

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
MINUTES

April 14, 2009

PRESENT: Mayor Peter Kelly
Deputy Mayor David Hendsbee
Councillors: Steve Streach
Barry Dalrymple
Lorelei Nicoll
Gloria McCluskey
Andrew Younger
Bill Karsten
Jackie Barkhouse
Jim Smith
Mary Wile
Jerry Blumenthal
Sue Uteck
Jennifer Watts
Russell Walker
Debbie Hum
Linda Mosher
Stephen D. Adams
Brad Johns
Robert Harvey
Reg Rankin
Peter Lund

REGRETS: Councillors: Dawn Sloane
Tim Outhit

STAFF: Mr. Dan English, Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Mr. Martin Ward, Municipal Solicitor
Ms. Julia Horncastle, Acting Municipal Clerk
Ms. Sheilagh Edmonds, Legislative Assistant
Ms. Melody Campbell, Legislative Assistant

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1. CALL TO ORDER

The Deputy Mayor called the meeting to order at 10:05 a.m.

2. APPROVAL OF THE MINUTES - NONE

3. TRANSPORTATION & MUNICIPAL TAX STRUCTURE

Mr. Bruce Fisher, Manager, Fiscal & Tax Policy, provided the presentation Transportation & Municipal Taxation Structure, to Council.

Mayor Kelly entered the meeting and assumed the Chair at 10:10 a.m.

Councillor Lund & Councillor Uteck entered the meeting at 10:11 a.m.

Councillor Barkhouse entered the meeting at 10:15 a.m.

Councillor Hum entered the meeting at 10:25 a.m.

Following the staff presentation, the following issues were brought forward by Council:

In response to a question by Councillor Rankin, Mr. Fisher advised that District 1 is excluded in the plan as it has a small number of commuters.

Councillor Mosher entered the meeting at 10:34 a.m.

Councillor Walker expressed concern that this proposal is not consistent. Mr. Fisher advised, in response to a query by the Councillor, that if an area contains a number of apartment buildings, buses will fill to capacity much faster. He added this plan could provide more efficient services.

Councillor Streach questioned whether the boundary lines are workable. The Councillor advised that you cannot tax a whole district to support one bus to an area. Mr. Fisher advised that boundary lines would be further studied.

Councillor Adams noted that actual numbers need to be presented to Council. He added that many residents already pay taxes on services they do not receive for the greater good of the Municipality. Mr. Fisher advised that if the costs are covered in the general rate, many residents will not have transit access.

Deputy Mayor Hendsbee advised that the one kilometre boundary is too narrow, and he added that the boundary should be two kilometres. He advised that mobile homes should

be treated in the same manner as apartments and condos and he requested that Option 9 be considered.

Councillor Blumenthal advised that if Council were to accept this proposal, that decision would be a step in accepting tax reform.

Councillor McCluskey expressed concern that those who can least afford the tax will be hit the hardest under this proposal.

Councillor Smith expressed concerns that the lower income residents would be paying more for the service. He advised that many apartments in his district contain residents from different income levels, with rents from five hundred to twelve hundred dollars per month. In response to a query by Councillor Smith, Mr. Fisher advised that there is a low income rebate in place for those under \$29,000 and he added that this limit will not change.

Council recessed at 11:22 a.m.

Council reconvened at 11:37 a.m.

During the recess a spreadsheet providing information regarding Average Transit Taxes by District was distributed to Council.

Councillor Younger entered the meeting at 11:37 a.m.

Councillor Dalrymple advised that he prefers Option 7 adding that this option captures the diversity of the areas. In response to a query by the Councillor, Mr. Fisher advised that the one kilometre boundary is distance from a residence to a bus stop.

Councillor Lund advised that many areas of Tantallon are excluded under the consideration of a one kilometre rule, and he suggested that the Metro X service be considered under a different scenario. He expressed concerns that residents will be paying more but bus services will not improve. He advised Council that there is much work to do on these issues.

Councillor Wile expressed concern that some areas would have to pay more although they do not receive services. In response to the Councillor's question regarding the boundary, Mr. Fisher advised that if the residence is not in the one kilometre boundary, only the regional transit rate applies. Mr. Fisher stated that the current tax structure makes the transit five year plan difficult to achieve.

Councillor Rankin suggested that billing should not start in areas that do not have the buses and services in place.

For clarification, the December 16, 2008 motion that was approved is as follows:

That Regional Council approve, in principle, that most of HRM benefits from transit service and therefore:

- Metro Link, Rural Express Transit and Ferries should be paid for largely by an area rate on dwelling units in the Urban Settlement and the Rural Commuter Shed designations, and
- Local Transit routes should be funded by a single area rate on dwelling units paid by all properties within walking distance of transit service;
- And that the Draft 2009-2010 Budget should be developed upon this basis;
- And that staff return to Council with the proposed tax rates and services changes.

The meeting recessed at 12:00 p.m.

The meeting reconvened at 1:21 p.m.

A discussion ensued, with staff responding to questions from Council, and the following points were noted:

- Some Councillors advised that they would prefer to receive the tax reform information as one package of information.

In reference to the circulated spreadsheet, Ms. O'Toole advised that Option 9 was not a perfect solution, but it was more equitable than the status quo. She noted that under this scenario there are 13 districts that would pay less, and 10 that would pay more.

