

September 20, 2023

HALIFAX

First Quarter Financial Report

Audit & Finance Standing Committee

General Rate Surplus

- Projected deficit of \$12.6M primarily due to:
 - Decrease in deed transfer tax revenue of \$10M due to a continued decrease in residential real estate market activity.
 - Tantallon Wildfire response costs \$2.3M.
 - Increase in utilities (natural gas, heating fuel, propane, etc.) and building maintenance and equipment costs \$1.6M.
- Offset by:
 - Decrease in compensation and benefits \$1.6M.

Disaster Related Expenses

- \$2.3M of projected deficit related to Wildfire
- Additional costs related to the flood expected
- Updated costs:

Event	Actuals	Commitments	Total
<i>Tantallon Fire</i>	11,386,847	2,329,204	13,716,051
<i>July Flash Floods</i>	754,726	1,673,242	2,427,968

Risks and Opportunities

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

Risks:

- The impacts of severe weather-related events
- Deed transfer tax
- Inflationary increases and stock shortages – impact on operational and capital budgets and ability to progress capital work
- Commodity costs (fuel, diesel, salt, etc.)
- Staffing levels
- Housing

Councillors' Funds

- District Capital Funds
 - Of the total budget of \$3.2M, \$1.5M has been spent or committed leaving \$1.7M available.
- District Activity Funds
 - Of the \$72.0K budget, \$36.5K has been spent or committed leaving \$35.5K available.

Recreation Area Rates

- There are 22 Recreation Area Rate Accounts.
- Waverley Community Association was added this year.
- The surplus in these accounts at April 1, 2023 was \$1.2M.
- Revenues of \$514K have been earned.
- Expenses of \$593K have been spent.
- The surplus at June 30, 2023 is \$1.2M.

Reserves

Reserve	Opening Balance	Current Commitments	Pending Contribution	Projected Closing Balance 2023/24	Projected Closing Balance 2024/25	Projected Closing Balance 2025/26	Projected Closing Balance 2026/27	Future Commitments	Projected Uncommitted (As of 2026/27)
TOTAL RISK RESERVES:	10,322,040	-	124,214	10,446,254	10,613,354	10,783,154	10,955,654	-	10,955,654
TOTAL OBLIGATION RESERVE:	129,213,871	(89,988,260)	16,695,472	55,921,083	28,096,459	15,938,235	22,917,911	22,917,911	-
TOTAL OPPORTUNITY RESERVE:	324,979,654	(178,987,218)	48,256,447	194,248,883	226,186,411	259,579,128	294,002,326	248,116,578	45,885,747
TOTAL RESERVE	464,515,565	(268,975,478)	65,076,133	260,616,220	264,896,224	286,300,517	327,875,891	271,034,489	56,841,402

Aged Accounts Receivable

Property Taxes	\$	21.2M
Local Improvement Charges		11.9M
Payments-in-Lieu of Taxes		(0.1)M
General Revenue		5.5M
Total Gross Accounts Receivable	\$	<u>38.5M</u>

Capital Projection Summary

Net Budget available before expenditures, June 30, 2023	\$ 1.1B
Spent by June 30, 2023	\$ 29.7M
Projected expenditures to March 31, 2024	\$ 262.6M
Projected Work to Progress into 2024/25	\$ 791.5M

Hospitality Expenditures

- For the three-month period ended June 30, 2023 there were \$4,757 in hospitality expenditures.
- Hospitality expenses are: Expenses incurred while hosting individuals from outside the municipal government for reasons of diplomacy, protocol, business development or promotional advocacy. Examples include: gifts, receptions, ceremonies, conferences, performances or other group events.

Expenses for Reportable Individuals

Name	Local Travel	Out of Town Travel	Development/ Training	Meals & Other Miscellaneous Expenses	Total
Mayor Mike Savage	884	2,658	1,021	837	5,399
Councillor Cathy Deagle-Gammon	1,080	582	474	-	2,135
Councillor David Hendsbee	1,637	-	-	-	1,637
Councillor Becky Kent	176	815	100	-	1,091
Councillor Trish Purdy	-	1,925	1,021	-	2,946
Deputy Mayor Sam Austin	-	1,825	1,021	-	2,845
Councillor Tony Mancini	552	2,317	1,021	-	3,890
Councillor Waye Mason	-	2,463	1,494	-	3,958
Councillor Lindell Smith	-	-	-	-	-
Councillor Shawn Cleary	-	1,829	1,021	-	2,850
Councillor Kathryn Morse	-	2,131	-	-	2,131
Councillor Patty Cuttell	-	1,456	1,494	-	2,951
Councillor Iona Stoddard	-	-	-	-	-
Councillor Pam Lovelace	219	7,254	1,494	-	8,967
Councillor Lisa Blackburn	380	-	-	-	380
Councillor Paul Russell	224	888	474	-	1,586
Councillor Tim Outhit	-	-	-	-	-
CAO Cathie O'Toole	24	3,735	1,412	-	5,171
Total	5,176	29,877	12,046	837	47,935

Operating Pressures Leading Into 2024/25

Inflation

- Significant increases to costs
- Increases seen in utilities costs
- Service contracts are increasing

Staffing

- Many positions are difficult to fill
- Collective agreements currently under negotiation

Other

- Decreasing Deed Transfer Tax revenues
- Significant Cap-from-Op required under current plan

Deed Transfer Tax (000's)

	Actual	Budget	Surplus/(Deficit)
2023/24	66,000	76,000	(10,000)
2022/23	74,978	83,000	(8,022)
2021/22	81,369	60,000	21,369
2020/21	59,587	40,850	18,737
2019/20	60,181	39,000	21,181
2018/19	46,097	37,000	9,097

Capital Pressures Leading Into 2024/25

Inflation

- Significant pricing increases continue in all industries
- Project delays for re-scoping, re-tendering, or deferral of future year

Staffing Shortages

- Both internal positions and vendor staffing shortages affecting ability (capacity & skills set) to deliver projects timely

Impact of Severe Weather

- Urgency and increased pressure to escalate attention to aging infrastructure & deferred maintenance

Significant Population Growth

- Inadequate capacity to maintain pace to expand large infrastructure inventories with current growth of the municipality