HALIFAX

REVISED
January 13, 2021
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Item No. 5
Budget Committee
January 13, 2021

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

SUBMITTED BY: Original Signed by
Jacques Dubé, Chief Administrative Officer

DATE: December 20, 2020

SUBJECT: 2021/22 Fiscal Framework

ORIGIN

Requirement to establish the fiscal direction from Council for the 2021/22 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 2021/22 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 1.9 per cent increase and,
2. direct the Chief Administrative Officer to establish an area rate of approximately $0.341 per $100 of assessed value for provincial mandatory contributions.

BACKGROUND

Regional Council approved moving forward with a one-year budget and three-year outlook in December 2020, when Finance staff presented the Fiscal Sustainability Strategy. The Fiscal Sustainability Strategy outlined the current state of core financial variables along with medium-term policy changes to better align financial policy with Regional Council priorities.

The 2021/22 budget is taking place amidst a global pandemic where economic uncertainty is at levels not seen since the 1930s. In a regional context, HRM has endured the pandemic better than most Canadian Metropolitan Areas (CMAs). Federal stimulus coupled with undeterred investment projects have insulated employment and investment levels more than many had feared in early 2020. However, given the current state of the global economy, longer-term damage to labour markets, firm level investment and future productivity in the Halifax region will remain uncertain due to Nova Scotia’s relatively open economy.

Since the approval of the Recast 2020/21 budget in June 2020, staff have been analyzing the impacts of COVID-19. The Fiscal Framework outlines economic parameters, medium-term budget constraints and policy considerations that Regional Council will need to consider in the development of the 2021/22 budget.

DISCUSSION

Preparing and finalizing a budget for HRM is an extensive exercise which includes many iterative steps. There is tremendous demand for new and improved services; the maintenance of existing services; extension of current services to new homes and businesses; and, the ongoing maintenance of $3.8 billion in municipal assets. Balanced against this is the need to set appropriate tax levies on homeowners, businesses, and others. The revenues from these rates allow for the provision of municipal services. The proposed tax levy must be balanced against the value to society of those services, the ability of taxpayers to pay for those items, and the broad competitiveness that the mix of services and taxes will support.

Economic and Financial Assumptions

The Halifax region economy is relatively small and open with a mixture of public-sector employment coupled with considerable finance, insurance, and real estate activity. Its bio-technology and ocean-oriented sectors have innovation-intensive firms that are growing relatively rapidly.

National financial conditions (fiscal and monetary policy) remain highly supportive of investment and are forecast to support consumer and investment sentiment to 2024. However, national economic uncertainty is consumed with the effects of the global pandemic. Most economic researchers believe labour market impacts for lower-skilled workers will be most severe, but the longer-term impacts of COVID-19 remain unknown.

The Halifax region economy is not set to regain its 2019 output before 2024, despite the relatively strong forecasts for real Gross Domestic Product (GDP) and nominal income growth. Inflation will continue to be subdued and then grow at roughly 2 per cent in line with the Bank of Canada target. Population and dwelling units are forecast to grow above 1 per cent over the forecast period.

Figure 1- Economic Outlook to 2024/25

	Prior Year	Current Year	Year 1	Year 2	Year 3	Year 4
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Real GDP Level (Billions)	19,771.4	18,604.9	19,107.2	19,451.1	19,742.9	20,098.3
Personal Disposable Income Growth	2.8%	2.6%	2.1%	1.9%	1.8%	1.8%
Population Level	440,332	450,586	460,882	471,203	481,535	491,871
Percent Change	2.2%	2.3%	2.3%	2.2%	2.2%	2.1%
Dwelling Units	199,475	201,974	203,978	206,005	208,056	210,137
Percent Change	1.1%	1.3%	1.0%	1.0%	1.0%	1.0%
Inflation – (NS CPI)	2.2%	0.5%	1.6%	2.2%	2.2%	2.2%
Employment Level (Thousands)	240.7	231.7	236.3	240.4	244.3	248.4
Percent Change		-3.7%	2.0%	1.7%	1.6%	1.7%

Source: Canmac Economics (Halifax Region Economic Outlook December 2020 Update)

Regional economic fundamentals underpin HRM's fiscal picture. Relative growth in GDP supports the economy overall and produces medium term benefits to the municipality, allowing for higher housing starts and greater construction. Inflationary pressures are more immediate and tend to influence compensation amounts, contract pricing and goods and services ranging from items such as road salt to the RCMP contract. Growth in the population and the number of dwelling units brings new taxpayers but the addition of new properties also leads to new service costs.

