



2022 BUDGET GUIDELINES, OUTLOOK AND PROCESS

FCS21057(a)

1. Tax 2022 Tax Supported Operating Budget Preliminary Outlook
2. 2022 Rate Supported Operating Budget Preliminary Outlook
3. 2022 Budget Schedule
4. 2022 Budget Guidelines & Recommendations



**2022 TAX SUPPORTED
OPERATING BUDGET
PRELIMINARY OUTLOOK**

2022 Budget Guidelines, Outlook and Process

2022 Operating Budget Outlook by Department

Department	2021 Approved Budget	2022 Outlook	2022 Change	2022 Change
	\$	\$	\$	%
Planning and Economic Development	\$30,357,480	\$31,514,130	\$1,156,650	3.8%
Healthy and Safe Communities	\$255,023,200	\$270,529,060	\$15,505,860	6.1%
Public Works	\$266,803,330	\$282,387,720	\$15,584,390	5.8%
Legislative	\$5,164,412	\$5,249,752	\$85,340	1.7%
City Manager	\$13,016,920	\$13,610,140	\$593,220	4.6%
Corporate Services	\$37,210,120	\$37,967,210	\$757,090	2.0%
Corporate Financials / Non Program Revenues	(\$27,940,780)	(\$25,632,980)	\$2,307,800	-8.3%
Hamilton Entertainment Facilities	\$4,037,180	\$4,095,980	\$58,800	1.5%
Total City Expenditures	\$583,671,862	\$619,721,012	\$36,049,150	6.2%
Hamilton Police Services	\$176,587,027	\$181,884,638	\$5,297,611	3.0%
Other Boards and Agencies	\$48,529,804	\$49,927,364	\$1,397,560	2.9%
City Enrichment Fund	\$6,088,340	\$6,088,340	\$0	0.0%
Total Boards and Agencies	\$231,205,171	\$237,900,342	\$6,695,171	2.9%
Capital Financing	\$139,541,860	\$145,538,860	\$5,997,000	4.3%
Total Levy Requirement	\$ 954,418,893	\$ 1,003,160,210	\$ 48,741,320	5.1%
Assessment Growth				(1.0%)
Reassessment				0.0%
Levy Restrictions				0.1%
Tax Policy				0.2%
Education Impact				(0.3%)
Total Average Residential Tax Impact				4.1%

BUDGET PRESSURES SUMMARY

Budget Pressure	2022 Increase
Current Service Level	
Employee related and misc. other current service-level pressures	\$ 18,609,759
Boards & Agencies	\$ 6,695,171
Total Maintenance Budget	\$ 25,304,930
Enhancements/Service Level Adjustments	
10-Year Transit Strategy	\$ 4,144,000
Insurance	\$ 2,745,000
Sidewalk Snow Clearing	\$ 1,776,000
DARTS	\$ 1,720,000
Area Rating for Fire Services	\$ 1,400,000
Child Care Provincial Funding Ageement	\$ 1,001,800
Social Housing – provincial benchmarks	\$ 753,790
Equity, Diversity and Inclusion Roadmap and Implementation	\$ 310,000
Subtotal	\$ 13,850,590
Additional Capital Investment	
Capital Levy for Discretionary Blocks	\$ 4,800,000
National Housing Strategy	\$ 1,264,300
Capital Levy for New Debt Related to ICIP – Transit and West Harbour	\$ 1,197,000
Affordable Housing - Roxborough	\$ 1,047,000
Macassa Lodge Redevelopment	\$ 896,300
Area Rating for Parkland Purchases	\$ 381,200
Subtotal	\$ 9,585,800
Total Enhancements/Service Level Adjustments/Capital Investment	\$ 23,436,390
Total	\$ 48,741,320

INFLATIONARY AND OTHER PRESSURES

- The expenditure profiles of municipal governments are much different than the expenditure profiles of an average Canadian consumer
- The CPI is a useful indicator of inflation because it is consistent, well known and readily available, but it does not reflect the purchasing patterns of municipal governments
- Municipal services are most heavily weighted in salaries & wages, benefits, professional services, hydro, natural gas, fuel and capital / construction costs, such as land purchases, equipment, materials and contracted services
- On a year-over-year basis in August 2021 Consumer Price Index is 4.1%

