

# HALIFAX REGIONAL MUNICIPALITY

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## HALIFAX REGIONAL COUNCIL COMMITTEE-OF-THE-WHOLE MINUTES January 14, 1997

PRESENT:

Mayor Walter Fitzgerald  
Councillors: Bill Dooks  
Gordon R. Snow  
David Hendsbee  
Ron Cooper  
Harry McInroy  
Jack Greenough  
Condo Sarto  
Bruce Hetherington  
Clint Schofield  
John Cunningham  
Jerry Blumenthal  
Graham L. Downey  
Larry Uteck  
Howard Epstein  
Russell Walker  
Bill Stone  
Ron Hanson  
Stephen Adams  
Barry Barnet  
Bob Harvey  
Peter Kelly  
Reg Rankin  
Jack Mitchell

STAFF MEMBERS:

Mr. Ken Meech, Chief Administrative Officer  
Mr. Wayne Anstey, Municipal Solicitor  
Mr. Larry Corrigan, Commissioner, Corporate Services  
Mr. Ron Singer, Director of Finance  
Mr. Bruce Fisher, Budget Coordinator  
Ms. Vi Carmichael, Municipal Clerk  
Ms. Patti Halliday, Assistant Municipal Clerk

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Mayor Fitzgerald called the meeting to order at 6:00 p.m.

Mayor Fitzgerald read the following Proclamation: **Alzheimer Awareness Month (January).**

**1. APPROVAL OF MINUTES: December 10, 1996**

**MOVED by Deputy Mayor Greenough and Councillor Blumenthal that the minutes of December 10, 1996 be approved as circulated. MOTION PUT AND PASSED UNANIMOUSLY.**

**2. NATAL DAY AD HOC COMMITTEE:**

! A staff report prepared for Dan English, Commissioner of Community Services, regarding the Natal Day Ad Hoc Committee, was before the Committee-of-the-Whole, for discussion.

At the Council meeting held on January 7, 1997, Councillor Schofield requested that Halifax Regional Council re-evaluate the Council motion approving one Natal Day Committee for both Halifax and Dartmouth. An ad hoc committee, chaired by Deputy Mayor Greenough, was formed to address this issue. The other members of the ad hoc committee were Councillors Sarto, Schofield, Cunningham, Blumenthal and Hendsbee.

Deputy Mayor Greenough reported the ad hoc committee met with staff on January 9, 1997. After reviewing the issue, the ad hoc committee endorsed Regional Council's motion of December 3, 1996. It was also agreed that the approved Natal Day Committee structure would be implemented in the following fashion:

1. A Natal Day Steering Committee will be formed. This committee will consist of 9 Residents at Large from the community of Dartmouth, 9 Residents at Large from the community of Halifax, plus one Councillor from each of the geographic areas comprising the former Cities of Halifax and Dartmouth. The Committee will also continue to receive support and facilitation from staff of Recreation and Leisure Services.
2. The Steering Committee shall be responsible for electing its own Executive, expanding its Terms of Reference, monitoring and implementing the Natal Day budget, maintaining sponsorship and approving the Natal Day program.
3. The Steering Committee will include two sub-committees; one for the community of Halifax and one for the community of Dartmouth. Two Vice Chairs will be elected from the Steering Group in order to act as Chairpersons for the two sub-committees. Each of the sub-committees will have the ability to acquire additional volunteer members responsible for the delivery of events in their respective communities. However, these events are subject to the approval of the Steering Committee if the activity impacts on budget or the consistency of

the overall program.

**MOVED by Deputy Mayor Greenough and Councillor Walker that the ad hoc committee report be adopted. MOTION PUT AND PASSED UNANIMOUSLY.**

Councillor Schofield expressed gratitude to Deputy Mayor Greenough, the ad hoc committee, and staff for their support in this matter.

### **3. PROPOSED TAX STRUCTURE REFORM**

! A Proposed Tax Structure Reform report titled Presentation Package No. 2, January 14, 1997, was circulated to Council for its consideration.