According to CMHC and Canmac Economics, housing markets largely reflect macro-fundamentals (nominal GDP, labour income, core inflation) in most Canadian CMAs apart from Toronto and Vancouver CMA. Best econometric estimates suggest price growth in single-family homes (SFHs) will moderate in 12-16 months. Due to a combination of pent up demand (deferred purchases) and unprecedented federal stimulus and financial conditions, housing prices have risen above their historical trend in the last 3 years. Canadian households are carrying substantial debt relative to gross income, an unsustainable equilibrium for housing demand. These risks are expected to affect the market over the next 2-3 years.

<u>Assessment Growth</u>

The assessment roll produced by Property Valuation Services Corporation (PVSC) operates on a lag-basis, meaning the impacts of the pandemic on property assessments are not yet incorporated into value estimates. 2021 assessments reflect 2019 economic conditions and the 2022 roll will include the 2020 economic impacts.

Residential growth has been robust and has exceeded nearly all credible housing forecasts both nationally and regionally. Apartments (a sub-sector of the residential classification) are experiencing rapid growth. Regionally, vacancy rates for private apartments have reached a multi-decade low according to CMHC. Canmac Economics predicts continued tightness in the apartment market due to continued immigration and moderate supply responses. On the 2021 assessment roll, the average weighted assessment increase of

private apartments (4 units+) was 8.1 per cent. Nearly 87 per cent of all apartments experienced some increase in their value. Although almost 82 per cent of single-family homes in the region increased in value, the average market value assessment increased only 2.2%, roughly one quarter that of apartments.
With the Capped Assessment Program (CAP) in place, the average taxable increase was 1.3%. The CAP operates to subdue single family home (SFH) price movements, while non-capped segments of the residential market grow beyond the capped SFH trend.

Outlook to 2024/25

As outlined in the Fiscal Sustainability Strategy in December 2020, staff will be producing a one-year budget with a three-year outlook that outlines required revenues and forecasted expenditure trends. As of December 2020, the estimated outlook to 2024/25 is as follows:

Figure 1b-Outlook to 2024/25

		Year 1	**Year 2**	**Year 3**	**Year 4**
$ Millions	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Expenditures	$ 787.3	$ 827.2	$ 898.2	$ 931.6	$ 956.7
Revenues	(228.5)	(249.1)	(258.7)	(270.1)	(278.5)
Net Expenditures	**558.8**	**578.1**	**639.5**	**661.5**	**678.2**
Tax Levy	(558.8)	(578.1)	(583.5)	(600.0)	(619.2)
Deficit	**$ -**	**$ -**	**$ 56.0**	**$ 61.5**	**$ 59.0**

The three-year fiscal outlook is developed for planning purposes, municipalities are prohibited by legislation from running deficits, a mid-term fiscal view gives Council a bench mark when they are making program or service decisions.

Assumptions used in the development of the fiscal outlook will be further refined as part of the annual planning process. Particular attention will be paid to economic conditions, HRM's assessment base and potential tax revenue. Even with these refinements there will have to be difficult decisions made based on HRM's financial model that include tax rate increases and special rates for green initiatives such as the electrification of the fleet, asset renewal, Integrated Mobility Plan (IMP) and the Moving Forward Together Plan (MTFP) as well as business unit target reductions.

The following table Figure 1c shows a further breakdown of some of the changes over the four years that are contributing to the increase in expenses. It should be noted that the projected deficit does not include reductions to business unit budgets, the tax levy assumes a modest tax rate increase and relatively conservative assumptions on assessment growth in Years 2 and 3, mainly based on the impact of COVID-19 flowing through the system.

