


HALIFAX

P.O. Box 1749
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Item No. 11.1.8
Halifax Regional Council
July 21, 2015

TO: Mayor Savage and Members of Halifax Regional Council
Original Signed by 

SUBMITTED BY: _____
Mike Labrecque, Acting Chief Administrative Officer

Original Signed

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: July 6, 2015

SUBJECT: **2015-16 Supplementary Education Area Rates & Final Budget Resolution**

ORIGIN

On April 28, 2015, in addition to the 2015-16 General Tax Rates, Council also approved the area rates for Regional Transportation, Local Transit and Fire Protection. On June 23, 2015, Council approved most of the area rates including the four Provincial area tax rates for Mandatory Education, Property Valuation Services, Correction Services, and the Metro Regional Housing Authority. The tax rates for Supplementary Education were deferred pending the outcome of negotiations with the Halifax Regional School Board (HRSB).

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, Section 80 et seq.

RECOMMENDATION

It is recommended that Halifax Regional Council approve the attached Resolution to Approve the Area Rates for Supplementary Education and Amend the Approved Operating Budget for Fiscal 2015-16 (Attachment A).

BACKGROUND

In addition to the general rates of taxation, the Halifax Regional Municipality determines area tax rates for services provided over and above those which are contained in the general rates. As a result, formal adoption of these rates is required under the *Halifax Regional Municipality Charter*. As of June 23, 2015, Council had approved all the general tax rates and area rates for fiscal 2015-16 with the exception of Supplementary Education. The area rates for Supplementary Education were deferred pending the outcome of negotiations with the Halifax Regional School Board (HRSB) regarding future funding for this annual payment.

DISCUSSION

Supplementary Education

A tentative agreement has now been reached with the HRSB regarding future funding for Supplementary Education. As a result, the proposed 2015-16 operating budget and the area rates for Supplementary Education can now be determined and submitted to Council for final approval. The proposed total 2015-16 payment to the school boards is \$16,796,100, which is a reduction of \$450,000 from the 2014-15 payment of \$17,246,100. The proposed residential and resource area rate is \$0.030 per \$100 of taxable assessment. This is a reduction of 3/10ths of one cent from the area rate of \$0.033 approved for 2014-15. The proposed 2015-16 commercial area rate is \$0.083 per \$100 of taxable assessment. This is a reduction of one cent from the area rate of \$0.093 approved for 2014-15. The changes are summarized in the table below.

2014-15 & 2015-16 Area Rates for Supplementary Education				
per \$100 of Taxable Assessed Value				
	2014-15	2015-16	\$ Change	% Change
Residential	\$ 0.033	\$ 0.030	-\$ 0.003	- 9.1 %
Resource	\$ 0.033	\$ 0.030	-\$ 0.003	- 9.1 %
Commercial	\$ 0.093	\$ 0.083	-\$ 0.010	- 10.8 %

Other Changes

On June 16, 2015, Council approved a new uniform charge commencing with the 2015-16 fiscal year for the purpose of funding neighbourhood improvement programs, recreation development, and social activities for the Frame Subdivision Homeowners' Association. On June 23, 2015, Council also approved a new private road maintenance fee uniform charge for St. Margaret's Bay Heights Subdivision. Because the revised Resolution approved by Council on June 23, 2015 was prepared before these two new uniform charges were approved, a further adjustment to the 2015-16 Operating Budget is required which is reflected in the Resolution included as Attachment A to this report.

FINANCIAL IMPLICATIONS

The revised Resolution approved by Council on June 23, 2015 did not include the budget for Supplementary Education, the Frame Subdivision Homeowners' Association, and the St. Margaret's Bay Heights Subdivision. The final revised Resolution included as Attachment A to this report increases the gross operating budget by \$16,590,000. Of this amount, \$16,576,000 is required for Supplementary Education, and \$14,000 for the two new area rates referred to above. The additional \$220,000 required for the \$16,796,100 payment to the HRSB for 2015-16 will be covered by the carry forward of 2014-15 surplus from the area rate account for Supplementary Education. Because the budget increase is fully funded from area rates or uniform charges, there is no net increase to the 2015-16 Operating Budget funded from the general tax rates.

COMMUNITY ENGAGEMENT

No community engagement has taken place or is planned.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

ALTERNATIVES

The revised Resolution included as Attachment A to this report is based on a tentative funding agreement with the HRSB and two uniform charges previously approved by Council. Therefore, there would be no alternative to the Recommendation in this report unless Council did not approve the funding agreement with the HRSB or if other changes to the 2015-16 Operating Budget were contemplated.

ATTACHMENTS

Attachment A: Resolution to Approve the Area Rates for Supplementary Education and Amend the Approved Operating Budget for Fiscal 2015-16

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Gordon Roussel, Senior Financial Consultant 902.490.2500

Report and Financial
Approved by:

Bruce Fisher, Acting Director of Finance & ICT/CFO, 902.490.6308

Original Signed

Attachment A

HALIFAX REGIONAL MUNICIPALITY

**Proposed 2015/16 Area Rates for Supplementary Education &
Final Operating Budget**

*RESOLUTION to Approve the Area Rates for Supplementary Education and
Amend the Approved Operating Budget for Fiscal 2015/16¹*

It is hereby resolved that:

- a) the Operating Budget in the amount of **\$ 869,133,600** gross expenditures (which includes **\$ 726,700,600** in municipal expenditures including the reserve withdrawals specified in the Operating and Project Budget); **\$ 653,779,500** in property tax revenues (including area rate revenues) and **\$ 215,354,100** in other revenues be approved; and
- b) **Supplementary Education**, under Section 80 of the *Halifax Regional Municipality Charter*, shall be set at the rate of **\$0.030** per \$100 of the residential and resource assessment and at **\$0.083** per \$100 of the commercial assessment.

¹ The Operating and Project Budgets, General Tax Rates and Area Rates for Fire Protection, Regional Transportation, and Local Transit, were approved by Regional Council on April 28, 2015. With the exception of Supplementary Education, all other Area Rates were approved by Regional Council on June 23, 2015.