

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
1996/97 OPERATING BUDGET SESSION
August 29, 1996

PRESENT:

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

ABSENT:

Councillors Ron Cooper
Harry McInroy
Bruce Hetherington
Larry Uteck
Bill Stone
Stephen Adams

STAFF MEMBERS:

Mr. Ken Meech, Chief Administrative Officer
Ms. Kim Hominchuk, Executive Assistant
Mr. Lew Rogers, Director, Tourism
Mr. Larry Clare, EMO Coordinator
Ms. Jane Nauss, Acting Municipal Clerk
Ms. Patti Halliday, Assistant Municipal Clerk

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CHIEF ADMINISTRATIVE OFFICER

Copies of the slide presentation for the CAO 1996/97 Proposed Operating Budget were circulated to the Committee.

Mr. Ken Meech, Chief Administrative Officer, opened the meeting by introducing staff members present for the CAO Operating Budget presentation. He noted Mr. Tom Rath was unable to attend the meeting due to prior commitments, but at some future point he can meet with Council to address the Business Parks issue. For today, Ms. Hominchuk will review the Business Parks section of the budget.

In response to concerns expressed by Councillor Blumenthal regarding Economic Marketing/Promotion, Mr. Meech replied there was a presentation made earlier in the year where Council formally agreed to make a contribution of \$900,000 to the Greater Halifax Economic Development Partnership (GHEDP) for this fiscal year. There was also a commitment to the Regional Development Agency (RDA) for \$275,000. Mr. Meech agreed to arrange for representatives of these agencies to come before Council sometime in September to discuss the benefit of their activities and where their resources are being allocated.

Ms. Hominchuk gave an overview of the CAO Department and its 1996/97 Proposed Operating Budget for Administration, Communications, GHEDP, RDA and Business Parks. She noted a couple of errors in the Working Papers document. The total staff complement for the CAO's office should read four and not seven. Under the Communications section, the total staff complement should read one and not two.

Mr. Larry Clare, EMO Coordinator, reviewed the section of the budget dealing with Emergency Measures, and Mr. Lew Rogers, Director, Tourism, reviewed the Tourism section.

Councillor Kelly expressed concern with the amounts allocated for travel and for consulting fees. Ms. Hominchuk replied some of the money dedicated for consulting fees has been spent. Although, she did not have the exact figures, she agreed to provide that information to Councillor Kelly. Mr. Meech added he has staff working on developing a performance measurement system, and there may be the occasional need for outside consulting services. In response to Councillor Kelly's suggestion of using Policy and Planning staff, Mr. Meech replied they plan to utilize the Policy and Planning Department, but there may be instances where the HRM could benefit from an outside independent consultant.

Councillor Rankin stated standards of service have to be revisited and there has to be amendments to the status quo to suit all the taxpayers of the Halifax Regional Municipality.

In response to a question from Councillor Hendsbee asking if RDA funding is transferred directly to them or drawn upon in quarterly statements, Mr. Meech replied he believes the dollars are transferred but will check on this. With regards to Councillor Hendsbee's suggestion of transferring money from the GHEDP to the RDA, Mr. Meech suggested this could be discussed when the two organizations make their presentations.

With regards to municipal assistance provided to tourism associations, Mr. Rogers stated this is something the associations and the HRM have been working on, and a report will be forthcoming in the next couple of weeks.

In response to a question from Councillor Cunningham regarding the comparison of savings projections made by Mr. Hayward for the CAO's Office and the actual savings, Mr. Meech replied he did not have this information with him but will provide same.

Deputy Mayor Greenough stated the reductions he was looking forward to have not been given in the overall budget. In the CAO's Department, he felt there should have been more significant and greater savings going from four departments to one. Mr. Meech replied what is included in the scope of this department is different than what they would have seen in Mr. Hayward's report. Tourism, EMO and the grants to GHEDP and RDA would not have been included.

Councillor Snow stated he would like to see more emphasis in the budget on areas other than Halifax, particularly in Tourism.

Councillor Sarto stated he would like to see the Dartmouth Visitors & Convention Bureau revisited for increased funding. He would also like to see a performance measurement report of its activities to enable the Committee to see the benefit of this operation.

Councillor Epstein inquired about pre and post amalgamation salaries asking what is the appropriate format for Council to be involved in the issue of non union personnel terms of employment. He asked the CAO for his thoughts on establishing a committee of Council to interact with the CAO to the Commissioners over some of these issues. Mr. Meech replied it might be more appropriate to have these consultations with the full Council in a private briefing session.

With regards to tourism grants, Councillor Schofield suggested in future years consideration should be given to having these funnelled through the Grants Committee.

Councillor Kelly suggested a photography contest could be held to save money in the Market Development - Media section of the CAO's budget.

RECESS

A lunch recess was taken from 12:05 to 12:30 p.m.

Those present for the afternoon session included: Mayor Walter Fitzgerald, Deputy Mayor Jack Greenough, Councillors Bill Dooks, Gordon Snow, David Hendsbee, Harry McInroy, Condo Sarto, Clint Schofield, John Cunningham, Jerry Blumenthal, Graham L. Downey, Howard Epstein, Russell Walker, Bill Stone, Ron Hanson, Barry Barnett, Bob Harvey, Peter Kelly, Reg Rankin and Jack Mitchell.

