

**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
MARCH 9, 1998**

PRESENT:
(9:30 a.m.)

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

REGRETS:

Councillor Ron Cooper

ABSENT:

Councillors Stephen Adams
Bruce Hetherington

STAFF MEMBERS:

Mr. Ken Meech, Chief Administrative Officer
Mr. George McLellan, Deputy Administrative Officer
Mr. Dan English, Deputy Administrative Officer
Ms. Jane Nauss, Assistant Municipal Clerk

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Mayor Fitzgerald called the meeting to order at 9:30 a.m.

1. 1998/99 PROPOSED OPERATING BUDGET

1.1 REGIONAL OPERATIONS (con't from March 2, 1998)

Mr. Brian Smith, Director, through the use of overheads, reviewed the department's draft 1998/99 Operating Budget, noting that total revenue had increased \$1.3 million, and net expenditures increased by \$4.2 million.

Reference was made to the Wastewater budget. In response to an enquiry from Councillor Kelly, Mr. Alan Brady, Manager, Wastewater Treatment, advised that subsequent to December 31, 1998, staff will be negotiating with MIRROR for the treatment of further leachate. Further, the volumes will be subsequently reduced due to capping of the particular cell in Cumberland.

In response to a further enquiry from Councillor Kelly if staff could consider breaking down the Wastewater budget into collection areas, Mr. Smith advised this suggestion will be taken under advisement.

1.1.1 ORGANICS CART FINANCING

A memorandum prepared for Mr. George McLellan, Deputy Chief Administrative Officer, on the above-noted, was before Council.

Deputy Mayor Rankin advised that Council had approved (on April 22, 1997) the acquisition of organics collection carts for distribution. It was being suggested that the carts be leased as opposed to being purchased.

MOVED by Deputy Mayor Rankin and Councillor Mitchell that it be recommended to Council to approve a temporary borrowing resolution to enable HRM to borrow a maximum of \$8,775,000 through the Municipal Finance Corporation.

In response to enquiries from Council, Mr. Smith advised that staff will address all concerns with Council, as part of the education process, prior to the carts being rolled out. Further, Mr. Smith advised the carts are guaranteed for ten years. Carts in the Eastern Short - Musquodoboit Harbour area will not be rolled out until all issues have been addressed.

MOTION PUT AND PASSED UNANIMOUSLY.

Deputy Mayor Rankin assumed the Chair (10:20 a.m.).

Councillor Kelly requested that staff prepare a financial breakdown on the Solid Waste Transfer Station.

Councillor Barnet referenced recoveries from the Resource Recovery Fund noting the Province should be requested to audit the Fund to ensure that the municipality is getting its fair share.

MOVED by Councillors Barnet and Greenough that the municipality request the Province to audit the Resource Recovery Fund to ensure that the municipality is getting its fair share.

In speaking to the Motion, Mr. Jim Bauld, Operations Co-Ordinator, Waste Resources, advised that staff met with the Province two weeks ago, to discuss this particular aspect and that they will meet with HRM staff again in the Spring.

Councillor Greenough suggested that perhaps this Motion be deferred pending a staff report providing assurance that Council's concerns are being addressed, to which the mover (Councillor Barnet) agreed.

No vote was taken on the Motion.

Mayor Fitzgerald assumed the Chair (10:40 a.m.).

Councillor Stone referenced the recycling program, noting that an education process was required to cease the removal of recyclable material, at the curbside, by individuals, prior to pickup.

Deputy Mayor Rankin referenced the Leaf and Yard Waste Program (\$371,428) suggesting this be removed from the budget. Mr. Brian Smith advised that staff can prepare a report on the implications of removing this figure from the budget. Councillor Kelly requested that the service provided by Kel-Ann Organics be taken into consideration as well.

Mr. Smith, in response to a comment from Councillor Blumenthal, noted there is a mechanism in the tenders that all contracts will not go to one hauler.

Deputy Mayor Rankin left the meeting at this point in time (11:00 a.m.).

A brief discussion ensued on Provincial funding (\$5 million) and how the Operating Budget would be affected.

