

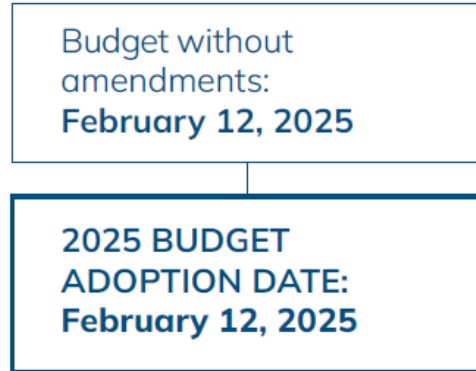


# 2025 Tax Budget and Financing Plan Overview



# 2025 Budget Reporting Timelines

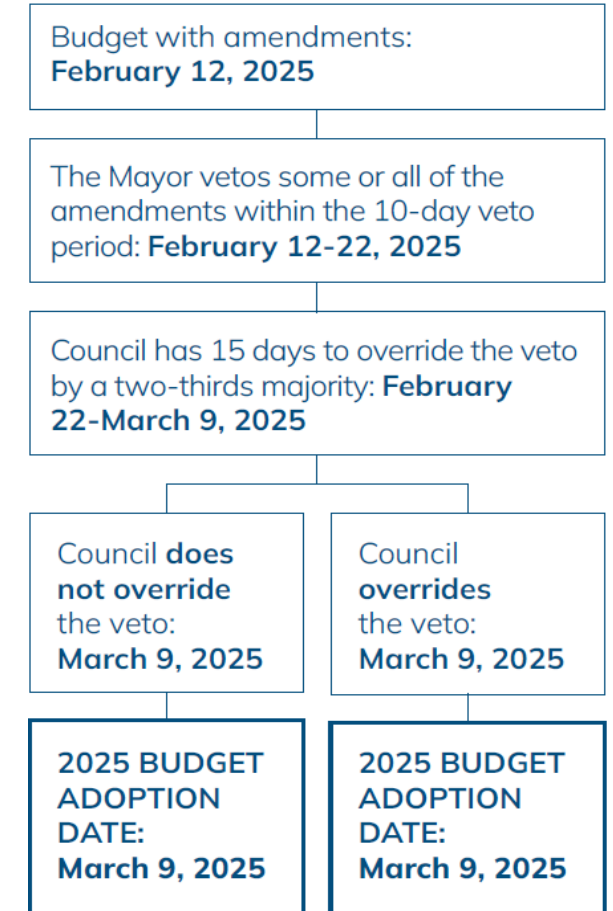
## SCENARIO 1:



## SCENARIO 2:



## SCENARIO 3:







# Discussion Agenda

1. Introduction
2. Proposed 2025 Tax Operating Budget
3. Proposed 2025 Tax Capital Budget

# Preparation of Budget Documents

- The 2024 Approved Budget Book was compiled according to standards set by the Government Finance Officers Association (GFOA).
- The same approach was taken for the 2025 Budget Preparation to align with the standards set for the 2024 Budget.
- The City of Hamilton's budget documents are assessed by the GFOA on performance serving:
  - as a Policy Document
  - as a Financial Plan
  - as an Operations Guide
  - as a Communication Device

# Strong Financial Position - Credit Rating

The City of Hamilton has maintained its credit rating of 'AAA' since June 1, 2022.

This is the highest attainable 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

\*1 being the “strongest” score and 6 being the “weakest” score

# Mayoral Directive

The proposed 2025 Tax Budget was prepared in alignment with the Mayoral Directive to Staff (MDI-2024-03), as well as Council's priorities

## Imperative:

- Responsive to **economic challenges** that residents are facing, particularly the **cost of living** and the ongoing **affordability crisis**.

## How to achieve:

- New and expanded **revenue streams** and **prudent utilization of debt and reserves**.
- Protect the **City's credit rating** and **long-term financial stability**.
- **Balance demands with affordability challenges**, while addressing multi-year investment plans.
- Pursue **provincial and federal investments** to support housing-related initiatives.
- **Consider urgent pressures** including improvements to transportation, infrastructure (roads & transit), cyber response and recovery investments, and climate response initiatives.
- Thorough review of **budget submissions**.
- New **investment requests must demonstrate** their capacity to **advance Council-identified priorities**.
- **Expand engagement** by promoting online tools.

