

HALIFAX REGIONAL MUNICIPALITY

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HALIFAX REGIONAL COUNCIL  
COMMITTEE OF THE WHOLE  
MINUTES

September 22, 2009

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

REGRETS: Councillor Dawn Sloane

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

TABLE OF CONTENTS

1.	CALL TO ORDER .....	3
2.	APPROVAL OF THE MINUTES, August 11, 2009 .....	3
3.	TAX REFORM.....	3
4.	PROPOSED AMENDMENT TO ADMINISTRATIVE ORDER 35, PROCUREMENT POLICY .....	7
5.	ADJOURNMENT.....	8

**1. CALL TO ORDER**

Mayor Kelly called the meeting to order at 10:15 a.m.

**2. APPROVAL OF THE MINUTES**

**MOVED By Councillor Wile, seconded by Councillor Blumenthal that the minutes of August 11, 2009 be approved. MOTION PUT AND PASSED.**

**3. TAX REFORM**

A report dated June 17, 2009 from the Tax Reform Committee was before Council (this report was originally submitted at the June 23, 2009 Committee of the Whole)

Correspondence dated September 16, 2009 was submitted on behalf of 12 Homeowners Associations in District 23.

This matter had been deferred from a Committee of the Whole meeting held on June 23, 2009 due to time constraints. The following motion was on the floor:

**MOVED by Councillor Rankin, seconded by Councillor Outhit that Halifax Regional Council approve that:**

- 1. The current property tax system no longer reflects ability to pay and that Council continue to explore moving off of assessment-based residential property tax as the current property tax system no longer reflects ability to pay.**
- 2. Confirm that it supports taxation that reflects the recovery of the cost of providing municipal services, ability to pay and supports the following taxation principles:**
  - Equity, Economic Competitiveness, Efficiency, Respect for other Governments, Simplicity, Stability, Transparency and Accountability.**
- 3. Instruct the Tax Reform Committee to undertake a complete review of Commercial Taxation under the following broad categories:**
  - The relationship between the commercial and residential rates of taxation;**
  - Taxation within the commercial sector to determine whether there should be a redistribution of commercial taxation.**
- 4. That the Deed Transfer Tax be retained.**
- 5. Instruct the Tax Reform Committee to:**
  - Return to Council in September with recommended options on taxation, reflecting the above principles, including a phase-in schedule starting in 2010-2011 and continued support for modest incomes;**

- **Hold an information workshop for Council on those recommendations prior to the Committee of the Whole debate.**

Prior to dealing with the motion on the floor, Councillor Rankin indicated he had an alternate motion to present.

**MOVED by Councillor Rankin, seconded by Councillor Outhit that:**

- **the debate on the motion of June 23, 2009 be suspended and Council agree to participate in an information workshop on the matter.**
- **the workshop content and framework be structured on the assumptions that Council wishes to further explore moving off an assessment based residential property tax system and consider a tax system that reflects services and the ability to pay.**
- **further, that Council agree that the work of the Tax Reform Committee had been completed and it is now Council's role to make a decision on the direction to take and that the debate on the motion of June 23, 2009 resume no later than October 16, 2009.**

Councillor Rankin advised that the purpose of this motion was to move the tax reform discussion to a workshop to let Council decide how it wants to proceed on the issue and how it will be implemented.

At 10:22 a.m. Councillor Johns entered the meeting.

The Mayor noted that two-thirds majority of Council members are required to move the motion, without debate, and he called for the question to be put.

To further clarify, Mayor Kelly advised that should Council agree to have the motion put, then the question would be put before Council, without debate, and the matter would go directly to the workshop.

A discussion ensued.

Councillor Walker expressed concern that the timeframe of October 16, 2009 is too tight to be practical and workable. Mayor Kelly advised that if the motion passed, the timeframe would be open to Council's schedule.

**MOVED by Councillor Walker, seconded by Councillor Karsten that the motion be amended as follows: "after the workshop is held, the matter will come back to Council with the best solution for HRM."**

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

The Mayor called for the question on the amendment.

**THE AMENDMENT WAS PUT AND PASSED.**

The Mayor called for the question on the motion to be put (without debate).

In response to a question by Councillor Karsten as to the legality of Council holding a workshop, Ms. Mary Ellen Donovan, Municipal Solicitor advised that there was no legal issue provided that the workshop is open to the public.

In response to a question on the facilitator of the workshop, Mr. Bruce Fisher, Manager of Fiscal and Tax Policy, advised that these details would have to be worked out, but that staff would be in attendance and if a Councillor were aware of outside expertise that would be of value, then staff would consider working it into the process.

At 10:35 a.m. Councillor Mosher entered the meeting.

Mayor Kelly called for the question to be put.

**THE MOTION WAS PUT AND DEFEATED.**

Mayor Kelly advised that the motion was now before Council for debate.

At 10:45 a.m. Deputy Mayor Hendsbee entered the meeting.

**MOVED by Councillor Outhit, seconded by Councillor Wile that the motion be amended by removing the third paragraph of the motion .**

**THE AMENDMENT WAS PUT AND DEFEATED.**

In response to a request for clarification, the Mayor clarified that the motion on the floor was to hold a workshop.

Councillor McCluskey suggested that if Council approves holding a workshop, economists should be invited to speak. She noted, though, that she did not see any point in going to a workshop.

Councillor Smith rose on a point of personal privilege advising that he was annoyed to find out only when he came to this meeting this morning that Councillor Rankin had another motion intended to put forward, and that there were many Councillors who were aware this was going to take place. He noted that he spent a lot of time over the past weekend reviewing material on tax reform and, had he known about this new motion, he could have re-prioritized his work. Councillor Smith advised that he did not support going to a workshop.

