



**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE MINUTES
April 1, 2014**

PRESENT: Mayor Mike Savage
Deputy Mayor Darren Fisher
Councillors: Barry Dalrymple
David Hendsbee
Bill Karsten
Lorelei Nicoll
Gloria McCluskey
Waye Mason
Jennifer Watts
Linda Mosher
Russell Walker
Stephen Adams
Matt Whitman
Brad Johns
Steve Craig
Tim Outhit

REGRETS: Councillors Reg Rankin

STAFF: Mr. Richard Butts, Chief Administrative Officer
Mr. John Traves, Municipal Solicitor
Ms. Cathy Mellett, Municipal Clerk
Mr. Quentin Hill, Legislative Assistant

The following does not represent a verbatim record of the proceedings of this meeting.

*A video recording of this meeting is available:
http://archive.isiglobal.ca/vod/halifax/archive_2014-04-01_live.mp4.html*

*The agenda, supporting documents, and information items circulated to Council are available
online: <http://www.halifax.ca/council/agendasc/140401cowAgenda.html>*

The meeting was called to order at 10:04 a.m. Committee of the Whole adjourned at 12:15p.m.

1. CALL TO ORDER

Councillor Karsten called the meeting to order at 10:04 a.m.

2. APPROVAL OF THE MINUTES – February 12 & 19, 2014

MOVED by Councillor McCluskey seconded by Councillor Nicoll that the Committee of the Whole minutes of February 12 and 19, 2014 be approved as presented.

MOTION PUT AND PASSED.

3. Full Review of Final Budget

The following items were before Committee of the Whole:

- Correspondence from Ms. Valerie Payn dated February 12, 2014
- Staff presentation entitled “14/15 Budget Summary” dated April 1, 2014
- Staff recommendation report dated March 14, 2014
- Board of Police Commissioners Report dated March 20, 2014
- Supplementary Staff report dated February 25, 2014
- Staff recommendation report dated March 21, 2014
- Alderney Gate Recapitalization Handout re: the Proposed Project Budget

Mr. Richard Butts, CAO and Mr. Greg Keefe, Chief Financial Officer provided the budget presentation to Council. Mr. Butts highlighted the following details from the 2014-2015 budget:

- Expenditures are under control with business units finding \$11 million in savings.
- Debt is falling, with tax supported debt expected to fall by \$4 million
- Expected surplus of \$6.5 million for the year just ending.
- Expenditure management means no lift on assessments; residential rates will drop 1.5% and overall almost 90% of homes will see no tax increase. Taxes will increase related to growth only.
- Commercial rates will drop 3.8% with almost 60% of business not seeing a tax bill increase.
- Utility and Review Board directed Halifax Regional Water Commission to bill HRM for stormwater management. HRM implemented a \$39 fee per property to recover the costs. HRWC will collect the fee on the water bill.

Mr. Butts continued by outlining the following key deliverables included in the 2014-2015 budget:

- Focus on planning the future transit network.
- Improvements to the road network.
- Implementation of the Regional Plan Review (RP+5).

- Reviewing and implementing recommendations from the Crosswalk Safety Advisory Committee and the Mayor's Roundtable Follow-Up Report.
- Enhanced access to recreation and leisure opportunities.

Mr. Keefe explained to Council the financial condition indicators. He noted that the financial condition indicators are a new review created through work done by Service Nova Scotia and Municipal Relations and Nova Scotia Association of Municipal Administrators. He noted that the figures were in draft form but did show that HRM was in good shape in the majority of categories. He provided the following highlights from the financial condition indicators:

- HRM receives a small amount of transfers from other levels of government.
- HRM does not have trouble collecting taxes.
- HRM tax base is growing.
- No over reliance on residential taxes or single business or institution for taxes.
- Adequate reserves maintained.
- Investment in new capital exceeds depreciation, preventing aging infrastructure.
- Reserves being accumulated to address future capital requirements.

