

**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' and '01'. The background is a solid blue color.

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## Municipal Budget 2016

# Timeline

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

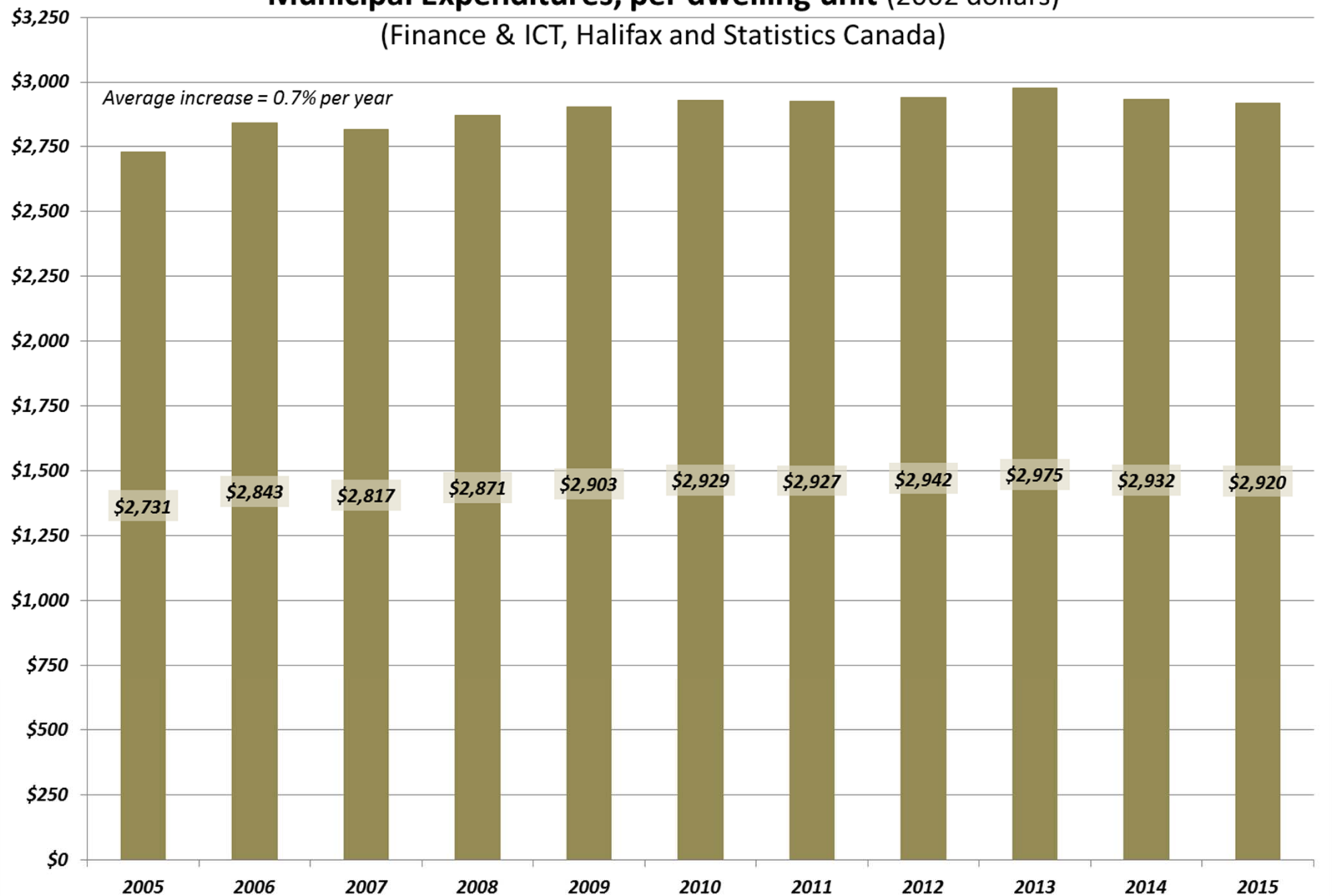
The graphic consists of a large, abstract shape composed of several overlapping triangles. The top-right portion is a solid dark blue rectangle. The bottom-right portion is a lighter blue triangle. The left side of the graphic is a large white triangle that points towards the center. The word 'HALIFAX' is written in white, bold, sans-serif capital letters across the dark blue rectangle.

