



# 2019 TAX SUPPORTED CAPITAL BUDGET

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## Objectives



### **Economic Prosperity & Growth**

*Strategic growth capital projects*



### **Built Environment and Infrastructure**

*Rehabilitation programs*

*Secure & utilize infrastructure funding programs*



### **Healthy and Safe Communities**

*Capital levy management & oversight*



### **Our People and Performance**

*Managing the total debt burden to mitigate risk*

*Transparent reporting*

# ASSET VALUE Snap Shot

- Replacement value of hard assets is approx. **\$23.6 B**
- **44%** represents water, wastewater and stormwater funded from the rate supported budget
- **56%** represent roads, recreation facilities, emergency vehicles and buildings, etc., funded from the tax supported budget

# COUNCIL PRIORITIES SUMMARY



West Harbour Development



Transit



Affordable Housing



Economic Growth



State of Good Repair

# 2019 CAPITAL

## The Source of Funding

\$6.1 M Grants & Subsidies +  
\$20.1 M Development Charge Reserves +  
\$41.3 M Reserves +  
\$21.5 M Work-In-Progress (WIPs) +  
\$70.3 M from operating +  
\$16.3 M Debt (\$12.3 M DC + \$4 M tax ) +  
\$32.6 M Federal Gas Tax +  
\$4.0 M Future Fund Reserve +  
\$12.5 M Dividends +  
\$1.4 M Other Revenues +

= **\$226 M** Gross Capital Investment

# 2019 CAPITAL Snap Shot

- **0.52%** Property Tax increase for capital levy
- **\$18** increase of on an average residential property
- **\$4.4 M** operating levy increase for Capital



# 2019 CAPITAL BUDGET



9.2  
centreline km

ROAD  
RECONSTRUCTION

20.4  
lane km

66.3

centreline km

142.9

lane km



ROAD  
RESURFACING

21,000  
lm



SIDEWALK REPLACEMENTS

BUS LOOPS

2

END-OF-LINE  
REHABILITATIONS



350

NEW  
STREET LIGHTS  
AND POLES

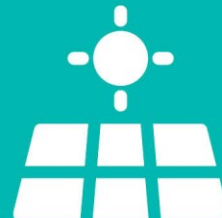


150

STREET LIGHT  
UPGRADES  
TO LED

20

SOLAR  
OFF-GRID  
STREET  
LIGHTS



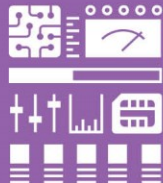
85

STREET LIGHT POLE  
REPLACEMENTS



150

TRAFFIC  
CONTROLLER  
REPLACEMENTS



3,921  
lm

NEW SIDEWALK  
CONSTRUCTION



12

RESTORATIONS  
OF HERITAGE  
LUMINAIRES



14

NEW  
TRAFFIC  
SIGNALS

BUS SHELTERS

532

SHELTER  
REPLACEMENTS

2

STREET  
SWEEPER  
REPLACEMENTS



19

HSR BUS  
REPLACEMENTS



167

FLEET VEHICLE  
& EQUIPMENT REPLACEMENTS



# MAJOR STRATEGIC INVESTMENTS AT A GLANCE



# STRATEGIC INVESTMENTS AT A GLANCE

## Affordable Housing Snap Shot

### Poverty Reduction & Social Housing Investment Plan

- **\$50 M** Commitment (10 years)

### Where will this 2019 Investment Go?

- **\$4 M** Affordable Rental Housing Construction
- **\$1 M** Indigenous Poverty Reduction
- **\$2 M** Social Housing Repairs & Renovations

### Block Funding

- **\$0.5 M** CityHousing Hamilton
- **\$0.5 M** Social Housing Capital & Regeneration

