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# **2016 PRELIMINARY TAX OPERATING BUDGET UPDATE**

**General Issues Committee**

**February 23, 2016**



- February 23<sup>rd</sup> GIC
    - Assessment Growth
    - Budget Reductions
    - Referred Items – continue deliberations and direction
  - February 26th GIC
    - Draft 2015 Operating Budget Variance
    - Funding for Conservation Authority Shelter
    - Budget Recommendation Report
  - March 3rd GIC
  - March 9th – Council approval
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# Recommended Budget Amendments (Proposed February 23<sup>rd</sup> GIC)

## Proposed Amendments:

|           |  |                 |
|-----------|--|-----------------|
| CES       | Ontario Works Client Costs - Updated Caseload and Cost per Case (-\$6.0m gross)  | (\$ 347,080 )   |
| CES       | Ontario Works Client Costs - Upload Adjustment (-\$3.2m gross)   | (\$ 184,010 )   |
| CES       | Special Supports - Discretionary Benefits: Decrease in projected ODSP cases (-\$170k gross)  | (\$ 9,870 )     |
| CMO       | Corp Initiatives - Reduction in employee expenses  | (\$ 24,000 )    |
| CMO       | Communications - Reduction in employee expenses  | (\$ 15,000 )    |
| Corp Serv | Finance ,Admin & Revenue Generation - revenue from new advertising   | (\$ 400,000 )   |
| PHS       | Health Protection - Lab Techs & Mosquito traps   | (\$ 33,130 )    |
| PHS       | Office of Medical Officer of Health - Amalgamated role of medical director into existing AMOH complement                           | (\$ 63,480 )    |
| PHS       | Injury Prevention - Youth Net Youth Advisor (no direct service impacts with reduction)   | (\$ 34,970 )    |
| PHS       | Dental Services - Transfer of oral health program from cost-shared budgets into a new HSO budget allocated at 100% (-\$295k gross) | (\$ 73,710 )    |
| PHS       | Various Administrative Savings   | (\$ 34,120 )    |
| PW        | Operations / Transit - Fuel savings reduction  | (\$ 500,000 )   |
| CES       | Hamilton Paramedic Service - repayment of new stretchers and loading systems   | \$ 56,000       |
|           |  | (\$ 1,663,370 ) |



# Recommended Budget Amendments (Proposed February 23<sup>rd</sup> GIC)

|  |                      | Potential Tax Impact |
|--|----------------------|----------------------|
| <b>Preliminary Residential Tax Increase - Budget Book</b>      | <b>\$ 27,954,520</b> | <b>2.3%</b>          |
| GIC Amendments Approved - Presented February 12th GIC          | (\$ 1,432,840 )      | (0.2%)               |
| <b>Average Residential Municipal Impact (Approved to date)</b> | <b>\$ 26,521,680</b> | <b>2.1%</b>          |
| Proposed Amendments - Presented February 23rd GIC              | (\$ 1,663,370 )      | (0.2%)               |
| <b>Average Residential Municipal Impact</b>                    | <b>\$ 24,858,310</b> | <b>1.9%</b>          |
| Growth / Reassessment Impact                                   |                      | (0.5%)               |
| Estimated Education Impact at 0%                               |                      | (0.2%)               |
| <b>Average Residential Total Tax Impact</b>                    |                      | <b>1.2%</b>          |

