

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

Thursday,
April 7, 2022
9:30 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
Councillor Steve Gillespie
Councillor Eldon MacDonald
Councillor Glenn Paruch
Councillor James Edwards
Councillor Ken Tracey
Councillor Darren Bruckschwaiger
Councillor O'Quinn
Councillor Lorne Green

Staff:	Marie Walsh	John Phalen
	John MacKinnon	Ray Boudreau
	Jennifer Campbell	Francis Campbell
	Deborah Campbell Ryan	Matthew Viva
	Wayne MacDonald	Jennifer Collins
	Michael Ruus	Sharon MacSween
	Michael Seth	Angela Ross
	Bill Murphy	
	Kirk Durning	

Absent: Councillor Steve Parsons (Regrets)

Summary of Decisions

Council **agreed** to relax the speaking rules for the meeting.

DRAFT Capital Budget 2022-2023:

Motion that Council reduce the tax rate for all residential and commercial accounts by 5% this year, and that no services be cut and no layoffs because of this motion. **Carried.**

ADJOURNMENT

Mayor McDougall welcomed everyone back to the continuation of Budget sessions and advised that the meeting will begin with staff recommendations regarding the conversations and asks of Council from the from April 5th meeting.

As requested, Jennifer Campbell, Chief Financial Officer, provided an overview of the Community Funding Requests that were referred to Budget and advised that there is no capacity available to fund those requests and therefore recommended that the applications be referred to the Municipal Grants application process.

The Chief Financial Officer provided her updated report on the impact of increasing the income threshold for the low-income tax exemption rebate, as well as the financial implications of a 5% property tax rate reduction while ensuring that there are no cuts in staffing or municipal services. Staff recommended the original proposed budget along with the increase in the Low-Income Property Tax rebate as presented. (i.e. increase income threshold to \$35,000 and rebate to \$300)

Wayne MacDonald, Director of Engineering and Public Works, provided information on the request to identify the projects that are conditional on funding, as follows:

- Underground infrastructure projects under ICIP
- Active transportation/Community Living (ICIP Green Energy)
- Louisbourg Fortress Downtown Development (Develop Nova Scotia) Phase 1
- Buildings – General Upgrades
- Port of Sydney (South Dock repairs/Pittman Hall Retrofit)
- Transit (rolling stock)
- Service Delivery Modernization
- Green and Inclusive building Fund/ICIP (C200) – Phase 1
- Green and Inclusive building Fund (Library) – Phase 1
- “J” Class Roads – “Initial Paving Program”

The Director of Engineering and Public Works provided information on the request for staff to come back with suggestions to fund a 5% property tax reduction. He suggested several projects that could be adjusted, as follows:

- CBRM Sidewalks Reinstatement Program
- Active Transportation/Community Living
- Port of Sydney
- Green and Inclusive building Fund/ICIP (C200) – Phase 1
- Green and Inclusive building Fund (Library) – Phase 1
- “J” Class Roads – “Initial Paving Program”

Continued...

Wayne MacDonald circulated information with a breakdown of the proposed upgrades to Centre 200 under the Green and Inclusive building Fund/ICIP.

Council **agreed** to relax the speaking rules for the meeting to allow Council to speak 5 minutes initially and then an unlimited 2 minutes per person.

During discussion, some of the items discussed included:

- Local and arterial collector roads
- Timing of funding for J Class roads
- Infrastructure and sidewalks
- Funding for upgrades to C200
- Central Library
- Clarity on Port of Sydney upgrades
- Lowering of property tax over a three-year period
- Port of Sydney upcoming cruise season
- The 5 % tax reduction be targeted towards residential property only

The Chief Financial Officer noted that Council had approved a motion that any operating surplus by the Port of Sydney is required to be placed in a Capital reserve, and that Council approves their operating and capital budgets every year.

Mayor McDougall read publicly the email received from Councillor for District 7, Steve Parsons, which included his thoughts on the proposed tax reduction. (copy on file in the Clerk's Office)

Council discussion continued, which included the following:

- Tax reduction and removal of the CAP
- The need to invest and grow the tax base
- North Sydney Wastewater treatment plant
- Low Income Property Tax Rebate threshold
- Original budget had a 1.5% decrease in property tax
- Proposed upgrades to buildings
- Fleet
- Carry Over projects
- Projects conditional on funding
- Increased assessments this year (5.4%)

The Chief Administrative Officer clarified that staff are not recommending a combination of both options, and noted that staff are simply providing information based on what they feel will work best.

