



Hamilton

**City of Hamilton**

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# 2014 Draft Tax Operating Budget

General Issues Committee

November 26, 2013

Item 4.1

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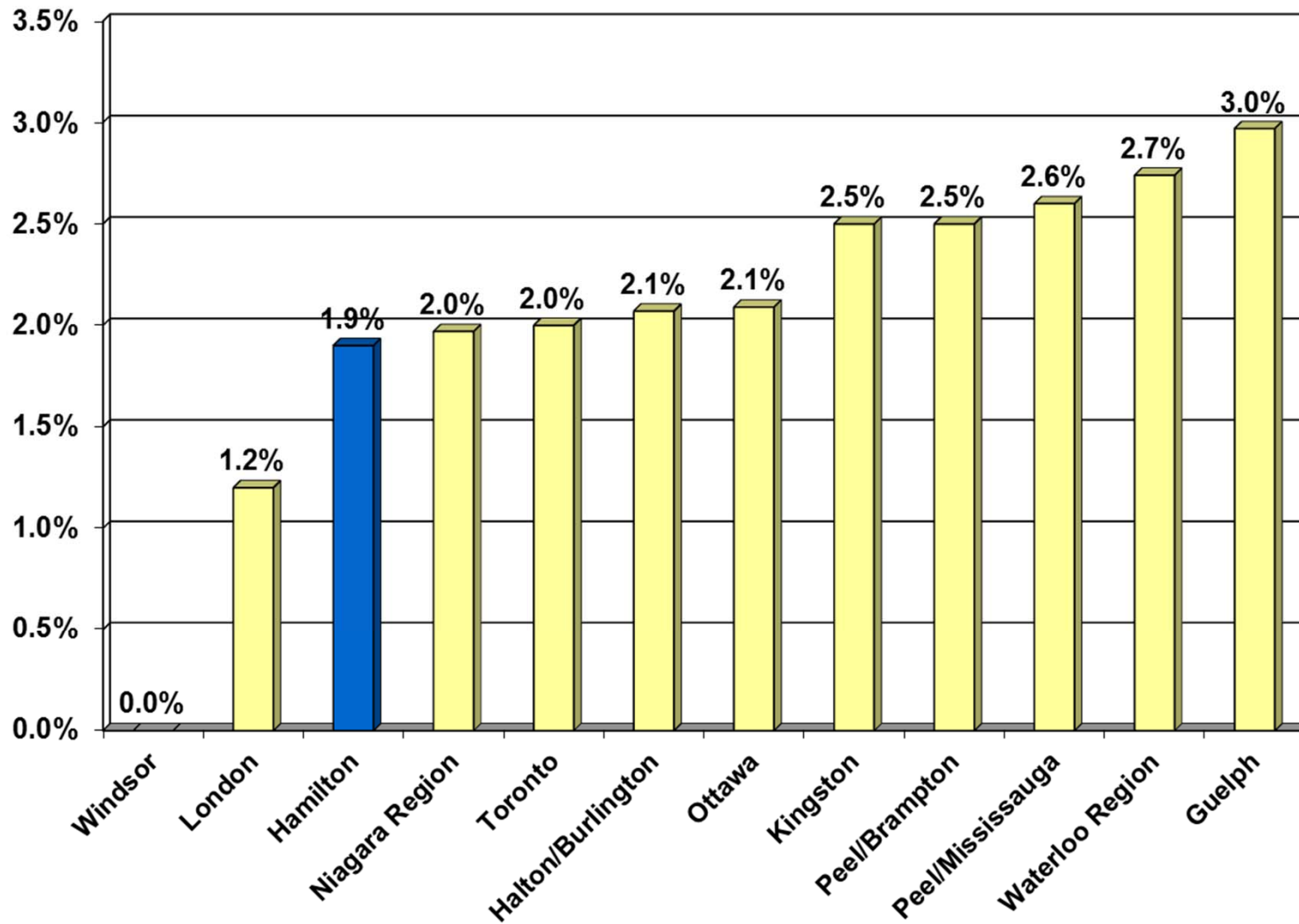
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# Introduction: Historical Context

