

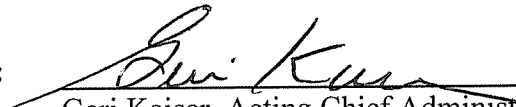
11.1.10



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Halifax Regional Council
August 7, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Geri Kaiser, Acting Chief Administrative Officer

DATE: July 31, 2007

SUBJECT: Updated 2007-08 Budget Resolution

ORIGIN

Regional Council approved the 2007-08 Operating and Capital Budget on April 17, 2007. On June 26, 2007 Regional Council approved the 2007-08 Area-Rates.

RECOMMENDATION

It is recommended that :

1. **The Resolution for Approval of the Operating Budget and Area Rates for Fiscal 2007-2008 as approved by HRM Council on June 26, 2007 be amended to reflect a revised Gross Capital Budget number of \$ 214,002,000 (Appendix A).**
2. **The Reserves Budget (Appendix B) be approved as amended, per the Budget Implications section of this report.**

BACKGROUND

The Gross Capital budget number included in the 2007-08 budget resolution needs to be updated to reflect a) new information and b) some items previously approved by Council. This is a technical adjustment, and there are no changes to the tax rates or initiatives previously approved by Council.

DISCUSSION

Subsequent to the approval of the final Budget Resolution on June 26th, Community Development received notice that HRM would be receiving \$1,410,000 in capital funding toward Point Pleasant Park Upgrades that must be expended by March 31, 2008. To enable this to occur, the Gross Capital Budget must be amended to reflect the increase.

Additionally, the Gross Capital Budget number must be revised to reflect an administrative oversight. The version of the Budget Resolution attached to the June 26th report to Regional Council as (Attachment A) included in the Councillor's packages was not the correct version signed off and submitted by HRM Finance. The difference between the Gross Capital Budget number included in the June 26th resolution that reached Council and the revised resolution dated August 7th relates to some changes (technical adjustments) to include items previously approved by Council. The final Budget Resolution has been updated to include these items.

BUDGET IMPLICATIONS

There are no changes on the tax rates for 2007/08 as approved by HRM Regional Council. The Gross Capital Budget number will increase by \$1,933,000 in total. \$1,410,000 relates to new funding for Point Pleasant Park, and other net adjustments of \$523,000 related to three items previously approved by Council and reflected in the budget resolution prepared by Finance, but not reflected in the budget resolution that was in the Council package on June 26th.

The new funding for Point Pleasant Park will be reflected in Capital Account CPU00930 Point Pleasant Park Upgrades, which will increase by \$1,410,000. Funding of \$1,000,000 is being provided by Environment Canada and \$410,000 from the Canadian Food Inspection Agency.

The Reserve Budget has been updated to include adjustments reflecting all new information received and all items previously approved by Council.

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. If approved this report will increase the Gross Capital and Reserve Budget.

ALTERNATIVES

None

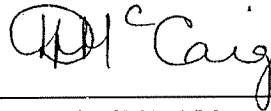
ATTACHMENTS

Appendix A: August 7, 2007 Update Budget Resolution

Appendix B: Updated Reserve Budget Summary

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

Report Prepared and
Reviewed by:



Debbi McCaig, CMA, A/Manager, Budget & Financial Analysis 490-7203

Report Approved by:



For Cathie O'Toole, CGA, A/Director, Finance, 490-6308

Appendix "A"

HALIFAX REGIONAL MUNICIPALITY

2007/2008 Operating & Capital Budget

RESOLUTION for Approval of Operating & Capital Budget and Tax Rates for Fiscal 2007/2008¹

It is hereby resolved that:

- a) the Capital Budget in the amount of **\$214,002,000** be approved;
- b) the Operating Budget in the amount of **\$649,640,076** gross expenditures, **\$536,529,920** non-departmental revenues, and **\$113,110,156** departmental revenues be approved;
- c) the general rates of taxation on commercial and business occupancy be set at
 - (i) **\$3.054 for the urban area;**
 - (ii) **\$3.054 for the suburban area; and**
 - (iii) **\$2.703 for the rural area**applied to the full assessed value of the property;
- d) the general rates of taxation on residential and resource property be set at
 - (i) **\$0.808 for the urban area;**
 - (ii) **\$0.708 for the suburban area; and**
 - (iii) **\$0.702 for the rural area**applied to the full assessed value of the property;

¹ Based on the March 27, 2007 Proposed Resolution and changes approved by Council on: Nov 28/06 (CWG), March 27 (Marketing Levy), April 3 (CA Beckett School Remediation), April 17 (General Operating, Capital and Reserves); June 19 (HRP) and proposed by staff on June 26, 2007 (Supplementary Education and Area Rates).

- e) the boundary of the urban, suburban and rural areas is as delineated in the attached “Tax Structure Map”;
- f) the Provincial Area Rate for Mandatory Education on residential and resource property be set at the rate of \$0.325; and at a rate of \$0.340 for all commercial and business occupancy assessment;
- g) the Provincial Area Rate for Assessment Services on residential and resource property be set at the rate of \$0.023; and at a rate of \$0.016 for all commercial and business occupancy assessment;
- h) the Provincial Area Rate for Correctional Services on residential and resource property be set at the rate of \$0.033; and at a rate of \$0.006 for all commercial and business occupancy assessment;
- i) the Provincial Area Rate for Metro Regional Housing Authority on residential and resource property be set at the rate of \$0.009; and at a rate of \$0.009 for all commercial and business occupancy assessment;
- j) Area rates shall be set on taxable residential, resource, commercial, and business occupancy assessment, as per the attached Schedule of Area Tax Rates (Appendix “B”).
- k) that **Supplementary Education**, under Section 530 of the Municipal Government Act, shall be set at the rate of \$0.047 to the residential and resource assessment and \$0.129 to the commercial assessment including business occupancy of the Halifax Regional Municipality; \$0.013 to the residential and resource assessment and \$0.037 to the commercial assessment including business occupancy of the former City of Halifax; \$0.010 to the residential and resource assessment and \$0.028 to the commercial assessment including business occupancy of the former City of Dartmouth; and *minus* \$0.003 to the residential, resource, and commercial assessment including business occupancy of the former Town of Bedford and Halifax County. Total discretionary funding, excluding prior year surplus’ and deficits, shall be set at \$20,396,100. That the dollar allocations for Halifax Regional Municipality equal \$17,386,000, former City of Halifax equal \$2,029,100, and former City of Dartmouth equal \$981,000;
- l) that **Fire Protection** rates shall be set at \$0.092 for all commercial assessable property, including business occupancy; and at a rate of \$0.032 for all residential and resource property which is within 1,200 feet of a hydrant that is designed and operated for public fire protection purposes.
- m) the final tax bills will become **due on Friday, September 28, 2007**;
- n) the interest rate on the Special Reserve Funds, designated as requiring interest under Section

100(2) of the Municipal Government Act, be set at the rate of return on funds invested by HRM for the period April 1, 2007 to March 31, 2008;

o) the interest rate on the Pollution Control Reserves be set at the rate of return on funds invested by HRM for the period April 1, 2007 to March 31, 2008;

p) the interest rate on all reserves except for those identified in n) and o) will be set at the rate of return on funds invested by HRM for the period April 1, 2007 to March 31, 2008; and

q) the interest rate on trust funds will be set at the annual rate of return on specific investments held by the trusts.

