



P.O. Box 1749  
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**Item No. 6**  
**Committee of the Whole on Budget**  
**April 25, 2023**

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

**SUBMITTED BY:** Original Signed  
\_\_\_\_\_  
Cathie O'Toole, Chief Administrative Officer

**DATE:** April 18, 2023

**SUBJECT:** **Proposed 2023/24 Budget**

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**ORIGIN**

Fiscal direction established during presentation of [Budget Direction](#) to Budget Committee on November 25, 2022.

[2023/24 Multi-Year Capital Plan](#) presented to Budget Committee on January 20, 2023.

Business unit budget presentations and Budget Committee debates during January through March 2023.

[Budget Adjustment List](#) was debated on March 29, 2023.

**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.

**RECOMMENDATION**

It is recommended that the Budget Committee recommend that Regional Council direct the Chief Administrative Officer to:

1. Adopt the Resolution for Approval of Operating and Capital Budgets and Tax Rates for Fiscal 2023/24 as set out in Schedule 1 of the staff report dated April 18, 2023.

**BACKGROUND**

After individual business unit budget presentations and debate, the Budget Committee approved additional proposed operating and capital expenditures on March 29, 2023 with the presentation of the Budget Adjustment List (BAL). The fiscal 2023-24 budget includes municipal expenditures of \$979.4 million and

gross capital spending of \$333.3 million. The average single-family home tax bill will increase 5.8 per cent. These increases are in line with inflation and reflect the resources required to deliver municipal services and deliver on Council’s priorities.

**DISCUSSION**

Throughout the Budget Committee sessions (January 27 to March 8, 2023), each business unit presented proposed budgets. During these sessions, Budget Committee had the opportunity to increase or decrease individual business unit’s budgets. These adjustments were either directly built into the budget or returned for further discussion during the Budget Adjustment List (BAL) debate (March 29, 2023). The BAL meeting resulted in the final changes being applied to the budget and direction to build the final tax rates.

Following formal adoption of the budget by Regional Council, business units have legal authority to spend resources as authorized in the Budget, with immediate effect.

Average residential tax bill increases are based on the average single-family household (SFH) taxable assessed value. This may not reflect the true taxation impact to dwellings that have assessed values which fall above or below this average. The increase is based on proposed 2023/24 Budget expenditures.

**Figure 1 – Average residential single-family household assessment, tax rate and bill**

	2022/23 Approved	2023/24 Proposed	% Change
Assessment	\$ 272,100	\$ 301,100	10.7%
Mun. Tax Rate	0.794	0.759	-4.4%
<b>Average Tax Bill</b>	<b>\$2,160</b>	<b>\$2,285</b>	
Increase \$		\$125	
Increase %		5.8%	

A new commercial taxation policy becomes effective as of April 1, 2023, and will create changes to the way that commercial property taxes are calculated going forward. Geographical tax boundaries for commercial properties will change from the previous Urban, Suburban, and Rural areas to one of five new tax areas, which are mapped in *Attachment B*. As well, for each tax area, rates will vary by assessed value of the property, within three tiers of assessment. As a result of these changes, it is no longer possible to illustrate the average taxation impact to a commercial property.

**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 2023/24 budget, HRM will have legal authority to expend resources for the fiscal year beginning on April 1, 2023.

**RISK CONSIDERATION**

Risks related to the recommendations in this report are related to divergences in economic conditions from the forecast. These risks are considered medium in nature, due to historic geopolitical and macroeconomic uncertainty.

## **COMMUNITY ENGAGEMENT**

The 2022 Municipal Services Survey was conducted from September 12 – 29, 2022. This survey was available online and by mail to all residents, and received 4,030 responses to a variety of budget, planning, and priorities questions. The results of the 2022 Resident Survey were provided in an information report presented to Regional Council on November 22, 2022.

The 2023/24 budget process also seeks to solicit public comment by inviting members of the public to provide feedback prior to each business unit budget and business plan presentation.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications resulting from this report.

## **ALTERNATIVES**

Regional Council can choose to amend the Proposed Budget and Business Plan through specific motion, and direct staff to prepare a revised 2023/24 Budget and Business Plan. However, the Budget Committee has had considerable debate on various budget options prior to final approval.

Regional Council may wish to adopt a lower tax increase as outlined in the discussion. To adopt the lower tax increase, Regional Council would need to defeat the recommendation and make a motion similar to the recommendation but replace “Schedule 1” with a revised schedule of tax rates.

