

**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
MINUTES
March 27, 2007**

PRESENT: Mayor Peter Kelly, Chair
Deputy Mayor Sue Uteck
Councillors: Krista Snow
David Hendsbee
Harry McInroy
Gloria McCluskey
Bill Karsten
Becky Kent
Jim Smith
Mary Wile
Patrick Murphy
Dawn M. Sloane
Sheila Fougere
Russell Walker
Debbie Hum
Linda Mosher
Stephen D. Adams
Brad Johns
Robert P. Harvey
Gary Martin
Reg Rankin
Gary G. Meade

REGRETS: Councillor Andrew Younger
Councillor Steve Streach

STAFF: Ms. Geri Kaiser, Acting Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Jan Gibson, Municipal Clerk
Ms. Sheilagh Edmonds, Legislative Assistant
Ms. Chris Newson, Legislative Assistant

TABLE OF CONTENTS

1. CALL TO ORDER 3

2. APPROVAL OF THE MINUTES 3

3. OPTIONS FOR SUPPLEMENTARY EDUCATION FUNDING 3

4. CIVIC EVENTS POLICY AND GRANTING FRAMEWORK 5

5. PROPOSED CAPITAL COST CHARGES BY-LAW C 10

6. ADJOURNMENT 11

1. CALL TO ORDER

The Chair called the meeting to order at 9:43 a.m.

2. APPROVAL OF THE MINUTES

MOVED by Councillor Wile, seconded by Councillor McCluskey that the minutes of March 20, 2007 be approved. MOTION PUT AND PASSED.

**3. OPTIONS FOR SUPPLEMENTARY EDUCATION FUNDING
(deferred March 20, 2007)**

This matter was deferred from a Committee of the Whole session held March 20, 2007 due to time constraints. Prior to adjourning, the following motion had been put:

MOVED by Councillor Rankin, seconded by Deputy Mayor Uteck that Regional Council approve Option 3 of the March 1, 2007 staff report.

Councillor Harvey advised that he would not be supporting the motion, and that should it not pass, he was prepared to move a motion in support of the staff recommendation. Councillor Harvey noted he supported the staff recommendation because it will achieve equity across the Municipality in regard to supplementary funding.

Council members spoke either in favour of the motion (Option 3 of the staff report) or in support of the staff recommendation contained in the report, noting their reasons as follows:

- C Support the motion because of the concerns constituents have expressed about increasing taxes.

Councillor Adams entered the meeting at 9:47 a.m.

Councillor Smith entered the meeting at 9:50 a.m.

- C Approval of the staff recommendation would provide some stability to the school board in their budget process for the next four years.
- C Support the motion as Council has asked the Tax Reform Committee to review taxes levied by HRM and make recommendations to Council in regard to changes on the tax burden. To approve the staff recommendation, it would seem inconsistent with what Council has asked the Committee to do.

MOVED by Councillor McInroy, seconded by Councillor Snow that Regional Council maintain status quo with regard to supplementary funding, and the report submitted at this meeting be referred to the HRM Tax Reform Committee.

Ms. Cathie O'Toole, Acting Director of Finance addressed Council and advised that the supplementary education issue falls outside the scope of the Tax Reform Committee. She cautioned that, by including supplementary education in tax reform, it may impact the ability to successfully deliver tax reform.

Councillors Sloane and Johns entered the meeting at 9:56 a.m.

THE MOTION TO REFER WAS PUT AND DEFEATED.

In response to a question, Mr. Bruce Fisher, Manager of Fiscal and Tax Policy advised that HRM will be providing an additional \$7.4 million to the Province this year for mandatory funding.

Further comments were put forth by the Councillors, speaking either in favour of the motion or in support of the staff recommendation as follows:

- C The staff recommendation would flat-line arts and music which the urban core has fought for every year; if the staff recommendation is approved, HRM will continue to see the Province downloading on the Municipality.
- C Support the staff recommendation because in the 2000 plebiscite which was held on supplementary funding, the majority of residents supported supplementary funding.

Councillors Hendsbee and Murphy entered the meeting at 10:15 a.m.

