



**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE MINUTES
January 8, 2014**

PRESENT: Mayor Mike Savage
Deputy Mayor Darren Fisher
Councillors: Barry Dalrymple
David Hendsbee
Bill Karsten
Lorelei Nicoll
Gloria McCluskey
Waye Mason
Jennifer Watts
Linda Mosher
Russell Walker
Stephen Adams
Reg Rankin
Matt Whitman
Brad Johns
Tim Outhit

STAFF: Mr. Richard Butts, Chief Administrative Officer
Mr. John Traves, Municipal Solicitor
Ms. Sherryll Murphy, Deputy Municipal Clerk
Mr. Liam MacSween, Legislative Assistant

The following does not represent a verbatim record of the proceedings of this meeting.

*A video recording of this meeting is available:
http://archive.isiglobal.ca/vod/halifax/archive_2014-01-08_live.mp4.html*

*The agenda, supporting documents, and information items circulated to Council are available
online: <http://www.halifax.ca/council/agendasc/20140108.html>*

The meeting was called to order at 10:04 a.m., and recessed at 12:45 p.m. Council reconvened in at 1:26p.m. Council adjourned at 3:17 p.m.

1. CALL TO ORDER

Mayor Savage called the meeting to order at 10:04 a.m

The Mayor sought Council's approval to invite Councillor Karsten to chair the Committee of the Whole matters related to budget deliberations throughout the entire budget process.

MOVED by Councillor Mason and Seconded by Councillor Whitman that Councillor Karsten Chair the budget deliberations throughout the budget process. MOTION PUT AND PASSED.

The Clerk noted that Councillors Johns, McCluskey Walker and Mosher would be late arriving to the meeting.

Mayor Savage stated that Item No. 5 (1) Transportation Standing Committee – Low Income Transit Pass Pilot Program will take place before Item No. 5 - Budget Presentation – Transit.

2. APPROVAL OF THE MINUTES – November 19, 2013

This matter was dealt with later in the meeting. Please see page 7.

3. Introduction – Budget Deliberations Process

The following documentation was before Committee of the Whole:

- A presentation, dated January 8, 2014 entitled “CAO Budget Review”

The Mayor invited Mr. Richard Butts, Chief Administrative Officer, to give a presentation on the budget and budget deliberation process.

Mr. Butts began his presentation noting that the approach to the budget will be similar to that of previous years. Staff will be presenting the budget Business Unit by Business Unit and seeking direction from Council along the way.

Mr. Butts provided an overview of expenses and revenues as they pertain to the budget. He noted that HRM's total expenditures are \$824 million, with \$147.3 million representing provincial commitments such as schools, housing, assessments and corrections while the remaining \$676.7 million represents municipal services.

Mr. Butts displayed a chart outlining HRM's expenditures in their totality and commented that like most municipalities, the bulk of expenses are centralized in three or four departments. He noted that in HRM's case, Police Services, Fire Services, Transportation and Public Works, and Transit account for the highest expenses, representing \$411.2 million of the total budget. He provided an overview of HRM's \$677 million revenue and noted that it is comprised primarily of

residential and commercial taxes but that other sources of revenues are generated from Business Units such as tipping fees, recreation fees and bus fares.

It terms of cost pressures for the 2014-15 budget year, Mr. Butts noted the following:

- \$ 12.8 million for compensation, including the operating costs of capital and \$3 million in pension adjustments
- \$ 5.5 million inflationary costs of operations and contracts
- \$ 9.6 million for new programs including capital from operating costs and reserve contributions
- \$ 2.9 million in external forces impact from loss in tax revenue from Imperial Oil.

Mr. Butts stated that revenues from taxes are expected to increase by \$13.3 million primarily through growth. He noted that, when all revenues and expenses are accounted for, there will be a projected cost pressure of \$21 million on the budget. He further commented that, to address this cost pressure, Business Units were asked to find efficiency savings equal to the \$21 million. In addition to this, Mr. Butts noted that staff is currently reviewing the operating budget to redirect funding from stale projects to new projects.

Mr. Butts provided an overview of the Business Unit targets for the 2014-15 budget and highlighted target savings. He identified long term risks and pressures such as the HRM pensions plan. He went on to note that Business Units are working on finding innovation with respect to labour costs which represents 90% of cost pressures faced by Business Units. He commented on cost pressures related to transit and noted the issue of continued expansion without increased ridership. Mr. Butts alluded to new development vs. infill, operating costs of new capital and pressures that Halifax Water is currently facing on improving infrastructure that will have a fiscal impact on HRM in upcoming years.

