

HALIFAX

Revenues and Taxation

FISCAL DIRECTION 2016-17

Overview

- Public Consultation & Timelines
- Trends – Expenditures, Revenues, Debt
- Capital – Current Expenditures & Funding
- Fiscal Outlook – Revenues, Expenses, Assessment
- Recommendations

Public Consultation

- Live this week!
- Open for public input for 4 weeks.
- Budget Allocator – opportunity for the public to balance the budget and provide service priorities.
- Presentations to the public at Community Council

A close-up photograph of a hand holding a blue pencil, pointing it at a document. The document has some numbers, including '009'0' and '19'000'. The image is partially overlaid by a blue diagonal shape in the top right corner.

HALIFAX

Municipal
Budget
2016

Timeline

Subject	COW Target Dates
Revenue and Rate Direction	Tuesday, October 20, 2015
Priority Discussion and Direction	Tuesday, November 10, 2015
Business Unit These are placeholders as the order may change	COW Meeting (weekly) Wednesdays 9:30 am – 4 pm
Capital Budget	Wednesday, Dec 02, 2015
<i>Transit</i>	Wednesday, Dec 09, 2015
<i>Parks & Rec and Library, and (if necessary) Capital return</i>	Wednesday, Jan 06, 2016
<i>Admin Services Bundle and Auditor General (CAO, Legal, HR & FICT)</i>	Wednesday, Jan 13, 2016
<i>Police, Fire and P&D</i>	Wednesday, Jan 20, 2016
<i>TPW and Operations Support</i>	Wednesday, Jan 27, 2016
<i>Fiscal and Consolidated Accounts</i>	Wednesday, Feb 03, 2016
<i>Follow-up date if necessary</i>	Wednesday, Feb 10, 2016
Production and Quality Control Period	Feb 8 – Feb 26
Full Review of Final Budget	Tuesday, March 8, 2016
<i>Follow-up date if necessary</i>	Tuesday March 22, 2016

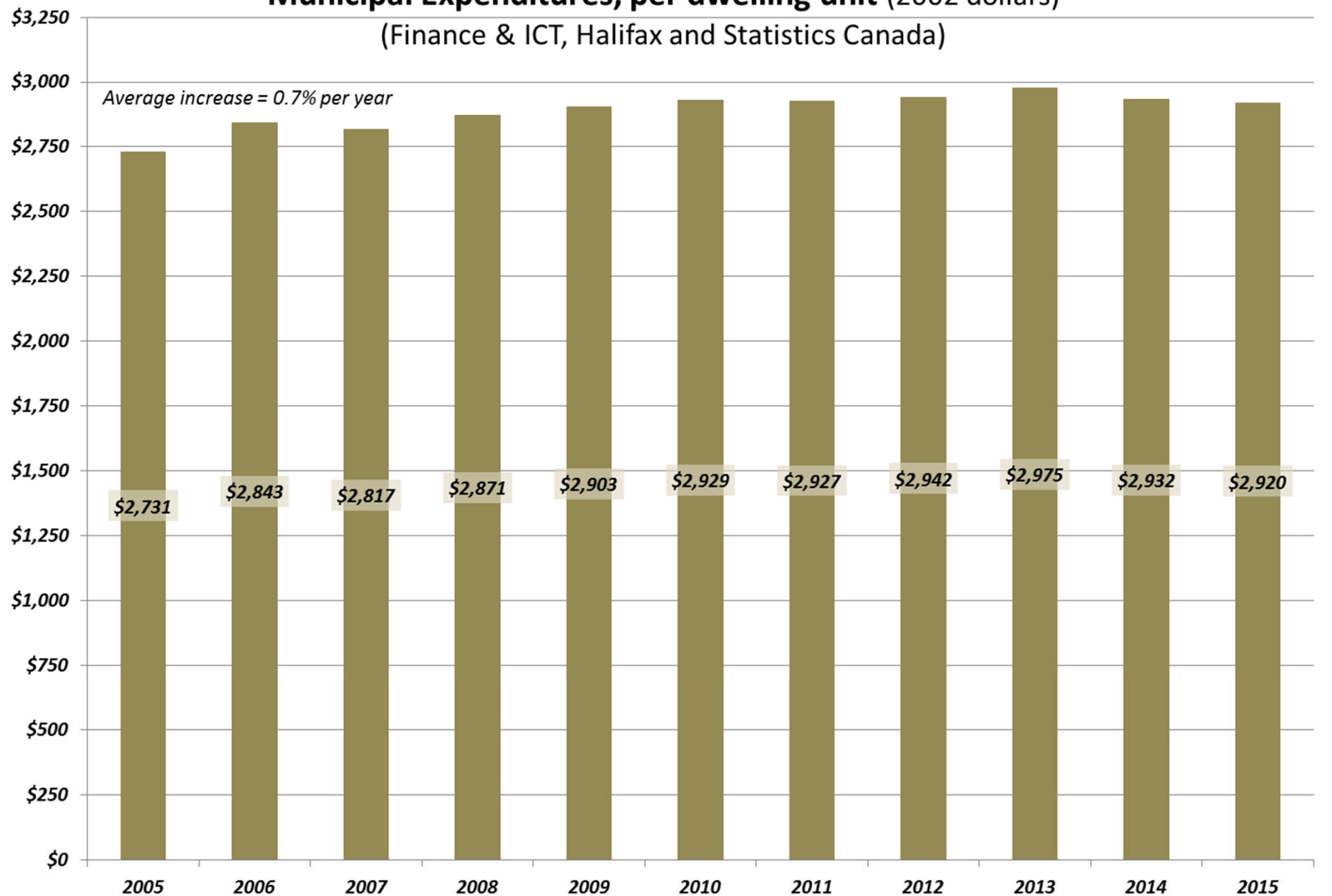
The background features a large, stylized graphic of the letter 'H'. The top-left and top-right quadrants of the 'H' are filled with a dark blue color. The bottom-left and bottom-right quadrants are filled with a lighter, medium blue color. The central vertical bar of the 'H' is white. The word 'HALIFAX' is written in white, bold, uppercase letters across the top-right quadrant of the 'H'.

