



Hamilton

**2017 Tax Supported Capital Budget**

**GIC Presentation on October 21, 2016**

- 2017 Tax Capital Budget Objectives
- Tax Supported Debt Forecast
- Potential Operating Budget Impacts from Capital
- Capital Budget Next Steps



# 2017 -2026 Financing Strategy

- 2017 recommended 0.5% tax increase for capital levy; increase of \$4M or \$16 per household
- 2018 – 2026 recommended 0.5% tax increase for capital levy, in principle - additional \$280M

- 2017 Transit Discretionary Funding Forecast was \$3.7M
- Due to PTIF, Additional Capital Levy Funding required \$29.3M
- Debt charges = \$3.8M
- Represents a 0.45 % total levy increase
- \$15 per household

- Support the City's Strategic Plan
- Focus on Council's Strategic Directions
  - Economic Prosperity & Growth
  - Built Environment & Infrastructure
  - Our People and Performance

- Development Initiatives
- West Harbour
- Economic Development Initiatives
- Tourism and Culture
- Urban Renewal



# Built Environment & Infrastructure

- Support and Maintain State of the Art Infrastructure
- Transportation Options
- Facilities and Public Spaces

- Performance Excellence Program
- HR Self Service
- HR Profile Management
- Talent Acquisition System

Lack of dedicated funding



# 2017 Gross Capital Budget

	<b>Capital Projects Included in Financing Plan</b>	
	<u>Gross</u>	<u>Net</u>
STATE OF GOOD REPAIR	187,908	116,297
EXPANSION/NEW ASSETS	71,949	40,068
OTHER	23,608	9,100
<b>TOTAL CAPITAL PROJECTS</b>	<b>283,465</b>	<b>165,465</b>



# Forecast 2017 Net Financing Plan

<b>Sources of Funding (Net)</b> <b>(\$000's)</b>	<b>2016</b> <b>Approved</b>	<b>2017</b> <b>Forecast</b>
<b>Sustainable</b>		
Contribution from Operating	48,732	50,307
External Debt	8,420	36,202
Hydro Dividends	3,000	2,000
Federal Gas Tax	32,516	31,616
Previous Yrs. Capital Financing Surplus	5,500	2,000
	<b>98,168</b>	<b>122,125</b>
<b>Non-Sustainable</b>		
Unallocated Capital Reserve	1,138	1,950
HRPI Dividend	250	250
WIP Funding Interest	500	500
Roads Tender Surplus	1,900	
WIP Funding (FGT)	2,500	
	<b>6,288</b>	<b>2,700</b>
<b>Total Funding (Net)</b>	<b>104,456</b>	<b>124,825</b>

# Proposed 2017 Net Financing Plan

<b>Sources of Funding (Net)</b> <b>(\$000's)</b>	<b>2016</b> Approved	<b>2017</b> Proposed
<b>Sustainable</b>		
Contribution from Operating	48,732	54,361
External Debt	8,420	66,188
Hydro Dividends	3,000	3,000
Federal Gas Tax	32,516	31,616
Previous Yrs. Capital Financing Surplus	5,500	2,000
	<b>98,168</b>	<b>157,165</b>
<b>Non-Sustainable</b>		
Unallocated Capital Reserve	1,138	950
HRPI Dividend	250	250
WIP Funding Interest	500	500
Sale of Assets		6,600
Roads Tender Surplus	1,900	
WIP Funding (FGT)	2,500	
	<b>6,288</b>	<b>8,300</b>
<b>Total Funding (Net)</b>	<b>104,456</b>	<b>165,465</b>

- New Debt \$66.2M (\$30 M Increase from 2017 forecast)
  - Transit \$29.3M
  - Other \$5.7M (Includes \$4M Griggsmire Arena)
  - West Harbour \$20M
  - Waste Management \$11.2M



