

**State of the Region Address**

**Mayor Peter Kelly**

**12:00 p.m., May 22**

**Nova Scotia Ballroom, Casino Nova Scotia Hotel**

**CHECK AGAINST DELIVERY**

Ladies and gentlemen. I'd like to start with some good news. And that is, that I will be much briefer than my allotted time on the agenda. No doubt you are relieved. And you should be. Some of you know that I like to say politicians should be seen and not heard.

And so having said that, I'd like to thank you, once again, for hosting this address on the state of our region.

It is an energized and focused state that we are in. This is an exciting time for our region. We're growing. Building partnerships. Making plans for our future. I'm here today to talk about those plans, and about some of the issues and challenges we are facing.

Let me start by painting you a picture of the HRM today. A "snapshot of the region", if you will.

A couple of months ago, we learned that last year's Census recorded the HRM population as 360,000. This was a 4.7 percent increase from the 1996 Census. At this rate of growth, we can safely assume that our population today stands somewhere in the vicinity of 363,000.

More than half of this growth occurred in four areas:

Clayton Park West, Crestview and Paper Mill Lake, Hammonds Plains, and Cow Bay/Eastern Passage. All four of these areas experienced growth beyond 20 percent.

During this same five-year period, Nova Scotia's population decreased point one percent, well below the national average. The HRM now represents about 40% of the population of the province.

We enjoy abundant educational, recreational, health, and commercial facilities. And we are, the great majority of us, employed. More than 92%, last month.

Sounds like a great place, that people are catching on to, doesn't it? None of us here need to wonder why. In fact, the recent supplement to Business Voice spelled it out perfectly.

We are growing because of our business climate, our beaches, our technology, our theatres, our natural resources, our human resources.

In the months ahead, Halifax will be host to the G7 finance ministers, the World Junior Hockey Championship, the World Theatre Festival, the Nokia Brier. In 2004, we will host the Women's World Hockey Championship. I could go on.

This is no coincidence.

Thanks to the characteristics I just named, we are increasingly recognized as an ideal location for almost any event or activity. What's more, this phenomenon self-perpetuates, as audiences, fans and delegations are exposed to the convenience and charm of our city.

And so, the very simplest view I can take of our job as community leaders, is that it is to keep the ball rolling. Protect those natural resources. Improve that business climate.

I say it is *our* job, and I hope you think of it that way too. Municipal government alone does not have the power to protect and improve the health of our community. It takes participation, and cooperation, from all levels of government, and from the business community, and from the general public, to achieve that goal.

If I have one message for you today, it is this. We must, all of us, seek out opportunities to work together, to reduce duplication, to share resources, to rationalize services.

At the municipal level, as we work toward that simple goal – a healthy, growing community – we encounter issues that are not so simple.

What is needed? Who should pay for it? How much should it cost?

Budgeting is never simple. However, it is helpful to have a clear view of priorities, and the people of this region certainly provided that during the development of our current budget. Indeed, the Chamber submitted some very helpful thinking during that process, and I thank you, again, for that.

The result is a budget focused on fiscal health and stability, regional planning and customer service.

We are reducing tax rates, without taking the lift above CPI. So, while the 2001 assessment base increased by 14%, much of this was due to new homes, re-assessments, and inflation. However, after accounting for these factors, we are still able to reduce the General Property tax rate by 1.1%. Again. Over the past 3 years, taxes have gone down 3.4%.

Over the same period, we have reduced debt, by \$42.8 million dollars. Total issued and approved debt will decrease, this year alone, by \$7.9 million, or 2.5%.

Meanwhile, we are able to increase capital spending, following our Multi-Year Financial Strategy of budgeting capital from operating. \$22.4 million dollars, this year - an increase of \$6.2 million over last year, and exceeding even the \$15.9 million target set in the strategy.

Spending on parks and recreational services, at \$21.6 million, will be 2.4% higher this year than last. It has increased in each of the last five years, by 3 million dollars in total.

We will be providing a new recreation facility in North Preston, a new arena in St. Margaret's Bay, new artificial soccer fields at the Mainland Commons, and in Dartmouth.

Spending on police and RCMP will increase nearly 10%. A 2 million dollar increase, this year alone, up to 53.2 million.

Another 2.1 million will go to fire and emergency services, for a total this year just under 40 million.

This is a 6.2% increase over last year, and will provide, among other things, a new computer-aided dispatch system for quicker, and more accurate emergency responses.

We will be investing in our streets and sidewalks, from a public works and transportation budget that is 1.6 million dollars, or 3.7% larger than last year's.

But we should be doing more. Further reducing debt. Further improving services, and infrastructure. We should be doing about six million dollars worth more than we are. Instead, we will spend that money on provincial responsibilities like education, and on needless provincial downloading.

I'll give you an example of this last idea. HRM pays the Government of Nova Scotia 5 million dollars for assessment services. This year, the Government has been considering an additional 2 million dollar expenditure on a Land Information System for this service. It is a system we already have here in the HRM, so, naturally, we've offered it to them, to save this cost.

Guess what? They haven't taken us up on it. They are still considering reinventing the wheel.

Over the past seven years, downloading has stolen from this region 28.6 million dollars. 3.4 million alone, for education this year.

On top of the mandatory 60 million for education.

On top of the supplementary 20 million.

The Province has announced it will use this money for medical/dental benefits for teachers and French special programs. So what we have here, is the Province, generously negotiating collective agreements, and then sending us the bill. What's more, all this is done unilaterally. No consultation.

And while that's a problem, as is often the case, you turn it on its head and it can become the solution. The establishment of an ongoing, consultative structure. That's what is needed for us to be able to move towards rationalizing services, and reducing downloading. And ultimately, towards defining a new relationship.

