



Hamilton

2020 BUDGET UPDATE

GENERAL ISSUES COMMITTEE

Report FCS20001

February 24th, 2020

2020 BUDGET AMENDMENTS - APPROVED

			Residential Impact
Preliminary Residential Tax Increase - Budget Book		\$48,217,460	5.0%
APPROVED AMENDMENTS:			
Public Works	Minimum vehicle fee increase at the City's Transfer Stations/Community Recycling Centres (from \$8.50 to \$10)	(100,000)	
Capital Financing	DC Exemptions contribution to be funded one time for 2020	(2,000,000)	
Corporate Financials	Partial mitigation - 2020 Op. Impact of Capital - New Traffic Signals <i>(2.60 FTE)</i>	(327,000)	
City Wide	Fuel Savings as a result of a \$0.02 reduction:	(220,000)	
Public Works	Environmental Services - Landfill Contract Efficiencies	(75,000)	
Public Works	Contractual adjustments	(370,000)	
Healthy & Safe Communities	Housing - Financial Adjustments to Benchmarks	(1,000,000)	
Healthy & Safe Communities	OW deliver at 2019 budget levels <i>(3.50 FTE)</i>	(1,100,000)	
Healthy & Safe Communities	Public Health Reserve	(278,000)	
Corporate Financials	HUC Dividend	(697,060)	
Corporate Financials	Global Spectrum Profit Sharing	(350,000)	
Corporate Financials	Hamilton Convention Centre by Carmen's - transfer from working reserve	(100,000)	
Legislative	Hamilton Veterans Committee	13,000	
Legislative	Food Advisory Committee	(1,000)	
Total Approved Amendments		(\$6,605,060)	

2020 BUDGET AMENDMENTS - PENDING

Residential
Impact

PENDING AMENDMENTS:

Planning & Economic Dev.	Parking fines and rates	(500,000)	
Capital Financing	Corporate Capital Financing	143,360	
Board & Agencies	Police Services Board: Capital Financing	(143,360)	
Board & Agencies	Police Services Board: Operating	569,020	
Board & Agencies	Grand River Conservation Authority	17,270	
Board & Agencies	MPAC	(6,710)	
Corporate Services	New Revenue: Offering Wedding Ceremonies at City Hall	<u>(50,000)</u>	
Total Pending Amendments		29,580	
Total Approved and Pending Amendments		<u>(6,575,480)</u>	<u>(0.7%)</u>
		\$41,641,980	4.4%
Updated Assessment Growth Impact (from 1.0% to 1.2%)			(0.2%)
Elimination of tax discount for vacant & excess lands subclass			(0.2%)
AVERAGE RESIDENTIAL MUNICIPAL TAX IMPACT			3.8%
AVERAGE RESIDENTIAL TOTAL TAX IMPACT (INCLUSIVE OF EDUCATION)			3.4%

PROPOSED MITIGATION



Efficiency

- Providing same service level with fewer resources and/or at a reduced cost. Includes contract-related savings



Financials

RESERVE

- Reduce contributions to reserves impacting long term financial plan.



Revenues

REVENUES

- Align revenue to prior year actuals, update provincial subsidy assumptions.

2020 BUDGET AMENDMENTS - PROPOSED

Preliminary Residential Tax Increase			3.4%
PROPOSED AMENDMENTS:			
Healthy & Safe Communities	Elimination of Vacant Position (Recreation) <i>(1.00 FTE)</i>	(82,000)	
Healthy & Safe Communities	Revised Scheduling	(24,000)	
Healthy & Safe Communities	Align Training and Conference Budget to 2019 Actuals	(20,000)	
Healthy & Safe Communities	Use of City Vehicles Reduction	(10,000)	
Healthy & Safe Communities	Defer Increased Reserve Transfer to HFD Vehicle & Equipment Reserve to 2021	(356,000)	
Healthy & Safe Communities	Align Contribution to Line of Duty Death budget to forecasted levels	(300,000)	
Healthy & Safe Communities	Defer Increased Reserve Transfer to HPS Vehicle & Equipment Reserve to 2021	(108,100)	
Healthy & Safe Communities	Request 100% Provincial Funding (raccoon rabies outbreak program)	(111,500)	
Public Works	Shift Optimization (Winter Control)	(125,000)	
Public Works	TransCab Contract Savings	<u>(130,000)</u>	

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2020 BUDGET AMENDMENTS - PROPOSED

