320 Esplanade
Sydney, Nova Scotia
B1P 7B9

CBRM *A Community of Communities*

Cape Breton Regional Municipality

DRAFT

CBRM Budget 2017-2018

Summary Document

(media copy)

February 15 - 17, 2017

Cape Breton Regional Municipality
Capital Budget 2017-2018
Overview

Capital Budget Highlights

- Total Capital Budget - $31,443,000
- Debt remains at current level
- $8.2m spent on roads
- Plans, land purchase and start for new build for Police East division
- $3.93m in Vehicles and Equipment
- Buildings and arena upgrades
- Indian Beach, Glace Bay Commons, Guy Hiltz Wharf, Monroe Park
- Sanitary Sewer/Storm Water Mitigation project
- Second Berth for Sydney Marine Terminal funded by 3 levels of gov
- Sydney Harbor (West) year 1 of 8 Collector/Treatment
- CCME Wastewater risk assessments
- Active Transportation

Capital Program 2017-18

Buildings/Parks and Grounds		Infrastructure	
Parks and Grounds	$ 150,000	Sydney Cruise Extension	$ 6,667,000
Buildings - General Upgrades	$ 1,425,000	Active Transportation	$ 1,200,000
Arena Upgrades	$ 900,000	Local Roads	$ 3,870,000
Synergy- Guy Hiltz Wharf	$ 200,000	Arterial/Collector Rehab	$ 3,730,000
Monroe Park	$ 250,000	Sanitary Sewer Manhole Rehab	$ 952,000
Indian Beach Rehabilitation	$ 550,000	Wastewater Infiltration	$ 2,844,000
Glace Bay Commons	$ 350,000	Sydney Harbor West Collector	$ 500,000
Police East	$ 625,000	J-Class Roads	$ 300,000
Solid Waste Plant	$ 500,000	CBRM Gravel Roads Program	$ 300,000
	$ 4,950,000	Wastewater Feasibility /Risk Asses	$ 1,100,000
		Sanitary Sewer/Storm Mitigations	$ 1,000,000
			$22,463,000

Fleet/Equipment	
Fleet Replacement	$ 1,500,000
Fire Vehicles and Equipment	$ 830,000
Transit	$ 1,600,000
	$ 3,930,000

Total Capital Program **$ 31,343,000**

Capital Funding 2017-18

External Funding		
Provincial Funding	$ 4,904,666	
Federal Funding	$ 7,153,666	
Gas Tax Rebate Program	$ 3,383,333	
Efficiency NS Rebate	$ 100,000	
South Street community	$ 50,000	$15,591,666
CBRM		
C-200 CIF	$ 300,000	
Transfer from Water Utility	$ 650,000	
Operating Fund	$ 300,000	
Capital Reserve	$ 842,189	$ 2,092,189
Total Project Funding		**$17,683,855**
New Debt		**$13,659,145**
Total Capital Program		**$31,343,000**

Debt Schedule

Current long term debt as of March 31, 2017	$54,091,833
Short term borrowing (15/16capital)	$8,273,224
Short term borrowing (16/17 capital) estimate	$13,800,000
Debt to be retired in 17/18	($13,659,145)
Capital borrowing required for proposed budget	$ 13,659,145
Balance of total debt as at March 2018 estimate	**$ 76,165,057**

Recommendation – Capital Budget 2017/18

Motion to approve:

- Capital Budget 2017/18 totaling $31,343,000
- Associated required borrowing resolutions for $13,659,145
- $842,189 withdrawal from capital reserve

Cape Breton Regional Municipality Operating Budget 2017-2018 Overview

Revenue Highlights

- Increase in revenue 1.94%
- Increase in capped assessment 1.4%
- Gas tax taken directly into revenue $3.4M to include all solid waste debt
- **Increase** in Federal Grant in Lieu $266,000
- Equalization to remain at 2014/15 funding levels
- **Decrease** in Police Revenue $42,000
- **Decrease** in By-Law, Planning Development revenue $116,000
- **Decrease** in Recreation Revenue by $74,000
- **Increase** in Facilities Revenue(Highlanders B-ball) of ($257,000)
- **Increase** in Transit Revenue $42,000
- $50,000 transferred from 2015/16 surplus to cover one time expenditure of Canada 150 celebrations

