



# INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	December 3, 2020
<b>SUBJECT/REPORT NO:</b>	2021 Tax Supported Capital Budget Update (FCS20101(a)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Brian McMullen (905) 546-2424 Ext. 4549
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

## COUNCIL DIRECTION

Following direction given to staff during the presentation of the 2021 Tax Supported Capital Budget (Report FCS20101) at the General Issues Committee (GIC) meeting on November 27, 2020, staff has provided additional information in advance of GIC budget deliberations on December 3, 2020.

## INFORMATION

Information on each item is provided under the various subsections of Report FCS20101(a).

### 1. Capital Levy Increase for Discretionary Block Funded Projects

The 0.5% additional Capital Levy tax increase to fund discretionary block funded projects, as directed by Council on November 11, 2020, would amount to an additional net levy increase of \$4.5 M. Staff presented the proposed breakdown of these funds at the November 27, 2020 Budget GIC meeting as follows:

- Transportation Infrastructure \$3.0 M; and,
- Facilities Management \$1.5 M.

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To forgo the requirement of an additional 0.5% tax increase in 2021 and maintain the same infrastructure investment to address state-of-good-repair requirements, staff recommends that the \$4.5 M be funded by one-time contributions from the Federal Gas Tax Reserve of \$3.0 M and the 2020 Capital Financing Surplus of \$1.5 M. The breakdown is provided in Table 1.

**Table 1**  
**Proposed Funding Breakdown of Additional \$4.5 M to the Capital Levy**

	Federal Gas Tax Reserve	2020 Capital Financing Surplus	Total
Transportation Infrastructure	\$ 3,000,000		\$ 3,000,000
Facilities Management		\$ 1,500,000	\$ 1,500,000
<b>Total</b>	<b>\$ 3,000,000</b>	<b>\$ 1,500,000</b>	<b>\$ 4,500,000</b>

As reported in the Tax Operating Budget Variance Report as at August 31, 2020 (FCS20069(a)), a 2020 surplus of \$8.3 M related to City Capital Financing is anticipated (excluding Boards and Agencies). An amount of \$4.6 M is already recommended to be utilized in the 2021 Capital Financing Plan as presented. With the additional \$1.5 M as suggested, the remaining unallocated Capital Financing Surplus would be \$2.2 M in 2020. As such, there is available capacity to fund the additional \$1.5 M.

There is currently \$11.2 M remaining from the one-time transfer payment of additional Federal Gas Tax Funds in 2019. The 2021 Capital Financing Plan as recommended utilizes \$2.5 M of those funds. With the additional \$3.0M as suggested, the remaining unallocated balance in the Federal Gas Tax Reserve is \$5.7 M, meaning there is available capacity to fund the additional \$3.0 M.

**2. Breakdown of Total Annual Investment in Sidewalk State-of-Good-Repair**

Table 2 outlines the dedicated annual Operating and Capital Budgets related to the ongoing maintenance, replacement and installation specifically identifiable to sidewalk capital works:

**Table 2**  
**Breakdown of Annual State-of-Good-Repair Sidewalk Investment**

	2021 Budget
Sidewalk Programs Operating Budget	\$ 3,084,970
Sidewalk Rehabilitation Program	\$ 750,000
New Sidewalk Program	\$ 450,000
<b>Total</b>	<b>\$ 4,284,970</b>

In addition to these annual programs, there is extensive sidewalk replacement and new sidewalk installation included in the total budgeted amounts for the Road Replacement Program (\$9.7 M), Rural Rehabilitation Program (\$6.6 M), Urban Rehabilitation Program (\$14.8 M) and growth-related road development (\$30.3 M). Direction was received from GIC to staff to further understand how the sidewalk program works and will be included in the Public Works 2021 Tax Operating Budget GIC presentation on January 27, 2021.

### **3. Financial Planning for Growth Related Infrastructure and the Impact on Operations**

Appendix “D” to Report FCS20101 provides the total estimated impact that each proposed 2021 capital project will have on the annual operating budget once project implementation is completed. The total operating impact of the 2021 Tax Capital Budget is \$6.8 M annually and 78.9 FTEs.

Contributed assets from developers are not reflected in the Operating Impacts of Capital Appendix “D”. Ongoing operating costs are absorbed within the respective departmental base budgets.

