

TO: Chair and Members of Budget Committee (Standing Committee of the Whole on Budget)

SUBMITTED BY: Original Signed by 
Jacques Dubé, Chief Administrative Officer

DATE: May 30, 2020

SUBJECT: Proposed 2020/21 Budget and Business Plan

ORIGIN

Fiscal direction established during presentation of the Fiscal Framework on January 7, 2020.

Regional Council debates on the Capital Budget (starting July 16, 2019) and the Operating Budget (starting January 7, 2020). Regional Council Debates on Recast Budget starting May 12, 2020 concluding May 29, 2020.

LEGISLATIVE AUTHORITY

Halifax Charter, section 35 (1) The Chief Administrative Officer shall (b) ensure that an annual budget is prepared and submitted to the Council.

Estimates of required sums:

93 (1) The Council shall make estimates of the sums that are required by the Municipality for the fiscal year.

(2) The estimates shall include the probable revenue from all sources other than taxes for the fiscal year and make due allowance for (a) the abatement and losses that might occur in the collection of the taxes; and
(b) taxes for the current fiscal year that might not be collected.

(3) The Council shall include an allowance to provide for any variation in the total assessed value shown on the roll that might result from assessment appeals.

(4) The Council shall include in its estimates the deficit from the preceding fiscal year.

(5) The Council may include in its estimates an amount for
(a) contingencies and unforeseen expenses in matters on which it may vote and expend money;
(b) all or part of any surplus of previous fiscal years that will be available for the current fiscal year.

- (6) The Council shall authorize the levying and collecting of a
(a) commercial tax rate of so much on the dollar on the assessed value of taxable commercial property and business occupancy assessment; and
(b) residential tax rate of so much on the dollar on the assessed value of taxable residential property and resource property.
- (7) Notwithstanding clause (6)(a), the tax rate for the part of commercial property that is identified on the assessment roll as being occupied by a seasonal tourist business is 75% of the commercial tax rate.
- (8) The tax rates must be those that the Council deems sufficient to raise the amount required to defray the estimated requirements of the Municipality.

RECOMMENDATION

It is recommended that the Budget Committee amend the Main Motion directing the CAO to revise the 2020/21 Proposed Operating and Capital Budgets, as voted on by Regional Council's Committee of the Whole on Budget at their February 12, 2020 meeting, using the revisions proposed in this report as summarized in Tables 1, 2 and 3, supported by attachment C and D as previously amended through the Budget process.

To further direct the CAO to:

1. Forgo the planned \$12 million contribution to the Strategic Capital Reserve Q606 for fiscal 2020/21 and redirect this amount to the Capital Reserve Q526 to be used to cost share in Infrastructure Programs that maybe established by Federal and/or Provincial Governments in response to COVID-19.
2. Utilize \$12.6 million in Fiscal Services to enhance municipal services that have been reduced due to COVID-19 and not currently budgeted for and/or to address adverse economic conditions as a result of COVID-19.

And:

That the Budget Committee recommend that Halifax Regional Council adopt the revised Resolution for Approval of Operating and Capital Budgets and Tax Rates for Fiscal 2020/21 as set out in Schedule 1 of the staff report dated May 30, 2020.

BACKGROUND

Following the approval of the fiscal direction for 2020/21 on January 7, 2020, Regional Council held a series of Budget Committee meetings where they reviewed individual Business Unit Budgets and debated the Budget Adjustment List (BAL). The Budget Committee approved final proposed spending on February 12th and February 25th. This included total municipal budgeted expenditures of \$832.4¹ million and gross capital spending of \$179.8 million. The average single-family home tax bill would rise 1.4 per cent to \$2,003. The average commercial property tax bill would also rise 1.4 per cent to \$43,185. These increases are in line or below forecasted key economic indicators including inflation (Halifax-CPI) and personal income growth.

Prior to the budget being ratified by Regional Committee on March 24th, the COVID-19 pandemic struck Nova Scotia and Public Health issued an order requiring people to remain home. While the economic and financial implications of COVID-19 are still developing, significant changes have already occurred in HRM's financial situation. This includes reduced revenues and uncertainty around property tax payments and services. Based on this, it was deemed prudent to recast HRM's Operating and Capital budgets to protect the fiscal sustainability of the municipality.

¹ Figures have been rounded for presentation purposes

The Committee of the Whole on Budget (Budget Committee) held ten Budget Committee meetings from May 12th to May 29th. The result of the decisions of those meetings are reflected in what has been referred to as the recast 20/21 budget.

Executive Summary

The recast 20/21 Budget now includes total municipal budgeted expenditures of \$955.3M and gross capital spending of \$149.8M,. There is no change to the proposed average tax bill increase from the March 24th budget. Both commercial and residential tax bills will increase by 1.4% should Regional Council adopt the recommendations contained herein.

The long-term impacts of COVID-19 are still unknown at this time. It is anticipated that it will take years for the economy to recover, and some segments may not recover to the pre-COVID-19 level. Medical professionals are also predicting a second wave of COVID-19, and if this occurs the economy will experience further shocks. This will result in increased budget pressure for HRM in fiscal 2021/22 and 2022/23 and possibly beyond.

With so much economic uncertainty, a budget that is fiscally prudent and minimizes budget impacts in future years is strongly recommended. For example:

- budgeting for the six-month short-term loan principal and interest payment in this fiscal year rather than the full 12 month payment in fiscal 2021/22
- maintaining reserve balances as much as possible to ensure flexibility and cashflow which would allow HRM to mitigate future budget risks and possibly take advantage of cost-sharing opportunities with the Province and Federal Government
- reducing or deferring capital spending
- not increasing debt levels except for short-term borrowing for cash flow purposes
- budgeting for a contingency in Fiscal Services to allow for increased municipal service offerings as restrictions are lifted and/or help defray revenue losses in the event of a second wave of COVID-19.

There has been significant lobbying of Federal and Provincial governments, both through the Federation of Canadian Municipalities and the Nova Scotia Federation of Municipalities and through HRM's own efforts. In the event that the municipality is successful in securing additional funding from the other orders of government staff will return with funding recommendations.

DISCUSSION

The starting point for this budget was the budget that would have been ratified on March 24th. Combined with the fiscal services budget and provincial contributions (\$168.2 million), the entire Budget totaled **\$1,000,633,000**. In preparing the proposed budgets, business units incorporated direction from Regional Council, addressed inflation on goods and services, and identified cost reductions where practical. In the interest of full transparency, all changes included in proposed budgets were identified in each business unit presentation.

This budget (the recast budget) took the approach of identifying the potential budget shortfall that resulted from COVID-19. In late April, Business Units were given a revised target and Business Unit Directors presented the implications of meeting those targets to the Budget Committee. As part of the budget process there were some reductions that the Budget Committee requested be moved to the budget adjustment list or BAL for further information and debate. Through the BAL process \$12.7M was added back to the budget (see Schedule 5 for a list of approved BAL items).

When evaluating the impacts of COVID-19 on HRM's budget, staff analyzed the impact on municipal revenues and cash flow requirements. Both affect the municipalities budget and contributed to the initial \$85.4M budget gap.

Revenue Impacts:

In response to the State of Emergency and social distancing requirements, the Municipality initially made

several decisions that impacted revenue streams:

- Spring and Summer recreation programs had been stopped
- Parking meters were being provided for free
- Halifax Transit service was offered for free and the service was reduced
- The tax arrears interest rate was reduced from 15% to 10%

In consideration of changes in service delivery, revenue collection, investment income and Deed Transfer Tax, it was estimated that the combined impact was a potential loss of revenue in 2020/21 of \$44M. Halifax Transit being the largest at a \$20M loss.

The budget assumptions were based on resuming parking meters fares June 1st and transit fare collection effective August 1st and there would be no Spring or Summer recreation programs in 2020.

Since the State of Emergency was declared by Public Health, the Province has been gradually lifting some of the restrictions the municipality has been following such as the opening of beaches. In some cases, the lifting of the restrictions is placing pressure on the budget even as budget debate was underway. Given the uncertainty of the economic impact of COVID-19 and the impact of easing restrictions on municipal services, it is prudent to have a budget contingency in order to allow for flexibility.

Property Tax Impacts: Declining business sales and income as well as employment losses have made it difficult for many HRM businesses and residents to remit their property taxes on time. On April 14, 2020 HRM moved its interim tax bill due date from April 30th to June 1st. (Its Final tax bill due is October 30th).

As of June 1st, there is \$64.6 M in taxes outstanding. The breakdown is:

Residential	\$28.6M or 13% (of that category)
Commercial	\$31.1M or 23%
Mixed Assessment	\$4.4M or 23%
Other	\$0.5M or 40%

Typically, the total amount of unpaid taxes is typically around 2% to 3%, the amount outstanding for the June interim bill is 17%.

It is anticipated that the impact on lost tax revenue will be even higher in October. A number of property owners pay their taxes via pre-approved payments PAP's and large landlords would have collected the majority of taxes owing through tenant lease payments for the interim tax bill. The assumption is that some individuals or businesses that had not been significantly impacted at the outset of COVID-19 will be facing liquidity issues and those that had been significantly impacted may not be able to bounce back. This will be especially true if there is a second wave of COVID-19 as predicted and the economy is forced to be shuttered again.

Under the Provincial Assessment Act, the base date for assessment valuation is January 1, 2020 for fiscal 2021/22, prior to COVID-19. At this time the Property Valuation Services Corporation is not anticipating any changes to the base date that will be used to determine property assessment, both residential and commercial. It is expected that there will be downward pressure on assessment values for 2021, especially in sectors such as hotels, restaurants, lounges and retail. In addition, numerous appeals of the assessed value of commercial property are anticipated. This will place pressure on HRM's commercial tax base and the ability to collect tax revenue.

Although no one knows for certain, it is estimated that the impact of COVID-19 will be felt through the economy for years to come. From a municipal tax base perspective, the impact of COVID-19 on the assessed value of property (commercial and residential) will be in fiscal 2022/23 when the assessment base date is January 2021.

Economic Impacts:

Over the medium term, the HRM economy is expected to shrink approximately 6 per cent, with per capita output returning to 2019 levels within 18 months. This assumes no-second wave impacts or further shut-

downs. Real GDP growth beyond this period is expected to be slower due to a number of macroeconomic trends. According to CMHC's latest forecast, housing starts are expected to moderate until economic headwinds recede. This likely implies growth around 0.5 per cent relative to HRM econometric estimates of 1 per cent, pre-COVID-19.