Mr. Butts stated that Council has been aggressive in managing the fiscal affairs of the municipality and remarked that HRM is not a high tax entity. He remarked that the average taxation for single family home is \$1,867. He provided further information on the relative distribution of taxation highlighting that 10% of homes pay higher than \$3,900 in property tax and 10% pay less than \$944.

Mr. Butts noted a fiscal challenge for the future in that expenditures are growing at higher rate than revenue. He also commented that debt levels are dropping significantly and that HRM's total debt and interest payments, 7% of revenue, is a very manageable number.

Mr. Butts provided a brief overview of the budget consultation process highlighting the switch to the Committee of the Whole format. He commented on increased accountability, transparency and public participation in the budget process. He noted that this is achieved through Community Council budget presentations, "open mike" sessions at Committee of the Whole and the online budget allocator tool found on shapeyourcityhalifax.ca which allows members of the public to engage online and provide input.

The Mayor thanked Mr. Butts for his presentation and invited Councillors to ask questions relating the presentation.

Councillor Mosher entered the meeting at 10:28 p.m.

Councillor Karsten requested further information regarding the financial impact of the \$2.9 million cost pressure from the shut-down of the Imperial Oil refinery.

Mr. Greg Keefe, Chief Financial Officer (CFO), stated that there was a legislated tax agreement between the Province of Nova Scotia and HRM with respect to tax collection from the Imperial Oil refinery. He noted that the refinery is no longer operational and that the provincial government plans to repeal the legislation with respect to the tax agreement. Mr. Keefe noted that the \$2.9 million estimate provided by Finance staff is conservative and that he does not anticipate the loss to be as high as what was forecasted.

Mr. Butts noted that the information provided to Committee of the Whole are projections and that if nothing changes, this is what HRM can expect in the future. He commented that the intent of the presentation is to provide longer term guidance for future decisions.

Councillor Mason requested further information with respect to the financial implications of pension pressures with respect to the budget.

Mr. Butts replied that staff is currently assessing the financial implications of pension pressures and how it will relate to the budget. He commented that it is a very complex issue and that a report and presentation will be brought forward to Council within a few months.

Councillor Hendsbee entered the meeting at 10:33a.m.

Councillor Mason further inquired if the Citadel Hill (Payment in Lieu of Taxes) issue had an impact on budget forecasting.

Mr. Butts noted two impacts the Citadel Hill issue will have on the budget, a short term influx of additional revenue from a retroactive payment and a long term impact of an additional tax base. Councillor Craig inquired about the average household income of HRM residents and whether it could be included in presentations dealing with tax collection.

Mr. Keefe, CFO, cited difficulties in obtaining data with respect to household income as a result of changes made to the long form Census. He stated that staff will endeavor to provide more information regarding household income.

Councillor Craig requested further information with respect to efficiency savings and whether or not staff can maintain the same level of services for less cost.

Mr. Butts noted that staff would not reduce services or costs without seeking direction from Council first. He noted that staff is focusing on a multi-prong strategy to provide the same level, or better level of services while finding savings through creativity and innovation. He cited process improvements such as consolidating office space and buildings to reduce administrative overhead costs and utilizing new technology to streamline operations.

Councillor Rankin commented that in recent years there has been considerable progress made in servicing debt. He asserted that HRM has less control over funding commitments for Provincial liabilities. He credited work undertaken by the Union of Nova Scotia Municipalities for getting MOU's in place with the Provincial Government to reduce risk with respect to the downloading of services. He requested further information from staff on Provincial liabilities and what can be expected in this regard for the future.

Councillor McCluskey entered the meeting at 10:45 a. m.

Mr. Butts noted that HRM's debt management policy has worked very effectively in the reducing debt. He noted that HRM currently pays 7.1% on debt and interest payments and reiterated this was manageable.

Mr. Keefe, CFO, commented that that he is very comfortable with HRM's debt position. With respect to provincial costs, Mr. Keefe affirmed that the vast majority of these costs are related to education. He stated that the Provincial Government has frozen the Mandatory Education Tax Rate and that costs for HRM will increase to the extent that assessments increase. He commented that the Provincial Government takes a percentage of assessments, which limits the amount of tax room that HRM has with respect to billing. He noted that staff are currently monitoring this situation and are working with the Province.

The Mayor asked for information with respect to the current provincial debt and debt service costs.

