

Item 6.1



Hamilton

2021 TAX SUPPORTED CAPITAL BUDGET FCS20101

Mike Zegarac
General Manager, Finance and Corporate Services

December 18, 2020
General Issues Committee

AGENDA

1. Work-in-Progress Review
2. Options to Defer / Adjust 2021 Projects
3. Potential Revised Recommendations

Work-in-Progress Review

- Project Managers Reviewed projects identified through Councillor Inquiries
 - Project status outlined in Appendix A of Report FCS20101(b)
 - 103 projects with total WIP of \$193M were reviewed
 - 5 projects with total WIP of \$149M awaiting funding announcements from senior levels of government

Options to Defer / Adjust 2021 Projects

- SLT reviewed 2021 project list for opportunity to defer projects
 - Digital Office: Smart City and Digital Transformation Program **(\$300K)**
 - Enhancing City of Hamilton App for Citizen Services **(\$25K)**
 - Digital/Open Data Infrastructure **(\$100K)**
 - Network Infrastructure Sustainability and Continuous Improvement **(amend \$445K project total to \$225K)**
 - IT Strategy – Strategic Theme Enabling Our People **(\$180K)**
 - IT Strategy – Strategic Theme IT Optimization **(\$150K)**
 - Total deferrals / adjustments **(\$975K)**
 - Operating Impacts of Capital **(\$312K)**

Alternative Funding Option for 0.5% Capital Levy Increase

- Presented at Dec. 3rd GIC
- The proposed 0.5% Capital Levy increase equates to \$4.5M
- The funding supports state-off-good-repair projects for Transportation Infrastructure (\$3.0M) and Facilities Management (\$1.5M)
- Alternative funding option for 2021 Capital Budget:

	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
Total	\$ 3,000,000	\$ 1,500,000	\$ 4,500,000

Amended Alternative Funding Option

- Takes into consideration deferred / adjusted 2021 projects (\$975K)
- Alternative funding option for 2021 Capital Budget:

	Federal Gas Tax Reserve	2020 Capital Financing Surplus	Project Deferrals / Adjustments	Total
Transportation Infrastructure	\$ 3,000,000			\$ 3,000,000
Facilities Management		\$ 525,000	\$ 975,000	\$ 1,500,000
Total	\$ 3,000,000	\$ 525,000	\$ 975,000	\$ 4,500,000

FCS20101 Potential Revised Recommendations

~~b) That an additional net levy increase of \$4,600,000 (0.5%) in 2021 to fund discretionary block funded projects be approved;~~

c) That the 2021 Tax Supported Capital Budget and Financing Plan in the amount of \$474,975,000 attached as Appendix “B” as amended to Report FCS20101, be approved with the following funding sources:

- i. \$155,439,000 from government grants and subsidies;
- ii. \$25,000 from other external sources;
- iii. \$78,287,000 from Development Charges Reserves;
- iv. \$45,835,000 from Reserves;
- v. \$22,498,000 from Work-in-Progress and other internal transfers;
- vi. \$86,657,000 from the 2021 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. \$39,543,000 from Federal Gas Tax Reserve (112213);
- x. \$1,100,000 from COVID-19 Emergency Reserve (110053);
- xi. \$2,090,000 from Roads, Bridges and Traffic Capital Reserve (108041);
- xii. \$5,125,000 from the Unallocated Capital Levy Reserve (108041);
- xiii. \$29,076,000 from Tax Supported Debenture Financing.

FCS20101 Potential Revised Recommendations

- d) That the General Manager of Finance and Corporate Services be authorized to transfer **\$5,125,000** to the Unallocated Capital Levy Reserve (108020) from the forecasted 2020 Capital Financing Surplus for the purposes of funding the 2021 Capital Financing Plan;
- f) That the operating budget and full-time equivalent (FTE) impacts of the 2021 Tax Supported Capital Budget, estimated at \$865,500 and 4 FTEs for 2021 and **\$5,640,400** and 74.9 FTEs for future years, included in **Appendix “D” as amended** to Report FCS20101 be incorporated into future Tax Supported Operating Budgets subject to Council approval;



THANK YOU