In response to a question as to whether Halifax would continue to receive the same service with the reduced rate, Mr. Fisher advised that the rates would be harmonized but the School Board would determine where it would be spent based on need.

In response to a question, Mr. Fisher advised that with regard to the phasing-in approach, there would be a four year phase-in period with the first year seeing the most dramatic increase for Bedford and the County. He pointed out that the Agreement does not specify tax rates, and that this is something that Regional Council would vote on.

Further comments were put forth by Council members, speaking either in favour of the motion or in support of the staff recommendation as follows:

- C Do not support the motion because there is no equality in Option 3; although Option 3 would stabilize funding for the County and Bedford, it is in these areas that growth is occurring.

Councillor Walker entered the meeting at 10:19 a.m.

- C Do not support the motion because it will not bring about equity; the staff recommendation would see the boundaries drop and level the playing field.
- C The extra funding provided to the schools has not resulted in a better quality of education; instead, HRM should be focussing on the additional \$7 million that the Province is taking for mandatory funding.

- C Support the motion because the Municipality should withdraw from providing supplementary funding altogether. The County of Halifax pulled out of supplementary funding in the 1980's and the quality of education has not changed for those schools.
- C The motion will not bring about equity. A similar situation occurred in Sackville at the time of amalgamation when the commercial tax rate was increased substantially because Sackville had the lowest commercial tax rate. Even though the increase was significant, there were no complaints.
- C Do not support the staff recommendation as it would see funds being handed over to the School Board, with the Municipality having no control. There will be a public outcry if the staff recommendation is approved and it will have an impact on the economy.
- C If Council gets beyond this hurdle and past setting the rates, there should be a unified request to go to the legislature for amendment to legislation; this would elevate the debate to the Province where it belongs.

MOVED by Councillor Rankin, seconded by Deputy Mayor Uteck that Regional Council approve Option 3 of the March 1, 2007 staff report.

THE MOTION WAS PUT AND DEFEATED.

MOVED by Councillor Harvey, seconded by Councillor Karsten that Halifax Regional Council authorize the Mayor and Municipal Clerk to enter into an Agreement with the Halifax Regional School Board concerning Supplementary Education as outlined in Attachment 2 of the March 1, 2007 staff report and instruct staff to proceed with the necessary changes to the Municipal Government Act. MOTION PUT AND PASSED.

The meeting recessed at 10:54 a.m.

The meeting reconvened at 11:10 a.m.

4. CIVIC EVENTS POLICY AND GRANTING FRAMEWORK

- A staff report dated March 23, 2007 was before the Committee.
- A copy of the PowerPoint presentation was circulated to the Committee at this time.
- A report dated July 20, 2006 from the Marketing Levy Working Committee was circulated to the Committee at this time.
- A letter dated August 10, 2006 from Ms. Susan Tilley-Russell, Chair of TIANS (Tourism Industry Association of Nova Scotia) was circulated to the Committee at this time.

Councillor Johns entered the meeting at 11:11 am.

Councillor Hendsbee suggested this matter be deferred to next week's COW when Destination Halifax and Urban Design are to be discussed in order to continue the cooperative / supportive relationship with the industry. He expressed concern that a

representative from Destination Halifax and the Chair of the Marketing Levy Committee were not in attendance; therefore, it would be premature to discuss the matter as Destination Halifax has not had an opportunity to analyse the information.

Deputy CAO Wayne Anstey advised that Council may choose to hear the staff presentation and consider the first three recommendations deferring decision on Recommendation 4, until Destination Halifax has provided comment; then deal with the matter in the context of the budget. He added that the preferred option would be to move forward.

Councillor Rankin entered the meeting at 11:15 am.

MOVED BY Councillor Hendsbee, seconded by Councillor Murphy that this matter be deferred one week. MOTION PUT AND DEFEATED.

Mr. Andrew Whittemore, Acting Manager Community Relations, assisted by Mr. Andrew Cox and Mr. Mike Gillett, Coordinators, Civic Events & Festivals, presented the report. Mr. Whittemore advised that Attachment 4 was not attached to the staff report dated March 23 but has now been distributed to Council.

