

Re: Item No. 6.1

BUDGET ADJUSTMENT LIST

Committee of the Whole on Budget
March 29, 2023

HALIFAX

BUDGET CURRENT STATE

Since Budget Direction the budget has been reduced by \$15.5M

- Budget Committee motioned 4 adjustments be directly built in for a total reduction of \$10.1M
- Before any BAL changes this would be a 5.5% increase to the average tax bill
- The 4.0% desired tax increase is not achievable with BAL reductions
- Lowest possible tax increase is 4.8% (using all reductions)

Budget Change Description	23/24 Amount
Reduction to Paving Budget	(\$8,000,000)
Reduce number of trees planted in final year of current Urban Forest Master Plan CR210011	(\$755,000)
Increase Building Permit Fees 25%	(\$1,450,000)
Increase staffing by 15 firefighters to convert Middle Musquodoboit (Station 38) to a 24/7 Career Composite Station.	\$137,100
Revenue increase from new assessments	(\$1,800,000)
Staff Savings "Teir 1 Adjustments"	(\$2,839,900)
Debt Revision (Fall debenture issuance)	(\$800,000)
Total "Built-In" Budget Changes	(\$15,507,800)

PROCESS

Currently there are 42 items included on the BAL:

- 31 items are adjustments to the operating budget (excluding HRP):
 - 14 are Unders: potential budget reduction of (\$4.7M)
 - 17 are Overs: potential budget increase of \$5.5M
- 5 are adjustments to the HRP Budget
 - One HRP adjustment is recommended to be applied to HR
- 7 are adjustments to the Capital Budget
 - If Capital-from-Operating funding is used will require a budget increase of \$16.5M
 - If funded via debt no tax implications until 2025/26
- Each option has its tax impact included
- Items that are not included on the BAL can be added during the debate
- Budget Committee can package items together and vote once

Following BAL approval, staff return on April 25th for Regional Council budget approval

CAPITAL PLAN IMPLICATIONS

Ready for Approval to Proceed:

- (BN030) New Sidewalks Expansion
- (BN072) New Bedford Fire Station & Headquarters Campus

	2023/24	2024/25	2025/26	2026/27	TOTAL 4Yr Impact
New Sidewalks Program On-Going Expansion (CR200001)	-	3,000,000	3,000,000	3,000,000	\$ 9,000,000
Bedford West Fire Station & HQ Campus (CB210014)	16,000,000	24,000,000	-	-	\$ 40,000,000
Fire Fleet Expansion (CV220015)	-	-	1,125,000	-	\$ 1,125,000
	\$ 16,000,000	\$ 27,000,000	\$ 4,125,000	\$ 3,000,000	\$ 50,125,000

	2023/24	2024/25	2025/26	2026/27	Remaining Debenture
Total Impact of Debt Funding	\$ -	\$ -	\$ 800,000	\$ 5,603,000	\$ 51,510,000

CAPITAL PLAN IMPLICATIONS

Project Timing Factors:

- (40/BN071) Halifax North Memorial Library Renos *Cost Share application outstanding*
- (41/BN071) Alderney Gate Library Renos *Lack in portfolio capacity to deliver*
- (42/Info Report) Mill Cove Ferry Terminal Library Cost Share *application outstanding*
- (Info Report) Bedford Library *Land acquisition outstanding*
- (38/BN073) Eastern Shore Lifestyle Centre *New location due diligence*
- (37/BN075) MacDonald Park Ball Field Lighting *Land lease & easement outstanding*

BAL SCENARIOS

Sample Scenarios for Tax Increases:

Scenario 1 – Approve Entire BAL (excl HRP) – 5.6% Average tax bill increase (staff recommended)

Scenario 2 – Approve no changes from the BAL – 5.5% Average tax bill increase

Scenario 3 – Approve only unders from the BAL – 4.8% Average tax bill increase

STAFF RECOMMENDATION

Motion of the BAL is to:

- Approve items on the BAL except HRP (items 1 – 31)
- Do not approve 4 changes to HRP
 - Community Safety Division is currently being setup
 - Staff will report back later in 2023 on these items
- Rescind motion for P&D Permit Increase
 - April implementation date not entirely feasible, now recommending June
- Approve items 36 (Sidewalk Program) and 39 (West Bedford Fire Station) from the BAL to be added to the Capital Budget

STAFF RECOMMENDATION

HRP BAL items:

- BN066 Under (\$68,700) Police extra duty admin fee increase
 - BOPC is reviewing extra-duty policy. Admin fee can be adjusted at any time, within their authority
- BN064 Transfer of Victim Services from HRP to HRM
- BN063 Transfer management of School Crossing Guards from HRP to HRM
- BN065 Transfer of Lake Patrol from HRP to HRM
 - Staff will report back later in 2023 on these items. Community Safety department has just been established and further review required

FUTURE BUDGET CONSIDERATIONS

Estimated Changes to 2024/25 Budget:

- Compensation expected to increase \$20.1M
- Restoring capital from operating will require \$25.7M
- Contracts expected to increase by \$4M
- Debt and other cost expected to rise by \$3.5M
- Deed Transfer Tax will decline a further \$1.7M
- New Fire FTEs will increase costs

Increase	Amount (\$M)	Tax Bill Impact (%)*
Compensation	20.1	3.3
Cap-Op (restore)	25.7	4.3
Contracts	4.0	0.7
Other (Debt/Inflation)	4.3	0.7
Deed Transfer	1.7	0.3
New Fire FTEs	0.9	0.2
Total	\$56.7	9.5

*Increase is approximate and is based on 2023/24 tax bill & Assessment

Finance is also preparing a multi-year funding plan for SI Reserve with tax implications

QUESTIONS