

Council,
April 25, 1968

MOVED by Alderman Ahern, seconded by Alderman H. W. Butler that the recommendation of His Worship the Mayor be approved. Motion passed.

Appointment - Recreation & Playgrounds Commission

His Worship the Mayor recommended that Alderman Meagher be re-appointed to the Recreation and Playgrounds Commission for a term expiring April 30, 1971.

MOVED by Alderman Ahern, seconded by Alderman H. W. Butler that the recommendation of His Worship the Mayor be approved. Motion passed.

Report - Port of Halifax Commission Re: Resolution, Land Bridge Concept

The following letter was submitted for the information of City Council:

THE PORT OF HALIFAX COMMISSION

Halifax, Nova Scotia

April 10, 1968

Mr. R. H. Stoddard,
City Clerk,
City Hall,
Halifax, N. S.

Dear Sir:

Your letter of April 1, 1968, was considered by this Commission at its meeting of April 8, 1968.

Your letter asked, on behalf of City Council, for the advice of this Commission on the desirability of placing a proposed resolution of City Council before the Canadian Federation of Mayors and Municipalities. The proposed resolution drew attention to new technology in the field of railway transportation and the so-called North American land bridge concept and would have urged the Canadian Federation of Mayors and Municipalities to recommend to the Government of Canada that quick action be taken in respect of this concept to assure a leading position for Canada in the competition to implement such concept.

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The North American land bridge concept is one that came to public attention after delivery of the original Kauffeld feasibility study, which does not therefore deal with it in detail, although it does refer to the possibility of ex-Pacific traffic. While such an increment to the traffic foreseen in the Kauffeld study for the North Atlantic system considered is undoubtedly an interesting possibility, we do not know yet that such traffic would, in fact, be available. This, among other matters, is the subject of current studies, the conclusions of which should be available to us in May/June of this year.

In the circumstances, and until such studies are received and can be evaluated, this Commission, while deeply grateful for City Council's support and interest in the matter, is of the opinion that a resolution such as is suggested in your letter under reply would be premature.

Cordially yours,

(Signed) Ray March
Executive Secretary

Some discussion ensued on this matter and Council agreed to take no action at this time, but to wait for the reports, as indicated in the letter, to be available and consider the matter further at that time.

Confirmation - Annexation Decision

A letter dated April 23, 1968 was submitted advising that the Governor-in-Council has confirmed the decision of the Board of Commissioners of Public Utilities made February 15th, 1968, with respect to the annexation of certain areas of Halifax County to the City of Halifax.

A copy of an Order of His Honour the Lieutenant Governor of Nova Scotia in Council, dated April 23, 1968, was also submitted relating to the annexation decision.

In connection with the above matter, the following letter was submitted from the Clerk of the Executive Council:

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April 19, 1968

Mr. R. H. Stoddard,
City Clerk,
City Hall,
Halifax, Nova Scotia.

Dear Mr. Stoddard:

I am instructed by the Executive Council to advise you that the Executive Council is not empowered to consider representations otherwise than in accordance with subsection (2) of Section 19 of the Municipal Boundaries Act. That sub-section provides for the filing of notice of objection within twenty-eight days after the mailing of the decision of the Board of Commissioners of Public Utilities. The City of Halifax filed a notice of objection in accordance with the provisions of the Act. The Governor in Council must make an order based on the notice or notices of objection filed in accordance with the provisions of the Act and not otherwise.

Yours very truly,

(Signed) Innis G. MacLeod,
Clerk of the Executive Council

After some discussion on the matter, His Worship the Mayor advised that he and the City Manager have an appointment to meet with the Board of Commissioners of Public Utilities to discuss certain matters relating to annexation.

Report - Public Service Commission - Year Ending December 31, 1967

A copy of the Annual Report for the year ended December 31, 1967, of the Public Service Commission was tabled at this time.

A number of Aldermen expressed the view that copies should be distributed to all members of Council and Alderman Abbott, being Council's representative on the Commission, was asked to see if copies could be made available for distribution.

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QUESTIONS

Question Alderman Black Re: Smoke Nuisance, South End

Alderman Black referred to a photograph in the local newspaper recently of a smoke stack in the South End of the City which is causing considerable nuisance, and he asked if the City Manager could make some representations to the owners to have the nuisance abated.

