

HALIFAX REGIONAL COUNCIL  
COMMITTEE OF THE WHOLE MINUTES  
JUNE 16, 1997

PRESENT:

Mayor Walter Fitzgerald  
Deputy Mayor Jack Greenough  
Councillors Bill Dooks  
Gordon R. Snow  
David Hendsbee  
Ron Cooper  
Harry McInroy  
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  
Robert Harvey  
Peter Kelly  
Reg Rankin  
Jack Mitchell

STAFF MEMBERS:

Mr. Ken Meech, Chief Administrative Officer  
Ms. Vi Carmichael, Municipal Clerk  
Ms. Jane Nauss, Assistant Municipal Clerk

Mayor Fitzgerald called the meeting to order at 3:00 p.m.

1. **PROPOSED 1997/98 OPERATING BUDGET**

Copies of the following correspondence had been distributed to Council: Metropolitan Chamber of Commerce, Heritage Trust of Nova Scotia (Joyce McCulloch), Dartmouth Players (Richard Sircom), Hilary Grant, F.W. Roberts and the Downtown Halifax Business Commission (Greg Taylor).

Mr. Ken Meech, Chief Administrative Officer, addressed Council referencing supplementary information entitled Revised Tax Information, dated June 13, 1997, which had been earlier distributed to Council (this information was to have been included with the original package). The memorandum pertained to a summary of changes to the Residential and Commercial Tax Schedules. Following a review by staff, it was determined to include the equalization transfer of 5¢ (same had been previously agreed upon by Council, during a January, 1997 Committee of the Whole meeting). Also, \$1.9 million for Sportsfields and Playgrounds will remain in the Urban tax base, and will be subject to area rates in the rural areas.

Accordingly, the revised tax rates are as follows:

Halifax	1.5131
Dartmouth	1.4794
Urban	1.3729
Suburban	1.2330
Rural	1.0159.

With respect to the impact of the Budget itself, as it pertains to the percentage increase, Mr. Meech reminded Council that it has been affected by re-assessment and the tax structure.

In closing, Mr. Meech anticipated that although further discussion should ensue on the above-noted, Council should be in a position to bring closure to the proposed 1997/98 Operating Budget.

**MOVED by Councillor Hanson and Deputy Mayor Greenough to adopt the 1997/98 Operating Budget as recommended by the Ad Hoc Operating Budget Committee.**

In speaking to the Motion, Councillor Hanson expressed appreciation to the Ad Hoc Budget Committee for their assistance during these Operating Budget deliberations.

Councillor Barnet expressed concern with the suggestion that the Sackville Sports Stadium operating deficit be area rated. Other facilities have been advised they must break even on an operational basis or, the deficit would be area rated back to the communities in which the facilities are operated. Accordingly, the Councillor enquired as to how "community" is to be defined, noting that the Sackville Sports Stadium was utilized by surrounding areas (Bedford, Waverley, Beaverbank, Lucasville, Hammonds

Plains) and not Lower Sackville alone.

The Councillor further stated that the operating deficit of other facilities (Centennial Pool, Needham Centre, Captain William Spry) will be covered through the general rate. In essence, Councillor Barnet suggested that his residents are being charged twice - through the general rate for the other facilities, and through an area rate for the Sackville Sports Stadium.

With respect to staff reaching a Management Agreement with the Lake District Recreation Association (LDRA) for the managing of the Sackville Sports Stadium, Councillor Barnet suggested it may not be possible, as this non-profit group is not supportive of an area rate.

Mr. Dan English, Commissioner, Community Services, addressed Council in response to Councillor Barnet's concerns, noting that with respect to management agreements, there are interim agreements in place with community managed facilities (Cole Harbour Place, Halifax Forum, Dartmouth Sportsplex, Centennial Arena and Sackville Sports Stadium). With the exception of the Sackville Sports Stadium, all operate on a break even basis which staff will be including in the formal management agreements. Should staff now request these four facilities to break even and then allow another one to be included in the general rate would be unfair to these four facilities and remove the incentive to operate on a break even basis.

Mr. English also stated that all the facilities have outstanding capital debt. The debt charges are not included in any of the operating budgets, but are included in the general tax rate, including Sackville. In the past, the area rate in the community of Sackville covered the debt charges on the Sackville Sports Stadium. The proposal before Council now would only have the net operating deficit - not the debt charges - **not** included in the general rate.

Staff have been in contact with the LDRA enquiring their input as to how to reduce their budget or develop further revenue. If there is no other alternative, staff will look at area rating the deficit.

