



2016 PRELIMINARY TAX OPERATING BUDGET UPDATE

General Issues Committee

February 26, 2016



- **February 26th GIC**
 - Draft 2015 Operating Budget Variance
 - Funding for H.C.A. Storage Facility
 - Advisory Committee Reports
 - Budget Recommendation Report
 - **March 3rd GIC (If Req'd)**
 - **March 9th – Council approval**
 - **April – Tax Policies**
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2015 Year-End Forecast

	2015 Approved Budget	2015 Year-End Forecast	Variance	
			\$	%
Planning & Economic Development	27,800	27,993	(193)	(0.7)%
Public Health Services	11,096	11,215	(119)	(1.1)%
Community & Emergency Services	230,856	232,026	(1,171)	(0.5)%
Public Works	215,406	214,599	807	0.4%
Legislative	4,288	3,724	565	13.2%
City Manager	13,064	12,673	392	3.0%
Corporate Services	20,127	19,236	891	4.4%
Corporate Financials/ Non Program Revenues	(31,481)	(36,965)	5,484	17.4%
Hamilton Entertainment Facilities	4,050	4,212	(162)	(4.0)%
Other Boards & Agencies	12,118	12,902	(785)	(6.5)%
City Enrichment Fund	5,333	5,333	0	0.0%
Capital Financing	108,071	107,230	841	0.8%
TOTAL TAX SUPPORTED	620,728	614,177	6,551	1.1%

() - Denotes unfavourable variance



2015 Year-End Forecast

- Forecasted \$6.5M favourable includes a number of significant one-time items:
 - Net surplus of Supplementary Taxes / Write Offs about \$3 million
 - Unbudgeted HST Rebate - \$1.3 million
 - HUC dividend surplus - \$0.9 million
 - Ice Storm funding - \$0.6 million
 - Major City variances include:
 - PW
 - Operations overall favourable / Winter Control unfavourable
 - Transit – HSR Unfavourable
 - Facilities Unfavourable – Tim Horton’s Field
 - CES
 - Housing unfavourable (largely offset by reserves), OW Client Costs, Paramedic.
 - Public Health – Provincial subsidies
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- Hamilton Conservation Authority Storage Facility
= \$200,000
 - Recommendation will be included in year end report to fund from 2015 surplus.



2016 Current Tax Impacts

		Potential Tax Impact Municipal	Potential Tax Impact TOTAL*
Preliminary Residential Tax Increase - Budget Book	\$ 27,954,520	2.3%	1.9%
GIC Amendments - Approved February 12th GIC	(\$ 1,432,840)		
GIC Amendments - Approved February 23rd GIC	(\$ 1,663,370)		
Referred Items - Approved February 23rd GIC	\$ 3,907,100		
	<u>\$ 810,890</u>	0.1%	0.1%
Average Residential Total Tax Impact	\$ 28,765,410	2.4%	2.0%
Growth / Reassessment Impact		(0.5%)	(0.4%)
Average Residential Total Tax Impact		1.9%	1.6%

