

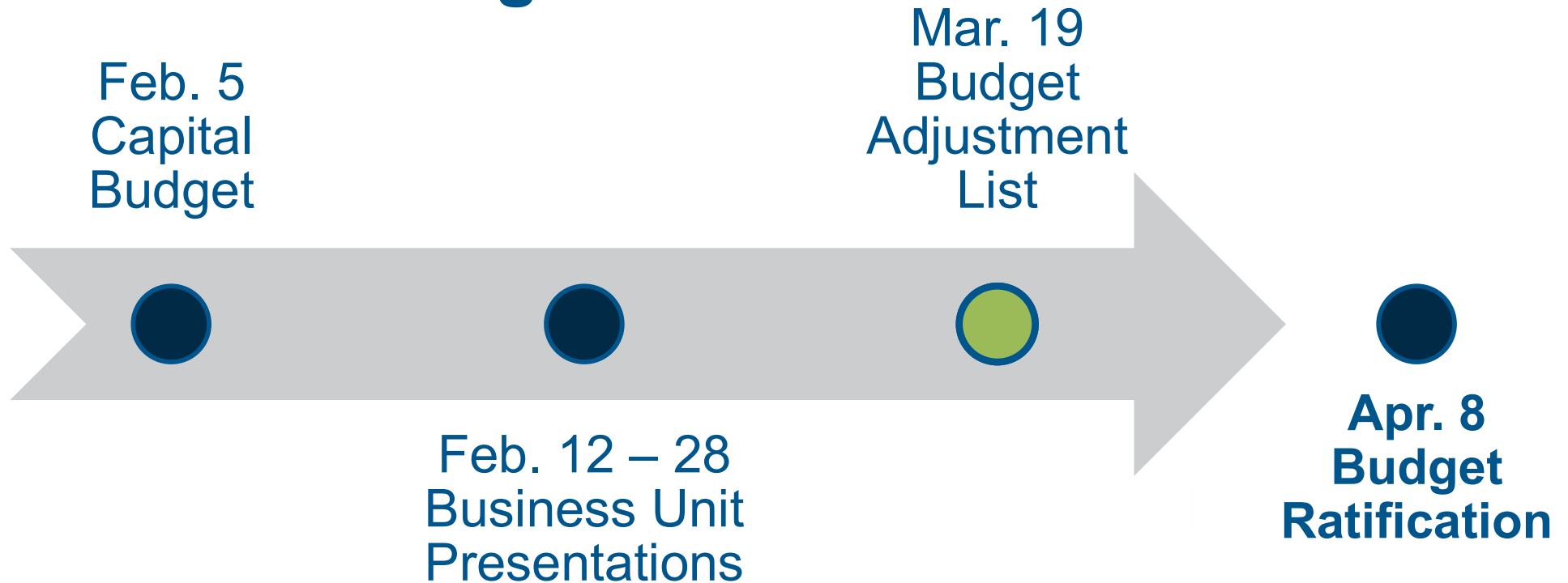
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2025/26 Budget Adjustment List

Budget Committee

March 19, 2025

2025/26 Budget



2025/26 Budget – Starting Point

Proposed 2025/26 Budget built based on a \$69.7M increase

- Tax rate increase of 0.022
- 7.6% increase to the average residential bill
- \$189 (\$15.75/month) increase in the average residential bill
- Key pressures in the 2025/26 Budget
 - \$44M compensation & new positions
 - \$19M capital renewal
 - \$11M contracts and inflation

Budget Adjustment List (BAL)

- 25 Items are included on the BAL:
 - \$8.4M items “over” budget (will increase taxes)
 - (\$33.2M) items “under” budget (will decrease taxes)
- “Other Savings” BAL Item (BAL_023) Includes 30 additional items for consideration

BAL Implications

Budget Adjustment List Tax Implications	25/26 Rate Impact	25/26 Avg Bill Impact	25/26 Avg Bill Impact
Beginning - 7.6% Tax Change	0.792	\$ 189.00	7.6%
Additional Items	(0.027)	(91.40)	-3.7%
OVERALL RATE & NET CHANGE	0.765	\$ 97.60	4.1%

- If the entire BAL is approved “as is”:
 - average tax bill increase will fall to 4.1%
 - residential rate will reduce from 0.77 to 0.765

