CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial, Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	November 29, 2019
SUBJECT/REPORT NO:	2020 Tax Supported Capital Budget (FCS19091) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	James Dowling (905) 546-2424 Ext. 5598 Lindsay Gillies (905) 546-2424 Ext. 2790 Marcin Zukowski (905) 546-2424 Ext. 2162 Joe Spiler (905) 546-2424 Ext. 4519
SUBMITTED BY: **SIGNATURE:**	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department

RECOMMENDATIONS

(a) That the 2020 Tax Supported Capital Levy in the amount of $125,996,000 be approved, inclusive of;

(i) a standard Property Tax increase of 0.5% ($4,300,000);

(ii) an additional Property Tax increase of $282,000 (0.03%) in 2020 to fund the debt charges associated with the West Harbour Development;

(iii) an additional Property Tax increase of $2,000,000 (0.23%) in 2020 to fund an increase in the recovery of exemptions of tax services provided through the City's Development Charge exemption programs; and

(iv) an additional Property Tax increase of $1,128,000 (0.13%) in 2020 to fund the debt charges associated with the Downtown Office Accommodation Strategy;

(b) That the 2020 Tax Supported Capital Budget and Financing Plan in the amount of $246,027,000 attached as Appendix "A" to Report FCS19091, be approved with the following funding sources:

(i) $9,550,000 from government grants and subsidies;

(ii) $3,440,000 from other external sources;

(iii) $43,027,000 from Development Charges Reserves;

(iv) $33,617,000 from Reserves;

(v) $15,550,000 from Work-in-Progress and other internal transfers;

(vi) $84,237,000 from the 2020 Tax Supported Capital Levy;

(vii) $5,300,000 from Hamilton Utilities Corporation (HUC) / Alectra Dividends;

(viii) $4,000,000 from Hamilton Future Fund (Reserve 112246);

(ix) $29,576,000 from Federal Gas Tax (Reserve 112213);

(x) $4,800,000 from the 2019 Capital Financing Surplus; and

(xi) $12,930,000 from Tax Supported Debenture Financing;

(c) That the Tax Supported Discretionary Net Capital Funding Forecast 2021–2029, attached as Appendix “B” to Report FCS19091, which assumes the following, be approved, in principle, and re-visited by Council each budget year:

(i) a 0.5% ($4,300,000) Residential Property Tax increase in each year from 2021 to 2029;

(ii) an additional Property Tax increase of $430,000 (0.05%) in 2022, $720,000 (0.08%) in 2023, $2,039,000 (0.24%) in 2024, $63,000 (0.01%) in 2025, $67,000 (0.01%) in 2027 and $100,000 (0.01%) to fund the debt charges associated with the West Harbour Development;

(d) That the operating impacts of Capital Project IT Strategy – Strategic Theme Mobility (3501957903), in the amount of $15,000, included in Appendix “C” to Report FCS19091 be incorporated into the 2020 Tax Supported Operating Budget which is subject to further Council approval;

(e) That the future operating budget and Full Time Equivalent (FTE) impacts of the 2020 Tax Supported Capital Budget, estimated to be $3,375,350 and 24.66 FTEs, included in Appendix “C” to Report FCS19091 be incorporated into the 2021 or future Tax Supported Operating Budgets which are subject to future Council approval;

(f) That the General Manager, Finance and Corporate Services, be authorized to negotiate the terms and placement of a debenture issue(s), and / or private placement debenture issue(s), in either a public or private market and / or bank loan agreement and debenture issue(s) and / or variable interest rate bank loan agreement and debenture issue(s), in an amount not to exceed $36,922,000 Canadian currency, as attached in Appendix "A" to Report FCS19091, which includes $12,930,000 in Tax Supported municipal debt and $23,992,000 in Development Charges Tax Supported municipal debt;

(g)

(i) That the General Manager, Finance and Corporate Services, be authorized to engage the services of all required professionals to secure the terms and issuance of the debenture issue(s) described in subsection (f) including, but not limited to, external legal counsel, fiscal agents and Infrastructure Ontario's Loan Program;

(ii) That the General Manager, Finance and Corporate Services, Mayor and City Clerk are each authorized and directed to enter into and / or execute, on behalf of the City of Hamilton, all agreements and necessary ancillary documents requiring their respective signatures, to secure the terms and issuance of the debenture issue(s) described in subsections (f) and (g), in a form satisfactory to the City Solicitor;

(iii) That the Mayor and City Clerk are authorized and directed to enter into and / or execute, on behalf of the City of Hamilton, all agreements and necessary ancillary documents not requiring any specific signing authority, to secure the terms and issuance of the debenture issue(s) described in subsections (f) and (g), in a form satisfactory to the City Solicitor and with content acceptable to the General Manager, Finance and Corporate Services;

(h) That all necessary By-Law(s) be passed to authorize the debenture issue(s) negotiated placed and secured in accordance with subsections (f) and (g).

