

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL COMMITTEE OF THE WHOLE March 20, 2007

MINUTES

PRESENT: Mayor Peter Kelly, Chair
Deputy Mayor Uteck
Councillors: Steve Streach
Krista Snow
David Hendsbee
Harry McInroy
Gloria McCluskey
Andrew Younger
Bill Karsten
Becky Kent
Jim Smith
Mary Wile
Dawn M. Sloane
Sheila Fougere
Russell Walker
Debbie Hum
Linda Mosher
Stephen D. Adams
Brad Johns
Robert P. Harvey
Gary Martin
Reg Rankin
Gary G. Meade

REGRETS: Councillor Patrick Murphy

STAFF: Ms. Geri Kaiser, Acting Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Jan Gibson, Municipal Clerk
Ms. Sheilagh Edmonds, Legislative Assistant

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1. CALL TO ORDER

The meeting was called to order at 3:55 p.m.

2. APPROVAL OF THE MINUTES

MOVED by Councillor Meade, seconded by Councillor Wile that the minutes of February 27, 2007 and March 6, 2007 be approved. MOTION PUT AND PASSED.

3. OPTIONS FOR SUPPLEMENTARY EDUCATION FUNDING

A staff report dated March 1, 2007 was submitted.

Ms. Cathie O'Toole, Acting Director of Finance, and Mr. Bruce Fisher, Manager of Financial Planning provided a presentation on options for supplementary education funding. In her remarks Ms. O'Toole noted that there were some time sensitive issues surrounding this matter, pointing out that HRM's budget is being tabled next week; the school board requires some certainty around their funding for their new fiscal year which commences April 1; the Provincial Legislature has opened and if it is determined that MGA amendments are required, they will need to be submitted for the spring sitting; and, next week, the Committee of the Whole agenda is already quite full. Ms. O'Toole added that, today, staff would like to present the report and get direction from Council.

Mr. Fisher addressed Council and advised that at the November 17, 2006 Committee of the Whole meeting, a motion was passed requesting a staff report addressing options for a blended tax rate and dropping the present boundaries across HRM, while continuing to give consideration towards education funding to CSAP. He added that today's presentation is in response to this motion.

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

- C Since Amalgamation the gap in the tax rates of the four former municipalities has narrowed significantly; staff are hoping to narrow the gap further, and eventually merge the rates into one.

Councillor Kent entered the meeting at 4:00 p.m.

- C Staff and the Halifax Regional School Board (HRSB) jointly drafted an agreement that will cover harmonizing the tax rates for supplementary education over the next four years and allowing funds to be spent equitably across HRM. This will start in the next fiscal year, and establishing supplementary education budgets for the next four years. As part of this, the School Board has agreed to take a reduction of \$450,000 a year for each of the next four years which is essentially the equivalent of the allowable 10% cut under the MGA.

C Key points of the Agreement are as follows:

- C it would set total supplementary funding for the next four years
- C Halifax Regional School Board would not request or seek out any funds beyond these amounts

- C the Funds can be spent anywhere in HRM effective April 1, 2007
- C HRM retains the responsibility for setting the annual tax rates; staff are suggesting the rate changes over the next four years be phased in; the rates would be uniform across HRM by 2010-11.
- C there will be a joint review of the Agreement after the four-year period, and would be completed by December 1, 2010.
- C all supplementary funds have to be adjusted and provided to Conseil Scolaire Acadien Provincial (CSAP) as currently required by the MGA; staff have already been discussing this with CSAP.
- C HRSB has to provide an annual budget and audited financial statements
- C Council would retain its legal right to reduce supplementary funds by 10% per year (this would remain in legislation) but Council agrees not to exercise this right (to reduce by 10%) during the next four years.
- C the Agreement which will be in effect until March 31, 2011 can be terminated with 12 months notice by either party.
- C there would be no targeted area rates for education within HRM without approval of HRSB.
- C HRSB and HRM would seek the MGA amendments that are required to allow for these changes.
- C HRSB agreed to prepare a brochure to distribute to parents outlining where and how supplementary funds are spent, ensuring credit to HRM for their contribution.
- C HRSB is committed to maintaining the current level spent on arts and music program in Halifax and Dartmouth (a letter from School Board is attached to the staff report confirming this)
- C harmonization of the rates could happen two ways i.e. harmonizing all funds or harmonizing and leaving the arts and music area rates in place; staff are recommending to harmonize all. In the first year, this would reduce the Halifax rate from 8.7 cents to 6.0 cents; reduce Dartmouth rate from 7.3 cents to 6.0 cents; and increase the Bedford/County rate from 3.4 cents to 4.4 cents.
- C The impact of any assessment changes that would be upcoming is not included in these rates.

At 4:05 p.m. Councillor Hum entered the meeting.

- C There is a large impact on the commercial rate in Bedford and the County, where it would go from 3.4 cents to 12.6 cents. The reason for this is that, in the current structure, the rate for residential and commercial in Bedford and the County is identical, and it would be merged into a system where the commercial would be paying more.
- C Five options presented in terms of reform are as follows:
 - C leave the system as is
 - C phase supplementary education out
 - C consider harmonizing the tax rates and negotiate with HRSB
 - C request that the Province assume the funding
 - C a combination of the above four options

The Chair asked Mr. Fisher to clarify what CSAP can expect.

In response Mr. Fisher advised that this agreement would be between the Halifax Regional School Board and HRM. CSAP has been informed along the way but they are not party to the agreement. Mr. Fisher added that their level of funding comes from section 530A of the Municipal Government Act which guarantees an amount of funding as exists, pro-rated according to the number of residents, and this would not be changed under the proposed agreement. He noted, however, in practical terms, since total funding is going down, they would receive less funding.

Mayor Kelly questioned if then, out of \$19 million, CSAP's allocation would be 2.5%.

In response, Mr. Fisher indicated that it would be roughly 2.5%. He added that there is no plan to change the spirit of the intent of the legislation.

Councillor Rankin expressed concern with the large increase in the commercial tax rate for Bedford and the County areas that would result if Council approved the proposal. He advised that usually when there is consideration of such a large tax increase, there is consultation. In addition, he made reference to the staff report and also noted that it was troublesome that supplementary funding could be used to assist core programs, and advised that he found this difficult to accept as a guiding principle. Councillor Rankin suggested that it was an admission that the Province was not going to accept their responsibilities, and the Municipality now expects the property tax base to supplement core programs.

Councillor Rankin indicated that he would be more supportive of Council reducing the 10% on the taxes that it can, in order to arrive at the more equitable result and to remain at current levels for former municipalities of Bedford and the County.

MOVED by Councillor Rankin, seconded by Deputy Mayor Uteck that Regional Council approve Option 3 of the March 1, 2007 staff report.

Councillor Hendsbee noted that this meeting was scheduled to adjourn shortly and there were many speakers who want to address this matter. He suggested that a motion be put forward to move the adjournment time of the meeting.

MOVED by Councillor Hendsbee, seconded by Councillor McInroy that the meeting be extended to 5:00 p.m.

A discussion ensued and it was generally agreed that the matter should be deferred to a time when Council has an opportunity deal with it at length. In this regard, it was suggested that a special Committee of the Whole be held to deal with this matter on the following week, and at a time and day to be announced later.

Without a vote on the motion being taken, the following motion was put forward:

MOVED by Councillor Hendsbee, seconded by Councillor Snow that this matter be deferred to a Committee of the Whole meeting, to be held next week. MOTION PUT

AND PASSED.

4. ADJOURNMENT

The meeting adjourned at 4:20 p.m.

Jan Gibson
Municipal Clerk