

# HALIFAX REGIONAL MUNICIPALITY

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HALIFAX REGIONAL COUNCIL  
COMMITTEE OF THE WHOLE  
May 8, 2007

## MINUTES

**PRESENT:** Mayor Peter Kelly, Chair  
Deputy Mayor Uteck  
Councillors: Steve Streach  
Krista Snow  
David Hendsbee  
Harry McInroy  
Andrew Younger  
Bill Karsten  
Becky Kent  
Jim Smith  
Mary Wile  
Dawn M. Sloane  
Patrick Murphy  
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 Gloria McCluskey

**STAFF:** Ms. Geri Kaiser, Acting 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**

Deputy Mayor Uteck called the meeting to order at 3:05 p.m.

**2. APPROVAL OF THE MINUTES**

**MOVED by Councillor Hum, seconded by Councillor Walker that the minutes of March 27, 2007, as presented, be approved. MOTION PUT AND PASSED.**

**3. PROPOSED REVISIONS TO THE HRM BUILDING COMMUNITY FUNDS**

- A staff report dated March 5, 2007 was before Council.
- A copy of the PowerPoint presentation was before Council.

Ms. Cathie O'Toole, Acting Director, Finance Services, and Ms. Peta-Jane Temple, Team Lead, Tax, Grants and Special Projects, presented the report.

Ms. O'Toole advised that the HRM Building Communities Fund matter is before Council in response to a February 2006 status sheet item in regard to funding support for community initiatives; questions and comments during the 2006-2007 and 2007-2008 budget debates and discussions at the Audit Committee in regard to the Councillors Discretionary Funds and Building Community Funds. In order to be Public Sector Accounting Board (PSAB) compliant by 2009 / 2010, changes will have to be made. Areas for improvement are outlined in Appendix 1 attached to the staff report dated March 5, 2007.

Councillors Murphy, Sloane and Adams entered the meeting at 3:09 p.m.

Mayor Kelly assumed the chair at 3:09 p.m.

Ms. O'Toole advised that the proposed changes to the Councillors' discretionary spending funds are intended to provide:

- a response to concerns raised by members of Regional Council;
- greater flexibility in the allocation of funds between HRM-owned assets, community-owned assets, and donations;
- reduced duplication with centralized municipal grants programs;
- enhanced transparency and accountability.

She added that there would be no change in funding amounts; the three funds would be combined into one HRM Building Communities Fund. The merged fund would be managed by the accounting division of HRM Finance which will provide one stop shopping and seamless interaction between Councillors and staff.

Councillor Karsten entered the meeting at 3:11 p.m.

Ms. O'Toole advised that all expenditures over the last fiscal year for the Building Communities Fund are outlined in Information Item 7, Fourth Quarter Capital District and Building Communities Funds, in this evenings Council package. The report may be viewed

at [www.halifax.ca/council/agendasc/documents/070508cai07.pdf](http://www.halifax.ca/council/agendasc/documents/070508cai07.pdf)

Councillor Hendsbee entered the meeting at 3:13 p.m.

Ms. O'Toole explained, in response to an earlier concern raised by Councillor Hendsbee, that the merger of the three discretionary funds will not preclude the option for a Councillor to "top up" a grant awarded to a community group as there is a distinction between "double dipping" and "topping up".

Finance staff will provide education and assistance to Councillors and staff in regard to district needs in relation to: appropriate allocations; donations; screening methodology and criteria as well as ways to say "No" to client requests.

Council, finance staff and business unit staff will work more closely to capture capital funds early in order to get projects out to tender in time.

Ms. O'Toole explained that Section 5 on page 4 of the draft policy explains that funds may be carried forward to the next fiscal year if allocated to a specific project. If the funds have not been allocated or have been underspent or not used for a specific project, those funds, upon approval of Council, will be reallocated for the next fiscal year. District Activity Funds and donations are an operating expenditure as they do not derive a benefit that exceeds more than one fiscal year. Until March 31<sup>st</sup> Councillors may reallocate that money. Post March 31<sup>st</sup>, the funds would be closed out from capital to operating.

**MOVED BY Councillor Younger, seconded by Councillor Karsten that the District Capital Fund and Building Communities Fund be merged.**

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

- Errors still showing in reporting of the funds such as; both funds being charged, or; charged mostly to one Councillor's district.
- Having one capital fund will save on administrative costs and simplify the process.
- Clarification was requested for Section 4.2 on page 3 of the draft policy in regard to long term leases as the policy states that the recipient organization must be the owner or joint owner of the property.

