

HALIFAX REGIONAL MUNICIPALITY

COMMITTEE OF THE WHOLE MINUTES

February 1, 2005

PRESENT: Mayor Peter J. Kelly
Deputy Mayor Len Goucher
Councillors: Krista Snow (1:46 pm)
David Hendsbee
Harry McInroy
Gloria McCluskey
Andrew Younger
Bill Karsten
Becky Kent
Jim Smith (1:44 pm)
Mary Wile
Patrick Murphy (1:43 pm)
Dawn Sloane
Sue Uteck
Sheila Fougere (2:15 pm)
Russell Walker
Linda Mosher (2:23 pm)
Brad Johns (2:58 pm)
Reg Rankin
Gary Meade

REGRETS: Councillor: Debbie Hum
Steve Streach
Stephen D. Adams
Len Goucher

STAFF: Mr. George McLellan, Chief Administrative Officer
Mr. Wayne Anstey, Municipal Solicitor
Ms. Jan Gibson, Municipal Clerk
Ms. Chris Newson, Legislative Assistant

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1. CALL TO ORDER

Mayor Kelly called the meeting to order at 1:39 pm.

2. APPROVAL OF THE MINUTES - None

3. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS

Ms. Dale MacLennan, Director, Financial Services, outlined the structure of the deferrals from last week's Committee of the Whole as they will be presented today:

- ! Halifax Harbour Solutions Project - Completion of Budget Summary (Agenda Item 6 from the January 25, 2005 Committee of the Whole agenda).
- ! Environmental Protection Charge (EPC) Rate Increase (Agenda Item 7 from the January 25, 2005 Committee of the Whole agenda).
- ! 25 Year Wastewater / Stormwater Forecast (Agenda Item 5 from the January 25, 2005 Committee of the Whole agenda).
- ! Proposed By-Law A-300, Respecting Animal Control (Agenda Item 9 from the January 25, 2005 Committee of the Whole agenda).

Addition: 7. ADDED ITEM

- 7.1 Completion of the Harbour Solutions Project - Quarterly Report (Agenda Item 6 from the January 25, 2005 Committee of the Whole) to be dealt with immediately following the approval of the agenda.

MOVED BY Councillor McCluskey, seconded by Councillor Younger, that the Order of Business be approved as amended. MOTION PUT AND PASSED.

7. ADDED ITEM

- 7.1 Harbour Solutions Project - Quarterly Report - Completion of Budget Summary

! A copy of the slide presentation was circulated to the Committee.

Ms. Holly Power-Garrett, Financial Consultant, Harbour Solutions Project completed the budget summary for the Harbour Solutions Project.

The following comments/concerns were raised during the ensuing discussion:

! Councillor Walker requested up to date information on the Environmental Protection

Reserve fund from April 2004 to the present be circulated to Council. Ms. Power-Garrett will provide Council with that information.

Council agreed to consider Agenda Item 4. Environmental Protection Charge (EPC) Rate Increase at this time.

4. ENVIRONMENTAL PROTECTION CHARGE (EPC) RATE INCREASE

- A report dated January 20, 2005 was before the Committee of the Whole.
- A copy of the slide presentation for the 3rd quarter report was distributed to the Committee of the Whole for consideration.
- A revised Environmental Protection Charge Rate Schedule was distributed to the Committee of the Whole for consideration.

Ms. Dale MacLennan, Director, Financial Services, presented the report.

Upon request of Councillor Uteck, Ms. MacLennan reviewed the Environmental Protection Charge rate schedule and indicated staff's recommendation is that Regional Council approve the 2004/05 \$0.05 cent per cubic metre increase to the Environmental Protection Charge for the Harbour Solutions Project effective March 1, 2005.

MOVED BY Councillor Uteck, seconded by Councillor Karsten that Regional Council:

- 1. Approve the increases in the Environmental Protection Charge with respect to the Harbour Solutions Project as outlined in the rate schedule distributed at the February 1, 2005 Committee of the Whole, which includes a \$0.05/cubic metre increase effective March 1, 2005.**
- 2. Approve an additional increase to the Environmental Protection Charge in support of existing stormwater/wastewater infrastructure capital maintenance, of five cents (\$0.05) per cubic metre, effective March 1, 2005.**

Ms. MacLennan clarified for Councillor Hendsbee that if residents are not hooked into the system they will not be paying this charge. Mr. John Sheppard, Manager, Environmental Management Services, added if there is no sewer available to the resident, the resident is not charged for sewer. If there is a sewer available and the resident chooses not to connect, the resident will pay a wastewater charge but not an Environmental Protection Charge. Ms. MacLennan commented the rate increase is based on consumption and if users reduce their water consumption the increase will not be as great.

Councillor Sloane requested information be included with the water bills to educate the public on methods to reduce water consumption.

Members of Council requested that HRM continue to lobby the Federal and Provincial governments for funding and noted that a charge to the residents was to be a last resort.