His Worship the Mayor said that the City Manager would look into this problem.

Question Alderman Connolly Re: Mail-Star Editorial, Transit System

Alderman Connolly asked if the questions that were set out in the Editorial in a recent issue of the Halifax Mail-Star with respect to the transit system will be answered at the Special Meeting of Council to be held on Wednesday, May 1st, 1968, before Council is requested to make a decision.

His Worship the Mayor said that some of the questions would require a great deal of research to answer, and the meeting is to be one of discussion and exploration into the matter. He felt that members of Council should not pay too much attention to Editorials of this kind in the newspaper.

Question Alderman Sullivan Re: Separation of Retarded and Mental Patients at the Halifax Mental Hospital

Alderman Sullivan asked if Retarded and Mental patients are separated from each other at the Halifax Mental Hospital.

The Director of Health and Welfare advised that most of the retarded people have been separated and placed in the

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Scotia Nursing Home at Beaverbank or in the community, the only retarded persons at the Mental Hospital are those who are considered to be socially objectionable and who are untrainable.

Alderman Sullivan suggested that perhaps in the future some thought might be given to separating the retarded persons completely from the mental patients at the Hospital.

Question Alderman Fitzgerald Re: Sale of Sewer System

Alderman Fitzgerald asked if it was not now time to consider the matter of the sewer system, especially with annexation coming up at the beginning of next year. He asked where the matter stood at the present time.

The City Manager advised that the material can be produced at any time for consideration by City Council.

His Worship the Mayor asked the City Clerk to meet with him soon to arrange a meeting on this matter.

Question Alderman Fitzgerald Re: Survey of Tax Exempt Properties

Alderman Fitzgerald referred to several comments he had heard from Aldermen and citizens with respect to tax exempt properties in the City and he asked if a survey is being contemplated of such properties and a further investigation made of the situation.

His Worship the Mayor advised that it is a matter that the Taxation Committee should be looking at and a brief is being prepared to the Province in this regard.

The City Manager advised that a study is being done right now by Mr. Lawrence Sandford and is expected to be available in July.

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Question Alderman Matheson Re: Call for Proposals, City
Prison Lands

Alderman Matheson asked when City Council will approve the Call for Proposals documents, recently distributed to members of Council, for the development of the City Prison lands.

His Worship the Mayor advised that the Call for Proposals documents were approved by City Council, upon recommendation of the Housing Committee, a month or so ago.

Question Alderman Ivany Re: City of Halifax Master Plan

Alderman Ivany asked when members of Council will receive the City Master Plan which was expected to be ready by now.

The City Manager advised that he had seen a preliminary draft of the Interim Report on the Master Plan and after a few changes are made, the report will be distributed.

Question Alderman Sullivan Re: Insignia Indicating Wheelchair
Facilities

Alderman Sullivan displayed to Council a picture of a sign which the Paraplegic Association has suggested should be affixed to all buildings which provide wheelchair facilities and asked if this could be done.

His Worship the Mayor suggested that the matter could be referred to the Staff of the Building Inspection Division and to the Nova Scotia Association of Architects. He understood that the request is contained in the National Building Code which the City is in the process of adopting.

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NOTICES OF MOTION

Notice of Motion - Alderman Black Re: Amendment to Ordinance
No. 121 Respecting the Closing and Observation of Holidays
of Certain Classes of Shops in the City of Halifax

Alderman Black gave notice that, at the next regular meeting of City Council, he would introduce an amendment to Ordinance Number 121, Respecting the Closing and Observation of Holidays of Certain Classes of Shops in the City of Halifax, which will have the effect of deleting Easter Monday as a day on which shops in the City must close and remain closed during the whole of the day. This amendment will be in compliance of legislation passed at the 1968 Session of the Nova Scotia Legislature.

Notice of Motion - Alderman Sullivan Re: Water Rationing

Alderman Sullivan gave notice that, at the next regular meeting of City Council, he would introduce the following resolution:

WHEREAS the news media recently have been stressing the possibility of water rationing in the not too distant future in Halifax;

AND WHEREAS in 1966, the average daily demand for water in Halifax was 11.47 million gallons, an increase of nearly a million gallons over the daily average during 1965;

AND WHEREAS preliminary studies of the proposed Pockwock Lake Development as a new source of supply were finalized during 1966;

AND WHEREAS it is stated the reserve capacity of the water system is being reduced to uncomfortable levels for a metropolitan center the size and importance of Halifax, requiring some very definite action in the near future;

THEREFORE BE IT RESOLVED that Halifax City Council consider the Pockwock development as extremely urgent and take immediate steps to assist the Halifax Public Service Commission to get this project started with as little delay as possible.

