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Item No. 6
Budget Committee
January 28, 2022

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: January 24, 2022

SUBJECT: 2022/23 Fiscal Framework Update

ORIGIN

On November 23, 2021 it was moved THAT the Budget Committee:

1. Direct the Chief Administrative Officer to develop the 2022/23 Budget according to Council's approved priorities, and preliminary fiscal direction, including setting the average property tax bill for residential and commercial properties at a 2.9 per cent increase plus an additional 3.0 per cent increase in the average property tax bill for a dedicated Climate Action Tax to fund Strategic Investments, for a total average increase of 5.9 per cent; and
2. Recommend that Halifax Regional Council:
    a) Approve the updated Reserve Business Cases included in Attachment A of the staff report dated November 9, 2021 and the transfers in reserve balances and commitments described in the staff report dated November 9, 2021; and
    b) Approve the updated Debt Guidelines included in Attachment B of the staff report dated November 9, 2021 including a new debt ceiling of $1,200 per dwelling unit and a revised formula for Capital from Operating targets.

This motion at the November 23, 2021 meeting was amended to request a supplementary report, and a portion of the original motion was deferred:

THAT the motion be amended to include new sections which read as follows;

3. Direct the Chief Administrative Officer to prepare a Supplemental Report with respect to options to reduce the final average property tax bill increase from 5.9% to 3.7% through adjusting:
    a) Funding for capital projects, through changes in Capital from Operating, Debt, Reserves, Cost Sharing or other,

RECOMMENDATION ON PAGE 2 & 3

b) The timing of capital projects, and,
c) Operating costs and revenues, as appropriate.

It is further recommended that Budget Committee defer recommendation 2 b) approving the updated Debt Guidelines pending Budget Committee's discussion of the strategic initiatives.

LEGISLATIVE AUTHORITY

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

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; b) taxes for the currentfiscal year that might not be collected.
(3) The Council shall include an allowance to provide for any variation in the total assessed value shownon 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 propertyand resource property.
(7) Notwithstanding clause (6)(a), the tax rate for the part of commercial property that is identified on theassessment 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 theestimated requirements of the Municipality.

RECOMMENDATION

It is recommended that the Budget Committee approve a 4.6 percent tax increase by rescinding the direction to set the average property tax bill for residential and commercial properties at a 2.9 percent increase by a motion of 2/3 of the members present and voting to:

> Direct the CAO in developing the 2022/23 Budget, that the average tax bill for residential, resource and commercial properties be set at a 1.6 percent increase.

It is further recommended that Budget Committee amend the deferred November 23, 2021, motion 2 (b) by moving an amendment to:

1. Direct the Chief Administrative Officer to:
   a) Increase the amount of capital taken from operating for 2022/23 by $8.0M from $66.0M to $74.0M;
   b) Allocate an additional $17M to Street Recapitalization (Project CR200006), increasing its approved budget of $33.0M to $50M; and

c) Add, for further consideration, \$2.5M to the Budget Adjustment List for Parks and Recreation including, but not limited to, Project CP200001.

2. Approve the Strategic Initiatives Capital Budget for 2022/23, and approve the schedule of 2022/23 Multi-year Strategic Initiative Capital Projects as per Attachments 1 and 2 of this report;
3. Approve the schedule of 2022/23 capital reserves withdrawals as per Attachment 3 of this report;
4. Approve the schedule of Strategic Initiatives in principal as per Attachment 4 of this report;
5. Transfer \$5M from the Strategic Initiatives Operating Reserve (Q667) to the Strategic Initiative Capital Reserve (Q666), and,
6. In Attachment B ("HRM Debt Guidelines") of the November 23, 2021 staff report (2022/23 Fiscal Framework), page 4, section entitled "Capital from Operating Targets" delete "Capital from Operating is targeted to grow at 6 per cent per year plus the per cent growth in dwelling units" and replace with "Capital from Operating is targeted to grow at 6 per cent per year plus the percent growth in inflation, plus the per cent growth in dwelling units".

BACKGROUND

During the pandemic, Regional Council approved the Fiscal Sustainability Strategy which examined the current financial state of HRM in (1) Operating and Taxes, (2) Capital, (3) Reserves, (4) Debt. This included recommendations to develop

> *… "Strategic Initiative" reserves for projects that are tied to an approved Council strategy and are significant enough to lead to a discernable increase in the tax rate or special funding that is outside the normal budget process. This should include any required changes to debt and reserve policies and should be eligible to be funded through dedicated tax levies.*

The 2022/23 Fiscal Framework was designed in the face of one of the most complex financial environments the municipality has seen. It broadly encompasses significant changes in taxation, services, debt, and reserve policies. These changes are designed to deal with the triple challenge of emerging from the pandemic; funding growth related costs, especially infrastructure; and providing extensive support for unfunded Climate Change initiatives. In the upcoming year, HRM faces strong economic and population growth; intense pressure on the cost of its services; and insufficient funding for its capital budget, especially strategic initiatives such as climate change and transportation.

HRM's **Capital Budget**, in particular, faces three key challenges:

1. First, there are insufficient funds to support the services directed by Regional Council. There is evidence that the amount of funding allocated to "Asset Renewal" is insufficient to maintain HRM's existing assets in safe and reliable working condition. The rapid population growth of the region has led to additional demands for growth in services, requiring more assets and upgraded designs.

2. Secondly, there is a limit to how many projects HRM can deliver at any one time. HRM's capital program has been able to deliver around \$155M per year with previous staffing levels.

3. Lastly, delays and gaps in the industries' supply chain, as well as the labour market, have caused extensions to project delivery timelines and increased vendor costs, sometimes as high as 30%-50% over previous costs. This is putting pressure on HRM's reserve balances and further deferring necessary maintenance activities.

Of particular note, 300 additional lane-km of Provincial roads is being transferred to HRM in 2022. In addition, research by staff suggests that there is a substantial funding gap if HRM wishes to maintain the "Level of Service" for the road network with an additional $17M required in 2023/24 (from $33.0M to $50M). Lastly, Regional Council has requested options for funding Parks and Recreation projects at a 60/40 split, meaning 60% recapitalization and 40 percent growth. This is compared to the currently proposed 70 percent recapitalization and 30 percent growth.

In addition, there is more than $1 Billion worth of unfunded strategic city building programs such as HalifACT and the Integrated Mobility Plan (IMP) that cannot be funded within existing capital budget levels. All of these "**Strategic Initiatives**" will require significant funding. Under the Fiscal Sustainability Strategy, a Strategic Initiative Reserve was established to fund these projects. Debt will be issued for the specific projects and the eventual principal and interest repayments will be made from the reserve. The reserves require up-front contributions from the operating budget to leverage the large amounts of debt that will be required.

In light of these cost, revenue and capital challenges, the November 23rd Fiscal Framework recommended a 2.9 percent average tax bill increase plus an additional 3.0 percent increase for a Climate Action Tax. In addition, it recommended updated Debt Guidelines that (1) increased debt through the use of a $1,200 per dwelling debt ceiling, and, (2) increased per dwelling targets for capital from operating from inflation plus 3 percent to inflation plus six percent. (Recommendation 6 is a technical amendment which corrects the wording of this guideline). The Framework assumed $66.0M in capital from operating for 2022/23. The draft Capital Budget, however, has only allocated $54.5M of those funds to specific projects, leaving $11.5M unallocated.

The Budget Committee of the Whole requested additional options to reduce the 5.9 percent increase to 3.7 percent. Options included looking at costs and revenues, capital funding, in particular debt and capital from operating, and the timing of capital projects.

DISCUSSION

The current Fiscal Framework proposes an increase in the average tax bill of 5.9 percent. This increase covers lost revenues due to the pandemic and higher costs due to inflationary pressures. It also allows for an increase in capital from operating to $66.0M and significant contributions to the two new Strategic Initiative Reserves (Capital and Operating).

The Strategic Initiative Reserve has a current balance of $118.2M. The Fiscal Framework assumed future contributions of nearly $39M for the next 10 years, with funding coming from the 5.9% tax increase (including the Climate Action Tax) and from Deed Transfer Tax revenues. The proposal allows for $400M in capital projects to be debentured, with the future debt charges (principal and interest) being repaid by the reserve. It is assumed that the $39M in reserve contributions would continue for ten years and would fund the following projects:

Table 1

Projects Funded through the Strategic Initiative Reserve

Proposed Fiscal Framework (November 23, 2021), as revised on December 14, 2021 Capital Budget

General Tax Rate includes:	
Halifax Forum Redevelopment	$57.0
Windsor Street Interchange	12.9
Mill Cove Ferry (Years 1-5)	33.3
Multi-Modal Corridors	136.9
Sub-Total	**$240.1**
Climate Action Tax at 3%	
EV Buses - Phase 1	$34.1
HalifACT	119.6
Sub-Total	**$153.7**
Total Capital	**$393.8**

If Regional Council wishes to reduce the proposed tax increase from 5.9 percent to 3.7 percent, it must reduce its operating budget by $14.4M. To achieve this there are a number of potential options:

1. **Operating Costs and Revenues:**

   Since the Fiscal Framework was presented in November, the final 2022 assessment roll has been filed by the Property Valuation Services Corporation (PVSC). The Fiscal Framework, however, anticipated almost all the assessment increases that are reflected in the final roll. The property tax value of unanticipated increases is $3M. Staff have also reviewed estimates for other municipal revenues and costs which have netted out to an additional $2.2M in costs. **This leaves only $800,000 for tax relief, meaning $13.6M in reductions must still be identified to reach the 3.7 percent tax level.**

2. **Cost Sharing:**
   Staff have confirmed that all anticipated cost-sharing has been budgeted.

3. **Reserves:**

   The existing Reserve structure has been redesigned specially to fund Strategic Initiatives. Any reserve funds that were being underutilized have already been transferred into the Strategic Initiative Reserve, thus leading to its current $118.2M balance.

4. **Capital from Operating:**

   Under the November 23rd Fiscal Framework proposal, the target for Capital from Operating has been substantially increased to $66.0M in capital from operating funding. Of this amount, $11.5M has not yet been directed to specific capital projects and could be referred to the Budget Adjustment List (BAL) debate in March. Regional Council is free to reduce Capital from Operating by $13.6M, eliminating the $11.5M that is unallocated plus an additional $2.1M in approved capital projects. However, HRM's asset base is under considerable stress and the rapid growth of the municipality has also increased pressure for additional services. Reducing capital from operating will only put even greater pressure on those assets and may lead to higher repair and maintenance costs and eventually greater replacement costs.