EXECUTIVE SUMMARY

Report FCS19091 provides the recommendations required to approve the 2020 Tax Supported Capital Budget. The complete details of the capital budget are provided in the "2020 Tax Supported Capital Budget" Books 1 and 2 which are distributed under separate cover.

The 2020 Tax Supported Capital Budget supports the City's Strategic Plan and Council's Strategic Directions of Economic Prosperity and Growth, Built Environment and Infrastructure and Our People and Performance.

The Tax Supported Operating Budget funds a portion of the projects in the Tax Supported Capital Budget. The recommendations in Report FCS19091 and Table 1 reflect a capital levy tax increase in the Tax Supported Operating Budget of $9,545,000 that translates into an average residential property tax increase of 1.10% or $39 for an average assessed house.

Related to levy increase of the 2020 Capital levy, Council previously approved:

- $1,835,000 (0.21%) tax supported capital levy related to Investing in Canada Infrastructure Program (ICIP) – Public Transit Stream projects;

The balance of the proposed Capital levy tax increase, recommended through Report FCS19091, consists of:

- $4,300,000 (0.5%) for the standard annual tax supported capital levy;
- an additional $282,000 (0.03%) tax supported capital levy related to West Harbour Development projects;
- an additional $2,000,000 (0.23%) tax supported capital levy related to recovery of exemptions of tax services provided through the City's Development Charge exemption programs; and
- an additional $1,128,000 (0.13%) tax supported capital levy related to the City's Downtown Office Accommodation Strategy.

The recommended 2020 Tax Supported Capital Levy of $125,996,000 and the split between debt charges and transfer from operating to capital is detailed in Table 1.

Table 1

TAX SUPPORTED CAPITAL LEVY IMPACT ON OPERATING BUDGET
($000's)

	2019 Restated	2020 Approved	2020 Recommended	2020 Total	CHANGE $	CHANGE %	Levy Impact
Total Debt Charges	45,268	1,835	39,924	41,759	(3,509)	(7.8)	-0.41%
Transfer from Operating	71,183	-	84,237	84,237	13,054	18.3	1.51%
Total Tax Supported Capital Levy	**116,451**	**1,835**	**124,161**	**125,996**	9,545	8.2	1.10%

Impact on Average Residential Property tax 1.10% ($39)

Table 2 of Report FCS19091 provides a summary of the proposed 2020 Tax Supported Capital Budget by program area, inclusive of previously approved 2020 Capital Projects, with a comparison to the Restated 2019 Tax Supported Capital Budget.

Council previously approved some 2020 Capital Projects through the approval of Reports PW19083 / FCS18048(a) (Transit ICIP Projects) and HSC19042(a) (COCHI and OPHI Housing projects). The gross cost of previously approved 2020 Capital Projects totals $153,647,000 and is in addition to the $246,027,000 recommended for approval through Report FCS19091.

In order to show a holistic view of the City's 2020 Capital Program, Appendix "A" to Report FCS19091 details the list of 2020 Capital Projects that are being recommended through Report FCS19091 and then adds the projects previously approved to arrive at the full value of the 2020 Capital Program. Table 2, likewise, provides a complete view of the 2020 Capital Program and, therefore, includes the previously approved 2020 Capital Projects.

The 2020 Tax Supported Capital Budget, inclusive of previously approved 2020 Capital Projects, provides $399,674,000 in funding compared to $227,120,000 of restated 2019 Tax Supported Capital Budget.

