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**Halifax Regional Council**  
**August 1, 2006**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**   
Wayne Anstey, Acting Chief Administrative Officer

**DATE:** July 31, 2006

**SUBJECT:** 2006-07 Education Area Rate for Bedford and the former County

**ORIGIN**

On June 27, 2006, in approving the 2006-07 Operating Budget for HRM, Regional Council also approved the 2006-07 Education Area Rate for Bedford and the former County. The rate was set at \$0.031 to the residential, resource, and commercial assessment including business occupancy of the former Town of Bedford and Halifax County.

**RECOMMENDATION**

It is recommended that :

1. the **Education Area Rate** for the former Town of Bedford and Halifax County be set at the rate of \$0.034 to the residential, resource, and commercial assessment including business occupancy of the former Town of Bedford and Halifax County.

**BACKGROUND**

As part of the business planning and budgeting process each year, Regional Council sets through resolution the area rates for all area rated services for the coming fiscal year. One of those area rates is for the provision of discretionary funding to the Halifax Regional School Board to provide education services to Bedford and the former County not provided through mandatory funding.

**DISCUSSION**

In preparation for the final property tax billing, a test billing was run to determine the revenue which would be raised for each area rate approved by Council. As a result of this test, it was discovered that a substantial shortfall would occur if the tax billings were released based on the area rate approved by Council for the Bedford and former County Education. Further investigation revealed that an incorrect assessment figure had been used to calculate the area rate. The error has now been corrected, and it has been determined that the area rate should be \$0.034, not \$0.031 as approved by Council.

**BUDGET IMPLICATIONS**

This shortfall has no impact on the Operating Budget supported by the General tax rates. However, if the area rate is not corrected, there will be an estimated shortfall of about \$340,000 in area rate revenue to support the budget approved by Council for the Bedford and former County Education.

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

**ALTERNATIVES**

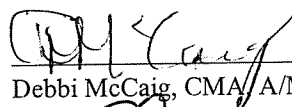
Regional Council could choose to leave the area rate at \$0.031. However, the resulting shortfall of about \$340,000 would be added on to the budget for the Bedford and former County Education the following year. This would result in a substantial increase in the area rate in 2007-08. Therefore, Staff does not recommend leaving the area rate at \$0.031.

**ATTACHMENTS** None

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

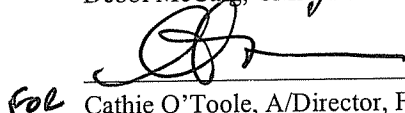
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Financial Review:



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Report Approved by:



*fol* Cathie O'Toole, A/Director, Finance 490-6308