

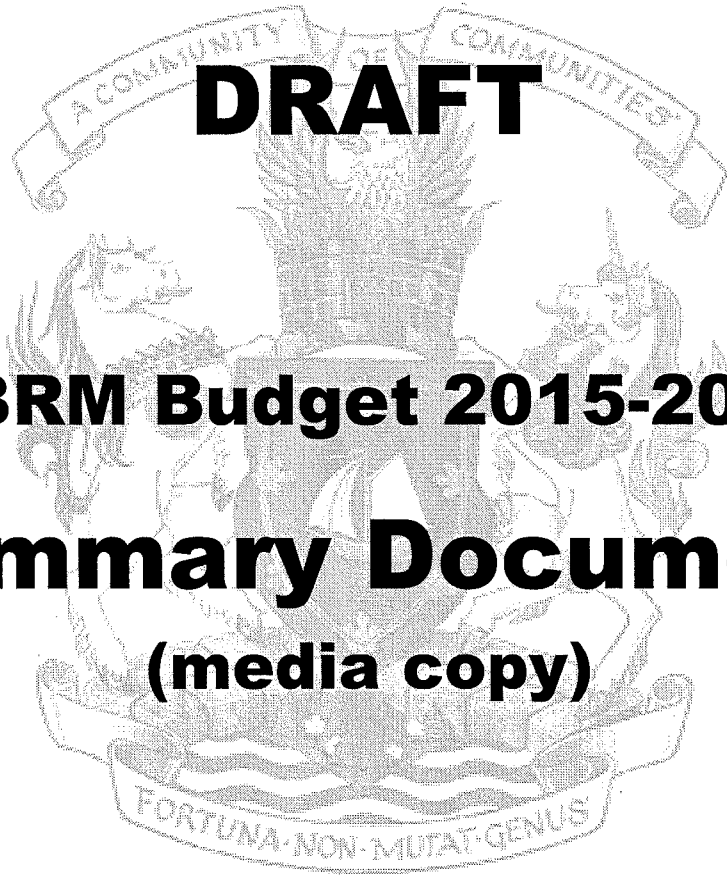


320 Esplanade  
Sydney, Nova Scotia  
B1P 7B9

***CBRM*** *A Community of Communities*  

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**Cape Breton Regional Municipality**



**DRAFT**

**CBRM Budget 2015-2016**  
**Summary Document**  
**(media copy)**

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March 25-27, 2015

# Cape Breton Regional Municipal Council

## **BUDGET SESSIONS**

Council Chambers  
Second Floor, Civic Centre

Wednesday, March 25, 2015 – 9:30 a.m.

Thursday, March 26, 2015 – 9:30 a.m.

Friday, March 27, 2015 – 9:30 a.m. (if required)

## **AGENDA ITEMS**

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1. **DRAFT CBRM Capital and Operating Budgets 2015-2016:**  
Marie Walsh, Chief Financial Officer
  - a) **Overview Presentation** (see page 3)
  - b) **Draft Revenue & Expenditures 2014-2015** (see page 38)

# **Cape Breton Regional Municipality Capital Budget 2015-2016 Overview**



## Capital Budget Highlights

- Total Capital Budget - \$33,599,486
- No reduction in Debt
- \$9,630,000 spent on Roads
- \$1.2 million in Building upgrades for Police Central
- \$1 million to convert Sydney Mines Town Hall for North Division Police
- Additional \$300,000 in Fire Vehicles over previous years for a total of \$900,000
- Fire Building Phase 1
- Fire Buildings, Transit buildings, Public works central building upgrades
- Arena upgrades
- EMO Command Post
- Wastewater feasibility study