Councillor Fougere requested that a separate vote be taken on each of the four recommendations in the following motion:

MOVED BY Councillor Fougere, seconded by Councillor Walker that the Committee of the Whole recommend that Regional Council:

- 1. Approve the proposed Civic Events Policy Framework as outlined in Attachment 1 of the staff report dated March 23, 2007;**
- 2. Approve the Terms of Reference for a Special Events Advisory Committee as outlined in Attachment 3 of the staff report dated March 23, 2007;**
- 3. Rename the Special Events Reserve to the “Marketing Levy Special Events Reserve”, and approve the amended Reserve Business Case as outlined in Attachment 2 of the staff report dated March 23, 2007; and**
- 4. Distribute 60% of the Marketing Levy to Destination Halifax cost centre C711 and 40% to the Special Events Reserve Q315.**

Councillor Meade declared a perceived conflict of interest as his wife is employed by Destination Halifax.

During the ensuing discussion on the matter, Members of Council raised the following comments/concerns:

- That Civic Events not be specifically referenced/named. This would allow flexibility to consider new events and for events to come and go.
- That Community Sporting Events be included in Policy 10 on page 15 as they also attract visitors to HRM and generate an economic impact.

- Outline/explain the criteria for when an event becomes a legacy/Hallmark Event and whether or not the longevity of an event is relevant in the decision making process.
- Include HRM's Bike Week in Policy 6 on page 14.
- Add a requirement for feedback after one year, similar to the Grants Program, from the organizations who apply.
- Staff are to respond on how representative of HRM the Hotel Association of Nova Scotia (HANS) has been.
- Considering that municipal services are often the largest single cost for events in HRM, due to HRM's requirements, it is requested that staff work with groups to reduce those costs so that only the essential services are included in their expenses rather than just introducing a cap on the amount HRM will pay toward the Municipal Services.
- Request that the Summer Festival Grant funds, that were split to help support the Halifax County Exhibition, be returned to Hallmark Events and that the Summer Festival be included as a Hallmark Event.
- That the Clam Harbour Sand Sculpting Competition be included as an ongoing event as this event provides a tourism/economic opportunity for an area outside the urban core.
- Clarify if there is a policy for one time only events.
- Consideration be given to municipal services in lieu for events held on a Sunday as providing those services on a Sunday would be more costly.
- HRM should not be supporting commercial events (concerts/sporting events) as they are profit making events. The funds should be used for community events.

Councillor Karsten expressed concern that the proposed 60/40 split has not been communicated to Destination Halifax as it is his understanding that when staff met with the Marketing Levy Working Committee on March 6th the understanding/recommendation of the Committee was that the funding would remain at 2/3 and 1/3. Mr. Whittemore responded that staff did not discuss the allocation at that meeting as two separate staff reports were to be brought forward; one in regard to the policy and a separate report for the .5% allocation.

Ms. Cathie O'Toole, Acting Director of Finance Services advised that subsequent to the March 6th meeting, staff met with the Chair of the Marketing Levy Working Committee, Councillor Younger, to discuss the proposed 60/40 split. Staff explained that Councillor Younger conveyed to them that he thought the 60/40 approach was fair to the extent that Destination Halifax would benefit from increased funding as well as increased funding in the Marketing Levy Special Events Reserve. Ms. O'Toole added that the difference between the 60/40 and the 2/3 -1/3 allocation is very minimal. Staff is leaning toward the 60/40 allocation as there is limited capacity within the Municipal Government budget to increase funding to the Marketing Levy Special Events Reserve.

Councillor Hendsbee again expressed concern with the lack of opportunity for comment from a representative of Destination Halifax on this matter. He requested that a decision on Recommendation 4 be deferred pending comment from Destination Halifax on the final proposal.

In response to Councillor Hendsbee on the Major Events Facilities Reserve, Ms. O'Toole

advised that a portion of the Metro Centre's Year End surplus will go to that reserve which will alleviate pressure on the Marketing Levy. Numerous Members of Council expressed concern with the reliability/consistency of the contribution to the Major Events Facility Reserve being based on the Metro Centre having an annual surplus. Ms. O'Toole commented that other options for funding are included in the Business Case for the Major Facilities Events Reserve such as establishing a regular contribution through the budget business planning process similar to other reserve fund contributions.