Because the Halifax Regional Municipality is not like any other municipality in this province. It isn't even like the former capital city of this province. And yet we still try to operate under the same charter, with the same division of responsibilities as the province has with the smaller communities of Nova Scotia.

Halifax is not alone in this dilemma, as we have heard in recent reports from the Toronto Dominion Bank and the federal Liberal task force.

In Canada today, you have all of these megamunicipalities. Most of them fairly new. And many of them are still operating under the old charter, the old protocol, with their provinces. To paraphrase the TD report, cities like Halifax, Montreal, and Vancouver account for roughly 50 per cent of their provinces' gross domestic product. Provinces should not be in the business of micromanaging economic engines of this size.

To offer some specific examples here at home, why is the province involved in the management of the Halifax waterfront? Of the World Trade and Convention Centre? We do a great job ourselves: why not just support our efforts?

To paraphrase Finance Minister Paul Martin's comment on the Liberal task force report, cities have been given great responsibility through provincial downloading, and they must be given the corresponding resources to deal with those responsibilities.

I have already mentioned the duplication of provincial investment in a Land Information System for assessment services. There are other systems which could also, should also, be shared. Among them our accounting system, SAP. There are spaces which can be shared, for such activities as customer service. Shared, not only with the province, but with federal departments, with universities, with any of the core institutions of our community.

Because the HRM citizen paying property tax, is also paying HST. Is paying income tax. We don't segment our lives into municipal, provincial, and federal categories. We think in terms of work, play, school.

The benefits of working together are greater, even, than reduced cost and improved service. Working together benefits our very plans, our vision for our society.

A great example of this is the Atlantic Mayor's Congress, and subsequent Saltwater Harbours Wastewater Symposium, which I convened here in November. Ministers Martin, Thibeau, and Tobin were in attendance, as were other senior representatives of Fisheries and Environment. Municipalities dealing with harbour pollution worked together to develop a proposal for federal participation in cleanups.

We believe the strength of this united position influenced the shape of the large project infrastructure program, launched the following month. This program is a very promising possibility for the federal funding of our Harbour Solutions project.

Council has committed to funding two-thirds of the total project cost. With that commitment, and the likelihood of federal funding, the only missing link continues to be the Province.

Their recent allowance for independent borrowing is a progressive, and commendable decision. But we need direct participation, and there are ways this can happen, without increasing provincial expenditures. Rebating the tax generated by the project, 28.5 million, back to HRM – or even one million a year for 30 years – would completely cover the provincial portion of the cost.

No new money would have to be taken from existing revenue streams. There are other possibilities as well. We simply must find a way, because the cleanup of our harbour is one of the longest standing priorities for the citizens of this region.

40% of all Nova Scotians.  
Provincial taxpayers every one.

What's more, polls consistently report around 70% of respondents believe the Province ought to contribute.

I don't want to spoil anyone's appetite, but I'll just quickly remind you that 181 million litres of waste water outfall into our harbour every single day. We need to move forward with the solution.

I look around this room, and I see leadership. So many leaders, with real influence over the future of our community. I urge you to get involved in this issue. To encourage the province of Nova Scotia to participate in Harbour Solutions. And in general, to encourage a new relationship between HRM and the province. Indeed, between all levels of government, all sectors of our community.

There have been other demonstrations this year, of the power of cooperation. The business districts of downtown Halifax and Dartmouth, Spring Garden, Quinpool, and Gottingen, working together to establish this Capital District as the undisputed capital of Atlantic Canada.

Our Fire and Emergency Service, partnering with community leaders on the Safe Communities program. Our partnership with the Ecology Action Centre, to hire a Bicycle/Pedestrian Coordinator. The Atlantic Mayor's Congress, which, in two meetings, has launched a plan for regional marketing, and economic development, creating the Atlantica Secretariat.

As we face these challenges, we will continue to seek new relationships and to build existing ones. Finding opportunities to unite, in strength, towards achieving common goals.

Now, in talking about the State of the Region, you are, necessarily, talking about the present, for the most part. But I'd like to talk about the future right now, because the future is actually a big part of our present these days. I'm talking about transportation planning, and the development of a Regional Plan.

This year we embarked on a planning process that will guide the long-term development of the region. The planning process itself will take two to three years, occurring in two phases.

In the first phase, which is well underway, we are identifying core issues, principles and values, as well as broadly based growth options, and criteria for evaluating those options. We are drawing on a great deal of public consultation, in many forms, as well as formal studies, and of course the results of Vision 20/20.

The four main components of the plan are

- growth management, concerning matters such as infrastructure investment, and delivery of services,
- integrated transportation,
- vibrant city, looking at design, and heritage issues,
- and asset management, which will be concerned with environmental spaces, like waterways and parks.

By the end of this summer, we will have a number of alternative growth options to consider. Developing plans and policies to support the preferred growth option will be the focus of phase two, next year.

In the end, we will have a 25 Year Regional Plan. It will give us a framework, for decisions on residential growth, on our urban core, our industrial lands, on road and transit improvement, recreational facilities, on police, fire and library service; and on our parks, lakes, and heritage resources.

As we progress, we will continue to rely on the input of citizens as one of the most valuable tools we have, to help get it right.

That is my ongoing commitment to the people of this region: responsiveness, respect, and accountability.

In turn, I encourage all of our citizens to look for opportunities to work together, in mutual respect. Understanding each other's position. Taking the broad view. Giving back, as we take. Listening. Learning. Responding. Surely, these are the keys to our healthy future.

Thank you.