

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
MINUTES

April 7, 2009

PRESENT: Mayor Peter Kelly
Deputy Mayor David Hendsbee
Councillors: Steve Streach
Barry Dalrymple
Lorelei Nicoll
Gloria McCluskey
Andrew Younger
Bill Karsten
Jackie Barkhouse
Jim Smith
Mary Wile
Jerry Blumenthal
Dawn Sloane
Sue Uteck
Jennifer Watts
Russell Walker
Debbie Hum
Stephen D. Adams
Robert Harvey
Tim Outhit
Reg Rankin
Peter Lund

REGRETS: Councillors: Linda Mosher
Brad Johns

STAFF: Mr. Dan English, Chief Administrative Officer
Mr. Wayne Anstey, Deputy Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Sheilagh Edmonds, Acting Municipal Clerk
Ms. Shawnee Gregory, Legislative Assistant

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1. CALL TO ORDER

The meeting was called to order at 10:09 a.m.

2. APPROVAL OF THE MINUTES - March 24, 2009

MOVED BY Councillor McCluskey , seconded by Councillor Wile , that the minutes of March 24, 2009 be approved as presented. MOTION PUT AND PASSED.

3. FISCAL FRAMEWORK

- A revised Power Point presentation was circulated to Council.

Mr. Dan English, Chief Administrative Officer, advised that staff would be presenting the second phase of the Fiscal Framework for 2009/2010. He indicated that staff had made some adjustments in the assessments upon hearing Council's concerns with the current economic situation. He stated that staff were planning for contingencies and were hoping to seize opportunities like the Federal Infrastructure Program; noting that they were looking for direction from Council. In closing, Mr. English advised that Mr. Fred Morley from the Greater Halifax Partnership would provide a brief summary from the Mayor's Economic Forum.

Mr. Morley advised that the Mayor's Economic Forum had been well attended by a range of organizations. Regarding the current recession, he advised that no one knew where the bottom was, however, they believed that it was near. He also noted that Canada was doing reasonably well compared to other nations. In closing, Mr. Morley stated that there were options available to help HRM through the recession such as the Federal Infrastructure Program which Mr. English had previously mentioned.

Regarding the opportunity for HRM to seek provincial economic help as the hub of the Atlantic, Mayor Kelly advised Council that he had met with Premier Rodney MacDonald the week prior and had given him a document from the economic forum. He indicated that discussions between the province and HRM would continue.

Councillor Barkhouse entered the meeting at 10:22 a.m.

Mr. Morley indicated that past recessions showed that HRM generally does better in tough economic times than the province as a whole.

Deputy Mayor Hendsbee entered the meeting at 10:25 p.m.

Ms. Cathie O'Toole, Director of Finance, provided the presentation on the Fiscal Framework. The following highlights were noted:

- There was \$2.2 million left to receive from the 'White Juan' disaster financial assistance claim which could potentially be used for the snow and ice budget;
- Staff was not projecting a deficit for the 08/09 year end, the projected surplus is approximately \$60,000;
- The deed transfer tax was down in January and February of 2009. Staff were budgeting for a 10% reduction next year and would be bringing quarterly reports to Council to alert them if that number needed to be changed;
- Fire Protection funds should be returned to tax payers living within 1200 feet of a hydrant via a rate reduction which could also be amortised over 2 or 3 years;
- The final projected requirement of \$577 million included the new services approved by Council;
- The CAO requested that staff look at a multi year operating budget which was the first time this has taken place in HRM;
- It was indicated that HRM may see an economic recovery by the end of 2009 or early 2010;
- HRM could receive additional funds from the Building Canada Fund.

Mr. English thanked Ms. O'Toole and her staff. He advised that, with Council's approval, staff would be presenting a balanced budget on April 28, 2009. He stated that the additional \$20 million they were projecting next year included \$8 million of new services. He noted that HRM was currently in a stable financial position and that he believed that giving staff direction to build the budget based on holding the tax rate was a good idea.

The meeting recessed at 11:08 a.m.

The meeting reconvened at 11:23 a.m.

Ms. O'Toole provided clarification on a typo in the Service Implications section, slide 25 of the revised Power Point presentation. She advised that the correct dollar amount in the 'Change Average Tax Burden' column for Option 2: Maintain the Current Tax Rate should be \$60 rather than \$74 and the dollar amount for Option 3: Increase the Tax Rate By 1% should be \$74 rather than \$107.

MOVED BY Councillor Hum, seconded by Councillor Sloane, that Halifax Regional Council approve the fire protection refund be amortised over two years.

Councillor Rankin suggested that Council entertain a more comprehensive motion. He also noted that he would prefer the fire protection refund to be granted in one year.