Since the outbreak of COVID-19 and the virtual shuttering of the global economy, economic outlooks have been severely downgraded. Nova Scotia and HRM rely on export markets as sources of growth. All export markets (other Provinces, USA, China) are severely impacted by the Great Shut Down (GSD). Reductions in consumer spending and disposable income are severe and deep. In 2020 Halifax GDP is expected to decline nearly 6%, employment by 18,000 and income levels by 6.2%. Deflationary pressures are expected to bring inflation closer to 1 per cent, rather than 2 per cent as in the previous outlook.

Fiscal and monetary policies from senior levels of government are providing support on an unprecedented level. Longer term implications are more difficult to determine, but nearly every market from consumer goods, retail trade, financial services, real estate and air travel are experiencing difficulty seen only in the crises of 2008 and 1929. Despite this, there is a belief that Canada (and Nova Scotia) should see a return to December 2019 output levels by spring or summer 2021. Due to the composition of its service sector, major capital projects that are on-track, and limited reliance on oil production, Halifax is relatively well-placed to weather this shock. HRM's real GDP is expected to grow slightly above the Canadian average in 2021. HRM's economic outlook using the best available economic data as of May 1st, 2020 is outlined below.

HRM OUTLOOK COVID-19 IMPACT

2019 – 2023, Select Indicators, % Change

	2019	2020	2021	2022	2023
Gross Domestic Product (2012 M)	19,771	18,605	19,185	19,521	19,845
– per cent change	0.40	-5.9	3.12	1.75	1.66
Labour Force (per cent change)	2.97	1.45	1.03	1.38	1.78
Employment (thousands)	240	222	234	241	246
– per cent change	2.47	-7.66	5.38	3.21	2.02
Labour Income (millions)	11,719	11,990	11,249	11,865	12,340
– per cent change	2.31	-6.18	5.48	4.00	3.91
Consumer Price Index (per cent change)	1.87	1.02	2.13	2.18	2.19

Source: Canmac Economics Limited HRM Econometric Model

Note: Labour income is aggregate labour income in the economy, not a per capita measure or benchmark for comparison purposes and was not available during the original Proposed Budget of March 24th, 2020.

Short Term Loan:

The inability to collect tax revenue results in a cashflow issue for HRM. From an accounting perspective the taxes are deemed to be revenue when they are billed. This means the municipality could end the 20/21 fiscal year with a surplus and no cash.

In order to remain liquid, it is recommended that HRM borrow up to \$130M from the Nova Scotia Municipal Finance Corporation (MFC). The Province has established a short-term borrowing program to assist municipalities with cashflow. In April when negotiations with the Province were underway, HRM estimated that it would require up to \$188M in short term money. With the knowledge of the June tax bill revenue and reduced monthly cash outflows, our CFO is recommending that the amount be reduced to \$130M.

The current terms of the loan are a maximum of three years at 1.1% interest. The first annual principal payment is due on the anniversary date of when the municipality takes the loan out. The first interest payment is due within six months of borrowing the money. Municipalities have the option of paying the loan off early and they can also borrow additional funds in the event they face liquidity issues later in the fiscal

year. The total loan program for all municipalities is \$380M and once the program funds have been committed, there will be no funds available to our knowledge.

In order to reduce the pressure on the 2021/22 operating budget, it is recommended that six months principal and interest payment be budgeted in fiscal 2021/21, totaling \$22.1M. There is no requirement to make the principal payment, staff would deposit the principal amount in the Principal and Interest Reserve (Q631) and withdraw it in fiscal 2021/22. This means that in fiscal 2021/22 we would rate for a \$22.2 M loan payment rather than the total \$44.3 M payment, saving 3 cents on the tax rate.

There is currently discussion ongoing with the Province regarding the extension of the loan term to 5 years from 3 at a higher interest rate, potentially 1.4% from 1.1%. If the terms and interest rate are changed, the six-month principal and interest payment would decrease to \$13.5M from \$22.1M. Spreading the loan over five years at a higher interest rate would cost an additional \$2.6M.

Reserves:

HRM currently has 20 reserves, each with its own business case detailing the permitted use of the reserve and annual deposits. The reserves are classified as obligation, opportunity or risk. The reserves allow HRM to take advantage of opportunities as they present themselves, invest in capital, plan for large infrastructure investments and smooth the tax rate through having funds available to address unusual events such as natural disasters (hurricanes and unusual snowfalls).

At March 31, 2020 HRM had a total reserve balance of \$184M. We cashflow the reserves over the four-year fiscal framework to insure there are sufficient funds to achieve Regional Council's objectives. The estimated reserve balance at March 31, 2024 is \$125.5M (see Schedule 3 for the four year reserve schedule. That schedule shows reserve balances prior to the recommended changes in this report).

One reserve that has been established by Regional Council is the Strategic Capital Reserve Q606. This reserve was established to help fund signature projects for the HRM. In the originally proposed budget, there was a contribution from the operation budget of \$12.8M to this reserve. Staff are recommending that this contribution be made to the Capital Fund Reserve, Q526. This will allow HRM to have funding available in the event the Federal and/or Provincial Governments offer cost-shared infrastructure project funding.

Contingency:

There is significant uncertainty about the impact of COVID-19 on the municipality's resources. The economic downturn could deepen, there could be another wave of COVID-19 that exacerbates the fiscal uncertainty governments and businesses are facing. Given that, it is prudent for HRM to hold additional funds in a contingency in Fiscal Services to offset any further revenue reductions and fund enhanced services.

In order to stabilize the economy, the Federal and Provincial governments have been supporting businesses and individuals with unprecedented levels of programming. Municipalities in Nova Scotia and across the country have been lobbying both orders of government to establish municipal programs to offset revenue losses (mainly Transit fares) and to establish new Infrastructure funding programs similar to the 2008 Stimulus program. In the event infrastructure funding becomes available, in any form, HRM will be required to cost-share in the programs. The contingency, and reserves, would be available for HRM to take advantage of opportunities that present themselves.

Similarly, if restrictions are lifted throughout the year and HRM wants to offer services that had been previously suspended, holding some money in contingency would allow HRM to provide those services without reducing other programs or risking a deficit. Staff are recommending that the additional \$12.6M identified through the recast budget exercise be held in Fiscal Services to be used as contingency funds.

Revised Budget Requirement:

At the beginning of the recast budget process, the estimated the budget shortfall was \$85.4M including \$20M in lost transit revenues and \$7.65M in lower Deed Transfer Tax revenues.

Also included in this total was the \$31.4M cost of the short-term loan and an additional \$10M for the valuation allowance. We have now adjusted several of these amounts. Recent Deed Transfer Tax data suggests the loss may be higher by an additional \$2.5M. The CFO recommendation of a maximum \$130M short-term loan has resulted in a decrease of \$9.3 M in the six-month principal and interest payment. We have also reviewed the valuation allowance that was recommended to be set up. The valuation allowance is the amount of tax revenue that is estimated to not be collected which is a revenue loss. Under accounting standards an allowance is based on professional judgement and based on business conditions at the time. We are comfortable with reducing the valuation allowance by \$2.5 M and as there had already been \$2.5M in the budget, this leaves the valuation allowance at \$10M. These two adjustments have reduced the budget shortfall by \$9.3 M to \$76.1 M.

Table 1
Budget Deficiency - 2020/21

	May 12, 2020	Revised	Total
Revenues Lost	44,000,000	2,500,000	46,500,000
Debt Charges	31,400,000	(9,300,000)	22,100,000
Valuation Allowance	10,000,000	(2,500,000)	7,500,000
Total	85,400,000	(9,300,000)	76,100,000

At the beginning of the recast budget deliberations, we anticipated reductions of \$85.4M. This included \$60.4M to business units/fiscal services and \$25M to capital from operating. During the budget debate, the Budget Committee approved a BAL that adds back \$12.3M to the operating budget, for a revised reduction of \$73.1M.

Table 2
Operating Budget Reductions - 2020/21

	May 12, 2020	BAL Changes	Final
Compensation	(\$21,689,000)	8,405,000	(\$13,284,000)
Programs	(6,538,000)	1,500,000	(5,038,000)
Grants	(4,921,000)	2,562,000	(2,359,000)
Capital from Operating	(25,000,000)	(750,000)	(25,750,000)
Other	(27,252,000)	615,000	(26,637,000)
Total	(85,400,000)	12,332,000	(73,068,000)

Note: Excludes capital changes that do not affect operating (\$400,000). Some amounts may be rounded in the final budget.

In addition to the above \$73M in budget reductions, we are recommending several additional changes to the Budget. These include

- There is an anticipated \$32M surplus for 2019/20. Council had previously directed that a portion be placed in reserves to offset debt reduction and to pay for the March BAL. This leaves \$17.834M. It is recommended that the \$17.834M be brought into the operating budget.
- It is also recommended that a Contingency of \$12.593M be included in Fiscal Services. This contingency will be used to deal with the uncertainty around Covid-19 – either funding costs related to programs and opening up, or funding losses from an additional wave of COVID-19.

The following table represents the recommended funding sources for the budget shortfall:

**Table 3
 Budget Funding - 2020/21**

	May 12, 2020	Revised	Total
Budget Reductions	(60,400,000)	13,082,000	(47,318,000)
Capital from Operating	<u>(25,000,000)</u>	<u>(750,000)</u>	<u>(25,750,000)</u>
Sub-Total	(85,400,000)	12,332,000	(73,068,000)
Surplus	-	(17,834,000)	(17,834,000)
Contingency	-	12,593,000	12,593,000
Other Fiscal	-	2,209,000	400,000
Total	<u>(85,400,000)</u>	<u>9,300,000</u>	<u>(77,909,000)</u>

Capital Budget

Capital projects have been evaluated for ability to deliver and criticality. During the pandemic some types of projects can be completed more quickly due to buildings being closed and reduced volumes of traffic. However, physical-distancing is expected to slow some work practices and increase costs. Delivery of materials has slowed, and the US exchange rate has risen drastically. Vendors in both the US and Canada are experiencing shutdowns and reduced production causing delayed product delivery. Due to budget constraints and a weakened ability to delivery projects, a series of capital projects will be delayed resulting in a budget reduction of \$52.2M and a funding reduction of \$25M in capital from operating.