With respect to determining the geographic base defining the boundary, if the deficit was area rated, Mr. English suggested that same be conveyed to the Community Council to determine the area upon which the area would apply (adjacent Community Councils could contribute as well) with a recommendation to come forward.

For information purposes, the deficit of approximately \$189,000 spread over the community covered by the North West Community Council, would be less than 1¢ on the tax rate.

In response to an enquiry from Councillor Barnet as to what would occur should a management agreement not be reached with the LDRA, Mr. English advised that as HRM owns the facility, the municipality would takeover the operation and determine how the deficit would be eliminated (end result would be Community Services would

come in over budget).

In response to a further enquiry on utilizing bingo revenue to cover the operating deficit for community owned and operated facilities, Mr. English advised this has been looked into. Accordingly, it has been determined that bingos managed by non-profit groups are operated in accordance with the Gaming Control Commission. As non-profit groups are permitted under Commission regulations to bring bingo proceeds into their operating revenues (municipalities are not), Mr. English stated, it is to everyone's advantage to have these community managed facilities operated by non-profit societies.

In closing, Councillor Barnet reiterated his concern that a community is to be charged double for a service. The Councillor suggested all facilities that are similar in nature, should be treated the same way, as it pertains to financial matters.

**MOVED by Councillors Barnet and Harvey to amend the proposed 1997/98 Operating budget thereby allowing the Sackville Sports Stadium to *not* be area rated, but to be covered through a general rate, for one year.**

*Mayor Fitzgerald advised that any amendments would not be voted upon at this point in time, but that a list would be maintained.*

Mr. English stated that all *major facilities* owned and operated by the municipality are included in the general rate. Staff is attempting to treat the *community managed* facilities (Cole Harbour Place, Halifax Forum, Dartmouth Sportspex, Centennial Arena and Sackville Sports Stadium) the same as well, however, further discussions with the LDRA on the Sackville Sports Stadium need to continue should Council adopt what staff is proposing. The area rate could be phased in over a two - three year period but the municipality will not be able to support operating deficits in the future.

Councillor Dooks expressed concern on the unfair taxation to be applied to the rural area. Although the Ad Hoc Budget Committee has worked diligently, the rural areas have not been helped. Residents are concerned with this additional burden. Councillor Dooks referenced an earlier petition from residents in his District on unfair taxation. The services in the rural areas are not the same as those in the inner core. Further, not only is it suggested that taxes increase, but services are to be cut.

In closing, Councillor Dooks stated he had requested signage (300 in total) but that same was denied as they were not included in the budget.

**MOVED by Councillors Dooks and Snow that rural issues and concerns be referred back to the Ad Hoc Committee for review, to define service cuts, and to determine how the rural areas can be taxed in a fair manner.**

**Councillor Mitchell stated this is not an acceptable budget and requested that staff look at the concept that a tax credit be issued to low income (under \$25,000) individuals. Residents were concerned with the re-assessment of their homes**

**and the fact they did not feel that correct information was being issued to the public. Accordingly, he requested that a news report be distributed with up to date tax information.**

Councillor Cooper left the meeting at this point in time (3:40 p.m.).

Councillor Rankin addressed Council stating two issues were being discussed - that of the tax structure and that of the 1997/98 Operating Budget. A Motion to adopt the Operating Budget was currently on the floor.

Councillor Rankin supported Councillor Barnett's comments on the recovery of costs associated with the Sackville Sports Stadium. The principle is to recover any deficit. **The Councillor requested staff to extend the principle and look at a full measure of fairness for all recreation facilities.**

With respect to the matter of rates of 1.9% (residential) and 4.9% (commercial) - this falls under a future discussion on the tax structure and how to allocate that burden. **Councillor Rankin stated it should be determined what, if anything, the Province can do to alleviate the tax burden, and in particular how the rural areas are being impacted upon.**

In closing, Councillor Rankin reiterated his comments that the Motion on the floor pertaining to the Operating Budget should be deliberated upon first, then, the tax structure.

**Councillor Adams referenced his memorandum which had been distributed to Council on the matter of "Tax Structure." The Councillor was suggesting the following:**

- a) **Freeze taxes paid at last year's level**
- b) **Charge each residential account a \$70 flat fee; based on 105,000 accounts, this would generate \$7.35 million**
- c) **Charge each business account paying in excess of \$10,000 in taxes an additional 2%, or \$2.10 million**
- d) **All businesses paying less than \$10,000 in taxes would not pay an increase in taxes**
- e) **Should these businesses not be exempted by the municipality, a 1.65% increase in all business accounts would yield \$2.15 million.**

**Councillor Adams stated the above concept would clear the revenue shortfall. Further, the Councillor suggested the \$70 charge or the 2% charge on the tax bill be identified as "Nova Scotia Amalgamation Tax."**

In response to Councillor Adams' suggestion, Mr. Corrigan, Commissioner, Corporate Services, advised he understood the municipality could *not* charge differential rates in the business community.