Mr. Butts commented that the budget and the financial condition indicators reveal that Council and staff have managed the finances well. Mr. Butts noted that there was a surplus from the previous year of \$4 million of additional funding which Council decided to spend on the following:

- HRM Branding Project
- Right of Way Waste Water Charge
- Discovery Centre
- Canadian Naval Memorial Trust
- Canadian Red Cross
- eDelivery of Municipal billing
- Kyber Grant
- YMCA Grant

Mr. Butts indicated that the approved programs had reduced the year beginning surplus into a \$1.2 million deficit. He added that there were some savings and increased revenue found and were projecting a year end surplus for 2013-2014 of \$6 million dollars. The snow removal budget was overspent by \$3 million but it was absorbed through the Transportation and Public Works budget. Mr. Butts stated that there would be 30 fewer full time employment positions mostly found in Transportation and Public Works but an increase of 22 positions for Metro Transit; overall the Municipality would be down 8.1 net positions for the year. Total expenses rose from \$824 million to \$844 million dollars representing a 2.5% increase. Expenditures that are able to be controlled have only increased 1.58% and internal services have only increased 1.01% which indicates they have been aggressively managed and significantly reduces the impact on the tax rate.

Mr. Keefe provided the Project budget update which included Council motions and other adjustments as noted through various departments. He noted the following:

- \$140,000 increase for accessibility upgrades at various HRM facilities as requested during Committee of the Whole (COW) on February 12, 2014.
- 5 year, \$50 million Downtown Improvement Campaign; 1/3 cost for HRM is \$3.4 million for 2014/2015 as requested at February 11, 2014 Regional Council meeting.
- \$1 million increase for Street Recapitalization due to a worse than expected ‘pot hole’ season and requested during COW on February 26, 2014.

Mr. Keefe indicated there are a number of upcoming large projects and staff would be looking to Council for a direction and funding strategy for these projects in the upcoming months. He pointed out that Metro Park is now showing a surplus and that is due to the debt owed on it being paid off. He added that it freed up one million dollars that the municipality could consider doing some of these other projects with. He suggested that consideration be given to taking the surplus one million from the Metro Park and putting it into a Downtown reserve. He added that this reserve could be used to fund initiatives such as the “parking strategy” and investments in “Downtown I’m in”.

Mr. Butts concluded the presentation by reiterating the key highlights he provided at the beginning of the presentation and offered to respond to any questions of clarification from members of Council.

Councillor Karsten thanked Mr. Butts and Mr. Keefe for the presentation and opened the floor to questions of clarification from Council.

MOVED by Councillor Walker, seconded by Councillor Nicoll that Committee of the Whole:

- 1. Approve the proposed 2014/2015 Budget as presented, which include the addition of the following funded services and initiatives to the draft budget presented at COW:**
 - a. CAO – \$170K for Pedestrian Safety Action Plan**
 - b. Fire – \$100K for Search and Rescue and JEM (Joint Emergency Management Team)**
 - c. HR - \$180K for two FTE’s for Improvements to Diversity and Inclusion initiatives.**
 - d. Corporate Accounts - \$300K for Interim Professional Arts Organization Grant Program**
 - e. Capital - \$140K additional funds for Assessment of Accessibility Needs**
 - f. Capital – \$1M additional funds for Micros and Thin Overlay projects**
 - g. Capital - \$500K for the redevelopment of 1st Floor Alderney Gate**
- 2. Direct staff to transfer individual budget amounts from the Corporate Services to Business Unit budgets as and when appropriate.**
- 3. Recommend Halifax Regional Council approve the 2014/2015 Project and Operating Budget, including adjustments approved by Committee of the Whole on April 1, 2014 as per Attachment A – “Resolution for Approval of Operating and Project Budget, and Tax Rates for Fiscal 2014/15” including the Advance Project funding detailed in Schedule 1 of the March 14, 2014 staff report.**

Councillor Walker applauded Mr. Butts for including everything that was added during the COW meetings. He added he was pleased to see that 90% of homes would not see a tax increase.

Councillor Whitman requested clarification on the right-of-way charge that is included on the water bill.

Mr. Butts advised that the stormwater right-of-way charge was a charge awarded by the Nova Scotia Utility and Review Board (NSUARB). The NSUARB determined that there should be a fee charged for stormwater that runs off infrastructure into the stormwater system. He noted there would be an ongoing \$3.9 million fee charged yearly to HRM for that runoff water.

Councillor Johns wanted to know if the recommendation to move the surplus from Metro Park to a downtown reserve would be a one-time transfer or on an ongoing basis. He added that he felt that the surplus money from Metro Park should be put on the \$3.9 million stormwater fee. He added that he was uncomfortable having HRM put this fee on the Halifax Water bills.

Mr. Butts advised that the transfer of funds to a downtown reserve was staff's recommendation and Council could decide if they would go forward with that proposal.

