
Committee of the Whole
July 16 , 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



George McLellan, Chief Administrative Officer

DATE: July 16, 2002

SUBJECT: Preliminary Tax Structure Recommendations

ORIGIN

The Tax Structure Committee, a sub-committee of Council, has prepared preliminary recommendations for HRM Committee of the Whole.

RECOMMENDATION

It is recommended that Committee of the Whole approve the following course of actions:

1. That Committee of the Whole approve the attached tax structure model in principle for the purpose of public consultations. That model includes:
 - placing in the general tax rate the following additional items:
 - volunteer and core fire departments
 - street lighting
 - Cost sharing on capital upgrades for existing Recreational Facilities
 - Cost sharing on the construction and acquisition of new Local and Regional Recreational Facilities
 - Capital repairs for existing recreation and community facilities (on a go forward basis)
 - Crosswalk Guards
 - the HRM call centre
 - That Local Improvement Charges on upgrading of existing asphalt curbing to concrete curb and gutter be eliminated.
 - That all areas of HRM with access to Metro Transit should share equally in the cost of Metro Transit.
 - That the \$0.05 transfer from Urban/Suburban to Rural general tax rates be eliminated

2. That the Proposed Minimum Standards For Mitigating Structural Fire in the HRM Rural Fire Service and the Proposed HRM Parks and Recreation Services Indoor Facility Feasibility and Development Policy be approved so that it becomes clear to residents of HRM what service levels and standards HRM can realistically expect to provide.
3. That the Tax Structure Committee report back to Committee of the Whole no later than October 15th, 2002 with the results of public consultations including the comments of citizens, business groups and volunteer fire departments and with final recommendations and/or options.

BACKGROUND

On May 14th 2002, the Tax Structure Committee presented an Information Report to Committee of the Whole outlining details of proposed changes to the HRM Tax Structure. The intent was to seek approval to begin the consultation process with stakeholders and return to Council with an updated report.

At that point, Council members agreed staff should begin meetings with the Rural Fire Service to ensure a consultative approach in the development of service standards and that Recreation Services should return with a detailed policy for recreational facilities. Also, Financial Services was requested to provide the financial analysis and service gaps report prior to beginning the Public Consultations in September 2002.

Final recommendations are not expected until October of 2002 with implementation planned for the 2003-2004 fiscal year.

DISCUSSION

During the month of June and early July, meetings were conducted with each of the Rural Fire Service Zones to present the Proposed Tax Structure and discuss the Proposed Minimum Fire Standards. Volunteer Fire Departments saw both the new structure and the proposed standards as generally acceptable. Suggestions have been made in a few areas and staff expect to continue their discussions.

Many rural fire departments should be able to achieve the minimum fire service standards being proposed. In some areas the weather, local road conditions and distance between properties are serious impediments to meeting the standards. The ability to meet the standard will also vary with the time of day or, in some cases, the season. There is a clear need to support the spirit of volunteerism in the rural area.

Some concern has been expressed with the current state of equipment in the rural fire service. The minimum standards being proposed are based on the premise that departments have access to appropriate fleet and safety equipment to perform their duties. In instances where there are fleet, equipment or station inadequacies these proposed standards may not be met without capital budget assistance. For instance, there are 27 fire vehicles in the rural area built before 1980 including several over 30 years old. Some of this equipment has become extremely difficult to repair and may be unreliable. In a few cases this has also affected the willingness of local community members to volunteer.

Staff have advised rural fire departments that one is being proposed is to support a "basic" level of service and that any capital upgrades will occur over time. Requests will be prioritized as part of the HRM Capital Budget. There is no guarantee that all will be dealt with at once. Access to the General Rate, however, will enhance the opportunity to rectify the current state of affairs in a more timely fashion. The Rural Fire Service members are appreciative of this initiative and are willing to work with HRM and "see what happens". Staff have agreed to draft a written outline for the volunteer departments as to the commitments HRM can make with regards to finance and volunteerism.

The Parks and Recreation Services business unit has developed a policy to recommend an independent and transparent procedure that identifies and confirms needs for new regional and neighborhood indoor recreation facilities. There is a strong emphasis on community consultation and reinforces the requirement for community capacity by implementing cost sharing guidelines. There is also a document that outlines the existing HRM owned facilities and the cost to maintain these on an annual basis which would be encompassed in the General Rate.

This initiative is being undertaken because the current tax structure is creating public safety concerns. While it is primarily a public safety issue, there will be tax implications, although generally modest. The impact of these tax structure changes upon individual homeowners can be estimated using the 2002-2003 budgets and tax rates. It is expected that impact will generally be small. In the rural areas the average tax rate will increase by 1.3¢ or \$13 for a \$100,000 home. In the suburban area the impact will be an additional 0.2¢ or \$2 for a \$100,000 home. In the urban core there will be a slight decline of 0.5¢ or \$5 per \$100,000 home. In the rural areas, the impacts will vary by individual areas depending on what the individual area tax rates are. Impact by area are attached to this report. Some of these impacts may be absorbed by HRM in its 2003-2004 budget.