Chris Murray  
City Manager



# Municipal Comparison 2013 Average Total Tax Impacts





# 3- Year Average Tax Impacts

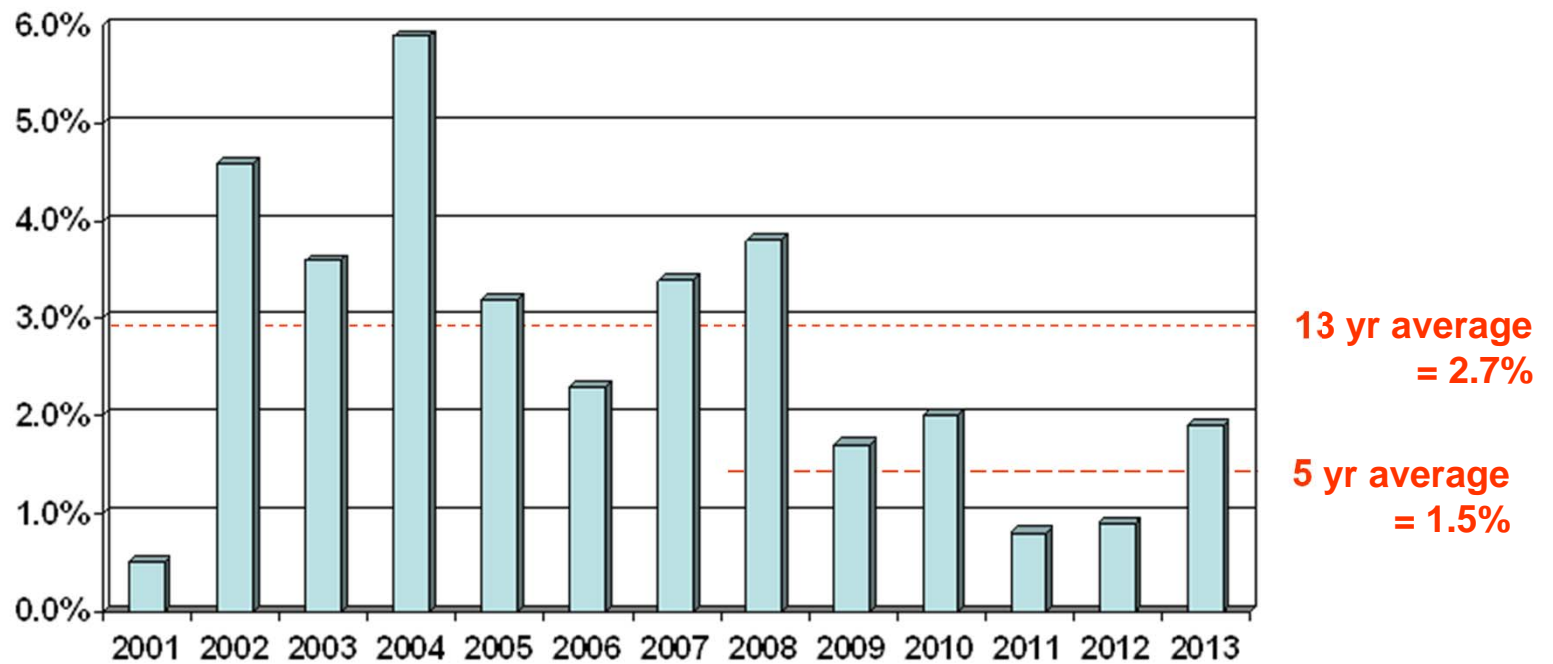
	3 Year Average
<b>Windsor</b>	<b>0.2%</b>
<b>London</b>	<b>0.4%</b>
<b>Hamilton</b>	<b>1.2%</b>
<b>Toronto</b>	<b>1.5%</b>
<b>Niagara*</b>	<b>1.8%</b>
<b>Halton/Burlington*</b>	<b>1.9%</b>
<b>Kingston</b>	<b>3.1%</b>

