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Item No. 6
Budget Committee
November 19, 2025

TO: Chair and Members of Budget Committee (Standing Committee of the Whole on Budget)

FROM: Brad Anguish, Acting Chief Administrative Officer

DATE: November 12, 2026

SUBJECT: Budget Direction 2026/27

ORIGIN

Requirement to establish the direction from Budget Committee for the 2026/27 Budget and Business Plans.

EXECUTIVE SUMMARY

The 2026/27 Budget Direction sets Halifax Regional Municipality's financial priorities. From July 8, Council's direction is to hold overall spending at 2025/26 levels, allowing only for unavoidable increases such as inflation, contractual obligations, and mandatory provincial contributions. Despite these efforts to control expenditures, rising costs in compensation, reserve replenishment, and previously approved initiatives are projected to require an average property tax bill increase of approximately 10.5 per cent. The \$88.9 million budget increase reflects the combined effect of maintaining core services, restoring reserve balances, and meeting essential commitments, while continuing to seek operational efficiencies and savings. This has laid the groundwork for the preparation of the initial outlook of the 2026/27 Budget.

RECOMMENDATION

It is recommended that Budget Committee direct the Chief Administrative Officer to:

Continue to develop the 2026/27 Budget according to Council's approved priorities, and preliminary fiscal direction outlined on July 8, 2025.

BACKGROUND

The foundation for the 2026/27 budget process was set by a motion of Council on April 8, 2025. Council directed the Chief Administrative Officer (CAO) to prepare a budget scenario that would hold expenditure levels flat for 2026/27. The intent was to minimize the property tax increase for residents and businesses, responding to cost-of-living pressures and the need for fiscal restraint.

However, the motion recognized that a truly “flat” budget is not always possible due to unavoidable cost pressures. The exceptions allowed for increases in the following areas:

- Inflation: Adjustments based on the Consumer Price Index (CPI) to reflect rising costs.
- Contractual Commitments: Funding for obligations under collective agreements and contracts.
- Mandatory Provincial Contributions: Required payments to the Province, such as education and other legislated transfers.
- Previously Approved Items: Funding for initiatives already approved in the prior year’s budget.

The staff report delivered on July 8, 2025, operationalized this direction. It recommended that the 2026/27 budget scenario:

- Freeze spending at 2025/26 levels, except for the above exceptions
- No new service level increases beyond what Council had already approved
- Focus on sustaining existing programs and services, not expanding them
- Identify and implement operating efficiencies and savings wherever possible

The report also highlighted that, even with these constraints, certain cost drivers—especially compensation changes due to expiring collective agreements, inflation, and previously approved service expansions—would require an estimated tax bill increase of approximately 7.5 per cent to balance the budget. This increase was driven by:

- Compensation adjustments for staff
- Full-year funding for prior service expansions
- The impact of deferred spending and the expiration of one-time funding

DISCUSSION

The report detailed that spending would generally remain at 2025/26 levels, with specific increases permitted only in areas that Council had clearly outlined and approved. It also accounted for Council decisions made throughout the year, including cost increases from initiatives such as the new Library lease. These in-year decisions were treated as necessary adjustments to the base budget, ensuring that evolving priorities and commitments were accurately reflected. Importantly, the July 8 report provided Council with an estimated average tax bill increase of approximately 7.5 per cent, highlighting how compensation adjustments, full-year funding for prior expansions, and the expiration of one-time funding were driving budgetary pressures.

In addition to the broader financial pressures and cost drivers already discussed, Council decisions throughout the year have directly shaped the current property tax rate increase. Two of the most significant contributors have been the financial strategies outlined in the Reserve Funding Strategy report from July 8 concerning municipal Reserves, and the approval of the new Library lease.

The report emphasized the importance of municipal Reserves as a foundation for future fiscal resilience. Historically, the municipality has relied on reserves to buffer against unexpected expenses or revenue shortfalls, especially during periods of economic uncertainty. However, past practices often involved

drawing down these funds without systematically replenishing them, leading to diminished capacity to respond to future financial shocks.

Recognizing this risk, Council approved revised Reserve contributions to come forward as part of the 2026/27 operating budget. These adjustments included both restoring previously utilized reserves and increasing planned allocations to critical Reserve accounts, as well as setting minimum balances for these reserves and, recognizing the significant level of funding required to bring them back to a healthy state, a multi-year approach to funding. The intention is not only to safeguard against emergencies, but also to support long-term strategic investments, such as infrastructure renewal and service enhancements. While prudent and necessary, these Reserve decisions have resulted in additional base budget requirements, directly impacting the overall tax bill.

Council's decision to approve a new Library lease demonstrates a strategic commitment to operational efficiency and future growth. However, the financial implications of this lease are substantial. The agreement introduced new operating costs and capital outlays that must be integrated into the base budget, increasing the municipality's annual expenditure obligations.

The aggregate impact of these decisions has been to elevate the base budget beyond what purely efficiency measures or spending freezes could have achieved. As a result, the estimated average property tax bill increase of approximately 10.5 per cent for 2026/27 reflects not only unavoidable external pressures, like inflation and contractual liabilities, but also deliberate choices to invest in Halifax's future sustainability, affordability and quality of life.

2026/27 Budget Direction

The proposed budget forecast is based on the direction provided on July 8. According to this guidance, the 2026/27 Budget is projected to increase by \$88.9 million compared to the 2025/26 Budget, details by Business Unit are in Attachment 3. As shown in Figure 1, this projection excludes any Service Enhancements or Reductions (SER). Any SER approved by the Budget Committee will alter the overall budget forecast.

Figure 1 – 2026/27 Forecast Based on Existing Direction

Expenditures	2025/26 Budget	2026/27 Updates	2026/27 Forecast	Yr/Yr % Change
Compensation and Benefits	566,211,345	39,182,900	605,394,245	6.9%
Office	18,187,600	1,070,000	19,257,600	5.9%
External Services	184,605,150	12,720,600	197,325,750	6.9%
Supplies	5,319,350	(276,500)	5,042,850	-5.2%
Materials	4,605,800	80,000	4,685,800	1.7%
Building Costs	23,866,500	1,311,800	25,178,300	5.5%
Equipment & Communications	12,712,000	(498,300)	12,213,700	-3.9%
Vehicle Expense	43,834,900	(51,800)	43,783,100	-0.1%
Other Goods & Services	35,588,350	2,580,400	38,168,750	7.3%
Interdepartmental	56,600	(67,300)	(10,700)	-118.9%
Debt Service	43,523,300	1,578,100	45,101,400	3.6%
Other Fiscal	395,097,205	37,337,500	432,434,705	9.5%
Total Expenditures	1,333,608,100	94,967,400	1,428,575,500	7.1%

Revenues	2025/26 Budget	2026/27 Updates	2026/27 Forecast	Yr/Yr % Change
Tax Revenue	(799,852,700)	2,000,000	(797,852,700)	-0.3%
Area Rate Revenue	(302,047,800)	-	(302,047,800)	0.0%
Tax Agreements	(15,175,800)	(153,400)	(15,329,200)	1.0%
Payments in Lieu of taxes	(51,729,600)	(4,124,500)	(55,854,100)	8.0%
Transfers from other Gov'ts	(22,552,400)	170,500	(22,381,900)	-0.8%
Interest Revenue	(16,378,000)	3,201,300	(13,176,700)	-19.5%
Fee Revenues	(96,424,600)	(2,509,800)	(98,934,400)	2.6%
Other Revenue	(29,447,200)	(4,651,500)	(34,098,700)	15.8%
Total Revenues	(1,333,608,100)	(6,067,400)	(1,339,675,500)	0.5%
Net Total		88,900,000	88,900,000	

The forecast presented is not the final budget. At this stage of the budget process, it reflects the outcome of the direction provided on July 8 as well as the impacts of Council decisions since that time. The Budget Committee may make additional decisions throughout the process that will impact the final budget.

Funding the \$88.9 million increase will require an increase of approximately 10.5 per cent to the average tax bill. Approximately \$31.6 million of this funding requirement will be provided by an estimated 4.0 per cent tax increase from assessment growth, while the remaining \$57.3 million will need to be provided by an estimated 6.5 per cent tax increase from the tax rate. New growth properties which are brand new to the assessment roll and provide new taxation revenue are estimated to provide approximately \$6.8 million has already been included in the forecasted tax bill percentage increase. This is not to be confused with the assessment growth (increase) mentioned above which does not mitigate the budget increase and instead represents what portion of the tax increase will come from assessment vs. rate.

Taxation Revenue Breakdown	
Estimated Taxation from assessment increase	\$ 24,864,700
Taxation revenue from new growth	\$ 6,761,400
Taxation from tax rate increase	\$ 57,273,900
Total avg tax bill increase (10.5%)	\$ 88,900,000

The \$88.9 million increase can be broken-down into 6 categories:

- \$38 million Compensation increases
- \$24 million 2025/26 Budget implications carried forward
- \$16 million In-year changes
- \$9 million Contractual based increases
- \$9 million Inflationary and other
- (\$6 million) Non-Property Tax revenue increases

Compensation

The largest portion of the increase is attributed to compensation, primarily driven by collective agreements, which are contractual in nature. For the upcoming budget, the municipality is negotiating nearly all its collective agreements. Depending on the outcomes, additional financial impacts may arise.

Additionally, the municipality has reached the limit of its ability to realize significant savings from vacant positions. Roles previously held vacant have already been accounted for in the forecast, leaving minimal opportunity for further vacancy-related savings in the upcoming budget.