In addition, updated project assumptions were evaluated resulting in a reduction to the original 2020/21 work plan of \$55.8M. The total estimated capital plan spending for 2020/21 is \$208.2M including carry-overs. Investments continue to be directed to renewal projects at 77% of budget and growth at 23%.

The table below shows new investments by asset class for 2020/21:

Asset Category	2020/21 Budget
Buildings/Facilities	\$ 40,255
Business Systems	14,702
District Capital Funds	754
Outdoor Recreation	3,980
Roads, Active Transportation & Bridges	50,645
Traffic & Streetlights	1,100
Vehicles, Vessels & Equipment	36,330
Other Assets	2,060
Total Capital Budget	\$ 149,826

FINANCIAL IMPLICATIONS

This report provides aggregates from proposed Operating, Capital and Reserve budgets. Formal budget approval complies with relevant provincial legislation and regulation, upon adoption of the 2020/21 budget. Following formal adoption of the budget by Regional Council, business units have legal authority to spend resources as authorized in the Budget.

The following two tables illustrate the impact of the proposed 1.4% increase on the average tax bill. We are not recommending a change to the tax rate from the March 24th budget.

Residential	2019/20	2020/21	Δ 2019/20-2020/21	Δ% 2019/20-2020/21
Average Assessment (Single Family Home)	\$242,400	\$245,800	\$3,400	1.4%
Urban Tax Rate (Including Transit Rates)	<u>0.815</u>	<u>0.815</u>	-	-
Average Tax Bill	\$1,976	\$2,003	\$27	1.4%
Change in Average Tax Bill	2.3%	1.4%		

Commercial	2019/20	2020/21	Δ 2019/20-2020/21	Δ% 2019/20-2020/21
Average Assessment	\$1,425,700	\$1,439,500	\$13,800	1.0%
Urban Tax Rate	<u>2.988</u>	<u>3.000</u>	<u>0.012</u>	<u>0.4%</u>
Average Tax Bill	\$42,600	\$43,185	\$585	1.4%
Change in Average Tax Bill	2.3%	1.4%		

Approval of the Budget is only the first step in mitigating HRM's financial issues. Over the remainder of the fiscal year the organization will have to closely monitor economic changes, the potential for additional COVID-19 waves, budget progress, the status of tax payments/deferrals, and ongoing liquidity. The current situation is very volatile and uncertain and changes in any of these could require additional financial measures to be undertaken.

As HRM approaches the 2021/22 financial year it will need to closely consider the state of its tax base and its revenues. There is a very real chance that the 2021 assessment base will decline and, regardless, that some sectors of the economy may still be unable to pay their prospective tax bills. Hence corrective measures may be needed in-year to not only deal with the 2020/21 finances but also in anticipation of longer-term structural issues.

The following table shows the impact of using the contingency to reduce the average tax bill. If Regional Council wanted to keep the average residential tax bill at 2019/20 levels (ie eliminate the \$27 average increase) they would have to reduce the contingency by approximately \$8M. Reducing the contingency by \$4M would result in the average tax bill increase for residential being reduced almost in half, from \$27 to \$13.62 and the commercial tax bill declining from the original budgeted increase of \$585 to \$298. Conversely if council wanted to reduce the average tax bill, forgoing the full contingency would result in a reduction in the average tax bill of \$15.14 below the 2019/20 rate for residential home owners (or a 0.8% decrease) and a reduction of \$317.80 in the average commercial tax bill over the 2019/20 tax bill.

Impact of Reducing Contingency on Average Tax Bill - 2020/21

	Average Residential Tax Bill			Average Commercial Tax Bill		
	Change in %	Change in \$	Total Change	Change in %	Change in \$	Total Change
No Change (\$12.6M)	1.4%	-	27.00	1.4%	-	585.00
Reduce Contingency \$4M (\$12.6 to \$8.6M)	0.7%	(13.38)	13.62	0.7%	(286.60)	298.40
Reduce Contingency \$8M (\$12.6 to \$4.6M)	0.0%	(26.75)	0.25	0.0%	(573.20)	11.80
Eliminate Contingency (\$12.6M to \$0)	-0.8%	(42.14)	(15.14)	-0.7%	(902.80)	(317.80)

RISK CONSIDERATION

The budget recommendations, both operating and capital, are based on the best information available at this time and are based upon professional judgement. Risks related to the recommendations in this report are related to divergences in economic conditions from the forecast. Given the current environment, these risks are likely, with a greater than 50 percent chance of occurring. Should these risks materialize, and the economic impact of COVID-19 deepens, HRM will have difficulties meeting its financial obligations and providing services at previously enjoyed levels. The consequences of this will be wide-spread and will affect the community, HRM's vendors and employees and potentially, the organization's reputation. As a result, HRM may have to introduce more cost cutting measures in-year and likely over the next few years, to mitigate revenue losses and avoid incurring a deficit. The alternative is a significant increase in property taxes which could have a material impact on HRM's competitiveness. If the financial impacts are not as deep as estimated, the option exists to increase services. We are proposing to mitigate some of these risks through the creation of a Contingency of \$12.6M for 2020/21. Reserves are also a consideration but their use for operations should be limited at this time given the uncertainty of our finances not only in 2020/21 but for the foreseeable future.

The pandemic situation is very dynamic and decisions by Public Health are occurring daily in relation to adjustment to restrictions. This is new for everyone and we are learning daily as to how to address the both challenges and opportunities. With a contingency of \$12.6M, HRM will have the ability to manage our obligations related to service delivery, vacancy management adjustments, revenue generation and leverage cost-shared infrastructure projects. Further, by calendar year-end we will have more knowledge of what the economic and financial impacts, as we the final tax bill payments are due October 30. The 2020/21 budget adopted by Regional Council will have a significant impact on its ability to adjust to the pandemic this year and in the coming years. This current fiscal year is challenging and 2021/22 will be even more so as articulated earlier in this report.

COMMUNITY ENGAGEMENT

An extensive public engagement was undertaken for the 2020/21 Budget over the month of September. This engagement included nine community pop-up events and on-line survey through the Shape Your City community engagement portal. The results of the Shape Your City Budget engagement were provided in an information report presented to Reginal Council on October 29, 2019.

Additionally, an on-line [balance-the-budget tool](#) (the "budget allocator") was open from January 16th to February 6th for the Public to provide feedback on the Budget. There was also an opportunity for the Public to attend budget presentations to the Budget Committee of the Whole, and to present their views.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

The Committee of the Whole can choose to amend the Proposed Budget and Business Plan through specific motion, and direct staff to proceed to prepare the 2020/21 Budget and Business Plan based on that amended direction. As the Budget Committee has had considerable debate on various budget options, this alternative is not recommended.

ATTACHMENTS

- Schedule One - Resolution for Approval of Operating and Capital Budget and Tax Rates for Fiscal 2020/21
- Attachment A Tax Area Map
- Attachment B Regional Transportation Area
- Attachment C Schedule of Multi-Year Projects
- Attachment D Schedule of Withdrawals from Reserves – 2020/21
- Attachment E Schedule of Area Tax Rates 2020/21
- Attachment F Schedule of Budgeted Expenditures & Revenues for 2020/21 Area Rated Services
- Schedule Two - 2020/21 Capital Budget and Estimated Capital Spend
- Schedule Three - Projected Reserve Balances – 2020/21 to 2023/24, as of May 12, 2020 Proposal
- Schedule Four - Operating Budget by Business Units for 2020/21
- Schedule Five - Approved Budget Adjustment List

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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HALIFAX REGIONAL MUNICIPALITY**Proposed 2020/21 Operating & Capital Budget****RESOLUTION for Approval of Operating & Capital Budget and Tax Rates for Fiscal
2020/21**

It is hereby resolved that:

- a) the Operating Budget in the amount of **\$955,255,300** gross expenditures (which includes **\$787,055,300** in municipal expenditures including the reserve withdrawals specified in the Operating and Project Budget); **\$753,640,300** in property tax revenues (including area rate revenues) and **\$201,615,000** in other revenues be approved;
- b) the Capital Budget in the amount of **\$149,826,333** be approved;
- c) the general rates of taxation on residential and resource property be set at
 - (i) **\$0.670** for the urban area
 - (ii) **\$0.637** for the suburban area; and
 - (iii) **\$0.637** for the rural areaper \$100 of taxable assessment;
- d) the general rates of taxation on commercial property be set at
 - (i) **\$3.000** for the urban area;
 - (ii) **\$3.000** for the suburban area; and
 - (iii) **\$2.658** for the rural areaper \$100 of taxable assessment;
- e) the Halifax Transit Annual Service Plan and the tax rates associated with Transit Taxation be set at
 - (i) **\$0.047** for the Regional Transportation tax rate;
 - (ii) **\$0.098** for the Local Transit tax rateper \$100 of taxable assessment;
- f)
 - (i) the boundaries of the urban, suburban and rural areas are delineated in Attachment A, the "Tax Area Map";
 - (ii) the boundary of the Regional Transportation Area includes all properties within communities included within Attachment B, the "Regional Transportation Area"; and,
 - (iii) the boundary for the Local Transit area includes all properties within 1km walking distance of any HRM transit stop;
- g) **Fire Protection** rates shall be set at the rate of **\$0.014** per \$100 for all residential and resource assessment and at **\$0.040** per \$100 of the commercial assessment for

properties which are within 1,200 feet of a hydrant that is designed and operated for public fire protection purposes;