Those absent included Councillors Larry Uteck, Stephen Adams, Bruce Hetherington and Ron Cooper

Staff members included: Mr. Ken Meech, Chief Administrative Officer, Mr. Ron Singer, Director of Finance, and Mr. Reg Ridgley, Manager of Treasurer.

REVENUE PRESENTATION

Mr. Ron Singer, Director of Finance, noted this Revenue presentation was an important component of the Operating Budget. He would review Revenue highlights; the School Board would make a presentation at 1 p.m. and he would continue subsequent to the presentation.

Mayor Fitzgerald assumed the Chair.

Through the use of overheads, the Revenue process was reviewed. The Committee was advised staff was proposing a \$415 million Operating Budget for 1996/97 and that \$279,787,000 would be billed to taxpayers to balance the Budget.

Mr. Singer advised that with respect to a proposed new tax structure, staff would like to speak to Council to provide further information in approximately six weeks.

Mr. Barry Zwicker and Mr. Don Bates, Wallace McDonald & Lively, were introduced by Mr. Singer. Mr. Zwicker noted his involvement in this process is to assist the Finance

Department in analysing the impact of a potential change in tax structure utilizing a GIS tool called CityView which the municipality has recently acquired.

Through the use of overheads, Mr. Zwicker indicated the Department of Transportation and Communications Service Exchange Boundary and for today's purposes, referred to it as the Proposed Urban/Rural Boundary. As an example, Mr. Zwicker referred to District 22 through which the proposed boundary line would cut. In this particular District, based on 1996 assessments, there is \$457 million worth of assessment. A split in the District would see \$244 million worth of assessment in the urban section and \$213 million in the rural section.

Mayor Fitzgerald thanked Mr. Zwicker for his presentation.

SCHOOL BOARD PRESENTATION

Mayor Fitzgerald introduced Dr. Don Trider, CEO, Halifax Regional School Board.

Dr. Trider distributed two documents entitled "Supplementary Funding" and "Coordinator's Report - Amalgamation of Dartmouth, Halifax and Halifax County-Bedford District School Boards" to those in attendance.

Dr. Trider addressed the Committee reviewing the programs which are supported by Supplementary Funding. He expressed concern with the fact that a cut in Supplementary Funding by 10% (\$1.8 million) was being considered three days before school was to commence. Further, schools have been staffed and contracts have been signed. Dr. Trider reviewed what the \$1.8 million would support: 60 teachers for a full school year; support to the Primary day; reduced walking distances for students; special programs and services, and inner city class sizes and four+.

As Dr. Trider was very concerned with the timing of this proposed Budget cut and advised that time was required to arrive at a mutually agreed upon alternative.

The Committee expressed concern this was another example of the Province down loading to the municipalities. Further, another concern expressed was the fact that the School Board is not accountable to the municipality.

Councillor Blumenthal stated that the education system was important but requires improvement. Further, funding should be filtered down to the students and not to administration.

In response to an enquiry from Councillor Cunningham, Dr. Trider advised that any savings as a result of amalgamation would benefit students.

In response to an enquiry from Councillor Schofield if one half a school day is enough for primary students, Dr. Trider advised it was not recommended, but it could be done. However, Dr. Trider expressed concern with comments made on cutting the Primary program to half day; this program could not be cut this year as teachers are under contract.

In response, Councillor Barnett stated that cutting the Primary program to half day was simply one suggestion. The School Board should be able to decide itself where the funds could be saved.

A brief discussion ensued on the fact that under the current tax structure this Council has the unequal ability to raise funds through taxes. Further, funding should be allocated in the same manner across the municipality.

Councillor McInroy was surprised that the School Board was not aware that potential funding cuts would arise this year.

In response, Dr. Trider's staff advised they were aware that the 10% was at risk, however, the Board was led to believe that the status quo would remain. Needless to say, they were shocked to learn of the potential loss in Supplementary Funding.

In response to an enquiry from Councillor Kelly as to what would occur should the \$1.8 million be cut, Dr. Trider advised that all programs supported by the monies would be cut. Further, the Board would be forced to go across the region to make up the difference from other areas in the budget. Councillor Kelly expressed concern on this aspect and suggested the School Board was using this example for shock value. Dr. Trider advised this was a product of timing and that this would not occur next year.

Councillor Hendsbee suggested the administration level of the School Board is too top heavy; further, there needs to be an economy of scale.

Several Councillors advised that their constituents were very concerned with the potential cut in funding to the School Board.

Councillor Rankin suggested the Province should be here today to participate in these discussions and suggested an open session be held with the MLAs of the Region in this regard.

Councillor Stone suggested that cuts should be made to programs that could be taken up by volunteers. He felt the 10% was too much of a cut to expect of the School Board at this point in time.

In closing, Dr. Trider advised that the Board cannot budget for a deficit, however, should it occur, it is dealt with first at the commencement of the following year.

Mayor Fitzgerald advised that the Chief Administrative Officer will meet with staff to discuss this further.

MOVED by Deputy Mayor Greenough and Councillor Sarto to adjourn the meeting at 3:30 p.m. MOTION PUT AND PASSED UNANIMOUSLY.



Jane Nauss
Acting Municipal Clerk