

Proposed 2011 – 2012 Budget



HALIFAX
REGIONAL MUNICIPALITY

Outline

- Council Direction
- Budget Overview
- Budget Detail
- Budget Impacts
- Timeline
- Recommendation



Council Direction

Council Direction

- December Committee of the Whole:
 - Estimated \$13m shortfall in 11/12 budget
 - Council direction:
 - Maintain “flat” tax rates
 - Reduce Capital from Operating, as needed
 - Use \$3m of service efficiencies
- February update to Council
 - Budget on track
- Skating Oval debate
 - Council approved tax rate increase by 8/10th of a cent, if required



Budget Overview

An Overview of the Budget



- The Proposed Budget is Balanced
- There is no tax “rate” increase
- Council priorities are budgeted for
- Expenditure constraint underway

An Overview of the Budget

- Capital Budget set at \$145m gross expenditures, \$100m net expenditures
 - Capital from Operating increased
 - Debt to decline by \$5m, as per Debt Policy
 - Skating Oval is fully funded without rate increase
- Operating Budget set as \$758m expenditures
 - **Residential Tax Rates are unchanged from 2010-2011**

Expenditure growth constrained between floor & ceiling

- Expenditures per Home should grow between CPI (Floor 2%) and the rate of municipal inflation (Ceiling 4.3%)
- Municipal spending per home rose from \$3,429, to \$3,555, or 3.7%
- Prior to key service impacts growth was 2.3%



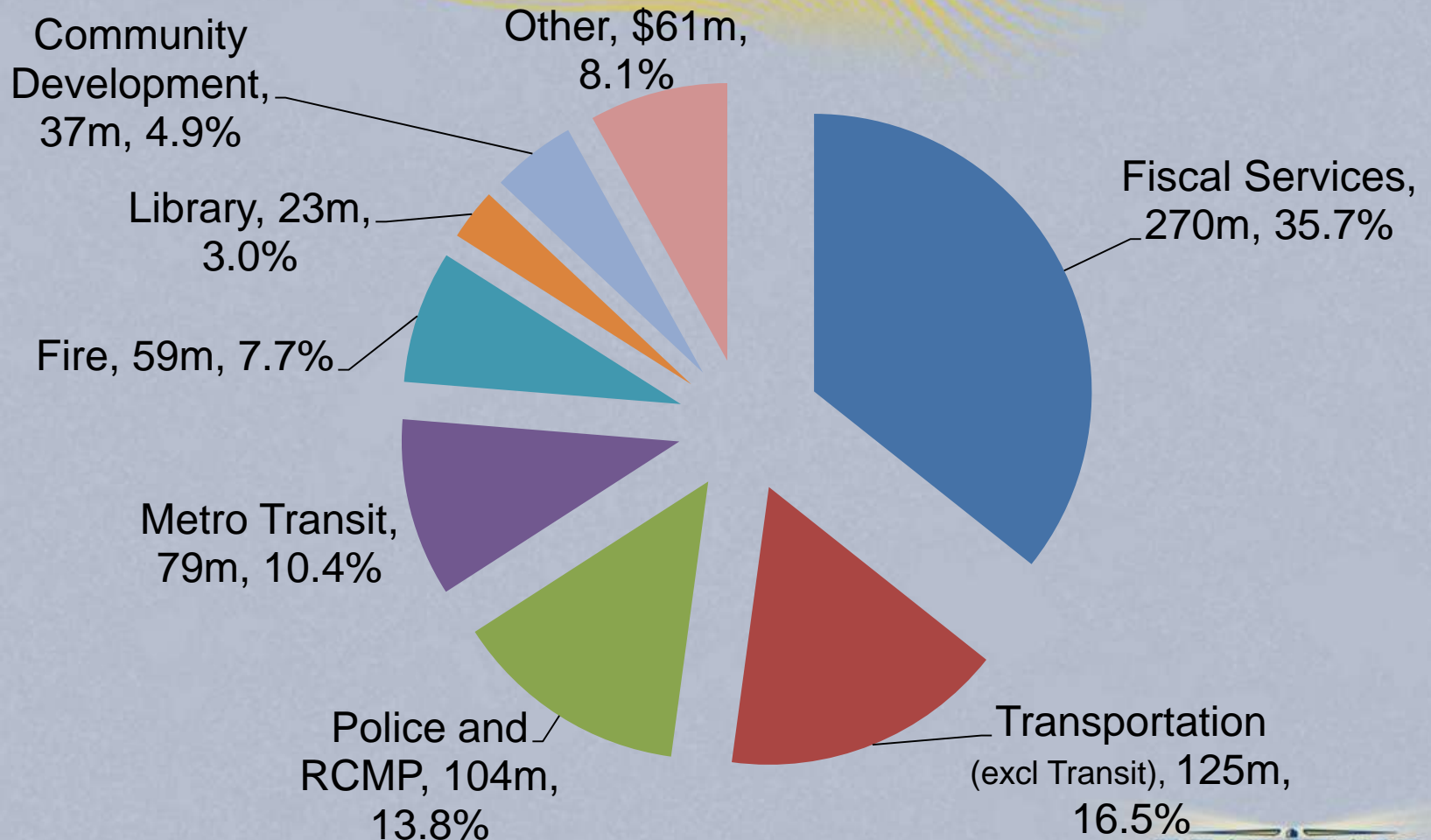
**Municipal Costs of \$3,555
per Home, up 3.7%**