Councillors Hum and Sloane agreed to Councillor Rankin's additions to the motion with the exception of the fire protection refund timeline.

The motion now reads:

MOVED BY Councillor Hum, seconded by Councillor Sloane, that Halifax Regional Council approve:

- 1. That the fire protection refund be amortised over two years.**
- 2. Building the budget based on holding the tax rate.**
- 3. Any saving realized in 09/10 to be deposited in the Variable Operating Stabilization Reserve to offset future economic events.**

Councillor Adams entered the meeting at 11:34 a.m.

A discussion on the motion ensued with Ms. O'Toole and Mr. Bruce Fisher, Manager of Fiscal and Tax Policy, responding to questions. The following points were noted:

- The fire protection rate could only be used for the maintenance of fire hydrants;
- The \$7.5 million in additional employment related to positions that Council had approved as part of the previous year's budget and had no current fiscal impact;
- Staff had commenced an analysis of where consulting fees were paid and were planning to discuss this at a future Senior Management Team meeting.

Councillor Karsten requested a friendly amendment to include a request that staff do additional research to look for \$2 million to include in this year's budget for streets and roads.

Mayor Kelly advised that this request would be added to the discussion that afternoon for item 5: Capital Project Rankings.

Council recessed at 12:03 p.m.

The meeting reconvened at 1:22 p.m. with the same members present with the exception of Councillor Adams and Mayor Kelly. Deputy Mayor Hendsbee assumed the Chair.

Discussion on the motion continued. The following points were noted:

- If Council chose to maintain the current tax rate option the commercial rates that would be generated by that decision would be 3.157 up from 3.087;
- A one time fire protection rate rebate would be approximately \$25.20 per household;
- A fire protection rebate spread out over two years would be approximately \$12.60 per household with a two cent reduction to the remaining rate and would not gain interest;
- The fire protection rate rebate for commercial properties was not a dollar value and would go from .086 to .046;

- The additional \$1.5 million that will be generated from the transit fare increase could be used to fund expanded transit or to fix existing service gaps.

Councillor Adams entered the meeting at 1:45 p.m.

Mayor Kelly assumed the Chair at 1:48 p.m.

- It was noted that Council signed an agreement with the Department of Education that set out budget agreements for four years ending in December 2010 at which time HRM would not be committed to continue funding;
- Several Councillors wished to split the fire protection rate over two years as they were uncertain as to what the economic state would be at that time and wanted to give tax payers a break for a longer period;
- There was an interest in putting more funding towards streets and roads which Council was advised to give staff direction on during the tabling of the budget and put in the parking lot;
- There would be no additional costs in giving the fire protection rebate over two years versus one;
- The \$300,000 that had been set aside for the Auditor General position, which was a municipal requirement, included their salary, office and two staff.

Council requested that the motion be split.

MOVED BY Councillor Hum, seconded by Councillor Sloane, that Regional Council build the budget based on holding the tax rate. MOTION PUT AND PASSED

MOVED BY Councillor Hum, seconded by Councillor Sloane, that Regional Council approve that any saving realized in 09/10 to be deposited in the Variable Operating Stabilization Reserve to offset future economic events. MOTION PUT AND PASSED.

MOVED BY Councillor Hum, seconded by Councillor Sloane, that Halifax Regional Council approve that the fire protection refund be amortised over two years. MOTION DEFEATED.

MOVED BY Councillor Rankin, seconded by Councillor Outhit, that Halifax Regional Council apply the fire protection surplus of \$4.7 million in 09/10 through a one time reduction in the rate. MOTION PUT AND PASSED.

Councillor Sloane requested a staff report regarding the possibility of funding new transit opportunities and keeping the actual rate of transit down by adopting a commuter parking

plan project by charging resident's \$70 per year to park on residential streets in the downtown core.

MOVED BY Councillor Hendsbee, seconded by Councillor Karsten, that Councillor Sloane's request for a staff report be deferred pending the Parking Strategy discussion.

Councillor Sloane advised that she wished to bring this issue up prior to the budget deliberations.

MOTION PUT AND PASSED.

Regarding HRM's four year contract with the Department of Education, Councillor Rankin stated, for the record, that it was his opinion that a memorandum of understanding did not constitute a contractual obligation on the municipality when it was dealing with area rates. He requested the opinion of senior staff and the Municipal Solicitor on behalf of his constituents.

4. HRM PROPOSED REVISED DEBT SERVICING PLAN

This item was deferred due to time constraints.

5. CAPITAL PROJECT RANKINGS

This item was deferred due to time constraints.

6. ADJOURNMENT

The meeting was adjourned at 3:06 p.m.

Ms. Sheilagh Edmonds
Acting Municipal Clerk

