



Hamilton

City of Hamilton

2010 Tax Operating Budget Update

Committee of the Whole
February 9th, 2010



Council Approved Guidelines

- ***That the departmental operating budget guideline be 2.0% or less, excluding pre-approved items and provincial impacts***
- ***That an additional 1% or \$5.8m be set aside for the capital infrastructure levy including potential strategic priorities/ corporate improvements to be brought forward during the budget process***

Residential Tax Impact

	Guideline	February 9th
OPERATING LEVY	2.0%	1.9%
CAPITAL LEVY	1.0%	0.5%
TOTAL IMPACT	3.0%	2.4%

- Feb 9th impact includes new reduction proposals
- Includes \$14.2m in special provincial grant funding



Total Residential Tax Impact (Municipal + Education)

- As presented today:

Municipal impact	2.4%
Total impact (inclusive of education¹)	2.1%

- With an additional -\$300k in reductions:

Municipal impact	2.3%
Total impact (inclusive of education¹)	2.0%

¹ assumes same residential education tax impact as 2009 (0.8%) – to date no confirmation from Province

2010 Budget Highlights

- No reduction in current service levels
- Provides enhanced services
 - Recreation access subsidy program
 - Energy Initiatives
 - Improvements to employment and special supports
 - Funds towards AODA compliance
 - Human resources return to work support
- Supports increased capital funding for:
 - ISF projects
 - Capital renewal and initiatives

Committee Adjusted Budget

		Mun. Impact
2010 Requested Operating Tax Increase	\$ 24,954,132	3.1%
Amendments Approved at Committee:		
COW	\$ 44,858	
Audit & Administration	\$ 200,000	
Emergency & Community Services	\$ 814,950	
Public Works	\$ (2,325,000)	
	<u>\$ (1,265,192)</u>	
Operating Tax Increase	\$ 23,688,940	2.9%
Capital Levy Tax Increase	\$ 2,899,896	0.5%
Total Residential Tax Increase	\$ 26,588,836	3.4% (*)

(*) Assumes \$14.2M Special Grant

Final Assessment Growth (FCS10016)

	2009 Assessment Growth for 2010 Taxation Year ¹				
	Residential	Multi-Res	Commercial	Industrial	Total
Stoney Creek	1.2%	1.3%	9.6%	3.2%	2.7%
Glanbrook	5.5%	-30.9%	-0.7%	4.4%	4.5%
Ancaster	2.2%	-0.8%	0.8%	3.1%	2.0%
Hamilton	0.6%	-0.2%	1.9%	0.3%	0.7%
Dundas	0.9%	-1.2%	0.1%	6.2%	0.7%
Flamborough	1.5%	0.0%	-0.1%	5.6%	1.3%
Total	1.3%	-0.2%	2.5%	1.3%	1.3%

- \$1.8m in growth reduces tax impact by -0.3%

¹ Assessment growth includes supplementary taxes/omits net of write-offs and appeals

2010 Reassessment Tax Impacts (FCS10016)

CITY OF HAMILTON

2010 CVA REASSESSMENT (YEAR 2 OF PHASE-IN)

AVERAGE % IMPACT ON MUNICIPAL TAXES (exclusive of mitigation measures, budget, tax policies)

	Residential	Multi-Residential	Total Commercial	Total Industrial	Farm	Total
Stoney Creek	-0.4%	-0.3%	2.7%	2.6%	2.3%	0.4%
Glanbrook	-0.7%	0.7%	0.4%	-0.4%	3.9%	-0.5%
Ancaster	-0.5%	-0.9%	1.1%	0.3%	2.3%	-0.2%
Hamilton	-0.4%	-0.7%	1.6%	-0.3%	2.8%	-0.1%
Dundas	0.6%	-0.3%	1.8%	2.1%	-3.3%	0.6%
Flamborough	0.0%	0.0%	0.7%	0.5%	1.9%	0.1%
TOTAL	-0.3%	-0.6%	1.6%	0.3%	2.4%	0.0%

- Residential impact reduced -0.3% (\$1.4m)



Additional Recommended Reductions

	Potential Impact	
		Muni
Committee Adjusted Residential Tax Increase	\$ 26,588,836	3.4%
Final Assessment Growth and Reassessment		-0.6%
Current 2009 Residential Tax Increase	\$ 26,588,836	2.8%
OPTIONS / POTENTIAL MITIGATION		
Pending Program Change Options		
Community Services	(\$1,817,950)	
Corporate Services	(\$293,050)	
Planning & Economic Dev.	(\$304,000)	
City Manager	(\$132,000)	
HES	(\$55,000)	
Boards & Agencies	(\$89,790)	
Public Health	(\$15,000)	
Corporate Financials	\$250,000	
	(\$2,456,790)	-0.4%
Potential 2010 Total Residential Tax Impact	\$ 24,132,046	2.4%