FORECASTED COVID-19 IMPACT ON 2022

- Additional financial pressures related to COVID-19 in 2022 of \$59 M
- 65% is forecasted to be funding from senior levels of government with no commitment beyond 2022
- It is anticipated that the pressures will be funded either through funding from senior levels of government or through the COVID-19 Emergency Reserve with no additional impact on the levy
- The nature of recovery is unknown - the City continues to forecast service impacts in the short-term

BOARDS AND AGENCIES LEVY IMPACT

Board / Agency	2021 Approved Budget	2022 Outlook \$	2022 Change \$	2022 Change %
Police	\$ 176,587,027	\$ 181,884,638	\$ 5,297,611	3.0%
Conservation Authorities	\$ 8,459,770	\$ 8,628,965	\$ 167,100	2.0%
Library	\$ 32,196,330	\$ 33,162,220	\$ 1,073,910	3.3%
Other Boards and Agencies	\$ 7,873,710	\$ 8,031,184	\$ 156,550	2.0%
Total Impact	\$ 225,116,837	\$ 231,707,007	\$ 6,695,171	3.0%

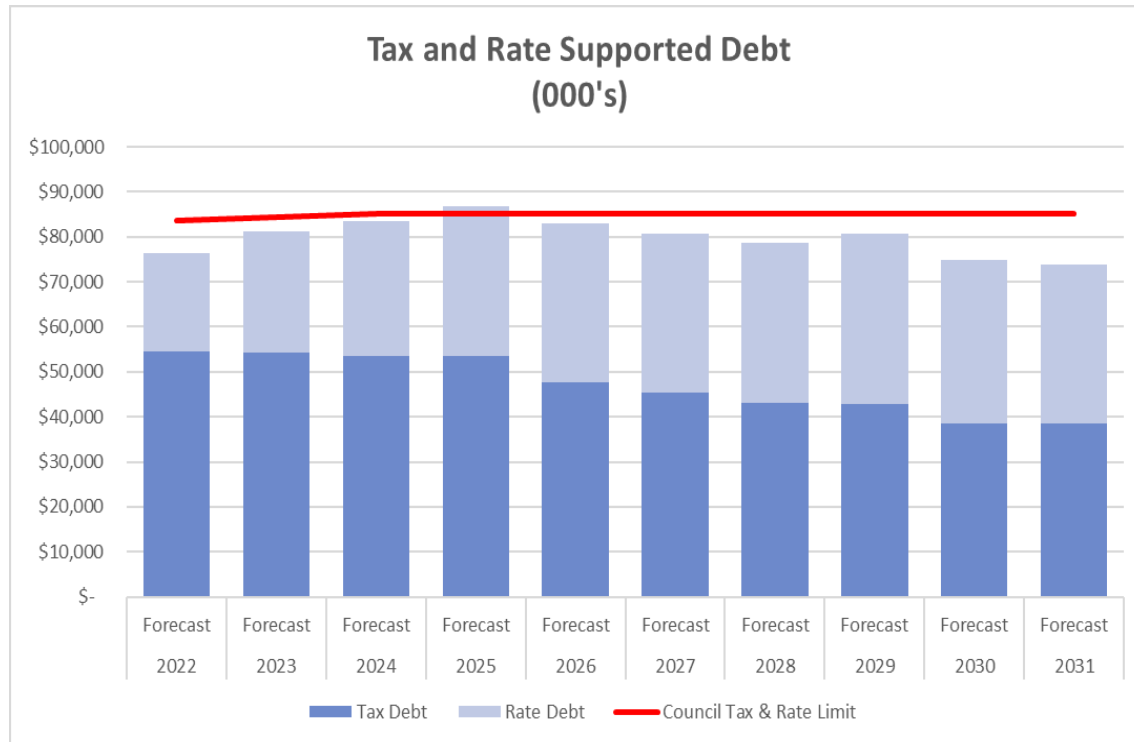
CAPITAL FINANCING OUTLOOK

Capital Financing	2022	
	(\$)	(%)
Discretionary Block Funding	\$ 4,800,000	0.5%
West Harbour Development	\$ 374,000	0.0%
ICIP - Transit	\$ 823,000	0.1%
Total Impact	\$ 5,997,000	0.6%