MOVED by Councillors Greenough and Harvey to authorize staff to re-examine the entire draft 1998/99 Operating Budget to ascertain the service level impacts on a reduction of \$5 million and approximately \$10 million.

Councillor Mitchell assumed the Chair (11:20 a.m.).

It was noted this preliminary Operating Budget already assumes a \$3 million contribution from the Province.

Councillor Uteck took his place at the meeting (11:40 a.m.).

MOTION PUT AND PASSED.

Mayor Fitzgerald assumed the Chair (11:45 p.m.).

Councillor Barnet requested a breakdown of transit service on the Beaver Bank and Upper Sackville bus routes. Further, Councillor Barnet requested staff contact the company that has the contract to place advertisements on buses, to enquire if the same service could be provided for community buses.

Councillor Greenough requested a breakdown on the \$9 million subsidy on the transit system. Mr. Brian Smith advised that information, as at the last fiscal year, could be provided to Council.

Mr. Lou Coutinho, Manager, Support Services, addressed Council and through the use of overheads, reviewed the following: Administration, Marketing, Fleet, and GIS.

Following a break, the meeting resumed at 1:00 p.m. with the following in attendance: Mayor Fitzgerald, Deputy Mayor Rankin and Councillors Dooks, Snow, Hendsbee, McInroy, Greenough, Sarto, Hetherington, Schofield, Cunningham, Blumenthal, Downey, Uteck, Walker, Stone, Hanson, Adams, Barnet, Harvey, Kelly, and Mitchell.

Absent with regrets was Councillor Cooper. Absent was Councillor Epstein.

Mr. John MacKay, Director, Works and Natural Services, reviewed his department's budget noting it reflected a zero increase.

Councillor Mitchell assumed the Chair (1:15 p.m.).

In response to an enquiry from Councillor Blumenthal on snow plowing equipment running when there is no snow, Mr. MacKay advised this will be looked into.

With respect to sidewalks, Councillor Stone suggested there was no consistency in the manner in which sidewalk snow clearing was being monitored and that enforcement

officers were required to regulate same.

Deputy Mayor Rankin and Councillors Uteck and Hanson left the meeting at this point in time (1:30 p.m.).

Councillor Barnet suggested an area rate be charged to residential properties with a subsidy provided from the commercial sector, or the commercial sector could clear their own sidewalks.

Councillor Harvey suggested a rate be put in place for sidewalk snow plowing that includes a commercial contribution.

In response to an enquiry from Councillor Kelly as to why high growth area walkways are not being maintained during the winter months, Mr. George McLellan, Deputy Chief Administrative Officer, advised if there were funds available, the level of service on these types of walkways would increase.

Councillor Hanson suggested that area rates be removed and that a standard of service that is equal across the board be applied within the next 2 - 3 years.

In response to an enquiry from Councillor Cunningham if "No Winter Maintenance" signs could be used on the sidewalks on one side of the road, Mr. Phil Cochrane, Manager, Streets and Roads, advised that legal staff would have to make a determination on this.

Councillor Mitchell, Chair, advised that staff would look into this suggestion.

Councillor McInroy suggested any walkway that is frequented by students, on their way to school, should be plowed.

Mayor Fitzgerald assumed the Chair (2:15 p.m.).

Council received a brief overview on Facilities and Traffic Systems, Sewers and Drains, and Parks and Natural Services.

Mayor Fitzgerald thanked Mr. McLellan and his staff for their presentation.

1.2 COMMUNITY SERVICES

It was agreed to the Library presentation being given first. Copies of correspondence from Mr. J.W. O'Brien on the proposed closure of the Museum was distributed to Council. A memorandum prepared for Ms. Judith Hare, CEO, Regional Library, was distributed to Council.

Ms. Judith Hare, Chief Executive Officer, addressed Council, and through the use of overheads, reviewed the following:

- C The proposed 1998/99 Operating Budget meets HRM target;
- C Increase is due to provision for salary increases;
- C No increase in staffing levels or new services.

