

**HALIFAX REGIONAL COUNCIL  
COMMITTEE OF THE WHOLE  
MARCH 11, 1998**

PRESENT:  
(9:50 a.m.)

Mayor Walter Fitzgerald  
Deputy Mayor Reg Rankin  
Councillors: David Hendsbee  
Harry McInroy  
Jack Greenough  
Condo Sarto  
Clint Schofield  
John Cunningham  
Jerry Blumenthal  
Graham L. Downey  
Ron Hanson  
Barry Barnet  
Bob Harvey  
Peter Kelly  
Jack Mitchell

REGRETS:

Councillor Bill Dooks  
Ron Cooper  
Gordon R. Snow  
Stephen Adams

ABSENT:

Councillors Larry Uteck  
Howard Epstein  
Russell Walker  
Bill Stone  
Bruce Hetherington

STAFF MEMBERS:

Mr. Ken Meech, Chief Administrative Officer  
Mr. George McLellan, Deputy Administrative Officer  
Mr. Ron Singer, Director of Finance  
Mr. Robert Chisholm, Financial Consultant

Ms. Jane Nauss, Assistant Municipal Clerk

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Mayor Fitzgerald called the meeting to order at 9:50 a.m.

**1. 1998/99 PROPOSED OPERATING BUDGET**

**1.1 CORPORATE SERVICES**

Information distributed to Council included the following:

- C Total Revenues
- C Overview of Taxes
- C Proposed Amendment to the Proposed Capital Budget (1998/99)
- C Capital Grant Pledges Paid in 1997/98
- C Proposed Capital Budget Summary by Tax Structure for Allocation of 1998/99 Debt Charges

**1. CORPORATE SERVICES**

Mr. George McLellan, Deputy Chief Administrative Officer, introduced Mr. Wayne Anstey, Director, Administrative Services, who would be providing an overview of the draft 1998/99 Operating Budget, as it pertains to Corporate Services. Mr. Anstey noted that on the net end, the budget was down 1.6 percent. Administrative Services is an amalgamation of Administrative and Human Resources Budgets.

A major area of expenditure is the union and non-union salary increases which have been budgeted for. One change area is in the Pension and Benefits Administration as it is anticipated this service will be out sourced throughout the year. As far as future Operating Budgets are concerned, those companies (out sourcing) will be responsible for all costs (other than the municipality's contribution) for the administration of the pension plan.

Mayor Fitzgerald thanked Mr. Anstey for his presentation.

Councillor Hendsbee suggested the parking ticket fine structure should be revisited. In response, Mr. Anstey advised a firm had put forward a proposal to provide a solution, from a technological point of view, to the parking ticket process. Accordingly, a report will be forthcoming within the next two months.

Councillor Barnet suggested that staff analyse what is required in legal services within this year's budget.

With respect to Municipal Election costs, Councillor Barnet suggested specific monies

should be allocated each budget year so as to alleviate election budget requirements in election years. In response, Mr. McLellan agreed, noting that the municipality should develop a longer range financial plan and that next year staff will introduce an accrual process.

In response to enquiries from various Council Members as to how it is determined when to out source legal requirements, Mr. Anstey advised that as much legal work as possible is carried out in-house, unless there is a particularly big case or the need for specific expertise.

## **FINANCE**

Mr. Ron Singer, Director of Finance, advised that staff will be focusing on the following:

- C five year comprehensive financial plan
- C Integrated Financial System
- C maintaining balance of services.

In response to queries raised by several Members of Council on maintaining a manageable staff complement, Mr. Ken Meech, Chief Administrative Officer, advised that senior staff is continually requesting their Managers to analyse how they do business. With the Program and Service Review, and the Activity Based Costing project being undertaken, these tools will examine issues such as those raised by Council. The Integrated Financial System will dictate changes in the way the systems will work i.e. resource requirements. For an example, staff who are skilled in one area, could be trained to do other jobs, if the requirement arose. Mr. Meech further stated that staff need to continually look at service standard levels.

## **INFORMATION SERVICES**

Mr. Chuck Keith, Director, Information Services, reviewed highlights of the Information Services Operating Budget noting there was an increase of 10.3 percent.

Councillor McInroy took his place at the meeting (11:05 a.m.).

## **CHIEF ADMINISTRATIVE OFFICE**

Ms. Val Spencer, Director, Priority and Policy, addressed Council providing an overview of the Operating Budget for the Office of the Chief Administrative Officer, noting overall, there was a decrease in the budget by 1.4 percent.

In response to a comment made by Councillor Blumenthal on the Greater Halifax Economic Development Partnership, Mr. Ken Meech advised the Partnership will be making a presentation to Council in the near future and that Dr. Michael MacDonald will provide a report on statistics as they pertain to the number of new businesses in the area.