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Trends

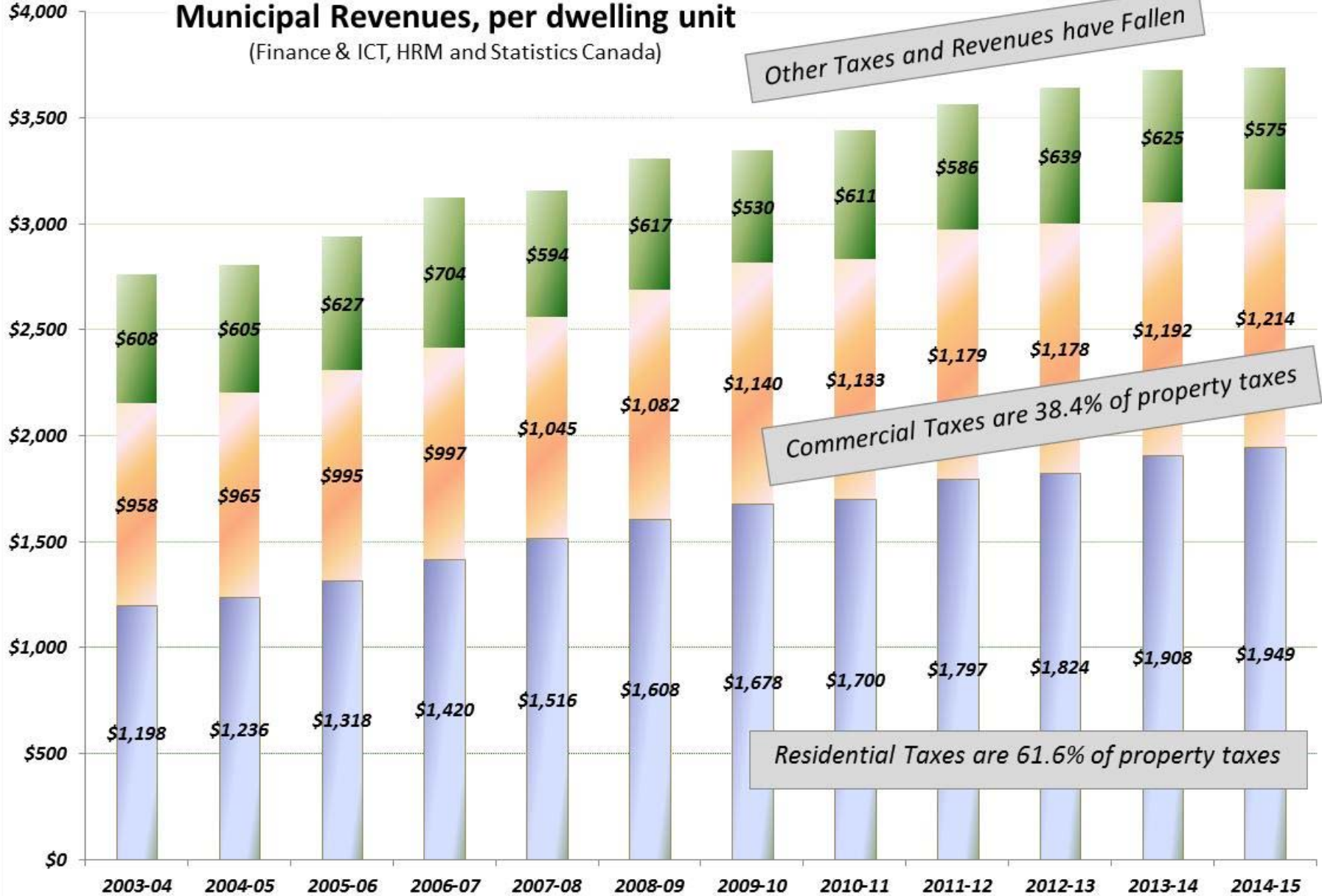
Municipal Expenditures, per dwelling unit (2002 dollars)