Updated Department Levies

	2009 Budget (000's)	2010 Updated (000's)	Change 2010 / 2009	
			\$ (000's)	%
LEGISLATIVE	4,171	4,224	53	1.3%
CITY MANAGER	6,683	6,813	130	1.9%
CORPORATE SERVICES	25,218	25,441	223	0.9%
PLANNING AND ECONOMIC DEVELOPMENT	17,008	16,042	(965)	(5.7%)
PUBLIC HEALTH SERVICES	9,089	9,269	181	2.0%
COMMUNITY SERVICES	160,330	153,350	(6,980)	(4.4%)
PUBLIC WORKS	171,057	174,552	3,495	2.0%
HAMILTON EMERGENCY SERVICES	84,479	87,740	3,262	3.9%
CAPITAL FINANCING	76,296	79,444	3,148	4.1%
BOARDS & AGENCIES	46,783	46,320	(463)	(1.0%)
HAMILTON POLICE SERVICES	120,069	124,090	4,021	3.3%
NON PROGRAM REVENUES \ FINANCIALS	(29,607)	(28,314)	1,293	4.4%
PROVINCIAL FUNDING / OMPF	(42,514)	(25,778)	16,735	39.4%
TOTAL LEVY REQUIREMENT	649,061	673,193	24,132	3.7%
RESIDENTIAL TAX IMPACT				2.4%

Savings by Department

	Saving Options	Council Adjustments	Additional Options	Total Change
	(000's)	(000's)	(000's)	(000's)
LEGISLATIVE				0
CITY MANAGER			(132)	(132)
CORPORATE SERVICES	(440)	200	(293)	(533)
PLANNING AND ECONOMIC DEV.	(1,001)		(304)	(1,305)
PUBLIC HEALTH SERVICES			(15)	(15)
COMMUNITY SERVICES	(172)	815	(1,818)	(1,175)
PUBLIC WORKS		(2,325)		(2,325)
HAMILTON EMERGENCY SERVICES			(55)	(55)
CAPITAL FINANCING		(2,901)		(2,901)
BOARDS & AGENCIES		45		45
HAMILTON POLICE SERVICES			(90)	(90)
NON PROGRAM REV. / FINANCIALS			250	250
PROVINCIAL FUNDING / OMPF				0
TOTAL SAVINGS	(1,613)	(4,166)	(2,457)	(8,236)

2010 Complement

	FTE
2009 COMPLEMENT	5,474.21
<u>2010 Adjustments & Saving Options</u>	
Planning & Ec. Development	(0.23)
Public Health	(10.20)
Community Services	(1.67)
Public Works	(4.00)
Corporate Services	(5.46)
Total Base Adjustments	(21.56)
TOTAL 2010 REQUESTED COMPLEMENT	(21.56) 5,452.65
<u>2010 Committee Adjustments</u>	
Community Services	9.72
Corporate Services	1.00
City Manager	2.00
Public Works (*)	0.00
Total Committee Adjustments	12.72
TOTAL AFTER COMMITTEE ADJUSTMENTS	(8.84) 5,465.37
<u>2010 Options</u>	
Corporate Services	(2.75)
Planning & Ec. Development	(2.73)
Total Committee Adjustments	(5.48)
TOTAL COMPLEMENT CHANGE	(14.32) 5,459.89