Councillor Hendsbee referenced the RDA, anticipating the allocation of resources (approximately \$50,000) to assist with initiatives in the rural areas. Further, the Councillor reminded Council that there was a review of the structure of the RDA to remove political representation.

### **EMO**

Mr. Barry Manual addressed Council noting there was an increase of 4.8 percent over last year.

In response to an enquiry of Councillor Kelly if there will be an actual testing of the Plan, Mr. Manual advised that a paper exercise scheduled for April, would prove a better exercise, at this point in time, than a full fledged deployment exercise. This type of test will determine how decision makers will actually handle making decisions in an emergency. Further, additional work on various departmental Plans need to be carried out.

### **PRIORITY AND POLICY**

Ms. Val Spencer advised there was a reduction of 9.8 percent in the Priority and Policy Operating Budget.

In response to a comment made by Councillor Kelly if the existing staff complement of this department was actually needed, Mr. Ken Meech advised that staff will be examining this aspect as to whether the expertise is needed or if it should be aligned to other departments. Mr. Meech noted that should the department per se not be required, the resources would still be needed in the organization.

### **COUNCIL SUPPORT - MAYOR'S SUPPORT - MUNICIPAL CLERK'S OFFICE**

Councillor Barnet referenced the number of staff who support the three offices of the Mayor, Council and Municipal Clerk, noting there may be opportunities for realignment with the way support is provided. Accordingly, the Councillor suggested these three services should be integrated and requested staff investigate this initiative.

In response, Mr. Ken Meech stated that although he was prepared to take the lead and look at this, he suggested there first be a clear understanding of the activities of the various offices. Further, Mr. Meech suggested this investigation could work if it has the support of the Council as a whole and suggested the Mayor, Deputy Mayor, one other Councillor and himself be involved. In the meantime, he would take this suggestion under advisement.

Councillor Barnet suggested this initiative be carried out prior to Council approving the Operating Budget. In response, Mr. Meech advised that in order to review the concept of consolidating resources and functions of the three aforementioned offices, additional time would be required in order to collect all details. Councillor Barnet agreed.

With respect to the size of Regional Council, Mayor Fitzgerald advised he had preliminary discussions with the Utility and Review Board

Deputy Mayor Rankin reminded Council that in determining whether to consolidate the offices of Mayor's Support, Council Support and the Municipal Clerk, separation of the political from the administration aspect of the organization needs to be taken into consideration.

Councillor Schofield suggested the Council and Mayor Support offices should be separate. Councillor Mitchell supported Councillor Schofield and suggested this matter should be tabled with Council to be discussed at Councillors' monthly meetings.

Councillor Kelly referenced the boundaries of the municipality and the size of Regional Council noting Council must ensure the public is consulted and listened to before a decision is made.

Councillor Greenough suggested Council needs to be open to self examination and that there may well be advantages of savings so long as the pooling of resources does not create conflict.

Councillor Harvey suggested this Council may be too large in size and that perhaps Council should look at redistribution as this could work towards a more unified municipality.

Councillor Sarto requested Council keep in mind that each of the three offices mentioned have a separate function.

Councillor Blumenthal left the meeting (12:25 p.m.).

Following a recess at 12:30 p.m., the meeting resumed at 1:15 p.m. the following individuals in attendance:

Mayor Fitzgerald, Deputy Mayor Rankin, and Councillors Hendsbee, McInroy, Greenough, Sarto, Hetherington, Schofield, Cunningham, Downey, Stone, Hanson, Barnet, Harvey, and Kelly.

Absent with regrets were Councillors Dooks, Snow, Cooper, Blumenthal, Adams.

Absent were councillors Uteck, Epstein, Walker, and Stone.

## **1.2 FISCAL SERVICES**

C Copies of the overheads entitled "Information on Fiscal Services Presentation" were distributed to Council.

Mr. Robert Chisholm, Financial Consultant, through the use of overheads, reviewed the Proposed Operating Budget noting that Fiscal Services comprises 39.6% of the total expenditure (School Board, Debt Charges, Social Assistance, Transfers to Agencies, Capital from Operating, Hydrant, Tax Concessions, and General Services). Mr. Chisholm briefly reviewed each with the following comments:

**School Board** - \$75,678,940 - Mr. Chisholm noted that unless the Province reduces the Education Rate, the municipality could be requested to pay an additional \$2.2 million.

**Debt Charges** - \$33,615,944 (\$30,215,944 net)

**Social Services** - \$22,000,000 - This was capped by the Province in 1996.

**Transfers to Agencies** - \$10,438,176 - Monies given to Correctional Centre, Housing Authority, World Trade Centre, and the Port Authority.