The meeting recessed for lunch at 12:02 pm.

The meeting reconvened at 1:34 pm.

Members of Council continued discussion on the matter raising the following comments/concerns:

- that the term "annual" when referencing Hallmark Events be removed as events such as the Tall Ships are not an annual event.
- that the term "one-time" be removed when referencing Major Special Events as a Royal Visit or the ECMA's may not be a one-time event.
- it is incumbent upon Council to consider Special Events as part of HRM's core service delivery for the vibrancy of the City as there is a fine line between what services HRM provides on a day to day basis and the extra that may be required for a special event. The issue of municipal service costs is also a matter of concern for minor events.
- consider splitting the award dates to twice or multiple times per year to reflect the fact that many events are run by Grassroots organizations that may not run on an annual budget basis; therefore, some groups may miss the deadline for applications.

Councillor Kent entered the meeting at 1:42 pm.

- communication between business units offering funding is required so that groups are not receiving funding from various HRM sources which would limit HRM's capacity to provide some level of funding to as many applicants as possible.
- money generated is to remain in HRM yet Destination Halifax had a notice on their webpage for White Point Beach Lodge which is not in HRM.
- leaving in the names of the Hallmark Events may reduce lobbying of Councillors by groups applying for funding.

Councillor Johns entered the meeting at 1:47 pm.

- a 2% Marketing Levy is not high enough. Consideration should be given for 3 or 4%. Special events should not be funded by tax rates.
- HRM has to be careful in regard to what level of support it would provide for provincial sporting tournaments. The focus should be on National/International events as it would be unfair for HRM to compete with other areas of the province. Only HRM and Cape Breton Regional Municipality have a Marketing Levy.

- If specific event names are removed from the policy, an appendix listing the events should be attached.

Councillor Smith entered the meeting at 1:53 pm.

Ms. O'Toole responded to Council that Destination Halifax works on a calendar year rather than a March - April fiscal year and therefore would already be three months into their fiscal year. She added that if there were any impacts as a result of this proposal (based on 2/3 of funding) staff will work with them to mitigate that.

Councillor Hendsbee requested clarification from Destination Halifax in regard to the 60/40 split as his understanding is that Destination Halifax would be impacted with a \$112,000 loss.

Councillor Hum entered the meeting at 2:02 pm.

Upon approval of Council, Mr. Stewart Jolliffe, Representative of Destination Halifax, addressed the Committee of the Whole commenting that Destination Halifax's approved budget for 2007 was based on the understood allocation of 66% of the 2% Marketing Levy. A reduction in allocation to 60% would result in a loss of \$112,000.

Deputy CAO Wayne Anstey commented that his recollection was that the 2/3 allocation was agreed upon with the caveat that if Council made a decision in the meantime to change that, Destination Halifax would have to refund HRM the difference between the 2/3 and whatever Council decided. He clarified that the 60% allocation would be on a go forward basis as of April 1, 2007.

A separate vote was now taken on each recommendation as previously requested by Council: (see page 6)

Recommendation (1)

MOVED BY Councillor Fougere, seconded by Councillor Walker that the Committee of the Whole recommend that Regional Council approve the proposed Civic Events Policy Framework as outlined in Attachment 1 of the staff report dated March 23, 2007. MOTION PUT AND PASSED.

Recommendation (2)

MOVED BY Councillor Fougere, seconded by Councillor Walker that the Committee of the Whole recommend that Regional Council approve the Terms of Reference for a Special Events Advisory Committee as outlined in attachment 3 of the staff report dated March 23, 2007. MOTION PUT AND PASSED.

Recommendation (3)

MOVED BY Councillor Fougere, seconded by Councillor Walker that the Committee

of the Whole recommend that Regional Council rename the Special Events Reserve to the “Marketing Levy Special Events Reserve” and approve the amended Reserve Business Case as outlined in attachment 2 of the staff report dated March 23, 2007. MOTION PUT AND PASSED.

