of passes printed, leading to less waste. Additionally, the municipality gains increased flexibility in managing pass distribution, ensuring it meets demand more accurately each month. Passes will appear slightly different due to the change in printer, but this does not affect their functionality. This solution also streamlines operations and improves efficiency in pass production. | Collaboration with HRM Print Centre who support the project. |
| Property Tax Process Improvement | PFE/FAM         | CRE/Revenue & Performance                | Process improvement initiative. Idea brought forward by CRE, work is being led by Corporate Planning & Performance   |                                    | Ongoing operational savings | 2025/26                       | No service impacts/disruptions expected.  |  |



**In progress or recently Completed Initiatives**

| Initiative Name                         | Business Unit | Division (Service Area) | Brief Description of Initiative / How will savings be achieved   | Projected Annual Cost Savings (\$) | Type of Savings                       | Fiscal Year of Implementation | Impact/disruption   | Dependencies or Resourcing Needs  |
|---|---------------|-------------------------|--|------------------------------------|---------------------------------------|-------------------------------|---|---|
| PM Interval Schedule                    | PFE           | Corporate Fleet         | Analyzed Light Vehicle km utilization vs OEM service intervals.  | \$ 95,000                          | Ongoing operational savings           | 2025/26                       | Reduce requirement for 1 PM service every 2 years for 206 light vehicles. | Fleet scheduling to transition cycle while continuing to align with MVI dates |
| Small Parts Warranty Management Program | FAM           | Procurement             | A new process to claim warranties associated with aftermarket parts procured for vehicles.                 | \$ 210,000                         | Cost avoidance                        | 2025/26                       |   |   |
| Payroll system upgrade                  | FAM           | Accounting              | Implement a new Time and Attendance system (Corporate Scheduling) creating efficiencies around data entry. |                                    | Potential ongoing operational savings | TBD                           |   |   |

## Corporate Continuous Improvement Projects 2023/24 to 2025/26

The following projects have been completed and are in implementation stages or are in progress. These may result in reduction of resources and/or cost avoidance.

| Project Title                                      | Description   | Status   | Conclusions   |
|--|---|----------|---|
| Fleet Warranty Management                          | A current state assessment to document and review Halifax Transit and Corporate Fleet's parts warranty management program and evaluate the impact of a change in program ownership to Procurement.  | Complete | This assessment led to the business case to hire two full-time-employees dedicated to collecting parts warranty in Procurement. In the first year of implementation, \$255,000 were estimated in recoveries and in 2025/26 it is forecasted to recover \$390,000. |
| Municipal Corporate Rental Review                  | Map and analyze the current state process for corporate vehicle rentals to provide Corporate Fleet with practical and actionable recommendations to streamline the current process for corporate vehicle rentals.   | Complete | A report was produced with ten (10) improvement opportunities that would lead to meaningful efficiencies such as reducing vehicle rental frequency and cost.  |
| False Alarms Notification & Billing Process Review | Complete a current state analysis of the False Alarms Notification & Billing process, review quality issues contributing to increased cycle time, and evaluate potential process improvements to be considered by decision-makers in impacted Business Units. | Complete | Identification of 30 improvement opportunities including four opportunities to increase program revenue between \$300,000 to \$960,000 per year.  |

| Project Title                               | Description  | Status   | Conclusions  |
|---|--|----------|--|
| Gifts for Parks Program Review              | A project to evaluate and improve the Gifts for Parks program. The current processes and assigned resources were not intended to support the significant increase in customer demand experienced in recent years. The Gifts for Parks program will be re-designed to eliminate waste and ensure that program activities are run sustainably and efficiently to meet organizational goals and evolving customer demand. | Complete | Current state mapping, and a jurisdictional scan were completed. In addition, the project team identified 16 pain points and 39 improvement opportunities.         |
| Bayers Road Corridor – Lessons Learned      | A lessons-learned workshop with key stakeholders after the first deployment of the Bayers Rd. Transit corridor. The intent of the workshop was to identify pain points and create standard processes for future corridors.   | Complete | The lessons learned workshop resulted in the prioritization of 30 improvements. Three of the improvements were implemented and nine are in progress.               |
| Small Equipment Policy Review               | Development of a policy outlining the definition of small equipment and the requirements for tracking these for all municipal business units.  | Complete | A review of the implementation of the Corporate Small Equipment Policy to identify challenges and opportunities to increase the successful adoption of the policy. |
| Procurement Delegated Authority Improvement | Development of a tool to automatically validate the delegation of procurement authority and ensure compliance with the policy.   | Complete | A tool was developed and is currently in use that automates the validation process to ensure compliance with procurement policies.                                 |