Currently, Fire is area rated in the rural area. The current area rate ranges from 5.6¢ to 28.2¢. The average rural fire rate is 16.6 cents. In the urban and suburban areas taxpayers pay the equivalent of 12.2¢ through the general tax rate for fire services. The new unified rate for fire services is 12.7 cents, higher than that of the urban core but lower than most, but not all, fire departments.

**Impact of Tax Rate Increases/(Decreases) by Service
and General Tax Rate**

	Rural	Suburban	Urban
Fire	-0.039	0.005	0.005
Streetlights	-0.006	0.000	0.000
Crosswalk Guards	0.003	-0.000	-0.000
Call Centre	0.003	0.003	-0.001
Equalization	0.050	-0.007	-0.007
Impact of LICs	<u>0.002</u>	<u>0.002</u>	<u>-0.002</u>
Total	\$0.013	\$0.002	(\$0.005)

Unlike fire, not all parts of HRM have streetlights. In the rural areas, only those with streetlights pay for them. It is estimated that 60% of rural residents have streetlights. Rural area rates for streetlights range from 0.7¢ to 11.1¢ with an average area rate (including those without lights) of 2.4¢. In the urban and suburban areas taxpayers pay the equivalent of 1.8¢ through the general tax rate for streetlights. The new unified rate for streetlights remains at 1.8 cents, like fire, lower than most, but not all, rural rates.

Urban and suburban taxpayers pay 0.4¢ for crosswalk guards while, on average, rural taxpayers pay just under 0.1¢. The new rate is 0.3¢, on average a savings for the core and an increase for the rural areas.

When the tax structure was established HRM's call center was dedicated to Metro Transit. As such, only the urban core (and neither suburban or rural areas) paid for the call centre. Since then the call centre has been broadened to handle calls for all services throughout HRM. As such, it is now proposed to be included in the general tax rate for all taxpayers to fund. This provides a slight saving to the urban core but increases the rural and suburban tax rates by 0.3¢.

Currently, if taxpayers wish to upgrade from asphalt curbs to concrete curbs they must pay a local improvement charge (LIC). The funds from this charges are included in the operating budget as revenue, hence lowering the general tax rate. At the moment, only urban taxpayers have LICs for curb upgrades. Since it is not cost effective to replace asphalt curbs with anything other than concrete, it has been proposed that this charge be eliminated. The result is that such LIC charges will be eliminated and that there will be an equivalent decline in operating revenues. For the urban core this means a slight saving. For the suburban and rural areas a slight increase. LIC charges for new sidewalks, paving and sewers are unaffected.

At the time the tax structure was created, it was decided to lower the rural area's general tax rate by 5.0¢. This was accomplished through a transfer from urban and suburban taxpayers which increased

their general tax rate by 0.7¢. It is proposed that this transfer be eliminated.

Additional changes are expected to be made to transit. There are some areas of HRM that receive transit services but do not pay for it through their tax rates. In addition, not all areas are paying the full cost of the Metro Transit service they receive. Staff intend to return by September with additional information.

There will also be an impact on the commercial sector. The urban and suburban commercial tax rates are estimated to rise by 0.1¢. In the rural area the increase is expected to be more significant, approximately 30¢ or nearly 11%. These changes arise from the complex relationship between residential and commercial tax rates. Commercial rates are set at 2.55 times the residential rate. Since commercial taxpayers generally don't pay area rates an additional amount was added to the weighting factor to compensate for these revenues. The legislation which then existed prevented HRM from differentiating between the urban and rural weighting factor. Moving services to the general rates has removed the need for this complexity.

BUDGET IMPLICATIONS

There are no immediate implications to this change. In future fiscal years there will be additional pressure on the HRM capital budget. Fire has identified a need to replace a number of older fire vehicles, many of them dating to the 1970s. In addition, there are equipment and building deficiencies which need to be corrected. Staff are hopeful that some of this amount can be financed through the existing rural fire financial capacity. Other requests will have to be prioritized through the capital budget process.

Much of the existing area-rated debt for volunteer fire departments will have to be absorbed. This debt consists of area rated loans and debentures. Staff are continuing to look at ways of restructuring and dealing with the debt. Staff are recommending that rural fire department surplus accounts be used to write-off any portion of an individual department's debt. The remainder of the surplus account would remain with the department or community in which it was raised. Likewise, HRM would leave any monies raised through fund-raising efforts with the local community. In the first year of the new structure volunteer departments should expect to continue to receive their existing budgets less any amounts for debt charges, deficits, surpluses transfers for reserves, capital from operating etc.. Staff have discussed this with the individual fire zones and have met with general agreement.