Mr. Keefe, CFO, stated that the interest only number for provincial debt is approximately \$900 million.

Councillor Walker entered the meeting at 10:51 a.m.

Councillor Outhit commented that the budget is a good news story overall. He noted that he is interested in finding out the physical locations that correspond to the tax assessment numbers, as well as a breakdown of household incomes in those areas. He further stated that there are things that HRM does not fund such as courts, housing, and social services that some municipalities across the country do fund. He inquired as to the status of the projected \$6 million surplus that was forecasted in October.

Mr. Keefe stated that the surplus currently sits at about \$8 Million with another fiscal quarter remaining.

Councillor Hendsbee commented that he would like to see further information regarding surplus properties including properties being disposed of or transferred to Community Groups.

Mr. Richard Butts noted that a report outlining information on surplus properties is in process and will be before Council in the near future.

Councillor Watts asked if staff can provide a more in depth financial comparison of other jurisdictions similar to HRM that includes more information on funding sources and programs.

Mr. Butts commented that Nova Scotia municipalities have the highest source of own source revenue in Canada. He noted that several years ago, the City of Toronto had a total budget of \$12 Billion of which \$8.5 Billion was funded by other levels of government. He noted that Nova Scotia is in the 97% range of total budget being funded by own source revenue.

Mr. Keefe, CFO commented that doing an in-depth comparison is very complex given that other provincial jurisdictions have different requirements in how they collect taxes. He provided several examples and noted that the financial impact faced by municipalities is similar, but the method in which the revenue is collected by the province can differ. He further noted that staff will work on providing more information in this regard to Council in the future.

In response to a follow up question from Councillor Watts regarding public participation on the budget, Mr. Keefe, commented that he has received the raw data from the online budget allocator tool and the comments from the public engagement sessions that took place at Community Council meetings. He stated that staff are currently assessing the comments and will have a report available for Council in the near future.

Councillor Dalrymple noted that HRM does not get direct transit funding from the Provincial Government, while other jurisdictions have received funding from the province specifically for transit. He inquired as to whether or not it is worthwhile to reopen conversations with the Province respecting funding for transit.

Mr. Keefe, CFO, noted several studies currently being undertaken by organizations such Property Valuation Services Corporation and the Union Nova Scotia Municipalities looking at tax studies for transit funding.

The Mayor pointed out that there are ongoing discussions with the Provincial Government with respect to a funding commitment for Metro Transit.

Councillor McCluskey requested further information with respect to vacancy savings in HRM.

Mr. Richard Butts, noted that a report will be coming forward in the near future with respect to staffing. He remarked that the numbers show an approximately 3-5% vacancy rate which is very low for an organization as large as HRM.

Further discussion ensued with staff responding to questions from Council.

2. APPROVAL OF THE MINUTES – November 19, 2013

MOVED by Councillor Karsten and seconded by Councillor Nicoll that the Committee of the Whole minutes of November 19, 2013 be approved as presented. MOTION PUT AND PASSED.

4. Metro Transit Five Year Service Plan – Moving Forward Together Update

The following documentation was before Committee of the Whole:

- A staff report dated December 20, 2013
- A presentation dated January 2014.
- Correspondence from Tristan Cleveland dated January 7, 2014.

The Mayor invited staff to begin the presentation.

Mr. Dave Reage, Manager of Planning and Scheduling, Metro Transit, provided background information with respect to the Metro Transit Five Year Service Plan and gave an overview of the public consultation sessions that took place between August and October of 2013.

Mr. Reage stated that the public consultation process asked questions in four areas:

- Values on ridership vs. coverage
- Transfers in the system vs. single seat trips
- Maintenance on the existing system vs. expanding the system
- The role of transit priority measures

Mr. Reage noted that response to the survey was very good with over 1,600 participants representing all districts of HRM. He further noted that 25% of the responses came from non-transit users who are typically harder to engage on transit issues.

Mr. Reage commented that as a result of the survey, it was determined that a shift to increased ridership services should be the overall priority for Metro Transit for the next five years. He also noted that survey indicated that coverage services should also remain a priority. He asserted that both regular transit users and non-transit users displayed equal levels of support for the Transit Priorities Measures.

Mr. Reage gave an overview of the “Four Moving Forward Principles”:

- Increase the proportion of resources toward high ridership services
- Build a simplified transfer based system
- Invest in service quality and reliability
- Give transit increased priority in the transportation network

Mr. Reage noted that there have been many changes in last five years that have been in line with the four principles, such as infrastructure and scheduling improvements. He commented that in order to move forward and fully embrace these principles, it was clear that an overall network review, which will go beyond the scope of a five year review, would have to take place.

