

HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE MINUTES
JULY 8, 1997

PRESENT:

Mayor Walter Fitzgerald
Deputy Mayor Jack Greenough
Councillors Bill Dooks
Gordon R. Snow
David Hendsbee
Ron Cooper
Harry McInroy
Condo Sarto
Bruce Hetherington
Clint Schofield
John Cunningham
Jerry Blumenthal
Larry Uteck
Russell Walker
Bill Stone
Ron Hanson
Stephen Adams
Barry Barnet
Robert Harvey
Peter Kelly
Reg Rankin
Jack Mitchell

REGRETS

Councillors Graham L. Downey
Howard Epstein

STAFF MEMBERS:

Mr. Ken Meech, Chief Administrative Officer
Mr. Wayne Anstey, Municipal Solicitor
Ms. Vi Carmichael, Municipal Clerk
Ms. Jane Nauss, Assistant Municipal Clerk

TABLE OF CONTENTS

1. **APPROVAL OF MINUTES** - June 12, 16, 17 and 18, 1997

MOVED by Councillors Cunningham and Mitchell to adopt the minutes of June 12, 16, 17 and 18, 1997. MOTION PUT AND PASSED UNANIMOUSLY.

2. **MUNICIPAL REAL PROPERTY MANAGEMENT PROGRAM**

A memorandum prepared for Mr. George McLellan, Commissioner of Regional Operations, on the above-noted, was before Council. Documentation entitled "Real Property Management Program" was circulated to Council.

Mr. Austin French, Superintendent, Real Estate, and Mr. Craig Hatt, Development Assistant, addressed Council, providing background information on the Program.

A lengthy question and answer period ensued with the following being taken into consideration:

Councillor Kelly

Councillor Kelly suggested that each Councillor be contacted regarding possible sale of land in their Districts, through the Call of Proposal strategy.

Under Proposal Calls - Block TB, Hammonds Plains Road - Councillor Kelly stated this parcel is located in Bedford, not Halifax; further, it should not be sold as a block, but as four R-1 lots.

With respect to Bicentennial Drive (asset 3200), Councillor Kelly suggested this parcel should not be disposed of as it has been earmarked for a multi purpose recreation facility. In response, Mr. Austin French, Superintendent, Real Estate Services, advised he will keep this suggestion in mind and discuss same with those individuals working on the project.

Councillor Kelly enquired if any thought had been given to applying a portion of the proceeds from the sale of land to the municipal debt (he would like a more definitive approach to paying down the debt i.e. a certain percentage) and if this could be included in the program. Mr. Ken Meech, Chief Administrative Officer, advised he would take this suggestion under advisement for the time being. Mr. Austin French stated there is a recommendation for an analysis of the capital requirements of projects and that perhaps at that time, Councillor Kelly's suggestion could be reviewed.

Councillor Kelly requested clarification as to why a 15% variance was being utilized. Mr. Ken Meech stated there was no particular reason for the 15%, but that this will be followed up through semi-annual reports. The Councillor advised he would like further debate on this matter, suggesting a 10% variance. Mayor Fitzgerald advised that the Chief Administrative Officer will prepare a report in this regard.

Councillor Barnet

Councillor Barnet enquired as to why the lots on Waddell Avenue could not be sold as one parcel. In response, Mr. Austin French advised that staff has determined the municipality would obtain the best rate of return if the lots were sold separately, however, staff will review this suggestion.

Councillor Barnet enquired on 2667, 2695 and 2703 Sackville Drive, Upper Sackville. Mr. Austin French advised these dwellings are on the market at the current time. Mr. Craig Hatt, Development Assistant, stated the "For sale" signs should be placed on the lots, however, staff will confirm same.