(*) Staff for OEI absorbed - contract

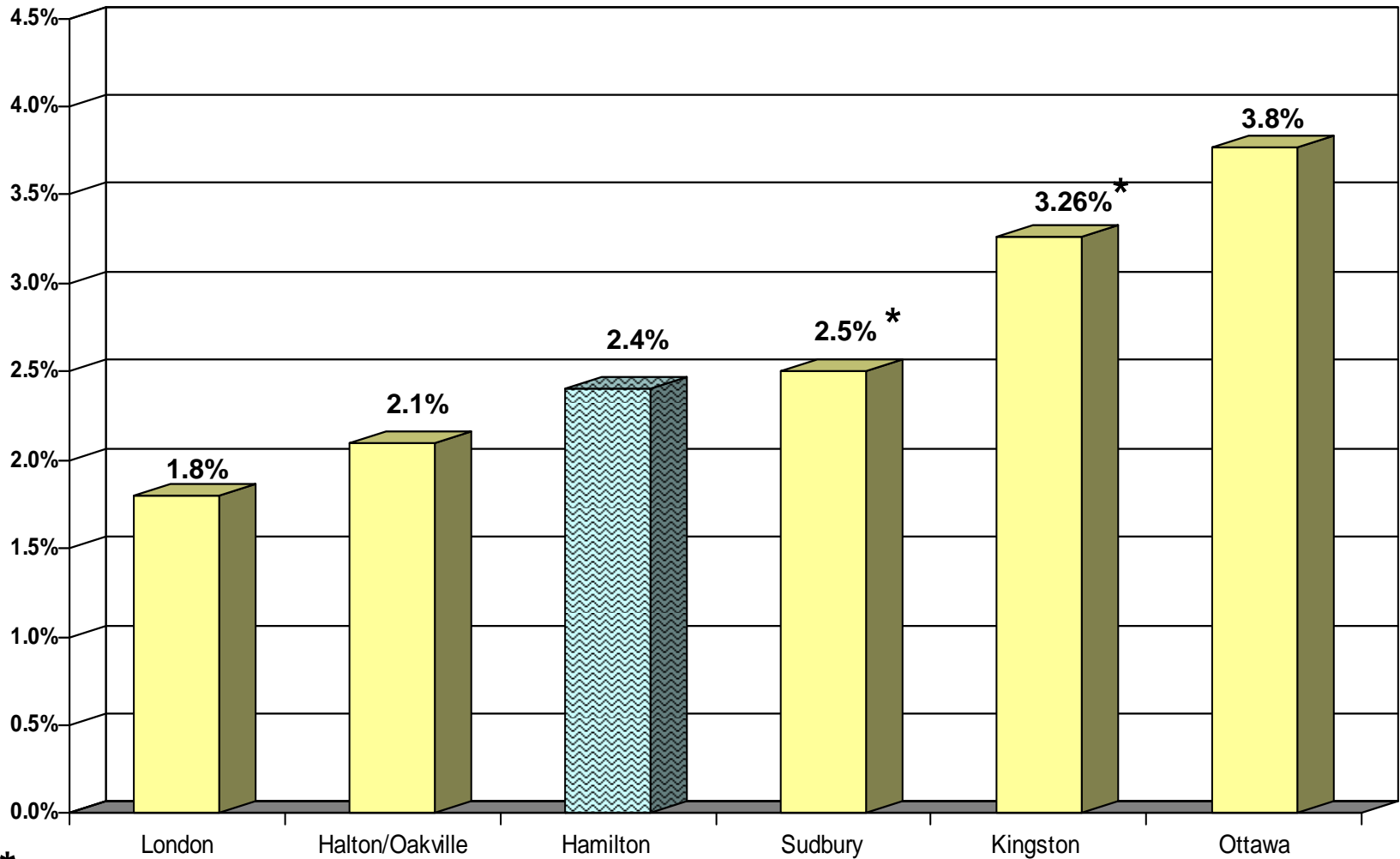
Council Referred Items

Not currently included

	FTE	\$
PUBLIC WORKS		
Street Tree Trimming	5.00	\$ 530,000
Parks & Cemeteries - Operating impacts from capital	9.15	\$ 418,000
Roads - Operating impacts from capital	1.00	\$ 263,000
Forestry & Horticulture - Operating impacts from capital	0.00	\$ 51,000
Traffic - Operating impacts from capital	0.00	\$ 59,000
Total Public Works	15.15	\$ 1,321,000
CORPORATE SERVICES		
Physicians Recruitment program	0.00	\$ 10,000
Total Corporate Services	0.00	\$ 10,000
CORPORATE FINANCIALS		
Corporate cost allocation policy revision	0.00	\$ -
Total Corporate Financials	0.00	\$ -
TOTAL COUNCIL REFERRED ITEMS	15.15	\$ 1,331,000

2010 Municipal Comparison

Excludes Education



* Approved



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Process



Next Steps

- Feb. 9, 11, 22 & 23: Committee of the Whole
 - Committee reports & recommended amendments:
 - Audit & Admin
 - Public Works
 - Emergency & Community Services
 - Economic Development & Planning
 - Board of Health
- Tax Policies
 - Reassessment (Feb. 9)(FCS10016)
 - Draft 2010 Area Rating – Impacts by muni/ward (Feb 22)
 - Other Tax Policies (Feb 22)
- February 24: Council Approval



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Municipal Impact of Provincially Mandated Programs (FCS10010)