With respect to recreation, it is anticipated that capital repairs to existing facilities will cost approximately \$240,000 per year on average. These requests will have to be prioritized through the capital budget process. It is not expected that these funds will be automatically assigned to rural areas. Staff are not recommending any write down of existing debt or future debt arising from approved recreation capital projects. Rather, this proposal is on a go-forward basis. Future projects would be eligible for cost-sharing if available and if approved through the capital budget process.

Operating costs remain the responsibility of the managers of the facility.

Both streetlights and crosswalk guards are principally operating issues. Both are currently governed by standards set by Regional Council. The increase in demand for these services is expected to be less than \$50,000 per year. Requests are to be prioritized through the annual budget process using the established standards.

Public consultations have been estimated to cost approximately \$25,000. It is expected these funds will be paid for through the budget of Financial Planning (A810) and other parts of Financial Services.

MULTI-YEAR FINANCIAL STRATEGY IMPACTS

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Committee of the Whole may choose to reject the proposed Tax Structure Model or to request revisions or clarifications from the Tax Structure Committee.

Committee of the Whole may opt to remain with the Status Quo.

ATTACHMENTS

Proposed Minimum Standards For Mitigating Structural Fire in the HRM Rural Fire Service
Recreation Services Indoor Facility Feasibility and Development Policy
Recreation Facility Maintenance Requirements Spreadsheet
Schedule of Public Consultations
Table One - Impact of Tax Structure on Residential Tax Rates
Table Two - Impact of Tax Structure on Tax Rates
Table Three - Impact of Tax Structure on Tax Burden
Table Four - Impact of Tax Structure on General Commercial Tax Rates

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Report Approved by: _____
Dale MacLennan, Director, Financial Services, 490-6308

Proposed Minimum Standards For Mitigating Structural Fire in the HRM Rural Fire Service

Introduction:

During the months of June and July 2002, the Tax Structure Committee met with the volunteers and paid staff of all the Rural Fire Service zones to discuss both the implications of the proposed tax structure and the proposed minimum standards that will be used as a tool to determine the necessity of upgrading, replacement, relocation or alterations to the current fleet, fire stations, fire fighting equipment and protective clothing. As an outcome from these meetings; the general consensus is agreement that the following are realistic minimum standards to either continue or aspire to depending on each zones' current equipment, fleet and station conditions:

*Each district shall develop and execute procedures/protocols to ensure a minimum dual station response is initiated to all structural fire calls, and apparatus is responding within 6 minutes of receipt of the alarm, 90% of the time. Response time (from station to incident) to the emergency will vary due to the geographical location of the incident in relationship to the closest fire station, however 90% of the time apparatus shall arrive on scene within 10 minutes. Once the apparatus and 4 trained (NFPA Standard 101) persons are on scene an initial attack of the fire shall be executed within 2 minutes, 90% of the time. (NFPA Standard 1720)******

*****NOTE

Noncompliance to these guidelines does not necessarily mandate additional resources (vehicles, staffing and stations). A fact-based assessment must be conducted to determine the probability and consequence of a fire incident. Such risk assessments must consider, as a minimum, occupancy classification, type of construction, installed fire protection systems, nature of contents value at risk, water supplies, mutual aid and other relevant factors. For low or medium hazards occupancies in a small cluster of facilities within a single fire demand a separate fire risk assessment is not necessary for every facility. A single fire risk assessment is sufficient. Once completed, a plan shall be developed to manage the risks identified and submitted to the Deputy Chief Director for sign-off. In developing the plan, measures which may reduce the risk include: fire suppression and detection systems, improved fire prevention programs, establishment of partnerships to conduct facility fire prevention risk, management surveys.

HRM Fire Services has completed a preliminary scan of the Rural Fire Services status in areas of Fire Apparatus, Facilities, Protective Clothing and Breathing Apparatus. The abolition of Fire area rate is a component of the proposed Tax Structure, therefore, it is crucial to understand both the extent of the deficiencies and the possible financial impact. It is also mandatory to ensure that the Rural Fire Service have realistic expectations in regard to this proposal; the General Rate will allow more capacity, however, the decisions are based on a priority basis throughout the whole of Halifax Regional Municipality.

Fire Apparatus

Up until now, the purchasing and placement of emergency response vehicles in the rural areas has been left to the individual volunteer department. This fact has led to the development of major disparity between the volunteer units since the availability and quality of emergency vehicles is currently based strictly on the ability to purchase rather than demonstrated need. The vast majority of the deficient units are in areas of low tax base, although some have relatively high tax rates. Under the current process, the funding for these departments is simply too low to provide adequate funding for equipment replacement, upgrade, or even adequate maintenance of fire apparatus.

