

**CAPE BRETON REGIONAL MUNICIPALITY**  
*Special Council Meeting – Minutes*

**Tuesday,  
May 30, 2023  
1:05 p.m.  
Council Chambers  
2<sup>nd</sup> Floor, City Hall  
320 Esplanade, Sydney, NS**

**Mayor Amanda M. McDougall-Merrill called the meeting to order.**

**Council:** Mayor Amanda M. McDougall-Merrill  
Councillor Gordon MacDonald  
Councillor Earlene MacMullin (arrived 1:10 p.m.)  
Councillor Cyril MacDonald  
Councillor Steve Gillespie  
Councillor Glenn Paruch  
Councillor Steve Parsons  
Deputy Mayor James Edwards  
Councillor Ken Tracey  
Councillor Darren Bruckschwaiger  
Councillor Darren O’Quinn  
Councillor Lorne 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, KC, Regional Solicitor  
Michael Ruus, Director of Planning & Development  
Robert Walsh, Chief of Police,  
Michael Seth, Director and Chief of Fire and Emergency Services  
Deanna Evely, Director of Human Resources  
Kirk Durning, Director of Parks and Grounds, Buildings and Facilities  
Ray Boudreau, Senior Manager of Engineering and Public Works  
Stephen MacKinnon, Deputy Chief of Police  
Paul MacDonald, Manager of Facilities  
Matt Viva, Manager of Wastewater  
Desiree Magnus, CBRPS PR and Communications Advisor  
Kirk MacNeil, Financial Services Clerk – Engineering and Public Works  
Sharon MacSween, Recording Secretary

**Absent:** Councillor Eldon MacDonald (Regrets)

*The Council met earlier on this date in accordance with Section 22(2)(c) of the Municipal Government Act.*

### **Summary of Decisions**

#### **Land Acknowledgement**

#### **Roll Call**

#### **1. Approval of the Agenda:**

**Motion** to approve the May 30, 2023, Special Council Agenda as circulated. **Carried.**

#### **2. Budget Deliberations (continued): 2023-24 Operating Fund:**

A presentation to recap discussion on the balancing options was provided by the Chief Financial Officer.

**Motion** to direct CAO Walsh along with the Directors of all CBRM departments to review and cut the overall budget by the shortfall of \$2.1 million and or 1.5% and come back to Council with a balanced budget for 2023/24.

#### **Point of Order**

A Point of Order was raised by Councillor Parsons regarding discussion as there was motion debated on the floor.

**Motion defeated.**

**Motion** to defer new staffing requests and to cover the balance of the deficit from reserve funding to balance the budget.

*Council Recessed at 2:58 p.m.*

*Council Reconvened at 3:13 p.m.*

*At this point in the meeting, the mover, with consent from the seconder, withdrew the motion.*

### **ADJOURNMENT**

*The Council met earlier on this date in accordance with Section 22(2)(c) of the Municipal Government Act.*

### **Land Acknowledgement**

### **Roll Call**

Mayor McDougall-Merrill spoke to the wildfire situation ongoing throughout Shelburne and Halifax areas and to let everyone know that CBRM is with you.

### **1. Approval of the Agenda:**

#### **Motion:**

Moved by Councillor Parsons, seconded by Deputy Mayor Edwards, to approve the May 30, 2023, Special Council Agenda as presented.

**Motion Carried.**

### **2. Budget Deliberations (continued) 2023-24 Operating Fund:**

CFO Campbell provided a presentation to recap earlier discussion on the balancing options. She advised that the initial draft operating budget that was presented at the Council workshop resulted in an unfunded deficit of \$7.7 million. Various departments adjusted their budgets accordingly for a \$4,225,545 operating budget shortfall for the Council deliberations on April 3, 2023. She provided options for the shortfall which included:

- Increase commercial and/or residential rates
- Right-size transit rates to property fund service through area rate
- Tipping fee structure at landfill
- Cut back on non-mandated services where feasible
- Defer new staffing requests
- Adjust estimates based on updated information

CFO Campbell advised on April 7, Council agreed to balancing adjustments:

- \$ 700,000 Implement tax levy to fund transit pilot
- \$ 600,000 Implement residential tipping fees at landfill drop off
- \$ 392,710 Increase transit rate \$.018/\$100 to fund transit deficit
- \$ 125,534 Extend commercial transit rate to include all commercial properties in serviced areas
- \$ 103,621 Deferral of Labour Relations Specialist position (HR)
- \$1,921,875 Sum of approved adjustments of the \$4.2 million shortfall

**Continued...**

**Budget Deliberations (continued) 2023-24 Operating Fund (Continued):**

CFO Campbell noted that after research and discussion, Minister Lohr and Department of Municipal Affairs staff advise the sustainable services growth fund cannot be used to offset budget shortfall.