Note - Anomalies due to rounding

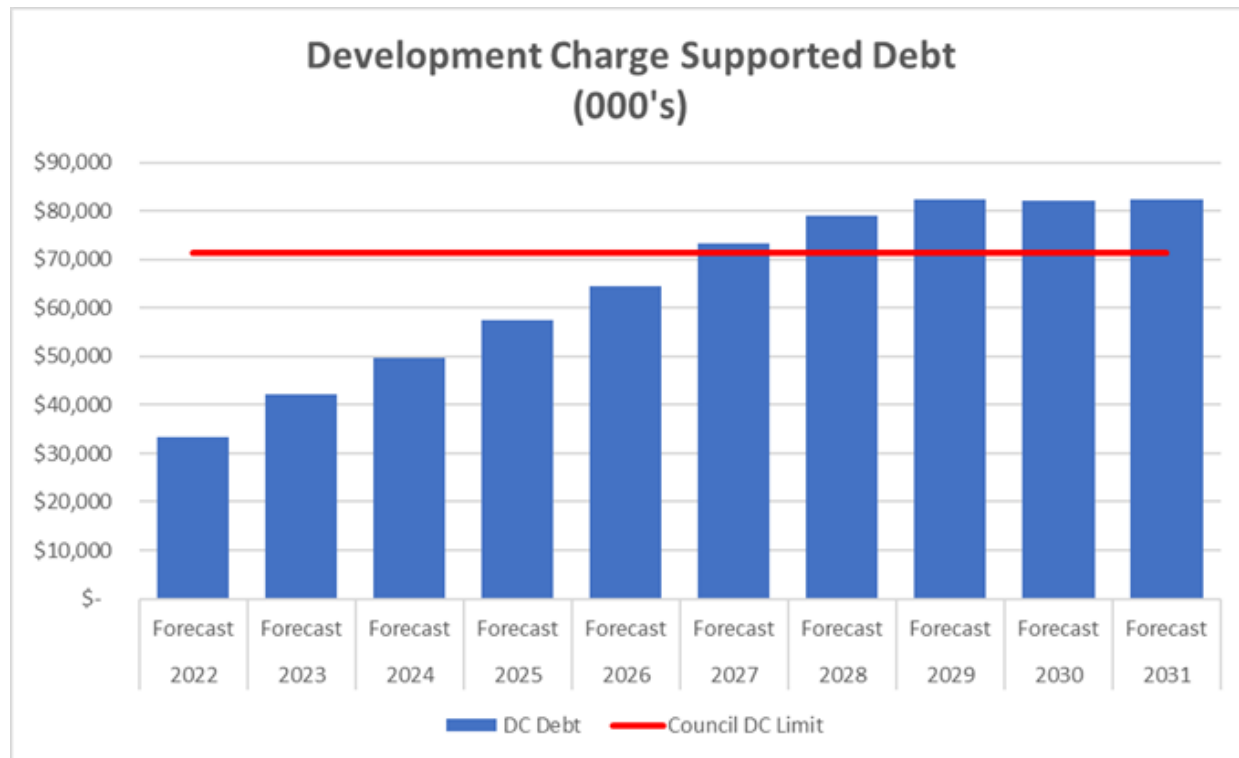
CAPITAL FINANCING – TAX & RATE DEBT

- Total tax and rate supported debt as a percentage of City own-source revenues does not exceed 60% unless approved by Council



CAPITAL FINANCING - DC DEBT

- Total development charge supported debt as a percentage of the total development charge eligible costs for the forecast period of the latest Development Charge Background Study does not exceed 25% unless approved by Council



