



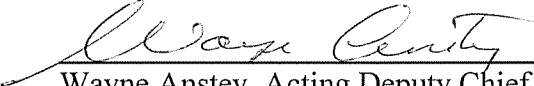
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**Halifax Regional Council
Committee of the Whole
February 14, 2006**

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


Dan English, Chief Administrative Officer


Wayne Anstey, Acting Deputy Chief Administrative Officer

DATE: February 8, 2006

SUBJECT: Sidewalk Snow Plowing -Service Delivery Options

SUPPLEMENTARY REPORT

ORIGIN

At the August 9, 2005 meeting of the Committee of the Whole, staff was directed to provide additional information regarding operation and payment options for sidewalk snow clearing for all sidewalks in HRM including all those located within the former City of Halifax.

RECOMMENDATIONS

It is recommended that:

The sidewalk snow removal program for Halifax Regional Municipality include all present elements and the following components:

- 1. All arterials and transit routes within the Municipality funded through the Urban General Tax rate;**
- 2. An enhanced Seniors and Disabled individuals' sidewalk snow removal program funded through the Urban General rate;**
- 3. Continue the service in the areas which receive residential sidewalk snow removal and fund through a single area rate; and**
- 4. That the sidewalk snow removal program be set for a period of not less than five years so staff can make the necessary operational and service level improvements to ensure program effectiveness.**

BACKGROUND

Prior to 2005-06, sidewalk snow plowing service was provided to the former City of Dartmouth, Town of Bedford, sections of the former Halifax County, and some sections of the former City of Halifax outside of the Peninsula. Effective in 2005-06, the service was extended to include sidewalks adjacent to intersections throughout all other sections of the former City of Halifax.

With the exception of sidewalks abutting HRM owned properties, the service has been funded by means of a single uniform area rate because there are significant areas within the urban General Tax Rate which do not currently receive the service. Starting in 2005-06, the plowing of sidewalks adjacent to intersections was added as a consistent service and is therefore funded from the general tax rate through the snow and ice program.

Council has expressed concern over the lack of uniformity in the delivery of this service, and in the means by which it is funded, and has therefore directed staff to explore various scenarios for service delivery and funding.

The motion, approved by Council on 9 August 2005 was:

“That HRM provide sidewalk snow removal for all HRM streets and that this service be funded through the General Urban Rate.”

DISCUSSION

All sidewalks

Council directed staff to determine the implications of providing sidewalk snow clearing service to all of HRM and funding the entire service from the General Urban Rate.

This approach would result in an increase to the HRM Operating Budget of approximately \$5.6 million, increasing the General Urban Rate by about 2.0 cents per \$100 of assessed value. The estimated required area rate for the current program, of 1.3 cents in the current service area would be eliminated. Therefore, those residents in the current service areas would see a net increase on their tax bills of 0.7 cents per \$100 of assessed value, while those who would begin receiving the service for the first time would see an increase of 2.0 cents. This overall increase in the cost (rate) for existing service areas and new areas is due to the relatively high cost of providing sidewalk snow removal in the former City of Halifax with its high volume of residential sidewalks. The impact on the General Urban Rate is mitigated somewhat by the application of the commercial multiplier of 2.55 which is not applied to commercial properties when the service is area rated. The budgetary impact is summarized below:

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	Cost	Tax Rate
Total Cost of Plowing all HRM Sidewalks*	\$6,000,000	\$0.021
Less: Total Abutting HRM Properties	(\$400,000)	(\$0.001)
Total Increase to Operating Budget & General Urban Rate:	\$5,600,000	\$0.020
**Total Decrease to Area Rate in Current Serviced Area:	(\$1,736,000)	(\$0.013)

* includes intersections

** this decrease would eliminate the existing area rate entirely

Staff would propose the following performance standards to more accurately reflect the current practices. This would enable staff to define routes more in keeping with Councillor and public expectations.

Classification

Duration

Business Districts
Main Arterial

Cleared 12 hours from the end of the snowfall

Transit Routes

Cleared 18 hours from the end of the snowfall

Residential

Cleared 36 hours from the end of the snowfall

As staff indicated at COW in August 2005, it is virtually impossible to replicate the current 12 hour service standards imposed on the residents. Staff believes, however, that during the tendering process HRM would be able to solicit an array of costs for various service standards. A recommendation on the specific service standard would accompany the award of the contracts.

If Council chooses to proceed to have all the sidewalks done, then staff would determine the best combination of in-house and contract resources to meet the defined service level.

Arterials and Transit Routes Option

Although not directed by Council, staff is recommending an alternative for Council's consideration. The direction from Council to investigate HRM taking over all residential sidewalk snow removal in the municipality has been scoped and costed and remains available to Council for their consideration. Staff does feel however that given the resource implications of the August 2005 motion, an alternative is worthy of further consideration.

In developing this alternative, staff did consult with the Councillors directly affected by the issue in the unserved areas. Staff choose to present this alternative due to the resource implications and

given the recent direction to reduce the General Tax Rate by 5.1%. Staff feels that this alternative is a reasonable option given the desire to reduce the tax rate and to minimize the impact on other municipal services.

Staff proposes that Council consider setting the sidewalk snow removal program as follows:

1. all arterials and transit routes across the municipality
2. supplement the current Seniors Snow Removal Assistance Program to a Seniors and Disabled Snow Removal Program
3. continue residential sidewalk snow removal service for those areas that currently receive the service and fund from a single unified area rate within the current serviced areas. In those currently serviced areas the area rate cost would drop substantially due to arterials and transit route costs moving to the General Rate.