Continued...

After discussion, the deferred motion on the 5% tax rate reduction was re-introduced:

Motion:

Moved by Councillor Bruckschwaiger, seconded by Councillor Tracey, that Council reduce the tax rate for all residential and commercial accounts by 5% this year, and that no services be cut and no layoffs because of this motion.

Discussion:

Cuts to services was discussed and it was clarified that any reductions would come from the Capital Budget because the motion directs no service cuts or layoffs.

The Deputy Mayor called a **Point of Order** regarding discussion after the question had been called. The Clerk clarified that all members of Council wishing to speak on a motion must be given that opportunity, in accordance with the Rules of Order, before the vote on the motion can take place.

After further discussion, the Mayor called for the vote.

Motion Carried, with 4 Council members voting in the negative.

Council recessed for lunch at 11:48 a.m.

Council reconvened at 1:02 p.m.

Mayor McDougall welcomed everyone back to the afternoon session and noted that since Council approved the reduction of the property tax by 5%, there is a need to identify where the shortfall can be captured within the current Capital Budget to fulfill this directive.

Following discussion on the process for the afternoon session, it was decided that the Director of Engineering and Public Works would review the Capital and Operating Budget while providing Council with suggestions on where the shortfall could be funded. He then provided information on the following projects:

- Sydney Harbour West Collector Treatment
- Wash brook floodwater Mitigation
- Glace Bay and Port Morien
- ICIP
- Proposed piped future programs
- Proposed Local Roads
- Collector roads paving 2022
- Gravel roads paving
- “J” Class roads

Continued...

- proposed sidewalk upgrades
- Active Transportation
- Charlotte Street revitalization
- Fortress of Louisbourg
- Sanitary Sewer
- Proposed parks and grounds projects
- Proposed buildings upgrades
- Port of Sydney
- Rolling Stock
- ATAP and PTAP programs
- Proposed Transit Electrification program
- Proposed Fleet replacement
- C200
- Central Library

Council discussion continued, and some of the items discussed included:

- What Gas Tax funding can be used for
- Breakdown of Gas tax money used for the proposed local roads
- Library should be considered before the upgrades to Centre 200
- Funding from the Province for “J” class roads
- Plans for Active transportation
- Reduce allocation for Centre 200 capital upgrades
- Land acquisition for 2nd Berth
- Lyceum building requiring work and funding update
- Actual cost of the 5% decrease
- Allocation of the Municipal Capacity Grant top up within the budget
- Increase the Low-Income property tax threshold
- Revenue from the waterfront property sale

The Chief Financial Officer advised that in order to fund the increase in the low-income tax rebate, the budget for deed transfer tax revenue should be increased by half a million dollars. She explained that if the tax rebate applications exceeded the budget, then the balance would be funded out of reserve for that year, and staff would plan to budget for the actual applications in subsequent years. Funding the low-income program out of Reserve is not sustainable in the long run and is not recommended.

Continued...

The CAO provided an update on the pending sale of the CBRM waterfront property, and the CFO provided an update on the amount of money in the Capital and Operating Reserves and discussed the Low-Income threshold.

Following discussion on the Capital Budget, Operating and Water Utility, the Chief Administrative Officer advised that staff could come back with further recommendations based on what they are hearing from Council. Mayor McDougall recommended that Councillors send an email by Monday if they want to provide specific recommendations to staff.

The Chief Administrative Officer advised that the 5% tax reduction will come from the Capital Budget and that staff will come back with options for Council based on discussion and emails.

The Chief Financial Officer explained that staff budget to allocate 100 percent of the Gas Tax and the only time there would be money left over would be due to timing and scheduling of projects.

The Director of Engineering and Public Works explained when the gas tax can be used.

After discussion, Mayor McDougall advised that Council would recess for the day, and that she would work with the Clerk to schedule the next budget session.

The meeting recessed for the day at 2:39 p.m.

Mayor Amanda M. McDougall

Deborah Campbell Ryan
Municipal Clerk

/acr