(Finance & ICT, Halifax and Statistics Canada)

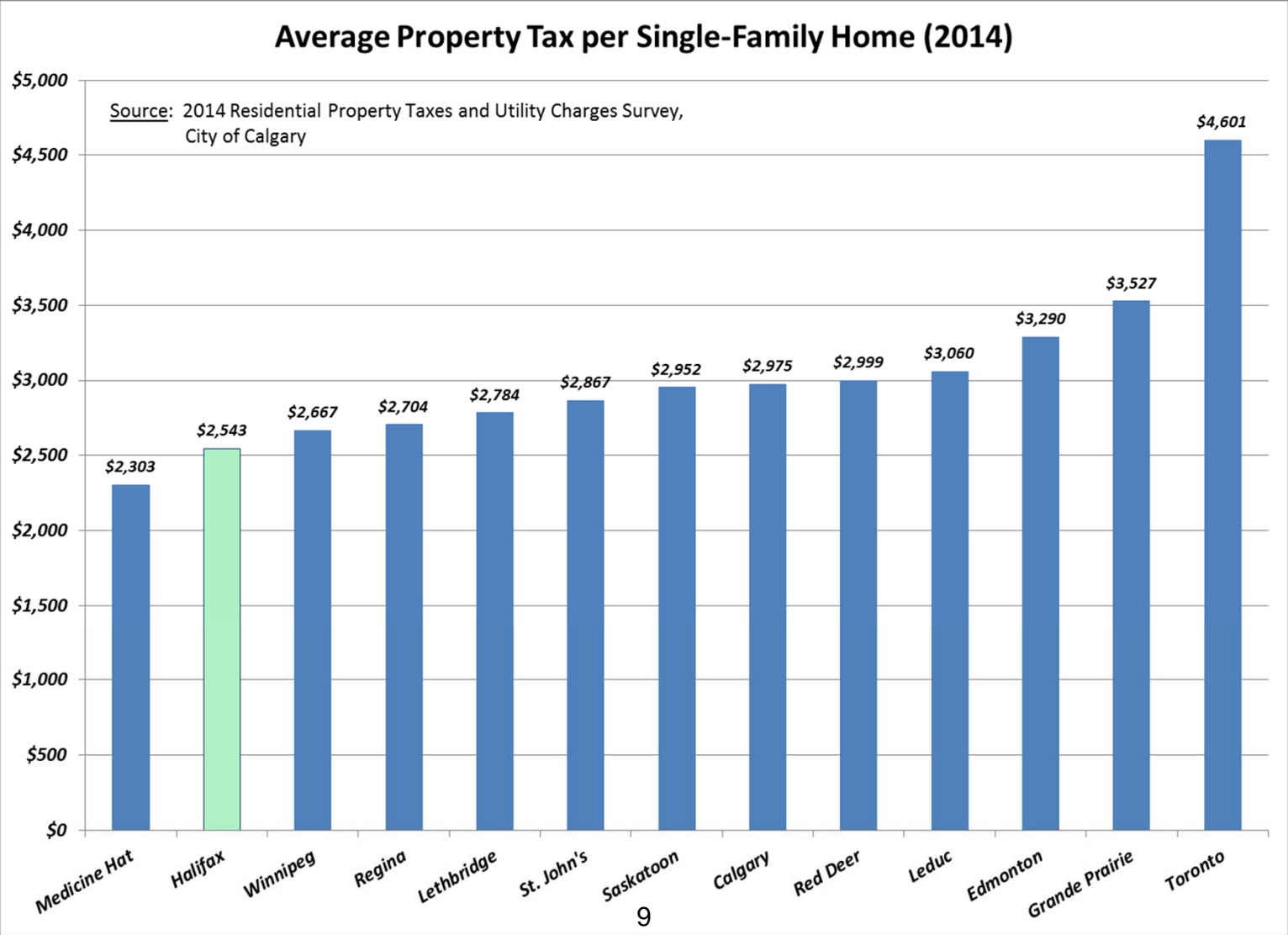


Municipal Revenues, per