

Remarks from Mayor Mike Savage – Wednesday, April 15, 2020

Good morning, thank you for joining us today.

This past Easter weekend was, for many of us I'm sure, very different than in years past. A time of great religious significance for many, Easter is a time when we would normally be enjoying the outdoors and spending time with friends and family – I know I felt the sting of not seeing my kids for Easter dinner.

So, I want to begin today by thanking the vast majority of responsible citizens who continue to follow public health directives, for thinking of others before themselves and helping make progress against COVID-19.

Public Health professionals advise that these are critical days in limiting the spread of COVID-19 in our community, so it is imperative that we stay the course and continue to obey public health - maintaining physical distance, staying home, limiting gatherings, and staying away from public spaces like parks and playgrounds.

This morning we will be providing an update on the municipal response to the ongoing pandemic - I'm here with CAO Jacques Dubé who will provide an operational update when I conclude my remarks.

I would urge residents to visit Halifax.ca to access up-to-date municipal information and sign up for hfxALERT: the municipality's mass notification system. Subscribers receive urgent and non-urgent notifications by phone, email, and/or text message.

I want people to know that the work of the city, and the work of Regional Council, is continuing.

Yesterday we held our 3rd meeting in the age of COVID. Issues are being addressed, decisions are being made, and work is getting done.

Property Tax Deferral

The simple fact is that times are tough for many, many people right now. Household budgets and business bottom lines have been negatively impacted throughout the region, and relief will be needed in a number of phases, and from all orders of government.

Yesterday at our virtual Council meeting, we unanimously passed a number of measures that will provide immediate, short-term relief to residents who are struggling through a period of financial insecurity:

- Deferral of property taxes from April 30, 2020 to June 1, 2020.
 - To be clear, this is a deferral – if you can pay your taxes, pay them.

- We've also reduced the interest rate charged on arrears from 15% to 10% annually, and suspended all Non-Sufficient Funds fees.

It's important to stress that **this is only the first step – these are short-term measures that will provide some immediate relief to those who need it while we work on longer-term solutions.**

I want to **acknowledge the great work of our HRM finance team, led by Jane Fraser**, who have been working diligently on these measures that will help soften the financial blow for many households.

Staff continue to work with the province, the Nova Scotia Federation of Municipalities and the Association of Municipal Administrators on longer-term relief efforts, including looking at more targeted support for those who need it.

It's expected those recommendations will come back to Regional Council by the end of May.

Discussions also continue with the federal government and with our colleagues at the Federation of Canadian Municipalities, led by Councillor Bill Karsten, and Big City Mayor's on federal help to municipalities (backstopping, gas tax)

Pressures on Municipal Government

All municipalities across Canada face both financial and legislative challenges in the wake of COVID19.

Part of that is the challenge of financial capacity. Keep in mind that municipalities collect less than 10 per cent of all tax collected. Yet many of the front-line work - particularly during a crisis such as this - is done by us.

Police, Fire, Solid Waste, Transit - these jobs must be done, in fact are mostly deemed essential. Other work including Parks, Transportation and Public Works, our Call Center, support to residents on financial matters, and communicating with our customers - all are vital.

In the past few weeks I have been in constant contact with colleagues across the country. The Big City Mayor's Caucus have had many meetings and off-line conversations.

Yesterday I spoke to Mayor Cecil Clarke in Cape Breton, and all of us are bleeding cash right now - and all are continuing to serve our citizens and businesses.

Last week the city of Vancouver made an urgent appeal to the Provincial government for \$200 million. Toronto is losing \$20 million per week on transit alone.

Both CBRM and Halifax must keep transit running, as it has been deemed an essential service, and in our case we lose over \$3 million per month.

We will support our residents and our businesses in need, but cannot do it without support. We have worked closely with the province as well as our national government and the cooperation has been tremendous.

I salute both governments for their work in keeping us safe and offering support. But the way forward for us can only be managed with dramatic help.