**Councillor Harvey requested staff's comments on Councillor Adams' suggestion of a flat amalgamation tax, on what tax rate, and in terms of what tax structure, would the \$70 be placed.** Also, in response to Councillor Rankin's comments on tax structure discussions, Councillor Harvey stated he was under the impression this Budget document assumed a tax structure - a revised 2C - with credits.

**Councillor Harvey requested the urban adjustment to the rural area be set at 1¢ rather than ½¢.**

With respect to the business rate, Councillor Harvey expressed concern that small businesses would be negatively affected as a result of assessment increases. **The Councillor requested staff or the Ad Hoc Budget Committee to review the Occupancy Tax. This tax on top of the Commercial rate is a heavy burden.**

Councillor Harvey referenced the operating deficit of the Sackville Sports Stadium. The Councillor enquired if the Stadium did not have a volunteer management group (LDRA), if the facility was operated by the municipality and there was an operating deficit, would the deficit be absorbed by the general rate. In response, Mr. English stated if the municipality assumed operating the Stadium, if there was a deficit, it would become part of the general rate, *however*, it was staff's intent, over time, to eliminate the operating deficit.

Councillor Harvey stated that the LDRA spearheaded the construction of the Stadium. In this particular case, following the comments of staff, it would appear this volunteer group is now a liability to the operation.

Councillor Harvey referenced the Dartmouth North Community Centre being categorized in the Budget as a major facility. In response to an enquiry from Councillor Harvey as to where the net cost of \$166,000 would be derived for this facility, Mr. English advised that when the Budget was prepared, the Centre was included under Major Facilities (although it is more of a multi-service facility). Subsequently, however, the net cost was removed to the Grants Committee (Fiscal Services).

Deputy Mayor Greenough assumed the Chair.

**With respect to Supplementary Funding for schools in the former Halifax County and Bedford areas, Councillor Harvey suggested that supplementary funding should be provided at the rate of 5¢.**

Councillor Kelly expressed concern on the reduction of services in the community of Bedford since amalgamation. The Councillor stated that promises had been made to residents and these promises have not been realized.

With respect to the former Fire Hall in Bedford, Councillor Kelly suggested this facility be utilized as a Storefront when the lease expires in the existing one on December 31, 1997.

Mr. English advised that utilization of the former Fire Hall had been discussed by staff, however, no report on the feasibility of using the facility for a Storefront has been completed as yet.

**Councillor Kelly requested staff to explore the concept of utilizing the former Fire Hall in Bedford as a Storefront.**

Mayor Fitzgerald assumed the Chair.

**Mr. Ken Meech, Chief Administrative Officer, advised that a staff report on the feasibility of utilizing the former Fire Hall in Bedford as a Storefront would be prepared within the next three weeks.**

**Councillor Kelly referenced membership of the municipality with the UNSM, enquiring if the municipality should opt out of the Union, thereby saving \$100,000.** Further, he stated this municipality was being treated differently than Cape Breton Municipality as it pertains to the tax structure, and that HRM was being short changed as it pertained to the Nova Scotia Power Corporation - what they should be paying in taxation and are not.

**With respect to the overall Operating Budget structure, Councillor Kelly requested staff make a priority of dealing with fleet maintenance, inventory control, self insurance, grants, etc. (reference was made to the "to do" list distributed at an earlier meeting to Council).**

Councillor Walker addressed Council noting he supports the Operating Budget for 1997/98 but not the shift of 5¢. Further, the Councillor suggested that residents in the rural areas are not paying for the services they receive and that they are being subsidized.

Councillor Epstein took his place at the meeting at 4:40 p.m.

**Councillor Schofield referenced the increase in the commercial weighting factor noting this should be re-visited by staff.**

## **2. ADJOURNMENT**

It was agreed to meet on Wednesday, June 18, 1997 - 10:00 a.m. - 1 p.m. to continue Operating Budget discussions.

**MOVED by Councillors Uteck and Blumenthal to adjourn the meeting at 5:00 p.m.  
MOTION PUT AND PASSED UNANIMOUSLY.**