| Project Title  | Description   | Status   | Conclusions   |
|--|---|----------|---|
| Payroll Process Improvement                                      | Development of current state process mapping and recommend ways to reduce delays and improve user experience.   | Complete | Nine (9) opportunities for improvement were identified. Most of these were implemented and only one (1) remains open. |
| Privacy Process Review   | Current state mapping of the Privacy Program and identification of process improvements.  | On Hold  | Process mapping was completed. This project is on hold.   |
| Auditor General Recommendations Tracking                         | Review of the Auditor General's recommendations tracking process and implementation of improvements.  | Complete | New tracking process was implemented in 2024/25, and two semi-annual reports have been produced.                      |
| Councillors' Support Office Improvement Opportunities Assessment | A report that identifies pain points and improvement opportunities across the core services the Councillor Support Office provides.                           | Complete | Identification of seven (7) improvement opportunities.  |
| Purchasing Card Process Review and Automated Validation          | Improvement of the Purchasing-Card tracking process using automated validation.   | Complete | Development and implementation of an automated tracking process.  |
| Facilities Design & Construction Process Improvements            | A recommendation report and action items to identify opportunities between divisions responsible for the design and construction of new municipal facilities. | Complete | A report was produced with several recommendations which are currently being actioned.                                |
| Hiring Process Improvement                                       | A lean process review of the hiring process to reduce the time-to-hire and non-value-added activities.  | Complete | A recommendation report outlined 22 actions to improve the process and reduce the time-to-fill. The estimated         |

| Project Title  | Description  | Status      | Conclusions   |
|--|--|-------------|---|
|  |  |             | total effort reduction is over 11,000 hours per year or a cost avoidance of \$637,000 per year.   |
| Billing HRM Tenants Property Taxes Process Improvement           | Documentation and efficiency analysis of the current state of the process related to billing property taxes to tenants occupying municipal properties.   | In Progress |   |
| Facilities Maintenance & Operations Contracted Work Analysis     | Analysis of the amount of contracted work within Facility Maintenance and Operations and analysis of internal capacity for each maintenance category   | In Progress |   |
| Vacancy Governance Framework                                     | The development of a framework to report on vacant positions and implement controls to reduce the vacancy rate.  | In Progress |   |
| Public Works: Design & Construction Project Management Framework | The Design & Construction (D&C) team in Public Works aims to implement a framework for Capital Project Management and Delivery following a consultant report. This project will support D&C in assessing stakeholders, clarifying roles and responsibilities, and facilitate the framework implementation. | In Progress | Project Management Office was established in 2024. A roles and responsibilities document has been completed along with a detailed stage gate document ensuring consistency in project delivery. |

| Project Title   | Description  | Status       | Conclusions |
|---|--|--------------|-------------|
| Service Review Pilot (TBD)                                | A review of a service area to identify optimal service levels and opportunities for improvement and cost savings.                      | *Not Started |             |
| Corporate Overtime Analysis                               | A corporate review of opportunities to reduce overtime.  | *Not Started |             |
| Review of centralized vs decentralized corporate services | A review of functions where both centralized and decentralized delivery models exist to identify opportunities to streamline services. | *Not Started |             |
| Review of Positions – Upcoming Retirements                | A review of positions filled by employees which are eligible for imminent retirement to identify opportunities for work modernization. | *Not Started |             |

\*Note: 'Not Started' projects have not been assessed for feasibility and a scope has not yet been established.