BAL Items with Financial Impacts

BAL Number	Option Description	25/26 Amount
BAL_026	Community Mediation Pilot Program	\$ 100,000
BAL_003	Community crisis diversion pilot service	\$ 463,800
BAL_002	JustFOOD programming as outlined	\$ 328,900
BAL_004	Increase staffing by ten FTE Firefighters and include a one-time increase of \$150,000 for PPE	\$ 215,000
BAL_008	RCMP Staffing request - 14 positions	\$ 1,018,700
BAL_006	Youth Advocate Program	\$ 254,500
BAL_007	One Sport Field Technicians for rural field maintenance	\$ 51,400
BAL_005	Operate ten buses beyond their service life	\$ 2,137,000
BAL_010	Options to accelerate the delivery of heritage conservation districts	\$ 228,500
BAL_011	Removing funding for 2,000 trees as part of the 2025/26 Urban Forestry Master Plan	\$ (1,836,000)
BAL_009	HRBP for Transit	\$ 113,800
BAL_012	Nova Scotia Sports Hall of Fame Capital Campaign	\$ 300,000
BAL_013	Discovery Center Biodiversity and Aquarium Facility	\$ 200,000
BAL_015	Removal of Armoured F350s and Armoured Rescue Vehicle	\$ (603,000)
BAL_016	Budget requirements to expand Capital Project CT190006 – Road Safety	\$ 930,000
BAL_017	Outlining the funding for CT1000012 Ross Road Realignment	\$ 400,000
BAL_018	Freezing hiring the proposed Community Safety	\$ (220,000)
BAL_020	Central Library Reserve Funding	\$ (10,000,000)
BAL_021	Deed Transfer Tax forecast	\$ (3,000,000)
BAL_022	Landlines review	\$ (300,000)
BAL_023	FTE Review & savings outlined (various)	\$ (11,229,800)
BAL_024	Climate Action Tax reduction by 1/3	\$ (6,000,000)
TOTAL OF ALL OPTIONS		\$ (26,447,200)

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BAL Items without Financial Impacts

BAL Number	Option Description	25/26 Amount
BAL_001	Drop in centre funding and after-hours individualized mobile engagement team	\$ -
BAL_014	Collision Data Reporting (BT45)	\$ -
BAL_020	Funding firefighters for cancer screening	\$ -
BAL_025	Charge insurance companies for HRM fire services	\$ -
TOTAL OF ALL OPTIONS		\$ -

Further Operating Reductions

Reference	Operating Item	Recurrence	2025/26 Reduction
BAL_023.1	Salt recoveries	Ongoing	\$ (150,000)
BAL_023.2	Small part warranty	Ongoing	\$ (150,000)
BAL_023.3	Investment Income	One-time	\$ (500,000)
BAL_023.4	PILT & TA's	Ongoing	\$ (1,000,000)
BAL_023.5	P&D Heritage Grants	Ongoing	\$ (200,000)
BAL_023.6	P&D Permit Revenue	Ongoing	\$ (1,000,000)
BAL_023.7	Fuel (Carbon Tax Reduction)	One-time	\$ (1,000,000)
BAL_023.8	IT Bell Contract Contingency	Ongoing	\$ (500,000)
BAL_023.9	P&R Civic Events	One-time	\$ (100,000)
BAL_023.10	SITP/MPO savings	One-time	\$ (480,000)
BAL_023.11	Public Works Vacancies	One-time	\$ (300,000)
BAL_023.12	Finance and Asset Management Vacancies and Consulting	One-time	\$ (200,000)
Total Operating Reductions			\$ (5,580,000)
Total Ongoing			\$ (3,000,000)

Further Capital Reductions

Reference	Capital Item	Recurrence	2025/26 Reduction
BAL_023.13	Corporate Fleet	One-time	\$ (600,000)
BAL_023.14	Community Planning Studies	One-time	\$ (1,000,000)
BAL_023.15	New Park Capital	One-time	\$ (300,000)
BAL_023.16	Fleet Management	One-time	\$ (1,100,000)
BAL_023.17	Station Alerting	One-time	\$ (400,000)
BAL_023.18	Corporate Scheduling	One-time	\$ (500,000)
BAL_023.19	Fuel management	One-time	\$ (250,000)
BAL_023.20	Enterprise Project Management (BT41)	One-time	\$ (250,000)
BAL_023.21	Records Management (BT55)	One-time	\$ (543,000)
Total Capital Reductions			\$ (4,943,000)
Total Ongoing			\$ -

These savings will be taken from capital renewal and will need to be made up again in 2026/27.

