



## City of Hamilton

# GENERAL ISSUES COMMITTEE (BUDGET) ADDENDUM

**Meeting #:** 23-029(a)  
**Date:** November 21, 2023  
**Time:** 9:30 a.m.  
**Location:** Council Chambers  
Hamilton City Hall  
71 Main Street West

Angela McRae, Legislative Coordinator (905) 546-2424 ext. 5987

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**Pages**

### 5. STAFF PRESENTATIONS

5.1 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget (FCS23100) (City Wide)

\*a. Finance Presentation - 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget (FCS23100) (City Wide)

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# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget



# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 2024 RATE BUDGET Snap Shot

### Operating

- **\$303.3 M** Total Program and Financial Expenditures
- **\$295.7 M** Rate Revenue
- **\$7.7 M** Non-Rate Revenue

### Capital

- **\$285.9 M** Rate Capital Program
  - 45% Water
  - 37% Wastewater
  - 18% Storm
- **\$4.14 B** capital investment forecast (2024 to 2033)
- **\$0.87 B** increase from last year's 10-year forecast

Note: Anomalies due to rounding



## 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 2024 RATE OPERATING BUDGET

## By the Numbers

Summary of the 2024 Operating Budget				
(\$ millions)	2023 Restated Budget	2024 Requested Budget	2024 Requested / 2023 Restated Change	
			\$	%
<b>Expenditures</b>				
Program Expenditures	\$ 108.5	\$ 121.1	\$ 12.6	11.6%
Capital/Debt / Reserve Financing	\$ 163.9	\$ 182.2	\$ 18.3	11.2%
<b>Total Expenditures</b>	<b>\$ 272.4</b>	<b>\$ 303.3</b>	<b>\$ 30.9</b>	<b>11.3%</b>
<b>Revenues</b>				
Rate Revenue	\$ 269.4	\$ 295.7	\$ 26.3	9.7%
Non-Rate Revenue	\$ 3.0	\$ 7.7	\$ 4.7	153.1%
<b>Total Revenue</b>	<b>\$ 272.4</b>	<b>\$ 303.3</b>	<b>\$ 30.9</b>	<b>11.3%</b>
<b>Average Residential Water / Wastewater / Storm Bill</b>	<b>\$ 877.30</b>	<b>\$ 965.40</b>	<b>\$ 88.10</b>	<b>10.04%</b>

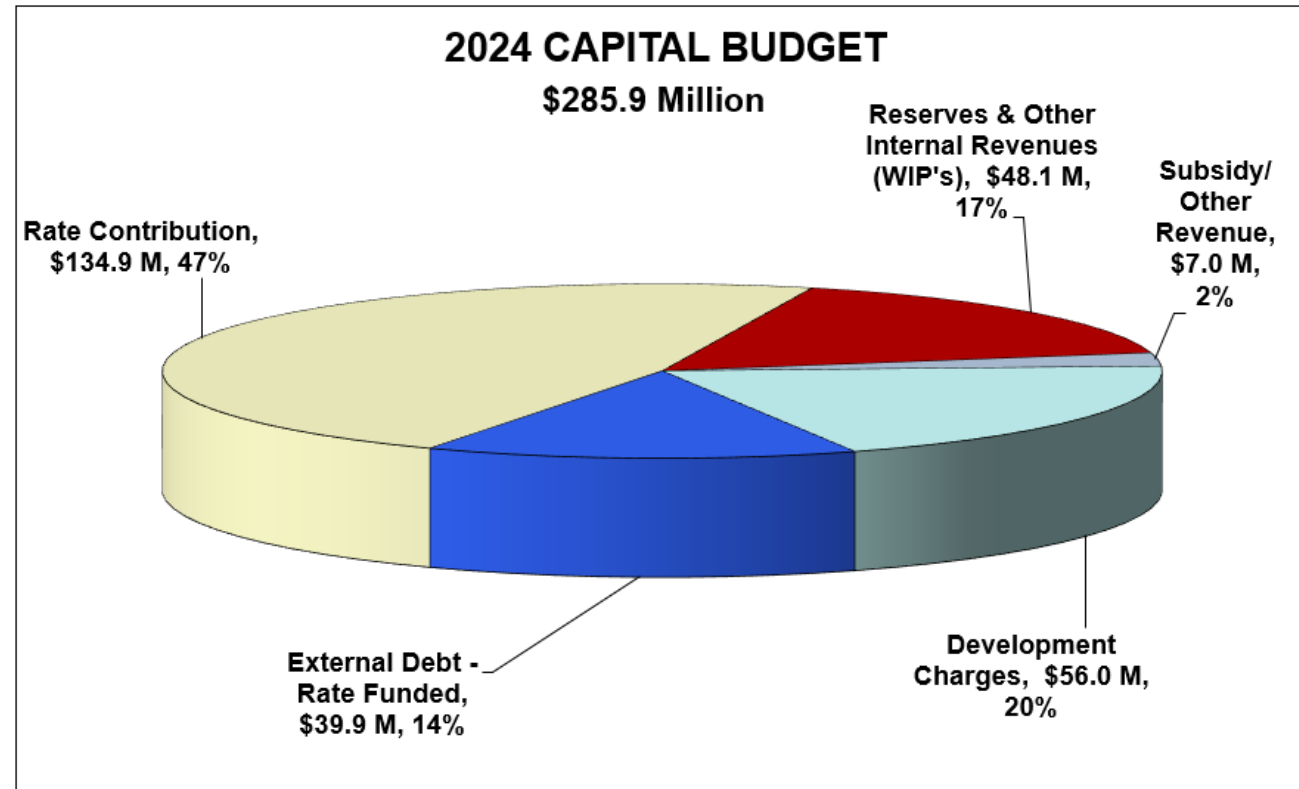
*Note: Anomalies due to rounding*

# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 2024 RATE CAPITAL BUDGET Sources of Funding

- \$134.9 M** from Operating
- \$ 56.0 M** Development Charges
- \$ 46.1 M** Work-in-progress (WIP)
- \$ 39.9 M** Debt
- \$ 2.0 M** Reserves
- \$ 7.0 M** Other Revenue

**= \$285.9 M Gross Capital Funding**



# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 2024 RATE BUDGET

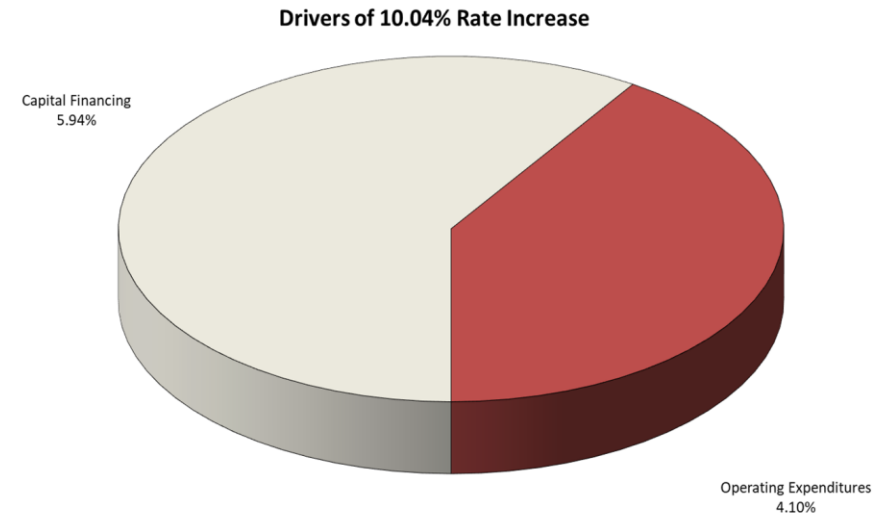
### Average Residential Rate Increase

From Preliminary Outlook of 19.79% to 10.04%

- Changes in capital investments result in
  - \$9 M Decrease in Debt charges
  - \$10 M Decrease in Rate operating budget contribution
- Increase in program expenditures of \$8 M
- Increase in reserve contribution and Ontario government funding towards DC Exemptions
  - \$13 M from Reserves
  - \$4.6 M New Building Faster Fund

Note: Anomalies due to rounding

**Impact of Recommended 2024 Rate Increases on a Typical Residential Bill: 10.04%**  
*Based on annual water consumption of 200m<sup>3</sup>*



