

HALIFAX REGIONAL MUNICIPALITY

---

HALIFAX REGIONAL COUNCIL  
COMMITTEE OF THE WHOLE  
MINUTES

October 20, 2009

PRESENT: Mayor Peter Kelly  
Deputy Mayor David Hendsbee  
Councillors: Barry Dalrymple  
Lorelei Nicoll  
Gloria McCluskey  
Darren Fisher  
Bill Karsten  
Jackie Barkhouse  
Mary Wile  
Jerry Blumenthal  
Dawn Sloane  
Jennifer Watts  
Russell Walker  
Debbie Hum  
Linda Mosher  
Brad Johns  
Robert Harvey  
Tim Outhit  
Peter Lund  
Reg Rankin

REGRETS: Councillors: Steve Streach  
Jim Smith  
Sue Uteck  
Stephen Adams

STAFF: Mr. Dan English, Chief Administrative Officer  
Ms. Mary Ellen Donovan, Municipal Solicitor  
Ms. Sherrill Murphy, Acting Municipal Clerk  
Ms. Melody Campbell, Legislative Assistant

TABLE OF CONTENTS

1. CALL TO ORDER ..... 3

2. APPROVAL OF THE MINUTES ..... 3

3. HRM REVISED DEBT SERVICING PLAN ..... 3

4. ADJOURNMENT . ..... 6

**1. CALL TO ORDER**

Deputy Mayor Hendsbee called the meeting to order at 1:35 p.m.

**2. APPROVAL OF THE MINUTES - September 29, 2009 & October 6, 2009**

Councillor Watts - Page 6, to be added to the minutes: Staff advised that existing wind turbines in the urban area would be grandfathered.

**MOVED BY Councillor McCluskey, seconded by Councillor Blumenthal, that the minutes of September 29, 2009, as amended, be approved. MOTION PUT AND PASSED.**

Councillor McCluskey - Page 4, second paragraph should read “that a” not “the a”

**MOVED BY Councillor Sloane, seconded by Councillor Karsten, that the minutes of October 6, 2009, as amended, be approved. MOTION PUT AND PASSED.**

**3. HRM REVISED DEBT SERVICING PLAN**

- A staff report dated March 19, 2009 was before Council.

Mayor Kelly assumed the Chair at 1:40 p.m.

Ms. Cathie O’Toole, Director of Finance, introduced the presentation and provided a timeline regarding the Debt Servicing Plan to Council. Mr. Bruce Fisher, Manager, Fiscal & Tax Policy, provided the presentation to Council.

Councillor Rankin entered the meeting at 1:47 p.m.

Deputy Mayor Hendsbee assumed the Chair at 1:54 p.m.

Mayor Kelly assumed the Chair at 2:02 p.m.

Following the presentation, discussion ensued among Council:

Councillor McCluskey questioned whether the shovel ready projects will increase HRM’s debt at a faster pace, as HRM has to provide funding to match Federal and Provincial Government funding. Mr. Fisher advised that Council gave authority for debt financing, although he noted that one project, the Woodside Ferry, would add additional debt. Councillor McCluskey stated that there are numerous projects coming forward. Ms. O’Toole advised Council that staff will return with options for Council’s decision. She

added that the presentation provided at today's Committee of the Whole is for information purposes in preparation for future decisions to be made by Council.

**MOVED BY Councillor McCluskey, seconded by Councillor Johns, that Council defer a decision to the HRM Revised Debt Servicing Plan until additional project information is received by Council.**

Mayor Kelly requested staff to provide Council with the Borrowing Gas Tax presentation.

Ms. Cathie O'Toole, Director of Finance, delivered the presentation regarding Gas Tax Borrowing to Council.

A copy of the presentation was distributed to Council.

Mayor Kelly advised Council that this is another funding mechanism and he noted it was a funding opportunity that has worked in other places. He added that gas tax borrowing does not affect the tax rate. He stated that it is important that Council know the full implications and its affect on current and future Councils.

