



Hamilton

2011 DRAFT BUDGET - UPDATE

Dec 15, 2010
General Issues Committee



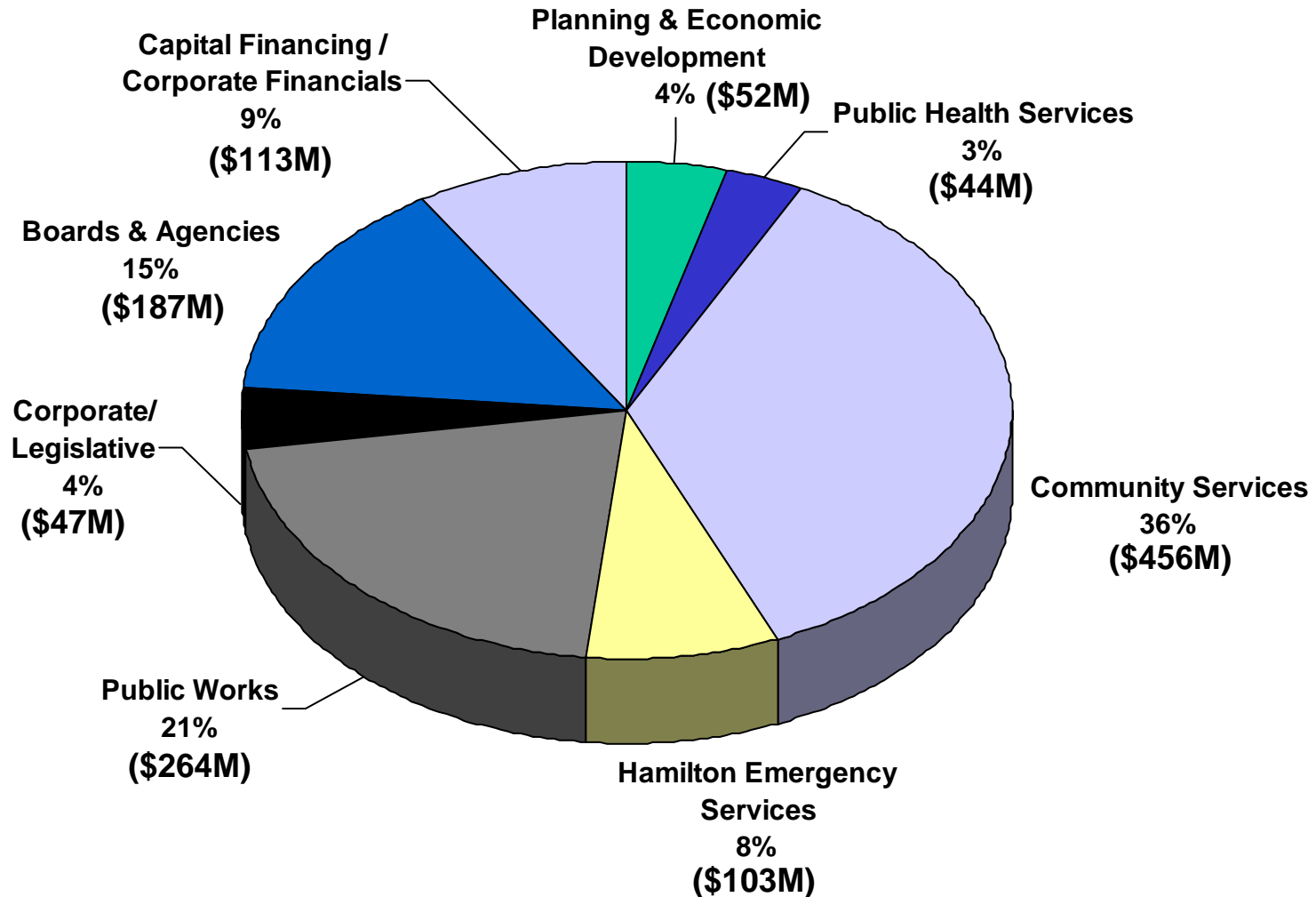
Hamilton

Budget Context



2010 Gross Tax Operating Budget by Service

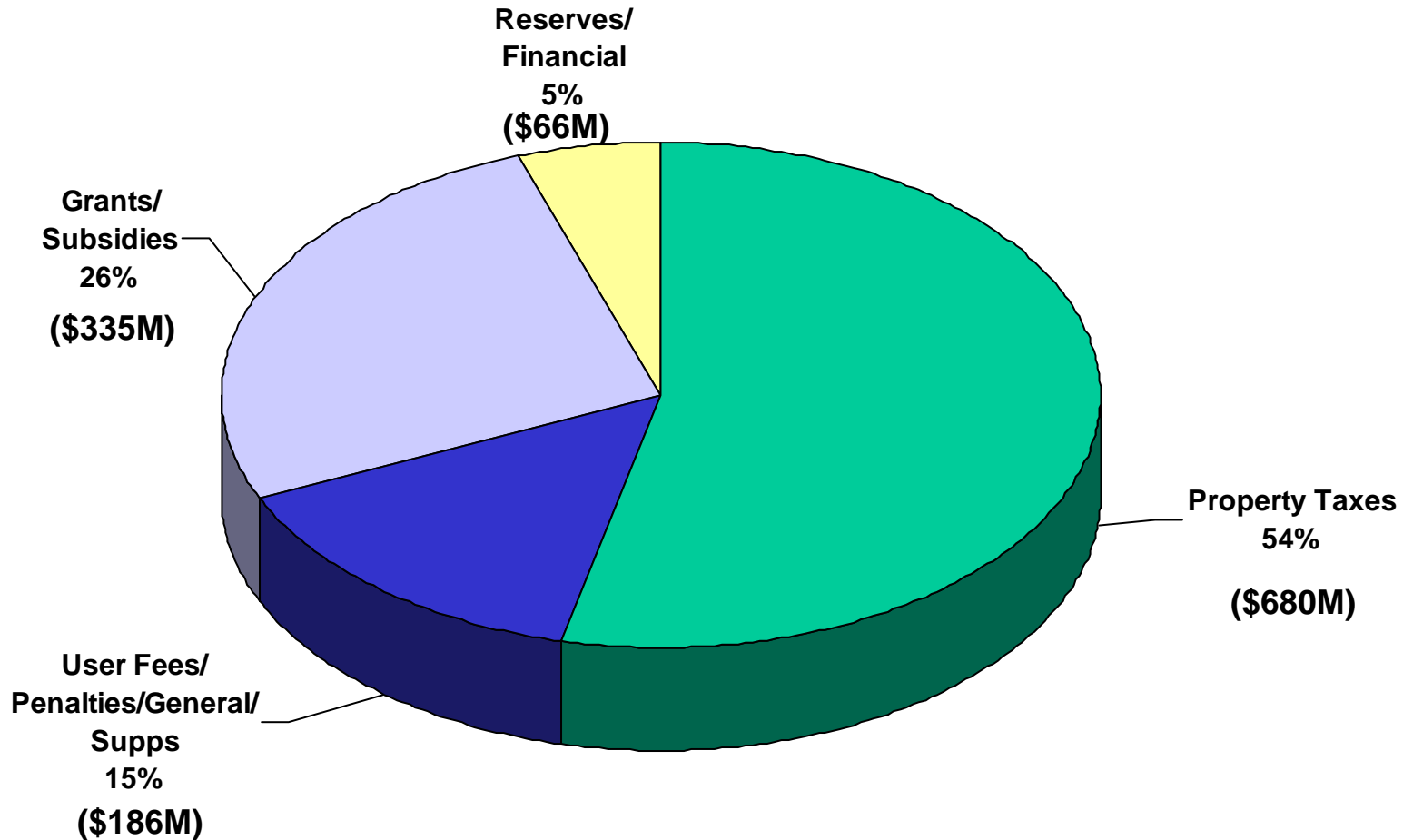
\$1.3 billion





2010 Gross Tax Revenues by Type

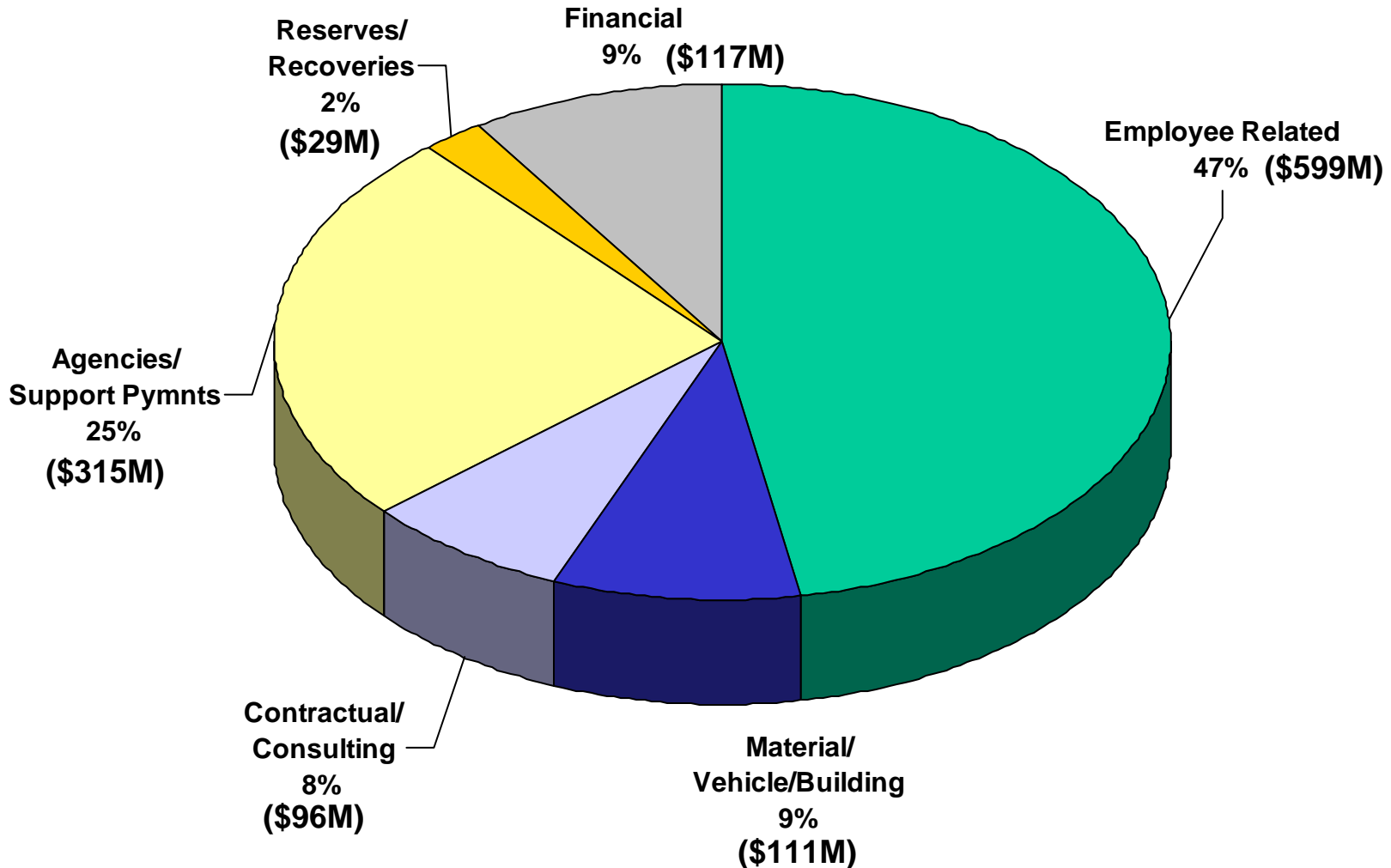
\$1.3 billion





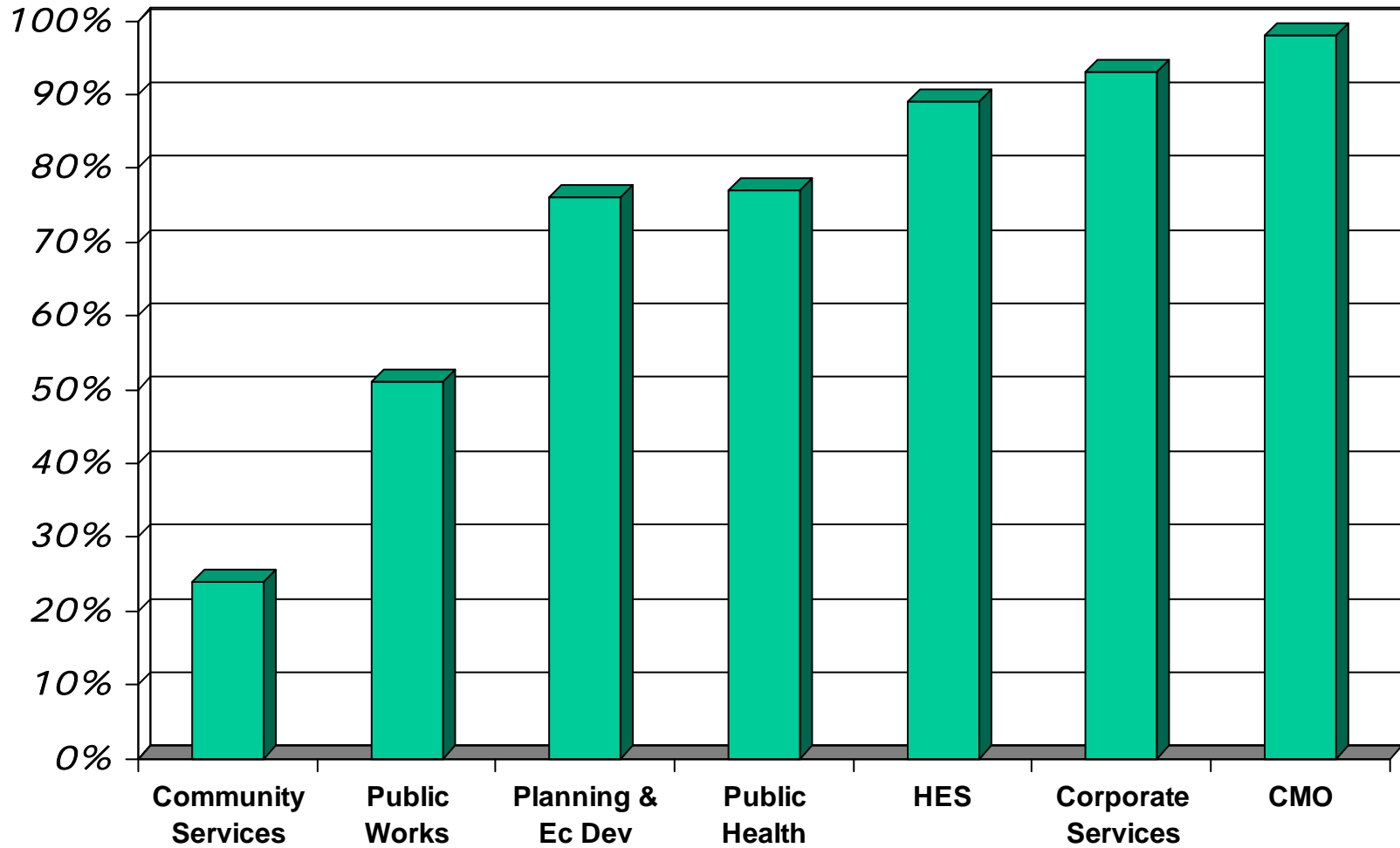
