

HALIFAX REGIONAL MUNICIPALITY

COMMITTEE OF THE WHOLE MINUTES

January 19, 2010

PRESENT: Mayor Peter Kelly

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

REGRETS: Deputy Mayor, Brad Johns
Councillor: Linda Mosher

STAFF: Mr. Wayne Anstey, Deputy Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Sherryll Murphy, Acting Municipal Clerk
Ms. Krista Tidgwell, Legislative Assistant

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1. CALL TO ORDER

The meeting was called to order at 1:30 p.m.

2. APPROVAL OF THE MINUTES - None

3. COUNCIL FOCUS AREAS (Deferred January 12/10)

Infrastructure

- A report on Infrastructure 2009/10 Council Focus Areas was before Council.
- A copy of the December 2009 CFA Update presentation was circulated to Council.

Phillip Townsend, Director, Infrastructure and Asset Management, delivered the presentation to Council. Highlights were as follows:

- a new computerized platform provides a single point of budget data entry
- the Capital Steering Committee continues to evolve and is comprised of key Directors and staff who are directly involved in infrastructure and planning; the Committee collaborated to structure the capital budget submission for Council's consideration

Councillors Lund and Dalrymple entered the meeting at 1:33 p.m.

- the Capital Evaluation Matrix reconciles Council's stated objectives against a variety of criteria and is used to provide recommendations for Council's consideration; the Matrix can be adapted to Council's evolving priorities

Councillors Barkhouse and Karsten entered the meeting at 1:34 p.m.

- the Infrastructure list is a compilation of all of HRM's anticipated capability work for the next 5-10 years; it is updated as Council makes recommendations through the approval of master plans, community visions and specific projects; the most current list will soon be posted on HRM's website
- the Asset Management Plan continues to be developed and is a fundamental part of the maturing Capital Budget process; this will continue to be a staff priority in 2010
- the applications for the various Stimulus Funding programs consumed a considerable amount of staff and Council resources; the work has been

- disbursed throughout various HRM departments for planning and implementation in the upcoming construction season
- the additional \$3.4 million directed to street re-surfacing has been strategically redirected to HRM's re-surface program
- the 4-pad arena is targeted for completion in September 2010

Councillor Outhit entered the meeting at 1:36 p.m.

- the new Central Library is a \$55 million project; the consultant selection is underway and the public consultation process is being developed
- HRM will host the Canada Games in February 2011; the Canada Games Facility will be open to the public March 2011
- the Ragged Lake Transit Centre is slated to be completed in May 2010; the facility has enclosed storage with a capacity of 150 buses; the facility also has an expansion capacity that will hold up to 200 buses; the facility supports the five-year Transit Plan and is a key part of the Transportation Council Focus Area; approximately \$1 million will be saved annually

Councillor Harvey entered the meeting at 1:40 p.m.

- \$3 million has been invested in upgrades to the Cole Harbour Place, Dartmouth Sportsplex, Halifax Forum and St. Margaret's Bay Arena which represents part of the long term legacy of the 2010/2011 Winter Games
- HRM hosted the 2009 ICF Canoe Sprint World Championships at Lake Banook, Dartmouth; this opportunity left substantial legacy improvements within HRM to support the ongoing development of world class paddling and rowing champions; it has also improved the access and quality of the facilities for entry level athletes and the general public
- the Prospect Recreation Centre is slated for completion in June 2010; the cost of the 22 square foot facility is approximately \$6.3 million
- the Larry Uteck and Margeson Drive interchanges are slated for completion in August 2010.
- Infrastructure is important when building HRM facilities and how it affects the quality of life for residents within the community
- in addition to the Ragged Lake Transit Centre, there have also been upgrades/expansions to various transit terminals; safety upgrades have been made to the Ilsley Transit garage and other transit facilities, to support the delivery of the transit component of the Transportation Council Focus Area