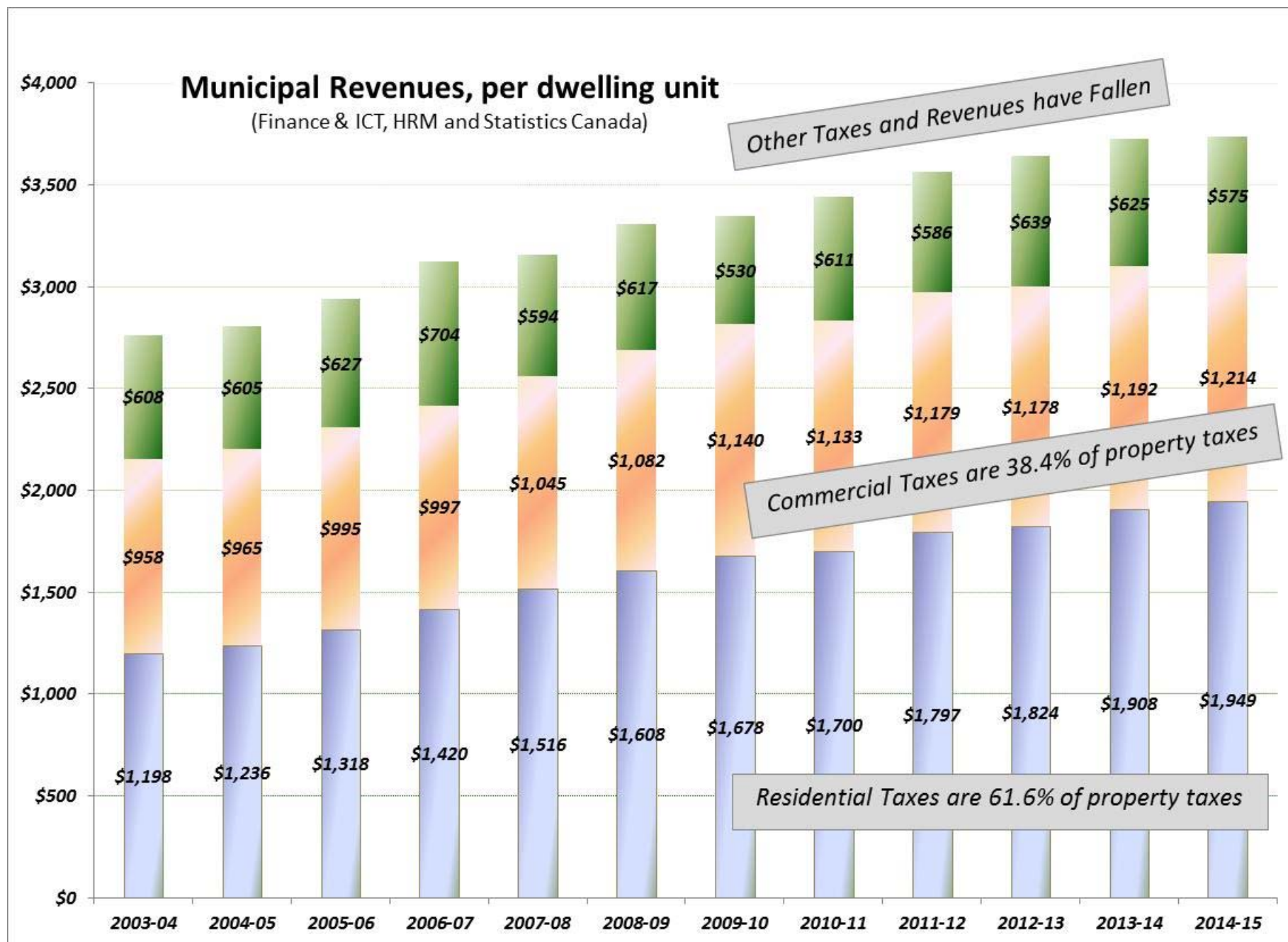
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**Trends**