Revised Figure 1c – Anticipated Expenditure Changes

$ Millions	**Year 1 2021/22**	**Year 2 2022/23**	**Year 3 2023/24**	**Year 4 2024/25**
Restoring Service Reductions	$ 21.9	$ 18.7	$ 16.9	$ 17.9
Higher Operating Costs	17.2	28.1	48.2	61.2
Providing for Capital	38.9	44.3	49.2	54.5
Adjusting for Covid Contingencies				
Accounting for Liquidity Crisis	(22.1)	(2.6)	(1.3)	(1.3)
Deed Transfer Tax	(5.7)	(7.7)	(10.3)	(12.9)
Sub-Total	**50.3**	**80.8**	**102.8**	**119.5**
Federal Assistance	(31.0)	-	-	-
Net Expenditures	**19.3**	80.8	**102.8**	**119.5**
Tax Levy	(19.3)	(24.8)	(41.3)	(60.5)
Budget Gap	**$ -**	**$ 56.0**	**$ 61.5**	**$ 59.0**

*Some figures may not add due to rounding.

The forecast period is characterized by economic uncertainty and changing behaviours of consumers and households. Staff estimates on Deed Transfer Tax and Commercial assessment growth are lower than official econometric estimates.

The Operating Budget

Based on the economic assumptions, staff have designed a budget approach for 2021/22. This includes both economic and financial assumptions as well as known cost pressures or approved service adjustments.

With the onset of the pandemic in March 2020, staff produced a Recast Budget with expenditure adjustments to deal with the likely impacts of COVID-19. This was passed in June 2020. With the disbursement of federal re-start funds ($31 million for 2021/22), staff propose that many of the expenditure reductions be added back. These are largely concentrated in business units and are focused on leases, grants, training and contract costs. Vacancy management requirements have also been eliminated, however business units are expected to budget for vacancy gaps. Some non-tax revenue streams are slowly returning to trend, including transit fares and parking revenues. The outlook for these revenues remains uncertain, with the effects of the pandemic and work from home trends complicating forecasts. For budget purposes it has been assumed that COVID-19 will impact those revenues for 18 months.

As the Municipality begins to recover from the pandemic and services are restored and expand, expenditures will increase in 2021/22. The Proposed Budget has an increase of $39.9M in expenditures versus the Recast 2020/21 budget. However, the 2021/22 budget is $5.2 million less than the 2020/21 pre-COVID budget. See Attachment B for a comparison of the proposed March 2020, June Recast 2020 budget and 2021/22 expenditures and revenues.

The greatest cost pressure is on compensation which represents 52 per cent of the municipal budget. Compensation is influenced by inflation, rising incomes and the overall labour market. Including new positions and benefits, compensation costs have risen by $27 million (versus the 2020/21 Approved Budget). Following compensation, the next largest increase is contract costs ($8.6 million), which represent close to 15 per cent of the 2021/22 Proposed Budget. Debt Costs have increased from last years approved budget due to the principal and interest repayment of a short-term loan, however, the increase is offset by a reserve withdrawal which is in the Other Fiscal expenditure category. Other Goods and Services have decreased from last year's budget as contingences that were built into the 2020/21 budget for COVID costs are removed in the proposed budget for 2021/22.