2010 Gross Tax Expenditures by Type

\$1.3 billion





Salary & Wage as a % of Gross Expenditures





2010 Average Residential Tax Impact

	2009	2010	Change	
	\$	\$	\$	%
Total City Services	2,729	2,791	\$62	2.3%
Education	555	560	\$4	0.8%
Total Taxes¹	3,284	3,351	\$67	2.0%

¹ based on the 2010 city-wide average residential tax class assessment of \$232,200 (\$220,400 for 2009); includes budget & reassessment

2011: 1% residential taxes (municipal only) = \$6.5M = \$28 / hhld

2010 Average Residential Assessment by Former Municipality

	2010
Stoney Creek	255,800
Glanbrook	245,800
Ancaster	348,200
Hamilton	192,800
Dundas	288,800
Flamborough	329,400
City-Wide	232,200

Note: 2011 will be year 3 of the 4-yr reassessment phase-in: updated average residential assessments will be provided in Q1 2011.



Hamilton

Budget Outlook

June Outlook - Potential Tax Impact

	Levy Impact \$	Residential Tax Increase %
Non-Salary/Wage Compensation Base Budget Pressures¹	7,671,000	1.2%
Pre-approvals/annualizations & Provincial Pressures²	1,787,000	0.3%
Corporate / Departmental Pressures	16,018,000	2.5%
Capital Infrastructure	6,500,000	1.0%
Estimate Assessment Growth / Reassessment Impact		-1.0%
TOTAL	31,976,000	3.9%

