



City of Hamilton Memorandum

To: Chair and Members of
the General Issues Committee (Budget)

Date: November 27, 2024

Report No: CC24003

Subject/Title: Budget Process Update

Ward(s) Affected: City Wide

On October 28, 2024, the Mayor pursuant to subsection 284.16 of the *Municipal Act, 2001* and section 7 of O. Regulation 530/22, directed the City Manager and City Treasurer under Mayoral Directive MDI 2024-03 to prepare the 2025 Budgets (Rate Supported and Tax Supported) for consideration by City Council, with the certain directions. The Rate Supported budget in accordance with the MDI 2024-03 was presented to members of Council and the public on November 22, 2024 in Report FCS24055. The Tax Supported budget will be presented to members of Council and the public on January 23, 2025. The Rate Supported budget is typically presented first to allow for rates to be set by Alectra Utilities for the new year.

As the Mayor's directive allows for the budget to be presented in two parts and separately (Rate Supported and Tax Supported), the legislated timelines outlined below will apply and run based on the dates that they are each presented.

Section 284.16 of the *Municipal Act, 2001* and O. Reg. 530/22 sets out the process for the presentation of the budget for Council's consideration and the adoption of the budget. In particular, the Mayor must prepare and propose a budget to Council for consideration by February 1. Once the Budget is presented, Council then has 30 calendar days to make amendments to that budget. Council can approve a shorter amendment period if it chooses to do so.

After the amendment period, the mayor has 10 calendar days to veto any budget amendments passed by Council. If the mayor does not veto any amendments, the budget is adopted. If the mayor vetoes any amendments, then within 15 days after the veto period, Council may seek to override the veto by a 2/3 majority. If Council does not exercise an override of the Mayor's veto the proposed budget is considered adopted.

Report FCS24055 has been revised to conform with the procedural requirements of the strong mayor powers under the legislation.

As such the recommendation in Report FCS24055 have been revised to read as follows:

The Mayor recommends that City Council consider the proposed 2025 Rate Supported budget as follows:

- (a) That the metered water consumption charges for average residential properties (meters < 25mm in size) in the City of Hamilton be imposed at the following rates, effective January 1, 2025:

Monthly Water Consumption (m3)	Rate (\$/m3)
0 – 10	1.17
> 10	2.34

- (b) That the metered water consumption charge for commercial, industrial, institutional and larger residential properties (meters = >25mm in size) in the City of Hamilton be imposed at the rate of \$2.34 per cubic metre, effective January 1, 2025;

- (c) That daily water fixed charges for all properties in the City of Hamilton be imposed at the following rates, effective January 1, 2025:

Meter Size	Daily Water Rate
15 mm	\$0.53
16 mm	\$0.53
20 mm	\$0.53
21 mm	\$0.53
25 mm	\$1.33
38 mm	\$2.65
50 mm	\$4.24
75 mm	\$8.48
100 mm	\$13.25
150 mm	\$26.50
200 mm	\$42.40
250 mm	\$60.95
300 mm	\$90.10

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- (d) That the wastewater / storm treatment charges for average residential properties (meters < 25mm in size) in the City of Hamilton be imposed at the following rates, effective January 1, 2025:

Monthly Water Consumption (m3)	Rate (\$/m3)
0 – 10	1.19
> 10	2.37

- (e) That the wastewater / storm treatment charge for all commercial, industrial, institutional and larger residential properties (meters = >25mm in size) in the City of Hamilton be imposed at the rate of \$2.37 per cubic metre, effective January 1, 2025;
- (f) That daily wastewater / storm fixed charges for all properties in the City of Hamilton be imposed at the following rates, effective January 1, 2025

Meter Size	Daily Wastewater / Storm Rate
15 mm	\$0.57
16 mm	\$0.57
20 mm	\$0.57
21 mm	\$0.57
25 mm	\$1.43
38 mm	\$2.85
50 mm	\$4.56
75 mm	\$9.12
100 mm	\$14.25
150 mm	\$28.50
200 mm	\$45.60
250 mm	\$65.55
300 mm	\$96.90

- (g) That the residential non-metered annual water rate is imposed at the flat rate of \$854.10 per annum, effective January 1, 2025;
- (h) That the residential non-metered annual wastewater / storm rate is imposed at the flat rate of \$865.05 per annum, effective January 1, 2025;

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- (i) That the residential combined non-metered annual water and wastewater / storm rate is imposed at the flat rate of \$1,719.15 per annum, effective January 1, 2025;
- (j) That the Private Fire Line rates is imposed at the following rates, effective January 1, 2025:

