



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 6.1
Budget Committee
January 24, 2024

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

Original Signed

SUBMITTED BY:

Cathie O'Toole, Chief Administrative Officer

DATE: January 19, 2024

SUBJECT: **2024 Budget Direction, Assessment, and Revenue Update**

ORIGIN

On November 28, 2023, it was moved THAT the Budget Committee:

1. Direct the Chief Administrative Officer to develop the 2024/25 Budget with capital-from-operating funding capped at no more than \$57.4 million, according to Council's approved priorities; and,
2. Approve revised debt policy of \$1,800 per dwelling.

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.

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 current fiscal year that might not be collected.

(3) The Council shall include an allowance to provide for any variation in the total assessed value shown on 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 property and resource property.

(7) Notwithstanding clause (6)(a), the tax rate for the part of commercial property that is identified on the assessment roll as being occupied by a seasonal tourist business is 75 per cent of the commercial tax rate.

(8) The tax rates must be those that the Council deems sufficient to raise the amount required to defray the estimated requirements of the Municipality.

RECOMMENDATION

That the Chief Administrative Officer continue to develop the 2024/25 Budget in accordance with the Budget Committee's direction of November 28, 2023.

BACKGROUND

On November 28, 2023, Budget Committee provided direction to provide a 2024/25 budget that aligns with Council's approved priorities and limits capital-from-operating funding at \$57.4M. This direction, along with the reception of the final 2024 property assessment roll from Property Valuation Services Corporation (PVSC), staff can now calculate preliminary municipal tax rates and property tax bill implications, based on average property valuations.

DISCUSSION

Budget Direction Update

The [Budget Direction](#) report presented to Budget Committee on November 28, 2023, indicated a 15 per cent increase in the average tax bill would be required to fund the 2024/25 operating budget and Council accepted some recommendations that lowered the average tax bill increase to 9.7 per cent. Budget Committee provided direction to build the 2024/25 operating budget according to Council's approved priorities and setting a limit to Capital from Operating. Since that direction was given, PVSC has provided the assessment roll for the 2024/25 Budget and and some additional review of Business Unit budgets was completed.

The assessment roll, which will be discussed further in this report, matched the expected forecast presented to Budget Committee in November. Staff completed review the proposed budget and identified the following changes that can be made:

- \$900 thousand revenue increase from a larger Assessment Roll than expected;
- \$200 thousand in revenue increases to the Halifax Airport Tax Agreement;
- \$400 thousand net decreases in Finance & Asset Management budget;
- \$500 thousand budget savings for Property, Fleet & Environment;
- \$1.0 million in budget savings for position funding based on current vacancies;
- \$1.0 million increase in investment income; and,
- \$1.7 million in budget savings in Public Works within Solid Waste.

The net effect of these changes results in a change in the tax rate of 2 per cent required to fund the 2024/25 operating budget. It is estimated the total average tax bill would increase by 8.9 per cent versus the 9.7 per cent projected in December. Overall, the projected budget for 2024/25 is expected to be in the area of \$1.2 billion.

Further tax increase mitigation will require service reductions or use of one-time funding. Business Units provided potential options for reductions as part of the 2023/24 budget, which can be seen in [Attachment 4 of the 2023 Budget Direction, Assessment, and Revenue Update](#). The feedback received for these reductions was generally negative and most would not be in line with council's priorities. However, should Budget Committee want to seek further reductions to the proposed budget, some of these changes could be reconsidered.

Reductions within the Capital Plan will, for the most part, not have an impact on the 2024/25 Operating Budget. The Operating Budget and Capital Plan intersect in Capital from Operating funding in the current year and Operating Cost of Capital (OCC) & debt service costs in future budgets. Only projects that use Capital from Operating funding can reduce the 2024/25 tax bill if removed or deferred. Reductions to Capital from Operating have already been applied to the 2024/25 Budget. As a result, the current proposed 2024/25 budget is below the guidelines Council previously set for Capital from Operating. To offset some of this reduction, some high priority projects are being funded by the approved debt capacity increase. While this change in funding source allows project work to continue in 2024/25 while deferring the impact to the tax bill into future years, debt repayments are more costly than the original capital cost.

If a capital project funded by a source other than capital from operating is removed or deferred, there would only be an impact to future fiscal year operating budget. To prevent negatively impacting municipal service delivery, capital projects should only be deferred or cancelled by first directing a change to the municipal service. Projects funded from Capital from Operating are state-of-good-repair in nature. By diverting from previously set fiscal guidelines, Council is reversing its direction to commit to an adequate investment in asset condition maintenance. Reducing funding to these renewal projects will create increases in operating costs to cover emergency repairs.

Further reductions to the Operating Budget will be difficult and will cause impacts to service that require input or decisions from Council. As most of the causes of the increase are non-controllable, due to inflation or contractual obligations, the only options to bring about further significant reductions will require Council to revisit its priorities. This could include deferring or stopping service expansion or opting to rescind projects and plans that are already in progress. For example, the following items could be considered to not move forward with or scale back:

- \$18 million rescinding the Climate Action Tax
- \$7 million eliminating funding to Strategic Initiative (SI) projects
- \$2.2 million removing Moving Forward Together Plan (MFTP)
- \$1.4 million rejecting the increase to Halifax Regional Police's budget
- \$1.5 million by not expanding the Volunteer Firefighter Honorarium for 2024/25

Staff are not recommending any of these changes as they would not be in line with Council's priorities. Where some of the items above are tied into ongoing projects, rolling back the funding would result in incomplete projects and hurt organizational reputation. Furthermore, the Climate Action Tax and SI project funding are intended to reduce the tax impact of specific future projects. Cutting this funding while still moving forward with these projects will result in even greater tax increases when those projects are completed.

2024 Assessment Roll

HRM has recently experienced a period of historic residential market value increase through 2020-2023, which has seen the selling price of single-family households rise dramatically over a relatively short period of time. This market increase was driven by many factors which include the population of HRM growing

at one of the fastest rates in the country, housing supply not keeping up with increasing demand, historically low cost of borrowing, and loosening of COVID-19 related restrictions which created a wave of residential housing demand. These factors have led to a large increase in the taxable assessment value of single-family households which have sold and seen the cap removed and reset. This, combined with a period of extremely high inflation, caused the assessment cap on qualifying residential properties to increase by 7.7 per cent in 2023/24 and a total taxable residential value increase of 12.8 per cent. During 2022 and 2023, in response to extremely high inflation, the Bank of Canada has been steadily increasing the overnight lending rate from 0.25 per cent in January 2022 up to the current rate of 5.00 per cent. This was done in an attempt to bring down inflation to their target rate of 2 per cent¹. As a result, mortgage rates have sharply increased, which has slowed housing sales and much of the housing price increases. Decreased housing sales has led to a slight increase of single-family households with assessment caps, going from 88 per cent to 90 per cent. The residential assessment cap for 2024/25; which is set by measuring the annual Nova Scotia consumer price index (CPI) change, has been set at 3.2 per cent; with total taxable residential value increasing by 8.5 per cent as outlined in *Table 1 & 2*.

Commercial property values have shown strong recovery after a period of pandemic related decline and hardship. Business sectors such as hotels, restaurants, retail space, manufacturing, and warehouse all saw particularly strong assessment growth. Tourism and in-person shopping rebounded as consumers started traveling in large numbers again and shifted back to brick and mortar storefronts. Uncertainty around commercial assessment growth will remain into the future. The national economy is potentially set to fall into a technical recession at some point in 2024 according to many economists. The economy is showing signs of contraction and hardship in the latest reports.²

The total taxable commercial assessment base increased by 8.1 per cent. Broken down by tax boundary, the:

- business park area increased by 7.8 per cent,
- community area (outside CDD³) increased by 24.2 per cent,
- downtown/community area increased by 5.7 per cent,
- industrial area increased by 16.4 per cent, and
- rural area increased by 12.3 per cent.

Properties outside of a Business Improvement District (BID) area saw assessments increase by an average of 10.0 per cent. Seven of the nine BIDs had assessments grow by less than this average, with a range of (0.5) per cent in the Spring Garden Road BID to 6.5 per cent in the Sackville BID; and two BIDs had above average increases of 11.5 per cent in the North End Commercial BID and 17.1 per cent in the Porters Lake Commercial BID.

¹ [Understanding inflation targeting - Bank of Canada](#)

² Financial Post, *Canada dodges technical recession but 'struggles to grow*, November 30, 2023.

³ Commercial Development District

Table 1
HRM Taxable Assessment Base, 2023 and 2024

Value Class	2023 Taxable Value	2024 Taxable Value	Change
Residential	\$52,766,378,900	\$57,258,890,400	8.5%
Resource	\$275,950,300	\$341,884,700	23.9%
Sub-total	\$53,042,329,200	\$57,600,775,100	8.6%
Commercial	\$9,692,174,700	\$10,481,231,300	8.14%
Total Taxable	\$62,734,503,900	\$68,082,006,400	8.5%

Table 2
Historical Residential Property Assessment Cap

	2021/22	2022/23	2023/24	2024/25
Assessment Cap	0.3%	5.4%	7.7%	3.2%

Additional summaries of the PVSC assessment data can be found in *Attachment 1 – HRM 2024 Taxable Assessment Tables and Charts*.

Property Taxation and Average Tax Bill

The average tax bill increase is made up of a combination of the property assessment increase and property tax rate change. These two factors work in tandem to produce the average tax bill increase that is required to finance HRM's expenditures based on the proposed annual budget. The property assessment is wholly controlled by PVSC, which is a provincial crown corporation. Once the assessment increase is known, the required property tax rates are calculated for residential, commercial, and resource properties (which may result in a rate increase or decrease) to provide the proposed tax bill increase. In prior years, due to historic growth in taxable assessments for residential properties and strong growth for commercial properties, combined with lower average tax bill increases required to support the budget, the corresponding municipal tax rate on the average single-family household and commercial property required to finance the budget saw an annual decrease for many straight years. In order to meet the proposed 8.9 per cent tax bill increase scenario for the 2024/25 budget, the residential and commercial base tax rates will see an increase, as outlined in *Tables 3 and 4*.

The average value of a single-family home in HRM has increased from \$302,700 to \$323,300 or 6.8 per cent (compared to an increase of 10.7 per cent in 2023), and the average tax bill in an 8.9 per cent scenario will increase by \$205 per year. Due to the implementation of Administrative Order 2022-003-ADM Respecting Commercial Property Taxation in Certain Areas of the Municipality, the average assessment increase to a commercial property must be broken down into the five commercial tax areas as well as across three rate tiers. This is provided in *table 4* along with the various tiered taxation rates within each tax area that form the average tax bills for commercial properties. It is important to note that due to the wide range of assessments within each tax area, and the tiered rate structure which increases the tax burden on higher valued properties, this average is not necessarily representative of most commercial properties.

Table 3
Average Residential Tax Bill

	2023/24 Approved	2024/25 Proposed	% Change
Assessment	\$ 302,700	\$ 323,300	6.8%
Mun. Tax Rate	0.760	0.775	2.0%
Average Tax Bill	\$2,301	\$2,506	
Increase \$		\$205	
Increase %		8.9%	

Table 4
Average Commercial Tax Bill

Commercial	2023/24				2024/25				\$ Change	% Change
	\$0 - \$1M	\$1M - \$2M	\$2M+	Total	\$0 - \$1M	\$1M - \$2M	\$2M+	Total		
Business Park Tax Area	2.807	2.657	3.533	3.211	2.822	2.672	3.549	3.249		1.2%
Average Assessed Value	4,978,139	4,978,139	4,978,139	4,978,139	5,345,504	5,345,504	5,345,504	5,345,504		7.4%
Tax Bill	\$ 28,070	\$ 26,570	\$ 105,218	\$ 159,858	\$ 28,220	\$ 26,720	\$ 118,732	\$ 173,672	\$ 13,814	8.6%
Community Area (Outside CDD)	2.807	2.657	2.957	2.807	2.822	2.672	2.972	2.822		0.5%
Average Assessed Value	435,834	435,834	435,834	435,834	510,801	510,801	510,801	510,801		17.2%
Tax Bill	\$ 12,234	\$ -	\$ -	\$ 12,234	\$ 14,415	\$ -	\$ -	\$ 14,415	\$ 2,181	17.8%
Downtown/Community Tax Area	2.807	2.657	2.957	2.747	2.822	2.672	2.972	2.758		0.4%
Average Assessed Value	1,663,537	1,663,537	1,663,537	1,663,537	1,753,330	1,753,330	1,753,330	1,753,330		5.4%
Tax Bill	\$ 28,070	\$ 17,630	\$ -	\$ 45,700	\$ 28,220	\$ 20,129	\$ -	\$ 48,349	\$ 2,649	5.8%
Industrial Park Tax Area	2.807	2.657	3.127	2.769	2.822	2.672	3.102	2.829		2.2%
Average Assessed Value	2,204,451	2,204,451	2,204,451	2,204,451	2,597,664	2,597,664	2,597,664	2,597,664		17.8%
Tax Bill	\$ 28,070	\$ 26,570	\$ 6,393	\$ 61,033	\$ 28,220	\$ 26,720	\$ 18,540	\$ 73,480	\$ 12,446	20.4%
Rural Tax Area	2.611	2.611	2.611	2.611	2.624	2.624	2.624	2.624		0.5%
Average Assessed Value	471,322	471,322	471,322	471,322	527,316	527,316	527,316	527,316		11.9%
Tax Bill	\$ 12,306	\$ -	\$ -	\$ 12,306	\$ 13,837	\$ -	\$ -	\$ 13,837	\$ 1,531	12.4%

Dwelling Units and New Growth

A “dwelling unit” is defined under the *Halifax Regional Municipality Charter* as the following:

3(z) “dwelling unit” means living quarters that

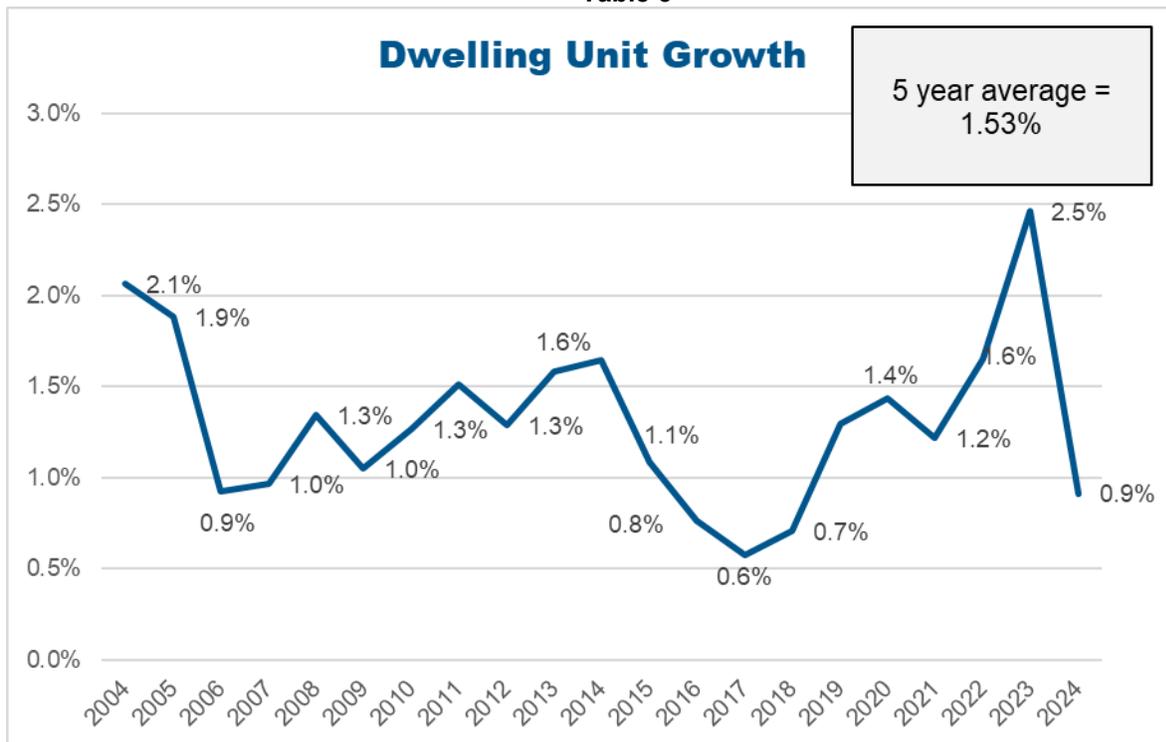
- (i) are accessible from a private entrance, either outside the building or in a common area within the building,
- (ii) are occupied or, if unoccupied, are reasonably fit for occupancy,
- (iii) contain kitchen facilities within the unit, and
- (iv) have toilet facilities that are not shared with the occupants of other dwelling units;

Dwelling unit growth in HRM has slowed significantly over the last year, which ended a strong growth trend which had been accelerating over the previous 5 years. Total dwellings increased by only 0.9 per cent which represents less than 2,000 units, compared to growth of 2.5 per cent in 2023 which created over 5,000 units. A 20-year trend is provided in *Table 5* below. This slowdown in growth is seen in both single-family households and apartments with 4+ units. New commercial growth has also come in much

lower-than-expected, increasing by just 0.3 per cent through 2023. The combination of dwelling and commercial growth both falling well short of expectations and forecast, has created a revenue gap, amounting to less in property tax revenue growth from new properties compared to expectations.

