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# 2014 PRELIMINARY TAX OPERATING BUDGET UPDATE

**General Issues Committee**

**March 20<sup>th</sup>, 2014**

**Agenda Item 4.1**

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# Recommended Budget Amendments

		Total Potential Tax Impact
<b>Preliminary Residential Tax Increase</b>		<b>1.8%</b>
	\$ 21,357,020	
<b>GIC Amendments Approved</b>		<b>0.0%</b>
	(\$ 199,900 )	
<b>Average Residential Total Tax Impact (Approved to date)</b>		<b>1.8%</b>
	\$ 21,157,120	
<b>Proposed Amendments - March 4th GIC</b>		
D1	Corp Fin Deferral of IT Process Audit Improvement	(\$ 297,000 )
D2	Corp Serv Clerks increase in registration revenues	(\$ 38,000 )
D3	PHS HBHC program efficiencies	(\$ 32,700 )
D4	PHS Various operating lines	(\$ 62,300 )
D5	CESD OW caseloads decrease in cost per case	(\$ 76,489 )
D6	CESD Adj. to social housing operating subsidies	(\$ 187,175 )
D7	PHS Nicotine Replacement Therapy (\$25k gross)	\$ 0
		(\$ 693,664 )
		(0.1%)
<b>Average Residential Total Tax Impact</b>		<b>1.8%</b>
	\$ 20,463,456	
<b>Average Residential Reassessment-related tax impact</b>		<b>(0.3%)</b>
<b>Average Residential Total Tax Impact (Inclusive of reassessment)</b>		<b>1.4%</b>

Detailed Budget Amendment schedule in Appendix “D” to Report FCS14005 updated as per attached.

Note – anomalies in totals due to rounding.



# 2014 Total Preliminary Impact for the Average Residential Tax Bill

	2014 Tax Impact (Average Residential)	
	DRAFT	
	\$	%
Municipal Taxes		
City Departments	\$ 48	1.6%
Boards & Agencies	\$ 10	0.3%
Capital	\$ 0	0.0%
<b>Total Municipal Taxes</b>	<b>\$ 58</b>	<b>1.9%</b>
Education Taxes	\$ (8)	(1.3)%
<b>Total Taxes</b>	<b>\$ 50</b>	<b>1.4%</b>

Note - based on City-wide average residential assessment, inclusive of reassessment impacts

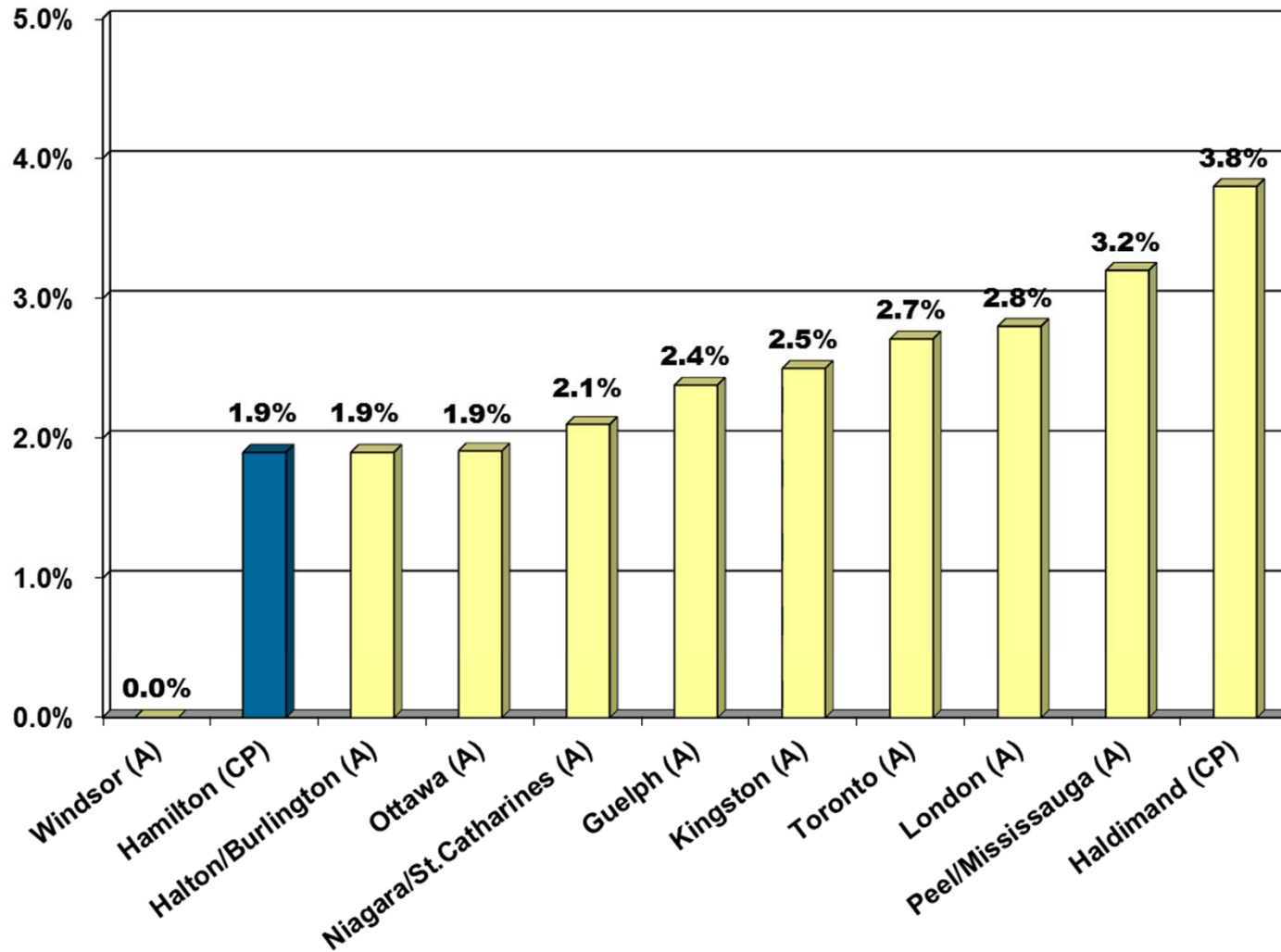
***These numbers exclude Council Referred and Requested Enhancements***

