

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL COMMITTEE OF THE WHOLE MINUTES MAY 14, 2002

PRESENT: Deputy Mayor Robert Harvey

Councillors: Steve Streach
Gary Hines
Ron Cooper
Harry McInroy
Brian Warshick
Condo Sarto
Bruce Hetherington
Jim Smith
John Cunningham
Jerry Blumenthal
Dawn Sloane
Sue Uteck
Sheila Fougere
Russell Walker
Diana Whalen
Linda Mosher
Brad Johns
Len Goucher
Reg Rankin
Gary Meade

ABSENT WITH
REGRETS: Mayor Peter Kelly
Councillors: Keith Colwell
Stephen D. Adams

STAFF: Mr. George McLellan, Chief Administrative Officer
Mr. Wayne Anstey, Municipal Solicitor
Ms. Julia Horncastle, Assistant Municipal Clerk

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The meeting was called to order at 1:15 p.m.

1. **APPROVAL OF THE MINUTES OF - MARCH 19, 26 & APRIL 9, 2002**

MOVED by Councillor Hetherington, seconded by Councillor Blumenthal, that the minutes of March 19, 26 & April 9, 2002 be approved. MOTION PUT AND PASSED UNANIMOUSLY.

2. **APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS**

MOVED by Councillor Hetherington, seconded by Councillor Blumenthal, that the Order of Business be approved. MOTION PUT AND PASSED UNANIMOUSLY.

3. **TAX STRUCTURE - Staff Presentation**

- An information report from Mr. George McLellan, Deputy Chief Administrative Officer, dated May 14, 2002, on the above noted, was before Council.
- A copy of the PowerPoint presentation was circulated to Council.

Mr. Bruce Fisher, Budget Coordinator - Financial Planning, presented the staff report/recommendation to the committee.

MOVED by Councillor Cooper, seconded by Councillor Walker that it be recommended that:

- **The tax structure model is approved in principle for the purpose of public consultations. This includes placing in the general tax rate the following additional items:**
 - **volunteer fire departments (policy pending re service standards)**
 - **street lighting**
 - **Cost sharing on the capital repair for existing Recreational Facilities**
 - **Cost sharing on the construction and acquisition of new Local and regional Recreational Facilities (related policies pending)**
 - **Crosswalk Guards**
- **That Local Improvement Charges on upgrading of existing asphalt curbing to concrete curb and gutter be eliminated.**
- **That all areas of HRM with access to Metro Transit should share equally in the cost of Metro Transit.**

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- **That staff proceed to further develop the Framework of Service Standards so that it becomes clear to residents of HRM what service levels and standards HRM can realistically expect to provide.**
 - **That the Tax Structure Committee report back to Committee of the Whole no later than October 15th, 2002 with the results of public consultations including the comments of citizens, business groups and volunteer fire departments and with final recommendations and/or options.**
 - **That staff review the \$0.05 transfer from Urban/Suburban to Rural.**

Councillor Cooper, Chair, The Tax Structure Committee, thanked all staff and Councillors involved with the two year process in bringing this article and proposal before Council at this time. The process was begun to ensure there was an equitable, simplified and fair tax structure. The basic principle is that the tax structure be based on service so there are not gaps or deficiencies for the residents of the HRM. Establishment of the service standards is the first step; then you can relay the financial impact across the HRM.

Councillor Sarto requested clarification on whether the current Urban General Tax Rate would stay the same or change. Mr. Fisher stated that the General Rates would be recalculated to include all fire whether it be area rated or general and when that happens the general rate will change. The rural rates would increase but residents would no longer pay their area rate; suburban and urban general tax rates would increase slightly starting in 2003-2004. Councillor Sarto asked if there was a breakdown of presumed tax rate available now and Mr. Fisher confirmed that there were a few outstanding issues to be dealt with before that will be available. Mr. Fisher confirmed that there would be modest increases in the tax rate. Councillor Sarto expressed concern with *Local Improvement Charges* being eliminated as far as being area rated and questioned whether this will lead to a decrease in upgrading our curbs and gutters. Mr. Fisher replied that there is a standard to follow in regards to upgrading curbs and gutters and that will be adhered to. Chief Administrative Officer, Mr. George McLellan, clarified that the public want concrete curbs and gutters and if it is added to this proposal, demand may increase but the staff will decide the volume of approvals.