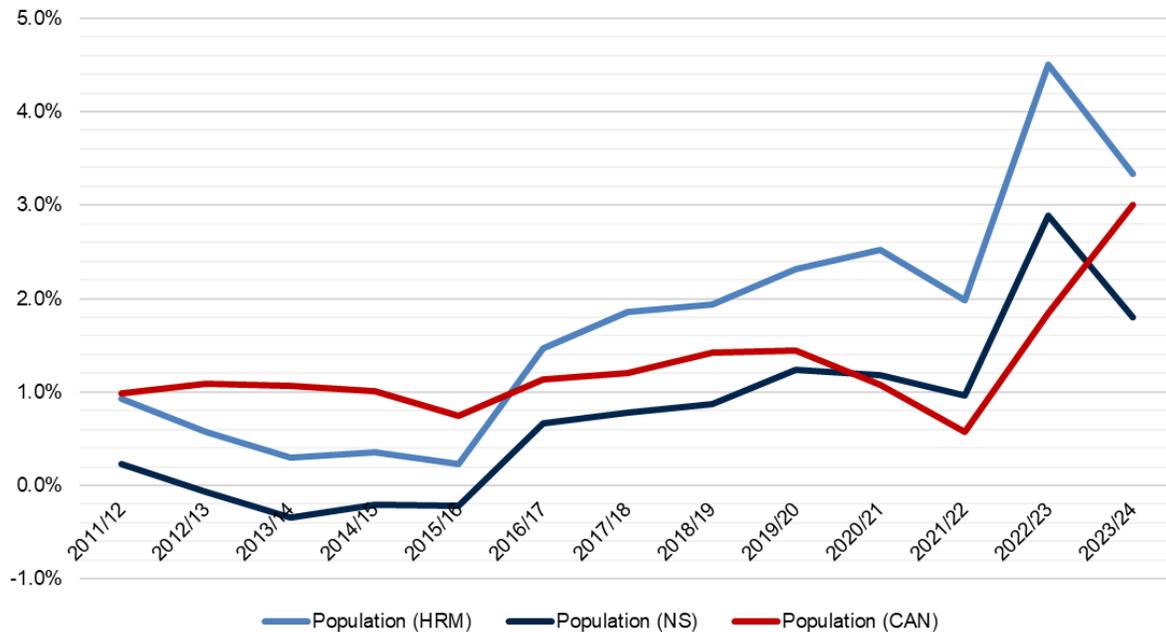
The low growth in new commercial is a likely result of firms either postponing new growth or expansion until uncertainty eases with the economy. There has also been a growing trend of the conversion of commercial properties into residential to meet demand in that area. The low growth in dwellings could be a result of extremely high interest rates which have created an expensive borrowing environment and caused some developers to pause development plans/projects over the last two years until borrowing rates subside. The construction industry has also been challenged with construction capacity issues.

Table 5



Similar to the high dwelling unit growth experienced each year between 2018-2023, HRM's population has grown substantially higher than anticipated during this same timeframe as seen in Table 6. However, similar to the 2024 decline seen in dwelling unit growth, HRM's population growth has been trending downwards since the 2022 peak, and is likely to fall under the national growth rate when 2024 figures are released. Increasing population is driving some increased demands for service, and putting a heightened strain on municipal expenditures. This has also created a host of new challenges for the municipality. With this growth in population, there also came a substantial pickup in deed transfer tax revenue as household sales volume and prices increased. Deed transfer tax revenue increased from \$35.8M in 2016 to a peak of \$81.4M in 2021. Similar to the trends in dwellings and population, it has since begun to decline.

Table 6
Population Growth



FINANCIAL IMPLICATIONS

There are no financial implications with this report. The financial implications were identified with the direction provided by Budget Committee. Any future financial impacts will be determined during each Business Unit Budget & Business Plan presentation.

COMMUNITY ENGAGEMENT

No community engagement was required. In previous years to inform the development of the Budget Direction Report, surveys were conducted to understand resident priorities and where they would like to see municipal budgets directed. The most recent Resident Survey results were made available to Regional Council through an information report provided on November 23, 2021.

The 2024/25 budget consultation process also seeks to solicit public comment by inviting members of the public to provide feedback following each business unit budget and business plan presentation.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ATTACHMENTS

Attachment 1 – HRM 2024 Taxable Assessment Tables and Charts

Attachment 2 – HRM 2024/25 Proposed Budget Details

Attachment 3 – 2024/25 Budget Direction Report and Presentation - November 28, 2023

Attachment 4 – Commercial Tax Area Map

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: Jerry Blackwood, CFO & Executive Director, Finance & Asset Management
902.476.0200

HRM 2024 Taxable Assessment Tables and Charts

Table 1
2024 Residential Assessment Summary by Dwelling Unit Group

Dwelling Unit Group	# Properties	Total Dwellings	Total Taxable Assessment Base	Increase in Units from 2023	Value Increase per Unit	Base Increase	Total Growth
Vacant Land	15,481	-	\$ 2,226,053,400	n/a	n/a	33.7%	12.5%
SFHs	125,630	125,630	\$ 40,616,600,400	0.5%	6.8%	7.3%	61.8%
2-3 Units	7,737	16,537	\$ 3,128,725,300	2.6%	8.4%	11.2%	7.0%
Apartments	2,416	69,982	\$ 11,287,511,300	1.3%	6.6%	8.0%	18.7%
All Residential	151,264	212,149	\$ 57,258,890,400	0.9%	7.5%	8.5%	100.0%

Table 2
Average Single-Family Home Assessment Increases 2023 – 2024

District	District Name	# Homes 2024	Average 2023 Value	Average* 2024 Value	Average Increase
1	Waverley - Fall River - Musquodoboit Valley	8,578	\$ 296,200	\$ 314,400	5.6%
2	Preston - Chezzetcook - Eastern Shore	12,494	\$ 197,500	\$ 212,000	6.3%
3	Dartmouth South - Eastern Passage	9,496	\$ 257,800	\$ 273,600	6.1%
4	Cole Harbour - Westphal - Lake Loon - Cherry Brook	8,787	\$ 255,400	\$ 269,100	5.3%
5	Dartmouth Centre	6,727	\$ 279,900	\$ 298,200	6.6%
6	Harbourview - Burnside - Dartmouth East	5,998	\$ 256,800	\$ 275,400	6.1%
7	Halifax South Downtown	5,208	\$ 580,600	\$ 621,500	6.9%
8	Halifax Peninsula North	4,897	\$ 332,500	\$ 355,300	6.6%
9	Halifax West Armdale	7,202	\$ 393,700	\$ 417,100	5.9%
10	Halifax - Bedford Basin West	5,127	\$ 299,600	\$ 317,100	5.7%
11	Spryfield - Sambro Loop - Prospect Road	9,381	\$ 267,000	\$ 287,600	6.8%
12	Timberlea - Beechville - Clayton Park - Wedgewood	6,513	\$ 303,500	\$ 329,100	6.6%
13	Hammonds Plains - St. Margarets	10,533	\$ 364,900	\$ 393,700	6.7%
14	Middle/Upper Sackville - Beaver Bank - Lucasville	9,215	\$ 271,800	\$ 291,100	6.2%
15	Lower Sackville	6,655	\$ 214,100	\$ 228,400	6.5%
16	Bedford - Wentworth	8,813	\$ 409,200	\$ 437,000	6.6%
All HRM		125,624	\$ 302,700	\$ 323,300	6.8%

Table 3

2024 Average Single-Family Home & Multi-Unit Property Assessments by District

2024 Average Single-Family Home Assessments*					2024 Average Multi-Unit Property Assessments (per dwelling)					
District	# Homes	Average Value	# Capped	% Capped	District	# Properties	# Dwellings	Avg Value per Dwelling	Dwellings Capped	% Capped
1	8,578	\$314,400	8,014	93%	1	280	765	\$ 144,100	465	61%
2	12,494	\$212,000	11,314	91%	2	296	777	\$ 123,200	478	62%
3	9,496	\$273,600	8,766	92%	3	353	3,294	\$ 184,700	464	14%
4	8,787	\$269,100	8,367	95%	4	134	887	\$ 112,300	252	28%
5	6,727	\$298,200	5,841	87%	5	1241	8,834	\$ 130,700	1,725	20%
6	5,998	\$275,400	5,341	89%	6	698	7,277	\$ 114,800	766	11%
7	5,208	\$621,500	3,321	64%	7	1246	14,305	\$ 218,000	1,290	9%
8	4,897	\$355,300	4,065	83%	8	1663	10,921	\$ 171,100	2,330	21%
9	7,202	\$417,100	6,511	90%	9	1109	7,000	\$ 157,200	1,659	24%
10	5,127	\$317,100	4,404	86%	10	911	9,576	\$ 140,700	1,102	12%
11	9,381	\$287,600	8,615	92%	11	751	3,350	\$ 109,500	1,054	31%
12	6,513	\$329,100	5,832	90%	12	228	6,827	\$ 167,900	239	4%
13	10,533	\$393,700	9,643	92%	13	289	1,149	\$ 232,200	418	36%
14	9,215	\$291,100	8,570	93%	14	209	749	\$ 155,600	400	53%
15	6,655	\$228,400	6,182	93%	15	414	2,532	\$ 138,100	619	24%
16	8,813	\$437,000	7,763	88%	16	331	8,276	\$ 221,300	291	4%
All HRM	125,624	\$323,300	112,549	90%	All HRM	10,153	86,519	\$ 166,600	13,552	16%

*excludes tax agreement accounts

Table 4

2024 Average Single-Family Home Tax Bill Increase

2023 Taxable Value ¹	2024 Taxable Value (assumed 6.8% increase) ²	Property Tax Bill Increase 9.3% (Tax rate 0.778)
\$ 93,600	\$ 100,000	\$ 66.64
\$ 187,300	\$ 200,000	\$ 132.52
\$ 280,900	\$ 300,000	\$ 199.16
\$ 374,500	\$ 400,000	\$ 265.80
\$ 468,200	\$ 500,000	\$ 331.68
\$ 561,800	\$ 600,000	\$ 398.32
\$ 655,400	\$ 700,000	\$ 464.96
\$ 749,100	\$ 800,000	\$ 530.84
\$ 842,700	\$ 900,000	\$ 597.48
\$ 936,300	\$ 1,000,000	\$ 664.12