2025/26 Budget Implications

Following compensation, carryover impacts from the 2025/26 budget contribute an additional \$24 million to the 2026/27 budget. These impacts fall into two categories: one-time funding that must now be replaced with ongoing funding, and “year two” incremental costs from previously approved initiatives. The loss of one-time funding that now requires permanent funding sources includes:

- \$10 million resulting from the collapse of the Central Library Reserve
- \$1.7 million to move Drop-In Centre funding from the Options Reserve to ongoing operating funding

The “year-two” incremental are costs that were either deferred or a full year of funding

- \$5.0 million increase in Capital Renewal
- \$2.3 million in Body Worn Camera’s contract costs
- \$1.8 million full year funding of new RCMP positions
- \$1.2 million funding for new HRFE positions
- \$1.0 million deferral of benefit plan changes
- \$0.6 million for cancer screening

In-year Changes

The largest in-year increase is tied to the Reserve Sustainability Report that was before Regional Council on July 8, 2025. The report recommends allocating \$15 million annually to the Strategic Infrastructure Reserve by capping Deed Transfer Tax revenue at \$60 million, and an additional \$5 million annually to the Capital Fund Reserve. At face value, this represents a substantial increase and is one of the largest

additions to the 2026/27 budget. While reserve funding may appear to be a cost without immediate benefits, its value lies in ensuring sufficient resources for the municipality's capital plans which exceeded \$2 billion and continue to grow. If the Budget Committee chooses to reduce this funding, it should revisit capital projects during the Capital Plan debate. Without this funding, the municipality risks future fiscal sustainability challenges, as debt servicing costs are already expected to become one of the largest budget pressures in the near future.

Contractual & Inflation Increases

Inflationary and contractual changes each account for approximately \$9 million. The Consumer Price Index (CPI) for Nova Scotia has ranged between 1.3 per cent and 2.7 per cent during 2025. CPI is an imperfect metric for measuring municipal costs because the basket of goods used in CPI does not always reflect the specific goods and services purchased by the municipality. The inflation impact on the 2026/27 Budget is based on the underlying price of each commodity or service. For example, the municipality does not anticipate significant increases in fuel prices for 2026/27 (barring major geopolitical disruptions). Applying a general inflation multiplier to the entire budget would have resulted in a higher tax increase than what is currently presented.

Of the contractual increases the municipality is facing, the largest is tied to the cost of policing under the RCMP contract. However, the Nova Scotia Department of Justice has indicated that changes to the Provincial Police Service Agreement are forthcoming. At the time of developing the 2026/27 Outlook, the impact of these changes is not yet known. It is expected that further details will be available before the approval of the 2026/27 Budget. The second-largest contractual increase relates to contracts within the Winter Works program.

Non-Property Tax Increases

Offsetting these is an expected increase of \$6 million in Business Unit revenues. The largest increase is expected to be from Payments in Lieu (\$4 million) of taxes followed by an overall increase in revenue in Public Works tied to extended producer responsibilities (\$2 million).

Efficiencies

Throughout the year staff has continued to identify and pursue opportunities for efficiencies and savings, some of which have been built into the proposed budget. Examples of this include:

- Extended Producer Responsibility for recyclables
- Planning & Development revising fee forecasting
- Heritage Grants program funding
- CAO Business Unit vacancy budget rightsizing
- Finance & Asset Management position reductions and service reductions
- Savings in Fleet for repairs & maintenance and shift rationalization

Future Outlook

Although the municipality approves budgets in one-year increments, decisions in one budget will cascade into future budgets. The 2026/27 Budget has the side effects of decisions made in 2025/26. Looking beyond 2026/27, future budgets will face similar pressures and will also begin to bear the burden of increased debt servicing costs. Future average tax bill increases are expected to range from 8.8 percent to 12 percent.

Figure 2 – Four Year Outlook

Expenditures	2026/27	% Var	2027/28	% Var	2028/29	% Var	2029/30	% Var
	Forecast		Forecast		Forecast		Forecast	
Compensation and Benefits	605,394,245	6.92%	651,469,979	7.61%	706,520,253	8.45%	765,361,874	8.33%
Non-Compensation Expenses	778,079,855	7.49%	803,979,403	3.33%	839,834,025	4.46%	872,833,771	3.93%
Debt Services	45,101,400	3.63%	47,293,460	4.86%	56,198,100	18.83%	64,293,967	14.41%
Total Expenditures	1,428,575,500	7.12%	1,502,742,842	5.19%	1,602,552,378	6.64%	1,702,489,612	6.24%

Revenues	2026/27	% Var	2027/28	% Var	2028/29	% Var	2029/30	% Var
	Forecast		Forecast		Forecast		Forecast	
Total Revenues*	(1,428,575,500)	7.12%	(1,502,742,842)	5.19%	(1,602,552,378)	6.64%	(1,702,489,612)	6.24%
Net Total	-		-		-		-	

Avg. % Increase in Tax Bill	10.50	8.80	12.00	12.00
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There are many assumptions used in the outlook provided in Figure 2. The assumptions are as follows:

- The current economic environment and inflation are expected to be in the 3 percent range.
- Debt is tied to the existing capital plan and expected delivery of capital projects.
- FTE resources are based on feedback from business units, and FTE increases are tied to maintaining municipal services and Regional Council's priorities.

The Budget Committee will have the final review of each subsequent years' budget. However, decisions in the 2026/27 budget can have further implications for future budgets.

Affordability Investments

The municipality is committed to affordability and equity, directing significant investments toward programs that ease financial pressures for residents who need help the most through targeted assistance.

Major affordability initiatives include \$107.1 million for subsidized transit services, including providing discounted and free passes for students, seniors, and vulnerable residents; and \$3.3 million for community safety initiatives, including supporting housing, homelessness, and food security programs. Additional support includes \$9.5 million in property tax relief, \$500,000 in community grants for non-profit and charitable organizations delivering important community services, and \$13.5 million towards Supplementary Education supporting arts and music programs, along with library support specialists and social workers in the municipality.

The Affordable Access Program continues to expand, offering property tax exemptions, discounted recreation, and transit passes for income-qualified residents. Affordable housing grants and less than market value sales and leases further promote housing stability. Waived development fees and contribution agreements further contribute to targeted affordability within the municipality. The municipality has waived \$1.2 million of development fees related to construction for residential developments by a non-profit or charitable organization since the inception of the program in 2021. Contribution agreements provide funding to organizations supporting community affordability; the existing agreements have a cumulative value of \$30.9 million.

Financial indicators show strong performance, with a Residential Tax Effort of 3.6 per cent and Uncollected Taxes at 2.9 per cent, both rated low risks. The Social Value Procurement Framework ensures contractors are paid a living wage, generating over \$9.3 million in additional earnings and significant local economic benefits.

Overall, the municipality's affordability investments balance support with sustainability—supporting residents in need through a targeted approach. Further details on how the municipality is supporting affordability for residents can be found in Attachment 2.

Service Enhancements and Reductions

As part of the 2026/27 budget process, staff have identified several service enhancement and reduction proposals that are not included in the base budget. These proposals represent new services required to fulfill Council's updated strategic priorities, or new funding requirements that could not be accommodated in the presented budget based on the direction received on July 8.

To ensure transparency and facilitate informed decision-making, staff have grouped these proposals as Legally required, Practically required, or Other. For clarity, an item identified as legally required means the proposed option relates to a legislated service, not that there is an obligation to approve the service enhancement itself. Council retains the authority to approve or reject any of these options and to determine how, and to what level, the service is provided.

The breakdown of the enhancements by category is as follows:

Service Enhancements	2026/27
Legally Required	\$ 3,353,500
Practically Required	\$ 244,200
Other	\$ 1,462,000
Total Service Enhancements	\$ 5,059,700

Details of the individual enhancements are available in Attachment 1.

Council is being asked to review and decide which, if any, of these proposals should move forward. The proposals are presented separately from the base budget to provide Council with a clear understanding of their implications and to allow for targeted discussion and decision-making. If Council approves a proposal, it will be incorporated into the budget presentations that each Business Unit will bring forward in February. Proposals that are not approved today will not be discussed further or included in future budget deliberations.

Potential outcomes from the SERs could range from 11.2 per cent if all the changes are accepted by Budget Committee. Conversely if only the reductions are accepted then the tax increase would fall to 10.3 per cent.

Decisions on some of the SERs will need to be made before the budget debates take place. For example the decision on organics collection would need to be made now to allow for enough lead time to roll out the changes.

It is important to note that approving any service enhancements will require additional funding and may impact the overall tax rate. If the goal is to maintain as low a tax increase as possible, it is recommended that no service enhancements be approved. Conversely, reductions may help offset budget pressures but could result in changes to service levels or delivery.

Next Steps:

Council's decisions on November 19 will determine which proposals are advanced for further development and inclusion in the detailed budget presentations. Staff will provide additional analysis on the cost implications of approved proposals as part of the February budget process. This approach

ensures that Council retains full control over which new initiatives or changes are reflected in the final budget, and that only those proposals with Council's support are carried forward.

Council is encouraged to review the proposals carefully, considering both the immediate fiscal impact and the longer-term strategic objectives of the municipality. The decisions made at this stage are critical to ensuring a balanced, sustainable, and responsive budget for 2026/27.

Tax Increase Mitigation

As Council considers the 2026/27 budget, it is important to understand that the only fiscally responsible way to lower tax rates is to reduce expenditures, primarily through service cuts or deferral of Strategic Initiative capital projects. This approach is rooted in the fundamental principle that ongoing expenses must be matched to ongoing revenues. Attempting to lower taxes without corresponding reductions in spending leads to structural deficits and ultimately, higher taxes in future years.

If the goal of Council is to achieve a significant reduction in the tax increase, all business units should be examined to bring about such a reduction, especially as roughly 70 per cent of the municipality's expenses reside in the operations and public safety business units, while another 10 per cent sits with administration. The remaining amounts are costs that sit within the Fiscal business unit, of which there is little control over, such as debt servicing costs.

Council should assess whether these services are being delivered at the appropriate level and in the most effective manner. Every business unit should be evaluated to determine if its activities align with Council's updated strategic priorities. If there are services or functions being performed that do not directly support these priorities, Council should consider whether they can be modified, improved, or potentially discontinued. This comprehensive approach ensures that all expenditures are justified and aligned with the municipality's long-term goals.

