

HALIFAX REGIONAL MUNICIPALITY

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HALIFAX REGIONAL COUNCIL  
COMMITTEE OF THE WHOLE  
APRIL 20, 1998

PRESENT

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

REGRETS

Councillor Russell Walker

STAFF MEMBERS

Mr. Ken Meech, Chief Administrative Officer  
Mr. George McLellan, Deputy Administrative Officer  
Mr. Ron Singer, Director of Finance  
Mr. Bruce Fisher, Budget Co-ordinator  
Ms. Jane Nauss, Assistant Municipal Clerk

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Mayor Fitzgerald called the meeting to order at 10:00 a.m.

**1. CONTINUATION OF 1998/99 OPERATING AND CAPITAL BUDGET DELIBERATIONS**

**1.1 School Board Supplementary Funding**

- C Copies of information entitled "1997-98 Operating and Capital Budget - Supplementary Funding Summary" were distributed to Council.

Members of the Halifax Regional School Board in attendance were Mr. David Gray - Director of Finance, and Ms. Geraldine MacSween - Co-ordinator, Operations and School Improvement.

Mr. Ken Meech, Chief Administrative Officer, introduced Mr. David Gray, Director of Finance, Halifax Regional School Board, who would be addressing Council on the issue of Supplementary Funding.

Mr. David Gray, offering Dr. Don Trider's (CEO) regrets advised that although no formal presentation would be made today, reference would be made to the information that had been distributed. It was noted that HRM's total supplementary funding contribution equates to \$16,942,000 (Halifax - \$11.8 million; Dartmouth \$5.1 million).

Mr. Gray referenced the fact that the information distributed was for the previous year. The 1998/99 information, therefore, will change from this document. An example of changes include the following:

- / Page 2 - Primary Day (April - December) - the costs indicated are for a full day primary in Halifax (\$683,000) and Dartmouth (\$544,000). In January, 1998, however, the Board moved to a full day Primary across the region, therefore, no Supplementary Funding dollars will be allocated to Primary Day as every student will have this service. This means approximately \$1.2 million will be freed up for other purposes in the 1998/99 fiscal year.

Reference was made to the Property Service figure - Building Maintenance/Capital - (Halifax - \$3,452,000; Dartmouth \$1,541,000) which equates to approximately \$5 million allocated to Supplementary Funding. This is due to the difference in the per square foot per pupil cost, for property service in Halifax and Dartmouth (approx. \$5/sq. ft. in Halifax and Dartmouth, with \$4/sq. ft being the provincial average).

In reviewing the age of the buildings in the former Cities, as compared to the rest of the Province, and compared to the former Halifax County, it was determined there are older

buildings in the former Cities requiring substantially more repair and maintenance. These two factors create the earmarking of \$5 million for Property Services from Supplementary Funding.

It was suggested these numbers will decrease in 1998/99 as the Board was moving towards a common Collective Agreement for Maintenance and Custodial Personnel. Therefore, wage rate differential will not be realized. Further, the dollar amount addressing the 'age of building' factor will be included in the Supplementary Funding, however, this figure is not known at this point in time.

In closing, Mr. Gray advised the Board appreciates the Supplementary Funding as without the allocation of approximately \$17 million, the Board would be in dire straits. Mr. Gray advised the Board would like to see the allocation increased, or at least maintained, at the current level.

Councillor Blumenthal expressed concern noting that Supplementary Funding should not be paying for building maintenance and that the funds should be applied to programs. Further, the Province, through Mandatory Funding, should be responsible for building maintenance.

Mayor Fitzgerald reiterated Councillor Blumenthal's comments. In response to Mayor Fitzgerald's enquiry as to what was spent on Property Services other than the \$3,452,000 spent in Halifax, Mr. Gray advised that the total property services expenditure across the region is approximately \$29 million (for all three former boards). This includes custodial and maintenance. Further, Mr. Gray advised the \$5 million is over and above the provincial averages for property services, based on sq.ft per pupil. Should there be no amount included for property services, in Supplementary Funding, those dollars would be pushed down to the regional base, which would result in fewer teachers in the Regional Staffing Formula.