1. 6.8% increase was used for modelling as this was the average SFH assessment i

2. Taxable value includes capped assessments

Chart 1

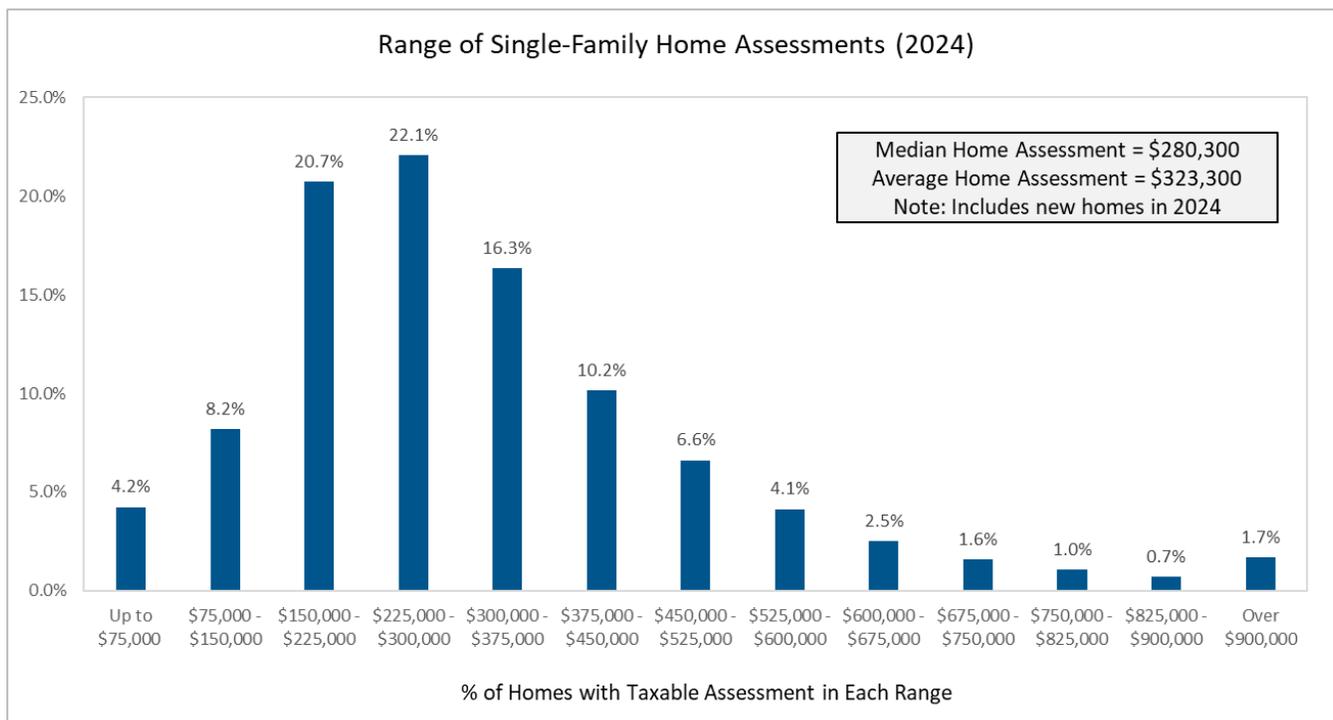


Chart 2

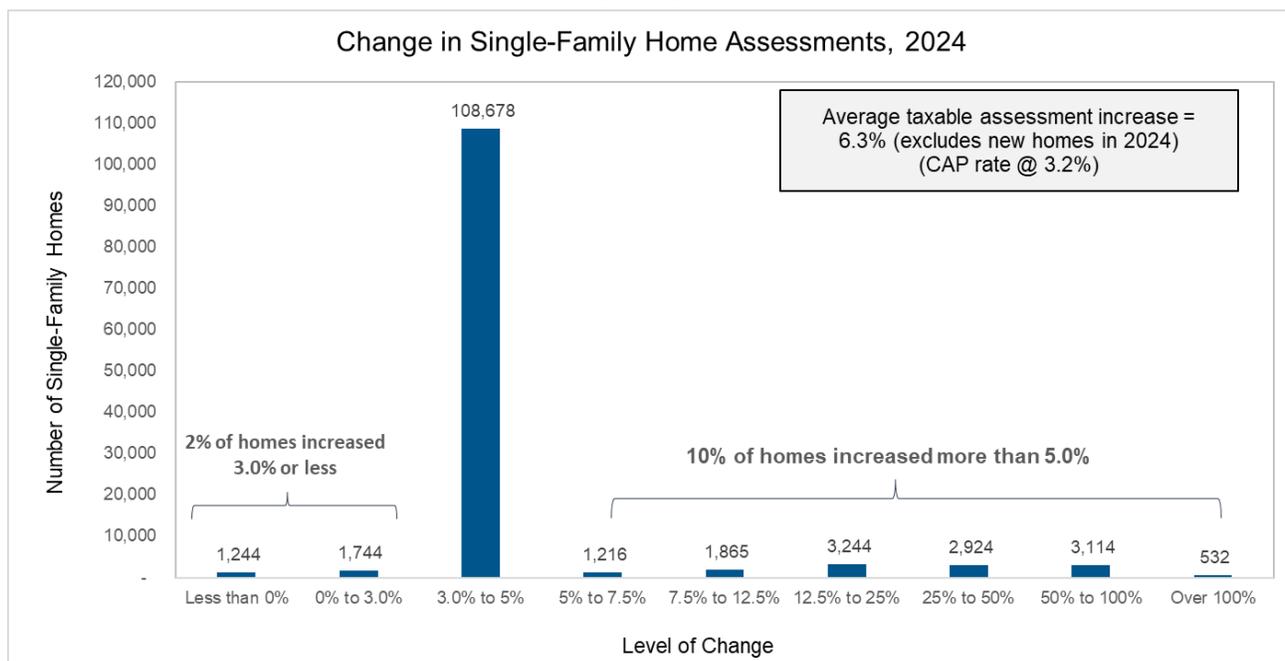


Chart 3

Change in Commercial Assessments, 2022 to 2024

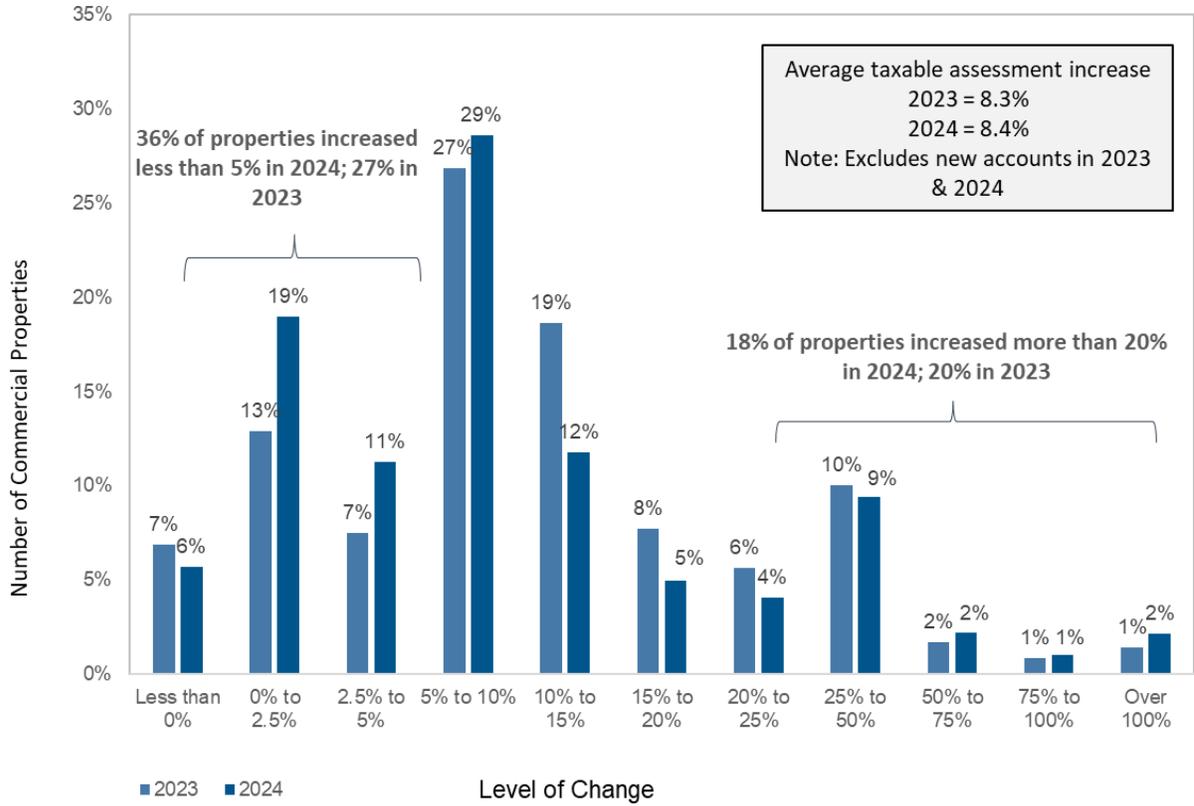
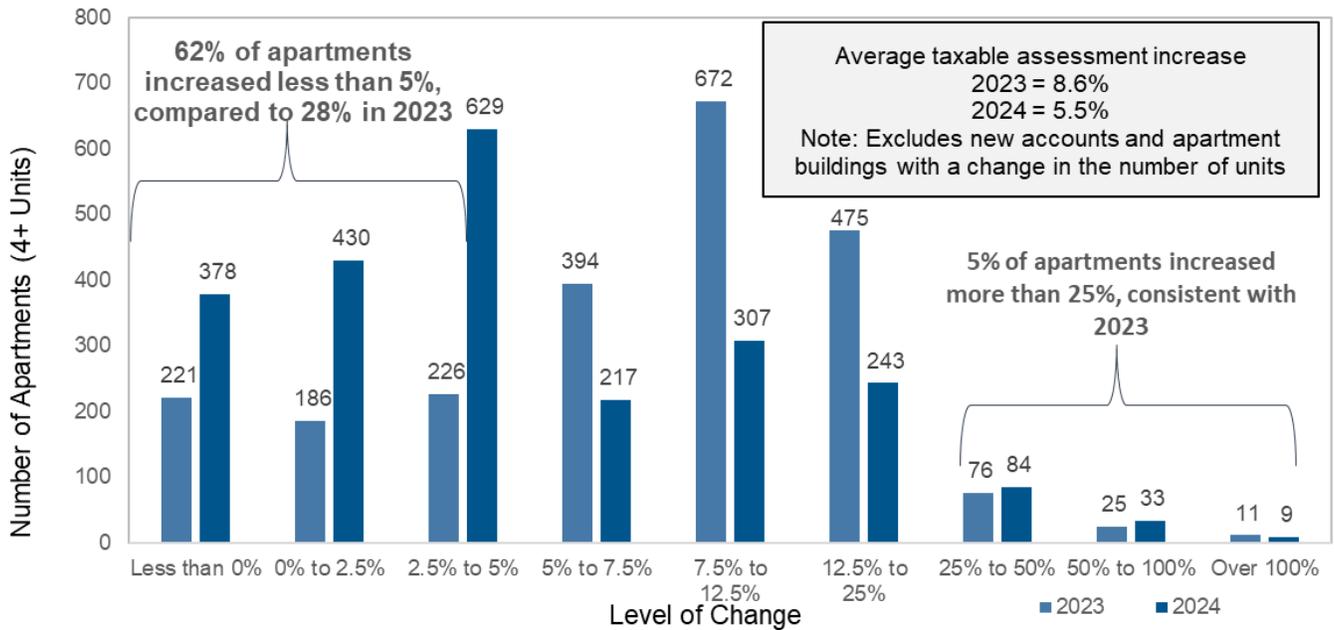


Chart 4

Change in Apartment Assessments, 2022 to 2024



2024/25 Proposed Budget Details						
Expenditures	2022/23	2023/24	2023/24	2024/25		
	Actual	Budget	Projections	Budget	Δ 23/24 Budget	Δ %
6001 Salaries - Regular	337,581,699	374,908,800	365,107,900	400,812,600	25,903,800	6.9
6002 Salaries - Overtime	26,818,456	15,448,600	24,031,600	16,065,400	616,800	4.0
6003 Wages - Regular	9,145,680	172,400	604,300	7,383,395	7,210,995	4,182.7
6004 Wages - Overtime	50,624	-	3,100	-	-	-
6005 PDP & Union Con Incr	-	-	(10,098,100)	40,000	40,000	-
6050 Court Time	1,170,426	1,317,800	1,325,800	1,317,800	-	-
6051 Shift Agreements	314,278	223,600	226,000	243,600	20,000	8.9
6052 Shift Differentials	267,757	419,600	419,600	419,600	-	-
6053 Extra Duty	1,654,195	1,988,400	1,988,400	1,988,400	-	-
6054 Vacation payout	1,084,080	10,000	519,600	15,700	5,700	57.0
6099 Other Allowances	29,727	19,500	21,500	19,500	-	-
6100 Benefits - Salaries	71,403,113	70,996,300	71,830,900	78,975,500	7,979,200	11.2
6101 Benefits - Wages	543,827	-	10,300	411,200	411,200	-
6110 Vacancy Management	-	(16,982,600)	(5,918,800)	(18,855,350)	(1,872,750)	11.0
6120 Comp OCC Budget Yr 1	-	1,084,600	1,084,600	2,603,000	1,518,400	140.0
6150 Honorariums	2,646,880	2,856,800	2,856,800	4,371,800	1,515,000	53.0
6151 Vehicle Allowance	12,269	-	5,000	-	-	-
6152 Retirement Incentives	1,235,759	5,974,100	5,053,000	5,895,200	(78,900)	(1.3)
6153 Severence	83,921	-	42,200	-	-	-
6154 Workers' Compensation	10,549,406	12,011,200	11,688,400	13,263,300	1,252,100	10.4
6155 Overtime Meals	51,625	20,200	20,200	20,200	-	-
6156 Clothing Allowance	657,863	709,300	709,500	749,000	39,700	5.6
6157 stipends	445,818	300,000	242,500	300,000	-	-
6158 WCB Recov Earnings	(160,285)	(18,300)	(177,000)	(18,300)	-	-
6164 On the Job injuries	162,278	244,400	184,800	244,400	-	-
6170 ext Fund Positions	-	-	-	284,800	284,800	-
6190 Compensation OCC trf	-	-	(169,300)	-	-	-
6194 Sick Bank allowance	1,727,042	-	-	-	-	-
6199 Comp & Ben InterDept	(1,108,384)	3,532,100	(1,388,500)	5,536,700	2,004,600	56.8
9200 HR CATS Wage/Ben	(1,156,131)	6,518,800	6,975,301	132,300	(6,386,500)	(98.0)
9210 HR CATS OT Wage/Ben	(116,638)	(54,000)	(180,000)	(45,900)	8,100	(15.0)
9230 HR CATS OT Meals	(190)	-	-	-	-	-
* Compensation and Benefits	465,095,097	481,701,600	477,019,601	522,173,845	40,472,245	8.4
6201 Telephone/Cable	2,393,010	2,147,050	2,467,800	2,746,450	599,400	27.9
6202 Courier/Postage	1,030,596	864,300	912,260	1,232,200	367,900	42.6
6203 Office Furn/Equip	1,051,441	445,800	588,550	606,800	161,000	36.1
6204 Computer S/W & Lic	7,346,019	8,359,300	8,553,700	9,357,750	998,450	11.9
6205 Printing & Reprod	911,311	963,700	1,010,200	1,216,500	252,800	26.2
6207 Office Supplies	753,898	591,866	592,616	638,316	46,450	7.8
6208 Binding	10,415	5,000	5,000	10,000	5,000	100.0
6290 Office OCC Transfer	-	6,000	(97,900)	6,000	-	-
6299 Other Office Expenses	218,046	264,700	260,900	288,600	23,900	9.0
* Office	13,714,735	13,647,716	14,293,126	16,102,616	2,454,900	18.0
6301 Professional Fees	834,366	943,000	936,100	880,600	(62,400)	(6.6)
6302 Legal Fees	1,082,317	442,600	1,406,700	697,600	255,000	57.6
6303 Consulting Fees	3,718,577	3,070,500	5,284,900	4,217,900	1,147,400	37.4
6304 Janitorial Services	5,203,416	5,051,900	5,109,300	5,363,500	311,600	6.2
6305 Property Appraisal	20,306	65,000	65,000	59,300	(5,700)	(8.8)
6306 Property Survey	46,770	45,000	75,000	55,000	10,000	22.2
6308 Snow Removal	2,542,364	2,479,900	2,477,900	2,672,600	192,700	7.8
6309 Litigation Disburse	4,711	7,500	7,500	7,500	-	-

Expenditures	2022/23	2023/24	2023/24	2024/25		Δ %
	Actual	Budget	Projections	Budget	Δ 23/24 Budget	
6310 Outside Personnel	1,416,398	1,502,000	1,502,000	1,780,000	278,000	18.5
6311 Security	2,284,447	2,510,500	2,922,700	3,485,200	974,700	38.8
6312 Refuse Collection	589,250	440,800	491,700	512,700	71,900	16.3
6314 Prosecution Services	95,502	102,000	102,000	102,000	-	-
6315 Outside Policing	33,176,773	33,272,600	36,111,700	38,590,200	5,317,600	16.0
6316 Real Property Disb	12,942	18,000	15,000	18,000	-	-
6390 Extnl Svcs OCC Trsf	-	-	(283,800)	-	-	-
6399 Contract Services	111,369,457	112,780,400	116,464,800	113,670,550	890,150	0.8
* External Services	162,397,597	162,731,700	172,688,500	172,112,650	9,380,950	5.8
6401 Uniforms & Clothing	1,544,273	1,833,300	1,965,750	2,036,500	203,200	11.1
6402 Med & First Aid Supp	139,622	109,300	109,000	102,700	(6,600)	(6.0)
6403 Patrol Equip Supplies	581,667	436,700	511,800	692,100	255,400	58.5
6404 Rec Prog Supplies	386,765	296,200	368,200	299,200	3,000	1.0
6405 Photo Supp & Equip	44,635	27,800	27,500	45,000	17,200	61.9
6406 Bridge Tolls	563,461	519,900	525,800	521,400	1,500	0.3
6407 Clean/Sani Supplies	595,628	522,700	543,000	540,300	17,600	3.4
6409 Personal Protect Equ	573,945	450,450	489,050	630,850	180,400	40.0
6490 Supplies OCC Transfer	-	19,700	14,700	47,300	27,600	140.1
6499 Other Supplies	357,224	284,784	318,584	347,284	62,500	21.9
* Supplies	4,787,221	4,500,834	4,873,384	5,262,634	761,800	16.9
6501 Asphalt	297,552	235,500	229,900	235,500	-	-
6502 Chemicals	55,586	188,600	85,900	124,500	(64,100)	(34.0)
6503 Fertilizer	66,527	46,000	36,200	46,000	-	-
6504 Hardware	247,076	221,000	281,500	254,500	33,500	15.2
6505 Lubricants	360,665	274,200	323,700	361,200	87,000	31.7
6506 Lumber	88,832	56,200	54,400	96,200	40,000	71.2
6507 Propane	156,696	161,200	160,500	160,800	(400)	(0.2)
6508 Ready Mix Concrete	96,413	167,000	117,300	167,000	-	-
6510 Road Oils	-	6,700	5,200	6,700	-	-
6511 Salt	1,748,411	1,485,100	1,485,100	2,185,100	700,000	47.1
6512 Sand	3,637	28,500	23,500	28,500	-	-
6513 Seeds & Plants	82,160	73,500	76,000	89,500	16,000	21.8
6514 Sods	5,664	11,700	10,300	11,700	-	-
6515 Stone and Gravel	59,719	93,900	109,400	93,900	-	-
6516 Topsoil	77,507	67,900	102,500	67,900	-	-
6517 Paint	322,198	336,100	331,400	356,900	20,800	6.2
6518 Metal	88,305	71,300	71,500	70,300	(1,000)	(1.4)
6519 Welding Supplies	9,826	12,300	14,000	12,600	300	2.4
6599 Other Materials	41,864	73,100	89,300	72,800	(300)	(0.4)
* Materials	3,808,639	3,609,800	3,607,600	4,441,600	831,800	23.0
6602 Electrical	1,161,786	1,005,700	1,342,100	1,371,900	366,200	36.4
6603 Grnds & Landscaping	92,482	146,100	119,000	179,000	32,900	22.5
6604 Bus Gates/Shltr-R&M	3,652	35,000	35,000	35,000	-	-
6605 Municipal Taxes	1,074,130	1,160,500	1,162,600	1,160,500	-	-
6606 Heating Fuel	1,381,610	706,100	1,326,200	1,203,000	496,900	70.4
6607 Electricity	9,032,524	9,045,400	9,223,300	10,174,200	1,128,800	12.5
6608 Water	1,267,630	1,000,400	1,238,600	1,209,400	209,000	20.9
6609 Elevator & Escalator	186,389	128,700	149,300	141,200	12,500	9.7
6610 Building - Exterior	1,236,364	947,000	978,200	987,000	40,000	4.2
6611 Building - Interior	1,194,146	643,800	1,130,600	1,200,900	557,100	86.5
6612 Safety Systems	714,861	479,100	870,100	919,500	440,400	91.9
6613 Overhead Doors	301,046	234,300	250,800	253,800	19,500	8.3
6614 Envir Assess/Cleanup	204,983	379,500	553,500	578,500	199,000	52.4
6615 Vandalism Clean-up	5,974	10,000	10,000	10,000	-	-
6616 Natural Gas-Buildings	2,266,605	1,390,100	2,005,600	1,929,900	539,800	38.8
6617 Pest Management	45,479	52,700	53,700	186,400	133,700	253.7
6690 Building OCC Transfer	118	-	(116,000)	-	-	-
6699 Other Building Cost	1,771,418	1,054,000	1,283,700	1,578,200	524,200	49.7
* Building Costs	21,941,197	18,418,400	21,616,300	23,118,400	4,700,000	25.5
6701 Equipment Purchase	1,497,866	1,512,700	1,598,400	2,032,500	519,800	34.4