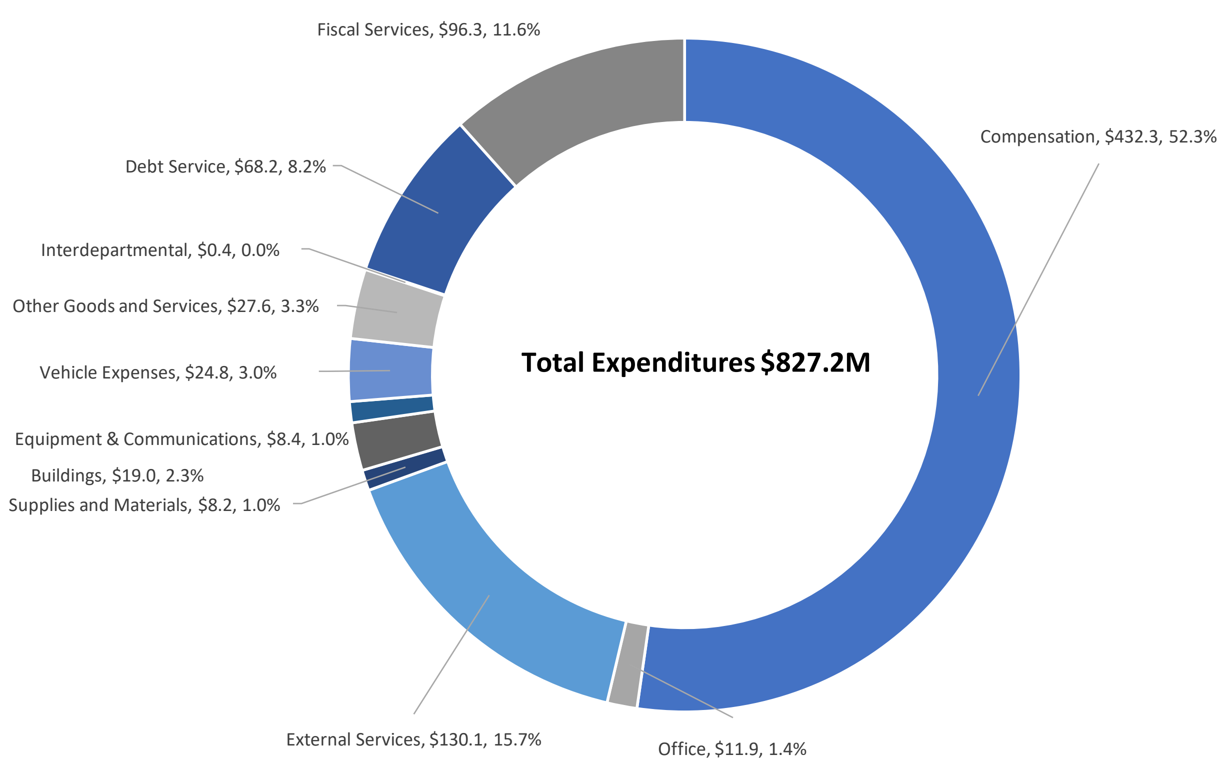
In September 2020 Regional Council directed the CAO to gather information on the potential impacts of the introduction of a Living Wage, as per the Procurement Policy Social Framework. As part of the pressure review carried out with the Business Units information was gathered on contracts that may be up for renewal over the four-year fiscal framework. In 2021/22 the impact of Living Wage is $123 thousand, it is anticipated it will grow to $161 thousand by 2024/25. It should be pointed out that this is a very preliminary estimate based on existing contracts.

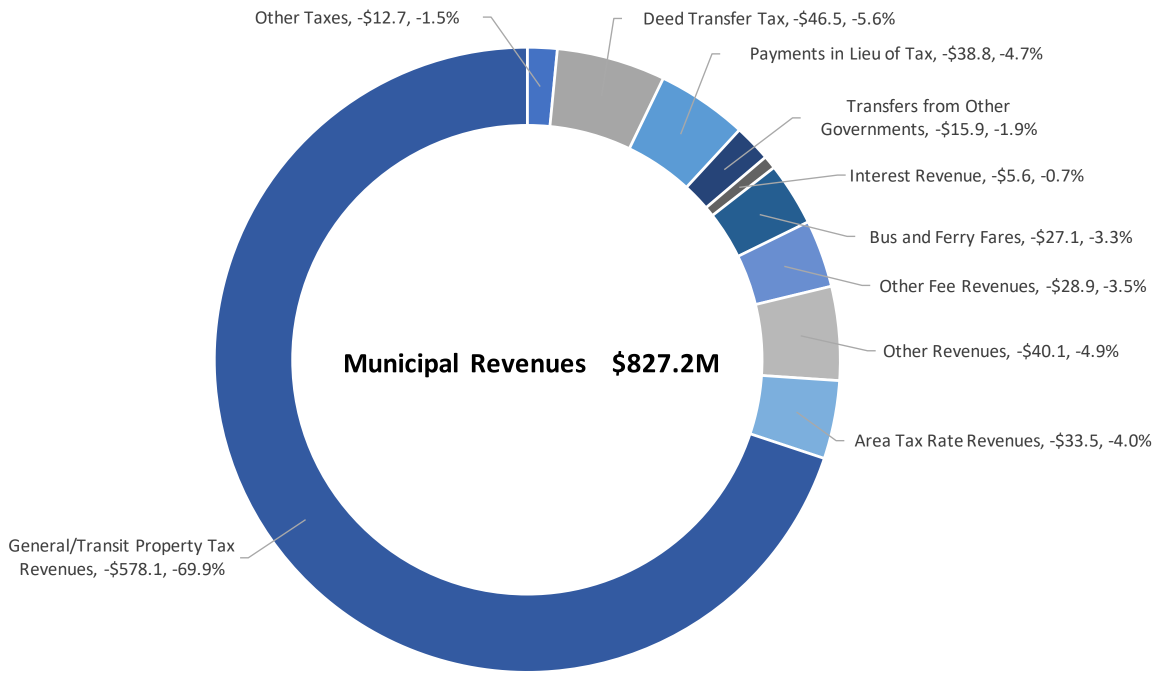
Figure 1d – Living Wage Impact by Business Unit

