

# **HALIFAX REGIONAL MUNICIPALITY**

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## **HALIFAX REGIONAL COUNCIL COMMITTEE-OF-THE-WHOLE MINUTES February 11, 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  
Ms. Barb Nehiley, Principal, Societal Issues and Initiatives  
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. and introduced piper David Gillis who, courtesy of the downtown business community, welcomed Regional Council to the new Chamber.

**1. APPROVAL OF MINUTES - January 14 & 20, 1997**

- ! The Committee-of-the-Whole minutes of January 14 & 20, 1997, were before Council for approval.

**MOVED by Deputy Mayor Greenough and Councillor Blumenthal that the minutes of January 14 & 20, 1997, be approved as circulated. MOTION PUT AND PASSED UNANIMOUSLY.**

**2. GRANT COMMITTEE REPORT**

**PART 1:**

- 1. Grant Committee Terms of Reference**
- 2. Residential Tax Deferral**
- 3. Tax Concessions for Non Profit**

- ! A report prepared for the Grant Committee on the above topics was before Council for discussion.

- ! A supplementary report regarding items related to grants, tax deferral and tax concessions was circulated to Council.

- ! Copies of the overheads used in the presentation were circulated to Council.

Councillor Hendsbee, Chair, Grant Committee, gave a brief overview of the items included in the Grant Committee report. He then introduced Ms. Barb Nehiley, Principal, Societal Issues and Initiatives, who presented the report with the use of overheads.

Responding to the presentation, several Councillors commended the Grant Committee and staff on the report.

The following points and comments were made by Council during discussion of the report:

- ▶ With respect to tax exemption, Councillor Hetherington stated Council needs to take into consideration the effect on the users of the community facilities, such as Oakwood Terrace, a Dartmouth senior care facility that has been tax exempt for 17 years. He questioned why this year the Province changed its assessment from exempt to residential, resulting in a tax bill of approximately \$60,000-

\$70,000 which will be put on the 110 residents who live there. The criteria that the Grant Committee is proposing will not consider tax exemptions for long term care facilities for seniors. Councillor Hetherington asked the Committee to examine this issue further.

Councillor Blumenthal made the following points and requested that all three be re-examined by the Grant Committee:

- ▶ He inquired if there was to be a grandfather clause for those residents previously given tax exemptions, such as seniors and persons with disabilities. Ms. Nehiley replied the individual applications would need to be examined. She suggested paying taxes in installments would be less of a burden for some people.
- ▶ With respect to the multicultural fund, Councillor Blumenthal suggested responsibility for this money should be given to the Race Relations Committee to manage the programs. Ms. Nehiley stated the reasoning was to try to provide a singular grant program that looks at different areas of funding.
- ▶ Regarding the proposed terms of reference for the Grant Committee, Councillor Blumenthal questioned the need for a member to be from the Chamber of Commerce. Ms. Nehiley responded this member could provide a different perspective on the business aspects of the application as well as providing insight how people are planning to meet their objectives.

Councillor Schofield made the following comments:

- ▶ A Committee member from the United Way may create a conflict of interest.
- ▶ Although he favoured tax deferral, he stated it may require some fine tuning.
- ▶ The effect tax deferral would have on the mortgagor needs to be examined.
- ▶ He questioned why a lien would be required to be placed on the property when taxes are a lien.

Councillor Hendsbee stated the Committee is attempting to create a tax exemption policy that will best service HRM and its interests. The policy will be reviewed every four years giving each new Council the opportunity to revisit the list of tax exempt properties.

- ▶ Councillor Dooks spoke in favour of tax exemption as opposed to tax deferral. With respect to the terms of reference for the Grant Committee, he stated there should be at least one member from the rural community.
- ▶ Councillor Epstein spoke against tax deferrals as they can tempt residents to get

in over their heads. He has no problem with tax exemptions and stated this system worked well in the former City of Halifax. However, he suggested if some Councillors were in favour of tax deferrals, a policy that includes both exemptions and deferrals may be possible to offer a choice. With respect to the income level, Councillor Epstein stated \$20,000 may be too low. He requested the Committee revisit the income level issue.

- ▶ Councillor Adams agreed with Councillor Epstein's suggestion of a policy including both deferrals and exemptions. He also suggested a phasing-in period could be implemented to ease the burden on residents allowing them the ability to plan. He asked that the Committee consider this. Councillor Adams asked the Committee to also consider a program to assist residents with local improvement charges, if it is within the Committee's mandate.
- ▶ Councillor Barnet expressed concern with the composition of the Committee and the possibility of a conflict of interest on the part of the Metro United Way representative. Councillor Barnet spoke in favour of tax deferral as it gives residents a hand up and not a hand out.
- ▶ Councillor Kelly questioned some of the figures in the Table of Tax Exemptions included in the staff report. Ms. Nehiley agreed to confirm these figures and provide an amended copy to Council. Councillor Kelly stressed the importance of having corresponding data to back up statements made in the report.
- ▶ Councillor Harvey expressed concern with a straight deferral program. He concurred with the comments made by Councillors Dooks and Epstein regarding seniors not wanting to receive a tax deferral which would place a lien on their property. With respect to the income level, Councillor Harvey stated it would be appropriate to raise this amount.
- ▶ Deputy Mayor Greenough stated a dual system of deferrals and exemptions may be more appropriate. He suggested it may be beneficial to refer this issue back to the Committee to determine a reduced tax exemption program, based on the average of what was in place with the previous municipal units, and what the costs would be to apply this program across all of HRM, as well as providing a tax deferral program to those who cannot pay any tax at all. Deputy Mayor Greenough requested that these two options be considered.
- ▶ Councillor Cooper stressed the importance of having a uniform policy across all of HRM. He stated conflicts with committee members should be avoided, and it is necessary to have review criteria in place for those involved in the application review process. Councillor Cooper agreed the suggestion of a combination of deferrals and exemptions should be examined. Councillor Cooper stated it is important to have a yearly review of non-profit organizations examining the organization's source of income and how its programs benefit HRM as a whole. Councillor Cooper suggested the Committee examine a sliding scale for tax

