



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

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 3, 2021
SUBJECT/REPORT NO:	2021 Tax Supported Operating Budget - Recommendations (FCS21001(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Kayla Petrovsky Fleming (905) 546-2424 Ext. 1310 Duncan Robertson (905) 546-2424 Ext. 4744
SUBMITTED BY:	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) Council Referred Items, Business Cases and 2022 – 2024 Multi-Year Outlook
 - (i) That the 2021 Council Referred Items in Appendix “A” attached to Report FCS21001(a), be received;
 - (ii) That the 2021 Business Cases in Appendix “B” attached to Report FCS21001(a), be received;
 - (iii) That the 2022 – 2024 Multi-Year Outlook in Appendix “I” attached to Report FCS21001(a), be received;
 - (iv) That the Proposed Amendment to 2021 Approved User Fees in Appendix “J” attached to Report FCS21001(a), be approved;
- (b) Boards and Agencies
 - (i) That the Boards and Agencies operating budget of \$225,116,831 in Appendix “D” attached to Report FCS21001(a), inclusive of amendments as per Appendix “C” attached to Report FCS21001(a), be approved;

**SUBJECT: 2021 Tax Supported Operating Budget - Recommendations
(FCS21001(a)) (City Wide) – Page 2 of 7**

- (ii) That the City Enrichment Fund operating budget (2021 Tax Supported Operating Budget Book – Appendix “K” to Report FCS21001(a), page 31, \$6,088,340, be approved;
- (c) Planning and Economic Development Department
 - (i) That the Planning and Economic Development operating budget (2021 Tax Supported Operating Budget Book – Appendix “K” to Report FCS21001(a), page 54, \$30,327,260, inclusive of amendments as per Appendix “C” attached to Report FCS21001(a), be approved;
- (d) Healthy and Safe Communities Department
 - (i) That the Healthy and Safe Communities operating budget (2021 Tax Supported Operating Budget Book – Appendix “K” attached to Report FCS21001(a), page 74, \$256,380,200, inclusive of amendments as per Appendix “C” attached to Report FCS21001(a), be approved;
 - (ii) That the General Manager of the Healthy and Safe Communities Department, or delegate, be authorized and directed to execute, on behalf of the City, all agreements, including all federal and provincial funding agreements and any agreements with Community Services Provider(s), as well as, any ancillary agreements, contracts, extensions and documents, associated with, or arising out of, Council’s approval of the budgets, outlined Appendix “K” attached to Report FCS21001(a), which also includes the authority to authorize the submission of budgets and quarterly and / or year-end reporting, as well as, the authority to make appropriate payments to community service providers, in a form satisfactory to the City Solicitor;
 - (iii) That, where required for Public Health Services, the General Manager of the Healthy and Safe Communities Department, or delegate, or the Medical Officer of Health, or delegate, be authorized and directed to execute, on behalf of the City, all agreements, including all federal and provincial funding agreements, as well as, any ancillary agreements, contracts, extensions and documents, associated with, or arising out of, Council’s approval of the budgets, outlined in Appendix “K” attached to Report FCS20001, and includes the authority to authorize the submission of budgets and quarterly and / or year-end reporting;
 - (iv) That a Line of Duty Death (LODD) Benefit Reserve (112050) be established with initial funding of \$494,000 from the Tax Stabilization Reserve (110046) in accordance with the reported 2019 Tax Operating Budget Surplus and the 2020 Tax Supported Operating Budget amendments;

**SUBJECT: 2021 Tax Supported Operating Budget - Recommendations
(FCS21001(a)) (City Wide) – Page 3 of 7**

(e) Public Works Department

- (i) That the Public Works operating budget (2021 Tax Supported Operating Budget Book – Appendix “K” to Report FCS21001(a), page 98, \$264,776,990, inclusive of amendments as per Appendix “C” attached to Report FCS21001(a), be approved;

(f) City Manager’s Office

- (i) That the City Manager’s operating budget (2021 Tax Supported Operating Budget Book – Appendix “K” to Report FCS21001(a), page 114, \$12,866,920, inclusive of amendments as per Appendix “C” attached to Report FCS21001(a), be approved;