BU	Living Wage Category	2021/22	2022/23	2023/24	2024/25
FAM & ICT	Salt attendants	-	-	36,000	36,000
P&R	Living Wage Budget Impacts to Grass Contracts	66,000	68,000	68,000	68,000
Library	Living Wage Janitorial Contracts	57,040	57,057	57,074	57,091
Total		**$123,040**	**$125,057**	**$161,074**	**$161,091**

The 2021/22 Proposed Budget will restore budgets for most business units to pre-COVID levels. Except in Halifax Transit, which has a decrease in their budget, this is due an increase in Transit revenue which are projected to offset expenditure increases. See Attachment A for a list of Business Unit proposed budget envelopes.

Figure 2- Estimated 2021/22 Revenues and Expenditures





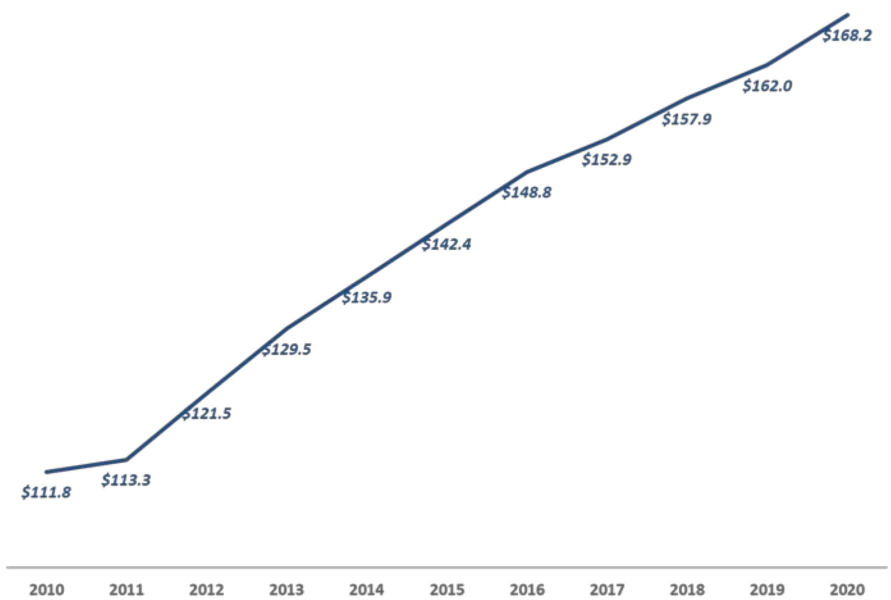
Deed Transfer Taxes (DTT) by their nature are volatile. HRM has seen considerably growth in the past several years resulting in revenues that were above budgeted figures. Finance staff have conducted econometric consulting to assist with forecasting DTT revenue. As part of the 2020/21 recast budget staff reduced the anticipated DDT revenue from a high of $51 million to $40.9 million in anticipation of COVID-19 having a negative impact on housing sales. This was not the case in fact the housing market was hotter than economists had originally forecasted. The 4-year forecast for DTT reflects the historical robustness of the regional housing market. Canada Mortgage Housing Corporation (CMHC) conducted an in-depth study that detailed the fundamentals driving housing markets across Canadian Census Metropolitan Areas (CMAs). In Halifax, price increases were largely driven by economic fundamentals and loose financial conditions (commonly referred to as cheap money). For context, inflation adjusted mortgage rates are lower than they were in 1995. Complicated macroeconomic factors are at play for lower real interest rates. Staff analysis indicates low interest rates are set to be a long-term phenomenon based on central bank and Bank of International Settlements (BIS) analysis.