## **ATTACHMENTS**

Schedule 1 - Resolution for Approval of Operating and Capital Budget and Tax Rates for Fiscal 2023/24

Attachment A – Residential & Resource Tax Area Map  
Attachment B – Commercial Tax Area Map  
Attachment C – Municipal Stormwater Tax Boundary Map  
Attachment D - Schedule of Reserve Withdrawals  
Attachment E - Schedule of Multi-Year Capital Expenditures  
Attachment F - Approved Budget Adjustment List

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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Daniel Freeman, Senior Financial Consultant, Finance & Asset Management

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**HALIFAX REGIONAL MUNICIPALITY****Proposed 2023/24 Operating & Capital Budget*****RESOLUTION for Approval of Operating & Capital Budget and Tax Rates for Fiscal  
2023/24***

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It is hereby resolved that:

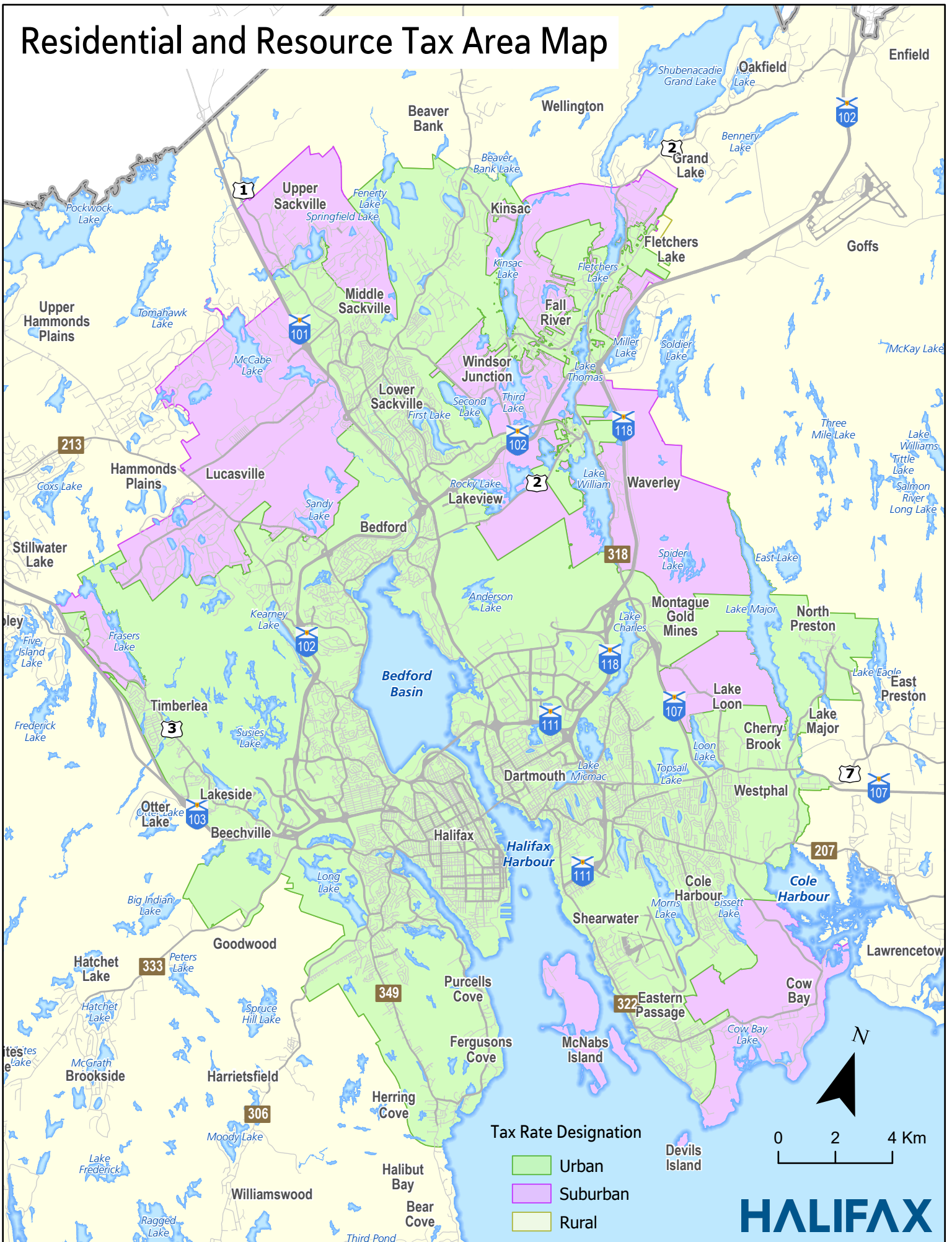
- a) the Operating Budget in the amount of **\$1,171,610,100** in gross expenditures (which includes **\$979,425,400** in municipal expenditures including the reserve withdrawals specified in the Operating and Capital Budget).
- b) **\$881,258,900** in property tax revenues (including area rate revenues) and **\$290,351,200** in other revenues be approved;
- c) the Capital Budget in the amount of **\$333,336,000** be approved;
- d) the general rates of taxation on residential and resource property be set at
  - (i) **\$0.648** for the urban area
  - (ii) **\$0.615** for the suburban area
  - (iii) **\$0.615** for the rural area; andper \$100 of taxable assessment;
- e) the general rates of taxation on commercial property for the Business Park Tax Area be set at
  - (i) **\$2.655** for the base rate, plus
  - (ii) **\$0.150** for the Tier 1 (\$0-\$1M) rate,
  - (iii) **\$0.000** for the Tier 2 (\$1M-\$2M) rate, and
  - (iv) **\$0.876** for the Tier 3 (\$2M+) rate,per \$100 of taxable assessment;
- f) the general rates of taxation on commercial property for the Industrial Park Tax Area be set at
  - (i) **\$2.655** for the base rate, plus
  - (ii) **\$0.150** for the Tier 1 (\$0-\$1M) rate,
  - (iii) **\$0.000** for the Tier 2 (\$1M-\$2M) rate, and
  - (iv) **\$0.470** for the Tier 3 (\$2M+) rate,per \$100 of taxable assessment;
- g) the general rates of taxation on commercial property for the Downtown/Community Tax Area be set at
  - (i) **\$2.655** for the base rate, plus
  - (ii) **\$0.150** for the Tier 1 (\$0-\$1M) rate,



