

HALIFAX

Budget Update 2019 - 2023

Police Commission
November 19, 2018

Outline

- Approach to Multi-Year Budgeting
- Budget and Business Planning Process
- Budget Summary
- Current Capital State and Capital Reform
- Budget and Business Presentation Schedule

Approach to Multi-year Budgeting

■ Benefits

- Predictability/sustainability
- Less annual effort
- Enables long term view

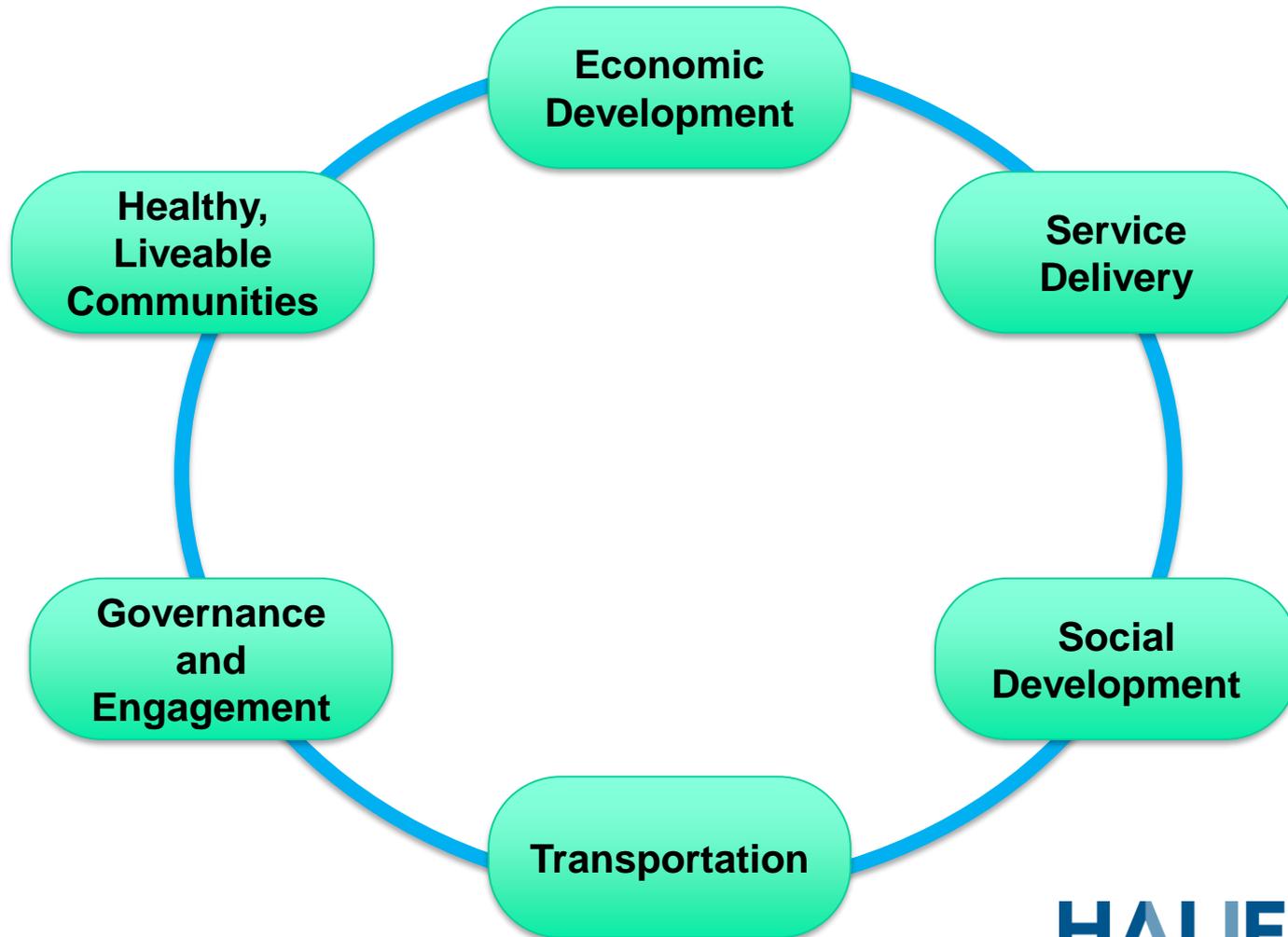
■ Approach

- Years 1 and 2 to budget quality
- Years 3 and 4 estimates

■ Direction from Council

- Approval of 2019-20 Budget
- Approval of 2020-21 Annual Budget in principle, subject to debate and revision

