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CBRM *A Community of Communities*

Cape Breton Regional Municipality

DRAFT

CBRM Budget 2016-2017

Summary Document

(media copy)

May 12 - 13, 2016

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		**Infrastructure**	
Parks and Grounds	$ 150,000	Sydney Cruise Extension	$ 6,667,000
Buildings - General Upgrades	$ 1,455,000	Active Transportation	$ 1,400,000
Arena Upgrades	$ 600,000	Local Roads	$ 3,833,313
New Fire Station	$ 2,600,000	Arterial/Collector Rehab	$ 3,419,000
Sydney Mines Police yr. 2	$ 720,105	Wastewater Management Program	$ 715,000
Indian Beach Rehabilitation	$ 650,000	Wastewater Infiltration	$ 450,000
Northside Pool Repairs	$ 298,000	Sydney Harbor West Collector	$ 500,000
Susan MacEachern Field	$ 160,000	Sydney Boardwalk Extension (North)	$ 163,908
Plans Police East	$ 80,000	J-Class Roads	$ 600,000
Munroe Park	$ 550,000	CBRM Gravel Roads Program	$ 500,000
Solid Waste Plant	$ 390,000		**$18,248,221**
Synergy Louisbourg yr. 1	$ 600,000		
	$ 8,253,105		
Fleet/Equipment			
Fleet Replacement	$ 1,500,000		
Fire Vehicles and Equipment	$ 1,000,000		
Transit	$ 850,000		
TMR	$ 160,000		
	$ 3,510,000		

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

Capital Funding 2016-17

External Funding		
Provincial Funding	$ 4,482,667	
Federal Funding	$ 5,064,903	
Gas Tax Rebate Program	$ 3,393,725	
Kraft Grant	$ 250,000	$ 13,191,295
CBRM		
Transfer from Water Utility	$ 650,000	
Operating Fund	$ 300,000	
Capital Reserve	$ 1,867,797	
Tax Sale Trust	$ 380,000	$ 3,197,797
Total Project Funding		$16,389,092
New Debt		**$13,622,234**
Total Capital Program		**$30,011,326**

Debt Schedule

Current long term debt as of March 31, 2016	$61,470,067
Short term borrowing (14/15 capital)	$6,244,145
Short term borrowing (15/16 capital) estimate	$7,825,809
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)	**$ 75,540,021**

* **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

Taxes	$103,903,946	Sewer Charges	$ 110,000
Grants in Lieu	$ 8,416,331	Building Rentals	$ 680,079
Equalization	$ 15,335,838	Water Utility Transfer	$ 4,951,510
HST Payment	$ 498,805	By-Laws	$ 445,500
Administrative	$ 1,245,000	Planning/Development	$ 292,000
Finance	$ 30,500	Recreation	$ 118,045
Fire	$ 608,515	Facilities	$ 1,567,500
Police	$ 415,000	Gas Tax Revenue	$ 3,827,852
911 Service	$ 180,000	**Surplus**	**$ 563,000**
Transit	$ 622,000		
Solid Waste	$ 2,200,000	**Total Revenue**	**$146,011,421**

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

Expenditure Summary 2016-17		Budget 2016-17		Budget 2015-16	% increase (decrease)
Department					
ENGINEERING & PUBLIC WORKS	$	43,447,585	$	43,141,262	0.71%
PARKS & BUILDINGS	$	5,961,306	$	5,708,482	4.43%
FACILITIES (C200, CENTENNIAL & COUNTY ARENAS)	$	3,042,283	$	3,127,620	-2.73%
RECREATION	$	3,012,904	$	2,980,821	1.08%
POLICE SERVICES	$	25,701,620	$	25,110,074	2.36%
CONDITIONAL TRANSFERS	$	18,874,820	$	18,298,151	3.15%
FISCAL SERVICES	$	16,616,088	$	16,473,880	0.86%
FIRE SERVICES	$	17,195,102	$	16,550,728	3.89%
FINANCE	$	2,832,019	$	2,739,607	3.37%
TECHNOLOGY	$	1,165,464	$	1,153,099	1.07%
CLERK	$	503,017	$	480,456	4.69%
ADMINISTRATION	$	1,108,791	$	995,609	11.37%
PLANNING SERVICES	$	2,664,528	$	2,650,360	0.53%
HUMAN RESOURCES	$	1,638,145	$	1,600,549	2.35%
LEGAL SERVICES	$	569,072	$	565,444	0.64%
OCCUPATIONAL HEALTH & SAFETY	$	219,722	$	215,533	1.94%
LEGISLATIVE	$	1,458,957	$	1,415,714	3.05%
TOTAL EXPENDITURES	$	146,011,421	$	143,207,400	1.96%