Attachment B

HALIFAX REGIONAL MUNICIPALITY RESERVE BUDGET 06/07 TO MARCH 31, 2008

	Actual				Projected Balance
	March 31, 2007	Contributions	Interest	Withdrawals	March 31, 2008
Equipment Reserves	1,125,000	2,125,000	132,000	(1,910,000)	1,472,000
Operating Reserves *	16,982,000	3,550,000	744,000	(5,942,000)	15,334,000
Capital Reserves	40,914,000	55,366,000	2,968,000	(51,168,000)	48,080,000
Pollution Control Reserves	5,568,000	63,401,000	2,565,000	(66,986,000)	4,548,000
	C\$64,589,000	C\$124,442,000	C\$6,409,000	(C\$126,006,000)	C\$69,434,000

* excluding Pollution Control Reserves

HALIFAX REGIONAL MUNICIPALITY
CAPITAL RESERVE FUNDS BUDGET
to March 31, 2008

		<i>Projected Available Balance March 31, 2007</i>	<i>2007/08 Projected Contributions</i>	<i>2007/08 Projected Interest</i>	<i>2007/08 Capital Budget Withdrawals</i>	<i>2007/08 Operating Budget Withdrawals</i>	<i>2007/08 Other Budgeted Withdrawals</i>	<i>Projected Available Balance March 31, 2007</i>
Capital Reserves								
Q101	Sale of Capital Assets	3,000	1,926,000	230,000	(2,050,000)	0	(175,000)	(66,000)
Q121	Business/Industrial Parks Expansion	8,795,000	15,500,000	259,000	(21,075,000)	0	0	3,479,000
Q103	Capital Surplus	308,000	492,000	139,000	0	0	0	939,000
Q104	Sewer Redevelopment	2,008,000	1,700,000	274,000	(1,650,000)	0	0	2,332,000
Q107	Parkland Development	1,209,000	300,000	82,000	0	0	0	1,591,000
Q119	Sackville Landfill Closure	6,709,000	400,000	266,000	(775,000)	(1,005,000)	0	5,595,000
Q120	Otter Lake Landfill Closure	235,000	547,000	23,000	(168,000)	0	0	637,000
Q122	Water Treatment Plants Infrastructure	1,193,000	1,000,000	104,000	(400,000)	0	0	1,897,000
Q123	Waste Resources	1,212,000	6,300,000	175,000	(1,439,000)	0	0	6,248,000
Q124	Upper Sackville Turf	168,000	25,000	9,000	0	0	0	202,000
Q125	Metro Park Parkade	1,205,000	224,000	57,000	0	0	0	1,486,000
Q126	Strategic Growth	8,461,000	5,023,000	566,000	(2,500,000)	0	0	11,550,000
Q127	Sustainable Communities	(114,000)	351,000	18,000	(180,000)	0	0	75,000
Q128	Rural Fire	543,000	250,000	48,000	0	0	0	841,000
Q129	Ferry Replacement	4,263,000	1,300,000	196,000	0	0	0	5,759,000
Q130	New Capital Replacement	1,524,000	1,000,000	68,000	(1,207,000)	0	0	1,385,000
Q131	Energy & Underground Services	204,000	0	11,000	0	0	0	215,000
Q132	Facilities Renewal	0	0	0	0	0	0	0
Q133	CCC Bedford South Interchange	1,985,000	450,000	95,000	0	0	0	2,530,000
Q134	Gax Tax Reserve	65,000	10,179,000	183,000	0	0	(10,179,000)	248,000
Q135	Alderney Gate Recapitalization	632,000	367,000	30,000	(250,000)	0	0	779,000
Q136	Strategic Transit Fund	0	8,023,000	124,000	0	0	(8,023,000)	124,000
Q108	Kingswood Water	3,000	0	0	0	0	0	3,000
Q110	Windsor Junction Water	189,000	2,000	8,000	0	0	0	199,000
Q112	5594-96 Morris St	66,000	7,000	2,000	(57,000)	0	0	18,000
Q113	Rockingham Community Centre	12,000	0	1,000	0	0	0	13,000
Q115	Captain William Spry	19,000	0	0	(18,000)	0	0	1,000
Q116	Richmond School	17,000	0	0	(17,000)	0	0	0
	Subtotal Other	306,000	9,000	11,000	(92,000)	0	0	234,000
Total Capital Reserves		40,914,000	55,366,000	2,968,000	(31,786,000)	(1,005,000)	(18,377,000)	48,080,000