**Capital from Operating** - \$7,500,000 - Monies set aside to undertake small capital projects.

**Hydrant Charges** - \$6,123,461 - Based on a formula set by the Province.

**Tax Concessions** - \$1,868,289

**General Services** - \$16,075,486 - Includes 1997/98 deficit.

With respect to the School Board, Mr. Chisholm noted the budget is based on Supplementary and Mandatory Funding. Further, Mr. Chisholm reiterated the fact that unless the Province reduces the Education Rate, the municipality could be requested to pay an additional \$2.2 million.

In response to an enquiry from Councillor Greenough on the Education Rate Mr. Singer advised it was currently 39 cents. At this point in time, staff is not able to determine what the rate will be as the Province as not as yet set its budget. As 1997 was a general reassessment year, under normal circumstances, when assessments increase, the rate decreases; therefore, the reasoning for staff anticipating the rate will decrease slightly.

As previously noted, if the rate is frozen at 39 cents, the municipality will then have to provide an additional \$2.2 million in the budget. It is anticipated that the rate will be set at approximately 37.5 cents in order to break even with this year's Operating Budget; further, staff have budgeted the 37.5 cent figure in this preliminary budget.

In response to a suggestion from Councillor Greenough that the Municipality reduce Supplementary funding, Mr. Ken Meech, Chief Administrative Officer, advised that staff is making the assumption that the municipality's contribution will be no greater than what was paid out in this current year.

Councillor Kelly enquired if staff was comfortable this rate will decrease.

In response, Mr. Ken Meech advised that the UNSM is negotiating with the Province that contributions from the municipalities be frozen in the first year. Further, staff have not factored into this budget a definite contribution for Social Services either.

Councillor Kelly reiterated his concern there is no commitment from the Province in writing.

Mr. Ken Meech advised that while revisiting the Operating budget to seek implications of reducing the budget by \$5 million and \$10 million, it was determined that the deficit for the current year is determined to be an additional \$2.5 million than was originally projected; further, with respect to assessment appeals, it is anticipated this could increase by \$1 million. Finally, Mr. Meech reminded Council that staff is assuming there will be a \$3 million transfer from the Province to assist with transition costs. Taking this into consideration, with other comments raised by Council, Mr. Meech suggested Council maintain their current position and adjust the budget as time goes on.

Councillor Kelly expressed concern with Mr. Meech's statement noting the budget should be revised based on fact, rather than speculation. Accordingly, the Councillor suggested contact be made with the Province to enquire what this year's Education Rate is going to be and if the municipality will be receiving \$3 million to assist with transition costs. Councillor Kelly suggested these questions should be answered prior to approving this Operating budget.

Mr. Chisholm continued with the staff presentation referencing information distributed to Council.

Mayor Fitzgerald assumed the Chair (2:00 p.m.).

Councillor Kelly referenced the World Trade Centre enquiring if the municipality has considered renegotiating its Agreement with the Province, as the facility was currently in a profit mode.

In response, Mr. Wayne Anstey advised there was nothing in the agreement to provide for renegotiation as it was anticipated this agreement would be forever in place. Mr. Anstey suggested, however, that Council could approach the Province to enquire if they would be prepared to renegotiate.

In response to a further enquiry from Councillor Kelly if the Province's contribution was increasing, Mr. Anstey advised as the World Trade Centre Limited was a Crown Corporation, the Province has an obligation to contribute, if there is a shortfall.

Mr. Ken Meech, advised that staff will undertake an analysis of the facility's financial statements and prepare a report for Council.



Councillor Kelly reiterated his concern regarding this budget being based on assumptions.

Councillor Schofield suggested further deliberations on the 1998/99 Operating Budget cease.

Deputy Mayor Rankin referenced the Housing Authority and noted the municipality has been paying 12 ½ percent on the operating costs (\$2.2 million). The Deputy Mayor noted as the Province has taken over Harbour City Homes and Dartmouth Non Profit, he enquired if correspondence could be forwarded to the Province requesting that operating deficits not be cost shared by the municipality on the new housing stock the Province has taken over (over 1,000 units).

In response, Mr. Anstey advised that cost sharing can be imposed on the municipality if it is so legislated.

Councillor Schofield reiterated his suggestion made during last year's Budget deliberations, that the Housing Authority provide a copy of their financial statements to the municipality.

## **2. ADJOURNMENT**

**MOVED by Councillors Schofield and Greenough to adjourn (2:25 p.m.) 1998/99 Operating Budget deliberations subsequent to the Provincial Election. MOTION PUT AND PASSED.**

Jane Nauss  
ASSISTANT MUNICIPAL CLERK