



2025 Budget and Financing Plan Outlook

2025 BUDGET AND FINANCING PLAN OUTLOOK

Agenda

1. 2024 Budget and Strategic Investments
2. 2025 Budget Process
3. Emerging Themes of 2025 Tax Supported Budget
4. 2025 Budget Outlook (Tax and Rate)
5. 2025 Budget Schedule



TAX OPERATING BUDGET

2025 BUDGET AND FINANCING PLAN OUTLOOK
2024 Budget and Strategic Investments

The 2024 Council approved budget addressed a number of issues:

- Affordable housing and homelessness
- Advancing the City's climate action goals
- Transportation
- Public health and safety
- Responding to Provincial legislative changes

City budget is like a roadmap that outlines our community's priorities

Basis for 2025 Outlook:

- Multi-year operating budget 2025-27
- Capital forecast 2025-2033
- 2024 in-year investments
- Legislative changes

2025 BUDGET AND FINANCING PLAN OUTLOOK

2025 Budget Process - Principles

2025 preliminary budgets will be based on the following budget principles:

- Support the City's Strategic Plan and Council Priorities
- Align with the Asset Management Plans
- Align with the Mayoral 2025 Budget Directive
- Align with the financial policies approved by Council

2025 BUDGET AND FINANCING PLAN OUTLOOK

Emerging Themes of 2025 Tax Supported Budget

1. Advancing the City's Strategic Priorities

Sustainable Economic & Ecological Development

- Tax affordability (grants and advocacy, new revenue tools, efficiencies), Climate Change Action Plan, Parks Master Plan, West Harbour, AEGD

Safe & Thriving Neighbourhoods

- Housing Sustainability & Investment Roadmap, Ending Chronic Homelessness, Poverty Reduction Investment Plan, Winter Response Strategy, Encampment Protocol, other Affordable Housing and Homelessness initiatives, Vision Zero, 10-Year Local Transit Strategy and (Re)envision, Cycling Master Plan, Asset Management, Waste Management Master Plan and Litter Management Program

Responsiveness & Transparency

- Digital Strategy, Customer Service and Public Engagement, cybersecurity recovery and rebuild (modernizing City systems)

2025 BUDGET AND FINANCING PLAN OUTLOOK

Emerging Themes of 2025 Tax Supported Budget

2. Build Back Better & Stronger

3. Public Health & Safety

- Hamilton Paramedic Service Master Plan, Hamilton Fire Department Service Delivery Plan, Hamilton Opioid Action Plan, Hospital Redevelopment, Long-Term Care, Hamilton Police Service Master Plan

4. Provincial Legislative Changes

- Phase-in strategy for development charge exemptions (Bill 23 and 185)
- Impacted provincially shared services
- Fewer housing starts for 2024

2025 BUDGET AND FINANCING PLAN OUTLOOK

2025 Council Referred Items

Sustainable Economic & Ecological Development

- Hamilton's Biodiversity Action Plan (\$420K)

Responsiveness & Transparency:

- Fraud, Waste and Whistleblower (\$TBD)
- Public Engagement Policy (\$302K)
- Constituent Relationship Management Solution (\$TBD)
- City Enrichment Fund – Digital Pilot Program (\$100K)

Safe & Thriving Neighbourhoods

- Reducing Homelessness and Managing Encampments (a = \$4.2M, b = \$9.4M) [reserve or levy]
- Main St. Two-Way Conversion (\$2.4M) [**\$26.5M gross capital**]
- Clean-up Protocol for Private Property (\$TBD)

Public Health & Safety

- Macassa Lodge B-Wing (\$3.0M) [**\$33.6M gross capital**]
- 9-1-1 Call Centre at Waterdown Station (\$2.2M) [**\$22.6M gross capital**]
- Paramedics Central Reporting Station (\$2.4M) [**\$69M gross capital**]

Total = \$14.9 M net impact (with some TBD items)