HALIFAX REGIONAL MUNICIPALITY
EQUIPMENT & OPERATING RESERVE FUNDS BUDGET
to March 31, 2008

		<i>Projected Available Balance March 31, 2007</i>	<i>2007/08 Projected Contributions</i>	<i>2007/08 Projected Interest</i>	<i>2007/08 Capital Budget Withdrawals</i>	<i>2007/08 Operating Budget Withdrawals</i>	<i>2007/08 Other Budgeted Withdrawals</i>	<i>Projected Available Balance March 31, 2008</i>
<i>Equipment Reserves</i>								
Q204	General Fleet	770,000	140,000	94,000	0	0	0	1,004,000
Q205	Police Vehicles	80,000	545,000	8,000	(500,000)	0	0	133,000
Q206	Fire Vehicles	248,000	1,440,000	29,000	(1,410,000)	0	0	307,000
Q213	Fuel System	27,000	0	1,000	0	0	0	28,000
	Total Equipment Reserves	1,125,000	2,125,000	132,000	(1,910,000)	0	0	1,472,000
<i>Pollution Control Reserves</i>								
Q105	Environmental Control	1,115,000	51,052,000	2,524,000	(27,565,000)	(12,250,000)	(13,562,000)	1,314,000
Q106	Wastewater/Stormwater Management	4,453,000	12,349,000	41,000	0	(13,609,000)	0	3,234,000
	Total Pollution Control Reserves	5,568,000	63,401,000	2,565,000	(27,565,000)	(25,859,000)	(13,562,000)	4,548,000
<i>Operating Reserves</i>								
Q117	Sludge Tipping Fees	524,000	0	26,000	0	0	0	550,000
Q306	Self Insurance	2,772,000	0	115,000	0	(298,000)	0	2,589,000
Q308	Operations Stabilization	3,569,000	0	102,000	(200,000)	0	(2,100,000)	1,371,000
Q309	Snow & Ice Control	1,481,000	0	65,000	0	0	0	1,546,000
Q310	Service Improvement	1,912,000	391,000	97,000	0	(775,000)	0	1,625,000
Q311	Cemetery Maintenance	117,000	0	5,000	0	0	0	122,000
Q312	Heritage & Cultural Tourism	(87,000)	200,000	17,000	(141,000)	0	0	(11,000)
Q313	Municipal Elections	828,000	401,000	45,000	0	0	0	1,274,000
Q314	EMO Cost Recovery	341,000	25,000	16,000	0	0	0	382,000
Q315	Special Events	218,000	1,059,000	7,000	0	(1,087,000)	0	197,000
Q316	DNA Costs (HRP and RCMP)	36,000	109,000	1,000	0	(109,000)	0	37,000
Q317	Titanic Reserve	5,000	0	0	0	0	0	5,000
Q318	Library Capital Campaign	479,000	0	19,000	0	(100,000)	0	398,000
Q319	Major Events Facilities	587,000	500,000	38,000	0	0	0	1,125,000
Q320	Operating Cost of Capital	312,000	246,000	28,000	0	(246,000)	0	340,000
Q321	Information & Communication Tech	2,654,000	500,000	111,000	(100,000)	(667,000)	0	2,498,000
Q322	Police Emergency/Extraordinary Inve	605,000	0	26,000	0	0	0	631,000
Q323	Police Officer On the Job Injury	579,000	119,000	26,000	0	(69,000)	0	655,000
Q324	Commons Enhancement	50,000		1,000		(50,000)		1,000
	Total Operating Reserves	16,982,000	3,550,000	744,000	(441,000)	(3,401,000)	(2,100,000)	15,334,000
<i>Total Equipment, PC & Operating Reserves</i>								
		23,675,000	69,076,000	3,441,000	(29,916,000)	(29,260,000)	(15,662,000)	21,354,000