Major capital initiatives that contribute the total gross investment difference of $172,554,000 between the total 2019 Tax Capital Budget and 2020 Proposed Tax Capital Budget include investments in Transit and Housing as follows:

- Transit: $149,828,000 - Investing in Canada Infrastructure Program (ICIP) – Public Transit Stream Capital Investments, as approved under Report PW19083 / FCS18048(a);
- Housing: $17,000,000 National Housing Strategy as initiated through Report HSC19048;
- Housing: $3,819,000 Canada-Ontario Community Housing Initiative and Ontario Priorities Housing Initiative (COCHI & OPHI), as approved under Report HSC19042(a);

Table 2

2020 PROPOSED TAX SUPPORTED CAPITAL BUDGET ($000's)

	2019 FCS18097		2020 CAPITAL PROGRAM		Difference	
	GROSS	NET	GROSS	NET	GROSS	NET
Proposed Program Funding						
Recreation Facilities	10,293	4,616	14,125	4,695	3,832	79
Corporate Facilities / Energy Initiatives	5,902	4,860	6,776	4,745	874	(115)
Entertainment Facilities	2,839	800	900	800	(1,939)	-
Forestry & Horticulture (Includes Tree Planting)	1,895	1,345	1,480	1,345	(415)	-
Open Space Development	8,333	3,398	10,897	2,503	2,564	(896)
Waste Management	3,712	3,468	8,912	7,495	5,200	4,027
Transit Services	24,250	5,111	2,074	312	(22,176)	(4,799)
Transit Services (ICIP PW19083/FCS18048(a))	-	-	149,828	18,589	149,828	18,589
Corporate Fleet Services	10,125	-	10,148	-	23	-
Parks & Cemeteries	2,625	1,658	3,178	1,138	553	(520)
Roads / Bridges / Sidewalk / Street Lighting / Traffic	96,692	56,215	100,900	59,189	4,208	2,974
West Harbour & Waterfront Initiatives	8,210	8,210	10,200	7,450	1,990	(760)
Healthy and Safe Communities-	553	318	-	-	(553)	(318)
Housing Services	7,500	7,500	28,319	17,500	20,819	10,000
Long-Term Care Facilities	1,435	500	1,664	912	229	412
Fire / Paramedics	10,689	982	11,654	1,000	965	18
Corporate Services / City Manager	10,597	9,976	17,402	17,099	6,805	7,123
Area Rating (Former City of Hamilton)	-	-	900	-	900	-
Planning & Development	6,711	1,398	5,130	543	(1,581)	(855)
Tourism & Culture	2,294	1,702	1,702	1,702	(592)	-
Downtowns & Commercial Districts	2,210	2,210	2,210	2,210	-	-
Total Program Funding	**216,865**	**114,267**	**388,399**	**149,227**	**171,534**	**34,960**
Other Major Projects						
Parkland Acquisition	1,500	1,500	2,500	2,500	1,000	1,000
Randle Reef	375	375	375	375	-	-
Emerald Ash Borer Program	2,600	2,600	2,600	2,600	-	-
Total Other Major Projects	**4,475**	**4,475**	**5,475**	**5,475**	**1,000**	**1,000**
Total Before Special Levies and Boards	**221,340**	**118,742**	**393,874**	**154,702**	**172,534**	**35,960**
Special Levies & Boards						
CityHousing	500	500	500	500	-	-
Police Services	1,485	1,485	1,730	1,480	245	(5)
Hamilton Public Library	1,725	720	1,500	750	(225)	30
Beach Rescue	70	-	70	-	-	-
Hamilton Conservation Authority	2,000	2,000	2,000	2,000	-	-
Total Special Levies & Boards	**5,780**	**4,705**	**5,800**	**4,730**	**20**	**25**
Total Funded Projects	**227,120**	**123,447**	**399,674**	**159,432**	**172,554**	**35,985**

Alternatives for Consideration – See Page 13

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The 2020 Tax Supported Capital Budget and Financing Plan in the amount of $246,027,000 attached as Appendix “A” to Report FCS19091, includes the gross costs and sources of financing. The 2020 Capital Levy of $125,996,000 will be incorporated into the 2020 Tax Operating Budget, representing a $9,545,000 increase from 2019 and a 1.10% tax impact.

Some capital projects, especially those that provide new or expanded services, have an impact on operating costs on an ongoing basis once the projects have been completed. The estimated operating budget impacts of the recommended 2020 capital projects is $3,390,350 and 24.66 FTEs. The operating impacts are detailed in Appendix "C" to Report FCS19091 and recommended to be incorporated into the 2020, or future, Tax Supported Operating Budgets.

The Discretionary Tax Supported Net Capital Funding Forecast 2020–2029, attached as Appendix "B" to Report FCS19091, provides a forecast of discretionary capital funding for years 2020–2029 in the total amount of $1,780,019,000. The 2020–2029 forecast assumes increases for the operating budget capital levy with an annual standard tax levy increase of 0.50% and additional increases of 0.60% in 2020, 0.22% in 2021, 0.16% in 2022, 0.09% in 2023, 0.25% in 2024 and 0.01% in 2025.