Note – anomalies in totals due to rounding.



# 2014 Average Municipal Tax Impacts

(information to date)



T = Target; CP = Current Position; A = Approved

Note: Hamilton Total Tax Impact including education is 1.4%.



## Council Referred Items (Appendix “A” to FCS14005)

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- 3 items referred by Council to the 2014 budget process remain for consideration
- Represents \$115,000 gross, \$115,000 net, 0 FTE; subject to review of Transit enhancement
- **NOT** included in the preliminary budget pending Council’s consideration
- If all approved, would increase total tax impact by less than 0.1%



# Requested Enhancements (Appendix “B” to FCS14005)

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In addition to Council Referred :

- 6 requested items submitted to the 2014 budget process remain for consideration
- Represents \$1.9 million gross, \$0.7 million net; 20.0 FTE
- **NOT** included in the draft budget pending Council’s consideration
- If all approved, would increase total tax impact by about 0.1%



# Reducing the Tax Impact

	Reductions	Levy Increase	Residential Tax Incr.*
<b>PRELIMINARY BUDGET</b>		\$ 20,460,000	1.4%
<b>TOTAL REDUCTIONS OF</b>	\$ (3,400,000)	\$ 17,060,000	1.0%
<b>TOTAL REDUCTIONS OF</b>	\$ (7,650,000)	\$ 12,810,000	0.5%
<b>TOTAL REDUCTIONS OF</b>	\$ (11,900,000)	\$ 8,560,000	0.0%

\* - Total residential tax increase includes education

- Excludes Council Referred & Requested Enhancement items
- 1% on Residential Tax Increase:
  - **“TOTAL” INCLUDING EDUCATION = \$8.5M**
  - **1% municipal only = \$7.2M**

Note – anomalies in totals due to rounding.



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# Process





- Today's agenda:
  - Item 4.2 - 2014 Transit Service Enhancement Plan
  - Item 5.1 - Tim Horton's Field Enhancements
  - Item 5.2 - Municipal Carparks – Revenue Generation
  - Item 5.3 - 2014 Tax Supported Operating Budget - Recommendations
    - Council Referred Items (Appendix A to FCS14005)
      - Motion required to add to budget
    - Requested Enhancements (Appendix B to FCS14005)
      - Motion required to add to budget
    - Boards & Agencies (Appendix C to FCS14005)
      - Recommendation included in report
    - Department Budgets (Recommendations FCS14005)
      - Recommendations included in report



- **March 6<sup>th</sup> - Cancelled**
- **March 20<sup>th</sup> – Deliberations**
  - Approve proposed amendments as per Appendix “D” attached
  - Council Referred / Requested Enhancements
- **March 26<sup>th</sup> – Council Approval**
- **April – Tax Policies**



# Proposed Additional Amendments – Motion Required

			FTE	Net Levy Adjustment \$
D1	Corp Fin	Deferral of IT Process Audit Improvement (operating impact from capital)	(2.00)	(297,000)
D2	Corp Serv	Clerks increase in registration revenues		(38,000)
D3	PHS	Healthy Babies Healthy Children program efficiencies		(32,700)
D4	PHS	Various operating lines		(62,300)
D5	CESD	Ontario Works caseloads decrease in cost per case (\$671k gross)		(76,489)
D6	CESD	Adjustment to social housing operating subsidies		(187,175)
D7	PHS	Smoking Cessation Clinic Nicotine Replacement Therapy (NRT) (\$25k gross)		0
<b>Total Proposed City Amendments</b>			<b>(2.00)</b>	<b>(693,664)</b>



