



12/13 Budget Presentation

Fiscal Services

April 2012

Business Unit Overview

- Fiscal Services is not a traditional business unit. As part of normal HRM operations, there are responsibilities and obligations that are not related to any specific operational or support business unit.
- The major components include:

Property Tax Revenue	Education Costs
Hydrants	Insurance
Transfer to Outside Agencies	Debt Charges
Reserve Transactions	Valuation Allowances
Capital & Operating Grants	Capital from Operating
Collective Agreements	Deed Transfer Tax

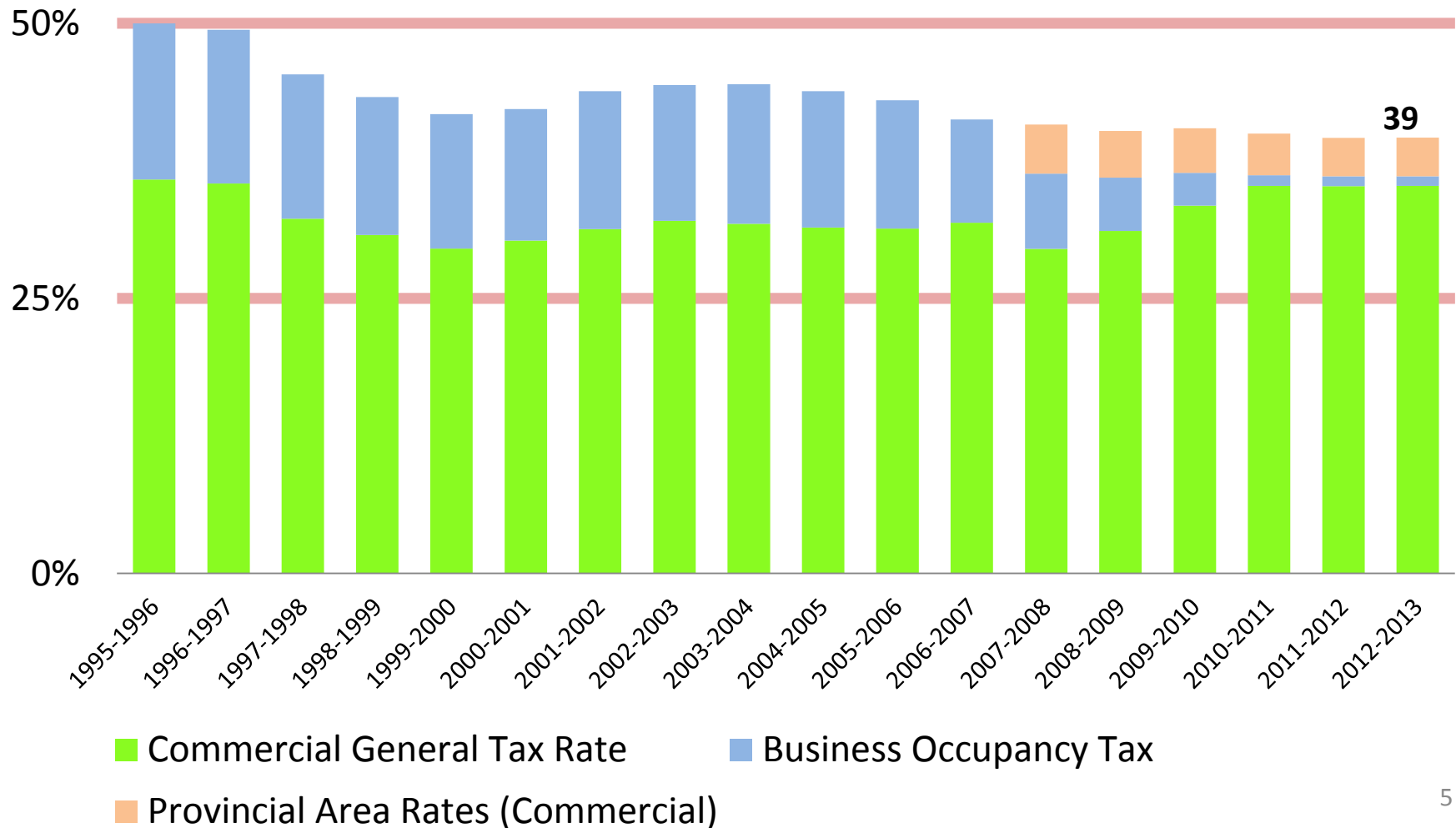
12/13 Budget Overview

Fiscal Summary of Expense & Revenue Types						
Cost Element Groups	2010-11	2011-12	2011-12	2012-13	2012-13	2012-13
Expenditures	Budget	Budget	Projection	Budget	Variance	Variance as %
* Compensation and Benefits	1,707,141	1,150,578	(3,648,159)	5,965,000	4,814,422	418.4
* External Services	34,550	35,600	35,600	35,000	(600)	(1.7)
* Supplies						
* Building Costs				646,000	646,000	
* Vehicle Expense				31,000	31,000	
* Other Goods & Services	12,065,399	2,889,580	2,479,499	1,638,000	(1,251,580)	(43.3)
* Interdepartmental	175,817	288,000	580,100		(288,000)	(100.0)
* Debt Service	36,723,525	38,455,000	49,281,005	48,228,000	9,773,000	25.4
* Other Fiscal	213,385,691	212,341,684	215,199,553	212,554,500	212,816	0.1
** Total	264,092,123	255,160,442	263,927,598	269,097,500	13,937,058	5.5
Revenues	Budget	Budget	Projection	Budget	Variance	Variance as %
* Tax Revenue	(403,858,891)	(403,163,000)	(407,396,393)	(407,445,000)	(4,282,000)	1.1
* Area Rate Revenue	(132,137,160)	(133,016,984)	(132,871,591)	(140,360,600)	(7,343,616)	5.5
* Tax Agreements	(8,734,940)	(8,373,000)	(8,220,444)	(8,297,000)	76,000	(0.9)
* Payments in Lieu of taxes	(28,842,098)	(31,353,000)	(31,670,245)	(33,437,000)	(2,084,000)	6.6
* Transfers from other Gov'ts	(3,041,158)	(3,291,000)	(3,470,509)	(3,351,000)	(60,000)	1.8
* Interest Revenue	(3,632,000)	(6,150,000)	(6,875,000)	(6,390,000)	(240,000)	3.9
* Fee Revenues	(4,184,100)	(4,450,000)	(4,500,000)	(4,700,000)	(250,000)	5.6
* Other Revenue	(5,293,171)	(5,081,800)	(17,078,534)	(16,033,200)	(10,951,400)	215.5
** Total	(589,723,518)	(594,878,784)	(612,082,716)	(620,013,800)	(25,135,016)	4.2
Net Surplus/Deficit	(325,631,395)	(339,718,342)	(348,155,118)	(350,916,300)	(11,197,958)	3.3