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ADDED ITEMS

Student Help - Negro Employment Project Committee

The following report was submitted from the City
Manager:

The City has been requested to make available to the above named Committee the services of a qualified student to work with Mr. Eugene Williams of the Provincial Government staff and prospective employers.

The period involved would be May 1 to September 30, 1968 and some funds are available through the Welfare Department to meet this need.

There is the possibility that Provincial assistance may be available and this will, of course, be sought.

Permission is requested to proceed accordingly.

MOVED by Alderman Fitzgerald, seconded by Alderman Matheson that the report be approved and permission granted to proceed as outlined. Motion passed.

Additions to Social Planning Committee

Alderman Ahern referred to the fact that the City has now appointed a Social Planner and he MOVED that Aldermen Connolly and Sullivan be appointed to the Social Planning Committee.

Alderman Meagher seconded the motion.

Alderman Ahern, in speaking to his motion, felt that both Wards 5 and 6 should be represented on the Committee as many problems that are being considered are related to those Wards.

Alderman Black spoke against the motion and expressed the view that Committees that become too large are ineffective and he said that Aldermen are elected to serve the whole City

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not just a part of it.

The motion was then put and passed, seven voting for the same and four against it as follows:

For:	Aldermen Meagher, Ahern, Connolly, Doyle, Sullivan, H. W. Butler and Abbott	7
Against:	Aldermen Ivany, Matheson, Fitzgerald and Black	4

Transportation Study

His Worship the Mayor advised that the Atlantic Development Board has agreed to put \$75,000 into a Transportation Study and the Province, with the Department of Highways has agreed to pay \$37,500. The balance was originally to be made up from contributions from the City of Halifax, City of Dartmouth and the County of Halifax. The Cities of Halifax and Dartmouth agreed to their share, but the County turned down the request. The Regional Planning Commission decided to go ahead with the study and passed a motion at a recent meeting to request the City of Halifax to assume an extra \$4,000.00, which is a portion of the amount of \$9,000.00 which the County of Halifax would not accept, in view of annexation, and request the County to assume an amount of \$5,000.00.

Alderman Matheson suggested that the City might pay the whole amount of \$9,000.00.

His Worship the Mayor said that the study area runs from the Head of St. Margaret's Bay to the Sackville and Porter's Lake area and concerns a large area of the County.

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He advised that the study is primarily one of highway transportation and some reference will be given to truck routes and parking and transit, though not in any depth.

10:33 p.m. Council adjourned.

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ALLAN O'BRIEN
MAYOR AND CHAIRMAN

R. H. STODDARD
CITY CLERK

CITY COUNCIL
SPECIAL MEETING
MINUTES

Council
May 1, 1968

ACQUISITION - SPRY INVESTMENTS LIMITED
1987-89 UPPER WATER STREET

Council Chamber,
City Hall,
Halifax, N. S.,
May 1, 1968,
8:00 p.m.

A meeting of the City Council was held on the above date.

After the meeting was called to order, members of Council attending, led by the City Clerk, joined in reciting the Lord's Prayer.

Present: His Worship the Mayor, Chairman, and Aldermen Black, Abbott, Ivany, Matheson, A. M. Butler, Meagher, LeBlanc, Ahern, Connolly, Sullivan, Fitzgerald and H. W. Butler.

Also Present: City Manager, City Solicitor, City Clerk and other Staff members.

The City Clerk advised that the meeting was called specially to consider the transit system.

Alderman LeBlanc asked if an item could be added to the Order of Business entitled "Mayors' Convention - Edmonton".

Council agreed to add this item.

The City Clerk advised that the following two items are to be added to the Order of Business, if Council so agrees:

1. Expropriation - Salvation Army Building
2035-2045 Barrington Street
2. Possible Acquisition - Spry Investments Limited
1987-89 Upper Water Street

Motion passed
Council agreed to add the items.

Alderman LeBlanc referred to Council's action at the last regular meeting relating to an increase in the appropriation.

