

# HALIFAX

Transportation

Healthy  
Communities

Economic  
Development

Governance &  
Communication

Service  
Excellence

Health &  
Safety

Our People

Financial  
Responsibility

## Budget 2016-2017 Investing in Priorities

March 8, 2016

# Outline

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## The Process and Recommendations

### Council's Priorities

- Governance and Communication
- Transportation
- Healthy Communities
- Economic Development

### Financial Responsibility

- Pan Canadian Check-in
- 16-17 Planned Outcomes
- Key Measures and Assumptions  
(Economy, Taxes, Expenditures, Debt, Capital, Reserves)
- Moving Forward



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# The Process

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## Direction from Council

- Financial Direction (Oct 20)
- Priority Outcome (Nov 24)
- Public Participation (Oct - Jan)

## Review by Committee of the Whole

- Capital Budget (Dec 2)
- Business Units (Dec 9-Feb3)
- Parking Lot (Feb 16)

## Report with Recommendations for Approval (March 8)

# The Recommendation

*It is recommended that Halifax Regional Council*

- Approve the 2016/2017 Capital and Operating Budget, as per Attachment A – “Resolution for Approval of Operating and Capital Budget, and Tax Rates for Fiscal 2016/2017,” including*
  - Total Budget Approval for Multi-year Projects, as detailed in Schedule 1; and,*
  - The Withdrawal from Reserves detailed in Schedule 2.*

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# Governance and Communication



SHAPE YOUR CITY  
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Downtown Dartmouth Plan Update

Downtown Halifax Plan Review

Help ensure the plan continues to reflect residents' goals and objectives for our urban core.

[Learn more →](#)



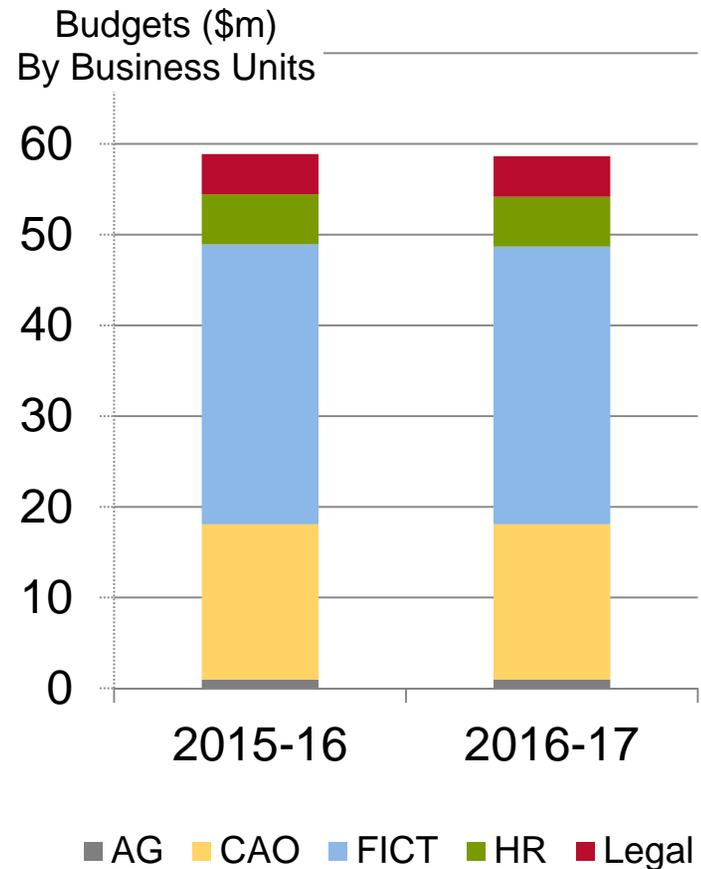
SHAPE YOUR CITY **BUDGET**

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# Governance and Communication

## 2016/17 Priority Outcomes

16/17 Priority Outcomes
Council and Committee Governance
ABCs Governance
Communications
Public Engagement