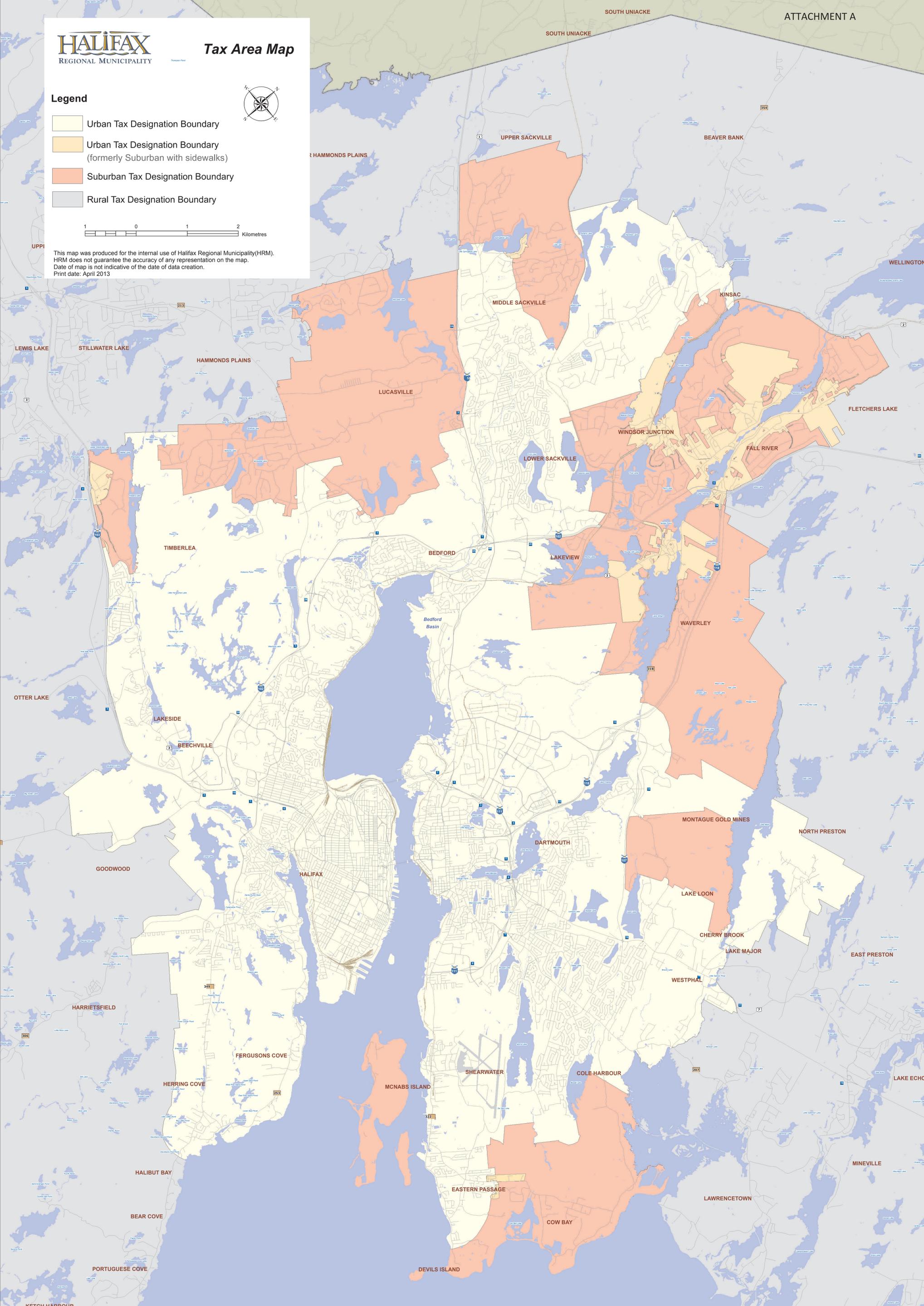
- h) the **Provincial Area Rate for Mandatory Education** on residential and resource property be set at the rate of **\$0.306**; and at a rate of **\$0.311** for all commercial assessment;
- i) the **Provincial Area Rate for Property Valuation Services** on residential and resource property be set at the rate of **\$0.016**; and at a rate of **\$0.009** for all commercial assessment;
- j) the **Provincial Area Rate for Corrections Services** on residential and resource property be set at the rate of **\$0.015**; and at a rate of **\$0.007** for all commercial assessment;
- k) the **Provincial Area Rate for Metro Regional Housing Authority** on residential and resource property be set at the rate of **\$0.007**; and at a rate of **\$0.008** for all commercial assessment;
- l) **Supplementary Education**, under Section 80 of the *Halifax Regional Municipality Charter*, shall be set at the rate of **\$0.023** per \$100 of the residential and resource assessment and at **\$0.066** per \$100 of the commercial assessment;
- m) the final tax bills will become due on **Friday, October 30, 2020**;
- n) the interest rate on the Special Reserve Funds, designated as requiring interest under Section 121(2) of the Halifax Charter, be set at the rate of return on funds invested by HRM for the period April 1, 2020 to March 31, 2021;
- o) the interest rate on all reserves except for those identified in (n) above will be set at the rate of return on funds invested by HRM for the period April 1, 2020 to March 31, 2021;
- p) Withdrawals from Reserves (capital and operating) in the amount of **\$111,860,100** are approved, as detailed in Attachment D “Schedule of Withdrawals from Reserves - 2020-21”;
- q) Multi-Year Projects are approved in the amount of **\$241,984,300** from 2020/21 to 2024/25, found in the “Schedule of Multi-Year Projects” in Attachment C are approved; and,
- r) The “Schedule of Area Tax Rates” (Attachment E), and “Schedule of Budgeted Expenditures & Revenues for 2020/21 Area Rated Services” (Attachment F) are approved.

Legend

-  Urban Tax Designation Boundary
-  Urban Tax Designation Boundary (formerly Suburban with sidewalks)
-  Suburban Tax Designation Boundary
-  Rural Tax Designation Boundary

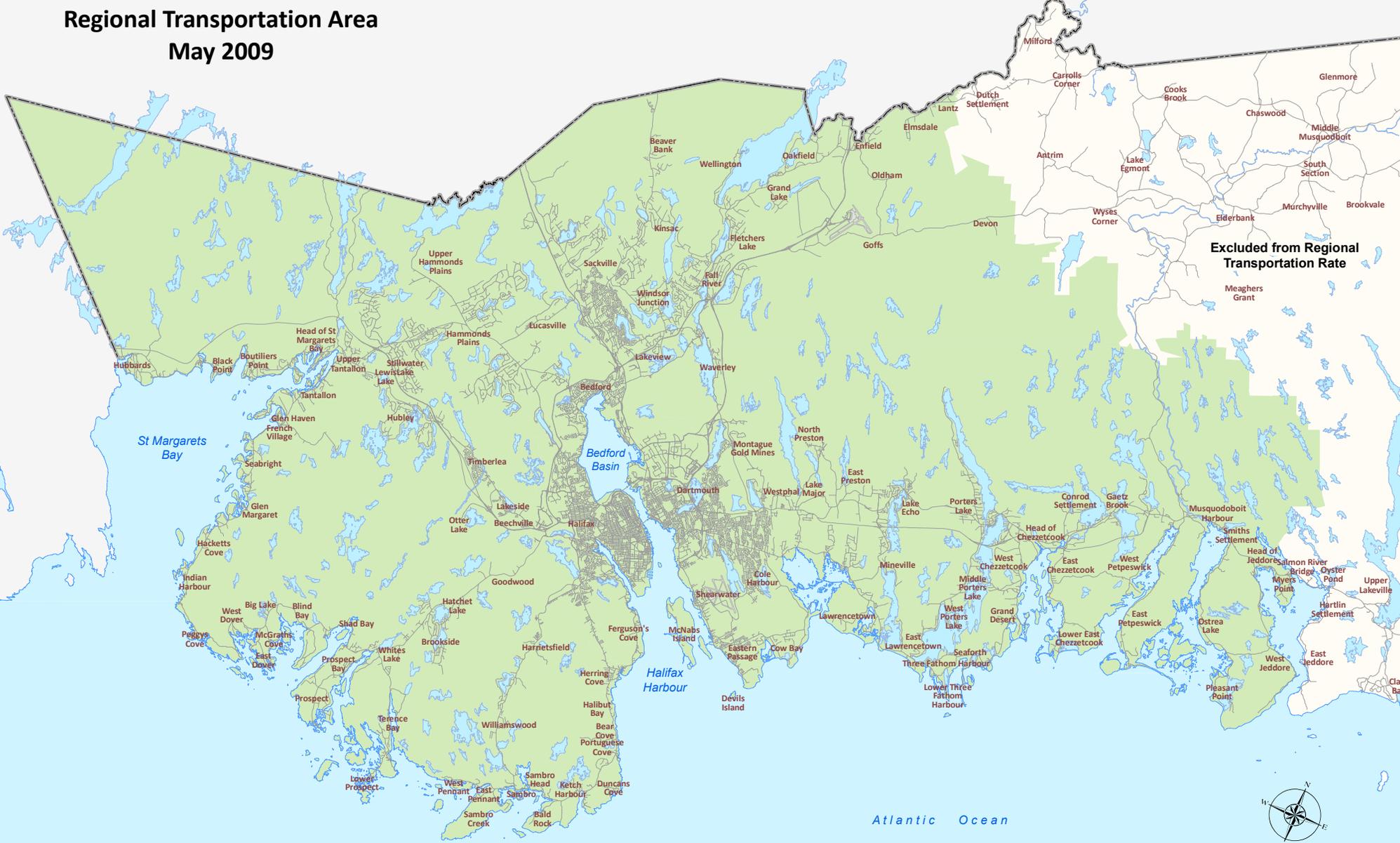


This map was produced for the internal use of Halifax Regional Municipality (HRM). HRM does not guarantee the accuracy of any representation on the map. Date of map is not indicative of the date of data creation. Print date: April 2013