# 2016 Municipal Preliminary Impact for the Average Residential Tax Bill

## Includes Proposed Amendments

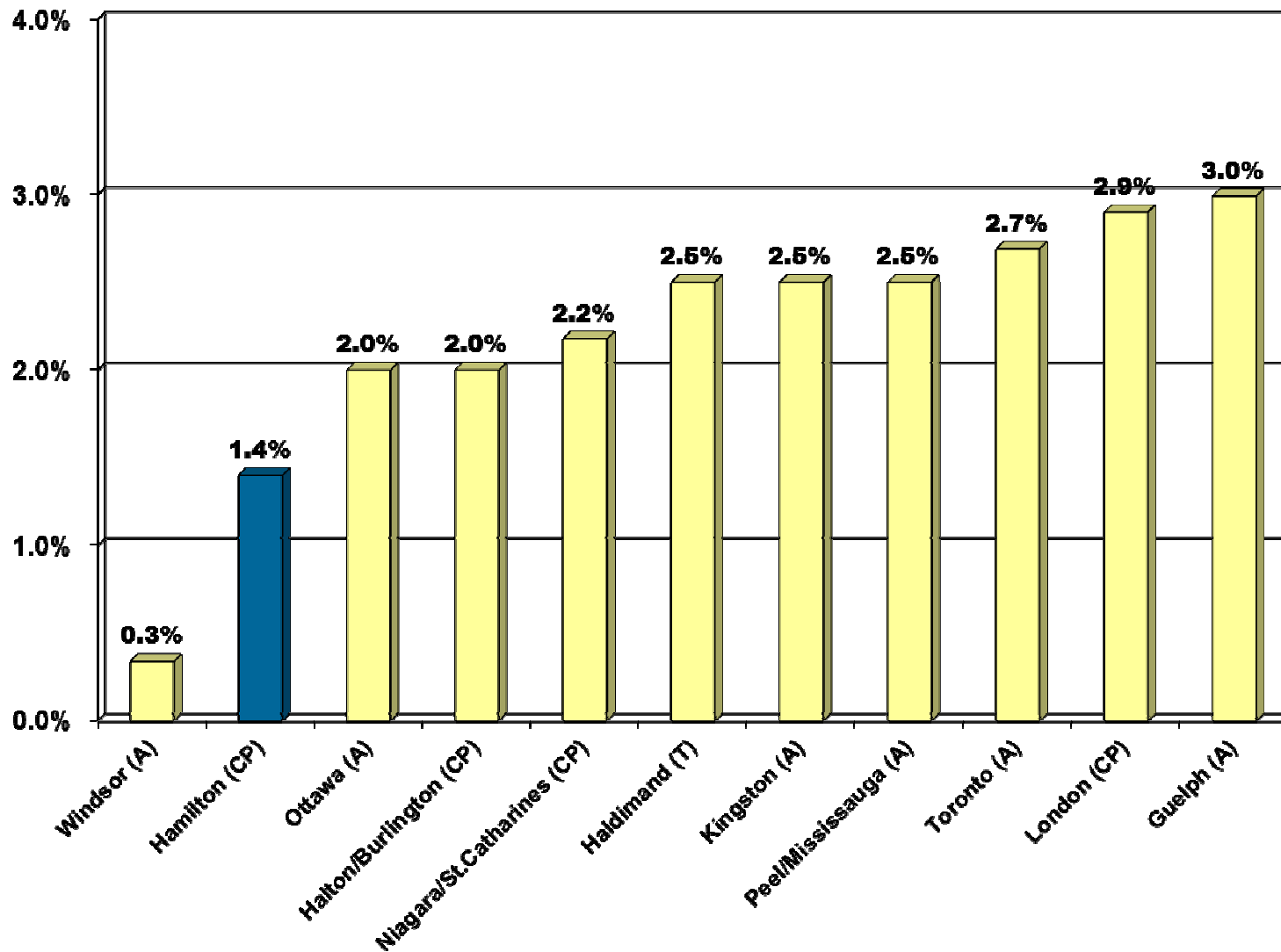
|  | 2016 Impact<br>(Average Residential) |             |
|--|--------------------------------------|-------------|
|  | Draft                                |             |
|  | \$                                   | %           |
| Municipal Taxes                          |                                      |             |
| City Departments                         | \$ 21                                | 0.7%        |
| Boards & Agencies                        | \$ 10                                | 0.3%        |
| Capital Financing                        | \$ 16                                | 0.5%        |
| <b>Total Municipal Taxes<sup>1</sup></b> | <b>\$ 46</b>                         | <b>1.4%</b> |
| Education Taxes <sup>2</sup>             | 0.0%                                 | 0.0%        |
| <b>Total</b>                             | <b>\$ 46</b>                         | <b>1.2%</b> |

1. Updated for growth and reassessment. Average residential assmt. = \$295,300

2. Estimated education impact @ 0%

**\$9 million = 1% total tax impact**

# 2016 Average Municipal Tax Impacts



Note – anomalies in totals due to rounding.



