

# HALIFAX REGIONAL MUNICIPALITY

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## COMMITTEE OF THE WHOLE MINUTES

December 13, 2010

PRESENT: Mayor Peter Kelly  
Deputy Mayor Jim Smith  
Councillors: Steve Streach  
Barry Dalrymple  
David Hendsbee  
Lorelei Nicoll  
Gloria McCluskey  
Darren Fisher  
Bill Karsten  
Jackie Barkhouse  
Mary Wile  
Jerry Blumenthal  
Dawn Sloane  
Sue Uteck  
Jennifer Watts  
Russell Walker  
Debbie Hum  
Stephen D. Adams  
Brad Johns  
Robert Harvey  
Tim Outhit  
Reg Rankin  
Peter Lund

REGRETS: Councillor: Linda Mosher

STAFF: Mr. Wayne Anstey, Acting Chief Administrative Officer  
Ms. Mary Ellen Donovan, Municipal Solicitor  
Ms. Cathy Mellett, Municipal Clerk  
Ms. Sherryll Murphy, Acting Municipal Clerk  
Ms. Sheilagh Edmonds, Legislative Assistant  
Ms. Krista Tidgwell, Legislative Assistant

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**1. CALL TO ORDER**

Mayor Kelly called the meeting to order at 11:29 a.m.

**2. APPROVAL OF THE MINUTES – None**

**3. BUDGET PLANNING**

A Supplementary Information Report dated December 10, 2010 was submitted.

An Information Report dated November 16, 2010, originally presented at the November 23, 2010 Regional Council meeting, was submitted.

Copies of the following presentations were circulated to Council:

- 2010/11 Financial Outlook
- Fiscal Theme
- Response to November 23<sup>rd</sup> Questions - Process & Services
- Overview of the Chief Administrative Office
- Overview of Legal Services
- Overview of Human Resource Services

Mr. Wayne Anstey, Acting Chief Administrative Officer addressed Council and advised that the original intent was to spend today and tomorrow on the community aspirations of the Corporate Plan; however, since Council wanted to continue the discussion from the November 23<sup>rd</sup> meeting, the Corporate Plan discussion would be rescheduled for early in the new year. He explained that over the next two days staff would seek direction from Council in regard to: developing the 2011/12 budget; approval of the schedule of the 2011/12 budget; and to get an indication of the areas around service reductions that Council want staff to consider in anticipation of the 2012/13 budget year.

Mr. Anstey noted that, in the information provided to Council for this meeting, staff provided a document responding to all the questions raised during the November 23<sup>rd</sup> discussion and questions subsequent to this meeting. He pointed out that a few of the questions were answered in an in camera report and this was because the topics raised were of a personnel nature. Mr. Anstey advised that if Council wanted to discuss these issues, it would then be appropriate to go In Camera for discussion. Mr. Anstey outlined the agenda for the next two days, noting that it would begin with Ms. Cathie O'Toole, Director of Financial Services, providing a recap of her November 23, 2010 presentation.

In concluding his remarks, Mr. Anstey indicated that he wanted to provide some clarity around a remark made in the November 23 staff presentation that created some concern among Councillors. He advised that the presentation seemed to have left the impression among Council that the Municipality is in desperate circumstances. Mr. Anstey explained that to put the situation in context, HRM has a \$13 million budget

shortfall which represents two percent of the proposed budget. He added that although this is a challenge and difficult decisions will need to be made, at the end of the process a balanced budget would be presented to Council. Mr. Anstey also pointed out that staff will bring proposals for a zero tax rate increase for the coming year.

Ms. Cathie O'Toole, Director of Financial Services addressed Council and provided an overview of the presentation she gave to Council on November 23, 2010. Ms. O'Toole advised that the recommendations staff proposed for the 2011/12 budget to cover the \$13 million gap were:

- continuing with vacancy management (\$3.5 million);
- expenditure reductions (\$3 million);
- reduce capital funding (\$6.5 million).

Ms. O'Toole added that this would enable Council to balance the budget this year and focus the discussion on service review and any change in services for 2012/13. She advised that the recommendation for 2012/13 would be that the remaining service reviews be completed by spring 2011; that the next service review areas would be selected; and that service review will be a priority and resources will be allocated to support this if necessary. Ms. O'Toole noted that staff had proposed the service review be vetted through the Finance and Audit Standing Committee, however, service reviews must be approved by all of Council.

Mr. Brad Anguish, Director of Business Planning and Information Management advised that at the November 23<sup>rd</sup> presentation, a budget planning process timeframe was presented. He noted that the only change made since then is relative to conducting the strategic planning session as noted by the CAO and this will be held in the January/February timeframe. Mr. Anguish emphasized the importance of reviewing the Corporate Plan that has a five to six year window. With regard to budget process timeframe, he indicated that the intention is still to table the budget in early April, conduct open house sessions, and hold the budget debate.

Council recessed at 11:47 p.m.

Council reconvened at 1:08 p.m. with Councillors Hum and Johns not in attendance; Councillor Streach exited the meeting shortly after.

Ms. O'Toole and Mr. Bruce Fisher, Manager, Fiscal & Tax Policy, delivered a presentation entitled: Fiscal Theme to Council.