No municipalities can do this alone. And even with financial backstop, we face compounding problems. Running short this year, which is inevitable, will be made worse by a reduced tax base next year due to slowdowns and closures in our businesses this year.

Halifax had one of the strongest growing economies in Canada before COVID-19, and we have managed our affairs well - making good investments and keeping the tax rate low - but we are simply not immune.

We will make difficult choices, and there is no joy in the measures the CAO will reference today, but we will need more to serve our residents and businesses.

Community Response

My Office continues to hear from people who are struggling – from those who have lost their jobs, or businesses trying to cope with indefinite closures.

But we also hear incredible stories of community coming together, of individuals and businesses stepping up to support those in need and help in the fight against COVID-19.

Take for example “The Canteen” on Portland street in Dartmouth who, with help from a grant from Community Food Centres Canada, will be preparing and packaging 300-400 free meals every week in support of Dartmouth North Community Food Centre and Margaret’s House.

They are joined by organizations like the Mobile Food Market, Feed Nova Scotia, Chebucto Connections, local churches and others who are focused on emergency food access to ensure no one goes hungry during this crisis.

A Musquodoboit Harbour tool and die company – MacKenzie Atlantic - that has signed on to produce more than one million face shields for front line health care workers in the province is another example. They have taken on this work in addition to their regular workload as a supplier to the defense sector.

Or, take the countless stories shared over social media of supportive “chalk walk” messages, volunteers delivering groceries and medicine to seniors and those who are self-isolating, “drive by” birthday parties, and socially distant neighbourhood shows of support for our health care workers.

We know that there are more hard days ahead, but stories like this show our collective resiliency and help put things in perspective.

In closing, I want to again offer sincere thanks to the women and men working in essential services who are keeping our municipality going:

- Front line health care workers and emergency responders – and those working behind the scenes
- Transit drivers, solid waste collectors
- Farmers, truck drivers, delivery drivers, sanitation workers, grocery store clerks

Thank you.

Please continue to follow the direction of public health under this state of emergency: stay home, stay apart, but stay together as a community. These restrictions will not last forever, and we'll get there much sooner if we all do our part.

I'll now turn it over to our CAO, Jacques Dubé, for an operational update.

Thank you.

Speaking notes for Jacques Dubé

Introduction

- Thank you Mr. Mayor. Merci M. le Maire
- As always, I want to thank everyone across the municipality for their dedicated efforts to help reduce the spread of COVID-19.
- I know it doesn't get any easier as the weeks go by, but the ongoing efforts demonstrated by all of you have kept many Nova Scotians safe.
- Our staff continues to work very hard to make adjustments to service levels to keep our residents safe. Thank you for your commitment during this challenging time.
- I cannot overstate the importance of our collective response. By committing ourselves to follow the directives of Public Health, lives will be saved.

Service updates

- Over the long weekend, Halifax Transit has implemented further measures to help reduce the spread of COVID-19. These changes will significantly reduce capacity and as a result, **transit should be used for essential travel ONLY.**
- **Those who are feeling ill should not use any transit service** until their health returns to normal.

- Alternating seats are now blocked off with appropriate signage on conventional buses. This measure will further reduce capacity by approximately 50 per cent depending on the model of bus.
- Alternating seating is also blocked off with signage at some terminals.
- Capacity on all ferries has been further reduced to 25 passengers per trip. Food and drink is now prohibited.
- In addition to these changes, several other measures have been taken by Halifax Transit to help reduce the spread of COVID-19, including an increased frequency in wipe-downs of high-touch surfaces, the elimination of fares, having bus users enter and exit through the rear doors and limiting passengers on buses to seated passengers only. All of these changes support the municipality's commitment to safe social distancing.
- Halifax Transit has been designated by the Province of Nova Scotia as an essential service under the current provincial state of emergency and continues to operate on a reduced schedule with significant adjustments to our service model.
- We are focusing on delivering the highest level of municipal service that can be reasonably provided – while continuing to take steps that help minimize the spread of COVID-19.
- Moving forward, service levels will continue to be adjusted as necessary, based on available operational resources.