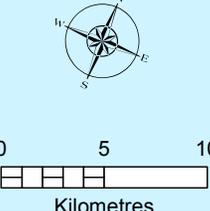


Regional Transportation Area May 2009



Excluded from Regional Transportation Rate

 Regional Transportation



ATTACHMENT C

2020/21 Capital Multi-Year Projects

Project Account #	Project Name	Previous Yrs' Gross Budget	2019/20 Capital Budget	2020/21 Prior Yrs' Reduction	2020/21 Capital Budget	2021/22 Capital Budget	2022/23 Capital Budget	2023/24 Capital Budget	2024/25 Capital Budget	Grand Total
CT000007	Cogswell Interchange Redevelopment	18,750,000	660,000	-	-	12,000,000	24,400,000	15,040,000	-	70,850,000
CI990020	CRM Software Replacement	1,026,000	53,000	(150,000)	-	2,050,000	3,000,000	-	-	5,979,000
CI200002	Finance & HR Business Transformation	9,004,000	5,865,000	-	7,893,000	13,677,000	1,575,000	-	-	38,014,000
CP200002	Halifax Common Upgrades	1,915,000	-	-	600,000	7,625,000	7,875,000	-	-	18,015,000
CB000089	Mackintosh Depot Replacement	750,000	2,250,000	-	6,500,000	8,000,000	-	-	-	17,500,000
CT200002	Major Strategic Multi Modal Corridor: Bayers Road	-	3,500,000	-	200,000	3,625,000	-	-	-	7,325,000
CI990031	Parking Technology	2,338,000	1,682,000	-	650,000	750,000	-	-	-	5,420,000
CI990013	Permitting, Licensing, and Compliance Replacement Solution	4,675,300	1,050,000	-	1,731,000	745,000	-	-	-	8,201,300
CB000125	Ragged Lake Transit Centre Expansion	2,000,000	-	-	3,500,000	5,000,000	-	-	-	10,500,000
CB000087	Wharf Recapitalization	-	300,000	-	2,800,000	500,000	-	-	-	3,600,000
CT190010	Windsor Street Exchange	-	-	-	1,800,000	1,350,000	4,900,000	22,750,000	15,800,000	46,600,000
CB000042	Woodside Ferry Terminal Replacement	1,030,000	2,000,000	-	4,500,000	2,450,000	-	-	-	9,980,000
Grand Total 2020/21 Multi-Year Projects		41,488,300	17,360,000	(150,000)	30,174,000	57,772,000	41,750,000	37,790,000	15,800,000	241,984,300

This list supercedes the 2019/20 Multi-Year Projects schedule in Attachment C, April 16, 2019

ATTACHMENT D

2020/21 Operating Reserve Withdrawals		2020/21
Q416 - Operating Stabilization Reserve		258,400
	P316 Rent costs	258,400
Q421 - General Contingency Reserve		18,789,200
	C888 NAIG - one time funding	265,200
	C760 Bus Stop Theatre Grant	125,000
	W702 Graves Oakley Park, one - time grant	315,000
	M701 Rural Transit Grant Musgo Rider - one time (BAL)	200,000
	E401 African NS Affairs Integration Office / Halifax Partnership	50,000
	M310 Operating Withdrawal	17,834,000
Q506 - Landfill Closure & Post Closure Cost Reserve		22,000
	R321 Mengoni costs	22,000
Q511 - Municipal Election Reserve		2,300,000
	A125 Election Cost	2,300,000
Q521 - Convention Centre reserve		8,184,000
	M250 Convention Centre Rent	5,380,000
	M250 Convention Centre Deficit	2,804,000
Q526 - Capital Fund Reserve		156,000
	W400 Real Estate Cost	146,000
	A110 Legal Cost for Real Estate	10,000
Q541 - Building Recapitalization and Replacement Reserve		30,000
	W204 Spencer House	30,000
Q616 - Business Parks Reserve		245,500
	W500 Real Estate Cost	45,500
	W500 Real Estate Salary Recovery	200,000
Q621 - Community and Events Reserve		1,986,800
	C764 Cultural Events & Showcases Program	200,000
	C764 Public Art operating costs & Program costs	40,000
	C760 Program Grant Costs	60,000
	C772 Hallmark, Tourism Sporting event grants	1,277,800
	C772 Hosting	400,000
	C772 Hakkodate Xmas Tree	9,000
Q631 - Debt Principal and Interest Repayment Reserve		2,946,200
	M111 LED - 8011	679,900
	M111 LED - 8012	2,266,300
Total Operating Reserve Withdrawals		34,918,100

2020/21 Capital Plan Reserve Withdrawals

Reserve Account	2020/21
Q421 - General Contingency Reserve	\$ 2,000,000
	CT190003 Downtown Dartmouth Infrastructure Renewal
Q526 - Capital Fund Reserve	\$ 2,850,000
	CB190008 Energy Efficiency Initiatives
	CB200015 HRM Depot Upgrades
	CI990031 Parking Technology
Q531 - Fleet Vehicles & Equipment Reserve	\$ 670,000
	CT190004 Opticom Signalization
	CE200003 Police Fleet Replacement
Q541 - Building Recapitalization and Replacement Reserve	\$ 1,500,000
	CB000089 Mackintosh Depot Replacement
Q546 - Multi-District Facilities Reserve	\$ 1,200,000
	CB200013 BMO Centre
	CB200007 RBC Centre
	CB200008 Scotiabank Centre
Q556 - Solid Waste Facilities Reserve	\$ 3,055,000
	CW190005 Burnside Composting Facility Repairs
	CW190003 Composting/Anaerobic Digestion (AD) Plant
	CW200001 District 11 Community Integration Fund
	CW190004 Environmental Monitoring Site Work 101 Landfill

	CW200002	Materials Recovery Facility Repairs	510,000
	CW200003	Rural Depots	340,000
Q606 - Strategic Capital Reserve			\$ 2,000,000
	CB190010	Keshen Goodman Library Renovations	2,000,000
Q611 - Parkland Development Reserve			\$ 100,000
	CP200004	Park Land Acquisition	100,000
Q621 - Community and Events Reserve			\$ 100,000
	CP190001	Cultural Spaces	100,000
Q626 - Gas Tax Reserve			\$ 46,174,000
	CR200003	Bridges	1,000,000
	CM200006	Conventional Bus Replacement	17,500,000
	CB200002	EMO Projects	525,000
	CT200006	Major Strategic Multi Modal Corridor: Robie St & Young	1,500,000
	CB200001	Multi-District Facilities Upgrades	1,000,000
	CP200003	Playing Fields & Courts - Renewal	1,000,000
	CB000011	St. Andrew's Community Centre Renos	1,149,000
	CR200006	Street Recapitalization	21,000,000
	CB000087	Wharf Recapitalization	1,500,000
Q631 - Debt Principal and Interest Repayment Reserve			\$ 17,293,000
	CM200006	Conventional Bus Replacement	2,220,000
	CI200002	Finance and HR Business Transformation	7,893,000
	CB000089	Mackintosh Depot Replacement	3,680,000
	CB000125	Ragged Lake Transit Centre Expansion	3,500,000
Total Capital Reserve Withdrawals			\$ 76,942,000
Total Reserve Withdrawals			\$ 111,860,100

Schedule of Area Tax Rates	Residential and Resource Rate	Commercial Rate
Sidewalks		
Sheet Hbr & Area Streetscape Program (per property; not applicable to Resource)	\$5/\$15/\$25 Tiered	\$5/\$15/\$25 Tiered
Private Road Maintenance Fees		
Black's Subdivision Ratepayer's Association (flat fee per property)	Up to \$150 Flat Fee	Up to \$150 Flat Fee
BV Homeowners Society (flat fee per property)	Up to \$600 Flat Fee	Up to \$600 Flat Fee
Cambrian's Cove Homeowners' Association (flat fee per property)	Up to \$680 Flat Fee	Up to \$680 Flat Fee
Jenna Lane Home Owners Association (flat fee per property)	\$500.00 Flat Fee	\$500.00 Flat Fee
Kelly Point Lot Owners Association (flat fee per property)	\$700.00 Flat Fee	\$700.00 Flat Fee
Mariner's Anchorage Resident's Association (flat fee per property)	\$300.00 Flat Fee	\$300.00 Flat Fee
Petpeswick Drive Improvement Society (flat fee per property)	\$300.00 Flat Fee	\$300.00 Flat Fee
Range Road Land Owner's Association (flat fee per property)	\$150.00 Flat Fee	\$150.00 Flat Fee
Redoubt Head Homeowner's Association (flat fee per property)	\$500.00 Flat Fee	\$500.00 Flat Fee
River Bend Rd & River Court Homeowner's Association (flat fee per property)	Up to \$350 Flat Fee	Up to \$350 Flat Fee
Rutter Court Residents Association (flat fee per property)	\$350.00 Flat Fee	\$350.00 Flat Fee
St. Margaret's Bay Heights Subdivision (flat fee per property)	\$280.00 Flat Fee	\$280.00 Flat Fee
Shag End Lot Owner's Association (flat fee per property)	\$900.00 Flat Fee	\$900.00 Flat Fee
Shiloh and Karla Drive Road Association (flat fee per property)	\$700.00 Flat Fee	\$700.00 Flat Fee
South West Grand Lake Property Owner's Association (flat fee per property)	Flat Fee Schedule	Flat Fee Schedule
Three Brooks Homeowner's Association (flat fee per property)	\$400.00 Flat Fee	\$400.00 Flat Fee

Attachment F
SUMMARY OF BUDGETED EXPENDITURES & REVENUES FOR 2020-21 AREA RATED SERVICES
HALIFAX REGIONAL MUNICIPALITY

	2019-20 Approved Budget	Total Area Rate Revenue	4201 Residential Area Rate Revenue	4206 Resource Area Rate Revenue	4202 Commercial Area Rate Revenue	2020-21 Proposed Budget	2019-20 Approved Residential Area Rate (\$/100)	2020-21 Proposed Residential Area Rate (\$/100)	Increase or -Decrease in Area Rate
<i>Sidewalks</i>									
Sheet Harbour & Area Streetscape Program	42,300	42,400	42,400	0	0	42,400	\$5/\$15/\$25 Tiered	\$5/\$15/\$25 Tiered	No Change
<i>Private Road Maintenance Fees</i>									
Black's Subdivision Ratepayer's Association	4,000	4,100	4,100	0	0	4,100	Up to \$150 Flat Fee	Up to \$150 Flat Fee	No Change
BV Homeowners Society	7,200	7,200	7,200	0	0	7,200	Up to \$600 Flat Fee	Up to \$600 Flat Fee	No Change
Cambrian's Cove Homeowners' Association	19,380	38,800	38,800	0	0	38,800	Up to \$340 Flat Fee	Up to \$680 Flat Fee	\$340 Increase
Jenna Lane Home Owner's Association	10,200	4,000	4,000	0	0	4,000	\$1,275.00 Flat Fee	\$500.00 Flat Fee	\$775 Decrease
Kelly Point Lot Owners Association	47,600	47,600	47,600	0	0	47,600	\$700.00 Flat Fee	\$700.00 Flat Fee	No Change
Mariner's Anchorage Resident's Association	12,900	12,900	12,900	0	0	12,900	\$300.00 Flat Fee	\$300.00 Flat Fee	No Change
Petpeswick Drive Improvement Society	5,400	5,400	5,400	0	0	5,400	\$300.00 Flat Fee	\$300.00 Flat Fee	No Change
Range Road Land Owner's Association	3,800	3,800	3,800	0	0	3,800	\$150.00 Flat Fee	\$150.00 Flat Fee	No Change
Redoubt Head Homeowner's Association	5,000	5,000	5,000	0	0	5,000	\$500.00 Flat Fee	\$500.00 Flat Fee	No Change
River Bend Rd & River Court Homeowner's Association	8,400	8,400	8,400	0	0	8,400	Up to \$350 Flat Fee	Up to \$350 Flat Fee	No Change
Rutter Court Residents Association	4,600	4,600	4,600	0	0	4,600	\$350.00 Flat Fee	\$350.00 Flat Fee	No Change
St. Margaret's Bay Heights Subdivision	12,000	12,000	12,000	0	0	12,000	\$280.00 Flat Fee	\$280.00 Flat Fee	No Change
Shag End Lot Owner's Association	65,700	65,700	65,700	0	0	65,700	\$900.00 Flat Fee	\$900.00 Flat Fee	No Change
Shiloh and Karla Drive Road Association	11,200	11,200	11,200	0	0	11,200	\$700.00 Flat Fee	\$700.00 Flat Fee	No Change
South West Grand Lake Property Owner's Association	41,800	41,800	41,800	0	0	41,800	Flat Fee Schedule	Flat Fee Schedule	No Change
Three Brooks Homeowner's Association	39,600	39,600	39,600	0	0	39,600	\$400.00 Flat Fee	\$400.00 Flat Fee	No Change