Deeper Reductions (Service Changes)

Reference	Item	Recurrence	2025/26 Reduction
BAL_023.22	District Capital	One-time	\$ (750,000)
BAL_023.23	Weekly Green Bin Collection	Ongoing	\$ (1,000,000)
BAL_023.24	Benefits Plan Redesign (deferral)	One-time	\$ (1,000,000)
BAL_023.25	Contracted Sidewalk Clearing	Ongoing	\$ (8,000,000)
BAL_023.26	Bus Stop Snowclearing	Ongoing	\$ (750,000)
BAL_023.27	Parking Revenue	Ongoing	\$ (1,000,000)
BAL_023.28	Affordable Access Program for Multi-District Facilities	One-time	\$ (400,000)
BAL_023.29	P&R Grants	Ongoing	\$ (200,000)
Total Reductions			\$ (13,100,000)
Total Ongoing			\$ (10,750,000)

These options have not been included on the BAL as they are changes to services and should be debated.

FTE Review

Staff have completed a review of FTEs for the 2025/26 Budget:

- 9.5 FTEs have been identified to be deferred or removed
- Will result in a \$706K reduction in the 2025/26 Budget
- Savings for FTE reductions were not that significant because:
 - We have already accounted for vacancies. The expenditure budget has been reduced by budgeting a credit for vacancies in 2025/26 totaling \$23.6M
 - Staff did not have direction to reduce or eliminate services

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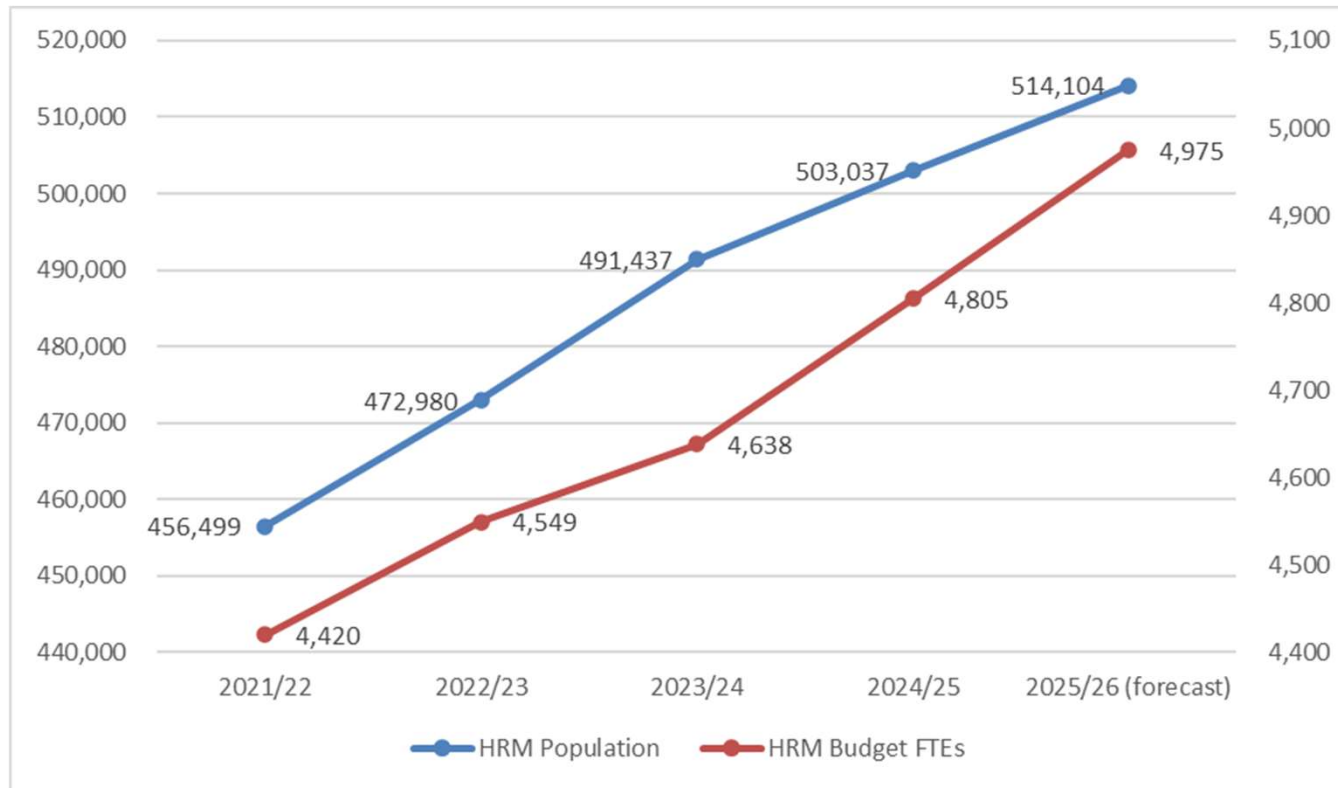
Vacancies by Business Unit

