

**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
MINUTES**

November 15, 2005

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
Dawn Sloane
Sue Uteck
Sheila Fougere
Debbie Hum
Linda Mosher
Stephen Adams
Brad Johns
Robert P. Harvey
Len Goucher
Reg Rankin
Gary Meade

REGRETS:

Councillor Harry McInroy

STAFF:

Mr. Wayne Anstey, Acting Deputy Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Jan Gibson, Municipal Clerk
Ms. Chris Newson, Legislative Assistant

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1. **CALL TO ORDER**

The Mayor called the meeting to order at 1:32 p.m.

2. **APPROVAL OF THE MINUTES - NONE**

3. **COUNCIL DIRECTION - 2006/2007 BUSINESS PLANNING & BUDGETING PROCESS**

- A staff report dated November 8, 2005 was before Council.

Ms. Betty Macdonald, Director, Governance and Strategic Initiatives, presented the report. She advised that staff are presenting a process to facilitate greater Council consultation/involvement earlier on in the budget planning process as a result of comments from the Program and Service Review Committee and Council workshops. Ms. MacDonald explained that the intent is for Council to discuss the topics they consider most important and to identify direction for staff who will then attempt to balance the requests of Council with financial and operational requirements.

Councillor Adams arrived at 1:33 pm.

Councillors Wile and Hendsbee arrived at 1:34 pm.

Councillors Hum and Fougere arrived at 1:36 pm.

Mayor Kelly thanked Ms. MacDonald for her presentation.

4. **FISCAL FRAMEWORK**

- A PowerPoint presentation entitled Financial Framework Presentation to HRM Committee of the Whole November 15, 2005 was circulated to Council at this time.

Mr. Dan English, Acting Chief Administrative Officer, assisted by Mr. Bruce Fisher, Manager of Financial Services, presented to Council on the fiscal framework outlining five of the nine key policies. The complete nine policies will be circulated to Council at a later date. Mr. English, advised that HRM relies 75%, which is extremely high, on the tax revenue. He further advised that the debt does not include the Harbour Solutions project nor the acquisition of the Alderney Gate facility. The capital budget total as presented does not include the Gas Tax nor MRIF.

Councillor Younger arrived at 1:41 pm.

Councillor Mosher arrived at 1:48 pm.

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

- Council strongly encouraged discussion with the province regarding the need for a decrease in what HRM pays in mandatory contributions toward education/correction services/social services (specifically in the area of housing).
- It was suggested that a Recreational Reserve Policy be created.
- Concern was expressed with how secure the Gas Tax/MRIF funds are considering there is chance of a Federal election which could result in a change in government.
- The commercial tax base is not rising as much as the residential tax base.
- Numerous Councillors agreed that the tax credit rebate for residents should be continued. It was suggested that a minimum dollar amount for the rebate cheques be determined to avoid the sending of rebate cheques in an amount less than \$2. A suggested \$20 minimum was given.
- Staff confirmed that there is a contingency included in the budget in regards to possible property tax appeals. Staff will provide additional information on the amount of increase that would be required to offset what may be lost in appeals.
- Numerous Councillors expressed concern with the possibility of residential tax rates rising again and cautioned that residents are nearing a level of “tax revolt” as many residents simply cannot afford any increase in taxes.
- Some Councillors suggested the residential tax rate be maintained at status quo with no increase and no reduction while others suggested consideration be given regarding a reduction in the residential tax rate by 4.9%.
- Numerous Councillors indicated that the provincial legislation (MGA) has to be changed due to the constant downloading onto the municipality which is now at a seriously high level. (Total provincial costs for education is close to \$100 m.)

Mayor Kelly advised that the UNSM (Union of Nova Scotia Municipalities) is working to have the province assume full responsibility for education.

Councillor Hendsbee advised that he is considering changing the tax rate in District 3 from the rural to suburban tax rate due to the numerous HRM owned facilities in that district being maintained by non-profit groups. The non-profit groups are having difficulty remaining open due to the cost of maintaining the facilities.

- Request that staff review road standards as there should not be gravel streets in a suburban area.
- A few Councillors commented that some residents received a \$14 or \$17 tax rebate from HRM which was considered a platitude and not of any real benefit. It would be preferable to use that money toward services the residents are requesting such as sidewalks and more green/recreation space.
- Councillors suggested that Council continue to encourage the aggressive debt repayment plan.
- It was suggested that more money be placed for streets and roads for a couple of years to get the worst roads in better condition. It was also suggested that there be additional funds available to address the take over of roads and for new paving of dirt/gravel roads.
- More information was requested in regards to the tax rate. Staff are to provide more

detail on what the scenario would be for 0%, 1.8% and 4.9% reduction indicating what programs/services may have to be cut or funds reallocated in each instance.

- Additional funds were requested for capital budget items for parks and playgrounds in the rural areas as that is where the residents see their tax dollars at work.
- It was suggested that HRM do internal audits on each department to ensure efficiency.

Council recessed for five minutes at 3:11 pm.

Council session resumed at 3:27 pm.

- Several Councillors commented that it is disturbing that HRM pays more in supplemental/mandatory education funding but that money does not stay in HRM.
- It was suggested that a note be placed on the tax bills, rather than a separate note being mailed, indicating the tax rebate.
- It was commented that real expenditure per dwelling unit has gone up, not stayed the same, and it was suggested that 23% be added to the figure on page 12 of the presentation as the figures are in 1995 dollars not 2005. It was further suggested that the budget stay flat and that there be no addition for inflation.
- If HRM must pay the mandatory education cost, then HRM should have control over where that money goes (how it is spent).

