Cape Breton Regional Municipality
Capital Budget 2016-2017
Overview

Capital Budget Highlights
- Total Capital Budget - $30.0m
- No change in Debt
- $8.4m spent on roads
- Plans for new build for Police East division
- Completion of Sydney Mines Town Hall for Police North division
- $3.5 in Vehicles and Equipment
- Arena upgrades for County and C-200
- Second Berth for Sydney Marine Terminal
- Sydney Harbour (West) Collector/Treatment
- Wastewater risk assessments
Capital Program 2016-17

Buildings
- Parks and Grounds $150,000
- Buildings - General Upgrades $1,455,000
- Arena Upgrades $600,000
- Fire Station $2,000,000
- Sydney Mines Police yr. 2 $720,105
- Indy Beach Rehabilitation $650,000
- Northside Pool Repairs $298,000
- Susan MacEachern Field $160,000
- Fleet Police East $80,000
- Munroe Park $550,000
- Solid/Waste Plant $390,000
- Synergy Louisbourg yr. 1 $600,000
- **Total Fleet/Equipment** $8,283,105

Infrastructure
- Sydney Cruise Extension $6,067,000
- Active Transportation $1,400,000
- Local Roads $3,933,915
- Arterial/Collector Rehab $3,419,000
- Wastewater Management Program $715,000
- Wastewater Infiltration $450,000
- Sydney Harbor West Collector $500,000
- Sydney Boardwalk Extension (North) $163,308
- CBRM Gravel Roads Program $500,000
- **Total Infrastructure** $18,248,221

**Total Capital Program** $30,011,326

Capital Funding 2016-17

External Funding
- Provincial Funding $4,462,667
- Federal Funding $5,064,903
- Gas Tax Rebate Program $3,395,725
- Kraft Grant $290,000
- **Total External Funding** $13,191,295

CBRM
- Transfer from Water Utility $650,000
- Operating Fund $300,000
- Capital Reserve $1,687,797
- Tax Sale Trust $380,000
- **Total CBRM** $3,127,877

**Total Project Funding** $16,319,172

**New Debt** $13,622,234

**Total Capital Program** $30,011,326
Debt Schedule

Current long term debt as of March 31, 2016 $61,470,087
Short term borrowing (14/15 capital) $6,244,145
Short term borrowing (15/16 capital) estimate $7,829,809
Debt to be retired in 16/17 ($13,622,234)
Capital borrowing required for proposed budget $13,622,234
Balance of total debt as at March 2017 (Est) $76,649,021

* No change in overall debt

Recommendation – Capital Budget 2016/17

Motion to approve:
- Capital Budget 2016/17 totaling $30,011,326
- Associated required borrowing resolutions for $13,622,234
- $1,867,797 withdrawal from reserve
- $380,000 withdrawal from tax sale surplus
Cape Breton Regional Municipality Operating Budget 2016-2017
Overview

Revenue Highlights

- Increase in Provincial tax rate 1 cent per hundred (make up for increase in mandated costs)
- Increase in revenue 1.96%
- Increase in capped assessment .3%
- Gas tax taken directly into revenue $3.8M to include all solid waste debt
- Decrease in Federal Grant in Lieu ($126,000)
- Equalization to remain at 2014/15 funding levels
- Decrease in HST transfer ($86,000)
- Decrease in tipping fees and diversion credits of ($67,000)
- Increase in By-Law revenue $43,000
- Decrease in Facilities Revenue of ($103,500)
- $563,000 transferred from 2015/16 surplus to balance budget
### CBRM Revenue By Category, 2016-17

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Taxes</td>
<td>$103,903,946</td>
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<tr>
<td>Grants in Lieu</td>
<td>$8,416,331</td>
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<td>Equalization</td>
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<td>HST Payment</td>
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<td>Administrative</td>
<td>$1,245,000</td>
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<tr>
<td>Finance</td>
<td>$30,500</td>
</tr>
<tr>
<td>Fire</td>
<td>$608,515</td>
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<tr>
<td>Police</td>
<td>$415,000</td>
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<tr>
<td>911 Service</td>
<td>$180,000</td>
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<tr>
<td>Transit</td>
<td>$622,000</td>
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<tr>
<td>Solid Waste</td>
<td>$2,200,000</td>
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<tr>
<td>Sewer Charges</td>
<td>$110,000</td>
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<tr>
<td>Building Rentals</td>
<td>$680,079</td>
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<tr>
<td>Water Utility Transfer</td>
<td>$4,951,510</td>
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<tr>
<td>By-Laws</td>
<td>$445,500</td>
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<tr>
<td>Planning/Development</td>
<td>$292,000</td>
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<tr>
<td>Recreation</td>
<td>$118,045</td>
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<tr>
<td>Facilities</td>
<td>$1,567,500</td>
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<tr>
<td>Gas Tax Revenue</td>
<td>$3,827,852</td>
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<tr>
<td><strong>Surplus</strong></td>
<td><strong>$563,000</strong></td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$146,011,421</strong></td>
</tr>
</tbody>
</table>

