

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL COMMITTEE-OF-THE-WHOLE MINUTES April 2, 1997

PRESENT:

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

ABSENT:

Councillors Howard Epstein
Bruce Hetherington (regrets)

STAFF MEMBERS:

Mr. Ken Meech, Chief Administrative Officer
Mr. Wayne Anstey, Municipal Solicitor
Mr. Bruce Fisher, Budget Co-Ordinator
Mr. Ron Singer, Director of Finance
Ms. Jane Nauss, Assistant Municipal Clerk

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Mayor Fitzgerald called the meeting to order at 2:00 p.m.

1. **TAX STRUCTURE**

1.1 **Tax Structure - Single Rate and Option 2C**

Mr. Ken Meech addressed the meeting noting since the meeting of March 24, 1997, this issue was referred back to staff for a listing of services which are provided by the municipality. Council was requested to forward comments to staff, as to where services should be allocated (11 responses received). It was Mr. Meech's hope that a consensus could be reached on most of the issues at hand.

Following a review by Mr. Ron Singer, Director of Finance, Mr. Meech stated that Council should be in a position to determine where services will be allocated. He encouraged Council to bring closure to this issue today, noting there will be no perfect solution.

Ron Singer addressed the Committee reviewing information from the March 24, 1997 Committee of the Whole meeting.

The information received back from Members of Council is as follows:

! **Schools, Corrections, Social Assistance and Debt Charges**

- most wanted a General Rate
- **staff was recommending a General Rate**

! **Community Services**

- Major facilities: most wanted Urban base
- Recreational facilities: split between urban, area rates and general
- **staff was recommending a general rate with major facilities (urban tax base)**

! **Regional Operations**

- Metro Transit, Sidewalks, Streetlighting: most wanted Urban Base
- Streets, Sewers, Signs, Parks, Wastewater: split between Urban, Rural and General Base
- Solid Waste: support for General Tax Base
- **staff was recommending General Rate with Transit, Sidewalks and Streetlighting (Urban and Area Rates)**

! **Police**

- most wanted General Rate with Area Rate for Crossing Guards
- **staff was recommending a General Rate with Crosswalk Guards Area Rated**

! **Fire**

- most wanted Core Suppression in Urban Rate and Rural Departments Area Rated
- Training, Prevention, etc.: split between Urban, Rural and General Base
- **staff was recommending a General Rate for Management, Training, Prevention, Administration. Core Suppression in the Urban and Volunteer Fire Departments in the Rural**

! **Other**

- most agreed on a General Tax Base
- some support for Water Commission Dividends in Urban Base
- **staff was recommending a General Rate**

! **Allocation Methods**

- Population - favours Urban Core
- Actual Cost - Date by location is difficult

► Mr. Singer reviewed “Considerations” for Council:

! Supplementary Education Levy

- Original Proposal was to merge City rates

! Support exists for Urban/Rural Tax Rate

- CRA Survey says 74% support dual rate
- Survey says 70% were aware of tax structure issue

! Some areas of HRM have lower levels of service

- Transit, Hydrants, Sidewalks

! Requirement of HRM Act, Section 82 - two reasons to amend the Act

- Rural Rate is required on Solid Waste, Planning, Libraries
 - Rural Rate will exceed \$1.40
- No Area Rates on commercial assessment

Mr. Singer reviewed the Boundary for Urban Core, based on the DOTC/HRM Service Area:

- ! Halifax - \$1.51
- ! Dartmouth - \$1.47
- ! Weighting Factor (Commercial) - 2.47

Council was advised of Staff’s recommendations:

! Dual Rate Model

- Major Facilities - Urban Core
- Streetlighting - Urban Core; Rural Area Rates

- Sidewalks - Urban Core; Rural Area Rates
 - Transit - Urban Core; Rural Area Rates
 - Crossing Guards - Urban Core; Rural Area Rates
 - Fire: Core Suppression in Urban; Rural Area Rates; Prevention, Training, Management, Administration in General Tax Base
 - Equalization Transfer to Rural Areas
- ! Urban/Rural Tax Boundary
- Use DOTC Urban Core Service Boundary
- ! Some areas of HRM have lower level of service
- Transit - Transitional Credit
 - Hydrants - Transitional Credit
 - Sidewalks - Transitional Credit
- ! Supplementary Education Levy
- Separate rates for Halifax and Dartmouth
- ! Commercial Weighting
- 2.47 (to be reviewed during the budget process).