Enhanced Services

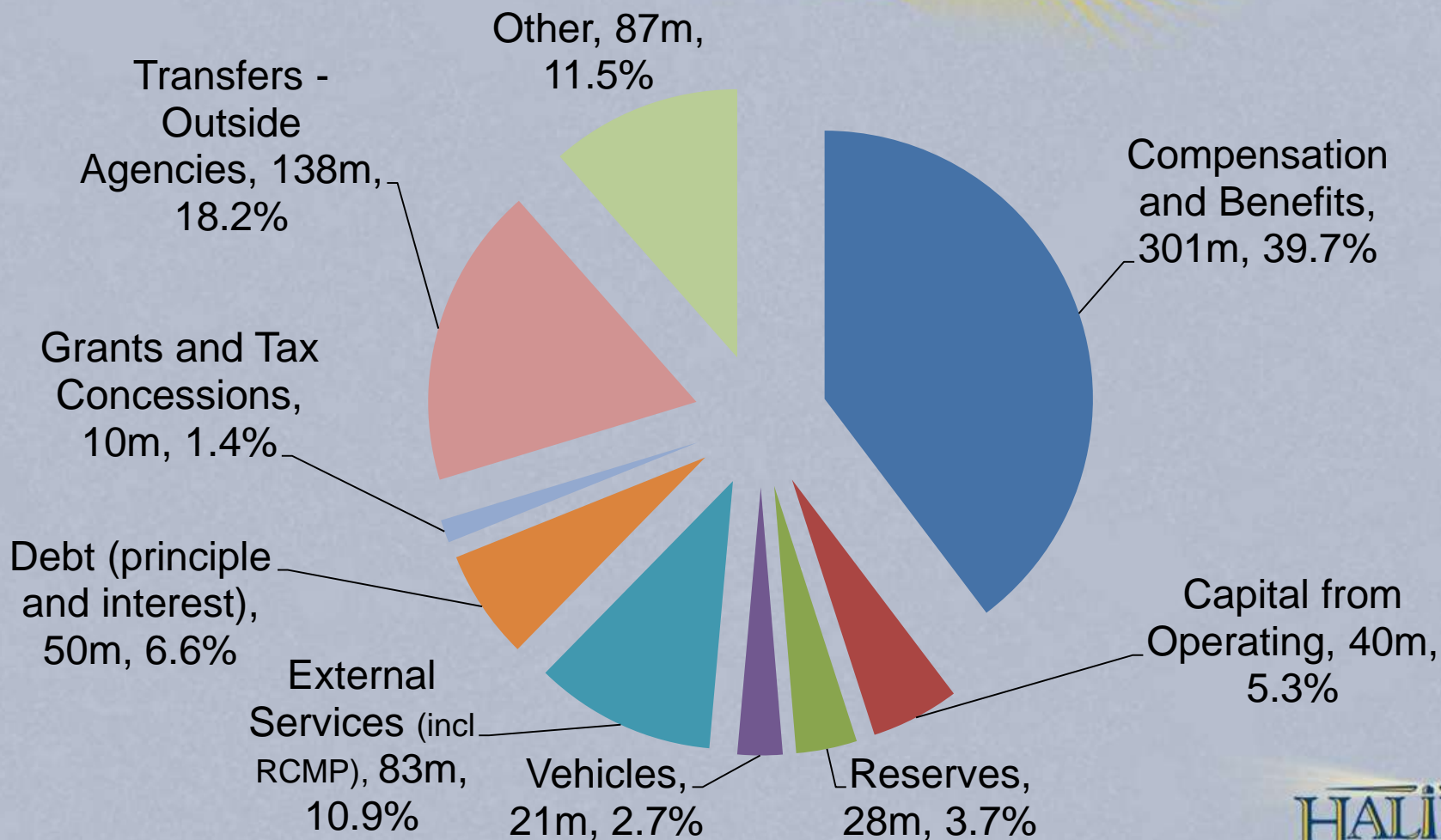


- Transit Expansion
- Skating Oval
- Youth Advocacy Program
- Volunteer firefighters honorarium
- African Nova Scotia Affairs function
- Central Library
- Dartmouth Terminal
- Recreation Centres - capital investments
- New Convention Centre (planned contribution)