- (iii) **\$0.000** for the Tier 2 (\$1M-\$2M) rate, and
  - (iv) **\$0.300** for the Tier 3 (\$2M+) rate,  
per \$100 of taxable assessment;
- h) the general rates of taxation on commercial property for the Community Area (Outside Commercial Development District) Tax Area be set at
- (i) **\$2.655** for the base rate, plus
  - (ii) **\$0.150** for the Tier 1 (\$0-\$1M) rate,
  - (iii) **\$0.000** for the Tier 2 (\$1M-\$2M) rate, and
  - (iv) **\$0.300** for the Tier 3 (\$2M+) rate,  
per \$100 of taxable assessment;
- i) the general rates of taxation on commercial property for the Rural Tax Area be set at
- (i) **\$2.609** for the base rate, plus
  - (ii) **\$0.000** for the Tier 1 (\$0-\$1M) rate,
  - (iii) **\$0.000** for the Tier 2 (\$1M-\$2M) rate, and
  - (iv) **\$0.000** for the Tier 3 (\$2M+) rate,  
per \$100 of taxable assessment;
- j) the climate action area rate of taxation for all areas of the Municipality be set at:
- (i) **\$0.020** for all residential and resource property, and
  - (ii) **\$0.079** for all commercial property  
per \$100 of taxable assessment;
- k) the Halifax Transit Annual Service Plan and the tax rates associated with Transit Taxation be set at:
- (i) **\$0.091** for the Local Transit area tax rate  
per \$100 of taxable assessment;
- l) tax area boundaries:
- (i) the boundaries of the residential and resource urban, suburban, and rural areas are delineated in Attachment A, the “Residential and Resource Tax Area Map”
  - (ii) the boundaries of the commercial tax areas are delineated in Attachment B, the “Commercial Tax Area Map”; and,
  - (iii) the boundary for the Local Transit area includes all properties within 1km walking distance of any HRM transit stop;
- m) **Fire Protection** rates shall be set at the rate of **\$0.012** per \$100 for all residential and resource assessment and at **\$0.036** 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;
- n) **Stormwater Right-of-Way** rate on residential, resource and commercial assessment be set at the rate of **\$0.011** per \$100 of taxable assessment for properties within the HRM road service boundary as shown in Attachment C.
- o) the **Provincial Area Rate for Mandatory Education** on residential, resource and commercial assessment be set at the rate of **\$0.282** per \$100 of taxable assessment;

