

What is HRM's Financial Health like?

HRM is the physically largest municipality in Canada and one of the few to have both urban and rural areas. Things have changed since amalgamation in 1996:

- The number of homes has risen by 20% and inflation has grown by nearly 30%.
- A new [solid waste system](#) with green-bin composting and recycling has been created to replace the old Sackville Landfill.
- As part of a "[service exchange](#)" the Province took over social services but gave local roads to municipalities. HRM provides service to some provincial roads in the urban core in exchange for the Province maintaining local roads in rural areas.

What are Taxes and other Funds used for?

HRM has a 2007-2008 [operating budget](#) of \$650m and a [capital budget](#) of over \$200m. Taxes raised are used for a wide range of services, although not everyone [pays for every service](#):

- [municipal services](#) include police, fire, transportation services (roads, sidewalks, streetlights), transit, solid waste, recreation services (recreation facilities, programs, playgrounds), sewer and water (through user fees) and libraries
- HRM is also required to pay for a variety of [provincial services](#) including education, corrections, housing and the cost of the assessment system. HRM flows the cost of these services through to taxpayers using an area rate.
- All of this is detailed in HRM's audited [Financial Statements](#)

So What's the Debt Like?

Since the introduction of its Multi-Year Financial Strategy, one of HRM's strengths has been its strong financial health:

- [Debt](#) has fallen steadily since 1996-1997 and now sits at \$265m
- Debt per Dwelling Unit is less than prior to amalgamation
- Reserves are still weak, but have shown steady growth
- HRM's credit [rating](#) has increased from 'A Stable' to 'A Positive'

How do we Compare to Other Municipalities?

Comparing expenditure levels can be tricky. Service level and quality differs. HRM has undertaken some comparative benchmarks by dwelling unit. For example:

- [HRM's spending](#) is in the bottom third of Canadian municipalities
- [Expenditures per Dwelling Unit](#) (after inflation) have risen 7.5% since 1996

So How Does All this Relate to Tax Reform?

Tax reform is about how we share in the costs of the municipality, not about which services we wish to provide and what they cost. Those types of decisions are made through the annual budget debate.

For more information

- See HRM's Tax Reform website at: <http://www.halifax.ca/taxreform/>, or
- HRM's Tax Reform phone line at: (902) 490-4886, or
- Email us at: Taxreform@Halifax.ca, or
- For HRM budget information see <http://www.halifax.ca/budget/index.html>