



**BUDGET COMMITTEE
(STANDING COMMITTEE OF THE WHOLE ON BUDGET)
MINUTES
July 19, 2019**

PRESENT:

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

REGRETS:

Councillors Bill Karsten
Steve Streach

STAFF:

Jane Fraser, CFO, Director of Finance, Asset Management & ICT
John Traves, Municipal Solicitor
Sherryl Murphy, Deputy 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 9:34 a.m. and adjourned at 12:13 p.m.

1. CALL TO ORDER

Mayor Savage called the meeting to order at 9:34 a.m. in Council Chamber, 3rd Floor City Hall, 1841 Argyle Street, Halifax.

MOTION PUT AND PASSED.

2. APPROVAL OF MINUTES – NONE

Additions:

3.1 2019/20 Supplemental Gas Tax Funding

MOVED by Councillor Mason, seconded by Councillor Walker

THAT the order of business be approved as amended.

Two-thirds vote required.

MOTION PUT AND PASSED.

3. Prioritizing Capital Outcomes

The following was before the Budget Committee:

- A staff recommendation report dated July 3, 2019
- A staff handout titled "Strategic Plan 2017-21"
- A staff presentation titled "Prioritizing Capital Outcomes"
- Handouts submitted by Councillor Hendsbee from the Sheet Harbour and Area Chamber of Commerce and Community Affairs and the Eastern Shore Lifestyles Centre Society

Crystal Nowlan, Manager, Asset Management, provided the Committee with a presentation on prioritizing capital outcomes. Nowlan provided an outline of the Capital Prioritization Framework, noted that staff are seeking direction on Council's weighting of Council's priority areas, which staff will then use to better align capital prioritization.

Mayor Savage opened public participation and invited members of the public wishing to speak on the matter to come forward.

Greg Cross, Eastern Shore Lifestyle Society, requested funding for the proposed Eastern Shore Lifestyle Centre. They noted that their organization has been working with the Municipality and the Halifax Public Libraries to seek a replacement community centre for the aging community facilities in Sheet Harbour. They noted that they are seeking provincial and federal funding for the project, in addition to the funding commitment already made by Regional Council. However, they noted that several factors have stalled the project, with one obstacle being the difficulty in obtaining a master conceptual plan for the project from HRM. They added that this would likely be required when applying for any federal or provincial funding. Cross noted that the Municipality has already approved a \$3 million capped commitment for the project. To assist in facilitating the project moving forward, Cross requested that this funding be advanced, and that Council provide a letter to the Province stating that the Eastern Shore Lifestyle Centre is a priority capital project for the Municipality.

Ed Empringham, Sheet Harbour and Area Chamber of Commerce and Community Affairs, spoke about ensuring that sufficient capital investment is dedicated to critical infrastructure projects in rural areas of HRM such as Sheet Harbour. To facilitate economic and social development in these communities, critical infrastructure, such as adequate cellphone and internet coverage/infrastructure, is needed and

should become a priority project for Council. They noted that there are currently significant deficits in Sheet Harbour with regards to these services, which is hindering the development of the community. They noted that infrastructure projects need the support of the Municipality in order to move forward, and that Council should make a commitment to ensuring that rural areas receive the infrastructure they require to flourish. They added that partnerships with the Municipality will be necessary to be able to access federal funding for extending internet access to rural areas. They requested that Council make extending critical infrastructure to rural areas a priority.

Scott McKenzie, Lions Club International, spoke about issues with the Sheet Harbour Lions Club Centre, which is currently required to shut down during the winter months due to maintenance and structural issues, leaving the area without a community centre. They added that finding a replacement facility should be a capital priority for Council, and that the entire Sheet Harbour community is behind such a project. They stated that the Municipality needs to make this a priority now, as they may risk losing their funding window from other levels of government. They noted that by making a \$3 million capped commitment to the project, Council has already established a new centre as a capital priority.

The Chair called three (3) times for any further members of the public wishing to address the Budget Committee. There being none, public participation was closed.

Responding to questions from members of the Budget Committee, Jane Fraser, CFO, Director of Finance, Asset Management & ICT, and Nowlan, noted that the Eastern Shore Lifestyle Centre project has not proceeded to date due to the state of readiness; adding that it is a matter of ensuring that all the requirements for the project, including securing the necessary funding, have been met prior to proceeding. Responding to a question regarding the use of a climate lens when assessing capital projects, Fraser noted that climate considerations are part of the risk assessment for projects.

