

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
APRIL 16, 1998

PRESENT

Mayor Walter Fitzgerald
Deputy Mayor Rankin
Councillors: Bill Dooks
Gordon R. Snow
David Hendsbee
Ron Cooper
Harry McInroy
Jack Greenough
Condo Sarto
Bruce Hetherington
Clint Schofield
John Cunningham
Jerry Blumenthal
Graham L. Downey
Larry Uteck
Howard Epstein
Russell Walker
Bill Stone
Ron Hanson
Stephen Adams
Barry Barnet
Bob Harvey
Peter Kelly
Jack Mitchell

STAFF MEMBERS

Mr. Ken Meech, Chief Administrative Officer
Mr. George McLellan, Deputy Administrative Officer
Mr. Ron Singer, Director of Finance
Mr. Bruce Fisher, Budget Co-ordinator
Ms. Jane Nauss, Assistant Municipal Clerk

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Mayor Fitzgerald called the meeting to order at 1:30 p.m.

1. CONTINUATION OF 1998/99 OPERATING AND CAPITAL BUDGET DELIBERATIONS

1.1 Tax Structure - Suburban Boundaries

Mr. Ken Meech, Chief Administrative Officer advised that the decision made last year on Suburban Boundaries would be revisited during today's meeting.

Mr. Ron Singer, Director of Finance, addressed Council stating it was not staff's intent to give a formal presentation today. Reference was made to a map outlining suburban areas (outlined in red). Mr. Singer advised that last year the tax structure established was:

urban - properties inside the DOT service boundary
rural - properties outside the DOT service boundary
suburban - six areas that did not receive, for the most part, fire hydrants, transit, or sidewalks.

Mr. Singer understood that as the suburban rate was to be implemented over a three year transitional phase in period, the current tax structure should remain in place for the next 1½ years, then revisited. Mr. Singer suggested the municipality should be moving more towards a single rate such as the former Cities had, with services to be provided on the basis of fairness and equity. If Council wishes to look at another "pocket" - in order to cost that out, staff will prepare a report on same for Council.

Mr. Ken Meech advised that initially, the DOT&PW service boundary was utilized to define the urban area boundary. Adjustments were then arbitrarily made, to reflect the areas (suburban) that were not receiving certain services.

Councillor Barnet referenced a map and summary sheet which he had distributed to Members of Council.

The Councillor stated that staff's map 'somewhat' reflects the fact there are areas within his District that do not have all three services (hydrant, transit, sidewalks). Councillor Barnet expressed concern noting that staff have not applied Council's direction in this regard, noting that approximately 150 residents have contacted him raising concerns.

The Councillor requested staff apply the policy, not change the tax structure, using the principles that Council accepted - that being, if a resident receives, or has reasonable access to, a service, then that resident would pay for that service.

Councillor Barnet referenced his map, particularly the area highlighted in yellow. This area exceeds 6 - 7 kms which means that for an individual to have access to a sidewalk, they would have to walk along a number of side streets - and in particular, Sackville Drive, for 5 - 6 kms before a sidewalk is reached.

The Councillor reiterated the fact that he did not want to open up the tax structure; rather, he simply wanted to apply the principles of the tax structure and define this to the point where staff can get clear direction. Reference was made to a number of incidents where communities receive transit services and yet do not pay for that service. Further, Councillor Barnet suggested there may be other Councillors who share the same concerns.

Councillor Barnet requested .41 cents, that is being applied for sidewalks, be removed for those residents who have no access to sidewalks.

Particular concern was raised by Councillor Barnet that many telephone calls were referred to him by staff and that they have been told to call their Councillor on this issue.

In response to an enquiry from Mr. Ken Meech if staff have calculated what the area rate would be for transit, if residents did not have the benefit of the urban tax base, Mr. Bruce Fisher, Budget Co-ordinator, advised he would need a better definition of the particular areas in Councillor Barnet's District.