# Capital Program 2015-16

<b>Buildings</b>			
Parks and Grounds	\$ 150,000	Sydney Cruise Extension	\$ 6,667,000
Buildings - General Upgrades	\$ 4,244,000	Active Transportation	\$ 1,000,000
Arena Upgrades	\$ 348,500	General Capital Program	\$ 4,000,000
New Fire Station Phase 1	\$ 1,300,000	Arterial/Collector Rehab	\$ 5,330,000
New Waterford Library	\$ 450,000	Solid Waste	\$ 450,000
Indian Beach Rehabilitation	\$ 600,000	Wastewater Infiltration	\$ 450,000
Northside Pool Repairs	\$ 350,000	Sydney Harbour West Collector	\$ 500,000
Susan MacEachern Field	\$ 832,557	Sydney Boardwalk Extension (North)	\$ 260,000
2014 Project Carryover	\$ 370,000	J-Class Roads	\$ 300,000
	<b>\$ 8,645,057</b>	Wastewater Management Program	\$ 1,700,000
<b>Fleet/Equipment</b>			<b>\$20,657,000</b>
EMO Mobile Command Post	\$ 300,000		
Fleet Replacement	\$ 1,470,000		
Trunk Mobile Radios	\$ 750,000		
Fire Vehicles and Equipment	\$ 900,000		
Transit	\$ 808,000		
HR Software	\$ 69,429		
	<b>\$ 4,297,429</b>		

**Total Capital Program**

**\$ 33,599,486**

# Capital Funding 2015-16

External Funding	
Provincial Funding	\$5,879,244
Federal Funding	\$6,276,671
Gas Tax Rebate Program	\$5,413,863
CBRM	
Transfer from Water Utility	\$ 1,030,000
Operating Fund	\$ 300,000
Capital Reserve	\$ 1,073,500
New Debt	<b>\$19,973,278</b>
	<b><u>\$13,626,208</u></b>
<b>Total Capital Program</b>	<b><u>\$33,599,486</u></b>

# Debt Schedule

Current long term debt as of March 31, 2015	\$68,896,275
Short Term borrowing(13/14capital)	\$4,984,135
Short Term borrowing(14/15 capital)est.	\$9,725,123
Debt to be retired in 15/16	(\$13,626,608)
Capital borrowing required for proposed budget	<u>\$13,626,608</u>
Balance of total Debt as at March 2016	<u>\$83,605,533</u>

**\* No decrease in overall debt**

## **Recommendation – Capital Budget 2015/16**

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Motion to approve:

- Capital Budget 2015/16 totaling \$33,599,486
- Associated required borrowing resolutions for \$13,626,208
- \$1,073,500 withdrawal from reserve

# **Cape Breton Regional Municipality Operating Budget 2015-2016 Overview**



## Revenue Highlights

- No increase in tax rate dependent on amounts from Provincial Government for Mandated costs (not yet known)
- Increase in revenue only 1.67%
- Boots on the street funding moved to Cost Recovery
- Gas tax taken directly into revenue \$3.7M to include all solid waste debt
- **Decrease** in Federal Grant in Lieu \$42,000
- Increase in Provincial Grant in Lieu 486,000,
- NS Power Grant in Lieu decrease \$211,000
- Equalization assumed to remain at 2014/15 funding levels
- **Decrease** in Development/Planning Revenue of \$124,000
- **Decrease** from Sydney River Bridge Shuttle \$337,000
- **Decrease** in Facilities Revenue of \$196,000
- **\$456,000 transferred from 2013/14 surplus to balance budget**

## CBRM Revenue By Category, 2015-16

● Taxes	\$101,883,955	● Sewer Charges	\$ 143,000
● Grants in Lieu	\$ 7,966,534	● Building Rentals	\$ 550,000
● Equalization	\$ 15,335,838	● Water Utility Transfer	\$ 4,951,510
● HST Payment	\$ 585,620	● By-Laws	\$ 402,517
● Administrative	\$ 1,250,500	● Planning/Development	\$ 260,168
● Finance	\$ 30,500	● Recreation	\$ 154,605
● Fire	\$ 429,779	● Arenas	\$ 1,634,500
● 911 Service	\$ 138,353	● Gas Tax Revenue	\$ 3,722,021
● Police	\$ 415,000	● <b>Surplus</b>	<b>\$ <u>456,000</u></b>
● Transit	\$ 630,000		
● Solid Waste	\$ 2,267,000	<b>Total Revenue</b>	<b>\$ <u>143,207,400</u></b>

