

# HALIFAX REGIONAL MUNICIPALITY

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## HALIFAX REGIONAL COUNCIL COMMITTEE OF THE WHOLE MINUTES

May 30, 2006

**PRESENT:** Mayor Peter Kelly  
Deputy Mayor Russell Walker  
Councillors: Steve Streach  
Krista Snow  
David Hendsbee  
Gloria McCluskey  
Andrew Younger  
Bill Karsten  
Becky Kent  
Jim Smith  
Mary Wile  
Patrick Murphy  
Sue Uteck  
Sheila Fougere  
Debbie Hum  
Linda Mosher  
Brad Johns  
Robert Harvey  
Len Goucher  
Reg Rankin  
Gary G. Meade

**REGRETS:** Councillors: Harry McInroy  
Dawn M. Sloane  
Stephen D. Adams

**STAFF:** Mr. Dan English, Chief Administrative Officer  
Ms. Geri Kaiser, Acting Chief Administrative Officer  
Ms. Mary Ellen Donovan, Municipal Solicitor  
Ms. Jan Gibson, Municipal Clerk  
Ms. Sheilagh Edmonds, Legislative Assistant  
Ms. Chris Newson, Legislative Assistant

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**1. CALL TO ORDER**

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

**2. APPROVAL OF THE MINUTES**

**MOVED by Councillor McCluskey, seconded by Councillor Wile that the minutes of April 25, 2006 and May 9, 2006 be approved. MOTION PUT AND PASSED.**

**3. COMMUNITY WIDE GREENHOUSE GAS EMISSIONS -  
LOCAL ACTION PLAN**

C A staff report dated April 18, 2006 with an attached Power Point presentation was submitted.

Mr. Stephen King, Manager, Sustainable Environment Management Office, addressed Council and introduced Mr. Rob Young of Dillon Consulting. He advised that Dillon Consulting prepared the Community Local Action Plan to Reduce Greenhouse Gas Emissions, and Mr. Young would provide the presentation.

Mr. King pointed out that Council received two information reports in their agenda package pertaining to HRM's Clean Air Strategy and Climate SMART program and noted that HRM has been invited to give an overview of these programs at the upcoming FCM conference.

Mr. Rob Young, Dillon Consulting, addressed Council and provided the presentation, advising that it was the second installment of the Climate SMART Program.

Highlights of Mr. Young's presentation are as follows:

- C The overall objective is to mainstream climate change mitigation and adaptation into overall municipal decision making.
- C The Project ties in with the Healthy Sustainable Vibrant Community Scorecard theme.
- C The Community Local Action Plan sets a target of 20% reduction in greenhouse gas emissions from 2002 levels by 2012.
- C The challenges faced are: competition between funding priorities; uncertainty with the Federal Government direction; no regulatory drivers; and keeping community leaders involved and engaged.
- C The recommendations are: continue to note that mainstream climate change is a part of decision making; help build capacity in the community; encourage and support funding; and, involve and update partners and the community.

Councillor Sue Uteck entered the meeting at 9:50 a.m.

**MOVED by Councillor Goucher, seconded by Councillor Streach that Regional Council endorse a voluntary target of reducing community wide HRM greenhouse gas emissions by 20% from 2002 levels by 2012 as detailed in the GHG Community Action Plan attached to the April 18, 2006 staff report.**

Councillor Jim Smith entered the meeting at 9:52 a.m.

Mr. Young and Mr. King responded to questions of Council clarifying the following points:

- C Nova Scotia Power Corporation has a number of measures in the works to reduce emissions, with a province-wide target, and it is also obligated at the federal level to reduce emissions.
- C Staff have set targets along the same lines of Kyoto and believe they are aggressive but achievable.
- C Federal officials are not certain at this time as to what their targets will be but they want everyone to stay on their current course.
- C HRM has taken a leadership role by getting its own house in order before going to the greater community, and the stakeholders support this direction.
- C With regard to alternate environmentally-friendly projects in the greater community, HRM's role will be a strategic one and it will help seed some of these ideas in community.
- C Staff is pleased with Nova Scotia Power Corporation's reception to dialogue with HRM on its initiatives.
- C With regard to initiatives to promote the anti-idling campaign, staff have provided employee information kits and education in the schools; and Metro Transit has expressed positive attitude to move forward on this matter.
- C In regard to concern expressed about programs that have recently been cut by the Federal Government, staff prepared a letter for the Mayor's signature to be sent to the Federal Government requesting reconsideration to keep some of those programs in place.