Councillor McCluskey was pleased to see that the debt was falling. She wanted to know if there tax rate for the Imperial Oil property would be decreasing. She wanted to know what work would be done for the \$500k in renovations to Alderney Gate. She also wanted to know what the average salary increase was for HRM.

Mr. Butts stated that the \$500k for renovations to Alderney Gate is for a new Council Chamber to host Community Council and other boards and committees and other renovations to first floor to accommodate better access and services. He added that he would have someone discuss the changes being proposed.. Mr. Butts indicated he did not have the exact figures of salary increases across HRM, but most were around 2%. He noted that the salary increases are generally from negotiated collective agreements with police and fire services.

Mr. Keefe advised that the current tax on the Imperial Oil property would continue to go down because of economic obsolescence. He added that he was unaware if Imperial Oil appealed their tax assessment for the current tax year.

In response to Councillor Hendsbee, Mr. Butts advised that three priorities were recognized by Council related to the Build Canada Fund and they were; Water infrastructure, Transportation and Downtown Reinvestment. Mr. Butts stated that the vacant positions for the Municipality are no higher than most normal organizations.

Councillor Hendsbee expressed frustration that there was no strategy brought forward yet on the district recreation facility area rates. He also wanted Council to consider a request of \$140,000 in yearly assistance for Heritage Village in the Eastern Shore.

Mr. Butts advised there is work being done on the area policy rates and they are closely tied to some of the work that Council is currently working on.

Councillor Dalrymple expressed his support of the budget and noted that he was pleased to see a surplus during some difficult economic times. He questioned if there has been any discussions with the Province regarding the seven year Municipal Agreement.

Mr. Butts advised that he was not aware of any negotiations regarding the seven year agreement.

Councillor Karsten advised that the Union of Nova Scotia Municipalities (UNSM) is speaking with the Provincial government on the seven year agreement.

Councillor Dalrymple requested clarification on the one hundred thousand for emergency measures group. He wanted to make sure it was going to be used for capital upgrades for search and rescue groups as per his motion previously passed at COW. He also wanted to know about the \$170,000 for crosswalk communications and if there was possibility some of the money could be allocated for new crosswalk signs.

Mr. Keefe advised that the funding is put in place and would be spent as per the motion that was passed at COW.

Mr. Butts advised that there were two reports that came forward from the Crosswalk Safety Advisory Committee. One was specifically for zebra stripes and the other listed the possible actions to take in the future. The \$170,000 would be allocated based on the recommendations in the report and not necessarily for just communications.

Councillor Mason expressed his support to the budget. He noted he was pleased to see that there was going to be a new ferry for the upcoming year and twenty nine new playgrounds. He requested clarification if the Metro Park surplus would be put in the strategic reserve.

Mr. Butts advised that if Council agreed to put the Metro Park surplus into a strategic reserve, it would be used for parking initiatives and the 'Downtown, I'm in' investment.

Councilor Watts was pleased that this year's budget included a participatory budget process and requested that it be considered in the future. She added that she was encouraged by the changes being made at Metro Transit through the technology road map and hoped it would increase the efficiency and regularity in service and that would transfer into increased ridership. She highlighted the barrier free programs and unstructured play and food security programs which were included in the budget and encouraged staff to continue the work in these areas.

Councilor Mosher stated that she was pleased with the budget and was encouraged by some of the new programs put in place. She noted that the snow removal costs for the past year came in at a lower cost than expected and wondered if homeowners would see a reduced rate in the upcoming year based on the reduced cost.

Mr. Keefe stated that the tax rate would benefit based on overall service costs such as saving in snow removal.

Councilor Mosher questioned what happened to \$150,000 in funding that was earmarked for aesthetic improvements to the Armdale Rotary in 2010.

Mr. Butts replied that he would look into Councillor Mosher's request and see what Council's direction was on the project. He added that if it had been an oversight, staff would come back seeking further direction from Council.

Mayor Savage felt the budget brought forward was a good budget. He felt it was important that HRM was continuing to pay down the debt and managing to produce some small surpluses. He added that it was apparent that staff and Council have been managing the finances well. The Mayor explained that his office also found reductions to his office budget and encouraged all departments to reduce any of the costs that could be managed.

Councilor Craig noted there are two new significant developments on the Old Sackville Road that would be bringing in 250 residential units to the area. He noted there is no bus service in this area and wondered if in the future there would be capacity to accommodate a bus service in the future.