SCHEDULE 2

2020/21 Capital Budget and Estimated Capital Spend

Project #	Project Name	Asset Category	2019/20 Carry Forward	Carry Forward Reductions	2020/21 Budget	2020/21 Capital Plan	Estimated Cash Flow Deferrals	2020/21 Estimated Capital Spend
CM200008	Access-A-Bus Fueling Solution - BTC	Buildings/Facilities	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ 200,000
CB190006	Accessibility - HRM Facilities	Buildings/Facilities	352,000	-	450,000	802,000	-	802,000
CB190004	Alderney Gate Library Renos	Buildings/Facilities	-	-	-	-	-	-
CB190007	Alderney Gate Recapitalization	Buildings/Facilities	1,622,000	-	-	1,622,000	(200,000)	1,422,000
CB190002	Bedford Library Replacement	Buildings/Facilities	-	-	-	-	-	-
CB200013	BMO Centre	Buildings/Facilities	83,000	-	100,000	183,000	-	183,000
CWU01065	Burner Installation Hwy 101 Landfill	Buildings/Facilities	60,000	-	-	60,000	(60,000)	-
CW190005	Burnside Composting Facility Repairs	Buildings/Facilities	309,000	-	1,120,000	1,429,000	(330,000)	1,099,000
CB000082	Burnside Transit Centre Roof Repairs	Buildings/Facilities	2,455,000	-	-	2,455,000	-	2,455,000
CB000023	Captain William Spry Renovations	Buildings/Facilities	81,000	-	-	81,000	-	81,000
Build1	Category 1 Recreation Facilities Recap	Buildings/Facilities	-	-	-	-	-	-
CB000045	Cole Harbour Place	Buildings/Facilities	396,000	-	340,000	736,000	-	736,000
CW190003	Composting/Anaerobic Digestion (AD) Plant	Buildings/Facilities	817,000	-	1,000,000	1,817,000	(1,017,000)	800,000
CB190011	Corporate Accommodations	Buildings/Facilities	1,627,000	-	2,000,000	3,627,000	-	3,627,000
CB000046	Corporate Accommodations - Alderney	Buildings/Facilities	266,000	-	-	266,000	-	266,000
CB000075	Dartmouth North Community Centre	Buildings/Facilities	522,000	-	-	522,000	-	522,000
CB200002	EMO Projects	Buildings/Facilities	-	-	650,000	650,000	-	650,000
CB190008	Energy Efficiency Initiatives	Buildings/Facilities	106,000	-	2,000,000	2,106,000	-	2,106,000
CB190009	Environmental Remediation/Bldg. Demo	Buildings/Facilities	484,000	-	-	484,000	-	484,000
CM200002	Ferry Terminal Pontoon Rehab	Buildings/Facilities	15,000	-	225,000	240,000	-	240,000
CB200003	Findlay Community Centre Recap	Buildings/Facilities	-	-	-	-	-	-
CB000052	Fire Station 2, University Ave Recap	Buildings/Facilities	1,708,000	-	-	1,708,000	(1,600,000)	108,000
CB000088	Fire Station Functional Improvements	Buildings/Facilities	655,000	-	400,000	1,055,000	-	1,055,000
CB200014	Fire Station Replacements	Buildings/Facilities	1,772,000	(600,000)	-	1,172,000	-	1,172,000
CB200006	General Building Recapitalization	Buildings/Facilities	352,000	-	1,800,000	2,152,000	-	2,152,000
CB200004	George Dixon Community Ctr Recap	Buildings/Facilities	-	-	-	-	-	-
CB200011	Gordon R Snow Community Centre	Buildings/Facilities	-	-	100,000	100,000	-	100,000
CB180003	Halifax City Hall/Grand Parade Restore	Buildings/Facilities	77,000	-	-	77,000	-	77,000
CB000039	Halifax Ferry Terminal	Buildings/Facilities	214,000	-	-	214,000	-	214,000
CB190013	Halifax Forum Redevelopment	Buildings/Facilities	300,000	-	-	300,000	-	300,000
CB190003	Halifax North Memorial Public Library	Buildings/Facilities	500,000	-	500,000	1,000,000	-	1,000,000
Build4	Heritage Facilities Recapitalization	Buildings/Facilities	-	-	-	-	-	-
CB000057	HRFE Future Buildings Recap	Buildings/Facilities	-	-	-	-	-	-
CB200015	HRM Depot Upgrades	Buildings/Facilities	212,000	-	1,200,000	1,412,000	-	1,412,000
CB190010	Keshen Goodman Library Renovations	Buildings/Facilities	450,000	-	2,000,000	2,450,000	-	2,450,000
CB190001	LeBrun Centre Renovations	Buildings/Facilities	-	-	250,000	250,000	-	250,000
CB000089	Mackintosh Depot Replacement	Buildings/Facilities	2,206,000	-	6,500,000	8,706,000	(6,500,000)	2,206,000
CW200002	Materials Recovery Facility Repairs	Buildings/Facilities	281,000	-	510,000	791,000	-	791,000
CB000073	Metropark Upgrades	Buildings/Facilities	-	-	-	-	-	-
CW000011	Miller Composting Purchase	Buildings/Facilities	1,100,000	(1,100,000)	-	-	-	-
CB200001	Multi-District Facilities-Upgrades	Buildings/Facilities	1,281,000	-	2,200,000	3,481,000	-	3,481,000
CW000009	New Era Recapitalization	Buildings/Facilities	1,045,000	-	-	1,045,000	(792,000)	253,000
CB000017	New/Expanded Transit Centre	Buildings/Facilities	2,896,000	(2,896,000)	-	-	-	-
CB000125	Ragged Lake Transit Centre Expansion	Buildings/Facilities	1,500,000	-	3,500,000	5,000,000	(3,500,000)	1,500,000
CB200007	RBC Centre	Buildings/Facilities	199,000	-	100,000	299,000	-	299,000
CB200009	Regional Library Facility Upgrades	Buildings/Facilities	400,000	-	500,000	900,000	-	900,000