Potential Discretionary Savings

Should Council wish to look at potential options to lower the tax increase for 2026/27, it will be necessary to give staff clear direction on where they would be willing to accept changes. Carefully considering which areas to target for savings is essential, as each option carries implications for services, community impact, and long-term fiscal sustainability. The following are some of the primary avenues Council could direct staff to examine for cost reductions or additional revenues:

- **Service Levels:** Council may instruct business units to evaluate their current service levels and come back with options for reductions or cuts that would be in line with Council's priorities. This review would focus on determining whether services are being provided at the appropriate scope or whether there is room to adjust service levels, such as scaling back hours of operation, consolidating programs, or modifying service delivery methods to achieve meaningful expenditure reductions.
- **Capital Renewal Spending:** Another option is to review and potentially defer or reduce spending on capital renewal projects. While deferring capital renewal can provide short-term budget relief, it should be balanced against the risk of higher future costs due to deferred maintenance or emergency repairs.
- **Contribution Agreement Cuts:** Council may consider reducing or eliminating funding provided to external organizations or partners through contribution agreements.
- **Fines and Fee Increases:** Council could explore adjusting fines and user fees for municipal services. Increasing certain fees may generate additional revenue without impacting core service delivery. However, there are certain fees that have recently been adjusted, or that staff are already looking at options for adjusting, while certain fees may not be adjusted due to legislative abilities. It should be noted that there is a report on a corporate fee review scheduled to come to Council on November 18.

- Staffing Review: Council could instruct staff to undertake a review of staffing levels that would involve analyzing current positions, vacancies, and overtime expenditures to identify savings opportunities.
- Revisiting previous Council decisions that have not yet been operationalized and have no contractual commitments. This could include decisions from the 2025/26 budget, or within the current fiscal year that staff have not yet put into action.

The direction above is summarized and listed in Alternative 2 for Council's consideration. Should Council proceed with this alternative, proposed savings options would be presented by each business unit as Budget Adjustment List (BAL) items for Council's consideration during Budget and Business Plan presentations in February.

FINANCIAL IMPLICATIONS

This report provides direction on to how to proceed for the development of the overall budget including the establishment of tax levies for 2026/27.

RISK CONSIDERATION

All budgets deal with a level of uncertainty, the 2026/27 Budget Outlook is no different. Budget assumptions changing can pose a risk to the overall financial plan. Changes in assumptions could stem from unforeseen economic fluctuations, geopolitical events, or even internal factors like major projection shifts or unexpected expenses. Such changes can quickly make even the best budget obsolete.

As of the timing of this report, the Q1 financial report projected that the municipality would be running a very small surplus in 2025/26. If the municipality ends up running a deficit for the year, it will need be funded in the 2026/27 fiscal year. Funding any deficit would require a further increase to the average tax increase.

COMMUNITY ENGAGEMENT

While no targeted community engagement was undertaken in development of the Action Plan or the Strategic Indicators, the development of the Strategic Plan was informed by the 2024 Resident Survey, presented to Regional Council on January 14, 2025, and a Shape Your City Survey, presented to Regional Council at the May 2025 workshops.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

1. Budget Committee could direct the Chief Administrative Officer to establish an average tax bill increase for Fiscal 2026/27 other than 10.5 per cent for residential and commercial taxpayers and provide direction on what services changes and adjustments staff can make to achieve the desired increase.
2. Budget Committee could amend staff's recommendation to also direct the Chief Administrative Officer to prepare options to reduce the 2026/27 budget by:
 - a. Proposing reductions to services;
 - b. Reviewing Capital Renewal spending;
 - c. Reducing Contribution Agreements and Grants funding;
 - d. Proposing fines and fee increases;
 - e. Analyzing staffing levels with focus on vacant positions and overtime spending;
 - f. Reviewing previous council decisions that have not yet been operationalized (including from 2025/26).

LEGISLATIVE AUTHORITY

Halifax Charter, section 35 (1) The Chief Administrative Officer shall (B) ensure that an annual budget is prepared and submitted to the Council.

93 (1) The Council shall make estimates of the sums that are required by the Municipality for the fiscal year.

- (2) The estimates shall include the probable revenue from all sources other than taxes for the fiscal year and make due allowance for:
 - (a) the abatement and losses that might occur in the collection of the taxes; b) taxes for the current fiscal year that might not be collected.
- (3) The Council shall include an allowance to provide for any variation in the total assessed value shown on the roll that might result from assessment appeals.
- (4) The Council shall include in its estimates the deficit from the preceding fiscal year.
- (5) The Council may include in its estimates an amount for:
 - (a) contingencies and unforeseen expenses in matters on which it may vote and expend money;
 - (b) all or part of any surplus of previous fiscal years that will be available for the current fiscal year.
- (6) The Council shall authorize the levying and collecting of a
 - (a) commercial tax rate of so much on the dollar on the assessed value of taxable commercial property and business occupancy assessment; and
 - (b) residential tax rate of so much on the dollar on the assessed value of taxable residential property and resource property.
- (7) Notwithstanding clause (6)(a), the tax rate for the part of commercial property that is identified on the assessment roll as being occupied by a seasonal tourist business is 75% of the commercial tax rate.
- (8) The tax rates must be those that the Council deems sufficient to raise the amount required to defray the estimated requirements of the Municipality.

ATTACHMENTS

- Attachment 1 – Service Enhancement/Reduction Details
- Attachment 2 – 2026-27 Budget Affordability Data
- Attachment 3 – 2026/27 Budget Targets by Business Unit

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Service Enhancement/Reduction Requests

SER Number	Business Unit	Service Category	Option Description	2026/27 Amount	2026/27 Rate Impact	2026/27 Avg. Bill Impact
SER_001	FISCAL	Legally Required	As outlined in the Sustainable Funding and HRM's Reserves report from July 8, 2025, it was suggested, but not recommended, that further funding for the Risk Reserve be considered.	\$ 3,000,000	0.0030	\$10.77
SER_002	RCMP	Legally Required	The service enhancement is part of the Royal Canadian Mounted Police Halifax Regional Detachment (RCMP HRD) 2026/2027 Resource Request.	\$ 972,400	0.0010	\$3.49
SER_008	PW	Legally Required	Eliminating weekly summer organics collection (July through September).	\$ (1,049,000)	(0.0011)	(\$3.77)
SER_009	CS	Other	Costs to maintain existing service levels of the Research and Development Division of Community Safety.	\$ 198,300	0.0002	\$0.71
SER_011	CAO	Other	The African Nova Scotian Road to Economic Prosperity (ANS REP) Council is requesting \$1 million annually over five years (2026–2031) to support the next phase of its long-term economic development strategy. The proposed funding would support continued implementation of the REP plan.	\$ 1,000,000	0.0010	\$3.59
SER_012	CAO	Practically Required	Community Engagement Strategy which identified the requirement of establishing a Community Engagement Office/Team with a minimum of two incremental FTEs to advance the strategy's objectives and specified deliverables.	\$ 190,800	0.0002	\$0.68
SER_018	PR	Other	Increase the Culture and Community team by one FTE, a Cultural Developer, Collections.	\$ 135,000	0.0001	\$0.48
SER_020	PR	Other	Increase in costs for Parks security and maintenance, as well as funds for Beach Rural Program.	\$ 205,000	0.0002	\$0.74
SER_021	HTS	Other	Enhance security at two additional transit terminals (Scotia Square Terminal and Mumford Terminal)	\$ 373,700	0.0004	\$1.34
SER_022	IT	Other	Public WiFi Service Reduction	\$ (450,000)	(0.0005)	(\$1.62)
SER_023	HRFE	Legally Required	Improve emergency response times and staffing levels for 1st alarm fire performance in Sackville and adjoining districts by hiring 20 career firefighters to be staffed at stations 9 and 11.	\$ 430,100	0.0004	\$1.54
SER_024	HRFE	Practically Required	Volunteer Outreach and Recruitment Assistant	\$ 53,400	0.0001	\$0.19
TOTAL OF ALL OPTIONS				\$ 5,059,700	0.0050	\$18.16

Individual impacts to tax bill and rate are approximate

Tracking ID	Financial Category	Funding:			
SER_001	Reserves	Operating			
Four-Year Impact (\$0.00) = savings / \$0.00 = additional	Total Financial Impact: \$12,000,000				
		Year 1	Year 2	Year 3	Year 4
		\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
		Tax Bill Impact: \$10.77	Tax Bill Impact: \$10.77	Tax Bill Impact: \$10.77	Tax Bill Impact: \$10.77
FTE Impact (0.00) = savings / 0.00 = additional		Year 1	Year 2	Year 3	Year 4
		N/A	N/A	N/A	N/A
Adjustment Description	<p>As outlined in the Sustainable Funding and HRM's Reserves report from July 8, 2025, it was suggested, but not recommended, that further funding for the Risk Reserve be considered. The reserve (combined with the Options Reserve) is currently below the recommended minimum balance. The proposed funding would move the Reserve toward its minimum balance. Reaching the minimum (and eventually the target balance) would provide the municipality with a funding source for future disasters or emergencies.</p> <p>https://pub-halifax.escribemeetings.com/filestream.ashx?DocumentId=2514</p>				
Risk Considerations	<p>Ensuring the Risk Reserve meets its minimum balance is a key risk mitigation strategy. It provides the municipality with a financial buffer to respond effectively to unforeseen disasters or emergencies, reducing reliance on reactive funding measures.</p>				
Implementation Feasibility	<p>The proposed funding adjustment is a straightforward financial change and can be implemented with minimal operational impact.</p>				
Other Related SER's	N/A				
Priority Alignment	RA-01: Preserve and strengthen the municipality's financial position to meet current and future needs and obligations				

Tracking ID	Financial Category	Funding:			
SER_002	Expense	Operating			
Four-Year Impact (\$0.00) = savings / \$0.00 = additional	Total Financial Impact: \$6,806,500				
		Year 1	Year 2	Year 3	Year 4
	\$	972,400	1,944,700	1,944,700	1,944,700
		Tax Bill Impact: \$3.49	Tax Bill Impact: \$6.98	Tax Bill Impact: \$6.98	Tax Bill Impact: \$6.98
FTE Impact (0.00) = savings / 0.00 = additional		Year 1	Year 2	Year 3	Year 4
		N/A	N/A	N/A	N/A
Adjustment Description	<p>The service enhancement is part of the Royal Canadian Mounted Police Halifax Regional Detachment (RCMP HRD) 2026/2027 Resource Request. The costing of this enhancement is based on a per-officer cost of \$216,080, assuming the 9 new positions will be in place by mid-fiscal year 2026/27. This costing is prior to any changes to the Provincial Police Service Agreement. If changes to the agreement occur before the budget is finalized, the amounts will be amended accordingly. The financial impacts are only for the first year of the resource request, further years will come forward in their respective budget years.</p> <p>The full report can be found here: https://cdn.halifax.ca/sites/default/files/documents/city-hall/boards-committees-commissions/251029bopc1011.pdf</p>				
Risk Considerations	Risks for this adjustment are outlined in the Royal Canadian Mounted Police Halifax Regional Detachment (RCMP HRD) 2026/2027 Resource Request.				
Implementation Feasibility	Implementation for this adjustment are outlined in the Royal Canadian Mounted Police Halifax Regional Detachment (RCMP HRD) 2026/2027 Resource Request.				
Other Related SER's	N/A				
Priority Alignment	SC-01 - Improve municipal preparedness planning to mitigate the potential impacts of emergency situations and climate-related events.				
	SC-02: Improve municipal emergency response and recovery efforts to keep residents safe, protect property, and restore essential services and infrastructure following an emergency event				