## Appendix 5

Table contains IT Projects presented in 2026 Capital Budget - Project information Includes potential business benefits, based on information known at the time of the business case and or start of initiative/project.

| Project Name  | Business Units Impacted | Status    | Projected Completion Period |    | Description   | Key Benefits   |
|---|-------------------------|-----------|-----------------------------|----|---|--|
| On-going Delivery Projects                            |                         |           |                             |    |   |  |
| TELUS Elements Transition Project                     | FAM                     | Completed | 2024-25                     | Q3 | Telus vendor was decommissioning their Elements telephony solution which is used in a number of external and internal instances throughout HRM. The transition project was focused on moving all affected business areas to the Enghouse telephony solution and this project is now complete.           | State of good repair. Implementation of a replacement solution as vendor is decommissioning /sunsetting support for their Elements telephony solution.   |
| E-Agenda Software & Report Center Replacement         | LLS (Legal) & CAO       | Started   | 2025-26                     | Q2 | The project enables automation of processes related to digital sharing of agendas and document packages to the appropriate recipients for Council, Community Councils, Standing Committees, and other. The e-agenda work is completed; Next Phase involves new Report Center solution from same vendor. | Increase efficiencies for Clerk's Office resulting from automating processes.  |
| Intranet Replacement                                  | Corporate               | Started   | 2025-26                     | Q1 | The Intranet Replacement project is in-progress and involves moving the Intranet from the current platforms to a SharePoint solution for all BUs.   | - Increase capability to access HRM information intended for internal HRM staff.<br>- Improved ability to manage the quality and consistency of intranet information both at a corporate and individual business unit/area levels. |
| Council Chamber Technology Refresh - Hybrid Council   | LLS (Legal)             | Started   | 2025-26                     | Q2 | This project involves an upgrade of the Council Chambers technology which is complete. The 2nd phase involves technology for a hybrid solution.   | - State of good repair. Requirement to replace existing equipment.<br>- Streamline access for councillors and citizens to participate council sessions remotely.   |
| HRFE Mobile Data Terminal (MDT) Refresh               | HRFE                    | Started   | 2025-26                     | Q2 | Procure, replace and implement ~95 Mobile Data Terminals (MDTs) and supporting hardware and software in HRFE fleet vehicles, training facilities or HQ.   | State of good repair. Requirement to replace current equipment.  |
| Municipal Archives Digital Preservation               | LLS (Legal)             | Started   | 2025-26                     | Q2 | Implementation of a Digital storage and preservation system. Required to ensure long term integrity and usability of digital records.   | - Provide a single source for location to store, preserve, and manage archival digital information.<br>- Protect historical digital records.   |
| Recreation Software Transition Project                | P&R                     | Started   | 2025-26                     | Q2 | Involves transition to the new PerfectMind Rec solution from existing Legend solution, currently implemented in HRM owned facilities and MDFs (Legend solution being discontinued). Mostly completed.   | State of good repair. Implementation of a replacement solution as vendor is decommissioning /sunsetting support for their Legend Recreation solution.  |
| CRM Solution (Decommission Hansen) - Assessment phase | Corporate               | Started   | 2025-26                     | Q2 | Assessment Phase 1 - Current scope involves analysing remaining functionality on Hansen (CRM system) to determine which HRM systems can accommodate Hansen functionality.<br><br>Delivery Phase 2 - TBD   | Enable HRM to decommission the Hansen solution (legacy system), which is currently unsupported by the vendor, followed by the transition/migration of the remaining functions & services to other HRM systems.                     |
| HalifACT Climate Action Hub                           | PF&E                    | Started   | 2025-26                     | Q3 | Involves development of the HalifACT Climate Action Hub. This Hub will be used to track progress of the various Climate Action initiatives and used to engage residents.  | Promotes transparency, and fosters community collaboration in combating climate change.  |
| HRFE Station Alerting                                 | HRFE                    | Started   | 2025-26                     | Q3 | Implementation of new fire station alerting solution to improve current dispatch process. In-process of implementing solution at 29 HRFE stations across HRM.   | Supports faster dispatching of firefighters and apparatuses which will potentially<br>- Reduce loss of life and loss of properties.<br>- Support council directives for improved response times.                                   |
| Corporate Cashiering (payment processing)             | FAM                     | Started   | 2025-26                     | Q4 | Involves separating the Teller Cashiering module from the P & D Posse solution and setting up as a stand-alone platform. Posse and all future solutions with Cashiering functions will interface to one platform.   | Simplify and streamline functionality in support of all current and future solutions that require card payment processing capabilities.  |

Table contains IT Projects presented in 2026 Capital Budget - Project information Includes potential business benefits, based on information known at the time of the business case and or start of initiative/project.