### Expenditure Highlights

- Total operating expenditure $146,011,421
- Overall increase 1.96%
- Current Community requests for Sustainability and community events funding approx. $1,700,000 over available funding (and growing)
- Provincial costs for Education increased by $500,000
- $1.3M related to increased salaries and benefits driven by collective agreements and arbitration
Items for Consideration
(For any Potential Surplus)

- Increase funding to Sustainability
- $20,000 for study on C-200 (re concessions vs. contracting out)
- Demolition of Surplus schools
- $50,000 for strategy for downtown revitalization
- Public Transit Pilot project request from United Way $40,000
- Position for urban planner for National Trust initiative along with $98,000 for yr. one of a five yr. project

CBRM Operating Budget Expenditure Comparison

<table>
<thead>
<tr>
<th>Expenditure Summary 2016-17</th>
<th>Budget 2016-17</th>
<th>Budget 2015-16</th>
<th>% change (increase)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering &amp; Public Works</td>
<td>$43,447,608</td>
<td>$43,414,322</td>
<td>0.75%</td>
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<tr>
<td>Parks &amp; Recreation</td>
<td>$3,667,108</td>
<td>$3,708,425</td>
<td>-0.96%</td>
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<tr>
<td>Police Services &amp; Fire Protection (Catastrophic &amp; Electoral Assistance)</td>
<td>$3,041,806</td>
<td>$3,079,252</td>
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<tr>
<td>Administration</td>
<td>$13,945,854</td>
<td>$13,092,837</td>
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<tr>
<td>Police Services</td>
<td>$21,794,400</td>
<td>$21,170,000</td>
<td>2.98%</td>
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<tr>
<td>Special Assessments</td>
<td>$10,918,000</td>
<td>$14,280,000</td>
<td>-23.20%</td>
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<tr>
<td>Planning &amp; Development</td>
<td>$15,016,000</td>
<td>$11,510,000</td>
<td>29.10%</td>
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<tr>
<td>Education</td>
<td>$22,330,000</td>
<td>$22,794,947</td>
<td>-1.99%</td>
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<tr>
<td>Finance</td>
<td>$1,040,000</td>
<td>$1,050,000</td>
<td>-0.95%</td>
</tr>
<tr>
<td>Technology</td>
<td>$116,916</td>
<td>$125,000</td>
<td>-6.32%</td>
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<tr>
<td>Claims</td>
<td>$46,017</td>
<td>$45,000</td>
<td>2.27%</td>
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<tr>
<td>Administration</td>
<td>$1,168,700</td>
<td>$965,000</td>
<td>21.72%</td>
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<tr>
<td>Planning &amp; Development</td>
<td>$10,081,500</td>
<td>$10,000,000</td>
<td>0.81%</td>
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<tr>
<td>Human Resources</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
<td>0.00%</td>
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<tr>
<td>Legal Services</td>
<td>$585,500</td>
<td>$575,000</td>
<td>1.80%</td>
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<tr>
<td>Occupational Health &amp; Safety</td>
<td>$110,000</td>
<td>$100,000</td>
<td>10.00%</td>
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<tr>
<td>Legislative</td>
<td>$1,400,000</td>
<td>$1,400,000</td>
<td>0.00%</td>
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<tr>
<td>TOTAL EXPENDITURES</td>
<td>$145,311,421</td>
<td>$143,267,000</td>
<td>1.50%</td>
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</tbody>
</table>
CBRM Operating Expenditures By Category, 2016-17

