

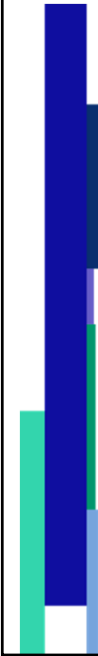


CAO Budget Overview

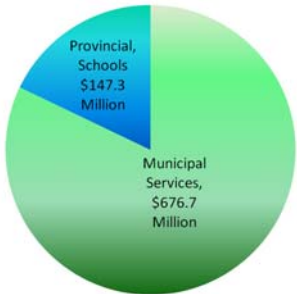
Committee of the Whole January 8, 2014





Where We Are: Total HRM Annual Expenses


Total 2013/14 Expenses of \$824 Million



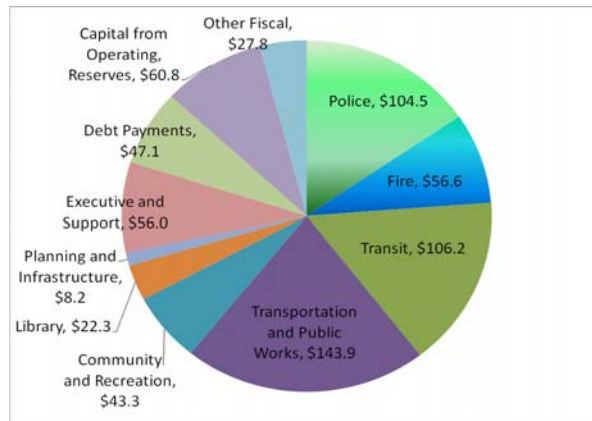
Category	Amount (Million)
Municipal Services	\$676.7
Provincial, Schools	\$147.3
Total	\$824

Provincial
Includes Education (Mandatory & Supplementary), Corrections, Housing and Assessment.

Municipal
Includes services under the control and direction of Regional Council.



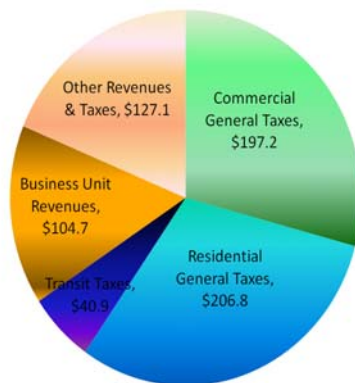
Where We Are: Total Municipal Expenses



Municipal Expenses of \$677m

Where We Are: Municipal Revenues

Municipal Revenues of \$677m



Taxes

Main taxes are General Tax rates and Transit (residential).

Other

Taxes include Deed Transfer Tax, Payments in Lieu of Taxes (Federal/Provincial), Hydrant Tax, smaller area rates

Business unit revenues come from services (e.g. Bus and recreation fares, tipping fees).

Where We Are: Cost pressures for 2014/2015

Compensation (incl some new OCC)	12.8	Includes \$3.0 million in pension adjustment		
Other Current Costs	5.5			
Revenues	-1.2			
New Prog Costs (incl Cap Oper, Reserves)	9.6	includes \$5.0M operating cost capital; \$2.8M capital from operating. \$1.8M		
Surplus	4.7			
Changes from External Forces	2.9	mostly impact of Imperial Oil		
Taxes	-13.3			
	21.0			

NOTE: URB Ruling to HRWC to bill HRM \$4.0 million for storm water services related to the right-of-way network is not included here.



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Where We Are Headed: Fiscal Approach

Have asked Business Units to find efficiency savings equal to \$20M

We are reviewing prior and current year surpluses to see where that can lead to savings in future years.

Full review of our project budget:

- redirect funding from stale projects to new
- likely identify a lower requirement for Capital from Operating.



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Where We Are: Business Unit Targets

	2013/14 Budget	Change in Compensation	Change in Expenses	Change in Revenues	Target Savings	Proposed 2014/15 Budget
P-I	6,217,000	265,100	125,100	1,706,800	- 407,000	7,907,000
FICT	26,402,000	124,900	864,900	- 33,000	- 1,671,800	25,687,000
AG	851,000	27,300	807,300	- 806,000	- 4,600	875,000
CRS	15,805,000	1,472,100	425,500	- 492,000	- 1,027,600	16,183,000
CAO	12,573,000	479,900	31,700	- 19,600	- 821,000	12,244,000
Fire	55,968,000	1,430,200	- 28,000	- 7,800	- 3,548,400	53,814,000
HR	5,720,000	134,000	17,200	- 1,000	- 369,200	5,501,000
Legal	3,148,000	75,000	15,800	- 2,800	- 203,000	3,033,000
Transit	-	3,329,200	666,400	-4,827,000	831,400	-
RCMP	23,000,000	-	-	1,117,000	-	24,117,000
Police	73,884,000	3,085,800	112,600	- 90,900	- 4,839,500	72,152,000
TPW	122,962,000	1,014,400	1,837,300	- 229,700	- 7,718,000	117,866,000
Library	16,905,000	200	79,300	- 6,100	- 1,067,400	15,911,000
	363,435,000	11,438,100	4,955,100	- 3,692,100	- 20,846,100	355,290,000