Mr. Larry Corrigan, Commissioner of Corporate Services, with the use of overheads, gave a half hour presentation detailing some additional tax structure options for Council to consider. Mr. Corrigan stated staff is recommending Option 2-c, which is a dual structure (urban rate & rural rate + rural area rates). Staff is also recommending a public hearing in the Council Chamber to give the public the opportunity to express their views.

**MOVED by Deputy Mayor Greenough and Councillor Hetherington that Proposed Tax Structure Report Presentation Package No. 2 be tabled. MOTION PUT AND PASSED UNANIMOUSLY.**

In response to a question from Deputy Mayor Greenough regarding the phase in process, Mr. Corrigan replied the entire proposal is revenue neutral and continues to be so no matter what phase in process is used, and each year will offset itself. Tax increases and tax decreases will be phased in over whatever time period is set (ie. four years).

With respect to the supplementary funding being blended, Mr. Bruce Fisher, Budget Coordinator, explained there would be one rate that would apply to both Halifax and Dartmouth as opposed to a different rate for each. Under Option 2-c the rate would be 12.6¢. If the blended rate is used, Councillor Harvey asked what the amount would be per pupil for Halifax and Dartmouth. Mr. Fisher replied he can provide this information at a later time. Councillor Harvey explained he would like to know what effect applying this blended amount across all of HRM to all students would have on the tax structure options. Councillor Harvey did not support staff's recommendation of Option 2-c. Mr. Corrigan replied he spoke to the Director of Finance for the School Board, and he indicated that if supplementary funding was spread across all of HRM, the requirement would be between \$40-50 million.

Councillor Uteck asked if the School Board can be directed as how to spend the supplementary funding. He stated there is a problem with movement of students to the Halifax and Dartmouth area to take advantage of supplementary programs being offered. Mr. Corrigan replied, in terms of administration, the Director of Finance for the

School Board indicated he could implement an administrative system to account for the funding.

Councillor Kelly noted additional cost factors will have to be factored in next year, such as the BST, the wage freeze, transition costs, assessments and lack of reserve funds. In response, Mr. Corrigan explained the report shows how the proposed tax structure relates to the status quo which is what Council requested. In terms of the budget exercise, this will occur immediately after the tax structure. A financial statement will be provided to Council this month.

Councillor Rankin asked if this proposal will require a change to the HRM Act. In response, Mr. Corrigan replied any of the proposals require changes and the expectation is the tax structure approved by this Council will be acceptable to the Provincial Government.

Councillor Rankin spoke on the proposal making the following comments:

- ! He expressed concern with the time frame of implementation and the impact on certain areas of HRM.
- ! With respect to boundaries, he stated Council has not debated or set the boundaries, and noted he previously asked for other boundary options, such as a water and sewer boundary, and they did not come forward.
- ! For the record, he stated the boundary in the County has been established for urban and rural and it has not been problematic.
- ! The impact on Kingswood should have been illustrated in the presentation as the impact is approximately a 25 percent increase.
- ! A schedule of costs should be provided explaining the move from 90¢ to \$1.05 for the basic rate.
- ! There should be some benefits to the rural areas as a result of the consolidation of roads with the Province.
- ! There needs to be a public process that is easy for the public to attend.
- ! If there is a tax increase, residents will demand services be increased as well.

Councillor Barnet asked why the HRM Act would need to be amended as the proposal appears to be in compliance with it. Mr. Anstey replied the Act requires two separate rates for education, and the proposal is recommending a blended rate. With respect to rural rates, the wording is very specific as to the levels of service that can be funded. Area rates on the commercial rate will also be problematic.

With respect to the public process, Councillor Barnet asked the Chair to rule the original motion made on December 10, 1996 in order and the subsequent motion made on December 17, 1996 out of order as it is contrary to the original motion. He asked that staff be requested to bring to Council a schedule of places and times to have public input. Mayor Fitzgerald replied he would review the motions and rule on them at a later date.