The size of the fleet, and more importantly, the mechanical condition of the apparatus in each district is a key variable in the ability of each district to provide a consistent level of standardized services to its residents. The mechanical condition of the rural fleet ranges from departments with relatively new and well maintained vehicles to departments operating with 36 year old vehicles that have never been inspected by a Certified Emergency Vehicle Technician. It is important to note that the first inspection of rural vehicles resulted in the immediate removal of some vehicles from service and/or serious operating restrictions placed on them.

In order to resolve this problem, there is a need to replace ten units per year for the next three years, seven units per year for the next three years and back to five for future years. For this replacement program to be effective, it must be part of a comprehensive effort including the recycling of used apparatus, an adequate maintenance program available to all units, and proper training in the use of modern equipment.

In order to better understand the status of the rural fleet, the following is breakdown of the total emergency response vehicles by model date and the amount of vehicles for each model's year:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1965	1	1986	1
1971	1	1987	4
1972	1	1988	7
1973	2	1989	4
1974	3	1990	6
1975	2	1991	3
1976	4	1992	4
1977	4	1993	8
1978	3	1994	3
1979	5	1995	7
1980	5	1996	3
1981	5	1997	3
1982	3	1998	4
1983	2	1999	8
1984	4	2000	3
1985	3	2001	8

The table below denotes the cost (both Capital and Operating) of achieving the above goals.

Resource Description related Fire Apparatus	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Provide adequate funding for equipment replacement upgrade of fire apparatus	\$2.5m	\$2.5m	\$2.5m	\$1.75 m	\$1.75m
Provide adequate funding for overhaul of current fleet.	\$75k	\$75k	\$75k	\$75k	\$75k
Provide funding for the hiring of 3 additional journeymen mechanics (second year cost includes one additional clerical staff)	\$70k	\$102k	\$70k	n/a	n/a
Provide funding for the purchase of 2 mobile maintenance units.	\$75k	\$75k	n/a	n/a	n/a

Facilities

Fire Services currently operates from 63 different facilities throughout the municipalities. The main office and 17 fire stations are in the “core area”. The remainder are considered in rural areas. Traditionally, these facilities were constructed and maintained through area rates and local fund-raising efforts. To date, there has not been a comprehensive study to assess the condition and the needs of the rural fire service. However, the Logistics Manager from Fire Services has been seconded for a 2 year period to work with Real Property Services to complete a comprehensive facilities review.

The net result is a variance of services from districts which can provide the majority of their residents a maximum consistent ten minute response time from any one of their six Fire Stations, according to their Response Protocols. However, there are also response districts in the HRM, that even under the most ideal circumstances, are only able to reach residents from a single station to commence an effective structural fire attack within 10 minute time frame. These issues are compounded because some of the rural fire stations are in extremely poor condition and/or are marginally large enough to safely house their one piece of apparatus. On the other end of the scale there are also rural stations recently built complete with all the amenities of a core station, at a cost approaching one million dollars.

The table below outlines the costs that have been estimated utilizing the information collected to date:

Resource Description related to Fire Stations	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Provide funding to resolve outstanding Health and Safety and/or building code infractions.	\$500k	\$500k	\$500k	\$500k	\$500k
Provide funding for new construction of rural fire stations to address current service growth or other service deficiencies.	\$1.5m	\$1.5m	\$1.5m	\$1.5m	\$1.5m

Protective Clothing

Several of the rural departments are equipped with substandard protective equipment that should be retired. This item is of paramount importance since it has a direct impact on the health and safety of the members of the fire service. It is unreasonable to expect anyone to risk their lives if they are not being provided adequate equipment for the task.

The rural departments' membership is usually around 800. The life expectancy of protective equipment in the rural areas is usually 7 years.

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The table below outlines the cost to replace protective clothing in a priority phased in approach:

Resource Description related to Protective Clothing	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Provide funding to replace bunker gear	\$250k	\$250k	\$250k	\$250k	\$250k

Breathing Apparatus and Air Supply

Breathing Apparatus are the single most important piece of firefighting equipment to firefighters. Without such equipment or confidence in the condition of this equipment, the ability to provide adequate service delivery is severely compromised.

The breathing apparatus currently being used in the rural areas range from new to over 30 years old and in a full range of condition. There is at least five different manufacturers, each with a variety

of models.

The table below outlines the cost to replace or upgrade Breathing Apparatus in a priority phased in approach:

Resource Description related to Breathing Apparatus	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Provide funding to replace or upgrade of Self Contained Breathing Apparatus.	\$250k	\$250k	\$250k	\$250k	\$250k

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Proposed Tax Structure - HRM Parks and Recreation Services

There are two documents attached for your review prior to the Tax Structure Committee of the Whole Session presentation scheduled for July 16th.

As part of the Tax Structure Committee proposal, it was recommended that HRM cost share on the construction and acquisition of new Neighbourhood and Regional Recreational Facilities. The first document is a draft policy for your review that is based on an independent and transparent procedures that identifies and confirms the need as well as the process that any new facility may undergo to determine the recommended cost sharing component.