## Expenditure Highlights

- Total operating expenditure \$143,229,443
- Overall increase only 1.67%
- Decrease of additional 14 staff (yr 2 of Org Review)
- Current Community requests for Sustainability and community events funding approx \$700,000 over available funding
- Decrease in 7 out of 18 departmental budgets
- Continue to achieve savings from Org Review
- Increase in Debt Servicing costs by \$1.1M
- Provincial costs for Education, housing , corrections estimation only
- \$1.67M related to increased salaries and benefits driven by collective agreements
- Budget restrictions continued to preclude funding capital out of operating
- Overall Vehicle equipment repairs increase \$104,000
- Operational maintenance and supplies increase \$165,000

# Items for Consideration

(outstanding recommendations from Org Review)

- Increased Services for Handi Trans
- Enhanced transportation between Sydney and CBU and between CBU and Glace Bay with reduced services in other areas. This provides a cost savings to offset increase in Handi Trans service
- New policy for reduction of street lights
- Heavy Garbage elimination \$250,000

## CBRM Operating Expenditures By Category, 2015-16

● Engineering/Pub. Works	\$48,849,744	● Planning Services	\$ 2,650,361
● Police Services	\$25,110,074	● Administration	\$ 995,609
● Conditional Transfers	\$18,298,150	● Human Resources	\$ 1,600,549
● Fire Services	\$16,550,728	● Legal Services	\$ 565,445
● Fiscal Services	\$16,473,880	● OHS	\$ 215,533
● Finance	\$ 2,739,606	● Legislative	<u>\$ 1,415,715</u>
● Center 200	\$ 2,099,664		
● County Arena	\$ 563,856		
● Centennial Arena	\$ 464,100		
● Recreation	\$ 2,980,821		
● Technology	\$ 1,153,099		
● Municipal Clerk	\$ 480,466		
		<b>Total Expenditures</b>	<b><u>\$143,207,400</u></b>

# Expenditure Details

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## Public Works

- Overall increase \$499,132 (1.03%)
- Wage/benefit increase as per collective agreement \$310,698
- Operational equipment, materials, supplies increase \$222,748
- Contract/agreements decrease (\$154,987)
- Street lighting cost increase \$100,000
- Decrease in facility and plant upgrades/repairs (\$87,000)
- Vehicle operating cost increase \$65,250
- Transit regulatory fee increase \$40,000

## Expenditure Details Cont'd

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### Police

- Overall increase \$522,307 (2.0%)
- Wage and benefits increase, net of cost recovery, estimated at \$514,700
- Decrease of 9 crossing guards for savings of \$70,800 in wages/benefits in 2015-16
- Vehicle equipment/repairs increase \$56,700
- No increases in vehicle replacement

# Expenditure Details Cont'd

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## Conditional Transfers

- Overall increase in \$337,300
- Education, Housing and Correction Costs estimated
- Property Assessment costs decrease \$55,413
- Business improvement commissions increase \$5,105

## Fiscal

- Overall increase of \$1,111,011
- Increase in debt servicing \$1,186,011
- Decrease in interest charges \$75,000

# Expenditure Details Cont'd

## Fire Services

- Overall increase \$398,170 (2.5%)
- Wage and benefits increase of \$196,678 as per collective agreement and addition of two fire inspectors moved from Bldg services to do inspections and fire prevention program
- Volunteer Fire Grant Adjustment Program year 3 of 4 increase \$49,050
- Mechanics' facility lease (NSPI) increase \$43,720
- Operational equipment/supplies increase \$48,800
- Training increase \$19,800
- Other increases to retrofit new mechanics facility.