deferrals or exemptions.

- ▶ Councillor Mitchell cautioned that increasing the income level will increase the demand, which in turn, would affect the affordability of the program.
- ▶ Councillor Cunningham spoke in favour of tax deferrals noting, from the figures given, people are more reluctant to take a tax deferral than a tax exemption.
- ▶ Councillor Rankin expressed concern with tax exemptions being considered for daycare centres, nursing homes and housing, stating HRM should not be involved in these areas as they are the responsibility of the Province. Providing exemptions for these facilities contributes to dollars lost for municipal services. Councillor Rankin stated tax deferral is a viable option which allows residents to stay in their homes.

Councillor Stone made the following points:

- ▶ He agreed with Councillor Cooper's suggestion of a sliding scale and dealing with the municipality as a whole.
- ▶ He had no problem with helping individuals or groups on a short term basis but expressed concern with the long term.
- ▶ Grants and tax concessions should be assessed every year. Flexible tax payment plans should also be considered.
- ▶ He prefers tax exemptions over tax deferrals. With respect to length of terms for Committee members, Councillor Stone suggested it should be two or three years allowing members to gain the necessary knowledge.

Councillor Walker stated he has no problem with the proposed composition of the Committee. With respect to the income level, he clarified the former City of Halifax raised the level to \$25,500. The reasoning for this was, with the lower limit, two seniors living together would not qualify. Councillor Walker noted there was a requirement to pay at least \$200 in taxes, so an exemption would not provide total tax relief. Regarding tax deferral, Councillor Walker did not think there should be any income level restriction as HRM is guaranteed the money when the house is sold.

Ms. Nehiley stated she can provide Council with options of different residential exemptions or reduction programs. One model already prepared, using the average of what the previous units were using, would cost close to \$1 million to bring it across all of HRM.

- ▶ Councillor Sarto stated the comments made by Councillors are valuable to the Committee to come back with a revised report. As he is a member of the Grant Committee, Councillor Sarto declined to make any comments on the report at

this time.

- ▶ Councillor Hanson stated this report has been one of the most progressive exercises since amalgamation. He stated the property owner has the ability to make a judgement call with respect to tax exemption or deferral with guidance of the appropriate staff.

In closing the discussion, Councillor Hendsbee made the following comments:

- ▶ The Committee values the input provided from Council.
- ▶ Tax deferral is “pay as you go”, and tax exemption is a tax discount.
- ▶ The policies need to be examined to make sure they are uniformly applied across the municipality. The financial impact also needs to be examined.
- ▶ The process for taxing agricultural lands in the urban areas needs to be determined.
- ▶ The impact from the Province with respect to tax exemptions for seniors needs to be examined.
- ▶ The responsibilities of both HRM and the Province need to be determined with respect to tax rebates.
- ▶ It needs to be determined if the policy should be in the form of an administrative order or a by-law.
- ▶ The Grant Committee will fine tune the report and bring it back to Council.
- ▶ Council may need a further deferral for Soccer Nova Scotia as what the Grant Committee is proposing may satisfy Soccer Nova Scotia’s need.
- ▶ Once the policies are in place, there will be an opportunity for Corporate Services staff to show the financial implications on the budget.

**MOVED by Councillors Hendsbee and Hetherington that the Grant Committee report be tabled and brought back at a future date; further, that the Grant Committee supplementary report be referred back to the Committee.**

Councillor Schofield noted the supplementary report has information regarding Farrell Hall, and it is very important this is dealt with in the next few days. He asked if funding for this has been found elsewhere or will it be coming from the Robert Burns Drive capital project. Ms. Nehiley replied the Grant Committee may be able to find \$5,000 in its budget but no other money has been obtained for this. Councillor Schofield noted the motion of Council made it clear what was to be done for Farrell Hall. Councillor Hendsbee explained the concern of the Committee was with changing budgetary items from capital to operating. The Committee had asked staff to see if there were any other areas to find money in the operating budget. However, the Committee believed the motion of Council should still be honoured. Mayor Fitzgerald added the motion of Council was passed and the money will be found.

**MOTION PUT AND PASSED UNANIMOUSLY.**

**MOVED by Councillors Uteck and Blumenthal that the meeting adjourn at 8:30**

**p.m. MOTION PUT AND PASSED.**

Vi Carmichael  
MUNICIPAL CLERK