

HALIFAX

Municipal Budget

Introduction to the Budget

What is a Budget:

- Budget is a plan/policy document of how funds are used
- Budget gives authority to spend
- Budgets act as a control mechanism by setting spending limits
- Built based on estimates at a point in time
- Must balance expenditures with revenues – Legislatively cannot budget for a deficit

Budgeting at HRM

HRM approach to the budget

1. The Capital Plan

- Budget for physical assets (ie roads, buses)

2. The Operating Budget

- Funds services (pays salaries, and contracts)

2025/26 Budget at a Glance

OPERATING BUDGET: \$1.33B

CAPITAL BUDGET: \$.31B

MUNICIPAL AVERAGE TAX BILL
INCREASE: 4.7%

TOTAL AVERAGE TAX BILL
INCREASE: 5.2%

RESIDENTIAL TAX RATE
UNCHANGED: 0.770 TO 0.770

Key Roles During The Budget

Staff

- Prepares & Presents Budget & Business Plans based on Regional Council's Priorities
- Will prepare subsequent information as requested

Budget Committee

- Reviews Each Budget & Business Plan
- Approves Final Budget Adjustments

Regional Council

- Ratifies Budget & Sets Tax Rates

Note: Budget Committee can not direct changes to HRP's budget. It can either approve the total \$ & FTE or send it back to Board of Police Commissioners with a different amount.

Tax Revenues

Tax Revenues are derived from the Operating Budget

Ways to effect the changes in tax revenues

- Approving/Rejecting New Services
- Increasing/Reducing Existing Services

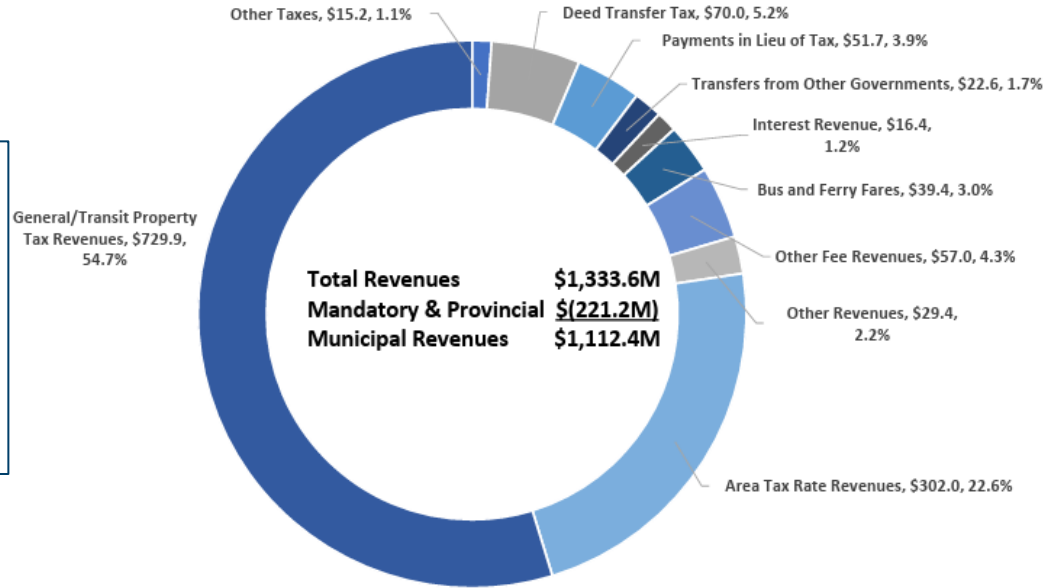
Capital has a limited Impact on Current Year Taxes because...

- Only a small portion of the Capital Budget is funded by the operating budget (Capital Renewal)
- Debt Servicing Costs result from completed Capital Projects

Budget & Property Taxes

The main source of funding for the Municipality is Taxes:

- Over 80% of the budget is funded by taxes



Other Revenues

As mentioned the municipality's primary source of funding is Taxes. The other sources of revenue are:



Transit Fares



Summary Offence
Tickets (SOT)