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POSSIBLE ACQUISITION - SPRY INVESTMENTS LIMITED
1987-89 UPPER WATER STREET

A report was submitted from Staff relating to the possible acquisition of the above-noted property.

MOVED by Alderman Abbott, seconded by Alderman Connolly that an amount of \$72,000.00 be paid to Spry Investments Limited as settlement in full for all claims in connection with the acquisition of their property at 1987-89 Upper Water Street, required by the City for the Cogswell Street/Harbour Drive Interchange. Motion passed.

EXPROPRIATION - SALVATION ARMY BUILDING
2035-2045 BARRINGTON STREET

A report was submitted from Staff relating to the expropriation of the above noted property.

MOVED by Alderman Abbott, seconded by Alderman Black that the Salvation Army Building, located at 2035-2045 Barrington Street and required in connection with the Cogswell Street/Harbour Drive Interchange, be expropriated, and that the immediate release to the Salvation Army of seventy-five per cent of the authorized compensation in the sum of \$405,000.00 be approved. Motion passed.

A Formal Expropriation Resolution was submitted, giving effect to the foregoing motion of Council.

MOVED by Alderman Abbott, seconded by Alderman Black that the Expropriation Resolution, as submitted, be approved. Motion passed.

MAYORS' CONVENTION - EDMONTON

Alderman LeBlanc referred to Council's action at the last regular meeting relating to an increase in the appropriation

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for the Mayors' Convention to permit five Aldermen to attend as delegates. He was of the opinion that attendance at the Convention by as many Halifax Aldermen as possible should be permitted and the number not restricted. He suggested that an amount of \$3,500.00 should be appropriated for this purpose.

His Worship the Mayor advised that such a suggestion would require a Notice of Motion at the next regular Council meeting, unless unanimous consent is given at this time by Council to accept such a Notice.

Alderman Black was opposed to this course of action.

A short discussion ensued, but no action was taken on this matter.

8:15 p.m. Council adjourned to meet as Committee of the Whole.

TRANSIT SYSTEM

The following recommendation from the Transit Committee was read by the City Clerk:

"The Transit Committee, at a meeting held on April 23, 1968, discussed various matters pertaining to the present and future operation of the Transit System.

It is recommended that Council give consideration to the use of transit as a planning tool and the possible desirability of public ownership of the Transit Service at a date when the new fleet comes into use."

The following letter was submitted from the Nova Scotia Light and Power Company Limited:

April 25, 1968

His Worship the Mayor and
Members of the Council,
City Hall,
Halifax, Nova Scotia.

Committee of the Whole,
May 1, 1968

Gentlemen:

Representatives of this Company have met with the special transit committee of the Council on a number of occasions to discuss the future operations of the Halifax transit system. The Company has advised the committee that because of the age of its present trolley coach fleet, the abandonment of trolley coach overhead resulting from the construction of the Cogswell Street Interchange and the demands that may be made on transit as a result of annexation, it is necessary to order in the very near future additional diesel buses and associated equipment. The Company has also explained to the committee its inability to finance these purchases.

The committee and the Company both recognize the importance of transit as a planning tool in the future development of the City and that if operated with this function in view transit can bring many real benefits to the City in its overall planning and development. The Company is anxious to cooperate with the City in every possible way to achieve this end but because of growing deficits in its transit operation is unable to co-operate effectively under present circumstances.

It is against this background that the transit operation is now faced with the necessity of making a large expenditure for diesel buses. It is not possible to state the exact amount of this expenditure. However, the Company estimates that approximately fifteen diesel buses and associated equipment should be ordered during the next few months. The approximate cost will be \$500,000.

As stated above the Company does not have the ability to finance this purchase and is not prepared to order these vehicles until it has some assurance from the City that its financial position will be protected. With this in mind, the Company proposes that the City subsidize the operation of the Halifax transit system, and that such subsidization program commence on January 1, 1969. The nature of this subsidization program proposed by the Company is as follows:

1. That a management board be established by the Company and the City to operate the Halifax transit system;
2. The City will pay annually the amount of the system's operating deficit. The operating deficit will be calculated in accordance with the accounting practices established by the Board of Commissioners of Public Utilities, except:
 - (a) that no provision will be made for depreciation on any of the fixed assets of the transit system other than as set out below;