- Apartments and condominiums should be reviewed because they are distinct; condominiums are owned by individuals, they can go up in value, and the owner can profit from that value; whereas an individual paying rent for an apartment has no equity in the apartment.
- The tax structure should reflect that HRM cannot apply the same level of service throughout the municipality; under Option 9 the services will not be the same but the charges will be the same.

MOVED by Councillor Adams, seconded by Councillor Uteck that Regional Council approve a one area rate/one general tax rate with Multi-Units at 50% of Homes (Option 9).

- Concern was expressed that information regarding the level of ridership per bus route was not available, with some Councillors suggesting that it was important to have that information in order to make a decision.

In response to a question by Councillor Rankin whether the introduction of the general tax rate on the regional service could be phased in over three years, Mr. Fisher advised that this is a possibility that staff could look at.

MOVED by Councillor Rankin, seconded by Councillor Adams that the motion be amended to approve a 3 year phase-in of the general tax portion.

- Concern was expressed about the impact on those in the lower economic income range; it was noted that Council needs to have a discussion pertaining to the larger picture and to determine who will be paying for this increase across the municipality and if it will be those individuals with lower incomes.
- Feel that staff have to go back and look at the 1 kilometre radius vs. looking at areas, such as subdivisions; think condominiums and apartments should be treated separately; would liked to see examples of urban, suburban, and rural rather than overall spreadsheet with average numbers.
- staff were requested to ensure the information circulated today was put on the HRM website, along with the staff report.

At 2:51 p.m. Ms. Mary Ellen Donovan entered the meeting and assumed the Municipal Solicitor's position

At 3:00 p.m. Deputy Mayor Hendsbee entered the meeting.

MOVED by Councillor Dalrymple, seconded by Councillor Johns that the motion be amended to reflect that multi-units will be at the same rate as other residential units.

Mr. Fisher noted that the amendment would be another option and the impact would be that tax on a single family home would decline and the tax on condominiums would increase, and there would be a significant impact on apartments.

In response to a question as to whether this would be regarded as a 'friendly' amendment to the motion, the Municipal Solicitor suggested it would be regarded as a friendly amendment if the original mover saw it as simply an enhancement to the motion.

Councillor Adams concurred with the amendment.

Councillor Uteck indicated that she did not support the amendment.

Without a vote being taken on the motion or amendments it was **MOVED by Councillor Karsten, seconded by Councillor McCluskey that the matter be deferred until staff have an opportunity to come back to Council with further information concerning the**

impact that Councillor Dalrymple's amendment would have. MOTION TO DEFER WAS DEFEATED.

The Chair called for the question on Councillor Dalrymple's amendment.

In response to a question of clarification with respect to multi-units vs. single-family homes, Mr. Fisher advised that the Regional Plan recognized the value of density in terms of housing form and that greater density was much easier to service. He added that this is probably more obvious when talking about a road rather than a transit service, but it would be more efficient to service apartment buildings through transit than servicing single family homes. He noted that those in apartments are not eligible for the rebate.

MOTION TO AMEND WAS DEFEATED. (Re: multi-units at the same rate as other residential units)

With regard to a request for clarification on Councillor Rankin's amendment for a three-year phase-in, Mr. Fisher advised that he sees the amendment as a phase-in on the general tax portion, and not the local transit portion, *to which Council concurred.*

MOTION TO AMEND WAS PUT AND PASSED. (Re: 3-year phase in of the general tax portion).

Deputy Mayor Hendsbee advised that he felt the boundary issue of one kilometre has not been resolved, and that he supports the idea of community boundaries where ever possible. He noted that he has a situation in his district where one neighbour will be paying the tax and one will not be paying the tax but both can walk to the same location to catch the bus. Deputy Mayor Hendsbee added that if the community boundary of Lake Echo was used as the boundary, then both would pay.

MOVED by Deputy Mayor Hendsbee, seconded by Councillor Karsten that the motion be amended to establish the boundary as 1.6 kilometres. MOTION TO AMEND WAS DEFEATED.

Councillor Johns indicated that he believed condominium owners should not be treated differently than single family home owners.

MOVED by Councillor Johns, seconded by Councillor Dalrymple that the motion be amended to exempt condominiums from the 50% tax break. MOTION TO AMEND WAS PUT AND PASSED.

The motion now reads:

MOVED by Councillor Adams, seconded by Councillor Uteck that Regional Council approve a one area rate/one general tax rate with Multi-Units (except condominiums) at 50% of Homes, with a 3 year phase in on the general tax portion.

In response to a question by Councillor Wile, Mr. Fisher advised that he would update the spreadsheet information in regard to exempting condominiums from the 50% rate of homes.

In response to a question by Councillor Blumenthal in regard to the impact of the amendment, Mr. Fisher advised that there would be some lowering of the rate for single family homes; and the condominium rate would increase from \$207 to approximately \$240-\$250, on average.

MOTION PUT AND PASSED.

4. EXPANDED RURAL TRANSIT OPTIONS

This item was deferred due to time constraints.

5. CAPITAL PROJECTS RANKING

This item was deferred due to time constraints.

6. ADJOURNMENT

The meeting was adjourned at 4:09 p.m.

Ms. Julia Horncastle
Acting Municipal Clerk