




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

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 1, 2023
SUBJECT/REPORT NO:	2023 Tax Supported Operating Budget - Recommendations (FCS23007(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 2023 – 2025 Multi-Year Outlook
 - (i) That the 2023 Council Referred Items in Appendix “A” attached to Report FCS23007(a), be received;
 - (ii) That the 2023 Business Cases in Appendix “B” attached to Report FCS23007(a), be received;
 - (iii) That the 2023 Tax Supported Operating Budget Amendments in Appendix “C” attached to Report FCS23007(a), be received;
 - (iv) That the 2024 – 2026 Multi-Year Outlook in Appendix “G” attached to Report FCS23007(a), be received;
 - (v) That the 2023 Pending Amendments in Appendix “H” attached to Report FCS23007(a), be considered;
- (b) Boards and Agencies
 - (i) That the Hamilton Police Services operating budget of \$193,596,008 in Appendix “D” attached to Report FCS23007(a), be approved;

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- (ii) That the City Enrichment Fund operating budget of \$6,717,793 in Appendix “D” attached to Report FCS23007(a), be approved;
 - (iii) That all other Boards and Agencies budgets totalling \$50,898,149 in Appendix “D” attached to Report FCS23007(a), be approved;
- (c) Planning and Economic Development Department
- (i) That the Planning and Economic Development operating budget (2023 Tax Supported Operating Budget Book – Appendix “I” to Report FCS23007(a), page 46) of \$33,627,976, inclusive of amendments as per Appendix “C” attached to Report FCS23007(a), be approved;
- (d) Healthy and Safe Communities Department
- (i) That the Healthy and Safe Communities operating budget (2023 Tax Supported Operating Budget Book – Appendix “I” attached to Report FCS23007(a), page 85) of \$298,203,618, inclusive of amendments as per Appendix “C” attached to Report FCS23007(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 “I” attached to Report FCS23007(a), inclusive of amendments as per Appendix “C” attached to Report FCS23007(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 “I” attached to Report FCS23007(a), inclusive of amendments as per Appendix “C” attached to Report FCS23007(a), and includes the authority to authorize the submission of budgets and quarterly and / or year-end reporting;
- (e) Public Works Department

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- (i) That the Public Works operating budget (2023 Tax Supported Operating Budget Book – Appendix “I” to Report FCS23007(a), page 128) of \$293,485,615, inclusive of amendments as per Appendix “C” attached to Report FCS23007(a), be approved;
- (f) City Manager’s Office
 - (i) That the City Manager’s operating budget (2023 Tax Supported Operating Budget Book – Appendix “I” to Report FCS23007(a), page 161) of \$14,497,624, inclusive of amendments as per Appendix “C” attached to Report FCS23007(a), be approved;
- (g) Corporate Services Department
 - (i) That the Corporate Services operating budget (2023 Tax Supported Operating Budget Book – Appendix “I” to Report FCS23007(a), page 188) of \$42,621,670 inclusive of amendments as per Appendix “C” attached to Report FCS23007(a), be approved;
- (h) Legislative
 - (i) That the Legislative operating budget (2023 Tax Supported Operating Budget Book – Appendix “I” to Report FCS23007(a), page 231) of \$5,530,967, inclusive of amendments as per Appendix “C” attached to Report FCS23007(a), be approved;
- (i) Hamilton Entertainment Facilities
 - (i) That the Hamilton Entertainment Facilities operating budget (2023 Tax Supported Operating Budget Book – Appendix “I” to Report FCS23007(a), page 228) of \$150,000, inclusive of amendments as per Appendix “C” attached to Report FCS23007(a), be approved;
- (j) Corporate Financials – Expenditures / Non-Program Revenues
 - (i) That the Corporate Financials – Expenditures operating budget (2023 Tax Supported Operating Budget Book - Appendix “I” to Report FCS23007(a), page 220, \$30,579,480, inclusive of amendments as per Appendix “C” attached to Report FCS23007(a), be approved;
 - (ii) That the Non-Program Revenues operating budget (2023 Tax Supported Operating Budget Book - Appendix “I” to Report FCS23007(a), page 223) of \$51,319,613, inclusive of amendments as per Appendix “C” attached to Report FCS23007(a), be approved;

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(k) Capital Financing

- (i) That the Capital Financing operating budget (2023 Tax Supported Operating Budget Book – Appendix “I” to Report FCS23007(a), page 249) of \$154,977,052, inclusive of amendments as per Appendix “C” attached to Report FCS23007(a), be approved;

