

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL COMMITTEE OF THE WHOLE MINUTES

November 23, 2010

PRESENT:

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

REGRETS:

Councillor: Brad Johns

STAFF:

Mr. Wayne Anstey, Acting Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Sherrill Murphy, Acting Municipal Clerk
Ms. Sheilagh Edmonds, Legislative Assistant
Ms. Melody Campbell, Legislative Assistant

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1. CALL TO ORDER

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

2. APPROVAL OF THE MINUTES - None

3. BUDGET UPDATE - CORPORATE PLANNING & FINANCIAL OUTLOOK

An information report dated November 16, 2010 was submitted.

A presentation entitled, Corporate Planning & Financial Outlook November 23, 2010 was before Council.

Information entitled, *Attachment 3, Council Briefing, Service Impacts of 2010/2011 Budget Decisions* was circulated.

Mr. Brad Anguish, Director, Business Planning and Information Management addressed Regional Council and advised that during this past spring's budget discussion, staff indicated they would be coming back in the fall with further ideas for budget savings. He explained that the purpose of today's presentation was to discuss ideas for closing the budget gap for this year, and for future years. Mr. Anguish noted that last year was the first year staff tabled a Corporate Plan with Council which set out a longer term strategy; and this year staff want to engage Council in the redraft of the Plan.

Mr. Anguish, Mr. Phil Townsend, Director, Information and Asset Management, and Ms. Cathie O'Toole, Director, Financial Services provided the presentation to Council.

Councillor Hendsbee entered the meeting at 10:22 a.m.

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

The staff presentation provided an overview of HRM's assets (Capital), an update of the 2010-2011 budget, and a plan for 2011-2012 and beyond. The presentation outlined the reasons for the budget gap, and highlighted the positive developments that are occurring and provided solutions and planning assumptions.

Councillor Sloane entered the meeting at 10:28 a.m.

Councillor Mosher entered the meeting at 10:45 a.m.

In her closing remarks, Ms. O'Toole indicated that, with regard to the fiscal challenge facing the municipality, either services will have to be cut or taxes increased to deal with the issue. She added that the budget discussions will be very critical this year, and in this regard, staff want to engage Council in the process and get direction earlier than they have done in previous years.

Deputy Mayor Jim Smith entered the meeting at 11:12 a.m.

Mr. Anguish concluded the presentation by outlining a recommended direction for staff and Council to proceed concerning the 2010/11 budget and business plan program.

Council recessed at 11:31 a.m.

Committee of the Whole reconvened at 1:04 p.m.

MOVED by Councillor Walker, seconded by Councillor Streach that Halifax Regional Council approve:

- 1. That the Budget Update presentation be deferred to the Council session of December 13 & 14, 2010 for discussion and debate;**
- 2. That any Member of Council with suggestions forward them to staff for research and this be brought to the December 13 & 14, 2010 meeting;**
- 3. That on the meeting of 13 & 14 of December, 2010, staff be prepared to show Council what the impact to the tax rate if items are added or removed.**

Councillor Blumenthal called for the question on the deferral of the presentation.

MOTION TO DEFER DEFEATED.

Council requested that the following suggestions and questions be brought forward for discussion at the December 13 & 14, 2010 Budget meeting.

Councillor McCluskey suggested that staff advise Council of its corporate planning framework and its relation to communities' expectations. She advised that the community has to be made aware of costs associated with expectations. She requested that a list of HRM-owned facilities be provided to Council including information on how many facilities have had replacement costs determined. She requested that staff advise Council of its Vacancy Management Program including how many employees will retire over the next few years and a breakdown of numbers and the areas affected by retirees. The Councillor asked if HRM had a mentorship program in place.

Councillor Uteck expressed concern regarding supplementary funding. She suggested that HRM Senior Management permit each department's management to determine where cuts can be made, as they know their areas best. She asked how HRM wages compare to the private sector. She stated that consideration should be given to library funding, taxation and she added that libraries are absorbing costs in the same way as line Departments.