2021 In-Year Budget Approvals

PREVIOUSLY APPROVED

- Federal Gas Tax / Canada Community Building Fund **\$32.7M**
- CMHC Rapid Housing Initiative **\$23.7M**
- ICIP **\$527.0M**
- Macassa Lodge Redevelopment **\$27.8M**
- Green Fleet Strategy & Action Plan **\$2.5M**

PENDING

- Green and Inclusive Community Buildings Program **\$8.0M**
- Canada Healthy Communities Initiative **\$0.3M**
- Canada Community Revitalization Fund **\$14.3M**
- DMAF **\$106.0M**



2022 RATE SUPPORTED OPERATING BUDGET PRELIMINARY OUTLOOK

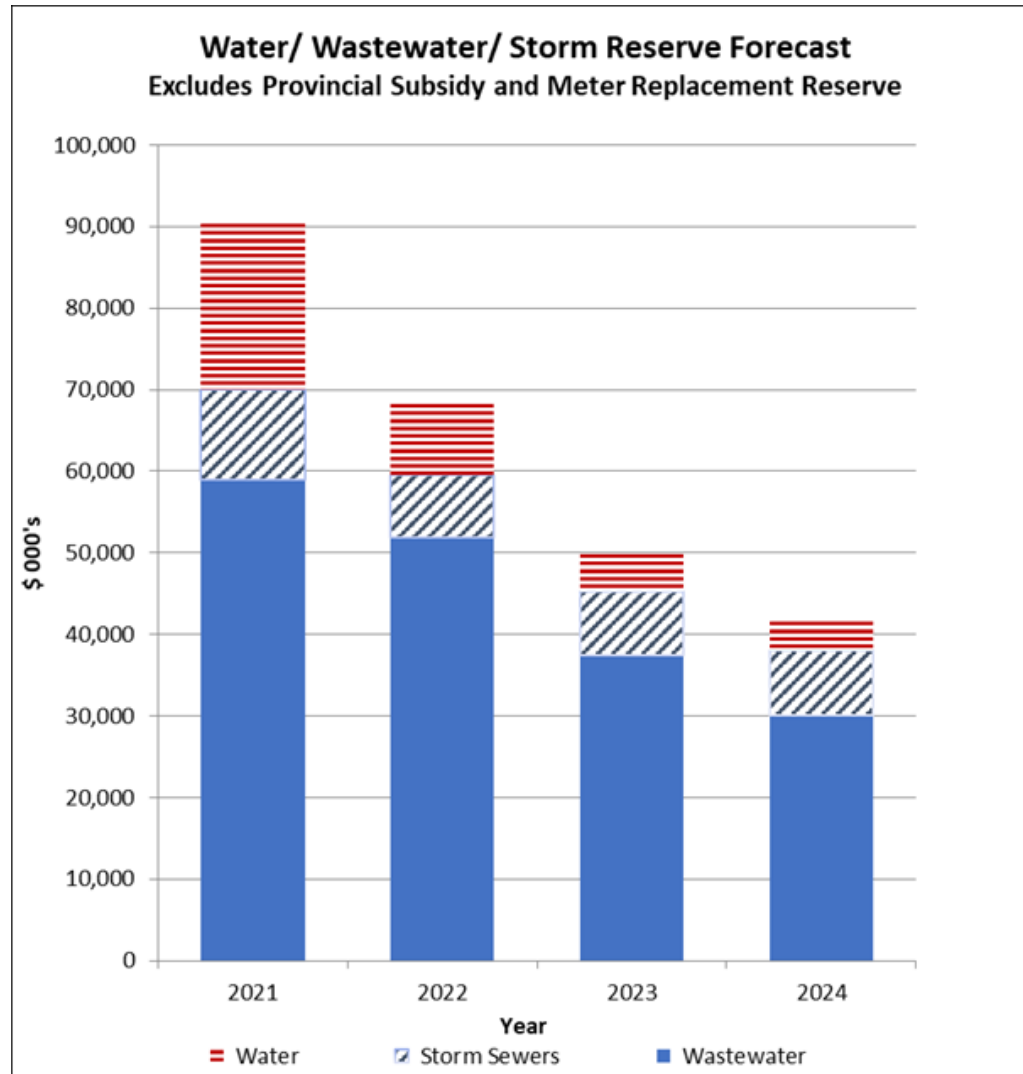
2022 Budget Guidelines, Outlook and Process