# Building Back Better and Stronger – Responsible Decision Making

## Challenges

- Homelessness and housing pressures.
- Downloaded costs from provincial policy changes.
- The impact of global inflation.
- Recovery from a cybersecurity incident.

## What we are doing

- Service enhancements to infrastructure, housing and homelessness, emergency services, and long-term care.
- Investment in the sustainability of existing City assets.
- Balancing tax-payer affordability with increasing needs and demands.
- Increased opportunity for resident and stakeholder engagement.

**The 2025 budget aims to balance strategic investments in essential services, while maintaining affordability for tax and ratepayers.**



# Addressing the Mayoral Directive



- Proposed 2025 Tax Budget includes combination of Operating Budget and Capital Budget
- Launch of Balancing Act Tool
- Review of Reserve Strategy to reflect legislative changes and affordability
- Prudent identification of savings and efficiencies
- New Investments in support of Council priorities



# 2025 Balancing Act - Budget Engagement Tool

- The Mayoral Directive to Staff - directed staff to expand the 2025 Budget engagement process by incorporating and promoting online tools, enabling Hamiltonians to identify their priorities.
- The Balancing Act Budget Tool was available to the public from November 21, 2024, to January 17, 2025.
- Report will be brought forward in February 2025.

## Themes

- Affordability of property taxes
- Housing was one of the most frequently addressed categories
- Hamilton Police Services was also one of the most frequently addressed categories
- Higher penalties for vacant units



**WE WANT TO HEAR FROM YOU!**

**Explore the budget.  
Set your priorities.  
See how it adds up.**

BUDGET 2025

[engage.hamilton.ca](https://engage.hamilton.ca)

The graphic features a dark blue background with a white speech bubble icon in the top right. The text is in white and light blue. A circular icon with a magnifying glass over a bar chart is positioned to the right of the main text. At the bottom right, there is a stylized illustration of a modern building.



# ADVANCING STRATEGIC PRIORITIES

# Themes of 2025 Tax Supported Budget (1 of 2)

## 1. Advancing the City's Strategic Priorities

### **Sustainable Economic & Ecological Development**

- 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

### **Responsiveness & Transparency**

- Digital Strategy, Customer Service and Public Engagement



# Themes of 2025 Tax Supported Budget (2 of 2)

## 2. Build Back Better & Stronger

- Cybersecurity recovery and rebuild (modernizing City systems)

## 3. Public Health & Safety

- Hamilton Paramedic Central Reporting Station, Long-Term Care, Hamilton Police Service Master Plan, Hamilton Police Service – 911 Service

## 4. Infrastructure

- Multi-year infrastructure financing strategy to address aging infrastructure
- Growth-enabling investments

## 5. Provincial Legislative Changes

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



# PROPOSED 2025 TAX OPERATING BUDGET



# Proposed 2025 Tax Budget Summary

- Balances the need for continuity of services, investments in infrastructure, with affordability
- Captures several key investments – Council priorities
- Leverages the City's strong financial position to manage affordability
- Responds to rapid legislative changes and insufficient funding for provincial impacts
- Calls for continued support from senior levels of government:
  - Housing and homelessness
  - Infrastructure Funding



# Progression of the 2025 Budget

## Phase 1 – Preparation of the 2025 Tax Budget Outlook

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

# Progression of the 2025 Budget

## Phase 2 – Preparation of the 2025 Tax Budget

<b>2025 Outlook Forecast</b>	<b>6.9%</b>
<b><i>Additions</i></b>	
City Department Changes	1.6%
Hamilton Police Services - Adjustment to Board Report	0.5%
Hamilton Police Services - 911 Chargeback	0.4%
Subtotal	9.4%
<b><i>Reductions</i></b>	
Capital Financing	(0.9%)
Business Cases and Council Referred Items	(0.8%)
Contingency Reduction/Non Program Revenue	(0.6%)
Operating Impacts of Capital Reductions	(0.5%)
Gapping Savings - Cyber Resilience and Build Back	
Better Portfolio Office	(0.3%)
<b>2025 Proposed Residential Increase</b>	<b>6.3%</b>