dwelling unit

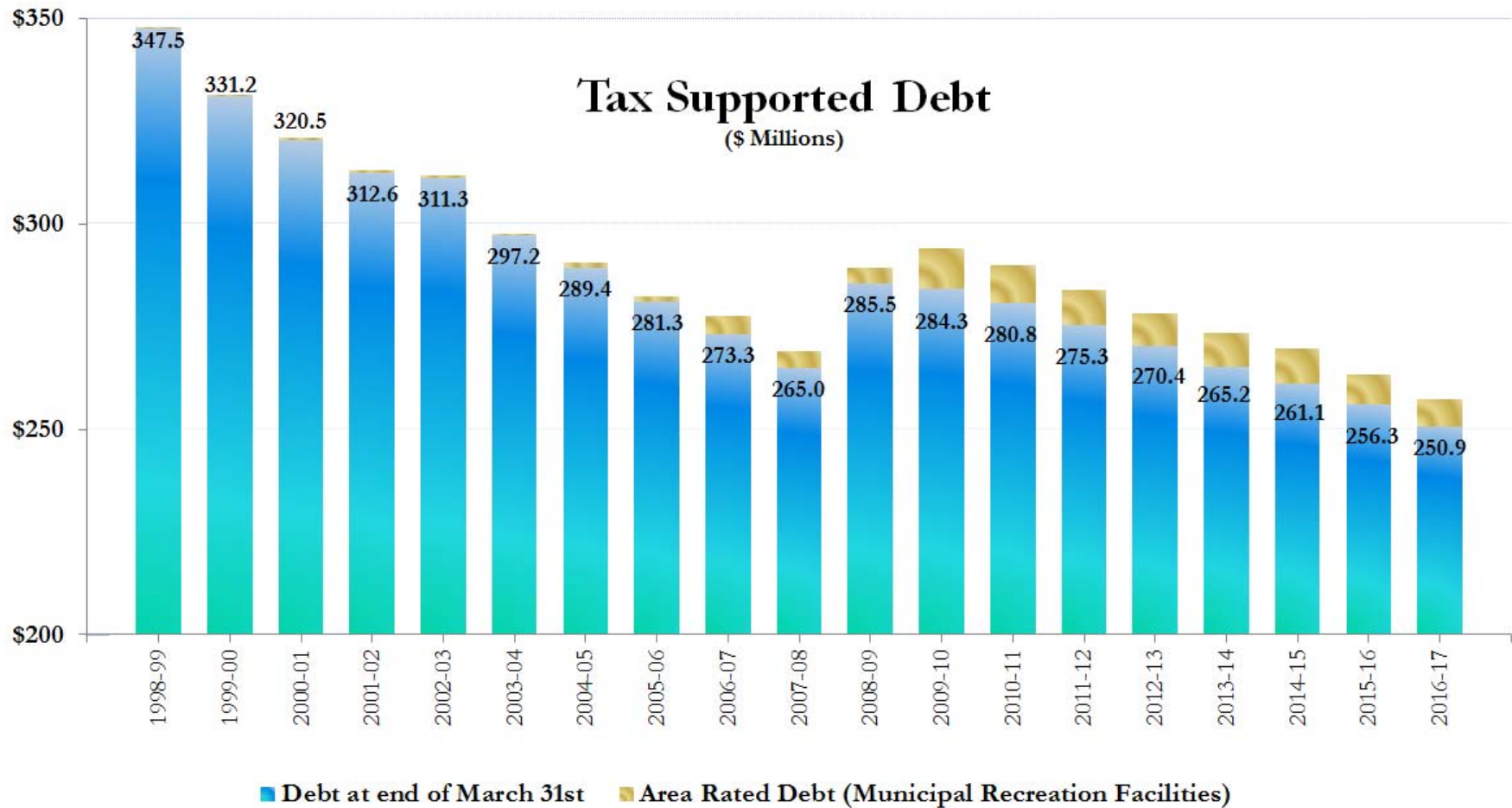
(Finance & ICT, HRM and Statistics Canada)