(g) Corporate Services Department

- (i) That the Corporate Services operating budget (2021 Tax Supported Operating Budget Book – Appendix “K” to Report FCS21001(a), page 128, \$36,111,650, inclusive of amendments as per Appendix “C” attached to Report FCS21001(a), be approved;

(h) Legislative

- (i) That the Legislative operating budget (2021 Tax Supported Operating Budget Book – Appendix “K” to Report FCS21001(a), page 145, \$5,164,412, inclusive of amendments as per Appendix “C” attached to Report FCS21001(a), be approved;

(i) Hamilton Entertainment Facilities

- (i) That the Hamilton Entertainment Facilities operating budget (2021 Tax Supported Operating Budget Book – Appendix “K” to Report FCS21001(a), page 153, \$4,037,180, inclusive of amendments as per Appendix “C” attached to Report FCS21001(a), be approved;

(j) Corporate Financials – Expenditures / Non-Program Revenues

- (i) That the Corporate Financials – Expenditures operating budget (2021 Tax Supported Operating Budget Book - Appendix “K” to Report FCS21001(a), page 146, \$22,799,200, inclusive of amendments as per Appendix “C” attached to Report FCS21001(a), be approved;

**SUBJECT: 2021 Tax Supported Operating Budget - Recommendations
(FCS21001(a)) (City Wide) – Page 4 of 7**

- (ii) That the Non-Program Revenues operating budget (2021 Tax Supported Operating Budget Book - Appendix “K” to Report FCS21001(a), page 158, (\$47,391,950), inclusive of amendments as per Appendix “C” attached to Report FCS21001(a), be approved;
- (k) Capital Financing
 - (i) That the Capital Financing operating budget (2021 Tax Supported Operating Budget Book – Appendix “K” to Report FCS21001(a), page 154, \$139,541,860 inclusive of amendments as per Appendix “C” attached to Report FCS21001(a), be approved;
 - (ii) That the Capital Financing portion of the Police Services budget (2021 Tax Supported Operating Budget Book – Appendix “K” to Report FCS21001(a), page 154, \$1,234,776, inclusive of amendments as per Appendix “C” attached to Report FCS21001(a), be approved;
 - (iii) That the Capital Financing portion relating to the Hamilton Public Library budget (2021 Tax Supported Operating Budget Book – Appendix “K” to Report FCS21001(a), page 154, \$166,280, be approved;
- (l) 2021 By-Law Authorization
 - (i) That the City Solicitor be authorized and directed to prepare all necessary by-laws, for Council approval, for the purposes of establishing the tax levy;
- (m) Budgeted Complement Transfer Schedule
 - (i) That in accordance with the “Budgeted Complement Control Policy”, the requested complement transfers from one department / division / cost category to another, as outlined in Appendix “E” attached to Report FCS21001(a), be approved;
- (n) Budgeted Complement Temporary Extension Schedule
 - (i) That in accordance with the “Budgeted Complement Control Policy”, the requested complement extensions of temporary positions with 24-month terms or greater, with no impact on the levy, as outlined in Appendix “F” attached to Report FCS21001(a), be approved;

**SUBJECT: 2021 Tax Supported Operating Budget - Recommendations
(FCS21001(a)) (City Wide) – Page 5 of 7**

- (o) Budget Amendment Schedule
 - (i) That, in accordance with the “Budget Control Policy”, the requested amendments, transferring budget from one department / division to another and / or from one cost category to another with no impact on the levy, as outlined in Appendix “G” attached to Report FCS21001(a), be approved;
- (p) Budget Exclusions Related to Regulation 284/09
 - (i) That the budget exclusions related to Regulation 284/09 of the *Municipal Act* titled “Budget Matters – Expenses”, as per Appendix “H” attached to Report FCS21001(a), be received;
- (q) That the Mayor and Senior Leadership Team of the City of Hamilton actively participate in efforts with other municipalities and municipal associations seeking financial support from senior levels of government to support the ongoing and longer term financial impacts of the COVID-19 pandemic and recovery.