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# Transportation

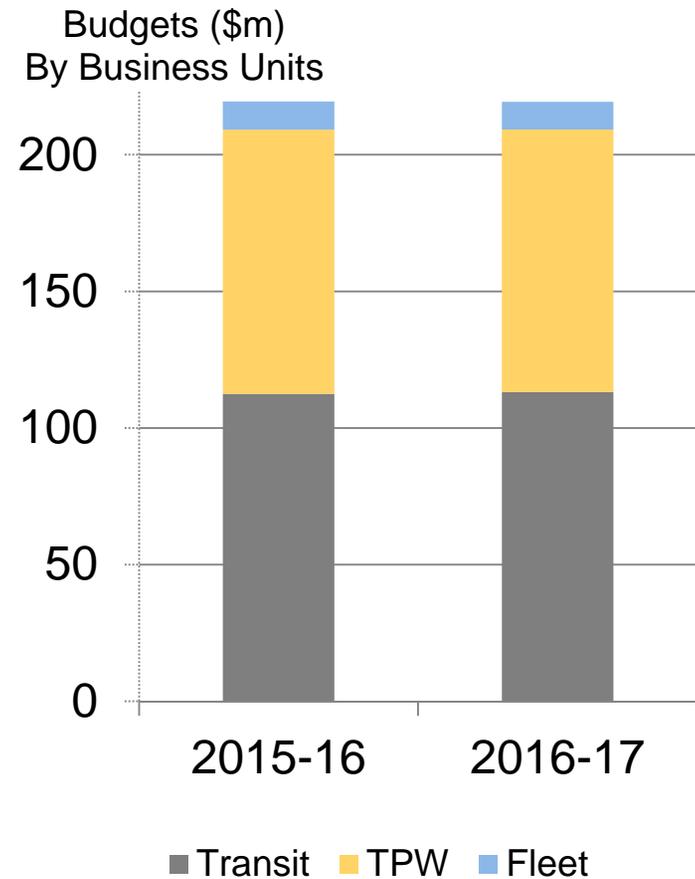


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# Transportation

## 2016/17 Priority Outcomes

16/17 Priority Outcomes
Integrated Mobility
Transportation Asset Service Plan
Transportation Technology



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# Healthy Communities

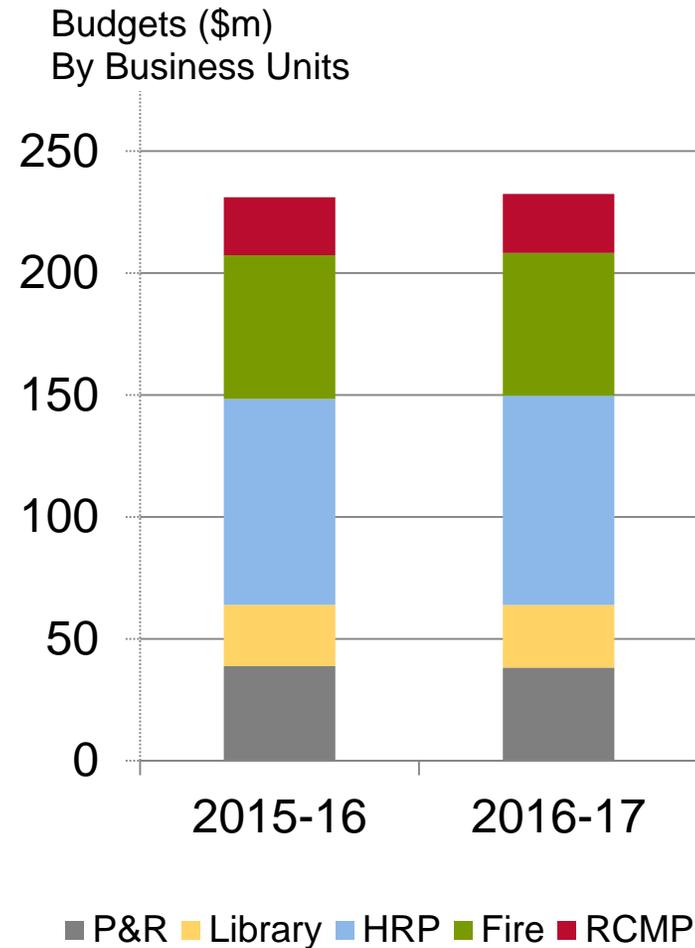


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# Healthy Communities

## 2016/17 Priority Outcomes

16/17 Priority Outcomes
Public Safety
Pedestrian Safety
Energy and Environment
Recreation and Leisure
Inclusive and Accessible Community



