



**CAPE BRETON**  
REGIONAL MUNICIPALITY

Budget Options – Continued  
2022-2023



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# Budget Options Continued

## ▶ **What we heard:**

- ▶ Other options for low income policy
- ▶ Increase in deed transfer tax revenue budget estimates
- ▶ J-Class Roads
- ▶ C200
- ▶ Library
- ▶ Lyceum
- ▶ 2<sup>nd</sup> Berth Land Settlement
- ▶ Port of Sydney
- ▶ Reserves
- ▶ Fleet



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# Budget Options

Other options for low income policy

- ▶ Option 1 (excluded 5% rate reduction)
  - ▶ Rebate \$300
  - ▶ Income threshold \$35,000
  
- ▶ Other Options (paired with 5% rate reduction):

▶ Rebate \$300	Rebate	\$240
▶ Income threshold \$30,000	Income Threshold	\$30,000 or 35,000
▶ Rebate \$225	Rebate	\$225
▶ Income threshold \$30,000	Income Threshold	\$35,000



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# Budget Options

Other options for low income policy

- ▶ Proposed:
  - ▶ Rebate \$225
  - ▶ Income threshold \$30,000
  
  - ▶ 5% tax reduction equivalent to \$75 for average property
    - ▶ Net benefit equivalent to \$300 in Option 1
  - ▶ Income threshold of \$30,000 in line with majority of MU's
  - ▶ Estimated increase in application volume 1000 (Total 1600)
  - ▶ Budget impact - \$180,000 (Total \$360,000)



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# Budget Options

## Blended Option 2

▶ Estimated cost to achieve 5% tax reduction:	\$3,804,842
▶ Residual Deed transfer tax budget estimate	<u>320,000</u>
▶ <b>Capital budget funding to be allocated</b>	<b>\$3,484,842</b>
▶ Transfer funds previously allocated to:	
▶ Active Transportation	\$ 266,667
▶ Louisbourg Fortress Downtown Development	251,000
▶ Port of Sydney	315,000
▶ Vehicles and equipment	400,000
▶ Centre 200	539,655
▶ Library	1,000,000
▶ J-Class Roads	<u>712,520</u>
<b>Total</b>	<b>\$ 3,484,842</b>



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# Budget Options

## Blended Option 2

- ▶ **Active Transportation** **\$266,667**
  - ▶ Funding deferred to 2023/24
  - ▶ AT Study in progress (to be completed in July, 2022)
  - ▶ Currently no projects identified - unlikely to be spent
  
- ▶ **Louisbourg Fortress Downtown Development** **\$251,000**
  - ▶ \$100,000 from Capital reserve to fund CBRM's share for 2022/23 with design work completed in house to reduce costs.
  - ▶ Remainder of funding deferred to 2023/24



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# Budget Options

## Blended Option 2

- ▶ **Port of Sydney** **\$315,000**
  - ▶ Removes CBRM's financial contribution to the project
  - ▶ Should project receive funding approval to proceed, CBRM either lends or guarantees a loan for the Port.
  
- ▶ **Vehicles and equipment** **\$400,000**
  - ▶ HAZMAT unit retrofit funding deferred to 2023/24
  - ▶ Minimal annual usage
  - ▶ Retrofit required soon, but not an immediate need  
(in consultation with fire services management)



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# Budget Options

## Blended Option 2

- ▶ **Centre 200 Renovations** **\$ 539,655**
  - ▶ Phase 1 of 3 (Project phased to work around ice season)
  
- ▶ **Library** **\$1,000,000**
  - ▶ Remainder to be funded by borrowing and/or land sale proceeds in future years
  
- ▶ **J-Class Roads** **\$ 712,520**
  - ▶ Future J-Class over and above \$287,480 remaining to come from future operating budgets
  - ▶ \$287,480 covers CBRM's share of confirmed 2022/23 approved roads plus contingency for additional roads if approved.





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# Budget Options

## Blended Option 2

### Summary:

▶ Municipal Capacity Grant Top Up Funds	\$15,335,868
▶ Capital Project Funding	(11,851,026)
▶ Transfer to Operating to fund tax rate cut	<u>(3,484,842)</u>
Top Up Funds Remaining	<u>\$ 0</u>

- ▶ Borrowing maintained at \$8,500,000 in accordance with Council Policy.
- ▶ Operating Reserve Funds maintained
- ▶ Deferred funding for listed projects borrowed in future budgets



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# Budget Options

## Blended Option 2

### Operating Budget Summary of Changes

▶ Revenue as previously presented	\$161,543,985
▶ Impact of tax rate reduction to 5%	(3,804,842)
▶ Transfer of Mun. Capacity Grant Top up funds	3,484,842
▶ Increase to deed transfer tax budget estimate	<u>500,000</u>
▶ Total Revised Revenues	<u>\$161,723,985</u>
▶ Expenditures as previously presented	\$161,543,985
▶ Impact of change to low income rebate	<u>180,000</u>
▶ Total Revised Expenditures	<u>\$161,723,985</u>



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# Budget Summary

## Blended Option 2 + Option 1

### **Operating Budget Summary of Changes**

▶ Revenue as previously presented	\$161,543,985
▶ Impact of tax rate reduction to 5%	(3,804,842)
▶ Transfer of Mun. Capacity Grant Top up funds	3,484,842
▶ Increase to deed transfer tax budget estimate	<u>1,000,000</u>
▶ Total Revised Revenues	<u>\$162,223,985</u>
▶ Expenditures as previously presented	\$161,543,985
▶ Impact of change to low income rebate	<u>680,000</u>
▶ Total Revised Expenditures	<u>\$162,223,985</u>



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# Budget Summary

## Required Motions

- ▶ Approve withdrawal from Capital reserve of \$100,000
  - ▶ Louisbourg Waterfront Development Project
- ▶ Approve borrowing resolution of \$8,500,000
- ▶ Approve amendments to Low Income Tax Exemption Policy increasing rebate to \$300 and income threshold to \$35,000
- ▶ Approve Operating Budget for 2022/23 of \$162,223,985
- ▶ Approve withdrawal from Operating Reserve of \$3,689,842
  - ▶ Municipal Capacity Top Up funds           \$3,484,842
  - ▶ CBRM Forward/AT Plan Contributions   \$ 205,000
- ▶ Approve Water Utility Operating Budget for 2022/23 as present
- ▶ Approve Water Utility Capital Budget for 2022/23 as presented