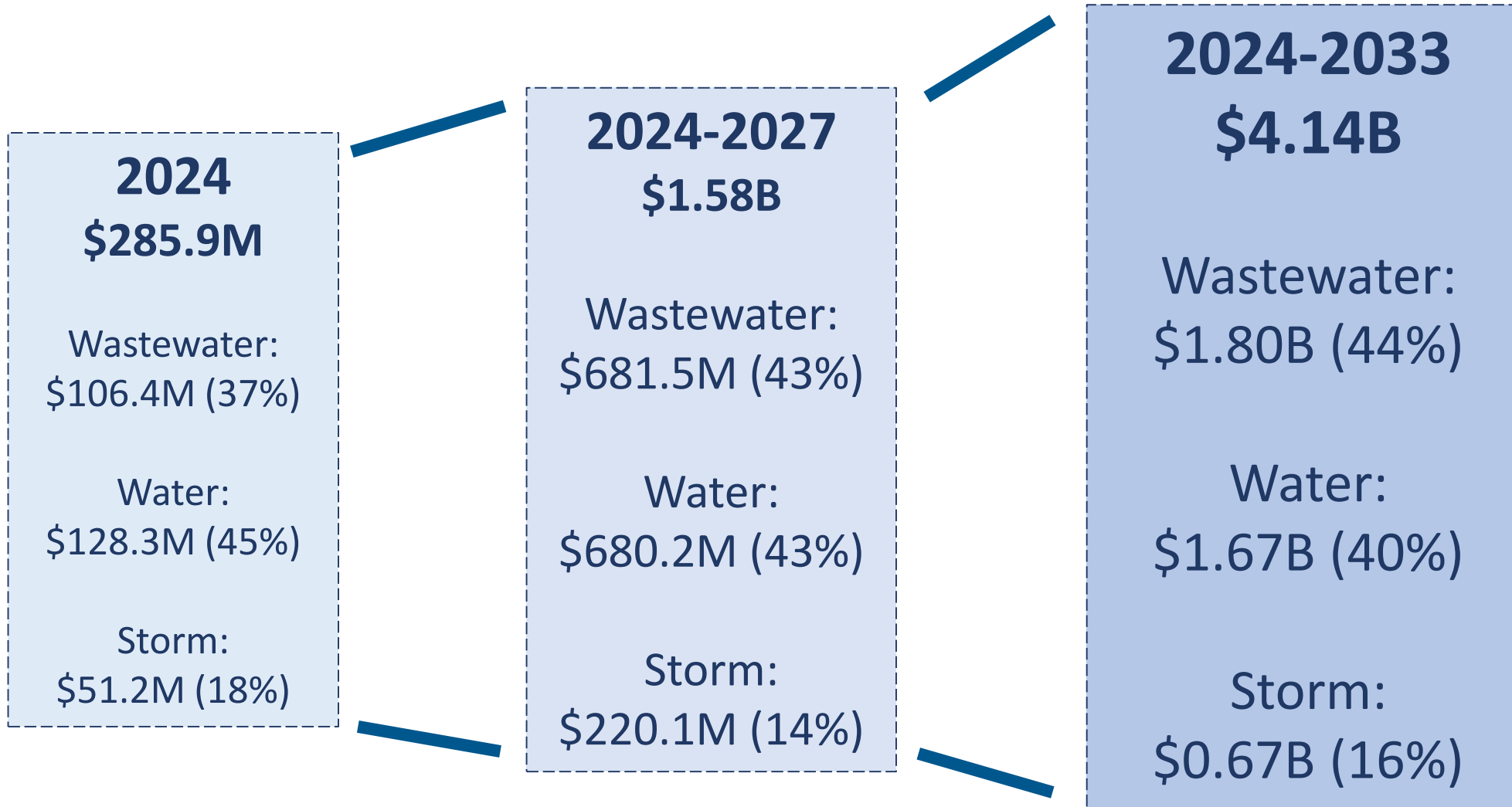
# CAPITAL INVESTMENTS AND FINANCING STRATEGY



# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 10 YEAR CAPITAL PROGRAM

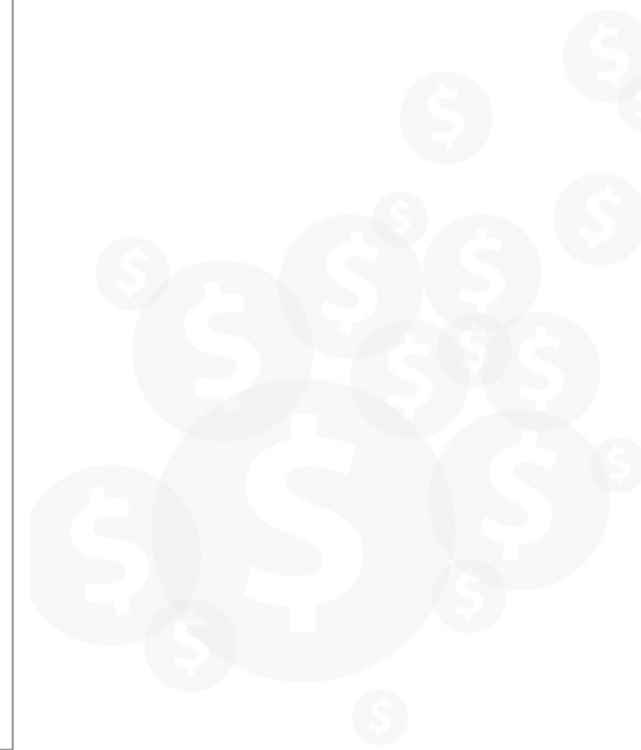
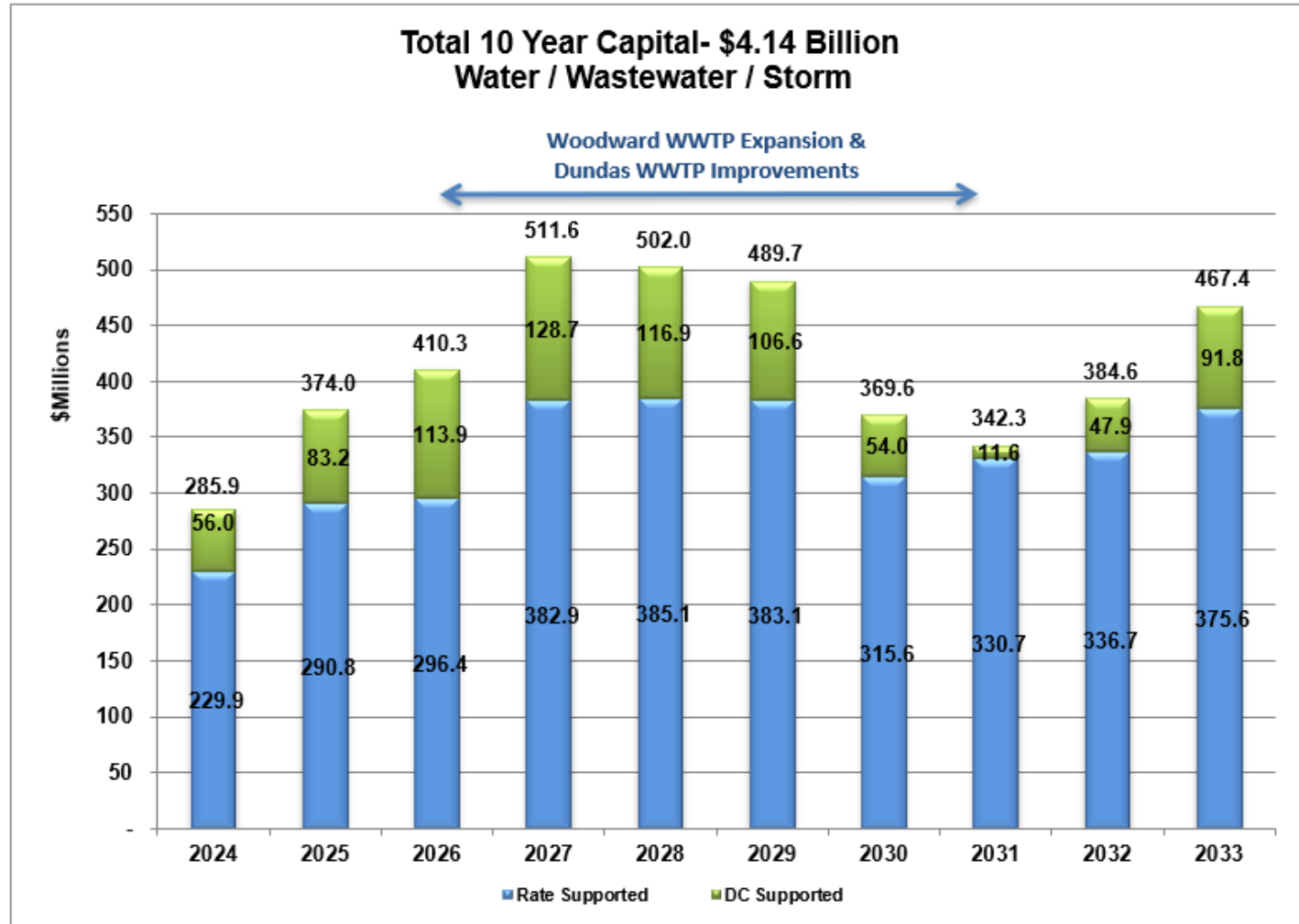
At a Glance