12/13 Opportunities and Challenges

- **Expenditures and Revenues**
 - **Vacancy Management** – now budgeted in business units
 - **Transit Costs** including OCC moved to Transit
 - **Capital from Operating** – up \$2.7m
 - **Debt Service** - \$10m increase offset by a recovery
 - **Provincial Area Rate** – Expenditures and Revenues up
 - **Reserves** – Otter Lake Closure down \$4.5m, OCC up \$0.8m
 - **Valuation Allowance** – down \$1m
 - **Surplus** - \$4.9m general tax rate surplus
 - **Deed transfer tax** - \$3.6M increase
- **Tax rates, revenues and average tax bills are down**

Commercial Share of Tax Revenues



Average Tax Bills since 2007

Comparison of Residential and Commercial General and Transit Taxes

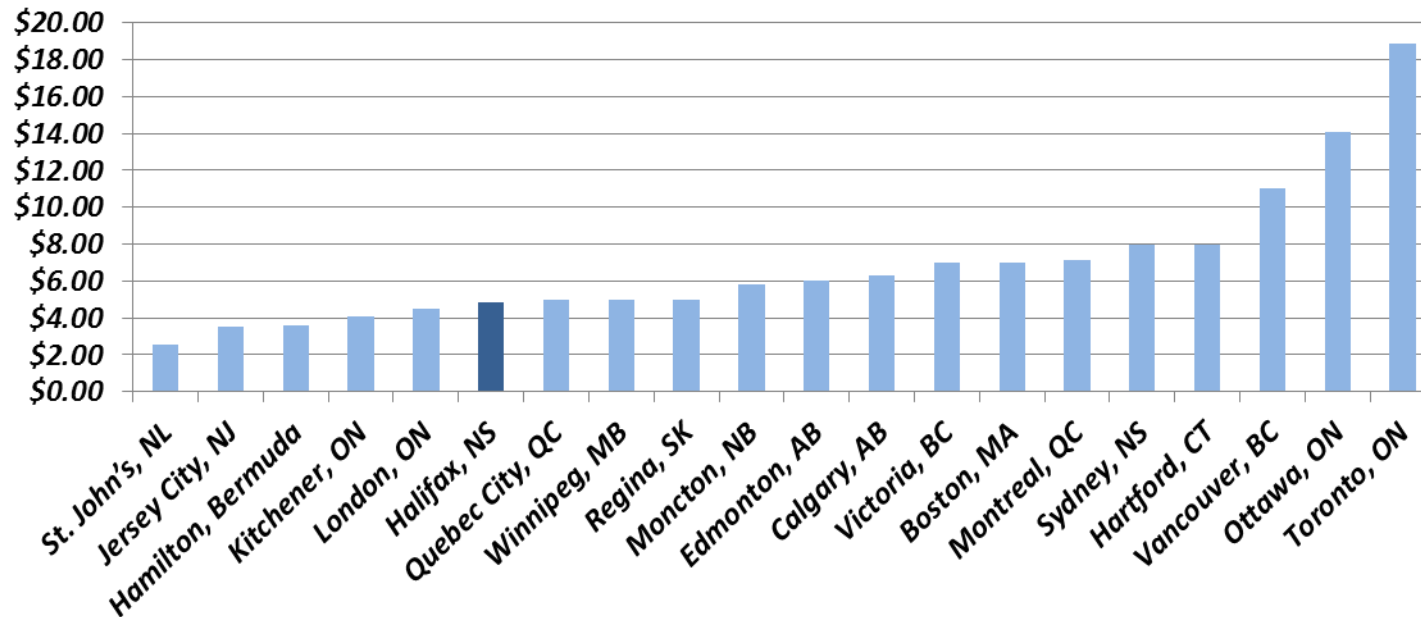
	2007	2012	Annual Change
Single Family Homes	1,326	1,592	3.7%
Commercial Tax	29,458	37,745	5.1%
Business Occupancy Tax	<u>6,538</u>	<u>901</u>	<u>-32.7%</u>
Total	35,997	38,646	1.4%