\*No vehicle capital out of operating

# Expenditure Details Cont'd

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## Finance

- Overall decrease of \$279,739 (9.3%)
- Wage and benefits decrease \$274,000
  - Elimination of four positions in CSC through attrition and internal job competitions
- Contracts/agreements decrease of \$18,950 due to centralization of CSC
- Insurance increase of \$26,000 (inflation) and \$10,000 increase estimate for Port of Sydney Director's and Officers protection

## **Expenditure Details cont'd**

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### **Recreation**

- Overall Increase \$6,452 (0.2%)
- Wages and benefits increase of \$29,756 driven by collective agreements
- Advertising decrease of \$70,000
- Community events increase of \$22,000
- Facility rental increase \$28,000
- Liability insurance decrease of \$10,000
- Current requests for Sustainability funding and Events Funding are significantly higher (approx. \$700,000) than the funding

# Expenditure Details Cont'd

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## Facilities

- Overall increase \$5,010 (0.2%)
- Computer Software decrease \$77,000
- Heating and Electrical increase \$14,000
- Increase in Building/Plant Maintenance \$13,000
- Cost of Sales increase \$50,000

\* Collective agreement increase offset by reduction in staff through attrition.

# Expenditure Details Cont'd

## Administration

- Overall decrease \$147,465 (12.9%)
- Wages and benefits increased \$14,000 driven by collective agreements
- Grants to organizations increased \$77,000
  - Destination Cape Breton \$80,000
  - REN \$227,000
  - REN start up funding \$52,000
  - Business Cape Breton Core Funding \$71,376
- \$262,000 decrease in professional services
  - Money allocated for studies in 2014-15

## Expenditure Details Cont'd

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### Technology

- Decrease in Overall Budget \$62,824 (5.2%)
  - Related solely to wages and benefits - reduction of one management position as per organizational review

# Expenditure Details Cont'd

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## Municipal Clerk

- Overall increase \$23,885 (5.2%)
- Wage increase of \$26,775 driven by collective agreements and reclassification as a result of assignment of additional duties
- Other cost efficiencies continue with paperless agenda format resulting in greater savings in photocopy supplies and courier costs than anticipated.

## Expenditure Details Cont'd

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### Planning

- Overall decrease \$28,274 (1.06%)
- Wages and benefits decrease of \$65,043 due to two fire inspectors moved to fire services
- Advertising increase \$27,000 for zoning amendments/permits
- License/permits increase of \$7,550 for Pictometry/air photography

## Expenditure Details Cont'd

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### Human Resources

- Overall decrease \$58,601 (3.5%)
- Wage increase as per collective agreement
- Pension deficit decrease of \$50,000 as per actuarial evaluation
- Professional services decrease of \$50,000

## **Expenditure Details Cont'd**

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### **Legal**

- Overall increase \$18,822 (3.4%)
- Wage increase as per collective agreement
- Publications/subscriptions increase of \$5,000

## Expenditure Details Cont'd

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### OHS

- Overall increase \$10,997 (5.4%)
- Wage Increase as per collective agreement \$4,663
- New Xerox contract added to OHS budget estimated at \$3,000
- Mandatory training requirements for new hire resulting in increase in training costs of \$1,500 over prior year.