Under this scenario, the Operating Budget would increase by approximately \$1.9 million and the General Urban tax rate would increase by about 0.7 cents per \$100 of assessed value. The area rate in the current service area would not be eliminated, but would be reduced substantially from 1.3 cents to 0.4 cents as it would fund only the cost of plowing sidewalks other than those along arterial and transit routes. This area rate decrease of 0.9 cents would more than offset the 0.7 cent increase in the General Urban Rate resulting in a net savings on tax bills of 0.2 cents per \$100 of assessed value in the current serviced area. Those who would begin receiving service for the first time would see an increase of 0.7 cent per \$100 of assessed value. This proposal would have less of an impact on the General Urban Rate than clearing all sidewalks yet still provide a measurable increase in service for the taxpayer. The budgetary impact is summarized below:

	Cost	Tax Rate
Cost of Plowing Arterials & Transit Routes in entire Urban Area	\$2,000,000	\$0.007
Less: Total Abutting HRM Properties	(\$400,000)	(\$0.001)
Additional Cost of Seniors & Disabled Snow Removal Program	\$300,000	\$0.001
Total Increase to Operating Budget & General Urban Rate:	\$1,900,000	\$0.007
Cost of Plowing Arterials/Transit Routes in Current Service Area	(\$1,200,000)	(\$0.009)
Total Decrease to Area Rate in Current Serviced Area:	(\$1,200,000)	(\$0.009)

Staff is recommending this option to Council.

The overall impact on tax rates is outlined below and can be summarized as follows. Those residents who currently receive sidewalk snow removal would continue to receive the service and

would pay less for the service due to the transfer of arterial and transit routes to the urban general rate. This lower cost also includes an increase in service available to all residents through an enhanced Seniors and Disabled program. Those residents who do not currently receive residential sidewalk plowing would see arterials and transit routes in their areas done and the enhanced senior program and would see an increase in the urban general rate to pay for this service increase. It should be noted that there are two districts which have sidewalks outside the Urban Tax boundary. In one district 100% of the sidewalks are arterials or transit routes in the other 90% are arterials or transit. It is recommended that these sidewalks be serviced through the Urban Tax Rate for 2006/07 on the basis that the funding alternatives are very complex and the costs are minimal. Any required adjustments in funding will be more appropriately managed through the tax boundary discussion under tax reform for the 2007/08 fiscal year. This situation occurs in alternative # 1 (Council's earlier direction) as well and for the purposes of this report has been treated in the same manner - namely, funded through the Urban General rate.

	Current Serviced Area	Area Not Currently Serviced*
Increase to General Urban Rate	\$0.007	\$0.007
Decrease to Area Rate	(\$0.009)	n/a
Total Change to Tax Rates	(\$0.002)	\$0.007

* would begin receiving service to arterial and transit routes in 2006/07

BUDGET IMPLICATIONS

The approved service change will need to be included in the 2006/07 Business Plan and Budget. Given the current fiscal pressures, and regardless of whether Council accepts the staff recommendation or alternative # 1, this will likely displace other operating and/or capital considerations. The enhanced service will be in place for the 2006/07 winter works season.

The recommendation of having the arterials and transit routes serviced will place a demand on the General Urban Rate of \$1.9 M. Additionally, \$125 K will be required in capital to purchase additional equipment for the component of the work to be done by HRM staff.

The alternative option # 1 of having all the sidewalks cleared would place an additional demand on the General Urban Rate of \$5.6 M. Additionally, \$750 K would be required in capital to purchase additional equipment for the component of the work to be done by HRM staff.

It should also be noted that all of these costs are indicative and the actual costs and final rates will not be known until the contracts are tendered and staff is aligned to support the service decision

made. Staff recommend that the incremental cost of the service increase (in the staff recommendation or in Alternative #1) be treated separately from the recent Council direction to drop the tax rate by 5.1%. To do otherwise would mean staff would be required to find \$1.9M to \$5.6M in additional cost savings over and above the \$15M already directed. It is staff's recommendation, because this represents a new level of service to the tax payer, that new tax revenues be directed to address any service increase.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Although staff is proposing the arterials and transit routes option, Council could choose its initial direction and proceed with all the sidewalks in the former City of Halifax.

1. Council approve a sidewalk snow removal program for all sidewalks in HRM and direct that this service be started in 2006/07 and funded through the Urban General Rate.

Staff does not recommend this alternative given the impact on the General Urban Rate and on the existing Operating budget capacity. Staff's proposed approach represents a significant improvement to the level of service and meets with Council's desired outcomes.

2. Council could choose to maintain the status quo which means continuing to provide the current level of service on sidewalks where the service is area rated. In this alternative, Council could choose to supplement the existing Seniors Snow Removal Program as was reflected in the options in the discussion. The enhancement to the Seniors Program would be charged to the Urban General rate. This is an alternative staff would also recommend if it is Council's wish.

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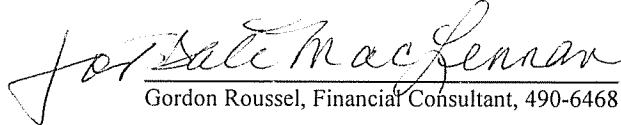
A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.




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