Comparing Halifax's Property Taxes



Tax Supported Debt

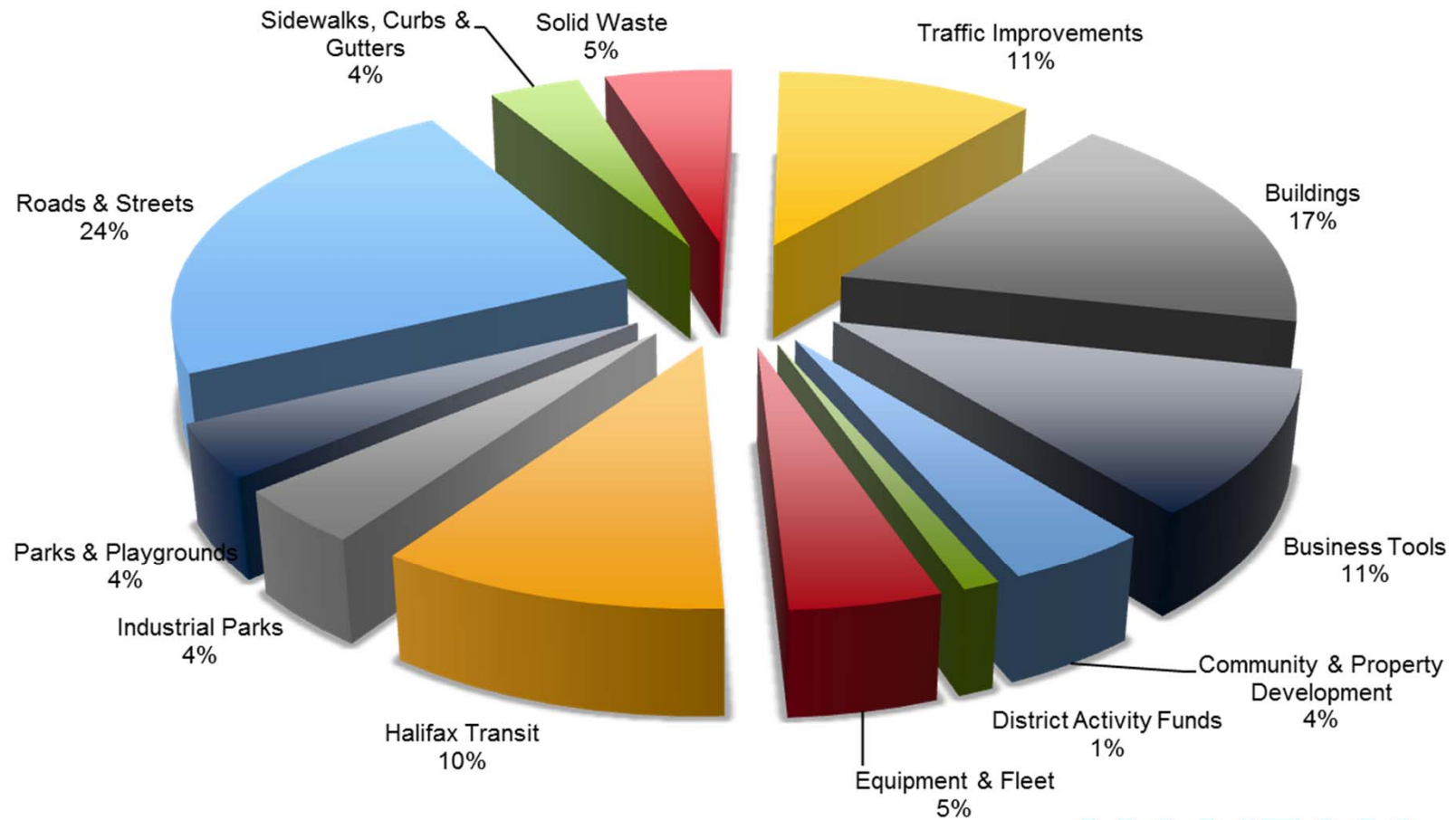


The background features a large, abstract graphic composed of several overlapping geometric shapes in various shades of blue. A dark blue triangle points downwards from the top left towards the center. To its right, a lighter blue triangle points downwards from the top right towards the