## Municipal Expenditures, per dwelling unit (2002 dollars)

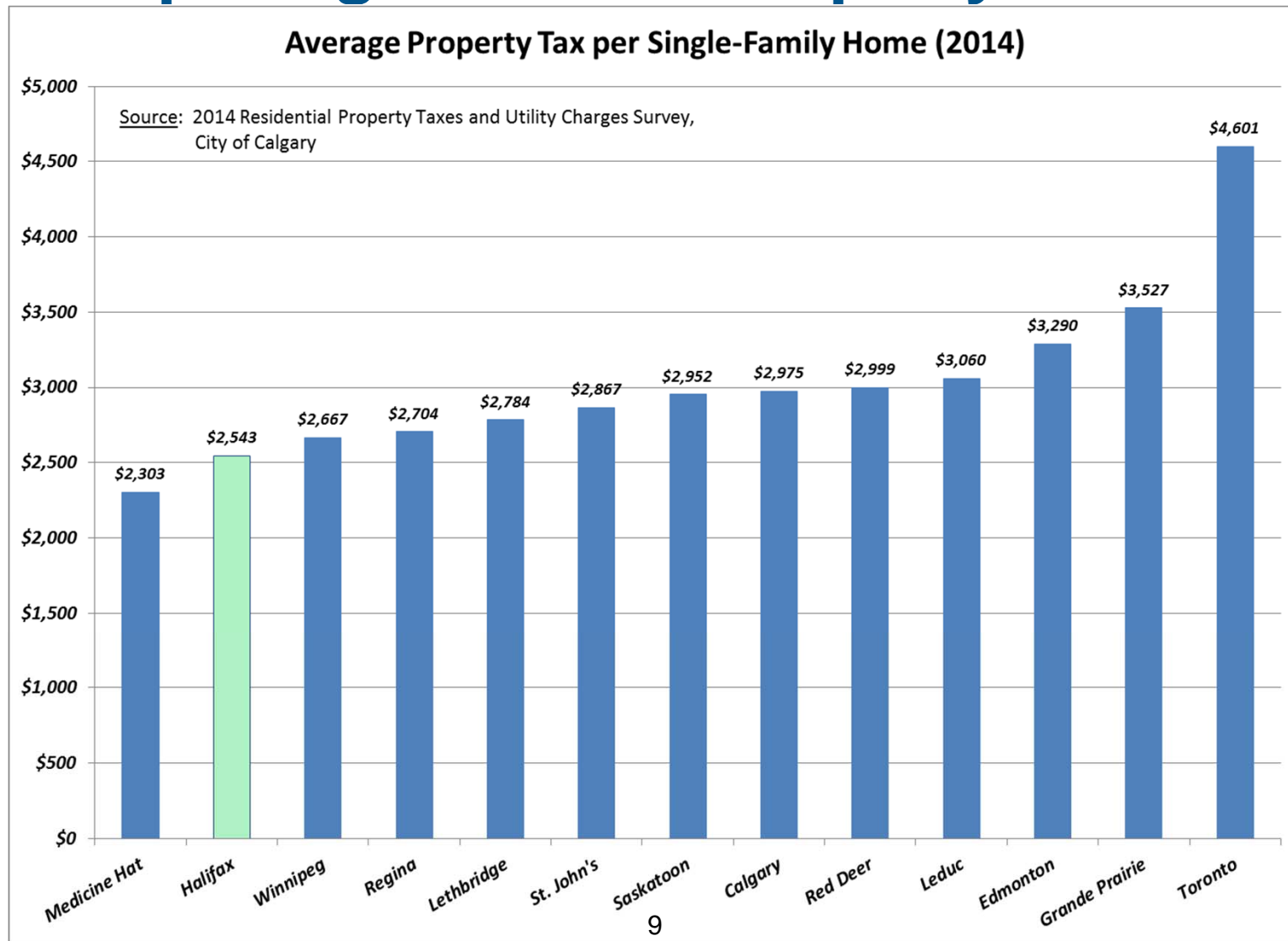
(Finance & ICT, Halifax and Statistics Canada)