Mr. Reage noted that a network review will have implications on planning timelines and implementation. He commented that the upcoming McDonald Bridge re-decking project would have a significant impact in this regard. He further noted that should Council approve the overall network review, staff will largely be consumed by the moving forward plan, and that interim service changes will be affected.

In terms of Budget Implications, Mr. Reage noted that there will be an incremental cost of \$315,000 to bring the plan to completion. With respect to resources he noted that the Moving Forward plan will fall within the 10 year Metro Transit Capital Plan.

The Mayor thanked Mr. Reage for his presentation.

MOVED by Deputy Mayor Fisher and seconded by Councillor McCluskey that Committee of the Whole recommend that Halifax Regional Council:

- 1. Endorse the four (4) Moving Forward Principles; and**
- 2. Endorse the change in scope of the “Moving Forward Together Plan” from a five year plan to an overall system review, as outlined in the January 8, 2014 report to Committee of the Whole**

Deputy Mayor Fisher remarked that he had attended every one of the public consultation meetings held in the summer and fall of 2013 and that he believed the report accurately reflects what was being said at the meetings. He asked for further information with regard to the process of public consultation on the Moving Forward Plan.

Mr. Reagenoted that if there is approval to go ahead with the process, staff will bring a draft plan forward and present it to Council in the fall. The draft would be further vetted with a great deal of opportunity for public engagement. The findings would then be brought back before Council in April of 2015 for approval before implementation would begin.

Deputy Mayor Fisher noted that it is the intention of Metro Transit staff to hire a consultant to oversee the process. Mr. Reage replied in the affirmative.

Councillor Mason noted that he is very pleased to see the plan coming forward and remarked that Council will have to consider transit issues as a priority in the future. He further commented that the plan will be an ongoing process and that its success will rely heavily on input from transit users and the public.

Councillor Rankin noted that he was pleased that customers of Metro Transit, including non-transit users, were prepared to look at transferability issues. He noted concerns with respect to the timeline of the plan and commented that staff should reconsider their position on the implementation of service projects that may come forward within the timeline of the plan. He further remarked that the public should not have to wait in excess of two years for service improvements.

Councillor Outhit echoed Councillor Rankin's concerns with respect to delays in service changes and noted that staff should get out to the public to determine what will get non-transit users to use the service. He requested information on the ridership numbers related to senior citizens.

Mr. Eddie Robar, Director of Metro Transit noted that it is very difficult to get concrete data on any one day with respect to the senior citizen ridership based on the counts that are done once per year. Mr. Robar commented that anecdotally, staff knows that seniors use transit more on Tuesdays, when the discount for senior citizens is offered.

Councillor Watts requested feedback from staff with regard to proposals related to service changes that have been brought forward by members of Council and whether or not they will be considered before the implementation of the Moving Forward Together Plan. She requested further information with respect to funding from the Provincial Government for Metro Transit.

Mayor Savage noted that he will be attending a meeting in the near future with Premier McNeil regarding Transit funding.

Mr. Robar stated that many of the questions from Council will be addressed during the budget presentation. He noted that the Moving Forward Plan will be a monumental undertaking for staff. He remarked that over the time period of the Moving Forward Together Plan, the focus will be on network design. He further commented that staff is still focused on working on projects that have to be completed.

Councillor Adams remarked that he had heard concerns from residents with respect to Regional Transit taxes. He inquired, as to what would be the total impact on revenue if the Regional Transit tax were eliminated for those who will never realistically use the service.

Mr. Robar noted that the intent of the Transit tax is not for residents that use the service but for residents that benefit from the service. He commented that the philosophy behind the application of the Regional Transit Tax is that all HRM residents benefit from Transit Services in ways such as removing a large amount of traffic from roadways and increasing traffic safety.

Mr. Bruce Fisher, Manager of Financial Policy and Planning, noted that finance staff will provide numbers to show the impact of lost revenue and increased taxation as a result of removing the Regional Transit tax for residents outside of the serviceable boundary.

Councillor Nicoll commented that she believes there will be growing pains with respect to the Moving Forward Together Plan and that there is a need for sound data to design a new system. She remarked that Metro Transit should improve frequency within the serviceable boundaries.

