



**HALIFAX REGIONAL COUNCIL  
COMMITTEE OF THE WHOLE MINUTES  
December 14, 2016**

PRESENT: Councillor Bill Karsten, Chair  
Mayor Mike Savage, Vice Chair  
Deputy Mayor Steve Craig  
Councillors: Steve Streach  
David Hendsbee  
Lorelei Nicoll  
Sam Austin  
Tony Mancini  
Waye Mason  
Lindell Smith  
Shawn Cleary  
Russell Walker  
Stephen Adams  
Richard Zurawski  
Matt Whitman  
Lisa Blackburn  
Tim Outhit

STAFF: Mr. Jacques Dubé, Chief Administrative Officer  
Mr. John Traves, Municipal Solicitor  
Ms. Sherryl Murphy, Deputy Municipal Clerk  
Ms. Phoebe Rai, Legislative Assistant

*The following does not represent a verbatim record of the proceedings of this meeting.*

*A video recording of this meeting is available:*

[http://www.halifax.ca/site/exit.php?url=http://archive.isiglobal.ca/vod/halifax/archive\\_2016-12-14.mp4.html](http://www.halifax.ca/site/exit.php?url=http://archive.isiglobal.ca/vod/halifax/archive_2016-12-14.mp4.html)

*The agenda, supporting documents, and information items circulated to Council are available online:*

<http://www.halifax.ca/council/agendasc/161214cow-agenda.php>

*The meeting was called to order at 10:00 a.m., and recessed at 12:15 p.m.  
Committee of the Whole reconvened in at 1:00 p.m. and adjourned at 2:53 p.m.*

**1. CALL TO ORDER**

Councillor Karsten called the meeting to order at 10:00 a.m.

**2. APPROVAL OF THE MINUTES – NONE**

**3. Fiscal Framework**

The following was before Committee of the Whole:

- A staff recommendation report dated December 1, 2016
- A copy of the staff presentation dated December 14, 2016

Mr. Jacques Dubé, Chief Administrative Officer, provided opening remarks referencing the 4-year strategic plan recently adopted by Regional Council which set out a renewed set of priorities. In order to achieve these priorities, the municipality must become more sustainable in making capital investments, more responsive to the service delivery requirements of the community, and even more efficient in the use and allocation of resources. Mr. Dubé highlighted that the proposed multi-year budgeting approach will assist the municipality to deliver on Regional Council's three key commitments to residents -- sustainability, accountability, and transparency – by integrating and aligning budgeting and financial management with long term business plans.

Ms. Amanda Whitewood, Chief Financial Officer and Director of Finance and Information Technology, and Mr. Bruce Fisher, Manager of Financial Policy and Planning, provided the staff presentation regarding Fiscal Framework 2017 to 2020. Ms. Whitewood detailed the four critical influences of operating budget, capital budget, debt and reserves. She provided information regarding the economic and financial assumptions including Council's aspirational growth plan and base budget assumptions for the next four years. Mr. Fisher spoke to recent trends in residential and commercial assessment and provided detail regarding the seven key council decisions to be made regarding: taxes, existing municipal services, service changes, capital budget, capital from operating, debt, and reserves. He outlined several possible scenarios to balance the fiscal framework. Ms. Whitewood concluded with an overview of how the recommended preliminary fiscal direction aligns with Council's approved priorities.

MOVED by Mayor Savage, seconded by Councillor Nicoll

**THAT Committee of the Whole recommend that Halifax Regional Council direct staff to develop the multi-year operating budgets for 2017-2018 and 2018-2019 according to Council's approved priorities, and preliminary fiscal direction, including:**

- **maintaining the appropriate level of existing services with the addition of the new services previously approved by Council;**
- **a stable capital budget that maintains state of good repair while also funding growth related issues and service improvements;**
- **a responsible and declining debt position;**
- **appropriate reserve balances that allow for risk mitigation, future obligations and opportunities;**
- **alignment of the current average tax bill for residential homes and commercial properties with all relative economic indicators.**

A discussion ensued with staff responding to questions of clarification. Key highlights include:

- The tax rate in the recommended scenario would only increase if the assessment value increase was lower than 1.8 percent, which is the recommended change in the average tax bill.
- There is still considerable room for public input on the 2017-2018 budget.

- Under the strategic capital funding strategy, staff have reserved \$10 million per year for the multi-government infrastructure plan.
- There have been legislative changes regarding the commercial tax structure; however, staff propose additional consideration and consultation before implementing new taxation tools.
- Staff recommend indexing the change in the average tax bill to 70% of CPI inflation based on a conservative analysis of risk and other assumptions. Mr. Fisher advised that the figure of 70% was selected as a balance, as 100% would imply that the municipality is not looking for efficiencies and 0% would signal erosion in the service base.