- p) the **Provincial Area Rate for Property Valuation Services** on residential, resource and commercial assessment be set at the rate of **\$0.012** per \$100 of taxable assessment;
- q) the **Provincial Area Rate for Corrections Services** on residential, resource and commercial assessment be set at the rate of **\$0.012** per \$100 of taxable assessment;
- r) the **Provincial Area Rate for Metro Regional Housing Authority** on residential, resource and commercial assessment be set at the rate of **\$0.007** per \$100 of taxable assessment;
- s) **Supplementary Education**, under Section 80 of the *Halifax Regional Municipality Charter*, shall be set at the rate of **\$0.019** per \$100 of the residential and resource assessment and at **\$0.058** per \$100 of the commercial assessment;
- t) the final tax bills will become due on **Tuesday, October 31<sup>st</sup>, 2023**.
- u) 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, 2023 to March 31, 2024;
- v) 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, 2023 to March 31, 2024;
- w) Withdrawals from Reserves (capital and operating) in the amount of **\$78,450,200** are approved, as detailed in Attachment D.
- x) Multi-Year Projects are approved in the amount of **\$576,075,000** from 2022/23 to 2026/27, found in the "Schedule of Multi-Year Projects" in Attachment E are approved.

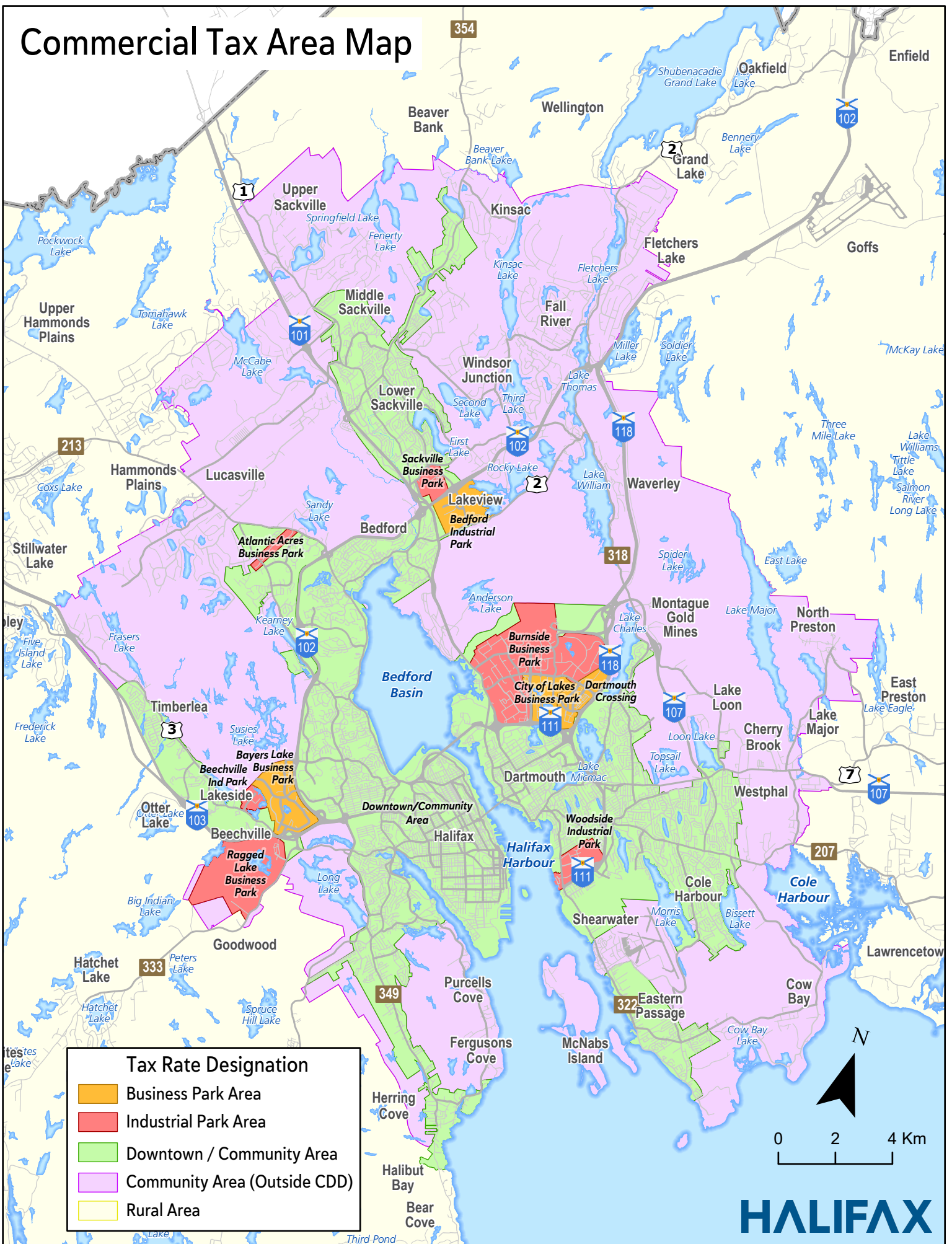
# Residential and Resource Tax Area Map



The Halifax Regional Municipality does not guarantee the accuracy or completeness of the data shown on this map.