Expenditures	2022/23	2023/24	2023/24	2024/25		
	Actual	Budget	Projections	Budget	Δ 23/24 Budget	Δ %
6702 Small Tools	429,502	288,300	323,400	415,800	127,500	44.2
6703 Computer Equip/Rent	1,698,589	1,725,000	1,747,800	2,256,700	531,700	30.8
6704 Equipment Rental	262,567	194,300	230,000	278,000	83,700	43.1
6705 Equip - R&M	1,009,936	1,140,700	1,276,100	1,249,300	108,600	9.5
6706 Computer R&M	179,369	430,700	521,600	693,800	263,100	61.1
6707 Plumbing & Heating	979,256	785,300	868,200	910,300	125,000	15.9
6708 Mechanical Equipment	1,781,984	1,515,600	1,847,600	1,894,100	378,500	25.0
6711 Communication System	1,491,517	1,704,200	1,703,800	1,711,800	7,600	0.4
6731 Airtime	253,014	258,700	258,700	258,700	-	-
6732 Mobile Data	89,855	92,000	92,000	92,000	-	-
6790 Equipment OCC Trsf	-	-	(68,000)	-	-	-
* Equipment & Communications	9,673,456	9,647,500	10,399,600	11,793,000	2,145,500	22.2
6802 Vehicle R&M	11,556,565	11,391,000	11,762,100	11,901,000	510,000	4.5
6803 Vehicle Fuel - Diesel	20,897,107	19,430,600	19,028,800	19,730,100	299,500	1.5
6804 Vehicle Fuel - Gas	3,553,090	3,205,100	3,205,400	3,288,800	83,700	2.6
6805 Tires and Tubes	1,574,185	1,800,000	1,700,100	1,757,000	(43,000)	(2.4)
6806 Vehicle Rentals	549,765	326,300	334,600	348,000	21,700	6.7
6807 Vehicle Leases	22,322	-	18,000	-	-	-
6809 Electricity-Vehicles	-	-	-	60,000	60,000	-
6810 Comm Vehicle R&M	2,838,344	3,191,000	3,841,000	3,534,000	343,000	10.7
6811 Shop Supplies	112,092	112,500	107,400	115,000	2,500	2.2
6890 Vehicle OCC Transfer	-	495,700	495,700	1,189,700	694,000	140.0
6899 Other Vehicle Expense	670,046	770,900	1,114,300	1,269,900	499,000	64.7
* Vehicle Expense	41,773,516	40,723,100	41,607,400	43,193,500	2,470,400	6.1
6901 Membership Dues	860,185	864,600	875,600	1,010,200	145,600	16.8
6902 Conferences/Workshop	124,407	178,000	241,650	271,900	93,900	52.8
6903 Travel - Local	654,053	765,850	813,900	833,050	67,200	8.8
6904 Travel - Out of Town	877,348	518,300	721,800	819,300	301,000	58.1
6905 Training & Education	1,530,669	1,806,400	2,133,900	2,336,300	529,900	29.3
6906 Licenses & Agreements	964,696	1,077,600	1,082,000	1,242,300	164,700	15.3
6907 Commission Fees	325,555	300,000	300,000	300,000	-	-
6908 Medical Examinations	215,248	342,400	342,800	342,400	-	-
6909 Cost of Sales	505,499	383,970	374,870	383,970	-	-
6910 Signage	157,029	223,200	164,900	281,700	58,500	26.2
6911 Facilities Rental	7,336,134	7,890,400	7,882,500	8,473,900	583,500	7.4
6912 Advertising/Promotio	969,926	1,101,200	1,132,100	1,326,400	225,200	20.5
6913 Awards	96,577	122,500	126,100	120,000	(2,500)	(2.0)
6914 Recruiting	326,825	165,100	481,700	271,100	106,000	64.2
6915 Research Data Acquis	51,384	115,100	115,100	115,100	-	-
6916 Public Education	220,714	210,400	198,400	206,600	(3,800)	(1.8)
6917 Books and Periodicals	2,947,976	2,970,800	2,972,300	3,280,400	309,600	10.4
6918 Meals	233,160	197,550	207,450	207,950	10,400	5.3
6919 Special Projects	1,619,098	2,001,400	3,163,600	4,350,800	2,349,400	117.4
6928 Committee Expenses	3,902	11,400	12,800	13,900	2,500	21.9
6929 Procurement Card Clg	54,790	200	200	200	-	-
6932 Youth Pr Services	38,349	136,000	103,500	140,000	4,000	2.9
6933 Community Events	2,245,073	977,100	1,098,100	1,294,100	317,000	32.4
6936 Staff Relations	27,223	23,500	23,500	63,800	40,300	171.5
6937 Corporate Training	152,072	155,000	151,500	155,000	-	-
6938 Rewarding Excellence	231,776	142,150	157,950	137,650	(4,500)	(3.2)
6940 Fencing	372,556	176,300	9,590,000	293,800	117,500	66.6
6941 Playground Equipment	62,871	53,400	53,400	53,400	-	-
6942 Management Fees	617,844	577,330	627,700	592,830	15,500	2.7
6943 Health and Wellness	62,706	109,600	109,700	110,600	1,000	0.9
6946 Branch Programming	2,259	-	-	-	-	-
6947 Literacy/Heritage Pr	16,618	-	-	-	-	-
6948 Arts/Perform.Program	183	-	-	-	-	-
6950 Region.Serv.Program	610,611	181,000	181,000	231,000	50,000	27.6
6954 Cash over/under	(412)	-	400	-	-	-
6990 Gds & Svcs OCC Trsf	-	-	(70,000)	(140,000)	(140,000)	-

Expenditures	2022/23	2023/24	2023/24	2024/25		Δ %
	Actual	Budget	Projections	Budget	Δ 23/24 Budget	
6999 Other Goods/Services	295,764	4,629,400	4,000,900	4,667,300	37,900	0.8
* Other Goods & Services	24,810,668	28,407,150	39,371,320	33,786,950	5,379,800	18.9
7005 Interdept EXP	-	-	-	200	200	-
7007 ltnTrsf Paper Recyc	-	-	-	500	500	-
7008 ltnTrsf IT & Commun	(350)	-	-	-	-	-
7009 Internal Trfr Other	150,668	21,400	(106,900)	36,500	15,100	70.6
7010 IntTrfr Insur Funds	-	341,100	91,100	341,100	-	-
7011 Int Trf Record Check	-	6,200	3,800	6,200	-	-
7012 Int Trf Print/Reprod	(18,147)	(70,100)	(12,150)	21,300	91,400	(130.4)
7013 Int Trf Extra Duty	(438,440)	(594,100)	(616,400)	(594,100)	-	-
7015 Int Trf FacilityRent	-	(19,000)	(19,000)	(19,000)	-	-
9900 Rev/Exp.Vehicle Rent	-	0	0	0	-	-
* Interdepartmental	(306,270)	(314,500)	(659,550)	(207,300)	107,200	(34.1)
8010 Other Interest	73	200	200	200	-	-
8011 Interest on Debentur	5,672,419	5,302,500	5,302,500	8,210,300	2,907,800	54.8
8012 Principal on Debentu	37,696,019	39,415,000	39,415,000	44,737,000	5,322,000	13.5
8013 Loan Principal Repay	2,434	2,500	2,500	2,500	-	-
* Debt Service	43,370,944	44,720,200	44,720,200	52,950,000	8,229,800	18.4
8001 Transf Outside Agenc	215,212,491	230,297,000	230,807,150	230,691,675	394,675	0.2
8002 Insurance Claims	926,877	700,000	1,900,000	700,000	-	-
8003 Insurance Pol/Prem	4,171,398	4,672,600	3,481,600	5,153,600	481,000	10.3
8004 Grants	10,141,435	6,121,700	19,615,200	6,606,900	485,200	7.9
8005 Tax Exemptions	1,282,280	1,825,000	1,767,000	1,825,000	-	-
8006 Tax Concess Non Prof	5,757,105	6,334,000	6,334,000	7,504,000	1,170,000	18.5
8007 Tax Concess Commerci	4,107,421	3,914,900	4,071,500	3,844,900	(70,000)	(1.8)
8008 Transf to/fr Reserve	-	-	(378,700)	-	-	-
8009 Fire Protection	10,588,137	10,354,900	10,354,900	10,354,900	-	-
8014 Capital from Operati	56,878,924	62,779,000	62,779,000	57,423,000	(5,356,000)	(8.5)
8015 Debenture Discount	226,275	1,000	236,400	278,000	277,000	27,700.0
8016 Provision for Allow	607,869	2,000,000	2,000,000	2,000,000	-	-
8017 Bank Charges	438,129	600,000	750,000	800,000	200,000	33.3
8022 Transf to/fr Trust	(220,466)	(40,400)	(311,500)	(42,400)	(2,000)	5.0
8024 Transf to/fr Capital	(3,281,226)	160,000	536,900	160,000	-	-
8026 Property Damage	75,902	94,200	94,200	94,200	-	-
8030 Tfr Fr Resvs to Oper	(35,744,323)	(13,327,200)	(32,748,700)	(14,478,800)	(1,151,600)	8.6
8031 Tfr To Resvs Fr Oper	63,871,802	47,672,000	47,222,000	38,231,430	(9,440,570)	(19.8)
8045 Amortization Expense	625,631	-	-	-	-	-
8046 Stormwater ROW Chg	4,090,679	5,316,000	5,316,000	5,316,000	-	-
9000 Prior Yr. Sur/Def	(6,876,955)	(6,422,600)	(6,422,600)	(8,219,600)	(1,797,000)	28.0
9001 Current Yr. Sur/Def	4,014,754	1,744,150	1,744,150	3,779,450	2,035,300	116.7
* Other Fiscal	336,894,138	364,796,250	359,148,500	352,022,255	(12,773,995)	(3.5)
** Total	1,127,960,939	1,172,589,750	1,188,685,981	1,236,750,151	64,160,400	5.5

Revenues	2022/23	2023/24	2023/24	2024/25		
	Actual	Budget	Projections	Budget	Δ 23/24 Budget	Δ %
4001 Res. Property Taxes	(287,846,743)	(337,796,700)	(337,796,700)	(374,573,000)	(36,776,300)	10.9
4002 Comm. Property Taxes	(252,162,941)	(263,235,900)	(263,235,900)	(287,617,100)	(24,381,200)	9.3
4005 Resrc Property Taxes	(1,355,487)	(1,451,100)	(1,451,100)	(1,839,300)	(388,200)	26.8
4006 Rec. Non Profit	(24,651)	(17,000)	(17,000)	(17,000)	-	-
4007 Resource Forest Taxes	(39,548)	(42,000)	(42,000)	(42,000)	-	-
4008 Comm. Forest Taxes	(88,203)	(89,000)	(89,000)	(89,000)	-	-
4014 Climate Action Tax	(18,111,211)	(18,000,000)	(18,000,000)	(18,402,400)	(402,400)	2.2
4100 Deed Transfer Taxes	(74,978,431)	(76,000,000)	(66,000,000)	(65,000,000)	11,000,000	(14.5)
4101 Capital Charges	(321,163)	(7,934,600)	(7,934,600)	(5,700,000)	2,234,600	(28.2)
* Tax Revenue	(634,928,377)	(704,566,300)	(694,566,300)	(753,279,801)	(48,713,501)	6.9
4201 Area Rate Residential	(167,555,117)	(184,835,950)	(184,802,300)	(184,835,950)	-	-
4202 Area Rate Commercial	(39,755,220)	(39,156,800)	(39,156,800)	(39,156,800)	-	-
4204 Area Rate Loc Transi	(35,242,712)	(37,364,800)	(37,364,800)	(40,995,100)	(3,630,300)	9.7
4205 Area Rate Reg Transp	(21,640,915)	-	-	-	-	-
4206 Area Rate Resource	(793,758)	(785,200)	(785,200)	(785,200)	-	-
* Area Rate Revenue	(264,987,721)	(262,142,750)	(262,109,100)	(265,773,050)	(3,630,300)	1.4
4501 Tax Agreement - NSLC	(785,920)	(809,500)	(809,500)	(809,500)	-	-
4502 Tax Agreement - NSPI	(4,866,123)	(4,603,000)	(5,719,100)	(4,603,000)	-	-
4503 Tax Agreement - Bell	(1,652,925)	(1,762,700)	(1,563,200)	(1,762,700)	-	-
4506 Tax Agreement - Mari	(841,034)	(810,000)	(810,000)	(810,000)	-	-
4507 Tax Agreement - Heri	(1,551,079)	(1,613,200)	(1,678,500)	(1,613,200)	-	-
4508 Tax Agreement - HIAA	(1,648,030)	(1,722,400)	(1,722,400)	(1,928,000)	(205,600)	11.9
4509 Tax Agrmnt - Irving	(1,319,476)	(1,457,100)	(1,457,100)	(1,457,100)	-	-
4550 Tax Agreement - Other	(300,808)	(250,200)	(250,200)	(250,200)	-	-
* Tax Agreements	(12,965,394)	(13,028,100)	(14,010,000)	(13,233,700)	(205,600)	1.6
4601 Grant in Lieu-Fed	(26,679,934)	(28,867,400)	(28,867,400)	(30,103,100)	(1,235,700)	4.3
4602 Grant in Lieu-Prov.	(10,669,849)	(11,850,500)	(11,850,500)	(14,300,600)	(2,450,100)	20.7
4603 Grant in Lieu-CPC	(735,763)	(771,800)	(771,800)	(825,400)	(53,600)	6.9
4605 Grant Lieu-Hflx Port	(1,934,307)	(1,927,600)	(1,927,600)	(1,832,500)	95,100	(4.9)
4606 Grant in Lieu - CBC	(41,544)	(41,100)	(41,100)	(40,600)	500	(1.2)
4607 Grant Lieu -Via Rail	(191,141)	(175,000)	(175,000)	(171,400)	3,600	(2.1)
4608 Grant in Lieu - WCB	(132,477)	(138,600)	(138,600)	(140,200)	(1,600)	1.2
4609 Grant in Lieu- Citad	(1,751,233)	(1,831,200)	(1,831,200)	(1,984,300)	(153,100)	8.4
4610 Grant in Lieu-NRC	(413,918)	(64,600)	(64,600)	(70,100)	(5,500)	8.5
4650 Grant in Lieu - Other	(13,931)	(14,200)	(14,200)	(14,800)	(600)	4.2
* Payments in Lieu of taxes	(42,564,098)	(45,682,000)	(45,682,000)	(49,483,000)	(3,801,000)	8.3
4703 Cond.Grant NS(Other)	(9,121,647)	(9,524,300)	(11,562,300)	(9,074,300)	450,000	(4.7)
4704 Conditnl Grnts Other	(12,283,086)	-	(11,992,800)	-	-	-
4706 Uncond.Grant NS(oth)	(3,579,525)	(3,600,000)	(3,707,800)	(3,600,000)	-	-
4750 Other Grants	(4,053,123)	(3,387,000)	(4,997,000)	(4,492,000)	(1,105,000)	32.6
* Transfers from other Gov'ts	(29,037,381)	(16,511,300)	(32,259,900)	(17,166,300)	(655,000)	4.0
4801 Int. Rev. - Tax	(3,275,475)	(4,300,000)	(4,300,000)	(4,300,000)	-	-
4803 Int. Rev. - Cap.Chrg	(529,839)	(265,400)	(339,400)	(451,000)	(185,600)	69.9
4850 Int. Rev. - Other	(233,380)	(85,000)	(85,000)	(85,000)	-	-
4860 Investment Income	(7,061,360)	(12,000,000)	(12,000,000)	(15,000,000)	(3,000,000)	25.0
* Interest Revenue	(11,100,054)	(16,650,400)	(16,724,400)	(19,836,000)	(3,185,600)	19.1
4901 Parking Station Rev	(3,512,007)	(4,156,000)	(4,256,000)	(4,625,000)	(469,000)	11.3
4902 Fines Fees	(399,338)	(4,500)	(4,500)	(6,500)	(2,000)	44.4
4903 Building Permits	(7,255,162)	(8,060,000)	(7,500,000)	(8,310,000)	(250,000)	3.1
4904 Plumbing Permits	(180,440)	(150,000)	(150,000)	(150,000)	-	-
4905 St. Opening Permits	(582,860)	(595,000)	(625,000)	(645,000)	(50,000)	8.4
4906 Subdivision Applic.	(207,040)	(175,000)	(250,000)	(250,000)	(75,000)	42.9
4907 Taxi Licenses	(113,612)	(140,000)	(140,000)	(140,000)	-	-
4908 Animal Licenses	(207,957)	(175,000)	(175,000)	(175,000)	-	-
4909 False Alarm Recovery	(814,832)	(530,000)	(700,000)	(830,000)	(300,000)	56.6
4911 Zoning Fees	(100,800)	(90,000)	(120,000)	(120,000)	(30,000)	33.3
4912 Signs & Encroachments	(859,621)	(635,000)	(710,000)	(753,400)	(118,400)	18.6

