

April 2, 2024

Re: Item No. 6

**HALIFAX**

# **2024/25 Budget Adjustment List**

Budget Committee

# 2024/25 Budget History

- **November – Indicated a 15% increase in municipal taxes was required to meet Council priorities**
- **January - Reduced tax increase to 8.9% increase with the following changes:**
  - \$30M capital funding change from Cap/Op to debt (against established guidelines)
  - \$7.0M reduction to Strategic Initiative funding (will require future budget increases)
  - \$1.7M in budget savings in Public Works within Solid Waste
  - \$1.0M increase in investment income
  - \$1.0M position vacancies
  - \$900K increase in tax revenue due to larger assessment increase
  - \$500K budget savings for Property, Fleet & Environment
  - \$400K net decreases in Finance & Asset Management budget
  - \$200K in revenue increases to the Halifax Airport Tax Agreement

# 2024/25 Budget History

- **March – Can reduce the proposed municipal tax increase to 8% with acceptance of BAL**
  - Overall tax increase of 6.2%
  - 8.0% Average Residential Municipal Tax Bill increase
  - \$185 Increase to the average Residential Municipal Tax Bill
  - Municipal General Rate to increase from 0.760 to 0.769
  - Over \$1B of annual expenditures

# Mandatory Taxes & Service Change

Average Tax Bill	2023/24 Approved	2024/25 Proposed	Δ \$	Δ %
Municipal Portion	\$2,301	\$2,486	\$185	8.0%
Mandatory Taxes	\$1,074	\$1,099	\$25	2.3%
<b>Total Tax Bill</b>	<b>\$3,375</b>	<b>\$3,585</b>	<b>\$210</b>	<b>6.2%</b>

Province announced it will no longer collect:

- Correction Services \$6.9M
- Housing \$5.2M
- With the recommended BAL and these changes, the proposed **total residential tax bill** impact decreases to **6.2%**

# Additional Proposed Budget Changes and Adjustments

Budget Adjustment:	24/25 Amount
Permit Fees Revenue Increase	(\$2,000,000)
Reduction to OCC Provision	(\$1,000,000)
Corp. Accommodations funding shift (CAP/OP Decrease)	(\$1,000,000)
Regional Funding Library Upgrades funding swap	(\$600,000)
Central Library Reserve Funding	(\$1,100,000)
Municipal & Police Fleet Replacement (CAP/OP Decrease)	(\$2,000,000)
Environmental & General Building (CAP/OP Decrease)	(\$400,000)
Streetscaping & Tactical Urbanism	(\$700,000)
<b>Total Budget Reduction</b>	<b>\$ (8,800,000)</b>

- During the budget cycle changes have come forward allowing for some reductions.
- Most of these reductions are one-time or a deferral.
- \$6.1M is one-time savings and will need to be re-funded in 2025/26 Budget.

# Recommended BAL

Option Description	24/25 Amount
Alderney Extra Security (Off-Duty program)	\$100,000
JustFOOD Action Plan	\$250,000
Micromobility Project Savings	(\$250,000)
Reduction in new P&R positions funding	(\$388,900)
Recreation Inclusion Support	\$205,700
Public Safety - Enhance Safe City Program	\$250,000
Public Safety - 1 FTE - Create Community Crisis Response	\$70,900
Public Safety - 1 FTE - Mobile Outreach and Transportation Service	\$70,900
Public Safety - Mobile Outreach and Transportation Service	\$325,000
Housing and Homelessness - Diversion Plan	\$60,000
5 Crossing Guards	\$50,000
Advance the conversion of a fire station in Hammonds Plains	\$2,048,200
RCMP contract enhancements	\$572,300
<b>Total Budget Adjustments</b>	<b>\$ 3,364,100</b>

**13 of 14 Adjustments Recommended:**

- \$3.4M funding required
- 0.6% tax increase to fund
- Includes 2 reductions
- Requested briefing notes included with report