Councillor Blumenthal stated he would like more information about open boundaries for schools. In response to a question from Councillor Blumenthal regarding equality of services and the tax structure, Mr. Singer replied the tax structure being presented is just a financial model. With respect to policies, they will have to be driven by the budget process. However, the tax structure does provide for a local area rate to pay for services that a particular area may wish to have.

Councillor Cunningham spoke on the proposal making the following points:

- ! If the supplementary education funding was spread equally across the system, it would have a serious negative impact on education in Halifax and Dartmouth and a very negligible positive impact on the other areas.
- ! With respect to the phase in, the percentage amounts for tax increases may be high but the dollar amounts are not.
- ! It is unfair to phase in tax decreases over four years for those residents entitled to them.

Councillor Cunningham asked if a single rate with area rates would be an option. Mr. Corrigan replied area rates are not precluded in any of the tax structure options presented.

Councillor Adams spoke on the proposal making the following comments:

- ! He reiterated information brought forward during elections: no tax increase and no payment for services not received.
- ! With the proposed structure, some areas will be paying more for the same level of service.
- ! Assessments do not reflect what is being received in terms of service.
- ! Municipal taxes should be based on services and not ability to pay.
- ! Maintaining the status quo would provide a fair and predictable tax system and this option should be examined.
- ! Supplementary education funding should remain in Halifax and Dartmouth.

Councillor Dooks spoke against the proposal making the following comments:

- ! Rural areas are being treated unfairly with some experiencing a 25 percent tax increase with the new proposal and receiving the same services.
- ! People cannot afford a tax increase.
- ! Communities within District 1 are paying different increases in taxes.
- ! Averages based on the former County do not reflect the large geographical area of District 1.
- ! There are no municipal recreation facilities in District 1 as rinks are not paid with municipal tax dollars.
- ! There are no street lights in District 1 other than what is area rated.
- ! Education and health care costs are greater in the rural areas.
- ! Council should demand the Province pays the costs of amalgamation.

- ! It has not been made clear to the taxpayers why HRM is proposing a tax increase, and Council needs to go out to them and explain the reasons.
- ! He passed 381 letters from residents of District 1 to the Clerk noting he has another 50 letters and 25-30 are coming in each day, all expressing concern with respect to the proposed tax structure.

Councillor Mitchell agreed with Councillor Dooks' comments and did not support the recommendation. In response to Councillor Mitchell's question regarding recreational facilities in the rural area being covered in the general rate, Mr. Singer replied the base rate of \$1.05 would include the cost of the recreation administration as was presented in the 1996 Community Services budget. Councillor Mitchell reiterated Councillor Dooks' comments regarding the lack of services in the rural area. He also questioned the reasoning for the 15¢ increase. Mr. Singer replied the former County's calculation of 90¢ cannot be compared to this model as the two are very different. Councillor Mitchell also expressed concern with the effect assessments will have on the tax rate next year.

Councillor Hendsbee spoke on the proposal making the following statements:

- ! He would like to see the current year budget dissected according to the proposal and shown an itemized tax bill illustrating the percentage costs for the services provided.
- ! There needs to be consultation with the School Board to discuss supplementary funding.
- ! He expressed concern for the rural fire departments and the impact on their budgets.
- ! Clarification of the HRM Act needs to be obtained with respect to commercial properties and area rates.
- ! The tax structure proposal does not contain a fire protection rate proposal or minimum tax options.
- ! Amalgamation costs should be amortized over ten years versus five years.
- ! Service standards need to be harmonized and the cost implications determined.
- ! He expressed concern with recreational facilities and road services.
- ! Clarification needs to be provided on what costs HRM is still sharing with the Province for road services beyond the core area.
- ! Public input needs to be heard directly.
- ! Residents are willing to pay their fair share of taxes if they receive their fair share of services.

Deputy Mayor Greenough assumed the Chair at 7:45 p.m.

Councillor Stone spoke next making the following comments:

- ! A single rate with area rates should be considered.
- ! Residents will want improvements to the services currently received and these will need to be based on priorities over time.