2025 BUDGET AND FINANCING PLAN OUTLOOK
2025 Outlook (2024 Budget Book vs. Revised)

2024 Budget Book Forecast for 2025	8.2%
Change in Assessment Growth	(0.4%)
Deferred Reassessment	(1.2%)
Departmental Savings	(0.8%)
Subtotal	5.8%
In-Year Council Referred Items	
Reducing Homelessness and Managing Encampments	0.3%
9-1-1 Call Centre at Waterdown Station	0.2%
Main St Conversion	0.2%
Paramedics Central Reporting Station	0.2%
Macassa Lodge B-Wing	0.2%
Other	0.1%
2025 Outlook Forecast	6.9%

2025 BUDGET AND FINANCING PLAN OUTLOOK

Bill 185 Impact

(000's)	FCS24017				Result of Bill 185			
	2024		2025		2024		2025	
Capital Levy	\$ 23,142	40.1%	\$ 34,992	58.7%	\$ 23,142	40.1%	\$ 24,454	57.8%
Unallocated Capital Levy Reserve	\$ 22,560	39.1%	\$ 11,280	18.9%	\$ 22,560	39.1%	\$ 11,280	26.7%
Building Faster Fund	\$ 6,750	11.7%	\$ 6,750	11.3%	\$ 6,750	11.7%	\$ -	0.0%
Capital Financing Surplus	\$ 5,190	9.0%	\$ 6,544	11.0%	\$ 5,190	9.0%	\$ 6,544	15.5%
Total Financing	\$ 57,642		\$ 59,566		\$ 57,642		\$ 42,278	

\$17.2 M

2025 BUDGET AND FINANCING PLAN OUTLOOK

2025-2028 Tax Supported Capital Financing Plan

	2025	2026	2027	2028
Transportation Asset Management Plan	0.82%	0.82%	0.82%	0.82%
Non-Core Asset Management Plans	0.32%	0.65%	0.65%	0.65%
Development Charge Exemptions	0.70%	0.70%	0.50%	0.00%
Servicing Requirements for New Debt	1.76%	0.31%	0.03%	0.36%
Total Net for Levy Impact	3.61%	2.48%	2.00%	1.83%