Councillor Sloane advised that commercial taxes and commercial tax equality has to be considered. She urged Council not to cut arts funding. She suggested that parking areas be considered as a source of revenue. The Councillor stated that consideration be given to the status of building renovations relating to cost cutting, for example, energy efficient lighting and lowering of heat.

Councillor Rankin advised that Council must consider HRM bilateral agreements with the Province. He suggested that HRM indicate to the Province the importance of not phasing out agreements and stressed that HRM relies on these programs to continue. It was suggested that UNSM send a letter to the Province regarding the bilateral agreements and their importance to the Municipality.

Councillor Karsten suggested that it may be logical to have services, such as solid waste and policing area rated. He advised that Council had requested staff to look at commercial tax reform previously and that a work shop on the issue is to come forward to Council. He noted that this budget gap is due to operational expense; it is not on the capital end. The Councillor suggested that strategic spending on capital to benefit the health of the Municipality should be discussed during the budget workshop.

Councillor Nicoll stressed the need for succession planning in HRM. She added that the Council Focus Areas and the CAO Focus Areas should be reviewed to ensure that they work together. She suggested that staff consider area rates for HRM provided services such as solid waste.

Councillor Mosher suggested that, in some instances, split shifts for staff be considered to save on overtime costs. She requested that Council receive information regarding the salary of the CAO, DCAO and HRM Directors. She suggested that consideration be given to merging the Mayor's and the Councillors' Offices. She suggested that a policy be considered regarding conference attendance by HRM representatives. The Councillor requested information on the number of management positions in relation to non-management staff.

Councillor Blumenthal expressed concern regarding supplementary funding and the Province's funding of programs. He suggested that a transit audit be done and stated that transit should cut its costs. The Councillor requested that Council receive information on costing for in-house snow removal compared to contractor snow removal.

Councillor Lund requested that staff provide information to Council relating to the increase of 100% of FTEs over ten years as noted in Slide 18 of the presentation. He requested staff provide clarification to separating \$14,000,000 of salary increases between union and non-union salaries.

Councillor Watts suggested that due to the growth models and HRM's Regional Plan, consideration must be given to anticipated growth in a smart and sustainable economic

manner with hard figures provided to Council when approvals of developments stray from that intent.

Deputy Mayor Smith expressed concern related to the suggestion that the Finance and Audit Standing Committee would be involved with the budget process. He stressed the importance of all members of Regional Council being involved in the budget process.

Councillor Wile stated that the new demand for operating costs relating to new capital is unrelenting. She advised that the community expectations are high and that residents have to be kept informed of fiscal constraints.

Councillor Hendsbee suggested that the meeting on December 13 & 14 be framed on a Committee of the Whole process. He suggested that staff consider a property data bank relating to tax revenue and the process of having all properties identified for tax revenues.

Councillor McCluskey requested information on assessments and appeals, including the number of appeals; how many are outstanding, and any losses incurred as a result of appeals.

Councillor Outhit requested that staff consider an alternative to the 'open houses' during the budget process. He suggested that the budget be presented to Council and that Council have full debate. He requested a breakdown of the 42% of employees eligible for retirement; which departments they are coming from. He requested the costs to HRM due to early retirement. He asked whether HRM needs 1200 vehicles.

Councillor McCluskey suggested merging Destination Halifax and the Greater Halifax Partnership.

Councillor Hum stated that a clear format has to be in place for the meeting scheduled on December 13 & 14, 2010.

Councillor Wile requested an update on the number of HRM Union negotiations expected within the next two years.

A number of Councillors noted that they would send additional items to staff to be addressed at the December 13th and 14th sessions.

MOTION PUT AND PASSED.

4. ADJOURNMENT

The meeting was adjourned at 2:10 p.m.

Cathy J. Mellett
Municipal Clerk