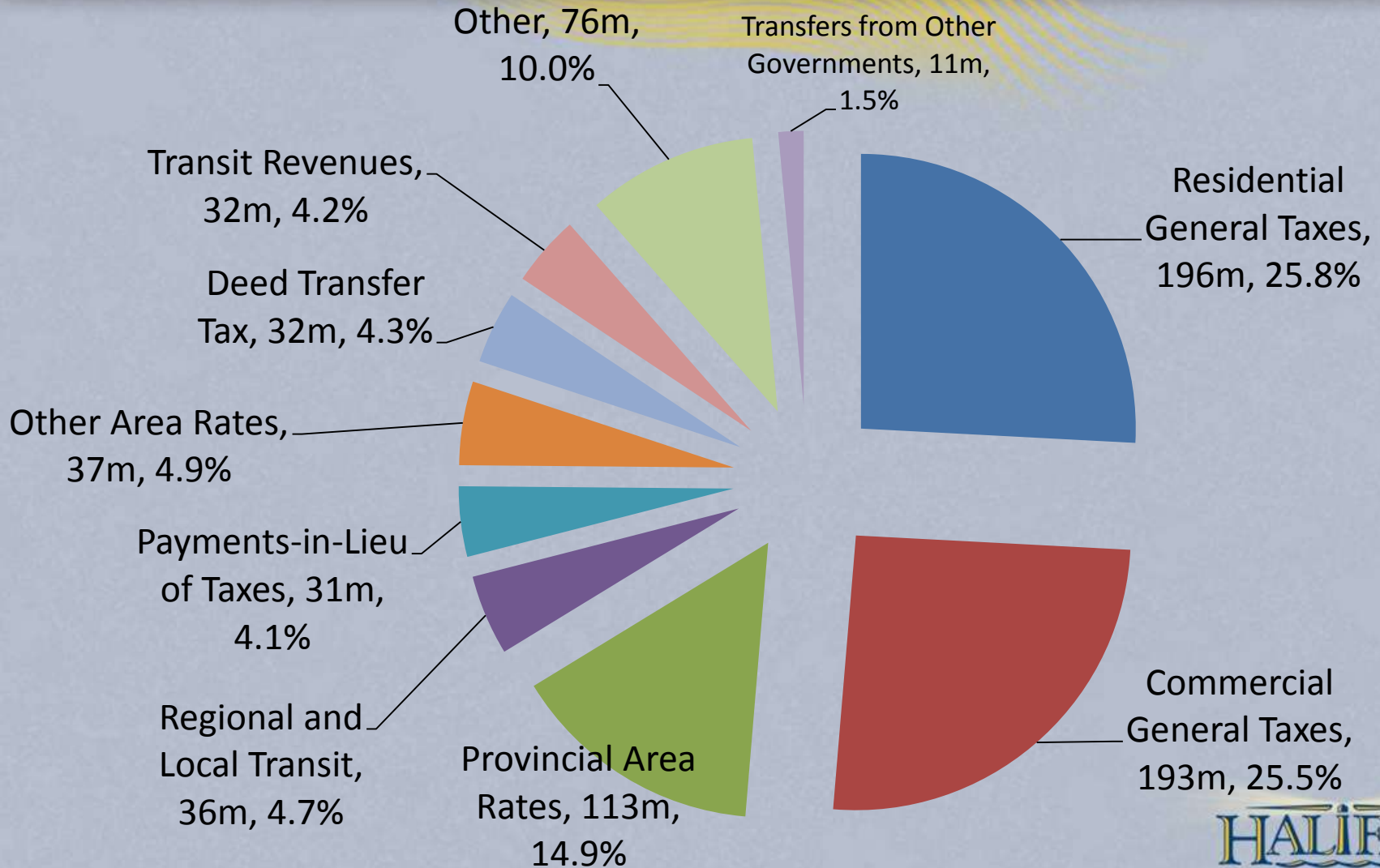
HRM Expenses by Business Unit



HRM Expenses by Object



HRM Revenues





Budget Detail

Changes by Business Unit

Changes in the Budget by Business Unit

	Approved Budget 2010- 2011	Proposed Budget 2011- 2012	Change \$	Change %
Business Planning and Information	19,758	19,541	(217)	-1.1%
Community Development	37,041	37,339	298	0.8%
Finance	12,861	13,917	1,056	8.2%
Fire and Emergency Services	56,204	58,564	2,361	4.2%
Halifax Regional Library	20,853	22,698	1,845	8.8%
Halifax Police	78,174	82,517	4,343	5.6%
Human resources	5,061	5,102	41	0.8%
Infrastructure and Asset Mgt	8,374	8,333	(41)	-0.5%
Legal and Risk Management	2,456	2,620	164	6.7%
Auditor General	659	793	134	20.3%
CAO's Office	10,508	10,885	377	3.6%
RCMP	20,621	21,714	1,093	5.3%
Transportation and Public Works	118,865	124,730	5,865	4.9%
Metro Transit	<u>71,048</u>	<u>78,738</u>	<u>7,690</u>	<u>10.8%</u>
All Business Units	462,482	487,491	25,009	5.4%
Fiscal Services	<u>264,092</u>	<u>270,457</u>	<u>6,365</u>	<u>2.4%</u>
Total	<u>726,574</u>	<u>757,948</u>	<u>31,374</u>	<u>4.3%</u>

Changes by Expense Type