## Additional Information - Housing

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- 2016 Investments in Housing
    - Capital \$3.8 Million
      - Housing Services – Repairs/Rehab \$1.5M
      - City Housing Hamilton - \$2.3M
    - Operating
      - \$2.4 Million increase over 2015
  - Pending Referred Item (Item 6, slide 13)
    - Housing Allowance / Portable rent Subsidy Program \$1.1 million (\$825,000 in 2016)
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# REFERRED ITEMS





## Referred Items (Updated Appendix 1-5)

- Items previously considered at Council and referred to the budget process for further discussion.
- 16 referred items submitted as part of the 2016 budget book and 6 NEW items subsequently added by Council.
- 7 referred items removed, deferred or revised at February 12<sup>th</sup> GIC

|                             |                     |
|-----------------------------|---------------------|
| <b>Gross Impact</b>         | <b>\$ 6,734,145</b> |
| <b>Net Impact</b>           | <b>\$ 6,233,150</b> |
| <b>Annualized FTE</b>       | <b>11.12</b>        |
| <b>Municipal Tax Impact</b> | <b>0.8%</b>         |
| <b>Total Tax Impact</b>     | <b>0.7%</b>         |
| 2017 Additional Net Impact  | \$342,860*          |

\* The 2016 impact reflects part year commencement of some initiatives with an additional pressure created in 2017 from annualization.



# Referred Items (Updated Appendix 1-5)

## Planning & Economic Development

|   | INITIATIVE   | 2016 Amount                              |            | Annualized FTE |
|---|--|--|------------|----------------|
|   |  | Gross Impact                             | Net Impact |                |
| 1 | Tourism & Culture: Implementation of Tourism Strategy to increase economic impact of tourism in Hamilton ( <b>Council Referred</b> (PED15026))                                       | \$350,000                                | \$350,000  | 0.00           |
| 2 | Parking & By-Law Services: License Facilitator – One Stop Business Centre ( <b>Council Referred</b> (PED14136))  | \$62,000                                 | \$62,000   | 1.00           |
| 3 | Planning: Funding of the Long Range Planning Office ( <b>Council Referred</b> (Item A23, Book 1 pg59 from the 2015 budget submission GIC 15-004)) <b>Original Request: \$350,000</b> | Deferred – February 12 <sup>th</sup> GIC |            |                |



# Referred Items (Updated Appendix 1-5)

## Planning & Economic Development

| INITIATIVE   | 2016 Amount        |                  | Annualized FTE |
|--|--------------------|------------------|----------------|
|  | Gross Impact       | Net Impact       |                |
| <b>4</b> Parking & By-Law Services: Variance Reduction Strategy (Council Referred (PED 15121))<br><b>Original Request: \$1,420,000</b> | \$760,000          | \$760,000        | 0.00           |
|  | <i>Original</i>    | <i>Revised</i>   |                |
| <i>Fine Revenue</i>  | \$360,000          | \$180,000        |                |
| <i>Lottery Revenue</i>   | \$255,000          | \$155,000        |                |
| <i>Inspection Fee</i>  | \$285,000          | \$285,000        |                |
| <i>Animal Services</i>   | \$260,000          | \$50,000         |                |
| <i>Sign Fee Revenue</i>  | \$90,000           | \$90,000         |                |
| <i>Business Licenses</i>   | \$170,000          | \$0              |                |
| <b>Total:</b>  | <b>\$1,420,000</b> | <b>\$760,000</b> |                |