# 10 YEAR CAPITAL PROGRAM

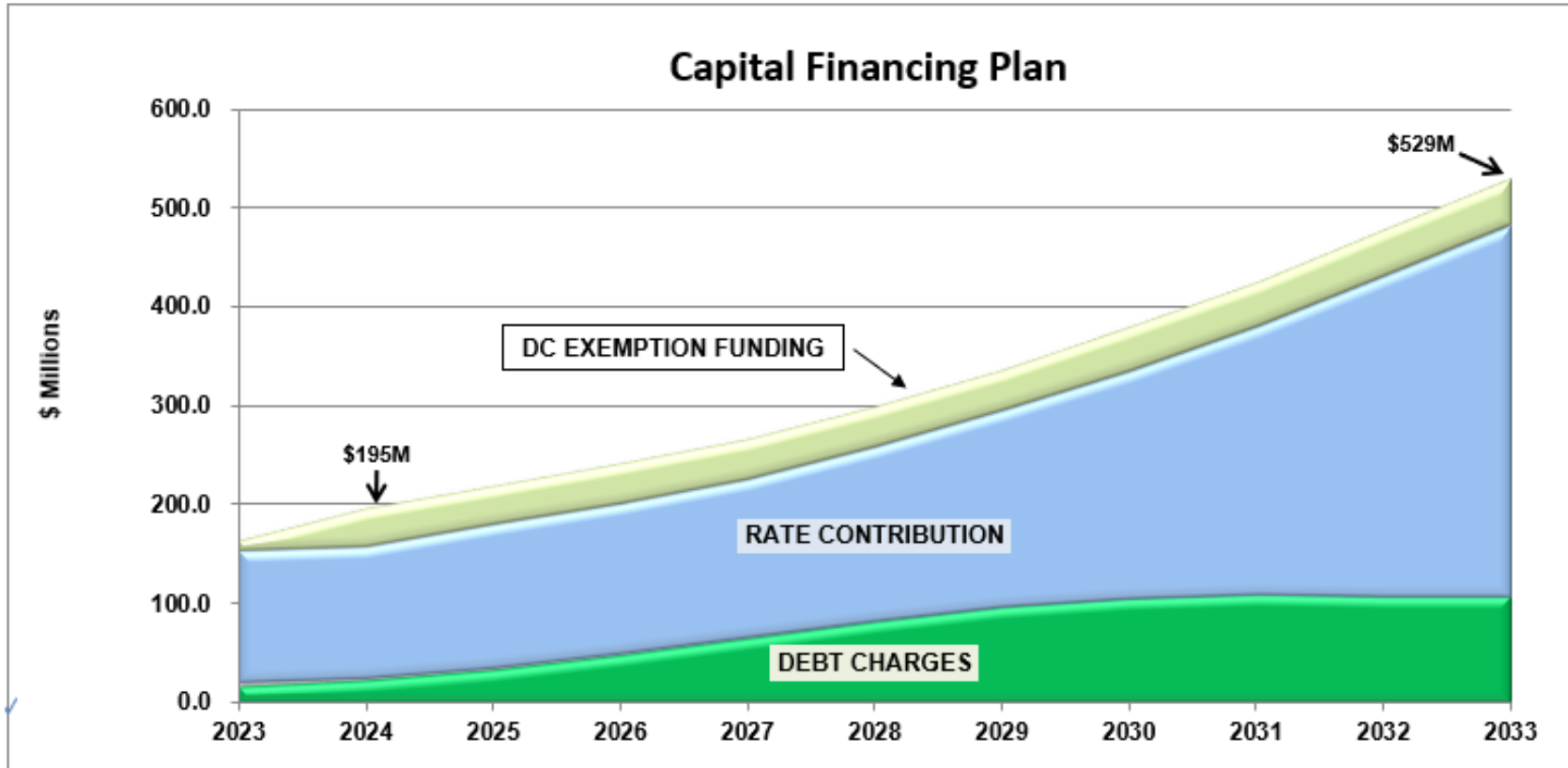
## How much do we plan to spend?



# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 10 YEAR FINANCING STRATEGY

### How will we pay for it?



**Impact of capital on operating budget increasing from \$195M in 2024 to \$529M in 2033**

*Largely due to increase in capital construction*

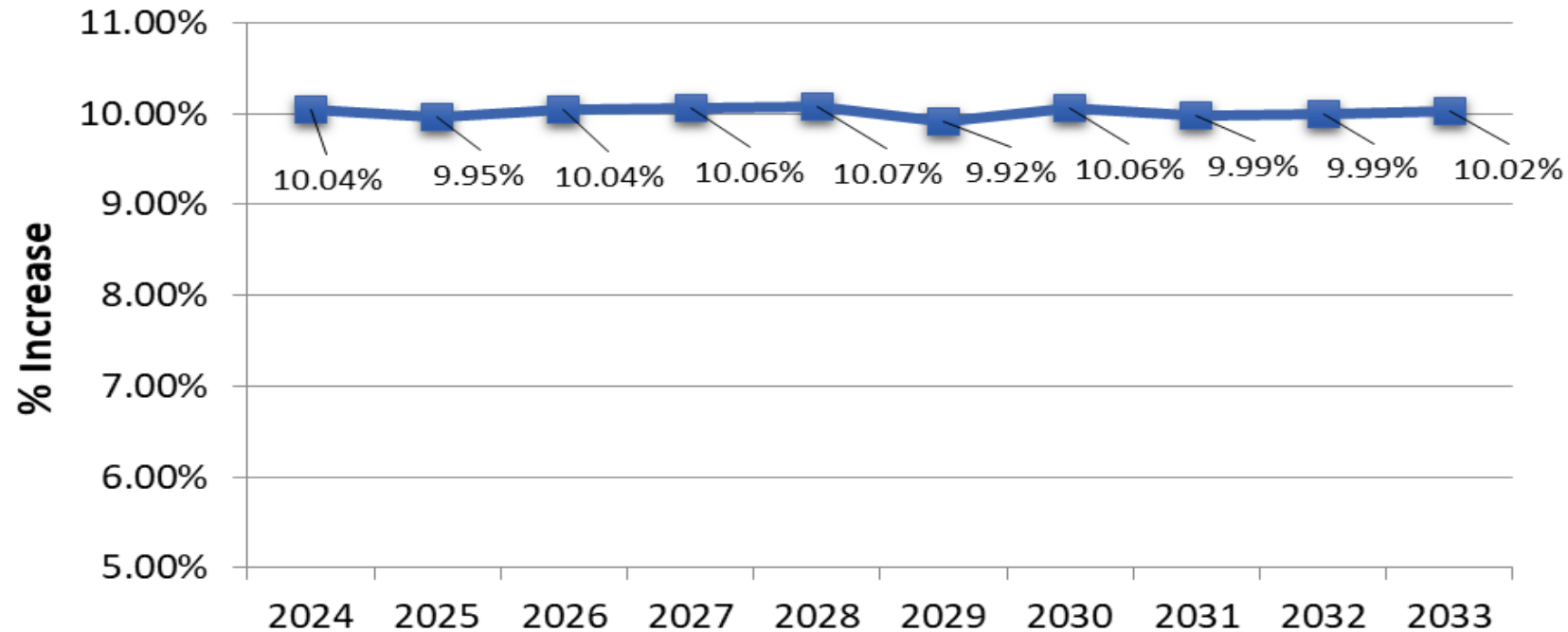


# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 10 YEAR FINANCING STRATEGY

### What do residential rate increases look like?

#### 2024 - 2033 Financing Strategy Average Residential Increase



# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget 10 YEAR FINANCING STRATEGY