Councillor Blumenthal suggested as all schools are now operating under the site based management process, perhaps Council should take the opportunity to divide the Supplementary Funding amongst the schools for additional programs. The Councillor stated if the funds keep going towards maintenance, he will ask for a 10 percent reduction.

Councillor Schofield expressed concern with the Supplementary Funding process noting the municipality should approach the Province to amend the legislation.

Councillor Schofield referenced Shannon Park School noting there is a proposal that Bedford students may be bussed to this school. In response to his enquiry as to how much funding from DND is available for this school, Mr. Gray advised that the Board pays rent of approximately \$100,000/yr to DND for a portion of the school (20 classes belong to DND and 18 belong to the Board). Further, DND covers their own operating costs while the

Board covers its own operating costs.

Ms. Geraldine MacSween, Co-ordinator, Operations and School Improvement, advised there is room for additional students in this school. A review committee in Bedford has determined this is one option in dealing with the overcrowding in Bedford.

Councillor Schofield advised that playgrounds outside of the buildings are not being maintained in District 9 and suggested the municipality take responsibility for maintenance of buildings and playgrounds.

Councillor Adams suggested that programs and staff always seem to be threatened, but not structure nor maintenance.

Councillor Adams further stated the municipality should take control of Supplementary Funding and administer same. The Councillor agreed Supplementary Funding should be reduced if not used for education purposes. Further, the Councillor suggested an area rate be implemented for Halifax and Dartmouth to ensure this money is used appropriately.

Mayor Fitzgerald suggested the Supplementary Funding should be reduced by 10 percent per year.

Councillor Greenough stressed that this issue needs to be analysed further. The Councillor enquired on the following questions, with Mr. Gray providing responses:

C Out of the General Formula, how much is being allowed for maintenance in Halifax and Dartmouth?

Mr. Gray - \$4 per sq ft. - the General Formula includes Property Services; there is no separate amount for same within the General Formula.

C If you say there is 'x' number of square feet in total, for the school buildings in Halifax and Dartmouth, and that number is multiplied by \$4 per sq ft - that would equate to the amount that would be presumably provided in the General Formula to maintain and operate those buildings. What would that figure be?

Mr. Gray - \$28 million is spent region wide on Property Services minus \$5 million in Supplementary Funding. This equates to \$23 million provided by the General Formula, across the entire region.

C In the General Formula there was \$28 million provided for property maintenance. \$5 million is then taken out which now equates to \$23 million. What does the General Formula provide for?

Mr. Gray - the general formula provides for \$23 million, and Supplementary Funding provides \$5 million which equates to \$28 million in total.

- C How much is provided in the General Formula for building maintenance and operations? If it is \$23 million, then it is obviously not enough. Has \$28 million actual been spent on property maintenance?

Mr. Gray - yes.

- C If the additional \$5 million had not been taken from Supplementary Funding, there would have been less maintenance and repair of the buildings.

Mr. Gray - it is more likely that \$5 million will be taken out of the classroom in terms of classroom teachers and support personnel.

- C If the \$5 million spent from the Supplementary Funding from Halifax and Dartmouth permitted a reduction in the maintenance and repairs from the General Formula, that would have been applied to the Dartmouth schools. This means that Supplementary Funding being paid for in Halifax and Dartmouth is being utilized for the rest of the region, where no Supplementary Funding is being raised.

In other words, if the Supplementary Funding is being used to subsidize educational programs in the rest of the region, this is unfair as the monies were raised in Halifax and Dartmouth - to be used for educational programs in those areas.

Councillor Epstein arrived - \$10:40 a.m.

Mr. Gray - in 1997/98, the \$5 million is being spent on higher salaries in Halifax and Dartmouth for maintenance personnel, and also to repair older buildings.

- C If there is a general formula that applies to a certain level of maintenance and operating of buildings, and if that amount is not sufficient, due to the fact that the General Formula does not provide sufficient funds, then it would appear there is a problem with the General Formula. The supplementary portion, as paid for by Halifax and Dartmouth, should be used for this purpose. Maintenance, repair and operating costs of buildings is a Provincial jurisdiction. The municipality should not be the source of funding which takes on Provincial responsibilities.