# Commercial Tax Area Map



Tax Rate Designation	
<span style="display:inline-block; width:15px; height:10px; background-color:orange; border:1px solid black;"></span>	Business Park Area
<span style="display:inline-block; width:15px; height:10px; background-color:red; border:1px solid black;"></span>	Industrial Park Area
<span style="display:inline-block; width:15px; height:10px; background-color:green; border:1px solid black;"></span>	Downtown / Community Area
<span style="display:inline-block; width:15px; height:10px; background-color:purple; border:1px solid black;"></span>	Community Area (Outside CDD)
<span style="display:inline-block; width:15px; height:10px; background-color:yellow; border:1px solid black;"></span>	Rural Area

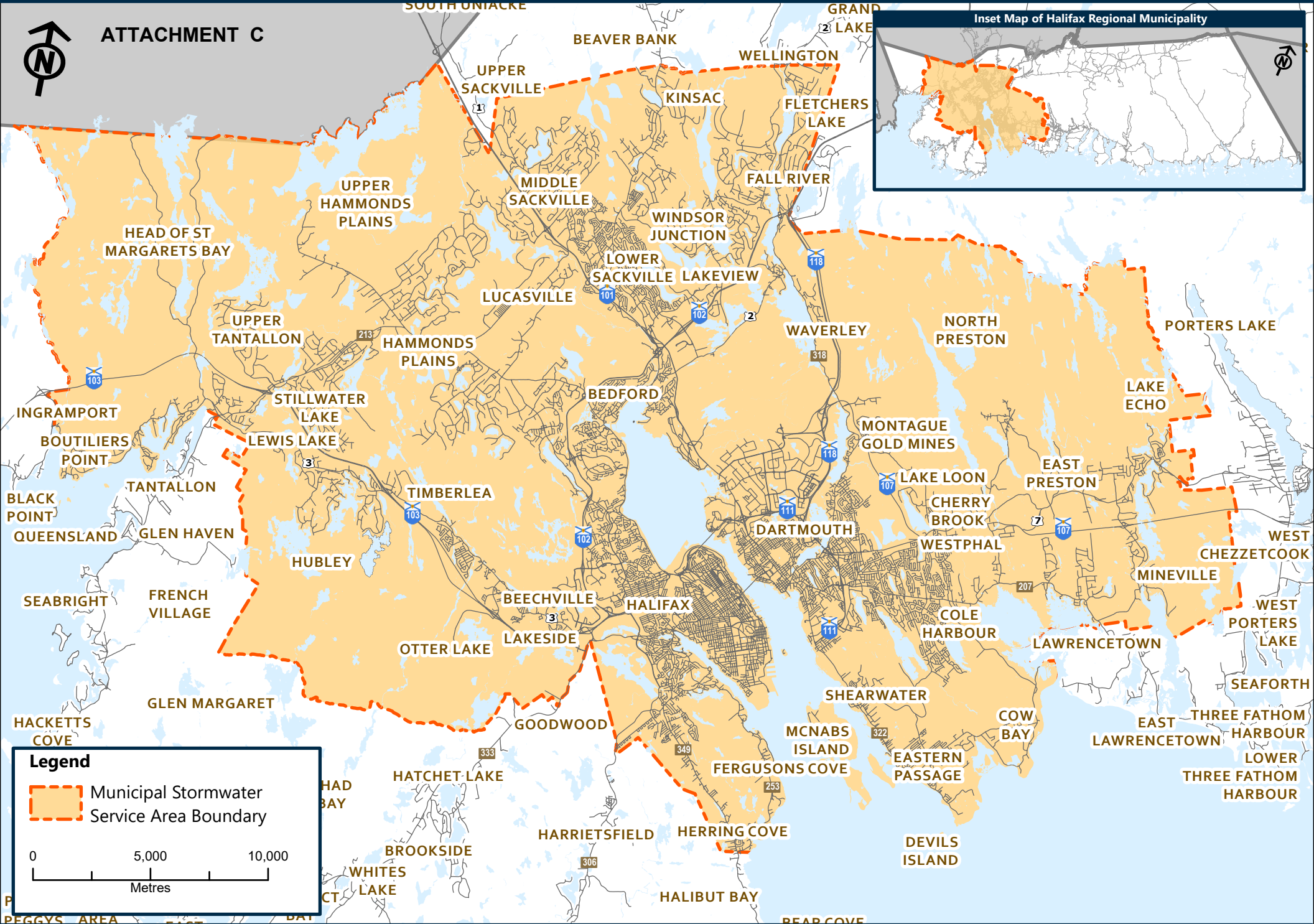
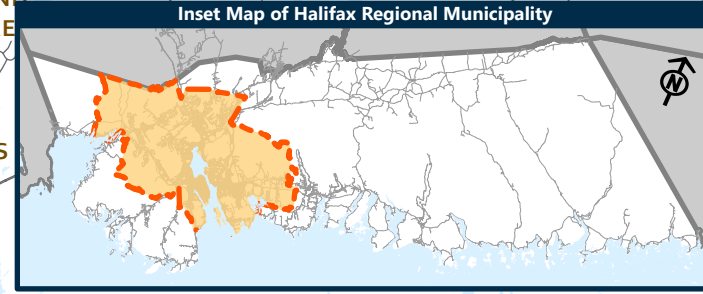
**HALIFAX**