Alignment with Council Priorities



4 Critical Influences

Operating Budget

Property Tax Levels:

- Nearly 80% dependent on property tax
- Average single family home pays \$1,917 amount (1.97% increase)

Capital Budget

- Prioritizing maintenance of existing assets
- Adding new assets to support growth which result in additional operating costs
- Funding includes **Debt** and **Capital from Operating**

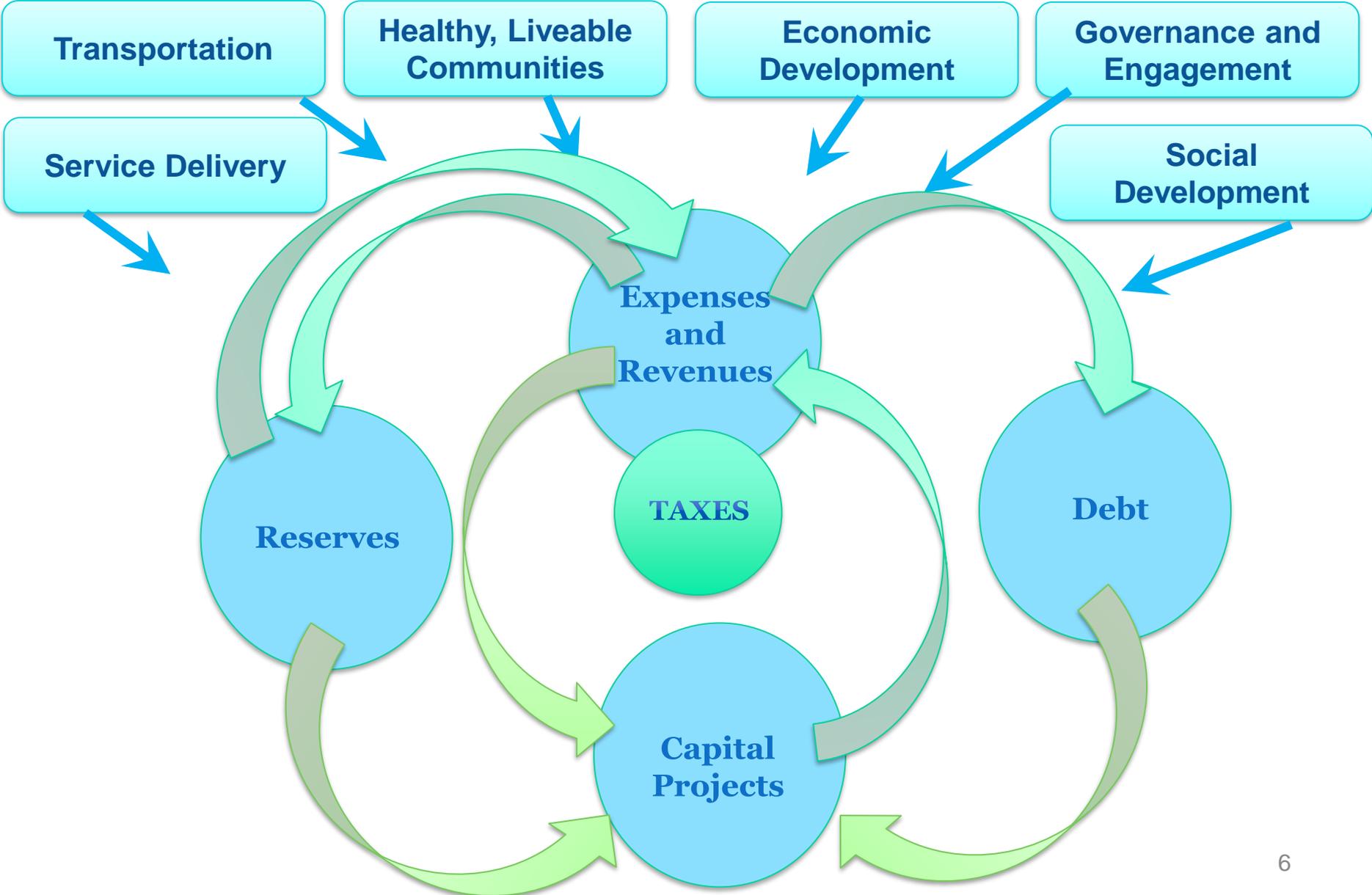
Debt

- Debt is at acceptable levels and in alignment with Council approved debt strategy.