CFO Campbell advised that current shortfall as \$2,008,670 following the receipt of the 2022-23 NSPI Grant in Lieu of \$410,000 and an under budgeting of insurance by \$115,000.

It was also suggested by CFO Campbell that unless Council has other recommendations on how to balance the budget, the only options left were those provided for Council's consideration. They were as follows:

Balancing Option 1:

- \$ 330,000 Reconsider heavy garbage collection (schedule in spring 2024)
- \$1,678,670 1.95% Base rate adjustment to balance (\$.0295/\$100)
- \$2,008,670 Total

For this option, it was noted that the Hydrant rate reduction of \$.02 partially offsets the base rate increase. The net rate increase is <\$.01.

Balancing Option 2:

- \$2,008,670 2.35% Base rate adjustment to balance (\$.0354/\$100)

For this option, it was noted that the Hydrant rate reduction of \$.02 partially offsets the base rate increase. The net rate increase is <\$.0154.

CFO Campbell advised that generally, it is sought for between a 3 and 3.5 cent or a 2 to 2.35% increase in taxes. Those who pay the hydrant rate would see an offset 2 cent reduction.

*At this point in the meeting, Council **agreed** to release the rules of the meeting.*

Following the recap by the Chief Financial Officer Council discussion took place regarding:

- Appreciation to staff on the work put into the budget
- Services and taxes
- Rate comparisons: Kings County vs CBRM
- Housing crisis
- Travel and fuel costs for CBRM vehicles
- Financing from reserves is meant to be used for emergency costs
- Send the budget back to Directors to find another 1.5% reduction
- Promise by Premier Houston to double equalization until the formula was vetted

**Continued...**

**Budget Deliberations (continued) 2023-24 Operating Fund (Continued):**

- Challenges that may present with adding residential tipping fees at the landfill
- Challenges with the increase to the cost of living for residents
- Transit rate
- 7% in the CAP this year, 5.5% last year
- Province is not paying a fair share of Grant in lieu
- CBU pays 1/10<sup>th</sup> of the taxes
- NSCC will revitalize the downtown core and there will be an increase in transit
- No money going into the reserve
- Heavy garbage
- Service reductions
- Overtime budget and expenditures
- Minimum staffing requirements for departments
- Police service overtime and officer recruitment
- Minimum tax increase is to match the CPI
- In the past, over \$7 million was received by CBRM from gas tax funding and was capped at \$3 million for this fiscal year
- Give the keys of CBRM to the Province
- Provincial budget this year is balanced with a \$300 million deficit
- Review of the Budget line by line by Department
- Hurricane Fiona has an expense and offset recovery

At this point, the follow motion was put forward:

**Motion:**

Moved by Councillor Parsons, seconded by Deputy Mayor Edwards, to direct CAO Walsh along with the Directors of all CBRM departments to review and cut the overall budget by the shortfall of \$2.1 million and or 1.5%, and come back to Council with a balanced budget for 2023/24.

**Discussion:**

Balancing was discussed, which included staffing, overtime, tax increases and use of reserve.

**Point of Order**

A Point of Order was raised by Councillor Parsons regarding discussion as there was motion debated on the floor.

**Discussion:**

Discussion continued regarding a Council workshop for a line-by-line review of the budget, consideration of overtime management or scheduling of staff to look for ways to manage to be more efficient without burden on the taxpayer. Travel and technology costs and overtime for police and fire could be considered as emergency use.

**Motion defeated.**

**Continued...**

**Budget Deliberations (continued) 2023-24 Operating Fund (Continued):**

**Motion:**

Moved by Councillor O'Quinn, Councillor Cyril MacDonald, to defer new staffing requests and to cover the balance of the deficit from reserve funding to balance the budget.

**Discussion:**

During discussion, applicable use of reserve funding, i.e., Police and Fire response, letter sent by Minister that CBRM reserve is not high enough and clarification on the motion.

*Council Recessed at 2:58 p.m.*

*Council Reconvened at 3:13 p.m.*

***At this point in the meeting, the mover, with consent from the seconder, withdrew the motion.***

After additional discussion, the following was put forward:

**Motion:**

Moved by Councillor Bruckschwaiger, seconded by Councillor Tracey, to increase 2.35% Base rate adjustment (\$.0354/\$100) along with Tipping Fees.

**Discussion:**

Future budget planning, the response from Municipal Affairs Minister Lohr, the op-ed article and the last series of meetings with the Minister and his Department was discussed.

**Motion Defeated.**

Additional discussions will take place to move forward. Staff was asked to provide additional information and it was suggested to reach out to the Municipal Advisor for advice.

**Meeting adjourned to 4:05 p.m.**

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**Cecil P. Clarke**  
**Mayor**

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**Christa Dicks**  
**Municipal Clerk**  
/slm