Key Components of the budget (revenue side) include:

- C Library generated revenue projected to increase by \$30,000;
- C No change in Provincial funding over previous year;

Key Components of the budget (expenditure side) include:

- C Salary increase allowance \$196,199;
- C Benefit increase \$11,241;
- C Postage reduced by \$10,000 due to Telecirc;
- C Vehicle maintenance increased by \$10,000 based on actual expenditures;
- C Facility rentals increased by \$46,907 (Woodlawn Lease);
- C Computer equipment increased by \$19,700 to reflect lease costs and \$11,485 additional Dynix maintenance;
- C Office supplies reduced by \$14,000;
- C Contribution of \$10,000 to vehicle reserve.

Changes within Activity Centres include:

- C adjustments to actual resulting from staff layoffs and reorganization;
- C provision for salary increases;
- C cost saving measures introduced;
- C reduction in various accounts to balance 1997/98 budget;
- C adjustments to accommodate cut of \$200,000 to library materials budget.

Unbudgeted items to be taken into consideration include:

- C New Legislation - CanCopy license agreement to be negotiated (\$5,000);
- C School Board will eliminate Adult Literacy funding June 30, 1998 (\$20,000);
- C Amalgamation Wage Parity Agreement to be negotiated (allowance in Fiscal Services for HRM program);
- C Property leases coming up for renewal;
- C No contingency allowance;
- C Certification - Bargaining Unit.

Councillor Adams took his place at the meeting (2:30 p.m.).

Deputy Mayor Rankin left the meeting (2:30 p.m.).

Amalgamation Benefits include:

- C Co-ordination of automation of 13 branches;
- C Access for the public to materials at all locations;
- C Ability for the public to request, receive and return materials from any location;
- C Co-ordination and installation of Internet access at all locations;
- C 24 hour dial-in access at all locations;
- C Co-ordinated programming and publicity; enhanced staff training and development;
- C Cost savings through centralized purchasing, cataloguing & processing, database creation and administration;
- C Administrative efficiencies through centralized payroll, accounting, secretarial support, computer systems, management, policy development and planning;
- C Standardization of policies, procedures, practices, fees and fines for the public;
- C Specialized resource staff to support local branch staff;
- C Library system better meets user needs;
- C Co-ordination of collection spending to reduce unnecessary duplication and improve strength;
- C Purchasing power greater due to size of amalgamated system.

Ms. Hare advised that information on the Capital Budget, requested by Council at an earlier date, will be passed to the Clerk, for distribution to Council.

In response to an enquiry from Councillor Hetherington if Ms. Hare had received a copy of the HDL proposal for the new central library, Ms. Hare advised in the negative. The Councillor provided her with a copy.

Mayor Fitzgerald thanked Ms. Hare for her presentation.

COMMUNITY SERVICES

Mr. Dan English, Deputy Chief Administrative Officer, addressed Council, and through the use of overheads, reviewed the following:

- C Organizational Chart (will reflect the addition of Police and Fire Services);
- C Net Budget Comparison Summary (after revenues have been applied);
- C Staff / Salaries;
- C Budget Drivers
 - /Increases: salary adjustments, special events, tourism growth
 - /Decreases: increased Building Permit revenue, proposed closure of Museum; reduction in studies and contract services; reduction in management staff; Heritage Incentive Grants (1997/98);

- C The Year in Review
/Improved business practices, restructured management team, restructured budget to reflect delivery system, rationalization of customer service centres, harmonization of by-laws and processes, integrated 13 recreation brochures into 3 catalogues;
- C The Year Ahead
/Regional Planning Policy initiatives, Consolidation of by-law enforcement, inspections, roll out of PROPINFO system to Regional Operations, Activity Based Costing project.

In response to an enquiry from Councillor Kelly as to clarification of the change in salaries between 1997/98 and 1998/99, Mr. English advised he would look into the matter. The Councillor suggested the figure should read \$354,099 as opposed to \$667,886.

Councillor Harvey suggested that \$150,000 be put back into the budget, to cover the costs of running the Museum to the end of the calendar year, at which time, staff will have a plan in place for the future of the Museum.