In order to accommodate capital spending requirements, $36,922,000 has been allocated to debt financing in the 2020 Tax Capital Budget. This amount includes $12,930,000 in Tax Supported debt and $23,992,000 in Development Charges Tax Supported debt.

The City's 2020 Capital Program incorporates several major capital initiatives such as the Investing in Canada Infrastructure Program – Public Transit Stream, the West Harbour Development, and Housing Initiatives. These initiatives are detailed in the accompanying report in Book 1 for the 2020 Tax Supported Capital Budget. In some cases, the City can reprioritize and utilize existing revenue streams or accumulated reserve funds to finance major capital initiatives. Table 3 to Report FCS19091 details the anticipated future levy impact that is required, in addition to the standard 0.5% capital levy increase, to finance such initiatives. The proposed tax levy increases for 2020-2025 for Investing in Canada Infrastructure – Public Transit Stream (ICIP) Capital Investments, West Harbour Waterfront Strategic Initiatives and the Downtown Office Accommodations Strategy are the costs of servicing additional new debt required. The levy impact for the increase in Development Charge Exemption funding is a capital budget increase required to move the City closer to funding all the exemptions provided through the City's Development Charges By-law.

Table 3

MAJOR CAPITAL INITIATIVES
POTENTIAL RESIDENTIAL TAX IMPACTS TO CAPITAL LEVY %

	2020	2021	2022	2023	2024	2025
Approved through PW19083/FCS18048(a):						
Investing in Canada Infrastructure Program (ICIP)	0.21	0.22	0.11	0.01	0.01	-
Recommended:						
West-Harbour Waterfront Strategic Initiatives	0.03	-	0.05	0.08	0.24	0.01
Development Charge Exemption funding	0.23	-	-	-	-	-
Downtown Office Accommodation Strategy	0.13	-	-	-	-	-
Total Additional Levy Impact	0.60	0.22	0.16	0.09	0.25	0.01
Annual Capital Levy Increase	0.50	0.50	0.50	0.50	0.50	0.50
Grand Total	**1.10**	**0.72**	**0.66**	**0.59**	**0.75**	**0.51**

Details of other major capital investments including growth-related projects are provided in the 2020 Tax Capital Budget Books 1 and 2 and will be provided during presentations to the General Issues Committee.

Staffing: The operating budget and FTE impacts related to the proposed 2020 Tax Supported Capital Budget totals $3,390,350 and 24.66 FTE as identified in Appendix “C” to Report FCS19091.

Legal: N/A

HISTORICAL BACKGROUND

The City of Hamilton employs a hybrid Capital Block Funding Prioritization methodology to allocate sources of revenue to capital projects which over the years has evolved, aligning with the City’s Corporate Strategic Plan. The methodology was developed to direct funding towards addressing the City’s infrastructure deficit. The recommended 2020 Capital Program and Financing Plan, inclusive of previously approved amounts, is a result of staff applying Council’s strategic priorities and incorporating previously referred items within the financial restraints.

Council, through the 2019 Tax Capital Budget Report (FCS18097), approved, in principle, the Tax Supported Discretionary Net Capital Funding forecast for 2020–2028.

In July 2018, through the 2020 Budget Guidelines, Outlook and Process Report (FCS19054), Council approved a Capital Levy guideline of 1.3% and directed staff to submit the 2020 Tax Capital budgets with revised tax impact assumptions (see Table 4). An update to Report FCS19054 was received by Council, in October 2019, through the 2020 Updated Tax Supported Operating Budget Outlook and Mitigation Options Report FCS19054(a)). The update report did not direct any amendments to the Tax Capital Budget impact assumptions.

Council directed 2020 and future year Transit Capital projects along with the associated operating impacts and additional capital levy impacts through the Investing in Canada Infrastructure Program – Public Transit Stream Grant Program Report PW19083 / FCS18048(a)).

Table 4 provides a summary of the historical direction related to 2020 tax supported Capital levy and the actual impacts recommended through Report FCS19091.