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- (b) interest will be charged on the depreciated value of all fixed assets (other than trolley coaches and overhead, equipment and fixtures used in connection with the operation of trolley coaches) existing on December 31, 1968 and on the working capital permitted by the Board of Commissioners of Public Utilities. The rate of interest payable in respect of these fixed assets will be 6 per cent per annum; and
- (c) actual interest and related finance costs will be charged on all monies borrowed after January 1, 1969 for the purpose of the transit system.
3. Depreciation will not be charged on any of the fixed assets used in the transit system other than the following:
- (a) the terminal building and associated equipment on Young Street;
 - (b) diesel buses now owned by the Company and associated equipment;
 - (c) all depreciable assets purchased after May 1, 1968.

The rates of depreciation charged will be those approved by the Board of Commissioners of Public Utilities.

If Council accepts this proposal, the Company will place an order for the diesel buses and associated equipment required for the efficient operation of the transit system upon the following conditions:

1. that the City enters into an Agreement with the Company embodying the principles outlined above subject only to ratification by legislation;
2. that the City undertakes to promote a bill at the next session of the House of Assembly ratifying the Agreement;
3. that the management board, established as above, approve the purchase of the number and type of diesel buses and associated equipment to be ordered by the Company.

While the foregoing represents the Company's proposal for the best solution to the problems of the Halifax transit system, at the last meeting of the Transit Committee the Company was requested to indicate the basis on which the Company would be

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prepared to dispose of its entire transit system to the City. The Company emphasizes that its proposal is as set out above and that the following alternative by which the City would take over the transit system is only put forward because of the request of City staff. This alternative is as follows:

1. The Company will sell its entire transit system, as it now exists, to the City upon payment by the City of the fair market value of the following assets:
 - (a) the terminal land, building and associated equipment;
 - (b) the diesel buses presently owned by the Company;
 - (c) all equipment used in connection with the diesel buses; and
 - (d) scrap value for the trolley coaches and overhead.
2. The Company will place orders for such diesel buses as the City requests and the City will purchase these diesel buses from the Company at cost plus interest from the date of payment by the Company at the current rates paid by the Company less depreciation at the rate of 10% per annum.
3. The Company will order the new diesel buses and associated equipment upon the following conditions:
 - (a) that an agreement of purchase and sale to be effective January 1, 1969 be entered into between the City and the Company subject only to ratification by legislation; and
 - (b) that the City undertakes to promote a Bill before the next session of the House of Assembly ratifying the Agreement.

Yours very truly,

(Signed) A. R. Harrington,
President & General Manager.

Alderman Fitzgerald gave a brief resume of the discussions held in the Transit Committee and indicated that the Committee felt that a decision has now to be made by City Council as to whether or not the transit system should be sub-

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sidized by the City, or taken over completely by the City,
hence the recommendation as distributed.

Alderman Ahern said that he was not in favour of
the City taking over the transit system but was in favour of
the City subsidizing the Company. He said that the City
must have a transit system.

Alderman Matheson was not in favour of the City
operating the transit system at this time, and felt that the
subsidy suggestion was more appropriate. He suggested that
a clause be written into the Agreement with the Company
relating to an option to purchase by the City at a later date,
under the terms outlined in Mr. Harrington's letter, if it is
found expedient to convert the system to public ownership.

Alderman A. M. Butler agreed in general with Alderman
Matheson, but suggested that the proposal should be submitted
to the Board of Commissioners of Public Utilities for examin-
ation before a decision is made.

Alderman LeBlanc asked someone to elaborate on the
words "use of transit as a planning tool" in the recommendation
from the Transit Committee.

The City Manager said that with the annexation of
the County areas, the need for transit in those areas will
become quite apparent and the thought is that if the City wants
to build up a good transit system, transit lines should be directed
into areas you want to develop to encourage such development.
He said it can also be used as a planning tool for the downtown

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area. It could be done, he said, if the transit system is privately owned but felt that the proper co-ordination might not be the same, since a private company is running a system to make as much money as possible from it. He advised that there are now only three privately owned transit systems in Canada at the present time, these are Quebec, Saint John, New Brunswick and Halifax. He further advised that out of all the publicly run transit systems in the Country, only one makes a profit and that is the City of Hamilton.

Alderman Connolly remarked that it appears that public ownership is not profitable. He said that some 700 transit companies in the United States make money.