MOVED by Councillors Harvey and Greenough to recommend, at the completion of the Operating Budget deliberations, to consider re-allocating \$150,000 to cover the costs of running the Museum to the end of the calendar year (December 31, 1998); at which time, with a plan in place, Council will be in a position to make a responsible decision as to the future of the Museum.

Mayor Fitzgerald advised that although no vote would be taken on the Motion, it will be taken under advisement.

In speaking to the Motion, Councillor Harvey further suggested that an additional \$50,000 - \$75,000 be put aside to fund the operation of the Museum. Further, the Councillor suggested the facility be managed in the same manner as the Sackville Sports Stadium.

Councillor Walker took his place at the meeting (3:25 p.m.).

Councillor Barnet referenced Civic Events expressing concern with the monies allocated for 1998/99 (\$364,800) as opposed to \$276,000 (1997/98). In response, Mr. English, Deputy Chief Administrative Officer, advised the Recoveries of \$73,000 may cover a portion of these costs and that he would look into the matter further.

Councillor Barnet enquired as to the difference between the 1997/98 and 1998/99 allocation of funding for the New Year's Eve Event at Grande Parade (\$20,000 - \$30,200 respectively). In response, Mr. Dan English advised that the event itself costs in excess of \$100,000 to produce. Further, although he was not confident that the Recoveries (\$73,000) covered a portion of these costs, Mr. English advised he would look into the matter. Mr. English did note that the funding was not all direct funding, and that "in kind"

services from the municipality were offered.

Councillor Kelly left the meeting at this point in time (3:35 p.m.).

Councillor Mitchell requested that reference to "Septemberfest" be changed to read "Summerfest."

Mayor Fitzgerald thanked Mr. English and his staff for their presentation. Further, Operating Budget deliberations will continue on Wednesday, March 11, 1998, commencing with Corporate Services.

2. PRESENTATION - DR. JOHN HAMM, LEADER OF THE PROGRESSIVE CONSERVATIVE PARTY

Mayor Fitzgerald introduced Dr. John Hamm, Leader of the Progressive Conservative Party, who would provide a presentation on his platform.

Dr. John Hamm addressed Council noting his presentation would relate to municipal concerns i.e. legislated Charter; assuming costs of Social Services (\$9.8 million); creation of employment, and, the formation of a committee to develop a formula to guarantee municipal taxpayers no further down loading from the Province, .

In closing, Dr. Hamm advised his Plan was fiscally sound and that he was committed to looking at the whole economic picture of the Province.

Mayor Fitzgerald thanked Dr. Hamm for his presentation.

Councillor Adams had several enquiries on the health care system. The Councillor suggested that 2.5 million people suffer from Osteoporosis and that it costs \$400 million (1992 figure) annually to treat this disease. If individuals were given the most expensive drugs available to prevent fractures, it would cost \$12 million. Councillor Adams enquired Dr. Hamm would support the following:

- a. the purchase of densitominers (there is only one in Nova Scotia);
- b. legislation for generic drugs to be 50% of the brand name costs as opposed to 80% - 90%;
- c. review Pharmacare issues across the board as opposed to health care, drug, and administration costs, etc. The Councillor stated that Pharmacare covers five different drugs, four of which - after taking for one week - cause GI bleeding. Approximately 1900 people will die annually from the side effects of these drugs, yet Pharmacare covers four of them.

In response, Dr. Hamm advised of the following:

- a. Densitominers - was aware of the need for bone densitominers within the Province

- of Nova Scotia;
- b. Generic drugs - the Councillor made an excellent point, noting that many generic drugs are not as effective as the brand name drugs. One would expect that generic drugs would be at least 50 percent cheaper than brand names, but this is not always the case. Dr. Hamm suggested there has not been an appropriate overview of which drugs Pharmacare should be covering;
 - c. GI bleeding - Dr. Hamm referenced anti-arthritic drugs, many of which cause stomach ulceration and bleeding (the bleeding can be fatal). It was noted that the population is continuing to pay for this type of medication (older medication) when the newer medication is much more "stomach friendly."