CBRM Operating Expenditures By Category, 2016-17

Engineering/Public Works	$43,447,585
Parks and Buildings	$ 5,961,306
Facilities	$ 3,042,283
Recreation	$ 3,012,904
Police Services	$25,701,620
Conditional Transfers	$18,874,820
Fiscal Services	$16,616,086
Fire Services	$17,195,102
Finance	$ 2,832,019
Technology	$ 1,165,464
Municipal Clerk	$ 503,017
Administration	$ 1,108,791
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)

Expenditure Details Cont'd

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

Expenditure Details Cont'd

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 $2,600
- 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
- $153,376 increase in professional services
  - Port Marketing fund (F/P Cost shared)
  - CEO PSDC (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

Revenue Summary 2016-17	Budget 2016-17	Budget 2015-16	Projected Operating Results 2015-16	
TAXES	$ 103,903,946	$ 101,883,955	$ 102,080,048	1.98%
GRANTS IN LIEU OF TAXES	$ 8,416,331	$ 7,966,534	$ 8,074,708	5.65%
PROV. TRANS OPERATING GRANT	$ 15,335,838	$ 15,335,838	$ 15,335,838	0.00%
PROV. TRANS HST PAYMENT	$ 498,805	$ 585,620	$ 537,558	-14.82%
ADMINISTRATIVE	$ 1,245,000	$ 1,250,500	$ 1,347,429	-0.44%
FINANCE	$ 30,500	$ 30,500	$ 30,500	0.00%
FIRE	$ 608,515	$ 429,779	$ 605,707	41.59%
POLICE	$ 415,000	$ 415,000	$ 415,000	0.00%
911 Service	$ 180,000	$ 138,353	$ 138,353	30.10%
TRANSIT	$ 622,000	$ 630,000	$ 620,500	-1.27%
SOLID WASTE	$ 2,200,000	$ 2,267,000	$ 2,415,000	-2.96%
SEWERS CHARGES	$ 110,000	$ 143,000	$ 110,000	-23.08%
BUILDING RENTALS	$ 680,079	$ 550,000	$ 610,186	23.65%
WATER UTILITY TRANSFER	$ 4,951,510	$ 4,951,510	$ 4,951,510	0.00%
REVENUE BY-LAW	$ 445,500	$ 402,517	$ 417,136	10.68%
PLANNING/ DEVELOPMENT	$ 292,000	$ 260,168	$ 295,429	12.24%
REVENUE RECREATION	$ 118,045	$ 154,605	$ 1,777,540	-23.65%
REVENUE C200	$ 1,567,500	$ 1,123,500	$ 1,171,082	39.52%
REVENUE ARENACEN	$ -	$ 175,500	$ 188,393	-100.00%
REVENUE ARENACOU	$ -	$ 335,500	$ 300,266	-100.00%
SURPLUS TRANSFER	$ 563,000	$ 456,000	$ -	
GAS TAX REVENUE	$ 3,827,852	$ 3,722,021	$ -	2.84%
TOTAL REVENUE	**$ 146,011,421**	**$ 143,207,400**	**$ 141,422,183**	**1.96%**

Expenditure Summary 2016-17	Budget 2016-17	Budget 2015-16	% increase (decrease)
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LEGISLATIVE	$ 1,458,957	$ 1,415,714	3.05%
TOTAL EXPENDITURES	**$ 146,011,421**	**$ 143,207,400**	**1.96%**