Further, due to the current condition of the street network and concerns over the long-term "Level of Service", $9.0M of the $11.5M that is unallocated should be dedicated to street recapitalization. While this is a significant increase, it will be insufficient to cover the required additional $17.0M needed for 2023/24.

Likewise, Council has expressed concern over the Parks and Recreation Capital Budget, so it is recommended that $2.5M be forwarded to the BAL debate for Parks and Recreation for recapitalization and growth issues.

5. Timing of Capital Projects:

Staff also considered the timing of capital projects and whether delaying any specific projects could help reduce the proposed tax increase. The addition of nearly $400M in Strategic Initiatives has added a considerable project workload. Full and timely project implementation is expected to be challenging. Considering this, staff are of the opinion that some of the Strategic Initiatives that are not scheduled to start until year 4+ of the ten-year plan are good candidates for not being funded at this time. In addition, such projects are in the early stages of design and costing and may be amended before they begin. As such, staff have assembled the projects into three packages based on their ability to move forward.

- <u>Package A</u> is seven projects ($56M). When added to B and C it includes all proposed Projects ($394M) and a tax increase of 5.9%,
- <u>Package B</u> is three projects ($32M). When added to C it includes all proposed Projects except 7 of the 14 Multi-modal Corridors ($338M) and a tax increase of 4.6%,
- <u>Package C</u> includes all proposed Projects except 10 of the 14 Multi-modal Corridors ($306M) and a tax increase of 3.7%,

Regional Council has the option to delay funding or issue debt for any of these groups, thus lowering the tax increase. It is important, however, to continue planning for these projects and to purchase any required land when the opportunity arises. As such, all three packages include the ten-year costs to design the multi-model corridors and to acquire any necessary land. The specific projects for each package are included in Table Two below.

Table Two
Three Packages for Delaying Funding on Strategic Initiatives

A	**Included if we go to 5.9%**			5.9% supports $393.8M
	Fund $393.8, Delay Funding $0.0		**$ Total (M)**	
	Major Strategic Multi Modal Corridors:			
	Alderney Dr (Dundas St-Wyse Rd)	Years 5 & 7	5.9	
	Barrington St (North St-Spr. Garden Rd) - Phase 2	Year 7	3.1	
	Bedford Highway	Years 6-9	20.3	
	Dunbrack Street	Years 8-9	7.9	
	Highway 7 - Magazine Hill	Year 6	3.0	
	Portland Street	Years 5-6	10.0	
	Trunk 7 (Main St), Dartmouth	Years 6-7	5.9	
	Sub-Total		**56.1**	
B	**Included if we go to 4.6%**			4.6% supports $337.7M
	Fund $337.7, Delay Funding$56.1			
	Major Strategic Multi Modal Corridors:			
	Herring Cove Road	Years 4-9	25.9	
	Lower Water St (Morris St-Duke St)	Year 5	3.5	
	Windmill Rd (Akerley Blvd-Wyse Rd)	Year 5	2.1	
	Sub-Total		**31.5**	
C	**Included in 3.7%**			3.7% supports $306.2M
	Fund $306.2, Delay Funding$87.6			
	Major Strategic Multi Modal Corridors:			
	Bayers Road	Year 2	4.7	
	Dutch Village Rd	Year 2	2.3	
	Robie St & Young St	Year 3	2.2	
	Barrington St (North St-Spr. Garden Rd) - Phase 1	Year 3	2.0	
	Land Acquisition	Year 1-10	33.5	
	Studies and Design	Year 1-10	4.8	
	Sub-Total		**49.4**	
	Climate Action Tax (CAT):			
	Electric Buses - Phase 1	Years 1-2	34.1	
	HalifACT 2050 - Climate Action Plan	Years 1-5	119.6	
	Sub-Total		**153.7**	
	Other			
	Halifax Forum Redevelopment	Years 2-6	57.0	
	Windsor Street Exchange	Years 1-4	12.9	
	Mill Cove Ferry Service	Years 2-5	33.3	
	Sub-Total		**103.2**	
			$393.8	

6. Debt:

HRM has had a long-standing policy of reducing debt levels, in favour of increasing capital from operating funds. As a result, the municipality is in extremely strong shape relative to debt and can assume higher debt levels. Currently HRM's tax supported debt is only 1,177 per dwelling unit. The debt ratio (debt payments as a percent of total expenditures) is 4.7%. Under the November 23rd Fiscal Framework staff have recommended a debt ceiling of $1,200 per dwelling unit, meaning that future debt would increase, not decline. The Municipality is in a strong financial position and could, if it wished, eliminate $13.6M of reserve contributions and approve debt for $88M of projects that would have been funded through the Strategic Initiative Reserve. This would reduce the proposed tax increase from 5.9 percent to 3.7 percent.

In Package C (See Table Two above) staff have identified $88M worth of Strategic Initiatives that can be funded through debt, instead of through the SI reserve. This include projects (with one exception) that were not expected to begin until Year 5 or later of the ten-year capital plan. To facilitate their funding HRM would issue an additional $88M in debt between Year 5 (2025/26) and Year 9 (2030/31). Debt charges would become due following the completion of the projects and their repayment will place additional pressure on future budgets and the required tax rates in those years. Hence it is important to acknowledge that while the 2022/23 proposed tax increase will decline, the tax increase is essentially being pushed into future years. Table Three outlines the change in expected debt levels and the future debt charges impact.

Table Three
Debt Charges on $87.6M (Taxes of 3.7%)

	Years 1-4	Years 6-10	Years 11-20	Total
Principal	-	22,767,000	64,783,000	87,550,000
Interest	-	4,633,598	6,891,396	11,524,994
Total	**-**	**27,400,598**	**71,674,396**	**99,074,994**

Recommendations:

In the November Fiscal Framework report, staff identified a series of specific financial issues and risks including unfunded Strategic Initiatives and underfunding of the capital budget, for both existing assets such as roads and for growth-related capital issues. Recommendations at the time identified Strategic Initiative Funds and increases in Capital from Operating and Debt as key recommendations. But it also recognized that these were not full solutions to these issues.

In undertaking this update Staff have reviewed not only the proposed Strategic Initiatives but also the capital related pressures. With respect to Strategic Initiatives, the most critical initiatives are those where the project will be underway within the next two to four years. It is crucial that funding be available now so final planning, costing and approvals can be undertaken and land can be acquired. Other Strategic Initiatives (in Packages A and B) are also critical requirements but are two to five years away from final project design and approval. At the same time staff have reconsidered the risk to its 3,897 km streets network, which is HRM’s highest valued asset. Recent analysis has concluded that the capital budget of $33M approved for the 2023/24 street recapitalization project is insufficient and will lead to a significant decline in the network condition and an increase in the backlog of work required. This deterioration of the asset condition is not only a decline in service but represents a serious financial risk to the organization. Initially it was thought that the extra $9M in capital from operating would help bridge the gap to greater streets funding and help stabilize the asset condition until additional funding or debt could be approved. Staff are now concerned enough that they consider the immediate risk to the streets network to be greater than the medium-term funding requirements of those 10 projects listed in Packages A and B. As such, staff are prepared to recommend an approach that differs from the original November 23 recommendation and recommend an additional $8M allocation to capital from operating in 2022/23 and the following three years that is specifically for the Streets Recapitalization account. To achieve this funding staff are recommending a tax increase of 4.6 percent (1.6 percent and 3.0 percent) and that the projects identified in Packages A and B not be funded at this time. Studies and design work would continue, and funds would still be allocated for the purchase of land. As part of this scenario, Deed Transfer Tax revenues increase by $2M to $82M.

Table Four
Streets Recapitalization Budget

	2022/23	2023/24	2024/25	2025/26	Total
Current Approved Budget	32,000,000	33,000,000	33,000,000	33,000,000	131,000,000
Proposed Budget	32,000,000	50,000,000	57,143,000	64,286,000	203,429,000
Required Additional Funding	**-**	**17,000,000**	**24,143,000**	**31,286,000**	**72,429,000**
Additional Capital from Operating					
Funds from original Fiscal Framework	9,000,000	9,000,000	9,000,000	9,000,000	36,000,000
Funds from Recommendation	8,000,000	8,000,000	8,000,000	8,000,000	32,000,000
Proposed Budget Revisions	**17,000,000**	**17,000,000**	**17,000,000**	**17,000,000**	**68,000,000**

Conclusions:

The 2022/23 Fiscal Framework is designed to deal with the triple challenge of emerging from the pandemic; facing the mounting challenges of sudden population growth and the resulting infrastructure costs; and, funding long term strategic initiatives, in particular climate change. In November it recommended a 5.9 percent increase in the average tax bill.

Staff have presented a revised recommendation as well as possible alternatives to reducing the proposed increase from 5.9 percent to 4.6 percent or 3.7 percent. Due to the state of HRM's asset base and the current inflationary pressures, staff felt it is not advisable to reduce capital from operating.

In reviewing the projects that the Strategic Initiative Reserve is meant to fund, staff have identified $88M of projects that can be either delayed or funded through additional debt. Considering that these specific projects are not expected to begin until Year 4 (or possibly later) staff feel it is more prudent to reconsider these projects in the 2023/24 and future capital plans. By not funding these projects, sufficient funds can be eliminated from the 2022/23 operating budget to reduce the proposed tax increase to 4.6 percent while providing an additional $8M to stabilize the road network.

FINANCIAL IMPLICATIONS

This report provides direction on to how to proceed for the development of the overall budget including the establishment of tax levies for 2022/23 and the approval of specific Strategic Initiatives.

The 2022 assessment roll produces an additional $3M in funds. Along with other increases and decreases this provides $800,000 towards a tax reduction. The report recommends reducing the proposed tax increase from 5.9 percent to 4.6 percent through delaying $88M of proposed Strategic Initiatives and reducing the proposed contribution to the Strategic Initiative Reserve – Capital (Q666) by $12.6M, from $38.6M to $26 million. In addition, Capital from Operating will be increased by $8M, from $66.0M to $74.0M and Deed Transfer Tax by 2.0M from $80M to $82M for the recommendation (but not the alternatives). The combined impact of these changes is sufficient to lower the proposed tax increase from 5.9 percent to 4.6 percent.

Based on these changes, the combined impact of the average tax increase is $94 residential for the average single-family home and $1,989 for the average commercial property. Unlike most municipalities, HRM budgets by first considering the increase in the average tax bill and later adjusting the tax rate to reflect that required change. This allows it to budget in advance of receiving the final assessment roll. Hence the average tax bill increase of 4.6% includes the impact of any tax rate change.