Tracking ID	Financial Category	Funding:			
SER_008	Expense	Operating			
Four-Year Impact (\$0.00) = savings / \$0.00 = additional	Total Financial Impact: (\$4,357,000)				
		Year 1	Year 2	Year 3	Year 4
	\$	(1,049,000)	(1,076,000)	(1,102,000)	(1,130,000)
		Tax Bill Impact: (\$3.77)	Tax Bill Impact: (\$3.86)	Tax Bill Impact: (\$3.96)	Tax Bill Impact: (\$4.06)
FTE Impact (0.00) = savings / 0.00 = additional		Year 1	Year 2	Year 3	Year 4
		N/A	N/A	N/A	N/A
Adjustment Description	This Service Enhancement/Reduction request outlines the cost and impact associated with eliminating weekly summer organics collection (July through September). Year 2-4 compared to 2026/2027 budgeted full service option (\$1,049,000).				
Risk Considerations	<ul style="list-style-type: none"> - Resident dissatisfaction. In urban areas, proximity of homes causes odour concerns between neighbours. In rural areas, residents are concerned about attracting wildlife including racoons and bears. - Reduced service could result in organics being improperly disposed of in the garbage, putting at risk the Otter Lake Compliance Plan. A key requirement of this plan is achieving the long-term target of less than 10% compostable waste (e.g. food waste) in the residential garbage stream. - Early communication of changes to this service is critical as some residents have collection calendars mailed to them or print from the Halifax Recycles app in late December or early January. - In past years, contracted haulers have experienced staffing shortages in delivering this service. Given the dependence on the Temporary Foreign Workers program, similar risks present annually. - Year 3 and 4 estimates would be further subject to a new collection contract (effective July 2028) which would be subject to living wage requirements. 				
Implementation Feasibility	<ul style="list-style-type: none"> - Alternatively, a decrease in service (vs elimination) could be considered. Year 1 savings would equate to \$150,000 for each collection cycle reduced. For example, reducing from 7 to 4 weeks would result in a total savings of \$450,000. - Under the terms of the Residential Curbside Collection Agreements, the municipality may choose which Collection Area(s) to provide summer weekly organics collection and the number of weeks that the service is provided. The municipality must provide a 60-day notice to the contracted haulers indicating the level of service required (i.e. April 30 for a July 1 start date). 				
Other Related SER's	N/A				
Priority Alignment	RA-01 - Preserve and strengthen the municipality's financial position to meet current and future needs and obligations.				

Tracking ID	Financial Category	Funding:			
SER_009	Expense	Operating			
Four-Year Impact (\$0.00) = savings / \$0.00 = additional	Total Financial Impact: \$793,200				
		Year 1	Year 2	Year 3	Year 4
	\$	198,300	198,300	198,300	198,300
		Tax Bill Impact: \$0.71	Tax Bill Impact: \$0.71	Tax Bill Impact: \$0.71	Tax Bill Impact: \$0.71
FTE Impact (0.00) = savings / 0.00 = additional		Year 1	Year 2	Year 3	Year 4
		N/A	N/A	N/A	N/A
Adjustment Description	<p>This Service Enhancement request outlines the projected cost and anticipated impact of maintaining existing service levels within the Research and Development Division of Community Safety. Since the creation of the Community Safety Business Unit, operational funding for these activities has been supported through a federal grant, which will expire on March 31, 2026. The Research and Development Division provides strategic leadership for the implementation and promotion of the Regional Council–approved Public Safety Strategy and is responsible for carrying out several of its key actions. This operating budget request seeks to sustain current service levels and ensure continuity of operations. The Division leads monitoring, evaluation, and reporting for all Public Safety Strategy actions, including the development and tracking of key performance indicators (KPIs) under Regional Council's Strategic Priority Plan.</p> <p>The Community Safety Training service area is responsible for developing and delivering training programs across municipal business units and with community partners.</p> <p>This service area also advances several strategic priorities under the Public Safety Strategy, including: Providing expert advice to strengthen public safety across municipal programs and services; Creating safer and more inclusive public spaces; Enhancing supports for people experiencing homelessness. Broadening the spectrum of emergency and crisis response; and Supporting the establishment of a centre for collective impact in public safety.</p>				
Risk Considerations	<p>If operational funding is not sustained, it will significantly impact service levels under the Community Safety Training section of the Research and Development Division, and stall progress on two actions underway in Public Safety Strategy implementation:</p> <p>1.2: Bystander training for Safe City and Safe Public Spaces program for Women and Girls; 1.4: Community Safety Trainings (Trauma Informed Non-Violent Crisis Intervention Training, Mental Health First Aid, Applied Suicide Intervention)</p> <p>As this adjustment is intended to sustain ongoing operations, all current service levels within the Research and Development Division are at varying degrees of risk. This includes operating costs essential for maintaining diverse and inclusive community engagement in the implementation and renewal of Strategy Actions; supporting internal and external program evaluation to identify efficiencies and promote continuous learning and adaptation; and developing evidence-based tools that apply an equity lens to municipal decision-making.</p>				
Implementation Feasibility	<p>Implementation progress and activity monitoring are reported annually to Regional Council through the Public Safety Strategy Annual Report. A robust monitoring and evaluation framework, established in 2023, guides this process to support continuous learning and adaptation throughout the year.</p> <p>The Research and Development team is responsible for monitoring and reporting, which includes metrics on the number of trainings, volume of participants (including internal and external trainees), internal and external impact evaluation for continuous learning and adaptation. Human Resources supports the promotion and administration of corporate trainings; external organizations and agencies collaborate on training and educational offerings including HRM's current participation in Public Safety Canada pilot projects to build capacity for Preventing Violent Extremism.</p>				
Other Related SER's	N/A				
Priority Alignment	SC-04: Plan and invest in social infrastructure and opportunities for connection to increase residents' well-being and sense of belonging in their communities				

Tracking ID	Financial Category	Funding:			
SER_011	Expense	Operating			
Four-Year Impact (\$0.00) = savings / \$0.00 = additional	Total Financial Impact: \$4,000,000				
		Year 1	Year 2	Year 3	Year 4
		\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
		Tax Bill Impact: \$3.59	Tax Bill Impact: \$3.59	Tax Bill Impact: \$3.59	Tax Bill Impact: \$3.59
FTE Impact (0.00) = savings / 0.00 = additional		Year 1	Year 2	Year 3	Year 4
		N/A	N/A	N/A	N/A
Adjustment Description	<p>The African Nova Scotian Road to Economic Prosperity (ANS REP) Council is requesting \$1 million annually over five years (2026–2031) to support the next phase of its long-term economic development strategy. This builds on previous HRM investments: \$182,000 in each of 2020/21 and 2022/23, and \$365,000 in each of 2023/24, 2024/25, and 2025/26, all administered through the Halifax Partnership. The first two action plans (2020–2021 and 2023–2025) were developed collaboratively with HRM staff and endorsed by Regional Council. The proposed funding would support continued implementation of the REP plan, including community-led initiatives focused on workforce development, entrepreneurship, land ownership, and infrastructure. Notable successes to date include the Beechville and Upper Hammonds Plains Community Action Plans, support for the Akoma Master Plan, and the development of the ANS Prosperity and Well-being Index. The next phase would be administered through a new entity, with HRM support transitioning from the Halifax Partnership to a community-led governance model. An information report on the ANS REP is planned for the November 20, 2025, meeting of CPED.</p>				
Risk Considerations	<p>There are risks both in proceeding and in not proceeding with the funding request. Moving forward would sustain momentum and enable the scaling of successful initiatives such as community action planning, land ownership strategies, and infrastructure development. However, the transition to a new, not-yet-established entity introduces uncertainty around administrative capacity and accountability.</p> <p>Not proceeding would significantly delay work in communities like Upper Hammonds Plains, Lucasville, and East Preston, where planning processes are already underway. HRM's Office of Diversity and Inclusion could assist with engagement, but progress would be slower and more limited in scope. The reputational risk to HRM is also notable, given its history of support and the expectation of continued leadership in advancing equity and prosperity for African Nova Scotians. Key initiatives such as the Akoma development, community land trusts, and infrastructure upgrades would be stalled or scaled back, and trust built through successful planning processes in Beechville and elsewhere could be eroded.</p>				
Implementation Feasibility	<p>The ANS REP initiative has demonstrated strong implementation capacity through its partnership with HRM and the Halifax Partnership. As the initiative transitions to a new community-led entity, the governance structures established through REP — including the Advisory, Elder, and Youth Councils — would continue to provide leadership, oversight, and strategic guidance.</p> <p>HRM has embedded African Nova Scotian Community Action Planning into its Regional Plan and allocated dedicated planning staff to support this work. The new entity would build on this foundation, maintaining collaboration with HRM, ANSAIO, and community partners to advance shared priorities.</p>				
Other Related SER's	N/A				
Priority Alignment	EP-04: Ensure residents and businesses can contribute to and benefit from the municipality's growing economy				