Changes in the Budget by Expense Type

	Approved Budget 2010- 2011	Proposed Budget 2011- 2012	Change \$	Change %
Compensation and Benefits	283,080	300,869	17,790	6.3%
Capital from Operating	32,099	40,354	8,256	25.7%
Reserves	27,416	27,810	393	1.4%
Vehicles	19,042	20,579	1,537	8.1%
External Services (incl RCMP)	77,775	82,785	5,011	6.4%
Debt (principle and interest)	48,527	50,028	1,502	3.1%
Grants and Tax Concessions	7,961	10,483	2,522	31.7%
Other Goods and Services	20,997	13,193	(7,803)	-37.2%
Transfers - Outside Agencies	136,462	137,810	1,348	1.0%
Other	73,216	74,035	819	1.1%
Total	<u>726,574</u>	<u>757,948</u>	<u>31,374</u>	<u>4.3%</u>

Compensation

Compensation and Benefits

	Approved Budget 2010- 2011	Proposed Budget 2011- 2012	Change in \$	% Change
2010-2011 Staff	287,124,000	297,192,000	10,068,000	3.5%
New Staff (incl Transit)	0	2,530,000	2,530,000	-
Pension Maximum	-	1,059,000	1,059,000	-
Honorariums	1,312,000	1,712,000	400,000	30.5%
Total	288,436,000	302,493,000	14,057,000	4.9%

Note: 2010-2011 and 2011-2012 amounts include compensation included in GL 6999 for the Operating Costs of Capital.