Councillor Streach thanked the committee for their work and stated that he was pleased and encouraged with the report. He asked for clarification on the criteria for deciding on street lighting. Mr. Fisher replied that there are existing standards which were passed by Council in 1997 and they are included in the package. Councillor Streach requested further clarification on whether or not staff would go to the communities or wait for requests from the public. Chief Administrative Officer, Mr. George McLellan replied that it would be a combination of both staff initiative and public request. Councillor Streach asked for clarification regarding the cost of Crosswalk Guards, would we then have them (crosswalk guards) where we do not at present. Mr. Fisher responded that staff will adhere to the existing point system for the placement of Crosswalk Guards. Mr. Fisher responded to

further questions regarding Metro Transit Service for rural communities by stating that Metro Transit Service would remain area rated.

Councillor McInroy expressed support of the motion and conveys that the proposal respects the principles of property services and property taxation, user pay concept. This proposal recognizes the right of everyone in the HRM to have available at the same cost basic fire protection which is no different than having basic police protection. The concept of a single tax rate structure may be appropriate someday but not at this time. The proposal fine tunes the current structure and brings a more fair slant to a system that is fundamentally fair to begin with.

Councillor Meade requested a copy of the Streetlight Service Standard Criteria. He mentioned there are some residents in his district who may not want streetlights. Chief Administrative Officer, Mr. George McLellan, stated that concerned persons would have to consider public safety on placement of street lighting. Councillor Meade questioned whether the committee considered cost sharing for sidewalks. Mr. Fisher replied that this issue has not been addressed to date but was a good suggestion for the committee. Mr. Fisher also responded to Councillor Meade's question on fire service stating services will not be harmonized amongst the fire departments as the intention is to provide, over time, basic services in all HRM. Mr. Fisher stated that it will be up to the standards, the Council, the CAO and the Fire Chief to determine whether the basic standard is present. Councillor Meade expressed concern about possible errors (as high as 75%) in the Community Profiles assessments, in particular the Terrance Bay / Hatchett Lake street light assessments. Mr. Fisher stated that this issue will be reviewed by staff.

Councillor Rankin expressed reluctance to support the proposal at this time due to the fact that it does not address the impact on the individual residents. The Councillor stated that the public will want to know how the changes in the rural general tax rate will impact on them. Another concern is fire suppression and what implication will this have to those communities who are very proud of their level of portfolio. The Councillor does not see an incentive for volunteerism if they (the residents) do not see a measure of autonomy in the local areas. He also stated that an equitable level of service does not mean the same level of service. A higher level of service has to do with the type of community. Councillor Rankin questioned whether the proposed changes would raise artificial demands for items such as streetlights. The Councillor expressed concern that residents will expect/demand all services if they are paying the taxes for them. Regarding the \$0.05 in the general rate, he commented that the rural areas were contributing for sidewalks and recreational facilities that they did not have use of; the residents were paying for a debt that they could not participate in.

Deputy Mayor Harvey requested that the CAO give clarification of the recommendation before Council. Mr. McLellan, CAO, responded that this is a request for approval in principal and there will be changes to the financial details but the changes will bring residents of the HRM closer to equity. This proposal speaks to a basic level of service being available to all residents of the HRM. Those areas that are able to raise more funds

can provide a higher level of service.

Councillor Hetherington stated that the first question the public will ask is what their new tax rate will be. A full information package, including the changes to the tax rates, would be recommended before going to the public. CAO, Mr. McLellan, stated that there are many unanswered questions but the issue is of fairness not monetary at the moment. Councillor Hetherington suggested that the Fire Chief return to council with his proposal in June or September and not in July or August as too many residents will be on holidays and unavailable for consultation.

Councillor Cooper clarified that the present tax structures are as they stand now. It will not be possible to get the definition that Council members are looking for until we have the buy-in of the district fire services outside the core area. The communities must have independence to operate as they are now. The HRM will provide for basic level of service, capital equipment (as they become necessary), structures and operating budgets.

Councillor Cunningham stated that sidewalks are a major safety issue and if a sidewalk is needed, it should be placed. Transit service is used by all who come to the area and even some residents of the urban core are not regular users of this service but pay for it with their taxes. One area rate not addressed was Supplementary Funding and the Councillor asked if it is going to be addressed by this committee. In response, Mr. Fisher stated that no, there is a separate committee underway on Supplementary Funding so the Tax Structure Committee did not address this issue. Councillor Cunningham stated that in regards to raising artificial demands, for that not to happen, staff will have to have objective criteria as to why and how streetlights will be put in place.