Preliminary Residential Tax Increase			3.4%
PROPOSED AMENDMENTS (Continued):			
Corporate Financials	10% Reduction of Advertising and Promotion Costs	(270,000)	
Corporate Financials	POA Automated Speed Enforcement	(130,000)	
Corporate Financials	Provincial Cannabis Funding (OCLIF)	(292,000)	
City Manager's Office	Cost Efficiencies via Review of 2019 Actuals	(20,000)	
Corporate Services	Cost Efficiencies via Review of 2019 Actuals	(69,100)	
Corporate Services	Increases in Taxation Related and Miscellaneous Revenues	(43,000)	
Planning & Economic Dev.	Elimination of Vacant Position (Licensing By Law Services) (1.00 FTE)	(77,400)	
Planning & Economic Dev.	Elimination of Vacant Position (Transportation Planning & Parking) (1.00 FTE)	(66,600)	
Planning & Economic Dev.	Align to 2019 Actuals - Airport lease	(250,000)	
Total Proposed Amendments		(2,484,700)	(0.2%)
AVERAGE RESIDENTIAL TOTAL TAX IMPACT (INCLUSIVE OF EDUCATION)			3.2%

2020 AVERAGE RESIDENTIAL TAX IMPACT

	2019 \$	2020 \$	Change \$	Change %
City Departments	2,387	2,457	70	1.9%
Boards and Agencies	830	861	31	0.9%
Capital Financing	352	383	31	0.9%
MUNICIPAL TAX IMPACT	3,569	3,701	132	3.7%
Education Taxes	580	582	2	0.4%
TOTAL TAX IMPACT	4,149	4,283	134	3.2%

NOTE: Anomalies due to rounding

**Ward Average Reassessment
Impacts range**



-0.5% to +2.0%

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2020 REDUCTION SCENARIOS

	Reduction (\$)	Levy Increase (\$)	Total Residential Tax Incr.
Updated Preliminary Budget		39,157,280	3.2%
Further Reductions of	(4,879,160)	34,278,120	2.6%

- Excludes potential increases due to 2020 Referred Items (0.1%) and Business Cases (0.1%)
- \$9.4M is required to adjust the municipal tax impact by 1%
- Total Residential Tax Increase includes Education

FURTHER REDUCTIONS



Financials **RESERVE**

- Further reserve contribution reductions will significantly impact short and long term financial sustainability.



Revenues **COMPARATORS**

- Introduce and align user fees to comparator municipalities, industry standards, industry best practices and legislated requirements

REVENUES – OTHER

- Enhance user fee increases in many areas, reduce or eliminate fee waivers, introduce new fees for service.

FURTHER REDUCTIONS (Con.)



Services

COMPARATORS

- Align service levels to comparator municipalities, industry standards, industry best practices and legislated requirements where the City exceeds those comparators.

UNDERUTILIZED

- Reduce service hours, close/cancel underutilized facilities/programs.
- Reduce or eliminate service levels where service is underutilized.
- Eliminate / Close non-core services / facilities

SERVICES – OTHER

- Align service levels to provincial funding.
- Reduce grants to external agencies.
- Reduce response time to inquiries, request for service.
- Reduce capability for policy work including in-year requests from Council.
- Reduce frequency of maintenance activities

2020 COUNCIL REFERRED ITEMS

- Items previously considered at Council and referred to the budget process for further discussion.

DEPARTMENT	# OF ITEMS	2020 IMPACT		FTE
		\$ GROSS	\$ NET	
Planning & Economic Development	3	135,000	45,000	1.50
Healthy and Safe Communities	3*	781,340	743,340	14.00
Public Works - Tax	3*	30,000	30,000	-
City Manager's Office	2	295,280	295,280	-
Corporate Services	1	-	-	-
Board and Agencies	1	145,000	145,000	-
TOTAL	13	\$ 1,386,620	\$ 1,258,620	15.50

- Results in a 0.1% tax impact.**

*Including one council referred item (CR-10) jointly submitted with City Manager

2020 BUSINESS CASES

- 9 Business Cases

DEPARTMENT	# OF ITEMS	2020 IMPACT		
		\$ GROSS	\$ NET	FTE
Planning & Economic Development	3	677,120	252,000	7.50
Healthy and Safe Communities	1	1,039,500	1,039,500	10.00
Public Works - Tax	2	424,270	(89,530)	6.70
City Manager's Office - HR	1	120,000	-	1.00
Corporate Services	2	206,950	-	2.00
TOTAL	9	\$ 2,467,840	\$ 1,201,970	27.20

- Results in a 0.1% tax impact

2020 PROCESS DATES

ITEM	DATE
Tax Supported Operating Budget Overview	<i>January 17, 2020</i>
Departmental Budget Presentations	<i>January 28, 29, 30 & February 7, 2020</i>
Boards & Agencies Presentations	<i>January 21 & 23, 2020</i>
Transit Day	<i>January 24, 2020</i>
Public Delegations	<i>February 10, 2020</i>
GIC Budget Deliberations	<i>February 13, 24, 27*, March 2 & 4, 2020</i>
Council - Tax Operating Budget Approval	<i>April 1, 2020</i>

* - Cancelled



Hamilton

THANK YOU