Provincial Mandatory Costs

Mandatory provincial costs account for $168.2M of HRM total expenditures as of 2020/21, this is estimated to increase to $193.6 million by 2024/25. HRM is required by law to collect these revenues for provincial services. The required contribution is a function of uniform assessment as opposed to the actual provision of services. HRM has the fastest growing assessment base in the province, as a result it sees annual increases in mandatory provincial contributions in the 3% to 5% range. Municipal tax-bills indicate the contribution to provincial mandatory services by each property-owner. HRM is not accountable for how this revenue is spent by provincial departments or agencies. The estimated increase in 2021/22 is $5.6 million.

Over the last ten years, this contribution has increased more than $56 million (see Figure 3 for a ten-year history of provincial mandatory funding costs), an average of 4.2% annually. This increase in provincial mandatory contributions is using municipal tax room, restricting the amount of tax that can be raised by the Municipality for the provision of municipal services.

Figure 3 – Historical HRM Provincial Mandatory Funding Costs (in millions)



The four mandatory provincial costs are described below:

- **Mandatory Education:** This mandatory education contribution is set by the Province at the value of the Provincial Education Rate times the Uniform Assessment.

- **Property Valuation Services Corporation (PVSC):** is mandated under the Nova Scotia Assessment Act to assess every property in Nova Scotia. HRM is required to pay to help fund this independent agency. The contribution amount is set by Provincial formula based on Uniform Assessment and the number of assessment accounts in each municipality.

- **Correctional Services:** HRM is required to make a mandatory contribution to the Province to fund the cost of correctional services. The contribution amount is set by provincial formula based on Uniform Assessment and the number of dwelling units in each municipality.

- **Housing:** HRM is required to pay a portion of the Metropolitan Regional Housing Authority operating deficit each year.

To collect the required revenue to submit to the province, HRM sets an area rate to be levied on all properties. For 2021/22, staff are estimating an area tax rate (for the four mandatory provincial charges) of $0.341 per $100 of assessment for residential, commercial and resource properties.

Taxation

The revenues from property taxes allow for the provision of desired municipal services. The proposed tax levy must be balanced against the value to society of those services, the ability of taxpayers to pay for those items, and the broad competitiveness that the mix of services and taxes will support. In bringing a proposed rate to Regional Council, staff consider many factors, including:

- contractual and **inflationary impacts** on the cost of salaries and wages, goods and services and contracted work,
- service cost increases due to **growth** in the municipality, i.e. new people and properties,
- **new** or enhanced programs or services,
- changes in **fees** and other government revenues,
- potential **efficiencies** in operations to reduce costs.

HRM's approach on setting tax assumptions is to focus on the average tax bill for a home or business. This approach allows HRM to consider the impact on both its revenue base and on its taxpayers. For 2021/22, staff are recommending that average taxes rise by 1.9 per cent. This, along with business unit reductions, will allow the necessary revenues to balance the municipal budget.

Looking at the residential side, an additional **1.9 percent**, for the average single-family homeowner, would increase annual property taxes by **$38**. The prior year, staff had proposed a $30 increase for homeowners.

