

HALIFAX

Second Quarter Report

Presentation to Audit and Finance

November 18, 2015

Projected General Rate Deficit

- Deficit projected to be \$1.7m at the end of the year
 - Salaries and benefits are projected to be \$10.5m lower than budget, (represents 3.1% of total compensation) partially offset by a projected increase in overtime costs \$3.7m
 - Increase in winter works \$4.9m
 - Increase in Transit bus maintenance \$0.9m
 - Increase in operational costs of facilities \$0.8m
 - Decrease in tipping fee revenue \$0.9m

Projected General Rate Deficit

- Other significant items included in projections
 - Remediation of contaminated sites \$0.7m
 - Decrease in building permit revenue \$0.6m
 - Decrease in Transit fare revenue \$0.5m
 - Increase in recycling diversion recoveries \$0.8m
 - Decrease in Transit diesel fuel \$0.7m
 - Increase in tax agreement revenue \$0.5m
 - Transit surplus carry forward to 2016/17 of \$1.2m

Projected Deficit Summary

Salaries and benefits	10.5
Overtime	(3.7)
Winter works	(4.9)
Operational cost of facilities	(0.8)
Transit bus maintenance	(0.9)
Miscellaneous net revenues	(0.7)
Contaminated Sites	(0.7)
Transit diesel fuel	0.7
Current year surplus - Transit	<u>(1.2)</u>
Projected Deficit	(1.7)

Risks and Opportunities

- We also track risks and opportunities that may affect our projections going forward:

Risks:

- Capital Cost Contributions for Mount Hope interchange - \$7.2m
- Outstanding fundraising at Canada Games Centre - \$1.7m

Opportunities:

- Provincial funding for Transit - \$2m
 - Operating Surplus reserve has a balance of \$3.4m
- Other potential risks and opportunities are being monitored. Their impact is unknown at this time.

Projects

Available Budget April 1, 2015	\$ 846.5m
Budget 2015/16	\$ 135.8m
Advanced 2016/17, 2017/18 Budget	\$ 107.7m
Budget increases/(decreases)	<u>\$ 21.4m</u>
Total Budget Available	\$1,111.4m
Less Closed Projects	<u>\$ 75.3m</u>
Budget for Active Projects	\$1,036.1m
Current Expenditures and Commitments – Active Projects	<u>\$ 833.5m</u>
Available	<u>\$ 202.6m</u>

- There is approximately \$203 million available in projects to be spent in current and future years.

Councillors' Funds

- District Capital Funds
 - Of the total budget of \$3.2m, \$2.5m has been spent or committed leaving \$0.7m available to fund projects.
- District Activity Funds
 - Of the \$69k budget, \$39k has been spent leaving \$30k available.

Recreation Area Rates

- There are 24 Recreation Area Rate Accounts.
- The surplus in these accounts at April 1, 2015 was \$1.4m.
- Revenue of \$0.5m has been earned and \$0.5m has been spent in the first 6 months .
- The surplus at the end of September is \$1.4m.

As per Regional Council direction, in the 2015/16 Operating Budget, the funding source for facilities classified as Municipal Recreation Facilities is now the general tax rate.

Reserves

- HRM's reserves are currently at \$186.1m.
- A further \$38.4m is anticipated to be contributed to reserves before March 31, 2016.
- Withdrawals from the reserves are anticipated to be \$99m before year end.
- The projected balance in reserves at March 31, 2016 is \$125.5m.

Aged Accounts Receivable

Property Taxes	\$	330.7m
Local Improvement Charges	\$	10.4m
Payments-in-Lieu of Taxes	\$	46.4m
General Revenue	\$	<u>9.9m</u>
Total Gross Accounts Receivable	\$	<u>397.4m</u>

Assessment Appeals Summary

HRM Appeals Summary Fiscal 2015-16
September 30, 2015

	Residential	Apartments	Commercial	Totals
Total Taxable Value Under Appeal	\$ 704,852,300 11%	\$ 1,933,100,200 30%	\$ 3,724,922,600 59%	6,362,875,100
Total # of Appeals				3,630
Total Taxable Value Completed	\$ 560,341,400 79%	\$ 1,164,474,300 60%	\$ 1,713,648,800 46%	3,438,464,500 54%
Total Taxable Value Outstanding	\$ 144,510,900 21%	\$ 768,625,900 40%	\$ 2,011,273,800 54%	2,924,410,600 46%
Net Value Amended	\$ (31,785,700)	\$ (25,819,000)	\$ (50,470,000)	(108,074,700)
Appeal Loss Ratio	-5.67%	-2.22%	-2.95%	-3.14%
Tax Rate	0.6690	0.6690	2.8950	
Total Property Tax Revenue Loss due to Appeals	\$ (212,646)	\$ (172,729)	\$ (1,461,107)	(1,846,482)

Capital Projection Summary

Net Budget available before expenditures, September 30, 2015	<u>\$ 425.7m</u>
Spent by September 30, 2015	<u>\$ 65.9m</u>
Projected to spend by the end of the year	<u>\$ 184.2m</u>

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