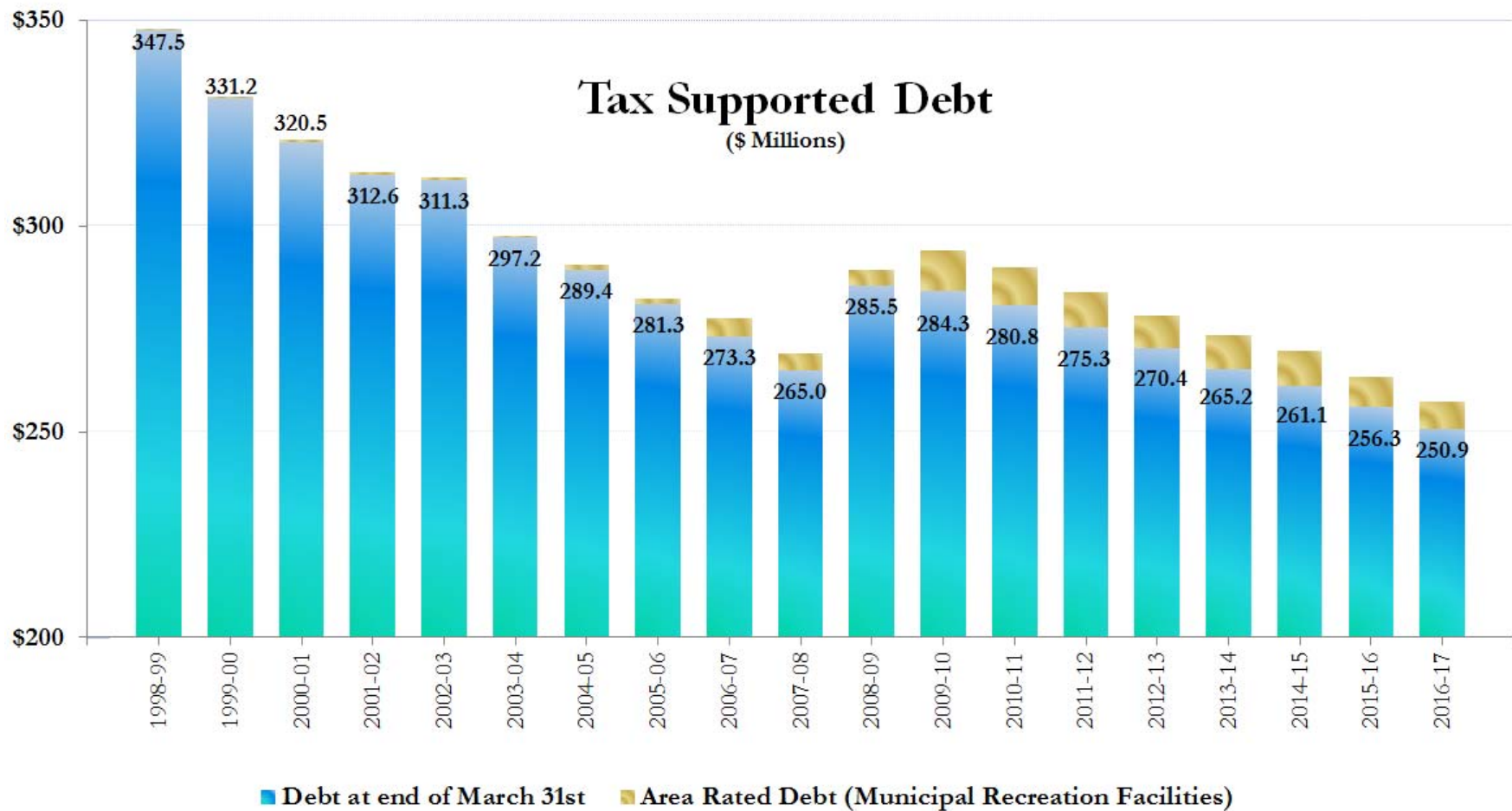




# Comparing Halifax's Property Taxes



# Tax Supported Debt



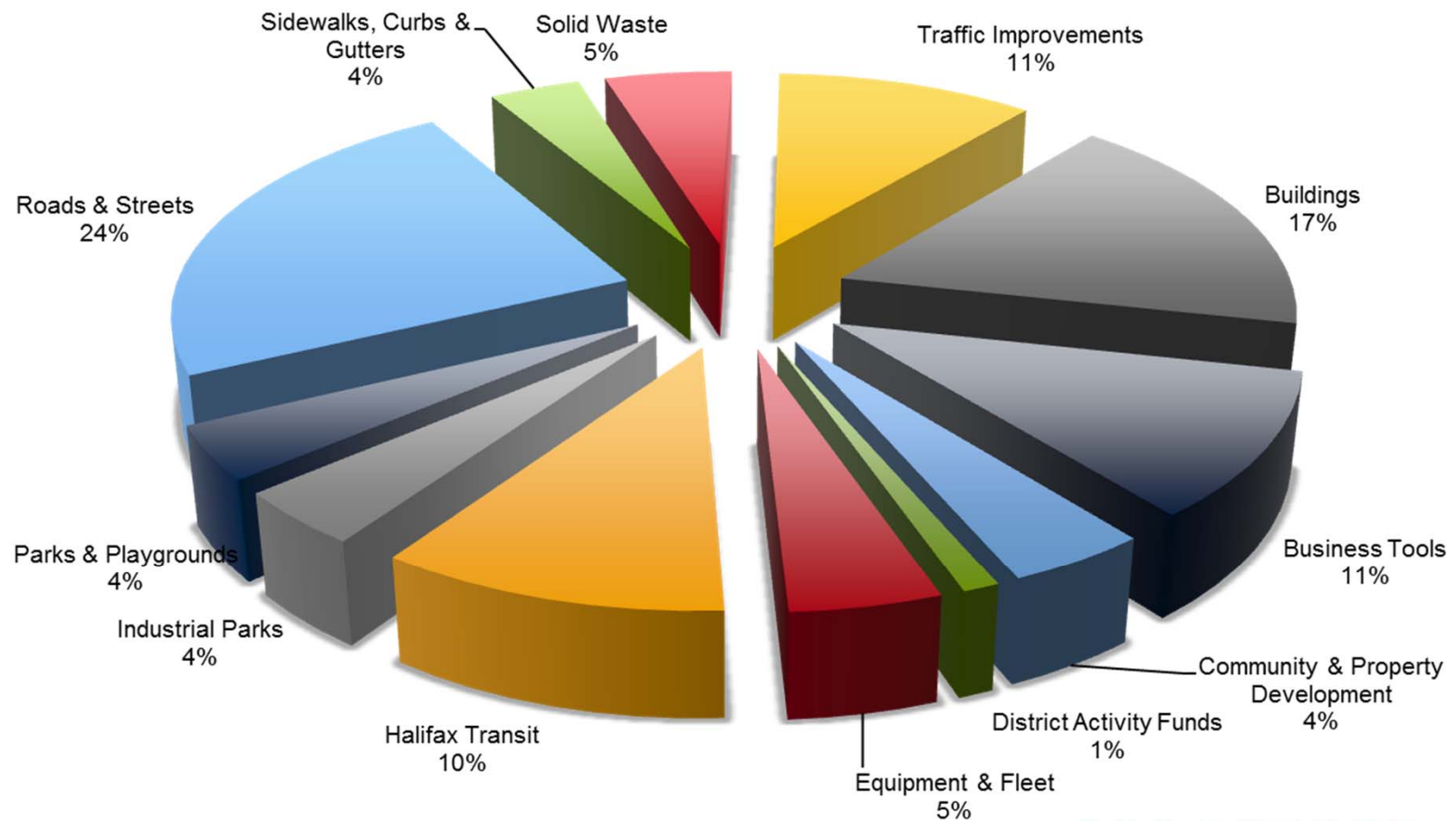
The graphic features a large, stylized letter 'H' composed of several overlapping geometric shapes. The top-right portion of the 'H' is a dark blue rectangle containing the word 'HALIFAX' in white, bold, sans-serif capital letters. The bottom-right portion is a medium blue rectangle. The left side of the 'H' is formed by two overlapping triangles: a light blue one on the left and a slightly darker blue one on the right. The background is white.