Table 4

2020 TAX SUPPORTED CAPITAL LEVY IMPACTS – HISTORY AND RECOMMENDATION

	2019 Tax Capital Forecast	2020 Outlook Report	2020 Approved	2020 Recommended	2020 Total
Standard Tax Capital Levy Increase	0.50%	0.50%		0.50%	0.50%
Transit	0.27%	0.26%	0.21%		0.21%
West Harbour	0.13%	0.13%		0.03%	0.03%
DC Exemptions	-	0.23%		0.23%	0.23%
Downtown Office Accommodations	-	0.14%		0.14%	0.13%
Total levy impact	**0.90%**	**1.30%**	**0.21%**	**0.90%**	**1.10%**

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Asset management regulation O.Reg. 588/17 under the *Infrastructure for Jobs and Prosperity Act, 2015* (Bill 6) came into effect on January 1, 2018. On June 26, 2019, City Council adopted a Strategic Asset Management Policy (AMP) (Report PW19053). The Strategic AMP which Council approved through PW19053 applies to core infrastructure assets only at this time which includes assets in water treatment and distribution, wastewater collection and treatment, stormwater management, roads, bridges and culverts. At a later date, the Policy will be updated to include all infrastructure assets such as facilities and fleet before the legislative deadline of July 1, 2023. By July 1, 2021 all municipalities must develop asset management plans for core assets in alignment with the established policies. The Tax Capital Budget forecasts in Report FCS19091 are based on the best available information at the time of preparation and will be adjusted in future years as the City moves forward with enhancing asset management practices.

Report FCS19091 meets the requirements of the City of Hamilton's Debt Policy, whereby Council authority is required to issue debt.

Debt Management

I. City-internal Goals on Debt Levels:

1. Total tax and rate-supported debt as a percentage of City Own-Source revenues, not to exceed 60%, unless approved by Council.

   The City's debt ratios for 29.4% in 2018, forecasted 23.9% in 2019 and forecasted 28.9% for 2020 are well within the limit of 60%.

2. Total Development Charge (DC) supported debt as a percentage of the total DC Eligible Costs for the forecast period of the latest DC Background Study, not to exceed 25%, unless approved by Council.

   The City considers the limit of 25% to be an appropriate balance between two competing uses of revenues generated by development charges: (i) to sustain and ensure adequate infrastructure (capital), services and resources to support the City's growth plans and (ii) to repay the debt issued for development.

   The City's debt ratios of 1.4% in 2018 and forecasted 1.8% in 2019 and forecasted 2.4% for 2020 are well within the limit of 25%.

II. Statutory Limits:

1. The annual debt and financial obligation limit for the City is calculated in accordance with Section 3 of Ontario Regulation 403/02 as amended.

   The City's debt service charges as a percentage of City Own Source Revenue of 4.2% in 2018, forecasted 4.8% in 2019 and forecasted 4.3% for 2020 are well within the limit, of 25%.

2. Outstanding variable interest rate bank loan agreements and variable interest rate debentures, in total, cannot exceed 15% of the total outstanding debt of the City as set out in Ont. Reg. 276/02 s(2). The City's debt ratios are below the limit at 4.7% for 2018, forecasted 4.7 % for 2019 and forecasted 3.4 % for 2020 are well within the limit, of 15%.

III. Financial Ratios:

The debt related financial ratios will remain well within the affordability range and acceptable levels of prudent financial management. Appendix "F" to Report FCS19091 provides the results of the following ratios:

- Debt and debt service charges per capita;
- Debt service charges as a percentage of City Own Source Revenue;
- Debt service charges as a percentage of the municipal levy;

- Debt to operating revenues;
- Debt to reserves and reserve funds; and
- Cash and liquid assets to debt service; cash and liquid assets minus debt.

According to Ontario Regulation 403/02, Council shall, before giving authorization for capital work that would require a long-term debt or financial obligation, have the City Treasurer calculate an updated Annual Repayment Limit (ARL) using the most recent Annual Repayment Limit determined by the Ministry. The most recent ARL, determined and sent in writing by the Ministry to the City Treasurer, is the 2019 ARL in the amount of $266,191,448 and is based on 2018 Financial Information Returns.

Using this 2019 ARL, the City Treasurer has calculated an updated ARL of $210,118,246, shown on page two of Appendix "F" to Report FCS19091. The 2019 ARL was adjusted for possible debt service charges of $53,185,913 corresponding to approximately $552,051,591 of debt which has been approved by Council in 2019 and prior years but not yet issued. The 2019 ARL was then further adjusted for debt service charges assumed or discharged on debt since December 31, 2018 to the end of this fiscal year 2019. According to this calculation, the updated ARL of $210,118,246 represents a maximum amount which the City has available to commit to payments related to debt and financial obligations before the statutory limit is breached and corresponds to approximately $2,180,955,548 of additional borrowing which the City could undertake (assuming a 15-year term and 5% interest rate).

RELEVANT CONSULTATION

The 2020 Tax Supported Capital Budget is prepared from submissions from departments and consultation with all departments / program areas.