Speaking to the Strategic Priorities Weighting Chart set out in the staff report, Nowlan noted that staff have a strategic plan to deliver on each of the capital projects. They noted that the list of projects represents a large amount of work with limited resources, which is why adding weight to the priority areas will allow staff to more effectively allocate resources in carrying out the strategic direction of Council. They clarified that staff are looking for Council to either confirm the weighting outlined in the Strategic Priorities Weighting Chart attached to the staff report dated July 3, 2019, or determine a different weighting.

MOVED by Councillor Walker, seconded by Councillor Nicoll

THAT Budget Committee direct the Chief Administrative Officer to evaluate capital projects in the 2020/21 capital budget using Strategic Alignment weighted allocations as described in the staff report dated July 3, 2019.

Councillor Outhit noted that the priorities for each District may vary and suggested that staff further consult with Councillors to get a clearer idea of their District's specific priorities.

Councillor Smith noted that they would like to see the Council priority area of Governance and Engagement given a higher weighting in the Strategic Priorities Weighting Chart. Fraser noted that capital projects will incorporate community engagement throughout.

MOTION PUT AND PASSED.

3.1 2019/20 Supplemental Gas Tax Funding

The following was before the Budget Committee of the Whole:

- A staff report dated July 10, 2019

Mayor Savage opened public participation and invited members of the public wishing to speak on the matter to come forward: No members of the public came forward.

MOVED by Councillor Mason, seconded by Councillor Cleary

THAT the Budget Committee recommend that Halifax Regional Council direct the Chief Administrative Officer to allocate the 2019/20 supplemental Gas Tax amount to fund the capital projects totaling a maximum of \$26,551,460, as selected by the Budget Committee from Attachment A of the staff report dated July 10, 2019, in the appropriate budget year as indicated.

Councillor Mason indicated that they wished for the Budget Committee to defeat the staff recommendation and consider alternative three in the staff report to direct the Chief Administrative Officer to further shorten the projects list and return to Budget Committee with a recommendation, which presents an amount less than, or equal to the \$26,551,460 funding available.

Responding to questions from members of the Budget Committee, Jane Fraser, CFO, Director of Finance, Asset Management & ICT, noted that if alternative three is approved, the Budget Committee will likely see a complete list of projects in October of 2019.

Councillor Hendsbee expressed concern that deferring this matter would result in significant delays for time sensitive projects that need to proceed in the summer months.

Councillor Austin expressed the view that rather than dealing with the capital plan and funding sources for specific capital projects separately, it would be beneficial to wait and see the whole capital plan prior to determining what should be funded through the gas tax. They suggested that rather than alternative three in the staff report, the Budget Committee consider a deferral of the matter.

MOVED by Councillor Austin, seconded by Councillor Mason

THAT the Budget Committee defer recommending any capital projects for funding using supplemental gas tax funding until such a time as the three-year capital plan is presented for debate in the late Fall 2019.

Mayor Savage left the meeting at 11:30 a.m. and Councillor Walker took the Chair.

Responding to further questions from members of the Budget Committee, Fraser noted that staff are only seeking direction as to the funding source for the projects in the staff recommendation; adding that all projects will be coming back to Council as part of the capital plan. In response to a suggestion that the gas tax funds only be allocated to transportation related projects, Fraser noted that the criteria under the gas tax is quite broad and allows for discretion in leveraging the funding. They further noted that the option is also available for Council to allocate some of the funding to reserves.

Mayor Savage rejoined the meeting at 11:50 a.m. and took the Chair.

Following a discussion among the Budget Committee, several members expressed support for a deferral, noting that they would prefer to hold off on such a decision until they can see a complete capital plan so that the Budget Committee can be more informed in its decision and able to move forward in a more holistic manner.

MOTION TO DEFER PUT AND PASSED.

Returning to the request made by members of the public relating to the Eastern Shore Lifestyle Centre made during public participation, Councillor Hendsbee requested that the Budget Committee consider a motion to request a letter from the Municipality to the Province confirming HRM's commitment to the Eastern Shore Lifestyle Centre capital project.

MOVED by Councillor Hendsbee, seconded by Councillor Nicoll

THAT the Budget Committee of the Whole recommend that Halifax Regional Council direct the Mayor and/or the Chief Administrative Officer to provide a letter to the Government of Nova Scotia stating that the Eastern Shore Lifestyle Centre is a priority project for the Municipality, and request that the Province proceed with their request and recommendation to the Federal-Provincial Infrastructure Program for funding under the Communities and Culture category.

MOTION PUT AND PASSED.

4. ADJOURNMENT

The meeting adjourned at 12:13 p.m.

Kevin Arjoon
Municipal Clerk