- Engineering/Public Works $43,447,555
- Parks and Buildings $5,961,306
- Facilities $3,042,283
- Recreation $3,012,904
- Police Services $25,701,620
- Conditional Transfers $18,974,820
- Fiscal Services $16,616,086
- Fire Services $17,195,102
- Finance $2,832,019
- Technology $1,165,464
- Municipal Clerk $503,017
- Administration $1,105,791
- Planning Services $2,664,528
- Human Resources $1,638,145
- Legal $569,072
- OHS $219,722
- Legislative $1,458,957
Total Expenditures $146,011,421

Expenditure Details

Public Works
- Overall increase $306,223 (.71%)
- Wages and benefits
  - Increased as per collective agreement
  - Includes one new position in fleet as recommended per fleet study (savings in vehicle repairs)
  - Transfer of summer students to Recreation, Parks, Grounds, Buildings and Facilities ($225,000)
Net increase in wages and benefits of $455,000
- Contracts/agreements increased for solid waste $611,000
- Street lighting cost decrease ($1,100,000)
- Decrease in fuel ($300,000)
- Vehicle repairs cost decrease ($93,000)
Expenditure Details Cont’d

Parks and Buildings
- Overall increase $252,824 (4.43%)
- Wages and salaries
  - Increase as per collective agreement
  - Parks and grounds summer students now included in parks and buildings where previously they were in PW (approx. $225,000).
  - Addition of new janitorial position for New Waterford library
Total increase to wages and salaries of $294,823
- Decrease in heat ($50,000)
- Decrease in building facility rental ($30,000)
- Increase for security $20,000
- Increase in contracts and agreements $20,000

Expenditure Details Cont’d

Facilities
- Overall decrease ($85,337) (-2.73%)
- Net decrease in wages and salaries due to redundant positions from the closing of Centennial Arena ($178,000)
- Increase in cost of sales of $128,500
- Decrease in facility costs from closure of Centennial ($40,000)
Expenditure Details cont’d

Recreation
- Overall increase $32,083 (1.08%)
- Wages and benefits increase of $28,793 driven by collective agreements
- Advertising decrease of ($25,000)
- Operational equipment increase $25,000
- Facility rental increase $4,000
- Current requests for Sustainability funding and Events funding are significantly higher (approx. $1,700,000 and growing!) than the funding available

Expenditure Details Cont’d

Police
- Overall increase $591,546 (2.36%)
- Wage and benefits increase, net of cost recovery, estimated at $734,695
- Decrease in vehicle operating of ($125,000)
- Contracts and agreements increase for TMR $81,000
- Decrease in telephone of ($50,000)
- Vehicle replacement decrease ($40,000)
- Increase in lab costs for major investigations $43,668
- Decrease in computer hardware ($27,000)
- Decrease in uniforms and clothing ($22,500)
Expenditure Details Cont’d

Conditional Transfers

- Overall increase in $576,670 (3.15%)
- Education costs increase $522,081 (4.02%)
- Property Assessment costs decrease ($4,000)
- Housing costs estimated to increase $72,000
- Business improvement commissions increase $5,700

Fiscal

- Overall increase of $142,206 (.86%)
- Allowance for Bad Debts $400,000
- Decrease in interest charges ($348,000)

Expenditure Details Cont’d

Fire Services

- Overall increase $644,374 (3.89%)
- Hydrant costs increased $217,911 (3.13%)
- Wage and benefits increase of $439,241 as per collective agreement
- Volunteer Fire Grant Adjustment Program year 3 of 4 increase $49,050
- Increase in contracts in agreements of $53,856 due to TMR
- Decrease in heat and electrical of ($36,100) based on prior actuals
- Reduction of other operating costs ($80,000)
Finance
- Budget proposed: $2,832,019
- Increase of $92,412 (3.37%)
- Wage and benefits increased due to collective agreement increases and the addition of a position for tax collection based on recommendation from auditors management letter and a below threshold score on the Municipal Financial Condition Index for Receivables. This is offset by decrease in number of retirees. Net increase $73,242.
- Cost recovery decrease of ($25,000) to reflect prior years' actual results

Technology
- Increase in Overall Budget $12,365 (1.07%)
- Increase in Wages and benefits as per collective agreement $11,365
- Decrease in Telephone/Networks of ($5,000)
- Increase in SAP and other licenses $6,000
Expenditure Details Cont’d

Municipal Clerk
- Overall increase $22,551 (4.69%)
- Increase wage of $7,351 driven by collective agreements
- Increase in Computer software for Laser fiche $2,000
- Increase in Meeting expense for camera operation and web streaming of $12,600