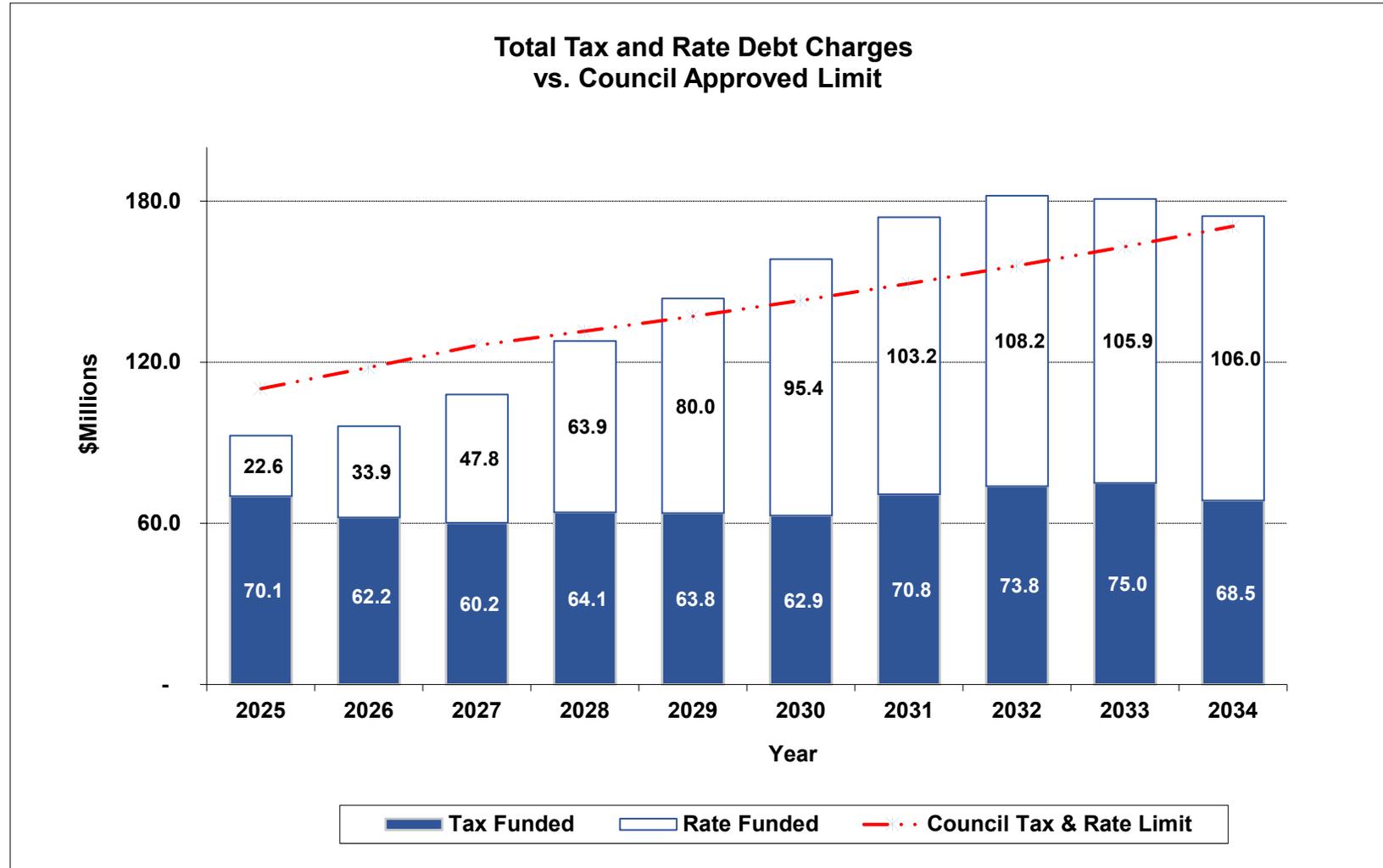
2025 BUDGET AND FINANCING PLAN OUTLOOK

Tax Budget Outlook

% Increase	2025	2026	2027
City Departments	6.3%	6.0%	5.6%
Boards & Agencies	5.7%	3.6%	3.4%
Capital Financing	24.8%	14.5%	11.8%
Residential Tax Impact	6.9%	6.7%	6.3%

2025 BUDGET AND FINANCING PLAN OUTLOOK

Tax and Rate Debt Charges Forecast



2025 BUDGET AND FINANCING PLAN OUTLOOK

Reserve Forecast

Obligatory Reserves:

- Gas Tax Reserves
- Building Permit Fees Revolving Fund
- Parkland Dedication Reserve
- Development Charges Reserve
- Community Benefits Charges Reserves