Mr. Singer reviewed the Areas with Transitional Credit (Urban less credits): Hammonds Plains, Cow Bay, Waverley, Fall River, Wellington, Portion of Sackville, portion of Herring Cove and Rural Timberlea.

In reviewing Residential and Commercial Revenues, Mr. Singer made note of the following:

- ! Residential - Dual Rate (96/97 assessment) - Urban and Rural - 52.1%
- ! Commercial - Dual Rate (96/97 assessment) - Urban and Rural - 47.9%.

In response to an enquiry from Councillor Rankin if the recommendation that facilities and associated debt be removed from the Urban Core and if this would be contained under Debt Charges, Mr. Ken Meech advised in the affirmative. Further, Mr. Meech stated what is important is whether or not cost for debt charges should be included in the base rate.

Deputy Mayor Greenough suggested there was logic in taking out debt charges as it pertains to major facilities, however, Council should examine the Dividends from the Regional Water Commission. This should be deferred so the cost of debt charges can be calculated.

With respect to the Dividend from the Water Commission, Councillor Cooper suggested he would like to see the figures utilized in this regard. In response, Mr. Ken Meech advised that staff could seek \$2.5 million on an annual basis (i.e. tax in lieu).

Deputy Mayor Greenough requested a listing of allocated debt from each of the four former units.

Councillor Snow expressed concern that rural residents will not receive better services in spite of a tax increase.

Mr. Ken Meech referenced the DOT & PW/HRM Agreement and the fact that some streets owned by the Province are actually being paid for by the municipality. Further, the municipality is also paying for the cost of policing in rural areas even though these areas are being policed by the RCMP.

Councillor Dooks suggested the Service Exchange is the reason why HRM is in debt.

In response to an enquiry from Councillor Kelly asking if there was a possibility of receiving a credit for the core volunteer fire departments, Mr. Meech advised this aspect was not factored into the model. Councillor Kelly expressed concern noting there was a savings of approximately \$700,000 to the municipality due to the work of volunteer fire service. In response, Mr. Meech advised this could be looked at as a separate policy issue.

Councillor Adams suggested that the deficit could be taken care of if the municipality charged each taxpayer an additional \$67 and each commercial aspect an additional \$167.12. Further, he suggested the use of assessment has worn out. If a resident receives the same taxes as a neighbour, they should pay the same taxes - no matter what the assessment .

Councillor Stone stated he could not support the recommendation and enquired as to what services have improved for the former City of Halifax.

Councillor Walker arrived at this point in the meeting.

Councillor Rankin expressed concern with the fact this issue was being dealt with too quickly. He suggested he could not cooperate in discussions until further details were available i.e. debt charges.

Provincial Property Taxes and Other

All agreed Provincial Property Taxes and Other be included in the general rate.

Community Services

Councillor Hendsbee stated that major facilities should be included under the general rate because they are to the benefit of everyone within the municipality and other facilities should be included in the urban rate, not the general rate.

To clarify, Mr. Meech stated it is being suggested that the "Major Facilities" cost at

\$467,326 (Dartmouth Sportsplex, Halifax Forum, etc.) would become part of the base cost of the general rate and the \$1,920,284 for "Community Facilities" (Devonshire, Bloomfield, Bedford Leisure, Hubbards Recreation Centre, Fall River Recreation Centre, etc.) would be charged between the urban core and rural areas based on location.

Councillor Hendsbee suggested if Council does not agree with his suggestion, he would like to add the six community facilities located within District 3, to the list (at an additional cost of \$200,000).

Mr. Meech stated this is something that should be considered.

Mayor Fitzgerald called for a vote on Community Services, as recommended by staff, with one exception, that being "Major Facilities" to be included in the general rate and "Community Facilities" would be split between urban and rural, based on location. The remainder of services under Community Services would remain in the general rate.

All agreed with Community Services, as recommended by staff, with one exception, that being "Major Facilities" being included in the general rate and "Community Facilities" being split between urban and rural, based on location.

Regional Operations

Mr. Ron Singer advised that the split between rural and urban for Solid Waste costs would approximate - rural - \$6 million, and urban - \$7.5 million - all based on actual projected cost.

Mayor Fitzgerald suggested if Solid Waste is split, that it remain as is.

Councillor Rankin suggested if this was the case that the public should be invited to provide input on this.