Mr. Butts noted there is no flexibility in the current budget to entertain a new bus service on the Old Sackville Road as the expenditures now match the revenue.

Mr. Keefe explained that the funding model for transit collects two area rates to fund it and it is approximately a 110 million dollar budget. He noted that currently Metro Transit is investing heavily into the technology to help them determine better routes and service.

Deputy Mayor Fisher applauded the budget consultation process. He suggested that the budget going through the COW process has proven to be the most effective way for Council to consider the budget. He added that having the budget done through COW has allowed the budget to be passed sooner than previous years and should help expedite the tender process.

Councilor Outhit advised that he would be supporting the budget. He felt that it was a fair budget to both businesses and residents. He hoped that there would be a continued look at tax incentives for economic development for small businesses and increased density. He requested that there be a continued balance of paying down the debt and also investing in new infrastructure. He added that he hoped that more Standing Committee work would be done with all members of Council present and televised for residents to see.

Councilor Hendsbee requested that services such as Metro X and Metro Link be expanded in areas around HRM. He added that there should be more focus on expanding the infrastructure to support the Metro X and Metro link services such as building more park and ride facilities. He also requested an update on the Ross Road realignment. He further requested to know why there had not been any municipal contributions given to the Destination Eastern Shore and Northumberland Strait Tourism Association (DEANS) and the St. Margaret's Bay Tourism

Development Association. The Councilor also raised concern about the sidewalks in Sheet Harbour which are causing sewage blockages in the area. He also asked that the mileage rates be reviewed as they are far lower than other levels of government. Councilor Hendsbee also wanted to see that the Special Arts Fund be reviewed and decided by Council when it is completed.

Mr. Butts stated that he felt that everything that was requested by Council was included in the budget and invited any Councilor to let him know if there was anything missing and they would do everything they could to accommodate it within the direction provided by Council.

Councilor Dalrymple commented that he wanted to be sure that the review of recreation area rates included; that residents in his area that had recently paid off a recreation center and would not be penalized through this review. He wanted it noted in the review that the community had recently paid off their recreation centre.

Councilor Whitman wanted to know that if the budget was passed if the same level of service from Metro Transit would continue without any improvement. He raised concern that some of the buses deadhead out of Tantallon and have no passengers on board. He further added that there are safety concerns about the standing room only on the Metro Link to Tantallon that travels up a 100 series highway.

Mr. Butts advised that the budget before Council details all the services for the upcoming year. He noted that Council is able to change those expenditures and would need a motion of Council to change them.

Councillor Hendsbee advised there was a motion passed by Council to fund DEANS and he wondered where that report was. He also added that Council had passed a motion to acquire land for the Ross Road realignment and wondered why the realignment was not included in the budget.

Mr. Butts clarified that the motion passed by Council regarding the acquisition of land for the Ross Road realignment was a strategic acquisition for future consideration of the road realignment. He added that he was unsure of the status of the report to fund DEANS but indicated he would provide an update to the Councillor.

The question was now before the Committee.

MOTION PUT AND PASSED UNANIMOUSLY.

Not present: Councillor Rankin.

ii) Board of Police Commissioners Report

MOVED by Councillor Mosher, seconded by Councillor Mason that Halifax Regional Council Approve the Halifax Regional Police 2014-2015 Operating Budget of \$76,320,800.00.

MOTION PUT AND PASSED.

Not present: Councillor Rankin

iii) Low Income Transit Pass Program

MOVED by Councilor Watts, seconded by Councilor Nicoll that the Committee of the Whole recommend that Halifax Regional Council:

- 1. Request that staff prepare a transit fare by-law for Regional Council's considerations; and**
- 2. Approve the low income transit pass pilot program as described in the supplementary staff report dated February 25, 2014, for a maximum of 500 participants whose annual family income falls below the HRM low income indexed value (currently \$31,000) and who are not eligible for transportation reimbursements through other programs, including the Provincial Employment Support and Income Assistance Program, and allow those participants to purchase regular adult Metro Transit passes monthly during the six month pilot program at a 50 % discounted rate and request that the pilot program be implemented pending the adoption of a transit fare by-law as outlined in the discussion section of the supplementary staff report dated February 25, 2014.**

Councillor Walker wanted to know what kind of process would be put into place to implement the program. He stated that he is receiving many calls on the program and felt that the 500 applicant intake would be filled up quickly.

Mr. Traves advised that the process would be outlined in the by-law and would be coming back to Council for approval.

