

CAPE BRETON REGIONAL MUNICIPALITY
Special Council Meeting – Minutes
BUDGET SESSION 2022-23

Tuesday,
April 19, 2022
9:39 a.m.

Council Chambers
2nd Floor, City Hall
320 Esplanade, Sydney, NS

Mayor McDougall called the meeting to order.

Present: Mayor Amanda M. McDougall
Councillor Gordon MacDonald
Deputy Mayor MacMullin
Councillor Cyril MacDonald (left at 2:00 p.m.)
Councillor Steve Gillespie
Councillor Eldon MacDonald
Councillor Glenn Paruch
Councillor Parsons
Councillor Edwards
Councillor Ken Tracey
Councillor Darren Bruckschwaiger
Councillor O'Quinn
Councillor Green

Staff: Marie Walsh, Chief Administrative Officer
John MacKinnon, Deputy Chief Administrative Officer
Jennifer Campbell, Chief Financial Officer
Deborah Campbell Ryan, Municipal Clerk
Demetri Kachafanas, QC, Regional Solicitor
Wayne MacDonald, Director of Engineering & Public Works
Michael Ruus, Director of Planning & Development
Michael Seth, Director of Fire & Emergency Services
Francis Campbell, Manager of Solid Waste
Kirk Durning, Manager of Recreation
Paul MacDonald, Manager of Facilities
Ray Boudreau, Senior Manager of Public Works
Tanya Johnson MacVicar, L'nu Advisor
Sharon MacSween, Senior Administrative Assistant
Tanya Nicholson, Recording Secretary

Absent: N/A

Summary of Decisions

Welcome

Moment of Silent Reflection

Council **agreed** to observe a moment of silence for the twenty-two (22) Nova Scotians who lost their lives in the mass murders two years ago in Portapique, Nova Scotia.

Continuation of Budget Sessions from April 5th and April 7th, 2022:

Motion to maintain the previously adopted motion to decrease commercial and residential tax rates by 5%, but to phase it in over the next three years with 1.5% in the first year, 1.5% in the second year and 2% in the third year. **Motion Defeated.**

Motion to approve the Blended Option 2 presented for the 2022-23 Capital Budget, subject to an increase in the low-income property tax rebate to \$300 per year for a total annual household income of \$35,000 and increasing the deed transfer tax revenue estimate by \$500,000. **Carried.**

Operating Budget 2022-2023:

Motion to approve the CBRM Operating Budget for 2022/23 totaling \$162,223,985 as presented. **Carried.**

Withdrawal from Capital Reserve:

Motion to approve withdrawal from the Capital Reserve in the amount of \$100,000 for the Louisbourg Waterfront Development Project. **Carried.**

Withdrawal from Operating Reserve:

Motion to approve withdrawal from the Operating Reserve totaling \$3,689,842, consisting of the municipal capacity top up funds in the amount of \$3,484,842 and the CBRM Forward/AT Plan contributions in the amount of \$205,000. **Carried.**

CBRM Water Utility 2022/2023 Capital and Operating Budgets:

Motion to approve the CBRM Water Utility Operating Budget for 2022/23 as presented. **Carried.**

Motion to approve the CBRM Water Utility Capital Budget for 2022/23 as presented. **Carried.**

Continued...

Summary of Decisions (Cont'd):

Required Borrowing:

Motion to approve the associated required borrowing resolutions for the Capital Budget in the amount of \$8,500,000. **Carried.**

Low Income Property Tax Exemption Policy:

Motion to approve the amendments to Low Income Tax Exemption Policy by increasing the rebate to \$300 annually and income threshold to \$35,000. **Carried.**

ADJOURNMENT

Welcome

Mayor Amanda M. McDougall welcomed Council and Staff back to the continuation of the CBRM Budget Sessions for 2022/23.

Moment of Silent Reflection

Council **agreed** to observe a Moment of Silent Reflection for the twenty-two (22) Nova Scotians who lost their lives in the mass murders two years ago in Portapique, Nova Scotia.