Connection Size		Monthly Rate
mm	inches	
25	1	\$5.08
38	1.5	\$11.67
50	2	\$20.30
75	3	\$45.68
100	4	\$81.20
150	6	\$182.70
200	8	\$324.80
250	10	\$324.80
300	12	\$324.80

- (k) That the 2025 Water, Wastewater and Storm Proposed User Fees and Charges is imposed as per Appendix "G" to Report FCS24055, effective January 1, 2025;
- ~~(l) That the daily single family unit (SFU) stormwater fee of \$0.74 (\$270.10 annually) for all properties in the City of Hamilton be approved, in principle, effective April 1, 2026;~~
- ~~(m)~~ **(l)** That the 2025 Water, Wastewater and Stormwater Rate Supported Operating Budget in the amount of \$327,779,491 ~~be approved~~ **is as** per Appendix "A" to Report FCS24055;
- ~~(n)~~ **(m)** That the long-term financing plan for the Water, Wastewater and Stormwater programs and related rate increases required to meet sustainable financing **is as** identified in the 2025 Water, Wastewater and Stormwater Rate Supported Operating Budget forecast 2026-2034 (Appendix "A" to Report FCS24055) be approved, in principle;
- ~~(o)~~ **(n)** That the 2025 Water, Wastewater and Stormwater Rate Supported Capital Budget and Financing Plan in the amount of \$314,899,750 ~~be approved~~ **is as** per Appendices "K", "N", "Q" and "S" to Report FCS24055;
- ~~(p)~~ **(o)** That the 2026-2034 Water, Wastewater and Stormwater Rate Supported Capital Budget forecast and financing plan **is as per** Appendix "I" to Report FCS24055) ~~be approved, in principle;~~

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- ~~(q)~~ That the City Solicitor be authorized and directed to prepare, for Council approval, all necessary by-laws respecting the 2025 water and wastewater / storm user fees, charges and rates set out in Recommendations (a) through (k) of Report FCS24055;
- ~~(f)~~**(p)** That the 2025 Rate Supported Staffing Summary, inclusive of the proposed Business Cases, ~~be approved~~ **is** as per Appendix "F" to Report FCS24055;
- ~~(s)~~**(q)** That three additional Full-Time Equivalents that are not included in Appendix "F" to Report FCS24055 be included in the Preliminary 2025 Tax Supported Budget with a net-zero cost;
- ~~(t)~~**(r)** That the General Manager, Finance and Corporate Services, be authorized and directed to negotiate and confirm the terms for the placement and issuance of all debenture issue(s), and / or private placement debenture issue(s), in either a public or private market and / or bank loan agreements and debenture issue(s) and / or variable interest rate bank loan agreements and debenture issue(s), in an amount not to exceed \$101,904,316 Canadian currency as attached in Appendices "K", "N" and "Q" to Report FCS24055, which includes \$51,925,440 in Rate Supported municipal debt and \$49,978,876 Rate Supported Development Charges municipal debt;
- ~~(u)~~**(s)** i) That the General Manager, Finance and Corporate Services, ~~be~~ **is** authorized **and directed** to engage the services of all required professionals to secure the terms and issuance of the debenture issue(s) described in Recommendations ~~(t) and (v)~~ **this report** including, but not limited to, external legal counsel and fiscal agents;
- ii)**(t)** That the General Manager, Finance and Corporate Services, is authorized and directed, on behalf of the City of Hamilton, to enter into and / or execute, all agreements and necessary ancillary documents to secure the terms and issuance of the debenture issue(s) described in Recommendations (t) and (u) and conditional upon the by-law being enacted as described in Recommendation (v) to Report FCS24055, on terms and conditions satisfactory to the General Manager, Finance and Corporate Services, and in a form satisfactory to the City Solicitor;
- ~~(v)~~**(u)** That staff be authorized and directed to prepare all necessary By-Law(s), for Council's consideration, for the purpose of authorizing debenture issue(s) described in Recommendation (t) to Report FCS24055; and

~~(w) That the City of Hamilton continue to appeal to the Provincial Government of Ontario and the Federal Government of Canada for financial assistance in addressing the infrastructure deficit in the water, wastewater and storm programs.~~ Consultation

Prepared by: Mike Zegarac, General Manager, Corporate Services/ Treasurer

Submitted and
recommended by: Mike Zegarac, General Manager, Corporate Services
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