CBRM Operating Budget Revenue Comparison

Revenue Summary 2017-18	Budget 2017-18		Budget 2016-17	% increase (decrease
TAXES	107,067,588	$	103,903,946	2.95%
GRANTS IN LIEU OF TAXES	8,766,456	$	8,418,331	3.99%
PROV. TRANS OPERATING GRANT	15,335,838	$	15,335,838	0.00%
PROV. TRANS HST PAYMENT	509,113	$	498,805	2.02%
ADMINISTRATIVE	1,323,098	$	1,245,000	5.90%
FINANCE	33,489	$	30,500	8.93%
FIRE	610,078	$	608,518	0.26%
POLICE	373,370	$	415,000	-11.15%
911 Service	180,000	$	180,000	0.00%
TRANSIT	664,000	$	622,000	6.33%
SOLID WASTE	2,300,000	$	2,200,000	4.35%
SEWERS CHARGES	100,000	$	110,000	-10.00%
BUILDING RENTALS	680,079	$	680,079	0.00%
WATER UTILITY TRANSFER	4,951,510	$	4,951,510	0.00%
REVENUE BY-LAW	413,915	$	445,500	-7.63%
PLANNING/ DEVELOPMENT	207,370	$	292,000	-40.81%
REVENUE RECREATION	39,000	$	118,045	-202.68%
Arena Revenue	1,823,000	$	1,567,500	14.02%
SURPLUS TRANSFER	50,000	$	563,000	-1026.00%
GAS TAX REVENUE	3,462,960	$	3,827,852	-10.54%
TOTAL REVENUE	**148,890,845**	**$**	**146,011,421**	**1.93%**

Expenditure Highlights

- Total operating expenditure $148,890,845
- Overall increase 1.97%
- $250,000 for Transit Pilot project
- $ 50,000 for Canada 150 celebrations
- Addition funding for Volunteer fire of $96,000
- Additional training funds for Volunteer fire $31,000
- Schedule Heavy Garbage Spring 2018
- Maintain operations of CBU Arena
- Addition of Communications/information officer

CBRM Operating Budget Expenditure Comparison

Expenditure Summary 2017-18	Budget 2017-18	Budget 2016-17	% increase (decrease)
Department			
ENGINEERING & PUBLIC WORKS	$ 44,367,637	$ 43,447,585	2.12%
PARKS & BUILDINGS	$ 6,239,997	$ 5,961,306	4.68%
FACILITIES (C200, CENTENNIAL & COUNTY	$ 3,306,912	$ 3,042,283	8.70%
RECREATION	$ 2,686,533	$ 3,012,904	-10.83%
POLICE SERVICES	$ 26,231,264	$ 25,701,620	2.06%
CONDITIONAL TRANSFERS	$ 19,235,486	$ 18,874,820	1.91%
FISCAL SERVICES	$ 16,335,117	$ 16,616,086	-1.69%
FIRE SERVICES	$ 17,977,844	$ 17,195,102	4.55%
FINANCE	$ 2,897,017	$ 2,832,019	2.30%
TECHNOLOGY	$ 1,244,687	$ 1,165,464	6.80%
CLERK	$ 527,594	$ 503,017	4.89%
ADMINISTRATION	$ 1,233,343	$ 1,108,791	11.23%
PLANNING SERVICES	$ 2,599,518	$ 2,664,528	-2.44%
HUMAN RESOURCES	$ 1,650,282	$ 1,638,145	0.74%
LEGAL SERVICES	$ 664,515	$ 569,072	16.77%
OCCUPATIONAL HEALTH & SAFETY	$ 222,182	$ 219,722	1.12%
LEGISLATIVE	$ 1,470,936	$ 1,458,957	0.82%
TOTAL EXPENDITURES	$ 148,890,845	$ 146,011,421	1.97%

Expenditure Details

Public Works

- Overall increase $920,052 (2.12%)
- Wages and benefits
  - increased as per collective agreement

  Net increase in wages and benefits of $488,923
- Contracts/agreements increased for solid waste, provincial roads, MRF conveyor system $102,825
- Operational materials and supplies increase(salt,gravel,asphalt) $167,500
- Capital lease expired for transfer facility decrease $140,000
- Vehicle repairs decrease by do to fleet renewal $50,000
- Schedule Heavy Garbage to Spring 2018 decrease $250,000
- Pilot Project for Transit $250,000
- Expected 65% Decrease in Crossing fees from Genesee and Wyoming
- Decrease in Professional Services moved to Buildings $27,500

Expenditure Details Cont'd

Parks and Buildings

- Overall increase $278,691 (4.68%)
- Wages and salaries $72,780
- Decrease in heat $15,000
- Decrease in building facility rental $50,000
- Increase for security $21,000
- Increase in contracts and agreements, includes $120,000 for communities in bloom $207,000
- Grant for North Side Pool added to Bldgs $60,000
- Increase in Professional Services for cost share energy manager previously in PW $44,000
- Decrease in Building Facility repair based on Projected $32,500

