

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL

COMMITTEE OF THE WHOLE

April 3, 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
Jim Smith
Mary Wile
Patrick Murphy
Dawn M. Sloane
Sheila Fougere
Debbie Hum
Linda Mosher
Stephen D. Adams
Brad Johns
Robert P. Harvey
Gary Martin
Reg Rankin

REGRETS:

Councillors Becky Kent
Russell Walker
Gary G. Meade

STAFF:

Mr. Dan English, Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Jan Gibson, Municipal Clerk
Ms. Chris Newson, Legislative Assistant
Ms. Sheilagh Edmonds, Legislative Assistant

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1. CALL TO ORDER

The meeting was called to order at 9:38 a.m.

2. APPROVAL OF THE MINUTES - None

3. BUDGET DELIBERATIONS

3.1 GREATER HALIFAX PARTNERSHIP

- A copy of the Greater Halifax Partnership PowerPoint presentation was before Council.

Mr. Stephen Dempsey, President and CEO of the Greater Halifax Partnership, presented the 2007/08 Greater Halifax Partnership Business Plan.

Mr. Dempsey advised that the merger of the Halifax Regional Development Agency (HRDA) and the Greater Halifax Partnership (GHP) is now complete; Greater Halifax Partnership was the name chosen by the Board for the merged entity.

The GHP is preparing a business plan that has been forwarded to HRM staff for review. The business plan aligns with HRM's economic strategy highlighting growth as a priority.

Councillor Adams entered the meeting at 9:42 a.m.

Mr. Dempsey, referring to slide 4, explained that the GHP is proposing activities to lead or support seventy-seven (77) of the ninety-four (94) actions listed. Over thirty (30) community partners will assist with the implementation and alignment of these initiatives. The Halifax Chamber of Commerce will measure the results as per the Economic Strategy Scorecard.

Councillor Hendsbee entered the meeting at 9:46 a.m.

Mr. Dempsey reviewed the services of GHP (slide 8) and advised that over 140 individual businesses have been attracted to invest in HRM. Since 1996, those investors have contributed over \$10 million and have taken a leadership role on behalf of all businesses in HRM.

The 2007/08 forecasted revenue for GHP is \$5.2 million (slide 10). The breakdown of that revenue is 30% from project funding, 29% from the private sector, 29% from HRM, 6% from the province and 6% from ACOA. Operational Pressures were noted as follows:

- No funding increase from HRM in 10 years.
- No accommodation for inflation in 10 years.
- Three years of core funding budget reductions
- A one time consolidation cost related to the merger of \$240,000.
- Enhanced service delivery
- Broader scope of work; Greater complexity
- Need to leverage other funding sources through project development.

Mr. Dempsey advised that the fiscal reality is a post merger saving of \$350,000. There is a one time, non recurring consolidation cost of \$240,000, therefore; the GHP respectfully request that Council approve an increase for the 2007/08 fiscal year.

Mayor Kelly thanked Mr. Dempsey for his overview and congratulated GHP/HRDA on the merger.

MOVED BY Councillor Streach, seconded by Councillor Sloane that \$225,000 be placed in the parking lot to increase the total budget to the Greater Halifax Partnership (GHP) to \$1.5 million dollars for the 2007/08 fiscal year. MOTION PUT AND PASSED UNANIMOUSLY.

Councillor Mosher entered the meeting at 10:00 a.m.

Mr. Dempsey responded to Councillors McCluskey and Hum that he will provide a report with more detailed information in regard to the 140 businesses that have been attracted to HRM. Councillor McCluskey also requested more information on what conventions have been brought to HRM.

Councillor Hum expressed concern that HRM withdrawing from the Commonwealth Games may have a huge negative impact on building confidence to attract and retain businesses/investments to HRM. She encouraged GHP to continue their work to rebuild that confidence level. Mr. Dempsey responded that GHP has a very strong working relationship with HRM staff to respond to the kinds of issues businesses raise. Over 2400 jobs have been saved or retained as a result of their joint efforts.

Councillor Rankin entered the meeting at 10:07 a.m.

Mr. Dempsey responded to Councillor Wile that, in regard to HRM's immigration strategy and issues faced by immigrants to HRM, GHP has created an Immigration Leadership Council to assist immigrants.