Continuation of Budget Sessions from April 5th and April 7th, 2022:

Mayor McDougall noted that all presentations for the budget sessions have concluded, thus the Chief Financial Officer will present various options to be considered based on the motion of Council at the April 7th Budget Session to implement a 5% decrease in commercial and residential tax rates.

Councillor James Edwards questioned if the 5% decrease could be phased in over three years to make it more financially responsible for CBRM.

Point of Order:

Councillor Darren Bruckschwaiger raised a Point of Order that the motion to decrease taxes by 5% was already passed at a previous meeting.

The Mayor acknowledged the Point of Order and advised that under Robert's Rules of Order, if Council was to agree, a previously adopted motion can be amended. It would require two-thirds majority as there was no prior notice to Council.

Councillor Edwards then put forward the following motion:

Motion:

Moved by Councillor Edwards, seconded by Councillor Parsons, to maintain the previously adopted motion to decrease commercial and residential tax rates by 5%, but to phase it in over the next three years with 1.5% in the first year , 1.5% in the second year and 2% in the third year.

Continued...

Continuation of Budget Sessions from April 5th and April 7th, 2022 (Cont'd):

Motion Continued...

Discussion:

- Information regarding property valuation and taxation is on the CBRM website
- Staff was not directed to provide a draft budget with a 5% tax rate decrease
- Federal and Provincial Governments will benefit from the 5% tax rate reduction, as well as big business
- Under the *Municipal Government Act*, Council cannot choose who gets a tax reduction
- Low-income tax program is a rebate based on income levels

The Mayor then called for the vote on the motion.

Motion Defeated, with 9 Council members voting in the negative.

As requested, Jennifer Campbell, Chief Financial Officer (CFO), provided an updated presentation on additional options to fund a 5% tax rate reduction for 2022/23 without cuts to staff or municipal services. The CFO recommended the second berth be converted to long-term borrowing in the next debenture, and discouraged using the operating reserve. Staff recommended Blended Option 2 which includes amendments to Low Income Tax Exemption Policy by increasing the rebate to \$300 annually and income threshold to \$35,000 and the redistribution of funds for the following projects:

- Active Transportation
- Louisbourg Fortress Downtown Development
- Port of Sydney
- Vehicles and equipment
- Centre 200
- Library
- J-Class Roads

After the update, Council **agreed** to relax the speaking rules to allow Council to speak 5 minutes per person without limit. Council then proceeded to discuss the following:

- Increasing the projected Deed Transfer Tax revenue
- Decreasing funds allocated for the library
- Hazmat unit deferred until next year
- Low-income tax rebate qualifications and application process

Continued...

Continuation of Budget Sessions from April 5th and April 7th, 2022 (Cont'd):

- Reducing budget allocation for Roads
- Phasing Centre 200 renovations over next three years (during the off season)
- CBRM's obligation for the Louisbourg Fortress Downtown Development project
- Approximately 80 lots to be developed on the remaining J-Class Road to be paved (est. cost \$3 million)
- Funds allocated for Active Transportation

At this point in the meeting, Mayor McDougall noted that there will be a Special Council meeting on May 17th with the Provincial Department of Public Works to have conversations about their 5-year plan and their current budget.

The CAO advised the \$3 million identified for the library was going to be borrowed money. She also noted there was never a land appraisal for the waterfront, and the \$4 million value was an estimated amount. The CAO said that staff agree that the library is a priority.

Mayor McDougall said it is important to note that by raising the low income tax threshold to \$35,000 per household and the rebate to \$300, this would equate to an additional \$540,000 cost in the budget. She noted that if the deed transfer tax revenue was raised, the amount could potentially cover it. She advised that staff could work over lunch break on options to increase the deed transfer tax rate and charges to the low-income tax policy.

The location of a new Sydney Library project was discussed. The Mayor advised at this time there has been no decision made by Council to go forward with any options for the library. CBRM is exploring options and they would go through a public consultation process for feedback.