Revenues	2022/23	2023/24	2023/24	2024/25		
	Actual	Budget	Projections	Budget	Δ 23/24 Budget	Δ %
4914 Grade Alterations	(148,389)	(200,000)	(200,000)	(200,000)	-	-
4915 Minor Variance	(31,507)	(35,000)	(30,000)	(30,000)	5,000	(14.3)
4916 Vending Licenses	(14,381)	(25,000)	(25,000)	(25,000)	-	-
4920 Development Permits	(583,780)	(600,000)	(750,000)	(750,000)	(150,000)	25.0
4921 Parking Permit Rev	(309,685)	(350,000)	(500,000)	(500,000)	(150,000)	42.9
4922 Parking Ticket Rev	(3,295,060)	(4,155,000)	(4,377,000)	(4,600,000)	(445,000)	10.7
4950 Other Lic. & Permits	(282,991)	(160,000)	(293,800)	(335,000)	(175,000)	109.4
4951 By-Law F300 Revenue	(1,268,583)	(1,696,300)	(1,454,000)	(1,454,000)	242,300	(14.3)
5101 Parking Rentals	(2,686,340)	(2,562,200)	(2,761,100)	(2,839,100)	(276,900)	10.8
5102 Facilities Rentals	(3,193,692)	(2,578,700)	(2,669,600)	(2,722,600)	(143,900)	5.6
5107 Rental Ball Fields	(255,908)	(277,000)	(254,800)	(282,400)	(5,400)	1.9
5108 Rental Sportsfields	(204,236)	(230,000)	(202,500)	(234,600)	(4,600)	2.0
5109 Rental Parks	(27,053)	(22,400)	(22,300)	(22,800)	(400)	1.8
5110 Rental Sports Courts	(20,791)	(20,400)	(12,700)	(20,800)	(400)	2.0
5111 RTAL Weather Fields	(434,344)	(429,000)	(479,500)	(485,700)	(56,700)	13.2
5150 Other Rental Revenue	-	(2,700)	(3,200)	-	2,700	(100.0)
5151 Lease Revenue	(907,127)	(955,700)	(1,044,500)	(1,074,400)	(118,700)	12.4
5201 Fare Revenue	(30,739,929)	(32,392,800)	(32,832,800)	(34,927,200)	(2,534,400)	7.8
5204 Administration Fees	(110,282)	(254,000)	(230,000)	(219,000)	35,000	(13.8)
5205 Tax Certificates	(938,465)	(1,600,000)	(1,300,000)	(1,450,000)	150,000	(9.4)
5209 Comm. Events Rev.	(979,950)	(88,000)	(243,000)	(200,500)	(112,500)	127.8
5210 Sport & Fitness Rev.	(1,097,951)	(978,000)	(1,104,900)	(1,009,800)	(31,800)	3.3
5211 Program Facil. Rev.	-	-	(25,000)	-	-	-
5212 Leisure Skills Rev.	(98,897)	(255,300)	(117,100)	(120,300)	135,000	(52.9)
5213 Play. & Camp Rev.	(1,011,727)	(478,100)	(1,084,400)	(405,600)	72,500	(15.2)
5215 Aquat.Rev.-Instuct.	(686,382)	(1,220,400)	(1,132,000)	(1,144,800)	75,600	(6.2)
5216 Aquat.Rev.-Recreat.	(134,164)	(215,400)	(149,500)	(219,700)	(4,300)	2.0
5219 Ice Rentals	(4,582,932)	(4,354,800)	(4,530,400)	(4,843,800)	(489,000)	11.2
5225 Tipping Fees-Waste R	(1,625,203)	(1,735,000)	(1,735,000)	(1,877,000)	(142,000)	8.2
5227 Photocopier Revenue	(70,874)	(61,000)	(61,000)	(67,800)	(6,800)	11.1
5228 Membership Revenue	(692,469)	(605,700)	(621,400)	(694,100)	(88,400)	14.6
5229 Tax Sale Admin Fees	(77,225)	(90,000)	(150,000)	(190,000)	(100,000)	111.1
5239 Cultural Programs	(281,475)	(224,900)	(281,800)	(164,400)	60,500	(26.9)
5241 Tax Info Revenue	-	(200,000)	(200,000)	(200,000)	-	-
5250 Sales of Svcs-Other	(1,277,525)	(1,474,100)	(1,481,100)	(1,464,300)	9,800	(0.7)
5253 Subdiv Insp Fees	(82,133)	(10,000)	(10,000)	(10,000)	-	-
5255 Engineering Fees	-	-	(9,700)	-	-	-
5256 SOT Revenue	(3,968,638)	(1,872,500)	(1,872,500)	(1,872,500)	-	-
5402 Sale of Bottles	(2,226)	-	-	-	-	-
5403 Sale-Other Recycle	(1,331,684)	(1,800,000)	(1,300,000)	(1,315,200)	484,800	(26.9)
5404 Canteen Revenue	-	-	-	(20,400)	(20,400)	-
5450 Other Sales Revenue	(22,217)	(68,100)	(68,100)	(42,700)	25,400	(37.3)
* Fee Revenues	(77,709,886)	(78,988,000)	(80,250,200)	(84,040,400)	(5,052,400)	6.4
5502 HRWC Dividend	(6,524,043)	(6,586,100)	(6,586,100)	(6,586,100)	-	-
5503 Advertising Revenue	(870,684)	(976,500)	(956,800)	(1,011,700)	(35,200)	3.6
5504 StormWater ROW Levies	(3,924,151)	-	-	-	-	-
5508 Recov External Parti	(37,934,311)	(23,597,800)	(24,621,800)	(22,344,800)	1,253,000	(5.3)
5520 Donations	(263,918)	(20,000)	(20,000)	(20,000)	-	-
5600 Miscellaneous Revenue	(3,872,285)	(3,840,500)	(3,905,500)	(3,975,300)	(134,800)	3.5
* Other Revenue	(53,389,392)	(35,020,900)	(36,090,200)	(33,937,900)	1,083,000	(3.1)
** Total	(1,126,682,304)	(1,172,589,750)	(1,181,692,100)	(1,236,750,151)	(64,160,401)	5.5
Net Total	\$ 1,278,635	\$ -	\$ 6,993,881	\$ -	\$ -	



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 6.2
Budget Committee
November 28, 2023

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

Original Signed

SUBMITTED BY: _____
Cathie O'Toole, Chief Administrative Officer

DATE: November 22, 2023

SUBJECT: **2024/25 Budget Direction**

ORIGIN

Requirement to establish the direction from Council for the 2024/25 Budget and Business Plans.

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.

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 current fiscal year that might not be collected.

(3) The Council shall include an allowance to provide for any variation in the total assessed value shown on 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 property and resource property.

(7) Notwithstanding clause (6)(a), the tax rate for the part of commercial property that is identified on the assessment 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 the estimated requirements of the Municipality.

RECOMMENDATIONS ON PAGE 2

RECOMMENDATION

It is recommended that Budget Committee:

1. Direct the Chief Administrative Officer to develop the 2024/25 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 9.7 percent increase; and,
2. Approve revised debt policy of \$1,800 per dwelling.

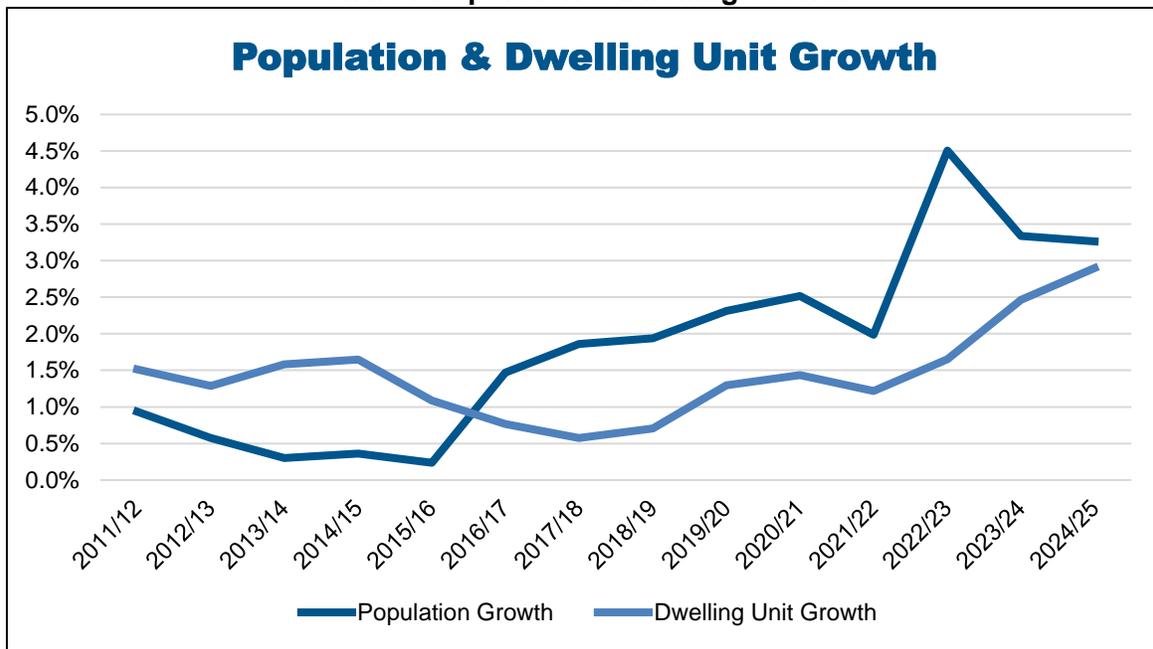
BACKGROUND

In April of 2023 Regional Council approved the 2022/23 Budget which saw an increase to the average tax bill by 5.9 per cent. The increase was to combat rising inflation and lower non-tax revenues. As the municipality begins to build its budget and business plans for 2024/25, much of the same themes continue as it is forced to tackle ongoing inflation and continued population growth.

DISCUSSION

The municipality's population is expected to surpass 500,000 residents in the upcoming fiscal year. This represents an over 3% increase, which will be the eighth consecutive year which population growth has outpaced dwelling growth in the municipality (outlined in chart 1). The gap represents an increasing demand on services provided by the municipality whilst the base which tax is levied on is not growing at the same pace; the growth is not paying for growth or inflation.

Chart 1 Population & Dwelling Growth



Population growth, often a symbol of progress and vitality, brings with it an array of opportunities and challenges. As the municipality attracts new residents, the strain on public services, infrastructure, and resources becomes increasingly evident. Simultaneously, inflation and scarcity of resources continue to have a cascading effect on the cost of goods and services for the municipality.

As a result of these pressures, the sum of the total budget shortfall in 2024/25 is nearing \$105 million. To fund an increase of that size would have required an average tax bill increase of 15.2 per cent. To ease the overall pressure, two funding reductions are being taken to bring the overall increase to \$68.7 million:

- \$30 million reduction to capital-from-operating funding
- \$7 million reduction to Strategic Initiative funding; (SI) reserves

To fund an increase of \$68.7 million requires an increase to the average tax bill of 9.7%. Table 1 outlines the forecasted budget that is currently being worked through.