Where We Are Headed: Long Term Risks and Pressures

- Pension: Continued upward pressure on sustainability of government pensions
- Cost pressures from business units
- Transit: Continued expansion without increased ridership
- New development vs. infill
- Operating cost of new capital
- HRWC capital plan



Where We Are Headed: Related Fiscal Initiatives

- Enterprise Asset Management
- Transit Technology
- Fire Review
- Pension Review
- Enterprise Risk Management
- Regional Plan Review



Thank You



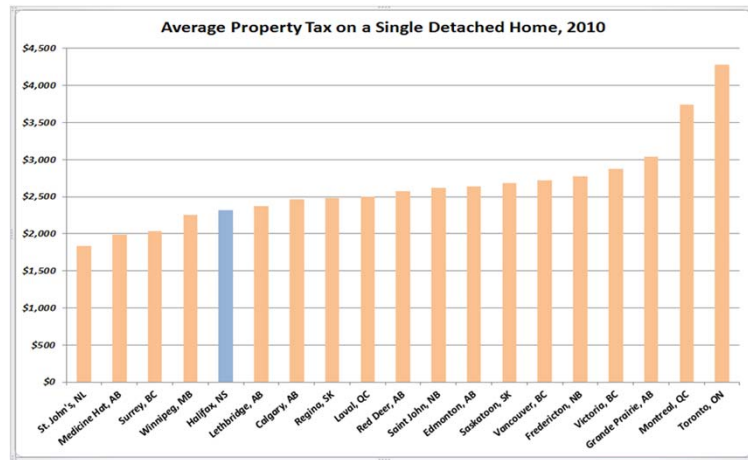
Where We Were: Tax Trends

Residential	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Revenue	202,310,470	211,666,656	231,243,000	233,612,266	247,692,000
Single Family Home Assessment	179,900	183,600	192,700	203,500	211,200
Single Family Home Tax	1,648	1,749	1,823	1,825	1,867
General Urban Rate	0.7200	0.7088	0.7088	0.6610	0.6680
Per Capita Income	\$35,786	\$36,215	\$37,588	\$38,982	\$40,034
Assessment Cap	3.4%	0.0%	2.9%	3.9%	1.4%
Commercial	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Revenue	180,822,000	179,445,000	191,037,000	192,433,000	197,188,000
Average Commercial Assessment	1,119,800	1,112,700	1,183,000	1,253,100	1,292,600
Average Commercial Tax	37,603	38,744	41,192	41,240	41,790
General Commercial Rate	3.157	3.257	3.214	3.084	3.054
GDP Growth	1.9%	5.1%	4.8%	2.7%	3.1%
Other		2010-2011	2011-2012	2012-2013	2013-2014
Inflation		2.0%	3.5%	1.7%	1.4%
Debt		284,257	280,802	276,500	271,700
Debt per Household		1,613	1,573	1,526	1,480

Where We Were: Tax Trends

Residential	2010-2011	2011-2012	2012-2013	2013-2014
Single Family Home Assessment	2.06%	4.96%	5.60%	3.78%
Single Family Home Tax	6.13%	4.23%	0.11%	2.30%
General Urban Rate	-1.56%	0.00%	-6.74%	1.06%
Per Capita Income	1.20%	3.79%	3.71%	2.70%
Commercial	2010-2011	2011-2012	2012-2013	2013-2014
Average Commercial Assessment	-0.63%	6.32%	5.93%	3.15%
Average Commercial Tax	3.03%	6.32%	0.12%	1.33%
General Commercial Rate	3.17%	-1.32%	-4.04%	-0.97%
GDP Growth	5.1%	4.8%	2.7%	3.1%

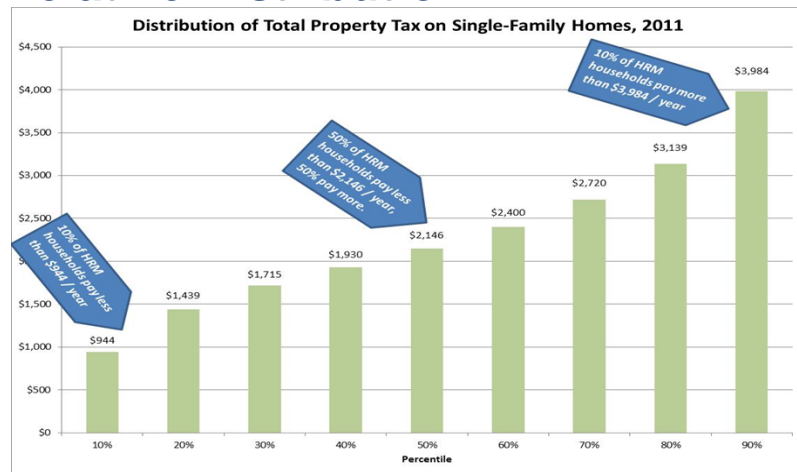
Where We Are: Single Family Home Property Tax Comparison