Ms. O'Toole responded to further questions/comments of Council as follows:

- Section 7.1 on page 6 of the draft policy includes a restriction that Councillors would be required to sign-off on all transactions related to their fund.
- A municipal mandated service would be a service provided by one of the business units.
- In response to clarification on the requirement for a 75% minimum to an HRM asset, she advised that a Councillor would be able to provide some funding to the RCMP for the purchase of a radar gun.
- In regard to Section 3.3 on page 2 of the draft policy that members of Council shall identify any projects within 30 days of approval of the capital budget, she advised that the deadline is negotiable. The request is that Councillors advise staff as soon as possible in regard to those projects that did not make the capital budget so that

the project can be delivered in timely fashion taking into consideration the tendering process.

- Some services are provided to Seniors through recreation programs/public safety.

Councillor Mosher entered the meeting at 3:48 p.m.

- Staff will work with Councillors in regard to interpretive bulletins for education related initiatives. Staff will request clarity of Council when required.
- Community Councils will be able to continue pooling their resources for the Building Communities Fund if they so choose. Ms. Temple commented that in regard to Community Council collaboration, the shared geographic scale of some districts may preclude the ability/benefit to cost share.

Ms. O'Toole clarified for Councillor Streach that merging the funds would allow a Councillor up to \$6800.00 in Discretionary Funds rather than the current \$3000.00. She further clarified that Building Communities funding allocated to a project would have to follow HRM's tendering process and conflict of interest guidelines. The procurement policy applies to capital projects. Ms. Temple added that there would be no change to capital grants awarded to a non-profit organization; they would not have to follow the tendering process.

Ms. O'Toole clarified for Councillor Meade, in regard to Section 8.1 on page 6 of the draft policy, that no spending is permitted during a municipal election campaign whether the Councillor is intending to re-offer or not.

Staff responded to Councillor Meade that they will review the allocation of funds for the ballfield at Sir John A. MacDonald high school in regard to 1/3 funding being erroneously allocated from the District 18 Building Communities Fund.

Councillor Smith suggested that the merging of the two funds be deferred to staff to respond to the concerns raised. He requested clarity on the use of the District Activity Funds for paving, sidewalk projects and street work as that may only benefit one street and not the community and previously, this was not a permitted use for those funds.

Mayor Kelly left the chair at 4:20 p.m.

Deputy Mayor Uteck assumed the chair at 4:20 p.m.

Ms. O'Toole responded to Councillor Wile, in regard to the application process as outlined on page 10 of the draft policy, that no additional forms are being introduced. The intent of the forms is to address the accountability issue raised by Council.

Councillor Snow entered the meeting at 4:26 p.m.

Mayor Kelly resumed the chair at 4:27 pm.

Mayor Kelly clarified for Councillor Smith that the intent of the motion on the floor is to refer the matter to staff for a report on combining the two capital funding programs and to have

the rules redefined for the merger of those two programs.

Councillor Younger commented that his intent was for the two capital funds to be merged today if approved by Council. The policy, as it now stands, may be referred to staff for review.

Ms. O'Toole responded that in regard to merging the two funds under the existing policies, only the Building Communities Fund has an approved policy. She suggested staff return with a policy and procedure for the merged funds.

Councillor Fougere commented that she is not in support of merging the two funds as the issue seems to be a difficulty in communication between Councillors and staff and that can be improved by calling or sending an e-mail. Further, the merger of the funds would remove the Community Council aspect. She added that the Building Communities Fund was not intended to be a long term fund, it was intended as a building recreation fund and was best addressed by Community Council.

In response to Councillor Karsten, Ms. O'Toole responded that staff will check on the intended term for the Building Community Fund.

Councillor Kent suggested an amendment to the motion that the two funds be merged with the current policy in use today. She expressed concern with the limitation on HRM owned property and inquired if rails to trails, which is all crown property, would be excluded. She requested further clarification on whether or not she would be able to contribute to projects at Fishermen's Cove as they also lease the property from the government.

Ms. O'Toole clarified for Councillor McInroy that the PSAB requirements do not include merging the Discretionary Activity Fund, however; revisions do need to occur on the accounting of the three funds.

Mayor Kelly advised that there were six speakers remaining and, with the concurrence of Council and without a vote taken on the motion on the floor, the matter was deferred to the next Committee of the Whole session.

#### **4. ADJOURNMENT**

The meeting adjourned at 4:45 p.m.

Jan Gibson  
Municipal Clerk