| Project Name  | Business Units Impacted | Status      | Projected Completion Period |    | Description  | Key Benefits   |
|---|-------------------------|-------------|-----------------------------|----|--|--|
| Road Disruption Management Solution                     | PW                      | Started     | 2025-26                     | Q4 | Involves Implementing a linear referencing data model and Roads & Highway module to support PW with future Road Disruption Management initiatives.   | Provide improved coordination related to roadwork and ability to share/coordinate information with other partners i.e. NS Power, Halifax Water, etc.   |
| HRP Interview Room Recording System                     | HRP                     | Started     | 2026-27                     | Q1 | Involves providing updated hardware and software for HRP Interview rooms   | State of good repair. Requirement to replace current equipment with modern, interview room technology.   |
| HRP-Body Worn Cameras (BWC) & Digital Evid Module (DEM) | HRP                     | Started     | 2026-27                     | Q1 | This project will provide Body Worn Cameras for officers and Digital Evidence Module to store evidence.  | <ul style="list-style-type: none"> <li>- BWC will improve operational effectiveness, evidence capture, enhanced transparency and accountability, as well as aid in investigations, prosecutions, training, and other.</li> <li>- DEM will provide a secure cloud-based storage solution to store the digital evidence from the BWC and other similar tools.</li> </ul>   |
| Corporate Scheduling                                    | Multiple                | Started     | 2026-27                     | Q2 | Involves implementation of Adv Scheduling and Time Reporting solution to streamline activities. Time Reporting and Payroll functions for all HRM; Rostering for HRFE and HRP.  | Promote equitable staffing, decrease union grievances, and replace current cumbersome processes with more efficient ones   |
| Finance & HR Business Foundations                       | HR                      | Started     | 2027-28                     | Q3 | Implementation of SAP platform for HR and Finance to provide transformational business process improvements; In-progress project. Includes the LMS, Recruiting, HR Case Management & Onboarding Modules in 25/26 planned work. | Provide transformational improvements and efficiencies with regard to business processes, user experience, lower operational costs, ease of system integrations and greater transparency   |
| HRFE Intelligent Dispatching Solution                   | HRFE                    | Not started | 2027-28                     | Q1 | Will provide the ability to dispatch fire apparatuses by closest unit available with the required capabilities therefore reducing response time and enhancing public safety.   | <ul style="list-style-type: none"> <li>- Reduce response time and enhance public safety.</li> <li>- Enhance Firefighter safety by displaying apparatus locations in their dispatch system.</li> </ul>  |
| HRM Enterprise Service Management (ServiceNow)          | Multiple                | Not started | 2027-28                     | Q1 | Involves using ServiceNow to build request forms, workflow, and overall process to automate processes currently being executed manually by BUs.  | Enable improved intake and work flow processes for various BUs using functionality from an existing solution.  |
| Fleet Management Solution                               | FAM, Transit & PF&E     | Started     | 2027-28                     | Q2 | Involves implementation of a Fleet management replacement solution to provide improved functionality and address issues with current solution.   | Provide an enhanced set of Fleet Management functionalities and capabilities and improved governance to better support these BU groups.  |
| <b>Approved Assessments / New Delivery Projects</b>     |                         |             |                             |    |  |  |
| IPTS SIM Card & Modem Replacement                       | PW                      | Not started | 2025-26                     | Q3 | Project will replace current 3G SIM cards with 5G SIM cards as well as install compatible modems in the Parking technology solution.   | State of good repair. Requirement to replace current equipment.  |
| iTron SIM Card Replacement                              | PW                      | Not started | 2025-26                     | Q3 | Project will replace current 3G SIM cards in HRM LED Streetlight technology. Current access point hardware required to be purchased and installed to ensure compatibility with new 5G/LTE SIM card.                            | State of good repair. Requirement to replace current equipment.  |
| Collision Data Reporting Solution                       | PW                      | Not started | 2025-26                     | Q4 | Required for Safety Performance Functions & High Injury Network screening capabilities; supports 2018 Strategy Road Safety Framework approved by Council.  | <ul style="list-style-type: none"> <li>- Enhance information quality and reporting, enabling faster responses to requests from the council, residents, and other stakeholders.</li> <li>- Enable staff to focus on strategic tasks, thereby enhancing overall efficiency.</li> <li>- Support overarching goal of achieving zero fatalities and serious injuries by continuously generating insights from collision analysis, facilitating faster identification, and enabling the timely implementation of countermeasures.</li> </ul> |
| ERP Roadmap Development                                 | FAM; HR                 | Started     | 2025-26                     | Q4 | Initiative includes update to the current Roadmap by Executive Leaders to confirm direction and next steps for the system to expand services for HR and Finance.   | Better prioritize, plan and estimate costs for future modules and functionality to be rolled out for ERP.  |