# Transit Fare Increase

Transit fare increase recommended in 2024/25 Budget

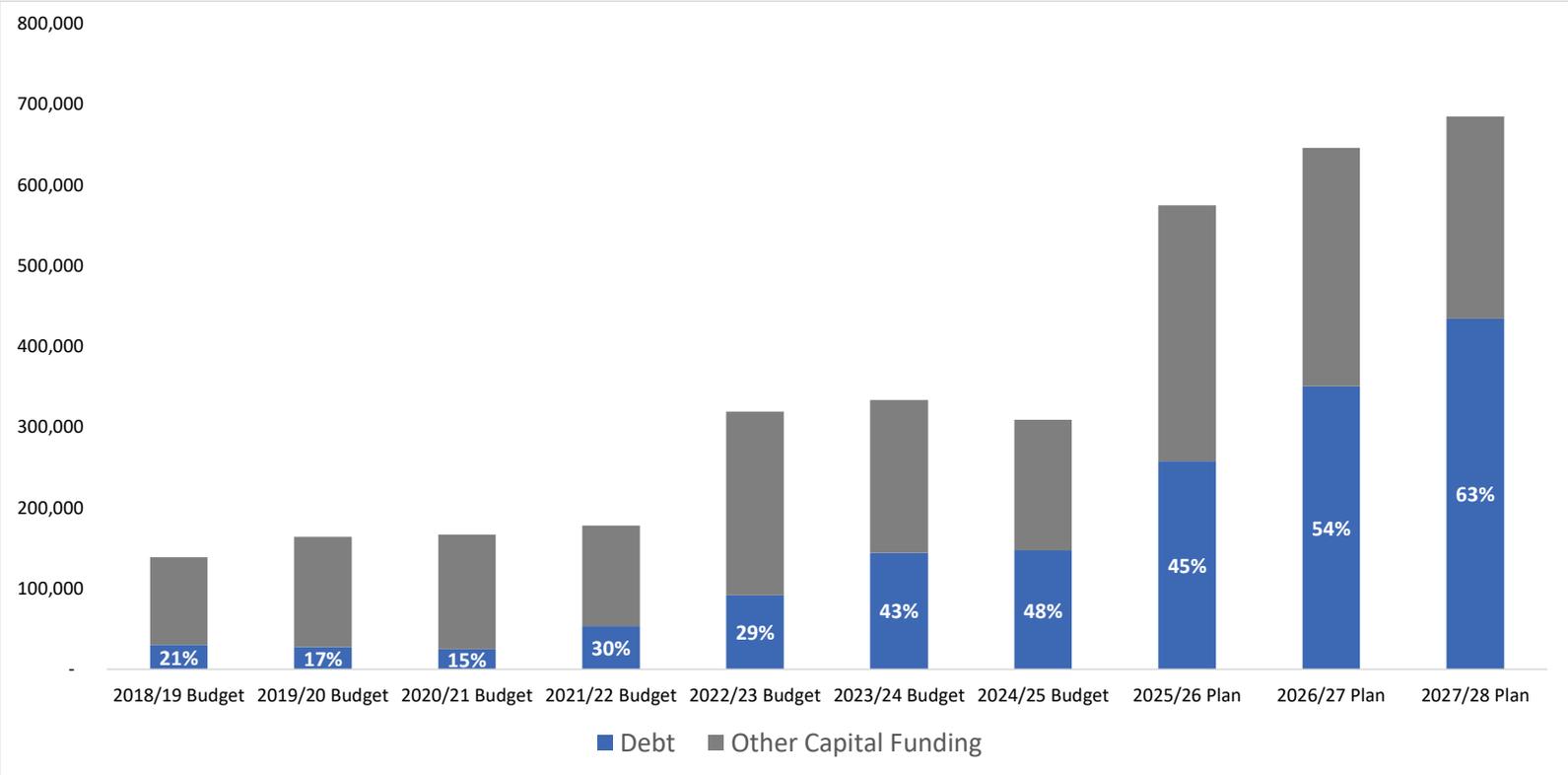
- Increase is in line with other Atlantic Canadian Municipalities
- Used to fund expanding the service (\$2.2M MFTP)
- Removing fare increase requires general rate increase

# Future Budgets

2025/26 Budget expecting 6-7% increase to maintain service levels

- Expenditure increase of \$35M-\$45M for existing services
  - Does not include new services
  - Does not include costs to operate new assets
- Deed Transfer Tax will begin to moderate
- Does not address Capital-from-Operating requirements
- Use of one-time funding or deferring costs will add further tax increases into 2025/26
- Reserve funding needs to be reviewed

# Rising Debt



# Rising Debt

### Debt Service Costs