Table 5
Average Residential Tax Bill

	2021/22 Average	2022/23 Average
Assessment	$252,100	$270,000
Tax Rate	**0.813%**	0.771%
Climate Action Tax	n/a	0.023%
Total Tax	**0.813%**	**0.794%**
Average Tax Bill	**$2,050**	**$2,144**
Increase $		$94
Increase %		4.6%

Table 6
Average Commercial Tax Bill

	2021/22 Average	2022/23 Average
Assessment	$1,469,900	$1,462,000
Tax Rate	**2.953%**	3.016%
Climate Action Tax	n/a	0.089%
Total Tax	**2.953%**	**3.105%**
Average Tax Bill	**$43,406**	**$45,395**
Increase $		$1,989
Increase %		4.6%

In addition, staff are finalizing a proposal to increase the low-income property tax relief to align with a Halifax living wage and offset the higher property tax bills.

No change in funding is recommended for the other SI projects and there is no recommended change in the Climate Action Tax. The Climate Action Tax represents a 3 percent increase in the average tax bill. This equates to 2.3 cents on the residential tax bill and 8.9 cents on the commercial tax bill. Subject to the wishes of Council, the Climate Action Tax is expected to appear separately on the property tax bill.

In reviewing the Fiscal Framework proposed on November 23, 2021, staff have revised the capital costs of some projects, estimated at $400.4M. These revisions were presented with the Capital Budget on December 14, 2021. The revised total cost of the approved Strategic initiative projects is $393.8M (see Table 1). Most of this amount ($389M) will be funded through the Strategic Initiative Capital Reserve (Q666). The Strategic Initiative Reserve – Operating (Q667) will fund $4.8M of studies and design projects.

The Strategic Initiative Reserve (Q666) is intended to repay the debt charges owed for $389M of Strategic Initiative projects. To fund the estimated costs of those approved projects in Attachments 1 and 2, there must be an annual contribution to the reserve of $26M for the next ten years. Depending on the year that specific debentures are issued, the fund will continue past ten years to repay the final debenture amounts. While, staff may further recommend changes in the funding of individual projects, at the end of ten years Council may wish to eliminate the annual contribution.

Not all Strategic Initiatives have been funded through these recommendations. In particular, there is an estimated $179M remaining in required funding for HalifACT for years 5 to 10 and $88M in funding for projects identified in Table 2. Should Regional Council wish to fund the additional $179M in HalifACT, it could extend the $25M annual contribution to the reserve from 10 years to 20 years. Based on current estimates, this would be close to funding the remaining $200M.

RISK CONSIDERATION

There is still considerable uncertainty that exists due to the pandemic. This has created considerable difficulty making assumptions and forecasts for the 2022/23 fiscal year. There are several key risks that are specific to the decisions in this Update.

- The pandemic has created historical uncertainty for firms, households, and governments and has caused short-medium term pressure on inflation, construction costs, land prices and supply chains. The projects being approved are subject to all these pressures. Hence, estimated project costs and timelines are subject to change.

- Debenture interest rates are subject to change. The Strategic Initiative Reserve assumed an all-in interest rate of 2.57%, slightly higher than HRM's most recent 2021 debenture issue of 2.07%. While this provides a cushion against interest rate increases, this is a long-term funding plan and interest rates cannot be predicted with any certainty.

- Deed Transfer Tax continues to be cyclical in nature. The November 23rd Framework assumed 2022/23 revenues of $80M, with funds in excess of $68M going to the Strategic Initiative Reserve. Staff have mitigated this by making deposits to the reserve contingent upon achieving the revenues. By reducing the proposed tax increase to 3.7 percent, these Deed Transfer Tax revenues have effectively been re-directed to lowering the general tax rate. In this report revenues are now estimated at $82M for the recommendation. In the event the revenues are not achieved there will be an impact on the 2022/23 year-end financial position.

COMMUNITY ENGAGEMENT

Budget engagement provides an opportunity for the Public to virtually attend the Business Unit draft budget presentations to Committee of the Whole and provide their comments afterwards. In addition, the 2021 Resident Survey is intended to inform policy and decision making, and investments in the community.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

Regional Council has several alternatives that it could approve including:

1. Lower Taxes further by defeating the recommended additional $8M capital from operating and:
   a) Setting the recommended increase for residential, resource and commercial properties at 0.7%. (Delay $88M in projects from November 23rd recommendation); or
   b) Setting the recommended increase for residential, resource and commercial properties at 1.6%. (Delay $56M in projects from November 23rd recommendation)

2. Alternatively, lower Taxes through the approval of additional debt and defeating the recommended additional $8M capital from operating and:
   a) Setting the recommended increase for residential, resource and commercial properties

at 0.7%. (Authorize debt for $88M of projects); or

b) Setting the recommended increase for residential, resource and commercial properties at 1.6%. (Authorize debt for $56M of projects)

1(a) - Lower Taxes to 3.7% and eliminate additional $8M Capital from Operating

Regional Council could choose to defeat the recommendation to rescind the 2.9 percent increase for average property tax bills and instead direct that there be a 3.7% average tax bill increase without an increase to capital from operating of $8M. To do this it would rescind the direction to set the average property tax bill for residential and commercial properties at a 2.9 percent increase through a motion of 2/3 of the members present and voting to:

Direct the CAO in developing the 2022/23 Budget, that the average tax bill for residential, resource and commercial properties be set at a 0.7 percent increase.

It is further recommended that Budget Committee amend the deferred November 23, 2021 motion 2b by moving an amendment to:

Direct the CAO to:

1. Allocate an additional $9M to Street Recapitalization (Project CR200006), increasing its approved budget of $33.0M to $41M; and
2. Add, for further consideration, $2.5M to the Budget Adjustment List for Parks and Recreation including, but not limited to, Project CP200001.
3. Approve the Strategic Initiatives Capital Budget for 2022/23, and approve the schedule of 2022/23 Multi-year Strategic Initiative Capital Projects as per Attachments 1 and 2 of this report;
4. Approve the schedule of 2022/23 capital reserves withdrawals as per Attachment 3 of this report;
5. Approve the schedule of Strategic Initiatives in principal as per Attachment 4 of this report;
6. Transfer $5M from the Strategic Initiatives Operating Reserve (Q667) to the Strategic Initiative Capital Reserve (Q666), and,
7. In Attachment B ("HRM Debt Guidelines") of the November 23, 2021 staff report (2022/23 Fiscal Framework), page 4, section entitled "Capital from Operating Targets" delete "Capital from Operating is targeted to grow at 6 per cent per year plus the per cent growth in dwelling units" and replace with "Capital from Operating is targeted to grow at 6 per cent per year plus the percent growth in inflation, plus the per cent growth in dwelling units".

1(b) - Lower Taxes to 4.6% and eliminate additional $8M Capital from Operating

Regional Council could choose to defeat the recommendation to rescind the 2.9 percent increase for average property tax bills and instead direct that there be a 4.6% average tax bill increase without an increase to capital from operating of $8M. To do this it would rescind the direction to set the average property tax bill for residential and commercial properties at a 2.9 percent increase through a motion of 2/3 of the members present and voting to:

Direct the CAO in developing the 2022/23 Budget, that the average tax bill for residential, resource and commercial properties be set at a 1.6 percent increase.

It is further recommended that Budget Committee amend the deferred November 23, 2021 motion 2b by moving an amendment to:

Direct the CAO to:

1. Allocate an additional $9M to Street Recapitalization (Project CR200006), increasing its approved budget of $33.0M to $41M; and
2. Add, for further consideration, $2.5M to the Budget Adjustment List for Parks and Recreation including, but not limited to, Project CP200001.
3. Approve the Strategic Initiatives Capital Budget for 2022/23, and approve the schedule of 2022/23 Multi-year Strategic Initiative Capital Projects as per Attachments 1 and 2a of this report;
4. Approve the schedule of 2022/23 capital reserves withdrawals as per Attachment 3 of this report;
5. Approve the schedule of Strategic Initiatives in principle as per Attachment 4 of this report;
6. Transfer $5M from the Strategic Initiatives Operating Reserve (Q667) to the Strategic Initiative Capital Reserve (Q666), and,
7. In Attachment B (“HRM Debt Guidelines”) of the November 23, 2021 staff report (2022/23 Fiscal Framework), page 4, section entitled “Capital from Operating Targets” delete “Capital from Operating is targeted to grow at 6 per cent per year plus the per cent growth in dwelling units” and replace with “Capital from Operating is targeted to grow at 6 per cent per year plus the percent growth in inflation, plus the per cent growth in dwelling units”.

2(a) - Lower Taxes to 3.7% by approving additional debt

Regional Council could choose to defeat the recommendation to rescind the 2.9 percent increase for average property tax bills and instead direct that there be a 3.7% average tax bill increase without an increase to capital from operating of $8M and an increase in Debt of $87.6M. To do this it would rescind the direction to set the average property tax bill for residential and commercial properties at a 2.9 percent increase through a motion of 2/3 of the members present and voting to:

Direct the CAO in developing the 2022/23 Budget, that the average tax bill for residential, resource and commercial properties be set at a 0.7 percent increase.