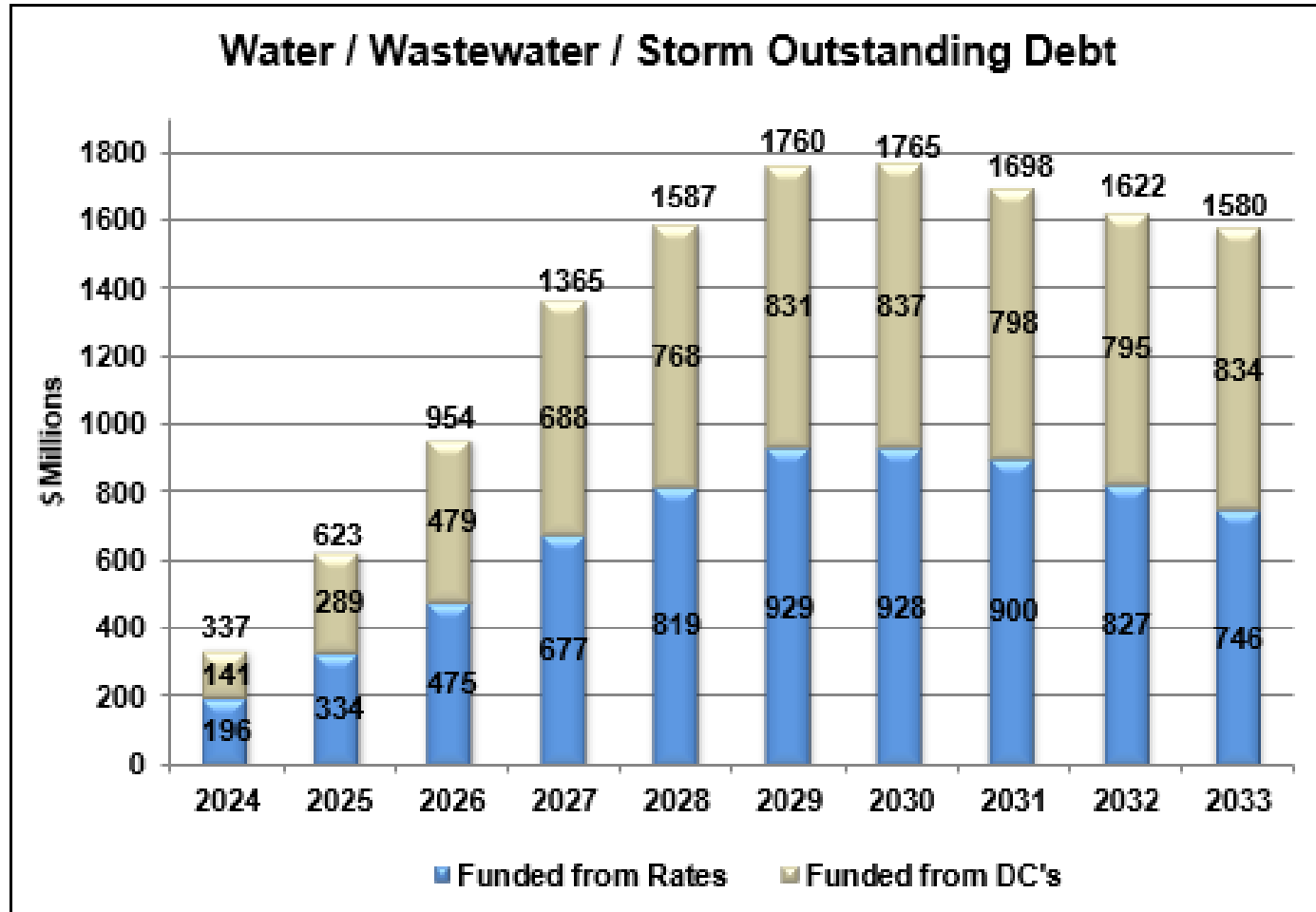
## 2024 - 2033 Financing Strategy Average Residential Increase



# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 10 YEAR FINANCING STRATEGY

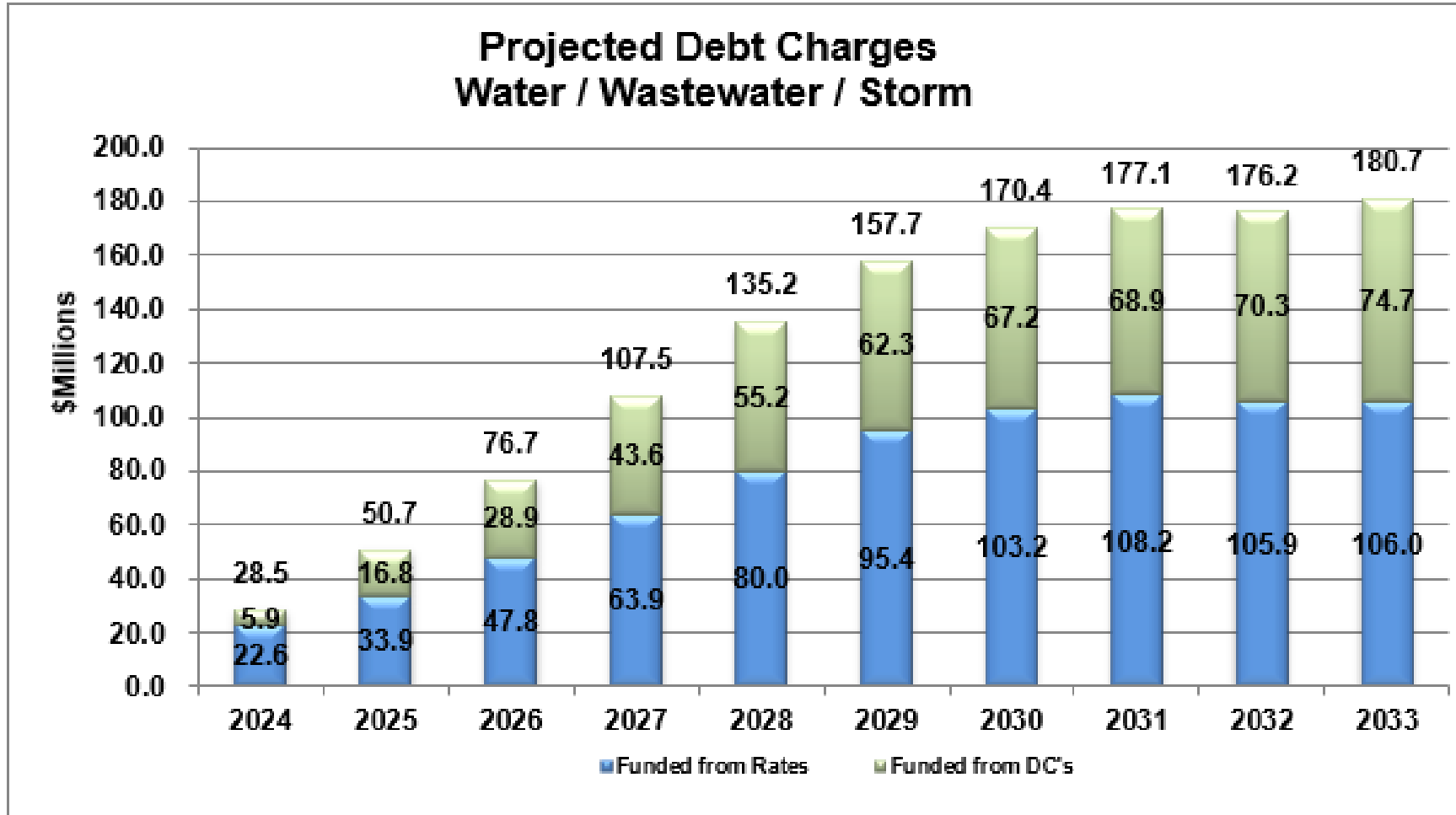
### What does our rate budget debt look like?



# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 10 YEAR FINANCING STRATEGY

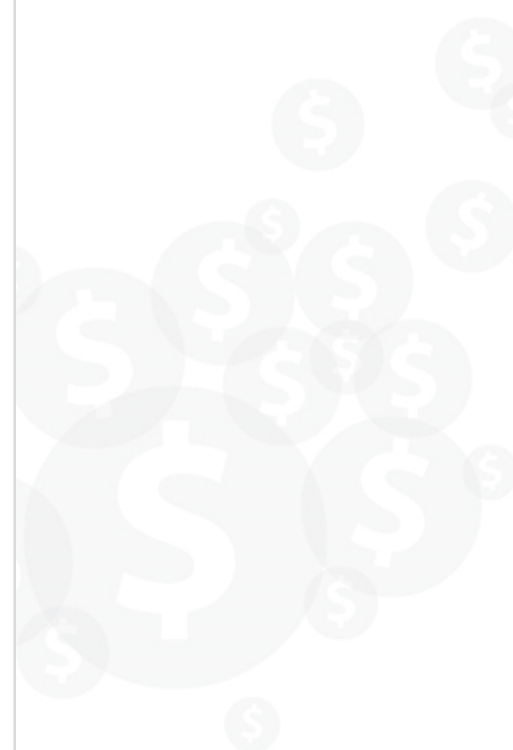
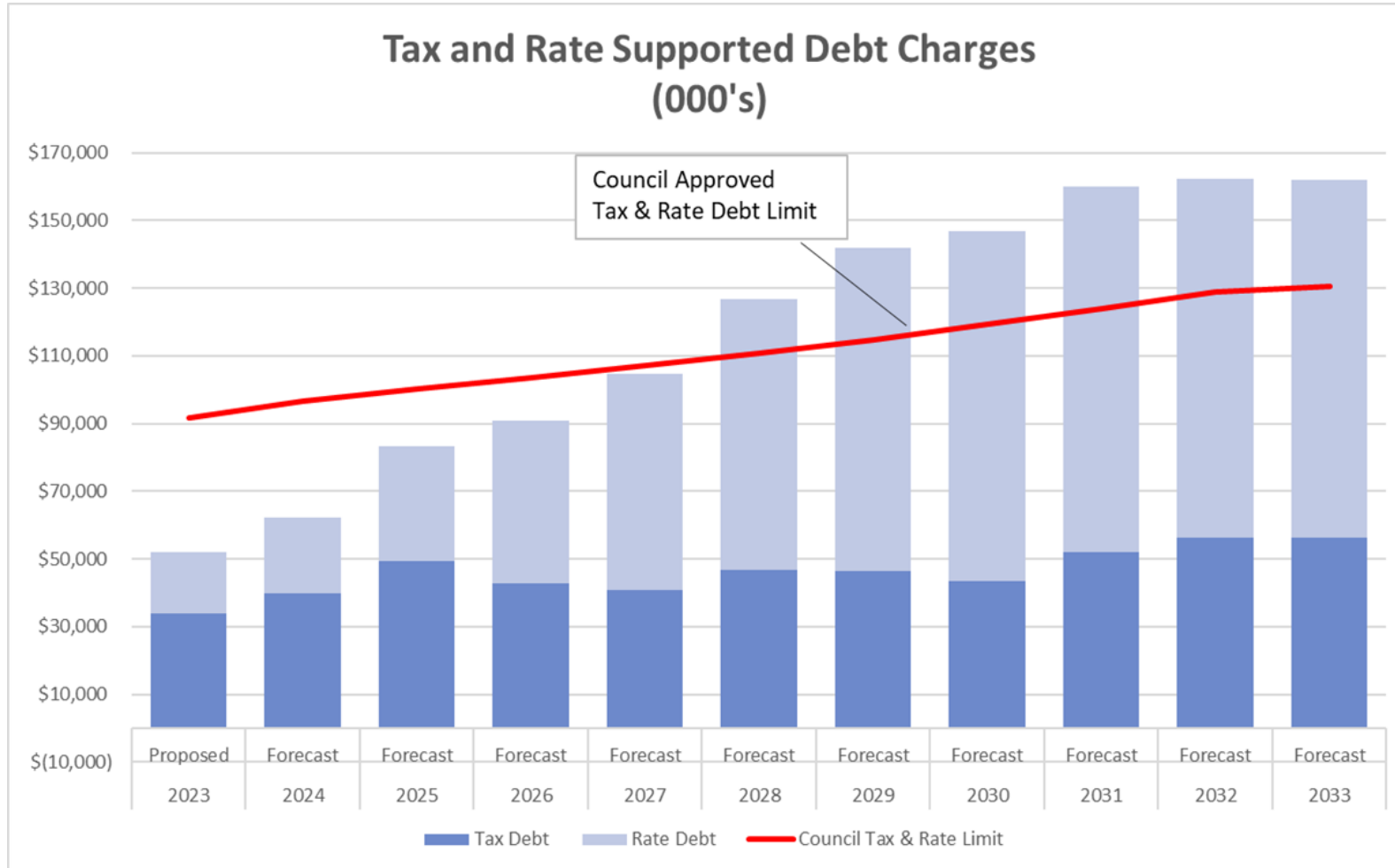
### What is the cost of our rate supported debt?



# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 10 YEAR FINANCING STRATEGY

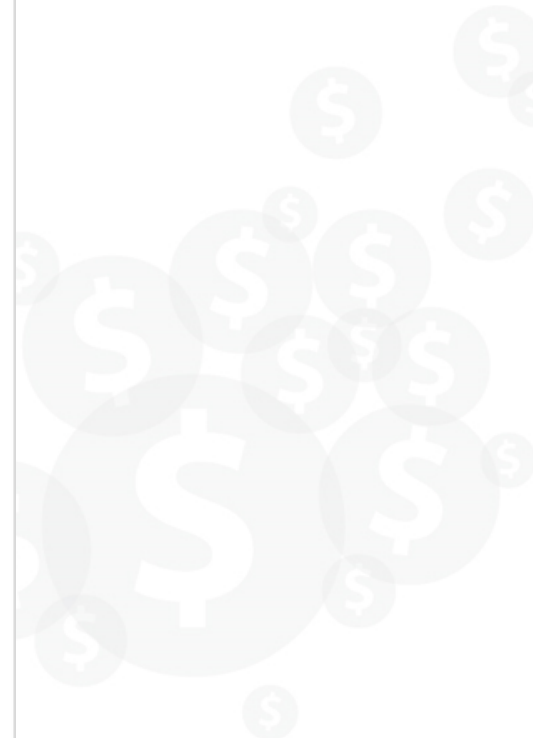
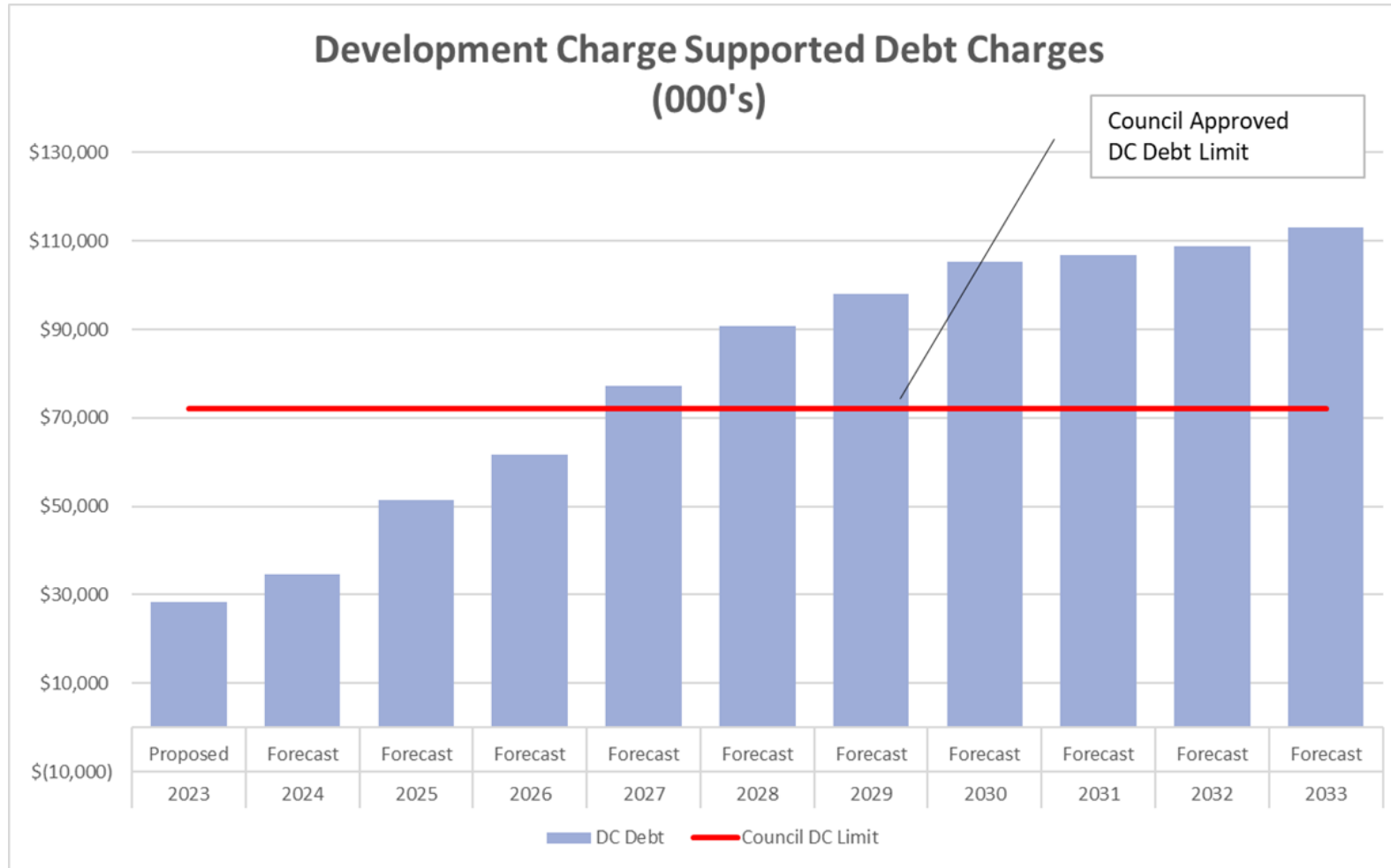
What is the cost of our debt?



# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 10 YEAR FINANCING STRATEGY