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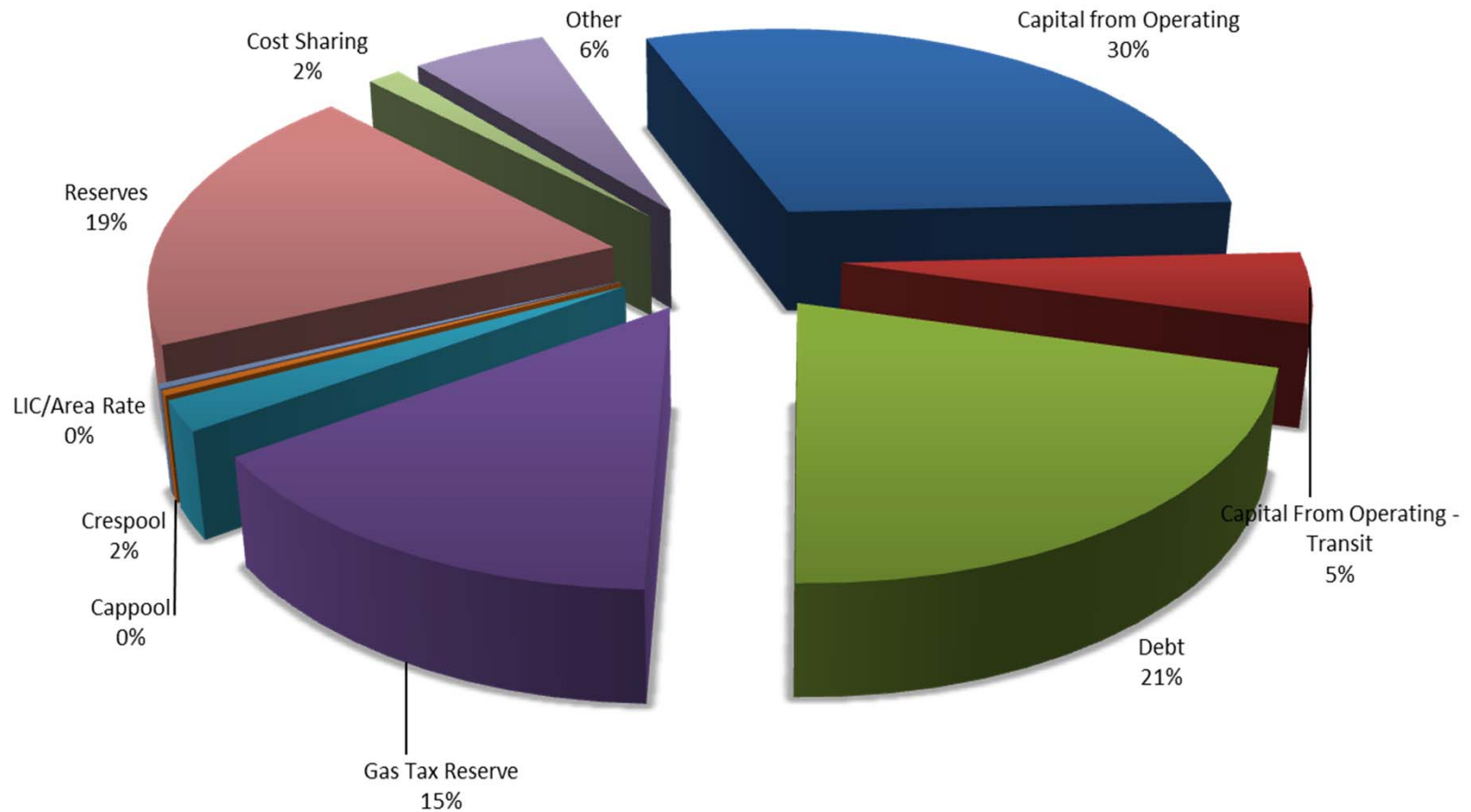
**Capital Budget**

# Capital Budget by Category

## 2015-16 Planned Expenditures



# Capital Budget Funding Sources 2015-16



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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
<b>Inflation (CPI)</b>	1.1%	2.4%	2.1%	2.1%
<b>Income (per person)</b>	\$40,385	\$41,395	\$42,341	\$43,224
- percentage change	1.2%	2.5%	2.3%	2.1%
<b>Employment (000s)</b>	224,000	228,000	230,000	231,000
<b>New Homes</b>	1,845	1,832	1,905	1,854
- percentage change	1.0%	1.0%	1.0%	1.0%
<b>Real GDP</b>	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' composed of several overlapping geometric shapes in various shades of blue. The top-right portion of the 'H' is a dark blue rectangle containing the word 'HALIFAX' in white, bold, sans-serif capital letters. The bottom-right portion is a medium blue rectangle. The left vertical bar of the 'H' is formed by two overlapping triangles: a light blue one on the left and a slightly darker blue one on the right. The word 'Recommendation' is written in a dark blue, bold, sans-serif font to the left of the 'H' shape.

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**Recommendation**

# Recommendation

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