center. Below these, a medium blue triangle points upwards from the bottom left towards the center. On the far right, a dark blue triangle points upwards from the bottom right towards the center. The word "HALIFAX" is centered within the dark blue triangle at the top right.

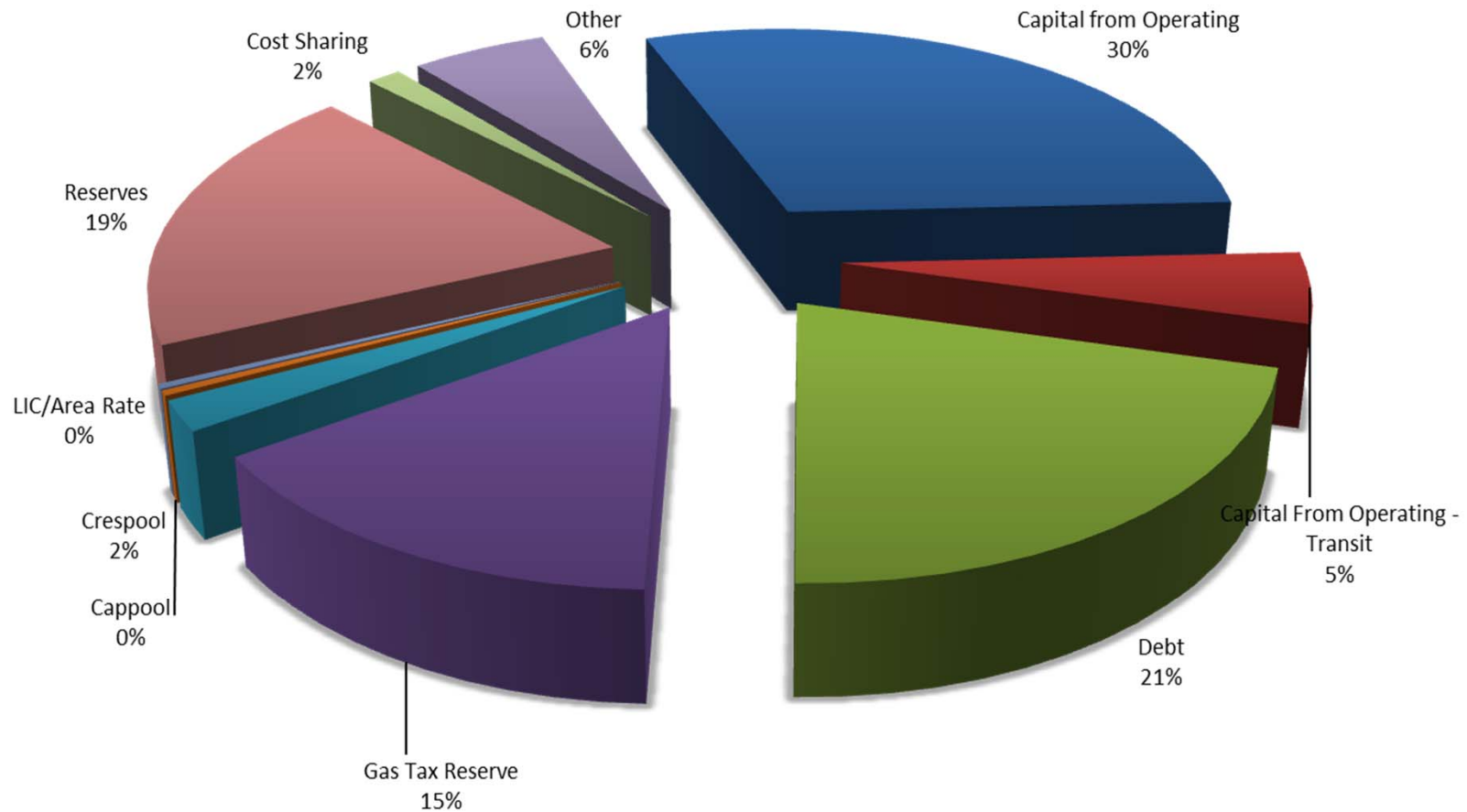
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Capital Budget