It is further recommended that Budget Committee amend the deferred November 23, 2021 motion 2b by moving an amendment to:

Direct the CAO to:

1. Allocate an additional $9M to Street Recapitalization (Project CR200006), increasing its approved budget of $33.0M to $41M; and
2. Add, for further consideration, $2.5M to the Budget Adjustment List for Parks and Recreation including, but not limited to, Project CP200001.
3. Approve the Strategic Initiatives Capital Budget for 2022/23, and approve the schedule of 2022/23 Multi-year Strategic Initiative Capital Projects as per

Attachments 1 and 2b of this report;

4. Approve the schedule of 2022/23 capital reserves withdrawals as per Attachment 3 of this report;

5. Approve the schedule of Strategic Initiatives in principle as per Attachment 4 of this report;

6. Transfer $5M from the Strategic Initiatives Operating Reserve (Q667) to the Strategic Initiative Capital Reserve (Q666);

7. In Attachment B ("HRM Debt Guidelines") of the November 23, 2021 staff report (2022/23 Fiscal Framework), page 4, section entitled "Capital from Operating Targets" delete "Capital from Operating is targeted to grow at 6 per cent per year plus the per cent growth in dwelling units" and replace with "Capital from Operating is targeted to grow at 6 per cent per year plus the percent growth in inflation, plus the per cent growth in dwelling units"; and,

8. Authorize additional debt of $87.55 million.

2(b) - Lower Taxes to 4.6% by approving additional debt

Regional Council could choose to defeat the recommendation to rescind the 2.9 percent increase for average property tax bills and instead direct that there be a 4.6% average tax bill increase without an increase to capital from operating of $8M with a corresponding increase of $56.1M in Debt. To do this it would rescind the direction to set the average property tax bill for residential and commercial properties at a 2.9 percent increase through a motion of 2/3 of the members present and voting to:

> Direct the CAO in developing the 2022/23 Budget, that the average tax bill for residential, resource and commercial properties be set at a 1.6 percent increase.
>
> It is further recommended that Budget Committee amend the deferred November 23, 2021 motion 2b by moving an amendment to:
>
> Direct the CAO to:
>
> 1. Allocate an additional $9M to Street Recapitalization (Project CR200006), increasing its approved budget of $33.0M to $41M; and
> 2. Add, for further consideration, $2.5M to the Budget Adjustment List for Parks and Recreation including, but not limited to, Project CP200001.
> 3. Approve the Strategic Initiatives Capital Budget for 2022/23, and approve the schedule of 2022/23 Multi-year Strategic Initiative Capital Projects as per Attachments 1 and 2b of this report;
> 4. Approve the schedule of 2022/23 capital reserves withdrawals as per Attachment 3 of this report;
> 5. Approve the schedule of Strategic Initiatives in principle as per Attachment 4 of this report;
> 6. Transfer $5M from the Strategic Initiatives Operating Reserve (Q667) to the Strategic Initiative Capital Reserve (Q666);
> 7. In Attachment B ("HRM Debt Guidelines") of the November 23, 2021 staff report (2022/23 Fiscal Framework), page 4, section entitled "Capital from Operating

Targets" delete "Capital from Operating is targeted to grow at 6 per cent per year plus the per cent growth in dwelling units" and replace with "Capital from Operating is targeted to grow at 6 per cent per year plus the percent growth in inflation, plus the per cent growth in dwelling units"; and,

8. Authorize additional debt of $56.05 million.

Note: The recommendation assumes Deed Transfer Tax will rise by $2.0M from $80M to $82M. The alternatives have assumed that Deed Transfer Tax will remain at $80.0M.

ATTACHMENTS

Attachment 1 – Strategic Initiatives Capital Budget for 2022/23
Attachment 2 – Multi-year Strategic Initiative Capital Projects ($306.2M) for 2022/23 to 2031/32
Attachment 2a – Multi-year Strategic Initiative Capital Projects ($337.7M) for 2022/23 to 2031/32
Attachment 2b – Multi-year Strategic Initiative Capital Projects ($394.0M) for 2022/23 to 2031/32
Attachment 3 - Schedule of 2022/23 Capital Reserves Commitments
Attachment 4 – Schedule of Strategic Initiatives for Approvement in Principle
Attachment 5 – Schedule of Strategic Initiatives (Approved/Unapproved)
Attachment 6 - HRM 2022 Taxable Assessment Tables and Charts
Attachment 7 - Climate Action Tax (CAT) Details
Attachment 8 - Multi-year Strategic Initiative Capital Projects (Reserves) by Alternative

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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.

Report Prepared by: Bruce Fisher, Director, Financial Policy and Planning, 902.476.9535

Attachment 1
Strategic Initiatives Capital Budget for 2022/23

Project #	Project Name	2022/23
CT000007	Cogswell Interchange Redevelopment	16,030,000
CB190013	Halifax Forum Redevelopment	-
	HalifACT Climate Change Action Plan	
CB200012	HalifACT - Climate Action Plan	9,960,000
CV210011	Electric Bus & Ragged Lake Transit Centre Expansion	63,413,000
	Integrated Mobility Plan (IMP)	
CT190009	IMP Land Acquisition	5,000,000
	Major Strategic Multi Modal Corridors:	
Mobility8	Barrington St (North St-Spr. Garden Rd) - Phase 1	-
CT200002	Bayers Road	-
CT200003	Dutch Village Rd	-
CT200006	Robie St & Young St	-
Mobility13	Studies and Design	500,000
CT190005	Herring Cove Road	-
Mobility4	Lower Water St (Morris St-Duke St)	-
CT200005	Windmill Rd (Akerley Blvd-Wyse Rd)	-
Mobility6	Alderney Dr (Dundas St-Wyse Rd)	-
Mobility8	Barrington St (North St-Spr. Garden Rd) - Phase 2	-
CT190008	Bedford Highway	-
Mobility12	Dunbrack Street	-
Mobility14	Highway 7 - Magazine Hill	-
CT190002	Portland Street	-
Mobility11	Trunk 7 (Main St), Dartmouth	-
CV210013	Mill Cove Ferry Service	-
CT190010	Windsor Street Exchange	2,665,000
		97,568,000

Note: Total represent gross costs. Funding includes reserves, cost sharing and other.

Attachment 2

Multi-year Strategic Initiative Capital Projects ($306.2M Reserves) for 2022/23 to 2031/32

Project #	Project Name	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
CT000007	Cogswell Interchange Redevelopment	16,030,000	53,099,000	26,744,000	7,317,000	-	-	-	-	-	
CB190013	Halifax Forum Redevelopment	-	1,000,000	10,000,000	35,000,000	25,000,000	10,000,000	-	-	-	-
	HalifACT Climate Change Action Plan										
CB200012	HalifACT - Climate Action Plan	9,960,000	26,950,000	41,420,000	41,240,000	-	-	-	-	-	-
CV210011	Electric Bus & Ragged Lake Transit Centre Expansion	63,413,000	40,687,000	-	-	-	-	-	-	-	
	Integrated Mobility Plan (IMP)										
CT190009	IMP Land Acquisition	5,000,000	16,400,000	32,800,000	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000	-	
	Major Strategic Multi Modal Corridors:										
Mobility8	Barrington St (North St-Spr. Garden Rd) - Phase 1	-	-	2,000,000	-			-	-	-	-
CT200002	Bayers Road	-	4,700,000	-	-	-	-	-	-	-	-
CT200003	Dutch Village Rd	-	2,250,000	-	-	-	-	-	-	-	-
CT200006	Robie St & Young St	-	-	2,150,000	-	-	-	-	-	-	-
Mobility13	Studies and Design	500,000	500,000	750,000	750,000	750,000	500,000	250,000	250,000	250,000	250,000
CV210013	Mill Cove Ferry Service	-	15,000,000	20,000,000	30,000,000	60,000,000	-	-	-	-	
CT190010	Windsor Street Exchange	2,665,000	1,900,000	24,200,000	16,025,000		-	-	-	-	
		97,568,000	**162,486,000**	**160,064,000**	**134,672,000**	**90,090,000**	**14,840,000**	**4,590,000**	**4,590,000**	**250,000**	**250,000**

Note: Total represent gross costs. Funding includes reserves, cost sharing and other.

Attachment 2A

Multi-year Strategic Initiative Capital Projects ($337.7M Reserves) for 2022/23 to 2031/32

Project #	Project Name	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
CT000007	Cogswell Interchange Redevelopment	16,030,000	53,099,000	26,744,000	7,317,000	-	-	-	-	-	
CB190013	Halifax Forum Redevelopment	-	1,000,000	10,000,000	35,000,000	25,000,000	10,000,000	-	-	-	-
	HalifACT Climate Change Action Plan										
CB200012	HalifACT - Climate Action Plan	9,960,000	26,950,000	41,420,000	41,240,000	-	-	-	-	-	-
CV210011	Electric Bus & Ragged Lake Transit Centre Expansion	63,413,000	40,687,000	-	-	-	-	-	-	-	
	Integrated Mobility Plan (IMP)										
CT190009	IMP Land Acquisition	5,000,000	16,400,000	32,800,000	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000	-	
	Major Strategic Multi Modal Corridors:										
Mobility8	Barrington St (North St-Spr. Garden Rd) - Phase 1	-	-	2,000,000	-			-	-	-	-
CT200002	Bayers Road	-	4,700,000	-	-	-	-	-	-	-	-
CT200003	Dutch Village Rd	-	2,250,000	-	-	-	-	-	-	-	-
CT200006	Robie St & Young St	-	-	2,150,000	-	-	-	-	-	-	-
Mobility13	Studies and Design	500,000	500,000	750,000	750,000	750,000	500,000	250,000	250,000	250,000	250,000
CT190005	Herring Cove Road	-	-	-	5,000,000	5,600,000	2,000,000	2,200,000	6,900,000	4,200,000	-
Mobility4	Lower Water St (Morris St-Duke St)	-	-	-	-	3,500,000	-	-	-	-	-
CT200005	Windmill Rd (Akerley Blvd-Wyse Rd)	-	-	-	-	2,100,000	-	-	-		-
CV210013	Mill Cove Ferry Service	-	15,000,000	20,000,000	30,000,000	60,000,000	-	-	-	-	
CT190010	Windsor Street Exchange	2,665,000	1,900,000	24,200,000	16,025,000		-	-	-	-	
		97,568,000	**162,486,000**	**160,064,000**	**139,672,000**	**101,290,000**	**16,840,000**	**6,790,000**	**11,490,000**	**4,450,000**	**250,000**

Note: Total represent gross costs. Funding includes reserves, cost sharing and other.