Table 1 Forecasted Outlook

Expenditures	2023/24 Budget	2024/25 Revisions	2024/25 Year 1	Yr/Yr % Change
Compensation and Benefits	481,701,600	39,559,400	521,261,000	8.2%
Office	13,647,716	580,500	14,228,216	4%
External Services	162,731,700	11,843,700	174,575,400	7%
Supplies	4,500,834	-	4,500,834	0%
Materials	3,609,800	-	3,609,800	0%
Building Costs	18,418,400	4,698,300	23,116,700	26%
Equipment & Communications	9,647,500	655,000	10,302,500	7%
Vehicle Expense	40,723,100	3,539,900	44,263,000	9%
Other Goods & Services	28,407,150	10,349,900	38,757,050	36%
Interdepartmental	(314,500)	-	(314,500)	0%
Debt Service	44,720,200	6,000,000	50,720,200	13%
Other Fiscal	364,762,550	(13,023,000)	351,739,550	-4%
Total Expenditures	1,172,556,050	64,203,700	1,236,759,750	5%
Revenues	2023/24 Budget	2024/25 Revisions	2024/25 Year 1	
Tax Revenue	(704,566,300)	11,000,000	(693,566,300)	-1.6%
Area Rate Revenue	(262,109,050)	-	(262,109,050)	0.0%
Tax Agreements	(13,028,100)	(2,500,000)	(15,528,100)	19.2%
Payments in Lieu of taxes	(45,682,000)	-	(45,682,000)	0.0%
Transfers from other Govts	(16,511,300)	-	(16,511,300)	0.0%
Interest Revenue	(16,650,400)	(2,000,000)	(18,650,400)	12.0%
Fee Revenues	(78,988,000)	(3,493,100)	(82,481,100)	4.4%
Other Revenue	(35,020,900)	1,500,700	(33,520,200)	-4.3%
Total Revenues	(1,172,556,050)	4,507,600	(1,168,048,450)	-0.4%
Net Total	0	68,711,300	68,711,300	

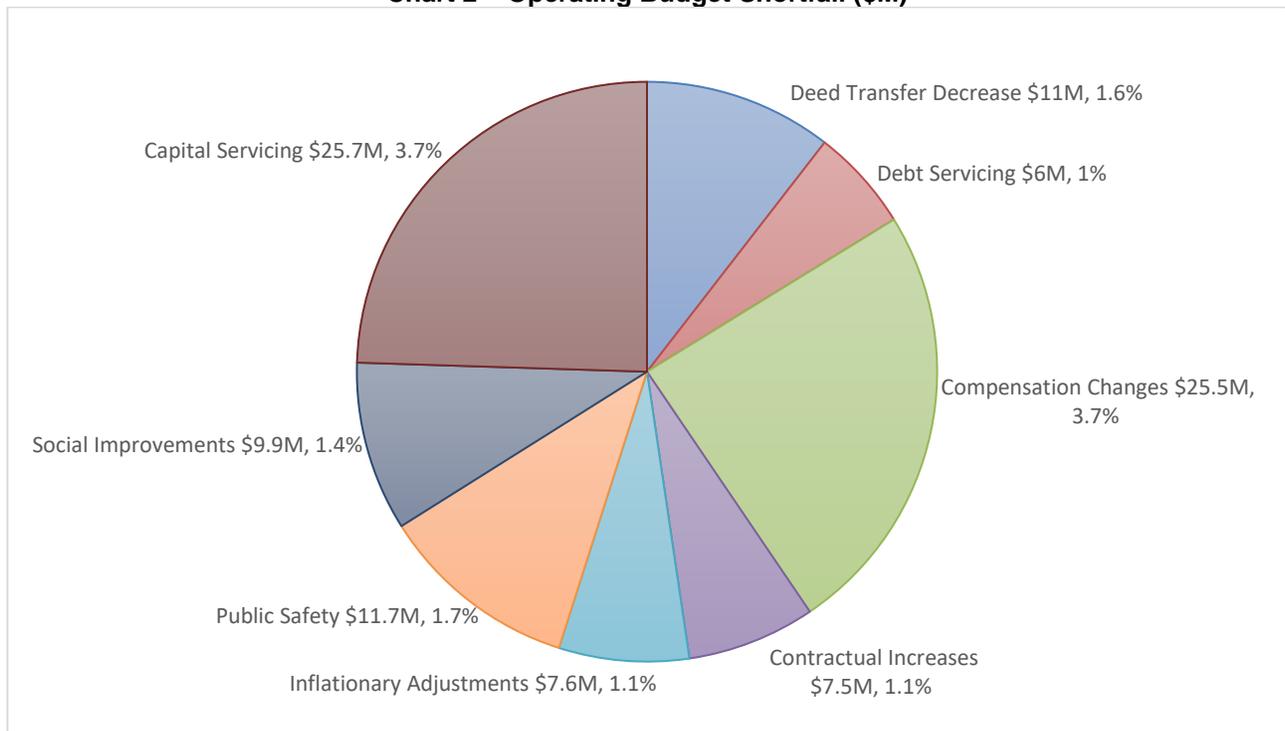
Key Pressures in the Operating Budget

Before any mitigation, there are five areas that represented over 70% of the \$105 million shortfall in the 2024/25 outlook:

- \$25.7 million Increasing Capital-from-Operating to preset guidelines,
- \$25.5 million Compensation increases from settled collective agreements,
- \$11.0 million decrease in deed transfer tax revenues,
- \$7.5 million in contractual agreements,
- \$6.0 million increase in debt payments and interest

The \$105 million shortfall can be broken down further into eight categories as shown in Chart 2. The chart represents the shortfall before any mitigation efforts and how much of an increase each category would increase the average tax bill.

Chart 2 – Operating Budget Shortfall (\$M)

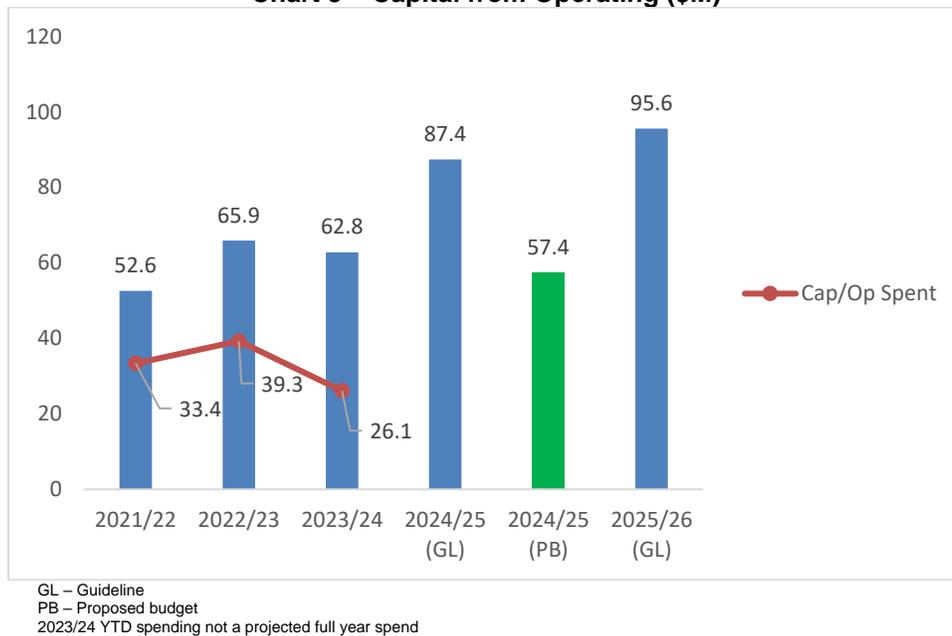


Capital from Operating

During the 2022/23 Budget guidelines were set for capital from operating. The goal of the guidelines was to help fund the capital budget and increase funding toward road projects. While the guideline was followed for the 2022/23 budget, in the 2023/24 Budget the guideline increase was not applied in order to mitigate the tax burden. Capital from operating was then further reduced by \$8 million as the paving budget was lowered. For the 2024/25 budget, to restore capital from operating to the set guidelines, \$25.7 million would need to be added. This increase would have been the largest single increase to the 2024/25 Budget.

Chart 3 outlines the trend of the Capital from Operating. Additionally, it shows the amount of capital from operating that has been used in completed projects. The gap between the budget and actual spend largely represents the capacity of the municipality and industry to deliver on these projects. As a result of these factors, for the 2024/25 budget, the recommendation is to deviate from the guidelines for capital at \$87.4 million and set it at \$57.4 million for the 2024/25 Budget.

Chart 3 – Capital from Operating (\$M)

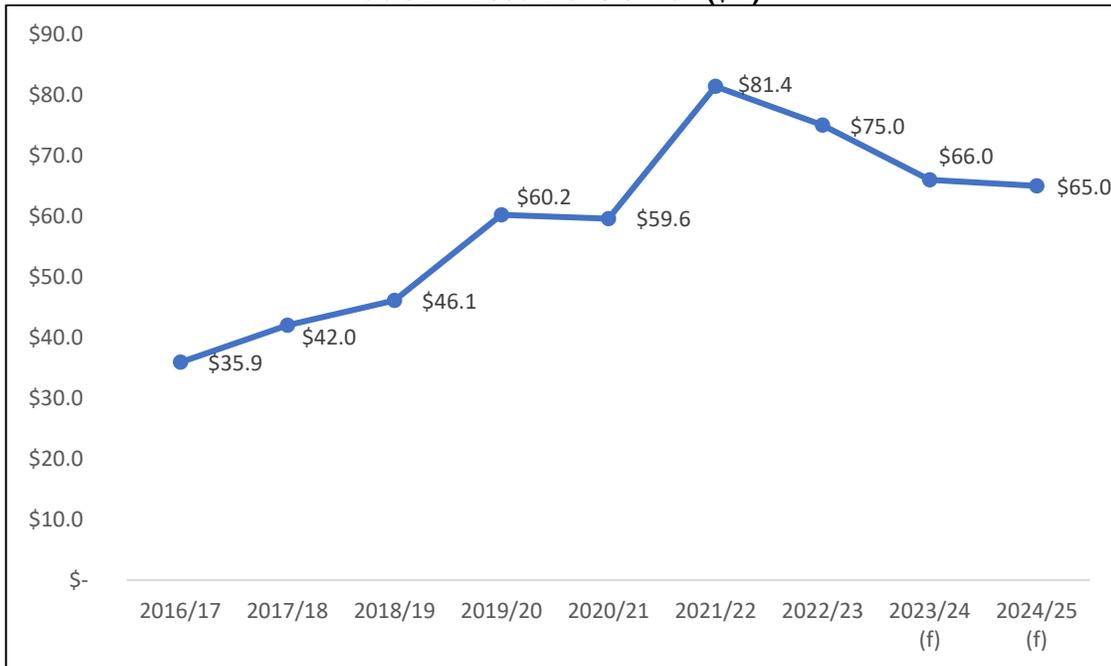


Further reductions to capital from operating will be a challenge. There are projects that are not eligible for debt financing and their only possible source of funding is capital from operating. One such example is information technology projects.

Deed Transfer Tax

Deed transfer tax revenue, which had in recent years experienced significant growth, has declined quicker than expected. As presented last year with the 2023/24 Budget Direction, the estimate for deed transfer tax in 2023/24 and 2024/25 was \$76 million and \$74.3 million respectively. The latest forecast is \$66 million and \$65 million for 2023/24 and 2024/25. This sharper than expected decrease has resulted in \$11 million of pressure to the 2024/25 operating budget.

Table 2 – Deed Transfer Tax (\$M)



Public Safety

The Public Safety category largely represents enhancements that fall within public and community programs which includes:

- \$2.6M RCMP contractual costs
- \$1.4M HRP service enhancements (pending BoPC)
- \$1.3M New HRFE positions
- \$1.6M HRP & HRFE supplies & other non-comp costs
- \$1.5M Volunteer honorarium increase
- \$1.2M Fleet enhancements (24hr shifts & fire fleet)
- \$1.1M Public safety projects & food action plan
- \$0.9M New positions & related costs (Xing Guards, Safety Positions, 24hr investigators, & analysts)
- \$0.1M Various – security & site cleanup costs

Not included in 2024/25 outlook is any enhancements requested by the RCMP to their officer complement.

Social Improvements

Social Improvements category includes budget increases tied to programs or contracts that could be considered to improve the social wellbeing of the municipality and include:

- \$2.6M Living wage adjustments
- \$2.4M MFTP & transit improvements
- \$1.0M Centre Plan & cultural priorities
- \$1.3M Events & other
- \$0.5M Micro mobility projects
- \$0.6M Non-profit redesign
- \$0.5M Increase to affordable access

- \$0.3M Library Collections

Inflationary Pressures

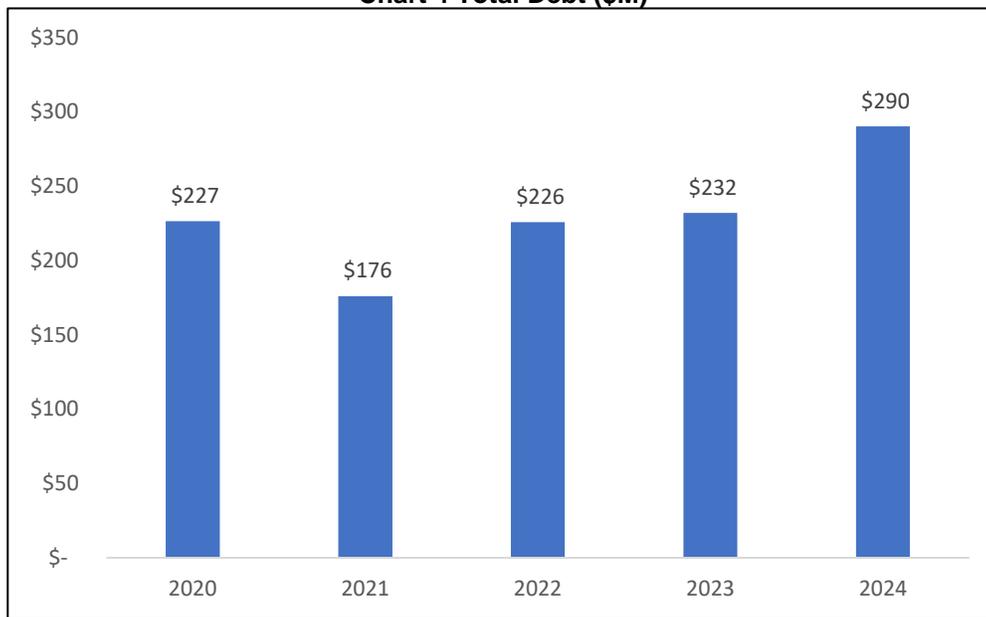
Although inflation has begun to recede, it remains high. Rate increases at Nova Scotia Power, Eastward Energy and Halifax Water have all resulted in substantial increases to building costs. Additionally, consumables used to maintain the transit and municipal vehicle fleet have seen sharp increases. Specifically, the following increases are causing pressure in the 2024/25 budget:

- \$2.8M Utility increases and buildings costs
- \$1.3M Transit pressures (repairs & maintenance)
- \$0.9M Fleet inflation (fuel consumption and R&M)
- \$0.7M Parks materials & building costs
- \$0.5M State of good repair in Public Works
- \$0.6M Operating Cost of Capital for new assets
- \$0.8M Various increases across the organization

Debt

During 2023 the municipality issued \$80 million of debt as part of funding its capital program. Overall, the municipality's debt has reached \$290 million going into the 2024/25 Fiscal Year (the increase is net of the \$80 million issuance and older debentures that have been retired). Total debt is outlined in Chart 4. The debt issued in 2023 carried an over 5% interest rate. The new debt issuance will result in a \$6 million increase to payments and interest costs in the 2024/25 Budget.

Chart 4 Total Debt (\$M)



Strategic Initiative Reserve Funding

During the 2022/23 Budget the Strategic Initiative (SI) funding plan was approved. The SI capital reserve is funded by \$32 million annually, which can be broken down as follows:

- \$18.0 million of funding from the Climate Action Tax (CAT),

- \$7.0 million is from the general rate (often referred to as “one cent on the rate”)
- \$7.0 million is from the operating budget and was tied to Deed Transfer Tax

The recommendation is to reduce the funding to the SI capital reserve by \$7 million. The reduction would be the portion that is tied to Deed Transfer Tax. Where Deed Transfer tax has fallen from its highs, this funding has been lost. The loss of funding to the reserve will result in less reserve funds available to fund principal and interest payments for the debt used to fund SI projects. To mitigate this, some of the SI projects may be pushed out to later years or risk having to fund this debt from the general tax rate. Staff is preparing to review the SI funding plan and will be returning to council with an overall reserve strategy in advance of the 2025/26 Budget.

Further Reductions

Further reductions to the operating budget will be challenging. Of the \$68.7 million increase nearly \$60 million would be considered “fixed” or “non-controllable”. These costs are tied to contracts, collective agreements, utility costs and debt costs:

- \$25.5 million Compensation changes
- \$11.0 million Deed Transfer Tax decrease
- \$7.5 million Contractual increases (such as solid waste & winter works)
- \$7.6 million Inflationary (such as utility costs)
- \$6.0 million Debt servicing

Areas that could be considered for some reductions would fall with the Public Safety & Social Improvement categories. Where some of these programs are just launching, consideration can be given to scaling back, delaying or cancelling these initiatives. Further reductions could be considered by delaying hires to the municipality. However, the impact of this is likely to have a minimal impact to the overall increases and would likely result in some service disruptions.

FINANCIAL IMPLICATIONS

This report provides direction on how to proceed for the development of the overall budget including the establishment of tax levies for 2024/25 as well as debt.

RISK CONSIDERATION

All budgets deal with a level of uncertainty, the 2024/25 Budget Outlook is no different. Budget assumptions changing can pose a risk to the overall financial plan. Changes in assumptions could stem from unforeseen economic fluctuations, geopolitical events, or even internal factors like major projection shifts or unexpected expenses. Such changes can quickly make even the best budget obsolete.