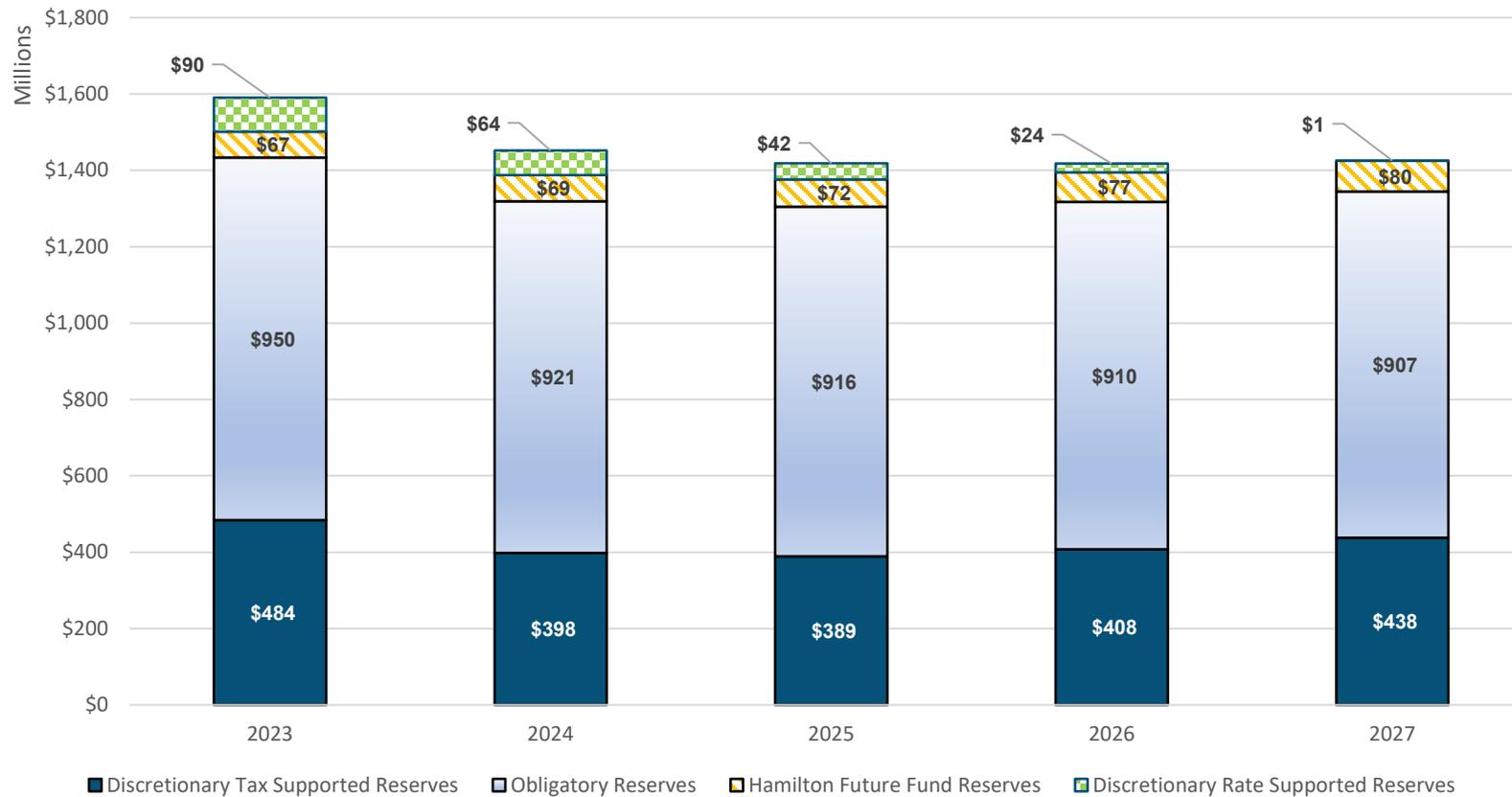
Discretionary Tax Supported Reserves:

- Vehicle & Equipment Reserves
- Tax-Supported Capital Reserves
- Employee Related Reserves
- Working Fun Reserves
- Program Specific Reserves
 - Development Fee Stabilization
 - Housing
 - PW (Transit, Parks & Cemeteries, Waste Management, Facilities)
 - B&A

2025 BUDGET AND FINANCING PLAN OUTLOOK

Reserve Forecast

City of Hamilton
2023 to 2027 Reserve Projections



2025 BUDGET AND FINANCING PLAN OUTLOOK

Reserve Highlights

Reserve	2022	2023	2024	2025	2026	2027
Unallocated Capital Levy Reserve	\$32.2M	\$27.7M	\$23.9M	\$24.0M	\$16.4M	\$20.5M
Tax Stabilization Reserve	\$41.3M	\$19.8M	\$35.7M	\$31.8M	\$34.4M	\$37.0M
Working Fund Reserve	\$23.6M	\$24.1M	-	-	-	-
Investment Stabilization Reserve	\$48.2M	\$45.2M	\$9.2M	\$9.2M	\$12.2M	\$15.2M
COVID-19 Reserve	\$20.7M	\$36.1M	-	-	-	-
Rate Reserves (combined)	\$135.7M	\$106.4M	\$83.6M	\$64.0M	\$42.0M	\$24.0M