The CAO suggested Council consider Blended Option 2 with two different options within it: one that includes and does not include roads; and also a couple of scenarios for the low-income property tax rebate.

The Mayor asked each Councillor individually what option they would prefer. All Councillors indicated they preferred Blended Option 2 with increasing the tax rebate to \$300 annually and the household income threshold to \$35,000.

Many Councillors were concerned about paving of the roads. The CAO confirmed that reduction to the budget for the roads was not in the Blended Option 2.

Continued...

Continuation of Budget Sessions from April 5th and April 7th, 2022 (Cont'd):

The following motion was then brought forward:

Motion:

Moved by Councillor Bruckschwaiger, seconded by Councillor Paruch, to approve the Blended Option 2 presented for the 2022/23 Capital Budget, subject to an increase in the low-income property tax rebate to \$300 per year for a total annual household income of \$35,000 and increasing the deed transfer tax revenue estimate by \$500,000.

Discussion:

Following the discussion on the motion, Mayor McDougall called for the vote.

Motion Carried.

Council recessed for lunch at 12:06 p.m.

Council reconvened at 2:08 p.m.

Mayor McDougall noted that the Chief Financial Officer compiled information based on this morning's discussions around the Blended Option 2 and the impact it would have on the Operating Budget.

Budget Summary – Required Motions:

Jennifer Campbell, Chief Financial Officer, provided an updated slide “*Budget Summary – Required Motions*”. She noted that the Deed Transfer Tax revenue estimate has been changed from \$500,000 to \$1 million to offset the additional funds required for the increase to the low-income tax exemption program, based on an estimate of 3,000 applications. With these changes, CBRM's revised operating budget is \$162,223,985.

The required motions were then put forward, as follows:

CBRM Operating Budget 2022/23:

Motion:

Moved by Deputy Mayor MacMullin, seconded by Councillor Gordon MacDonald, to approve the CBRM Operating Budget for 2022/23 totaling \$162,223,985 as presented.

Motion Carried.

Withdrawal from Capital Reserve:

Motion:

Moved by Councillor Edwards, seconded by Councillor Parsons, to approve withdrawal from the Capital Reserve in the amount of \$100,000 for the Louisbourg Waterfront Development Project.

Discussion:

Following the discussion on the motion, Mayor McDougall called for the vote.

Motion Carried.

Withdrawal from Operating Reserve:

Motion:

Moved by Councillor O’Quinn, seconded by Councillor Paruch, to approve withdrawal from the Operating Reserve totaling \$3,689,842, consisting of the municipal capacity top up funds in the amount of \$3,484,842 and the CBRM Forward/AT Plan contributions in the amount of \$205,000.

Motion Carried.

CBRM Water Utility 2022/23 Operating and Capital Budgets:

Motion:

Moved by Councillor Green, seconded by Councillor Bruckschwaiger, to approve the CBRM Water Utility Operating Budget for 2022/23 as presented.

Motion Carried.

Motion:

Moved by Councillor Gordon MacDonald, seconded by Councillor Paruch, to approve the CBRM Water Utility Capital Budget for 2022/23 as presented.

Motion Carried.

Required Borrowing:

Motion:

Moved by Councillor Gillespie, seconded by Councillor Paruch, to approve the associated required borrowing resolutions for the Capital Budget in the amount of \$8,500,000.

Motion Carried.

Low Income Property Tax Exemption Policy:

Motion:

Moved by Councillor Gillespie, seconded by Councillor Paruch, to approve the amendments to Low Income Tax Exemption Policy by increasing the annual rebate to \$300 and income threshold to \$35,000.

Motion Carried.

Mayor McDougall thanked Council and staff for all their work on the 2022/23 Capital and Operating Budgets.

Meeting adjourned at 2:19 p.m.

Mayor Amanda M. McDougall

/tcn

**Deborah Campbell Ryan
Municipal Clerk**