Councillor Hendsbee noted that he has been involved in transit discussions for twenty years. He stated that there have been lost opportunities with respect to the Metro X and Metro Link programs. He concurred with Councillor Rankin that Metro Transit needs to implement action on projects that have already been studied. He further commented that he does not see the Moving Forward Plan properly addressing rural transit issues such as park and ride services.

Councillor McCluskey stated that she would like to see the Moving Forward Together plan go to Committee of the Whole as opposed to the Transportation Standing Committee when it is completed. She stated that most of the comments from the public consultation meetings were from residents wanting an increased frequency of busses in high use areas. She requested further information on who uses park and ride lots, and if people who live outside of HRM are using the service.

Mr. Reage, noted that he did not have the specific numbers with respect to park and rides but he believes that 15% of people currently using park and rides were are from outside of HRM.

Councillor Whitman echoed Councillor Outhit's comments with respect to engaging non-transit users. He noted concerns in Hammonds Plains where people are not using transit services because bus routes are too far from their homes. He inquired as to the process of obtaining better transit services for residents in Tantallon and Hammonds Plains.

Mr. Robar, noted that annual service plans are before Council every year and that Council can provide direction as to how and where resources can be used.

Mr. Richard Butts, Chief Administrative Officer indicated that Metro Transit was essentially growing a system on top of a system. He indicated that the intention of the Moving Forward Together Plan is to address this reality and to find efficiencies with respect to network design and budget pressures.

Councillor Craig expressed his support for the Moving Forward Together Plan. He stated that he is optimistic that the proposed transit model will be flexible enough to accommodate arising issues as they present themselves.

Councillor Dalrymple expressed his support for the plan and echoed the benefit of soliciting non-transit users for their opinions on public transit. He commented that more energy needs to be focused on connecting with rural districts on transit issues. He suggested that Metro Transit give consideration, during the next round of public consultation, to setting up in well used locations such as rural grocery stores, to get input from the community. He asserted that by going to the people, staff will get a better turnout and benefit from unique ideas.

Councillor Outhit stated that he would like assurance that by passing the motion it will not equate to a two year freeze with respect to service changes.

Mr. Robar noted that changes in the Metro Transit system are allocated within the plan. He further stated that Metro Transit does not plan on the reduction of services within the time frame of the Moving Forward Together Plan. Mr. Butts, added that staff does not have the ability to reduce service, only Council can provide that direction.

Councillor Johns inquired as to whether or not service standards would be reviewed before 2016.

Mr. Reage, noted that the draft for the Moving Forward Together Plan will be back before Council in 2015.

Further discussion ensued with staff responding to questions from Council.

MOTION PUT AND PASSED.

5. Budget Presentation – Transit

This matter was dealt with later in the meeting. Please see page 13.

(i) Transportation Standing Committee – Low Income Transit Pass Pilot Program

The following documentation was before Committee of the Whole:

- A report from the Transportation Standing Committee dated December 6, 2013.
- Correspondence from Walter and Debbie Tenant dated December 6, 2013.
- Correspondence from Adam Grant dated January 8, 2013.

MOVED by Councillor Rankin and seconded by Councillor Walker that Committee of the Whole consider the implementation of a low income bus pass pilot program in the 2014/15 budget, as outlined in the attached November 12, 2013 information report, for a period of six (6) months beginning in May 2014, and that the pilot program consists of a maximum of 500 monthly transit passes being offered at a 50% discount to low income residents.

Councillor Rankin thanked Councillor Watts for her work on the Low Income Transit Pass Pilot Program. He noted that it is targeted assistance and that the gross cost of the program is \$120,000. He further noted that this is a modest amount of funds and that Council should support this motion.

Councillor Karsten expressed his support for the program. He requested clarification from staff as to what income bracket is being targeted and whether those that currently receive social assistance can get a bus pass through the Province.

Ms. Patricia Hughes, Supervisor Service Designs and Projects, Metro Transit, noted that the report outlines several options such as the Statistics Canada Low Income Cut Off as well as the HRM residential property tax exemption program to determine qualification for the program. She noted that the Low Income Cut Off accounts for different family sizes and that Council can provide direction as to which option to use.

Councillor Karsten referenced a letter that was circulated to Committee of the Whole which stated that providing a discount could potentially violate the Nova Scotia Human Rights Act or Canadian Charter of Rights and Freedom.

Mr. John Traves, Solicitor, noted that he did not see any violations with respect to Human Rights Act of Nova Scotia or the Canadian Charter of Rights and Freedoms.

