

City of Hamilton Debt Policy: Ratios

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022f</u> | <u>2023f</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| <u>Affordability:</u> | | | | | | | |
| Debt Per Capita | \$742.07 | \$848.78 | \$747.23 | \$743.40 | \$686.93 | \$512.06 | \$555.95 |
| Debt Per Capita Year Over Year (% Change) | -12.8% | 14.4% | -12.0% | -0.5% | -7.6% | -25.5% | 8.6% |
| Debt Per Household | \$1,812.52 | \$2,066.38 | \$1,813.41 | \$1,798.58 | \$1,689.68 | \$1,252.83 | \$1,353.20 |
| Debt Per Household Year Over Year (% Change) | -13.1% | 14.0% | -12.2% | -0.8% | -6.1% | -25.9% | 8.0% |
| Debt Service Charges Per Capita | \$120.86 | \$99.34 | \$113.89 | \$103.16 | \$108.27 | \$93.99 | \$88.78 |
| Debt Service Charges Per Capita Year Over Year (% Change) | 9.9% | -17.8% | 14.6% | -9.4% | 5.0% | -13.2% | -5.5% |
| <u>Sustainability:</u> | | | | | | | |
| Debt Service Charges(Net) As A % of City Own Source Revenue | 5.1% | 4.2% | 4.6% | 4.3% | 4.3% | 3.6% | 3.3% |
| Debt Service Charges(Net) As A % of the Municipal Levy | 8.2% | 6.6% | 7.4% | 6.6% | 6.6% | 5.6% | 5.2% |
| Debt to City Own-Source Revenue | 31.3% | 35.9% | 30.2% | 30.8% | 27.3% | 19.7% | 20.9% |
| Debt to S&P Adjusted Operating Revenue (S&P Global Ratings) | 26.6% | 29.5% | 26.1% | 26.7% | 30.1% | 21.9% | 23.1% |
| Debt to Total Reserves and Reserve Funds | 0.42 | 0.51 | 0.43 | 0.38 | 0.31 | 0.29 | 0.30 |
| Cash & Liquid Assets to Debt Service Charges | 1173% | 1509% | 1365% | 1652% | 1582% | 1801% | 1885% |
| Cash & Liquid Assets minus Debt | \$380,434,530 | \$371,700,146 | \$467,407,123 | \$563,711,013 | \$598,857,492 | \$697,472,100 | \$667,731,985 |
| <u>Goals:</u> | | | | | | | |
| Tax & Rate Supported Debt as a % of City Own-Source Revenue <i>Maximum (60%)</i> | 23.2% | 27.3% | 23.1% | 23.5% | 21.2% | 17.8% | 18.0% |
| DC Supported Debt as a % of Total DC Eligible Costs <i>Maximum (25%)</i> | 2.0% | 2.6% | 1.8% | 2.0% | 1.2% | 1.0% | 1.5% |
| <u>Statutory Limits:</u> | | | | | | | |
| Debt Service Charges as a % of City Own-Source Revenue (ARL) <i>Limit (25%)</i> | 5.1% | 4.2% | 4.6% | 4.3% | 4.3% | 3.6% | 3.3% |
| Total Variable Rate Debt as a % of Outstanding Total Debt <i>Limit (15%)</i> | 6.1% | 4.7% | 4.7% | 4.1% | 3.8% | 5.0% | 4.6% |

City of Hamilton Treasurer's Updated 2022 Annual Repayment Limit

| | |
|--|-----------------|
| 2022 Annual Repayment Limit - effective January 1, 2022, as prepared by the Ministry of Municipal Affairs and Housing on March 3, 2022, based on 2020 Financial Information Return | \$293,261,529 |
| Annual debt service charges on City Municipal debt approved to-date 2022 and prior years but not yet issued (\$832.676 M @ 5.5% for 15-year term) | -\$82,955,844 |
| Annual debt service charges on City Municipal debt in respect of ICIP Transit debt approved but not yet issued (\$91.2895 M @ 5.5% for 15-year term) | -\$9,094,771 |
| Annual debt service charges on City Municipal debt in respect of West Harbour debt approved but not yet issued (\$48.8 M @ 5.5% for 15-year term) | -\$4,861,729 |
| Annual debt service charges on City Housing Hamilton debt approved but not yet issued and guaranteed by City of Hamilton (\$128.688 M @ 5% for 30-year term) | -\$8,371,323 |
| Annual debt service charges on Municipal and Tax Supported Development Charges debt approved but not yet issued - Police Station 40 (\$11.585 M @ 5.5% for 15-year term) | -\$1,154,163 |
| Annual debt service charges on Municipal and Tax Supported Development Charges debt approved but not yet issued - Stadium Precinct (\$16.8 M @ 5.5% for 15-year term) | -\$1,673,710 |
| Annual debt service charges in 2022 for debenture issue of \$51.705 M; | -\$4,093,313 |
| Annual debt service charges on debentures discharged in 2020-2022 | \$282,017 |
| Adjustment for annual debt service charges on outstanding City Housing Hamilton mortgages and City of Hamilton Tangible Capital Leases | -\$7,139,086 |
| Updated 2022 Annual Repayment Limit - a calculation by the Treasurer representing an estimate of the maximum amount available to commit to annual debt service charges | \$174,199,608 |
| Debenture amount at 5.5% interest rate for 15-year term (amortizer) corresponding to the annual debt service charges of \$174,199,608 | \$1,748,542,669 |