

HALIFAX REGIONAL MUNICIPALITY

**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE**

March 3, 2009

PRESENT: Mayor Peter Kelly, Chair
Councillors: Steve Streach
Barry Dalrymple
Lorelei Nicoll
Gloria McCluskey
Andrew Younger
Bill Karsten
Jackie Barkhouse
Jim Smith
Jerry Blumenthal
Dawn M. Sloane
Sue Uteck
Jennifer Watts
Russell Walker
Debbie Hum
Linda Mosher
Stephen D. Adams
Robert P. Harvey
Tim Outhit
Reg Rankin
Peter Lund

REGRETS: Deputy Mayor David Hendsbee
Councillors: Mary Wile
Brad Johns

STAFF: Mr. Dan English, Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Julia Horncastle, Acting Municipal Clerk
Ms. Chris Newson, Legislative Assistant

TABLE OF CONTENTS

1. CALL TO ORDER 3
2. APPROVAL OF THE MINUTES 3
3. TRANSIT FUNDING OPTIONS 3
4. ADJOURNMENT 7

1. CALL TO ORDER

Mayor Kelly called the meeting to order at 1:00 p.m.

2. APPROVAL OF THE MINUTES - February 10, 17 and 24, 2009

MOVED BY Councillor Blumenthal, seconded by Councillor Rankin that the minutes of February 10 and 24, 2009, as presented, be approved. MOTION PUT AND PASSED.

Councillor Rankin requested that his comments be included in the February 17 minutes relating to Performance Measurement outcomes and evaluation of the Economic Policy.

MOVED BY Councillor Blumenthal, seconded by Councillor Rankin that the minutes of February 17, 2009, as amended, be approved. MOTION PUT AND PASSED.

3. TRANSIT FUNDING OPTIONS

- A report dated January 26, 2009 was before the Committee of the Whole.
- A copy of the PowerPoint presentation was before the Committee of the Whole.

Mr. Dan English, Chief Administrative Officer, introduced Ms. Patricia Soanes, General Manager, Metro Transit.

Councillors Streach and Barkhouse entered the meeting at 1:08 p.m.

Ms. Patricia Soanes, General Manager, Metro Transit, presented the report.

Councillor Mosher entered the meeting at 1:18 p.m.

Councillor Dalrymple entered the meeting at 1:22 p.m.

MOVED BY Councillor Rankin, seconded by Councillor Lund that Halifax Regional Council direct staff to:

- 1. Include a transit fare increase in the proposed 2009/10 operating budget.**
- 2. Prepare future budgets and business plans on the assumptions contained within the staff report dated January 26, 2009.**
- 3. Initiate discussions with potential funding partners, such as the Province of Nova Scotia, to help enable sustainable transit operating funding.**

Councillor Rankin commented that there did not appear to be options available at this time to address the operational funding gap other than the fare increase which would be very transparent. He noted that there had not been a fare increase since 2005 and that Council has committed to enhancing transit service as a key component of the Regional Plan. If transit service was not increased, there would be additional increases to infrastructure

costs associated with transportation. Council Rankin suggested that the 53% sustainability received from the fare box be increased to 60% and that staff be encouraged to discuss transit service funding options with the other stakeholders such as the Provincial government.

Councillor Smith entered the meeting at 1:29 pm

Ms. Soanes clarified that the fare increase would close the operational funding gap for the 2009/10 year only. Council and staff would have to consider other opportunities to close future funding gaps.

Councillor Younger expressed concern with introducing a fare increase while outstanding service deficiencies exist. He commented that a fare increase should be part of a long term strategy noting that the proposed increase would only close the funding gap for the current year. He stressed the need for operational funding support from the Provincial government and that efficiencies in the capital / operating budgets be reviewed for possible funds that could be redirected to transit. Councillor Younger suggested that HRM should be presenting a case to the Nova Scotia Utility and Review Board each time the Halifax Dartmouth Bridge Commission appeared before the Board in order to request that a portion of the bridge fares be directed to transit service.

Councillor Sloane entered the meeting at 1:35 p.m.

Councillor Streach noted that he was in support of the fare increase as it would not be introducing a tax to everyone prior to the service being provided to them. He further noted that consideration should be given to redirecting funds from the Harbour Link Ferry project to cover the funding gap. He inquired why the Provincial government was not providing funding for transit.

Mayor Kelly clarified that sustainability funds had been received previously from the Federal Government and that Provincial funding has been received for specific projects for this year.

Councillor Uteck noted that she was not in support of a fare increase at this time as students, U-Pass transit users, would also be facing a 25% tuition increase and the increase would only cover the funding gap for one year. She suggested funding be redirected from the Harbour Link Ferry project to cover the transit shortfall.

Ms. Cathie O'Toole, Director, Finance, noted that there would be no investment in the Harbour Link Ferry in the 2009/10 budget as staff were considering deferral of the project until funding was available.

Councillor Sloane suggested the commencement of residential parking fees for on street parking on all residential streets and that the revenue generated be directed to transit services.

Councillor Walker noted that the proposed fare increase was modest, however; he had concerns with recommendation two of the motion as he would rather see transit increases in the general tax rate rather than by area rate.

Councillor Karsten noted that transit service could not continue to be subsidized at the rate it has been and that the fare increase would be in keeping with the tax reform theme “user pay for service”.

Councillor Sloane exited the meeting at 1:45 p.m.

Councillor Hum advised that she was in support of a modest fare increase while acknowledging that the increase may prove a hardship for some transit users who do not have vehicles. She expressed concern with recommendation two of the motion in regard to new revenue funding options such as property tax, area rates, bridge tolls and she stressed the need for a full, comprehensive report in regard to the transit strategy and tax reform.