Councilor Hendsbee requested that the pilot program include Metro X and Metro Link passes as they would be beneficial for the rural ridership as they do not have regular bus service in those areas.

Councilor Mason expressed support for the program as it would generate new ridership and help expand the service.

Mayor Savage also expressed his support for the program but noted that there is a lot of confusion as to what the program was going to achieve. He added that it would be important to

bring it back for additional information to come back so that Council could implement the program in the most effective manner.

MOVED by Councillor Whitman, seconded by Councillor Dalrymple that the programs include all Metro Transit services, including Metro Link, Metro X passes, in the pilot program.

Councillor Whitman suggested that residents in rural areas might be encouraged to use the bus service if the passes were more affordable.

Mr. Eddie Robar, Director Metro Transit explained that the criteria for the program were based on national programs that currently exist. He noted that there was nothing to prevent Council from adding the other specialty services provided by Metro Transit but the discounts would be deeper on those specialty services.

Councillor Walker expressed concern about getting more applications than the pilot program would be limited to.

Councillor Dalrymple advised that he could only support the program as long as it was inclusive of all riders and programs and areas of HRM.

Councillor Watts questioned if the amendment would require an additional staff report with the inclusion of more programs. She noted that she could not support the amendment if it would slow down the implementation of the pilot program.

Mr. Robar advised that it would not require an additional staff report to move forward with the pilot program and include the additional services.

Councillor Whitman stated that it would be great if the pilot exceeded expectation and it would increase ridership.

The amendment was now before the Committee. **MOTION PUT AND PASSED.**

Not present: Councillor Rankin.

The amended motion as follows was now before the Committee:

MOVED by Councilor Watts, seconded by Councilor Nicoll that the Committee of the Whole recommend that Halifax Regional Council:

- 1. Request that staff prepare a transit fare by-law for Regional Council's considerations; and**
- 2. Approve the low income transit pass pilot program as described in the supplementary staff report dated February 25, 2014, for a maximum of 500 participants whose annual family income falls below the HRM low income indexed**

value (currently \$31,000) and who are not eligible for transportation reimbursements through other programs, including the Provincial Employment Support and Income Assistance Program, and allow those participants to purchase passes include all Metro Transit services, including Metro Link, Metro X passes during the six month pilot program at a 50 % discounted rate and request that the pilot program be implemented pending the adoption of a transit fare by-law as outlined in the discussion section of the supplementary staff report dated February 25, 2014.

MOTION PUT AND PASSED.

Not present: Councillor Rankin.

3.4 Bike Lane Maintenance – Implications of Increased Year Round Maintenance in HRM

MOVED by Councillor Watts, seconded by Councillor Mason, that Halifax Regional Council:

- 1. Approve the maintenance improvements to bike lanes as outlined in the discussion section of this report.**
- 2. Refer any further considerations to bike lane facility maintenance improvements to the five year review of the Active Transportation Plan.**

Councillor McCluskey stated she was in favour of improving bike lanes but expressed frustration that there was not consideration of other forms of active transportation such as motorized scooters, wheel chairs and walkers.

Mr. Butts advised the reason it was not included as it was not part of the original request. He noted that additional funding was included for diversity and inclusion and hoped that investment would begin to address the issues raised by Councillor McCluskey.

MOTION PUT AND PASSED UNANIMOUSLY.

Not present: Councillor Rankin.

4. Public Comments

Mr. Phil Pacey felt that the Khyber building assessment should be extended to include funding so that work could be done in the building in the current year. He added that he would like to see work be completed on the heritage conservation districts. He also requested that the reserve fund Q326 should be dropped from the operating budget as he did not feel it was useful use of funds.

Mr. Tim Rissesco, from the Downtown Dartmouth Business Commission advised that they were pleased to see the emphasis in the budget for the downtown area. He advised Council that they are working on a Wi-Fi project for the downtown Dartmouth waterfront. He noted that there is a

cost of about \$180,000 cost to implement. He explained it would be a strategic investment that would encourage visitors to spend time in the downtown Dartmouth area. He requested that Council consider making a contribution to the Wi-Fi project.

Mr. Kevin Lacey advised that he was supportive of the budget. He felt that Council was underselling how good the budget was for the current year if they considered inflation.

5. ADJOURNMENT

The meeting was adjourned at 12:15 p.m.

Cathy J. Mellett
Municipal Clerk