Hamilton

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END

**CITY OF HAMILTON**  
**2014 TAX SUPPORTED OPERATING BUDGET AMENDMENTS**

<u>Department</u>	<u>Description</u>	FTE	Preliminary Budget	Net Levy Adjustment	Levy Increase \$	Residential Impact	
						Muni	Total
<b>Operating Levy Impact Preliminary Budget - Budget Book (Jan. 27 GIC)</b>		<b>6,925.17</b>	<b>\$ 748,635,100</b>		<b>\$ 21,357,020</b>	<b>2.2%</b>	<b>1.8%</b>
<b>GIC AMENDMENTS APPROVED:</b>							
<b>March 4th GIC</b>							
Community Grants	CPP funding for increased ERCS costs (\$65k gross, funded from CPP reserve)				0		
<b>Feb 27th GIC</b>							
Legislative	Hamilton Veterans Committee				5,000		
Legislative	Hamilton Cycling Committee				1,000		
Legislative	Hamilton Cycling Committee - One Time Addt'l (\$1k gross funded from reserve)				0		
Legislative	Hamilton Youth Advisory Committee - One Time Addt'l (\$2.5k gross funded from reserve)				0		
Legislative	Hamilton Historical Board - One Time Addt'l (\$3k gross funded from reserve)				0		
Legislative	Clean City Liasion Committee - One Time Addt'l (\$10.5k gross funded from reserve)				0		
<b>Feb 13th GIC</b>							
Community Grants	C14 - Agricultural and Rural Affairs Committee (\$5k gross funded from reserve)				0		
Community Grants	C10 - James Street North SuperCrawl Event (\$80k gross funded from reserve)				0		
Corp Fin/Non-Prog	Flamboro Slot revenue increase from non-approval of C5 - Health Promotion Problem Gambling				(70,000)		
<b>Feb 11th GIC</b>							
Corp Fin/Non-Prog	Supplementary Taxes				(500,000)		
Corp Fin/Non-Prog	Payments in Lieu				(117,900)		
Corp Fin/Non-Prog	Flamboro Slot				500,000		
<b>Feb 7th GIC</b>							
PHS	100% provincial funding for the Needle Exchange Program Supplies				(18,000)		
		<b>0.00</b>			<b>\$ (199,900)</b>	<b>0.0%</b>	<b>0.0%</b>
<b>AVERAGE RESIDENTIAL TOTAL TAX IMPACT (Approved to date)</b>		<b>6,925.17</b>	<b>\$ 748,435,200</b>		<b>21,157,120</b>	<b>2.2%</b>	<b>1.8%</b>
<b>Proposed Amendments:</b>							
D1	Corp Fin/Non-Prog	Deferral of IT Process Audit Improvement (operating impact from capital)	-2.00		(297,000)		
D2	Corp Serv	Clerks increase in registration revenues			(38,000)		
D3	PHS	Healthy Babies Healthy Children program efficiencies			(32,700)		
D4	PHS	Various operating lines			(62,300)		
D5	CESD	Ontario Works caseloads decrease in cost per case (\$671k gross)			(76,489)		
D6	CESD	Adjustment to social housing operating subsidies			(187,175)		
D7	PHS	Smoking Cessation Clinic Nicotine Replacement Therapy (NRT) (\$25k gross)			0		
			<b>-2.00</b>		<b>\$ (693,664)</b>	<b>(0.1)%</b>	<b>(0.1)%</b>
<b>AVERAGE RESIDENTIAL TOTAL TAX IMPACT (Inclusive of proposed amendments)</b>		<b>6,923.17</b>	<b>\$ 747,741,536</b>		<b>20,463,456</b>	<b>2.1%</b>	<b>1.8%</b>
Average Residential Reassessment-related tax impact						(0.1)%	(0.3)%
<b>AVERAGE RESIDENTIAL TOTAL TAX IMPACT (Inclusive of reassessment)</b>						<b>1.9%</b>	<b>1.4%</b>

CONTINUED

**CITY OF HAMILTON**  
**2014 TAX SUPPORTED OPERATING BUDGET AMENDMENTS**

<u>Department</u>	<u>Description</u>	FTE	Preliminary Budget	Net Levy Adjustment	Levy Increase \$	Residential Impact	
						Muni	Total
<b>Pending Enhancements:</b>							
	Council Referred Items as per Appendix "A" to Report FCS14005				115,000		
	Requested Enhancements as per Appendix "B" to Report FCS14005	20.00			696,368		
		20.00			\$ 811,368	0.1%	0.1%
<b>AVERAGE RESIDENTIAL TOTAL TAX IMPACT (Inclusive of pending enhancements)</b>		6,943.17	\$ 748,552,904		21,274,824	2.0%	1.5%

Note - anomalies in totals due to rounding.