

The word "HALIFAX" is written in a bold, white, sans-serif font against a dark blue background. The background features a large, abstract geometric shape that is a triangle pointing towards the bottom right, with a white interior and a dark blue exterior. The text is positioned in the upper right quadrant of the slide.

HALIFAX

Second Quarter Report

Presentation to Audit and
Finance Standing Committee

November 25, 2020

Purpose

- Provide a quarterly update on the financial standing of the Municipality.
- Provide Council with a sense the business' projection of the fiscal position of the Municipality at the end of the fiscal year
 - Includes the general rate surplus, capital, and reserves projections
 - General rate surplus projections include a summary of the variances by business unit to explain the sources of any surplus or deficit
- Provide an update on the status of recreational area rates
- Includes a summary of councillors' discretionary spending to date for the fiscal year
- Fulfill provincial requirements on reporting of individual's expenses and hospitality expenses of the municipality for the quarter

General Rate Surplus

- Projected deficit of \$7.2M primarily due to:
 - Balloon payment of \$6.0M to the Nova Scotia Municipal Finance Corporation.
 - Increase of \$1.4M due to increased insurance claims and higher insurance premiums.
 - Decrease enforcement fines and parking permits of \$2.6M due to a drop in parking volumes in downtown core and delayed opening of customer service centres.
 - Decrease of \$500.0K in Summary Offense Tickets due to fewer people in the workplace and student remote learning.
 - Increase in costs for supplies and cleaning due to initial response to COVID-19 of \$903.8K.
 - Decrease of \$431.0K from Metro Park parking revenue due to lower volumes of monthly parking rentals.

Offset by:

- Increase of \$1.6M due to arena bookings at RBC Centre and BMO Centre being greater than expected.
- Decrease in salary and benefits of \$2.5M largely due to the hiring freeze and cancellation of the 2020/21 Internship Program, partially offset by increased overtime requirements.
- Decrease in commercial activity at Dartmouth and Ragged Lake Organics Facilities resulting in lower costs of \$413.7K.

HALIFAX

Risks and Opportunities

- We continue to monitor other items that may affect our projections going forward:

Risks:

- Additional impacts of COVID-19 pandemic
- October Tax bill collection
- Transit Ridership levels as full service returns
- The impacts of winter-related weather conditions
- Commodity costs (fuel, diesel, salt, etc.)
- MDF deficits
- Reduced revenue Scotiabank Center
- Second wave COVID

Councillors' Funds

- District Capital Funds
 - Of the total budget of \$2.3M, \$1.7M has been spent or committed leaving \$0.6M available.
 - \$301.6K has been restricted from being spent before the election
- District Activity Funds
 - Of the \$72.0K budget, \$49.3K has been spent or committed leaving \$22.7K available.
 - \$28.8K has been restricted from being spent before the election

Recreation Area Rates

- There are 21 Recreation Area Rate Accounts.
- The surplus in these accounts at April 1, 2020 was \$1.5M.
- Revenue of 0.8M has been earned and \$0.6M has been spent.
- The surplus at September 30, 2020 is \$1.8M.

Reserves

- Projected available balance in reserves at March 31, 2021 is \$220.7M.
- Increase of \$13.0M over budget
- Projected reserve balance:
 - 21/22 - \$190.1M
 - 22/23 - \$132.0M
 - 23/24 - \$125.8M

Aged Accounts Receivable

Property Taxes	\$	372.1M
Local Improvement Charges		11.2M
Payments-in-Lieu of Taxes		25.1M
General Revenue		<u>12.1M</u>
Total Gross Accounts Receivable	\$	<u>420.5M</u>

Property Taxes balance largely due to outstanding final tax bill amounts – due October 31, 2020.

Capital Projection Summary

Net Budget available before expenditures, September 30, 2020	\$ 309.0M
Spent by September 30, 2020	\$ 61.3M
Projected expenditures by March 31, 2021	\$ 133.3M
Projected Carry Forward to 2021-22	\$ 114.4M

Hospitality Expenses

- For the three-month period ended Sept 30, 2020, hospitality expenditures were \$300.
- Hospitality expenses are: Expenses incurred while hosting individuals from outside the municipal government for reasons of diplomacy, protocol, business development or promotional advocacy. Examples include: gifts, receptions, ceremonies, conferences, performances or other group events.

Expenses for Reportable Individuals

Name	Local Travel	Out of Town Travel	Development/ Training	Meals & Other Miscellaneous Expenses	Total	YTD Total
Mayor Mike Savage	-	-	-	620	620	874
Councillor Steve Streach	-	-	-	-	-	-
Councillor David Hendsbee	584	-	-	-	584	1,612
Councillor Bill Karsten	-	-	-	-	-	-
Councillor Lorelei Nicoll	-	-	-	-	-	-
Councillor Sam Austin	-	-	-	-	-	-
Councillor Tony Mancini	-	-	-	-	-	-
Councillor Waye Mason	-	-	-	-	-	-
Councillor Lindell Smith	-	-	-	-	-	-
Councillor Shawn Cleary	-	-	-	-	-	-
Councillor Russell Walker	-	-	-	-	-	-
Councillor Steve Adams	3,368	-	-	-	3,368	7,003
Councillor Richard Zurawski	-	-	-	-	-	-
Councillor Matt Witman	471	-	-	-	471	775
Deputy Mayor Lisa Blackburn	-	-	-	-	-	-
Councillor Steve Craig	-	-	-	-	-	-
Councillor Paul Russell	-	-	-	-	-	-
Councillor Tim Outhit	-	-	-	-	-	-
Jacques Dubé, CAO	-	-	-	165	165	165
Total	4,423	-	-	785	5,208	10,431