Ms. Soanes clarified that the list of options presented would require further consultation with stakeholders and that it was not an exhaustive list. The rate increase would provide time for staff to pursue other options for Council’s consideration.

Councillor Blumenthal commented that he was not in support of a fare increase at this time due to the downturn in the world economy. He noted that he would rather see an increase in parking fees and have that funding directed to transit services than have his residents pay for roads for residents coming from outside the city limits to park for free all day. Instead of widening roads, he suggested the Provincial government be approached for funding transit services, or; that a tax on the bridge toll be directed to transit services.

Councillor Outhit commented that this was not the time to be introducing a fare increase that would be penalizing the residents who are doing what HRM has asked them to do which is to use public transit. He suggested that HRM’s transit ridership was higher than other comparable locations due to its affordability. He encouraged more innovative and creative funding options be explored such as: contacting the provincial government, redirecting funds from other HRM sources, sponsorship and advertising (on buses/bus stops) revenue. A fare increase should be a last resort. He noted that funding for the Harbour Link Ferry project was provided for that creative project and should not be eaten up in operating expenses. In regard to taxes, he advised that most residents were more concerned with value for their tax dollar and if HRM could show residents the increased value for their tax dollar, such as improving air quality / reducing infrastructure costs, they may be more supportive.

Councillor Lund concurred that, in the short term, a fare increase appeared to be the only option. He noted that residents have indicated they would not mind paying higher taxes as long as the services were provided. He explained that since the province has been mandated to do public transportation, HRM needs to approach the provincial government for transit funding. He requested clarification on transit ridership statistics as one source quoted 18% of HRM residents were utilizing public transit while another source indicated the figure at only 11.9%; he also requested projections for future ridership.

Councilor Watts indicated her support for enhancing transit service to fulfill the Five Year Transit plan but was not in support of the fare increase. She requested that staff review the issue to find a more creative option to resolve the funding gap. She explained that HRM should confirm the message that those residents utilizing transit made the right choice

and stand by them in terms of the fare. Councillor Watts also noted that she was in support of the tax reform in regard to the general tax rate for transit.

Councillor Dalrymple advised that he was in support of the fare increase considering there had not been an increase in four years. He suggested that Metro Transit consider re-routing or changing its underutilised routes and also look for other options to address the shortfall.

Councillor Harvey advised that he was in support of the fare increase as one of the elements to help pay for the Five Year Transit Plan recently endorsed by Council. He explained that even with the fare increase, HRM would be below the national average in regard to transit fares. He noted that the province had previously provided annual payments for transit service, therefore; HRM would not be setting a precedent by approaching the province for funding.

Councillor McCluskey suggested charging a fee for parking at the Metro Link/bus parking lots as a source of revenue for transit.

Councillor Barkhouse explained that she hears transit concerns on a daily basis from her residents, students of the Nova Scotia Community College Waterfront Campus and seniors who use Access-A-Bus, and that transit was the number one issue presented to her during the election campaign. She requested that staff re-evaluate budgets throughout HRM and discuss with the area Councillors the specific concerns for their districts. She noted that she would prefer a more comprehensive outline including information on the Woodside Ferry service. Councillor Barkhouse added that the public want to live in a green city and use the transit service but they will not take it if it does not work for them and transit service is not working well in District 8. She requested that staff look at the service being provided in relation to the fare when comparing HRM to comparable sized cities throughout the country.

Councillor Smith commented that it was irrelevant to him what other cities were doing in regard to transit as he regarded transit as a necessity and was concerned with what HRM's policy would be in regard to transit service and how it would be funded. He noted that most people would be able to afford the \$0.25 increase but approximately 30% would not due to the economic downturn. He questioned why other viable options were not presented at this time noting that Council does not want to see property tax increases nor reduction in programs. He suggested a cost benefit analysis be done to highlight the benefits of using transit. Councillor Smith advised that the was against a fare increase.

Councillor Adams noted that 53% of transit costs were paid by the user with the remainder subsidised by the tax payer. He explained that he would prefer for those using the service to pay a portion. He suggested an incremental annual increase of approximately \$0.05 that would be predictable and planned for by residents.

Councillor Rankin assumed the chair. Mayor Kelly left the meeting at 3:10 p.m.

Councillor Dalrymple explained that there were employment opportunities in District 2, at the airport, for home care providers and at local Golf courses but without transportation to and from those jobs prospective employees could not access those opportunities.

Councillor Sloane re-entered the meeting at 3:15 p.m.

Mayor Kelly resumed the Chair at 3:23 p.m.

Councillor Walker requested the motion be split with a separate vote taken on each recommendation.

Recommendation 1:

MOVED BY Councillor Rankin, seconded by Councillor Lund that Halifax Regional Council direct staff to include a transit fare increase in the proposed 2009/10 operating budget. MOTION PUT AND PASSED.

Recommendation 2:

MOVED BY Councillor Rankin, seconded by Councillor Lund that Halifax Regional Council direct staff to prepare future budgets and business plans on the assumptions contained within the staff report dated January 26, 2009. MOTION PUT AND DEFEATED.

Recommendation 3:

MOVED BY Councillor Rankin, seconded by Councillor Lund that Halifax Regional Council direct staff to initiate discussions with potential funding partners, such as the Province of Nova Scotia, to help enable sustainable transit operating funding. MOTION PUT AND PASSED.

4. ADJOURNMENT

The meeting adjourned at 3:26 p.m.

Julia Horncastle
Acting Municipal Clerk