- the Alderney 5 Energy Project is the first location in the world to use technology that takes cold water from the Harbour and circulates it to cool five HRM owned buildings; the process also derives heat from the rock, which is being used to heat HRM buildings and has the capacity to heat other buildings within HRM; the project has already saved \$350,000 in energy costs and represents 900 tons per year of green house gas reduction; the savings will be directed to other energy saving projects
- Regional Council has set a reduction target of 20% for green house gases for the years 2002 to 2012, which is equivalent to 20,000 tons; the facility and buildings portion of the target is 56% of the total, which is equivalent of approximately 11,500 tons; to date, HRM's reduction for buildings is approximately 10,000 tons, however this does not reflect the impact of new buildings which are highly energy efficient, or the result of removing some inefficient buildings; this matter will be coming back to Council for discussion
- the Regional Plan was approved as HRM's Integrated Community Sustainability Plan
- the acceptance of HRM's Integrated Community Sustainability Plan provides a solid base for future funding opportunities; it will also ensure HRM access to \$24.6 million per annum of gas tax funding.
- HRM currently has a total of \$390 million of capability projects underway, which includes capital work that has been either completed, approved or in planning in the fiscal year; it is a reflection of HRM's approved Infrastructure and Stimulus Funding from the Provincial and Federal governments; most of the work will need to be delivered in 2010/2011 fiscal years
- in the past staff have explored various delivery methods for capital projects:
 - design-bid-build, which is how HRM deliverers most of its street and road work
 - design-build, which is what HRM used for the Ragged Lake Transit Centre
 - construction management, which is the methodology HRM is using for the Canada Games Centre
 - design-build-operate, which is being used at the 4-Pad Arena

- exposure to these various project delivery methods has provided substantial professional development for HRM's project delivery staff and will position them to explore the optimal delivery method for the various projects for the 2010/2011 Work Plan
- of the \$390 million, \$116 million is connected to the various stimulus funding projects; these expenditures alone will generate \$127 million of Gross Domestic Product (GDP) and provide a net benefit to HRM of \$10.8 million
- in 2009/2010 the capital budget identified \$65.6 million of recapitalization funding; these funds reinforce the long term importance of base work and Council's direction to increase focus on recapitalization; the \$65.6 million does not reflect the fleet recapitalization costs
- some of the key influences anticipated in the Infrastructure Council Focus Areas for 2010/2011 are the global financial circumstances and the general downturn in the economy
- HRM was partially protected in 2009/2010 due to its relatively stable employment base of military and government personnel, however, this stability meant that many private sector construction projects continued and the anticipated reduced labour costs, along with the increase of labour availability, did not materialize for HRM; project materials such as asphalt and concrete increased in cost
- construction costs in general did not reduce in a manner similar to other areas of the country; staff anticipate that this trend will continue into the 2010/2011 construction season
- anticipated decline in Municipal revenue and a need to prioritize available funding capacity in upcoming years towards HRM's Build Canada and Stimulus Funding projects, will result in reduced funding available for infrastructure recapitalization in 2010
- Stimulus and Build Canada Funding has been announced and HRM received \$77 million in funding
- financial constraints are impacting other levels of governments ability to maintain recent funding streams; it is anticipated that the majority of Federal and Provincial funding programs will be discontinued or dramatically reduced within the next five years
- some municipalities across Canada are using an infrastructure surcharge to offset reduced cost sharing and facilitate infrastructure recapitalization

Mr. Townsend suggested that HRM will have to develop alternate funding streams to support future capability projects. He noted that HRM should not allow this to have a negative impact on Council's endorsed emphasis on a long term goal of increased recapitalization and improved condition of HRM's municipal infrastructure.

Mr. Townsend went on to note that:

- a key indicator of economic growth is investment in infrastructure
- many of the capability projects summarized in the presentation will continue to be priorities in 2010/2011; a challenge is finding qualified resources that can be engaged on a temporary basis, while avoiding overstaffing; part of the solution lies in how HRM engages the resources of HRM's design and construction community
- HRM's ability to deliver unpredicted work during the 2010/2011 will be limited; there is still need to balance the effective delivery of recapitalization programs
- one of the goals for 2010/2011 is to increase HRM's knowledge of assets, primarily the condition of the assets
- over the past years HRM has identified what assets it owns; there is still a need to identify the condition of HRM owned buildings
- staff will be documenting the approved service standards and the corresponding existing service level in regard to HRM buildings; staff will also validate the service levels represented in the functional plans and the Regional Plan; staff will further assess the various functional plans and other strategic plans to determine long range infrastructure and asset requirements
- an asset specific management software will be implemented for fleet and roads in 2010
- various infrastructure class assets are still in a state of condition decline
- the Asset Management program, through improved information on asset condition, service levels and asset demand, will be able to assist Council and staff in deciding appropriate future funding allocations for infrastructure
- HRM's Regional Plan, various master plans and community vision plans all have been approved by Council and should be combined into an overall strategy of infrastructure requirements that should also include a plan to recapitalize and rationalize HRM's existing infrastructure

- a fully mature asset management program will become the backbone of the recapitalization component of the capital budget
- demands for growth related investments and new development areas need to be met; there will be a need for Council to respond to priority infrastructure growth required by the new development identified in the Regional Plan
- there are several significant capability projects coming up:
 - Cogswell Interchange
 - long term arena strategy
 - new World Trade and Convention Centre
- all require substantial investigation before the full impact on HRM can be identified