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# Economic Development



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# Economic Development

## 2016/17 Priority Outcomes

### 16/17 Priority Outcomes

Welcoming Community & Youth Retention

Business Climate

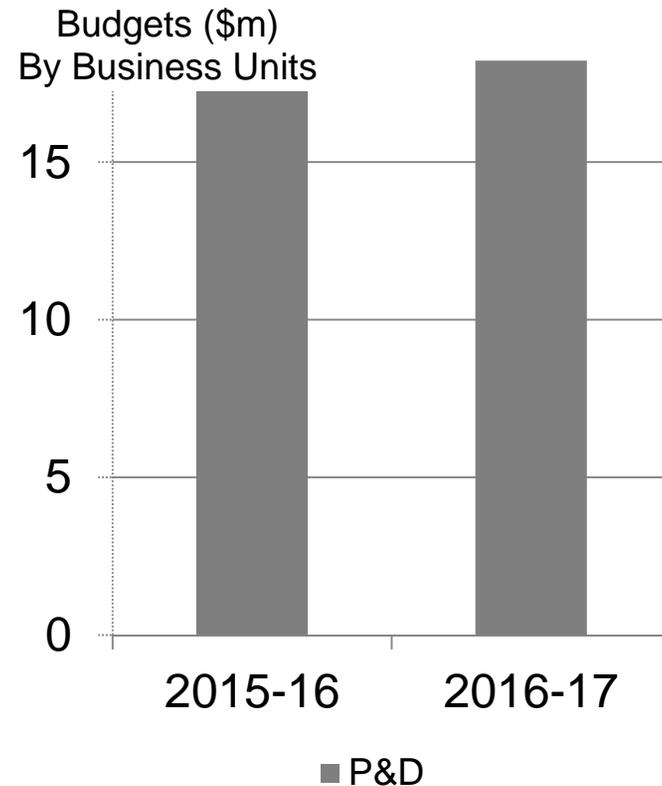
Rural Economic Development

Focus on the Regional Centre

Supply of Industrial, Commercial and Institutional Lands

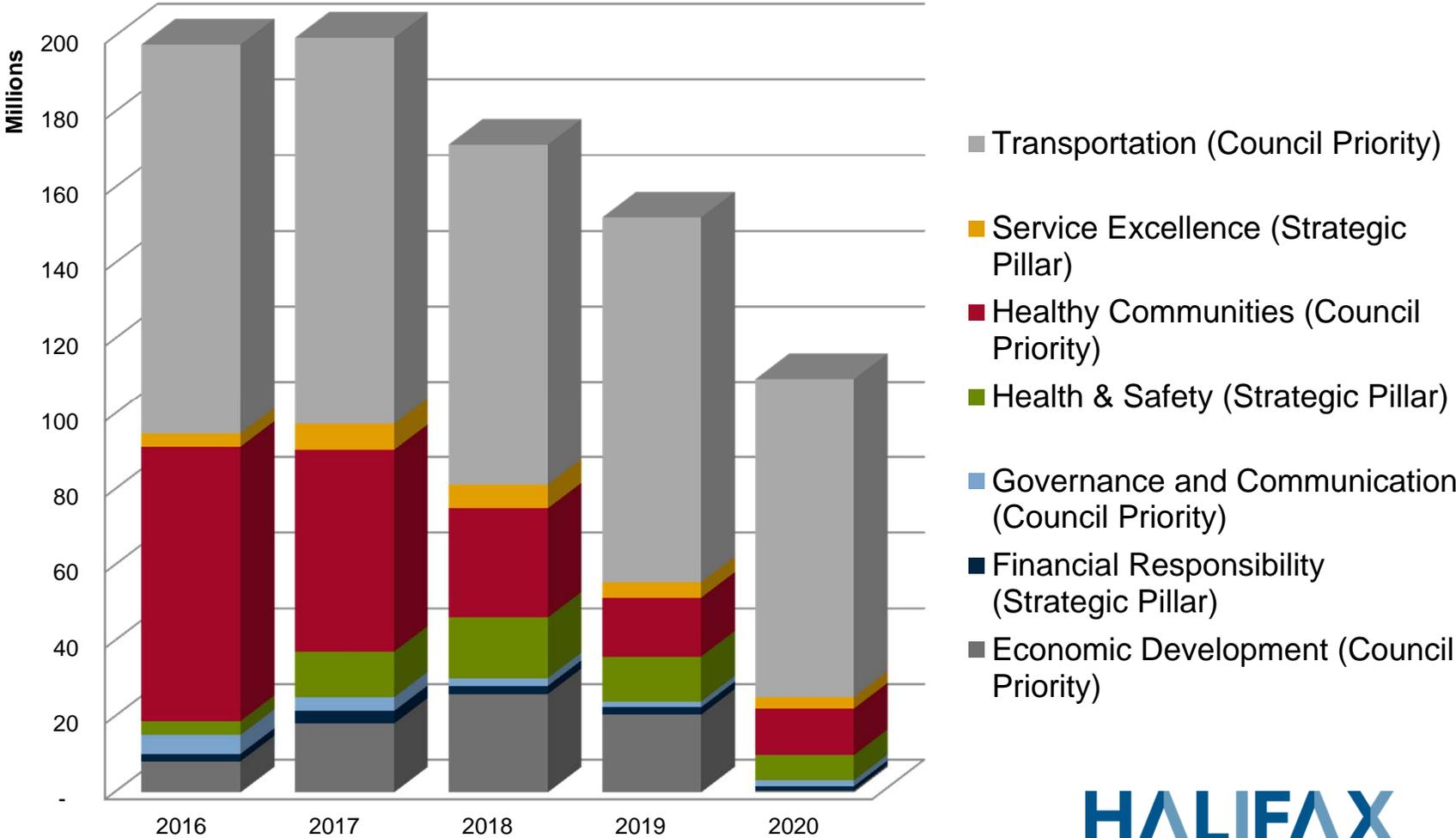
Arts, Culture & Heritage Initiatives

International Recognition & Awareness



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# 5 Year Capital Budget by Outcome Area



# Outline

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# Financial Responsibility

## Pan Canadian Check-in for 2016

- **London, Ontario** – Average Taxes proposed to rise \$71.
- **Victoria, BC** – Average taxes rise 2.05% residential and 2.19% commercial.
- **Brampton, Ontario** – Average taxes proposed to rise \$124 (2.9%).
- **Regina, Sask** – 3.3% tax increase proposed.
- **St. John's** – Reduced services. Taxes increasing by average of \$234 (11%).

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# Financial Responsibility

## Key Measures and Assumptions

### 16/17 Priority Outcomes

#### Economy is Strong

- Real GDP up 3.0%
- 2<sup>nd</sup> Fastest Growth in Canada

#### Municipal Expenditures have Declined

- From \$726.7m to \$724.7m

#### Property Tax Bills are Flat

- Tax rates have declined
- Average Residential and Commercial Tax bills same as 15/16

#### Municipal Debt Declines

- Est at \$250.9m for 16/17

#### Strategic Infrastructure Reserve for Debt Management Created

- \$10m contribution per year

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# Financial Responsibility

## Economic Forecasts are Positive

- 1,800 new homes
- Real GDP up 3.0%
- Income per Person up 2.5%
- Retail Sales up 4.5%
- Employment up 4,000