Councillor Hum entered the meeting at 1:30 p.m.

Staff responded to points of clarification raised by Council.

In regard to a question raised by Councillor Sloane regarding the status of HRM's parking strategy and possible sources of revenue, Mr. Ken Reashor, Director/Traffic

Authority, Transportation and Public Works, advised that staff will be bringing forward components respecting the HRM parking strategy in January 2011.

Councillor McCluskey cautioned staff regarding messages of *no tax increase*, pointing out that an increase to assessment will result in an increase in taxes.

The following requests, concerns and suggestions were made by Council:

- requested a review of the assessments that were appealed
- implementing fines for stop work orders as a potential revenue strategy

In response to a question raised by Councillor Karsten, Ms. O'Toole advised that the Economic Strategy will be coming back to Council at the end of the fiscal year.

In response to a question raised by Councillor Lund, Mr. Fisher clarified that the reason that the percentage increase on the assessment cap for HRM being greater than the Province's cap is because the Province's cap is calculated based on the total paid by all Municipalities. HRM's share of assessment has been rising; therefore, HRM is paying on a greater amount. He further noted that he has heard no indication that the Province would be changing the system, removing the CPI cap, or including other expenditures.

Councillor Nicoll expressed concern that the public may not understand the definition of Local Improvement Charges (LICs) as well as By-Law L-100, and that LIC's may not be being applied consistently from district to district and requested a review of the criteria regarding how LICs are applied.

Councillor McCluskey requested a breakdown of the departments for General Government and Recreation & Cultural Services as identified under Expenditure Trends of the Fiscal Theme presentation.

In response to a question raised by Councillor Barkhouse, Mayor Kelly confirmed that Council has the authority to discuss management structure if they so choose. Mr. Anstey noted that the final decision regarding management structure is the decision of the CAO.

Additional items raised by Council included:

- concern with costs (regarding whether the area rates cover all costs of service) and inequity of service associated for sidewalk snow removal; further comprehensive review at the District level; possibility for public consultation respecting services

Councillor Hendsbee expressed concern with respect to the assessment data base. He commented that there are a number of properties that may not have an assessment account number or PID and asked for an explanation as to how those tax bills would be sent out to the properties. Ms. O'Toole advised that an overview of this will be provided during the Finance Business Unit's presentation. She noted that HRM has two projects underway with the Property Valuation Services Corporation (PVSC). HRM is

addressing a number of old tax sale files. There may be an opportunity to hold a special tax sale in April 2011. HRM is also participating with PVSC on a pilot project involving pictometry, which will assist in capturing additional characteristics on properties that may lead to increased assessment values. There are good business cases and models where this approach has been used in other jurisdictions.

Council recessed at 2:30 p.m.

Council reconvened at 2:46 p.m.

Mr. Anguish delivered a presentation entitled: Response to November 23<sup>rd</sup> Questions, Process & Service, which outlined the following:

- Corporate Planning Framework
- Summary of HRM's Outcomes & Priorities
- Community Outcomes and Council's Focus Areas
- 2010/11 Budget & Business Plan Program

Councillor Watts noted that Council had agreed that the work of HRM would be aligned with the focus areas and viewed through environment and accessibility filters. Mr. Anguish noted that was correct and advised that these filters would not be lost.

Mr. Wayne Anstey, Acting Chief Administrative Officer, provided an overview of the Chief Administrative Office to Council.

Mayor Kelly stepped down as Chair at 3:05 p.m. and Deputy Mayor Smith assumed the Chair.

Council entered into discussion with staff responding to questions.

Ms. Jennifer Church, Managing Director of External & Corporate Affairs, Chief Administrative Office, clarified that there are presently a total of 30 positions in Marketing and Communications across HRM. Included in these 30 positions are staff in the print shop, graphic specialists and public relations.

Councillor McCluskey expressed concern regarding the amount of newsletters and Christmas cards being sent out each year through the Councillors office, and suggested the possibility of eliminating that service.

**MOVED by Councillor McCluskey, seconded by Councillor Wile, that the Greater Halifax Partnership and Destination Halifax be combined into one department.**

Following a brief discussion, it was noted that matter is already under review and the motion was withdrawn.

Further discussion ensued, the following requests, concerns and suggestions were raised by Council:

- concern with the lack of resources in the Councillors' office
- undertake a review/comparison of the changes to the number of HRM employees hired over the last four years within the CAO's office as it is difficult to compare year-to-year based on realignments.

Mayor Kelly resumed as Chair at 3:17 p.m. and Deputy Mayor Smith took his seat.

In response to a question raised by Councillor Watts respecting creating greater efficiencies between the Councillors' support office and the Mayor's office, Mr. Anstey indicated that support available to the Councillors' office is currently in the CAO's office operating budget; with the exception of district capital which is under Fiscal Services. Mayor Kelly further advised that surpluses within the Mayor's office are returned to the general operating fund. He commented that the Mayor's office and CAO's office are open to suggestions from Council respecting opportunities for efficiencies.

Council agreed to reconvene, as scheduled, on December 14, 2010 for further discussion on budget planning.

#### **4. ADJOURNMENT**

The meeting adjourned at 3:25 p.m.

Cathy J. Mellett  
Municipal Clerk