- ! The basis for property taxes is assessment and not services.
- ! The public needs to know how much HRM has to pay due to down loading from the Province and service exchange.
- ! Time constraint is a concern with holding public sessions in different communities.
- ! One rate will solve the boundary problem.

Councillor Schofield agreed with Councillor Stone's suggestion of examining the possibility of having one rate with area rates. The public sessions should be held in the Council Chamber as time does not permit going out to different communities. Councillor Schofield also agreed with Councillor Harvey with respect to working towards the same quality of education throughout all of HRM.

In response to questions from Councillor Schofield regarding the proposed tax structure, Mr. Corrigan encouraged Council to look at it as the framework. The next step is to examine the specific effects on the budget. Tax structuring, reassessment and effects of amalgamation will all come together in the next budget.

With respect to District 2, Councillor Snow stated there are residents who are already suffering financial hardships and cannot afford to pay more taxes.

(Councillor Hanson left the meeting at 8:00 p.m.)

Councillor Snow questioned why HRM is not receiving the fuel tax, registration fees, license fees and ticket fines for the use of the roads, and stated taxes cannot be raised until these questions are answered. Councillor Snow stated the Province has not fulfilled its promises and is responsible for the proposed increase in taxes, and the public needs to be made aware of this.

Councillor Sarto stated he would like to see further information such as base rates paid in the various communities of the former County and the services that were area rated. Mr. Singer replied staff could take a look at this. With respect to Page A-9 of the report, Councillor Sarto noted it is important for Council to be aware that the supplementary funding is added to the rate of \$1.36 indicated for Dartmouth and Halifax which would bring the rate up to \$1.48.

Councillor Hetherington agreed with Councillor Snow in stating the reasons why the tax rate is being increased. The Province has withdrawn money and it needs to be found elsewhere. This information needs to be made known to the public.

Mayor Fitzgerald resumed the Chair at 8:15 p.m.

Councillor Hetherington also agreed with Councillor Snow's suggestion that a full page advertisement should be put in the paper to inform the public of the reasons for the proposed tax increase.



Councillor Cooper stated there should be public input sessions. With respect to the supplementary funding, he stated the School Board needs to come before Council to explain how it is going to rearrange its services and what will be the cost factor. Councillor Cooper expressed concern with a tax decrease of about \$6-7 million for the commercial area of the former City of Halifax and commercial tax rate increases for the other areas. He stated a reduction in spending may have to be considered.

Councillor Walker stated as a result of the increase in the water bills, there is no tax decrease for the residents of Halifax. During the upcoming budget deliberations, Councillor Walker stated he will attempt to have the increase in the water bills included in the general tax rate.

Deputy Mayor Greenough reiterated a significant part of the problem, at least with respect to the County, is services previously paid for by the Province. With respect to supplementary funding, Deputy Mayor Greenough stated he would like to know what increase in rates in the County area would be required to provide equivalent per pupil funding to what is currently in place in Halifax and Dartmouth. Deputy Mayor Greenough noted 14¢ would have been added to the County rate due to the service exchange and this would have an effect on the proposed increase. He also clarified an issue relating to sidewalk plowing in Halifax and Dartmouth, noting there are more miles of sidewalk being plowed by the municipality in Halifax than there is in Dartmouth.

Councillor Harvey noted the County has lost the ability to raise additional funding for schools through area rates. He disagreed with spreading the current supplementary funding across HRM, but he does want some type of universal system where students are treated equitably.

Councillor Kelly noted his District has a lot of voluntarism that helps keep costs down noting, as an example, that fire costs would be much higher.

Councillor Dooks stated he would like some clarification on resource and farm acreage tax and how they are being addressed.

In closing, it was agreed another meeting will be held on Monday, January 20, 1997 at 5:30 p.m. The School Board will make a presentation regarding supplementary funding at the beginning of the meeting. With respect to public input, it was agreed the issue of how this will be handled will also be dealt with at this meeting.

**MOVED by Councillors Hetherington and Blumenthal that the meeting adjourn at 8:45 p.m. MOTION PUT AND PASSED UNANIMOUSLY.**

Vi Carmichael  
MUNICIPAL CLERK