

# HALIFAX REGIONAL MUNICIPALITY

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## HALIFAX REGIONAL COUNCIL MINUTES MARCH 11, 2004

### PRESENT:

Mayor Peter J. Kelly  
Deputy Mayor Steve Streach  
Councillors: Krista Snow  
David Hendsbee  
Ron Cooper  
Harry McInroy  
Brian Warshick  
Condo Sarto  
Bruce Hetherington  
Jim Smith  
Jerry Blumenthal  
Dawn Sloane  
Sue Uteck  
Sheila Fougere (1:20 p.m.)  
Russell Walker  
Debbie Hum  
Linda Mosher  
Stephen Adams  
Brad Johns  
Robert Harvey  
Reg Rankin

### ABSENT WITH REGRETS:

Councillors: John Cunningham  
Len Goucher  
Gary Meade

### STAFF:

Mr. George McLellan, Chief Administrative Officer  
Mr. Wayne Anstey, Municipal Solicitor  
Ms. Jan Gibson, Municipal Clerk  
Ms. Julia Horncastle, Legislative Assistant

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**1. CALL TO ORDER**

The meeting was called to order at 1:00 p.m.

**ADDITIONS AND DELETIONS**

Additions

- 4.1 Pipeline Review (Natural Gas) Committee
- 4.2 Budget Update/Provincial Commercial Assessment Issue

**MOVED by Councillor Adams, seconded by Councillor Hetherington, that the Order of Business, as amended, be approved. MOTION PUT AND PASSED UNANIMOUSLY.**

**4.1 Pipeline Review (Natural Gas) Committee**

- A report from the Chair of the Pipeline Review Committee, dated March 11, 2004, was before Council.

**MOVED by Councillor Hetherington, seconded by Councillor Cooper, that:**

- 1. Halifax Regional Council agree to support the taxation agreement negotiated by the Union of Nova Scotia Municipalities Natural Gas Subcommittee as outlined in the March 11, 2004 staff report.**
- 2. HRM Council authorize staff to continue to pursue a mechanism to protect the continued provision of natural gas distribution to HRM residents, with a minimum of disruption, through an equity position in Heritage Gas, or possible ownership of some of the gas distribution infrastructure.**

Ms. Cathie O'Toole, Executive Assistant, CAO's Office, presented the report advising this is the same taxation agreement presented to Council on two previous occasions. She advised it is a three part tax model, one being normal commercial tax plus business occupancy on normal assets such as buildings etc. constructed outside the right-of-way. The second part is an asset based component for high volume distribution pipeline assets. The third part is a revenue based taxation component with tax on distribution revenues. She advised Heritage Gas and the Province have both expressed a desire to have one tax model that would serve for taxation for natural gas distribution assets for all municipalities.

Ms. O'Toole advised the option that would best meet everyones interest was a blended model. The level of tax present valued over twenty years is \$16.1 million for all municipalities.

Councillor Hetherington noted that the agreement will be for all municipalities province wide. The Councillor noted HRM has not been given the opportunity to have an equity partnership in Heritage Gas. The Councillor encouraged senior staff to examine the second part of the motion and put pressure on the province to give HRM the authority to go for an equity partnership with Heritage Gas.

In response to Councillor Hendsbee, Ms. O'Toole advised the final taxation agreement and wording rests with UNSM, noting HRM would see a final draft prior to it being sent to the Province. She noted Service Nova Scotia and Municipal Relations Assessment Division may introduce changes of their own before it goes to the Legislature. Ms. O'Toole stated HRM would only be taxed on assets within HRM. She advised most of the natural gas pipeline will be inside right-of-ways and the only thing outside may be some transfer stations or some administrative buildings and warehouses. She advised she would provide a schedule to members of Council.

Councillor Hendsbee requested information be provided on how revenue flows are affected as the distribution systems are extended. He stated he would also like to know the future of co-generation plants being established relative to whether they will be established on or off the right of way corridors and how they will impact the whole financial scheme. Mr. McLellan advised the information could be provided to members of Council separately outside the tax model.

In response to Councillor Uteck, Ms. O'Toole advised Heritage Gas filed a general tariff application with the UARB on March 10, 2004 which has precipitated staff coming forward to Council as HRM, being the municipality with the bulk of the natural gas customers, and with the natural gas build out in the early years, they wanted to make sure that HRM would support the UNSM negotiated tax agreement. In the UARB general tariff filing there are three schedules that pertain to municipal tax information noting, Heritage was not able to provide those schedules and requested to provide them as an addendum. She advised they have requested a letter from HRM and UNSM supporting the tax agreement.

#### **MOTION PUT AND PASSED.**

#### **4.2 Budget Update/Provincial Commercial Assessment Issue**

Mr. George McLellan, Chief Administrative Officer, advised HRM has been building its budget on the assessment roll sent by the province and it has recently come to the attention of staff that one of the properties was incorrectly assessed which would have an impact of leaving HRM with a shortfall of \$5 million.