Expenditure Details Cont'd

Facilities

- Overall Increase $264,629 (8.7%)
- Increase in wages and salaries $62,179
- Increase in Electrical for CBU $90,000
- Increase in Operational Materials and Supplies for CBU $42,500
- Increase in cost of sales of $20,000
- Increase in contracts and agreements for CBU $88,000
- Decrease in Bldg Facility maintenance

Expenditure Details cont'd

Recreation

- Overall decrease $326,371 (-10.83%)
- Wages and benefits increase of $8180 driven by collective agreements
- Student funding increase for min wage increase $20,000
- Community events increase by $50,000 for Canada 150 celebrations
- Sustainability fund balance $380,500 with $162,500 committed to Miners Museum leaving $218,000 balance.
- Sustainability funding reallocated
  - $100,000 to CAO budget for Savoy
  - $60,000 to Buildings for North Side Pool
  - $120,000 to Parks for Flowers
  - $120,000 to Police for Relays

Expenditure Details Cont'd

Police

- Overall increase $529,644 (2.06%)
- Wage and benefits increase, net of cost recovery, estimated at $439,144
- Grants to organizations increase for Relays program $120,000
- Decrease in telephone of $20,000
- Decrease in lab costs for major investigations $14,500

Expenditure Details Cont'd

Conditional Transfers

- Overall increase in $360,666 (1.91%)
- Provincial costs **estimate** to increase by $360,000

Fiscal

- Overall decrease of $280,969 (1.69%)
- Decrease in interest charges $407,000
- Increase in principle pmts by $126,911

Expenditure Details Cont'd

Fire Services

- Overall increase $782,743 (4.55%)
- Wage and benefits increase of $156,538 as per collective agreement
- Volunteer Fire Grant reviewed and adjusted to current costs $96,067
- Increase in training for Volunteers $31,000
- Office equipment for new fire building $6,500
- Capital lease payments for TMR starting this yr $207,000
- Increase in operational equipment $19,000 for SCBA for Dominion, and PPE for Sydney
- Decrease in veh equip maint and gas of $13,600 based on projected
- Reduction of other operating costs $80,000
- Increase in Bldg/Repair to address solution for Mechanical Building $204,000
- First year of funding a reserve for Comfort Centers $2,000

Expenditure Details Cont'd

Finance

- Increase of $64,998 (2.3%)
- Wage and benefits increased $33,263
- Proposed decrease in one position at CSC with Addition of Commissionaire. Monies to be reallocated to warehouse to address shortage resulting from Org review
- Liability insurance increase by $35,050

Expenditure Details Cont'd

Technology

- Increase in Overall Budget $79,223 (6.8%)
- Increase in Wages and benefits as per collective agreement $95,223
- New position for Communications/information officer funded by decrease in software and global decrease in telephone with new provincial contract
- Decrease in Telephone/Networks of $5,000
- Decrease in Computer Software $15,000
- Increase in SAP and other licenses $4,000

Expenditure Details Cont'd

Municipal Clerk

- Overall increase $24,577 (4.89%)
- Increase wage of $3,177 driven by collective agreements
- Increase in contributions for election reserve $20,000

Expenditure Details Cont'd

Administration

- Overall increase $124,553
- Wages and benefits increased $15,027 driven by collective agreements
- Increase travel due to increase in activity for economic development $9,500
- Reallocation of operating expenses to match projected with zero net effect
- Increase in grants to organizations for Savoy Theatre $100,000

CAO – Administration – CBRM 2017-18 Grants to Organizations

- BCB (50/50) $223,956
  - Provincial Economic Development Funding
- BCB (75/25) $ 63,562
  - Federal Economic Development Funding
- Destination CB $ 80,000
- Savoy Theatre $100,000

Expenditure Details Cont'd

Planning

- Overall decrease $65,010 (-2.44%)
- Wages and benefits decrease of $83,165 due to property management position moved to legal department
- Transfer of funds from 2 summer positions to professional services for National Trust downtown Sydney for Urban Planner, partially funded from CAO professional services $25,000 and planning $27,000
- Reallocation of other operating resulting in decrease of $8800

Expenditure Details Cont'd

Human Resources

- Overall Increase $12,118 (.74%)
- Solely due to wage increase as per collective agreement

Expenditure Details Cont'd

Legal

- Overall increase $95,443 (16.77%)
- Increase in Wages as per collective agreement and one extra position with property management added to Legal from Planning, total increase $94,443
- Increase in Advertising $1,000