The following amendment to the motion was put:

MOVED by Councillor Watts and seconded by Councillor Karsten that the motion be amended to provide that the Statistics Canada's Low Income Cut-Off (LICO) be adopted as the definition for eligibility to qualify for the Low Income Transit Pass Pilot Program.

Councillor Whitman requested further information with respect to the LICO and stated that it must be clear to the public who will qualify for this program.

Mr. John Traves, Solicitor, stated that LICO refers to a measurement used by Revenue Canada to determine Low Income cut off, based on total family income before taxes, and for persons over the age of 15 who are not in economic families.

Ms. Hughes commented that LICO varies by year, the size of the municipality that a person lives in, and the number of persons in a household. She commented that for a four person household, as of 2012, LICO would be approximately \$31,335; for a three person household as of 2012, LICO would be approximately \$25,117.

Mr. Eddie Robar, Director of Metro Transit, stated that staff will provide a table with the pertinent information, that will clearly show who will qualify for the pilot program.

Mayor Savage asked if staff have consulted with the Provincial Department of Community Services or other community organization with respect to this project.

Ms. Hughes noted that consultation has taken place and is ongoing.

Councillor Nicoll requested more information on the costs associated with administering the pilot program.

Ms. Hughes reiterated the \$ 120,000 cost of the pilot program. She noted that the staffing and resources can be absorbed at this time and that staff will have a better notion as to the costs associated with program when the proposed project ends in six month timeframe.

Mr. Robar noted that the Low Income Transit Pass Pilot project is not part of Moving Forward Together Plan. He further stated that if the pilot project is approved, findings after the project is completed will be communicated to Members of Council.

Councillor Karsten suggested that the motion should be amended so that those who already receive a subsidy for transit passes from the Provincial Department of Community Services will not receive a further discount on a transit pass.

Councillor Walker expressed concern that the pilot program will become too complicated. He stated that staff will be charged with the administration of the program and will report back to Council with the findings after it has come to an end.

Mayor Savage noted that the discussion regarding the implementation to the pilot program is worthwhile to ensure that it is well thought out.

Councillor Outhit stated that transit routes are already subsidized between 60-90% in HRM. He noted that Metro Transit has recently raised fares and have expressed difficulty with evaluating other pilot projects. He expressed difficulty supporting the motion.

Councillor McCluskey echoed Councillor Karsten's concerns about the evaluation of those that qualify for the program. She added that those who already receive a subsidized bus pass should be excluded from pilot project and that the working poor should be considered with respect to this program.

A further amendment to the motion was proposed providing that eligible residents be restricted to one discount program.

Councillor Walker stated that he believes that the program could be measured and stated that he is not going to support the amendment on the floor. He noted that he would like to see the pilot go forward before considering an amendment to the motion.

Mr. Richard Butts, Chief Administrative Officer, suggested that Council defer this item so that Metro Transit staff can work on an implementation plan, taking into account the feedback from Committee of the Whole. He noted that staff should be able to have the report come back before Council within a month and before the budget is finalized.

MOVED by Councillor Rankin and seconded by Councillor Dalrymple that further consideration of the Low Income Transit Pass Pilot Program be deferred until such time as a staff report regarding the implementation of the pilot program is completed, including the comments made at this meeting.

MOTION PUT AND PASSED.

5. Budget Presentation - Transit

The following documentation was before Committee of the Whole:

- A staff report dated December 9, 2013

Councillor Karsten assumed the Chair. The Mayor took a seat in Council.

Councillor Karsten invited staff to begin the presentation.

Mr. Eddie Robar, Director of Metro Transit began his presentation by stating that Metro Transit is achieving the goals for Transit as approved by Council in 2013 and that there is no requirement to raise fares or taxes in 2014-15.

Mr. Robar gave an overview of the Business Unit, highlighting the value of assets, number of employees, ridership statistics and a break-down of key deliverable which are provided in the presentation on file.

Mr. Robar referenced Metro Transit's expenditure growth and provided context as to how the expenditures are being applied. He noted that the 2013-14 operational cost for Metro Transit is approximately \$88 million and commented that the residual of the \$105 million total budget is directed to reserves for Capital costs, which in turn allows for programs such as the Automatic Vehicle Locator (AVL) System and also for debt payments.

Mr. Robar stated that compensation and benefits, vehicle expenses, debt payments, and capital from operating comprise 90% of Metro Transit's budget. He noted that compensation and benefits costs grew by \$8 million in 2013-14 while vehicle expenses grew by \$4.2 million. He remarked that the total cost of transit only grew by \$11 million and that \$1.2 million was saved through contract agreements and service enhancements.