Tracking ID	Financial Category		Funding:	
SER_012	Expense		Operating	
Four-Year Impact (\$0.00) = savings / \$0.00 = additional	Total Financial Impact: \$919,800			
	Year 1	Year 2	Year 3	Year 4
	\$ 190,800	\$ 235,900	\$ 242,900	\$ 250,200
	Tax Bill Impact: \$0.68	Tax Bill Impact: \$0.85	Tax Bill Impact: \$0.87	Tax Bill Impact: \$0.90
FTE Impact (0.00) = savings / 0.00 = additional	Year 1	Year 2	Year 3	Year 4
	2.00	N/A	N/A	N/A
Adjustment Description	<p>In May 2024 Regional Council approved the Community Engagement Strategy which identified the requirement of establishing a Community Engagement Office/Team with a minimum of two incremental FTEs to advance the strategy's objectives and specified deliverables. Two positions include the Community Engagement Coordinator and the Community Engagement Specialist. These positions will be located within Corporate Communications and are directly tied to the delivery of the Community Engagement Strategy (RA-05-A2 of the 2026-30 Strategic Plan - Action Plan). Total estimated budget impact for these two positions is approximately \$236K annually.</p> <p>https://halifaxns.sharepoint.com/sites/cao/Shared%20Documents/Forms/AllItems.aspx?id=%2Fsites%2Fcao%2FShared%20Documents%2FCommunity%5FEngagement%5FStrategy%2Epdf&parent=%2Fsites%2Fcao%2FShared%20Documents</p>			
Risk Considerations	<p>There are no potential savings within the Corporate Communications budget to offset the incremental cost of the two required positions. Not proceeding with the positions will result in the inability to advance the Council-approved actions identified in the Community Engagement Strategy - including establishment of the CES Office/Team to implement, operationalize and provide guidance on the CES and all community engagement activities for the municipality. The Office/Team's mandate - to ensure community engagement activities are coordinated across the municipality - cannot be fulfilled without at least two FTEs.</p>			
Implementation Feasibility	<p>Expected implementation date: June 2026 Key implementation steps and milestones: The Community Engagement Strategy (CES) identifies key milestones and timing; advancement of these would be monitored by the Managing Director of Corporate Communications via the Community Engagement Advisory Committee.</p>			
Other Related SER's	N/A			
Priority Alignment	RA-05: Deliver meaningful and accessible public engagement and education on key municipal issues			

Tracking ID	Financial Category	Funding:			
SER_018	Expense	Operating			
Four-Year Impact (\$0.00) = savings / \$0.00 = additional	Total Financial Impact: \$555,800				
		Year 1	Year 2	Year 3	Year 4
	\$	135,000	\$ 153,800	\$ 156,900	\$ 110,100
	Tax Bill Impact:	\$0.48	Tax Bill Impact: \$0.55	Tax Bill Impact: \$0.56	Tax Bill Impact: \$0.40
FTE Impact (0.00) = savings / 0.00 = additional		Year 1	Year 2	Year 3	Year 4
		1.00	N/A	N/A	N/A
Adjustment Description	<p>This Service Enhancement request outlines the cost and impact associated with a proposed option to increase the Culture and Community team by one FTE, a Cultural Developer, Collections, to steward HRM's cultural assets and manage its artifact and public art collections in alignment with service standards. This position was identified as a resource in the approved Cultural Heritage Priorities Plan (2024) and also a recommendation in the Regional Museum Strategy (2025) and is included in P&R's 26/27 Resource Plan.</p> <p>In addition, this request includes funding for three-year annual contribution agreements with the Association of Nova Scotia Museums (ANSM) and the Council of Nova Scotia Archives (CNSA). These agreements would support museums and archives across HRM by providing training, advocacy, and direct assistance, while also enhancing ongoing organizational capacity within the sector.</p>				
Risk Considerations	<p>HRM owns several historic collections, including the Dartmouth Heritage Museum (DHM) collection (over 49,000 discreet items) and the Public Art and Cultural Asset collection with over 300 assets spread across the region. Currently, there is no dedicated resource on the Culture and Community Team with the sole mandate or capacity to oversee these collections in a comprehensive and consistent manner. Without this position, the municipality faces risk of asset loss, deterioration, misplacement, or damage due to inadequate tracking, storage, and maintenance oversight. In 2027, the DHM collection will be relocated to a new leased facility and this position is required to advance this specialized project. The absence of centralized oversight also limits the ability to respond to public inquiries, support cultural programming, and ensure ongoing stewardship of these assets.</p> <p>Without funding, ANSM and CNSA, museums and archives in HRM may lose access to coordinated training and support, leading to inconsistent service quality. This could increase pressure on municipal resources to fill the gap and maintain standards. The proposed contribution agreements with ANSM and CSNA are recommendations of the Phase 2 Regional Museum Strategy and are key to the successful implementation of the Strategy.</p>				
Implementation Feasibility	<p>If approved through the 26/27 budget process, the Cultural Developer, Collections position will be finalized for job evaluation early in the year. Following Council approval, the position will be posted, with the goal of having the role filled by June 1, 2026. Parks & Recreation will lead implementation, supported by HR and Finance. The standard three-year contribution agreements will be negotiated, implemented and year one funded in May 2026. Parks & Recreation will lead implementation, supported by Finance.</p>				
Other Related SER's	N/A				
Priority Alignment	SC-04 - Plan and invest in social infrastructure and opportunities for connection to increase residents' well-being and sense of belonging in their communities.				

Tracking ID	Financial Category	Funding:			
SER_020	Expense	Operating			
Four-Year Impact (\$0.00) = savings / \$0.00 = additional	Total Financial Impact: \$871,200				
	Year 1	Year 2	Year 3	Year 4	
	\$ 205,000	\$ 213,500	\$ 222,000	\$ 230,700	
	Tax Bill Impact: \$0.74	Tax Bill Impact: \$0.77	Tax Bill Impact: \$0.80	Tax Bill Impact: \$0.83	
FTE Impact (0.00) = savings / 0.00 = additional	Year 1	Year 2	Year 3	Year 4	
	N/A	N/A	N/A	N/A	
Adjustment Description	<p>Security Parks This Service Enhancement/Expense Request outlines the projected costs and anticipated impact of implementing security coverage at various parks, including Shirley's Splash Pad. The proposed enhancement is in response to ongoing concerns regarding unwanted activities and hazardous materials within the park. The presence of security is expected to deter inappropriate behavior, enhance public safety, and ensure a safer environment for park visitors.</p> <p>Port a Potties This Service Enhancement outlines the estimated cost and anticipated impact of maintaining existing portable toilet services (including necessary supplies and cleaning) for various ball fields, diamonds, and courts to support the needs of user groups. The request is to cover increased costs required to sustain current service levels. This service ensures athletes, spectators, and community members have access to essential restroom facilities, improving the overall experience.</p> <p>Rural Beach Program This Service Enhancement request outlines the cost and impact associated with a proposed option to provide an enhanced rural beach program as directed in the Rural Recreation Strategy. The service enhancement includes Lifesaving courses (Bronze Medallion & Cross), National Lifeguard Training, Junior Lifeguard Program and an eight week swimming lesson program.</p>				
Risk Considerations	<p>Security Parks Increased risk of hazards in the park affecting members of the public and public use and enjoyment of the park.</p> <p>Port a Potties Without adequate restroom facilities, user groups, staff, and parents face discomfort and inconvenience, which can negatively impact their overall experience and participation. The addition of portable washroom facilities will help reduce the inappropriate use of adjacent green spaces and wooded areas for personal sanitation, which can contribute to unpleasant odours and attract rodents. This measure supports improved public hygiene, community comfort and environmental stewardship in high-use park areas.</p> <p>Rural Beach Program The risk in not implementing this Service Enhancement would significantly impact the ability to offer free swim lessons in rural areas of HRM. Without the rural programming component, P&R would face challenges in recruiting and staffing lifeguards for rural beaches, ultimately compromising both service delivery and public safety in these communities. If not approved, there would be a reduced frequency of the training and reduction in rural swimming lesson offerings.</p>				
Implementation Feasibility	<p>Security Parks The expected implementation date for additional security is June 2026, along with any additional security measures that may be required at other HRM parks based on emerging trends. Similar to the approach taken at the end of the current fiscal year's peak season, Parks & Recreation staff could conduct on-site walkthroughs in collaboration with Community Safety and the local Councillor, to identify and address issues as they arise, ensuring timely and effective solutions.</p> <p>Port a Potties Expected implementation date is April 2026, aligning with the seasonal opening of several outdoor recreation assets across HRM. As demand for these facilities continues to grow, so too do the needs of user groups and community members. Requests for support and enhancements are typically submitted through local Councillors or via service requests to 311, with a particular focus on outdoor sport courts and ball fields where usage is increasing.</p> <p>Rural Beach Program The Service Enhancement initiative is scheduled to run for eight weeks during the summer of 2026, specifically throughout July and August. Following this, the Eastern Shore Lifeguard Program will be implemented in the fall of 2026.</p> <p>Oversight of key implementation steps and milestones will be provided by the Aquatic Specialist responsible for beach operations and the Manager of Aquatic Services. Major milestones include the posting of summer positions, promotion and marketing of the program, participant registration, staff training, communication with participants, program delivery, and post-program follow-up and reporting.</p> <p>The Aquatic Manager will oversee the overall implementation, including managing the critical path and marketing efforts. The Aquatic Specialist will be responsible for developing the course timeline, booking facilities, hiring instructors, and maintaining communication with participants. The Beach Coordinator will support instructors and participants on-site by providing necessary supplies and equipment. The Instructor will create lesson plans, deliver course content, and address participant concerns. The Community Recreation Coordinator will arrange transportation, secure training spaces in rural centres, and promote the course locally. The Lifesaving Society will provide training materials, support promotional efforts, and handle certification. Lastly, Corporate Communications will lead the promotion of the training programs to ensure broad awareness and engagement.</p>				
Other Related SER's	N/A				
Priority Alignment	<p>SC-04 - Plan and invest in social infrastructure and opportunities for connection to increase residents' well-being and sense of belonging in their communities.</p> <p>SC-05 - Improve equitable access to municipal programs, services, indoor and outdoor spaces, and events for all residents.</p>				