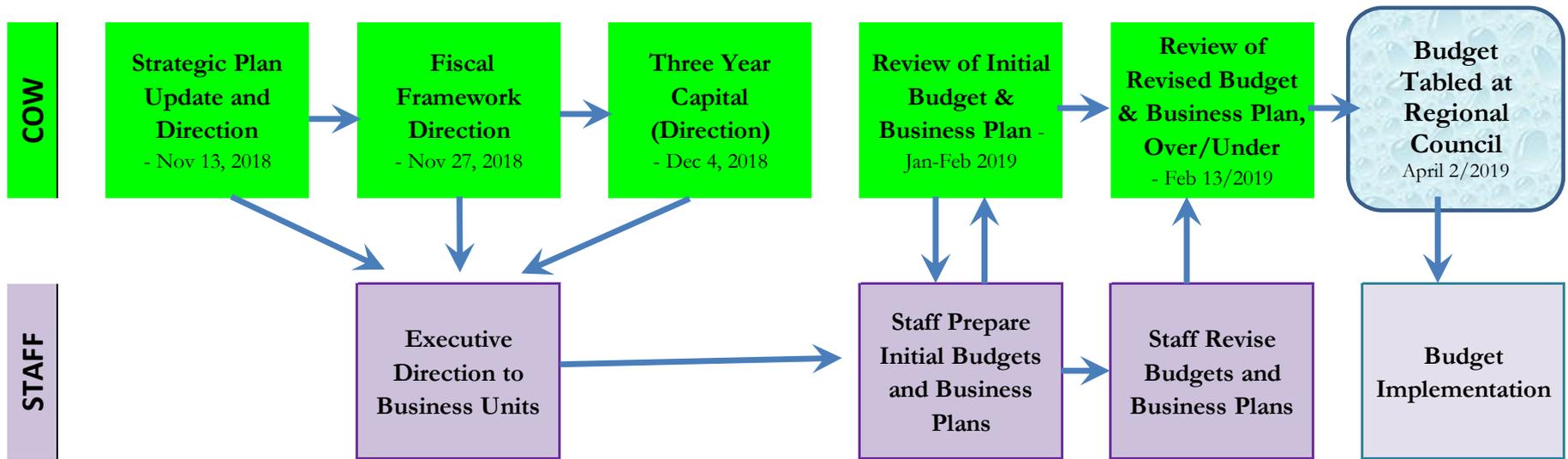
Reserves

- Used to manage risk, provide for future obligations and opportunities

HRM Budget – 2019/20



Budget and Business Planning Process



Summary

Multi-Year Budgeting:

- Year One is Approved Budget
- Year Two is “Budget Quality”, Approved in Principle

Factors and Risks:

- Collective Agreements
- Fuel Prices, Other Costs
- Commercial Assessment
- Approved Service Increases
 - e.g. Full Year Cost of 6 RCMP Officers (18-19 Budget)

Approach to 2019-20 Budget:

- Council will debate financial direction on November 23, 2018
 - CAO will provide required direction to Staff
- Police and Fire present to COW, January 23, 2019

Update: Capital Plan Changes

A Capital Reform project initiated in early 2018. Recommended changes from Senior Leadership will be reflected in the Capital Budget presentation this December.

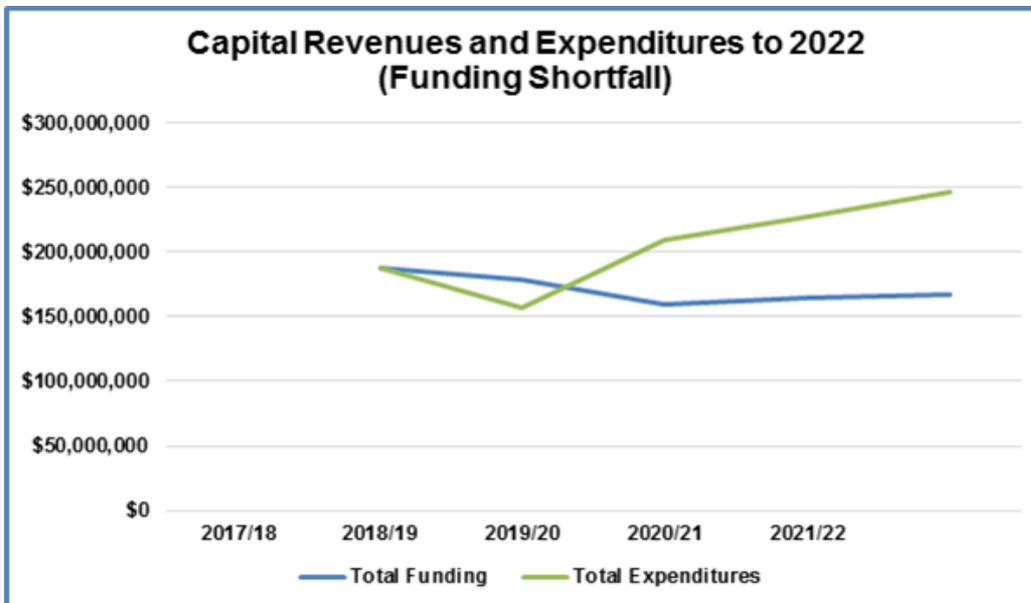
Why?