Councillor Martin requested that information on the diversity approach be included in GHP's report to Regional Council.

In response to Councillor Murphy, Mr. Dempsey advised that a major area of focus for GHP is the Youth Strategy. GHP works to assist youth at risk return to the labour force and also visits high schools to discuss entrepreneurship and promote opportunities that are available in HRM.

Councillor Murphy suggested that entrepreneurship education commence at the Grade 6 level.

Mr. Dempsey provided the breakdown of the non-recurring \$240,000 one time consolidation costs as follows: \$115,000 for the two years remaining on the Sackville HRDA office lease, \$125,000 for staff, training, governance & legal advice related to the merger, stakeholder consultation, website updates, new organizational identity, records,

liabilities - offices, insurance. In response to Councillor Snow, Mr. Dempsey advised that GHP would not be able to provide the same level of service without the requested increase to their budget envelope.

Councillor Hendsbee commented that it is time to put the resources behind this initiative including leveraging support from the federal and provincial government levels. He cautioned including Destination Halifax with the merged GHP/HRDA as there are certain aspects of tourism development and promotion that cannot be folded into an economic organization. There are also concerns that the newly merged entity may become too metro centric and service to the rural/suburban areas may diminish.

Mayor Kelly commented that, if a decision is made to merge Destination Halifax (DH) with GHP, a cost benefit analysis would be done to determine whether or not there would be a savings in merging DH with the GHP.

The meeting recessed at 10:27 a.m.

The meeting reconvened at 10:37 a.m.

Deputy Mayor Uteck expressed concern with the perceived anti-development, anti-community, anti-business reputation associated with downtown Halifax and urged GHP to work to turn that negative perception around. She also encouraged GHP to develop an action plan to leverage the creative community.

Councillor Adams encouraged both HRM and the GHP to jointly approach the provincial government for a more streamlined approach to deal with development appeals as the cost and frustration involved with habitual appeals to downtown development may deter some investors from the downtown core.

Mr. Dan English, CAO, responded to Councillor Adams inquiry of other possible uses for the HRDA property in Sackville, that a staff report is expected from Real Property and Asset Management outlining potential need and subletting options for that site.

Councillor Harvey requested that information be included in the parking lot report on the total of what was spent by the four former competing municipal units (County, Halifax, Dartmouth and Bedford) on economic development prior to amalgamation and where it matches with the proposed budget. He commented that even with the proposed increase, the merged GHP entity is a bargain.

Councillor McCluskey requested that more detailed information on what schools GHP has visited be included in the parking lot report.

Councillor Martin encouraged GHP to work closely with the community visioning process and specifically the visioning process for the Bedford waterfront development.

3.2 DESTINATION HALIFAX

Mr. Stuart Jolliffe, Chair, Destination Halifax, and Ms. Patricia Lyall, President and CEO of

Destination Halifax, presented.

Mr. Jolliffe advised that Destination Halifax (DH) is a partnership comprised of representatives from; HRM (government/staff), the Hotel Association of Nova Scotia, the province of Nova Scotia, the World Trade and Convention Centre and participating industry members. The mandate is to increase tourism expenditures on a year round basis.

Highlights of Mr. Jolliffe's presentation are as follows;

- The preliminary 2006 sector statistics for the Metro Halifax area shows a tourism revenue of \$621.3 million.
- Cruise sector visitation is not included in the tourism revenue as it is not captured in the provincial data.
- The Hotel Association of Nova Scotia reported a 2% decline in occupancy in 2006, however; due to an increase in supply and ongoing building of accommodation, there were 32,000 more sold rooms in HRM in 2006 over 2005 and an increase in revenue of just over \$2.1 million.
- St. John's, NL has become a formidable competitor along with Ottawa and Quebec City.
- Focus is on meeting/convention travel as well as leisure travel and event marketing.
- It is important that all funding for events is directed to the special events reserve fund.
- There are numerous national organizations who have national and international sales forces whom DH works cooperatively with in order to stretch the dollar even further.
- In regard to the 2007 operating plan, 64.7% of funds come from the marketing levy (60% of the 2% collected on all hotel accommodations in the HRM) and 15.1% from HRM.
- The allocation breakdown by market (consumer) segment as to where the money is spent reflects 39% for meetings and conventions and 38% for individual leisure travel.
- Since 2001, tourism receipts have increased by 12.7%, cruise passenger arrivals are up by 6% and the growth in share of total Nova Scotia tourism receipts is 3.9%.