The second document outlines the conditions existing neighbourhood facilities within HRM and the funding that would be necessary to maintain these building on an annual basis.

HRM Parks and Recreation Services Indoor Facility Feasibility and Development Policy

(1) POLICY STATEMENT

Facility development in HRM is based on an independent and transparent procedure that identifies and confirms needs for new regional and neighborhood indoor recreation facilities. Any potential new facility must undergo an analysis which includes an equitable process for the design, development, and operation of these new facilities. There is a strong emphasis on community consultation and reinforces the requirement for community capacity by implementing cost sharing guidelines.

(2) BACKGROUND

Use of This Policy

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The Indoor Facility Feasibility and Development Policy will be enacted upon staff identification of the requirement for a new indoor facility or a request from a community for a new indoor facility. The policy will be employed by Parks and Recreation Services to (a) determine the feasibility of HRM's involvement in the provision of new indoor recreation facilities (regional facilities and neighborhood centres) and (b), if the need for a new indoor facility is identified, to provide for a detailed needs assessment, determine the required size and nature of the facility, set the budget requirements and level of HRM funding, establish the process for development (i.e. site selection and building requirements), and determine the method of ongoing facility management.

Guidelines

Guidelines to accurately identify and compare community needs for indoor recreational facilities cannot be easily quantified. While guidelines to identify the need for indoor facilities should employ some data analysis (i.e. population statistics, land use data, travel distance), the process should also emphasize the qualitative characteristics that define communities. These characteristics include historical development patterns, culture, lifestyle trends, socio-economic status, will of residents, partnership opportunities, and the availability of other service providers. Due to the many and varied qualitative factors that contribute to communities' recreation needs, it is difficult to apply minimum numerical standards during the needs identification process. Therefore, a holistic community development approach that assesses a combination of quantitative and qualitative factors will be employed to ensure that this policy is applied accurately and equitably across different communities in developing neighborhood centres.

Some broad numerical guidelines may be applied to the determination of need for those facilities that are regional in nature (see below). These guidelines can be stated in specific terms regarding the type and degree of new development but, in keeping with the holistic nature of this policy, must be a reflection of community preferences and need, must be reasonably attainable, and must be

reviewed regularly. Although these guidelines give some direction and offer a means of evaluation, they should be treated as flexible.

Categories of Indoor Recreation Facility

This policy applies to the following two categories of indoor facility:

Neighborhood Centres:

Neighborhood centres service neighborhoods and/or communities, provide services to those in the immediate community, are relatively small in scale, and can be accessed by users via a short drive. Normally, these facilities include a community hall or small gym, multipurpose space, and one or two meeting rooms. The make up of these centres is driven by neighbourhood or community demographics and preferences and local user group needs. A neighbourhood is described as being approximately 80 to 120 dwelling units; equivalent to 250 to 375 people. A “community” can be described as several physically connected neighbourhoods that, in relation to this policy, demonstrate a common interest and need for an indoor facility.

Regional Facilities:

Regional facilities are those which provide facilities and services to a catchment area with a widely dispersed population. People will travel some distance to access these facilities because of the range of services or attractions available (multi-use), unique nature of the services provided, or capacity of the facility. Generally, a combination of regional demographics, regional user group need, driving time and facility scale identify a facility as a Regional Centre. Examples of regional facilities include larger pools and arenas. A “region” can be described as several combined districts. A “district” can be described as several combined communities.

Proposed facility standards for HRM

- *Indoor Pool - One location per 50,000 population - Provides year-round programming, may be located in a recreation facility, minimum capacity of 200 people per pool using 27 square feet per swimmer.*
- *Artificial Indoor Ice Arena - One location per 30,000 population - One in each larger community should have spectator seating; the rest should be for strictly recreation purposes with limited seating.*
- *Multipurpose Centres - One location per 75,000 - Facility may include a gymnasium, fitness centre, meeting space, ice surface, pool, and/or arts and crafts room etc.*

(3) PROCESS

(I) Needs Assessment

The possible requirement for a new indoor recreation facility may be proposed by HRM staff or a community stakeholder. A detailed needs assessment process will determine the feasibility and future sustainability potential of the proposed facility. This process will be conducted by HRM (or a community group) facilitated by HRM staff, and will consist of the following steps:

- a. **Demand Assessment** - an assessment of the past and current demand for recreation programs and services in the community to determine if the community will support a new facility;
- b. **Community Demographic Profile** - a demographic profile of the community to determine if the current and future population can support a new facility;
- c. **Scan of Existing Resources** - A scan of existing recreation programs and services in the area to determine if there are gaps that need to be addressed and if these gaps can be filled (or are already being filled) by another agency.
- d. **Demand Assessment** - To determine if a majority of the community in question will support a new facility, an assessment of the demand for recreation services and programs in the area will be conducted. This process includes an analysis of past recreational activity patterns and preferences, motivation for past leisure behavior in the community, relationship of the community's needs to the Parks and Recreation mandate, and user profiles. Tools to collect this information include:
 - telephone surveys - (random sample);
 - focus group discussions (with youth, seniors, and/or other community stakeholders);
 - interviews with potential users to measure demand for specific programs and services.
- e. **Community Demographic Profile** - To determine if the community's current and future population requires and can support the proposed facility, a basic demographic profile assessing population traits of the community in question will be conducted. The community's current and projected age structure will form a major part of this analysis. The profile will also determine whether the community in question is a "high need" area - i.e. high population density, large child and youth population, high crime rate, lower socio-economic status, etc. Specific information collected will include the size of specific market segments of the population (current data and projections), overall population growth projections, commuter travel patterns, and age cohort distribution (current data and projections).
- f. **Scan of Existing Resources** - To determine the existing recreation resources and service providers (HRM and other) available to the community in question a scan of the community and (if necessary) surrounding communities will be conducted. This scan will include an

inventory of existing recreation programs, services and administration in the community; travel time, distance and convenience of access to the nearest recreation service providers and facilities; and a summary of existing usage vs maximum capacity of facility(s).

If the Needs Assessment reveals that the community in question requires and can support a recreation facility, the following sections (II to VII) of this policy will be enacted to develop the proposed facility.

(II) Communication (Ongoing)

This step of the policy will be the responsibility of Parks and Recreation Services with information support from Real Property Services, community stakeholders, and Councillors.

- a. Community stakeholders, the area Councillor(s), and HRM staff will be involved as required and communicate to constituents prior to and during the stages identified throughout this policy. Communication methods may include written updates, meetings, Community Council, etc.

(III) Consideration of Building Alternatives

This step of the policy will be the responsibility of Parks and Recreation Services with information support from Real Property Services where required. The process may be coordinated by HRM or by community stakeholders with HRM facilitation support.

- a. An assessment of the infrastructure available in the community will be conducted to determine whether to renovate, convert, or lease an existing structure or build a new facility to meet the needs identified in Section I of this policy and whether shared use or funding on an existing or new facility is an option. For existing sites, this assessment will include reporting on the condition of potential facilities.

(IV) Detailed Feasibility Assessment

This step of the policy will be the responsibility of Parks and Recreation Services with information support from Real Property Services where required. The process may be coordinated by HRM or by community stakeholders with HRM facilitation support.

- a. A detailed market demand analysis will be conducted to identify potential programs and services that support the mandate of HRM Parks and Recreation Services and outline the numbers of users and fees to be charged for each;
- b. A building program will be developed to identify space requirements - i.e. a comprehensive list of rooms required, their purpose, and their square footage;

- c. If a new building is being constructed, a site selection process will identify available HRM lands, outline potential sites not owned by HRM, determine the market value of non-HRM land, and identify non serviced sites;
- d. The process for facility management and operation will be developed including the identification of partnership opportunities, the structure of the management agreement, staffing levels, and salary scales;
- e. A detailed concept plan of the facility and/or site location will be developed.

(V) Budget Assessment

This step of the policy will be the responsibility of Parks and Recreation Services with information support from Real Property Services where required.

- a. Based on the space requirements identified in Section III(b) of this policy, an estimate for the required capital budget will be determined (i.e. \$125 per square foot);
- b. An estimate for all ongoing operating expenditures will be determined (i.e. electricity, heating, salaries, supplies, maintenance and operations, program costs, etc.);
- c. An estimate for all potential revenues will be determined (i.e. fees, gate receipts, rentals, memberships, etc.);
- d. HRM or the community will conduct a detailed review of all potential capital funding sources (i.e. federal, provincial, and municipal programs; fund-raising; etc.);
- e. Based on the information gathered from the previous steps outlined in this policy and a business case confirming the future sustainability of the facility:

For construction and acquisition of new facilities, HRM may enter into partnership agreements and cost sharing arrangements with community associations, not-for-profit groups, or private interests. HRM will determine the level of cost-shared funding required from HRM based on the information gathered from the previous sections of this policy. Generally, HRM's contribution should range from 0-75%, unless extenuating circumstances dictate a higher amount. Any such exception is subject to Council approval;

Existing facilities will be subject to this policy if there is a requirement to expand, convert or renovate to enhance program delivery (up to a cap of \$100,000 total cost) to a facility. Generally, HRM's contribution should range from 0-75% to a maximum of \$35,000, unless extenuating circumstances dictate a higher amount. Any such exception is subject to Council approval;

As per a management agreement, other than property insurance and debt charges associated with capital costs, ongoing operating and maintenance costs will be the sole responsibility of the party identified as the managers of the new regional or local community facility;

Capital Asset - The Municipality shall be responsible for Capital repairs as relating to the structural maintenance for the facility, including the foundation, outer walls, roof, paving, plumbing, sewage, electrical, heating and control systems, and other building infrastructure repairs needed to protect the physical asset of HRM and the health and safety of the general public.