**MOVED by Councillor Blumenthal, seconded by Councillor Hetherington, that:**

- **Tabling of the 2004/05 budget for the Halifax Regional Municipality will be deferred to April 6, 2004. This will provide staff with time to develop alternatives to deal with the \$5.2 million shortfall caused by this error.**
- **HRM Council request an explanation from the Provincial Assessment division of how this particular change occurred and the documentation supporting the various decisions involved in the change.**
- **HRM Council request the Provincial Assessment division to provide a list of all changes to the assessment roll (+/- 10% change in assessment value) within HRM, made since the 2003 assessment roll was filed.**
- **HRM Council request Minister Barry Barnet to allow for an appeal by HRM of the valuation which was in error, if HRM chooses to pursue an appeal.**
- **HRM Council authorize the Mayor to send a letter to Minister Barry Barnet outlining our ongoing concerns with the integrity and delivery of Assessment services and the relevance of market-based assessment.**

Councillor McInroy stated he was not supporting the recommendation and placed the following amended motion:

**MOVED by Councillor McInroy, seconded by Councillor Warshick, that:**

- **Tabling of the 2004/05 budget for the Halifax Regional Municipality will be deferred to April 6, 2004. This will provide staff with time to develop alternatives to deal with the \$5.2 million shortfall caused by this error.**
- **HRM seek to have a forensic audit investigation of this particular situation.**
- **HRM Council request the Provincial Assessment division to provide a list of all changes to the assessment roll (+/- 10% change in assessment value) within HRM, made since the 2003 assessment roll was filed.**
- **HRM Council seek confirmation that Halifax Regional Municipality will be granted the ability to appeal.**
- **HRM Council authorize the Mayor to send a letter and meet with Minister Barry**

**Barnet outlining our ongoing concerns with the integrity and delivery of Assessment services and the relevance of market-based assessment.**

Councillor Cooper suggested HRM make the forensic audit a high priority with UNSM.

Councillor Fougere expressed concern that this is a change from the budget that has been prepared resulting in a need for additional staff time. She requested costs associated with staff time relative to this matter be tracked.

**MOTION, AS AMENDED, PUT AND PASSED UNANIMOUSLY.**

**2. INTERIM GROWTH MANAGEMENT PLAN**

**and**

**3. LANDS AVAILABLE FOR DEVELOPMENT**

- A report prepared for Mr. George McLellan, Chief Administrative Officer, dated March 5, 2004, on the above noted, was before Council.

**MOVED by Councillor Cooper, seconded by Councillor Sloane, that Council move to Committee of the Whole. MOTION DEFEATED.**

**MOVED by Councillor Rankin, seconded by Councillor Sarto, that Regional Council:**

- 1. Move first reading and set a public hearing date(s) to consider adoption of proposed amendments to those documents contained within Attachment 7 as outlined in the report dated March 5, 2004 (Attachment 7)**
- 2. Request the Province of Nova Scotia provide HRM the authority to require hydrogeological assessments during the development application process.**
- 3. The policy and applicable pre-amble highlighted in italics below under "Discretionary Planning Approvals" shall be deleted from all municipal planning strategies:**

***“Further, the number of lots which can be subdivided created under a development agreement shall be limited to the same restriction applied to new roads under Concept Plans.***

Ms. Carol Macomber, Project Manager, Regional Planning, with the aid of a powerpoint

presentation, provided a summary of the report outlining:

- Interim Growth Management,
- Timelines,
- Where the Interim Growth area is located,
- Purpose of the Interim Growth Management,
- Goals and Objectives,
- Public Consultation - Amendments,
- Questions and frequently asked questions,
- Criteria for review of new roads questions and options for new roads,
- Lots affected, potential from subdividable process, potential total in affected area as well as annual demand for lots,
- Why we need better understanding of service,
- Impact on transportation if business as usual,
- Summary of proposed amendments.

In response to Councillor Smith, Mr. Pyle, Planner, advised a concept plan would be an application submitted for concept before January 22, 2004 and it would be for a subdivision that includes a new road. The Councillor requested the map be amended to reflect the numbers for approval in the areas indicated to have concept plans. On further question, Mr. Pyle advised that the area of land would be an area of land that existed as of January 22, 2004. It would be a parcel of land that would have existed before the Ministerial Order came into effect.

Mr. Ed Thornhill advised mapping has been prepared for those districts affected by the Ministerial Order identifying individual parcels of land based on a graphic analysis by staff. The maps indicate whether or not there is sufficient road frontage and area allowing them to be subdivided on existing road as well as identifying those that could not be and would be deemed a parcel of land eligible for a permit application. He advised the maps would be made available to the Councillors having affected areas.

Mr. Anstey, Municipal Solicitor, advised the maps were for the information of the Councillors only and any inquiries should be referred to staff.

Councillor Adams requested a written response to who the citizens were on the Regional Planning Steering Committee and what their qualifications were.

Deputy Mayor Streach expressed concern with the developers that own small parcels of land that don't have any current conceptual or preliminary plan and may require a small road to carry out their initiative. In response to the Councillor as to whether the long term plan will be as restrictive as what is being put in place today, Ms. Macomber advised the intention today needs to be for fairly tight regime so that people do not grandfather rights in anticipation of a

tighter regime coming in.

### **MOTION PUT AND PASSED**

Those voting **in favour** of the motion were Mayor Kelly, Deputy Mayor Streach and Councillors Cooper, McInroy, Warshick, Smith, Sloane, Uteck, Fougere, Walker, Hum, Mosher, Johns, Harvey and Rankin.

Those voting **against** the motion were Councillors Snow, Hendsbee and Adams.

Councillors Sarto, Hetherington, Cunningham, Blumenthal, Goucher and Meade were absent.

### **5. ADJOURNMENT**

The meeting was adjourned at 3:45 p.m.

Jan Gibson  
Acting Municipal Clerk