### What is the cost of our DC debt?

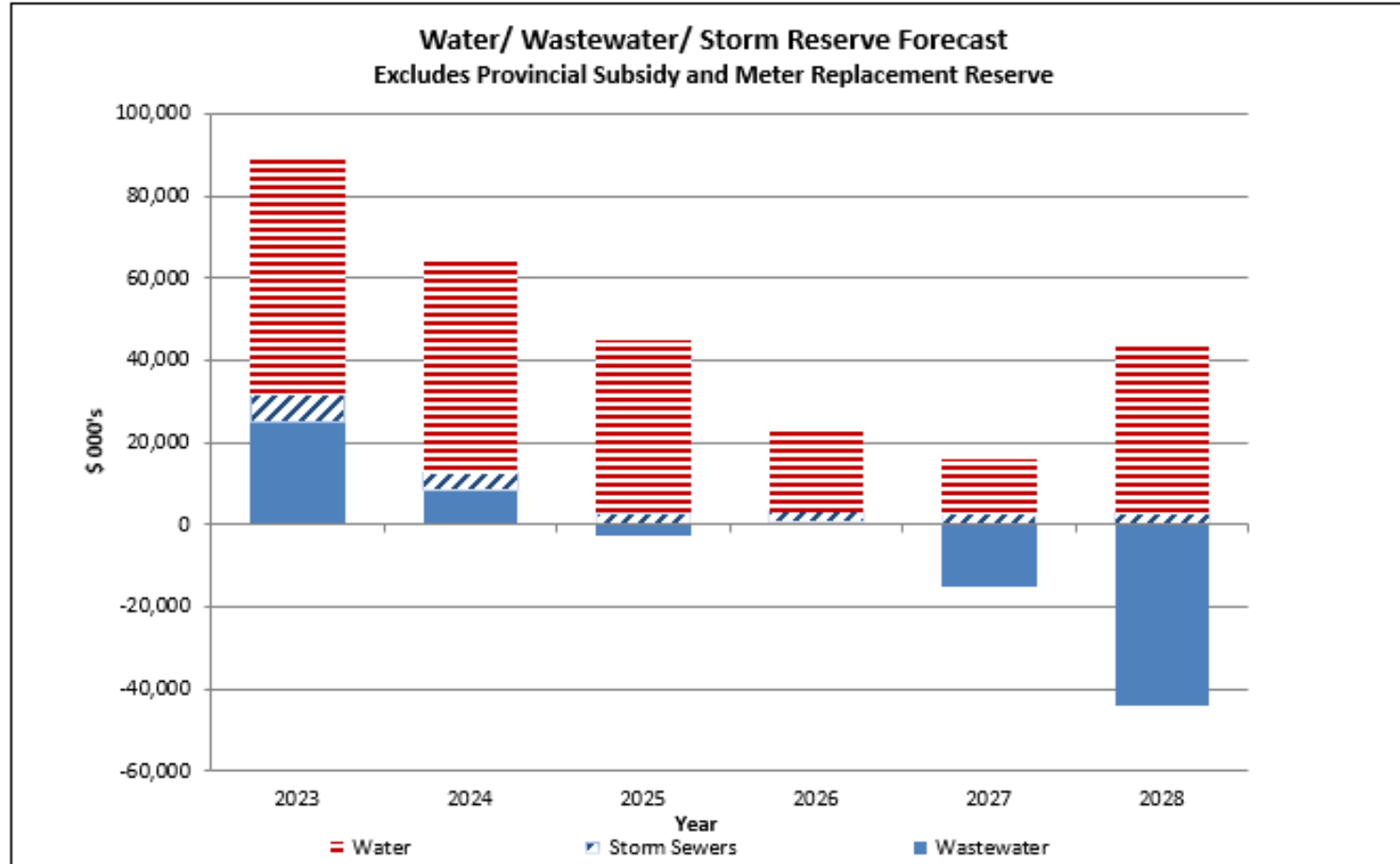




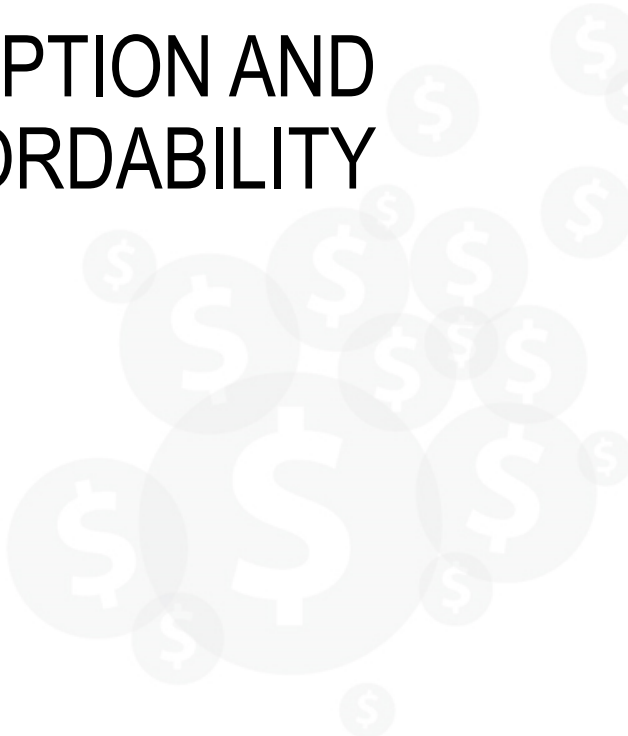
# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 10 YEAR FINANCING STRATEGY

### How much reserves will we use?



# CONSUMPTION AND AFFORDABILITY



# 2024 METERED ACCOUNTS & REVENUE BY SECTOR

Where the \$ comes from

## Metered Accounts by Sector



Residential  
93%



ICI & Multi Residential  
7%

## Consumption by Sector



Residential  
50%



ICI & Multi Residential  
50%

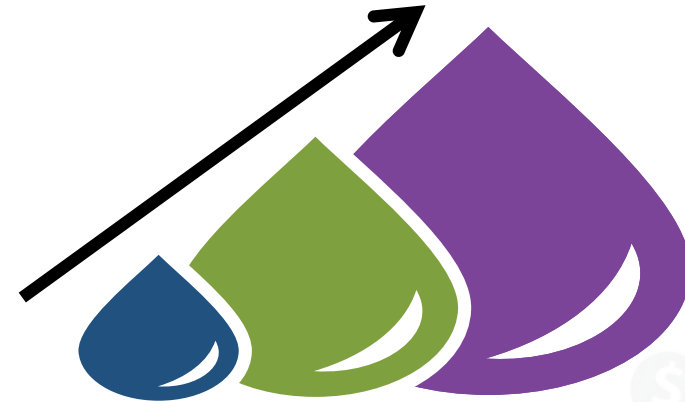
# RESIDENTIAL WATER CONSUMPTION



**2015**

**2023**

+ 12,300 accounts  
9.1% increase



**2015**

**2023**

+ 5.5% increase  
in consumption

# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## 4 YEAR WATER CONSUMPTION FORECAST (M<sup>3</sup>)



2024 → 2027  
**SLIGHT GROWTH**  
Residential



2024 → 2027  
**CONSISTENT**  
ICI/ Multi Res



(Aldershot  
Water Only)

2024 → 2027  
**CONSISTENT**



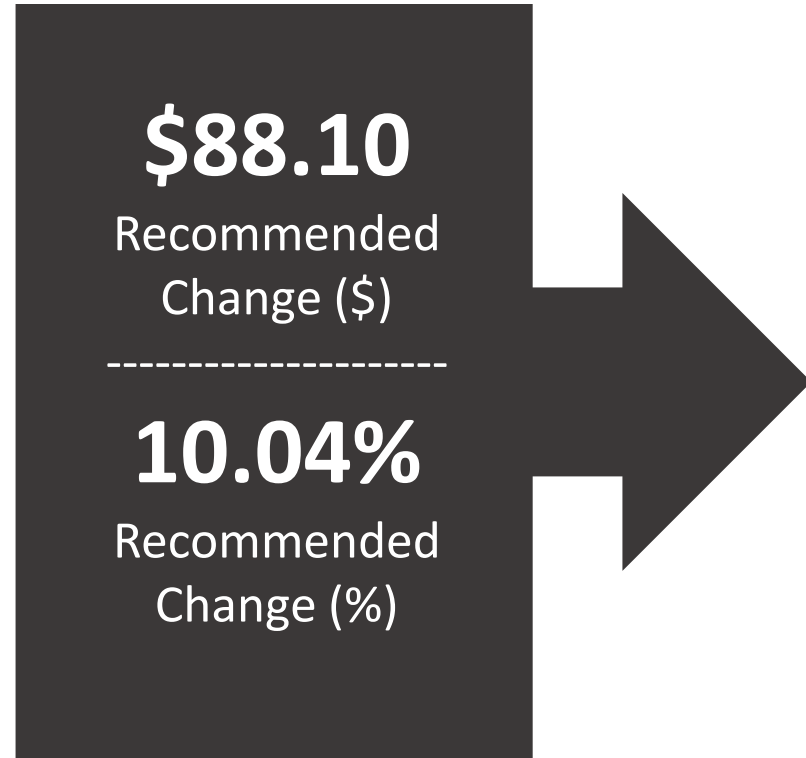
(Caledonia & Cayuga  
Water Only)

