

**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
BUDGET DELIBERATIONS
MINUTES**

April 16, 2008

PRESENT: Mayor Peter Kelly, Chair
Deputy Mayor Stephen D. Adams
Councillors: Steve Streach
Krista Snow
David Hendsbee
Harry McInroy
Andrew Younger
Bill Karsten
Jackie Barkhouse
Jim Smith
Mary Wile
Patrick Murphy
Dawn M. Sloane
Sue Uteck
Sheila Fougere
Russell Walker
Debbie Hum
Linda Mosher
Brad Johns
Robert P. Harvey
Reg Rankin
Gary G. Meade

REGRETS: Councillor Gloria McCluskey

STAFF: Mr. Dan English, Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Julia Horncastle, Acting Municipal Clerk
Ms. Sheilagh Edmonds, Legislative Assistant
Ms. Sandra Riley, Legislative Assistant

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1. CALL TO ORDER

The Mayor called the meeting to order at 9:40 a.m.

2. BUDGET DELIBERATIONS

The following documents were before Council for consideration:

- C HRM Budget 08-09, Proposed Adjustments (15/04/2008).
- C Proposed Changes to 2008/09 Capital Budget

The Mayor advised that this meeting was a continuation of the budget presentation from yesterday afternoon (April 15, 2008) at which time the following motion was on the floor:

MOVED by Deputy Mayor Adams and seconded by Councillor Sloane that Halifax Regional Municipality approve that:

- 1. The Capital Budget in the amount of \$161,653,000 consisting of \$152,953,000 for Halifax Regional Municipality and \$8,700,000 for the Halifax Regional Water Commission, be approved;**
- 2. The Operating Budget in the amount of \$677,458,907 gross expenditures (which includes \$547,759,168 in municipal expenditures), \$589,027,539 non-departmental revenues, and \$88,431,368 departmental revenues be approved;**
- 3. The general rates of taxation on commercial and business occupancy be set at:**
 - C \$3.073 for the urban rate;**
 - C \$3.073 for the suburban area; and**
 - C \$2.668 for the rural area**

applied to the full assessed value of the property;
- 4. The general rates of taxation on residential and resource property be set at:**
 - C \$0.829 for the urban rate;**
 - C \$0.726 for the suburban area; and**

C \$0.720 for the rural area

applied to the full assessed value of the property (adjusted for the assessment cap);

- 5. The final tax bills will become due on Tuesday, September 30, 2008;**
- 6. The interest rate on the Special Reserve Funds, designated as requiring interest under Section 100(2) of the *Municipal Government Act*, be set at the rate of return on funds invested by Halifax Regional Municipality for the period April 1, 2008 to March 31, 2009**
- 7. The interest rate on the Pollution Control Reserves be set at the rate of return on funds invested by Halifax Regional Municipality for the period April 1, 2008 to March 31, 2009**
- 8. The interest rate on all reserves except for those identified in 6 and 7 be set at the rate of return on funds invested by Halifax Regional Municipality for the period April 1, 2008 to March 31, 2009, and**
- 9. The interest rate on trust funds will be set at the annual rate of return on specific investments held by the trusts.**

Mr. Bruce Fisher, Manager, Fiscal and Tax Policy provided an overview of the assessment increases for an average single-family home for this year versus last year, noting that last year the average single family home went up 7.9% and this year it went up an average 3.1%. He explained that the assessment cap changed in 2008 and this is why the average is lower for 2008/09. Mr. Fisher added that last year, Council cut the tax rate 2.4%, which meant that taxes increased about 5.5% and, this year, with the increase being 3.1%, Council is considering increasing the rate. This gives approximately the same tax increase as last year (5.7%). Overall, Mr. Fisher explained that last year there was a large increase in the assessment, hence a small rate drop; this year there is a small increase in the assessment, hence, a change in the rate. In summary, Mr. Fisher noted the following points:

- C not everyone is capped
- C some properties have increases below 2.3% so they get the benefit of market value
- C anything sold reverts back to market value
- C new construction is coming on to the system
- C improvements to properties are not eligible for the cap
- C non-residents are not eligible for the cap
- C apartments over 3 units are ineligible for the cap
- C commercial properties are ineligible for the cap

Ms. Dale MacLennan, Director of Finance addressed Council and referring to the submitted information regarding *Proposed Changes to the 2008/09 Capital Budget* provided

clarification in regard to the \$28 million expenditure.

At 9:49 a.m. Councillor Rankin entered the meeting.