- Inflation up 2.4%

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# Financial Responsibility

## Municipal Expenditures have Declined by \$2m

	Budget 2015-16	Budget 2016-2017
<b>Municipal Expenditures</b>	<b>\$726.7</b>	<b>\$724.7</b>
Revenues	-\$215.4	-\$208.1
Property Taxes	<u>-511.3</u>	<u>-516.6</u>
<b>Revenues</b>	<b>-\$726.6</b>	<b>-\$724.7</b>
<b>(Surplus)/Deficit</b>	<b>\$0</b>	<b>\$0</b>

- **Decreases**
  - Solid Waste
  - Fuel
  - Salt
  - Electricity
- **Increases:**
  - Compensation
  - Planning
  - Snow & Ice

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# Financial Responsibility

## How We dealt with Financial Pressure

There was \$18.7m of pressure on the Budget

Lower (vs Higher) Capital from Operating	\$8,951,000
Lower than Expected Costs (Fuel, Electricity, Supplies, Materials)	5,432,000
Lower Operating Costs of Capital	3,942,000
Higher than expected Tax Revenues	1,677,000
Higher than expected Deed Transfer Tax	1,000,000
Higher than expected Reserves	-2,178,000
Lower than expected other Revenues	-2,960,000
Other (ind changes in services and absorbing inflation)	2,870,000
	<b>18,734,000</b>

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# Summary of 2016-17 Budget Position

(Net Budget in Thousands)

	2015-16 Approved Budget	2016-17 Proposed Budget
Auditor General	965.1	946.0
CAO	13,275.7	13,315.7
Fire and Emergency Services	58,580.0	58,305.0
Finance & ICT	28,192.9	28,752.3
Human Resource Services	5,453.4	5,396.4
Legal Services	4,186.0	4,253.4
Operations Support	39,926.9	39,451.5
Planning and Development	4,871.8	5,243.9
Halifax Transit	0.0	0.0
Parks and Recreation	26,249.4	25,804.1
RCMP	23,750.0	24,183.0
Halifax Regional Police	77,082.8	76,964.7
Transportation and Public Works	79,448.5	89,296.2
Library Services	18,848.5	19,440.0
<b>Total</b>	380,831.0	391,352.2
Fiscal Services	-380,831.0	-391,352.2
<b>Total</b>	<b>0</b>	<b>0</b>