Interest
Revenue



Parking fees



Development
Fees

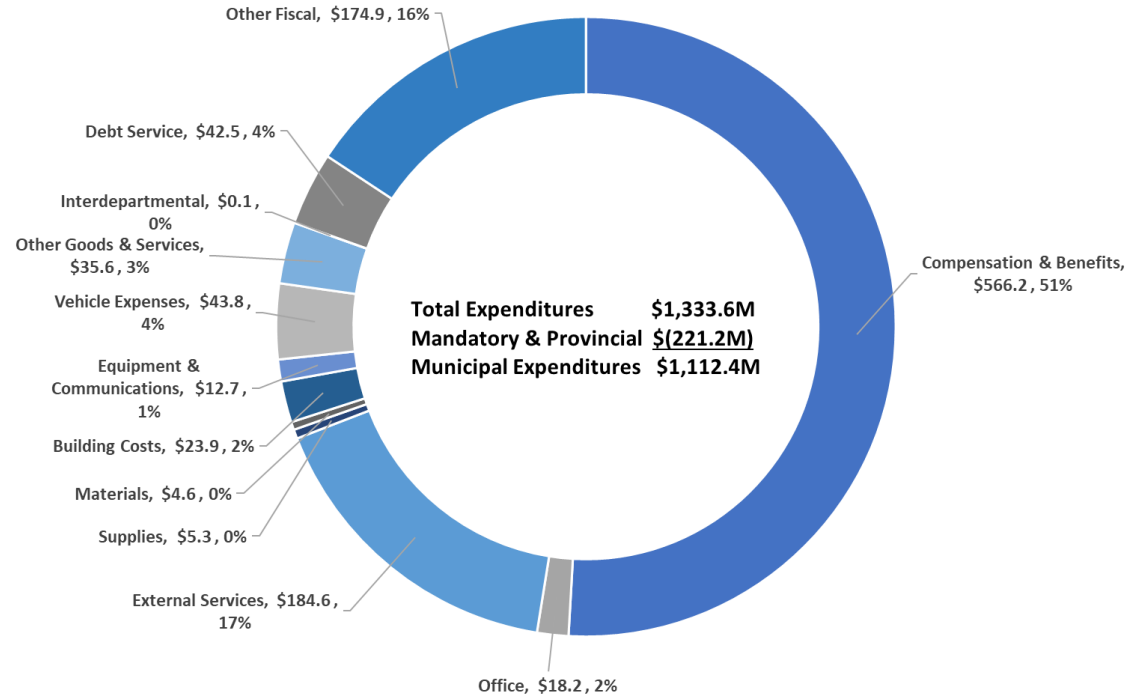


User Fees

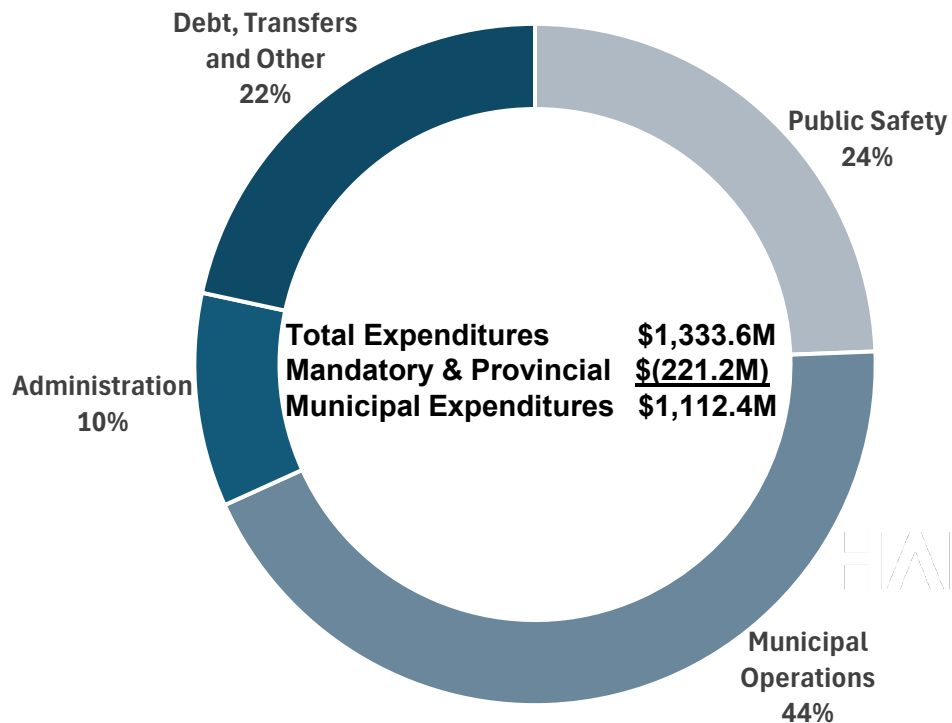
Expenditures

The Municipality has over \$1 Billion in expenditures:

- Over 50% of which is compensation



Expenditures



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Expenses – Maintaining services vs Service Enhancements

The municipality adds new services which requires new funding. These are referred to as “Service Enhancement”

Existing Services will cost will increase due to inflation and growth

- Inflation & collective agreements will cause increases to existing services

As a result, every budget must balance service enhancements with the increasing costs existing services and the increase in tax bills.