Impact of Provincially Mandated Costs on Hamilton

	Forecast 2009		
	Gross Expenditures	Provincial Transfers	Net Levy
Provincially Mandated Programs			
Social Services	\$ 207,333,171	\$ (128,114,691)	\$ 79,218,480
Social Housing	\$ 60,941,947	\$ (21,990,640)	\$ 38,951,307
Emergency Medical Services	\$ 29,461,370	\$ (15,131,910)	\$ 14,329,460
Court	\$ 5,309,640	\$ (308,310)	\$ 5,001,330
Public Health	\$ 43,418,760	\$ (34,330,080)	\$ 9,088,680
GO Transit	\$ 1,400,000	\$ -	\$ 1,400,000
SUB-TOTAL	\$ 347,864,888	\$ (199,875,631)	\$ 147,989,257
OFFSETS			
Special Funding	\$ -	\$ (16,500,000)	\$ (16,500,000)
TOTAL	\$ 347,864,888	\$ (216,375,631)	\$ 131,489,257

- **2008 announcement: upload of OW benefits and Court Security**
 - Upload of ODB (completed in 2008) and ODSP (beginning in 2009, to be completed by 2011)
 - Upload of Ontario Works (beginning in 2010, to be completed by 2018)
 - Upload Police: Court Security (beginning in 2012 to a max of \$125M by 2018)

- **Preliminary Budget**
 - Special Funding \$16.5M request
 - OMPF \$9.3M
- **Revised forecasts**
 - OMPF \$11.6M (\$2.3M favourable)
 - Special Funding \$14.2M request
- **Necessary to ensure Hamilton is not negatively impacted by economic downturn.**
- **Necessary to ensure Hamilton in an equitable final position with respect to social services funding, in comparison to neighbouring “905” GTA communities.**

Special Funding - Grant

- **Forecast level of grant funding required:**
 - 2010 \$14.2 million
 - 2011 \$9.10 million
 - 2012 \$6.9 million
 - 2013 \$3.4 million
 - 2014 \$0.2 million
 - Total \$33.8 million**

- **By 2015 the upload would start to benefit the levy by a forecast \$3 million.**

Special Funding - Loan

- As in grant scenario, similar level of funding required:

LOAN REQ'D	
2010	\$14.2 million
2011	\$9.1 million
2012	\$6.9 million
2013	\$3.4 million
2014	\$0.2 million
Total	\$33.8 million

LOAN REPAID	
2015	-\$3.0 million
2016	-\$6.2 million
2017	-\$9.7 million
2018	-\$12.9 million
2019	-\$2.0 million
Total	-\$33.8 million

- By 2019 the upload would start to benefit the levy by a forecast \$10.9 million.
- Four-year delay in upload benefit under loan scenario.