RATE BUDGET OUTLOOK

APPROVED IN PRINCIPLE

	2022	2023	2024	2025
Rate Budget Pressures	\$ M	\$ M	\$ M	\$ M
City Division (Hamilton Water)				
Energy and Other Operating Costs	\$1.8	\$1.8	\$1.9	\$1.9
Capital Financing	\$9.1	\$10.2	\$10.7	\$10.8
Preliminary Pressures / Risks	\$10.9	\$12.0	\$12.6	\$12.7
Combined Rate Impact	4.05%	4.29%	4.35%	4.16%

RATE BUDGET OUTLOOK – RESERVE FORECAST





BUDGET SCHEDULE

2022 Budget Guidelines, Outlook and Process

2022 BUDGET KEY DATES

ITEM	DATE
GIC – Public Delegations	November 8 th
GIC – 2022 Rate Supported Budget	November 22 nd and November 30 th (if required)
GIC – 2022 Tax Capital Budget	November 26 th and December 2 nd (if required)
GIC – User Fee Report	December 8 th
GIC – Tax Operating Overview	January 14 th
GIC – Boards and Agencies	January 18 th & 20 th
GIC – Transit Day	January 21 st
GIC – Departmental Presentations	January 25 th , 26 th , 27 th , February 4 th
GIC – Budget Deliberations	Feb. 10 th , 22 nd , 25 th and March 1 st & 3 rd
Council – Budget Approval	March 30 th



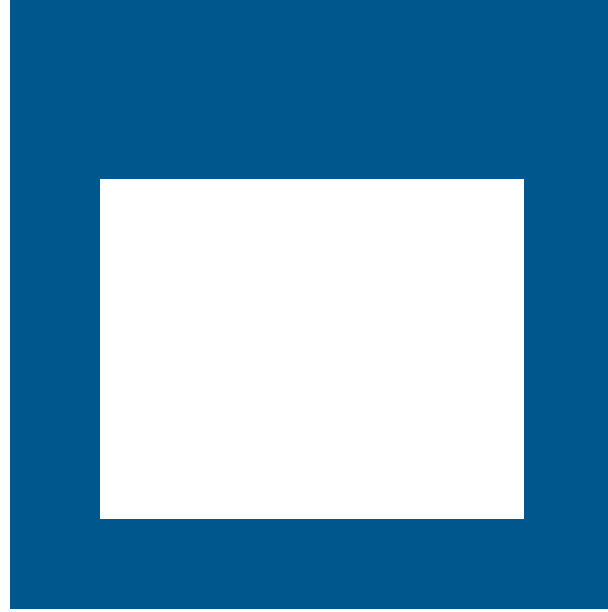
2022 BUDGET GUIDELINES & RECOMMENDATIONS

Guidelines & Recommendations

- a) That City Departments be directed to prepare the 2022 Tax Operating Budget at an increase required to maintain current service levels and report back through the 2022 budget process;
- b) That staff be directed to increase user fees at the rate of inflation and that any user fee increases below the guideline be forwarded for consideration with appropriate explanation;
- c) That Boards and Agencies be directed to prepare their 2022 Tax Operating Budget submissions at an increase required to maintain current service levels and that any increase beyond the guideline be forwarded for consideration with appropriate explanation;

Guidelines & Recommendations

- d) That staff be directed to prepare the 2022 Tax Capital Budget with a 0.6% municipal tax levy increase for capital financing of discretionary block funded projects and debt servicing requirements for the Investing in Canada Infrastructure Program – Transit Stream and West Harbour Redevelopment strategic initiatives;
- e) That staff be directed to prepare the 2022 Rate Supported Budget at a rate increase required to maintain current service levels and priority infrastructure;
- f) That the Mayor provide correspondence to the local MPs and MPPs thanking senior levels of government for past and continued support in navigating through the COVID-19 pandemic.



THANK YOU