HRM Assets: Land, Infrastructure or Equipment

Used in the delivery of defined municipal services

- Art & Cultural Assets
- Bridges
- Buildings/Facilities
- Business Parks
- Business Systems
- Equipment & Machinery
- Landfill
- Natural Assets
- Outdoor Sport Facilities
- Parks
- Roads & Active Transportation
- Stormwater/Wastewater
- Streetlights
- Traffic Signalization/Equipment
- Vehicles
- Vessels



The Capital Plan

Base Program

- Moderate growth & renewal projects required to continue municipal services being delivered as they exist today.
- Commitment to asset condition targets to maintain service quality.
- Need stable, predictable long-term funding sources.

Strategic Initiatives Program

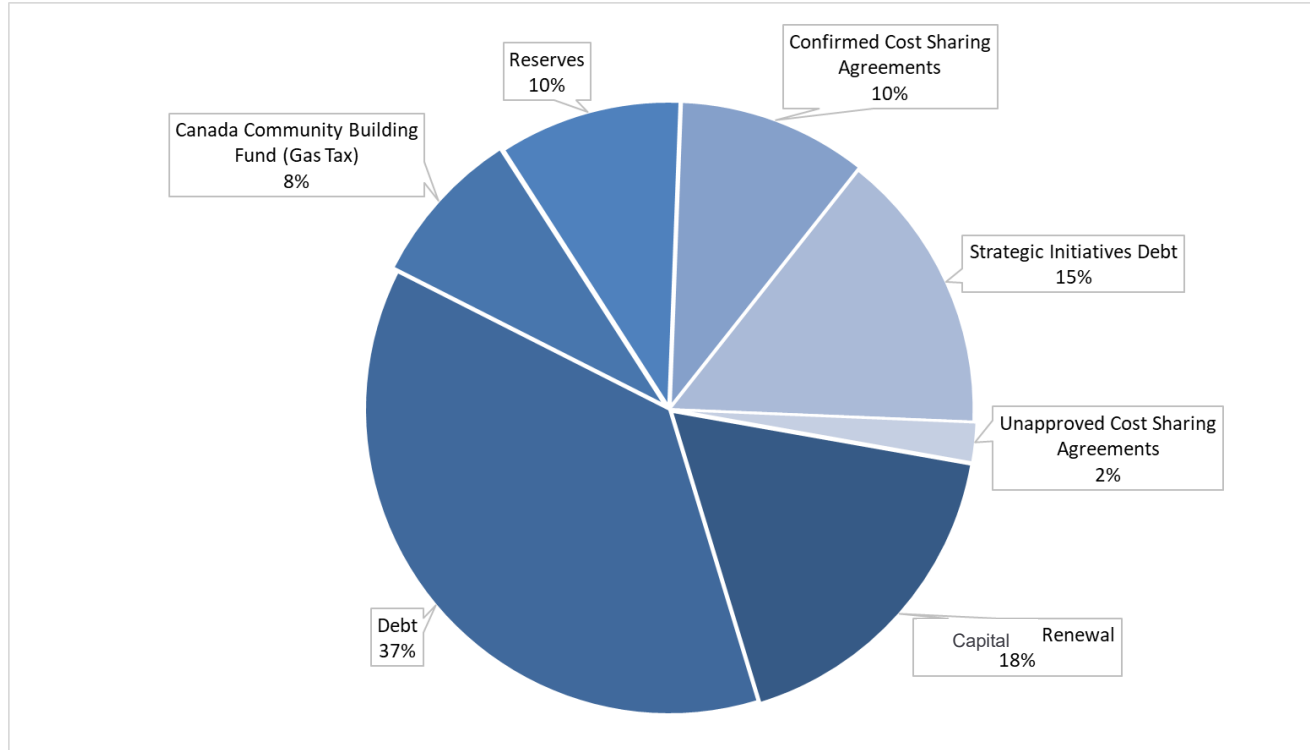
- Large and complex projects integrating significant redesign or growth in assets required to achieve the goals of a key strategic plan.
- Need one-time significant investments above regular municipal capacity.



11



2024/25 Capital Funding Sources



12

2026/27 Budget Schedule Key Dates

- November 19/21 - Budget Direction
- December 9 - Capital Update & Advance Tenders
- January 13 - Assessment Presentation (PVSC)
- January 16 - Draft Budget Books mailout
- January 27 - Public Participation Evening Session (New)
- January 28/30 - Capital Budget
- February 4 – BU Presentations begin
- March 4 – Budget Adjustment List
- March 31- Budget Ratification

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