

HALIFAX REGIONAL MUNICIPALITY

**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
1996/97 OPERATING BUDGET SESSION
AUGUST 21, 1996**

PRESENT:

Mayor Walter Fitzgerald
Deputy Mayor Jack Greenough
Councillors: Bill Dooks
Gordon Snow
David Hendsbee
Ron Cooper
Harry McInroy
Condo Sarto
Clint Schofield
John Cunningham
Jerry Blumenthal
Graham L. Downey
Larry Uteck
Howard Epstein
Russell Walker
Ron Hanson
Barry Barnet
Bob Harvey
Peter Kelly
Reg Rankin
Jack Mitchell

ABSENT:

Councillors: Stephen Adams
Bruce Hetherington
Bill Stone

STAFF MEMBERS:

Mr. Ken Meech, Chief Administrative Officer
Mr. Larry Corrigan, Commissioner, Corporate Services
Mr. Wayne Anstey, Municipal Solicitor
Ms. Jane Nauss, Acting Municipal Clerk

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1. Tabling of 1996/97 Operating Budget

1. **TABLING - 1996/97 OPERATING BUDGET**

Mayor Fitzgerald opened the Session at 2 p.m.

Mr. Ken Meech, Chief Administrative Officer, advised he was pleased to table this 1996/97 Operating Budget and that key issues will be reviewed by staff.

At the request of Mayor Fitzgerald, Mr. Larry Corrigan, Commissioner of Corporate Services, referenced a Budget Summary and Working Papers which had been distributed.

Through the use of overheads, Mr. Corrigan stated that staff was presenting a balanced gross Operating Budget for 1996/97 in the amount of \$414,722. The purpose of today's meeting was to provide an overview of the proposed Operating Budget and that Commissioners and their staff will be available over the next two weeks to respond to specific questions.

Mr. Corrigan reviewed how the Revenue and Expenditures budgets were comprised:

REVENUE

- Taxes - 72.6%
- Grants in Lieu - 5.2%;
- Revenue from Own Sources - 19.3%
- Unconditional Transfers - 1.5%
- Conditional Transfers from Other Governments - 1.5%.

EXPENDITURES

- Office of the Chief Administrative Officer - 0.8%
- Corporate Services - 4.0%;
- Policy & Planning -0.3%
- Regional Operations - 27.2%;
- Police Services - 10.5%;
- Fire Services - 6.8%
- Community Services - 11.0%
- General Services- 1.0%
- Fiscal Services - 38.4%.

Major Policy matters which must be addressed include:

- Deficit of Predecessor Municipalities

Predecessor units ended operations with a combined net deficit totalling \$2,987,000

- Area Rate Surplus
The budget contains additional revenue from core area surplus accounts.
- Area Rates
This includes area rate revenue on the same basis as last year and is considered a general revenue as it is not associated with specific projects nor districts.
- Dividend from Regional Water Utility
The budget includes a \$2 million dividend from the Water Utility which is consistent with last year's budgets.
- Regional School Board
It is proposed to reduce the optional allocation to the School Board by 10%. The mandatory amount has been increased by the Province.
- Environmental Control Charge (ECC)
It is proposed to introduce an ECC to be identified on the tax bill. Further, it is proposed that an ECC be added to offset storm and waste water expenditures to be identified on the water bill.
- Capital from Operating
It is proposed to reduce the amount of operating funds allocated to capital projects this year, by \$2.8 million.
- Use of Reserves
The budget contains \$1.7 million revenue from Reserve Funds.

MOVED by Deputy Mayor Greenough and Councillor Sarto to table the 1996/97 Operating Budget.

A brief discussion ensued on the 10 year amortization of transitional costs (\$25 million) and if the Province will accept the required amendment to Bill 3.

In response to an enquiry from Councillor Epstein, Mr. Larry Corrigan advised that the Chief Administrative Officer has set out a three year budget plan in his opening statement included in the draft Operating Budget. Further, next year, the Operating Budget is to be approved by the commencement of the fiscal year.

In response to a statement made by Deputy Mayor Greenough, Mr. Corrigan advised there were significant cost increases to the unit that had nothing to do with amalgamation i.e. a \$3.2 million surplus was not available this year and interest rates are down.

A brief discussion ensued on the benefits and costs of amalgamation. Further, it was suggested that the true costs of amalgamation may never be known.

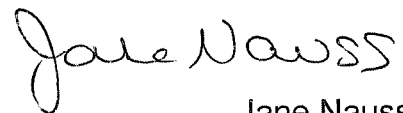
Councillor Barnet felt this budget does not provide a spirit of harmony and fairness as it is based on last year's tax rate. He look forward, however, to next year's budget and anticipates a tax rate that is fair for each district.

A brief discussion ensued on possible salary adjustments. It was noted that adjustments would be made in the budget if it was determined there were major changes in the scope of duties.

Mayor Fitzgerald expressed his appreciation to staff on a job well done in preparing this draft document.

MOTION PUT AND PASSED UNANIMOUSLY.

MOVED by Deputy Mayor Greenough and Councillor Sarto to adjourn the meeting at 4:00 p.m. MOTION PUT AND PASSED UNANIMOUSLY.



Jane Nauss
Acting Municipal Clerk