Change by Revenue

	Approved Budget 2010- 2011	Proposed Budget 2011- 2012	Change \$	Change %		
Residential and Resource Tax	183,292	195,786	12,494	6.8%	}	80%
Commercial and Business Occupancy	180,711	193,232	12,521	6.9%		
Provincial Area Rates	111,795	113,274	1,479	1.3%		
Regional and Local Transit	33,670	35,855	2,185	6.5%		
Payments-in-Lieu of Taxes	28,842	31,353	2,511	8.7%		
Other Area Rates	<u>37,002</u>	<u>37,375</u>	<u>373</u>	<u>1.0%</u>		
Sub-Total	575,312	606,875	31,563	5.5%		
Deed Transfer Tax	32,000	32,390	390	1.2%	}	18.5%
Interest Revenues	3,632	6,150	2,518	69.3%		
Transit Revenues	33,355	31,663	(1,692)	-5.1%		
Sales Revenues	10,243	8,655	(1,587)	-15.5%		
Tipping Fees	11,824	11,151	(673)	-5.7%		
Other	<u>48,659</u>	<u>49,816</u>	<u>1,157</u>	<u>2.4%</u>		
Sub-Total	139,713	139,826	113	0.1%		
Transfers from Other Government	11,548	11,247	(302)	-2.6%		1.5%
Total	<u>726,574</u>	<u>757,948</u>	<u>31,374</u>	<u>4.3%</u>		

HRM Project Budget

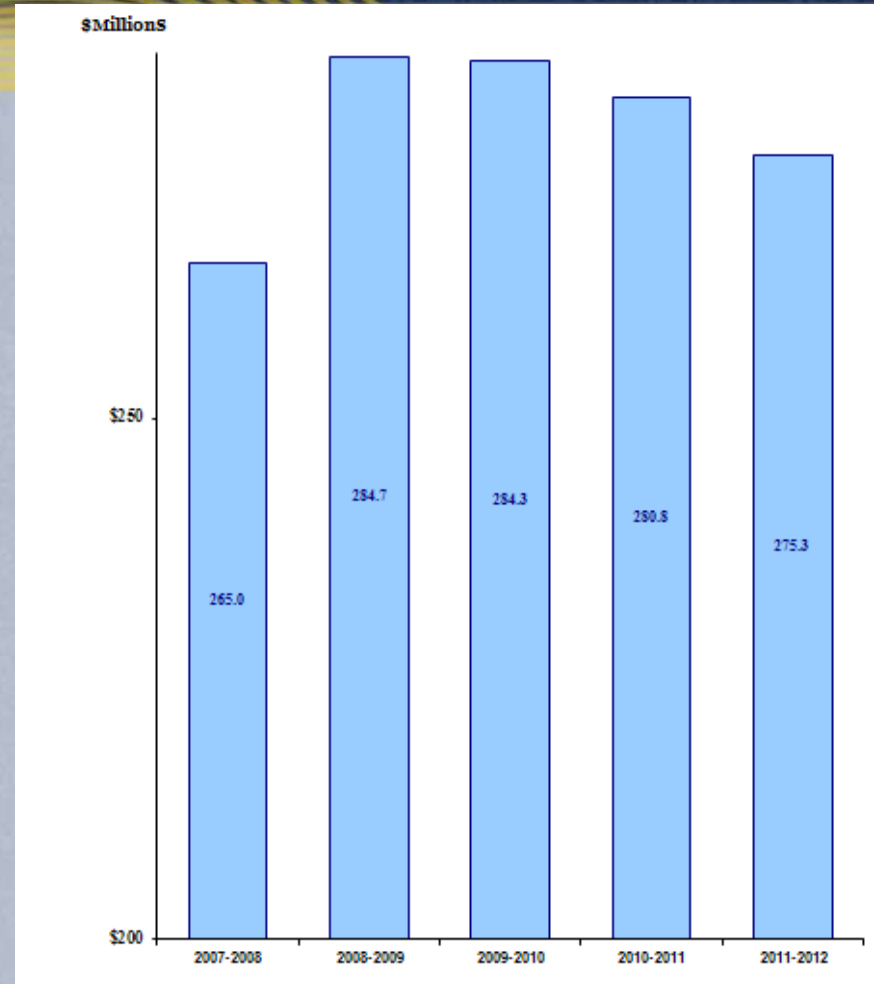
	Gross Budget	Net Budget
Buildings	32,521	25,841
Business Tools	3,187	727
Community & Property Development	4,405	4,405
District Activity Funds	1,495	1,495
Equipment & Fleet	9,935	9,305
Industrial Parks	5,400	3,707
Metro Transit	19,189	17,039
Parks and Playgrounds	7,044	5,200
Roads & Streets	22,827	17,460
Sidewalks, Curbs & Gutters	3,496	2,963
Solid Waste	22,137	-
Traffic Improvements	13,138	11,545
Total	<u>144,774</u>	<u>99,687</u>