Councillor Walker requested a list of projects and the costs associated. Ms. O'Toole advised Council that the only two projects not in the five year plan are the World Trade and Convention Centre and the Cogswell Interchange. The Councillor suggested that Council consider \$50,000,000 this year, \$50,000,000 next year, as it would save on interest. He added that Council has to be aware of all options. Ms. O'Toole advised that only certain projects meet the gas tax criteria. Councillor Walker questioned if there is capacity to complete the shovel ready projects timeline before the Federal Government deadline. Ms. O'Toole advised that there is \$11,000,000 of capacity and a tracking system is in place to monitor projects' completion dates.

Deputy Mayor Hendsbee requested information on the benchmark city ratings and he questioned how the Federal and Provincial Governments support debt policies. The Deputy Mayor noted that, due to its growth, HRM has to add capacity. He requested staff supply a list of other municipalities utilizing gas tax borrowing.

Councillor Blumenthal questioned the costs to the taxpayer. He noted that HRM has significant infrastructure that needs to be maintained. He requested that staff advise Council of the funds being supplied by the Federal and Provincial levels of government for the four pad arena, the library and the ferry.

Councillor McCluskey advised that some of these large projects may need to be scaled down adding that they may be too rich at this point. She questioned the funding of the large projects in the next few years and whether they will have a negative impact on

funding of future projects. She noted that HRM needs to maintain the infrastructure already in place.

Councillor Mosher entered the meeting at 2:37 p.m.

Councillor Karsten advised Council that although diligence must be taken, HRM needs to move forward. He advised that HRM has to move forward on cost-shared projects as this is a way of capitalizing on the best results for the Municipality.

Councillor Hum stated that HRM has to work with the best opportunities and has to do what is best for the taxpayers and HRM as a whole. She advised that HRM is in need of funds for paving projects.

Councillor Dalrymple raised concern that the five projects listed, the WTCC2, the ferry, the library, the four-pad arena, and the Cogswell Interchange are projects located in only a part of HRM. He stated that when using taxpayers money, it should encompass the entire HRM including the rural areas. He suggested that consideration needs to be given for funding of projects in rural areas for rural transit, bike lanes, paving and recreation. He stated that he agrees with the overall strategy although he added that the projects need to be spread around the Municipality.

Councillor Johns raised concern that there is no funding to sustain growth for projects such as sidewalks and rural transit. He pointed out that the Regional Plan identified and noted that with growth, infrastructure must be put in place. The Councillor indicated there needs to be a balance of spending between larger scale projects and new and existing infrastructure.

Councillor Walker noted that some of the projects are determined by funding from other levels of government. He suggested that if HRM needs more money for sidewalks and roads, that they be funded by moving money from the operating budget to the capital budget. He reminded Council that HRM needs to move forward to receive its two thirds funding from other levels of government. He advised that smaller projects can be funded by a different means.

Councillor Harvey stated that the Federal Government is now in a deficit situation and HRM has to be prepared for a change in the variables. He stated that the programs now in place, once over, may never be replaced. He advised Council that there has to be a balance in maintaining current assets and moving forward. He suggested that any borrowing on the debt be done in the short term not a long term basis. In response to a question by the Councillor, Mr. Fisher advised that the provincial percentage in terms of debt ratio is twenty percent.

Councillor Outhit stated that HRM needs to strike a balance between infrastructure and the current opportunities. He added that HRM needs to take advantage of these opportunities

as they are presented. He advised that there is a need for growth to promote business and to keep young people in HRM. He noted that Council requested Federal funding for paving projects and the request was denied.

Mr. Townsend advised Council that the monies for the gas tax are allocated. He stated that if the funds are used all in year one, HRM may not be able to do the projects as noted in the five year plan. He reminded Council that the gas taxes are not new funds.

Mr. Fisher stated that, if funding is spent as it is received, Council should look at the gas tax as a pay as you go process.

Councillor Walker concluded the discussion requesting that staff provide all the information to Council including all possible options relative to debt, the five year capital plan, a listing of infrastructure projects, use of the gas tax and funding for the larger projects discussed at today's Committee of the Whole.

Ms. O'Toole noted that staff will come back to Council with the information requested. She further noted that there seemed to be some appetite among Council for increased debt.

**MOTION PUT AND PASSED.**

**4. ADJOURNMENT**

The meeting adjourned at 3:10 p.m.

Sherryl Murphy  
Acting Municipal Clerk