MOVED by Councillor Murphy, seconded by Councillor Hendsbee that Regional Council meet with the three provincial parties to discuss the current provincial legislation and HRM's increasing financial contributions to the province; and that this meeting be held prior to HRM's final budget. MOTION PUT AND PASSED.

- In regards to mandated capital cost charges for developments, staff advised that the MGA outlines what charges are permitted. A report will be coming to Council once the Consultant has completed the work on this matter.

Staff confirmed for Councillor Adams that the information he requested last year in regards to the value of assessments will be addressed during discussion on the revenue strategy on tax reform in two to three weeks.

- The tax rebate was to be a short term solution, staff requested to look at other options for a long term solution.

Moved by Councillor Karsten, seconded by Councillor Sloan that Council direct staff to proceed with budget preparations as follows:

1. **Assuming the capital budget total as presented.**
2. **Maintaining the existing tax rate.**
3. **Extending the tax credit rebate program to 2006/07.**

Councillors commented that they would prefer more information on the various options

regarding the tax rate reduction (in regards to part 2 of the above motion) before making a decision.

Councillor Uteck requested that the motion be split and a separate vote taken on each of the three items. Council agreed to split the motion.

Part 1:

Moved by Councillor Karsten, seconded by Councillor Sloane that Council direct staff to proceed with budget preparations assuming the capital budget total as presented. MOTION PUT AND PASSED.

Part 2:

Moved by Councillor Karsten, seconded by Councillor Sloane that Council direct staff to proceed with budget preparations maintaining the existing tax rate. MOTION DEFEATED.

Part 3:

Moved by Councillor Karsten, seconded by Councillor Sloane that Council direct staff to proceed with budget preparations extending the tax credit rebate program to 2006/07. MOTION PUT AND PASSED.

Following the vote on the three items, the following motion was placed regarding the tax rate reduction for 2006/2007 (Part 2 of the main motion above):

MOVED BY Councillor Streach, seconded by Councillor Karsten that Council direct staff to proceed with budget preparations assuming a 1.8% reduction in the tax rate for 2006/2007.

Several Councillors again commented that more information was required before they could make a decision on the tax rate reduction. Councillors advised that they want to know what the implications of each of the options would be on services and what the impact of each of those options would be on the residents.

Without a vote being taken on the motion on the floor, the following motion was placed:

MOVED BY Councillor Goucher, seconded by Councillor Sloane that the motion on the tax rate be deferred pending a staff report outlining the options as indicated in the staff presentation.

Following a brief discussion on the deferral, Councillor Goucher, with the agreement of the seconder, withdrew the motion to defer from the floor.

Discussion ensued on the main motion as follows:

MOVED BY Councillor Streach, seconded by Councillor Karsten that Council direct staff to proceed with budget preparations assuming a 1.8% reduction in the tax rate for 2006/2007.

Mr. Dan English, Acting Chief Administrative Officer, responded to Council that a 4.9% reduction in the tax rate would require finding an additional \$14 m to meet the proposed capital budget total of \$32 m. (See page 6: Part 1 of the split motion).

After seeking Council's concurrence, it was agreed to continue discussions in Committee of the Whole until 5:00 pm.

Mayor Kelly advised that Councillor Smith had an item to be considered prior to the adjournment of this Committee of the Whole session.

Mayor Kelly left the Chair at 4:36 pm with Deputy Mayor Walker assuming the Chair at this time.

Mr. English advised that staff could prepare a supplemental report on the tax reduction options for next Tuesday's COW session. The report will include the impact of each scenario (0%, 1.8% and 4.9%) as outlined in the presentation.

MOVED BY Councillor Adams, seconded by Councillor Sloane that the motion be amended to include a directive to staff to prepare a supplemental report including the implications and impact of a 0%, 1.8% and 4.9% tax rate reduction. MOTION PUT AND PASSED.

MOTION AS AMENDED:

MOVED BY Councillor Streach, seconded by Councillor Karsten that Council direct staff to proceed with budget preparations and to prepare a supplemental report for Tuesday, November 22 on the implications and impact of a 0%, 1.8% and 4.9% reduction in the tax rate for 2006/07. MOTION PUT AND PASSED.

Councillor Uteck suggested that a similar media announcement be done for the tax rate reduction discussions as was done for the equalization payments. She encouraged the Mayor to involve the media and the public by providing them the information for each tax rate reduction scenario and have staff show what projects will have to be cut to provide that option.

5. COUNCIL FOCUS AREA - INFRASTRUCTURE

Deferred to the November 22, 2005 session of the Committee of the Whole due to time constraints.

6. MUNICIPAL RURAL INFRASTRUCTURE FUND

Deferred to the November 22, 2005 session of the Committee of the Whole due to time constraints.

Deputy Mayor Walker advised that Councillor Smith had an item he wished to have considered at this time.

Councillor Smith requested Council consider waiving the rules of order and enter into a Regular Council session to discuss the issue of a zoning change for adult entertainment venues in Dartmouth.

MOVED BY Councillor Goucher, seconded by Councillor Kent that Council waive the rules of order and enter into a special Council session at this time. MOTION PUT AND PASSED.

7. ADJOURNMENT

The Committee of the Whole session adjourned at 4:47 pm.

Jan Gibson
Municipal Clerk