# Financial Responsibility

## Business Units – Change in their Net Budgets (before OCC)

<b>Governance and Communication</b>	
Auditor General	-19,000
CAO	15,000
Finance & ICT	-748,100
Human Resource Services	-57,000
Legal Services	67,000
<b>Sub-Total</b>	<b>-742,100</b>

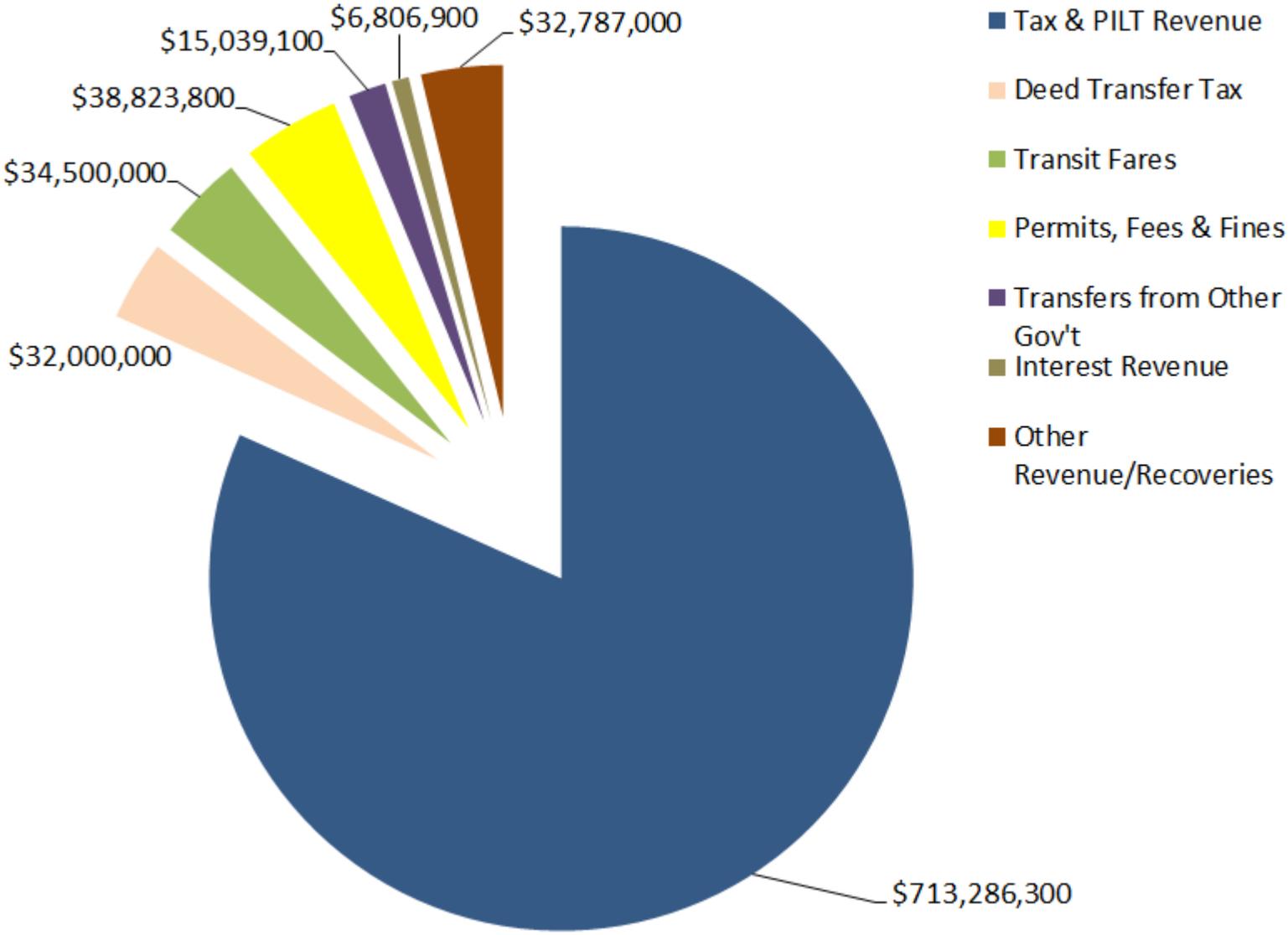
<b>Transportation</b>	
Halifax Transit	-1,126,600
Transportation and Public Works	9,360,600
Operations Support	-585,000
<b>Sub-Total</b>	<b>7,649,000</b>