Councillor David Hendsbee entered the meeting at 10:11 a.m.

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

#### **4. WASTEWATER FUNDING STRATEGY**

- C A revised staff report dated May 30, 2006 was submitted, along with a PowerPoint presentation regarding Waste Water Funding Strategy.

Ms. Cathie O'Toole, Acting Director of Finance, addressed Council and presented the Waste Water Funding Strategy, as outlined in the submitted report. A copy of the PowerPoint presentation was submitted.

Highlights of her presentation are as follows:

- C The objectives of the Waste Water Funding Strategy are: to start the Eastern Passage Water Pollution Control Plan; only use the waste water rate as a last resort; address top priority compliance issues; and build a sustainable funding strategy.
- C The challenges are: revenue streams are not sufficient to support debt financing of the Eastern Passage project; increase the baseline capital budget for priority 1 and 2 compliance projects; after 2009 and 2010 there is uncertainty in regard to gas tax funds; from 2008/09 forward existing revenues through the waste water rate and operating costs are subject to inflation.
- C Recommended solutions are: collapse and consolidate Reserve Accounts Q104, Q105, Q106, and Q122 and return to Council with a business case for the new reserve account; review the sewer charges by-law; increase sewer re-development charge to \$0.80/sq. ft.; approve the use of 50% of the gas tax in 2007/08 which would be \$5.1 million, and commit a minimum of \$5.1 million for 2008/09, and 2009/10; direct staff to initiate the Eastern Passage Water Pollution Control Plan with a report to Council; in 2009/10 staff return to Council to revisit the waste water rate.
- C An additional recommendation not contained in the Power Point presentation recommends that the full amount of the Water Commission dividend be put toward the Stormwater and Waste Water Program.
- C An error in the PowerPoint presentation was noted: in the table, the totals in the 2008/09 and 2009/10 columns should read \$7.9 million and not \$11.5 million.
- C It was noted that one of the disadvantages that was inadvertently left off the slide pertained to the Eastern Passage Plant - once this project is started, the funding stream has to be maintained.
- C The benefits of the Waste Water Strategy include: no waste water rate increase recommended for now; the Eastern Passage Sewage Treatment Plant can start; new funding added for 2006/07 to 2009/10; HRM may be able to get MRIF or Strategic Infrastructure dollars; and Council will not have to revisit the waste water funding issue until 2009/10.

**MOVED by Councillor Fougere, seconded by Councillor Hum that Regional Council:**

1. **(A) approve the collapse and consolidation of Reserves used to support HRM's Stormwater and Waste Water program, by amending Sewer Charges By-Law S-100 and any other relevant documents, and direct staff to return to Council with a new reserve business case.**  
**(B) direct staff to look for other opportunities to improve the Sewer Charges By-Law and make it administratively efficient and equitable for stormwater and waste water customers in HRM.**

2. **Authorize staff to proceed to a public hearing to increase the sewer redevelopment charge to \$0.80/ft<sup>2</sup>. Should the public hearing be unsuccessful, staff will return to Council with an equivalent funding alternative.**
- 3 **Approve the use of 100% of the Halifax Regional Water Commission annual water dividend as a funding source for the Stormwater and Waste Water Program, effective fiscal year 2006/07. The dividend is estimated to be approximately \$3.6 million annually.**
4. **Approve the use of 50% of the Gas Tax allocation for HRM's Stormwater and Waste Water Program in fiscal year 2007/08 (\$5.1 million), with 08/09 and 09/10 gas tax funding for Stormwater and Waste Water to be continued at a minimum of \$5.1 million per year.**
5. **Direct staff to prepare options to reallocate the proposed capital budget to offset the increased funding for the Stormwater Waste Water Program. Staff will develop options based on the discussion at Council during budget debate, and Council will have an opportunity to approve the reallocation prior to voting on approval of the Capital budget.**
6. **Direct staff to prepare a report to Council to initiate the Eastern Passage Sewage Treatment Plan and increase the proposed 2006/07 Capital Budget, recognizing that in order to meet the debt payments from 2009/10 onward, there are funding alternatives to be considered, as outlined in the Discussion section of the May 30, 2006 staff report.**
7. **Given that the above are short term funding strategies, direct staff to return to Council in 2009 with respect to increasing the waste water rate to provide more sustainable funding levels.**