## Expenditure Details Cont'd

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### Legislative

- Overall Increase \$20,687 (1.5%)
- Wages and benefits increase of \$28,687 driven by collective agreement
- Telephone/networks decrease of \$19,000
- Meeting expense increase of \$6,000
- Promotion expense increase of \$5,000

# Public Budget Consultations

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

## **Economic Development**

- Mayor, Council and staff have made Port Development a top priority and continue to work on this initiative
- CBRM will continue to partner with all levels of government with economic development initiatives for the region

## **Public Consultations cont'**

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### **Active Transportation**

- The Capital Budget has \$1m for active transportation

### **Volunteer Fire**

- Volunteer Fire Grant Adjustment Program year 3 of 4
- Volunteer OSH Program year 3 of 4
- Additional Capital for fire vehicles of \$300,000 bringing total to \$900,000

# Public Consultations cont'

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## Community Groups

- Community events, special events and sustainability grants funded \$1,471,677 with a recommendation for consideration to be given for increased amounts pending 2014-2015 surplus

## Transit

- Provincial Funding available for transit

# Items not in Current Budget

- Vacation liability
- No operating or capital reserves or contingencies
- No decrease in debt
- No Capital out of operating
- Capital projects on hold due to budget restrictions
  - Centre 200 Heat Recovery \$400,000
  - Central Parking Lot Expansion \$120,000
  - Glace Bay Police Renovation \$350,000
  - North Sydney Fire Paving/Drainage \$60,000
  - Queen Elizabeth Bandshell \$250,000
  - Glace Bay Parks and Grounds Storage \$100,000
  - Civic Centre HVAC \$1,000,000
  - Civic Centre Exterior Glass \$200,000

# Items not in Current Budget

- Other deferred capital projects
  - Buildings \$15M
  - Local Roads \$70M
  - Fleet Modernization \$20M
  - Boardwalk Extension – South \$2M
  - Sidewalk Replacement \$1.5M
  - Sanitary Sewer Replacements \$2M
  - Charlotte Street Revitalization \$6M
  - “Guy Hiltiz” Wharf Rehabilitation \$500,000
  - Solid Waste – Green Island Building Construction \$4M
  - 7 Retired Landfill Sites – Unknown liability – \$?M

# Items Not in Current Budget

- Departmental Requests

- One project Manager to drive ongoing projects such as fleet recommendations, Work order system, Rec Master Plan, Implementation of Fire Services Recommendations. This will reduce implementation time and allow documentation of current business processes for future automation.
- Two University Grad interns for a one year contract funded 25% by the province.
- Web/e-Delivery, staff person to maintain all 3 CBRM websites and to build and maintain online applications for service to the public.
- HR/admin person for Police. This would be a civilian to take on the HR admin duties currently being done by an Inspector

# Recommendation

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- Recommend a motion to approve operating budget totaling \$143,207,400 as presented
- Recommend a transfer of 2013/14 surplus to revenue of \$456,000
- Recommend approval in principal for consideration of an allocation of the 2014/15 pending surplus to be allocated to sustainability funding with a list to come back to Council