Mr. Ken Meech stated that should an individual live in the suburban area, then that individual pays the suburban area rate, however, if that individual receives any services (hydrants, transit, sidewalks), then they are paid for through an area rate. Mr. Meech suggested residents of District 19 were getting the benefit of an area rate that is based on the total tax base for the urban area.

In response, Councillor Barnet expressed the fact that not all communities are being treated the same; there are communities inside the suburban areas that receive transit but do not pay for it. Inside of the Councillor's District are areas that do not receive sidewalks but pay for them. If there is a calculation for those suburban areas that receive transit, then it should be appropriated.

Mr. Ken Meech advised that the area rate for transit, for the urban area, is a rate based on the total tax base in the urban area.

To clarify the situation, Mr. Ken Meech advised that Councillor Barnet wants his District to pay the suburban rate plus the .61 cents for transit. That .61 cents is based on the total tax base; therefore, staff will calculate what the area rate would be (using the tax base in the suburban area) and determine the cost to provide transit.

It was noted that District 19 residents are getting the benefit of the larger tax base which may give them a smaller area rate for transit, however, on the other hand the Councillor is requesting relief of the other rate.

In referencing Councillor Barnet's concern that staff were forwarding telephone calls on the tax structure to him rather than dealing with the situation themselves, Mr. Meech agreed that staff should not be referring these calls to Councillors and that this will be corrected.

Councillor Greenough requested clarification and enquired if Councillor Barnet was stating that because his residents do not have sidewalks nor water, they should not be charged the sidewalk rate, nor the water rate, to which Councillor Barnet responded in the affirmative.

Mayor Fitzgerald advised that District 19 residents pay for transit through the urban rate.

Councillor Greenough requested clarification if staff was going to determine if there is a mechanism by which residents in District 19 can get relief for sidewalks (particularly the area outlined in yellow on the map Councillor Barnet distributed).

In response, Mr. Ken Meech advised this was a complex issue. What should now happen is that those affected residents should be placed in the suburban area.

Last year, small pockets were created and residents were advised they would be receiving the benefits of the suburban rate. However, they were also advised if other services were required, they would have to be paid for through an area rate - the area rate that would apply based on providing the service in that particular area.

For an example, the area rate for the sidewalks in Waverley should be established on the basis of what the tax assessment is in the area served. The residents receive benefits of the suburban rate but due to the fact they receive sidewalks, there is an area rate calculated to generate the amount of money required.

Councillor Greenough enquired if staff will determine if it is to the advantage of District 19 residents to request this change.

Mr. Meech advised that Councillor Barnet has raised this as a matter of principle and policy. Accordingly, staff will prepare a report.

Councillor Adams raised similar concerns as raised by Councillor Barnet. Herring Cove was referenced where there is a sidewalk that is approximately .2 kms in length, there are no hydrants, and there is a bus at peak times every half hour. The Councillor requested if the affected residents could be relieved of charges for sidewalks and hydrants.

With respect to the tax rate, as the Councillor advised he was not at the previous Operating

Budget Meeting, he would like the following information:

/ What would 2.5 percent increase raise in taxes

/ What would 1.5 percent increase raise in taxes.

Mayor Fitzgerald advised this will be dealt with during Operating Budget discussions.

Councillor Cooper referenced the Montague Mines area - Gold Lane - noting the residents do not have transit, sidewalks, nor hydrants. The Councillor requested this area be removed from the Urban Core and treated as Suburban, and be given credit for the taxes they have paid.

In response, Mr. Ken Meech advised this will be taken under advisement and that a staff report on same should be ready by next week.

Councillor McInroy agreed with staff's recommendation to maintain the tax structure put in place last year. The Councillor requested staff review those areas that have been identified over the past year - that warrant consideration for an adjustment, and to calculate what the implications would be.

Councillor McInroy advised that Cow Bay is an area where clear instructions have been given through the MPS to not bring central services to the area. This is part of the planning process for the community.

Councillor Blumenthal, speaking on behalf of Councillor Walker, advised he has areas where there aren't specific services but the residents have been paying taxes for a long time.