A discussion ensued with staff responding to questions and clarifying the following points:

- C The expansion of the Eastern Passage plant will not increase the serviceable boundary in this area as staff are following the regional plan guidelines for serviceable boundaries.

At 10:30 a.m. Councillor Mosher entered the meeting.

- C Staff is not asking for any allocation of the gas tax to waste water for 2006/07; in 2008/09 and 2009/10 staff have set \$5.1 million as a minimum threshold.
- C The Waste Water Strategy was prepared based on Council's previous view that it did not want to use waste water rates as the approach for funding at this time.
- C The sewer redevelopment charge has not increased in 36 years.
- C As suggested by Council, staff will reconsider a new name for the sewer

redevelopment charge when amending the bylaw.

- C The proposed capital budget shows a gradual ramp-up of the water commission dividend allocated to Stormwater and Waste Water as follows: \$1.2 million for 2006/07, \$2.4 million for 2007/08, and \$3.6 million following this. This is only proposed at this time and Council can change this if it wishes.
- C If HRM does not proceed with the Eastern Passage plant the water quality will continue to degrade and regulators may take action if it is not performing to specifications. If the plant is approved, the completion date would be in 2009/10.
- C If approved, the new funding that would be injected in Stormwater and Waste Water is approximately \$7.2 million for 2006/07, \$13.6 million for 2007/08, and \$13.8 for 2008/09.

**RECESS:**

The Chair called a recess at 10:55 a.m.

The meeting reconvened at 11:07 a.m. with the same members present.

The Chair noted that it was unlikely Council would complete the Committee of the Whole agenda prior to adjourning at 12:00 p.m. and he questioned how members wished to proceed.

**MOVED by Councillor Fougere, seconded by Councillor Hum that Committee of the Whole reconvene at 1:30 p.m. if the agenda has not been completed by the 12:00 p.m. MOTION PUT AND PASSED.**

Staff responded to further questions of Council, clarifying the following points:

- C Staff is requesting Council's approval to collapse the reserve accounts because it enables funds to be moved between them more easily. The funds can not be used for anything other than what is stipulated.
- C Staff were looking for Council to resolve this matter today, and before budget deliberations and approval, because the recommendations impact on their budget.

Councillor Streach referred to the third alternative in the staff report which suggests Council could reject the recommendation and request an equivalent waste water rate increase. He advised that he would like staff to report back on what the increase would be, prior to making a final decision.

**MOVED by Councillor Streach, seconded by Councillor Karsten that this matter be deferred and staff report back on what the equivalent waste water rate increase would be should Council reject the recommendation.**

**THE MOTION TO DEFER WAS PUT AND DEFEATED.**

Staff responded to further questions and clarified the following points:

- C HRM has not been fined to date for noncompliance issues, however there have been stop work orders issued.
- C If Council wishes, there is an opportunity to increase the sewer redevelopment charge to more than \$0.80; however, it was noted that, overall, this charge does not provide a lot of revenue and those who pay the Trunk Sewer Charge also have to pay a Local Improvement Charge.
- C The Water Commission dividend HRM receives goes into General Revenue and is used as a funding source for capital and operating budgets. Staff is recommending a reallocation of the dividend to specific sewer projects.