EXECUTIVE SUMMARY

The 2021 Preliminary Tax Supported Operating Budget was submitted to the General Issues Committee (GIC) at its meeting on January 15, 2021. The Average Municipal Residential tax impact was presented at 2.5%, inclusive of approved amendments to date. City departments, as well as Boards and Agencies, provided GIC with an in-depth presentation of their 2021 budgets. Since the preliminary submission on January 15, 2021, several budget amendments have been approved and proposed. The amendments are identified in Appendix “C” attached to Report FCS21001(a).

The Municipal portion of the total tax bill is 86%, while the remaining share of 14% supports local School Boards. The proposed Municipal Residential tax increase of 2.6%, when combined with the 2021 impact for Education of (0.3%) and the impact of levy restrictions of 0.1% and the assessment growth impact of (0.2%), would result in an average total residential tax increase of 2.1% (anomalies in total due to rounding).

The recommendations to Report FCS21001(a) seek Council approval of the budget, as submitted in the preliminary document, including the approved amendments contained in Appendix “C” attached to Report FCS21001(a). Council may approve additional changes, which would then be added to this amendment list.

The average total residential tax impact of 2.1% includes the approved Council Referred Items and Business Cases in Appendices “A” and “B” to Report FCS21001(a).

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Full financial information can be found in the 2021 Preliminary Tax Supported Operating Budget Book (Appendix “K” to Report FCS21001(a)).

Staffing: A complement summary can be found in Appendix “1 – 4” of the 2021 Preliminary Tax Supported Operating Budget Book (Appendix “K” to Report FCS21001(a)).

Legal: N/A

HISTORICAL BACKGROUND

The 2021 Committee calendar includes key dates pertaining to the 2021 Tax Operating Budget for the GIC meetings. The budget kick-off took place on January 15, 2021 followed by various other GIC dates which allowed for departmental budget presentations.

There are no remaining scheduled GIC budget deliberation meeting dates.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

The budget has been developed in conjunction with internal and external partners.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The recommendations in Report FCS21001(a) to be received or approved are a result of 2021 Budget presentations, public delegations and deliberations at GIC meetings from January to March of 2021. In addition, during the 2020 Budget process, amendments were made to the Healthy and Safe Communities (HSC) budget for Line of Duty Death (LODD) benefit costs and a LODD Benefit Reserve was to be established from the 2019 Tax Operating Budget Surplus of \$494,000. As the overall 2019 Budget Surplus was transferred to the Tax Stabilization Reserve, a transfer is required from the Tax Stabilization Reserve to a new LODD Benefit Reserve (112050). Within Business Case-02 (BC-02) for Hamilton Paramedic Service, a capital project 7641951103 is also approved with a gross cost of \$293,000 funded by development charges reserves of \$263,000 and the Unallocated Capital Levy Reserve of \$30,000.

ALTERNATIVES FOR CONSIDERATION

As part of the budget deliberations, Council can direct changes to the budget as required.

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.

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 FCS21001(a) – 2021 Council Referred Items

Appendix “B” to Report FCS21001(a) – 2021 Business Cases

Appendix “C” to Report FCS21001(a) – 2021 Tax Supported Operating Budget Amendments

Appendix “D” to Report FCS21001(a) – 2021 Boards and Agencies Operating Budget

Appendix “E” to Report FCS21001(a) – Budgeted Complement Transfer Schedule

Appendix “F” to Report FCS21001(a) – Budgeted Complement Temporary Extension Schedule

Appendix “G” to Report FCS21001(a) – Budget Amendment Schedule

Appendix “H” to Report FCS21001(a) – Budget Exclusions Related to Regulation 284/09

Appendix “I” to Report FCS21001(a) – 2022 – 2024 Multi-Year Outlook

Appendix “J” to Report FCS21001(a) – Proposed Amendment to 2021 Approved User Fees and Charges

Appendix “K” to Report FCS21001(a) - 2021 Tax Supported Operating Budget Book

KP/DR/dt