Business Unit	Vacant Positions	Vacancy Budget
Chief Administrative Office	9	\$ (63,000)
Community Safety	11	\$ (681,800)
Finance & Asset Management	11	\$ (358,300)
Halifax Fire & Emergency Services	23	\$ (4,126,000)
Halifax Regional Police	94	\$ (2,215,000)
Halifax Transit Services	66	\$ (5,136,300)
Human Resources	2	\$ (329,600)
Information Technology	11	\$ (1,407,600)
Legal & Legislative Services	13	\$ (290,100)
Major Project Office	1	\$ -
Strategic Transportation Infrastructure Planning	2	\$ (129,600)
Parks & Recreation	24	\$ (1,995,800)
Planning & Development	40	\$ (1,894,300)
Property, Fleet & Environment	23	\$ (1,211,300)
Public Works	33	\$ (1,755,300)
Total (excl Library and Auditor General)	363.0	\$ (21,594,000)

- 87% of vacant positions are in core services (Operations and Public Safety)
- Approximately 50% of vacant positions currently are being recruited

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Staffing vs Population Growth



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Alternatives to Proposed Budget

Three Scenarios for Tax Changes

Tax Increase Options	25/26 Rate Impact	25/26 Avg Bill Impact	25/26 Avg Bill Impact
Flat Tax Rate (Option 1)	-0.003	\$107.00	4.3%
Sustainable Reductions (Option 2)	0.018	\$175.46	7.2%
Sustainable Cuts & BAL (Option 3)	0.022	\$189.00	7.6%

Flat Tax Rate (Option 1)

To hold the Tax Rate flat for 2025/26 a \$21M reduction is required

- To achieve this the following can be done:
 - Not approving any “over” items on the BAL
 - Using \$10 million from the Central Library Reserve
 - Using operating, capital and FTE reductions
 - Using all the “unders” on the BAL (excluding ARV, operating portion of trees, CAT and Deed Transfer)
 - This would produce a total reduction of \$23M
- One-time funding will be required to make this work
 - Using one time funding will cause an approximate increase of 2.4% next year

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Flat Tax Rate (Option 1)

BAL Number	Option Description	25/26 Amount	25/26 Avg Bill Impact*
BAL_011	Removing funding for 2,000 trees as part of the 2025/26 Urban Forestry Master Plan (\$944K Operating budget, \$892K Capital)	\$ (892,000)	\$ (3.14)
BAL_018	Freezing hiring the proposed Training and Exercise Specialist and Community Outreach Coordinator FTE outlined in Community Safety's 2025/26 proposed operating budget as an option under budget	\$ (220,000)	\$ (0.77)
BAL_020	Central Library Reserve Funding	\$ (10,000,000)	\$ (35.19)
BAL_022	Landlines review	\$ (300,000)	\$ (1.06)
BAL_023	FTE Review & savings outlined (various)	\$ (11,229,800)	\$ (39.51)
TOTAL OF ALL OPTIONS		\$ (22,641,800)	\$ (79.67)

Sustainable Reductions (Option 2)

Option uses all sustainable reductions to lower tax burden:

BAL Number	Option Description	25/26 Amount	25/26 Avg Bill Impact
BAL_018	Freezing hiring the proposed Training and Exercise Specialist and Community Outreach Coordinator FTE in Community Safety	\$ (220,000)	\$ (0.77)
BAL_022	Land Lines Review	\$ (300,000)	\$ (1.06)
BAL_023.1	Salt recoveries	\$ (150,000)	\$ (0.53)
BAL_023.2	Small part warranty	\$ (150,000)	\$ (0.53)
BAL_023.4	Payment in Lieu and Tax Agreements	\$ (1,000,000)	\$ (3.52)
BAL_023.5	P&D Heritage Grants	\$ (200,000)	\$ (0.70)
BAL_023.6	P&D Permit Revenue	\$ (1,000,000)	\$ (3.52)
BAL_023.8	IT Bell Contract Contingency	\$ (500,000)	\$ (1.76)
Net Budget Change		\$ (3,520,000)	\$ (12.39)