Tracking ID	Financial Category	Funding:			
SER_021	Expense	Operating			
Four-Year Impact (\$0.00) = savings / \$0.00 = additional	Total Financial Impact: \$1,494,800				
		Year 1	Year 2	Year 3	Year 4
	\$	373,700	373,700	373,700	373,700
		Tax Bill Impact: \$1.34	Tax Bill Impact: \$1.34	Tax Bill Impact: \$1.34	Tax Bill Impact: \$1.34
FTE Impact (0.00) = savings / 0.00 = additional		Year 1	Year 2	Year 3	Year 4
		N/A	N/A	N/A	N/A
Adjustment Description	This Service Enhancement request outlines the cost and impact associated with a proposed option to enhance security at two additional transit terminals.				
Risk Considerations	<p>Halifax Transit continues to experience an increase in safety and security incidents across the transit network, including onboard buses and ferries, and at bus stops and terminal locations. These incidents pose a reputational and operational risk by negatively influencing public perception of overall system safety.</p> <p>An enhanced security presence and consistent incident reporting are critical to mitigating this risk. Increased data collection supports Halifax Transit and partners in Public Safety and policing to make informed, evidence-based decisions regarding deployment models and available supports.</p> <p>Preliminary data indicate notable increases at key locations: incidents at the Scotia Square Terminal and waiting lobby have risen from 220 in 2024 to a projected 318 in 2025, while the Mumford Terminal has increased from 190 in 2024 to an estimated 240 in 2025. Without continued investment in coordinated safety measures, these upward trends could further impact customer confidence and service reliability.</p>				
Implementation Feasibility	<p>The proposed implementation is considered feasible under the current service delivery model. As security services are presently provided through a contracted security company, the initiative could be achieved by engaging additional resources from the existing service provider. This approach would allow implementation to commence at the start of the upcoming fiscal year.</p> <p>Operational oversight, direction, and data management would continue to be coordinated in partnership with Halifax Transit's Service Delivery and Operational Support teams, in collaboration with the contracted vendor's management team. This integrated approach ensures continuity, accountability, and effective performance monitoring throughout the implementation process.</p>				
Other Related SER's	N/A				
Priority Alignment	MB-04: Improve safety of transportation modes				

Tracking ID	Financial Category	Funding:			
SER_022	Expense	Operating			
Four-Year Impact (\$0.00) = savings / \$0.00 = additional	Total Financial Impact: (\$450,000)				
	Year 1	Year 2	Year 3	Year 4	
	\$ (450,000)	\$ -	\$ -	\$ -	
	Tax Bill Impact: (\$1.62)	Tax Bill Impact: \$0.00	Tax Bill Impact: \$0.00	Tax Bill Impact: \$0.00	
FTE Impact (0.00) = savings / 0.00 = additional	Year 1	Year 2	Year 3	Year 4	
	N/A	N/A	N/A	N/A	
Adjustment Description	<p>HRM began providing free public Wi-Fi in 2017 at the Grand Parade, the Halifax Waterfront, and the Dartmouth Waterfront. In 2019 this was expanded to include Alderney Landing Theatre and Ferry Terminal, Emera Oval, Halifax Ferry Terminal, Public Gardens, Lacewood Bus Terminal, Sackville Terminal, Portland Hills Terminal, Mumford Terminal, and the Bridge Terminal.</p> <p>Based on usage trends, Halifax Regional Municipality intends to not renew its contract for the Public Wi-Fi service upon its expiration on March 31, 2026.</p> <p>Analysis of the public Wi-Fi service usage data reveals a persistent and substantial decline in user engagement over the past several years. Unique end users dropped by nearly 45% from 2023 to 2024, with only a modest recovery in 2025 to date, while total registrations and daily users have more than halved since 2023. Registrations from returning users fell by over 54% in 2024 and another 34% in 2025 so far, indicating waning loyalty and repeat usage.</p> <p>By not continuing to offer free Wi-Fi, HRM will save \$450,000 in annual operating expenses.</p>				
Risk Considerations	By giving notice of intent to not renew this contract at least 30 days before the current annual term expires March 31, 2026, HRM will be responsible all services fees and taxes due up to the date of termination.				
Implementation Feasibility	<ul style="list-style-type: none"> - Council authorization to proceed with service removal effective April 1, 2026. - Vendor Notification: Notify the vendor of service termination, respecting the contractual requirements of 30 days' notice. - Stakeholder Communication: Staff to coordinate public messaging to ensure residents and users are informed about the change and its timeline. - Financial Settlement: HRM will settle all outstanding service fees as applicable. - IT manages vendor and oversees physical infrastructure removal and decommissioning from municipal sites. Responsible for monitoring progress and reporting to council and senior management.				
Other Related SER's	N/A				
Priority Alignment	RA-01: Preserve and strengthen the municipality's financial position to meet current and future needs and obligations				

Tracking ID	Financial Category	Funding:			
SER_023	Expense	Operating			
Four-Year Impact (\$0.00) = savings / \$0.00 = additional	Total Financial Impact: \$6,106,900				
		Year 1	Year 2	Year 3	Year 4
	\$	430,100	\$ 1,404,900	\$ 1,933,000	\$ 2,338,900
		Tax Bill Impact: \$1.54	Tax Bill Impact: \$5.04	Tax Bill Impact: \$6.94	Tax Bill Impact: \$8.40
FTE Impact (0.00) = savings / 0.00 = additional		Year 1	Year 2	Year 3	Year 4
		20.00	N/A	N/A	N/A
Adjustment Description	This Service Enhancement request outlines the cost and impact associated with a proposed option to improve emergency response times and staffing levels for 1st alarm fire performance in Sackville and adjoining districts by hiring 20 career firefighters to be staffed at stations 9 and 11.				
Risk Considerations	If not implemented, performance degradation is anticipated which will introduce reputational risk to the municipality and potential harm to resident safety and property loss. Additionally, if not implemented, overtime costs will continue to grow and there will be an increased frequency of the "brownout" of aerial 9 as well as secondary apparatus at other stations.				
Implementation Feasibility	20 Firefighters would be hired in February of 2027. After completion of training in June, firefighters will be assigned to operations. 10 firefighters will be assigned to Station 11, bringing the staffing levels up to 4 people/day to meet safety standards and improve emergency response times and staffing levels for 1st alarm fire performance. The remaining 10 firefighters will augment staffing at Station 9 to allow the aerial at Station 9 to be staffed at 3 people per day and cover planned and unplanned absences.				
Other Related SER's	N/A				
Priority Alignment	SC-02: Improve municipal emergency response and recovery efforts to keep residents safe, protect property, and restore essential services and infrastructure following an emergency event				

Tracking ID	Financial Category	Funding:			
SER_024	Expense	Operating			
Four-Year Impact (\$0.00) = savings / \$0.00 = additional	Total Financial Impact: \$258,300				
		Year 1	Year 2	Year 3	Year 4
	\$	53,400	66,300	68,300	70,300
		Tax Bill Impact: \$0.19	Tax Bill Impact: \$0.24	Tax Bill Impact: \$0.25	Tax Bill Impact: \$0.25
FTE Impact (0.00) = savings / 0.00 = additional		Year 1	Year 2	Year 3	Year 4
		1.00	N/A	N/A	N/A
Adjustment Description	This service enhancement request outlines the cost and impacts associated with the proposed option to hire a Volunteer Outreach and Recruitment Assistant. This role is needed to support the outreach, attraction, recruitment, retention and administration of the volunteer component, which accounts for more than 50% of HRFE's staffing.				
Risk Considerations	The volunteer component is currently supported by a small team of two who lead volunteer firefighter outreach, recruitment, and retention work, without the assistance of traditional HR resources that are in place for career staff. If this position is not filled, the organization risks overburdening current staff, which could slow down essential outreach and recruitment activities. Without dedicated assistance, tasks such as organizing outreach events, making new connections with potential volunteers in hard-to-reach communities, and supporting communication efforts may be delayed or not fulfilled. This could result in missed opportunities to attract new volunteers, especially from diverse backgrounds, and may hinder the organization's ability to keep up with the growing demand for volunteer services in HRM. Ultimately, not filling this role could impact the efficiency and effectiveness of volunteer recruitment and engagement efforts. Over the last 5 years, the volunteer sector has grown by over 100 members, yet no additional resources have been added to support this increase. Incumbent must have access to confidential and sensitive information to support the recruitment process.				
Implementation Feasibility	Guided by the Manager of the Volunteer Sector, if approved this role will be posted in the Spring after the Operating budget is approved, or sooner if in-year budget permits. The role will assist in planning, coordinating, and carrying out ongoing activities and upcoming outreach projects aimed at boosting volunteer engagement, diversity, and membership. The employee will work closely with the Manager of the Volunteer sector and the vounteer administrative assistant.				
Other Related SER's	N/A				
Priority Alignment	OP-02: Strengthen the attraction and retention of people with the skills and behaviours needed to deliver municipal services				

Investing in Affordability

Affordability remains a major concern for residents across the municipality. In response, the municipality has made substantial investments to help ease financial pressures for those that need it most—initiatives that come at a significant cost to all ratepayers. It’s important to recognize that when some residents pay less, others share that cost.

The municipality offers a wide range of programs and services designed to support residents most in need, with funding provided collectively by ratepayers. These investments have a direct impact on the average municipal tax bill but play a targeted role in promoting equity and community well-being.

Below is an overview of key investments that demonstrate the municipality’s commitment to improving affordability for residents and targeting support where it’s needed most.

Investments in Affordability

Transit Services

Public transit remains one of the most affordable modes of transportation and is largely funded by the municipality. The 2025/26 budget for subsidized transit services is **\$107.1 million**.

Halifax Transit provides several programs that enhance affordability and accessibility, including:

- **31,654 student transit passes** distributed in 2025/26, including for HRCE/CSAP and homeschooled students at an annual budget of \$600,000 provided by the municipality and \$1.2 million funded from the Province of Nova Scotia;
- **7,555 transit passes** distributed through the Provincial Department of Opportunities and Social Development, including **800** for Disability Support Program clients;
- **2,265 e-pass registrations** for Nova Scotia Health and IWK employees at \$25 each;
- **Bulk purchase program** offering a **50% discount** for non-profit organizations to purchase and distribute free passes to their clients at an annual cost of approximately \$20,000;
- **240 adult transit passes** provided monthly to Community Safety for vulnerable residents, valued at approximately \$260,000 annually;
- A **subsidy for Accessible Taxi Service for Seniors**, allowing passengers to pay standard taxi fares while the municipality covers additional service costs such as accessibility - \$700,000 in 2025/26.