**2010 Tax Operating Budget Adjustments
As Approved by Standing Committee**

Date	CMTEE	Report #	APPROVED AMENDMENTS TO DATE:	FTE	Requested Budget	Net Levy Adjustment	Levy Increase \$	Residential Impact Muni
Operating Levy Impact Requested Budget (includes 1.0% assessment growth)				6,908.10	\$ 596,479,160		\$ 24,954,132	3.1%
13-Jan	COW	FCS09120i	Increase in MPAC budget per notice received	0.00		\$ 44,858		
14-Jan	A&A		Clerk's Division Restructuring - Amended	1.00		\$ 100,000		
14-Jan	A&A	HUR10001	HR - Return to work Enhancement Gross - \$206,050	2.00		\$ -		
14-Jan	A&A	FCS10013	AODA Standards - Gross \$100,000	0.00		\$ 100,000		
15-Jan	ECS	CS10007	Culture - Nash Jackson House rental attendants (\$10,920 Gross)	0.50		\$ -		
15-Jan	ECS	CS10007	Culture - Public Art Coordinator	0.00		\$ 101,310		
15-Jan	ECS	CS10007	BE - Special Support Staffing	3.00		\$ 197,640		
15-Jan	ECS	CS10007	EIS - Enhanced Employment Services (\$139,780 Gross)	2.00		\$ -		
15-Jan	ECS	CS10007	ML - Clerical support (\$31,460 Gross)	0.60		\$ -		
15-Jan	ECS	CS10007	Recreation - Recreation access subsidy program	1.00		\$ 400,000		
15-Jan	ECS	CS10007	Recreation - Outdoor pools extended weeks	0.12		\$ 36,000		
15-Jan	ECS	CS10007	SD&ECS - Best Start database (\$34,400 Gross)	0.50		\$ -		
15-Jan	ECS	CS10007	Social Housing - Renovation and Retrofit Program Admin (\$44,240 Gross)	0.50		\$ -		
15-Jan	ECS	CS10007	Social Housing - Resource Counselling Program	0.00		\$ 80,000		
15-Jan	ECS	FCS09120f	SD & ECS - Child care service delivery model (\$120,000 Gross)	1.50		\$ -		
1-Feb	PW	FCS09120h	Parks - Sport Field Line Marking Alternatives	0.00		\$ -		
1-Feb	PW	FCS09120h	Waste - Diversion Options	0.00		\$ -		
1-Feb	PW		Winter Control budget reduction	0.00		\$ (1,000,000)		
1-Feb	PW		HRPI Dividend	0.00		\$ (500,000)		
1-Feb	PW		Fuel Reduction	0.00		\$ (825,000)		
1-Feb	PW	PW10006	Additional staff for the OEI (\$495,000 Gross) (5 FTE Contract)	0.00		\$ -		
TOTAL APPROVED AMENDMENTS TO DATE				12.72		\$ (1,265,192)		
Sub Total Operating Levy Impact (including Amendments Approved to Date)				6,920.82	\$ 595,213,968	\$ (1,265,192)	23,688,940	2.9%
Capital Levy Impact Requested Budget				0.00	\$ 83,336,550		\$ 5,800,446	1.0%
14-Jan	COW	FCS09120c	Capital Financing Envelope Reduction			\$ (2,900,550)		
TOTAL APPROVED AMENDMENTS TO DATE				0.00		\$ (2,900,550)		
Sub Total Capital Levy Impact (including Amendments Approved to Date)				0.00	\$ 80,436,000	\$ (2,900,550)	\$ 2,899,896	0.5%
TOTAL OPERATING & CAPITAL LEVY IMPACT				6,920.82	\$ 675,649,968	\$ (4,165,742)	\$ 26,588,836	3.4%

**2010 Tax Budget
Additional Recommended Amendments**

Dept	Report #	Recommended Amendments	FTE	Net Levy Adjustment
PHS		Dental program	0.00	\$ (15,000)
SUBTOTAL PUBLIC HEALTH			0.00	\$ (15,000)
CorpS		Customer Service (MCS Supervisor)	-1.00	\$ (84,000)
CorpS		Treasury Services (Taxation)	0.00	\$ (76,300)
CorpS		Treasury Services (F&A)	-1.00	\$ (87,750)
CorpS		Treasury Services (Fin Services)	-0.75	\$ (45,000)
SUBTOTAL CORPORATE SERVICES			-2.75	\$ (293,050)
PED		Downtown Ambassadors	-2.73	\$ (104,000)
PED		Residential Loan Interest	0.00	\$ (200,000)
SUBTOTAL PLANNING AND ECONOMIC DEVELOPMENT			-2.73	\$ (304,000)
City Mgr		City Manager - Consulting	0.00	\$ (12,000)
City Mgr	HUR10005	HR - Arbitration budget reduction	0.00	\$ (100,000)
City Mgr	HUR10005	HR- other reductions	0.00	\$ (20,000)
SUBTOTAL CITY MANAGER			0.00	\$ (132,000)
CS		OW Caseload (Gross -\$9,370,870)	0.00	\$ (1,817,950)
SUBTOTAL COMMUNITY SERVICES			0.00	\$ (1,817,950)
B&A		Fuel Reduction - Police	0.00	\$ (89,790)
SUBTOTAL B&A			0.00	\$ (89,790)
HES		Fuel Reduction - HES	0.00	\$ (55,000)
SUBTOTAL HES			0.00	\$ (55,000)
Financials		Increase in Insurance Premiums	0.00	\$ 550,000
Financials		Corp Financials - POA Fine Revenues	0.00	\$ (100,000)
Financials		Flamboro Slot Revenue	0.00	\$ (200,000)
SUBTOTAL CORPORATE FINANCIALS			0.00	\$ 250,000
Total - Additional Recommended Amendments			-5.48	\$ (2,456,790)

2010 DEPARTMENTAL BUDGETS REVISED

	2009	2010	2010	2010	Change 2010 / 2009	
	Budget	Base Budget	Savings	Updated	\$	%
	(000's)	(000's)	(000's)	(000's)	(000's)	
LEGISLATIVE	4,171	4,224	0	4,224	53	1.3%
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TOTAL LEVY REQUIREMENT	649,061	681,429	(8,236)	673,193	24,132	3.7%
RESIDENTIAL TAX IMPACT						2.4%