Note: 2011 & 2012 = municipal tax impact; 2013 = total (municipal + education) tax impact

\*two-tier municipality: Halton - upper-tier impact reflected for 2011; Niagara - upper-tier impact reflected for 2011-2013



# Average Residential Tax Increases since Amalgamation



Annual residential impacts - includes budget, reassessment, area-rating, education and tax policies



# Average Residential Tax Impacts 3-Year

	Residential Tax Impacts			
	2011	2012	2013	3 Year Average
<b>City Departments</b>	<b>-1.9%</b>	<b>-0.5%</b>	<b>1.2%</b>	<b>-0.4%</b>
Grant Loss / Transition	1.6%	0.6%	0.3%	0.8%
Boards & Agencies	0.6%	0.4%	0.5%	0.5%
Capital Financing	0.5%	0.5%	0.5%	0.5%
<b>Municipal Tax Impact</b>	<b>0.9%</b>	<b>1.0%</b>	<b>2.5%</b>	<b>1.5%</b>
<b>Total Tax Impact *</b>	<b>0.8%</b>	<b>0.9%</b>	<b>1.9%</b>	<b>1.2%</b>

\* - Includes education set provincially.



# Additional Capital Investments

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- Council approved Capital Investment over the last 3 years of **0.5%**.
- Equates to an additional **\$21 M** in new capital spending over a 3 year period
  - This allowed us to pursue new initiatives - e.g. Confederation Park, West Harbour, Parkland acquisition
  - Contributed additional monies to the local road rehabilitation program



## Communicating the Budget

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- Communications staff will execute the following tactics to inform media and residents of the process:
  - 2014 Budget will be explained online at Hamilton.ca, highlighting opportunities for residents to participate in the discussion
  - Simplified Budget Fact Sheets will be developed for posting to Hamilton.ca, and sharing via social media
  - Using social media (Twitter - @CityofHamilton, YouTube) to explain the 2014 Budget process, and promoting opportunities for residents to get involved
  - Drafting media releases throughout the process to ensure correct 2014 Budget information is shared for publication by traditional media
  - Working with Council to share information





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# 2014 Draft Tax Operating Budget

Mike Zegarac  
Acting General Manager  
Finance & Corporate Services

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# 2014 Draft Tax Impact

(per \$100,000 assessment)

	2014 Tax Impact (Average Residential)	
	DRAFT	
	\$	%
Municipal Taxes		
City Departments	\$ 21	1.8%
Boards & Agencies	\$ 5	0.5%
Capital	\$ 6	0.5%
<b>Total Municipal Taxes</b>	<b>\$ 32</b>	<b>2.8%</b>

**\*Assumes 0.8% growth**

**Based on the current estimated budget pressures of \$26.0 M  
(average municipal impact per \$100,000 CVA)**

	Net Operating Budget			
	2013 Budget	2014 Draft	Change 2014 / 2013	
			\$	%
PLANNING & ECONOMIC DEVELOPMENT	22,713,290	24,842,490	2,129,200	9.4%
PUBLIC HEALTH SERVICES	10,499,790	10,722,880	223,090	2.1%
COMMUNITY & EMERGENCY SERVICES	224,745,040	226,963,260	2,218,220	1.0%
PUBLIC WORKS	194,493,080	203,054,150	8,561,070	4.4%
LEGISLATIVE	4,095,830	4,217,780	121,950	3.0%
CITY MANAGER	9,822,410	10,122,130	299,720	3.1%
CORPORATE SERVICES	20,584,350	20,888,340	303,990	1.5%
CORP FINANCIALS/ NON PROG REVENUES	(37,239,170)	(32,773,250)	4,465,920	12.0%
HAMILTON ENTERTAINMENT FACILITIES	3,035,350	2,035,350	(1,000,000)	(32.9%)
<b>TOTAL CITY EXPENDITURES</b>	<b>452,749,970</b>	<b>470,073,130</b>	<b>17,323,160</b>	<b>3.8%</b>
HAMILTON POLICE SERVICES	139,701,970	144,713,970	5,012,000	3.6%
OTHER BOARDS & AGENCIES	41,436,930	41,542,950	106,020	0.3%
COMMUNITY GRANTS	3,212,200	3,212,200	0	0.0%
<b>TOTAL BOARDS &amp; AGENCIES</b>	<b>184,351,100</b>	<b>189,469,120</b>	<b>5,118,020</b>	<b>2.8%</b>
<b>CAPITAL FINANCING</b>	<b>90,177,000</b>	<b>93,777,000</b>	<b>3,600,000</b>	<b>4.0%</b>
<b>TOTAL LEVY REQUIREMENT</b>	<b>727,278,080</b>	<b>753,319,240</b>	<b>26,041,160</b>	<b>3.6%</b>
<b>RESIDENTIAL PROPERTY TAX IMPACT</b>				<b>2.8%</b>
COMMUNITY SERVICES (exclusive of upload)	224,745,040	230,170,875	5,425,835	2.4%