Ms. Lyall provided the following highlights in regard to the sales/marketing strategy:

- Sales and marketing focus is in three areas: meetings and conventions, leisure individual travel and leisure group travel.
- the geographic focus is concentrated outside of Atlantic Canada (Ottawa, Toronto Western Canada, US and International) and reliance is on the gateway access.
- Leadership/Communication: will provide a platform on which to advance the individual and collective business goals of HRM's tourism industry. Will be active in profiling Atlantic Canada to external markets as a preferred destination to do business (conventions/discretionary travel). In 2006, \$25 million in unpaid media was achieved which equates to approximately \$6 million in paid advertising.
- Industry Relations/Integration: rural tourism areas of HRM were introduced in 2006 which recognize some of the amazing opportunities/specifics of the geographic areas of the region. Integration is to compliment and leverage; not duplicate.
- Key opportunities to accelerate the momentum include: marketing the "Halifax Gateway" approach - market programs in support of air/cruise access growth;

- capitalizing on major events - product infrastructure (convention centre expansion) and environment infrastructure (policies that facilitate development and operations - positioning HRM as a place that is open and eager to do business and a place where it is easy to do business).
- Pride of Place/The Halifax Brand - image of Halifax/HRM as a destination for business/leisure. Unfortunately media coverage over the last year has not been as supportive of accentuating or celebrating that attribute of Halifax/HRM. A more balanced message of what it is like to live/do business in Halifax is encouraged.
 - Enhance the destination's value: proximity and accessibility to high quality and diverse product: urban, suburban and rural offering. Will work with rural destination areas to better integrate tourism into their economic fabric year round rather than just during the seasonal operations.
 - Focus is on customer identification (product/market matching)/communication (brand, distribution, access) and fulfilment (ease of doing business; closing the sale).
 - Strategic allocation of resources: Return on Investment/Objective. Positioning Halifax/HRM as one of Canada's preferred destinations.

Mayor Kelly thanked Mr. Jolliffe and Ms. Lyall for their presentation. He added, with the agreement of Council, that questions and comments of Council would be deferred until after the lunch break.

MOVED by Councillor Hendsbee, seconded by Councillor McInroy that the Regional Council session commence at 5:00 pm. Councillor Hendsbee explained that the televised Council session, if not finished by 7:00 p.m., would be pre-empted by the Mooseheads hockey game. **MOTION PUT AND DEFEATED.**

The meeting recessed at 12:02 p.m.

The meeting reconvened at 1:10 p.m. with the same members present with the exception of Councillor Streach. Ms. Lyall, Destination Halifax, and Mr. Jolliffe, Greater Halifax Partnership responded to questions.

At approximately 1:13 p.m. Councillors Hum, Martin, and Smith entered the meeting.

In response to a question by Councillor McCluskey, Ms. Lyall advised that with regard to the number of events that have been turned away due to the lack of facilities or the proper size facility to accommodate the event, she did not have this information at hand but would get back to the Councillor on this matter.

At 1:42 p.m. Councillor Adams entered the meeting.

In response to a comment, Mr. English, the Chief Administrative Office clarified that although Destination Halifax took over HRM's Tourism operation, the visitor bureaus are still operated by HRM.

The meeting recessed at 2:04 p.m. and reconvened at 2:19 p.m. continuing with the Destination Halifax budget presentation.

Councillor Smith noted the importance of having tourism literature within all areas of the Municipality and pointed out that he knew of a car rental agency in Dartmouth that gets business from all over North America, and this would be a great location to have tourism information on hand.

The Chair thanked Mr. Jolliffe and Ms. Lyall for their presentation.

Councillor McInroy noted that the time lines for Council to deliberate the remaining budget items were not realistic particularly with a long weekend coming up and with the regular Council meeting scheduled for next Tuesday.

MOVED by Councillor McInroy, seconded by Councillor Snow that budget deliberations continue until 4:30 pm. April 4, 2007, and reconvene Wednesday April 11 at 9:30 a.m.

Councillor Johns entered the meeting at 2:38 p.m.

