



**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE MINUTES
January 25, 2017**

REVISED

PRESENT: Councillor Bill Karsten, Chair
Mayor Mike Savage
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
Lisa Blackburn
Tim Outhit

REGRETS: Councillor Matt Whitman

STAFF: Ms. Amanda Whitewood, Director of Finance & ICT/CFO
Mr. John Traves, Municipal Solicitor
Mr. Kevin Arjoon, Municipal Clerk
Ms. Sheilagh Edmonds, Legislative Assistant
Mr. Liam MacSween, 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/council/agendasc/170125cow-agenda.php>

The agenda, supporting documents, and information items circulated to Council are available online: <http://www.halifax.ca/council/agendasc/170125cow-agenda.php>

The meeting was called to order at 9:32 a.m. and recessed at 12:28 p.m. Council reconvened at 1:03 p.m. Council adjourned at 3:05 p.m.

1. CALL TO ORDER

Councillor Karsten called the meeting to order at 9:32 a.m.

Ms. Amanda Whitewood, Director of Finance & ICT/CFO addressed Council and provided an overview of this year's budget and business plan process. In her presentation she noted the following:

- Estimate \$5 million in new revenues to balance the budget in the coming year.
- With budget assumptions; this has led to a gap of \$12 million in year one, to a \$63 million gap in year 4 in the base case.
- To close the gap in the operating budget, proposed an inflationary factor of 1.8 percent to generate an additional \$9 million in revenue, leaving a remaining gap of approximately \$3 million.
- The percentage increase in the average tax bill leaves the rate at the 2016/17 levels.
- The gap of \$3 million has been closed by giving business units challenging targets, levelling out the transfer of operating to capital to just below \$40 million, and reducing costs where possible without impacting service levels.
- Slowing growth in the capital budget helps shift funds to existing services; transit rates will drop slightly in favour of creating room in general tax rates. These actions make ongoing services to the public more sustainable in the two to four years.
- This approach has led to creating a fiscal strategy that includes an average tax increase of \$33 to the residential tax bill without impacting the tax rate.
- Capital Plan is \$188 million in the coming year; and year two of a \$143 million (approved in principle) along with direction to staff to look at options to retain the funding levels established in 16/17 capital budget for street recapitalization.
- Delivery date on the budget is April 1, 2017

Ms. Whitewood spoke to the process for this year's budget deliberations advising that for the options presented by Council and staff, Finance staff will simulate the impact on the tax rate and keep a running total and provide the impact at Committee of the Whole meeting near the end of the process. Running totals will be provided at the beginning of the Committee of the Whole meetings on February 1st and 8th. Ms. Whitewood also noted that staff will be providing a report on the results of public budget allocator which has been open since December. In concluding her remarks, Ms. Whitewood advised that the Municipality has a solid balance sheet, the reserves are in good stead, debt continues to decline, capital assets are in excess of \$3 billion, and cash balances are adequate to meet current and long term obligations. She added that as a result the Municipality's equity is in good shape, but the tension is on current expenditures with current revenues, i.e. covering growing expenses with fixed incomes.

2. APPROVAL OF THE MINUTES – NONE

3. Halifax Transit

The following was before Regional Council:

- A staff recommendation report dated January 11, 2017

Mr. Dave Reage, Director Halifax Transit provided the presentation on Halifax Transit's multi-year budget and business plan.

MOVED by Deputy Mayor Craig, seconded by Councillor Mason

That staff prepare the 2017/2018 Multi-year Halifax Transit Budget and Business Plan, including 2018/2019 in principle, as proposed in the presentation provided to Council on this date and consistent with the preliminary fiscal direction.

The Chair invited members of the public who wished to address Council, to come forward at this time.

Mr. Jeff Blair, addressed Council and advised that he was a public transit advocate, with a group called *It's More Than Buses*. In his remarks he advised that he was pleased with some of the improvements to the experience-oriented services that are in the Plan; and that improvements could be made to the destination-oriented types of services, such as making transit service faster, more reliable, and more frequent. Mr. Blair put forward two recommendations for Council's consideration which he indicated could be easy to include in a service report, i.e. Council consider measuring how fast, frequent, and reliable the service is, and including 'on time' performance in the Key Performance Indicators.

The Chair called for anyone else wishing to address Council; there being none, he advised that Council would continue with its discussion on the Transit budget.

Mr. Reage and Ms. Patricia Hughes, Manager, Planning and Scheduling responded to questions.

Councillor Austin noted that the ferry has been key while the 'Big Lift' bridge project has been underway, and that with the new ridership, he believed it would be a mistake to cut the back on the service. He questioned whether it would be possible to have service all-day Sunday without impacting the weekday service. In response, Mr. Reage advised that due to scheduling, to add this service, would require a reduction in service elsewhere on the schedule.

MOVED by Councillor Austin, seconded by Councillor Mancini

That Committee of the Whole add Expanded Ferry Service into the Options List to be considered by Committee of the Whole at a later date for inclusion in the 17/18 Multi-Year Budget Process, and to direct staff to provide an estimate of the two year budget implication.

MOTION PUT AND PASSED.

With the debate on the Halifax Transit Budget and Business Plan complete, the Chair called for the vote on the main motion.

MOTION PUT AND PASSED.