Concern was also raised with HRM cutting back the Funding by 10% as Dr. Trider had previously mentioned this would result in the reduction of 135 teaching positions.

To clarify, Mayor Fitzgerald advised the Board is supplementing the money they are

getting from the Province with \$5 million raised in Halifax and Dartmouth, and using it across the region.

Councillor Hendsbee suggested that the Supplementary Funding process needs to be restructured and agreed there should be an amendment made to the Legislation. The Councillor suggested there was a need to obtain the ability to remove Supplementary Funding in its entirety and offer monies across the board.

Mayor Fitzgerald suggested this is an issue that should be voted upon by the Halifax and Dartmouth Councillors only.

Deputy Mayor Rankin assumed the Chair - 10:50 a.m.

Councillor Sarto advised he could support funding for capital improvements for school grounds.

Councillor Uteck referenced the fact that the Board was lenient on the closing of schools in Halifax and enquired as to how this impacted on this budget i.e. teacher/student ratio, as well as special need areas (taking into account the inefficiencies that may have resulted from not closing schools or making allowances for leaving schools open).

In response, Mr. Gray advised he would get back to the Councillor with responses to his questions.

Councillor Stone advised that education was a Provincial responsibility. Further, he was not interested in the municipality taking over school buildings or playgrounds. The Councillor expressed concern with the fact that the information distributed was last year's report. In response, Mr. Gray advised there is a need to have the Regional Staffing Formula completed prior to providing a 1998/99 document.

Councillor Stone referenced Primary day noting the afternoon portion of primary day was taken out of Supplementary Funding. Further, the Councillor requested confirmation if part way through the year, a full primary day became a regional service. In response, Mr. Gray advised in the affirmative. In response to a further enquiry from Councillor Stone as to what has happened to those respective funds, Mr. Gray advised that the remainder of the year is distributed across the list (\$450,000). Further, it has not been decided upon as yet, if Primary day will be a whole day this year.

Councillor Stone enquired as to what high-school staffing pertained to.

In response, Ms. Geraldine MacSween advised the Board looked at fifteen high schools across the area, regarding staffing requirements, for this school year. It was the wish of the board to staff them in accordance with the same staffing parameters. When the level of

staffing was assessed, the PTR in the Halifax schools, as compared to the other schools, was much higher, meaning there were more teachers per enrollment base. Therefore, it was determined to provide staffing based on the same parameter. The difference between what level of staffing there was through the Regional Staffing allocation and what was available before, was a difference of 12 positions. Therefore, Halifax schools will still require the 12 positions if they want to be at the level of service they were at the time of amalgamation.

In response to an enquiry from Councillor Stone if there are reductions in high-school staffing, will they come out of the Supplementary Funding or General Staffing, Ms. MacSween advised they will come out of the General Staffing.

Councillor Stone enquired on vice-principals time in high needs schools.

Ms. MacSween advised this is a recognition of a level of service. Coming into amalgamation, elementary schools in Halifax had a high level of vice-principal time allocated as compared to schools across the region. In the Regional Staffing allocation, there were few elementary schools other than those with a very large size enrollment that got recognized with vice-principal time.

To give Halifax schools a level of service that was at least similar to a portion of what they had before, there was vice-principal time for high need schools taken out of supplementary dollars. That did not include large elementary schools but at the present time, an elementary school has to have an enrollment of 500 plus to get any recognized vice-principal time. There was only one school in Halifax City that qualified (Burton Ettinger).

In response to another enquiry from Councillor Stone as to what the funds allotted to Dartmouth schools was used for, Ms. MacSween advised the funds were used for training for peer support programs, additional computers and software, development of clubs and leadership in schools, schools naturalization projects, curriculum resources, student conferences, enhanced music programs and learning resources, extra educational trips.

Councillor Stone suggested that an opportunity be provided out of the Supplementary Funding in general, to do the same thing with the Halifax schools as they do not feel they are getting any benefits out of the Supplementary Funding.

Councillor Stone enquired if it is decided to reduce this supplementary what would the impact be, Mr. Gray advised that whatever is removed from the \$5 million will come out of the classroom or other program, across the entire system.