Expenditure Details Cont’d

Administration
- Overall increase $113,182 (11.37%)
- Wages and benefits increased $11,334 driven by collective agreements
- Grants to organizations decreased ($62,859)
  - REN start up funding
- $153,378 increase in professional services
  - Port Marketing fund (F/P Cost shared)
  - CEO PSOC (ACOA)
  - Performance Management
  - Fiscal Review - Recommendation #17
  - Transportation
Expenditure Details Cont’d

Planning
- Overall increase $14,167 (.53%)
- Wages and benefits increase of $46,453 due to collective agreements
- Increase in advertising/promotion of $10,000
- Decrease in contracts/agreements of ($78,636)
- Minor increase in software license, SPCA contract, and Dept. of Justice to process parking meter tickets
- Small reductions in education, office supplies gasoline and contracts

Expenditure Details Cont’d

Human Resources
- Overall Increase $37,596 (2.35%)
- Solely due to wage increase as per collective agreement
Expenditure Details Cont'd

Legal
- Overall increase $3,628 (.64%)
- Wage increase as per collective agreement $6,728
- Publications/subscriptions decrease of ($4,000)
- Advertising decrease ($1,000)

Expenditure Details Cont'd

OHS
- Overall increase $4,190 (1.94%)
- Wage Increase as per collective agreement $4,190
Expenditure Details Cont’d

Legislative
- Overall Increase $43,243 (3.05%)
- Wages and benefits increase of $27,801 driven by collective agreement
- Telephone/networks decrease of ($8,000)
- Computer hardware increase of $27,000

Public Budget Consultations

Items addressed that were evident and seen as priorities throughout Budget Consultations and surveys:

Capped Assessment
- The Mayor, as president of the UNSM, has worked at obtaining an “All Party” working group to review the CAP program and to come up with a solution for improvement in the current system. This group will be supported by staff officials from UNSM, AMA and PVSC.
Public Consultations cont.

**CBRM's Tax Rate** is the second highest residential rate in the Province and highest commercial rate.

- The Mayor, along with senior staff, are working with the Province on a Partnership agreement for municipalities to help improve their fiscal capacity.
- Mayor and Council continue their work on economic development and have made Port development a priority.

Recommendation

- Recommend a motion to approve operating budget totaling $146,011,421 as presented
- Recommend a transfer of prior years' surplus to revenue of $563,000
- Recommend approval in principal for consideration of an allocation of the 2015/16 pending surplus to be allocated to considerations previously outlined with specifics coming back to Council
Thank You
<table>
<thead>
<tr>
<th>Revenue Summary 2016-17</th>
<th>Budget 2016-17</th>
<th>Budget 2015-16</th>
<th>Projected Operating Results 2015-16</th>
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<tbody>
<tr>
<td>TAXES</td>
<td>$103,903,946</td>
<td>$101,883,955</td>
<td>$102,080,048 1.98%</td>
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<tr>
<td>GRANTS IN LIEU OF TAXES</td>
<td>$8,416,331</td>
<td>$7,966,534</td>
<td>$8,074,708  5.65%</td>
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<tr>
<td>PROV TRANS OPERATING GRANT</td>
<td>$15,335,838</td>
<td>$15,335,838</td>
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<td>PROV. TRANS HST PAYMENT</td>
<td>$498,805</td>
<td>$585,620</td>
<td>$537,558     -14.82%</td>
</tr>
<tr>
<td>ADMINISTRATIVE</td>
<td>$1,245,000</td>
<td>$1,250,500</td>
<td>$1,347,429   -0.44%</td>
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<tr>
<td>FINANCE</td>
<td>$30,500</td>
<td>$30,500</td>
<td>$30,500      0.00%</td>
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<tr>
<td>FIRE</td>
<td>$608,515</td>
<td>$429,779</td>
<td>$605,707     41.59%</td>
</tr>
<tr>
<td>POLICE</td>
<td>$415,000</td>
<td>$415,000</td>
<td>$415,000     0.00%</td>
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<tr>
<td>911 Service</td>
<td>$180,000</td>
<td>$138,353</td>
<td>$138,353     30.10%</td>
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<tr>
<td>TRANSIT</td>
<td>$622,000</td>
<td>$630,000</td>
<td>$620,500     -1.27%</td>
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<tr>
<td>SOLID WASTE</td>
<td>$2,200,000</td>
<td>$2,267,000</td>
<td>$2,415,000   -2.96%</td>
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<tr>
<td>SEWERS CHARGES</td>
<td>$110,000</td>
<td>$143,000</td>
<td>$110,000     -23.08%</td>
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<tr>
<td>BUILDING RENTALS</td>
<td>$680,079</td>
<td>$550,000</td>
<td>$610,186     23.65%</td>
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<tr>
<td>WATER UTILITY TRANSFER</td>
<td>$4,951,510</td>
<td>$4,951,510</td>
<td>$4,951,510   0.00%</td>
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<td>REVENUE BY-LAW</td>
<td>$445,500</td>
<td>$402,517</td>
<td>$417,136     10.68%</td>
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<td>PLANNING/ DEVELOPMENT</td>
<td>$292,000</td>
<td>$260,168</td>
<td>$295,429     12.24%</td>
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<tr>
<td>REVENUE RECREATION</td>
<td>$118,045</td>
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<td>$1,777,540   -23.05%</td>
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<tr>
<td>REVENUE C200</td>
<td>$1,567,500</td>
<td>$1,123,500</td>
<td>$1,171,082   39.52%</td>
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<td>REVENUE ARENACEN</td>
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<td>$175,500</td>
<td>$188,393     -100.00%</td>
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<tr>
<td>REVENUE ARENACOU</td>
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<td>$335,500</td>
<td>$300,266     -100.00%</td>
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<tr>
<td>SURPLUS TRANSFER</td>
<td>$563,000</td>
<td>$456,000</td>
<td>-</td>
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<tr>
<td>GAS TAX REVENUE</td>
<td>$3,827,852</td>
<td>$3,722,021</td>
<td>-            2.84%</td>
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<tr>
<td>TOTAL REVENUE</td>
<td>$146,071,421</td>
<td>$143,207,400</td>
<td>$141,422,183 1.96%</td>
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</tbody>
</table>
## Expenditure Summary 2016-17