Councillor Blumenthal stated that this proposal does not go far enough. The Councillor stated there should be one tax rate and supplementary funding should be included in this tax rate. He questioned the CAO in regards to mandatory funding and residents being shortchanged because they pay supplementary funding coming back from the government. Mr. McLellan, CAO, responded that the HRM is about the equivalent amount below the average to what it would be to spread the supplementary. Councillor Blumenthal expressed concerned with the provincial government downloading costs to the HRM. The Councillor suggested looking at transit throughout the municipality with perhaps more Park & Rides.

Councillor Smith states that this is a real challenge we are putting forth and there are more concerns with the rural areas than the urban. There is a large challenge between service and cost. Councillor Smith requested clarification on the commercial tax base used for the benefit of all HRM, is that a change from our present policy. Mr. Fisher states that there aren't underlying principles for the current tax structure. The commercial tax base is critical in setting the residential rate as the commercial tax rate is much higher which keeps a much lower tax rate. In the rural area the commercial tax rate is quite weak therefore the area rates are much higher than they would be otherwise. Upon review, the committee felt that the commercial tax base belonged to all of HRM so they could spread the benefits of

that out. Councillor Smith stated that all taxes paid by HRM are for the benefit of HRM. There are specific problems that come along with the commercial “clusters” such as crime, environmental, access and safety problems. Those issues have to be considered when considering removing funds from those areas. An emphasis has to be placed on a level playing field and an equal amount has to be put back into those commercial areas.

Councillor Sarto stated it is critical that staff have the breakdown of the current base rate and the projected base rate as well as the actual tax rate when they go before the public. The Councillor asked what programs will carry LIC charges. Mr. Fisher responded that sewers, new sidewalks and new street upgrading would continue to carry the LIC charge. The principle change in LIC would be when an asphalt curb is replaced with a concrete curb, the committee suggests the upgrading of asphalt to concrete curbs be general rated.

MOTION PUT AND PASSED UNANIMOUSLY.

4. Regional Planning - Staff Presentation

- An information report from Mr. Dan English, Deputy Chief Administrative Officer, dated May 14, 2002, on the above noted, was before council.
- A copy of the PowerPoint presentation was circulated to Council.

Ms. Ann Muecke, Project Manager - Regional Planning, with aid of a PowerPoint presentation, overviewed the following:

- Draft Goals for the Plan
- Draft Smart Growth Principles
- Revised Tax Structure
- Products from Task Groups
- Information Sources
- New Studies that will result
- Traffic Issues
- Timing and Budget

Councillor Hetherington commented that he has 2500 acres undeveloped in the core area which is frozen to development, as per MPS, until another road is built. The Councillor suggested the Federal and Provincial governments be approached on a daily basis to see if the Infrastructure is going through. CAO, Mr. McLellan, responded that the required letter has been sent and he is awaiting a reply from the provincial government. Mr. Fisher confirmed that staff have been in touch with the Infrastructure Office and they do have staff's list. Mr. Fisher also commented that funds are limited for this year due to the Shearwater Interchange project.

Councillor Uteck expressed concern with crisis situation in housing issue regarding the infill and outdated MPS strategy for the Peninsula. What was stated in 1978 doesn't seem to

be applicable now and developers are finding loopholes.

Councillor Mosher expressed concern with traffic, specifically the Armdale Rotary in respect to the new developments (Westgate) in the area and other areas which will increase traffic flow. Ms. Muecke responded that an attempt to find some interim action that could be done to relieve pressure in those areas was discussed. The difficulty would be in undertaking major alterations that would unfortunately attract more traffic. Road and transit improvements need to be done in conjunction so that there is a comprehensive plan for resolving that issue.

Councillor Sarto questioned staff on whether the Integrated Transportation Plan was part of the Regional Planning process. Ms. Muecke stated that the Integrated Transportation Plan would be developed in Phase II of the Regional Planning process,. The first thing that needs to be looked at is where growth is occurring and where it should occur so a preferred growth pattern could be identified and then projects could be supported. Councillor Sarto also mentioned the problem of bumper to bumper traffic on Portland Street and asked if this issue was under her jurisdiction as well. Ms. Muecke stated that new work that is substantial, such as new roads or road widening, would have an impact on how growth is encouraged and it would be under her jurisdiction.

Deputy Mayor Harvey thanked staff for their presentations.

5. ADJOURNMENT

The meeting was adjourned at 3:55 pm.

Julia Horncastle
Assistant Municipal Clerk