- f. Based on the Detailed Feasibility Assessment (Section III of this policy) and Budget Assessment (Section IV of this policy) a detailed business plan for the facility will be developed, including a detailed budget, assessment of possible development models, ownership arrangements, and service delivery mechanisms.

(VI) Capital Budget Process

This step of the policy will be the dual responsibility of Real Property Services and Parks and Recreation Services.

Once Sections I to V of this policy have been completed, a submission to the Capital Budget process will be prepared as follows:

- a. The concept will be presented to Real Property Services for a review of information and alignment with HRM Capital Budget projections;
- b. Using information from the analysis in Sections I to V of this policy, the project will be prioritized on the project list prepared for the annual Capital Budget program submission;
- c. In conjunction with Parks and Recreation, Real Property Services will assume responsibility for the facility design, development, and construction / renovation process.

(VII) Project Presentation

This step of the policy will be the responsibility of Parks and Recreation Services with information support from Real Property Services where required.

- a. As per the funding approved in the Capital Budget process and identified from other sources, the final facility proposal, concept plan and business plan will be communicated to the community through public announcements and/or newsletters and/or public meetings.

NEW TAX STRUCTURE
RECREATION FACILITIES

Name	District	Type of Facility	Ownership	Type of Agreement	Estimated Operating Costs	Subsidy or Area Rate	Estimated Sq Ft	Condition	Approx. Age
Port Dufferin Community Center	1	Community Center	HRM	Lease		\$0.00	5,000	Fair	40 years
Grand Lake Community Center	2	Community Center	HRM	Lease	\$10,000.00	\$7,800.00	2,000	Good	35 years
Riverlake Community Center	2	Community Center	HRM	Lease	\$6,000.00	\$6,000.00	2,500		
Porters Lake Community Center	3	Community Center	HRM	Lease		\$0.00	4,000	Fair	45 years
Carroll's Corner Community Center	2	Community Center	HRM	Lease	\$5,000.00	\$0.00	4,000	Poor	45 years
East Preston Rec Center	3	Gymnasium/ Comm. Center	HRM	Management Agreement	\$80,000.00	\$12,804.00	18,000	Excellent	6 years
St Therese School (Grand Desert)	3	Community Center	HRM	Lease	\$20,000.00	\$0.00	7,000	Good	35 years
Seaforth Community Center	3	Community Center	Seaforth Comm. Ctr.	Lease	\$6,000.00	\$0.00	2,500	Good	20 years
Dutch Settlement Riverline Activity Center	2	Community Center	HRM	Lease	\$9,000.00	\$5,800.00	4,000	Good	25 years
Lake Echo Rec Center	3	Gymnasium/ Comm. Center	HRM	Management Agreement	\$80,000.00	\$0.00	21,000	Very Good	6 years
Lawrencetown Community Center	3	Community Center	Lawrencetown Comm. Assoc.	Owned		\$0.00	2,400	Good	45 years
Lower Meaghers Grant	3	Community Hall	HRM	Lease		\$0.00	2,500	Fair	45 years
Cole Harbour Pool	4	Outdoor Swimming	HRM	Management Agreement	\$45,000.00	\$10,000.00		Fair	15 years
Tallahasse Field House	5	Community Center	HRM	Lease	\$2,500.00	\$0.00	2,000	Fair	5 years
Harrietsfield Rec Center	18	Community Hall	HRM	Management Agreement	\$40,000.00	\$0.00	8,000	Good	10 years
Upper Sackville Community Center	19	Community Center	HRM	Management Agreement	\$45,000.00	\$34,000.00	6,000	Excellent	5 years
Springfield Lake Recreation	19	Community Center/Gym	HRM	Management Agreement	\$80,000.00	\$30,000.00	6,000	Good	20 years
Lucasville Community Center	19	Community Center/ Offices	HRM	Lease	\$8,000.00	\$5,000.00	7,000	Good	30 years
Maxwell Community Center	19	Community Center	HRM	Surplus (lease ended)		\$0.00	4,000	Poor	45 years
Beaverbank Kinsac Sports Field	19	Portable Classroom Storage	HRM	Lease	\$3,000.00	\$0.00	1,000	Poor	8 years
Hubbards Rec Center	23	Community Center	HRM	HRM Operated	\$17,000.00	\$17,000.00	3,000	Good	20 years
Upper Hammonds Plains Rec Center	22	Community Center/ Offices	HRM	Lease	\$60,000.00	\$12,177.00	7,000	Good	30 years

TOTAL

* 118,900

* Estimated \$2. per square foot to maintain building standards annually = \$237,800.