Ms. MacLennan began her remarks by pointing out that the budget books do not include the list of the \$28 million in capital projects. She added that the budget resolution specifically references the total capital budget and does not include the \$28 million of additional capital spending. Ms. MacLennan explained that the \$28 million would be comprised of \$6 million from growth factor and \$21.8 million from a Debt Service Fund.

At 9:53 a.m. Councillor Hendsbee entered the meeting.

At 9:55 a.m. Mayor Kelly left the meeting and Deputy Mayor Adams assumed the Chair.

In concluding her remarks, Ms. MacLennan advised that if Council does not wish to increase the capital budget beyond what is in the budget book, then none of the financing issues matter; but if Council wishes to increase the capital budget, then it can consider different options around the financing, and different items on the list.

Mr. Dan English, Chief Administrative Officer, explained that this matter is about leveraging debt for this year only. He added that there has been some comment about using the gas tax for this, and he noted that staff will be back to Council in June with a report at which time Council can discuss leveraging the use of the gas tax. He advised that the current debt strategy has proven to work very well for HRM because the debt charges, principle and interest, are to the point where Council can use the extra capacity to leverage debt.

MOVED by Councillor Streach, seconded by Councillor Karsten that the motion be amended to include proposed changes in regard to the debt servicing strategy as outlined by the Director of Finance and Chief Administrative Officer in the Proposed Changes to the 2008/09 Capital Budget.

In response to a question, the Chief Administrative Officer advised that this amendment would not affect the tax rate.

In response to further questioning, the Chief Administrative Officer explained that a number of projects were not included in capital budget due to budget constraints and the Multi-Year Financial Strategy. He added that staff was asked by Council to find means to increase borrowing capacity and staff came back with the debt servicing strategy. Mr. English advised that these projects will be in addition to the capital budget, and will be for one year only (2008/09). As well, it does not impact on the Multi Year Financial Strategy, and it does not affect the tax rate.

Staff responded to further questions.

At 10:26 a.m. Mayor Kelly returned to meeting.

THE AMENDMENT WAS PUT AND PASSED.

The meeting recessed at 11:05 a.m.

The meeting reconvened at 11:24 a.m. with same members present with the exception of Councillor Hendsbee.

MOVED by Councillor Streach, seconded by Councillor Sloane that the following items be added to the parking lot:

- C \$50,000 Musquodoboit Harbour Recreation (Bennets Ball Field)**
- C \$417,000 for 16 additional fire fighters.**

Councillor Streach explained that he was proposing \$50,000 for the Bennets Ball Field because the Province has indicated it would provide a \$100,000 grant if HRM provides \$50,000. Councillor Streach also advised that the rural areas in particular were in need of fire fighters and he was proposing to take the \$500,000 which was earmarked for the animal shelter and using these funds for an additional 16 fire fighters and for lighting of the Bennets Ball Field.

Chief Bill Mosher, Director of Fire Services responded to questions.

Councillor Mosher requested a report from Chief Mosher responding to the following questions:

- C what are HRM's fire standards?
- C how does HRM measure up to the standards?
- C what is the liability if the standards are not met?

Councillor Mosher asked that the report take into account the rural communities as well.

Further to this request, Councillor Hum advised that she would like information on the future budgeting for fire fighter needs in Bedford West and Bedford South in regard to new fire stations and staffing. She indicated that this could either be addressed in the report requested from Councillor Mosher or in a separate report.

The Mayor advised that the two items put forward for the parking lot by Councillor Streach would be voted on separately, as follows:

MOVED by Councillor Streach, seconded by Councillor Sloane that \$50,000 be added to the parking lot for Musquodoboit Harbour Recreation (Bennets Ball Field). MOTION PUT AND PASSED.

MOVED by Councillor Streach, seconded by Councillor Sloane that \$417,000 be added to the parking lot for 16 additional fire fighters. MOTION PUT AND PASSED.

The meeting recessed at 11:51 a.m.

The meeting reconvened at 1:22 p.m.

Councillor Walker advised that, in regard to the Police Commission, he would like to add

\$1,524,667 to the budget for an additional 32 police officers and night court, in the following manner:

- C 8 - East Division - Northend Dartmouth [foot patrols and bicycles]
- C 8 - East Division - Full time Police Officers - in the Morris-Russell Lake area
- C 8 - West Division [Fairview and Spryfield with 4 options each]
- C 4 - RCMP Officers for Cole Harbour
- C 4 - RCMP for Lower Sackville

He advised that these particular areas have been demanding extra service and leaving other areas of HRM depleted of service, as the officers are in use elsewhere. He stated that the additional officers would bring it up to complement for protection throughout the HRM. He advised that HRP and RCMP Officers are covered under the contract of night court. He added that Staff suggested the amount should be \$2.2 million dollars, but that the Police Commission has taken into account the \$400,000 worth of fines that would be a return.