# STRATEGIC INVESTMENTS AT A GLANCE

## Roads/Bridges/Traffic Snap Shot

- **\$5.0 B** roads/bridges/traffic replacement value
- **\$96.7 M** - 2019 Gross investment in roads/bridges/traffic program is approx.
  - **\$56.2 M** - 2019 Net investment in roads/bridges/traffic program
    - **\$47.4 M** - 2019 Gross investment in Roads
- Rehabilitation and replacement backlog of approx. **\$1.65 B**
- Sustainable roads bridges and traffic network requires **\$150 M** annually.
- Currently funding **\$ 75.8 M** gross (50% underfunded)

# STRATEGIC INVESTMENTS AT A GLANCE

## Roads/Bridges/Traffic By the Numbers

Investment in Roads/Traffic/Bridges \$(000's)	2018		2019	
	Gross	Net	Gross	Net
Roads	61,240	49,080	47,397	32,424
Bridges and Structures	5,840	5,840	8,910	8,910
O & M/Studies/Traffic Engineering	20,845	15,145	19,465	12,655
<b>Total Non Growth</b>	<b>87,925</b>	<b>70,065</b>	<b>75,772</b>	<b>53,989</b>
Development/Growth Related Program	14,150	4,537	20,920	2,226
<b>Total Roads</b>	<b>102,075</b>	<b>74,602</b>	<b>96,692</b>	<b>56,215</b>

# STRATEGIC INVESTMENTS AT A GLANCE

## Roads/Bridges/Traffic

### By the Numbers

Detailed Investment in Roads/ Traffic/Bridges \$(000's)	2019		2020		2021		2022	
	GROSS	NET	GROSS	NET	GROSS	NET	GROSS	NET
<b>Growth Related</b>	<b>20,920</b>	<b>2,226</b>	<b>45,880</b>	<b>5,494</b>	<b>15,340</b>	<b>785</b>	<b>4,120</b>	<b>518</b>
Replacement Program (Reconstruction)	15,810	10,224	10,110	3,890	11,784	5,688	9,331	4,231
Urban Rehabilitation (Resurfacing)	12,620	8,340	19,710	16,690	15,350	15,100	19,260	18,810
Local Road Program (Resurfacing)	13,767	8,660	6,140	5,440	8,310	6,380	9,660	7,570
Rural Rehabilitation / State of Good Repair	2,200	2,200	2,300	2,300	2,100	2,100	8,330	8,330
Bridges and Structures	8,910	8,910	8,030	8,030	11,170	11,170	8,670	8,670
Operations and Maintenance	4,800	4,750	4,800	4,750	8,450	8,400	4,950	4,900
Technical Studies and Reporting	2,970	2,790	2,050	1,920	1,740	1,610	1,570	1,440
Traffic Operations and Engineering	10,545	4,465	6,900	6,600	6,600	6,300	5,500	5,500
Streetlighting	1,150	650	350	350	350	350	350	350
Council Priority Projects	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
<b>TOTALS</b>	<b>96,692</b>	<b>56,215</b>	<b>109,270</b>	<b>58,464</b>	<b>84,194</b>	<b>60,883</b>	<b>74,741</b>	<b>63,319</b>

# STRATEGIC INVESTMENTS AT A GLANCE

West Harbour

Snap Shot

## Investment Plan:

\$83.2 M (2012-2018)

Additional \$79.6 M (2019-2025)

## Financing Plan:

\$83.2 M (2012-2025)

\$42.2 M (2019-2025 FP)

**\$37.4 M** (Gap - unfunded)

- Guaranteed minimum land sale revenue **\$41 M**
- Approved Debt **\$38 M** (tax debt only)
- Annual property tax revenue approx. **\$8 M - \$9 M** at full build-out

# STRATEGIC INVESTMENT AT A GLANCE

## Transit Snap Shot

- Gross Investment **\$400 M** over the next 4 years
  - **\$250 M** Gross Costs related to the Transit Maintenance and Storage Facility (MSF) forecasted for 2020
    - **\$81.3 M** Net (assume 73% PTIF 2)
    - **Note: \$5 M** operating impacts (**19 FTEs**) forecasted for 2022
  - **\$20 M** Bus expansion program (modal split)
  - **\$20 M** Bus expansion and Terminal expansion
  - **\$80 M** Replacement
  - **\$15 M** To fund the shortfall in the transit reserve
  - **\$15 M** Other programs