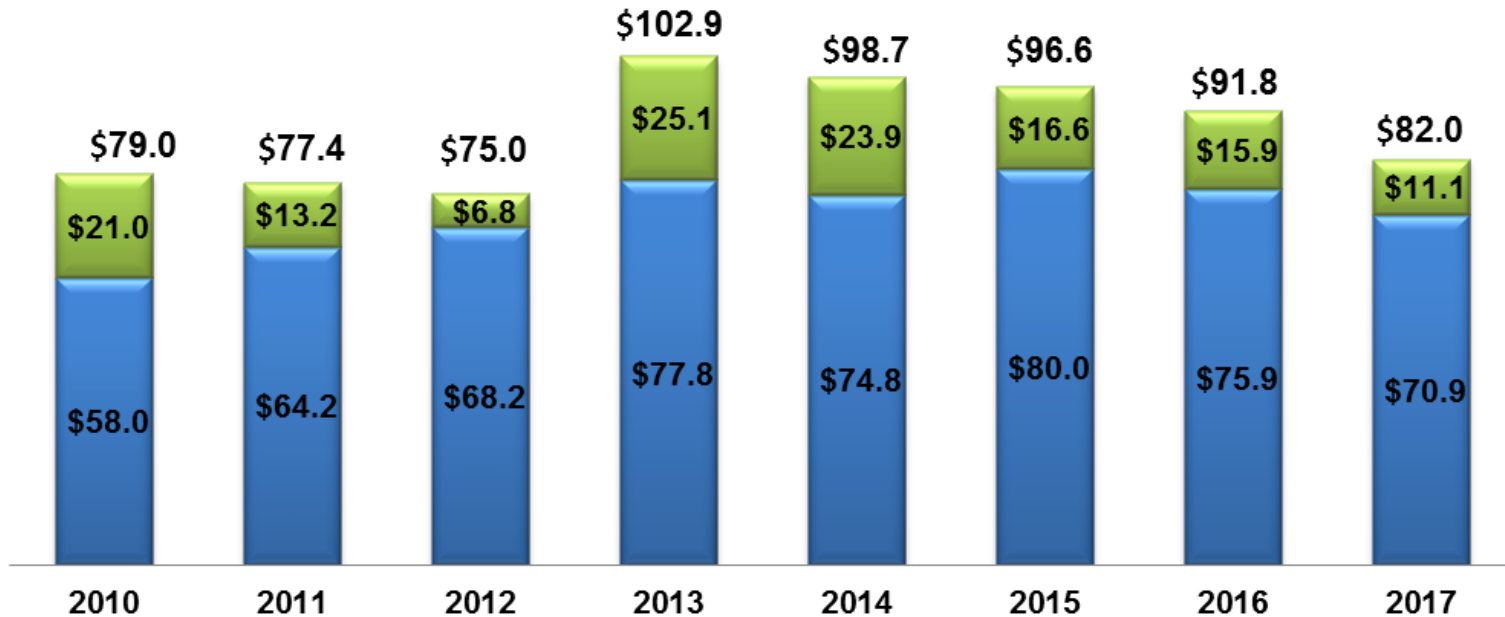
# Proposed 2017 Block Funding

<b>Net Capital Funding (\$000's)</b>	<b>2016 Approved</b>	<b>2017 Proposed</b>
Roads / Traffic / Bridges / Cycling / Sidewalks	55,895	55,569
Corporate Facilities	4,583	4,583
Recreation Facilities	5,100	8,580
Entertainment Facilities	800	800
Park Development	3,327	3,241
Parks & Cemeteries	1,265	1,138
Forestry & Horticulture	1,345	1,345
Waste Management	1,420	11,202
Downtowns & Commercial Districts	2,210	2,210
Cultural Facilities	1,702	1,702
Long Term Care Facilities	1,590	500
Housing Services	1,500	500
<b>Block Funding Total</b>	<b>80,737</b>	<b>91,370</b>

# Roads Capital

## ROADS GROWTH AND NON-GROWTH CAPITAL (Millions)

■ Non-Growth Projects    ■ Growth Projects



<b>2017 Roads Forecast by Program Area</b> <b>(\$000's)</b>	<b>2016</b> <b>Gross</b>	<b>2017</b>	
		<b>Proposed</b> <b>Gross</b>	<b>Net</b>
Replacement Program	15,500	5,050	3,719
Urban Rehabilitation	7,700	20,560	11,280
Rural Rehabilitation	2,200	4,510	4,510
Bridges and Structures	8,974	9,710	9,710
O & M/Studies/Traffic Engineering	23,440	21,460	14,795
Council Priority Projects	18,125	9,600	9,600
<i>Total Non-Growth Related Projects</i>	<b>75,939</b>	<b>70,890</b>	<b>53,614</b>
Development/Growth Related Program	15,880	11,140	1,955
<b>Total Roads</b>	<b>91,819</b>	<b>82,030</b>	<b>55,569</b>