Deputy Mayor Rankin noted that one third of taxpayers now have a lower tax rate as a result of amalgamation.

Councillor Kelly suggested a standard policy - to apply right across the board - was required. Further, a new policy would assist staff as well.

Councillor Stone was under the impression that the suburban rate would gradually be phased out. Areas in his District were referenced that are rural in nature - 109 people appealed their assessment (due to no sidewalks) in the Fernleigh Park, Princes Lodge, Kent Avenue, Hamshaw Drive, Saskatoon Drive, and Browns Lane areas. These areas always paid the urban rate. It was suggested that Council needs to get as close to one or two rates as possible.

Councillor Harvey advised he did not feel suburban areas should be eliminated, however, two rates could work if the urban area was reduced.

Councillor Epstein suggested there should be one tax rate for HRM. Further, services should reflect assessed value of property. The Councillor also stated that suburban areas should be in the urban rate.

Deputy Mayor Rankin assumed the Chair (2:45 p.m.).

In response to an enquiry from Councillor Cunningham if the municipality was phasing out the suburban rate over three years, Mr. Ken Meech advised no actual commitment was ever made to phase out the suburban rate. In addressing this issue, Mr. George McLellan, Deputy Chief Administrative Officer, advised that the suburban rate was described as transitional in nature and was not to be phased out as such. Further, Mr. McLellan advised that a single rate with credits would be viable for blocks of areas where obvious services were not included.

Councillor Greenough referenced the Waverley - Lake Charles Drive to end of his district area, noting that although residents have water and transit, but no sidewalks nor sewer, they are paying the urban rate. The Councillor requested this area be looked at as well.

Councillor Greenough suggested if a service is accessible to a community being charged, then it is a fair one. There doesn't necessarily have to be a sidewalk on the street where one lives in order to be charged for same. A sidewalk is a service for a community and the same is true for transit and hydrants. Although the Councillor advised he would support minor adjustments, where they can be justified, he requested information on the impact of same on the overall general tax rate.

Councillor Adams suggested that assessment does not reflect types of services received, but rather, reflects the value of property. If there are to be two rates, then they should be urban and rural.

MOVED by Councillors Uteck and McInroy, to maintain the status quo (tax structure) for the next two years, subject to a staff report addressing the concerns raised by Council; further to continue discussions on the tax rate.

MOTION PUT AND PASSED UNANIMOUSLY.

1.2 Central Library Project

Ms. Judith Hare, CEO, Regional Library, provided an update on the Central Library Project. Copies of overheads were distributed to Council. Referring to the overheads, Ms. Hare reviewed the following:

- C Spring Garden Road Library Project History (commencing in 1987);
- C Revised New Central Library Capital Budget (HRM net funding request reduced from \$15,385,000 to \$12,000,000);

- C Impact on Branch Services:
- / Not recommending reductions in branch service levels;
 - / Central Library expenses are not a redistribution of existing budget;
 - / Central Library supports network of strong community branches;
 - / Service model project is underway to define and maintain priority branch services reflecting each unique community.
- C Environmental Trends:
- / School Boards are eliminating school libraries and rely on public library
 - / School Boards are withdrawing from literacy programs
 - / Home schooling, life long learning, continuing education
 - / Small businesses cannot afford to maintain in-house information resource centres
 - / Access to computer literacy programs is limited to the public library
 - / Universities do not serve the general public of all ages
 - / Growing demand for English as a second language / multilingual collections
 - / Community Coordinator Role
 - / Job search, career development and training.
- C Business Case for New Building:
- | | |
|--|--------------------|
| / Spring Garden Road Branch must be replaced | |
| / Replacement Cost (no expansion) | \$7,373,000 |
| / Temporary moving & relocations costs | <u>1,800,000</u> |
| TOTAL | <u>\$9,173,000</u> |
- / Loss of Trust Fund (\$4.7 million)
 - / Loss of Provincial Cost Sharing (\$4 million)
 - / Reduced fund-raising potential
 - / Problems with existing space and site restrictions not resolved
 - / No cost saving from Glendale building lease (\$164,000)
 - / Loss of revenue potential from sale/lease of existing building
 - / Renovated building will not handle increased use.
- C Return on Investment for HRM
- / Expresses HRM confidence in investing in itself
 - / Serves as a catalyst for economic development needed to generate commercial tax revenue
 - / Consolidates and strengthens the library core and ability to support a network of community branches
 - / Provides business, government and the public with expanded resources and access to new technologies
 - / Sends a clear message that HRM values civic institutions and is committed to providing its citizens with excellent education resources and information services