# Referred Items (Updated Appendix 1-5)

## Public Health Services

| INITIATIVE  | 2016 Amount  |            | Annualized FTE |
|---|--------------|------------|----------------|
|   | Gross Impact | Net Impact |                |
| 5 Healthy Living: Annual Grant to Neighbour 2 Neighbour from 2016 to 2020 ( <b>Council Referred</b> (BOH15030)) | \$200,000    | \$200,000  | 0.00           |



# Referred Items (Updated Appendix 1-5)

## Community & Emergency Services

| INITIATIVE |   | 2016 Amount  |            | Annualized FTE |
|------------|---|--------------|------------|----------------|
|            |   | Gross Impact | Net Impact |                |
| 6          | Housing Services: Establish a portable rent subsidy program for households with lower income  | \$825,000    | \$825,000  | 0.00           |
| 7          | Macassa/Wentworth Lodges: Lodges capital plan – allocation for annual contribution to lodges dedicated reserve for future capital requirements<br><i>Original Request: \$500k (Revised at GIC Feb 12)</i> | \$250,000    | \$250,000  | 0.00           |



# Referred Items (Updated Appendix 1-5)

## Public Works

| INITIATIVE |  | 2016 Amount                             |            | Annualized FTE |
|------------|--|---|------------|----------------|
|            |  | Gross Impact                            | Net Impact |                |
| 8          | Cemetery Marketing Plan for pre-need, at-need and post-need products and services. PW November 2/15, Committee Report 15-014 Item 4 ( <b>Council Referred</b> )  | Removed – February 12 <sup>th</sup> GIC |            |                |
| 9          | 10 Year Local Transit Strategy – 2 <sup>nd</sup> year of a two-year phasing of service level improvements. Funds design of new facility. GIC March 6/15, Committee Report 15-004(g) Item 2 ( <b>Council Referred</b> )<br><i>Original Request: TBD</i> | \$192,680                               | \$192,680  | 0.00           |



# Referred Items (Updated Appendix 1-5)

| Public Works |   | 2016 Amount                              |             | Annualized FTE |
|--------------|---|--|-------------|----------------|
|              |   | Gross Impact                             | Net Impact  |                |
| INITIATIVE   |   |  |             |                |
| 10           | HSR: Debt Financing of 11 Buses. GIC March 6/15, Committee Report 15-004(g) Item 2 ( <b>Council Referred</b> )<br><i>Original Request: \$778,495 net</i>  | \$778,495                                | \$390,000   | 0.00           |
| 11           | AODA Enhancement: Expand ATS program by 75,000 trips. PW April 28/10, Committee Report 10-006 Item 2 ( <b>Legislated</b> )  | \$2,165,250                              | \$2,165,250 | 0.00           |
| 12           | CASP: Double output and response to Community Traffic Requests. PW May 21/15, Committee Report 15-007 Item 6 ( <b>Council Referred</b> )  | \$112,500                                | \$0.00      | 2.00           |
| 13           | CASP Golf Courses: Develop a marketing strategy and new fee structure for Season Passes and Green Fees. PW June 15/15, Committee Report 15-009 Item 6 ( <b>Council Referred</b> )<br><i>Original Request: TBD</i> | Deferred – February 12 <sup>th</sup> GIC |             |                |



# Referred Items (Updated Appendix 1-5)

| <b>City Manager</b>  |  | <b>2016 Amount</b> |  | <b>Annualized FTE</b> |
|--|--|--------------------|--|-----------------------|
| <b>INITIATIVE</b>  | <b>Gross Impact</b>                      | <b>Net Impact</b>  |  |                       |
| <b>14</b> Human Resources: Employment System Review (FCS15048/CM15006) (GIC Report 15-012 Budget) <b>(Council Referred)</b> Currently deferred as staff are looking to find the capacity to fill this position within the City's existing budget and complement. | Deferred – February 12 <sup>th</sup> GIC |                    |  |                       |