Mr. Robar noted a 3.7% increase in ridership which exceeds pre-strike levels. He further commented Metro Transit is in the top of the charts, in HRM's population group, for transit rides per capita.

Mr. Robar noted that Metro Transit's focus for 2014-15 will be transforming the customer experience. To achieve this staff will be looking at a multi-faceted approach based on three pillars: technology, service review, and infrastructure and asset renewal.

With respect to Technology, Mr. Robar cited Phase One of the AVL system replacement. He noted that it will take 18 to 24 months to install the new system in all 280 conventional transit vehicles. He commented that with this upgrade, Metro Transit staff will be able to launch systems such as text messaging, twitter, and email services so that customers can see busses on the street and determine when busses will arrive at designated stops. Further to this, Mr. Robar stated that Metro Transit will also be implementing audible and visual stop enunciation which will allow operators to announce when the bus will be arriving at a stop providing greater accessibility on Metro Transit busses.

Mr. Robar commented that the next phase of technology improvements will be new fare box technology which will allow for new payment methods and the use of electronic passes and transfers.

Mr. Robar noted that a service reviews will be conducted both internally and externally for 2014-15. With respect to the internal service review, Mr. Robar stated that the initiative is driven by healthy workplace strategies, such as providing support to reduce absenteeism, delivering continuous training programs, reducing collision standards and providing human rights training. With respect to the external service review, Mr. Robar cited work with respect to the Moving Forward Together Plan which aligns with Regional Plan (RP+5) goals.

Mr. Robar noted infrastructure and assets improvements such as providing amenities to customers that foster increased ridership. He noted terminal upgrades and new construction as well as bus and ferry upgrades. He commented that these improvements assist Metro Transit in achieving its mission statement to provide a safe, convenient and reliable transit service.

Mr. Robar provided information with respect to the 2014-15 strategic priorities and noted that most of the investments that will be made will be with respect to improving and enhancing

technology. He cited additional revenues of \$4.5 million through growth in transit taxes, increased ridership, and service expansion.

Mr. Robar commented on a projected end of year surplus of \$2 million. He commented that the Provincial Government has committed a \$2 million investment in capital for Metro Transit. He informed the Committee that the commitment has not yet been finalized but will come in to effect in the near future.

Mr. Robar provided information on operational savings of \$2.4 million found through wage steps for new hires in 2013/14 and 2014/15, fleet and maintenance and vacancy management. In conclusion, Mr. Robar reiterated that Metro Transit is operating well within the budgetary framework that was outlined by Council during the previous year's budget deliberations and that there is no requirement to raise fares or tax rates.

The Chair thanked Mr. Robar for the presentation.

MOVED by Councillor Hendsbee and seconded by Councillor Nicoll that the Committee of the Whole direct staff to proceed to prepare the 2014/15 Metro Transit Budget and Business Plan as proposed in the accompanying presentation , incorporating additional direction provided by motion of Committee of the Whole for inclusion in the proposed HRM 14/15 Budget and Business Plan Documents.

Councillor Hendsbee stated that he would like to see Metro Transit continue work in the Metro X program and requested a staff report examining the Expansion of Route 370 at Exit 18, Highway 107 and utilizing HRM property at the arena in Musquodoboit Harbour.

Councillor Hendsbee also requested a staff report examining the integration of route 370 with route 401 at the Exit 20 terminal in Porter's Lake.

Councillor Outhit asked for more information with respect to the installation of the AVL system and whether or not it can be expedited.

Mr. Robar noted that customers will not see a great deal of difference until the system is fully completed. He noted that staff will be implementing the system as fast as possible. With respect to the 18 to 24 month timeline, Mr. Robar commented that staff wanted to ensure that a realistic timeframe was communicated to members of Council.

Councillor Outhit requested further information with respect to overtime costs for Metro Transit.

Mr. Richard Butts, Chief Administrative Officer stated that the incremental cost of overtime is typically one third of the wage. He noted that the actual cost of overtime for Metro Transit that is paid out is approximately \$1.5 million as opposed to \$5 million. The remaining \$3.5 million would still be spent on compensation for Operators.

Mr. Robar noted that overtime costs are not growing but are in fact reducing. Mr. Robar further remarked that reducing overtime costs will be a priority in the future.