2024 → 2027  
**CONSISTENT**

# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

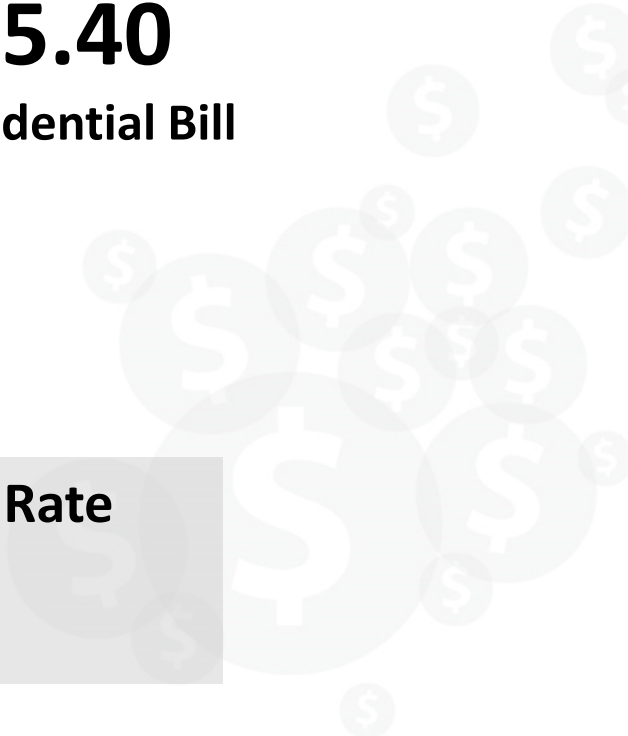
## 2024 AVERAGE RESIDENTIAL BILL

**\$877.30**  
2023 Residential Bill



**\$965.40**  
2024 Residential Bill

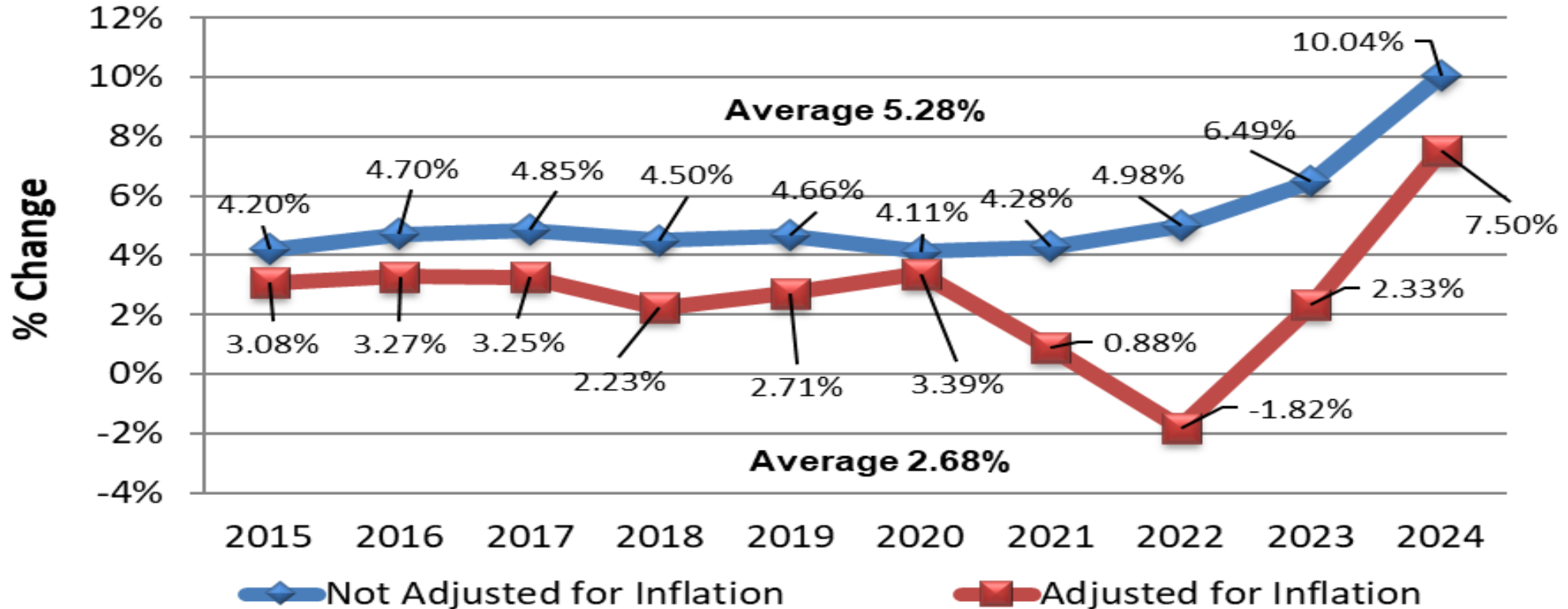
**Impact of Recommended 2024 Water and Wastewater/Storm Rate Increases on a Typical Residential Bill: 10.04%**  
*Based on annual water consumption of 200m<sup>3</sup>*



# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

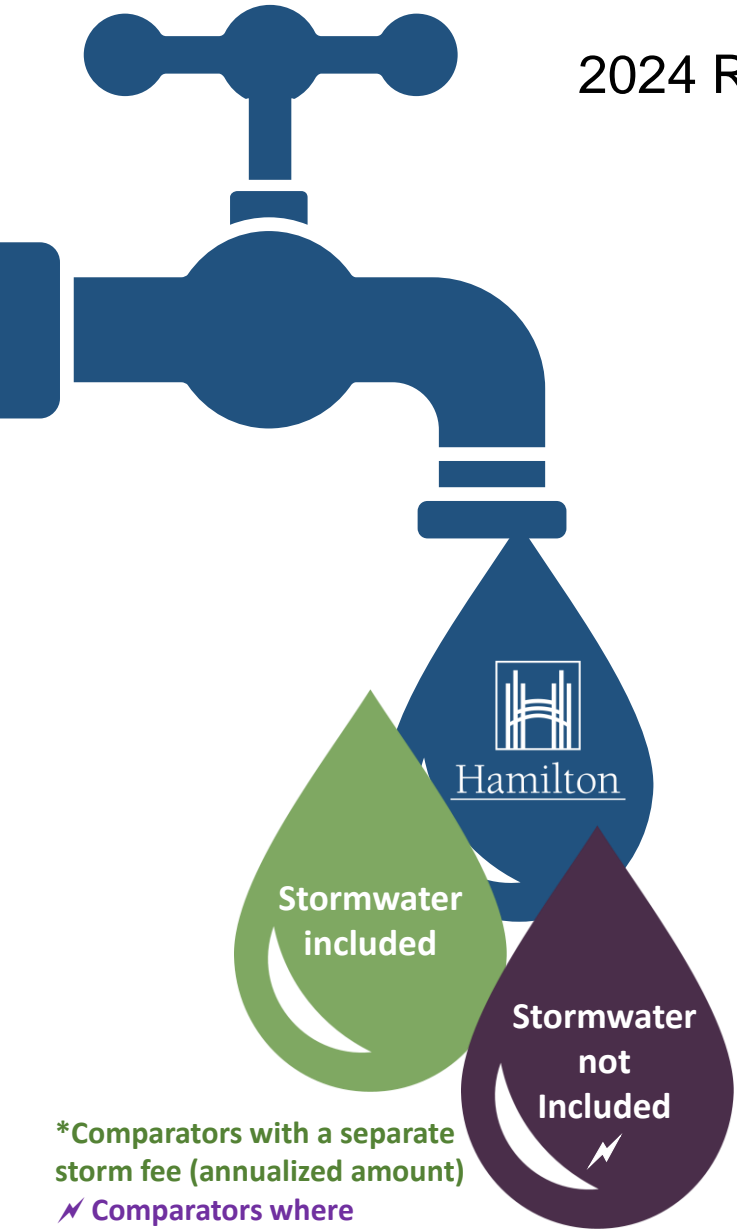
## 10 YEAR RATE INCREASE TREND

### Water & Wastewater/Storm Rate Changes 2015 to 2024



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Average Res. Increase</b>	\$ 24.10	\$ 28.55	\$ 30.60	\$ 29.75	\$ 32.20	\$ 29.70	\$ 32.20	\$ 39.05	\$ 53.45	\$ 88.10

# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget HOW DOES HAMILTON COMPARE?



- \*Kitchener: \$1,628 (\$225)
- ⚡ Norfolk: \$1,627
- ⚡ West-Lincoln: \$1,316
- ⚡ Cambridge: \$1,245
- \*London: \$1,197 (\$216)
- ⚡ St. Catharines: \$1,143
- \*Waterloo: \$1,136 (\$123)
- \*Guelph: \$1,103 (\$91)
- ⚡ Haldimand: \$1,082
- ⚡ Brantford: \$1,003
- ⚡ Halton: \$991
- ⚡ Durham: \$977
- Toronto: \$877
- Hamilton: \$860**
- \*Peel: \$744 (\$117)

## 2023 Water Bill Residential

200m<sup>3</sup>/ (year)

