

HALIFAX REGIONAL MUNICIPALITY

TAX REFORM COMMITTEE MINUTES February 8, 2007

- PRESENT: Councillor David Hendsbee
Councillor Brad Johns
Councillor Linda Mosher
Councillor Reg Rankin
Councillor Andrew Younger
Mr. Randy Anstey
Mr. Mark Gilbert
Mr. David John Grace
Ms. Giselle Kakamousias
- REGRETS: Deputy Mayor Sue Uteck
Mr. Robert Grace
Ms. Janice Malay
Mr. Andrew Murphy
- STAFF: Mr. Bruce Fisher, Manager, Fiscal & Tax Policy, Finance Services
Mr. Andre MacNeil, Financial Consultant, Finance Services
Ms. Shannon Bennett, Research, Fiscal & Tax Policy
Ms. Kim Borgal, Marketing and Communications Assistant
Ms. Carolyn Wiper, Administrative Assistant, Fiscal & Tax Policy

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1. CALL TO ORDER

The meeting was called to order at 11:14 a.m. in the Finance Board Room, 3rd Floor, Duke Tower.

It was noted that the Trailer Park Committee Meetings are held at the same time as Tax Reform Committee Meetings and that two Councillors sit on both of those committees.

The Chair informed the Committee that he had met with the Municipal Clerk following the last meeting. The Clerk helped clarify a few meeting procedures that should be followed during TRC meetings such as motions, abstentions, voting.

2. APPROVAL OF THE MINUTES - January 18, 2007

MOVED by Randy Anstey, seconded by Councillor Mosher, that the Minutes of January 18, 2007 be approved. MOTION PUT AND PASSED UNANIMOUSLY

3. APPROVAL OF ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS

MOVED by Councillor Johns, seconded by Randy Anstey, that the Order of Business be approved. MOTION PUT AND PASSED UNANIMOUSLY

4. BUSINESS ARISING OUT OF THE MINUTES

4.1 Deloitte Final Report from UNSM - Assessment Cap - Terms of Reference

Councillor Mosher noted in the minutes of January 18, 2007 she would provide the Terms of Reference from the Deloitte Report on the Assessment Cap. Her copy was not the corrected version and requested staff to provide it.

Staff will provide the corrected version of the report as an Information Item on the next agenda.

5. CONSIDERATION OF DEFERRED BUSINESS

5.1 Administration & Support

5.1.1 Request for presentations/submissions from the Public

Bruce Fisher, Manager of Fiscal & Tax Policy, informed the Committee that Staff are receiving requests from the public to either make a presentation to the Committee, the Committee to make a presentation to an outside group, and emails with ideas or specific tax proposals.

The Committee discussed two options on how to deal with these requests. Option one

is to receive submissions and circulate to the Committee as Items of Information as they come and option two is for Staff to receive submissions and deal with them when the Committee is ready for public consultation.

MOVED by Councillor Hendsbee, seconded by Andrew Younger, that Staff receive submissions from groups or individuals and circulate to the Committee as Items of Information and advise groups that they will be contacted at a later date regarding the process for public participation. MOTION PUT AND PASSED UNANIMOUSLY

5.1.2 Formal Rules of Order

Earlier in the meeting, the Chair noted that he had met with the Municipal Clerk to discuss various rules of order.

It was noted that a speaking order should be followed to allow everyone a chance to speak.

5.1.3 Parking

A request was made for the Committee to be paid for parking while attending TRC meetings. Councillor Younger noted that any reasonable expenses are covered for Committees including parking.

Councillor Rankin requested, along with parking, the Committee find a permanent home for TRC meetings.

Bruce Fisher, Manager of Fiscal and Tax Policy, noted that we have Halifax Hall booked for the next three meetings, however, the Mayor can bump any bookings in City Hall.

MOVED by Councillor Rankin, seconded by Councillor Johns, that to best serve the needs of the Tax Reform Committee, which is a Committee of Council, meetings shall be held in Halifax Hall or the Chambers both located in City Hall with access to City Hall parking.

6. CORRESPONDENCE, PETITIONS AND DELEGATIONS - None

7. REPORTS

7.1 Overview of HRM Tax System (Presentation for Information)

Bruce Fisher, Manager of Fiscal & Tax Policy, noted that the presentation contains over 40 slides and would touch on the pertinent ones being: History of HRM, Who is Urban/Suburban/Rural, Tax Rates for Fire Services, Change in Property Taxes, Taxes - What's in Scope, Growth in Residential Assessment (Single Dwelling Unit 2006-07 - average increase 7.9%), Distribution of Assessed Values (Single Family Homes 2007 - average value \$163,240), Design of Business Occupancy Assessment (as a

percentage of Real Property), Business Occupancy Phase-Out Schedule, Foundations of Current System, Market Value and Services, Market Value and Cost, Market Value and Ability to Pay, What is the Philosophy, Low Income Relief, Sidewalks (Cost, Availability and Ability to Pay), Transit and Area Rates, Costing Issues - What Can We Administer?, Challenges and Risks in Tax Reform.

A request was made for Staff to provide statistics on the values of properties on private roads and waterfront properties.

7.2 Report & Presentation on Tax Reform and Public Participation

- A report dated February 8, 2007, titled Tax Reform - Approach to Public Participation, was before the Committee.

Bruce Fisher, Manager Fiscal & Tax Policy made a presentation on Tax Reform and Public Participation to the Committee. During the presentation, he explained to the Committee that when seeking public participation, the following be included:

- Principles of the System (stability, transparency, equity, consistency, competitiveness, simplicity)
- Foundation of the System
- Goals
- Tools.

Bruce Fisher explained to the Committee four approaches that could be possible for Public Consultation:

- Approach A - Consult at all levels
- Approach B - Consult on Foundations, Goals and Tools
- Approach C - Consult only on Tax Tools
- Approach D - Consult at End

As part of the presentation, the Committee reviewed seven Sample Tax Reform Packages . The Committee agreed that when consulting the public, they would focus on a fewer number of packages. It was noted that Flat Tax may need to be included when preparing the packages.

It was noted that service levels, affordability levels and commercial rates need to be discussed further.

It was noted that the TRC Framework should look at the following issues:

- how we pay for services
- environmental issues
- division between residential & commercial tax payers
- set up service expectations for residents

A discussion took place with respect to assessment being related to services. Staff agreed that Staff should provide the Committee with more details to allow further discussion around the tools to understand the various packages to present to the public at public consultation.

8. **ADDED ITEMS** - none

9. **NEXT MEETING DATE**

The next meeting has been set for Thursday, February 22, 2007 in the Halifax Room, City Hall from 11:00 a.m. to 1:00 p.m.

10. **ADJOURNMENT**

MOVED by Randy Anstey, that the meeting adjourn at 1:15 p.m.

Carolyn Wiper
Administrative Support Assistant