Council requested a list of projects related specifically to finding efficiencies. Mr. Dubé agreed to produce a list of the projects that have been undertaken, noting that there are a number of pilot projects that will be completed by May that focus on hard savings, cost avoidance, and service improvement.

Mayor Savage, Councillor Adams and Councillor Streach left the meeting at 12:02 p.m.

#### **MOTION PUT AND PASSED.**

Committee of the Whole recessed at 12:15 p.m. and reconvened at 1:00 p.m.

#### **4. Proposed 2017-18 Capital Program Budget and 10 Year Capital Plan**

The following was before Committee of the Whole:

- A staff recommendation report dated December 5, 2016
- A revised attachment 1A to the staff report dated December 5, 2016
- A copy of the revised staff presentation dated December 14, 2016

Mayor Savage returned to the meeting at 1:20 p.m.

Ms. Jane Fraser, Acting Deputy Chief Administrative Officer and Mr. Michael Matheson, Senior Financial Consultant provided the staff presentation regarding the Proposed 2017-18 Capital Program Budget, noting that for the first time staff have prepared a 10-Year Capital Plan, rather a 5 year plan as in previous years. Ms. Fraser outlined key considerations in the capital budget including council priorities, sustaining infrastructure, planning for regional assets and delivery of key initiatives, federal funding opportunities, and the operating budget and funding strategies. She reviewed the strategic capital plan approved by Regional Council and provided a high level overview of the 5 and 10 year capital investment program, highlighting that the proposed spending is fairly closely split between state of good repair and service improvements, with minimal growth. Ms. Fraser advised that the proposed capital program work plan is very aggressive at \$274.3 million. She indicated that if funding becomes available from other levels of government, the steering committee has recommended that funds be added back to street recapitalization, business tools, buildings, Halifax Transit, fleet, parks and playgrounds, other transportation, and active transportation.

MOVED by Councillor Walker, seconded by Councillor Whitman

#### **THAT Committee of the Whole recommend to Halifax Regional Council to:**

- 1. Direct staff to prepare the ten-year capital plan, approve the capital budget for 2017-18, and schedule of reserve withdrawals, and approve in principal the 2018-19 capital budget as presented to Committee of the Whole as per Attachments 1a, 1b and 1c of the staff report dated December 5, 2016.**
- 2. Approve the list of 2017-18 advanced capital funding as per Attachment 2 of the staff report dated December 5, 2016.**
- 3. Approve the list of multi-year projects as per Attachment 3 of the staff report dated December 5, 2016.**

The following amendment was MOVED by Deputy Mayor Craig, seconded by Councillor Mason

**THAT the amounts budgeted for street recapitalization under project number CR000005 for 2017 be \$30 million, for 2018 be \$30 million, for 2019 be \$32 million, for 2020 be \$33 million, and for 2021 be \$33 million.**

A brief discussion ensued regarding street recapitalization. Key highlights include:

- In the last budget cycle, Council approved higher amounts for street recapitalization.
- There is approximately \$9 million remaining in the 2016 budget for street recapitalization, which will be brought forward in addition to the \$21 million in the proposed budget for a total of approximately \$30 million of work to be carried out in 2017.
- The figures in the proposed capital plan reflect actual capacity to deliver the work based on discussions at working and steering committees;
- A pavement management system will be implemented through the enterprise asset management program to provide more accurate data to assist in the the prioritization of street recapitalization projects.
- If funding is realized for 2018-2019, staff proposes to increase the amount by \$10 million.

Based on the preceding discussion, it was suggested that the amendment be revised such that staff are directed to consider options for retaining the previously established funding levels. Mr. John Traves, Municipal Solicitor suggested that the amendment direct staff to prepare a report regarding street recapitalization that includes amounts being carried forward. Ms. Fraser indicated that a report could be provided by February 2017 in order to be considered in the current budget cycle.

Mayor Savage left the meeting at 2:12 p.m.

Deputy Mayor Craig asked to withdraw the amendment, to which Council agreed.

The following amendment was MOVED by Deputy Mayor Craig, seconded by Councillor Mason

**THAT Committee of the Whole recommend that Halifax Regional Council request staff to look at options to retain the funding levels established in the 2016-2017 capital budget for Street Recapitalization and report back to Council.**

**MOTION TO AMEND PUT AND PASSED.**

The question was called on the motion as amended.

**AMENDED MOTION PUT AND PASSED.**

## **5. ADJOURNMENT**

The meeting was adjourned at 2:53 p.m.

Kevin Arjoon  
Municipal Clerk