ANALYSIS AND RATIONALE FOR RECOMMENDATIONS

The recommendations for the 2020 Tax Supported Capital Levy and 2020 Capital Projects are the result of a lengthy and thorough process in which available discretionary funding is identified, operating groups prioritize capital needs and Council's previous directions are incorporated to the extent that funding is available.

In setting the discretionary funding for the 2020 Tax Supported Capital Budget, staff determined the discretionary funding available from the most current information available. Discretionary funds are those funds that could be directed to any Capital program area. This would not include specific use reserve funds (i.e., Development Charges, Fleet, Transit, etc.) or any other specific use funding. The review of discretionary funds yielded additional funds to be allocated to capital from Hamilton Utilities Corporation (HUC) / Alectra Dividends and an increase in funds from the previous year's financing surplus when compared to the amounts approved in principle from the 2019 Tax Supported Capital Budget (Report FCS18097) for the 2020 year.

The distribution of available discretionary funds was first allocated based on the hybrid Capital Block Funding Prioritization methodology funding allocations approved, in principle, for 2020 through the 2019 Tax Supported Capital Budget (Report FCS18097). The hybrid Capital Block Funding Prioritization methodology was developed to direct funding towards addressing the City's infrastructure deficit. The methodology has been in use by the City for many years and, when set, was based on historical funding averages, masterplan requirements and subsidy eligibility.

Departments reviewed capital works-in-progress and existing reserve balances to determine if the gross cost associated with the 2020 capital program could be offset from existing funds. Funding from reserves being utilized in the 2020 Tax Supported Capital program are detailed in Appendix "D" to Report FCS19091. Funding from internal sources and works-in-progress being utilized in the 2020 Tax Supported Capital program are detailed in Appendix "E" to Report FCS19091.

Capital projects receiving significant subsidy and / or referred to the Capital budget process by Council receive priority in the funding allocation process. Municipal pressures and Council priorities were used in allocating funding outside of the established funding allocations. For example, the recent Council approval to apply for grant funding through the Investing in Canada Infrastructure Program – Community, Culture and Recreation Stream (Report FCS19080) will require significant investment by the City pending the outcome of approvals. Staff has recommended that $5,000,000 from the discretionary funding available for 2020 Capital projects be dedicated towards financing the City's share of such projects.

The 2020 Tax Supported Capital Book 1 and Book 2, which are distributed under separate cover, provide additional insight in the analysis and rationale around the capital projects included in the detailed listing attached as Appendix "A" to Report FCS19091.

The 2020 Tax Supported Capital Budget and Financing Plan in the amount of $246,027,000, attached as Appendix "A" to Report FCS19091, includes the gross costs and identifies the sources of financing for each project recommended.

Staff is recommending a 2020 Capital Levy of $125,996,000 which represents an increase of $9,545,000 over the 2019 Capital Levy of $116,451,000 in the Tax Supported Operating Budget. The increase represents a 1.10% increase, or $39, on an average residential property.

Funding from Reserves of $33,617,000 is provided in Appendix "D" to Report FCS19091. The remaining sources of financing the 2020 Gross Tax Supported Capital Budget are summarized in Appendix "A" to Report FCS19091.

Further, staff has submitted a number of projects that are not included in the 2020 Tax Supported Capital Budget and Financing Plan. A list of these projects is included in 2020 Tax Supported Capital Budget Book 1.

ALTERNATIVES FOR CONSIDERATION

Council can direct changes to the 2020 Capital Budget so long as the approved financing (levy impact or reserve funding, for example) remains in balance with the approved projects.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation
Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Economic Prosperity and Growth
Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities
Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Clean and Green
Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure
Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Culture and Diversity
Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

Our People and Performance
Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS19091 – 2020 Tax Capital Budget Project List

Appendix “B” to Report FCS19091 – Discretionary Tax Supported Net Capital Funding 2020–2029 Forecast

Appendix “C” to Report FCS19091 – 2020 Tax Supported Capital Budget Operating Budget Impacts and FTE Impact for Projects included in the 2020 Financing Plan

Appendix “D” to Report FCS19091 – 2020 Tax Supported Capital Budget Reserve Funding by Reserve and Project

Appendix “E” to Report FCS19091 – 2020 Tax Supported Capital Budget Summary of Work in Progress (WIP) and other Internal Funding

Appendix “F” to Report FCS19091 – City of Hamilton Debt Policy Ratios and Treasurer’s Updated Annual Repayment Limit

JD/LG/MZ/JS/dt