Sustainable Cuts & BAL (Option 3)

BAL Number	Option Description	25/26 Amount	25/26 Avg Bill Impact
BAL_003	Community crisis diversion pilot service as outlined in Briefing Note BN003	\$ 463,800	\$ 1.63
BAL_001	Drop in centre funding and after-hours individualized mobile engagement team as outlined in Briefing Note BN001	\$ -	\$ -
BAL_008	RCMP Staffing request - 14 positions	\$ 1,018,700	\$ 3.58
BAL_006	Youth Advocate Program as outlined in Briefing Note BN006	\$ 254,500	\$ 0.90
BAL_005	Operate ten buses beyond their service life as outlined in Briefing Note BN005	\$ 2,137,000	\$ 7.52
BAL_009	Human Resources Business Partner for Transit	\$ 113,800	\$ 0.40
BAL_018	Freezing hiring the proposed Training and Exercise Specialist and Community Outreach Coordinator FTE in Community Safety	\$ (220,000)	\$ (0.77)
BAL_022	Land Lines Review	\$ (300,000)	\$ (1.06)
BAL_023.1	Salt recoveries	\$ (150,000)	\$ (0.53)
BAL_023.2	Small part warranty	\$ (150,000)	\$ (0.53)
BAL_023.3	Investment Income	\$ (500,000)	\$ (1.76)
BAL_023.4	Payment in Lieu and Tax Agreements	\$ (1,000,000)	\$ (3.52)
BAL_023.5	P&D Heritage Grants	\$ (200,000)	\$ (0.70)
BAL_023.6	P&D Permit Revenue	\$ (1,000,000)	\$ (3.52)
BAL_023.8	IT Bell Contract Contingency	\$ (500,000)	\$ (1.76)
Net Budget Change		\$ (32,200)	\$ (0.12)

- Budget includes new enhancements & changes
- Recurring new costs are matched recurring revenues or reductions
- Results in a 7.6% average tax bill increase

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Fiscal Sustainability

As a general approach Fiscal Sustainability is:

- One-time funding matches one-time costs
- Recurring costs are funded from recurring revenues
- Tax increases should ideally mirror inflation
- Build-up reserves to fund future projects or for use in an emergency
- Financial plans are prepared for longer than one fiscal year