Table contains IT Projects presented in 2026 Capital Budget - Project information Includes potential business benefits, based on information known at the time of the business case and or start of initiative/project.

| Project Name  | Business Units Impacted  | Status      | Projected Completion Period |    | Description  | Key Benefits  |
|---|--------------------------|-------------|-----------------------------|----|--|---|
| HRP Early Intervention Wellness Solution              | HRP                      | Not started | 2025-26                     | Q4 | Will provide a Wellness module to better monitor mental health of HRP officers & staff and to support early detection of health struggles.   | - Improved processes and access to information.<br>- Proactively ability to manage HRP officers and staff members at risk due to work related mental health issues.   |
| TMR2 Radio Replacement                                | HRP; Transit; Com Safety | Started     | 2025-26                     | Q4 | Project involves procurement and implementation of replacements for TMR2 Radios used by HRP, Transit and Community Safety.   | State of good repair. Requirement to replace current equipment.   |
| 311 Contact Center Teleph. Accessibility Enhancement  | FAM                      | Not started | 2026-27                     | Q1 | Includes alternative channels for contacting 311 including live Chat & Video Relay for Deaf, Hard of Hearing & Speech Impaired community.  | Improved customer experience through provision of enhanced customer access services.  |
| HRFE FDM Records Management Replacement               | HRFE                     | Started     | 2026-27                     | Q2 | Replacement of current HRFE Records Mgmt. solution (FDM) with new solution 'First Due' - FDM solution at end of life.  | State of good repair. The vendor is decommissioning/sunsetting support for their FDM solution.  |
| Health & Wellness EHSM Replacement                    | HR                       | Not started | 2026-27                     | Q3 | Replacement of current system used to manage reported staff illnesses and injuries with new more intuitive efficient solution which will provide better usage and quality of data.                           | - Increase efficiencies through mitigation of incident management process gaps.<br>- Better management of employee incidents through access to more accurate data.<br>- Improved user interface and workflow (better user experience) is expected to increase user uptake resulting in more accurate metrics and reporting. |
| Opticom Central Management Software (Traffic Signals) | PW                       | Not started | 2026-27                     | Q4 | Provide a centralized system to monitor and manager Opticom devices at intersections with traffic lights (~300 traffic) to enable Emergency services vehicles to have priority access through intersections. | - Significant efficiency improvements and operational impact.<br>- Risk reduction and safety.<br>- Streamlined visibility and access to information e.g. device health status.  |
| Situational Awareness Technology 2024                 | Community Safety         | Started     | 2026-27                     | Q4 | Involves working with HRM business stakeholders to prioritize key systems and data that will assist in day-to-day operations and emergency situations.   | - Improved emergency services processes and data quality, in support of emergency situations.   |
| Youth Advocate Programs (case management)             | P&R                      | Not started | 2027-28                     | Q1 | Solution will provide ability to capture and report on information from new and existing youth programs and provide a consolidated view of the data for Youth program staff.                                 | - Reduce time to engagement with youth at risk.<br>- Improved collaboration capabilities with key stakeholders and support partners through secure automation activities.<br>- Better alignment with HRM strategic objectives e.g. Safe, involved, and inclusive communities.   |
| Fuel Management Replacement Solution                  | FAM;Transit; PF&E        | Not started | 2027-28                     | Q2 | Involves replacement of current fuel management system and related equipment due to end of contract in 2026.   | - Eliminate inventory shrinkage.<br>- Reduce risk of uninsured costs for potential fuel spills.<br>- Greater efficiencies through reclaimed staff capacity.   |
| Contract & Leasing Management Solution                | PF&E                     | Not started | 2027-28                     | Q3 | Central solution that will provide improved administration and related functions for HRM leased spaces.  | - Reduce risks of potential overpayments and revenue loss.<br>- Greater efficiencies through task automation.<br>- Improved metrics, reporting and dashboards.  |
| Enterprise Project Management & Land Acquisition      | PW                       | Started     | 2027-28                     | Q3 | Implementation of enterprise level solution for medium to large sized construction projects to provide a single repository for improved reporting and tracking, etc.   | - Enhanced decision making and reduction in project delays.<br>- Improved compliance for regulatory and cost sharing agreements with utilities.<br>- Improved cost management and ability to generate metrics, reporting and dashboards in a timely manner.   |

