



**BUDGET COMMITTEE
(STANDING COMMITTEE OF THE WHOLE ON BUDGET)
MINUTES
March 22, 2019**

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

REGRETS: Councillors Waye Mason

STAFF: Jane Fraser, CFO, Director of Finance, Asset Management & ICT
John Traves, Municipal Solicitor
Kevin Arjoon, Municipal Clerk
David Perusse, Legislative Assistant

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

The agenda, reports, supporting documents, information items circulated, and video (if available) are online at halifax.ca.

The meeting was called to order at 9:06 a.m., and adjourned at 10:15 a.m.

1. CALL TO ORDER

Councillor Karsten, Chair called the meeting to order at 9:06 a.m. in Council Chamber, 3rd Floor City Hall, 1841 Argyle Street, Halifax.

2. APPROVAL OF THE MINUTES – January 18, 23, 30 and February 1, 6, 8 and 15, 2019

MOVED by Councillor Nicoll, seconded by Councillor Blackburn

THAT the minutes of January 18, 23, 30 and February 1, 6, 8 and 15, 2019 be approved as presented.

MOTION PUT AND PASSED.

3. Funding Options for Approved Budget Adjustment Items in 2019/20 Operating Budget

The following was before the Budget Committee:

- A supplementary staff recommendation report dated March 5, 2019
- A staff recommendation report dated February 15, 2019
- Correspondence submitted by Jordi Morgan and Kate Allen, Canadian Federation of Independent Business, dated March 11, 2019
- Correspondence submitted by Anne Thomas, Dona Morash, Jean Harris, Jill Mckee, Lois Smith, Grace Stanford, Helen Myers, Sheilagh Macauley, Jane Murphy, Jen Boudreau and Ann Clarke, dated February 20, 2019

Kevin Arjoon, Municipal Clerk, noted that there is a deferred motion on the floor from the February 28, 2019 meeting of the Budget Committee, which was as follows:

MOVED by Councillor Nicoll, seconded by Councillor Whitman

THAT the Budget Committee direct the CAO to finalize the 2019/20 Proposed Budget and Business Plans as previously directed, including:

- i. **A \$600,000 reduction in the 2019/20 Fiscal Services budget;**
- ii. **The use of an additional \$600,000 from the projected 2018/19 Halifax Transit budget surplus as a one-time change to fund costs of the Moving Forward Transit Plan, and:**
- iii. **All proposed cost savings as outlined in the Revised Item No. 3 – Attachment A of the staff report dated February 15, 2019; and**
- iv. **That the following program changes to the 2019/20 budget be funded through a 2.3% tax adjustment which would result in a \$42.00 (approximate) increase to the average tax bill:**
 - **Articled Clerk Program - \$113,900**
 - **Addition of a Full Time Employee – Administrative Assistant for Government Relations and External Affairs - \$76,700**
 - **The development of social development measures for social policy lens and public safety goals - \$40,000**
 - **Addition of a New Full Time Employee - Conflict Resolution/Respectful Workplace Specialist - \$100,000**
 - **Partnership with HRM ICT Services and VOLTA Labs - \$125,000**
 - **Continuation of the Senior Snow Removal Program - \$100,000**
 - **Tree Planting / Pruning Program - \$200,000**
 - **Winter Works Road Salt/Sand/Street Maintenance - \$712,500**
 - **Moving Forward Together Plan Expected Service Changes – Group B - \$679,000**
 - **One-time capital contribution to the YMCA of Greater Halifax/Dartmouth towards the purchase of a replacement YMCA facility -\$1,000,000**

- Trail Maintenance funding - \$20,000
- Parks Materials funding - \$10,000
- Net Change to the Multi District Facility (MDF) Subsidy - \$164,000
- Public Safety Initiatives to Build Community Mobilization Team capacity - \$45,000
- Arts Halifax Funding to enable increased support to Arts organizations - \$75,000
- Current Planning: 2 Permanent Planner II position - \$180,000
- Regional Planning: 2 Permanent Planner III positions - \$192,000
- Director's Office: 1 Term Report Controller position - \$80,000
- Infrastructure Planning: 1 Permanent Transportation Demand Management Coordinator position - \$100,000
- Buildings & Compliance: 7 Term Compliance Officer I positions + 1 Term Supervisor (Parking Enforcement) - \$596,000
- Water Quality Monitoring Program - \$150,000
- Rural Transit Funding - \$220,000
- Navigator Program - \$90,000
- Reduction of 4-8 FTE staff positions Halifax Public Library - \$350,000
- Additional ten Firefighters for Station 45 (Fall River) to increase service delivery to 24/7 from E Platoon - \$363,000
- Reversal of proposed reductions to HRFE services as required to meet 1.9% target - \$997,000.

The Chair called three (3) times for members of the public wishing to speak on the matter; there were none.

Speaking to the supplementary staff report dated March 5, 2019, Mayor Savage noted that the Municipality is currently looking at an approximate \$8.5 million surplus, and suggested that the Committee consider an amendment to the motion to use a portion of this surplus to reduce the average tax bill for 2019/20. They noted that the 2.3% tax increase outpaces the Consumer Price Index rate of inflation, and suggested applying a portion of the surplus to reduce the tax increase to 2.1%, which is in keeping with inflation.

MOVED by Mayor Savage, seconded by Councillor Whitman

THAT the motion be amended to include an allocation of \$900,000 from the projected 2018/19 operating surplus to the 2019/20 operating budget, which will be used to contribute to the funding of items on the Budget Adjustment List, and adjust the average tax bill to a 2.1% tax increase for the 2019/20 budget.

David Hensdbee joined the meeting at 9:28 a.m.

Responding to questions from members of the Budget Committee, Jacques Dubé, Chief Administrative Officer, and Jane Fraser, CFO, Director, Finance and Asset Management and ICT, noted that the majority of the projected 2018/19 operating surplus comes from a growth in revenue from Business Units.

Speaking to the potential budgetary risks of the proposed amendment, Dubé and Fraser cautioned the Committee about using surpluses to fund expenses that are operational and ongoing in nature, as surpluses are unpredictable and potentially non-recurring. It was noted that the current Budget Adjustment List contains many items that have multi-year budgetary impacts. Fraser further noted that there will be an approximate increase of \$2.3 million in expenditures for current Budget Adjustment List items in 2020/2021 over the costs for 2019/2020.

MOTION TO AMEND PUT AND DEFEATED.

The Budget Committee returned to consideration of the main motion.

MOTION PUT AND PASSED.

4. ADJOURNMENT

The meeting adjourned at 10:15 a.m.

Kevin Arjoon
Municipal Clerk