For firms and homes that existed in 2006

Benchmarks

outside Halifax – Class A

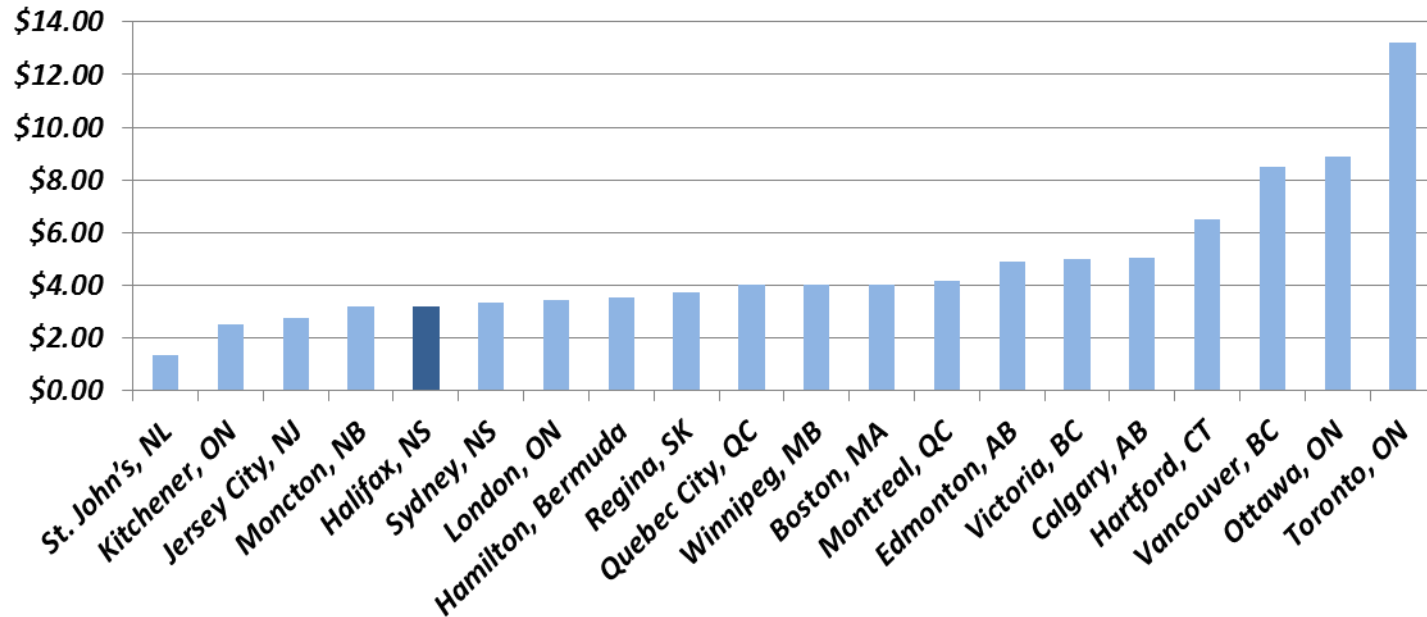
Average Real Property Tax for Downtown Class 'A' Offices
4th Quarter, 2010 (per square foot of leased space)



Benchmarks

outside Halifax – Class B

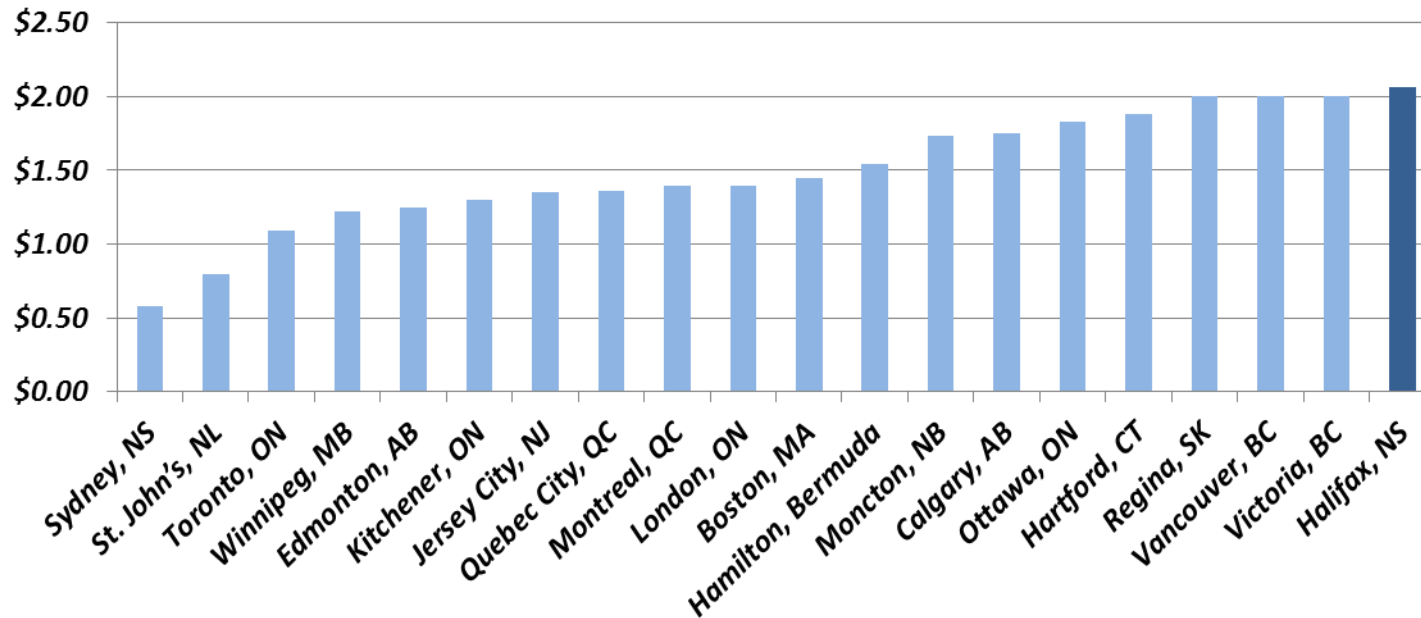
Average Real Property Tax for Downtown Class 'B' Offices
4th Quarter, 2010 (per square foot of leased space)