| Service Classification  | Classification Category & Definition  | Example Services   |
|---|---|--|
| <b>Core Services</b><br>Legally and practically required <ul style="list-style-type: none"> <li>• Services required by legislation</li> <li>• Governance functions and internal services supporting operations.</li> <li>• May be public facing or internal.</li> <li>• Reduction or elimination of these services may not be possible (due to legislation) or may compromise operational performance.</li> </ul> | <b>Legally Required:</b><br>Services delivered by the municipality that are required under legislation. <ul style="list-style-type: none"> <li>• For example, this legislation includes acts such as the <i>Municipal Government Act</i>, <i>Halifax Charter</i>, <i>Fire Safety Act</i>, <i>Police Act</i>, as well as statutes, regulations, interpretations, and municipal legislation such as By-laws, Administrative Orders, or agreements the municipality has entered into.</li> </ul>   | <ul style="list-style-type: none"> <li>• Fire and emergency services</li> <li>• Police services</li> <li>• Emergency preparedness and response</li> <li>• Solid waste resource management</li> <li>• Public works and transportation infrastructure</li> <li>• Water and wastewater services (through Halifax Water)</li> <li>• Land use planning and development</li> <li>• Environmental protection</li> </ul> |
|   | <b>Practically Required:</b><br>Services that are essential to the operation of the municipality but <b>may</b> not have a corresponding legislation. <ul style="list-style-type: none"> <li>• Support accountable, transparent, and effective decision making.</li> <li>• Internal services that support the operations of the municipality.</li> <li>• May be subject to agreements and/or regulation, where exiting from the agreement or if the delivery of the service is stopped, there may be consequences or impacts due to public expectations.</li> </ul> | <ul style="list-style-type: none"> <li>• Finance</li> <li>• Human Resources</li> <li>• Information Technology</li> <li>• Legal services</li> <li>• Communications and public engagement</li> <li>• Facilities, fleet, and real estate management</li> <li>• Governance</li> <li>• Customer service centres / 311 Call Centre</li> </ul>  |
| <b>Non-Core Services</b><br>Aligned to Council Priorities or at the discretion of the municipality. <ul style="list-style-type: none"> <li>• Are not required by legislation or practically required.</li> <li>• Services that align to Council-approved strategies and plans.</li> <li>• Consistent with many municipalities across Canada.</li> <li>• May be public facing or internal.</li> </ul>              | <b>Council Priorities:</b><br>Non-legislated or not practically required services that align with or directly support Council Priorities. <ul style="list-style-type: none"> <li>• Services where Council has decided using its powers that this service will be provided by the municipality and has allocated resources to its delivery.</li> <li>• At the discretion of Council to advance a service to be considered a 'core' service (through municipal legislation).</li> </ul>   | <ul style="list-style-type: none"> <li>• Parks</li> <li>• Public transportation / transit</li> <li>• Recreation, parks, and culture</li> <li>• Libraries</li> <li>• Community safety programming</li> <li>• Homelessness supports</li> <li>• Food security / food programming</li> </ul>   |
|   | <b>Discretionary Services:</b><br>Services delivered by the municipality that are not required under legislation and are not essential to the operation of the municipality. <ul style="list-style-type: none"> <li>• Services that are unique to the municipality and are not typically provided by most municipal governments.</li> <li>• Services that respond to a particular community need.</li> </ul>  | <ul style="list-style-type: none"> <li>• Voluntary vulnerable persons registry</li> <li>• Mobile Food Market</li> <li>• Youth development programming</li> <li>• Parks Civic Support Program (Gifts for Parks)</li> </ul>  |