Attachment 2B

Multi-year Strategic Initiative Capital Projects ($394.0M Reserves) for 2022/23 to 2031/32

Project #	Project Name	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
CT000007	Cogswell Interchange Redevelopment	16,030,000	53,099,000	26,744,000	7,317,000	-	-	-	-	-	
CB190013	Halifax Forum Redevelopment	-	1,000,000	10,000,000	35,000,000	25,000,000	10,000,000	-	-	-	-
	HalifACT Climate Change Action Plan										
CB200012	HalifACT - Climate Action Plan	9,960,000	26,950,000	41,420,000	41,240,000	-	-	-	-	-	-
CV210011	Electric Bus & Ragged Lake Transit Centre Expansion	63,413,000	40,687,000	-	-	-	-	-	-	-	
	Integrated Mobility Plan (IMP)										
CT190009	IMP Land Acquisition	5,000,000	16,400,000	32,800,000	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000	-	
	Major Strategic Multi Modal Corridors:										
Mobility8	Barrington St (North St-Spr. Garden Rd) - Phase 1	-	-	2,000,000	-			-	-	-	-
CT200002	Bayers Road	-	4,700,000	-	-	-	-	-	-	-	-
CT200003	Dutch Village Rd	-	2,250,000	-	-	-	-	-	-	-	-
CT200006	Robie St & Young St	-	-	2,150,000	-	-	-	-	-	-	-
Mobility13	Studies and Design	500,000	500,000	750,000	750,000	750,000	500,000	250,000	250,000	250,000	250,000
CT190005	Herring Cove Road	-	-	-	5,000,000	5,600,000	2,000,000	2,200,000	6,900,000	4,200,000	-
Mobility4	Lower Water St (Morris St-Duke St)	-	-	-	-	3,500,000	-	-	-	-	-
CT200005	Windmill Rd (Akerley Blvd-Wyse Rd)	-	-	-	-	2,100,000	-	-	-		-
Mobility6	Alderney Dr (Dundas St-Wyse Rd)	-	-	-	-	3,800,000		2,100,000	-	-	-
Mobility8	Barrington St (North St-Spr. Garden Rd) - Phase 2	-	-	-	-			3,100,000	-	-	-
CT190008	Bedford Highway	-	-	-	-		4,350,000	4,450,000	11,000,000	450,000	-
Mobility12	Dunbrack Street	-	-	-	-	-			4,450,000	3,450,000	-
Mobility14	Highway 7 - Magazine Hill	-	-	-	-	-	3,000,000	-	-	-	-
CT190002	Portland Street	-	-	-	-	2,350,000	2,250,000		2,300,000	3,100,000	-
Mobility11	Trunk 7 (Main St), Dartmouth	-	-	-	-		3,300,000	2,600,000	-		-
CV210013	Mill Cove Ferry Service	-	15,000,000	20,000,000	30,000,000	60,000,000	-	-	-	-	
CT190010	Windsor Street Exchange	2,665,000	1,900,000	24,200,000	16,025,000		-	-	-	-	
		97,568,000	162,486,000	160,064,000	139,672,000	107,440,000	29,740,000	19,040,000	29,240,000	11,450,000	250,000

Note: Total represent gross costs. Funding includes reserves, cost sharing and other.

Attachment 3
Schedule of 2022/23 Capital Reserves Commitments

		2022/23
Strategic Initiative Capital Reserve (Q666):		
Electric Buses - Phase 1	CV210011	23,104,000
HalifACT 2050 - Climate Action Plan	CB200012	9,960,000
Windsor Street Exchange	CT190010	1,499,043
Total		**34,563,043**
Strategic Initiative Operating Reserve (Q667):		
Studies and Design	Mobility13	500,000
Total		**500,000**
Total		**35,063,043**

Attachment 4
Schedule of Strategic Initiatives for Approvement in Principal

Project #	Project Name	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
CT000007	Cogswell Interchange Redevelopment	16,030,000	53,099,000	26,744,000	7,317,000	-	-	-	-	-	
CB190013	Halifax Forum Redevelopment	-	1,000,000	10,000,000	35,000,000	25,000,000	10,000,000	-	-	-	-
	HalifACT Climate Change Action Plan										
CB200012	HalifACT - Climate Action Plan	9,960,000	26,950,000	41,420,000	41,240,000	-	-	-	-	-	-
CV210011	Electric Bus & Ragged Lake Transit Centre Expansion	63,413,000	40,687,000	-	-	-	-	-	-	-	
	Integrated Mobility Plan (IMP)										
CT190009	IMP Land Acquisition	5,000,000	16,400,000	32,800,000	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000	-	
	Major Strategic Multi Modal Corridors:										
Mobility8	Barrington St (North St-Spr. Garden Rd) - Phase 1	-	-	2,000,000	-			-	-	-	-
CT200002	Bayers Road	-	4,700,000	-	-	-	-	-	-	-	-
CT200003	Dutch Village Rd	-	2,250,000	-	-	-	-	-	-	-	-
CT200006	Robie St & Young St	-	-	2,150,000	-	-	-	-	-	-	-
Mobility13	Studies and Design	500,000	500,000	750,000	750,000	750,000	500,000	250,000	250,000	250,000	250,000
CT190005	Herring Cove Road	-	-	-	5,000,000	5,600,000	2,000,000	2,200,000	6,900,000	4,200,000	-
Mobility4	Lower Water St (Morris St-Duke St)	-	-	-	-	3,500,000	-	-	-	-	-
CT200005	Windmill Rd (Akerley Blvd-Wyse Rd)	-	-	-	-	2,100,000	-	-	-		-
Mobility6	Alderney Dr (Dundas St-Wyse Rd)	-	-	-	-	3,800,000		2,100,000	-	-	-
Mobility8	Barrington St (North St-Spr. Garden Rd) - Phase 2	-	-	-	-			3,100,000	-	-	-
CT190008	Bedford Highway	-	-	-	-		4,350,000	4,450,000	11,000,000	450,000	-
Mobility12	Dunbrack Street	-	-	-	-	-			4,450,000	3,450,000	-
Mobility14	Highway 7 - Magazine Hill	-	-	-	-	-	3,000,000	-	-	-	-
CT190002	Portland Street	-	-	-	-	2,350,000	2,250,000		2,300,000	3,100,000	-
Mobility11	Trunk 7 (Main St), Dartmouth	-	-	-	-		3,300,000	2,600,000	-		-
CV210013	Mill Cove Ferry Service	-	15,000,000	20,000,000	30,000,000	60,000,000	-	-	-	-	
CT190010	Windsor Street Exchange	2,665,000	1,900,000	24,200,000	16,025,000		-	-	-	-	
		97,568,000	**162,486,000**	**160,064,000**	**139,672,000**	**107,440,000**	**29,740,000**	**19,040,000**	**29,240,000**	**11,450,000**	**250,000**

Note: Total represent gross costs. Funding includes reserves, cost sharing and other.

Attachment 5 - Schedule of Strategic Iniaitives

		Cost Sharing		HRM Funded					Ownership Costs
Project	**Total 10-Year Plan (2022/23 - 2031/32)**	**Applied For**	**Awarded**	**Future Land Sales***	**General Rate/ SI Reserve (For 10 Years)**	**Climate Action Tax (For 10 Years)**	**Not Yet Funded**	**Estimated Future Cost Share Potential**	**Estimated Net OCC/OSC ****
Cogswell Interchange Redevelopment	$ **103,190,000**	-	-	103,190,000	-	-	-		223,300
Halifax Forum Redevelopment	$ **81,000,000**	-	-	24,000,000	57,000,000	-	-		TBD
STRATEGIC INITIATIVES - HalifACT Climate Change Action Plan									
HalifACT - Climate Action Plan:								Potential for 30% Cost Share	
Municipal Building Deep Energy Retrofits	$ **157,500,000**	-	-	-	-	59,520,000	97,980,000		(25,580,000)
Electric Vehicle (EV) Strategy	$ **42,250,000**	-	-	-	-	21,450,000	20,800,000		(11,190,000)
Critical Infrastructure	$ **80,600,000**	-	-	-	-	30,600,000	50,000,000		TBD
Small Projects Bundle	$ **18,000,000**	-	-	-	-	8,000,000	10,000,000		TBD
Electric Bus Procurement & Ragged Lake Transit Centre Expansion	$ **104,100,000**	-	70,011,000	-	-	34,089,000	-		(11,916,000)
Electric Bus Phase 2 (Ebus + chargers)	$ **342,478,000**	-	-	-	-	-	342,478,000	Potential for 73% Cost Share	(16,776,000)
STRATEGIC INITIATIVES - Integrated Mobility Plan (IMP)									
Burnside Transit Centre Eco-Rebuild	$ **270,840,000**	138,962,800	-	-	-	-	131,877,200	Potential for 50% Cost Share	750,000
Expansion Buses (MFTP Phase 2)	$ **21,566,000**	-	-	-	-	-	21,566,000		4,200,000
IMP Land Acquisition	$ **75,900,000**	-	-	-	75,900,000	-	-		TBD
Major Strategic Multi Modal Corridor: Alderney Dr (Dundas St-Wyse Rd)	$ **5,900,000**	-	-	-	5,900,000	-	-		TBD
Major Strategic Multi Modal Corridor: Barrington St (North St-Spr. Garden Rd)	$ **5,100,000**	-	-	-	5,100,000	-	-		TBD
Major Strategic Multi Modal Corridor: Bayers Road	$ **4,700,000**	-	-	-	4,700,000	-	-		TBD
Major Strategic Multi Modal Corridor: Bedford Highway	$ **20,250,000**	-	-	-	20,250,000	-	-		TBD
Major Strategic Multi Modal Corridor: Dunbrack Street	$ **7,900,000**	-	-	-	7,900,000	-	-		TBD
Major Strategic Multi Modal Corridor: Dutch Village Rd	$ **2,250,000**	-	-	-	2,250,000	-	-		TBD
Major Strategic Multi Modal Corridor: Herring Cove Road	$ **25,900,000**	-	-	-	25,900,000	-	-		TBD
Major Strategic Multi Modal Corridor: Highway 7 - Magazine Hill	$ **3,000,000**	-	-	-	3,000,000	-	-		TBD
Major Strategic Multi Modal Corridor: Lower Water St (Morris St-Duke St)	$ **3,500,000**	-	-	-	3,500,000	-	-		TBD
Major Strategic Multi Modal Corridor: Portland Street	$ **10,000,000**	-	-	-	10,000,000	-	-		TBD
Major Strategic Multi Modal Corridor: Robie St & Young St	$ **2,150,000**	-	-	-	2,150,000	-	-		TBD
Major Strategic Multi Modal Corridor: Trunk 7 (Main St), Dartmouth	$ **5,900,000**	-	-	-	5,900,000	-	-		TBD
Major Strategic Multi Modal Corridor: Windmill Rd (Akerley Blvd-Wyse Rd)	$ **2,100,000**	-	-	-	2,100,000	-	-		TBD
Major Strategic Multi Modal Corridors: Studies and Design	$ **4,750,000**	-	-	-	4,750,000	-	-		TBD
Mill Cove Ferry Service	$ **125,000,000**	91,700,000	-	-	33,300,000	-	-	Potential for 73% Cost Share	25,000,000
Windsor Street Exchange	$ **44,790,000**	-	31,863,430	-	12,926,570	-	-		TBD
	$ 1,570,614,000	**$ 230,662,800**	**$ 101,874,430**	**$ 127,190,000**	**$ 282,526,570**	**$ 153,659,000**	**$ 674,701,200**		**(35,288,700)**

* If Future Land Sales are less than estimated, project costs will be debt-funded with annual repayments added to the General Rate.

** Operating Costs of Capital (OCC)/ Operating Savings of Capital (OSC): The amount in which current annual operating budgets will increase or decrease to operate and maintain new infrastructure once the capital project is completed.