# COUNCIL PRIORITIES AT A GLANCE



# 2019 + COUNCIL PRIORITIES

## By the numbers

Tax Supported 4-Year Capital Financing Plan	2019	2020	2021	2022
Capital Levy Increase dedicated to rehab of existing Assets	0.50%	0.50%	0.50%	0.50%
Capital Levy Increase for <b>Transit MSF</b> (City Share - debt)	0.02%	0.27%	0.47%	0.47%
Capital Levy Increase for <b>West Harbour MP</b> increase (debt)	0.00%	0.13%	0.04%	0.00%
<b>Total Levy Impact</b>	<b>0.52%</b>	<b>0.90%</b>	<b>1.01%</b>	<b>0.97%</b>

# 2019 CAPITAL FINANCING PLAN DETAILS

# 2019 PROPOSED CAPITAL BUDGET

<b>2019 PROPOSED TAX SUPPORTED CAPITAL BUDGET (\$'000's)</b>				
	<b>2018 RESTATED</b>		<b>2019 PROPOSED</b>	
	<b><u>GROSS</u></b>	<b><u>NET</u></b>	<b><u>GROSS</u></b>	<b><u>NET</u></b>
<b><u>Proposed Program Funding</u></b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Recreation Facilities	10,169	4,624	10,293	4,616
Corporate Facilities / Energy Initiatives	18,217	6,507	5,902	4,860
Entertainment Facilities	7,000	1,300	2,839	800
Forestry & Horticulture (Includes Tree Planting)	1,742	1,345	1,895	1,345
Open Space Development	7,868	3,241	8,333	3,398
Waste Management	4,556	4,556	3,712	3,468
Transit Services	19,408	4,820	24,250	5,111
Corporate Fleet Services	7,739	-	10,125	-
Parks & Cemeteries	1,590	1,138	2,625	1,658
Roads / Bridges / Sidewalk / Street Lighting / Traffic	102,075	55,202	96,692	56,215
West Harbour & Waterfront Initiatives	25,790	24,280	8,210	8,210
Healthy and Safe Communities-	320	-	553	318
Housing Services	11,000	11,000	7,500	7,500
Long-Term Care Facilities	1,606	500	1,435	500
Emergency Services	8,482	580	10,689	982
Corporate Services / City Manager	7,455	5,983	10,597	9,976
Area Rating (Ward 1-8)	870	-	0	-
Planning & Development	4,664	130	6,711	1,398
Tourism & Culture	1,702	1,702	2,294	1,702
Downtowns & Commercial Districts	2,260	2,210	2,210	2,210
<b>Total Program Funding</b>	<b>244,513</b>	<b>129,118</b>	<b>216,865</b>	<b>114,267</b>

# 2019 PROPOSED CAPITAL BUDGET

2019 PROPOSED TAX SUPPORTED CAPITAL BUDGET (\$000's)				
	2018 RESTATED		2019 PROPOSED	
	<u>GROSS</u>	<u>NET</u>	<u>GROSS</u>	<u>NET</u>
	\$	\$	\$	\$
<b><u>Proposed Program Funding</u></b>				
<b><u>Other Major Projects</u></b>				
Parkland Acquisition	-	-	1,500	1,500
Randle Reef	375	375	375	375
Emerald Ash Borer Program	2,600	2,600	2,600	2,600
<b>Total Other Major Projects</b>	<b>2,975</b>	<b>2,975</b>	<b>4,475</b>	<b>4,475</b>
<b>Total Before Special Levies and Boards</b>	<b>247,488</b>	<b>132,093</b>	<b>221,340</b>	<b>118,742</b>
<b><u>Special Levies &amp; Boards</u></b>				
CityHousing	500	500	500	500
Police Services	1,550	-	400	400*
Hamilton Public Library	6,344	2,260	1,725	720
Beach Rescue	42	-	70	-
Hamilton Conservation Authority / Westfield	2,000	2,000	2,000	2,000
<b>Total Special Levies &amp; Boards</b>	<b>10,436</b>	<b>4,760</b>	<b>4,695</b>	<b>3,620</b>
<b>Total Funded Projects</b>	<b>257,924</b>	<b>136,853</b>	<b>226,035</b>	<b>122,362</b>