Mr. George McLellan, CAO, commented staff are to be applauded for bringing this information forward in response to a need. He added the money previously raised has been used for new pump stations, rebuilt pump stations, etc. and not used just for new developments. He requested Council reflect on the information as it will have to be discussed in the future if not dealt with now. He added one risk for a fluctuation in the budget would be reduced water consumption as the rates were based on a flat rate of consumption. Ms. MacLennan commented that consumption is not anticipated to be a problem but it is an element that is beyond staff's control. Mr. Ted Tam advised all the construction contracts for the plant and the collection system, are budgeted at a guaranteed maximum price with the only variable being inflation.

MOVED BY Councillor Uteck, seconded by Councillor Fougere that the following amendments be made to the motion:

- 1. Identify that component of the Environmental Protection Charge as Existing Infrastructure Fund.**
- 2. Change increments from \$0.05 cents to \$0.02.5 cents for March 1, 2005 and October 1, 2005.**

Mr. John Sheppard commented that correspondence was received from the Province indicating HRM was Non-Compliant. Staff are required to provide the Province with the action being taken to become compliant.

Numerous comments from members of Council that HRM is being responsible by implementing a reserve fund now were noted. Mayor Kelly clarified that if additional funds are obtained from the Provincial or Federal Governments, Council does have the option of adjusting the rates.

Ms. MacLennan clarified the water funds will not be used for the Harbour Solutions Project. Mr. Sheppard added the sewer charge is defined in the By-Law and is used for wastewater treatment plants and not for pipes, ditches etc. The money will not be used directly for stormwater use.

Councillor Uteck commented there is clear and present danger now with the existing infrastructure. She added HRM is developing a 25 Year Plan and has to move forward and

start paying.

Councillor Sloane suggested the rate for the existing infrastructure go on the general tax rate as it is the general revenue that is used to fix problems. She added HRM should prepare a wish list for infrastructure and then approach the Federal Government for funding.

Councillor Harvey commented HRM has to be responsible with existing infrastructure in whatever form it is and Council should follow staff's recommendation and move forward with \$0.05 cent increase for March.

Councillor Karsten commented this is a difficult decision but if HRM wants to be world leaders HRM has to enhance and give attention to infrastructure and sewers which indicates Council has to go forward with the increase now.

Mr. Sheppard, responding to a question from Councillor McCluskey, advised staff will report back on how much money has been paid to consultants.

Ms. MacLennan clarified that HRM has near highest reliance on property tax for total revenue. HRM has been advised that its tax rate, as well as its tax burden, is moderate. She commented it is not acceptable that HRM, in relation to comparable cities, is relying 82% on taxpayers. She added HRM cannot walk away from responsibility to services. Ms. MacLennan advised staff will provide Council with high level benchmark information on tax levels across the country.

A vote was then taken on the amendment, as follows:

MOVED BY Councillor Uteck, seconded by Councillor Fougere that the following amendments be made to the motion:

- 1. Identify that component of the Environmental Protection Charge as Existing Infrastructure Fund.**
- 2. Change increments from \$0.05 cents to \$0.02.5 cents for March 1, 2005 and October 1, 2005.**

MOTION PUT AND DEFEATED.

A vote was then taken on the main motion, as follows:

MOVED BY Councillor Uteck, seconded by Councillor Karsten that Regional Council:

1. **Approve the increases in the Environmental Protection Charge with respect to the Harbour Solutions Project as outlined in the attached rate schedule which includes a \$0.05/cubic metre increase effective March 1, 2005.**
2. **Approve an additional increase to the Environmental Protection Charge in support of existing stormwater/wastewater infrastructure capital maintenance, of five cents (\$0.05) per cubic metre, effective March 1, 2005.**

MOTION PUT AND PASSED.

5. 25 YEAR STORMWATER AND WASTEWATER FORECAST

- A report dated January 14, 2005 was before Council.

Mr. Brad Anguish, Director, Environmental Management Services, and Mr. John Sheppard, Manager, Environmental Engineering Services, presented the report.

MOVED BY Councillor Johns, seconded by Councillor Sloane that Regional Council endorse the Priority Rating Process as currently utilized by staff, and as defined in the report dated January 14, 2005, for determining priorities related to capital projects, allocating infrastructure funding, and assigning staff resources.

Responding to Councillor Walker, Mr. Sheppard indicated staff would report back to Council in the fall with a more complete understanding of the possible costs and the impact.

Concern was expressed by various Councillors that non-HRM issues were number five (5) on the list of priorities and HRM should be responsible for the mains, not the property owner. Mr. Sheppard clarified that developers are required to size for future sewer/water growth. Further, the Capital Cost Contribution is intended for large infrastructure not individual culverts.

MOTION PUT AND PASSED.

6. PROPOSED BY-LAW A-300, RESPECTING ANIMAL CONTROL

Deferred to the next Committee of the Whole meeting due to time constraints.

7. ADDED ITEM

7.1 Harbour Solutions Project - This item previously dealt with. See page 3.

8. ADJOURNMENT

The meeting adjourned at 4:02 pm.

Jan Gibson
Municipal Clerk