Councillor Mosher advised that she supported holding a workshop. She added that if it is held, there should also be representation from the Province.

**MOVED by Councillor Mosher, seconded by Councillor Blumenthal that the motion be amended to include representation from the Province at the workshop.**

**THE AMENDMENT WAS PUT AND DEFEATED.**

Councillor McCluskey advised that if Council approves holding a workshop, then she would like to have a list detailing each community in HRM, the population of those communities, and how many in those communities attended the workshops.

At the request of Mayor Kelly, the Acting Municipal Clerk read the amended motion as follows:

**MOVED by Councillor Rankin, seconded by Councillor Outhit that:**

- **the debate on the motion of June 23, 2009 be suspended and Council agree to participate in an information workshop on the matter.**
- **the workshop content and framework be structured on the assumptions that Council wishes to further explore moving off an assessment based residential property tax system and consider the best tax system for all residents of HRM.**
- **further, that Council agree that the work of the Tax Reform Committee has been completed and it is now Council's role to make a decision on the direction to take prior to the debate on the motion of June 23, 2009.**

Councillor Walker indicated that the amendment to the second paragraph of the motion he had put forward previously was not accurate. Mayor Kelly asked Councillor Walker to clarify his motion in this regard. Councillor Walker read his motion as follows:

**“That the workshop content and framework be structured on the assumption that Council wishes to further explore considering the best tax system for all residents of HRM.”**

In reference to Councillor Walker's clarification, Councillor Hum advised that she could not support the word 'all' in this paragraph of the motion.

**MOVED by Councillor Hum, seconded by Councillor Uteck that the motion be amended to remove the word 'all' from the second paragraph. THE AMENDMENT WAS PUT AND PASSED.**

**MOVED by Councillor Johns, seconded by Councillor McCluskey that the motion be amended to remove the words “ moving off an assessment based residential property tax system” . THE AMENDMENT WAS PUT AND PASSED.**

The Mayor called for the question on the motion, and advised that at the request of Council, each paragraph would be voted on separately:

**That the debate on the motion of June 23, 2009 be suspended and Council agree to participate in an information workshop on the matter. MOTION PUT AND PASSED.**

**That the workshop explore the best tax system for residents of HRM. MOTION PUT AND PASSED.**

**Further that Council agree that the work of the Tax Reform Committee has been completed and it is now Council's role to make a decision on the direction to take prior to the debate on the motion of June 23, 2009. MOTION PUT AND PASSED.**

At 12:10 p.m. the meeting recessed.

The meeting reconvened at 1:37 p.m.

**4. PROPOSED AMENDMENT TO ADMINISTRATIVE ORDER 35, PROCUREMENT POLICY**

- A staff report dated May 24, 2009 was before Committee of the Whole.
- An extract of the Regional Council minutes of June 16, 2009 was before Committee of the Whole.
- A presentation, Amendments to Administrative Order #35, The Procurement Policy, was before Committee of the Whole.

A table, a clearer version of the table currently in the presentation was distributed to Council.

Ms Anne Feist, Operations Manager, Procurement, provided the presentation, Amendments to Administrative Order #35, The Procurement Policy dated June 30, 2009, to Council.

**MOVED by Councillor Outhit, seconded by Councillor McCluskey, that Halifax Regional Council approve, in principle, the proposed amendments to Administrative Order 35 as shown in Attachment "A" of the May 24, 2009 staff report..**

Following the presentation, the following discussion ensued:

Councillor McCluskey advised that she does not agree with everything in the report noting that HRM needs to move beyond single source when it comes down to compatibility such as when purchasing office furniture. She stated that it is in HRM's interest to continue to advertise as is now the process.

Deputy Mayor Hendsbee stated that HRM should consider local preference adding the working with local vendors and contractors would benefit the local communities.

Deputy Mayor Hendsbee assumed the Chair at 2:04 p.m.

Councillor Wile raised concern regarding how a contractor's quality of work is determined, and if the work is not high quality what remedy can be taken. Ms. Feist stated that a project manager monitors the program and staff has an aggressive performance evaluation process in place. She added that contractors are required to replace deficiencies and

complete the job to HRM's satisfaction.

Mayor Kelly assumed the Chair at 2:10 p.m.

Councillor Karsten stated that sole source purchases should come to Council as currently is the practice. He also questioned the Directors approval being increased to \$100,000 from \$50,000. Councillor Karsten placed the following amendment to the motion:

**MOVED by Councillor Karsten, seconded by Councillor McCluskey, that the current policies of Administrative Order 35 remain in place:**

1. Sole source purchasing
2. The threshold for Directors approval for quotations to remain at \$50,000.

**AMENDMENT PUT AND PASSED.**

The motion now reads:

**MOVED by Councillor Outhit, seconded by Councillor McCluskey, that Halifax Regional Council approve, in principle, the proposed amendments to Administrative Order 35 as shown in Attachment "A" of the May 24, 2009 staff report with the current policies to remain in place:**

1. Sole source purchasing
2. The threshold for Directors approval for quotations to remain at \$50,000.

Councillor Walker stated that when a tender is awarded, Council should know who it was awarded to, the bids, and the budget breakdown from each part of the tender. He noted that in the past three months, only one paving job was under budget and he expressed concern over how this will affect the jobs at the bottom of the list.

Councillor Watts noted the need for HRM to move toward sustainability.

**MOTION PUT AND PASSED.**

## **5. ADJOURNMENT**

The meeting was adjourned at 2:35 p.m.

Cathy J. Mellett  
Acting Municipal Clerk