\* note- revised submission in-process

# 2019 CAPITAL BUDGET

## Where we Invest (\$226M gross)



**Roads/Bridges/Sidewalk/  
Street Lighting/Traffic**  
\$96.7M (42.8%)



**Transit**  
\$24.3M (10.7%)



**Facilities**  
\$18.7M (8.3%)

**Parks / Forestry**  
\$17.0M (7.5%)



**Other**  
\$13.3M (5.9%)



**Planning & EcDev**  
\$11.2M (5.0%)



**Emergency Services**  
\$10.7M (4.7%)



**Fleet**  
\$10.1M (4.5%)



**Waterfront**  
\$8.2M (3.6%)



**Housing**  
\$7.5M (3.3%)



**Boards & Agencies**  
\$4.7M (2.1%)



**Waste Management**  
\$3.7M (1.6%)

# 2019 CAPITAL PROJECTS

With Operating & FTE Impacts

## Operating Impact anticipated with 2019 Approval of Capital Project

	FTE (#)	\$ (000's)
Total Planning & Economic Development	0.50	160.59
Total Healthy and Safe Communities	10.00	687.00
Total Corporate Services	1.25	566.00
Total City Manager Additional Performance & Learning*		150.00
Total Public Works Tax Funded	12.49	1,328.90
<b>GRAND TOTAL</b>	<b>24.24</b>	<b>2,892.49</b>
<b>Total 2019 Impacts</b>	<b>11.25</b>	<b>886.59</b>
<b>Total 2020-2021 Impacts</b>	<b>12.99</b>	<b>2,005.90</b>

\* amendment

# MULTI-YEAR CAPITAL FINANCING STRATEGY



# 2019-2022 CAPITAL PROJECTS

## Discretionary Spending By The Numbers

### Top Drivers

Discretionary Spending (\$000's)	2018 Restated	2019 Proposed	2020 Forecast	2021 Forecast	2022 Forecast
<b>Major Capital Initiatives</b>					
West Harbour Development	24,280	8,210	15,850	15,020	3,790
Fire / Paramedic Services	580	982	1,000	1,000	1,000
City Manager/Human Resources	368	1,375	-	-	-
Information Technology	500	1,815	500	500	500
Planning / Development	130	633	130	130	130
Economic Development Initiatives	-	765	2,000	2,000	2,000
Transit	4,820	5,111	22,158	38,646	36,743
DC exemptions	5,000	6,500	6,500	6,500	6,500

# 2019 CAPITAL PROJECTS

## Drivers of Growth

### Top DC Investments (in \$ value)

- **\$70.4 M DC Rate**
  - Stormwater Management Program
  - Battlefield Trunk Sewer
  - Pier 8 Pumping Station
  - Royal to Main/King Sanitary Upgrades
  - Airport Employment Growth District
- **\$32.4 M DC Tax**
  - Waterdown Bypass
  - Fruitland Road Bypass
  - 1<sup>st</sup> Road West – Green/Mud
  - Subdivision Infrastructure
  - Confederation Park Redevelopment
  - Valley Park Community Centre
  - Paramedic Waterdown/Flamborough