<b>Healthy Communities</b>	
Parks and Recreation	-652,000
Library Services	592,000
Halifax Regional Police	-118,000
Fire and Emergency Services	-275,000
RCMP	433,000
<b>Sub-Total</b>	<b>-20,000</b>

<b>Economic Development</b>	
Planning and Development	362,000
Business parks	
Capital Budget, Other	
<b>Sub-Total</b>	<b>362,000</b>

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# Operational Revenues 2016-17



# Financial Responsibility

Both Residential and Commercial Property Tax Bills are Flat

## Average Assessments and Tax Rates

	Base Year 2015-16	Year 1 2016-17	
Average Assessment (Single Family Home)	\$223,700	\$225,700	} The property tax rates will be reduced to offset any assessment increase.
* Urban Tax Rate	0.820	0.813	
<b>Average Tax Bill</b>	<b>\$1,835</b>	<b>\$1,835</b>	



# Financial Responsibility

## Key Changes from 2015-16

### Revenue:

#### Property Tax Rate comparisons:

<b>Residential</b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	
• Urban	\$0.669	\$0.662	-7/10¢
• Suburban	\$0.636	\$0.629	-7/10¢
• Rural	\$0.636	\$0.629	-7/10¢
<b>Commercial</b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	
• Urban	\$2.895	\$2.832	-6.3¢
• Suburban	\$2.895	\$2.832	-6.3¢
• Rural	\$2.566	\$2.510	-5.6¢
<b>Transit</b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	
• Transit	\$0.151	\$0.151	n/c