As of the timing of this report, the Q2 financial report projected that the municipality running a deficit in 2023/24. If the municipality does run a deficit, it will need to be funded in the 2024/25 fiscal year. Funding any deficit would require a further increase to the average tax increase.

COMMUNITY ENGAGEMENT

No community engagement was required. In previous years to inform the development of the Budget Direction Report, surveys were conducted to understand resident priorities and where they would like to see municipal budgets directed. The most recent Resident Survey results were made available to Regional Council through an information report provided on November 23, 2021.

The 2024/25 budget consultation process also seeks to solicit public comment by inviting members of the public to provide feedback following each business unit budget and business plan presentation.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

Budget Committee could direct the Chief Administrative Officer to establish an average tax bill increase for Fiscal 2024/25 at rate other than 9.7 per cent for residential and commercial taxpayers and provide direction on what services changes and adjustments staff can make to achieve the desired increase.

ATTACHMENTS

Attachment A – Revised Debt Policy

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: Tyler Higgins, Manager, Budget and Reserves, 902.220.9426,
Dave Harley, Director Accounting & Financial Reporting, 902.497.4260

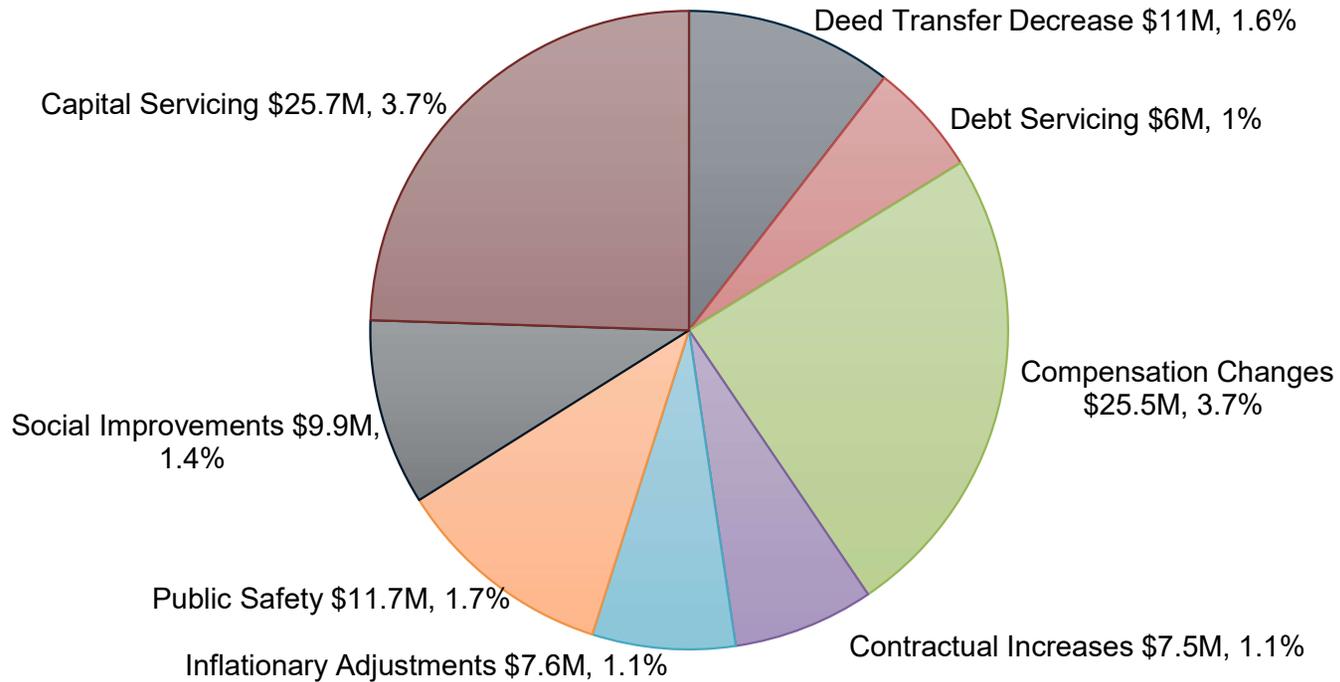
November 28, 2023

Re: Item No. 6.2

HALIFAX

2024/25 Budget Direction

\$105M Budget Shortfall



\$105M Budget Shortfall

5 Items are causing approximately 75% of the shortfall

- \$25.7M Restoring cap-from-op (total **\$86.1M**)
- \$25.5M Compensation
- \$11M Deed transfer tax decrease (total **\$65M**)
- \$7.5M Contractual increases
- \$6.0M Debt (P&I) costs increase

These increases have been offset by a \$0.25 (\$900K) proposed increase to fares

Half of the \$105M Shortfall is Fixed

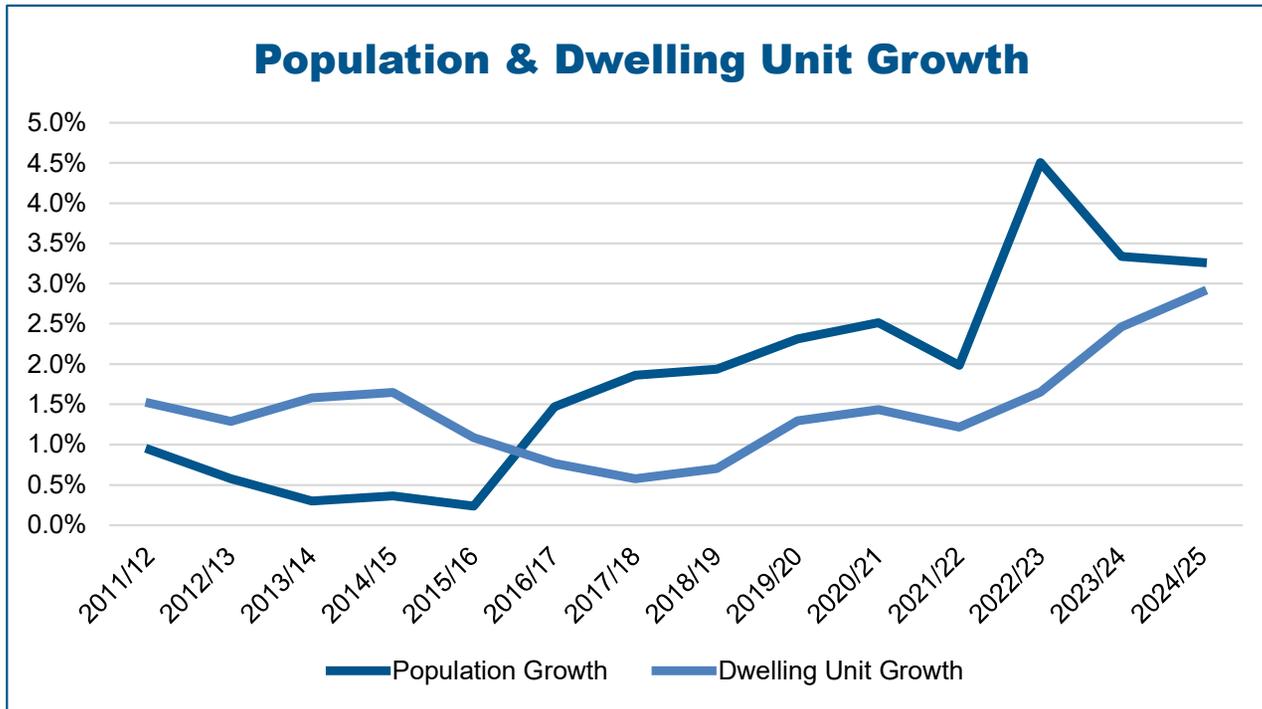
Non-controllable:

- \$25.5M Compensation changes
- \$11M Deed transfer tax decrease
- \$7.5M Contractual
- \$7.6M Inflationary
- \$6.0M Debt servicing

Partially Controllable:

- \$25.7M Cap-from-Op
- \$11.3M Public Safety
- \$9.9M Social Improvements

Key Pressure - Population

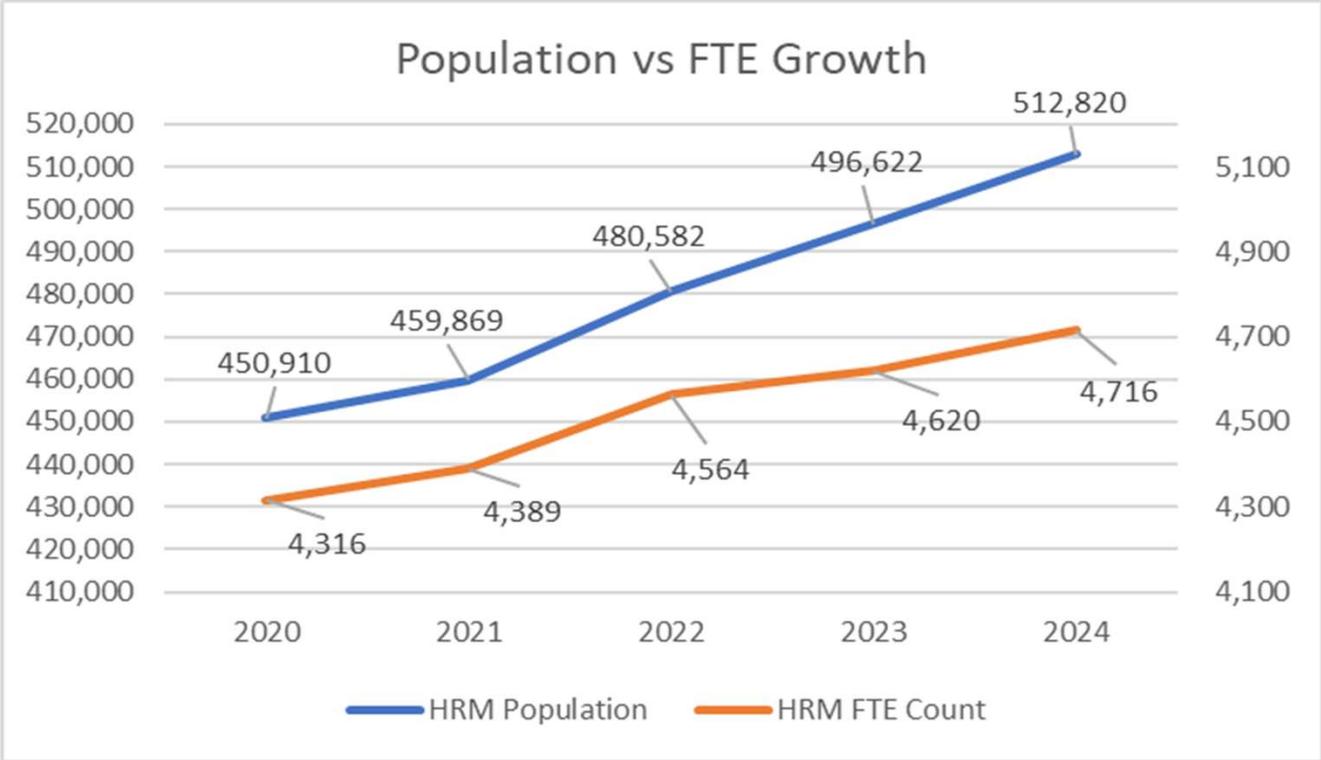


Population sourced from StatCan & forecast provided by Canmac Economics

Population growth increasing pressure on infrastructure:

- Requirements for new infrastructure to service new development (greater than the municipality has the capacity to deliver currently)
- Additional pressure on existing infrastructure in the meantime

FTE Growth



Growth in FTEs are currently growing slower than population growth

Population sourced from StatCan & forecast provided by Canmac Economics

Key Pressures - Social

- \$2.6M Living wage adjustments
- \$2.4M MFTP & transit improvements
- \$1.0M Suburban plan & cultural priorities
- \$1.3M Events & other
- \$0.5M Micro mobility projects
- \$0.6M Non-profit redesign
- \$0.5M Increase to affordable access
- \$0.3M Library collections

Key Pressures – Public Safety

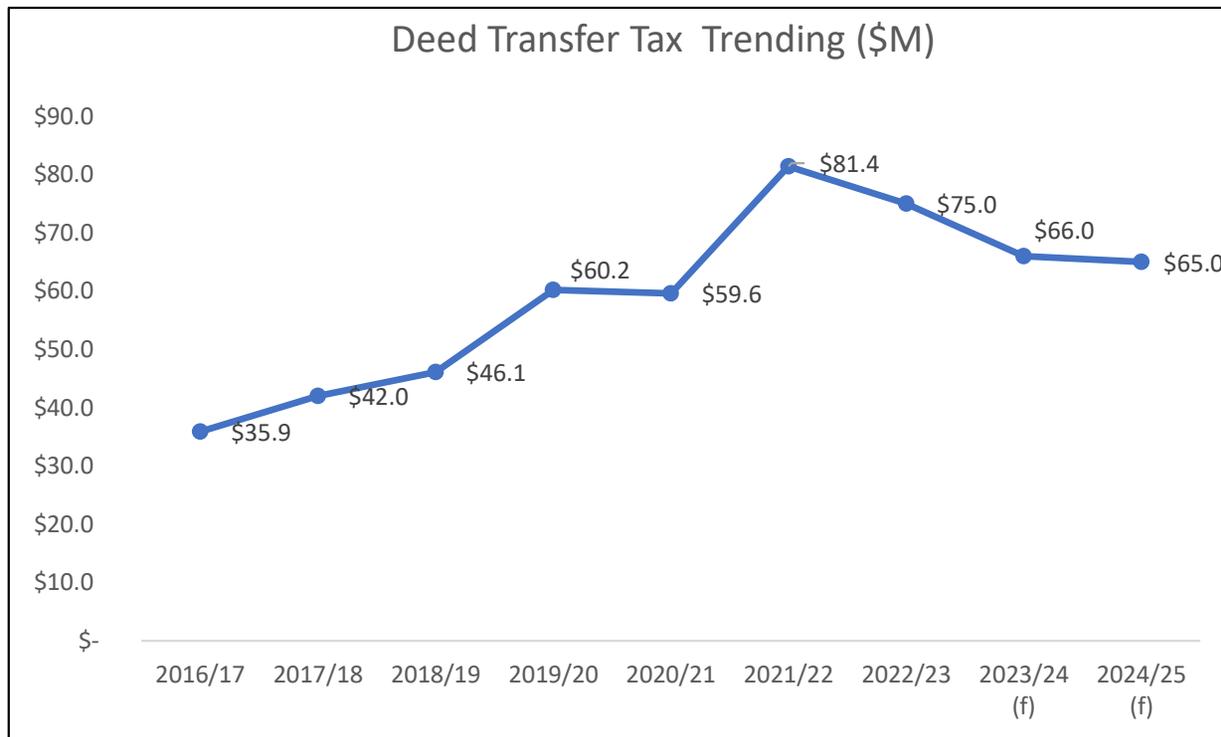
- \$2.6M RCMP contractual costs
- \$1.4M HRP Service enhancements (pending BoPC)
- \$1.3M New HRFE positions
- \$1.6M HRP & HRFE supplies & other non-comp costs
- \$1.5M Volunteer honorarium increase
- \$1.2M Fleet enhancements (24hr shifts & fire fleet)
- \$1.1M Public safety projects & food action plan
- \$0.9M New positions & related costs (crossing guards, safety positions, 24hr investigators and analysts)
- \$0.1M Various - security & site cleanup costs

7

Key Pressures – Inflationary

- \$2.8M Utility increases and buildings costs
- \$1.3M Transit pressures (repairs & maintenance)
- \$0.9M Fleet inflation (fuel consumption and R&M)
- \$0.7M Parks materials & building costs
- \$0.5M State of good repair in right-of-way
- \$0.6M Operating cost of capital
- \$0.8M Various increases across the organization