**MOVED BY Councillor Johns, seconded by Councillor Younger that the motion be amended to increase the sewer redevelopment charge to a *minimum* of \$0.80/ft<sup>2</sup>.**

**THE AMENDMENT TO THE MOTION WAS PUT AND PASSED.**

**THE MAIN MOTION AS AMENDED WAS PUT AND PASSED.**

The amended motion reads as follows:

**MOVED by Councillor Fougere, seconded by Councillor Hum that Regional Council:**

1. **(A) approve the collapse and consolidation of Reserves used to support HRM's Stormwater and Waste Water program, by amending Sewer Charges By-Law S-100 and any other relevant documents, and direct staff to return to Council with a new reserve business case.**  
**(B) direct staff to look for other opportunities to improve the Sewer Charges By-Law and make it administratively efficient and equitable for stormwater and waste water customers in HRM.**
2. **Authorize staff to proceed to a public hearing to increase the sewer redevelopment charge to a minimum of \$0.80/ft<sup>2</sup>. Should the public hearing be unsuccessful, staff will return to Council with an equivalent funding alternative.**
3. **Approve the use of 100% of the Halifax Regional Water Commission annual water dividend as a funding source for the Stormwater and Waste Water Program, effective fiscal year 2006/07. The dividend is estimated to be approximately \$3.6 million annually.**
4. **Approve the use of 50% of the Gas Tax allocation for HRM's Stormwater and Waste Water Program in fiscal year 2007/08 (\$5.1 million), with 08/09 and 09/10 gas tax funding for Stormwater and Waste Water to be continued at a minimum of \$5.1 million per year.**

5. **Direct staff to prepare options to reallocate the proposed capital budget to offset the increased funding for the Stormwater Waste Water Program. Staff will develop options based on the discussion at Council during budget debate, and Council will have an opportunity to approve the reallocation prior to voting on approval of the Capital budget.**
6. **Direct staff to prepare a report to Council to initiate the Eastern Passage Sewage Treatment Plan and increase the proposed 2006/07 Capital Budget, recognizing that in order to meet the debt payments from 2009/10 onward, there are funding alternatives to be considered, as outlined in the Discussion section of the May 30, 2006 staff report.**
7. **Given that the above are short term funding strategies, direct staff to return to Council in 2009 with respect to increasing the Waste Water rate to provide more sustainable funding levels.**

The meeting adjourned at 11:54 a.m.

The meeting reconvened at 1:36 pm with the same members present. Mayor Kelly was in the Chair.

#### **5. TIMBERLEA / LAKESIDE / BEECHVILLE SERVICE BOUNDARY**

- A copy of the PowerPoint presentation “Direction on Growth in Beechville, Lakeside and Timberlea (BLT)” was before Council.

Mr. Paul Dunphy, Director, Planning & Development and Ms. Denise Schofield, Acting Manager, Development Engineering presented to Council on the above noted matter.

The following points were raised during staff’s presentation:

- A development agreement for Westgate was approved in 2002 for 3200 units. The understanding was that the Beechville, Lakeside, Timberlea Sewage Treatment Plant (BLT STP) would be upgraded, at a cost of \$20 million, after the first 900 units were built in order to accommodate the remaining 2300 units approved for this development and future growth.
- Due to a change in the dilution ratio requirements by the Nova Scotia Department of Environment and Labour, the BLT STP cannot be upgraded.
- Staff are suggesting a change in the service boundary to permit effluent to be pumped to the Halifax and Mill Cove Sewage Treatment Plants to accommodate the Westgate development and future growth.
- Staff responded to Council that there is sufficient capacity at the Halifax and Mill Cove plants for all medium growth to build out and for Timberlea to come in over the next 25 years. The Regional Plan projects regional growth of 60,000 housing units for the BLT

area over the next 25 years.

- The cost to HRM for the service boundary change would be approximately \$5 - \$10 million; \$6 million of which would be recoverable. An upgrade to the BLT STP would have cost \$20 million.
- Staff clarified that they are not seeking approval of the expenditure today. Staff are only seeking direction from Council to provide a more detailed staff report. The report would be before Council in a few months.

Councillor Hendsbee suggested that a similar solution be considered for Dartmouth's Main Street/Westphal area.

Staff clarified for Council that:

- There is a separation system for storm water and sewage.
- The Halifax STP capacity is theoretical at this time as the plant is not yet operational.
- A study is underway to determine the capacity at Fairview Cove. There may be some cost involved to upgrade the trunk mains along the route. More detail will be available in the staff report.