* Total includes municipal and education impact

\$9 million = 1% total tax impact



2016 Preliminary Impact for the Average Residential Tax Bill

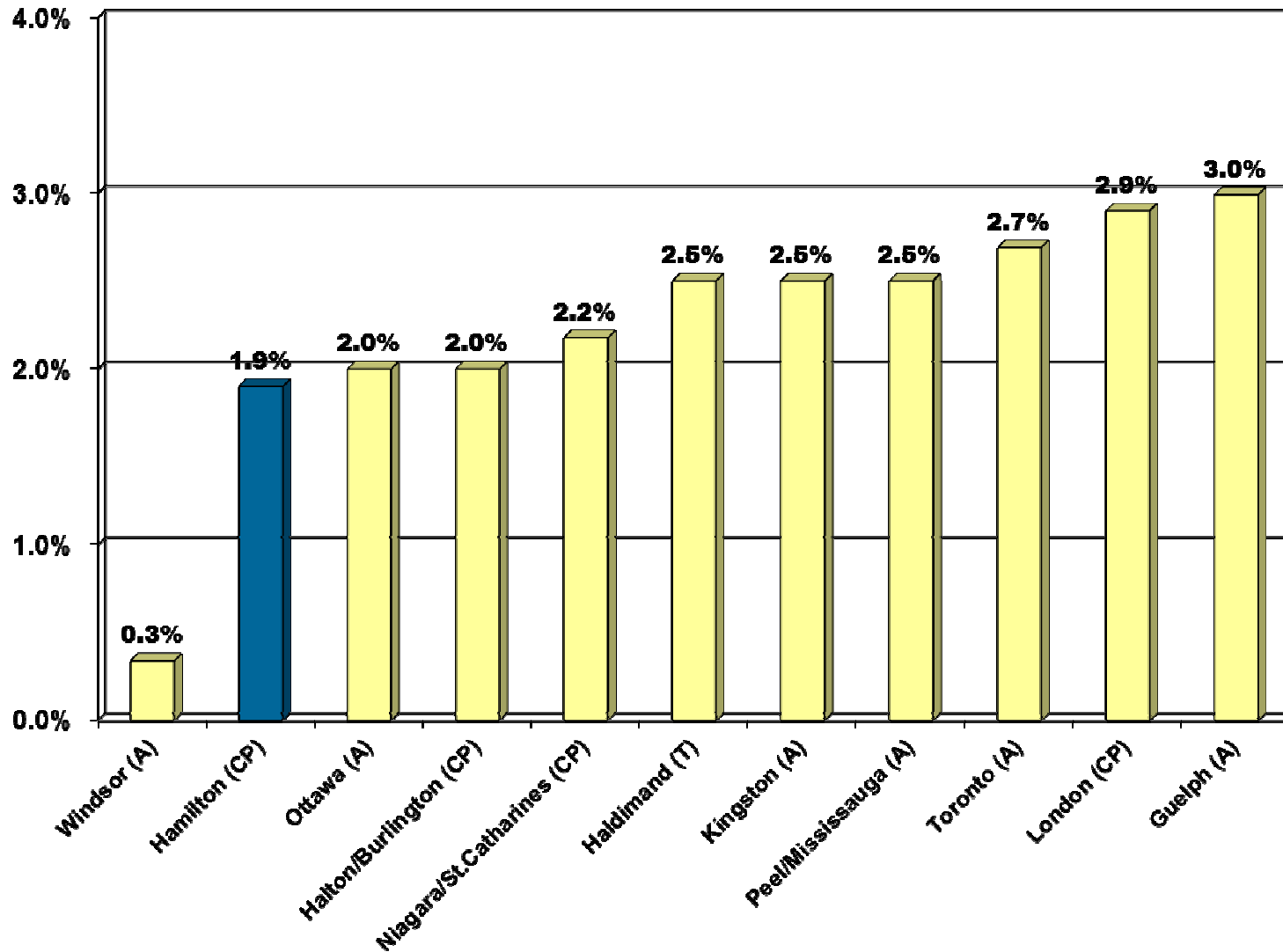
	2016 Impact (Average Residential)	
	Draft	
	\$	%
Municipal Taxes		
City Departments	\$ 37	1.2%
Boards & Agencies	\$ 10	0.3%
Capital Financing	\$ 16	0.5%
Total Municipal Taxes¹	\$ 62	1.9%
Education Taxes ²	\$ 0	0.0%
Total	\$ 62	1.6%

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

2. Estimated education impact @ 0%



2016 Average Municipal Tax Impacts



Note – anomalies in totals due to rounding.



- AODA Enhancement
 - Further discussion between City and DARTS
 - Updated request reduced from \$2.165 million to \$1.1 million.



Referred Items (Updated Appendix 1-5)

Public Works

	INITIATIVE	2016 Amount		Annualized FTE
		Gross Impact	Net Impact	
11	AODA Enhancement: Expand ATS program by 75,000 trips. PW April 28/10, Committee Report 10-006 Item 2 (Legislated) (Original - \$2,165,250)	\$1,100,000	\$1,100,000	0.00

- Total Residential Tax Impact would increase from 1.6% to 1.8%



Budget Process – Continuous Improvement

Implemented this Year

- Accelerated Budget Process. On target for March 9th Approval
 - Provides programs and outside organizations with earlier confirmation of funds
 - Referred items and other budget changes can be implemented earlier
- Common departmental budget presentations
 - Included Continuous Improvement Notes and Performance Metrics
- Enhanced Engagement – Social Media, Web, Budget Allocator, Town Hall

Future Budget Process

- Enhanced Public Consultation
 - Staff to report back on additional changes (e.g. Town Halls)
- Dedicated GIC for Transit – Earlier in Budget Process
- Progress towards Multi-Year Budgets / Performance Measurement



Hamilton

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