Councillor Barnet expressed concern with the "unsolicited sales" approach and the fact that it is a "first come first served" strategy. The Councillor enquired if "unsolicited sales" could be excluded from this policy. Mr. Austin French advised the reason for including this particular strategy for the disposal of land is that all unsolicited proposals must come before Council at which time each property needs to be declared surplus. An individual could make an offer to the municipality to purchase the property and request that the matter be dealt with In Camera. In response, Councillor Barnet advised if there is a closed tender process, a level of confidentiality could still be maintained. The Councillor reiterated his concern that this is not a fair process and does not allow for competitiveness.

MOVED by Councillor Barnet to move unsolicited proposals to public tendering.

Although Mayor Fitzgerald advised he would hold this Motion in abeyance for the time being, there was no seconder, therefore; the Motion was lost.

Mr. Ken Meech, Chief Administrative Officer, cautioned Council against excluding unsolicited proposals from the program. Mr. Meech noted the municipality could find itself in the position of receiving a viable offer from an individual(s) for property but then could be obligated to handle this deal through a public tender call. Therefore; after having already received a good price for the property, going to public tender may not be practical.

Councillor Blumenthal

Councillor Blumenthal referenced tenants wanting to pay full dollars for a property and enquired if same would still have to go to public tender or listed through a real estate company. Mr. Austin French advised that all properties would be listed through real estate companies. The Councillor requested staff meet with him after the meeting to discuss property located at 1469 Birminham Street.

Councillor Hetherington

Councillor Hetherington referenced 735 Pleasant Street, 705 & 709 Pleasant Street, and 701 & 703 Pleasant Street, noting these lots abutt Imperial Oil Refinery.

Reference was also made to 7 & 9 Belmont Street and in response to an enquiry from the Councillor on the Belmont Street lots, Mr. Austin French advised that the responsibility for following traffic regulations rests solely with the purchaser. The Councillor asked staff to meet with him to review the aforementioned, prior to placing same on a tender list.

Deputy Mayor Greenough assumed the Chair.

Councillor Sarto

Reference was made to the corner lot of Brigadoon and Main which was assessed at \$10,000. Councillor Sarto suggested there should be a more reasonable estimate, therefore; the Councillor requested staff review this. Mr. Austin French advised this will have to be held in abeyance pending approval of amendments to the HRM Act.

Councillor McInroy

Councillor McInroy referenced 24 acres of land on Caldwell Road to be sold to Nova Scotia Power (NSP) and the fact that power transmission lines are to be placed over the parkland. The Councillor suggested the public have been kept in the dark in this regard. Further, until the details are known, the municipality should not advance this sale. Councillor McInroy suggested that Nova Scotia Power make a presentation to Council advising of their plans. Mr. French advised that staff wish to continue discussions with NSP and agreed to inviting them address Council at the appropriate time. The Councillor requested that NSP be put on notice, that detailed information is required now. The Deputy Mayor requested that staff report back directly to Councillor McInroy in this regard.

Councillor McInroy expressed concern regarding recommendation #4 which referenced issuing a proposal call for consultancy work. Mr. Simpson McLeod, Manager, Building Transition Program, stated there is no internal capability to provide the required expertise.

Councillor Stone

Councillor Stone suggested each Councillor should be apprised of any surplus land in their District. It was suggested each Councillor may have background information on the property that staff may require.

Councillor Stone suggested there was a typo as it pertains to 213 - 217 - Bedford Highway. Both Districts 16 and 21 were mentioned and staff agreed to make the correction.

Mayor Fitzgerald assumed the Chair.

With respect to the recommended semi-annual report, the Councillor suggested the reports should be quarterly - at least in the beginning. Further, it was suggested that

staff ensure that "low tender is not necessarily accepted" is stated in documentation.

Councillor Schofield

Councillor Schofield expressed concern with the land sales account noting that the industrial parks land sales account should be separate from the sale of surplus land account. In response, Mr. Larry Corrigan, Commissioner, Corporate Services, advised there was currently \$8 million in the account (as of the end of the fiscal year). The accounts have been consolidated for ease, but information on each account is available.