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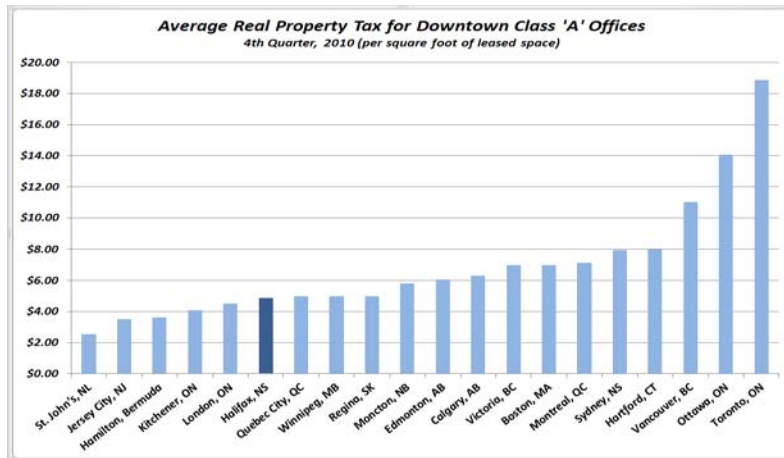
Where We Are: Single Family Tax - Relative Distribution



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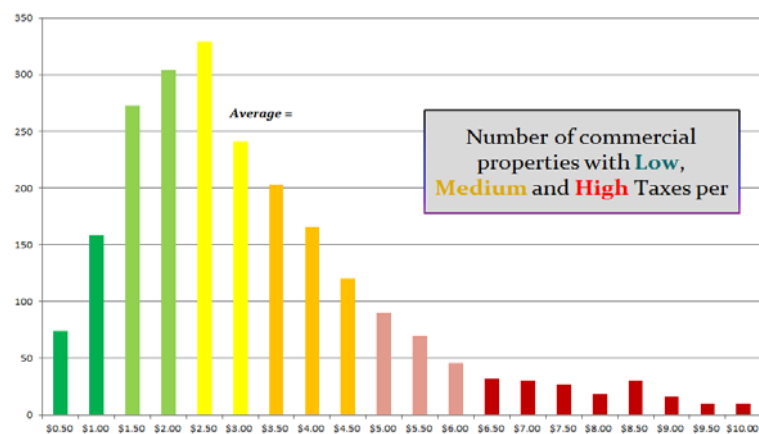
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Where We Are: Downtown Class A Office Tax Comparison



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Where We Are: Commercial Tax Per Square Ft. - Relative Distribution



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Where We Are Headed: Balancing Taxes and Services

Preliminary Estimate

	Base Year 2013-14	Year 1 2014-15	Year 2 2015-16	Year 3 2016-17
Gross Expenditures (\$m)	\$694.6	\$729.3	\$753.3	\$761.0
Revenues	-\$212.7	-\$217.6	-\$227.7	-\$216.6
Property Taxes	-481.9	-494.4	-502.8	-513.5
Targeted Revenues	-\$694.6	-\$712.0	-\$730.5	-\$730.1
(Surplus)/Deficit	\$0.0	\$17.3	\$22.8	\$30.9

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Where We Are Headed: Balancing Taxes and Services

Draft Working Assumptions

	Base Year 2013-14	Year 1 2014-15	Year 2 2015-16	Year 3 2016-17
Debt Targets (\$ millions)	265,200	261,100	256,300	251,500
- per dwelling	1,422	1,379	1,338	1,298
Capital from Operating	47,155,900	49,977,000	52,688,000	55,810,000
- per dwelling	253	264	275	288
Assessment Cap	1.0%	1.3%	1.2%	1.2%
Residential Tax Bill	1,851	1,874	1,895	1,916
- percentage change	1.7%	1.3%	1.1%	1.1%
- as a percentage of income	1.48%	1.46%	1.43%	1.40%
Commercial Tax Bill	42,327	42,860	43,376	43,909
- percentage change	2.0%	1.3%	1.2%	1.2%
- as a percentage of GDP	1.08%	1.07%	1.07%	1.07%

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Where We Are Headed: Public Budget Consultation

Three key new ways to improve citizenship engagement:

- Community Council Presentations
- On-line Budget Tool
- “Open Mike” at Committee of the Whole