Ms. Geri Kaiser, Deputy CAO, Corporate Services and Strategy, advised that Staff is uncertain as to whether there actually will be a \$560,000 revenue offset from night court. She also pointed out that Staff took direction from Council based on last year's services at this year's rates.

Councillor Smith spoke in support of this moving into the parking lot and advised that it is imperative that safety be the first consideration over cost. He stated that there are many creative sources of funding to utilize rather than having a tax rate increase.

Councillor McInroy spoke in support of the proposed motion.

Councillor Mosher expressed that she would like to have more information brought forward to Council, regarding the report on crime reduction; the PerivaleTaylor Report (Police Resourcing Study) from the Police Commission, showing the reduction of crime in correlation to the number of officers. She expressed concern with the hiring of young, new officers, advising that officers with more experience should be hired.

She further inquired as to what the status and estimated revenue from fines and tickets would be after the implementation of red light cameras and speed cameras.

Council was advised that the Perivale Taylor Study is being dealt with and recommendations and a report will be submitted to Council around mid June.

Police Chief Frank Beazley, Halifax Regional Police (HRP), clarified that three years ago from 2001 - 2005, HRM peaked in relation to crime elevation, with violent crimes increasing by 50%. In 2005, the plateau reduced by about 1.5% and further dropped 1 - 1.5% in 2006. He stated that this year (2008) is the first year for a significant drop in crime within the area of about 10%, and he attributes this drop to the additional resources HRM and the Province have given. He advised that the most significant impact was in the downtown Halifax area, with the addition of 16 new foot patrol officers and the creation of quick response units in the

East, West, and Central Divisions. He stressed that deploying additional officers in high crime areas will have an impact, and this is where the support will go.

Councillor Rankin arrived 1:50 pm.

Chief Beazley advised that, in relation to the photo-radar, the HRP is awaiting direction from Minister Murray Scott, clarifying that it was Minister Scott's department that put through the changes in the Motor Vehicle Act. He clarified that there will be no immediate funding to HRM, as any money that is made from that project for the next 18 months will be used to fund the experiment, after which a decision will be made to permanently change the law.

Councillor Mosher expressed that if the public was made aware of the reasons why so much money is needed - to enhance public safety - they would be in complete support. She stated that the public needs the knowledge of the decrease in violent crimes as a direct result of the increase in officers deployed.

Councillor Karsten advised that he is in complete support of the motion and would rather move forward with a budget that protects and looks after all risks. He requested that Staff come back and clarify to Council the \$106,500 that represents the impact for night court, along with the \$577,000 recovery.

Chief Beazley advised that they are looking into reducing some of these costs and change the formula somewhat. He advised that there is additional revenue coming in to HRM that does not get credited to the police budget or the justice budget. He stated that where there is increased production there is increased revenue. He advised that the numbers are not known yet and guidelines with the province have to be continued.

Councillor Streach requested more information regarding the additional complement of RCMP Officers. He requested clarification on the trickle down effect as the deficiency in some areas is causing resources in others to be taken away.

Superintendent Gordon Barnett, RCMP, advised that a number of things have been done to address that issue, however, officers will be dispatched to where they are needed. Chief Beazley explained that officers in outer zones may get pulled in to service an area in need. It was clarified that it is an Issue of public safety, a fact of life, and that is the way it has to be - officers have to be called in where needed. It was also pointed out that the numbers are not there, presently, to do what is being asked and continue to supply the same level of service.

Councillor Wile pointed out that revenue from fines would be difficult to determine. Chief Beazley clarified that a general estimation can be made as most people plead guilty to tickets and fines, with the exception of speeding tickets, so HRM is able to estimate a yearly amount. He estimates it will be somewhere in excess of \$2 million this year to HRM as result of ticket production. He pointed out that it is not only for tickets, but bylaws, fines, and other things.

Councillor Wile inquired as to what other legal costs would be involved with the night court.

She was advised that additional costs would include: cost of disclosure; cost of data input; increase in civilian staff; clerks; lawyers; prosecutors.

Councillor Fougere arrived 2:00 pm.

Councillor Sloane arrived at 2:03 pm.

MOVED by Councillor Walker, seconded by Councillor Snow, that 32 additional Police Officers and night court be added to the parking lot at a cost of \$1,524,667.00. MOTION PUT AND PASSED.