**Moved by Councillor Rankin, seconded by Councillor Meade that Regional Council.**

- 1. Authorize staff to initiate the process to amend the planning documents for Timberlea, Lakeside and Beechville to allow development in accordance with the proposed total sewage treatment capacity of approximately two million imperial gallons per day.**
- 2. Authorize staff to initiate the process to amend the Subdivision By-Law to implement capital cost contribution recovery as it applies to Timberlea, Lakeside and Beechville and Halifax for the sanitary main and other infrastructure necessary to direct about one million imperial gallons per day to the Halifax Sewage Treatment Plant;**
- 3. Instruct that the MPS and Subdivision By-Law amendment process include a public participation program in accordance with the Public participation program in accordance with the Public participation resolution adopted by Halifax Regional Council on February 25, 1997.**

**MOTION PUT AND PASSED UNANIMOUSLY.**

**6. JOINT COMMITTEE ON SUPPLEMENTARY FUNDING - FINAL REPORT**

- A Memorandum dated May 26, 2006 to HRM Councillors and Halifax Regional School Board members from the Supplementary Funding Joint Working Group was before Council.
- An e-mail from Councillor Andrew Younger dated May 30, 2006 was before Council.
- A copy of the PowerPoint presentation was before Council.

- A document entitled *Supplementary Funding and the Children of HRM* dated October 21, 2000 submitted by Councillor Gary Meade was before Council.
- The Supplementary Funding Joint Working Group Report was before Council.

Councillor Sheila Fougere, Chair of the Joint Committee and Mr. Gary O'Hara of the Halifax Regional School Board (HRSB) presented the Supplementary Funding Joint Working Group - Final Report aided by a PowerPoint presentation.

Councillor Smith entered the meeting at 2:34 pm.

Following the presentation by Councillor Fougere and Mr. O'Hara, it was **MOVED BY Councillor Uteck, seconded by Councillor McCluskey that Council request a financial impact analysis report from HRM Finance Services on the themes outlined in the Supplementary Funding Joint Working Group Report presented to Committee of the Whole on Tuesday, May 30, 2006. The report is requested for further debate at a Committee of the Whole session following Council's summer break.**

Council requested that staff consider the following comments/concerns:

- That CSAP (Conseil scolaire acadien provincial) receive a copy of the report presented to Council and be requested to provide comment.
- If HRM continues to subsidize core programs, what would the resulting loss of fiscal capacity be for HRM mandated programs? Is HRM expected to fund core programs on an ongoing basis?
- Has there been any discussion regarding eliminating Supplementary Education Funding (SEF) and placing the responsibility solely on the province? A further report should include comment as to why HRM should be considering SEF at all. This is an opportunity to eliminate SEF completely and lobby the province to provide an adequate amount for education rather than have "enhanced" education funding.
- Have a plebiscite at the next Municipal Election regarding elimination of SEF.
- If the boundaries are eliminated, as suggested by the harmonization of the rate of municipal taxation for SEF across all former city/district/county boundaries within HRM, how will this impact Halifax/Dartmouth who currently collect the highest taxation of 9.4% and 7.6% per \$100 of assessed property value?
- Does the HRSB (Halifax Regional School Board) acknowledge that HRM has a legal right to control monies spent on art and music?
- What is the history of the application of Supplementary Education Funding (SEF)? The understanding is that SEF was for the enhancement of art and music programs. Now, we are enhancing core programs.
- Some members of Council commented that they do not support HRM acting as a collection agent for the School Board.
- That the percentage set by the school board for SEF be communicated to HRM in a timely fashion for inclusion in their budget discussions.
- As per Approach #2, Page 14 of the report, if there is a surplus in the budget, can the school board deduct that budget surplus from the equation for the next year's budget.
- Who are the stakeholders?

Councillor Snow encouraged everyone to lobby their MLA by sending a letter requesting the MLAs provide written comment/opinion on this matter prior to the June 13<sup>th</sup> provincial election.

**MOTION PUT AND PASSED.**

**7. ADJOURNMENT**

The meeting adjourned at 3:22 pm.

Jan Gibson  
Municipal Clerk