Tax bill due date deferred

- With the effects of COVID-19 continuing to impact the municipality, one area of concern for many residents and businesses has been the status of tax bills.
- As Mayor Savage has said in his remarks, Regional Council decided yesterday to provide immediate relief to both residential and business customers.
- These efforts include:
 - The deferral of the interim tax bill due date from April 30, 2020 to June 1, 2020;
 - The suspension of Non-Sufficient Fund fees; and
 - The reduction of the interest rate charged on arrears from 15% per annum to 10% per annum.

- With these changes, it is critical that those who can pay their taxes continue to do so in a timely fashion.
- The tax deferral measure adopted today is phase one. We are working with other municipalities in NS to determine an approach to tax deferrals.
- Tax revenue makes up 82% of the municipality's revenue. Operating expenses total approximately \$100 million per month and, while the municipality is financially sound, a significant amount of cashflow is required to provide services, pay vendors and suppliers and continue with capital projects that support the economy.
- The fiscal challenge is \$223m. Of that, \$188m is tax deferral the other \$35m is lost revenue such as deed transfer tax, investment income, transit and parking. These numbers are based on assumptions of when services will resume and are fluid.
- For example, we have assumed that the winter recreation programming will be going forward so the revenue from ice rentals has not been reduced significantly.
- We are assessing our municipal budget daily and adjustments will have to be made going forward. Our decisions are based on what we know now and what experts are saying might happen. It is a very fluid and unprecedented fiscal challenge. Nobody has a crystal ball on this situation.
- We have been and will continue to assess our financial picture. The plan is to come back to Regional Council with a significantly revised budget and updated recommendations on tax deferral by the end of May.

Staffing

- In light of the tax deferral and other measures such as the elimination of bus fares and the suspension of recreation programming, COVID-19 is having a negative impact on our revenue streams.
- As a responsible public sector employer, we continue to look at our human resources to ensure they align with services we are providing. The municipality takes its role of financial stewardship very seriously and there is no greater trust than safeguarding our residents tax dollars.
- When something like this happens, whether you lead a business or a government's administration, you have to face very difficult decisions regarding staffing. Like all administrations at this time, we are not immune to this painful reality.

- We have made the decision to reduce budgeted staffing levels by approximately 1,480. These casual, temporary and seasonal employees who normally provide service to the public cannot due to the pandemic.
- This number includes more than 500 seasonal employees who are not currently employed, but will no longer be hired this spring and summer as planned, including seasonal recreation staff.
- The financial impact is approximately \$15m which is a high-level half-year estimate.
- Specific details about personnel matters remain confidential to protect the privacy of our employees, therefore, I will not be elaborating further on this matter.
- As with everything COVID-19 related, it is difficult to make predictions about future decisions regarding adjustments to service and staffing levels.
- Effective yesterday, I instituted a hiring freeze as part of our goal is to minimize lay-offs. We are committed to our staff and lay-offs is not a decision we take lightly, that said I cannot at this point guarantee there will be no further lay-offs.
- To anyone who will no longer be working with us in the short-term, I want to extend my appreciation and gratitude for your services. This is not a scenario any of us anticipated and certainly not one any of us desired.
- We **will** get back to providing full-service levels in all business units in the future and I, like every member of Regional Council and our leadership team hope that future is very soon.

Conclusion

- It's hard to believe we're now in the second month of the COVID-19 outbreak in Nova Scotia.
- It has been a very challenging time for everyone but we remain confident we will succeed in our collective effort to return the economy to its previous very positive state.
- Two things are now very clear:
- First, we know we can overcome this. There is proof it can be done.
- Second, we know that we have to dig even deeper and stay disciplined to keep the strong momentum we've built.

- Nova Scotia is still very much in the middle of this battle.
- We will win, but we need to keep fighting harder than ever. And we need everyone to fight hard together.
- Thank you to everyone working to reduce the spread of COVID-19 and please stay safe and stay home.

I will now summarize my comments in French after which we will take questions.