/ Establishes HRM as the cultural leader for Atlantic Canada.

Mayor Fitzgerald thanked Ms. Hare for her presentation.

MOVED by Councillors Stone and Downey that it be recommended by the Committee of the Whole to approve the revised Central Library Capital Budget at a net cost of \$12 million to Halifax Regional Municipality, to be phased in over a three-year period; further, that the Spring Garden Road and Queen Street location be the designated site; further, that the Mayor, Chief Administrative Officer, Chief Executive Officer (Library) and Board (Library) Chair, meet with the Premier to confirm the site and provincial cost-sharing commitment.

In response to an enquiry from Councillor Kelly as to why the Trust will be lost if a new building is not constructed, Mr. John Kitz, Library Board Chairman, advised the funds from the Trust are to be utilized only for new construction, not renovations. Councillor Kelly enquired if those responsible for the Trust would permit an upgrading of the building, if it was agreed to change the name of the building.

In response to a further enquiry from Councillor Kelly if Provincial cost-sharing was guaranteed, Mr. John Kitz advised that although there is no guarantee at the present time, the Province has a history of contributing to these types of projects, particularly over the past ten years. Should the Province, for whatever reason, not be in a position to contribute to the project, this would result in additional fundraising on the part of the Board, over a longer period of time. The Library Board requires a commitment from the Municipality, however, prior to commencing its fundraising efforts. Further, the Board can move forward with a reasonable contribution from the Trust Fund, as it will be a few years before full construction will take place.

Councillor Kelly suggested the Library Board work with the School Board to eliminate their library concerns and suggested the School Libraries be made available to the public after school hours. Councillor Kelly expressed concern that he was under the impression that the Board was not open to options. In response, Ms. Hare advised this was a responsible Board and will ensure all required financing is in place.

Councillor Blumenthal suggested the Halifax Homeowners Association does not support this project.

Councillor Barnet advised he was opposed to this project as he anticipated the library branches would be negatively affected. The Councillor suggested that branch libraries are utilized more than a central library. Further, Councillor Barnet suggested the public are not being asked for their input in this regard.

Councillor Barnet further expressed concern with the negative affect this project could have

on the Operating Budget. Council was being faced with increased pressure and suggested this project was too expensive for the taxpayers. However, having said this, the Councillor advised he did support the Library in general, but requested further information prior to voting on this Motion (i.e. is there a municipally owned facility available).

Concern was expressed by Councillor Barnet that this project will proceed as a Millennium Project (Halifax Birthday - 250 years). It was noted this is to be a regional library, and that Halifax Regional Municipality is only 2 years old.

Councillor Hendsbee advised he would agree to a contribution of \$6 million, and suggested that \$3 million in fundraising efforts would not be sufficient.

Councillor Mitchell advised that the Board has worked hard on this project and that people from the entire region will utilize the facility.

Councillor Schofield suggested residents did not want this project to move forward and enquired if a decision on this matter could be deferred for the following reasons:

- C construction costs per square foot appeared to be too high;
- C suggested the Library Board understated the cost of the amortization for the funding for the new Library by approx \$200,000 per year;
- C renovations costs (\$900,000) appeared to be high;
- C suggested that perhaps additional branch libraries in the rural areas could be constructed with a smaller central library;
- C he was under the impression that the Trust Fund would be available for renovations as long as the name change was implemented.