# Referred Items (Updated Appendix 1-5)

## Corporate Services

| INITIATIVE                     |  | 2016 Amount        |                    | Annualized FTE |
|--------------------------------|--|--------------------|--------------------|----------------|
|                                |  | Gross Impact       | Net Impact         |                |
| 15                             | City Enrichment Fund: General Grant Program - \$300k for Arts, \$150k for the remaining programs; Agriculture, Community Services, Environment, Sports & active Lifestyles, and Community, Culture & Heritage. <b>(Council Referred (FCS14024(c)))</b> | \$450,000          | \$450,000          | 0.00           |
| 16                             | Waterfront Trust: Operation and maintenance of City's outdoor rink (summer/winter), washrooms, and grounds. <b>(Council Referred (FCS15077))</b>   | \$143,000          | \$143,000          | 0.00           |
| <b>REFERRED ITEMS SUBTOTAL</b> |  | <b>\$6,288,925</b> | <b>\$5,787,930</b> | <b>3.00</b>    |



# Referred Items (Added Subsequent to Budget Submission)

## Planning & Economic Development

|            |  | 2016 Amount  |            | Annualized FTE |
|------------|--|--------------|------------|----------------|
|            |  | Gross Impact | Net Impact |                |
| INITIATIVE |  |              |            |                |
| 17         | Residential Drainage Assistance & Blocked Swales pilot to be made permanent. PED14105(a)( <b>Council Referred</b> )  | \$222,500    | \$222,500  | 2.00           |
| 18         | Illegal Dumping program approved by Council PED11127(g)/PW11052(i), GIC Report 15-025 on Dec 9/15. Requirement to clarify recommendation to approve 3 FTE to deliver program | \$0          | \$0        | 3.00           |



# Referred Items (Added Subsequent to Budget Submission)

## Public Health Services

| INITIATIVE  | 2016 Amount  |            | Annualized FTE |
|---|--------------|------------|----------------|
|   | Gross Impact | Net Impact |                |
| <b>19</b> Public Health Nurse Secondment to Hamilton Family Health Team as a Community Networker and Neighbourhood Development Strategy – Community Networker Pilot Project BOH14016(a) / CM13001(b)<br><b>(Council Referred)</b> | \$69,720     | \$69,720   | 1.00           |



# Referred Items

(Added Subsequent to Budget Submission)

| <b>Community &amp; Emergency Services</b> |  | <b>2016 Amount</b>                      |                   | <b>Annualized FTE</b> |
|---|--|---|-------------------|-----------------------|
| <b>INITIATIVE</b>                         |  | <b>Gross Impact</b>                     | <b>Net Impact</b> |                       |
| <b>20</b>                                 | Housing Services, Good Shepherd - to address budgetary pressures at the Notre Dame Resource Centre. E&CS December 8/15, Committee Report 15-010 Item 5 (i) <b>(Council Referred)</b> | Removed – February 12 <sup>th</sup> GIC |                   |                       |
| <b>21</b>                                 | Housing Services, YWCA - Transitional Living Program (65 beds) E&CS December 8/15, Committee Report 15-010 Item 5 (i) <b>(Council Referred)</b>                                      | Removed – February 12 <sup>th</sup> GIC |                   |                       |



# Referred Items (Added Subsequent to Budget Submission)

| <b>Public Works</b>                       |   | <b>2016 Amount</b>  |                    | <b>Annualized FTE</b> |
|---|---|---------------------|--------------------|-----------------------|
|   |   | <b>Gross Impact</b> | <b>Net Impact</b>  |                       |
| <b>INITIATIVE</b>                         |   |                     |                    |                       |
| <b>22</b>                                 | Escarpment Vista Viewing Maintenance Program, Motion Approved GIC Feb 12/16 ( <b>Council Referred</b> ) | \$153,000           | \$153,000          | 2.12                  |
| <b>ADDITIONAL REFERRED ITEMS SUBTOTAL</b> |   | <b>\$445,220</b>    | <b>\$445,220</b>   | <b>8.12</b>           |
| <b>REFERRED ITEMS TOTAL</b>               |   | <b>\$6,734,145</b>  | <b>\$6,233,150</b> | <b>11.12</b>          |



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**END**