In response to a further enquiry from Councillor Stone if the property management supplementary funding is supplementing the whole system, Mr. Gray advised in the negative. The property services supplementary funding is meant to reflect the true costs of



property services in the former Halifax and Dartmouth areas. If that is eliminated, that money will be paid out of the Regional Staffing Formula so that class sizes will increase across the region.

To clarify, Councillor Stone stated that it would appear the supplementary funding for maintenance or primary education goes in the pot and is then reallocated. The Councillor enquired as to what the amount would be that is no longer required. It was suggested this may provide an opportunity to reallocate those funds.

In response, Mr. Gray advised if a full day Primary is included across the region for a full year, than \$1.2 million would go down to the Regional Staffing Formula as a cost, due to the fact that everyone is receiving the full day primary. This frees up \$1.2 million in Supplementary Funding.

In response, Councillor Stone suggested the \$1.2 million would be almost 10 percent, if not reallocated. Mr. Gray advised that the cost is still there and the Board must pay for those costs in the Regional Staffing Formula.

Councillor Stone suggested these funds are now not part of the Supplementary Funding. However, the Board appears to be automatically assuming those funds will stay there and making decisions as to where those funds should be allocated. The Councillor stated that Council should know where the funds are being allocated.

Mr. Gray stated that whatever is moved down to the Regional Staffing Base can be replaced with Supplementary Funding dollars. Mr. Gray enquired if the Councillor wishes to review the list.

In response, Councillor Stone advised in the affirmative noting he wants to be apprised of which programs are being funded; further, he enquired on what was considered a fair allocation of that funding across Halifax, Dartmouth and the entire region.

Councillor Cunningham suggested the Board Chair address Council prior to a decision being made.

Councillor Barnet suggested that elected Board representatives should be part of this discussion. Further, the Councillor referenced the area rate system noting how well the process worked.

Councillor Barnet also referenced the fact that the Board will no longer be funding \$100,000 towards school ground maintenance in the former County of Halifax, noting this will affect the Operating Budget.

In response, Mr. Gray advised he will determine these details and get back to Council.

Councillor Cooper suggested the Board request the Province for additional funds for programs, and that perhaps the municipality should take over buildings and fields for community uses.

Councillor Greenough stated that last year, Council indicated it would provide the same level of funding. If the Education Rate stays at 39 cents, additional education dollars for the school board will be generated. The Councillor suggested, therefore, that Council now needs to determine whether it is going to give the same level of funding as last year. The problem is that there has been a loss of education funding dollars in the Bedford and County areas due to loss of area rates.

In order to make this work, this needs to be applied across the region. Council should look to the province to have them level the field. Reference was made to Provincial funding being 87 percent at one time, now it is 83 percent. The Province has a responsibility to make a 90 percent - 10 percent split - and that this would solve the problem.

Mayor Fitzgerald advised this was the desire of the UNSM.

Mr. Gray advised that elected School Board members were not invited today as the Board was under the impression this was strictly an information session.

Mayor Fitzgerald thanked Mr. Gray and Ms. MacSween for their presentation.

## **RECESS**

Following a break at 12 Noon, the meeting resumed at 1:00 p.m. with the following Members in attendance: Mayor Fitzgerald, Deputy Mayor Rankin and Councillors Dooks, Snow, Hendsbee, Cooper, McInroy, Greenough, Sarto, Hetherington, Schofield, Cunningham, Blumenthal, Downey, Uteck, Stone, Hanson, Adams, Barnet, Harvey, Kelly and Mitchell.

Absent with regrets were Councillors Walker and Epstein.

## **1.2 Continuation of Operating & Capital Budget Review**

Mr. George McLellan, Deputy Chief Administrative Officer, addressed Council, referencing tax rate change (increase) scenarios (1.5 percent, 2.0 percent, and 2.5 percent); the information which had been distributed.

The impact from the three scenarios on a \$100,000 home would be as follows:

Percentage Inc.	Urban	Suburban	Rural
1.5	\$21	\$19	\$15
2.0	\$27	\$25	\$21
2.5	\$34	\$31	\$26

It was initially projected there would be a deficit of \$12 million for the past fiscal year. Based on assumptions, however, the deficit is now being determined at \$7.7 million.