# Net Discretionary Allocation

<b>Net Capital Funding (\$000's)</b>	<b>2016 Approved</b>	<b>2017 Proposed</b>
<b>Block Funding Total</b>	<b>80,737</b>	<b>91,370</b>
<b>Major Capital Initiatives</b>		
West Harbour Development	7,475	27,235
Ash Borer	2,600	2,600
Randle Reef	300	300
Fire / Paramedic Services	508	1,000
Community Services - Other	90	90
Public Health	92	70
Corporate Services	-	90
City Manager/Human Resources	200	-
Information Technology	665	500
Planning / Development	1,089	1,310
Economic Development Initiatives	-	900
Council Strategic Capital	-	-
Parkland Acquisition	1,500	1,500
Transit	3,700	33,000
DC exemptions	2,000	3,000
<b>Boards &amp; Agencies</b>		
CityHousing Hamilton	1,500	500
Hamilton Conservation Authority	2,000	2,000
<b>Subtotal - Boards &amp; Agencies</b>	<b>3,500</b>	<b>2,500</b>
<b>Total Discretionary Funding (Net)</b>	<b>23,719</b>	<b>74,095</b>
Unallocated - Surplus(Shortfall)	-	(0)
<b>Total Expenditures (Net)</b>	<b>104,456</b>	<b>165,465</b>

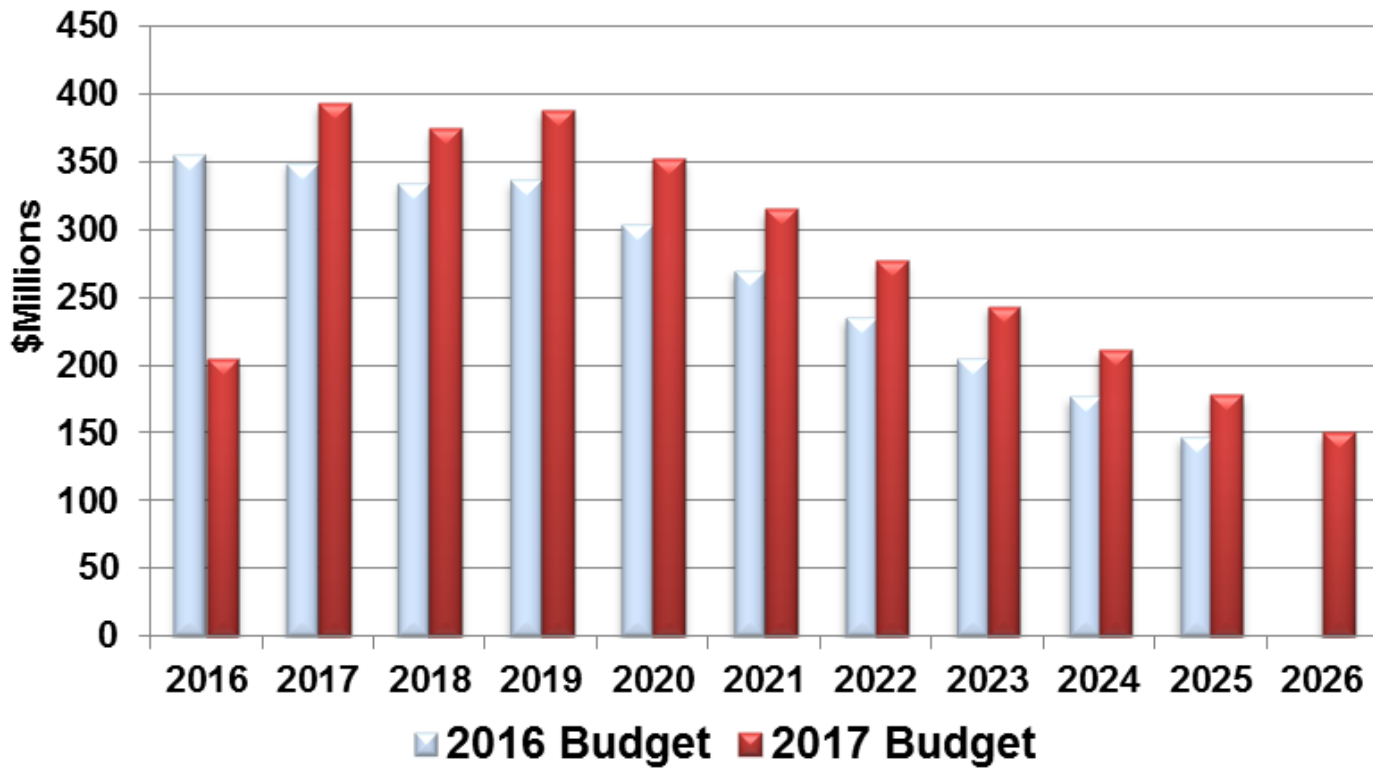


Two projects approved by the Board:

- Valley Park Library Expansion \$2M
- New Library - Greenville \$0.9M

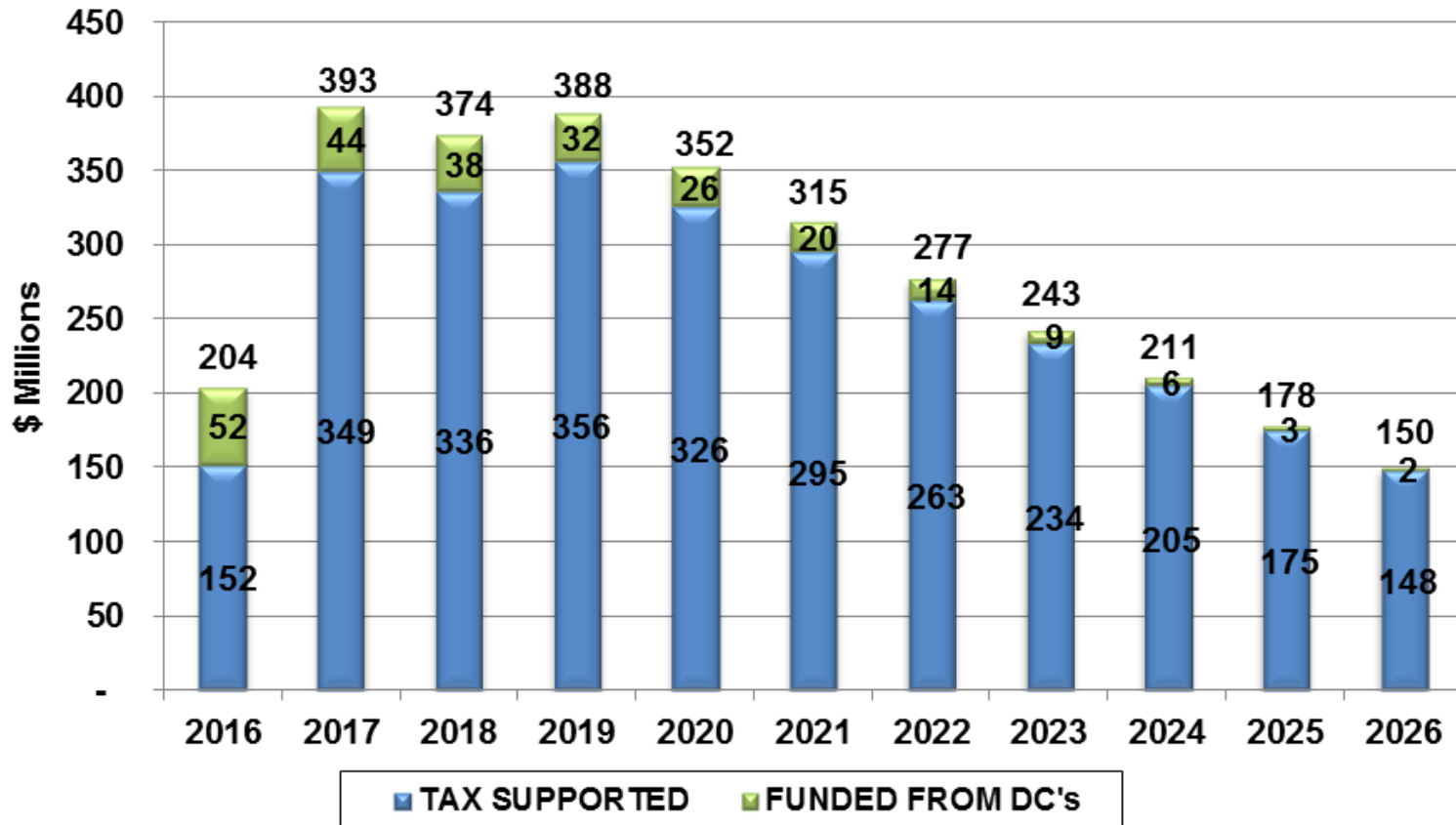
Lack of dedicated funding

## Tax Capital Outstanding Debt



# Debt Forecast - Tax

Projected Outstanding Debt - Tax



- Preliminary Impact from 2017 Proposed Budget
  - Future Operating Costs of \$2.6M
  - 18.91 FTEs
- Preliminary Impact from 2018 Proposed Budget
  - Future Operating Costs of \$2.6M
  - 5.65 FTEs

- GIC – November 25
- GIC – December 9 (if required)
- Council Approval – Nov 30/Dec 14

- Priorities
- 2017 Net Financing Plan
- Additional information for November GIC



Hamilton

# Thank you

## Questions?