Councillor Barnet referenced the Resource Recovery Fund Board noting it has experienced a substantial increase in revenues. However, the Board has *decreased* contributions to municipalities. The Councillor enquired as to what Dr. Hamm's government would do to assist the municipality in obtaining its share of monies to fund waste diversion.

In response, Dr. Hamm advised he has been disappointed with the manner in which the process has worked to date. Dr. Hamm suggested the issue be revisited to determine if the recycling matter is being dealt with correctly.

Councillor Mitchell referenced the transfer of service (roads) from the Province to the municipalities noting it costs approximately \$40 million to maintain these roads. This was an expense that the municipality did not incur prior to this exercise. The Councillor enquired if there was a possibility of Provincial cost sharing.

In response, Dr. Hamm advised that a Municipal Charter would assist as it would dictate the responsibilities of both the Province and the municipalities. Dr. Hamm suggested there has been a failure to communicate effectively with municipalities in this regard.

Councillor Greenough advised he was pleased that Dr. Hamm was willing to assume Social Service costs and that municipalities would be partners at the table. However, the Councillor referenced transition costs and the fact that they have grown to \$25 million. Councillor Greenough suggested the Province cost share - 50/50 - with the municipality in this regard. Further, with respect to Education Funding, the Councillor suggested that the Province assume 90 percent of these costs, as initially promised. In closing, the Councillor referenced the Gasoline Tax, noting that municipalities receive next to nothing of the approximate \$2 million that the Province collects.

Councillor Blumenthal left the meeting (4:05 p.m.).

Councillor Greenough referenced the harmonization of the GST and HST, noting this has caused problems for municipalities and that there should be some relief.

In response, Dr. Hamm advised of the following:

- C agreed that the Province must put additional monies into education;
- C blended sales tax - advised he could not provide a commitment;
- C through a municipal charter, it was hoped it would alleviate service exchange concerns;
- C transition costs - prepared to talk about this as he was aware of the problem.

Councillor Hendsbee referenced economic development in the rural and urban areas and enquired how Dr. Hamm would ensure the municipality has more control over assets such as the Halifax International Airport and the Port of Halifax.

In response, Dr. Hamm advised this municipality has a vested interest in the Port of Halifax and that an aggressive plan needs to be developed, bringing to the table all parties who are interested in the future of shipping.

With respect to the Airport, Dr. Hamm advised this is the only international airport that is being released by the Federal Government that is not being upgraded first. It was noted that the Airport Authority will have to charge high fees for the use of the airport to cover upgrading costs.

Councillor Schofield referenced the housing agreement recently signed by the Provincial and Federal governments to take over subsidized housing, noting this has created concern for future years. The Councillor stated he receives telephone calls from many single parents in his District that they are being evicted from their apartments. Most of these families are receiving family benefits and often find it difficult to pay their rent (often due to circumstances out of their control). The Councillor enquired if these benefit cheques could be made payable to the landlord.

In response, Dr. Hamm advised he was aware of this concern, however, he was also aware of objections to having cheques made payable to the landlord.

Councillor Stone referenced the blending of the GST and PST noting that municipalities must now pay where before they were exempt. The Councillor enquired if Dr. Hamm was prepared to remove this tax from the municipalities.

In response, Dr. Hamm advised that although he was not in a position to eliminate the tax at this point in time, he was committed to dealing with this issue, through the establishment of an all party select committee who would discuss this with the people of Nova Scotia. Dr. Hamm advised he would take control of the Province's own taxation system by reallocating the responsibility and distribution of consumer taxation to allow more flexibility on the purchase of the necessities of life. Further, it was suggested he would request representation from the municipalities on the all party select committee.

Councillor Hanson referenced transportation costs noting the municipality requires assistance in this regard.

In response, Dr.Hamm advised he was not in a position to respond at this point in time, as his most important platform was assuming the costs of Social Services.

Mayor Fitzgerald thanked Dr. Hamm for his presentation.

MOVED by Councillors Greenough and Schofield to adjourn the meeting at 4:30 p.m. MOTION PUT AND PASSED UNANIMOUSLY.

Jane Nauss
ASSISTANT MUNICIPAL CLERK