¹ assumes 0% for salary/wage

² assumes receipt of special Provincial funding in 2011



2011 Operating Draft Budget: update

	2010 BUDGET	2011 DRAFT BUDGET	CHANGE	
			\$	%
LEGISLATIVE	3,425,540	3,425,471	(69)	0.0%
CITY MANAGER	8,514,766	8,612,903	98,137	1.2%
PLANNING AND ECONOMIC DEVELOPMENT	16,917,162	16,901,097	(16,065)	-0.1%
CORPORATE SERVICES	18,746,176	18,750,519	4,343	0.0%
PUBLIC HEALTH SERVICES	10,921,332	11,298,161	376,829	3.5%
COMMUNITY SERVICES (exclusive of upload)	154,169,451	158,387,493	4,218,042	2.7%
PUBLIC WORKS	176,062,466	183,081,869	7,019,403	4.0%
HAMILTON EMERGENCY SERVICES	88,137,861	89,719,238	1,581,377	1.8%
CORPORATE FINANCIALS	3,851,019	5,299,067	1,448,048	37.6%
NON PROGRAM REVENUES	(32,940,301)	(33,192,864)	(252,563)	-0.8%
PROVINCIAL FUNDING / OMPF ¹	(25,778,305)	(3,847,535)	21,930,770	85.1%
UPLOAD SAVINGS		(21,930,770)	(21,930,770)	
TOTAL CITY DEPARTMENTS	422,027,167	436,504,649	14,477,482	3.4%



2011 Operating Draft Budget: update

	2010 BUDGET	2011 DRAFT BUDGET	CHANGE	
			\$	%
CAPITAL FINANCING	79,514,401	86,014,401	6,500,000	8.2%
LIBRARY	27,373,726	27,623,247	249,521	0.9%
OTHER BOARDS & AGENCIES	16,258,720	16,535,599	276,879	1.7%
COMMUNITY PARTNERSHIP PROGRAM	3,285,686	3,285,686	0	0.0%
HAMILTON POLICE SERVICES	124,553,478	127,044,548	2,491,070	2.0%
TOTAL LEVY REQUIREMENT	673,013,178	697,008,130	23,994,952	3.6%

2011 Operating Draft Budget: update

	2010 BUDGET	2011 DRAFT BUDGET	CHANGE	
			\$	%
TOTAL LEVY REQUIREMENT	673,013,178	697,008,130	23,994,952	3.6%
RESIDENTIAL TAX IMPACT (municipal only) DUE TO LEVY RESTRICTION				3.7%
LESS ESTIMATED GROWTH / REASSESSMENT				-1.0%
RESIDENTIAL MUNICIPAL PROPERTY TAX IMPACT				2.7%

- Above impacts exclusive of salary/wage increase (COLA)
- Inclusive of Special Provincial Grant (\$4M)
- 2.7% = \$75/hhld for the city-wide average assessment of \$232,200



2011 Major Pressures

- Employee – related (exclusive of COLA)
 - Salary/Wage (JE, merit) \$3.5M
 - OMERS 3.8M
 - Employer/Government Benefits 1.9M
 - Other (training, sick pay, etc.) 1.2M
- Capital (1%) \$6.5M
- Contractual obligations (PW) 3.0M
- Social Housing Subsidy 2.0M
- Operating Impacts of Capital 1.0M



Additional Potential Budget Pressures (not included in current draft budget)

- Police budget @ annual average = \$2.2M (in addition to 2% assumed)
- HES budget @ historical = \$1.8M

- Non-union Salary/Wage related:
 - Non-union percentile = \$1.2M (approved by prior Council)
 - Non-union COLA @ 1.5% = \$950k (approved by prior Council)

= \$6.15M (0.9% increase)

Revised tax impact = 3.6% (or \$101 / hhld)



Budget Outlook Scenarios

Budget Scenario	Budget Increase	Residential (municipal tax impact) ¹	
		%	\$
1. Base budget + additional pressures + Union @ 1.0%	\$32.7M	4.0%	\$113
2. Base budget + additional pressures + Union @ 1.5%	\$33.9M	4.2%	\$118
3. Base budget + additional pressures + Union @ 2.0%	\$35.2M	4.4%	\$123
4. Base budget + additional pressures + Union @ 2.5%	\$36.5M	4.6%	\$129
5. Base budget + additional pressures + Union @ 3.0%	\$37.8M	4.8%	\$134

¹ Municipal only, excludes education taxes (city-wide average CVA of \$232,200)



- **Impacts presented exclude program enhancements such as:**
 - **Transit**
 - **Anti-Poverty**
 - **Forestry**
 - **Road maintenance**
 - **Additional 0.5% Capital (local roads)**



2011 Budget Process

- **Jan 11th** (+14th if required) GIC - Rate
- **Jan 13th** (+ 21st if required) GIC - Capital
- **Feb 3rd** GIC (Corporate Overview: Tax Operating)
- **Feb** - Departmental Budget Overviews (standing committees)
- **Feb 24th** GIC - Public Delegations
- **Feb 25th** GIC - Boards & Agencies
- **Mar** - Departmental Budget Deliberations (standing committees)
- **Apr 7 & 8** GIC – Budget Deliberations
- **Apr 13** Council – Budget Approval
- **Apr** – Tax Policies