Councillor Mason indicated that he had a motion to put forward, however, he pointed out that it pertained to the 2018/19 budget.

MOVED by Councillor Mason, seconded by Councillor Hendsbee

That Regional Council request a staff report regarding options and opportunities for adjusting the Local Transit and Regional Transportation rates to better reflect service delivery in both areas and bring recommendations for consideration during the 2018/19 budget deliberations.

MOTION PUT AND PASSED.

4. Planning & Development

The following was before Regional Council:

- A staff recommendation report dated January 18, 2017
- A revised presentation slide – pg. 30, 'Changes Included in Proposed Budget'
- Planning & Development Strategic Plan 2015-2019

Mr. Bob Bjerke, Director of Planning and Development provided the presentation on the Planning and Development Multi-year Budget and Business Plan.

The Chair invited members of the public who wished to address Council, to come forward at this time. The Chair called three times for further speakers, there were none present.

Council recessed at 12:28 p.m.

The meeting reconvened at 1:03 p.m.

Committee of the Whole continued consideration of the Planning and Development Multi Year Budget and Business Plan.

MOVED by Deputy Mayor Craig, seconded by Councillor Mancini

That staff prepare the 2017/2018 Multi-year Planning & Development Budget Business Plan, including 2018/2019 in principle, as proposed in the presentation provided to Council on this date and consistent with the preliminary fiscal direction.

In response to questions of clarification from members of Halifax Regional Council, Mr. Bjerke provided the following feedback:

- The implementation path for the parking strategy will come forward as part of the budget approval documents.
- Planning & Development staff coordinate with other business units, such as Operations Support, Halifax Regional Police (HRP) and the RCMP with respect to parking enforcement. He advised that discussions are underway to improve lines of communication and the staff will come back to Council with a report on the matter.
- Staff is currently working on a communication strategy with respect to Subdivision approvals, which aims to clarify the rules and regulations for potential applicants.
- Staff is working on a new permitting structure which will encourage applying for permits to ensure building safety and reduce the workload of compliance officers.
- A staff report is forthcoming which will outline a framework for application timelines and a public consultation process.

Committee of the Whole requested that further information will be provided by staff on the following matters:

- A list of staff assigned to the Rural Planning Team
- A comparison of revenue and expenditures during the period where By-Law Enforcement and HRP Officers provided parking enforcement services as opposed to the current carriers.
- Further information regarding tree planting/landscaping along Highway 118 near Dartmouth Crossing.

In response to a follow up question, Mr. Jacques Dubé Chief Administrative Officer noted that the risk in the Planning & Development budget proposal is around staffing, compliance and fee restructuring. He noted that staff will need the revenue from fee restructuring to offset the cost of staffing and resourcing. He further advised that HRM is the sole shareholder of Halifax Water and that it is important for Council to remain engaged in the work that takes place between both organizations.

MOTION PUT AND PASSED.

5. Operations Support

The following was before Regional Council:

- A staff recommendation report dated January 16, 2017

Mr. Peter Stickings, Acting Director of Operations Support provided a presentation in relation to Operations Support Multi-Year Budget & Business Plan. Councillor Karsten thanked Mr. Stickings for his presentation.

Councillor Karsten invited members of the public to come forward and speak on the budget presentation.

Mr. Mark Cunningham, President of CUPE 108, provided commentary with respect changes to facility maintenance staffing and suggested that HRM should decrease its practice of using outside contractors to do a lot of the work that HRM tradespeople can do. He provided further commentary with respect to adopting a living wage policy for outside contractors.

Councillor Karsten thanked Mr. Cunningham for his comments and called three times for more speakers. There were no speakers present.

MOVED by Councillor Mason, seconded by Councillor Mancini

That staff prepare the 2017/2018 Multi-year Operations Support Budget Business Plan, including 2018/2019 in principle, as proposed in the presentation provided to Council on this date and consistent with the preliminary fiscal direction.

In response to questions of clarification from members of Regional Council, Mr. Stickings provided the following commentary:

- The corporate accommodations road map is complete and implementation is ongoing. He advised that the road map develops a five year plan which looks at growth and consolidation and the optimization of corporate real-estate.
- Transportation and Public Works will shortly be initiating a depot study and rationalization project, which operation support will be assisting with.
- In terms of fuel cost, staff have conducted a great deal of modeling on gas and diesel, and noted that the adjustments are within the target. He advised that staff does not see fuel costs as a large risk but rather, parts and age of fleet as a higher risk factor. He noted that there is a new management team and fleet focused software which has been put in place to manage these risks.
- There is a plan to add two more resources through corporate alignments to the Corporate Real-estate group. He advised that HRM's portfolio is growing and individuals are looking for shorter transaction periods.

The following motion was passed for inclusion on the budget "options list":

MOVED by Councillor Hendsbee, seconded by Councillor Nicoll

THAT Call Centre Optimization be included on the Options List to be considered at a later date for inclusion in the 17/18 Multi-Year Budget Process, and to direct staff to provide an estimate of the two year budget implication.

MOTION PUT AND PASSED.

Mr. Sticking responded to further questions of clarification from members of Halifax Regional Council.

MAIN MOTION PUT AND PASSED.

6. ADJOURNMENT

The meeting was adjourned at 3:05 p.m.

Kevin Arjoon
Municipal Clerk