# City Departments: Compensation Pressures

	Levy Impact \$
<b>Salary / Wage Compensation:</b>	
- COLA / Settlements	\$ 5.8 M
- Merit/Step Increases/JE/Job Code Changes	\$ 2.0 M
- OMERS	\$ 0.8 M
- Government Benefits	\$ 0.5 M
- Employer Benefits	\$ 0.5 M
- Retiree Benefits	\$ 0.9 M
<b>TOTAL</b>	<b>\$ 10.5 M</b>

- COLA 1.9%
- Merit increase per City Policy
- OMERS no increase in contribution rates (increase identified is commensurate with COLA/merit increase)



# City Departments: Corporate Pressures

	Levy Impact \$
<b>Corporate:</b>	
- Risk Management - Insurance Claim Costs	\$ 1.9 M
- Risk Management - Phasing out contribution from reserve	\$ 0.6 M
- Operating Impacts from Capital	\$ 1.1 M
- Flamboro Slots	( \$ 0.9 M )
- Penalties & Interest	( \$ 1.3 M )
<b>TOTAL</b>	<b>\$ 1.4 M</b>



# 2014 Base Budget Savings (Efficiencies, Revenues & Avoided Costs)

DEPARTMENT	\$ NET IMPACT
PLANNING & ECONOMIC DEVELOPMENT	\$ (57,000)
PUBLIC HEALTH SERVICES	\$ (22,000)
COMMUNITY & EMERGENCY SERVICES	\$ (741,000)
PUBLIC WORKS	\$ (3,246,000)
CITY MANAGER	\$ (4,490)
CORPORATE SERVICES	\$ (252,770)
<b>TOTAL BUDGET SAVINGS INCORPORATED INTO THE 2014 DEPARTMENTAL PRELIMINARY BUDGET</b>	<b>(\$4,323,260)</b>

- Included in draft budget



# Boards & Agencies - Draft

	Levy Impact \$
<b>Boards &amp; Agencies:</b>	
- Police (3.6%)*	\$ 5.0 M
- Boards & Agencies (excluding Police)	
MPAC @ 1.0%	\$ 0.1 M
Library @ 0.2%	\$ 0.0 M
Other Boards & Agencies @ 0.0%	\$ 0.0 M
Community Partnership @ 0.0%	\$ 0.0 M
<b>TOTAL</b>	<b>\$ 5.1 M</b>

- Police pressure of \$5.0M (as provided by Police Services) is based on an increase of 3.6% and includes Court Security Upload savings (-\$700K) and 2014 impact of additional 16 FTE (\$770K)



	Levy Impact \$
<b>Capital:</b>  - Preliminary direction at 0.5%	\$ 3.6 M
<b>TOTAL</b>	<b>\$ 3.6 M</b>

- 2013 discretionary capital projects = \$99.9 million
- 2014 discretionary capital projects forecast = \$97.6 million





