

HALIFAX

First Quarter Report

Presentation to Audit and Finance

September 7, 2016

General Rate Surplus

- Projected surplus of \$0.4m primarily due to:
 - Decrease in salaries and benefits of \$3.4m, partially offset by increased overtime costs of \$1.7m primarily due to criminal investigations of 4 homicides in a very short period of time (net surplus represents 0.5% of total compensation)
 - Increase in tax revenue primarily due to tax agreements and interest on overdue accounts \$0.5m
 - Debt servicing charges lower than anticipated \$0.4m
 - Transfers from reserves \$0.3m to offset increase in consulting costs for Administrative Order 24 (Fire & Emergency Service in HRM) review and new facility plan for Regional Police \$0.3m

General Rate Surplus – cont'd

- Other significant items:
 - Increase in operational costs of facilities \$1.0m
 - Transit surplus carry forward to 2017/18 \$0.5m
 - Increase in costs for various IT initiatives \$0.3m
 - Increase in RCMP costs over amounts budgeted \$0.2m
 - Increase in miscellaneous net costs \$0.2m

Projected General Rate Surplus Summary

Increase / (decrease) to General Rate Surplus	millions
Salaries and benefits net of overtime costs	\$1.7
Miscellaneous tax revenues	0.5
Debt servicing charges	0.4
Transfers from Reserves	0.3
Operational cost of facilities	(1.0)
Halifax Transit's current year surplus carry forward	(0.5)
Increase in costs for various IT initiatives	(0.3)
Consulting costs for administrative review and new facility plan	(0.3)
RCMP costs over amounts budgeted	(0.2)
Miscellaneous costs	(0.2)
General Rate Surplus	\$0.4

Project Statement – Attachment 3

in millions

Available Budget April 1, 2016	\$ 925.5
Budget 2016/17	197.9
Advanced and Multi Year Budget	121.0
Budget increases (decreases)	<u>0.1</u>
Total Budget Available	1,244.5
Less: Closed Projects	<u>3.1</u>
Budget for Active Projects	1,241.4
Less: Current Expenditures & Commitments for Active Projects	<u>927.5</u>
Available Budget June 30, 2016	<u><u>\$ 313.9</u></u>

- There is approximately \$314m available in projects to be spent in current and future years.

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Councillors' Funds

- District Capital Funds
 - Of the total budget of \$3.0m, \$2.6m has been spent or committed leaving \$0.4m available.
 - Note: In total \$626.7k has been restricted from being spent before the election.
- District Activity Funds
 - Of the \$69k budget, \$52.2k has been spent or committed leaving \$16.8k available.
 - Note: In total \$28.8k has been restricted from being spent before the election.

Recreation Area Rates

- There are 24 Recreation Area Rate Accounts.
- The surplus in these accounts at April 1, 2016 was \$1.6m.
- Revenue of \$0.2m has been earned and \$0.2m has been spent.
- The surplus at the end of June is \$1.6m.

Reserves

- HRM's reserves opening balance at April 1, 2016 was \$196.8m.
- \$18m has been transferred into reserves and \$20.5m has been transferred out of reserves.
- The balance in reserves at June 30, 2016 is \$194.3m.
- Pending revenue is \$89.9m and pending expenditures are \$175.2m.
- Projected available balance in reserves at March 31, 2017 is \$109m.
- Budgeted available balance was \$114.3m. A reduction of 42% from our opening balance.
- The \$5.3m variance is primarily due to \$4.1m in reduced property sales revenue, and increased withdrawals to fund buyback of industrial lot \$1.0m.

Aged Accounts Receivable

Property Taxes	\$	34.4m
Local Improvement Charges		9.3m
Payments-in-Lieu of Taxes		27.0m
General Revenue		<u>7.2m</u>
Total Gross Accounts Receivable	\$	<u>77.9m</u>

Assessment Appeals Summary

HRM Appeals Summary Fiscal 2016-17

June 30, 2016

	Residential	Apartments	Commercial	Totals
Total Taxable Value Under Appeal	\$ 668,434,900 10%	\$2,072,968,600 31%	\$3,849,281,600 58%	\$6,590,685,100
Total # of Appeals				3,242
Total Taxable Value Completed	\$ 390,953,000 58%	\$ 419,229,300 20%	\$ 842,743,800 22%	\$1,652,926,100 25%
Total Taxable Value Outstanding	\$ 277,185,000 6%	\$1,653,739,300 33%	\$3,006,537,800 61%	\$4,937,462,100 75%
Net Value Amended	\$ (25,411,900)	\$ (10,584,700)	\$ (27,832,500)	\$ (63,829,100)
Appeal Loss Ratio	-6.50%	-2.52%	-3.30%	-3.86%
Tax Rate (per \$100)	\$ 0.6620	\$ 0.6620	\$ 2.8320	
Total Property Tax Revenue Loss due to Appeals	\$ (168,227)	\$ (70,071)	\$ (788,216)	\$ (1,026,514)

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Capital Projection Summary

Net Budget available before expenditures, June 30, 2016	\$ 393.2m
Spent by June 30, 2016	\$ 28.1m
Projected to spend by the end of the year	\$ 232.9m

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