



**BUDGET COMMITTEE
(STANDING COMMITTEE OF THE WHOLE ON BUDGET)
SPECIAL MEETING
MINUTES
MAY 26, 2020**

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

STAFF: Jacques Dubé, Chief Administrative Officer
John Traves, Municipal Solicitor
Jane Fraser, Chief Financial Officer
Chief Dan Kinsella, Halifax Regional Police
Chief Ken Stuebing, Halifax Regional Fire & Emergency
Sherryl Murphy, A/Municipal Clerk
Krista Vining, 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 special meeting was called to order at 10:06 a.m., and adjourned at 12:01 p.m.

1. CALL TO ORDER

The Mayor called the meeting to order at 10:06 a.m.

MOVED by Councillor Nicoll, seconded by Councillor Mancini

THAT Halifax Regional Council allow for the circulation of late reports under section 24 of Administrative Order One, Respecting the Procedures of Council.

MOTION PUT AND PASSED.

2. APPROVAL OF THE MINUTES – NONE

3. Proposed 2020/21 Budget Recast for COVID-19 Impacts (Continuation from May 22)

The following was before Budget Committee:

- A staff recommendation report dated May 1, 2020
- A staff presentation entitled '2020/21 Recast Budget Discussion'

The following motion from the May 12, 2020 meeting of the Budget Committee reads:

MOVED by Deputy Mayor Blackburn, seconded by Councillor Nicoll

THAT the Budget Committee direct the Chief Administrative Officer to revise the 2020/21 Proposed Operating and Capital Budgets, as voted on by Regional Council's Committee of the Whole on Budget at their February 12, 2020 meeting, using the revisions proposed in the staff report dated May 1, 2020 as summarized in Table 3, supported by attachment C and D.

Budget Committee agreed to further general budget discussion and questions to staff regarding the Budget Recast.

Jane Fraser, Chief Financial Officer provided an update on residential and commercial taxes collected as of May 25, 2020, noting that \$135 million was outstanding. Fraser noted that residential taxes were up to date and 38% of commercial taxes had been paid, estimating that many commercial property owners would wait until the June 1, 2020 deadline. Fraser explained that the estimated year-end surplus for 2019-20 was in the range of \$32 million and that \$15 to \$16 million in reserves could be used to offset items on the Budget Adjustment List (BAL). They explained that it would be feasible to use funds from the 2019-20 surplus to offset 2020-21 budget pressures but given the uncertainty of the financial impacts of COVID-19, staff were recommending that any 2019-20 surplus be rolled into the fiscal 2020-21 budget. In response to a question raised, Fraser advised additional information would be provided on the collection of commercial tax. Fraser confirmed that the tax rate remained at 1.4% increase on the average tax bill.

Jacques Dubé, Chief Administrative Officer responded highlighted that if Budget Committee agreed to put more items back into the budget, staff would go back and find a way to fund those items without impacting the tax rate, either through reserves or a reduction to other items, noting that it would have impact on future budget years.

Fraser confirmed that the proposed hiring freeze and vacancy management was \$15.9 million. They further responded to a question on converting capital from operating to debt, explaining that they were trying to leave room for future budget years that would be more challenging (e.g. years 2-4). In response to a question on the economic impact from COVID-19 on the labour market, Fraser advised that additional information would be provided on the measure used (e.g. StatsCan).

i) Supplementary Information Report – Revised

The following was before Budget Committee:

- A revised supplementary information report dated May 19, 2020

This matter was deferred to a special Budget Committee meeting on May 28, 2020.

3ii. Supplementary Report – Board of Police Commissioners

The following was before Budget Committee:

- A supplementary report from the Chair of the Board of Police Commissioners dated May 25, 2020

Commissioner Natalie Borden, Chair of Board of Police Commissioners spoke to the Board's discussion and recommendation based on the direction provided by Budget Committee May 20, 2020 to provide additional HRP budget reduction scenarios by \$4.5 million or \$3.5 million from the previous \$5.5 million budget reduction.