## Council Referred Items

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- In addition to the \$26.0m in pressures there have been a number of items referred to the 2014 tax budget process by Council. Currently these pressures are estimated to be between \$830k to \$4.5 million.
  - \$0 to \$2.6m (0 to 11.0 FTE) Integrated Pest Management
  - \$500k to \$1.5m Implementation of Rapid Ready (Local Transit)
  - \$50k to \$100k Develop web-based Lobbyist Registry
  - \$92k (1.0 FTE) Policy Analyst to maintain Lobbyist Registry
  - \$60k James Street North Supercrawl Event
  - \$50k Hamilton Center for Civic Inclusion

**List continued on next slide.**

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## Council Referred Items Cont'd

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### Council Referred Items:

- \$22k Lobbyist Registrar position combined with City's Integrity Commissioner
- \$20k Maintenance of Chedoke Estate
- \$19.3k (0.2 FTE) Street Sweeping Service Adjustment
- \$10k Language Line Enhancement Pilot
- \$5k Agriculture and Rural Affairs Advisory Committee
- Open Data



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# 2014 Budget Schedule



# 2014 Budget Schedule

ITEM	GIC DATE
Operating Budget Workshop (Overview)	November 26 <sup>th</sup>
Capital Budget Report	November 28 <sup>th</sup>
Rate Budget Report	December 6 <sup>th</sup>
Preliminary Tax Operating Book	Mid-January
Boards and Agencies Presentations	January 23 <sup>rd</sup> & 24 <sup>th</sup>
Corporate Budget Overview	January 27 <sup>th</sup>
Department Presentations	Jan. 29 <sup>th</sup> to Feb. 13 <sup>th</sup>
Public Delegations	February 25 <sup>th</sup>
GIC Deliberations	February
GIC/Council Approval	February / March



## Additional Information List (attached)

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- Consistent with 2013, staff are committing to provide Council with the normally requested additional information
  - List of planned additional information items included as attachment
  - In addition, staff will certainly respond to additional information requests by Council at anytime during the 2014 budget process
  - Information will be available in S:\Councillor Information\Committee Request\
  - 2013 information continues to be available



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END

# **2014 Draft Tax Operating Budget Additional Information Item List**

**General Issues Committee  
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### ADDITIONAL INFORMATION ITEM LIST - 2014 BUDGET

ITEM #	ITEM DESCRIPTION	LEAD DEPT
1	Overtime and Standby budget for each division	All, Budgets
2	Contractual budget for each division	All, Budgets
3	Consulting budget for each division	All, Budgets
4	Conferences budget for each division	All, Budgets
5	Studies, Surveys, and Policies budget for each division	All, Budgets
6	Advertising & Promotion budget for each division	All, Budgets
7	Furniture & Fixtures budget for each division	All, Budgets
8	Renovation Expense budget for each division	All, Budgets
9	Special Projects budget for each division	All, Budgets
10	Public Relations budget for each division	All, Budgets
11	Memberships budget for each division	All, Budgets
12	Hamilton comparable taxation information ( <i>compare net levy per capita; taxes as a percentage of income; Res vs. Non-Res ratio</i> )	CorpServ
13	Assessment growth by Ward	CorpServ
14	Management to Staff ratio - benchmarking against other municipalities	HR
15	List of current vacant positions, length of vacancy, budget cost of vacant position	All
16	Number of employees going through the JE process	HR
17	Analysis of grievances and arbitration - historical cost	HR
18	Detailed Organization Chart for each division stating all positions	All
19	Detailed accounts by Cost Category - City Wide and Departments	All, Budgets
20	Cost Allocations methodology	CorpServ
21	Staff funded @ 100% Subsidy - Total by division	PH / CSD
22	Details on the annual fleet reserve contribution	PW
23	Ten year history of HSR fare increases	PW
24	Provide summary of Hamilton's tax ratios in comparison to provincial thresholds	CorpServ
25	Provide 2014 average RT CVA by ward	CorpServ
26	2014 Average residential tax impacts by ward	CorpServ
27	Explanation of fuel costs	PW
28	Details of vacation carryovers and vacation pay outs	CMO
29	Identify how Hamilton compares to other municipalities on turn over rate	CMO

**NOTE: In addition to the list above, at anytime during the budget process Council can direct further inquiries to staff.**