2013 TAX-SUPPORTED OPERATING BUDGET UPDATE

General Issues Committee
April 4, 2013
Agenda Item 4.1
Current Position

- March 21\textsuperscript{st} GIC approved -$1.897M in proposed amendments bringing the average Residential total tax impact to 1.9%.

- April 3\textsuperscript{rd} GIC approved motion (2013 Hamilton Police Service budget of $140,414,620, inclusive of capital financing costs, representing a 3.52% increase over the 2012 approved budget) results in a further amendment of -$517,620; average Residential total tax impact remains at 1.9%.
## 2013 Updated Budget
### Tax Impact Average Home

**Change (2013 over 2012)**

<table>
<thead>
<tr>
<th>DRAFT (revised)</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Municipal Taxes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Departments</td>
<td>$33</td>
<td>1.1%</td>
</tr>
<tr>
<td>Provincial Funding Loss Transition</td>
<td>$8</td>
<td>0.3%</td>
</tr>
<tr>
<td>Boards &amp; Agencies</td>
<td>$15</td>
<td>0.5%</td>
</tr>
<tr>
<td>Capital</td>
<td>$15</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>Municipal Tax Change</strong></td>
<td>$72</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Education Taxes</strong></td>
<td>$(6)</td>
<td>-1.1%</td>
</tr>
<tr>
<td><strong>Total (including Education) Tax Change</strong></td>
<td>$65</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

Note – anomalies in totals due to rounding
Boards & Agencies

Deferred Items: HECFI & Community Partnership Program

Agenda Item 5.1 (a)
• Report CM11013d (Sept 25, 2012 GIC):
  • That the budget reductions outlined in Report CM11013d be forwarded to the 2013 Budget process for consideration
• 2013 budget book included Council Referred Item
• Jan 31, 2013 GIC – Information Report
  • Treat 2013 as a transitional year
  • Revised 5 year term from 2013-2017 to 2014-2018
• Report CM11013e (Feb 12th GIC):

### ANNUALIZED BUDGET IMPACTS ($000’s)

<table>
<thead>
<tr>
<th>Description</th>
<th>BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Initial Levy</td>
<td>5,921</td>
</tr>
<tr>
<td>Less Profit Sharing</td>
<td>(449)</td>
</tr>
<tr>
<td>Potential Levy</td>
<td>5,921</td>
</tr>
<tr>
<td>Estimated Annual Savings</td>
<td>1,634</td>
</tr>
</tbody>
</table>

No change in estimated annual savings
Savings deferred one year, revised 5 year term: 2014-2018
2013 HECFI Operations & New Operator Savings:

The 2013 budget contains two distinct time frames:

- HECFI Operations for January/February 2013 are still being reviewed. Potential shortfall due to booking issues, therefore the budget for this period will be required in full.

- New Operator period for March through December. As identified in CM11013e, no savings are expected in 2013 as this represents a transition year. The operators are eligible to receive funding in the event that a loss occurs during the transition year. Losses are limited to the amount of savings identified in the bid documents.
Corporate Financials:

- Bulldogs Support Payment – The $220,000 included in the 2013 calendar year budget covers the 2012-2013 hockey season. For October 1, 2012 to February 28, 2013, $153,000 of the $220,000 budget is required.

- Insurance (WSIB) – 2012 Budget of $143,300 has been reduced to $35,800, savings of -$107,500 in 2013 budget.
Community Partnership Program

- Staff are recommending:
  - Consider the referred enhancement (B30 = $5,000) regarding the Agri and Rural Affairs Advisory Committee
  - Approve the base 2013 CPP budget at $3,212,000 (plus potential amendment for Agri referred item)
  - Policing item (B29 = $62,243) deferred pending discussion at Grants Sub-Committee meeting on April 9th and can be dealt with in-year
Council Referred Items

Appendix B

Agenda Item 5.1 (b) (i)
## 2013 Council Referred Items
(Appendix B to FCS13010 - UPDATED)

- 30* items referred by Council to the 2013 budget process

- If all Council Referred Items are approved

<table>
<thead>
<tr>
<th>Description</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Impact</td>
<td>$ 3,312,646</td>
</tr>
<tr>
<td>Net Impact</td>
<td>$ 3,197,546</td>
</tr>
<tr>
<td>Annualized FTE</td>
<td>10.83</td>
</tr>
<tr>
<td>Total Tax Impact</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

**2014 Additional Net Impact** $ 456,139¹

¹ The 2013 impact reflects part year commencement of some initiatives with an additional pressure created in 2014 from annualization.

* inclusive of 7 items that have been withdrawn, 2 items approved, 1 item not approved
Revised from what was presented March 21\textsuperscript{th} GIC:

- **B16**: PW – winter control item approved at PW Committee (March 18\textsuperscript{th}) – PW13022

- **B28**: HECFI – savings deferred to 2014 (CM11013e)

* updated Appendices attached
Process
Potential Road Map for Deliberations:

Item 5.1 on Agenda:

(a) Boards & Agencies

(i) Hamilton Police Services - approved April 3 GIC
(ii) H.E.C.F.I. - deferred
(iii) Community Partnership Program - deferred

(b) City Budgets

(i) Council Referred Items (Appendix B*)
(ii) Department Budgets (Recommendations)

* updated Appendices attached
Process Dates

- March 4th - Cancelled
- March 7th & 21st – Deliberations
- April 3rd – Police Budget
- April 4th & 5th – additional deliberation dates
  - Deferred B&A: HECFI, CPP (FCS13011)
  - Council Referred Enhancements (Appendix B)
  - Recommendations A-L (FCS13010)
- April 10th – Council Approval
- May 1st – Tax Policies