### **4. Breakdown of funding for Council Priority – Minor Rehabilitation Projects**

Each Ward continues to receive the same allocation of funding in 2021 as in 2020 (\$200 K less \$20 K for administrative overhead = \$180 K net funding) for annual Minor Rehabilitation work. Historically administrative overhead costs of \$20 K were budgeted and charged to Minor Rehabilitation Projects. During the 2020 Capital Budget Process, a change was made to record administrative overhead in separate Project numbers to show the gross capital investment for minor rehabilitation projects. The change did not impact the spending allotments.

### **5. Breakdown of Other Capital Gross Investment (Slide 25 in the Presentation)**

Table 3 provides a further breakdown of the “Other” category of the 2021 Capital Gross Investment (slide 25) of the 2021 Tax Supported Capital Budget presentation. Details on each project are provided in Appendix “A” to Report FCS20101.

**Table 3**  
**Breakdown of Other Gross Capital Investments**

<b>Project ID</b>	<b>Amount (\$000's)</b>
City Manager	425
Customer Service & POA	100
2021 Development Charges Bylaw Studies	900
DC Exemptions Recovery	8,500
Information Technology	8,138
Area Rating Special Capital Reinvestment	900
Council Strategic Projects	2,000
Healthy and Safe Communities Administrative	160
<b>Total</b>	<b>21,123</b>

## **6. Vision Zero Engagement and Education**

The Hamilton Strategic Road Safety Program and Vision Zero Action Plan 2019 – 2025 report is a detailed comprehensive plan to work towards zero serious injury and fatalities on Hamilton roadways. The report outlines several priority action items under the 5 E's (Evaluation, Engineering, Enforcement, Engagement and Education). Staff has submitted line items to deal with each area.

<https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=213892>

When it comes to Education, in particular, there is an extensive campaign related to education. A summary is provided in this link below.

<https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=213896>

In 2021, there will be a higher emphasis on Automated Speed Enforcement and Red-Light Cameras in addition to the other areas identified in the link.

Education Project details are provided on page 573 of Appendix "A" of Report FCS20101 and Engagement Project details are provided on page 572 of Appendix "A" of Report FCS20101.

## **7. Neighbourhood Speed Reduction Initiative**

The capital project detail sheet is related to the multi-year program of reducing the speed limits in neighbourhoods to 40 km/hr. The genesis of this was Bill 65, the Safer School Zone Act which permits municipalities to enact speed limit reductions on a neighbourhood by neighbourhood basis. This legislation amended the Ontario Highway Traffic Act (HTA), and municipalities are now permitted to reduce speed limits, below 50 km/h, through municipal by-law by designating neighbourhoods for reduced speed limits.

<https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=196064>  
Neighbourhood Speed Reduction Initiative project details are provided on page 557 of Appendix “A” of Report FCS20101.

## **8. Transportation Tomorrow Survey**

Project details are provided on page 535 of Appendix “A” of Report FCS20101.

These funds are used for the City of Hamilton to continue participation in the GGH planning activities and Transportation Tomorrow Survey (TTS) to gather key data on travel behaviour required for transportation planning, trend analysis, modal shifts, transit planning, modeling, forecasting and several other studies. These funds are the City's contribution pro-rated along with other GTHA municipalities.

TTS data is the main and valuable data for any Transportation Planning activities. The TTS data is gathered, validated and published every five (5) years. The data and analysis reports are used as input to the City's transportation model and transportation MP studies, traffic impact studies, development studies, transit planning etc. This survey provides details on household structures, travel patterns, travel mode etc. across the GTHA and beyond. The information obtained through the TTS are utilized by various Sections / Departments including Traffic, Planning, Public Health as well as Transportation Planning. The amount reflects the current and forecast funding from the City as a result of the MTO's reduced contribution. Now MTO funds 50% of the cost. The City's contribution towards the share of cost are spread over multiple years.

These funds also contribute to the transportation modelling research initiated in 2012 to create a GTHA Transportation Modelling Group (TMG) under UofT to support continued research and continuous improvement of transportation model that will allow for the co-ordination and sharing of transportation models at the provincial, regional and local level.

The funds will also be used for the City's yearly contribution to UofT for maintaining and managing the transportation data collected and stored at the UofT (DMG group) since 1986. The funding partners have access to the database at no additional cost.

**APPENDICES AND SCHEDULES ATTACHED**

None.

BM/dt