Benchmarks

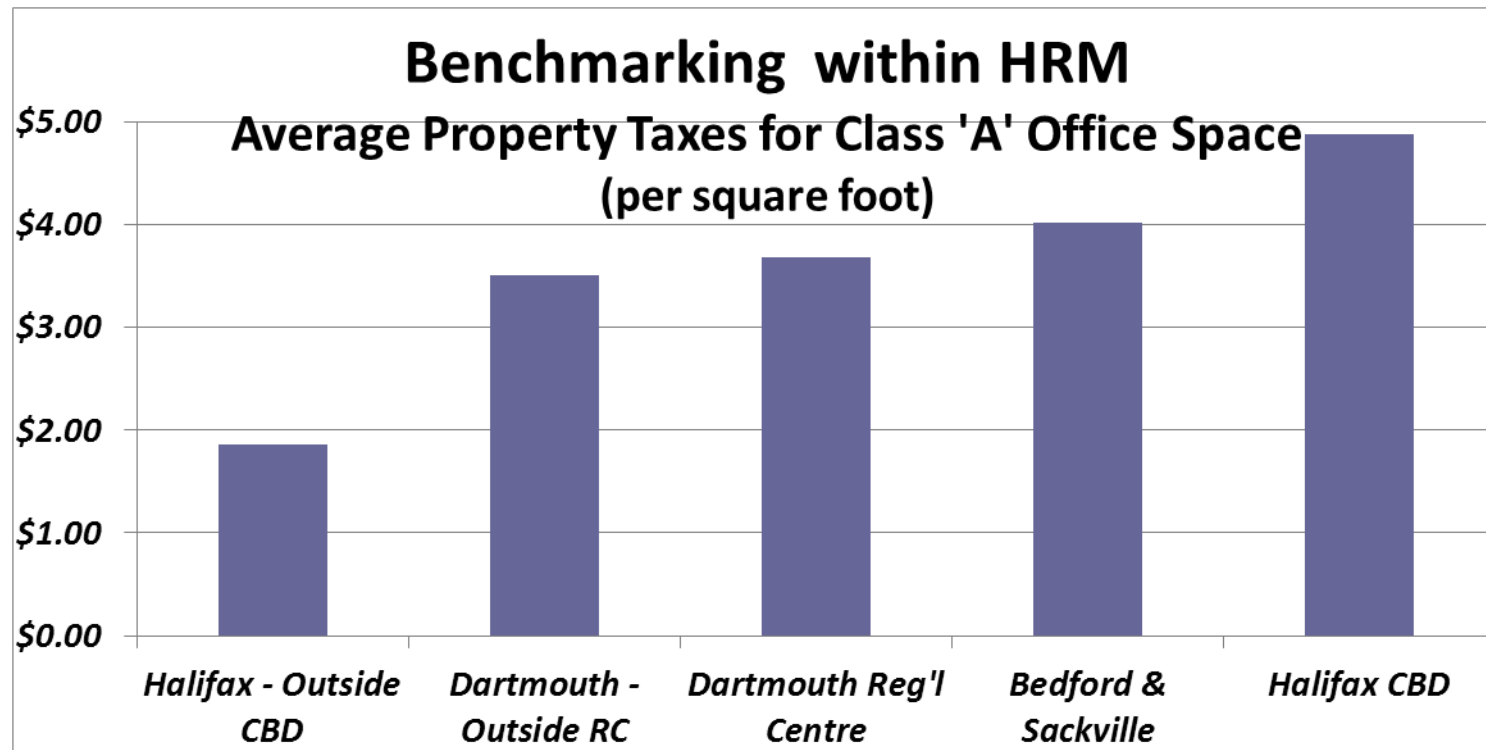
outside Halifax – Industrial

Average Real Property Tax for Industrial Properties
4th Quarter, 2010 (per square foot of leased space)



