

HALIFAX

Fourth Quarter Report

Presentation to Audit and Finance Standing Committee

June 21, 2017

General Rate Surplus

- Surplus of \$1.4m primarily due to:
 - Decrease in salaries and benefits of \$11.7m, partially offset by increased overtime costs of \$5.7m (net surplus represents 1.7% of total compensation)
 - Increase in deed transfer tax \$3.8m
 - Decrease in solid waste related expenses \$1.8m
 - Increase in other revenues including interest collected and sales related to recyclable materials \$1.0m
 - Debt servicing charges lower than anticipated \$0.8m
 - Decrease in miscellaneous net costs \$0.4m

General Rate Surplus – cont'd

- Other significant items:
 - Halifax Transit's surplus carry forward to 2017/18 \$0.2m
 - Increase in allowance to cover collection risks \$1.0m
 - Increase in obsolete stock removed from inventory \$1.0m
 - Decrease in Halifax Transit fare revenue \$1.6m
 - Increase in Multi-district Facilities related costs \$1.8m
 - Increase in repair and maintenance costs for Halifax Transit \$1.2m and corporate fleet \$0.7m
 - Increase in salt use and snow clearing costs \$2.1m
 - Funding Local Improvement charge recoveries \$2.8m

Projected General Rate Surplus Summary

Increase / (decrease) to General Rate Surplus	in millions
Decrease in salaries and benefits net of increased overtime costs	\$6.0
Increase in deed transfer taxes	3.8
Decrease in solid waste related costs	1.8
Increase in revenues including interest and recyclable materials sales	1.0
Decrease in debt servicing charges	0.8
Decrease in miscellaneous net costs	0.4
Halifax Transit's surplus carry forward to 2017/18	(0.2)
Increase in allowance to cover collection risks	(1.0)
Increase in inventory write-offs	(1.0)
Decrease in Halifax Transit fare revenue	(1.6)
Increase in Multi-district Facilities related costs	(1.8)
Increase in vehicle repair and maintenance costs	(1.9)
Increase in salt use and costs of snow clearing	(2.1)
Funding LIC recoveries	<u>(2.8)</u>
General Rate Surplus	\$1.4

Project Statement

in millions

Available Budget April 1, 2016	\$ 925.4
Budget 2016/17	197.9
Advanced and Multi Year Budget	204.0
Budget increases (decreases)	<u>17.1</u>
Total Budget Available	1,344.4
Less: Closed Projects	<u>108.1</u>
Budget for Active Projects	1,236.3
Less: Current Expenditures & Commitments for Active Projects	<u>931.2</u>
Available Budget Mar 31, 2017	<u>\$ 305.1</u>

- There is approximately \$305m available in projects to be spent in future years.

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Councillors' Funds

- District Capital Funds
 - All of the total budget of \$3.0m has been spent or committed.
- District Activity Funds
 - All but \$1 of the total budget of \$69k, has been spent.

Recreation Area Rates

- There are 24 Recreation Area Rate Accounts.
- The surplus in these accounts at April 1, 2016 was \$1.6m.
- Revenue of \$0.9m has been earned and \$0.7m has been spent.
- The surplus at the end of March, 2017 is \$1.8m.

Reserves

- HRM's reserves opening balance at April 1, 2016 was \$196.8m.
- \$97.5m has been transferred into reserves and \$91.0m has been transferred out of reserves.
- The balance in reserves at March 31, 2017 is \$203.3m.
- Pending expenditures are \$103.0m.
- Actual available balance in reserves at March 31, 2017 is \$100.3m.
- Budgeted available balance was \$114.3m.
- The \$14.0m variance is primarily due to reduced property sales \$35.1m; partially offset by transfer of \$18.0m from Citadel PILT settlement, transfer of year-end surplus to reserves \$1.4m and other miscellaneous withdrawals and contributions of \$1.7m.

Accounts Receivable

Property Taxes	\$	335.8m
Local Improvement Charges		8.0m
Payments-in-Lieu of Taxes		14.9m
General Revenue		6.5m
Total Gross Accounts Receivable	\$	<u>365.2m</u>

Assessment Appeals Summary

HRM Appeals Summary Fiscal 2016-17
March 31, 2017

	Residential	Apartments	Commercial	Totals
Total Taxable Value Under Appeal	\$ 678,321,700 10%	\$ 2,039,870,500 31%	\$ 3,896,068,100 59%	\$ 6,614,260,300 100%
Total # of Appeals				3,291
Total Taxable Value Completed	\$ 506,679,700 75%	\$ 1,600,315,500 78%	\$ 2,450,356,300 63%	\$ 4,557,351,500 69%
Total Taxable Value Outstanding	\$ 171,642,000 25%	\$ 439,555,000 22%	\$ 1,445,711,800 37%	\$ 2,056,908,800 31%
Net Taxable Value Amended	\$ (39,500,500)	\$ (58,842,800)	\$ (135,437,800)	\$ (233,781,100)
Appeal Loss Ratio	(7.80%)	(3.68%)	(5.53%)	(5.13%)
Tax Rate	\$ 0.6620	\$ 0.6620	\$ 2.8320	
Total Property Tax Revenue Loss due to Appeals	\$ (261,493)	\$ (389,539)	\$ (3,835,598)	\$ (4,486,631)

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Capital Projection Summary

Net Budget available before expenditures, March 31, 2016	\$ 400.4m
Spent by March 31, 2017	\$ 194.6m
December projected expenditures	\$ 210.0m