

Budget Adjustment List Briefing
CCV02301 – CCV02316 District Capital

Date Added: May21, 2020

Business Unit: FAM&ICT

Tracking Id	Operating or Capital	20/21 Amount (negative is savings/revenue)	20/21 Avg Bill Impact (negative is reduction)
CCV02301- CCV02316	Capital	(\$750,000)	
Adjustment Description	Council has asked to consider removal of \$750,000 from the District Capital Budget for fiscal 20/21.		
Priority Alignment	Healthy, Livable Communities		

Service Implications and/or impact on Priority

The authorization of District Capital Funds is found in **AO 2017 -009 ADM Respecting District Funds**. Section 15 deals with the use of capital district funds.

Section 15

Funds in the District Capital Fund may be used as follows:

- (a) for the provision of grants to any non-profit organizations and registered charities; or
- (b) for allocation toward HRM capital projects, or to the provision of goods or services by the Municipality.

The 16 councillors are allocated a budget of \$94K to be spend on eligible projects in their districts. Councillors can carry over any funds that are not spent in a fiscal year to the following fiscal years.

A reduction of \$750,000 would result in an allocation of \$47.1K per councillor as opposed to \$94K.

Section 25 deals with spending of District Funds during an election.

Elections 25.

(1) Subject to subsection (2) the authorization of expenditures from the District Funds shall be suspended for councillors offering as a candidate in a municipal, provincial, or federal election as follows:

- (a) for an ordinary or special municipal election, from the date the councillor files his or her nomination papers to the date the councillor is sworn into office;
- (b) for a provincial by-election or general election, from the date the writ is issued until the return on the writ is completed; and
- (c) for a federal by-election or general election, from the date the writ is issued until the return on the writ is completed.

(2) Where an incumbent councillor is acclaimed in an ordinary municipal election, the councillor may resume making expenditures from the District Funds as of the date of his or her acclamation.

26. Nothing in section 25 shall be taken to limit the ability to carry out expenditures already authorized prior to that date.

There is nothing in the AO that restricts the spending of District Funds to 40% of the allocation within an election year. It may have evolved as a practise to restrict councillor spending by 40% in an election year to ensure that newly elected councillors have funds available after the election.

Assuming that Council continues with the practise of restricting spending to 40% of the available \$94K in an election year, and if the reduction was passed by Regional Council **each councillor would have \$9.5K available to spend.**

In 2019/20 there was carryover of \$539,372, the carryover is allocated to the associated District and varies based on how much a councillor has spent in a given year. Attachment A details the carryover by district as well as the calculation of the 2020/21 budget reduction per the motion to reduce by \$750K as well as the 40% reduction for elections.

This reduction was originally presented as a capital budget deferral, the motion was made to change it to a budget reduction, meaning it would be a permanent reduction for fiscal 20/21. Since it was already accounted for in the budget numbers there is no additional funds available for redistribution in fiscal 20/21.

Briefing Approved by: Original Signed
Jane Fraser, Director of Finance & Asset Management & ICT / CFO, 902.490.4630

Briefing Approved by: Original Signed by 
Jacques Dubé, Chief Administrative Officer

	<u>2019/20 Carry Over</u>	<u>2020/21 Budget</u>	<u>Total Available to Spend in 2020/21</u>	<u>40% For Election</u>	<u>\$750K Reduction</u>	<u>Total 2020/21 Remaining</u>
District 1	142,929	94,000	236,929	(37,600)	(46,875)	152,454
District 2	5,168	94,000	99,168	(37,600)	(46,875)	14,693
District 3	2,491	94,000	96,491	(37,600)	(46,875)	12,016
District 4	71,952	94,000	165,952	(37,600)	(46,875)	81,477
District 5	41,604	94,000	135,604	(37,600)	(46,875)	51,129
District 6	47,185	94,000	141,185	(37,600)	(46,875)	56,710
District 7	9,788	94,000	103,788	(37,600)	(46,875)	19,313
District 8	24,470	94,000	118,470	(37,600)	(46,875)	33,995
District 9	63,878	94,000	157,878	(37,600)	(46,875)	73,403
District 10	49,295	94,000	143,295	(37,600)	(46,875)	58,820
District 11	17,823	94,000	111,823	(37,600)	(46,875)	27,348
District 12	-	94,000	94,000	(37,600)	(46,875)	9,525
District 13	670	94,000	94,670	(37,600)	(46,875)	10,195
District 14	239	94,000	94,239	(37,600)	(46,875)	9,764
District 15	60,901	94,000	154,901	(37,600)	(46,875)	70,426
District 16	979	94,000	94,979	(37,600)	(46,875)	10,504
	539,372	1,504,000	2,043,372	(601,600)	(750,000)	691,772