# RESERVE MANAGEMENT & STRATEGY

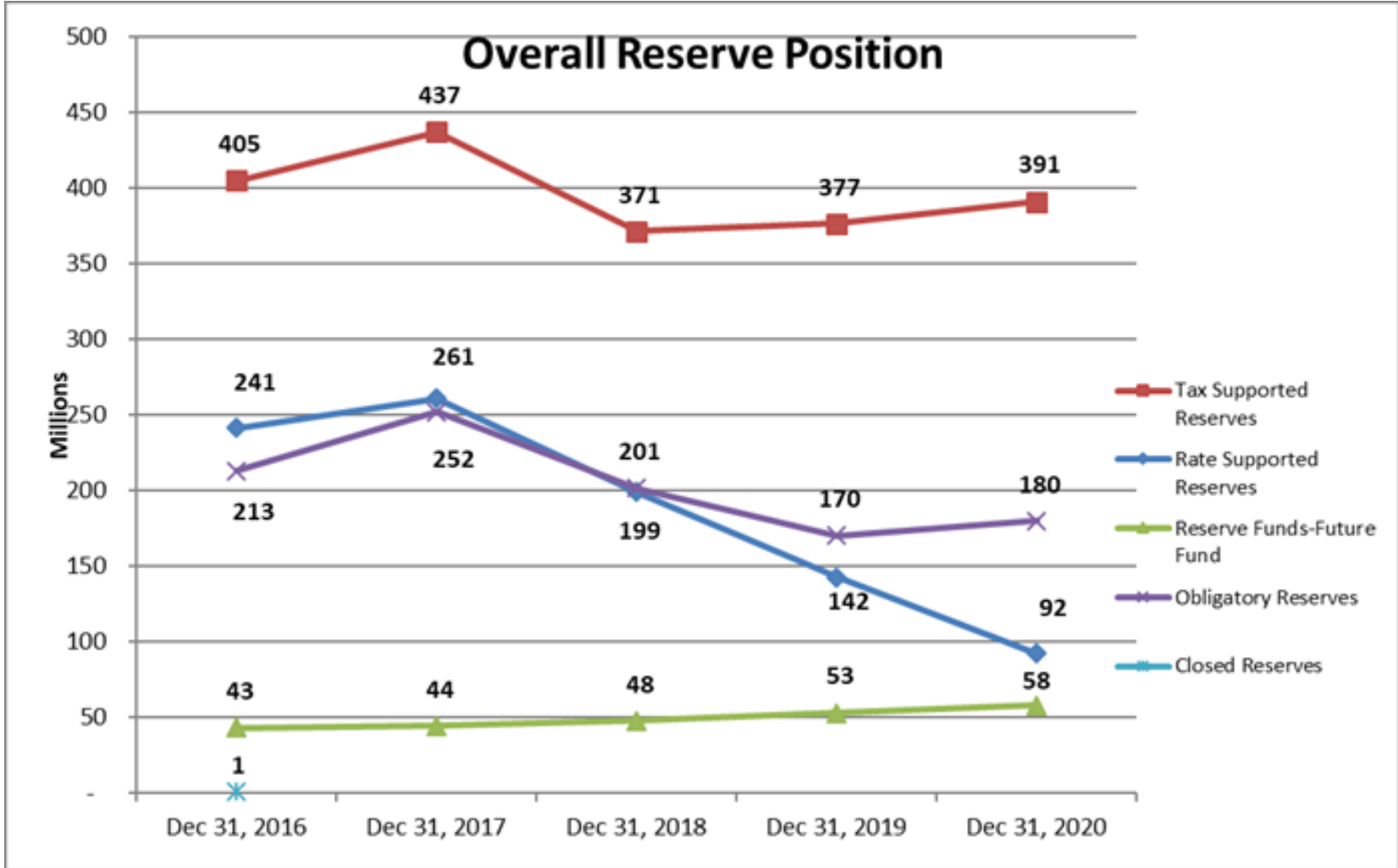
# RESERVE STRATEGY

## Snap Shot

- Future Fund balance forecasted to increase slightly year-over-year due to repayments of borrowed funds
- Rate supported reserves drawn down due for:
  - Clean harbour project and upfront provincial grant drawn down
- Obligatory supported reserves drawn down starting in 2018, with balances levelling out in 2020 in order to catch up on spending
- Tax supported reserves drawn down in 2018 for:
  - Transit, industrial land, road rehab loan and investment stabilization