The City Manager stated that private ownership of transit systems is not profitable either, and that many of the United States systems are being converted to public ownership.

Alderman LeBlanc asked, assuming the explanation of the City Manager was accepted, relating to the use of the transit system as a planning tool and integrated with the parking and general traffic schemes of the City, which City Department would it become the responsibility of?

The City Manager indicated that the Planning Department would suggest certain things relating to routes, etc. and recommend such actions to Council for approval.

Some discussion followed on this point and Alderman LeBlanc was concerned that the Planning Department of the City would have too much power.

His Worship the Mayor felt that this was a mistaken notion and said that there is no thought of any power being vested in any Civic Department, the planning controls are in the hands of the City Council and if the transit system is publicly owned, it would not be operated through any City department.

Alderman Meagher asked why the Company is permitted to separate its transit and its electrical distribution operations. He was of the opinion that the two should be put back together and the amount of money lost on the transit absorbed in the electrical distribution operation. He also referred to the fact that in 1969 it is known that 95% of the income tax paid by the Company will be returned to the Province and that the Province has indicated that 45% of this income tax will be passed on to the municipalities in Nova Scotia. He suggested that a certain amount of the money which the City of Halifax will receive should be used to subsidize the transit system.

Mr. Harrington, at this time, clarified the following points raised by members of Council:

1. Any agreement that is reached between the City of Halifax and the Company relating to the transit system will have to be approved by the Board of Commissioners of Public Utilities.
2. There would be no problem to write into any Agreement reached an option to purchase clause.
3. The City of Hamilton operates an urban and inter-urban transit system and the urban portion, which operates at a loss is subsidized by the inter-urban portion.

4. The control of the transit system, if the Company's proposal is accepted, would be by a Board of Management of say, five members, three of whom might be nominees of the Company who would be responsible for the operation of the vehicles, etc. and two members nominated by the City, one of whom might be the City Manager. The Board of Management would prepare a budget within which to work and such a budget would have to receive the approval of City Council.
5. In the early 1940's, the three departments of the Company were separated, Transit, Gas and Electricity, at the instigation of the City of Halifax against the wishes of the Company. The matter was examined by the Board of Commissioners of Public Utilities and a decision, unfavourable to the Company was made. The Company appealed the ruling and the legislation was changed and the new Act expressly forbids the separate divisions being operated as one unit. The press supported the action of the City of Halifax at that time.

In reply to a question from Alderman Meagher, Mr. Harrington advised that a few years ago the Company made an attempt with the support of the City to have the losses on transit charged against the electrical distribution system. He said that the decision that was made, at that time, was that the divisions could be united if a surcharge was put on those customers in the City who paid for electric power to cover the losses. This, he said, was unacceptable to the Company.

Some discussion ensued with respect to the income tax rebate to the Province of 95% of the amount paid by the Company and the decision of the Province to pay, on a formula basis, 45% of that amount to the municipalities in Nova Scotia.

His Worship the Mayor advised that to his knowledge no decision as yet has been made on the formula to be used, it has been suggested that it should be based on either the number of customers, gross revenue, or kilowatt hours sold. He also

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advised that the portion of the amount estimated to be given to the City of Halifax would be approximately \$275,000.00.

Alderman Ivany asked if the use of the transit system as a planning tool would add to the cost of the system.

Mr. Harrington replied that it would add to the cost, but at the same time, if it is successful, then you would have a viable transit operation.

Some discussion ensued on the following points:

1. Possibility of the City calling for proposals to operate a transit system.
2. Mr. Harrington's statement made at the Transit Committee meeting relating to the Company taking over the City streets.
3. The possible reduction in losses if the entire transit fleet is made up of diesel buses.

Alderman Black asked if the Company could apply to the Board of Commissioners of Public Utilities to discontinue the transit service? If this could be done, he asked, would you be required to reduce the rates of electricity.

Mr. Harrington replied that such an application could be made to the Board of Commissioners of Public Utilities but the application would have to be substantiated by the Company. He said that a decision to discontinue the transit system would have no affect on the distribution system at all. He said that the Company does not wish, at this time, to make an application to the Board of Commissioners of Public Utilities to discontinue the system, and is trying to reach an agreement with the City to this end.