Figure 4 - Impacts on Average Single-Family Home (2019/20 to 2020/21 and 2020/21 to 2021/22)

	2020/21 Approved	**2021/22 Proposed**
Assessment	247,200	250,400
Tax Rate	0.815%	0.820%
Tax Bill	**$2,015**	**$2,053**
Increase $		38
Increase %		1.9%

	2019/20 Approved	**2020/21 Proposed**
Assessment	242,400	245,800
Tax Rate	0.815%	0.816%
Tax Bill	**$1,976**	**$2,006**
Increase $		30
Increase %		1.5%

Similarly, the average commercial taxpayer would see an increase in their average tax bill of **1.9 per cent**. As commercial values and rates are higher than residential, the dollar impact of this change would be **$817**. The prior year's recommendation is shown below, as well.

Figure 5 - Impacts on Average Commercial Property (2019/20 to 2020/21 and 2020/21 to 2021/22)

	2020/21 Approved	2021/22 Proposed
Assessment	1,427,800	1,465,300
Tax Rate	3.000%	2.979%
Tax Bill	**$42,834**	**$43,651**
Increase $		817
Increase %		1.9%

	2019/20 Approved	2020/21 Proposed
Assessment	1,425,700	1,439,500
Tax Rate	2.988%	3.004%
Tax Bill	**$42,600**	**$43,243**
Increase $		643
Increase %		1.5%

Impact of 2021 Assessment Growth and Proposed Rate Changes

Overall, taxable assessments in the Halifax region increased by 4.3% over the past year, including growth from new homes, apartments, commercial and industrial properties. If property tax rates were held the same as in 2020/21 for residential properties (a municipal urban rate of $0.815), average taxes would increase 1.3% and tax revenues would increase by $15.8 million (assuming commercial property taxes also rise by 1.3% with an urban tax rate of $2.961). With the proposed 1.9% tax bill increases, municipal tax revenues increase an additional $3.5 million or $19.3 million in total.

Interconnection between Capital and Operating

The capital budget provides gross and net estimates of costs to acquire, maintain or enhance capital assets It is funded via reserves, debt, capital from operating and cost-sharing. Revenue from the operating budget is known as Capital from Operating. This figure has fluctuated between $33 and approximately $40 million in the last five years. The 2021/22 contribution to capital from operating is $49.9M.

Staff are scheduled to present the capital budget to Committee of the Whole on Budget in February, at that time funding sources, reserves, capital from operating and debt, for the capital plan will be detailed.

Reserve Policy

Reserve Policy is focused on the following principles:

- Plan for the long-term financial health and stability of the municipality; eliminating or mitigating unstable and unpredictable revenues.
- Ensure HRM can fund projects and events that produce long-term benefits, are strategic, or require significant cost sharing between budget approvals – and where there is sudden or unexpected business opportunity, where future obligations can be reasonably foreseen and where substantial risk to HRM may occur.
- Minimize significant budget fluctuations and reliance on debt financing.

Reserves are funds that are earmarked for future purposes. Certain reserves are required by legislation and can have restrictions on their use. Reserve contributions come from operating funds or from the sale of assets such as surplus land or business park parcels. Used properly, reserves support long-term planning and enhance financial sustainability. Reserves require careful thought and must be tied to very clear, defined needs. Numerous complex commitments exist for non-obligation reserves. Staff are working to simplify and align reserve commitments to Regional Council approved priorities.

FINANCIAL IMPLICATIONS

This report provides direction as to how to proceed for the development of the overall budget including the establishment of tax levies for 2021/22.

RISK CONSIDERATION

Risks related to the recommendations in this Report include changes in underlying economic assumptions. The pandemic has created historical uncertainty for firms, households and governments. Given federal and provincial stimulus programs to date, many households have been made whole and had their purchasing power re-enforced. Near-term risks are the effects of tapering of stimulus for firms and households and their ability to pay property tax. To date, this has been minimal due to cash transfers to businesses and citizens from federal and provincial levels.

COMMUNITY ENGAGEMENT

Citizen engagement has been conducted to gauge citizen attitudes towards services and taxes. Budget Consultations will include an opportunity for the Public to virtually attend the Business Unit draft budget presentations to Committee of the Whole and provide their comments afterwards.