**Thank You**

	Budget		Budget 2014-15	Projected Operating Results		% Increase (decrease)
	2015-16	2014-15		2014-15	2014-15	
TAXES	\$ 101,883,955	\$ 99,569,100	\$ 99,569,100	\$ 99,885,948		2.32%
GRANTS IN LIEU OF TAXES	\$ 7,966,534	\$ 7,437,972	\$ 7,437,972	\$ 7,665,040		7.11%
PROV. TRANS OPERATING GRANT	\$ 15,335,838	\$ 15,335,838	\$ 15,335,838	\$ 15,335,838		0.00%
PROV. TRANS HST PAYMENT	\$ 585,620	\$ 600,000	\$ 600,000	\$ 595,092		-2.40%
ADMINISTRATIVE	\$ 1,250,500	\$ 1,250,500	\$ 1,250,500	\$ 1,315,849		0.00%
FINANCE	\$ 30,500	\$ 33,000	\$ 33,000	\$ 30,500		-7.58%
FIRE	\$ 429,779	\$ 341,427	\$ 341,427	\$ 426,076		25.88%
POLICE	\$ 415,000	\$ 2,310,000	\$ 2,310,000	\$ 2,315,000		0.22%
911 Service	\$ 138,353	\$ 136,712	\$ 136,712	\$ 136,712		1.20%
TRANSIT	\$ 630,000	\$ 1,022,000	\$ 1,022,000	\$ 940,000		-38.36%
SOLID WASTE	\$ 2,267,000	\$ 2,367,000	\$ 2,367,000	\$ 2,467,000		-4.22%
SEWERS CHARGES	\$ 143,000	\$ 204,000	\$ 204,000	\$ 143,000		-29.90%
BUILDING RENTALS	\$ 550,000	\$ 576,000	\$ 576,000	\$ 550,000		-4.51%
WATER UTILITY TRANSFER	\$ 4,951,510	\$ 4,951,510	\$ 4,951,510	\$ 4,951,509		0.00%
REVENUE BY-LAW	\$ 402,517	\$ 381,500	\$ 381,500	\$ 389,310		5.51%
PLANNING/ DEVELOPMENT	\$ 260,168	\$ 384,500	\$ 384,500	\$ 294,220		-32.34%
REVENUE RECREATION	\$ 154,605	\$ 130,605	\$ 130,605	\$ 116,889		18.38%
REVENUE C200	\$ 1,123,500	\$ 1,308,500	\$ 1,308,500	\$ 1,171,082		-14.14%
REVENUE ARENACEN	\$ 175,500	\$ 210,500	\$ 210,500	\$ 188,393		-16.63%
REVENUE ARENACOU	\$ 335,500	\$ 335,500	\$ 335,500	\$ 300,266		0.00%
SURPLUS TRANSFER	\$ 456,000	\$ -	\$ -	\$ -		
GAS TAX REVENUE	\$ 3,722,021	\$ 3,844,432	\$ 3,844,432	\$ 3,844,432		-3.18%
TOTAL REVENUE	\$ 143,207,400	\$ 142,730,596	\$ 142,730,596	\$ 143,062,156		1.67%

	Budget		Budget 2014-15	Projected Operating Results		% increase (decrease)	
	2015-16	2014-15		2014-15	2014-15		
ENGINEERING AND PUBLIC WORKS	\$	48,849,744	\$	48,350,612	\$	47,920,233	1.03%
POLICE SERVICES	\$	25,110,074	\$	26,487,767	\$	26,256,324	1.97%
CONDITIONAL TRANSFERS	\$	18,298,150	\$	17,960,873	\$	17,914,994	1.88%
FISCAL SERVICES	\$	16,473,880	\$	15,362,869	\$	15,197,028	7.23%
FIRE SERVICES	\$	16,550,728	\$	16,152,558	\$	15,946,628	2.47%
FINANCE	\$	2,739,607	\$	3,019,345	\$	2,836,256	-9.26%
CENTER 200	\$	2,099,664	\$	2,151,496	\$	1,980,777	-2.41%
COUNTY ARENA	\$	563,856	\$	504,123	\$	531,929	11.85%
CENTENNIAL ARENA	\$	464,100	\$	467,034	\$	437,822	-0.63%
RECREATION	\$	2,980,821	\$	2,974,369	\$	2,921,557	0.22%
TECHNOLOGY	\$	1,153,099	\$	1,215,923	\$	1,150,888	-5.17%
LEGISLATIVE	\$	1,415,715	\$	1,395,028	\$	1,348,534	1.48%
CLERK	\$	480,466	\$	456,581	\$	412,810	5.23%
ADMINISTRATION	\$	995,609	\$	1,143,075	\$	1,090,572	-12.90%
PLANNING SERVICES	\$	2,650,361	\$	2,678,635	\$	2,268,935	-1.06%
HUMAN RESOURCES	\$	1,600,549	\$	1,659,149	\$	1,613,020	-3.53%
LEGAL SERVICES	\$	565,445	\$	546,623	\$	530,726	3.44%
OHS	\$	215,533	\$	204,536	\$	187,608	5.38%
TOTAL EXPENDITURES	\$	143,207,400	\$	142,730,596	\$	140,546,640	1.67%