Project #	Project Name	Asset Category	2019/20 Carry Forward	Carry Forward Reductions	2020/21 Budget	2020/21 Capital Plan	Estimated Cash Flow Deferrals	2020/21 Estimated Capital Spend
CB200010	Regional Park Washrooms	Buildings/Facilities	211,000	-	500,000	711,000	-	711,000
CB200005	Roof Recapitalization	Buildings/Facilities	110,000	-	700,000	810,000	-	810,000
CB000060	Sackville Sports Stadium	Buildings/Facilities	120,000	-	-	120,000	-	120,000
CB000079	Sambro/Harrietsfield Fire Station	Buildings/Facilities	4,650,000	-	-	4,650,000	-	4,650,000
CB200008	Scotiabank Centre	Buildings/Facilities	908,000	-	1,000,000	1,908,000	-	1,908,000
CB000080	Sheet Harbour Recreation Centre	Buildings/Facilities	49,000	-	-	49,000	-	49,000
CB000084	South Peninsula School Gym Enhance	Buildings/Facilities	-	-	460,000	460,000	-	460,000
CB000011	St. Andrew's Community Centre Renos	Buildings/Facilities	691,000	-	2,000,000	2,691,000	-	2,691,000
Build6	Tallahassee Recreation Centre	Buildings/Facilities	-	-	-	-	-	-
CB000016	Transit Facility Investment Strategy	Buildings/Facilities	35,000	-	600,000	635,000	-	635,000
CM000010	West Bedford Park & Ride	Buildings/Facilities	-	-	50,000	50,000	-	50,000
CB000087	Wharf Recapitalization	Buildings/Facilities	150,000	-	2,800,000	2,950,000	-	2,950,000
CB000042	Woodside Ferry Terminal Upgrade	Buildings/Facilities	900,000	-	4,500,000	5,400,000	-	5,400,000
CR000007	Wrights Cove Terminal	Buildings/Facilities	50,000	(50,000)	-	-	-	-
CB000006	Zatzman Sportsplex Revitalization	Buildings/Facilities	200,000	-	-	200,000	-	200,000
CI190002	2020 Municipal Election e-Voting	Business Systems	349,000	-	-	349,000	-	349,000
CI190009	Application Recapitalization	Business Systems	659,000	(318,000)	-	341,000	-	341,000
CI190010	Business Intelligence Program	Business Systems	560,000	(360,000)	-	200,000	-	200,000
CI990020	CRM Software Replacement	Business Systems	750,000	(150,000)	-	600,000	-	600,000
CI200005	Cyber Security	Business Systems	-	-	920,000	920,000	-	920,000
CI990018	Enterprise Content & Records Mgmt	Business Systems	509,000	-	500,000	1,009,000	-	1,009,000
CI200002	Finance & HR Business Transformation	Business Systems	10,919,000	-	7,893,000	18,812,000	-	18,812,000
CI190003	Fleet SAP Interface Upgrades	Business Systems	-	-	-	-	-	-
CI190004	HRFE AVL Devices	Business Systems	200,000	-	25,000	225,000	-	225,000
CI990027	HRFE Dispatch Projects	Business Systems	222,000	-	-	222,000	-	222,000
CI990028	HRFE FDM Review/Enhance	Business Systems	543,000	(543,000)	-	-	-	-
CI190005	HRFE Intelligent Dispatching	Business Systems	-	-	-	-	-	-
CI200006	HRP Cybersecurity Program	Business Systems	-	-	278,000	278,000	-	278,000
CI990023	HRP Records Mgmt Optimization	Business Systems	780,000	-	250,000	1,030,000	-	1,030,000
CI200004	ICT Business Tools	Business Systems	367,000	(90,000)	-	277,000	-	277,000
CI200003	ICT Infrastructure Recap	Business Systems	283,000	-	1,617,000	1,900,000	-	1,900,000
CI200001	IT Service Management	Business Systems	202,000	(286,000)	-	(84,000)	-	(84,000)
CM180005	New Transit Technology	Business Systems	2,500,000	-	-	2,500,000	-	2,500,000
CI190007	Office 365 Migration	Business Systems	201,000	(196,000)	-	5,000	-	5,000
CI990031	Parking Technology	Business Systems	2,633,000	-	650,000	3,283,000	-	3,283,000
CI990013	Permitting, Licensing, Compliance (PLC)	Business Systems	1,101,000	-	1,731,000	2,832,000	-	2,832,000
CI000021	Public WiFi	Business Systems	416,000	(266,000)	-	150,000	-	150,000
CI000005	Recreation Services Software	Business Systems	604,000	-	795,000	1,399,000	-	1,399,000
CI190006	Risk Management Information System	Business Systems	123,000	(55,000)	-	68,000	-	68,000
CI190008	Road Disruption Management Solution	Business Systems	164,000	-	43,000	207,000	-	207,000
CI000001	Web Transformation	Business Systems	125,000	(20,000)	-	105,000	-	105,000
CCV02301 - CCV02316	District Capital Accounts	District Capital Funds	539,372	-	754,000	1,293,372	-	1,293,372
CP200006	Beazley Park	Outdoor Recreation	500,000	-	600,000	1,100,000	-	1,100,000
CB000067	Bedford Outdoor Pool	Outdoor Recreation	-	-	-	-	-	-
CP000020	Cemetery Upgrades	Outdoor Recreation	-	-	-	-	-	-
CP000011	Cornwallis Park Master Plan Implementation	Outdoor Recreation	-	-	-	-	-	-
CW200001	District 11 Community Integration Fund	Outdoor Recreation	-	-	25,000	25,000	-	25,000
CP000012	Fort Needham Master Plan Implementation	Outdoor Recreation	550,000	(550,000)	-	-	-	-
CP200002	Halifax Common Upgrades	Outdoor Recreation	550,000	-	600,000	1,150,000	-	1,150,000
CP200007	Off-Leash Dog Parks	Outdoor Recreation	-	-	60,000	60,000	-	60,000

Project #	Project Name	Asset Category	2019/20 Carry Forward	Carry Forward Reductions	2020/21 Budget	2020/21 Capital Plan	Estimated Cash Flow Deferrals	2020/21 Estimated Capital Spend
CP200004	Park Land Acquisition	Outdoor Recreation	-	-	100,000	100,000	-	100,000
CP200001	Park Recapitalization	Outdoor Recreation	1,600,000	-	660,000	2,260,000	-	2,260,000
CP200005	Playing Fields and Courts - New	Outdoor Recreation	185,000	(165,000)	-	20,000	-	20,000
CP200003	Playing Fields and Courts - Renewal	Outdoor Recreation	1,695,000	-	1,335,000	3,030,000	-	3,030,000
CP190003	Point Pleasant Park Upgrades	Outdoor Recreation	-	-	250,000	250,000	-	250,000
CP190005	Public Gardens Upgrades	Outdoor Recreation	120,000	-	-	120,000	-	120,000
CP190002	Recreational Trails	Outdoor Recreation	-	-	350,000	350,000	-	350,000
CP180002	Regional Water Access/Beach Upgrades	Outdoor Recreation	80,000	-	-	80,000	-	80,000
CP200008	Splash Pads	Outdoor Recreation	-	-	-	-	-	-
CP000014	Wilderness Park Development	Outdoor Recreation	40,000	-	-	40,000	-	40,000
CR200001	Active Transportation - Strategic Projects	Roads, Active Transportation & Bridges	4,195,000	-	3,480,000	7,675,000	(225,000)	7,450,000
CTU01006	Bedford West Road Oversizing	Roads, Active Transportation & Bridges	-	-	-	-	-	-
CR200003	Bridges	Roads, Active Transportation & Bridges	3,815,000	-	1,200,000	5,015,000	-	5,015,000
CT000013	Burnside Connection to Hwy 107	Roads, Active Transportation & Bridges	-	-	-	-	-	-
CM190002	Bus Stop Accessibility/Improvements	Roads, Active Transportation & Bridges	200,000	-	300,000	500,000	-	500,000
CT000007	Cogswell Interchange Redevelopment	Roads, Active Transportation & Bridges	15,011,000	(14,261,000)	-	750,000	-	750,000
CT190003	Downtown Dartmouth Infrastructure Renewal	Roads, Active Transportation & Bridges	50,000	-	2,000,000	2,050,000	-	2,050,000
CM000018	Higher Order Transit Planning	Roads, Active Transportation & Bridges	515,000	-	-	515,000	-	515,000
CT190009	IMP Land Acquisition	Roads, Active Transportation & Bridges	1,180,000	-	1,820,000	3,000,000	-	3,000,000
CT200002	Major Strategic Multi Modal Corridor: Bayers Road	Roads, Active Transportation & Bridges	3,400,000	-	200,000	3,600,000	-	3,600,000
CT190008	Major Strategic Multi Modal Corridor: Bedford Highway	Roads, Active Transportation & Bridges	250,000	-	-	250,000	-	250,000
CT200003	Major Strategic Multi Modal Corridor: Dutch Village Rd	Roads, Active Transportation & Bridges	-	-	50,000	50,000	-	50,000
CT190005	Major Strategic Multi Modal Corridor: Herring Cove Road	Roads, Active Transportation & Bridges	250,000	-	-	250,000	-	250,000
CT190002	Major Strategic Multi Modal Corridor: Portland Street	Roads, Active Transportation & Bridges	150,000	-	-	150,000	-	150,000
CT200006	Major Strategic Multi Modal Corridor: Robie St & Young St	Roads, Active Transportation & Bridges	-	-	2,275,000	2,275,000	-	2,275,000
CT200005	Major Strategic Multi Modal Corridor: Windmill Rd	Roads, Active Transportation & Bridges	-	-	100,000	100,000	-	100,000
CR180006	New Paving Streets - HRM Roads	Roads, Active Transportation & Bridges	108,667	-	54,000	162,667	-	162,667
CR180007	New Paving Subdivisions - Provincial Roads	Roads, Active Transportation & Bridges	-	-	376,000	376,000	-	376,000
CR200004	Other Road Related Works	Roads, Active Transportation & Bridges	1,320,000	-	1,685,000	3,005,000	-	3,005,000
CT000015	Railway Crossing Improvements	Roads, Active Transportation & Bridges	251,000	-	-	251,000	-	251,000
CR200007	Regional Centre AAA Bikeways	Roads, Active Transportation & Bridges	2,355,000	-	3,755,000	6,110,000	(3,325,000)	2,785,000
CR200005	Road Ops & Construction - State of Good Repair	Roads, Active Transportation & Bridges	-	-	3,000,000	3,000,000	-	3,000,000
CT000016	Shearwater Connector	Roads, Active Transportation & Bridges	51,000	-	-	51,000	-	51,000
CR200002	Sidewalk Renewals	Roads, Active Transportation & Bridges	960,000	-	2,500,000	3,460,000	(755,000)	2,705,000
CR200006	Street Recapitalization	Roads, Active Transportation & Bridges	10,575,000	-	25,500,000	36,075,000	(3,435,000)	32,640,000
CT200007	Streetscape Renewal	Roads, Active Transportation & Bridges	-	-	-	-	-	-
CD000002	Streetscapes - Argyle/Grafton	Roads, Active Transportation & Bridges	567,000	-	-	567,000	(237,000)	330,000
CD000001	Streetscapes - Spring Garden Rd	Roads, Active Transportation & Bridges	9,788,000	-	-	9,788,000	(7,500,000)	2,288,000
CT190001	Streetscaping	Roads, Active Transportation & Bridges	-	-	400,000	400,000	-	400,000
CT200008	Tactical Urbanism	Roads, Active Transportation & Bridges	490,000	-	150,000	640,000	-	640,000
CM000009	Transit Priority Measures	Roads, Active Transportation & Bridges	500,000	-	-	500,000	-	500,000
CT190010	Windsor Street Exchange	Roads, Active Transportation & Bridges	450,000	-	1,800,000	2,250,000	(1,875,000)	375,000
CT200004	Controller Cabinet & Detection	Traffic & Streetlights	605,000	(35,000)	-	570,000	-	570,000
CTR00904	Destination Signage Program	Traffic & Streetlights	404,000	(150,000)	-	254,000	-	254,000
CT190004	Opticom Signalization	Traffic & Streetlights	-	-	70,000	70,000	-	70,000
CT190006	Road Safety Improvement	Traffic & Streetlights	1,245,000	-	1,030,000	2,275,000	-	2,275,000
CT200001	Street Lighting	Traffic & Streetlights	528,500	(140,000)	-	388,500	-	388,500
CT180003	Traffic Signal Re-lamping	Traffic & Streetlights	-	-	-	-	-	-
CM200001	Access-A-Bus Replacement	Vehicles, Vessels & Equipment	635,000	-	1,170,000	1,805,000	-	1,805,000
CM200005	Bus Maintenance Equipment Replacement	Vehicles, Vessels & Equipment	404,000	-	330,000	734,000	-	734,000