The 2020 Municipal Budget Survey intended to inform the 2021/2022 planning cycle was conducted online and in local newspapers between November 5th and December 14th, 2020. The survey was available to all HRM residents and received 4,312 responses to a variety of budget, planning, and priorities questions. The full results of the 2020 Municipal Budget Survey will be provided in an information report presented to Regional Council on January 26, 2021.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

Budget Committee could direct the Chief Administrative Officer to establish an average tax bill increase for Fiscal 2021/22 at rate other than 1.9% for residential and commercial taxpayers.

ATTACHMENTS

Attachment A – Comparison of Business Unit Budgets, 2020/21 to 2021/22

Attachment B – Comparison of Expenditures and Revenues, 2020/21 to 2021/22

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.

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Attachment A: Budget Envelopes by Business Unit

Business Unit ($ Millions)	2020/21 March Proposed	2020/21 June Approved	2021/22 Proposed Budget	2021/22 v2020/21 Approved
Halifax Regional Fire and Emergency	$ 74.5	$ 71.0	$ 76.7	$ 5.7
Halifax Regional Police	89.8	86.3	88.6	2.3
RCMP	27.5	27.9	27.9	-
Human Resources	6.6	6.4	7.2	0.8
Office of the Auditor General	1.1	1.1	1.1	0.1
Planning and Development	14.3	13.4	16.7	3.2
Legal and Legislative Services	8.4	7.8	8.7	0.9
Halifax Transit	30.5	40.3	38.9	(1.5)
Halifax Public Libraries	22.5	21.7	23.3	1.7
Finance, Asset Management & ICT	39.8	37.0	42.6	5.6
Parks & Recreation	29.8	31.3	33.1	1.8
CAO	8.8	8.1	9.7	1.5
Corporate and Customer Services	42.3	37.0	41.2	4.2
Transportation and Public Works	89.8	84.4	93.8	9.4
Total Before Fiscal Services	**485.8**	**473.8**	**509.4**	**35.6**
Fiscal Services	(485.8)	(473.8)	(509.4)	(35.6)
Total HRM Budget	**$ -**	**$ -**	**$ -**	**$ -**

Attachment B: Multi-Year Budget Comparison

Expenditures ($ Millions)	2020/21 March Proposed	2020/21 June Approved	2021/22 Proposed Budget	2021/22 v2020/21 Approved
Compensation and Benefits	$ 421.4	$ 405.4	$ 432.3	$ 27.0
Office	12.6	10.9	11.9	1.0
External Services	127.1	121.5	130.1	8.6
Supplies & Materials	8.7	6.7	8.2	1.5
Building Costs	20.7	17.1	19.0	1.9
Equipment & Communications	9.2	8.0	8.4	0.3
Vehicle Expense	27.8	22.7	24.8	2.1
Other Goods & Services	29.8	36.9	27.6	(9.3)
Interdepartmental	0.9	0.4	0.4	-
Debt Service	45.2	44.5	68.2	23.7
Other Fiscal	129.1	113.2	96.3	(16.9)
Total Expenditures	**832.4**	**787.3**	**827.2**	**39.9**

Revenues ($ Millions)	2020/21 March Proposed	2020/21 June Approved	2021/22 Proposed Budget	2021/22 v2020/21 Approved
Tax Revenue	$ (516.5)	$ (516.5)	$ (526.9)	$ (10.5)
Deed Transfer Tax	(51.0)	(40.9)	(46.5)	(5.7)
Area Rate Revenue	(76.1)	(76.3)	(84.6)	(8.3)
Tax Agreements	(12.5)	(12.5)	(12.7)	(0.1)
Payments in Lieu of taxes	(39.4)	(39.4)	(38.8)	0.6
Transfers from other Govts	(15.8)	(15.9)	(15.9)	-
Interest Revenue	(8.4)	(4.1)	(5.6)	(1.5)
Fee Revenues	(80.7)	(49.3)	(56.0)	(6.7)
Other Revenue	(31.9)	(32.3)	(40.1)	(7.8)
Total Revenues	**(832.4)**	**(787.3)**	**(827.2)**	**(39.9)**
Total Budget	**$ -**	**$ -**	**$ -**	**$ -**