# Multi-Year Gapping Targets

<b>MULTI-YEAR BUDGET GAPPING TARGETS</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Planning & Economic Development	1,045	1,134	1,223	1,260
Healthy & Safe Communities	1,249	1,349	1,448	1,492
Public Works	2,696	2,920	3,144	3,239
Legislative	-	-	-	-
City Manager	573	745	917	944
Corporate Services	1,886	2,507	3,129	3,222
Corporate Financials - Cyber Resiliency	2,050			
Corporate Financials - Cyber Build Back Better Portfolio Office	1,800			
<b>Total</b>	<b>11,298</b>	<b>8,654</b>	<b>9,861</b>	<b>10,157</b>





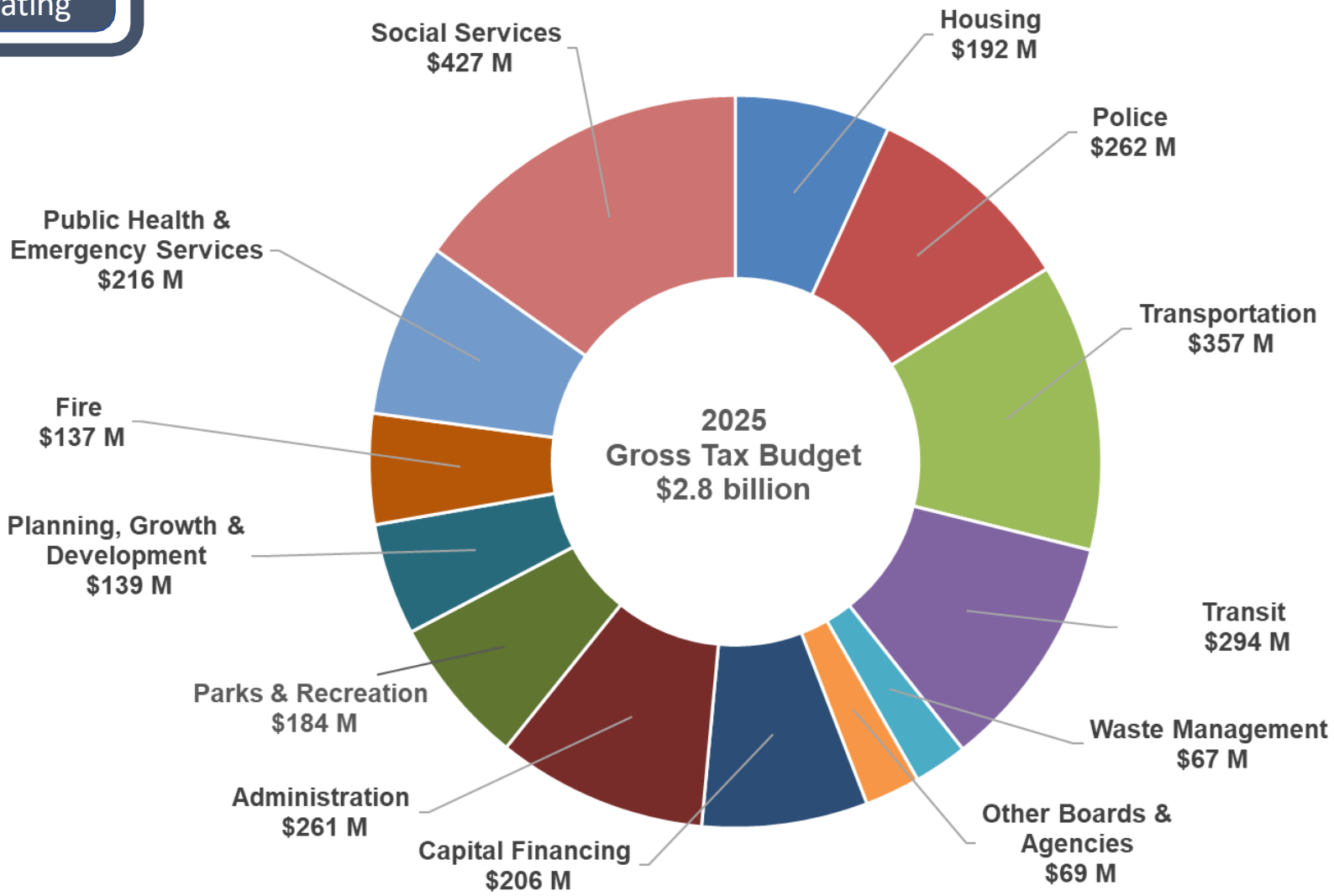
# 2025 Gross Tax Budget

The City of Hamilton's proposed 2025 Tax Supported Operating and Capital budgets total \$2.8 billion, which support 70 distinct City services and key investments.