Councillor Hendsbee

Councillor Hendsbee requested a personal presentation on surplus land activity in District 3. With respect to 5% land dedication, the Councillor enquired if this would be categorized by District. Mr. Corrigan stated staff can advise where the funding is being generated, and that it is being held in a reserve account - unspecified by District.

Councillor Mitchell

In response to an enquiry from Councillor Mitchell as to when work on a program for surplus land will commence in the rural areas, Mr. French advised it will commence in the fall. The Councillor asked that staff contact him regarding possible sales in his District.

Councillor Cooper

Councillor Cooper expressed concern with the information distributed noting it should be more complete. Further, the Councillor agreed with a quarterly, rather than a semi-annual, report.

In response to an enquiry regarding recommendation #4 and a cost value for study, Mr. Simpson MacLeod stated that staff will prepare a call for qualifications, discuss the scope of the study and then come back to Council. With respect to the Terms of Reference, Mr. MacLeod advised they were being compiled and that staff will be asked for input at the next stage.

Mr. Ken Meech, Chief Administrative Officer, advised this matter will be placed on the July 15, 1997 Regional Council agenda supported by a staff report.

3 & 4 COMPREHENSIVE AUDIT AND PROGRAM AND SERVICE REVIEW

MOVED by Deputy Mayor Greenough and Councillor Hetherington that a Comprehensive Audit be carried out on Transit and Fleet Management; further, that a Program and Service Review be undertaken as recommended by the Chief Administrative Officer; also, that the Committee Advisory Committee's Report on a committee structure be delayed, pending completion of the Program and

Service Review.

A discussion ensued on the variance in costs between a Comprehensive Audit of the entire organization (\$1.5 - \$2 million), compared to a Comprehensive Audit of Transit and Fleet Management (\$100,000) and the Program and Service Review [Activity Based Costing] (\$150,000). It was explained that the Program and Service Review is to be coupled with a series of Comprehensive Audits.

Mr. Ken Meech advised it was staff's intent to have these initiatives completed by January, 1998 in order to include same in the next Operating Budget. Further, staff will outsource the audits for the expertise.

In response to an enquiry from Councillor Adams that employees be polled for information rather than outsourcing an audit, Mr. Meech advised that an auditor would consult with stakeholders (staff) during the Comprehensive Audit. In response to a further enquiry from Councillor Adams that the municipality's external auditors (KPMP) be utilized to carry out the Audit, Mr. Meech advised that it could be perceived as a conflict of interest.

Deputy Mayor Greenough, Chair, Audit Committee, advised that Transit had been selected as this department has identified a level of service it would like to reach. Fleet Management was selected as it is going through a restructuring and would benefit from the information derived as a result of the audit.

Councillor Cooper expressed concern with the two selected departments and the time frame involved.

Mr. Meech stressed that Transit and Fleet Management were **not** selected due to inefficiencies. Staff are simply looking for costing and benchmarks. Further, the information obtained as a result of the Program and Service Review, will provide a database for the Comprehensive Review.

Councillor Cooper stated he would like to see a short time frame regarding calling for proposals as he does not want to delay the process.

Councillor Hetherington stated an audit of the personnel structure should be carried out and that he would like a Comprehensive Audit of the entire organization completed within the next two years.

Councillor Uteck suggested the municipality was wasting money in this regard and that he would not be supporting the Motion on the floor.

Deputy Mayor Greenough advised that after the Program and Service Review is complete, the ground work will be available to proceed with a Comprehensive Audit. Further, the Terms of Reference will be included in the Request for Proposals.

MOTION PUT AND PASSED.

Mr. Dan Gautreau, Priority and Policy, addressed Council and through the use of overheads, provided background information as to how the Comprehensive Audit, and Program and Service Review were related.

5. **ADJOURNMENT**

MOVED by Councillors Uteck and Cunningham to adjourn the meeting at 3:35 p.m. MOTION PUT AND PASSED UNANIMOUSLY.

Vi Carmichael
MUNICIPAL CLERK