

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL COMMITTEE OF THE WHOLE MINUTES

June 16, 2009

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

REGRETS: Councillors: Steve Streach
Mary Wile
Linda Mosher
Robert P. Harvey

STAFF: Mr. Dan English, Chief Administrative Officer
Ms. Geri Kaiser, Acting Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Julia Horncastle, Acting Municipal Clerk
Ms. Sheilagh Edmonds, Legislative Assistant

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1. CALL TO ORDER

Mayor Kelly called the meeting to order at 10:15 a.m.

2. APPROVAL OF THE MINUTES

MOVED by Councillor Walker, seconded by Councillor Lund that the minutes of May 26, 2009 be approved. MOTION PUT AND PASSED.

3. FISCAL HEALTH (Referred from June 2/09 Regional Council)

A staff report dated May 28, 2009, originally submitted at the June 2, 2009 Regional Council meeting was before Council for consideration.

A Power Point presentation on this matter was submitted.

Ms. Cathie O'Toole, Director, Financial Services provided the staff presentation on Fiscal Health as outlined in the submitted staff report and the Power Point presentation.

At 10:20 a.m. Deputy Mayor Hendsbee, and Councillors Johns and Outhit entered the meeting.

Ms. O'Toole, in concluding her presentation advised that staff's recommendation was for Council to approve the definition of fiscal health and to adopt two key measures plus secondary measures. She added that if Council adopts the recommendation then the next step would be for staff to take the fiscal health indicator and start to use it as a decision making tool.

MOVED by Councillor Younger, seconded by Councillor Blumenthal that Regional Council:

2. Define "Fiscal Health" for Halifax Regional Municipality as:

- a) **the ability to meet existing financial obligations, both in respect of its service commitments to the public and financial commitments to creditors, employees and others and;**
- b) **the ability to continue to meet the needs of HRM's citizens in the future by maintaining or enhancing the level and quality of services and programs and to finance new programs, and;**
- c) **the ability to support HRM's goals contained in the Regional Plan**

2. Approve that Fiscal Health be measured by the key indicators included in the

discussion section of the May 28, 2009 report in order of priority as listed.

Council entered a discussion with staff responding to questions. The following points were noted:

Councillor Younger referred to sustainability indicators noting that some of the energy efficiency projects will save money, however, he did not see where this clearly fits in with fiscal health. In response, Ms. O'Toole advised that it currently shows up in two ways, i.e. in the Capital Project Evaluation Matrix, and in the capital budget portion funded by debt. She added that it was not included in the indicators because it is more of an internal benefit with benefit to internal stakeholders.

Councillor Younger added that he felt it was also an external benefit because it would reduce cost over time. He suggested that this be included in the motion as a key indicator.

Ms. O'Toole advised that she was supportive of what Councillor Younger was recommending, noting that he was referring to a percentage of projects that reduce operating budget expenditures. She indicated that she would like more time to develop the proper wording, and asked that Council leave it open and that staff would come up with the wording on the Councillor's recommendation.

The Mayor advised that an amendment to the motion was not necessary, as long as staff understood the intent of Councillor Younger's recommendation.

Ms. O'Toole advised that she understood the intent.

Councillor Rankin advised that debt ratio is an important indicator and that it is something he would want to see in terms of a report card, i.e. 'what is the acceptable ratio?', and 'what is the 'green', 'yellow' and 'red' ranges?'

Ms. O'Toole advised that in March, staff tabled a report on debt servicing ratio but have not had an opportunity to discuss it with Council. She added that staff expect that in July or August the item will be brought forward for discussion.

Councillor McCluskey noted that the commercial ratio is not healthy and that the Municipality should be focussing on how to get the commercial base assessment up, rather than approving more subdivisions.

Councillor Uteck noted that each time there has been a reorganization of business units it becomes difficult to compare budgets year to year. As a result, it becomes hard to carry out an audit of an individual department

In response to a question by Councillor Uteck in regard to monitoring the fiscal health of some departments such as police and fire, Ms. O'Toole advised that staff will be bringing forward a report to Council next week with respect to changes to procurement policy.

Responding to a question by Councillor Watts concerning the impact around supporting

local business, Ms. O'Toole advised that it was not part of this presentation, but related to the presentation next week on procurement policy.

At 11:02 a.m. Mr. English, Chief Administrative Officer, retired from the meeting and Ms. Geri Kaiser, Deputy Chief Administrative Officer assumed his seat in Council.

Councillor Smith questioned what would be the drivers for changes in the formula for debt financing.

Ms. O'Toole responded that there has been very little change to debt servicing charge until this year, adding that this year's budget is in accordance with HRM's existing debt policy. She added that staff had brought forward a recommendation on a debt servicing strategy based on three items, i.e. Regional Plan objectives; there is more infrastructure funding available to the Municipality now than 10 years ago; and the conditions in the market are such that interest rates are extremely low and not expected to increase over the next year. Ms. O'Toole advised that in terms of the unknown factors, there was a question of federal funding; infrastructure condition; and Council's priorities. She added that the financial indicators are not going to change every couple of years.

In response to a question by Councillor McCluskey, Ms. O'Toole noted that there are Committees who have an interest in the condition of HRM's assets, and referred to the Audit Committee and the Investment Policy Advisory Committee. She noted that the Investment Committee has external members of the public on it. At Councillor McCluskey's request, Ms. O'Toole advised that she would forward the Councillor information regarding those members of the public that are working on this Committee.

Councillor Blumenthal advised that he was still waiting for an answer to a question he previously asked in regard to HRM using contractors for its snow removal program, and whether any monies are actually being saved when it's compared to the harm contractors have done to residents' properties.

Councillor Rankin made reference to a comment he heard about a possible recreational infrastructure program coming forward, advising that he was pleased, as a lot of park land was not functioning because it is not funded.

Councillor Watts referred to Councillor Blumenthal's remark on his question concerning the contracting of HRM's services, and she asked what would be the appropriate time to have this discussion. She advised that she has heard from the residents in her district who feel that city employees do a better job than when the service is contracted out.

Ms. O'Toole advised that next week, staff will be providing a report on Service Review.

MOTION PUT AND PASSED.

3. ADJOURNMENT

The meeting adjourned at 11:30 a.m.

Julia Horncastle
Acting Municipal Clerk