Chief Dan Kinsella, Halifax Regional Police (HRP) explained that under a \$4.5 million reduction scenario \$3,250,800 would come from compensation, 19 staffing reductions, and \$1,249,200 from non-compensation. Under a \$3.5 million reduction scenario, \$2,570,300 would come from compensation, 12 staffing reductions, and \$929,700 from non-compensation. Chief Kinsella noted that a reduction of \$3.5 million would allow HRP to retain additional contract staff in order to keep more offices open, continue with site security and other services. In response to a question raised, Chief Kinsella indicated that positions such as Community Response Officers and Patrol Division were not being eliminated but vacancies would not be filled temporarily.

MOVED by Councillor Mancini, seconded by Deputy Mayor Blackburn

THAT the Budget Committee receive the Board of Police Commissioners additional Halifax Regional Police 2020/2021 budget considerations for a budget reduction of \$3.5 million in comparison to the proposed \$5.5 million budget reduction.

Discussion was held on minimizing impact to HRP operations. In response to a question raised, Chief Kinsella confirmed that the Province provides funding for 25 officers under the Boots on the Street Program. Similarly, these positions were not being eliminated but vacancies would not be filled temporarily.

MOTION PUT AND PASSED. (14 in favour, 2 against)

In favour: Mayor Savage, Deputy Mayor Blackburn, Councillors Streach, Karsten, Nicoll, Austin, Mancini, Mason, Smith, Walker, Adams, Zurawski, Russell, Outhit

Against: Councillors Hendsbee, Whitman

Not present: Councillors Karsten, Cleary

3iii. Supplementary Information Report – Halifax Regional Fire & Emergency

The following was before Budget Committee:

- A supplementary information report dated May 22, 2020

Chief Ken Stuebing, Halifax Regional Fire and Emergency (HRFE) spoke to the additional HRFE budget reduction scenarios of \$4.5 million or \$3.5 million from the proposed \$5.5 million. A \$4.5 million reduction would provide some relief to station closures but would still see the closure of station 11 and 60 or 50, the Volunteer Fire Recognition Program would still be cut by \$425,000, and the Ground Search and Rescue (GSAR) grant and the Post Traumatic Stress Disorder (PTSD) support would be presented in the original

target. A \$3.5 million reduction would mean that HRFE would not need to close any stations, or see a reduction in service, the Volunteer Fire Recognition Program would remain and the GSAR grant and PTSD would be mostly covered. Any reduction option would leave a vacancy gap of \$2.4 million.

MOVED by Councillor Mancini, seconded by Councillor Russell

THAT Budget Committee approve the Halifax Regional Fire and Emergency for a budget reduction \$3.5 million in comparison to the proposed \$5.5 million budget reduction.

MOTION PUT AND PASSED UNANIMOUSLY.

Not present: Councillor Karsten

3iv. Supplementary Recommendation Report – Corporate Accommodations – CB190011

The following was before Budget Committee:

- A supplementary staff report dated May 21, 2020
- A briefing note – response to request for information in relation to Customer Service Centre and 311 – hours of operation including after hours dated May 22, 2020

This matter was deferred to a special Budget Committee meeting on May 28, 2020.

4. 2020/21 Budget Adjustment List (Post COVID) for Consideration

The following was before Budget Committee:

- A staff recommendation report dated May 21, 2020
- A revised budget adjustment list briefing note – District Capital
- A budget adjustment list briefing note – CB000046 Corporate Accommodations
- A budget adjustment list briefing note – CY190001 Streetscaping
- A budget adjustment list briefing note – NACTO and Other Memberships
- Correspondence from Donald Forbes, Marike Finlay-de Monchy, Murray Kirkpatrick, Peter McCurdy, Margaret Sagar, Anne-Louise Wingrove, Michael Bradfield, Jane Finlay-Young, Brian Gifford, Peter Roberts, Gwen Davies, Joanne Light, Stephen E. Hart, Donna Foulkes

This matter was deferred to a special Budget Committee meeting on May 28, 2020.

5. ADJOURNMENT

The meeting was adjourned at 12:01 p.m.

Sherryl Murphy
A/Municipal Clerk