Community Safety

The municipality continues to make significant investments in community safety, supporting initiatives that address housing, homelessness, intimate partner violence, and food security. The 2025/26 Community Safety budget includes:

- **\$2.5 million** to support housing and homelessness programs; and
- **\$757,500** to enhance food security.

Provincially Legislated Property Tax Exemptions

Under the **Nova Scotia Assessment Act**, many organizations—such as churches (places of worship and cemeteries), educational institutions, hospitals, Boy Scouts, Girl Guides, and many more - are exempt from paying property tax. These exemptions result in an **estimated lost revenue of approximately \$65.6 million in 2025/26**, which must be funded by other ratepayers.

Some organizations are exempt under an **Act of the Nova Scotia Legislature or the Government of Canada** that are not named in section 5(1) of the Assessment Act – for example Halifax Council of Women, St. Paul’s Home, YWCA, Maritime Conservatory of Performing Arts, and the Royal Canadian Legion.

Provincial legislation also exempts registered Canadian charities from payment of deed transfer tax. The legislation is not targeted and therefore includes charities representing business, industry or professional interests.

Community Facilities and Libraries

The municipality continues to invest in **Multi-District Facilities**, providing annual operating subsidies to maintain programming and public access, including \$1 million in the 2025/26 budget for recreational programming for participants in the Affordable Access program.

The **Halifax Public Libraries** system is primarily funded by the municipality, with an operating budget of **\$34.7 million in 2025/26**, ensuring that residents have access to free, inclusive, and affordable services.

Additional Affordability Programs

The municipality also supports residents through a number of targeted programs, including:

- **Affordable Access Program** – offers property tax exemptions, discounted recreation programs, and reduced transit passes to income-qualified residents, helping improve affordability and enhance quality of life.
 - Property tax exemptions to approximately 1,900 income qualified residents at an annual budget of \$1.9 million;
 - Discounted recreation access passes for approximately 2,565 clients in 2024/25 and demand is increasing in 2025/26 with a budget of \$1.5 million, an increase from \$1.1 million in 2024/25; and
 - Discounted transit passes for 2,940 accepted applicants in 2024 at a program value of \$900,000 annually. As of the end of September 2025, 3,282 applicants have been accepted into the program at a cost of \$533,000. The program is on track to increase by 40% - 50% compared to 2024.
- **Community Grants Program** – provides financial support to registered non-profit and charitable organizations for community-benefit projects that offer low-cost or free amenities, strengthen neighborhoods, and promote accessibility, and affordability across the municipality. The program operates with an annual budget of \$500,000.
- **Community Museums Program** - provides multi-year operating grants (> 3 years) for project and capital grants to community museums operated by non-profit and charitable organizations. The annual budget for this program is \$220,000.
- **Tax Relief for Non-Profit and Charitable Organizations** - provides annual property tax relief to registered non-profit and charitable organizations that deliver valuable services within the municipality, such as affordable housing, recreational programming, supportive housing, food assistance, and many other services. These initiatives play a key role in enhancing community

well-being and supporting affordability for residents. The 2025–26 program budget is **\$9.5 million**.

- **Affordable Housing Grant Program** - provides funding for non-profit and charitable organizations for costs associated with development, renovation, or purchase of affordable housing. The program is funded from the bonus zoning from certain developments, the Housing Accelerator Fund, and the municipal operating budget. In 2024/25, 10 projects received funding of **\$5.3 million** supporting the development of 192 affordable housing units and contributing to the repair and renovation of 29 affordable housing units.
- **Less than Market Value Leases** – the municipality has many less than market value leases and licenses as an investment in affordability including agreements for initiatives in Community Safety supporting housing and homelessness. The opportunity cost of these agreements in 2025/26 is **\$5 million**. Many organizations leasing property from the municipality also receive tax relief.
- **Less than Market Value Property Sales** – the municipality has the authority to sell surplus municipal property at less than the appraised market value to a non-profit or charitable organization. Under current policy, there are two categories: Community Interest and Affordable Housing. To date, the value of these opportunity costs ranged from **\$8,000 to \$4 million** per property. Some recipients also receive municipal tax relief and additional municipal grants funding for construction or improvements to the subject property (and in some cases, fit up and equipment).
- **Contribution Agreements** – the municipality maintains numerous contribution agreements with organizations that deliver programs and services across the region. These agreements provide funding to organizations that support community affordability through initiatives such as food and pet assistance, professional arts, housing and homelessness programs, public transportation, education, culture, climate-related investments, and many other services. Many agreements span multiple years, ranging from 1 to 46 years in duration. The total annual value of these agreements is approximately **\$7.6 million**, with a cumulative value of **\$30.9 million** over their full terms.
- **Joint Use Agreements** – the municipality maintains joint use agreements with Halifax Regional Centre of Education for schools where the municipality has made a capital contribution; the municipality has invested in capital contributions and a percentage of annual operating costs at each respective location.
- **Property Tax Deferral Program** – The municipality offers a program that allows income-qualified property owners to defer payment of their property taxes and local improvement charges.
- **District Funds** – Each year all districts are allocated District Activity Funds that Councillors have the ability to designate for community benefit and supporting affordability by providing grants to non-profit and charitable organizations for local initiatives. The 2025/26 annual District Funds budget is \$72,000. Councillors may also designate District Capital Funds to assist in funding municipal projects in the capital budget. In 2024/25, **\$1.9 million** was spent on District Capital Funds.

- **Waiving of Municipal Development Fees** – the municipality is currently waiving development fees related to construction for residential developments by a non-profit or charitable organization at an estimated cost of **\$1.2 million** since inception in 2021.
- **Supplementary Education** – the municipality contributed **\$13.5 million** in 2025/26 to Halifax Regional Centre for Education to support music and arts programs as well as library support specialists and social workers in the municipality.

Municipal Profile and Financial Condition Indicators Results

The Department of Municipal Affairs compiles a set of municipal indicators on behalf of the Nova Scotia Government and the Association of Municipal Administrators of Nova Scotia to create a snapshot from financial and demographic statistics to help community members and decision makers understand the municipality's financial risks, revenue growth, and the impact of a changing population on municipal revenues and expenses.

Residential Tax Effort - One of the indicators compiled by the Department of Municipal Affairs focuses on community characteristics and demographic statistics, measured through Residential Tax Effort. The municipality achieved a **score of 3.6%**, which falls within the **low-risk** category. This means that, on average, **3.6% of median household income is required to pay the average residential tax bill**. A score at this level indicates that the municipality maintains a healthy balance between tax levels and affordability, with **some flexibility to increase taxes if necessary**.

This indicator helps **Regional Council** evaluate the affordability of municipal property taxes relative to current service levels. It is calculated as:

Total residential tax revenue per dwelling unit ÷ median household income

Scores **below 4%** are considered low risk, while scores **above 6%** indicate high risk.

Uncollected Taxes – Another key indicator compiled by the Department of Municipal Affairs is Uncollected Taxes. The municipality also performed very well in this area, achieving a **score of 2.9%**, which is considered **low risk**.

This result demonstrates that the municipality is effectively managing its tax revenue collection and that **most residents are meeting their tax obligations**.

The indicator is calculated as:

Total cumulative uncollected taxes ÷ total taxes billed in the current fiscal year

A result **below 10%** is classified as low risk, while a result **above 15%** is considered high risk.

Social Value of Procurement Contracts

On April 1, 2021, the Municipality implemented the **Social Value Framework and Supplier Code of Conduct**, including the requirement for contractors to pay a **living wage** to employees for ongoing operational services contracts solicited after the implementation date. Ongoing operational services

include Janitorial, Grass Mowing, Snow and Ice Control, Solid Waste Management, Security and other services which are provided on an ongoing basis at a fixed monthly fee. The Supplier Code of Conduct requires contractors to pay the employees servicing the contract Halifax’s living wage at the time of the solicitation.

Between April 1, 2021, and March 31, 2025, the Municipality spent approximately \$63 million on contracts requiring living wage. During that period, based on the difference between Nova Scotia’s minimum wage and Halifax’s living wage, and the estimated percentage of labour for those contracts, contractor employees have earned approximately **\$9.3 million** more than they would have earned under the Nova Scotia minimum wage. According to BuySocial Canada and the Canadian Collaboration for Sustainable Procurement (CCSP), \$3.00 of local economic benefit is generated for every \$1.00 invested in social value procurement, including living wage contracts.

Table 1 – Summary of Affordability Investments

Please note – for annual investments, amounts may vary each year.

Annual Affordability Investments

Program or Service	Investment Amount	Duration
Halifax Transit Services	\$107.1 million	Annually
Community Safety	\$3.3 million	Annually
Multi-District Facility Affordable Access	\$1 million	Annually
Halifax Public Libraries	\$34.7 million	Annually
Affordable Access Program – Property Tax Exemptions	\$1.9 million	Annually
Affordable Access Program – Discounted Transit Passes	\$0.9 million	Annually
Affordable Access Program – Discounted Recreation Programs	\$1.5 million	Annually
Community Grants	\$0.5 million	Annually
Supplementary Education	\$13.5 million	Annually
District Activity Funds	\$0.072 million	Annually
District Capital Funds	\$1.9 million	Annually
Non-Profit Tax Relief	\$9.5 million	Annually
Community Museums	\$0.22 million	Annually
Affordable Housing Grants	\$5.3 million	Annually
Less than Market Value Leases	\$5 million	Annually
Total Annual Costs	\$186.4 million	

Longer-Term Affordability Investments

Program or Service	Investment Amount	Duration
Contribution Agreements	\$30.9 million	Cumulative
Waiving Development Fees	\$1.2 million	2021-2025

Joint Use Agreements – HRCE	Initial capital contribution & percentage of annual operating costs	Initial Capital Contribution & Ongoing Annual Operating Contribution
Social Value – Procurement Contracts	\$9.3 million	2021-2025
Provincially Legislated Property Tax Exemptions	\$65.6 million	Annually

Affordability Benchmarking

HRM participates annually in the [Calgary Residential Property Taxes and Utility Charges Survey](#). The Calgary Survey provides a comparative analysis of municipal property taxes, utility charges, and other related costs for representative residential properties across participating Canadian municipalities. The data used in the survey is of the highest quality as it is provided directly from staff at each municipality and makes the best attempt at an “apples to apples” comparison. The survey benchmarks costs for a typical bungalow, two-storey, and single family detached house and combines taxation and utility data to provide a broad illustration of municipal expenses across a diverse range of cities in many geographic regions. Participants include large urban centers including Toronto, Vancouver, Victoria, Edmonton, Calgary, and Winnipeg, medium urban centers including Regina, Saskatoon, and Halifax, and small more rural communities including Medicine Hat, Lethbridge, Red Deer, Grande Prairie, and Leduc. Where Halifax has a strong diversity of urban, suburban, and rural communities it allows useful benchmarking comparisons to many similar areas across Canada. Below are some of the results from the most recent survey.