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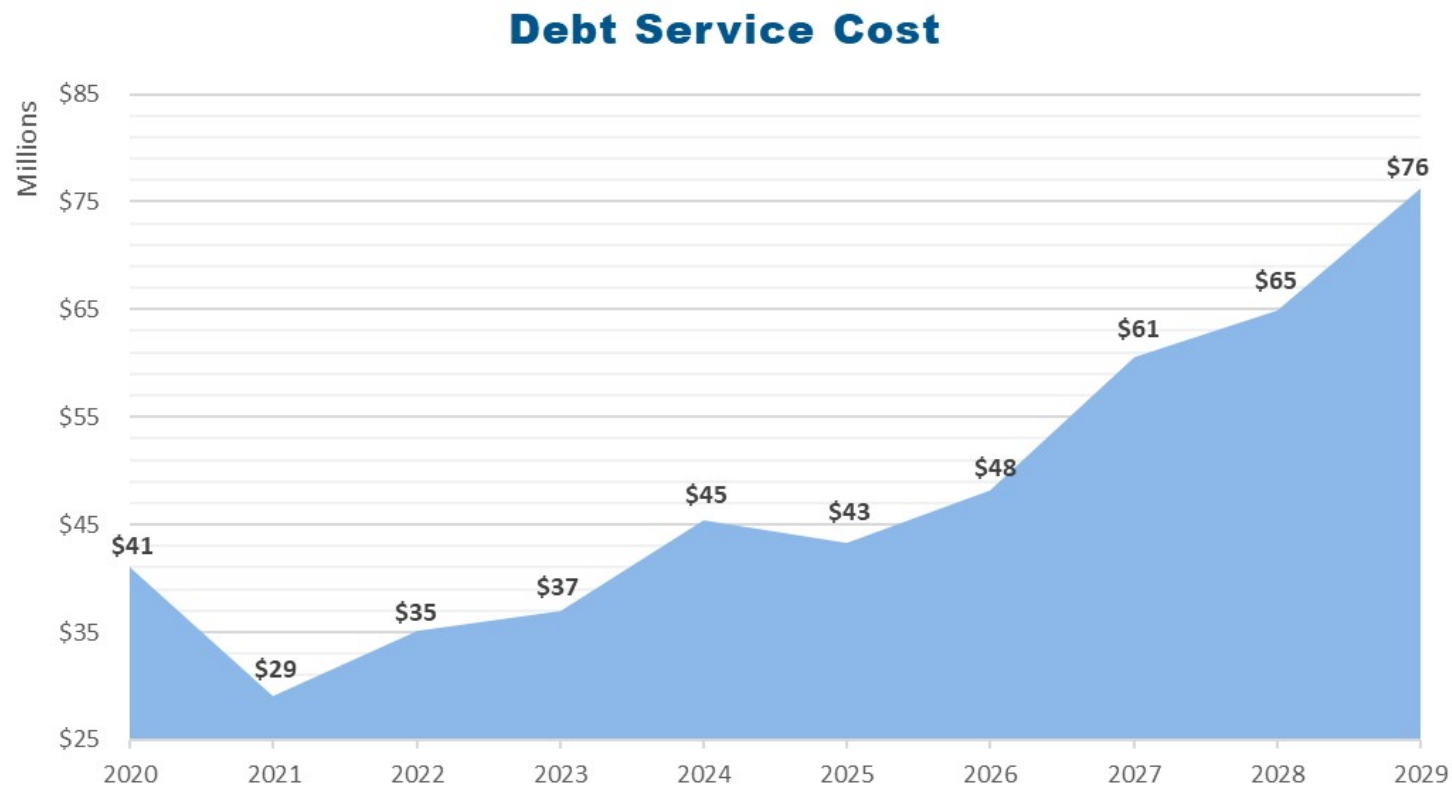
Future Budget Implications

Future Budget Implications

The municipality will be facing \$45M - \$60M in 2026/27

- This expected increase is before any BAL changes
- Compensation costs will continue to increase
- Debt costs will rise as capital projects are completed
- Prorated costs in 2025/26 will become full year costs
- Capital Plan will continue to require significant funding

Rising Debt



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Process for Debate

Process – BAL Structure

The BAL has been structured with an indexing

- The BAL has been included as Attachment A with the report
- Each item has been assigned a “BAL Number”
- BAL_023 “Other Savings” has a sub-indexing
 - “Other Savings” is included in Attachment B
 - Each item on the list is BAL_023.XX

Process for Debate

- Staff will track changes as they are approved
 - Starting point will be the 7.6% Proposed Budget
- Budget Committee can make motions as follows:
 - Add a single BAL item to the budget
 - Bundle a group of BAL items into the budget
 - Add a new change to the budget that is not part of the BAL

Setting The Tax Bill

Municipal Tax Rates		
Residential (5)	Resource (5)	Commercial (16)
Urban General Rate	Urban General Rate	Business Park Tax Area 0-1M Rate
Suburban General Rate	Suburban General Rate	Business Park Tax Area 1-2M Rate
Rural General Rate	Rural General Rate	Business Park Tax Area 2M+ Rate
Climate Action Tax	Climate Action Tax	Community Area (Outside CDD) 0-1M Rate
Local Transit Rate	Local Transit Rate	Community Area (Outside CDD) 1-2M Rate
		Community Area (Outside CDD) 2M+ Rate
		Downtown/Community Tax Area 0-1M Rate
		Downtown/Community Tax Area 1-2M Rate
		Downtown/Community Tax Area 2M+ Rate
		Industrial Park Tax Area 0-1M Rate
		Industrial Park Tax Area 1-2M Rate
		Industrial Park Tax Area 2M+ Rate
		Rural Tax Area 0-1M Rate
		Rural Tax Area 1-2M Rate
		Rural Tax Area 2M+ Rate
		Climate Action Tax

Taxable Properties (167,105)	
Residential	152,513
Resource	5,681
Commercial	8,911