Councillor Dooks addressed Council, referencing "Street Signs", and "Parks and Grounds." He enquired if District 1 could enter into a partnership, on a trial basis, with HRM to look after the maintenance of the Parks and Grounds. This would reduce the rate required for HRM to look after the maintenance.

Mr. Meech stated if Councillor Dooks was suggesting Parks and Grounds not be included in the base rate, on the basis that the rural community (associations) would take financial and operation responsibility for maintaining those areas, he would have to agree.

Councillor Dooks suggested that one cent be charged to the area so that the municipality can provide advice to the community in this regard.

Mr. Meech, to clarify, stated that Councillor Dooks was seeking an arrangement

whereby some cost would be paid for the benefit of the design and consultation.

With respect to Street Signs, Councillor Dooks requested residents who required private signs be made responsible for their own signage, for this year only, with the matter to be looked at again next year.

Mr. McLellan, addressed Councillor Dooks' comments on Parks and Grounds, noting this request was staff's intention. However, supplies and equipment would still be provided. Councillor Dooks suggested the associations would undertake fundraising to cover these costs, therefore, he was requesting the rate be lowered from 4 cents to 1 cent.

Councillor Epstein arrived at this point in the meeting.

Mr. Meech clarified that under this arrangement, the municipality would no longer have any responsibility to maintain the Parks and Grounds and ballfields. In other words, this expenditure would not be included in the general tax base.

Deputy Mayor Greenough assumed the Chair.

Mr. McLellan suggested that Council budget on the basis that a phasing-down of the service could be realized, over the season.

With respect to Street Signs, Councillor Dooks enquired as to how his request could be handled. In response, Deputy Mayor Greenough advised this would be addressed later.

Councillor Rankin addressed Parks and Grounds suggesting he had common ground with Councillor Dooks in this regard. His position is that he would like the service area rated.

With respect to credit for transit, hydrant and sidewalks, Councillor Rankin enquired if this would be reviewed after year one? In response, Mr. Meech advised that staff is recommending this be adopted for this year and then revisited next year. Councillor Rankin expressed concern with this response.

With respect to Solid Waste, Councillor Rankin looked forward to a public process. This is a general service and if Council wished to attach a user pay approach with Site A, his District would take up the issue of compensation. Councillor Rankin suggested a show of hands on the split of Solid Waste; also, that transit, hydrants and sidewalks be made permanent and not transitional.

Councillor McInroy agreed that the term "transitional" be deleted as the transitional element which pertains to transit, hydrant, sidewalk tax credits should not be treated differently.

Mayor Fitzgerald assumed the Chair.

Councillor Stone addressed Council stating that recreational playgrounds should be area rated in the rural areas and he suggested staff look at this.

With respect to street lighting, Councillor Stone suggested this should be area rated in the rural areas.

Councillor Stone also stated that Council needs to work together to leave Solid Waste in the general rate.

Councillor Hendsbee expressed concern with the manner in which rural areas are being treated as a result of the Service Exchange.

MOVED by Councillors Barnet and Uteck to accept the recommendation of staff for a revised tax structure, with one exception - that being "Major Facilities" - under Community Services - being included in the general rate and "Community Facilities" being split between urban and rural, based on location.

Councillor Rankin challenged the Chair on the Motion on the floor as he was of the opinion that discussions should continue. Mayor Fitzgerald stated the Motion is in order.

In response to a statement made by Councillor Hendsbee on the budgeted amount for streets, Mr. Meech advised that staff will prepare a written report that will list specific streets that the municipality is paying for under the DOT & PW/HRM Agreement.

Should the Motion on the floor be endorsed, staff will re-examine the category identified as "Street Signs" and "Parks and Grounds" and make a determination as to whether there is any merit in having same in the urban base.

In response to an enquiry from Councillor Walker on a base rate determined at this point in time, Mr. Singer advised it would be \$1.05.

MOTION PUT AND PASSED.

Another Motion was put on the floor.

MOVED by Councillors Rankin and Hendsbee to hold a public hearing process to explain the changes and that one of the sessions be in Tantallon and the Eastern Shore area. MOTION DEFEATED.

Councillor Rankin requested Council debate further issues not dealt with during this meeting.

2. ADJOURNMENT

MOVED by Deputy Mayor Greenough and Councillor Uteck to adjourn the meeting at 5:00 p.m. **MOTION PUT AND PASSED.**

**Vi Carmichael
MUNICIPAL CLERK**