The Chief Administrative Officer requested that if Council decided to change the budget presentation schedule, that deliberations commence on Tuesday, April 10.

With the concurrence of the mover and seconder, the motion was changed to reconvene budget deliberations on Tuesday April 10, 2007 at 10:00 a.m.

The motion now reads as follows:

MOVED by Councillor McInroy, seconded by Councillor Snow that budget deliberations continue until 4:30 p.m. April 4, 2007 and reconvene on Tuesday, April 10, 2007 at 10:00 a.m. MOTION WAS PUT AND PASSED.

Prior to the next budget presentation to Council, Ms. Cathie O'Toole, Acting Director of Finance addressed Council and advised that a memorandum (dated April 3, 2007) was being circulated and it contained some updated budget amendments to the 2007/08 proposed budget. A copy of the memorandum was submitted for the official file.

3.3 COMMUNITY DEVELOPMENT

Mr. Paul Dunphy, Director, Community Development presented his budget noting the increases, decreases, and service not expected to be delivered for the 2007/08 year. Mr. Dunphy noted that some variances in his budget relate to the business unit re-organization which took place several months ago; and he added that within the first six months of this budget, he will be carrying out an additional reorganization with the unit.

With regard to increases, Mr. Dunphy advised that the Regional Plan implementation is ongoing with the most significant part being the community visioning process, which is anticipated to be wrapped up in late summer. In addition, the Regional Plan implementation will be looking at function plans, transportation planning, trail planning.

Highlights of other increases in the budget as noted by Mr. Dunphy are as follows:

- C Dedicating resources to immigration
- C Cultural awareness workshops
- C Proactive program with rooming houses
- C Continuation of the Cultural Plan implementation
- C Continuation for the remainder of the year of the youth art project
- C Capital Cost Charges - public hearing scheduled for next month on the regional wastewater charge
- C Temporary sign bylaw - will be starting the permitting process and then the enforcement process
- C Implementation of new Civic Events policies; developing a major events hosting strategy
- C New processes and criteria for the community grants program
- C Community engagement strategy - Phase 1 will wrap up soon and Phase 2 will focus on priorities and recommendations and this will be brought to Council this year.
- C Youth Governance Council will be established this year and will begin the process of giving advice to Community Councils and staff.
- C Urban design implementation
- C Capital District will focus on constructing the backlog of approvals from last year, rather than asking for new projects; there will be new initiatives with the BIDC's, in the areas of a graffiti cleanup and safety and homelessness outreach program; 3D mapping of the Capital District.
- C Recreation Facilities:
 - S doubling capital dollars spent on recapitalization and with Transportation and Public Works will initiate a review of the facilities to determine the asset needs and prioritizing for the following budget year;
 - S developing an RFP to update the indoor recreation facility master plan
 - S will be looking at the sport needs in the community given the recent interest in this area from the commonwealth games and the recognition that there is a deficit in this area in the community.
 - S staff will be looking into the facility needs for arts and culture.

Mr. Dunphy advised that the decreases noted in the presentation were more about pressures or areas of concern instead of any decreases in service. He explained that he will take some existing resources and dedicate this to policy research areas that can be used across the organization. In addition, Mr. Dunphy noted that, notwithstanding the increase to expenditures this year, staff do not know what the entire gap is in regard to lack of capital resources to address aging facilities. Staff will work this year on identifying the gap and bring it to Council next year. Mr. Dunphy also noted that two other concerns his business unit faces is an aging workforce and retirees; and with the introduction of new services this year, there may be some pressure on existing services.

The meeting recessed at 3:15 p.m. and reconvened at 3:35 p.m.

Mr. Dunphy and members of his staff responded to questions.

MOVED by Councillor Martin, seconded by Councillor Mosher that \$200,000 be

placed in the Parking Lot for design work of the fast ferry. MOTION PUT AND PASSED.

MOVED by Councillor Mosher, seconded by Councillor Martin that \$75,000 be placed in the Parking Lot to address recommendations contained in a CPTED audit for the Chocolate Lake Community Centre. MOTION PUT AND PASSED.

4. ADJOURNMENT

Due to the late hour, the Chair advised that this matter would be carried over to the next regular budget meeting, and that the meeting would adjourn.

The meeting adjourned at 4:03 p.m.

Jan Gibson
Municipal Clerk