**MOVED by Councillor Adams that the tax rate be set with a 2.5 percent increase; further, that \$25 be collected from each household thereby representing \$2.5 million to be applied to the Reserves.**

**As there was no Secunder, the Motion was lost.**

In response to an enquiry from Councillor Barnet if this budget assumes no sidewalk snow removal in the former Cities of Dartmouth and Halifax, Mr. George McLellan advised in the affirmative.

In response to a further enquiry from Councillor Barnet on service levels (i.e. street sweeping every seven days), and if these types of issues have been addressed by staff, Mr. McLellan advised that service levels / standards, will be dealt with through the Activity-Based Costing process.

Councillor Hendsbee took his place at the meeting at 1:15 p.m.

Councillor Barnet suggested he was prepared to work towards a zero percent increase, although he realized this may not be achievable.

Councillor Greenough requested confirmation that the municipality was to receive \$5 million (for each year over the next three year period) in Provincial funding for transition costs. In response, Mr. Ken Meech, Chief Administrative Officer, advised it was not to be assumed those funds would be available for operational purposes. Rather, the funds *must* be earmarked for capital purposes.

Councillor Greenough suggested that although initially, it would appear one option would be to use the funds to cover some of the Capital out of Operating (therefore, reducing the Operating Budget), it would appear this is not the case. In response, Mr. Meech advised that the Capital from Revenue had been reduced to a degree, accordingly, staff was now attempting to re-instate a portion of those funds.

Mr. McLellan, to clarify, reiterated the fact that the anticipated \$5 million from the Province, would probably be targeted for capital purposes. Further, if it is assumed the \$5 million is operating money, and if the municipality eventually does *not* receive it, there could be a potential deficit going into the 1999/2000 budget year. It would be wiser, therefore, to consider the \$5 million as Capital. Also, if any portion of the funds are not received, the Capital Budget would be affected as opposed to the Operating.

Mr. Ken Meech clarified the discussion referencing Decrease to Capital Operating as noted in the overheads, noting the original figure was \$6.2 million and reduced by \$4.6 million to \$1.6 million. Therefore, the \$5 million would *basically* replenish the \$4.6 million. Also, it was noted that a 1.5 percent increase across the board, would provide the required revenues to balance the budget.

Mr. McLellan stressed that a 1.5 percent increase would not establish any Reserves. Reference was made to the Valuation Reserve, noting approximately \$15 million has been set aside, although there should be \$20. Mr. Ken Meech further elaborated by stating that HRM could work towards building the Reserves by making larger contributions (Capital from Revenue).

Councillor Greenough referenced the fact that the municipality was receiving 15 percent in recoveries on Social Services this year, 20 percent next year and a higher percentage the year following. This provides additional dollars for HRM. With the \$5 million anticipated for this year and the following two years from the Province, the Councillor suggested the tax payer may be taxed for monies that are not actually going to be required.

**MOVED by Councillors Kelly and Mitchell that it be recommended to Council that the General Rates of Taxation for the year 1998/99 be increased by 1.5 percent:**

Urban	1.400
Suburban	1.251
Rural	1.040;

**Further, that area rates be considered at a later date.**

In response to an enquiry from Councillor Kelly as to when sidewalks and transit will be addressed and if they will affect this budget, Mr. McLellan advised that should Council wish to decouple the sidewalk issue from the Operating Budget discussions, staff is prepared to discuss same at a subsequent meeting. Further, if the boundaries change, there would be no impact on the Budget, however, sidewalk snow removal may affect the Budget (but not directly), as an area rate would more than likely be involved.

Mr. McLellan further advised should Council require information on the impact to the

Budget should there be boundary changes, then Councillors should discuss same with staff.

Councillor Schofield took his place at the meeting (1:40 p.m.).

Councillor Kelly enquired if street lights were factored into this document at this prescribed rate. Mr. McLellan advised the budget reflects discussions to date. Councillor Kelly suggested there had been a discussion on whether there should be some "grand fathering." The Councillor enquired if this would have any impact on the budget. In response, Mr. McLellan advised that staff was looking at "grand fathering" outside of the condominium issue.