The Halifax Regional Municipality does not guarantee the accuracy or completeness of the data shown on this map.


# Municipal Stormwater Service Area Boundary Map



ATTACHMENT C



**Legend**

-  Municipal Stormwater Service Area Boundary

0 5,000 10,000  
Metres

Halifax Water will become responsible for stormwater services in these areas effective June 1, 2022. For more information visit [halifaxwater.ca/stormwater-expansion](http://halifaxwater.ca/stormwater-expansion) or call 902.420.9287



# ATTACHMENT D

## 2023/24 Capital Multi-Year Projects - AMENDED

Project Account #	Project Name	Previous Yrs' Gross Budget	2022/23 Capital Budget	2023/24 Capital Budget	2024/25 Capital Budget	2025/26 Capital Budget	2026/27 Capital Budget	2027/28 - 2032/33 Capital Budget	Grand Total
CV210011	Beechville Lakeside Timberlea Recreation Centre Recap	500,000	4,000,000	-	9,500,000	9,000,000	-	-	\$ 23,000,000
CB000023	Captain William Spry Renovations	-	400,000	800,000	4,000,000	1,000,000	-	-	\$ 6,200,000
CT000007	Cogswell Interchange Redevelopment	19,410,000	16,030,000	35,600,000	31,600,000	18,750,000	-	-	\$ 121,390,000
CB190008	Energy Efficiency Initiatives	-	4,420,000	4,250,000	3,100,000	2,000,000	-	-	\$ 13,770,000
CV220015	Fire Fleet Expansion	-	-	-	-	1,125,000	-	-	\$ 1,125,000
CV210013	Mill Cove Ferry Service ***	2,900,000	-	5,000,000	11,000,000	134,000,000	110,000,000	-	\$ 262,900,000
CB200014	New Bedford West Fire Station and HQs Campus	4,400,000	-	16,000,000	24,000,000	-	-	-	\$ 44,400,000
CT190010	Windsor Street Exchange	2,300,000	2,665,000	1,900,000	10,200,000	24,025,000	10,000,000	-	\$ 51,090,000
CZ230200	HalifACT - Public Charging Infrastructure	-	1,050,000	1,800,000	2,200,000	500,000	500,000	2,000,000	\$ 8,050,000
CZ230300	HalifACT - Fleet Electrification	-	3,500,000	3,175,000	7,035,000	7,535,000	2,990,000	19,875,000	\$ 44,110,000
	<b>Grand Total 2023/24 Muti-Year Projects</b>	<b>\$ 29,510,000</b>	<b>\$ 32,065,000</b>	<b>\$ 68,525,000</b>	<b>\$ 102,635,000</b>	<b>\$ 197,935,000</b>	<b>\$ 123,490,000</b>	<b>\$ 21,875,000</b>	<b>\$ 576,035,000</b>

This list supercedes the 2022/23 Multi-Year Projects schedule in Attachment D, April 12, 2022 and Attachment 4, January 18, 2023

\*\*\* Proceeding with implementation of these projects is contingent on receipt of sufficient external funding contributions and necessary land acquisition.