Schedule of Public Consultations

Middle Musquodoboit

Sheet Harbour

Musquodoboit Harbour

Waverley/Fall River

Lake Echo

Halifax

Dartmouth

Upper Sackville/Beaverbank

Tantallon

Shad Bay/Prospect Bay

Table One

Impact of Tax Structure on Residential Tax Rates Rates include Area Rates proposed for Transfer to General Tax Rate and LICs

12-Jul-02

	Rural	Suburban	Urban
Current Tax Rates			
Fire	0.166	0.122	0.122
Streetlights	0.024	0.018	0.018
Crosswalk Guards	0.001	0.004	0.004
Call Centre	0.000	0.000	0.004
Equalization Transfer	-0.050	0.007	0.007
Impact of LICs	0.000	-0.001	0.004
Other Services	<u>1.057</u>	<u>1.059</u>	<u>1.163</u>
Total	\$1.197	\$1.210	\$1.322
Revised Tax Rates			
Fire	0.127	0.127	0.127
Streetlights	0.018	0.018	0.018
Crosswalk Guards	0.003	0.003	0.003
Call Centre	0.003	0.003	0.003
Equalization Transfer	0.000	0.000	0.000
Impact of LICs	0.002	0.001	0.003
Other Services	<u>1.057</u>	<u>1.059</u>	<u>1.163</u>
Total	\$1.210	\$1.212	\$1.317
Variance	\$0.013	\$0.002	(\$0.005)
<i>Increase - Percent</i>	<i>1.1%</i>	<i>0.2%</i>	<i>-0.3%</i>
<i>Impact on \$100,000 Home</i>	<i>\$13</i>	<i>\$2</i>	<i>(\$5)</i>

Table Two

Impact of Tax Structure on Tax Rates

Rates include all Area Rates and LICs

Changes in Tax Rates

	Current Tax Rate	Proposed Tax Rate	Variance
District One	1.232	1.255	0.023
District Two	1.292	1.310	0.019
District Three	1.295	1.300	0.004
District Four	1.422	1.421	-0.001
District Five	1.402	1.399	-0.003
District Six	1.485	1.474	-0.011
District Seven	1.476	1.464	-0.012
District Eight	1.472	1.471	-0.001
District Nine	1.465	1.464	-0.001
District Ten	1.465	1.464	-0.001
District Eleven	1.471	1.470	-0.001
District Twelve	1.471	1.470	-0.001
District Thirteen	1.471	1.470	-0.001
District Fourteen	1.471	1.470	-0.001
District Fifteen	1.482	1.476	-0.006
District Sixteen	1.478	1.470	-0.008
District Seventeen	1.470	1.469	-0.001
District Eighteen	1.409	1.374	-0.035
District Nineteen	1.382	1.376	-0.006
District Twenty	1.417	1.399	-0.018
District Twenty-One	1.418	1.416	-0.002
District Twenty-Two	1.290	1.322	0.032
District Twenty-Three	1.275	1.272	-0.004
Total	1.411	1.410	-0.001
Urban	1.457	1.452	-0.004
Suburban	1.291	1.293	0.002
Rural	1.264	1.277	0.013
Total	1.411	1.410	-0.001

Table Three

Impact of Tax Structure on Tax Burden Based on Average Assessment

Changes in Average Tax Burden

	Current Tax Bill	Proposed Tax Bill	Variance
District One	651	663	12
District Two	1,817	1,843	26
District Three	1,213	1,217	4
District Four	1,304	1,303	(1)
District Five	1,304	1,301	(3)
District Six	1,738	1,725	(13)
District Seven	1,486	1,474	(12)
District Eight	1,192	1,191	(1)
District Nine	2,000	1,999	(1)
District Ten	2,030	2,028	(1)
District Eleven	1,988	1,987	(1)
District Twelve	3,666	3,663	(2)
District Thirteen	4,365	4,362	(3)
District Fourteen	2,520	2,519	(2)
District Fifteen	2,121	2,112	(9)
District Sixteen	3,107	3,091	(16)
District Seventeen	1,396	1,395	(1)
District Eighteen	1,046	1,020	(26)
District Nineteen	1,286	1,280	(6)
District Twenty	1,187	1,172	(15)
District Twenty-One	1,859	1,857	(3)
District Twenty-Two	1,639	1,679	41
District Twenty-Three	1,399	1,394	(4)
Total	1,252	1,251	(1)
Urban	1,224	1,220	(4)
Suburban	2,077	2,080	3
Rural	1,193	1,205	13
Total	1,252	1,251	(1)

Table Four

Impact of Tax Structure on General Commercial Tax Rates

12-Jul-02

	Rural	Suburban	Urban
Current	2.789	3.358	3.358
Revised Tax	\$3.086	\$3.359	\$3.359
Increase - Cents	0.297	0.001	0.001
Increase - Percent	10.6%	0.0%	0.0%