Deputy Mayor Fisher asked for clarification as to whether or not the Provincial funding commitment will be utilized for capital costs or operating costs. Mr. Robar replied that the provincial funding will be used for capital commitments.

Councillor McCluskey asked if the maintenance costs as outlined in the budget presentation account for damage caused by accidents. Mr. Robar replied in the affirmative.

Councillor Watts asked for further commentary from staff on the access-a-bus program. She commented that she would like more information with respect to the interior design of busses and the steps that are taken to ensure that accessibility requirements are taken under consideration. She also requested further information with respect to bus shelters.

Mr. Robar remarked that a new Accessible Transit Manager has been hired to oversee the Access-a-Bus program and that the main focus of that division of metro transit will be to ensure adherence to the Accessible Transit strategy that was approved by Council in the previous year. With respect to the management of Bus Shelters, Mr. Robar stated that Metro Transit does not maintain or construct shelters. He stated that the construction of a defined number of shelters and maintenance of bus shelters are contracted to a supplier. He noted that the growing the amount of bus shelters are subject to the contract between Metro Transit and the supplier.

Mr. Robar advised that Metro Transit constantly evaluates implementing the latest accessible technology for busses and that accessibility is a definite focus when acquiring new assets. With respect to the interior of busses he noted that there are some seating arrangement that have come out recently to better accommodate riders using walkers and wheel chairs that Metro Transit will consider these when procuring new vehicles. He reiterated a previous point about implementing audible and visual stop enunciation in new vehicles.

Councillor Watts inquired if more funds were approved for bus shelters, would it be possible to re-negotiate the contract.

Mr. Robar stated that going beyond that current capacity would require re-negotiation with the supplier.

Councillor Nicoll asked for further information with respect to changing larger sized busses to smaller sized busses in off peak hours. She requested more information on revenue collected from increased fares and the upgrades to the Ragged Lake Garage. She further inquired if Council will have input on the capital investment from the Provincial government.

Mr. Robar noted that the increased cost of using an articulated bus rather than a 40 foot bus is insignificant. He noted that from a labour perspective, changing the bus from a larger bus to a smaller bus would require using two different drivers, elevating labour costs, which would be inefficient.

With respect to the Ragged Lake Garage improvements, Mr. Robar noted that the improvements were central to being able to provide new services and have led to increases ridership.

Mr. Richard Butts noted that the \$2 million commitment from the Province would be used to offset existing costs in the transit system and that it is not designated for growth of the system.

Councillor Craig asked for further information with respect to training for Metro Transit Employees.

Mr. Robar stated that Metro Transit already provides an element of continuous education. He cited initiatives such as the investigation of accidents to determine route causes in addition to the Healthy Workplace Strategy.

Councillor McCluskey noted a great deal of discussion regarding bus tires and their effectiveness in winter weather; she requested further information from staff.

Mr. Robar stated that Metro Transit currently uses an aggressive deep lug tire on all busses which are an industry standard. He further noted that Metro Transit follows every legislative requirement with respect to bus tires to ensure optimal safety.

Councillor McCluskey inquired as to how many bus shelters are constructed per year and how Metro Transit determines the location for shelters.

Mr. Robar noted that a bus shelter review is conducted annually based on a list of shelter request locations which are assessed on ridership and right of way criteria. He further commented that approximately ten bus shelters are constructed per year at a cost of \$7,000 to \$10,000 per shelter.

Councillor Hendsbee requested a staff report examining the integration of routes 61 and 68 with route 401 at Ross Road.

He also requested further information with respect to the MusGo Rider Rural Public Transit Pilot and whether or not it is going to be continuously funded and supported.

Mr. Dave Reage, Manager of Planning and Scheduling, Metro Transit, noted that consultation is underway with local community groups regarding the MusGo Rider program. He further noted that funding for this project is not provided through Metro Transit's budget but rather through the Transportation Demand Management Plan.

The Chair called for the question on the motion as follows:

MOVED by Councillor Hendsbee and seconded by Councillor Nicoll that the Committee of the Whole direct staff to proceed to prepare the 2014/15 Metro Transit Budget and Business Plan as proposed in the accompanying presentation , incorporating additional direction provided by motion of Committee of the Whole for inclusion in the proposed HRM 14/15 Budget and Business Plan Documents.

MOTION PUT AND PASSED.

6. Public Comments

The Chair called three times for members of the public to come forward to speak on the budget. There were none present.

7. ADJOURNMENT

The meeting was adjourned at 3:17 p.m.

Cathy J. Mellett
Municipal Clerk