Attachment 6

HRM 2022 Taxable Assessment Tables and Charts

Table 1: HRM Taxable Assessment Base, 2021 and 2022

Value Class	2021 Taxable Value	2022 Taxable Value	Change
Residential	**$42,690,341,100**	**$46,798,543,000**	**9.6%**
Resource	**$254,960,300**	**$261,400,200**	**2.5%**
Sub-total	$42,945,301,400	$47,059,943,200	9.6%
Commercial	**$8,888,435,100**	**$8,930,208,400**	**0.5%**
Total Taxable	$51,833,736,500	$55,990,151,600	8.0%

Table 2: 2022 Residential Assessment Summary by Dwelling Unit Group

Dwelling Unit Group	# Properties	Total Dwellings	Total Taxable Assessment Base	Increase in Units from 2021	Value Increase per Unit	Assessment Base Increase	% of Total Growth
Vacant Land	15,423	0	$1,749,877,200	n/a	n/a	15.2%	5.6%
SFHs	124,165	124,165	$33,785,058,600	1.0%	7.9%	8.9%	67.5%
2-3 Units	7,449	15,906	$2,458,200,200	1.8%	10.0%	11.9%	6.4%
Apartments	2,348	65,063	$8,805,407,000	2.7%	7.6%	10.6%	20.5%
All Residential	149,385	205,134	$46,798,543,000	1.6%	7.9%	9.6%	100.0%

Notes for Table 2

***Dwelling Unit Group**: SFHs = Single-Family Homes; Apartments = residential properties with 4 or more dwelling units.*

***# Properties / Total Dwellings**: Apartments make up only 1.6% of residential properties but provide almost 32% of all dwelling units.*

Increase in Units from 2021*: 1,169 single-family homes were added over the past year, nearly 1% growth; while 1,714 new apartment units were created, a 2.7% increase in units.*

Assessment Base Increase / % of Total Growth*: Vacant land and 2&3 unit properties increased in value at a higher rate than SFHs or apartment; however, single-family homes and apartments contributed 88% to the overall residential assessment base growth.*

Table 3: Average Single-Family Home Assessment Increases by District

Average Single-Family Home Assessment Increases, 2021 to 2022				
District	**# Homes**	**Average 2021 Value**	**Average* 2022 Value**	**Average Increase**
1	8,311	$247,700	$264,600	6.8%
2	12,169	$163,400	$174,900	7.0%
3	9,442	$217,600	$232,200	6.7%
4	8,769	$216,100	$230,900	6.8%
5	6,739	$233,800	$251,700	7.7%
6	5,836	$214,900	$230,900	7.4%
7	5,105	$482,800	$517,100	7.1%
8	4,866	$273,600	$297,000	8.6%
9	7,175	$332,300	$355,900	7.1%
10	5,074	$249,800	$267,400	7.0%
11	8,924	$219,600	$234,800	6.9%
12	6,164	$250,600	$268,500	7.1%
13	9,973	$300,800	$321,500	6.9%
14	8,782	$222,500	$238,300	7.1%
15	6,670	$181,400	$194,300	7.1%
16	8,692	$343,900	$368,400	7.1%
All HRM	**122,691**	**$252,100**	**$270,000**	**7.1%**

** excludes new homes in 2022*

Table 4: 2022 Average Single-Family Home & Multi-Unit Property Assessments by District

2022 Average Single-Family Home Assessments				
District	# Homes	Average Value	# Capped	% Capped
1	8,417	$266,500	7,075	84%
2	12,283	$175,900	10,272	84%
3	9,472	$232,400	8,402	89%
4	8,791	$231,700	8,081	92%
5	6,741	$251,700	5,651	84%
6	5,858	$231,100	5,150	88%
7	5,221	$524,700	2,848	55%
8	4,877	$297,200	4,002	82%
9	7,196	$356,300	6,119	85%
10	5,118	$269,300	4,083	80%
11	9,177	$238,000	7,748	84%
12	6,253	$270,400	5,305	85%
13	10,262	$325,700	8,784	86%
14	9,064	$243,300	7,680	85%
15	6,678	$194,400	5,894	88%
16	8,751	$370,100	7,291	83%
All HRM	**124,159**	**$272,100**	**104,385**	**84%**

2022 Average Multi-Unit Property Assessments (per dwelling)					
District	# Properties	# Dwellings	Avg Value per Dwelling	Dwellings Capped	% Capped
1	252	686	$116,500	357	52%
2	261	674	$99,200	396	59%
3	338	2,712	$176,900	447	16%
4	123	865	$94,900	224	26%
5	1,220	8,495	$106,100	1,686	20%
6	679	6,964	$86,100	702	10%
7	1,246	13,743	$184,900	1,284	9%
8	1,652	10,491	$142,800	2,275	22%
9	1,096	6,707	$129,700	1,585	24%
10	890	9,251	$117,600	1,017	11%
11	709	3,146	$89,300	887	28%
12	214	6,934	$146,600	207	3%
13	252	783	$165,200	343	44%
14	178	677	$126,000	314	46%
15	372	2,062	$110,700	526	26%
16	315	6,779	$194,400	269	4%
All HRM	**9,797**	**80,969**	**$139,100**	**12,519**	**15%**

Chart 1

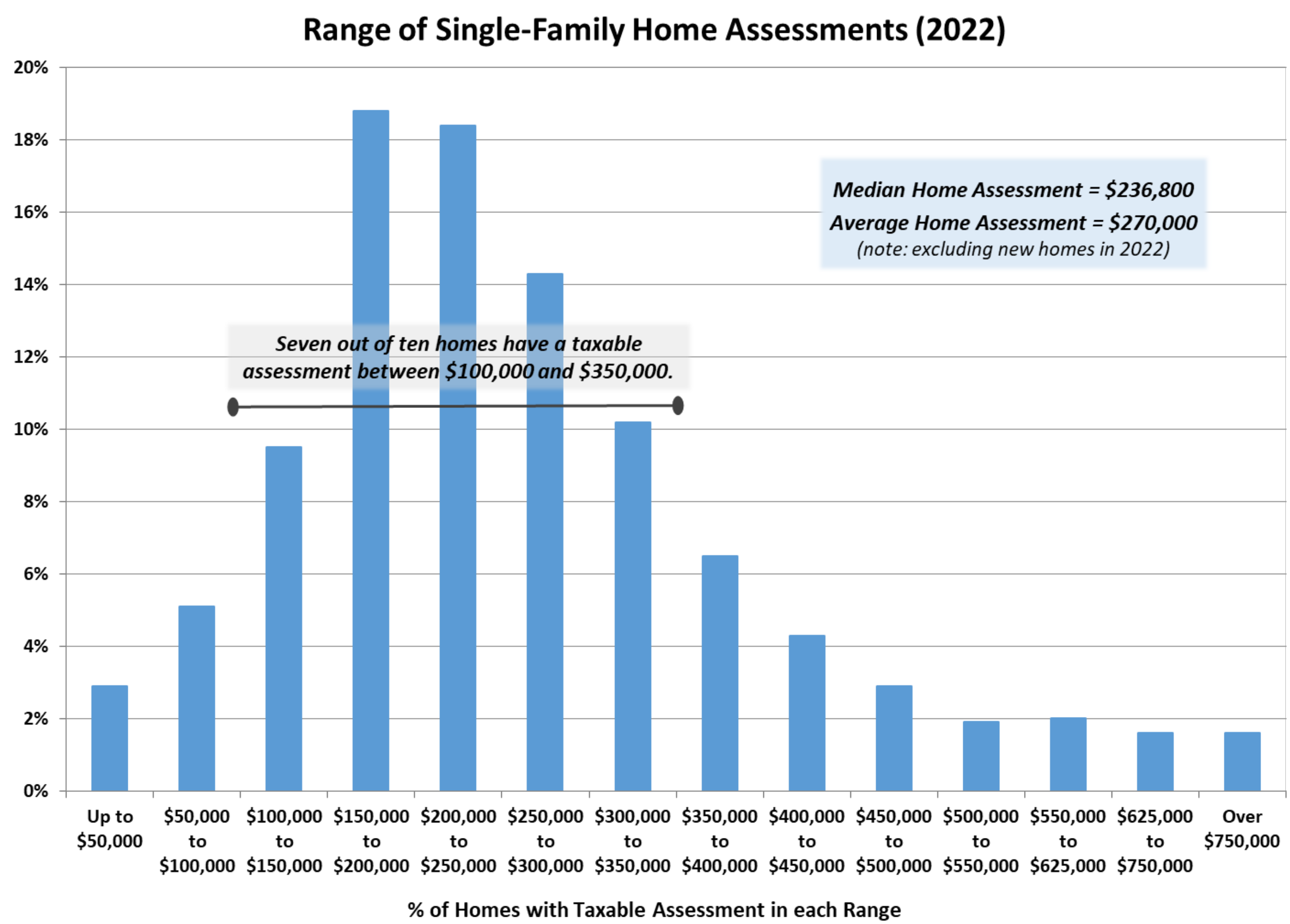

Range of Single-Family Home Assessments (2022)
20%
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
Median Home Assessment = $236,800
Average Home Assessment = $270,000
(note: excluding new homes in 2022)
Seven out of ten homes have a taxable assessment between $100,000 and $350,000.
Up to $50,000
$50,000 to $100,000
$100,000 to $150,000
$150,000 to $200,000
$200,000 to $250,000
$250,000 to $300,000
$300,000 to $350,000
$350,000 to $400,000
$400,000 to $450,000
$450,000 to $500,000
$500,000 to $550,000
$550,000 to $625,000
$625,000 to $750,000
Over $750,000
% of Homes with Taxable Assessment in each Range