Recommendation (4)

In response to Councillor Hendsbee’s suggestion that Recommendation 4 be deferred, Ms. Mary Ellen Donovan, Municipal Solicitor, advised that earlier today a motion to defer was focussed on the same item with the same rationale. Postponing discussion on the allocation has been considered and cannot be reconsidered at this time.

MOVED BY Councillor Fougere, seconded by Councillor Walker that the Committee of the Whole recommend that Regional Council distribute 60% of the Marketing Levy to Destination Halifax Cost Centre C711 and 40% to the Special Events Reserve Q315. MOTION PUT AND PASSED.

The meeting was recessed at 2:11 pm.

The meeting reconvened at 2:25 pm.

5. PROPOSED CAPITAL COST CHARGES BY-LAW C-600

- A staff report dated March 8, 2007 was before the Committee.
- A copy of the PowerPoint presentation was circulated to Committee at this time.

Mr. Peter Duncan, Manager, Community Development, Development Engineering, presented the report.

MOVED BY Councillor Rankin, seconded by Councillor McCluskey that the Committee of the Whole recommend that Halifax Regional Council approve in principle By-Law C-600 “A By-Law Respecting Capital Cost Charges”, as shown in Attachment A of the staff report dated March 8, 2007, and schedule a public hearing.

Mr. Duncan clarified for Council that the proposed Capital Cost Charge (CCC) for regional wastewater treatment facilities would be collected at the building permit stage not the subdivision stage. There may be an additional charge for wastewater treatment if the construction takes place in an area with an existing capital cost as that existing charge would be for regional infrastructure (such as pipes). The proposed CCC would be for the treatment plants and interceptor sewers not trunk sewers.

Councillor Fougere commented that she considers this proposal a disincentive to build in the urban core and an incentive to build outside the urban core which is contrary to the Regional Plan. She questioned why someone would choose to build in an older area where land cost is higher and the infrastructure is older when they could build outside the core where there is newer infrastructure and pay the exact same charge. The property in the urban core would have been subject to elevated taxes over a long period of time, on

top of all the other charges, which provided the funding to build the sewage treatment. Councillor Fougere advised that she supports the CCC concept but not for infill areas.

Numerous Members of Council agreed that the proposed CCC should not apply to infill areas.

Deputy CAO Wayne Anstey explained that the proposed CCC would be for the use of the sewage treatment plant and the cost to HRM would be the same regardless of where the building was located. Mr. Paul Dunphy, Director, Community Development, added that the fee is equitable as it will be the same flat rate throughout HRM; therefore, the decision on where to build would be more likely based on life style choice.

In response to concerns raised by Members of Council in regard to the proposed CCC also applying to replace an existing building that was destroyed by fire, flood or demolished for some reason; it was **MOVED BY Councillor Hendsbee, seconded by Councillor Fougere that the Capital Cost Charge not apply to replace an existing building.** Staff were requested to review the appropriate existing legislation for the proper wording in regard to what would constitute reasons for a building to be replaced. Issues such as mould, fire, storm, flood, minimum standards are to be considered. **MOTION PUT AND PASSED UNANIMOUSLY.**

Councillor Adams entered the meeting at 3:18 pm.

Members of Council requested a Supplemental Report to respond to the following concerns:

- The proposed rates, as outlined on page 2 of the staff report dated March 8, 2007, be amended to \$900 from \$877, \$600 from \$584 and \$0.30 from \$0.27.
- Clarity on the wording in the proposed CCC By-law in regard to a lien being placed on the property as the CCC would have been paid at the building permit stage.
- Clarification on whether HST is to be charged on the fee.

A vote was then taken on the main motion as follows, **MOVED BY Councillor Rankin, seconded by Councillor McCluskey that the Committee of the Whole recommend that Halifax Regional Council approve in principle By-Law C-600 "A By-Law Respecting Capital Cost Charges", as shown in Attachment A of the staff report dated March 8, 2007, and schedule a public hearing.** A Supplemental Report was requested to provide clarification on the issues as outlined above. **MOTION PUT AND PASSED.**

6. ADJOURNMENT

The meeting adjourned at 3:30 p.m.

Jan Gibson
Municipal Clerk