**ATTACHMENT E**

<b>Statement of Reserve Withdrawals</b>			
<b>Reserve</b>	<b>Withdrawals 2023/24</b>	<b>Amount</b>	<b>Total</b>
Q416 Risk and Resilience Reserve	Operating	-	-
Q421 General Contingency Reserve	Capital	7,800,000	
	Operating	844,500	8,644,500
Q506 Landfill Closure & Post Closure Reserve	Operating - Mengoni Environmental Monitoring	30,000	
	Capital	3,572,000	3,602,000
Q511 Municipal Election Reserve	Operating - Legal	1,160,700	1,160,700
Q521 Convention Centre Reserve	Operating - Convention Centre Operating Costs	8,630,000	8,630,000
Q526 Capital Fund Reserve	Operating - Real Estate Cost	116,000	
	Operating - Legal Cost Real Estate	8,000	
	Operating - Spencer House Renovations	30,000	
	Capital	4,260,000	4,414,000
Q546 Multi-District Facilities Reserve	Capital	1,415,000	1,415,000
Q556 Solid Waste Facilities Reserve	Capital	1,926,000	1,926,000
Q611 Parkland Development Reserve	Capital	500,000	500,000
Q626 Gas Tax Reserve	Capital	31,100,000	31,100,000
Q616 Business/Industrial Park Expansion	Operating - Real Estate Cost	50,000	
	Operating - Real Estate Salary Recovery	250,000	
	Capital	9,000,000	9,300,000
Q621 Community and Events Reserve	Operating - Cultural Events and Showcases Program	208,000	
	Operating - Public Art operating and program costs	90,000	
	Operating - Program Grant Costs	60,000	
	Operating - Hallmark, Tourism and Sporting events grant	603,500	
	Operating - Hosting	746,500	
	Capital	250,000	1,958,000
Q666 Strategic Initiative Capital	Capital	4,660,000	4,660,000
Q667 Strategic Initiative Operating	Operating	-	-
	Capital	640,000	640,000
Q640 Density Bonus Reserve	Operating	500,000	500,000
<b>Total Withdrawals</b>			<b>78,450,200</b>

**ATTACHMENT F**

**Approved Budget Adjustment List**

Budget Adjustment Tax Implications		23/24 Rate Impact	23/24 Avg Bill Impact	23/24 Avg Bill Impact	23/24 Comm Rate Impact	23/24 Comm Bill Impact	23/24 Comm Bill Impact
Staff original proposed Budget Direction - 8.0% Tax Change		0.775	\$ 173.00	8.0%	3.097	\$ 3,664.00	8.0%
New growth in PVSC Assessment		(0.002)	\$ (6.02)	-0.3%	(0.008)	\$ (127.50)	-0.3%
Post Budget Direction "Built-In" Changes		(0.016)	\$ (48.16)	-2.2%	(0.064)	\$ (1,020.30)	-2.2%
Additional items (rounded)**		0.002	\$ 6.02	0.3%	0.008	\$ 127.50	0.3%
<b>OVERALL RATE &amp; NET CHANGE (OPERATING)**</b>		<b>0.759</b>	<b>\$ 124.84</b>	<b>5.8%</b>	<b>3.033</b>	<b>\$ 2,643.70</b>	<b>5.8%</b>