Chart 2

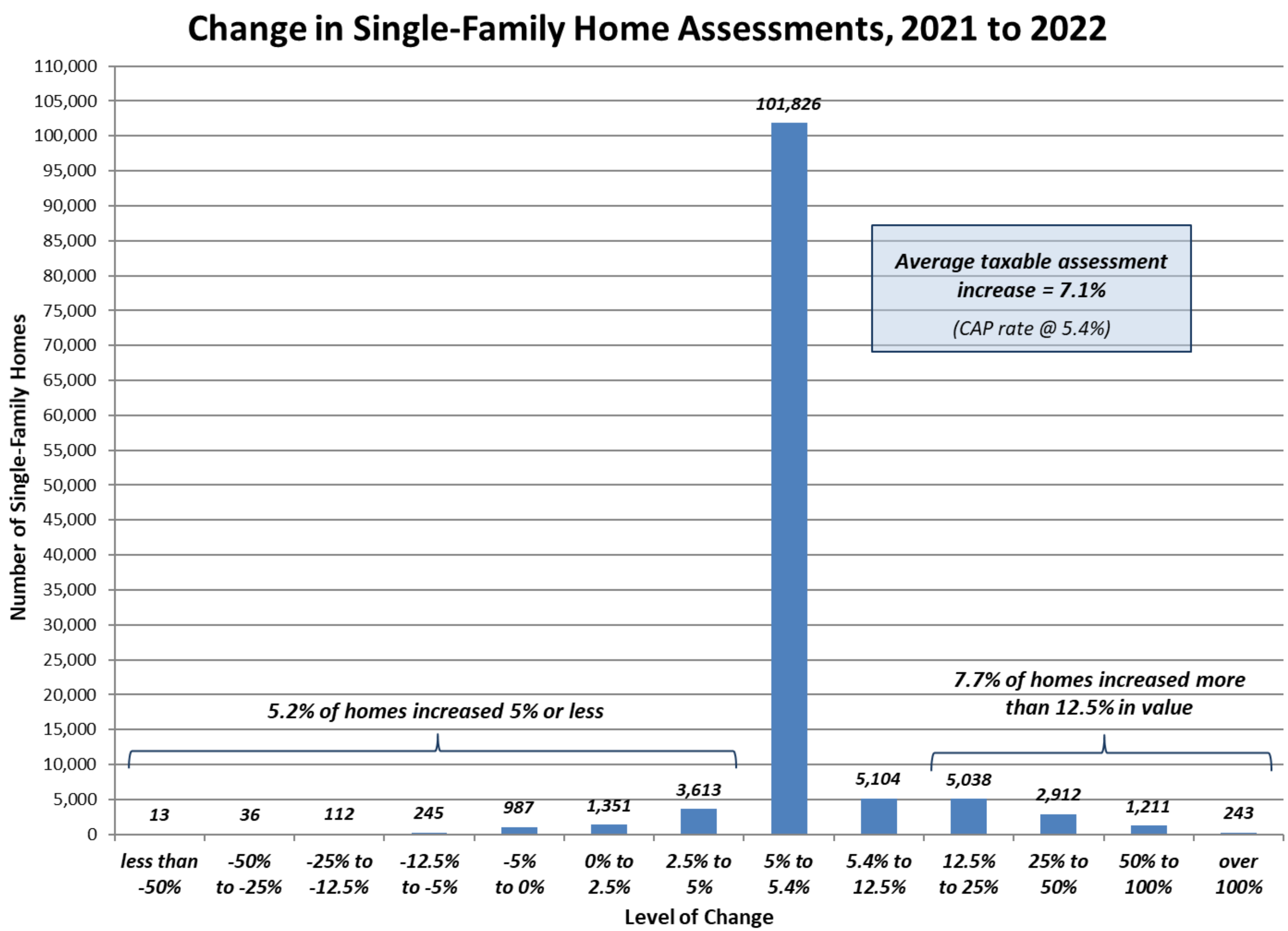

Change in Single-Family Home Assessments, 2021 to 2022
Number of Single-Family Homes
110,000
105,000
100,000
95,000
90,000
85,000
80,000
75,000
70,000
65,000
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
101,826
Average taxable assessment increase = 7.1%
(CAP rate @ 5.4%)
5.2% of homes increased 5% or less
7.7% of homes increased more than 12.5% in value
13
36
112
245
987
1,351
3,613
5,104
5,038
2,912
1,211
243
less than -50%
-50% to -25%
-25% to -12.5%
-12.5% to -5%
-5% to 0%
0% to 2.5%
2.5% to 5%
5% to 5.4%
5.4% to 12.5%
12.5% to 25%
25% to 50%
50% to 100%
over 100%
Level of Change

Chart 3

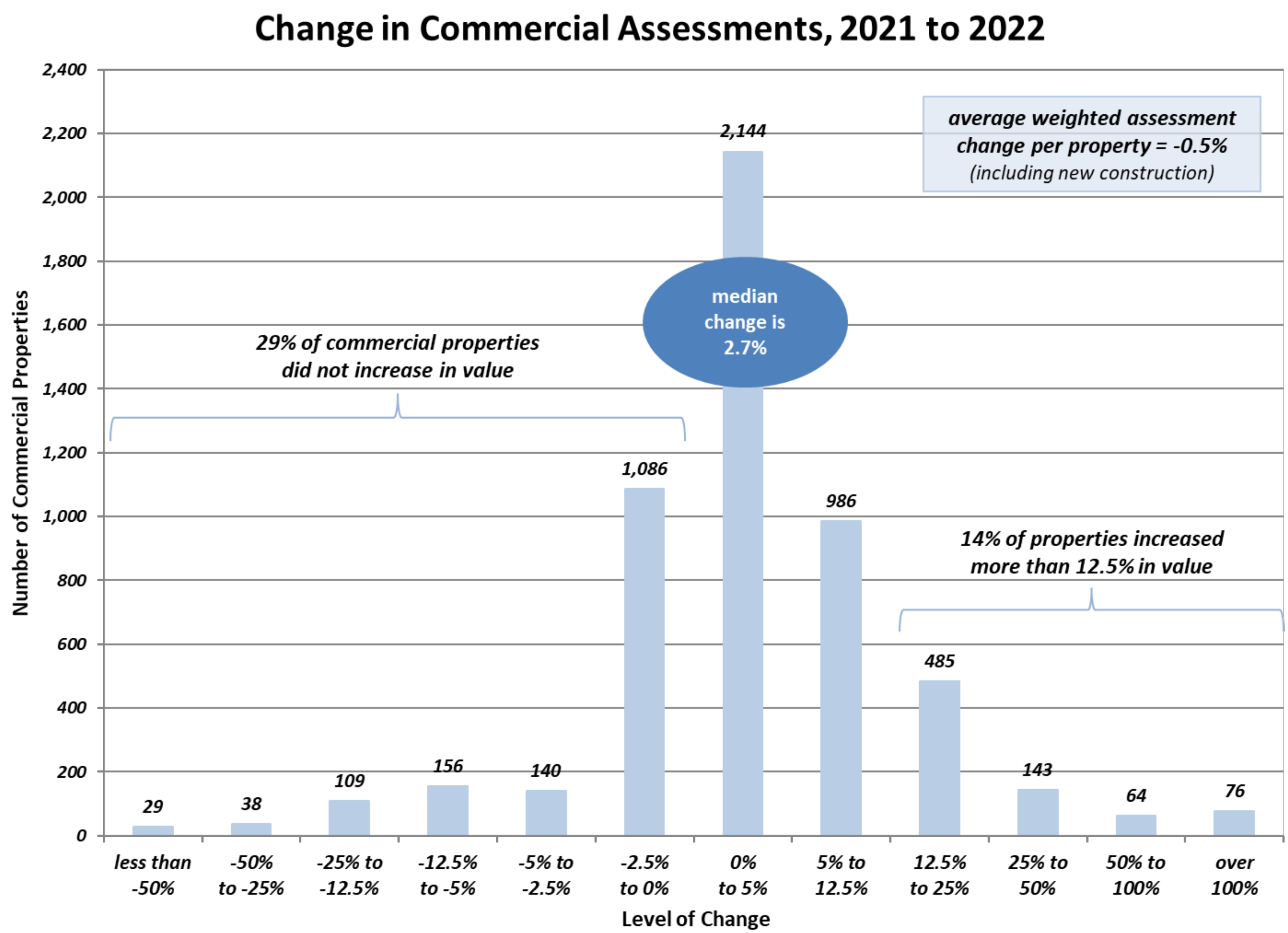
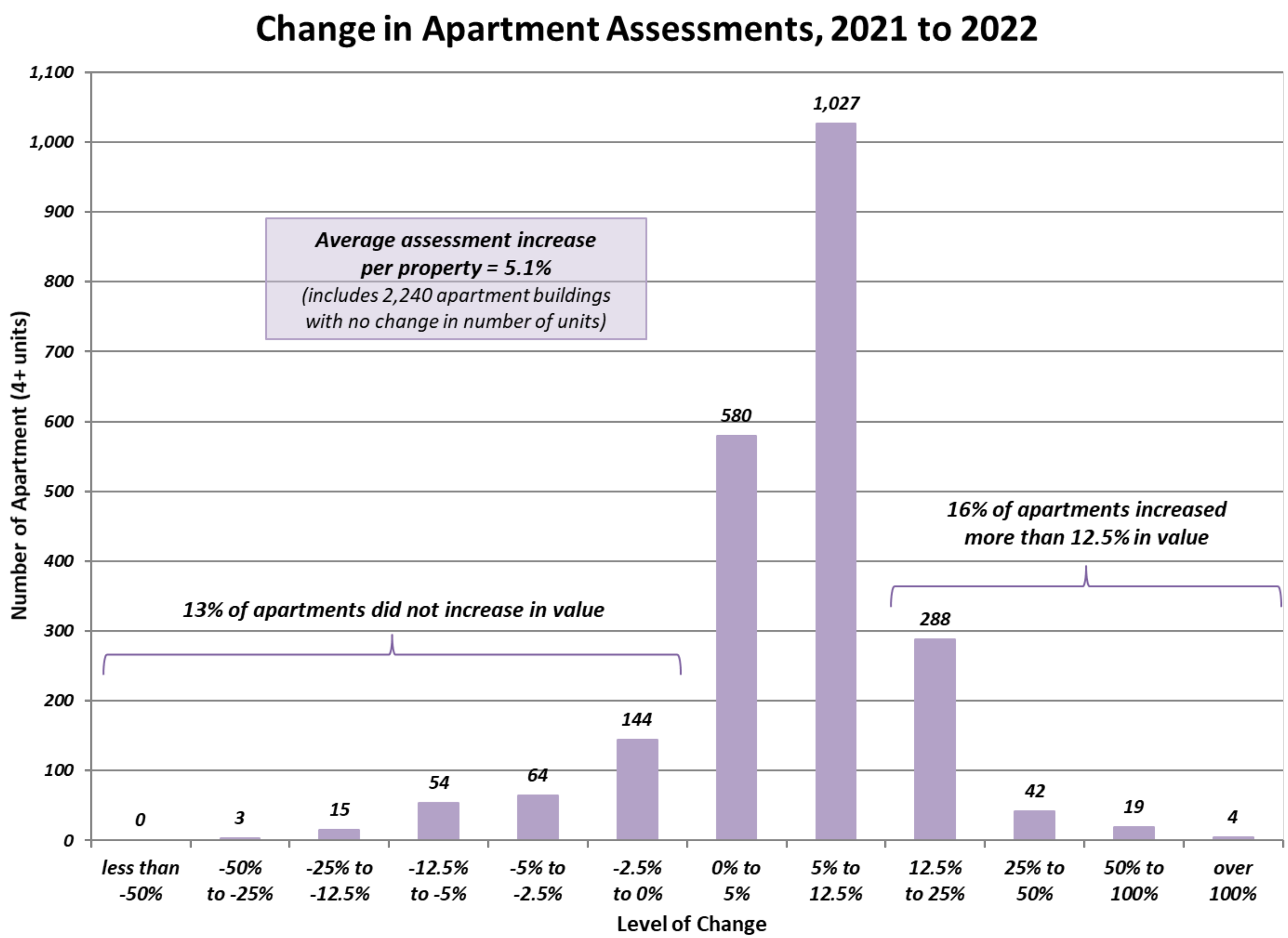