The HRP Officers retired from the meeting at 2:07 pm.

Councillor Smith referenced item #13 on the HRM Budget Proposed Adjustments list regarding the Northbrook Tennis Court upgrades. He stated that it would have a \$70,000 Capital Impact, and has been on the list for five years. He explained that District 9 does not have a tennis court without defects, and therefore, they are not being fully utilized. In regards to the Northbrook Tennis court - which is attached to the Northbrook Police Centre - he pointed out that if the court was upgraded and fixed, it would encourage the community's use as well as being used for training by the cadets. He suggested the following proposed funding sources:

- C Regional Trails acquisition
- C Regional trails maintenance
- C Cost savings from CPX01017 (new park development)
- C Councillor capital discretionary

MOVED by Councillor Smith, seconded by Councillor Streach, that \$70,000 for upgrades to the Northbrook Tennis Court be put in the parking lot. MOTION DEFEATED.

Councillor Younger discussed and clarified a circulated copy of a two part motion entitled "Change to budget - re: 2009 Worlds" to Council, and placed the following motion:

MOVED by Councillor Younger, seconded by Councillor Snow that:

- 1. The \$1 million allocated in 2009/10 be moved to 2008/09 increasing the total budget for the Greenway implementation related to the world's to \$2 million;**
- 2. The allocation to the Starr/Incline Plane site of \$100,000 in 2009/10 be moved to 2008/09 and increased to \$250,000 to facilitate leveraging opportunities.**

He recommended a reduction to the Strategic Growth Reserve by \$1.25 million to \$3.773 million to offset the cost of his amendment.

MOTION PUT AND PASSED

Council recessed at 2:40 pm.

Council reconvened at 2:55 pm.

Councillor Hendsbee arrived at 2:57 pm.

Councillor Snow referenced the issue of item #12 on the HRM Budget 08/09 Proposed Adjustments list, which reads "Service impact of having avg tax increase of 2.6% rather than 5.7%". She proposed that a motion be moved to keep the tax rate flat. Council and Staff proceeded to discuss the following points that would need clarification in order to move such a motion:

- C Decimation of the budget
- C Look at all possible options; what can be cut
- C Justify and clarify any increase to members of the public; residents
- C Talk has only been about increase. Need to lessen tax payers burdens
- C Bring forward some deletions; show some decrease
- C Give examples of what would have to come out of the budget

MOVED by Councillor Snow, seconded by Councillor Younger that Staff come back to Council with some options on how the rates can be waived with no tax increase; with the exception of Police and Fire. MOTION DEFEATED

Councillor Mosher stated that this motion, Item #12 - Service impact of having average tax increase of 2.6% rather than 5.7% - is supporting a tax increase.

MOVED by Councillor Meade, seconded by Councillor Walker, that \$500,000 be added to the 2009/2010 budget year for an artificial surface multi-purpose field when the next Junior or Senior High School is built in HRM.

Councillor Meade advised that the artificial multi-purpose surface will allow for 70 hours of use, per week, of the field rather than the present usage of only 20 hours per week.

Councillor Hum stated that any recreational facility issue would be covered by the Facilities Master Planning Committee and advised that the motion should be referred to them.

Without a vote being taken on the motion on the floor, the following motion was placed:

MOVED by Councillor Meade, seconded by Councillor Walker that the motion be referred to the Facility Master Planning Committee. MOTION PUT AND PASSED.

Councillor Rankin expressed concerns with the Regional Trails stating that these trails are owned by the Province and are about 7-8 years old. He stated that they are being funded for passive transportation, such as walking, but the use of All-terrain vehicles has not been taken

into consideration which requires a higher level of maintenance for the trails.

MOVED by Councillor Rankin, seconded by Councillor Harvey that Staff provide a report to Council, with directions to investigate concerns relating to trails and similar operations to address the inadequate funding levels given by the Municipality and the Province, and what their individual contributions should be.

Ms. Cathie O'Toole, Director - Infrastructure & Asset Management, stated that Staff is bringing a Committee of the Whole Report on Regional Trails next week to discuss the Government's relationship with the Halifax Regional Trails Association. She advised the intent is for Staff to come back with a Report which will address the trail agreement issue. She requested that Councillor Rankin's motion be deferred until that time .

MOVED by Councillor Rankin, seconded by Councillor Sloane that the motion for Report to Council regarding Regional Trails be deferred until the next Committee of the Whole meeting. MOTION PUT AND PASSED

3. ADJOURNMENT

The meeting was adjourned at 4:27 p.m.

Julia Horncastle
Acting Municipal Clerk