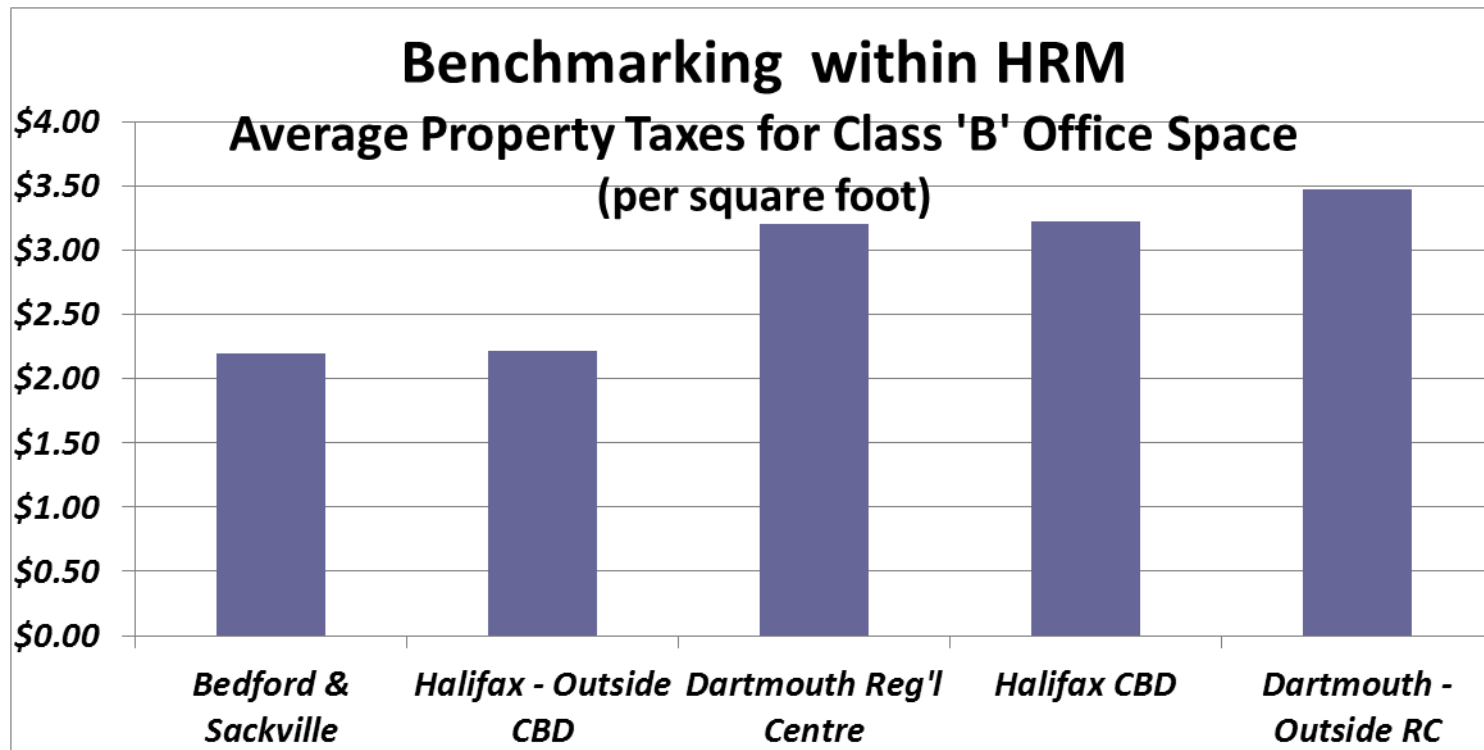
Benchmarks

within Halifax – Class A



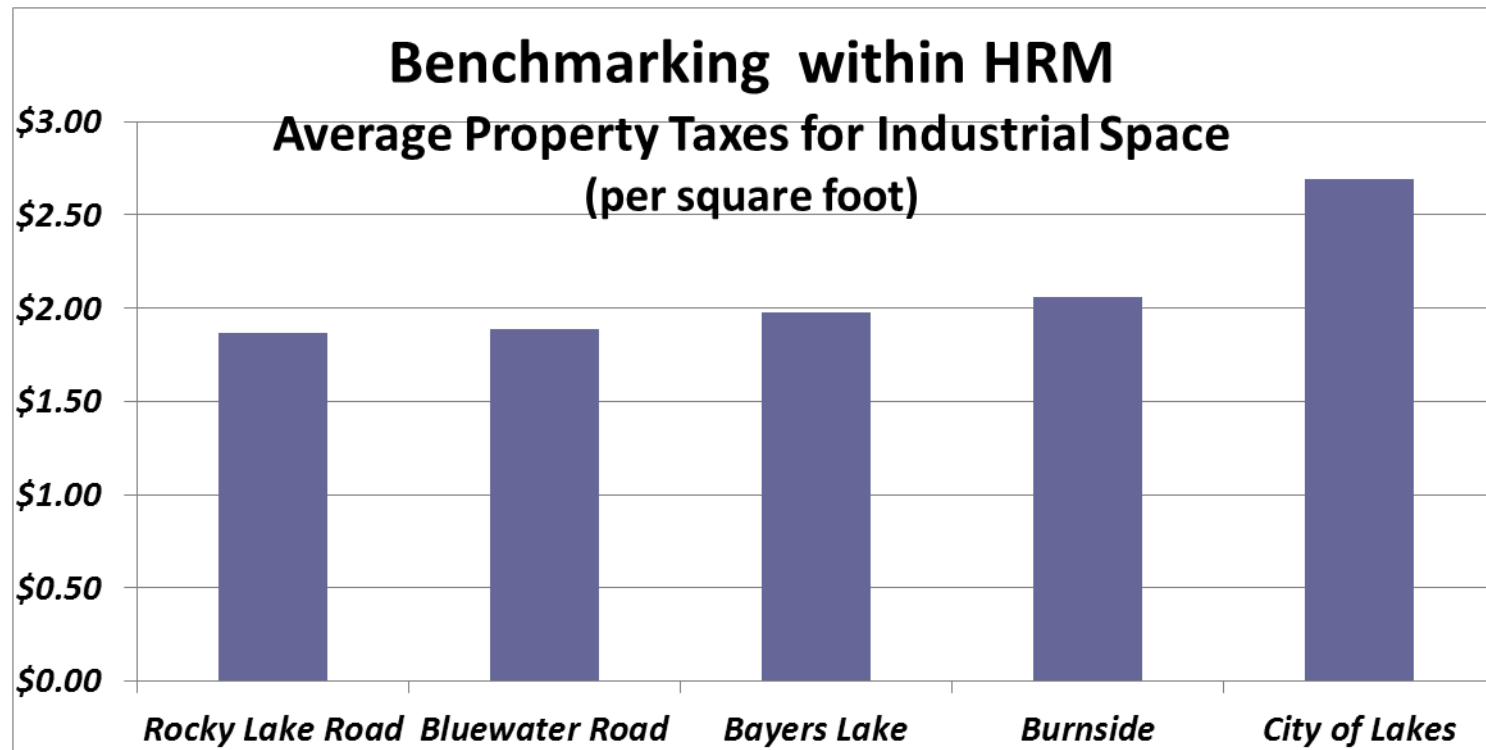
Benchmarks

within Halifax – Class B

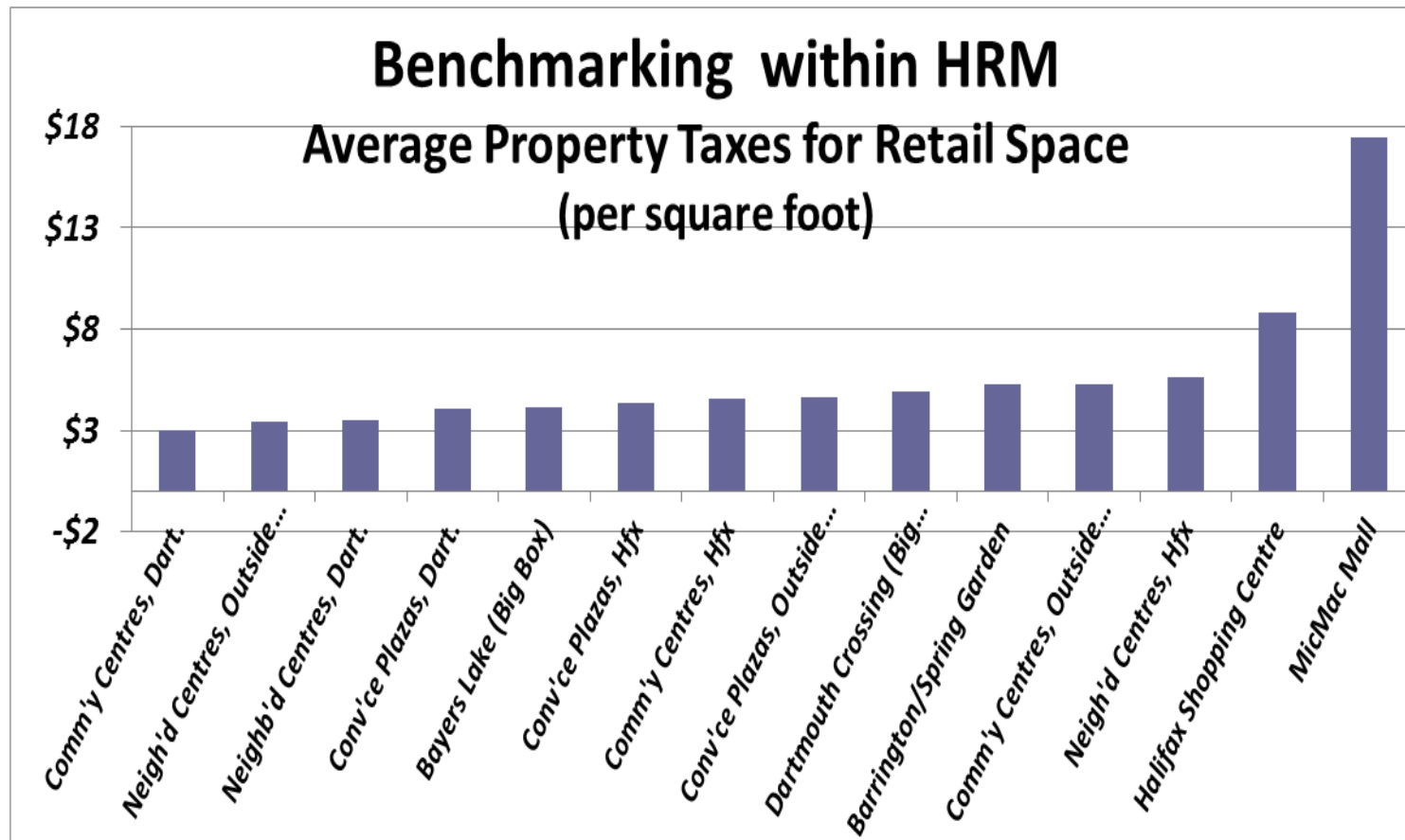


Benchmarks

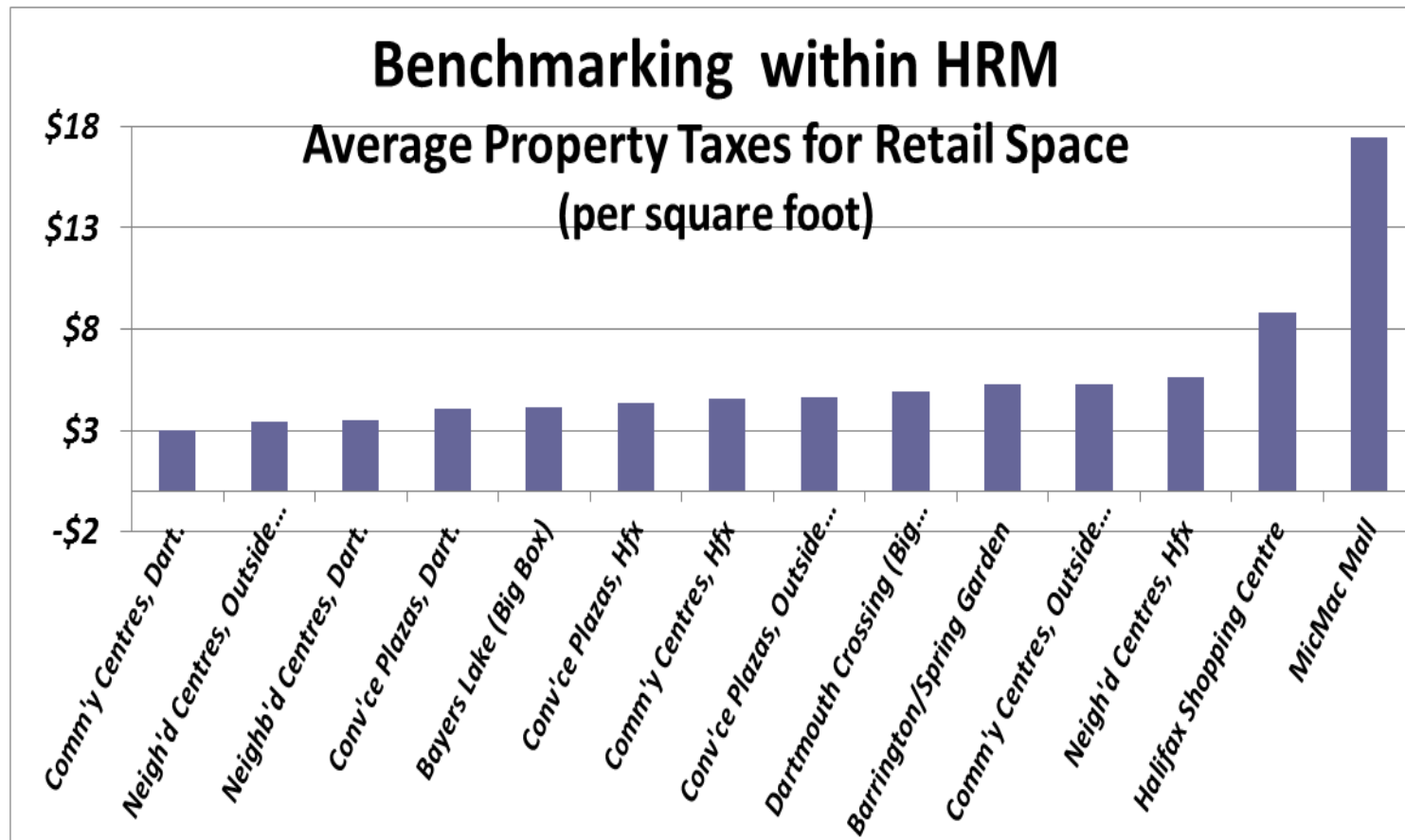
within Halifax – Industrial



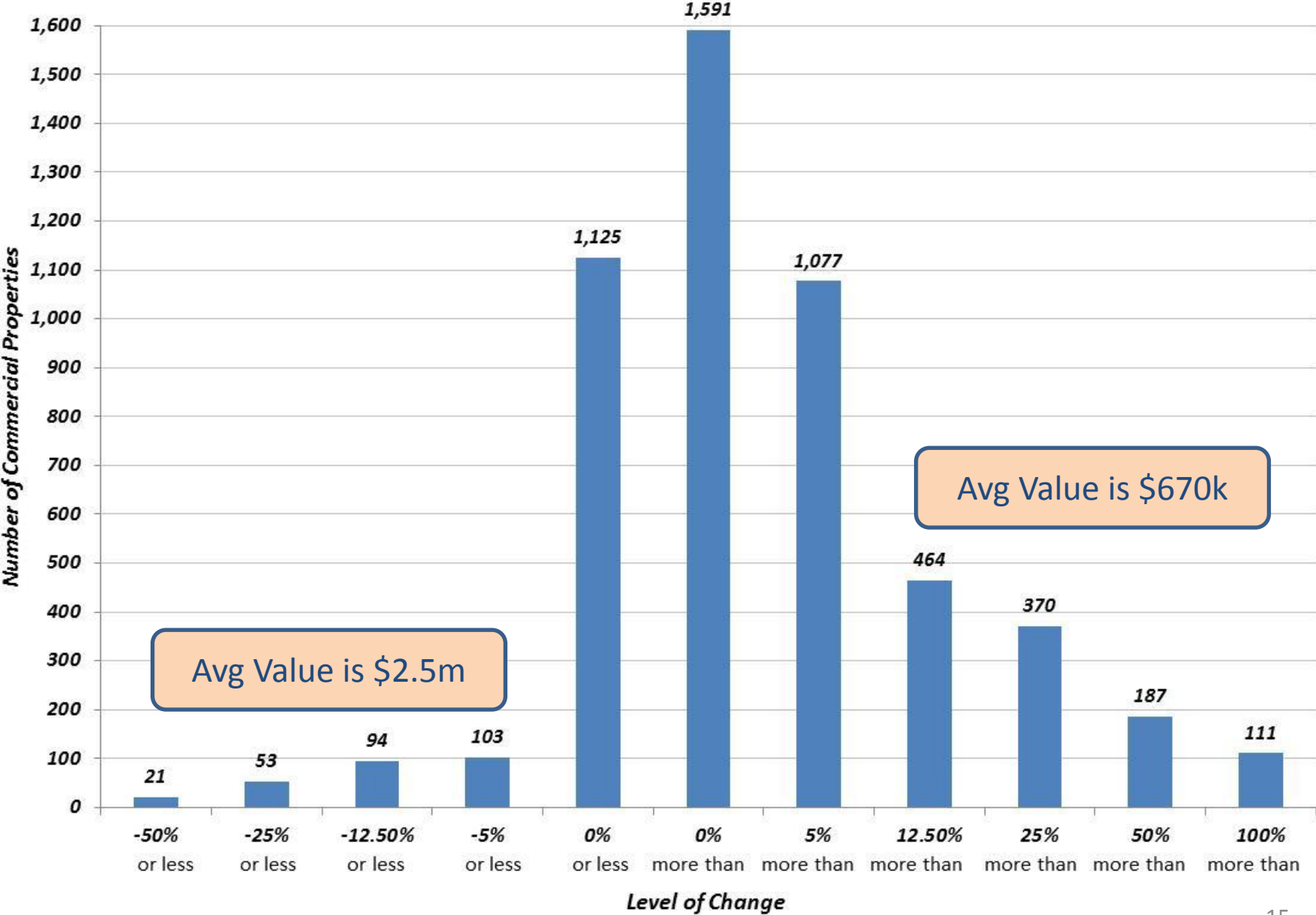
Benchmarks within Halifax – Retail



Benchmarks within Halifax – Retail



Change in Commercial Assessment, 2011 to 2012



- **Complex and Sophisticated Economic Issues**
 - More than one issue here
 - doesn't lead itself to quick or easy decisions
 - Irving decision will lead to additional challenges
- **Work underway in several forums, including**
 - Strategic Urban Partnership
 - Economic Strategy
- **Need for additional data and analysis**
 - Anecdotal reports needs to be better understood
 - Additional benchmarking, research, economic analysis
 - Additional PVSC data is essential

Questions?