(l) 2023 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;
- (ii) That the City Solicitor be authorized and directed to amend By-law 07-248 respecting the remuneration of members of Council to exclude salary adjustments in relation to the approved municipal comparators and Non-Union Compensation Policy;

(m) Budgeted Complement and Transfer Extension Schedule

- (i) That in accordance with the “Budgeted Complement Control Policy”, the requested change in staff complement as outlined in Appendix “E” attached to Report FCS23007(a), be approved;

(n) 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 “F” attached to Report FCS23007(a), be received;

EXECUTIVE SUMMARY

The 2023 Preliminary Tax Supported Operating Budget was submitted to the General Issues Committee (GIC) at its meeting on January 10, 2023. The total residential tax impact was presented at 5.4% at that time. City departments, as well as Boards and Agencies, provided GIC with an in-depth presentation of their 2023 budgets and multi-year outlook. Since the preliminary submission on January 10, 2023, several budget amendments have been considered and approved by GIC throughout budget deliberations in February 2023. The amendments that have been approved by GIC are identified in Appendix “C” attached to Report FCS23007(a). The recommended net levy, inclusive of amendments, is \$1,073,566,329, which represents an increase of \$80,028,590 over the 2022 net levy or an average total residential tax increase of 6.2%.

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The recommendations in Report FCS23007(a) seek Council approval of the budget, as submitted in the preliminary document, including the approved amendments contained in Appendix “C” attached to Report FCS23007(a). Council may approve additional changes, which would then be added to the amendment list in Appendix “C” to Report FCS23007(a). Appendix “H” to Report FCS23007(a) includes a list of pending amendments for further consideration that were deferred from previous deliberations. The amendments represent a potential residential tax impact of 0.5% - if all were approved, the average total residential tax increase would be 6.7%.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Detailed financial information can be found in the 2023 Preliminary Tax Supported Operating Budget Book (Appendix “A” to Report FCS23007). Amendments to the Preliminary Budget are included in Appendix “C” to Report FCS23007(a), which were approved during budget deliberations in February 2023.

Staffing: A complement summary can be found in Appendix “4” of the 2023 Preliminary Tax Supported Operating Budget Book (Appendix “A” to Report FCS23007). Amendments to the Preliminary Budget are included in Appendix “C” to Report FCS23007(a), which were approved during budget deliberations in February 2023.

Legal: N/A

HISTORICAL BACKGROUND

The 2023 Committee calendar includes key dates pertaining to the 2023 Tax Supported Operating Budget for the GIC meetings. The budget kick-off took place on January 10, 2023 followed by various other GIC dates that allowed for departmental budget presentations and deliberations of the 2023 Tax Supported Operating Budget. A GIC meeting dedicated to hearing public delegations was held on February 6, 2023 and is scheduled to be continued on February 27, 2023.

There is one more deliberation meeting scheduled for March 3, 2023 for GIC consideration of the 2023 Tax Supported Operating Budget if required.

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 FCS23007(a) are a result of 2023 Budget presentations, public delegations and deliberations at GIC meetings from January to March of 2023.

Appendix “G” to Report FCS23007(a) provides preliminary information on the multi-year outlook for Tax Supported Operating Budgets in 2024 to 2026 inclusive of impacts of the budget amendments approved in Appendix “C” to Report FCS23007(a).

Further to the Council approved amendment to confidential report HUR23002, Recruitment and Retention, staff is recommending that By-law 07-248, respecting the remuneration of members of Council, be revised to exclude salary adjustments for the Mayor and Members of Council, not including cost of living adjustments granted to non-union City of Hamilton employees. This would preclude members of Council from receiving any salary adjustments relative to the Non-Union Compensation Policy (adjustments to maintain the market percentile relative to the Council approved municipal comparators). Any future adjustments required to the salaries for Mayor or members of Council beyond cost of living will be determined by an independent consultant, who will be engaged to conduct a total compensation review of member of Council remuneration.

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 FCS23007(a) – 2023 Council Referred Items

Appendix “B” to Report FCS23007(a) – 2023 Business Cases

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Appendix “C” to Report FCS23007(a) – 2023 Tax Supported Operating Budget Amendments

Appendix “D” to Report FCS23007(a) – 2023 Boards and Agencies Operating Budget

Appendix “E” to Report FCS23007(a) – Budgeted Complement and Extension Transfer Schedule

Appendix “F” to Report FCS23007(a) – Budget Exclusions Related to Regulation 284/09

Appendix “G” to Report FCS23007(a) – 2024 – 2026 Multi-Year Outlook

Appendix “H” to Report FCS23007(a) – 2023 Pending Amendments

Appendix “I” to Report FCS23007(a) – 2023 Preliminary Tax Supported Operating Budget Book