How is the Capital Budget Funded?

Capital from Operating	40,354	<< Comes through the Operating Budget, incl Transit Rates
Debt	30,361	<< as per Council's Debt Policy
Gas Tax	24,000	<< from Federal Government
Capital Surplus Reserve	1,282	<< Funds in reserve from sales of assets
Crespool (incl projects to be closed)	<u>3,690</u>	<< Projects under budget or to be closed
Total	<u><u>99,687</u></u>	

Debt

- Council's Debt Policy (revised in 2009):
 - Debt declines by 3% per home
 - Debt exceptions were made in 2008-09 and 2009-10
 - Debt repayment is up in 2011-12 by \$1.5m due to past investments



Changes in Taxes on a Home

Proposed Budget – April 19, 2011



Impact on the Average Home			
	Tax Rate (cents)	Tax Rate change (cents)	Tax Bill
General Tax Rate	70.88	0.0	\$63
Local Transit	10.50	0.0	9
Regional Transit	5.10	0.0	5
Provincial Area Rates	<u>34.00</u>	<u>-1.4</u>	5
Total	\$120.48	-1.4	\$82



Note: Excludes Supplementary Education, Fire Protection and other area rates.

Assessments and Taxation

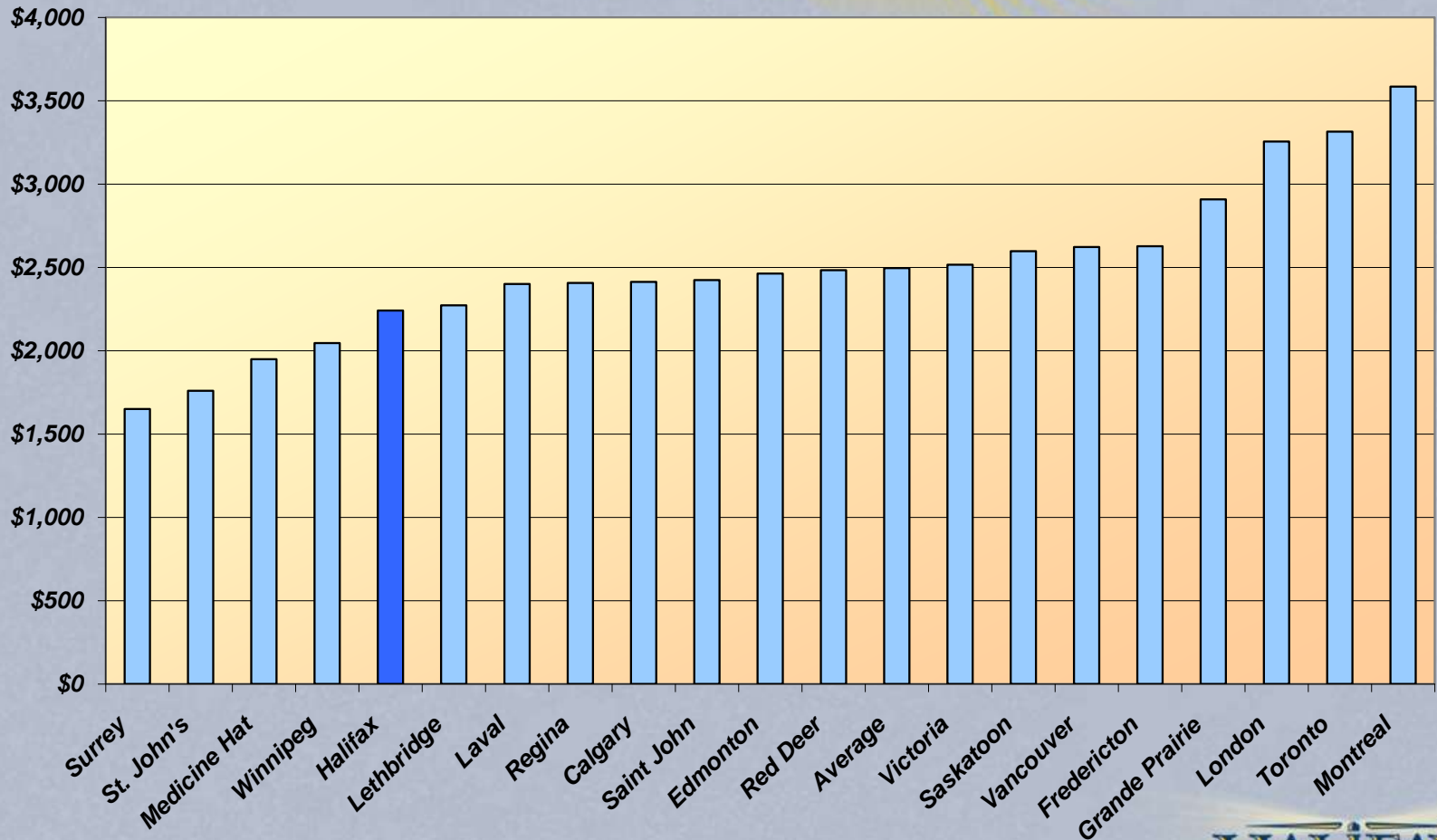
Average Assessments and Taxation

2011 Average Amounts

	Assessed Value per Dwelling	General Rated Property Tax	Change in General Rated Tax \$	Percentage Change
Single Family Homes:				
Capped (54.2%)	188,100	1,322	44	3.5%
Uncapped (7.3%)	213,100	1,498	200	15.5%
Existing Homes	191,100	1,343	63	4.9%
New Homes (1.1%)	272,600	1,909	1,506	373.3%