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In answer to a question by Alderman Fitzgerald as to who makes up any losses in the operation of the Transit system if the Company continues to operate the transit system, Mr. Harrington stated that the shareholders of the Company make up the loss and that it was because of the loss experience in the transit operation that the matter has been brought before City Council.

In reply to a question by Alderman Black, Mr. Harrington stated that there is no question that if the system is extended into the areas proposed to be annexed to the City the annual operating deficit would be increased.

In answer to a question by Alderman Meagher, Mr. Harrington said that an adequate transportation system which could be used in the concept of a planning tool for the City of Halifax could be provided and operated at a deficit not exceeding the amount of the estimated income tax rebate which would accrue to the City.

Alderman Meagher contended that City Council should request the Provincial Government to pay the City's portion of the income tax refund directly to the Nova Scotia Light and Power Company Limited and if necessary pay the Company a further grant and request the Company to continue the operation of the Transit system since it is the logical body to operate the system since it has done so efficiently for many years and has the necessary trained personnel.

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Alderman Matheson expressed the view that Transit, like any other service, such as sewer, water, streets, etc. has to be used as a planning tool for proper development; and he said that he believed that, eventually, the system should be in public ownership. It is not expedient that it be done at the present time, but the Company, which has the know how and trained personnel should be the operator; and unless the Company is given some financial assistance to continue the operation of the system, the system could be down-graded to a position where it would be inadequate.

He suggested that Council will have to enter into some kind of Partnership and accept, in principle, the proposal made by the Company. He said that, by this, he did not intend to imply that the entire operation should be left in the hands of the Company but that if the City is going to underwrite the deficits it should have some control over the operation of the Company, at least with respect to policy decisions and long-range planning.

MOVED by Alderman A. M. Butler, seconded by Alderman Ahern that this matter be deferred pending a further examination of the proposal of the Company with a view to calling a meeting later to plan some concrete thoughts on which Council can act.

Alderman Black asked if, assuming that the City supported legislation to have all of the company's operation dealt

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with as one operation, could the loss on the transit be absorbed within the electrical distribution operation and the Company show a profit to the shareholders?

Mr. Harrington replied that he doubted that an application for legislation to revert back to the former method of accounting to combine the operation of the Transit and electrical distribution systems would be successful; also, that the combined operation would not show a profit without an increase in the electrical rates.

Mr. Harrington said that the subsidization proposal put forth in their letter dated April 25, 1968 could be considered as analogous to a leasing operation, the Company providing the vehicles and operating the system for the term of the lease which could be ten years, the life of a diesel coach.

Alderman A. M. Butler asked: "Would you say that unless the City takes some steps to restrict the general flow of traffic east of South Park Street that you are always going to run into operational deficits with your Transit system?"

Mr. Harrington stated that that is one of the problems but that the major problem is the need for improvements in the general traffic flow in the downtown area.

Alderman Abbott stated that he would be opposed to public ownership of the Transit utility at this time and that some form of subsidy would have to be arranged, tied in with the refund of income tax, to ensure that the operation of the Transit system is continued.

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Alderman Connolly expressed concern for the employees of the Company should the Company decide to abandon the operation of the transit system and he asked if the employees so displaced would be absorbed into the other departments of the Nova Scotia Light and Power Company Limited.

Mr. Harrington said that this is one of the things that has caused the Company much concern; because there are approximately 180 employees in Transit and the facilities for absorbing that many in the other departments of the Company would be practically negligible. He said that many of the Transit employees have been affected by the references to possible abandonment of the service and he said that it is important that they be assured that the system will be continued so that they will not inadvertently seek employment elsewhere because of a feeling of insecurity, as they would be difficult to replace.

Alderman Ivany said that he had been intrigued by the use of the words "planning tool" in the report of the Transit Committee, and he said that he did not agree with the opinion that it is possible to reduce the automobile traffic in the City and he contended that the development of the road patterns and "cornerings" has not taken place properly.

He said that he was in favor of the motion to defer in order to give further time for discussion; also, he felt that consideration should be given to the position of the Acadian Lines Limited who will be affected by the annexation of the suburban areas to the City. He expressed the hope that

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consideration would be given to the development of a metropolitan transit system and other matters involved in the long range planning considerations for the new Halifax.