Councillor Blumenthal requested information on establishing a full working night shift (doing exact work as that done during day time hours), rather than paying overtime. Further, the Councillor enquired if it was less expensive to provide services through contracting out as opposed to doing so in-house.

Councillor Hanson took his place at the meeting (1:45 p.m.).

Deputy Mayor Rankin assumed the Chair (1:55 p.m.).

Councillor Hendsbee advised that the Councillors who comprise the Marine Drive Community Council agree with a 1.5 percent increase. Further, the Councillor expressed that residents in his area may be contributing to a service(s) but not benefitting from same (reference was made to the Argyle Street to Sackville/Prince Combined Sewer System - \$100,000 project). The Councillor suggested this does not fit into the philosophy of the tax structure and requested information as to where the funds for projects such as these are retrieved.

Councillor Cooper referenced sidewalk snow clearing costs and enquired if staff has determined the cost to contract out this service, region wide. In response, Mr. McLellan advised this information could be provided on a pro forma basis.

Mr. Ken Meech, in addressing the sidewalk issue, suggested those Councillors who would be affected, along with Regional Operations staff, form a Committee to examine this matter further. Councillor Cooper advised of his interest in participating on this Committee.

Mayor Fitzgerald assumed the Chair (2:15 p.m.).

Deputy Mayor Rankin referenced private road snow removal, anticipating a staff report resolving the issue, now that the Province will no longer be involved. In response, Mr. McLellan advised the staff report should be before Council within the next few months

addressing how this issue will be handled in the future. Deputy Mayor Rankin requested the staff report include a listing of alternative solutions to the problem.

Deputy Mayor Rankin also referenced street lights noting there should be a standard set for private roads.

In response to a comment from Councillor Greenough that a 1.5 percent increase provides \$15 million for the Valuation Allowance, Mr. McLellan advised *the Municipal Accounting Manual requires HRM to carry, at all times, an amount, based on a certain percentage, to offset bad debt. Accordingly, this percentage equates to \$20 million, not \$15 million. To clarify further, Mr. Ken Meech stressed that the \$15 million figure is not included in budget; rather this is an allowance for outstanding taxes as of March 31, 1998.*

Councillor Greenough advised he could support the Motion on the floor, but that he would like to have a continuous review of expenditures.

Councillor Adams advised he could not support the Motion on the floor.

Councillor Kelly referenced the decrease to the snow and ice operation budget, enquiring if this was based on past trends. Mr. McLellan advised the budget was adjusted by \$1 million. It is staff's intent to create another Reserve - a three-year rolling average. This Reserve will not get bigger than 10 percent of the total snow operation. Therefore, if there are unfortunate circumstances, in order to avoid a deficit, funds can be withdrawn from the Reserve. Mr. McLellan advised that staff will report back to Council on this issue.

In addressing the decrease to the snow and ice budget, Mr. McLellan advised that discussions with the outside workers' union are taking place. This involves leaving the snow and ice operation separate from the other collective bargaining discussions with the intention being of working with the union. They have a number of good suggestions to enhance operational efficiency without actually reducing services.

Councillor Hendsbee enquired if Council supports the 1.5 percent increase, does this mean Council is approving the Operating and Capital Budgets. Further, Councillor Hendsbee enquired on the possibility of a re-allocation within the Operating Budget (referenced the RDA).

In response, Mr. Ken Meech advised the 1.5 percent increase, if approved, would also include approval of the Operating Budget. However, if Council wishes to reallocate dollars within the Budget, Council, by majority vote, has the power to do so.

Councillor Stone requested information on sidewalks by district / area / urban / suburban / rural. Further, the Councillor suggested a compromise is a 1.5 percent increase.

A vote on the Main Motion took place. **MOTION PUT AND PASSED.**

It was agreed this Motion will be brought forward to the April 28 Regular Session of Council, for ratification. Further, a Capital Budget meeting is to be scheduled at a later date.

**2.           ADJOURNMENT**

**MOVED by Councillors Blumenthal and Hetherington to adjourn the meeting at 3:05 p.m. MOTION PUT AND PASSED UNANIMOUSLY.**

Jane Nauss  
ASSISTANT MUNICIPAL CLERK