# RESERVE STRATEGY

## Trends



# DEBT MANAGEMENT & STRATEGY

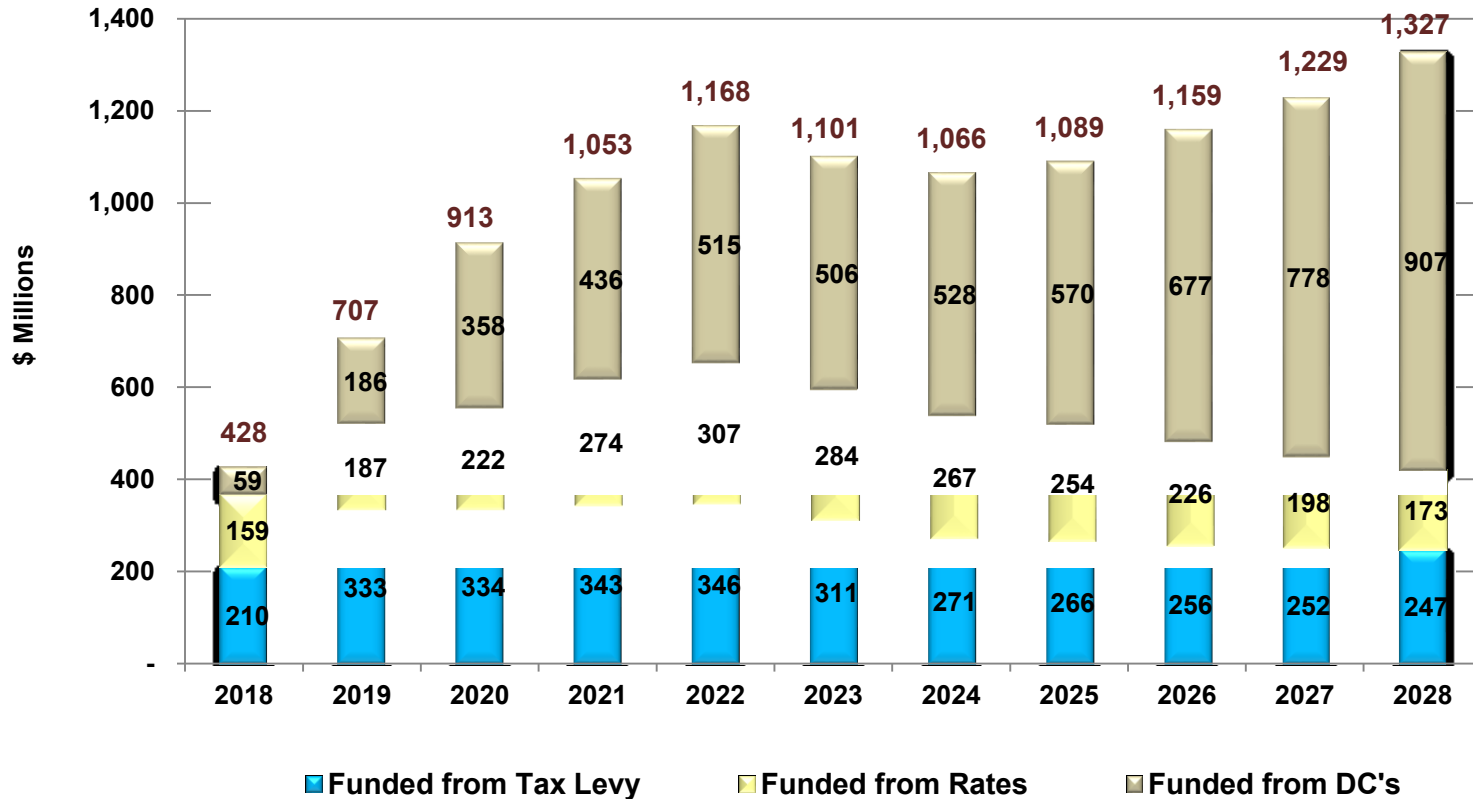
# DEBT STRATEGY

## Snap Shot

- Tax and Rate supported debt not forecasted to surpass council approved limit in next 10 years
- Tax and Rate Development Charge debt forecasted to surpass Council Approved limit in 2025
  - Rate DC debt increasing due to large projects (WWTP Expansion & AEGD)
- Tax supported debt increases in 2019 due to PTIF 2 and West Harbour projects
- Rate supported debt increases to ensure sustainable rate levy increases during future major capital investments