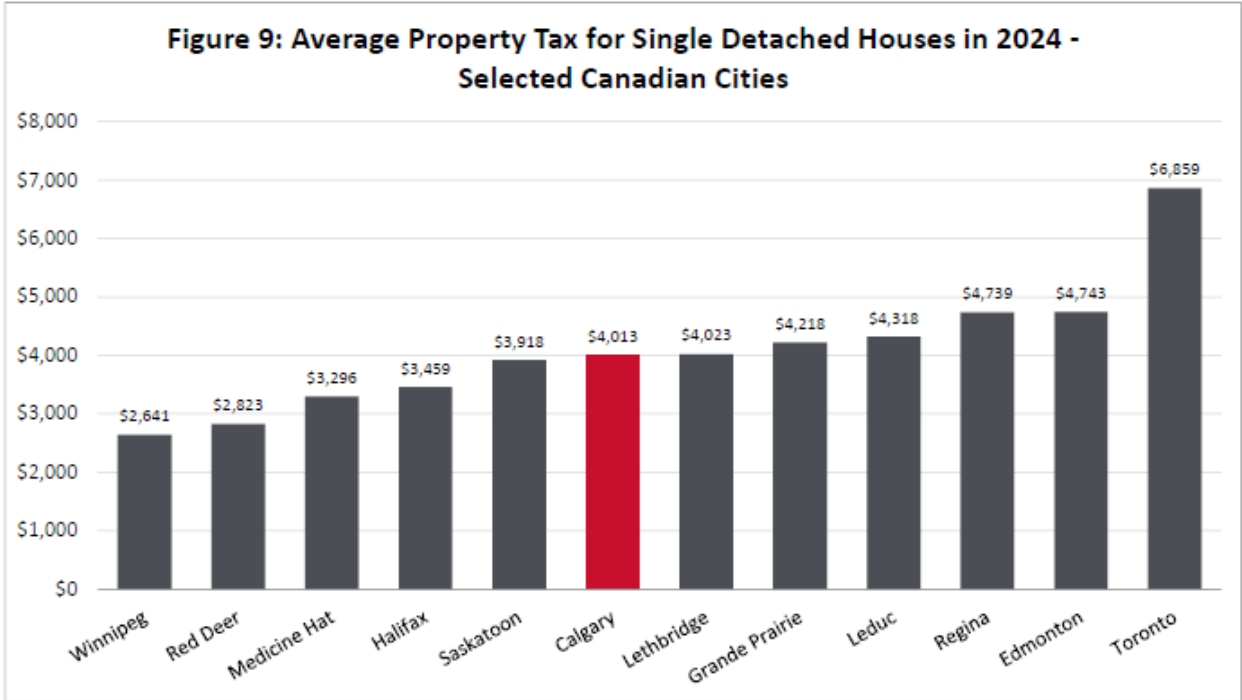


Figure 19: Average Monthly Utility Charges for a Representative Bungalow/Two-Storey House in 2024 - Selected Canadian Cities

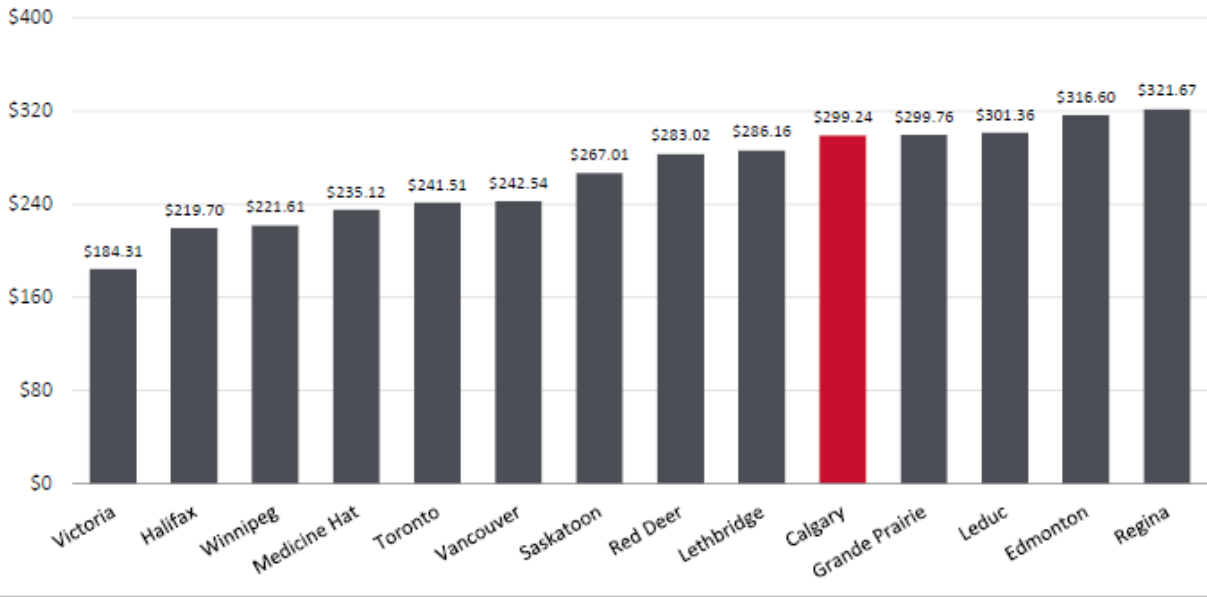
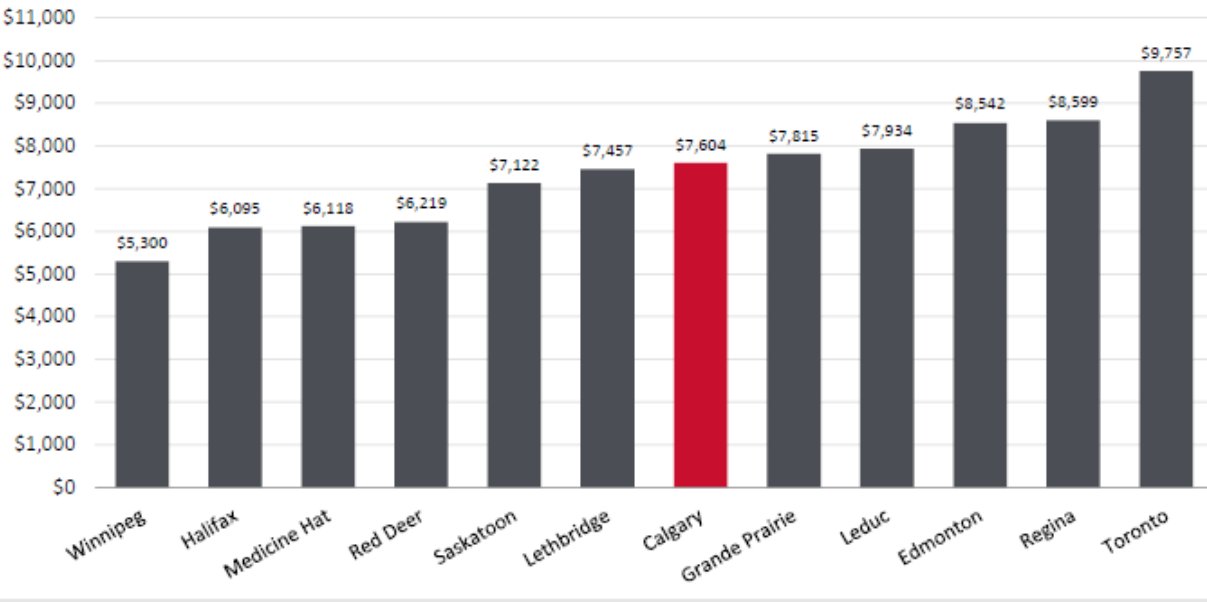


Figure 29: Combined Average Property Tax and Utility Charges for Single Detached Houses in 2024 - Selected Canadian Cities



Attachment 3 - 2026/27 Budget Targets by Business Unit

BU	2025/26 Budget	2026/27 Target	Yr/Yr	Yr/Yr %
CAO	19,558,500	19,313,200	(245,300)	-1.3%
Auditor General's Office	1,342,200	1,529,100	186,900	13.9%
Community Safety	15,957,800	18,400,700	2,442,900	15.3%
Finance & Asset Management	17,971,600	17,781,200	(190,400)	-1.1%
Fiscal Services	(689,347,600)	(639,951,000)	49,396,600	-7.2%
Human Resources	11,755,100	12,165,000	409,900	3.5%
Fire & Emergency	98,189,400	101,548,400	3,359,000	3.4%
Halifax Regional Police	101,255,700	103,494,000	2,238,300	2.2%
Halifax Transit	63,462,600	74,203,100	10,740,500	16.9%
Information Technology	44,738,200	49,633,000	4,894,800	10.9%
Library	28,454,700	31,169,700	2,715,000	9.5%
Legal & Legislative Services	7,207,300	7,388,200	180,900	2.5%
Mayor's Office	972,300	1,128,300	156,000	16.0%
Major Projects Office	395,800	567,900	172,100	43.5%
Planning & Development	7,654,700	7,201,900	(452,800)	-5.9%
Property, Fleet & Environment	62,509,500	65,435,400	2,925,900	4.7%
Parks & Recreation	48,648,300	51,572,600	2,924,300	6.0%
Public Works	117,554,600	119,037,200	1,482,600	1.3%
RCMP	40,127,800	44,730,000	4,602,200	11.5%
SITP	1,591,500	2,552,100	960,600	60.4%
Net Change		88,900,000	88,900,000	