A discussion ensued with staff responding to questions. Highlights were as follows:

- concern was raised regarding older HRM buildings requiring maintenance/repair
- the Asset Management Program (AMP) is slightly behind in schedule; staff who are working on the AMP, are the same staff that are devoting resources to the exploration of the infrastructure programs and preparing applications and reports
- staff has a good indication of HRM's assets and where the assets are located
- the fleet has a very good condition analysis
- HRM's buildings present the greatest challenge; HRM owns approximately 250 buildings, which all require a condition analysis
- staff will return to Council with a better understanding of appropriate funding levels for recapitalization based on the following:
 - building condition
 - expected service levels
 - various business units needs

Councillor Sloane asked whether having a reserve in place would assist with maintaining HRM's buildings. Mr. Townsend advised that while a reserve may be useful HRM would still have to identify sources to fund the reserve.

Councillor McCluskey suggested that more information be provided to Council regarding when HRM's vehicles are due to be replaced and what the cost will be. Mr. Townsend noted that HRM's vehicles are in very good condition and the fleet condition, as an asset class, is better than most. The numbers will be reflected in the upcoming budget and will include a projection of what is needed for fleet

Cathie O'Toole, Director of Finance, advised that there is an Integrated Communications Technology Reserve, which has a balance of funding that could be used towards the trunk mobile radio project in the future. An issue with respect to the trunk mobile radio project, is that there are ongoing negotiations/discussions with the Province around the scope of the project and timing. She also noted that staff could not confirm what the cost will be at this time. Ms. O'Toole indicated that it is not a funding issue and has not been reflected in the five year Capital Plan, partially because there is some uncertainty around what HRM actually needs and when it will be required.

Additional comments were provided in the course of discussion.

- various business units within HRM have various long term strategic plans; some plans have been adopted by Council; others are still coming forward; Fire Services, Police, Community Development and Transit all have long term plans, which are in various stages
- a report will be provided to Council regarding the long term arena strategy and how it will be moved forward and be developed into a plan similar to the Indoor Recreation Facility Master Plan
- a lot of what HRM does with playground and parks is recapitalization; staff is working through the challenges of balancing the recapitalization needs against the need to bring funding forward as part of the matching funding for the delivery of the Stimulus funds
- Councillor Wile raised a concern regarding the lack of funding to carry out parks and garden projects; once parks and gardens are developed, there is a need to maintain them
- Council has the task of prioritizing HRM's needs against the funding that is available
- older residents and residents with disabilities will not want to travel great distances to access a new recreation centre
- some sidewalks in HRM are 80% deficient and need to be addressed to improve the safety and aesthetics

Wayne Anstey, Deputy Chief Administrative Officer, noted that staff have started a program using shaved asphalt off the streets, which is then reheated and reapplied. This will be an important process during the winter months when, rather than using cold patch, staff are using the recycled asphalt. Staff have indicated that the adherence of the recycled asphalt is superior to that of the cold patch. With respect to sidewalks, Mr. Anstey advised that staff will be experimenting with a grinder that will level out raised edges, which should increase the level of safety.

- Councillor Uteck raised a concern regarding the possibility of monies for trails being lost to fund the CN Spurline; Mr. Townsend advised that he would look into this matter and report back to Council
- some municipalities have chosen to implement a surcharge of funds that is directed towards recapitalization or construction of new infrastructure

In regard to long term consistent funding from the Federal government to support the municipality, His Worship advised that this matter will be discussed in Ottawa on Thursday with the big city Mayors as well as with the Ministers of Atlantic Canada and at the Atlantic Mayors Conference.

The following points were made in concluding the discussion.

- an evaluation is being carried out by a number of HRM departments to determine the optimal use of Metropolitan Field in Sackville; once the information has been prepared, staff will be in a position to make a recommendation to Council with respect to funding
- infrastructure renewal is fundamental to the success of HRM; due to funding constraints, Council may have to look at repairing older facilities before new ones can be build; community consultation is frequently carried out by various business units in terms of assessing community needs
- one of staff's functions is to develop relationships with other levels of government to determine what funding opportunities exist for HRM
- a report regarding the Lakeview School will be coming forward to Council
- Fire Services and HRM's Emergency Measures Organization office have prioritized fire stations in which generators and switches will be installed; staff will provide a list of the stations approved for installation to Council
- staff will provide Council with a list of the projects that are a part of the \$33 million of capital work for stimulus projects

4. ADJOURNMENT

The meeting was adjourned at 3:13 p.m.

Cathy Mellett
Acting Municipal Clerk