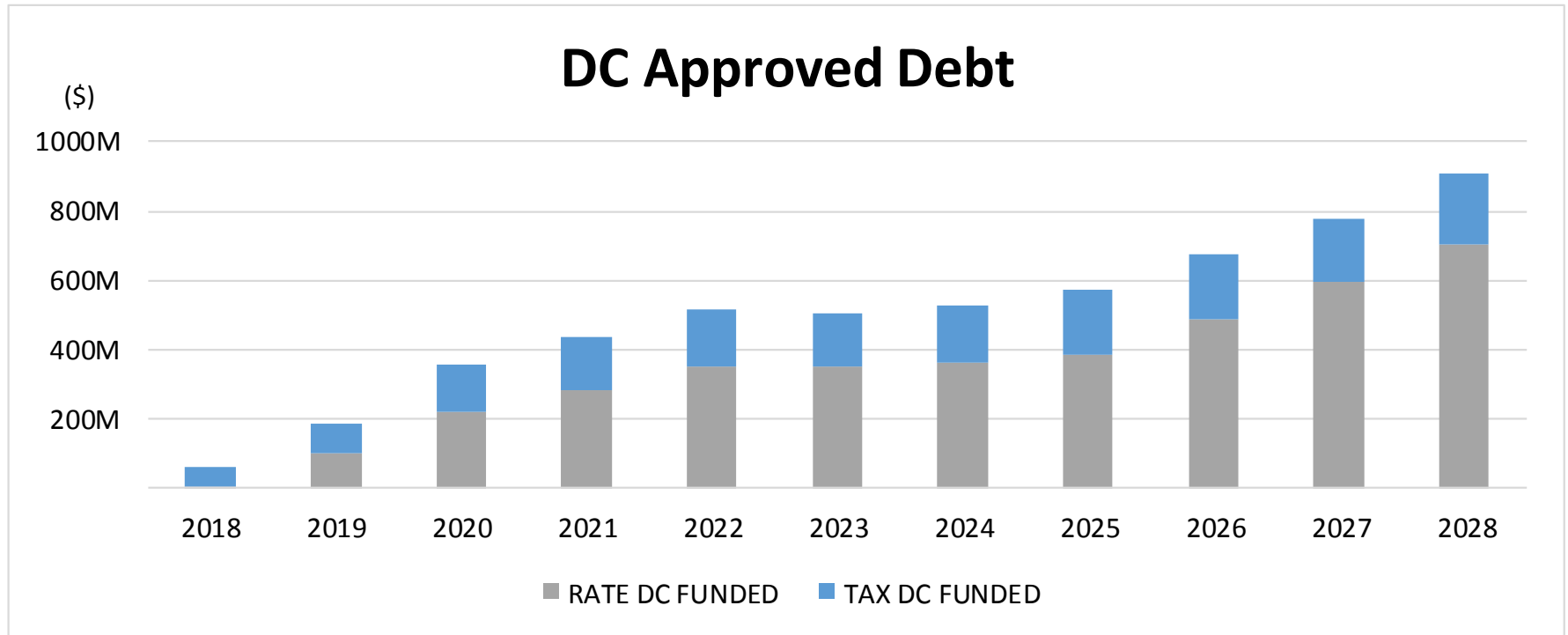


# Rate & Tax Outstanding Debt Projections (in \$)



\* Rate debt based on the 2019 Rate Budget Financing Plan

# DC Rate & DC Tax Debt Projections (in \$)



THANK YOU