Project #	Project Name	Asset Category	2019/20 Carry Forward	Carry Forward Reductions	2020/21 Budget	2020/21 Capital Plan	Estimated Cash Flow Deferrals	2020/21 Estimated Capital Spend
CM200006	Conventional Bus Replacement	Vehicles, Vessels & Equipment	838,000	-	19,720,000	20,558,000	(20,558,000)	-
CM200007	Ferry Overhaul and Capital Upgrades	Vehicles, Vessels & Equipment	228,000	-	385,000	613,000	-	613,000
CE200002	Fire Fleet Replacement	Vehicles, Vessels & Equipment	3,780,000	-	4,185,000	7,965,000	-	7,965,000
CE200004	Fire Services Equipment Replacement	Vehicles, Vessels & Equipment	925,000	-	1,130,000	2,055,000	-	2,055,000
CE190001	Fire Services Water Supply	Vehicles, Vessels & Equipment	-	-	90,000	90,000	-	90,000
CE190006	Fire/Rescue Boat Replacement	Vehicles, Vessels & Equipment	1,300,000	-	-	1,300,000	-	1,300,000
CE200005	Heavy Urban Search & Rescue Equipment	Vehicles, Vessels & Equipment	-	-	355,000	355,000	-	355,000
CE190005	Ice Resurfacer Replacement	Vehicles, Vessels & Equipment	125,000	-	125,000	250,000	(125,000)	125,000
CM200004	Mid-Life Bus Rebuild	Vehicles, Vessels & Equipment	-	-	1,200,000	1,200,000	-	1,200,000
CM180008	Moving Forward Together Plan Implementation	Vehicles, Vessels & Equipment	266,000	-	3,470,000	3,736,000	(3,736,000)	-
CE200001	Municipal Fleet Replacement	Vehicles, Vessels & Equipment	900,000	-	2,500,000	3,400,000	-	3,400,000
CW190001	New/Replacement Green Carts	Vehicles, Vessels & Equipment	364,000	-	-	364,000	-	364,000
CE200003	Police Fleet Replacement	Vehicles, Vessels & Equipment	1,505,000	-	800,000	2,305,000	-	2,305,000
CE190002	Police Services Equipment Replacement	Vehicles, Vessels & Equipment	-	-	420,000	420,000	-	420,000
CW200003	Rural Depots	Vehicles, Vessels & Equipment	-	-	340,000	340,000	-	340,000
CM200003	Transit Support Vehicle Replacement	Vehicles, Vessels & Equipment	-	-	110,000	110,000	-	110,000
CP190001	Cultural Spaces	Other Assets	150,000	-	100,000	250,000	-	250,000
CWU01092	Dredging of Siltation Pond	Other Assets	360,000	-	-	360,000	-	360,000
CW190004	Environmental Monitoring Site Work 101 Landfill	Other Assets	308,000	-	60,000	368,000	-	368,000
CB200012	HalifACT 2050 - Climate Action Plan	Other Assets	-	-	1,000,000	1,000,000	-	1,000,000
CR000001	Storm Sewer Upgrades	Other Assets	546,000	-	-	546,000	-	546,000
CT200009	Wastewater Oversizing	Other Assets	-	-	900,000	900,000	-	900,000
			\$ 136,334,539	\$ (22,231,000)	\$ 149,826,000	\$ 263,929,539	\$ (55,770,000)	\$ 208,159,539

Schedule 3 – Projected Reserve Balances – 2020/21 to 2023/24

as of May 12, 2020 Proposal

		Projected Balance in Reserves	Projected Balance in Reserves (as of January 31 /20)	Projected Balance in Reserves			
		March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
RISK RESERVE							
Q406	Insurance and Risk Reserve	4,172,200	4,247,600	4,315,600	4,384,600	4,454,800	4,526,100
Q411	Police on the Job Injury Reserve	2,169,600	1,725,300	1,778,300	1,832,200	1,886,900	1,942,500
Q416	Operating Stabilization Reserve	8,819,200	8,759,000	8,636,600	8,537,700	8,437,200	8,335,100
Q421 *	General Contingency Reserve	25,614,305	5,173,898	5,064,498	5,018,498	1,166,898	1,185,598
TOTAL RISK RESERVE		40,775,305	19,905,798	19,794,998	19,772,998	15,945,798	15,989,298
OBLIGATION RESERVE							
Q506	Landfill Closure Costs	7,781,209	7,929,900	8,034,400	8,140,000	8,247,000	8,255,000
Q511	Municipal Election Reserve	2,199,500	2,062,200	688,000	1,461,000	2,246,400	3,044,300
Q521	Convention Centre Reserve	3,811,074	3,283,109	3,304,109	2,912,009	2,535,909	2,176,209
Q526	Capital Fund Reserve	8,335,906	4,368,317	20,074,476	9,186,076	402,530	30,780
Q531	Vehicle Fleet and Equipment Reserve	1,194,524	1,432,832	876,632	919,132	960,232	1,077,232
Q536	Central Library Recapitalization Reserve	4,327,100	5,306,000	6,335,800	7,401,400	8,503,300	9,643,200
Q541 **	Building Recapitalization and Replacement Reserve	3,913,179	2,277,200	773,198	(754,904)	(2,104,206)	(2,865,508)
Q546 ***	Multi District Facilities Reserve	2,991,876	(53,942)	136,358	(166,031)	153,480	652,905
Q551	Transit Capital Reserve	180,100	136,100	138,300	140,500	142,700	145,000
Q556	Solid Waste Facilities Reserve	11,514,943	11,930,800	10,343,700	11,024,000	11,985,100	13,045,500
TOTAL OBLIGATION RESERVE		46,249,411	38,672,516	50,704,973	40,263,182	33,072,445	35,204,618

OPPORTUNITY RESERVE							
Q606	Strategic Capital Reserve	(11,876,018)	32,046,800	44,548,300	68,324,300	27,151,900	10,070,500
Q611	Parkland Development Reserve	3,470,561	5,934,569	6,689,969	7,050,969	7,417,769	7,790,469
Q616	Business/Industrial Parks Expansio	25,321,498	38,344,756	45,820,856	45,279,256	44,728,356	45,186,456
Q621	Community and Events Reserve	1,485,575	997,538	917,138	890,338	1,474,638	1,495,238
Q626	Gas Tax Reserve	957,460	28,198,260	7,107,593	5,333,101	1,904,609	2,927,283
Q631	Debt Principal and Interest Repaym	31,557,372	19,892,980	9,199,880	2,825,930	(25,670)	6,805,330
TOATAL OPPORTUNITY RESERVE		50,916,448	125,414,904	114,283,737	129,703,895	82,651,603	74,275,277
TOTAL RESERVE							
		137,941,164	183,993,217	184,783,707	189,740,074	131,669,845	125,469,192

Note: The reserve balances in this statement exclude the proposed reserve changes in this report that have not yet been approved by Regional Council.

Schedule 4
Operating Budget by Business Units for 2020/21
Original March 24 Budget and Final Revised Budget

	March 24, 2020	June 9, 2020
<u>Support Services:</u>		
Office of the Auditor General	1,126,900	1,074,900
CAO	8,028,800	7,433,600
Finance, Asset Management & ICT	39,824,100	37,041,100
Human Resources & Diversity & Inclusion	7,374,200	6,982,500
Legal	8,421,600	7,819,200
Total Support Services	64,775,600	60,351,300
<u>Public Services</u>		
Library	22,470,000	21,674,500
Planning & Development	14,288,700	13,426,100
Corporate & Customer Service	42,332,000	36,996,800
Parks & Recreation	29,797,100	31,280,100
Transportation & Public Works	89,779,000	84,447,900
Transit	30,546,900	40,149,100
Total Public Services	229,213,700	227,974,500
<u>Public Safety:</u>		
Fire	74,506,000	71,006,000
Police	89,776,000	86,275,100
RCMP	27,480,000	27,480,000
Total Public Safety	191,762,000	184,761,100

SCHEDULE 5 - COVID BUDGET ADJUSTMENT LIST

Revision Date: 05/29/2020

	Total	20/21 Rate Impact	20/21 Avg Bill Impact
Total of all items added to the parking lot	12,731,875	0.017	42.58

Item	BU	Amount To add	20/21 Rate Impa	20/21 Avg Bill Im	Motion Date
Vacancy Management (Excl Fire & Police)	HRM	5,632,675	0.00766	18.84	5/13/2020
Other Compensation	HRM	315,000	0.00043	1.05	5/13/2020
Cancel Spring/Summer Programs & Facility Closures	P&R	500,000	0.00068	1.67	5/13/2020
Community Grants	Fiscal	150,000	0.00020	0.50	5/13/2020
Museum Grants	Fiscal	110,000	0.00015	0.37	5/13/2020
Barrington Street Tax Grants	Fiscal	245,000	0.00033	0.82	5/13/2020
Cut 85% of IMP Study funds	P&D	290,000	0.00039	0.97	5/13/2020
Cut Beach Water Testing and Lake Weed Harvesting	P&D	80,000	0.00011	0.27	5/13/2020
Cut Heritage Incentives Grant (\$150K increase on BAL list)	P&D	200,000	0.00027	0.67	5/13/2020
Cut Water Quality Monitoring Program	P&D	150,000	0.00020	0.50	5/13/2020
Heritage Planner	P&D	80,000	0.00011	0.27	5/13/2020
Hotel Levy Revenue Transfer (Discover Halifax)	P&R	300,000	0.00041	1.00	5/13/2020
Events/Grants	P&R	100,000	0.00014	0.33	5/13/2020
Rural Transit Funding Program	Transit	50,000	0.00007	0.17	5/13/2020
Hand shoveling (Winter Seasonal)	TPW	225,000	0.00031	0.75	5/15/2020
Senior Snow Program	TPW	600,000	0.00082	2.01	5/13/2020
Not Hiring 3 six month positions for HalifACT approved	P&D	137,000	0.00019	0.46	5/19/2020
Downtown Dartmouth Renewal	Capital	2,000,000	0.00272	6.69	5/21/2020
District Capital	Capital	(750,000)	(0.00102)	(2.51)	5/21/2020
Fire Station 2 replacement	Capital	(1,600,000)	(0.00218)	(5.35)	5/21/2020
NACTO Membership (\$11k USD)	TPW/P&D	16,300	0.00002	0.05	5/22/2020
Police Motion #1 - Reduce to \$3.5M ²	Police	2,014,000	0.00274	6.74	5/20/2020
Fire Motion #1 - Reduce \$3.5M ¹	Fire	1,886,900	0.00257	6.31	5/20/2020