Item Number	BN	Option Description	23/24 Amount	23/24 Rate Impact*	23/24 Avg Bill Impact*	Business Unit	Over/Under	Sustainability	Capital / Operating
1	BN006	Volta Labs Civic Innovation Outpost funding	(\$260,700)	(0.0003)	(\$0.92)	CAO	Under	Yes	Operating
2	BN008	311 reduction	(\$75,000)	(0.0001)	(\$0.26)	FAM	Under	Yes	Operating
3	BN007	Area rate admin fee (1%)	(\$14,000)	-	(\$0.05)	FAM	Under	Yes	Operating
4	BN014	Bridging the Gap program reduction	(\$700,000)	(0.0008)	(\$2.47)	HRCC	Under	Yes	Operating
5	BN022A	Parking changes - Saturday parking	(\$538,000)	(0.0006)	(\$1.90)	PW	Under	Yes	Operating
7	BN023	Street permit fee revenue increase	(\$25,000)	-	(\$0.09)	PW	Under	Yes	Operating
8	BN020	Commercial Organics Tip Fee Increase from \$90 to \$100 per tonne	(\$110,000)	(0.0001)	(\$0.39)	PW	Under	Yes	Operating
9	BN017	Increase pay station hourly pay rates by 25% (increasing to \$875,000 in future years)	(\$656,000)	(0.0008)	(\$2.31)	PW	Under	Yes	Operating
10	BN041	Grand Oasis and Dartmouth Sunshine Summer Series	(\$600,000)	(0.0007)	(\$2.11)	PR	Under	Yes	Operating
11	BN039	Reduction of ROW mowing	(\$50,000)	(0.0001)	(\$0.18)	PR	Under	Yes	Operating
12	BN036	Naming rights of the Commons Aquatics Centre	(\$100,000)	(0.0001)	(\$0.35)	PR	Under	Yes	Operating
13	BN048	Shrub Bed Maintenance Reduction in ROW (cul-de-sacs)	(\$20,000)	-	(\$0.07)	PR	Under	Yes	Operating
14	BN070	Interest on over-due accounts (increase from 10%-15%)	(\$1,300,000)	(0.0015)	(\$4.58)	Fiscal	Under	Yes	Operating
15	BN009	Board of Police Commissioners external legal fees	\$100,000	0.0001	\$0.35	CAO	Over	NA	Operating
16	BN006	Public Safety	\$361,100	0.0004	\$1.27	CAO	Over	NA	Operating
17	BN006	Expand Navigator Program	\$125,000	0.0001	\$0.44	CAO	Over	NA	Operating
18	<a href="#">BOPC Report</a>	Police Psychologist and an Occupational Health and Safety Nurse positions	\$322,400	0.0004	\$1.14	HRP/HR	Over	NA	Operating
19	BN013	RCMP Regular Member positions	\$746,200	0.0009	\$2.63	RCMP	Over	NA	Operating
20	BN016	Library Collections	\$300,000	0.0004	\$1.06	HPL	Over	NA	Operating
21	BN026	Performance based towing program	\$350,000	0.0004	\$1.23	PW	Over	NA	Operating
22	BN032	Rural & suburban planning	\$450,000	0.0005	\$1.59	PD	Over	NA	Operating
23	BN033	Community Action Planning for African Nova Scotian	\$276,200	0.0003	\$0.97	PD	Over	NA	Operating
24	BN034	Rental registry positions	\$120,400	0.0001	\$0.42	PD	Over	NA	Operating
25	<a href="#">Council Report</a>	Framework for Addressing Homelessness - current level of services	\$334,800	0.0004	\$1.18	PR	Over	NA	Operating
26	<a href="#">Council Report</a>	Framework for Addressing Homelessness for proposed initiatives	\$798,000	0.0009	\$2.81	PR	Over	NA	Operating
27	BN042	Increase to Arts Grants	\$125,000	0.0001	\$0.44	PR	Over	NA	Operating
28	BN041	Grand Oasis Reduction (funding add back)	\$200,000	0.0002	\$0.70	PR	Over	NA	Operating
29	BN050	Affordable access program	\$500,000	0.0006	\$1.76	PR	Over	NA	Operating
30	BN058	Transit supervisor positions (4)	\$379,200	0.0004	\$1.34	Transit	Over	NA	Operating
31	BN074	Green Network Plan Coordination & Resourcing	\$89,600	0.0001	\$0.32	PD/PFE	Over	NA	Operating
37	BN075	Macdonald Park lighting design (Capital from operating)	\$75,000	0.0001	\$0.26	PR	Over	NA	Operating
43	BN67	7 HalifACT positions	\$412,000	0.0005	\$1.45	PFE	Over	NA	Operating
<b>TOTAL OF ALL OPERATING OPTIONS</b>			<b>\$ 1,616,200</b>	<b>0.0018</b>	<b>\$ 5.68</b>				

\*\*Total tax rate is set at 3 decimal points.

**CAPITAL BUDGET ADJUSTMENTS\***

Item Number	BN	Option Description	CAPITAL FROM OPERATING OPTION			DEBT OPTION			Business Unit
			23/24 Amount	23/24 Rate Impact*	23/24 Avg Bill Impact*	23/24 Amount	23/24 Rate Impact*	23/24 Avg Bill Impact*	
39	BN072	Bedford West Fire Station & HQ Campus	\$ -	-	\$ -	\$ 16,000,000	-	\$ -	Fire/PFE
42	Council Report	Mill Cove Library	\$ -	-	\$ -	\$ 500,000	-	\$ -	Library/PFE
<b>TOTAL OF ALL CAPITAL OPTIONS</b>			<b>\$ -</b>	<b>-</b>	<b>\$ -</b>				

\* Impact to tax bill for debt option will not occur until debt has been issued (for these projects none will be issued in 2023/24)