Expenditure Details Cont'd

OHS

- Overall increase $2,460 (1.12%)
- Wage Increase as per collective agreement $2,460

Expenditure Details Cont'd

Legislative

- Overall Increase $11,978 (.82%)
- Wages and benefits increase of $39,316 driven by collective agreement
- Telephone decrease of $4,400
- Computer hardware decrease of $25,000

Public Budget Consultations

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

Capped Assessment

- 19.41% of residential assessment in CBRM is capped which equates to close to 1 billion dollars of assessment
- Staff continue to work with the UNSM, PVSC and the AMA to develop a system of taxation that is equitable and better addresses low income tax payers

Public Consultations cont.'

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

- Mayor and Council continue their work on economic development and have made positive steps toward Port development, addition of a Second Berth and downtown development.

Recommendation

- Recommend a motion to approve operating budget totaling $148,890,845 as presented
- Recommend a transfer of prior years' surplus to revenue of $50,000

Thank You

Revenue Summary 2017-18	Budget 2017-18		Budget 2016-17		Projected Operating Results 2016-17	% increase (decrease)
TAXES	107,067,568	$	103,903,946	$	104,081,959	1.98%
GRANTS IN LIEU OF TAXES	8,766,456	$	8,416,331	$	8,389,924	5.65%
PROV. TRANS OPERATING GRANT	15,335,838	$	15,335,838	$	15,335,838	0.00%
PROV. TRANS HST PAYMENT	509,113	$	498,805	$	498,805	-14.82%
ADMINISTRATIVE	1,323,098	$	1,245,000	$	1,385,796	-0.44%
FINANCE	33,489	$	30,500	$	32,243	0.00%
FIRE	610,078	$	608,515	$	608,515	41.59%
POLICE	373,370	$	415,000	$	384,250	0.00%
911 Service	180,000	$	180,000	$	180,000	30.10%
TRANSIT	684,000	$	622,000	$	540,000	-1.27%
SOLID WASTE	2,300,000	$	2,200,000	$	2,175,000	-2.96%
SEWERS CHARGES	100,000	$	110,000	$	100,000	-23.08%
BUILDING RENTALS	680,079	$	680,079	$	880,000	23.65%
WATER UTILITY TRANSFER	4,951,510	$	4,951,510	$	4,951,510	0.00%
REVENUE BY-LAW	413,915	$	445,500	$	413,915	10.68%
PLANNING/ DEVELOPMENT	207,370	$	292,000	$	203,370	12.24%
REVENUE RECREATION	39,000	$	118,045	$	24,000	-23.65%
REVENUE FACILITIES	1,823,000	$	1,567,500	$	1,611,000	39.52%
SURPLUS TRANSFER	50,000	$	563,000	$	-	
GAS TAX REVENUE	3,462,960	$	3,827,852	$	3,827,851	2.84%
TOTAL REVENUE	**148,890,845**	**$**	**146,011,421**	**$**	**145,423,976**	**1.97%**

Expenditure Summary 2017-18	Budget 2017-18		Budget 2016-17		% increase (decrease)
Department					
ENGINEERING & PUBLIC WORKS	$	44,367,637	$	43,447,585	2.12%
PARKS & BUILDINGS	$	6,239,997	$	5,961,306	4.68%
FACILITIES (C200, COUNTY & CBU ARENAS)	$	3,306,912	$	3,042,283	8.70%
RECREATION	$	2,686,533	$	3,012,904	-10.83%
POLICE SERVICES	$	26,231,284	$	25,701,620	2.06%
CONDITIONAL TRANSFERS	$	19,235,486	$	18,874,820	1.91%
FISCAL SERVICES	$	16,335,117	$	16,616,086	-1.69%
FIRE SERVICES	$	17,977,844	$	17,195,102	4.55%
FINANCE	$	2,897,017	$	2,832,019	2.30%
TECHNOLOGY	$	1,244,687	$	1,165,464	6.80%
CLERK	$	527,594	$	503,017	4.89%
ADMINISTRATION	$	1,233,343	$	1,108,791	11.23%
PLANNING SERVICES	$	2,599,518	$	2,664,528	-2.44%
HUMAN RESOURCES	$	1,650,262	$	1,638,145	0.74%
LEGAL SERVICES	$	664,515	$	569,072	16.77%
OCCUPATIONAL HEALTH & SAFETY	$	222,182	$	219,722	1.12%
LEGISLATIVE	$	1,470,938	$	1,458,957	0.82%
TOTAL EXPENDITURES	$	148,890,845	$	146,011,421	1.97%