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# Financial Responsibility

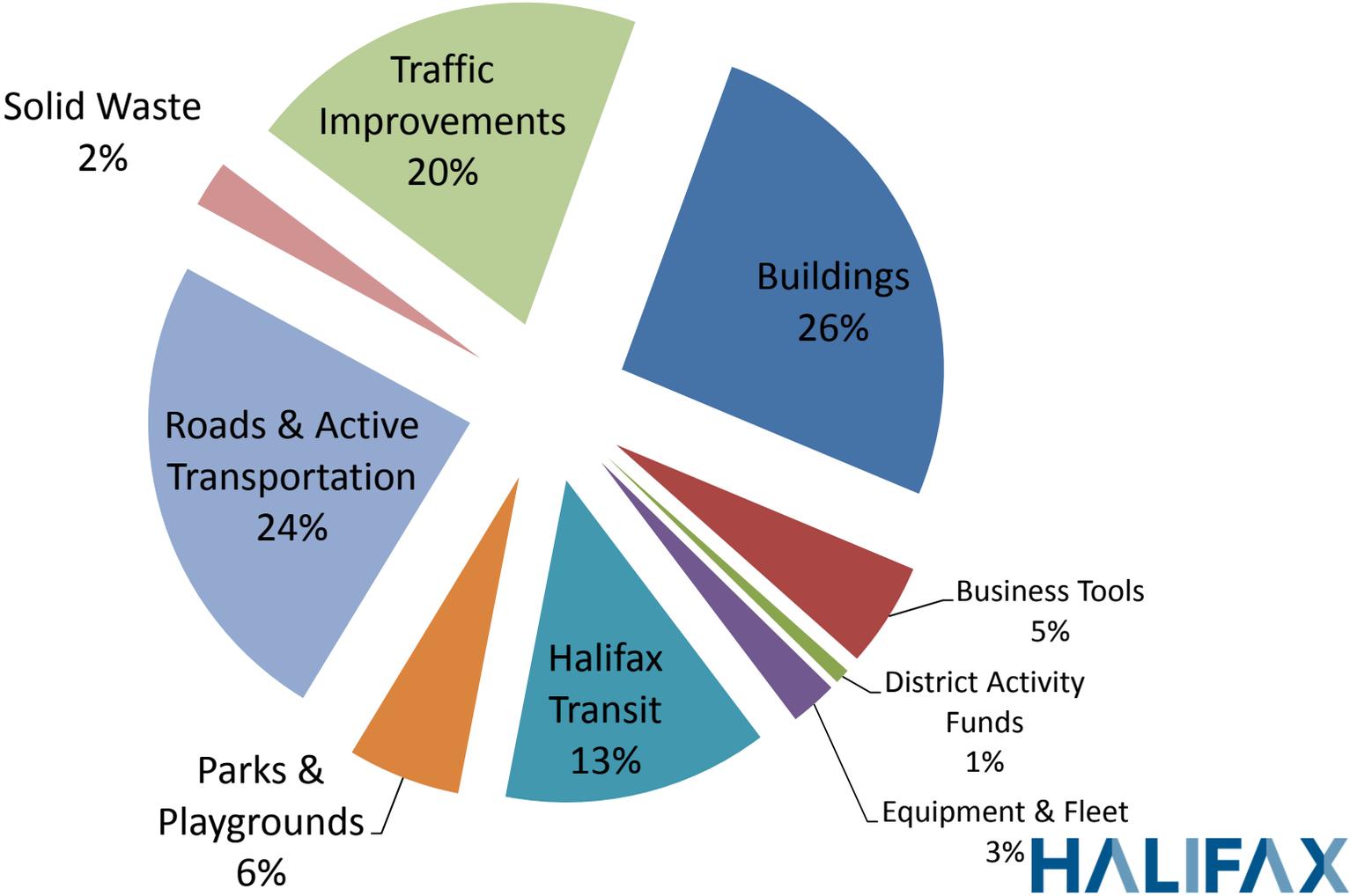
## Other Tax Rates

<b>Supp Education</b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	
• Residential	\$0.030	\$0.030	<i>n/c</i>
• Commercial	\$0.083	\$0.082	<i>-1/10¢</i>
<b>Fire Protection</b>	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	
• Residential	\$0.019	\$0.015	<i>-4/10¢</i>
• Commercial	\$0.053	\$0.041	<i>-1.2¢</i>
<b>Stormwater Charge</b>	<b>\$41</b>	<b>\$42</b>	<b>+\$1.00</b>

- **Provincial Area Rates** - not yet available

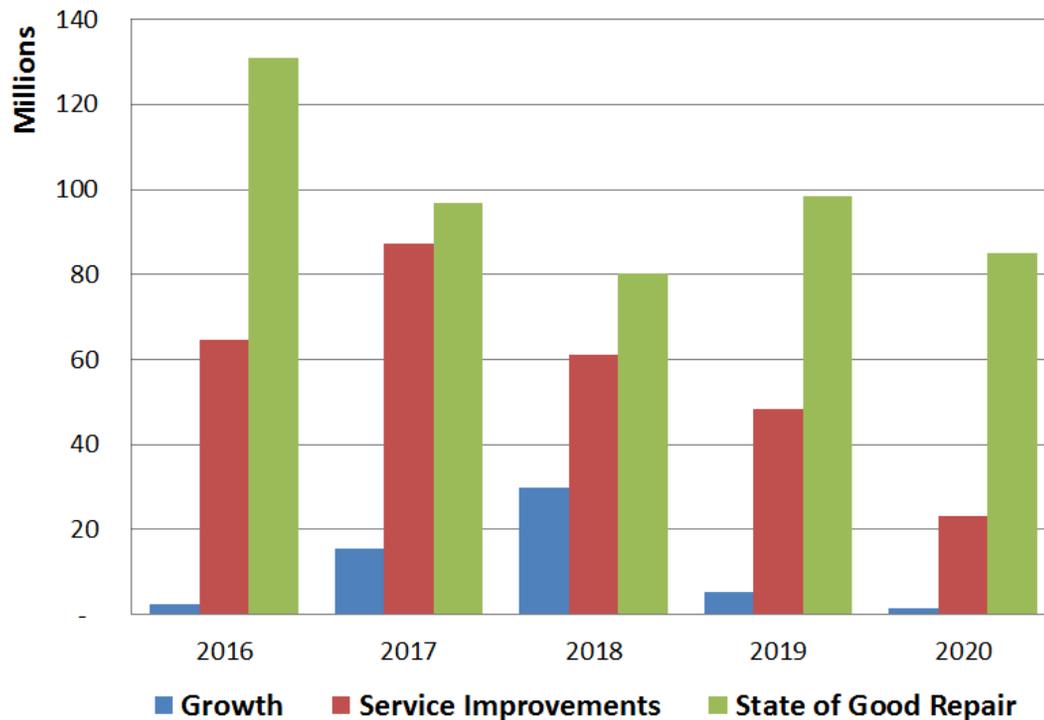
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# Council has a \$198m Capital Budget