Multi-Unit Homes:				
Homes, 2-3 Units (8.3%)	108,600	768	45	6.2%
Apts, 4-6 Units (2.4%)	76,600	543	44	8.8%
Apts, over 6 Units (26.7%)	62,500	443	53	13.6%

Taxes

Taxes on an Average Single-Family Home, 2009



Timeline

Date	Activity	Location
Wednesday, April 20 – Monday, April 25	Councillor’s individual Detailed Review (6 days)	n/a
Tuesday, April 26 (10:00 – 4:00)	Project (capital) Budget Consultation (staff available for “one on one” Q&A)	Halifax Hall
Wednesday, April 27 (10:00- 6:00)	Business Unit Overview Presentations	Council Chamber (COW)
Thursday, April 28 (10:00- 6:00)	Business Unit Overview Presentations	Council Chamber (COW)
Friday, April 29 (10:00- 6:00)	Business Unit Overview Presentations (if required)	Council Chamber (COW)
Friday, May 6	Q&A distributed in Council Package	n/a
Monday, May 9	Budget Debate begins	Council Chamber
Tuesday, May 10	Budget Debate continues (if necessary)	Council Chamber

In summary.....



- The Proposed Budget is Balanced
- There is no tax “rate” increase
- Council priorities are budgeted for
- Expenditure constraint underway

Recommendation

It is hereby resolved that:

Halifax Regional Council table the 2011/2012:

- Operating, Project and Reserve Budgets;
- Transit Annual Service Plan; and
- Board of Police Commissioners Police Budget

as presented without debate and return on April 27, 2011 to commence the budget debate.