Change in Commercial Assessments, 2021 to 2022
average weighted assessment change per property = -0.5% (including new construction)
median change is 2.7%
29% of commercial properties did not increase in value
14% of properties increased more than 12.5% in value
Number of Commercial Properties
Level of Change
2,400
2,200
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
29
38
109
156
140
1,086
2,144
986
485
143
64
76
less than -50%
-50% to -25%
-25% to -12.5%
-12.5% to -5%
-5% to -2.5%
-2.5% to 0%
0% to 5%
5% to 12.5%
12.5% to 25%
25% to 50%
50% to 100%
over 100%

Chart 4


Change in Apartment Assessments, 2021 to 2022
Number of Apartment (4+ units)
Level of Change
Average assessment increase per property = 5.1%
(includes 2,240 apartment buildings with no change in number of units)
13% of apartments did not increase in value
16% of apartments increased more than 12.5% in value
0
3
15
54
64
144
580
1,027
288
42
19
4
less than -50%
-50% to -25%
-25% to -12.5%
-12.5% to -5%
-5% to -2.5%
-2.5% to 0%
0% to 5%
5% to 12.5%
12.5% to 25%
25% to 50%
50% to 100%
over 100%
0
100
200
300
400
500
600
700
800
900
1,000
1,100

Attachment 7 - Climate Action Tax (CAT) Details

Note	Initiative	Project	2022/23	2023/24	2024/25	2025/26	Total 4-Year Budget	HRM CAT Funding	Confirmed Cost Sharing
1.	Municipal Deep Energy Retrofits	Full retrofit	$ 9,530,000	$ 17,540,000	$ 29,110,000	$ 30,580,000	**$ 86,760,000**	$ 86,760,000	$ -
		Base in Renovations	(6,820,000)	(6,840,000)	(6,840,000)	(6,840,000)	**$ (27,340,000)**	**$ (27,340,000)**	**$ -**
		Resiliency Retrofit Study	100,000	-	-	-	**$ 100,000**	**$ 100,000**	**$ -**
2.	EV Strategy	Public Charging	1,050,000	950,000	850,000	1,100,000	**$ 3,950,000**	**$ 3,950,000**	**$ -**
		Fleet Charging	400,000	400,000	400,000	1,000,000	**$ 2,200,000**	**$ 2,200,000**	**$ -**
		EV Fleet Vehicles	3,100,000	2,900,000	5,900,000	3,400,000	**$ 15,300,000**	**$ 15,300,000**	**$ -**
3.	Critical Infrastructure	Flood Hazard Maps	300,000	-	-	-	**$ 300,000**	**$ 300,000**	**$ -**
		R&V Assessments (Municipal)	150,000	10,000,000	10,000,000	10,000,000	**$ 30,150,000**	**$ 30,150,000**	**$ -**
		R&V Assessments (Community)	75,000	-	-	-	**$ 75,000**	**$ 75,000**	**$ -**
		Shore Road CI	75,000	-	-	-	**$ 75,000**	**$ 75,000**	**$ -**
		Total Large Initiatives	**$ 7,960,000**	**$ 24,950,000**	**$ 39,420,000**	**$ 39,240,000**	**$ 111,570,000**	**$ 111,570,000**	**$ -**
4.	Annual Small Projects		$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	**$ 8,000,000**	$ 8,000,000	$ -
		TOTAL HalifACT Climate Action Plan account	**$ 9,960,000**	**$ 26,950,000**	**$ 41,420,000**	**$ 41,240,000**	**$ 119,570,000**	**$ 119,570,000**	**$ -**
5.	Electric Bus Procurement & Ragged Lake Transit Centre Expansion		$ 63,413,000	$ 40,687,000	$ -	$ -	**$ 104,100,000**	$ 34,089,000	$ 70,011,000
		TOTAL Electric Bus account	**$ 63,413,000**	**$ 40,687,000**	**$ -**	**$ -**	**$ 104,100,000**	**$ 34,089,000**	**$ 70,011,000**
		TOTAL CLIMATE ACTION TAX						**$ 153,659,000**	

1. **Municipal Deep Energy Retrofits:**
The Net-Zero Energy Roadmap is drafted and currently being finalized. It will set out a plan for conducting deep energy retrofits on corporate buildings from 2022 to 2030.
A total of 28 municipal buildings, including administration, libraries, community and recreation centres and a fire station are on the recommended roadmap and will be finalized in the coming months.
Three examples are the Keshen Goodman Library, Acadia Centre, and Eastern Shore Recreation Centre.

2. **EV Strategy:**
In 2022/23 the funds will be used to purchase approximately 54 light duty electric vehicles and to install 50 public chargers and 40 chargers for municipal fleet.

3. **Critical Infrastructure:**
In 2022/23 the funds will be used to conduct risk and vulnerability assessments for critical infrastructure based on climate hazard mapping.
This will highlight vulnerable infrastructure to prioritize projects with funds in future years to be better prepared and resilient against climate impacts.

4. **Bundled Account:**
As in past years, these funds contribute to efforts across the organization to implement climate mitigation and adaptation measures.
The 2022/23 funds are earmarked for climate hazard mapping, electric vehicle chargers, the retrofit pilot program, a landfill solar feasibility study and Phase I of the Shore Road natural infrastructure adaptation project.

5. **Electric Bus Procurement & Ragged Lake TC Expansion**
60 electric buses, charging infrastructure, RLTC deep energy retrofit, including solar panels, to achieve net-zero standard.

Attachment 8
Multi-year Strategic Initiative Capital Projects (Reserves) by Alternative

$394.0M, Alternatives 2A & 2B

$337.7M, Alternative 1B

$306.2 M, Alternative 1A

		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total
Major Multi-Modal Strategic Corridors:												
Alderney Dr (Dundas St-Wyse Rd)	Mobility6	-	-	-	-	3,800,000	-	2,100,000	-	-	-	5,900,000
Barrington St (North St-Spr. Garden Rd) - Phase 2	Mobility8	-	-	-	-	-	-	3,100,000	-	-	-	3,100,000
Bedford Highway	CT190008	-	-	-	-	-	4,350,000	4,450,000	11,000,000	450,000	-	20,250,000
Dunbrack Street	Mobility12	-	-	-	-	-	-	-	4,450,000	3,450,000	-	7,900,000
Highway 7 - Magazine Hill	Mobility14	-	-	-	-	-	3,000,000	-	-	-	-	3,000,000
Portland Street	CT190002	-	-	-	-	2,350,000	2,250,000	-	2,300,000	3,100,000	-	10,000,000
Trunk 7 (Main St), Dartmouth	Mobility11	-	-	-	-	-	3,300,000	2,600,000	-	-	-	5,900,000
Total		**-**	**-**	**-**	**-**	**6,150,000**	**12,900,000**	**12,250,000**	**17,750,000**	**7,000,000**	**-**	**56,050,000**
Major Multi-Modal Strategic Corridors:												
Herring Cove Road	CT190005	-	-	-	5,000,000	5,600,000	2,000,000	2,200,000	6,900,000	4,200,000	-	25,900,000
Lower Water St (Morris St-Duke St)	Mobility4	-	-	-	-	3,500,000	-	-	-	-	-	3,500,000
Windmill Rd (Akerley Blvd-Wyse Rd)	CT200005	-	-	-	-	2,100,000	-	-	-	-	-	2,100,000
Total		**-**	**-**	**-**	**5,000,000**	**11,200,000**	**2,000,000**	**2,200,000**	**6,900,000**	**4,200,000**	**-**	**31,500,000**
C. Major Multi-Modal Strategic Corridors:												
Bayers Road	CT200002	-	4,700,000	-	-	-	-	-	-	-	-	4,700,000
Dutch Village Rd	CT200003	-	2,250,000	-	-	-	-	-	-	-	-	2,250,000
Robie St & Young St	CT200006	-	-	2,150,000	-	-	-	-	-	-	-	2,150,000
Barrington St (North St-Spr. Garden Rd) - Phase 1	Mobility8	-	-	2,000,000	-	-	-	-	-	-	-	2,000,000
Land Acquisition	CT190009	-	-	11,800,000	4,340,000	4,340,000	4,340,000	4,340,000	4,340,000	-	-	33,500,000
Studies and Design	Mobility13	500,000	500,000	750,000	750,000	750,000	500,000	250,000	250,000	250,000	250,000	4,750,000
Total		**500,000**	**7,450,000**	**16,700,000**	**5,090,000**	**5,090,000**	**4,840,000**	**4,590,000**	**4,590,000**	**250,000**	**250,000**	**49,350,000**
Climate Action Tax (CAT):												
Electric Buses - Phase 1	CV210011	23,104,000	10,985,000	-	-	-	-	-	-	-	-	34,089,000
HalifACT 2050 - Climate Action Plan	CB200012	9,960,000	26,950,000	41,420,000	41,240,000	-	-	-	-	-	-	119,570,000
Total		**33,064,000**	**37,935,000**	**41,420,000**	**41,240,000**	**-**	**-**	**-**	**-**	**-**	**-**	**153,659,000**
Other												
Halifax Forum Redevelopment	CB190013	-	1,000,000	10,000,000	23,000,000	13,000,000	10,000,000	-	-	-	-	57,000,000
Windsor Street Exchange	CT190010	1,499,043	515,426	6,564,894	4,347,207	-	-	-	-	-	-	12,926,570
Mill Cove Ferry Service	CV210013	-	4,000,000	5,300,000	8,000,000	16,000,000	-	-	-	-	-	33,300,000
Total		**1,499,043**	**5,515,426**	**21,864,894**	**35,347,207**	**29,000,000**	**10,000,000**	**-**	**-**	**-**	**-**	**103,226,570**
Total		**35,063,043**	**50,900,426**	**79,984,894**	**86,677,207**	**51,440,000**	**29,740,000**	**19,040,000**	**29,240,000**	**11,450,000**	**250,000**	**393,785,570**