The Councillor suggested, however, that \$500,000 be left in the Budget for the time being. Councillor Schofield enquired as to how the \$12 million would be dealt with. In response, Mr. Ken Meech, Chief Administrative Officer, advised that the municipality would make the funds available, and then borrow same on a long term basis. Further, the full impact would not be felt on an annualized basis for three to four years. Also, the amortization could be carried over a twenty year period, even though the norm has been ten years.

Councillor Schofield stated he could not support the Motion on the floor.

Councillor Harvey suggested this was a project that every Councillor should stand behind. Further, this Library will make knowledge and information more available to the public. The business case put before Council today is based on a viable business decision.

Councillor Snow suggested the project was not appropriate at this time and that he would like further information prior to voting on the Motion.

Councillor Uteck expressed concern noting that Council should have contacted the Library Board prior to this meeting to have any concerns they may have had addressed. Further, the Board has done its homework and has well researched the project.

Councillor Cunningham reminded Council that four Members of Council sit on the Library Board and are fiscally responsible. The Councillor advised he would support the Motion on the floor.

Councillor Downey advised that although he supported the Library, he enquired if "caution" signs would be erected in the existing library regarding a potential hazard. In response, Mr. Al LeBlanc, Regional Library Financial Officer, advised that a detailed analysis on the trusses will be carried out by the Municipality. However, it was noted, there have been no problems to date.

Councillor Cooper, although agreeing it may be time to let the existing facility go, stated it was clear that the 2 - 3 year budget proposal was not sufficient. In response, Mr. Ken Meech advised that staff could prepare a 5 - 7 year plan for capital budget items.

Councillor Cooper expressed concern that the scope of the new library was not going in the right direction. Further, the Councillor was concerned that the branch libraries may be negatively affected. Reference was made to the Service Model Project noting this is too broad a statement and that this creates the possibility of changing every branch in the system. The Councillor enquired as to how other projects will be affected as a result of this new facility. Councillor Cooper advised he could not support the Motion.

Councillor Harvey stated this was a "doable" project and that it was in the best interests of the municipality. Further, the Councillor stated he supported the Motion conditional on the Province coming forward with an additional \$4 million. Also, the Councillor requested a full and complete understanding that the existing site will be used for a commercial enterprise to benefit this project.

Deputy Mayor Rankin advised he would be supporting the Motion.

In response to an enquiry from Councillor Sarto, Ms. Hare advised there was a trend across the country in the reduction of School Libraries and support staff. Ms. Hare advised she would provide information on Dartmouth Schools, as it pertains to this aspect, to the Councillor.

With respect to the Trust Fund, Ms. Hare advised that construction must commence by January, 1999. Should there be no commitment, the funds will be lost.

With respect to a Provincial contribution being lost if no building is constructed, Ms. Hare

advised that the Province does not provide funding for renovations.

Councillor Sarto suggested this matter be referred to Capital Budget deliberations.

Councillor Kelly enquired as to the Trustees' stance on permitting renovations of the building if the municipality agrees to a name change. In response, Ms. Hare advised the Trustees have been approached on this aspect. They have advised they will obtain a legal opinion, once Council makes a decision.

Councillor Stone suggested this Motion, if passed, be brought forward on April 21, 1998 during Committee of the Whole, for ratification, if the opportunity arises.

MOTION PUT AND PASSED.

Mayor Fitzgerald advised as there were still two items to be discussed (School Board Supplementary Funding, and Continuation of Operating & Capital Budget Review), the meeting should adjourn to Monday, April 20, 1998 - 10:00 a.m., at which time the School Board Supplementary Funding will be discussed first on the agenda.

2. ADJOURNMENT

**MOVED by Councillors Uteck and Kelly to adjourn the meeting at 5:00 p.m.
MOTION PUT AND PASSED UNANIMOUSLY.**

Jane Nauss
ASSISTANT MUNICIPAL CLERK