Additional Detailed Slides

Debt Service

	2010-11	2011-12	2011-12	2012-13	2012-13	2012-13
Expenditures	Budget	Budget	Projection	Budget	Variance	Variance as %
8011 Interest on Debentures	8,398,351	8,245,000	12,641,873	11,830,000	3,585,000	43.5
8012 Principal on Debentures	28,325,174	30,210,000	36,639,132	36,398,000	6,188,000	20.5
* Debt Service	36,723,525	38,455,000	49,281,005	48,228,000	9,773,000	25.4

Other Fiscal Services

	2010-11	2011-12	2011-12	2012-13	2012-13	2012-13
Expenditures	Budget	Budget	Projection	Budget	Variance	Variance as %
8001 Transf Outside Agenc	131,645,591	133,313,595	133,168,202	140,285,600	6,972,005	5.2
8002 Insurance Claims						
8003 Insurance Pol/Prem	4,550,600	4,321,000	4,321,000	4,364,000	43,000	1.0
8004 Grants	572,700	573,000	573,000	569,000	(4,000)	(0.7)
8005 Tax Exemptions	1,486,400	1,487,000	1,287,000	1,485,000	(2,000)	(0.1)
8006 Tax Concess Non Prof	2,726,700	2,977,000	2,977,000	2,985,000	8,000	0.3
8007 Tax Concess Commercial	668,100	768,000	398,000	716,000	(52,000)	(6.8)
8008 Transfer to/from Reserves	23,662,736	20,146,800	26,379,800	14,759,700	(5,387,100)	(26.7)
8009 Fire Protection	9,442,000	9,694,000	9,978,059	9,998,000	304,000	3.1
8014 Capital from Operating	32,098,624	33,535,300	33,535,300	36,208,000	2,672,700	8.0
8015 Debenture Discount	280,288	340,000	338,590	299,000	(41,000)	(12.1)
8016 Provision for Allowance	3,500,000	3,500,000	3,800,000	2,500,000	(1,000,000)	(28.6)
8017 Bank Charges	302,000	330,000	330,000	330,000		
8022 Transf to/fr Trust						
8024 Transf to/fr Capital	2,090,309	2,140,286	2,140,286	2,265,200	124,914	5.8
9000 Prior Year Surplus/Deficit	359,643	(784,297)	(4,026,684)	(4,210,000)	(3,425,703)	436.8
* Other Fiscal	213,385,691	212,341,684	215,199,553	212,554,500	212,816	0.1

Tax Revenue

	2010-11	2011-12	2011-12	2012-13	2012-13	2012-13
Revenues	Budget	Budget	Projection	Budget	Variance	Variance as %
4001 Residential Property Taxes	(181,990,000)	(194,017,000)	(194,055,000)	(193,843,000)	174,000	(0.1)
4002 Commercial Property Taxes	(175,632,000)	(158,212,000)	(157,950,000)	(158,450,000)	(238,000)	0.2
4003 Business Occupancy Taxes	(5,079,000)	(4,759,000)	(4,757,595)	(3,986,000)	773,000	(16.2)
4005 Resource Property Taxes	(1,302,000)	(1,371,000)	(1,373,401)	(1,380,000)	(9,000)	0.7
4006 Recreational Non Profit		(14,000)	(14,533)	(15,000)	(1,000)	7.1
4007 Resource Forest Taxes		(43,000)	(42,388)	(42,000)	1,000	(2.3)
4008 Commercial Forest Taxes		(115,000)	(86,476)	(92,000)	23,000	(20.0)
4009 Farm Acreage Taxes						
4010 Bus. Occupancy Open.						
4011 Business Occupancy Closing						
4012 Fire Protection	(9,189,000)	(9,505,000)	(9,080,000)	(11,114,000)	(1,609,000)	16.9
4013 Business Occupancy Appeals	123,000					
4094 Allow Resid.Appeals	417,000					
4095 Allow Comm.Appeals	1,143,000					
4096 Allow Resource Appea	14,000					
4100 Deed Transfer Taxes	(30,000,000)	(32,390,000)	(37,300,000)	(36,000,000)	(3,610,000)	11.1
4101 Capital Charges	(2,363,891)	(2,737,000)	(2,737,000)	(2,523,000)	214,000	(7.8)
* Tax Revenue	(403,858,891)	(403,163,000)	(407,396,393)	(407,445,000)	(4,282,000)	1.1

Transfer to Outside Agencies

	2010-11	2011-12	2011-12	2012-13	2012-13	2012-13
Cost Centers/Groups	Budget	Budget	Projection	Budget	Variance	Variance as %
M230 Corrections Services	6,343,347	4,924,683	4,847,279	6,427,000	1,502,317	30.5
M240 Metro Housing Authority	928,792	2,324,348	2,324,348	2,263,000	(61,348)	(2.6)
M250 World Trade Centre	588,000	588,000	588,000	588,000		
M280 Mandatory Education	97,903,050	99,370,524	99,371,824	105,729,000	6,358,476	6.4
M288 Suppl Educ HRM-wide	19,030,561	18,527,200	18,527,200	18,104,000	(423,200)	(2.3)
M291 Fire Protection (Hydrants)	9,189,000	9,505,000	9,080,000	11,114,000	1,609,000	16.9
M292 NSLC Area Rate						
M318 Prop Valuation Serv	6,620,089	6,658,548	6,589,259	6,626,000	(32,548)	(0.5)
* Transfers To Outside Agencies	140,602,839	141,898,303	141,327,910	150,851,000	8,952,697	6.3