CREDIT RATING

City of Hamilton - Ratings Score Snapshot

Key Rating Factors	Scores
Institutional framework	1
Economy	1
Financial management	2
Budgetary performance	3
Liquidity	1
Debt burden	1

Credit Rating

City of Hamilton - Selected Indicators

(Mil. C\$)	2021	2022	2023bc	2024bc	2025bc	2026bc
Capital Revenues	139	123	209	282	327	272
Capital Expenditures	447	320	571	770	892	741
Balance After Capital Accounts	(67)	46	(105)	(231)	(281)	(161)
Balance After Capital Accounts (% of total revenues)	(3.4)	2.3	(4.8)	(9.9)	(11.4)	(6.5)

Credit Rating

City of Hamilton - Selected Indicators

(Mil. C\$)	2021	2022	2023bc	2024bc	2025bc	2026bc
Tax-supported debt (outstanding at year-end)	401	353	315	280	385	406
Tax-supported debt (% of consolidated operating revenues)	22.0	18.7	16.0	13.7	18.0	18.3



RATE BUDGET

Key Themes of 2025 Rate Supported Budget

1. Efficiencies (Locates)
2. Development Charge Exemptions
3. Stormwater Funding Model
4. Flood & Drainage
5. Infrastructure/Capital

2025 BUDGET AND FINANCING PLAN OUTLOOK

Key Drivers of 2025 Rate Supported Budget

Mandatory & Legislated Pressures

- Development Charge Exemptions - *More Homes Built Faster Act, 2022* (Bill 23) and *Cutting Red Tape to Build More Homes Act, 2024* (Bill 185)

Crisis Response & Council Priorities

- Waterworks Asset Management Plan
- Watershed Action Plan
- Flooding and Drainage Improvement Framework
- Wastewater Treatment Plant Upgrades

2025 BUDGET AND FINANCING PLAN OUTLOOK

2025 – 2028 Rate Supported Budget Outlook

RATE CAPITAL FINANCING PLAN (\$000's)	CURRENT YEAR				MULTI-YEAR		
	2024 Council Approved	2025 Approved in Principle	2025 Preliminary	2025 Preliminary vs. Approved in Principle	2026	2027	2028
Ave. Total Rate Increase	10.04%	9.95%	9.95%	0.00%	10.04%	10.06%	10.07%
Total Revenues Available	303,339	332,744	327,780	(4,964)	360,089	395,440	434,763
Debt Charges	22,611	33,926	22,884	(11,042)	34,218	50,086	71,582
DC Exemptions	37,745	38,711	34,633	(4,078)	34,979	35,325	35,672
Dc Exemptions Phase In From Reserves	(13,000)	(7,150)	(17,316)	(10,166)	(8,745)		
Operating Expenditures	121,113	121,486	121,499	13	125,369	129,655	134,057
Total Operating	168,469	186,973	161,700	(25,273)	185,821	215,066	241,311
Net Capital Budget Submission	174,739	249,567	218,005	(31,562)	252,527	383,066	424,971
New Debt	39,869	103,796	51,925	(51,871)	78,259	202,692	231,519
Contributions to Capital	134,870	145,771	166,080	20,309	174,268	180,374	193,452
Capital Financing Available	174,739	249,567	218,005	(31,562)	252,527	383,066	424,971
Surplus (Deficit)	-	-	-	-	-	-	-

2025 BUDGET AND FINANCING PLAN OUTLOOK

Budget Schedule

Subject	Date
Public Delegations	November 18, 2024
Rate Supported Budget	November 22, 2024 (November 28, 2024 if required)
User Fee Report	December 4, 2024
Tax Supported Budget Overview (Operating and Capital)	January 20, 2025
Public Delegations	January 23, 2025
Boards & Agencies Presentations	January 28, 2025
Housing & Healthy & Safe Communities Presentations	January 29, 2025
Corporate Services and City Manager's Office Presentations	January 30, 2025
Planning & Economic Development and Public Works Presentations	January 31, 2025
GIC Budget Deliberations	February 7, 2025
Council Budget Approval	February 12, 2025

THANK YOU