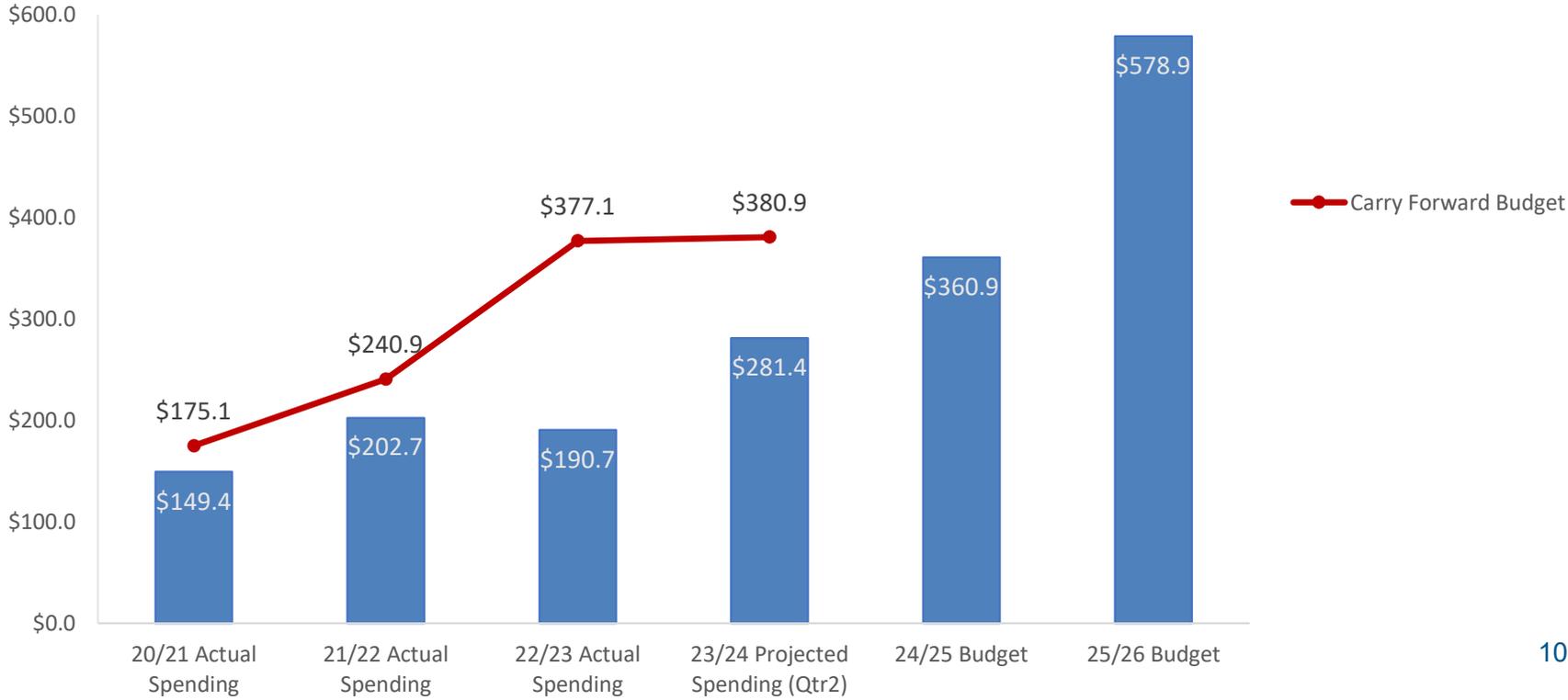
Deed Transfer Tax Decline



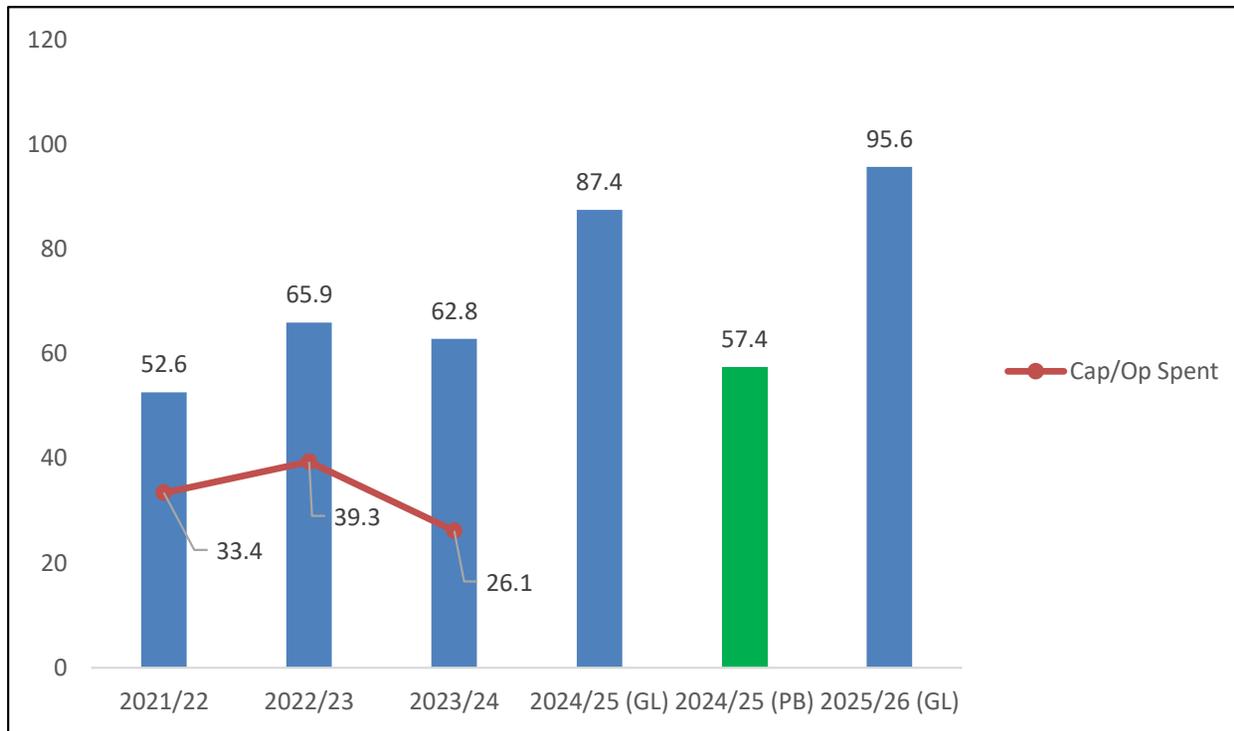
Deed Transfer Tax peaked in 2021/22 and will temperately stabilize at \$60M-\$65M

2024/25 Forecast provided by Canmac Economics

Capital Trends & Pressures (\$M)

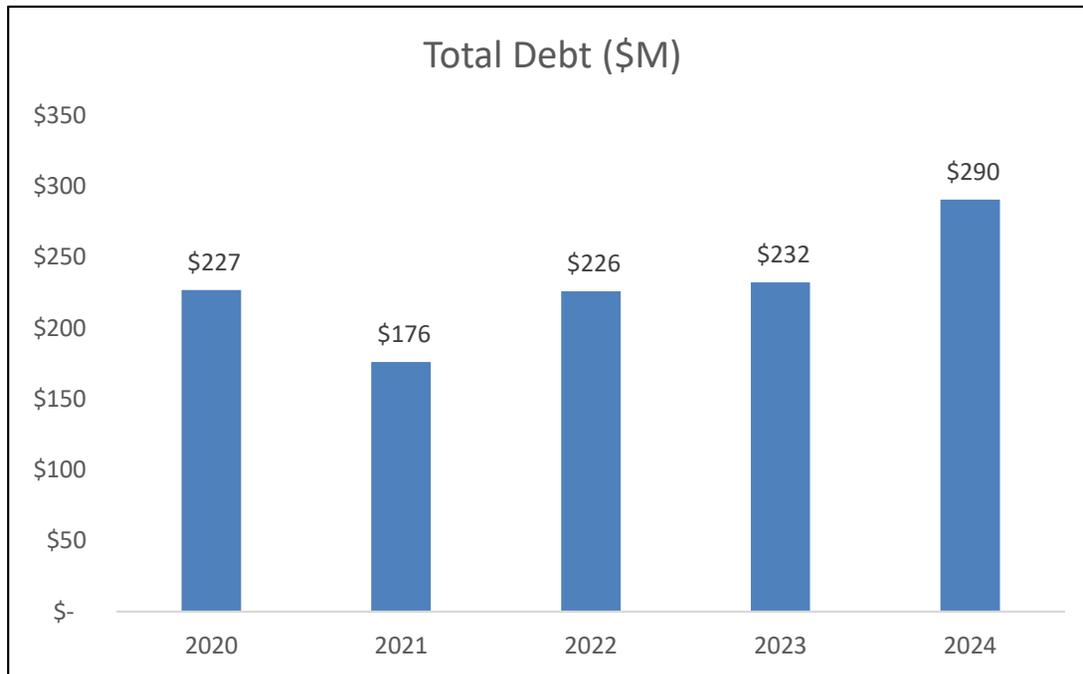


Capital from Operating (\$M)



\$8M removed for roads in 2023/24 and CPI/increase was not included.

Debt Costs are Increasing



\$80M of debt was issued during 2023 at an interest rate of over 5%

The increase in the debt ceiling adds over \$50M of debt capacity

Tax Increase Mitigation

To lower the tax increase from 15.2% to 9.7% the following funding adjustments were made:

- \$30M reduction to capital-from-operating by deviating from guidelines
- \$7M Throttling back funding to Strategic Initiative (SI) reserves

Current Budget Outlook

Expenditures	2023/24 Budget	2024/25 Revisions	2024/25 Year 1	Yr/Yr % Change
Compensation and Benefits	481,701,600	39,559,400	521,261,000	8.2%
Office	13,647,716	580,500	14,228,216	4%
External Services	162,731,700	11,843,700	174,575,400	7%
Supplies	4,500,834	-	4,500,834	0%
Materials	3,609,800	-	3,609,800	0%
Building Costs	18,418,400	4,698,300	23,116,700	26%
Equipment & Communications	9,647,500	655,000	10,302,500	7%
Vehicle Expense	40,723,100	3,539,900	44,263,000	9%
Other Goods & Services	28,407,150	10,349,900	38,757,050	36%
Interdepartmental	(314,500)	-	(314,500)	0%
Debt Service	44,720,200	6,000,000	50,720,200	13%
Other Fiscal	364,762,550	(13,023,000)	351,739,550	-4%
Total Expenditures	1,172,556,050	64,203,700	1,236,759,750	5%
Revenues	2023/24 Budget	2024/25 Revisions	2024/25 Year 1	
Tax Revenue	(704,566,300)	11,000,000	(693,566,300)	-1.6%
Area Rate Revenue	(262,109,050)	-	(262,109,050)	0.0%
Tax Agreements	(13,028,100)	(2,500,000)	(15,528,100)	19.2%
Payments in Lieu of taxes	(45,682,000)	-	(45,682,000)	0.0%
Transfers from other Govts	(16,511,300)	-	(16,511,300)	0.0%
Interest Revenue	(16,650,400)	(2,000,000)	(18,650,400)	12.0%
Fee Revenues	(78,988,000)	(3,493,100)	(82,481,100)	4.4%
Other Revenue	(35,020,900)	1,500,700	(33,520,200)	-4.3%
Total Revenues	(1,172,556,050)	4,507,600	(1,168,048,450)	-0.4%
Net Total	0	68,711,300	68,711,300	

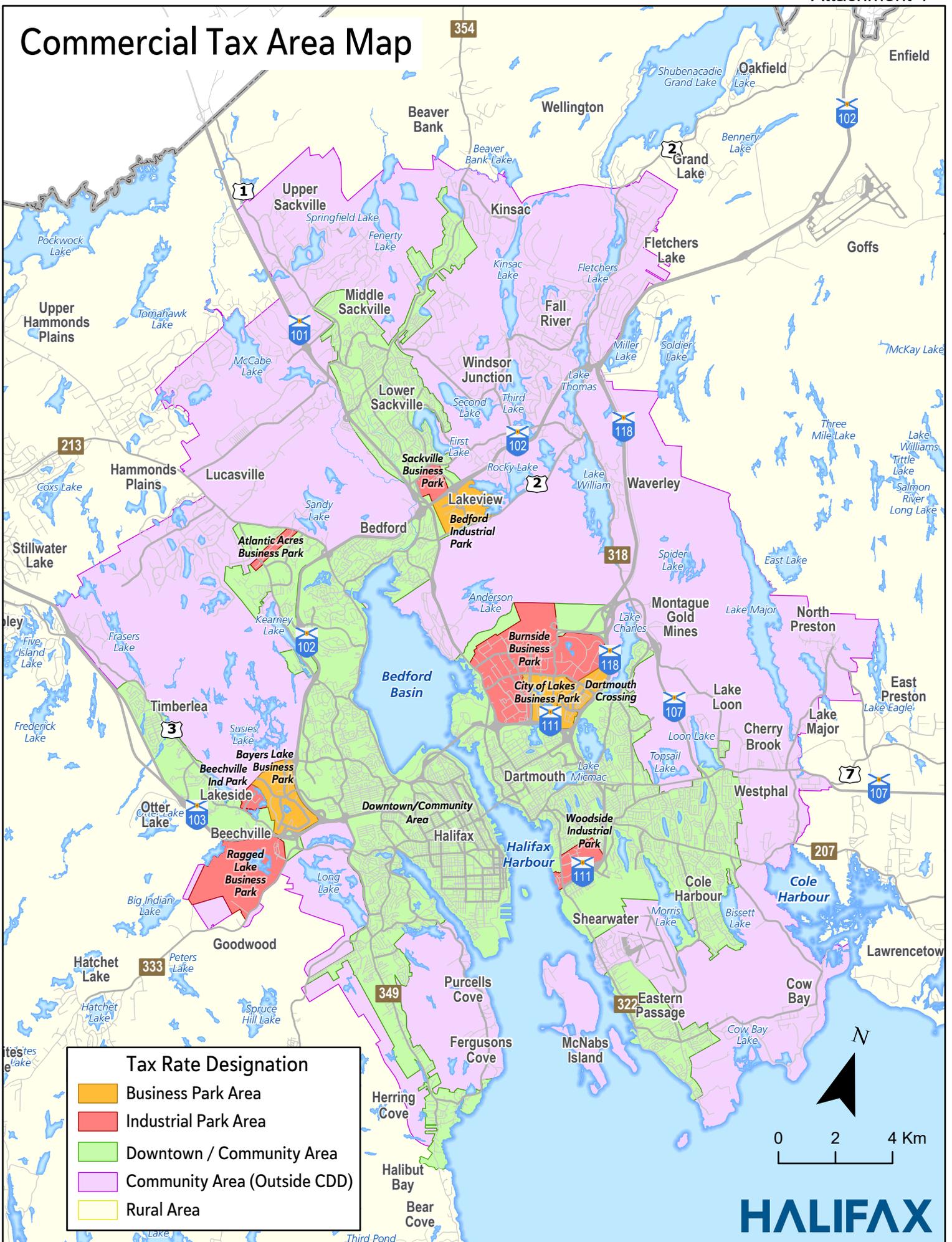
Recommendation

- Develop the draft 2024/25 operating budget to provide an overall increase of \$68.7M and average tax bill increase of 9.7%
 - Impact on tax rate or average tax burden will not be known with certainty until final assessment role is received.
 - A reduction in mandatory Provincial contributions as part of Service Exchange could help partially mitigate the increase in average tax burden
- Increase the debt ceiling to \$1,800 per dwelling

Next Steps

- December 12 - Capital Update & Advanced Tenders
- January 24 - Assessment Update & Capital Plan
- January 31 - March 6/8 Business Unit Presentations
- April 2 - Budget Adjustment List
- April 23 - Budget Approval

Commercial Tax Area Map



Tax Rate Designation	
	Business Park Area
	Industrial Park Area
	Downtown / Community Area
	Community Area (Outside CDD)
	Rural Area



HALIFAX

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