Comme toujours, je tiens à remercier tout les résidents dans la municipalité pour leurs efforts dévoués pour aider à réduire la propagation de COVID-19.

Je sais que cela ne devient pas plus facile au fil des semaines, mais les efforts constants démontrés par vous tous ont permis à de nombreux Néo-Écossais a sauver leurs vie.

Et merci à nos employés municipaux qui ne lâche-pas face au défis dans les circonstances.

En ce qui a trait au service de transport en commun, au cours de la longue fin de semaine, Halifax Transit a mis en œuvre d'autres mesures pour aider à réduire la propagation du COVID-19. Ces changements réduiront considérablement la capacité et, par conséquent, le transport en commun devrait être utilisé UNIQUEMENT pour les déplacements essentiels comme le travail, l'achat d'épicerie et rendez-vous essentiel.

Ceux qui se sentent malades ne devraient utiliser aucun service de transport en commun jusqu'à ce que leur état de santé redevienne normal.

Les sièges alternatifs sont maintenant bloqués avec une signalisation appropriée sur les autobus conventionnels. Cette mesure réduira encore la capacité d'environ 50% selon le modèle d'autobus.

L'allocation des places en alternance est également bloquée par la signalisation à certains terminaux.

La capacité de tous les traversiers a encore été réduite à 25 passagers par voyage. La nourriture et les boissons sont désormais interdites à bord.

Comme le maire Savage l'a dit dans ses remarques, hier, le conseil régional a voté pour fournir un soulagement immédiat aux clients résidentiels et commerciaux en ce qui a trait à la taxe foncière.

Ces efforts comprennent:

- Le report de l'échéance de la facture de taxe foncière du 30 avril 2020 au 1er juin 2020;

- La suspension des frais du Fonds non suffisant; et
- La réduction du taux d'intérêt appliqué sur les arriérés de 15% par an à 10% par an.

Avec ces changements, il est essentiel que ceux qui peuvent payer leurs taxes foncières continuent de le faire en temps opportun.

La mesure de report de taxes foncières adoptée aujourd'hui est la première phase. Nous travaillons avec d'autres municipalités de la Nouvelle-Écosse et la Province pour déterminer une approche en matière de report d'impôt.

Le défi fiscal de la municipalité est de 223 millions de dollars. De ce montant, 188 millions de dollars correspondent à un report de taxes foncières, tandis que 35 millions de dollars sont des pertes de revenus telles que les droits de transferts de propriété, les revenus de placement, le transport en commun et le stationnement.

Nous avons été et continuerons d'évaluer notre situation financière. Le plan est de revenir au Conseil régional avec un budget considérablement révisé et des recommandations mises à jour sur le report de taxes foncières d'ici la fin mai.

Nous avons décidé de réduire les effectifs budgétés d'environ 1 480 personnes. Ces employés occasionnels, temporaires et saisonniers qui fournissent normalement des services au public ne peuvent pas en raison de la pandémie.

Ce nombre comprend plus de 500 employés saisonniers qui ne sont pas actuellement employés, mais qui ne seront plus embauchés au printemps et en été comme prévu, y compris le personnel saisonnier des loisirs.

Les détails spécifiques concernant les questions de personnel restent confidentiels pour protéger la vie privée de nos employés, par conséquent, je ne développerai pas davantage cette question.

Comme pour tout ce qui concerne COVID-19, il est difficile de faire des prévisions sur les décisions futures concernant les ajustements aux niveaux de service et de dotation.

La municipalité n'est pas en mesure de garantir qu'il n'y aura plus de licenciements, car nous devons peut-être continuer d'ajuster les services si nécessaire - afin de respecter les directives de santé publique et de s'adapter aux implications actuelles de COVID-19.

En conclusion, la Nouvelle-Écosse est encore bien au milieu de cette bataille.

Nous gagnerons, mais nous devons continuer ensemble à nous battre plus fort que jamais afin de ramener l'économie à son état inégalé il y a seulement 4 semaines.

Merci.