Survey Average  
\$1,129

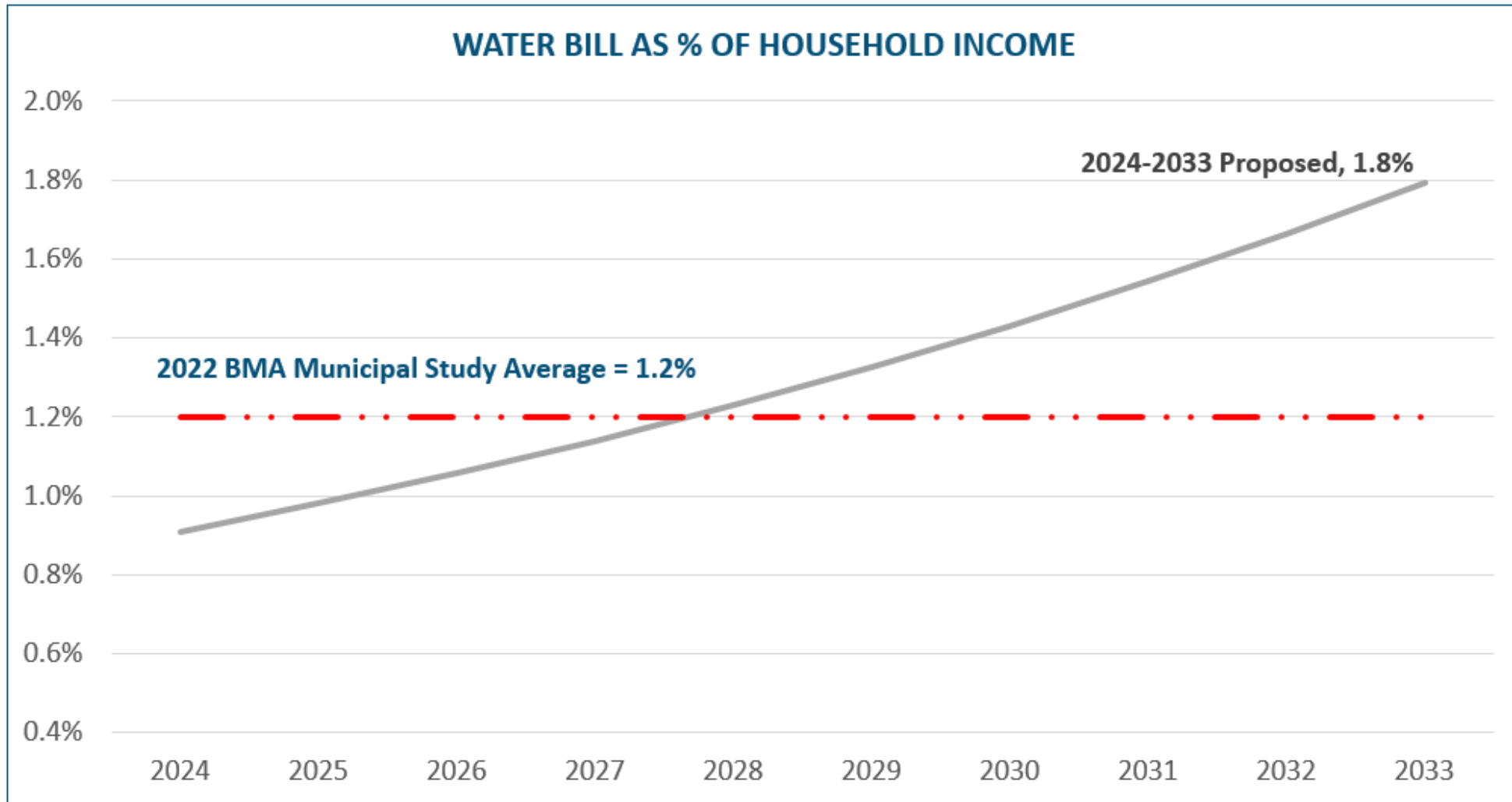
Hamilton provides three services for less than some municipalities which offer two

\*Comparators with a separate storm fee (annualized amount)  
 ⚡ Comparators where Stormwater funded by property tax



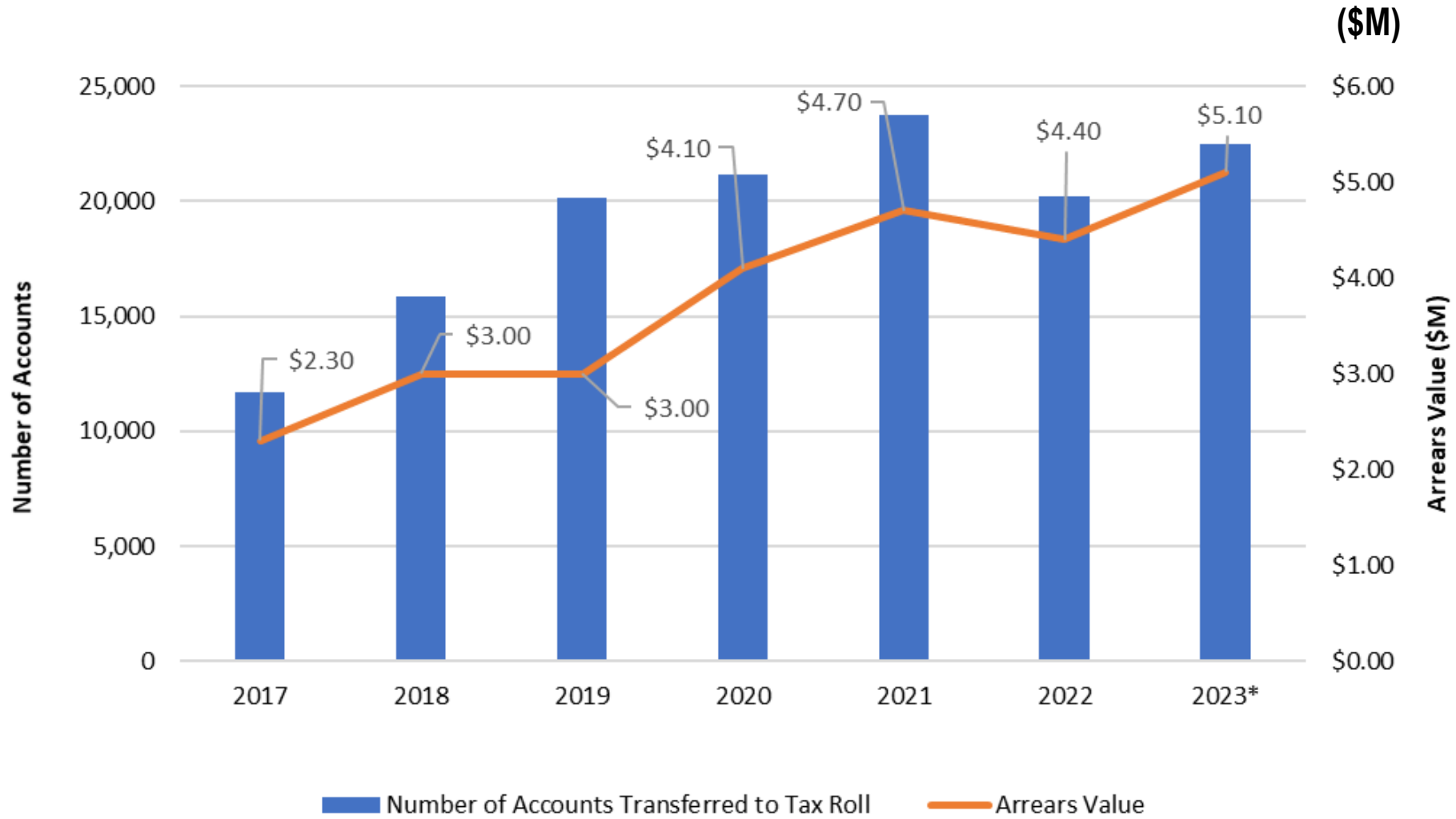
# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## AFFORDABILITY



# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

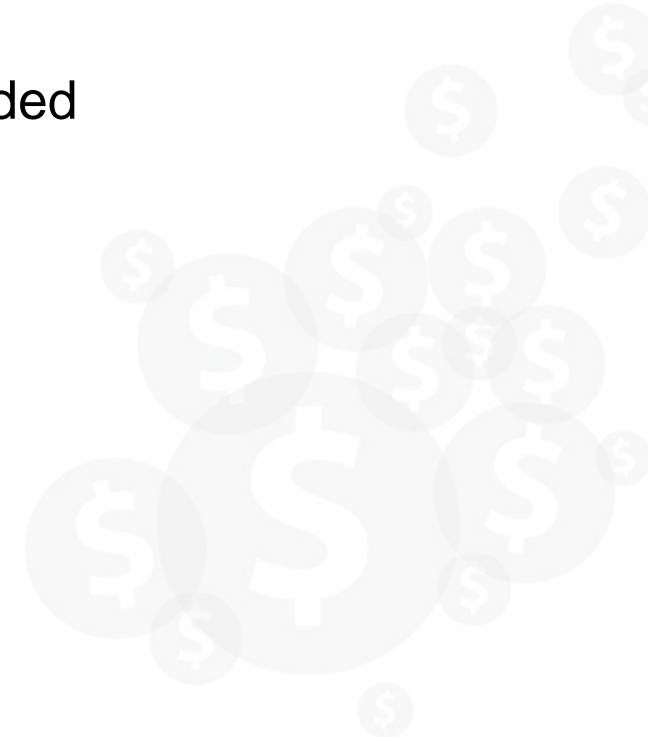
## ARREARS TAX ROLL TRANSFERS



# 2024 Recommended Water, Wastewater and Stormwater Rate Supported Budget

## NEXT STEPS

- November 22, 2023 Council Approval of 2024 Rate Budget, if approved at GIC meeting on November 21, 2023
- November 27, 2023 GIC Rate Budget Meeting, if needed
- December 13, 2023 Council Approval of 2024 Rate Budget, if needed



# THANK YOU