# Financial Responsibility

## Council has a \$198m Capital Budget



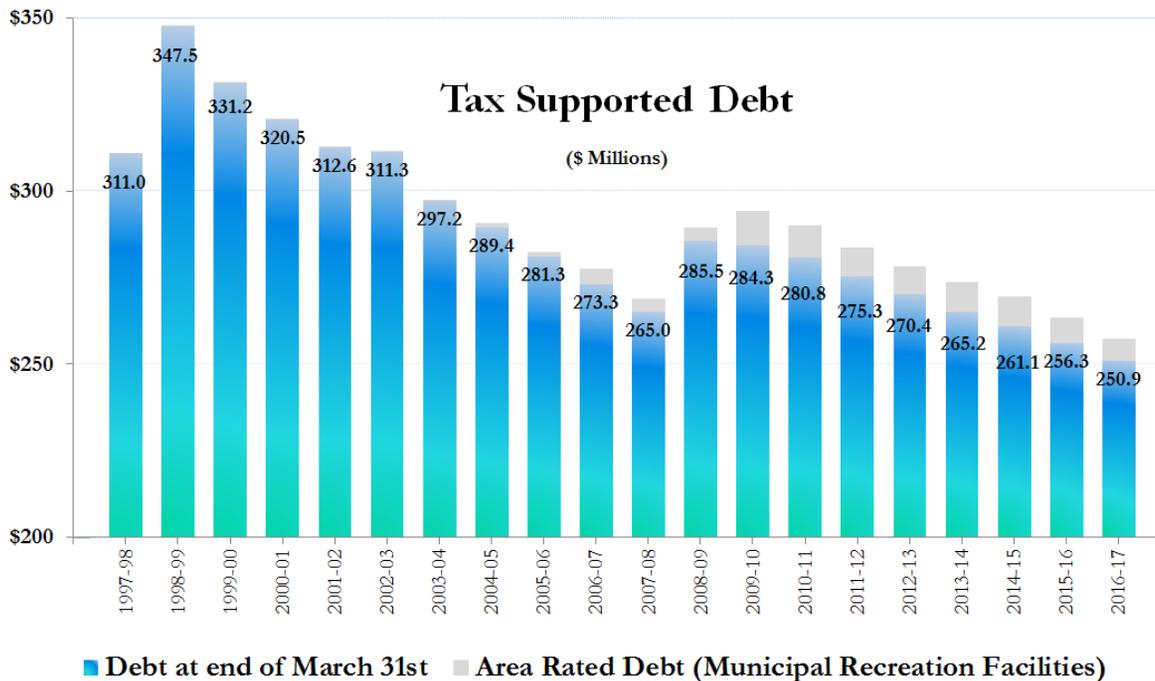
- **Notable projects include:**

- road and street maintenance;
- transit network change (*Moving Forward Together*);
- Construction of the Dartmouth Multi-Pad.

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# Financial Responsibility

## Debt Continues to Decline



Debt includes funding that is approved, issued and work-in-progress (WIP) as of March 31st year-end.

- **Debt stands at \$251m**
  - close to \$100m less since 98-99.
- **6% of Municipal Expenditures go to principle and interest**
  - 15% is the Provincial Guideline

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# Financial Responsibility

## A “Strategic Infrastructure Reserve” for Debt Management

- **An investment of \$10m per year.**
  - Will offset the debt charges on \$75m in debt,
  - Can leverage as much as \$225m in capital work through any Infrastructure programs,
  - Debt can be repaid without increasing property tax levels or reducing services.

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# Financial Responsibility

## Initiatives that will move us Forward

### 16/17 Priority Outcomes

We accept a shared responsibility for the planning and management of resources.

We consider the financial impact of our decisions on tax payers.

- **Working to Create Better Information for Council and Public**
- **Link our Priority Outcomes to Our Services:**
  - Improved Metrics
  - Service Costs
  - Performance Info
  - Budgets/Costs by Service
  - Long Term Decisions (debt, capital, taxes, reserves, cap from operating, services)

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# The Recommendation

*It is recommended that Halifax Regional Council*

- Approve the 2016/2017 Capital and Operating Budget, as per Attachment A – “Resolution for Approval of Operating and Capital Budget, and Tax Rates for Fiscal 2016/2017,” including*
  - Total Budget Approval for Multi-year Projects, as detailed in Schedule 1; and,*
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