<table>
<thead>
<tr>
<th>Department</th>
<th>Budget 2016-17</th>
<th>Budget 2015-16</th>
<th>% increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENGINEERING &amp; PUBLIC WORKS</td>
<td>$43,447,585</td>
<td>$43,141,262</td>
<td>0.71%</td>
</tr>
<tr>
<td>PARKS &amp; BUILDINGS</td>
<td>$5,961,306</td>
<td>$5,708,482</td>
<td>4.43%</td>
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<tr>
<td>FACILITIES (C200, CENTENNIAL &amp; COUNTY ARENAS)</td>
<td>$3,042,283</td>
<td>$3,127,620</td>
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<tr>
<td>RECREATION</td>
<td>$3,012,904</td>
<td>$2,980,821</td>
<td>1.08%</td>
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<td>POLICE SERVICES</td>
<td>$25,701,620</td>
<td>$25,110,074</td>
<td>2.36%</td>
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<td>CONDITIONAL TRANSFERS</td>
<td>$18,874,821</td>
<td>$18,298,151</td>
<td>3.13%</td>
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<td>FISCAL SERVICES</td>
<td>$16,616,086</td>
<td>$16,473,880</td>
<td>0.86%</td>
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<td>FIRE SERVICES</td>
<td>$17,195,102</td>
<td>$16,550,728</td>
<td>3.89%</td>
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<tr>
<td>FINANCE</td>
<td>$2,832,019</td>
<td>$2,739,607</td>
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<td>TECHNOLOGY</td>
<td>$1,165,464</td>
<td>$1,153,099</td>
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<td>CLERK</td>
<td>$593,017</td>
<td>$480,466</td>
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<tr>
<td>ADMINISTRATION</td>
<td>$1,108,791</td>
<td>$995,609</td>
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<td>PLANNING SERVICES</td>
<td>$2,664,528</td>
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<td>HUMAN RESOURCES</td>
<td>$1,638,145</td>
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<td>LEGAL SERVICES</td>
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<td>OCCUPATIONAL HEALTH &amp; SAFETY</td>
<td>$219,722</td>
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<td>LEGISLATIVE</td>
<td>$1,458,957</td>
<td>$1,415,714</td>
<td>3.05%</td>
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</table>

**TOTAL EXPENDITURES**  
$146,011,421 $ 143,207,400 1.96%