Capital Budget by Category 2015-16 Planned Expenditures



Capital Budget Funding Sources 2015-16



The background features a large, stylized graphic of the Halifax logo, which is a shield-like shape divided into four quadrants by a diagonal line from the top-left to the bottom-right. The top-left and bottom-right quadrants are dark blue, while the top-right and bottom-left quadrants are a lighter, medium blue. The word "HALIFAX" is written in white, bold, sans-serif capital letters across the top-right quadrant.

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Fiscal Outlook

Outlook for 2016-17

- Assessment growth (estimates)
 - Average Home up 1%
 - Assessment Cap at 0.5%
 - Commercial Growth 4%
 - Final Roll in January
- Deed Transfer Tax decline
- Resolve any projected deficit for current fiscal
- Debt continues to decline

Direction for Budget

Average Assessments and Tax Rates

	Base Year 2015-16	Year 1 2016-17	
Average Assessment (Single Family Home)	\$223,100	\$225,300	} The property tax rates will be reduced to offset any assessment increase.
* Urban Tax Rate	0.820		
Average Tax Bill	1,829	1,829	

Balancing Taxes and Services

Key Economic Assumptions

Conference Board of Canada

	Base Year 2015-16	Year 1 2016-17	Year 2 2017-18	Year 3 2018-19
Inflation (CPI)	1.1%	2.4%	2.1%	2.1%
Income (per person)	\$40,385	\$41,395	\$42,341	\$43,224
- percentage change	1.2%	2.5%	2.3%	2.1%
Employment (000s)	224,000	228,000	230,000	231,000
New Homes	1,845	1,832	1,905	1,854
- percentage change	1.0%	1.0%	1.0%	1.0%
Real GDP	2.3%	3.0%	1.8%	1.7%

Source: Conference Board of Canada

Balancing Taxes and Services

Pressures for the Next Three Years (\$ millions)

Tax Bills remain Flat, No Adjustments for Expenditure

	Base Year 2015-16	Year 1 2016-17	Year 2 2017-18	Year 3 2018-19
Gross Expenditures	\$726.5	\$749.8	\$777.3	\$803.1
Revenues	\$213.3	\$213.0	\$215.7	\$218.8
Property Taxes	<u>513.3</u>	<u>518.2</u>	<u>523.2</u>	<u>528.7</u>
Total	\$726.6	\$731.1	\$738.9	\$747.5
Planning Gap	\$0.0	\$18.7	\$38.4	\$55.6

The graphic features a large, stylized letter 'H' shape. The top-right portion of the 'H' is a dark blue triangle containing the word 'HALIFAX' in white, bold, sans-serif capital letters. The bottom-right portion is a lighter blue triangle. The remaining parts of the 'H' are white, creating a sharp, angular design.

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Recommendation

Recommendation

- Direction from Council
 - Preliminary fiscal direction 2016-17
 - Proceed with 0% target on average tax bill