Alderman LeBlanc referred to statements made previously by a representative of the Company to the Members of Council when the transit matter was discussed to the effect that the deficits were in part attributable to traffic congestion in the downtown area which reduced headways; and he asked if consideration of improved traffic patterns in the downtown area to increase headways would be involved in Alderman A. M. Butler's motion of deferral.

His Worship the Mayor replied in the affirmative.

Alderman LeBlanc asked if, in the event the motion to defer is passed and a meeting is held, information will be made known as to what the transit operation deficits will be for the next five years and what amount of subsidy will have to be paid by the City during that period.

His Worship the Mayor said that this has been in the minds of the Members of the Transit Committee from the start and that the reason the resolution came in the form it did is because the Committee is trying to get a decision from the Council as to who would be responsible for designing a satisfactory transit service which involves development of a street pattern which would be adequate for the Transit operation so that the City can get into balance -- control over the subsidy with the freedom of the motor car. He concluded his remarks as follows:

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"So, if it is to be private, then obviously the Nova Scotia Light and Power Company Limited would do all that planning work; and, if it is going to be public, then obviously the City will do it.

'If it is going to be a joint operation, then we will go together and work on these physical solutions that affect the financial outcome."

Alderman Ahern said that he would like to see Council take some action at this meeting so that the public will be assured that the transit system will continue in operation/ with private, public or co-operative ownership.

His Worship the Mayor ruled that the motion to defer relates to Council's consideration of the recommendation of the Transit Committee and the letter dated April 25, 1968 from the Nova Scotia Light and Power Company Limited and that, after a vote on the motion to defer has been taken, he will entertain a motion which would express the intention of the Council to ensure an adequate transit system for the City of Halifax.

Alderman A. M. Butler, at the suggestion of Alderman Matheson and with the permission of the seconder agreed to reword his motion as follows:

MOVED by Alderman A. M. Butler that the consideration of the report of the Transit Committee and the letter dated April 28, 1968 from the Nova Scotia Light & Power Company Limited be deferred for consideration at the regular meeting of City Council scheduled to be held on May 16, 1968 and; that representatives of the Said Company be invited to attend such

meeting. Motion passed.

Alderman Matheson advised the Chair that Mr. Chester Sanford, a member of the Dartmouth City Council, was present in the gallery and had expressed a wish to address Council on the matter of Transit.

MOVED by Alderman Matheson, seconded by Alderman H. W. Butler that Mr. Sanford be permitted to address Council. Motion passed.

Mr. Sanford said that the views he would present would be expressed on behalf of the Halifax-Dartmouth Trades and Labour Council of which he is a Member.

He said that the Labour Council is concerned about the possibility of the abandonment of the Transit service because the Transit system in the City of Halifax is vital to the movement of people back and forth to work; also, the employees of the Company are concerned about their employment security.

He said that a number of years ago the Trades and Labour Council had suggested the formation of a metropolitan transportation system and he contended that immediate steps should be taken by the Cities of Halifax and Dartmouth to investigate the possibility of establishing such a system. He also stated that the important point which the Labour Council wished to bring forward is that the present transit system is presently inadequate and if allowed to deteriorate further and no new equipment is provided, it will come to a standstill and there will be no means of communications between Halifax and Dartmouth.

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He suggested that perhaps the first consideration which should be given by City Council is to initiate an immediate study of the metropolitan transit system to ensure a proper flow of traffic between the two cities and within the whole metropolitan area; and he said that he would favor public ownership of such a system.

Alderman Meagher asked that when this matter is again considered, His Worship the Mayor inform the Council as to the extent of the study being undertaken for the Atlantic Development Board and to determine whether or not it could be extended to cover a study of the transportation needs in the metropolitan area.

The motion to defer was then put and passed with Aldermen Connolly and Fitzgerald voting against.

MOVED by Alderman Ahern, seconded by Alderman Connolly that the Council declare its intention to take action to ensure the retention of a transit system in the City of Halifax. Motion passed.

10:15 p.m. Committee of the Whole adjourned and Council re-convened, the same members being present.

REPORT OF THE COMMITTEE OF THE WHOLE

MOVED by Alderman Ahern, seconded by Alderman Connolly that, as recommended by the Committee of the Whole,

(a) consideration of the report of the Transit Committee and the letter dated April 28, 1968 from the Nova Scotia Light and Power Company Limited be deferred for consideration at the regular meeting of City Council scheduled to be held