- We are not sized to do everything we want to do.
(staff and \$\$)
- Desire exists for operations to be predictable, reliable, and sustainable.
- All proposed projects have merit, creating the difficult challenge to prioritize within our capacity for optimal long-term outcomes.

Current Capital Outlook Gap

Cost	Balance at March 31, 2018	Balance at March 31, 2018	Net book value March 31, 2018
Land	\$ 285,988	\$ -	\$ 285,988
Land improvements	267,578	196,055	71,523
Buildings	606,780	267,214	339,566
Vehicles	260,420	157,197	103,223
Machinery and equipment	103,921	47,626	56,295
Roads and infrastructure	1,978,983	1,037,877	941,106
Dams	480	480	-
Ferries	39,209	17,362	21,847
Leasehold improvements	3,030	1,625	1,405
Assets under construction	43,588	-	43,588
Total	\$ 3,589,977	\$ 1,725,436	\$ 1,864,541

Even with previous dedication to investing in State of Good Repair, the current outlook indicates a potential large gap between future funding and proposed projects.



Capital Prioritization Framework

Framework is a decision matrix to assist with prioritizing projects.

Provides an objective structure to consider the long-term impacts to goals, investment and risk.

Each capital project considered using the framework will discuss:

- Impact to **HRM Corporate Priorities & Strategies**
- Impact to operational **Levels of Service**
- Impact to **Criticality** (level of risk)
- **Capacity** to Deliver (resources)

Transition to Strategic Capital Planning

During this business planning & budget cycle:

1. Update Project Category Definitions
2. Implement Prioritization Framework
3. Implement Corporate Asset Management Policy

Benefits of Changes:

- Consistency in decision-making
- Improved integration between capital and operating budgets
- Ability to plan longer term with predictive outcomes
- Increased transparency of impacts and risks
- Increased ability to better prioritize resources and services
- Increased ability to achieve strategic goals
- Improved focus on best value of investment
- Better service to citizens

Consolidated Budget and Business Presentation Schedule

Subject	COW Dates	Contingency COW Dates
Strategic Plan Update (Economic Development, Social Development, Governance and Engagement and Administrative Priorities)	Tuesday Nov 13, 2018	Tuesday Nov 27, 2018
Strategic Plan Update (Transportation, Healthy, Livable Communities, Service Delivery); Fiscal Framework Priority and Direction	Tuesday Nov 27, 2018	Tuesday Dec 4, 2108
Advanced Tender Report	Tuesday Dec 4, 2018	Tuesday Dec 11, 2018
Business Unit Budget and Business Plan Presentations		
Admin Services Bundle and Auditor General (CAO, Legal, HR & FAM)	Wednesday Jan 16, 2019	Friday Jan 18, 2019
Police and Fire	Wednesday Jan 23, 2019	Friday Jan 25, 2019
Transit, TPW and CCS	Wednesday Jan 30, 2019	Friday Feb 1, 2019
Parks and Rec, Library and P&D	Wednesday Feb 6, 2019	Friday Feb 8, 2019
Fiscal & Consolidated Accounts Budget Adjustment List (BAL) Review	Wednesday Feb 13, 2019	Friday Feb 15, 2019
Recommendation Report: 2019/21 Budget and Business Plan Approval	Tuesday April 2, 2019 (Regional Council)	Tuesday April 16, 2019 (Regional Council if required)

Thank You

QUESTIONS?

HALIFAX