The 2025 tax budget represents an increase of 6.3%. This amounts to a \$318 increase for an average residential property.

# 2025 Gross Expenditures

**\$2.8B**  
Capital and Operating







# 2025 Gross Tax Budget Breakdown

Total increase in gross investments of \$409 million:

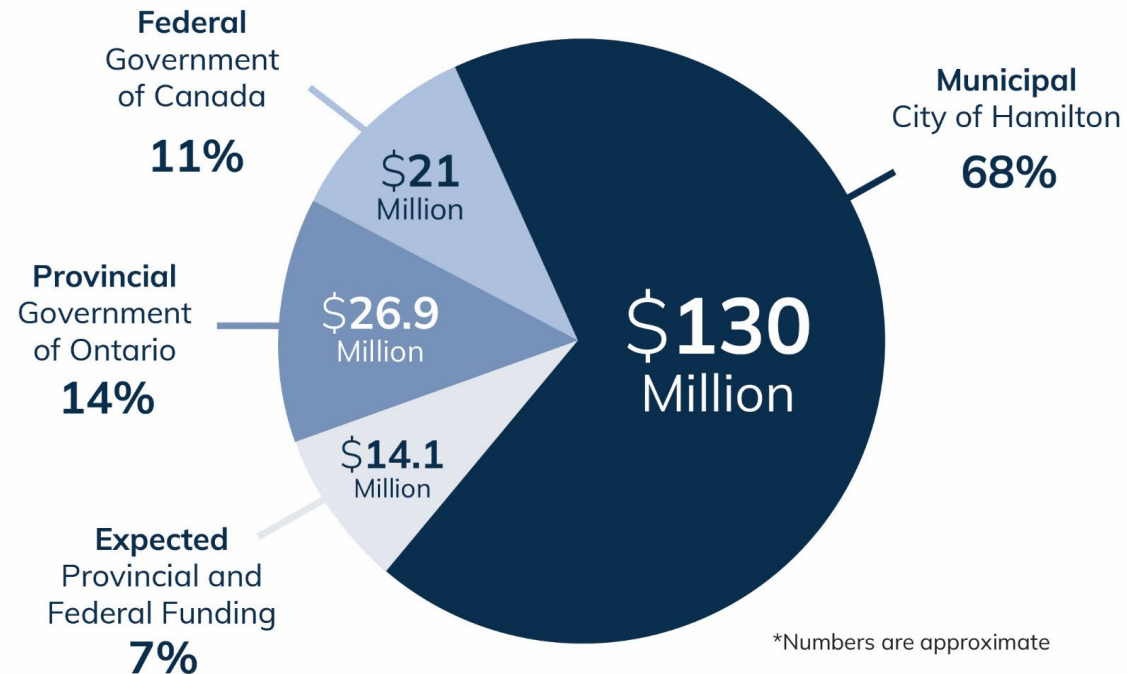
- Operating = \$174 M
- Capital = \$235 M

Operating (\$174M):

- Social Services - \$44 million
- Capital Financing - \$29 million
- Housing - \$26 million
- Police - \$17 million
- Public Health & Emergency Services - \$12 million
- Transit - \$12 million
- Planning, Growth & Development - \$9 million
- Transportation - \$9 million
- Admin - \$9 million
- Parks & Recreation - \$8 million
- 911 – Service - \$5 million
- External Boards & Agencies - \$3 million
- Waste Management - (\$9) million

# 2025 Proposed Housing and Homelessness Investments

The 2025 proposed budget includes a total investment of **\$192M** in housing and homelessness programs and initiatives.

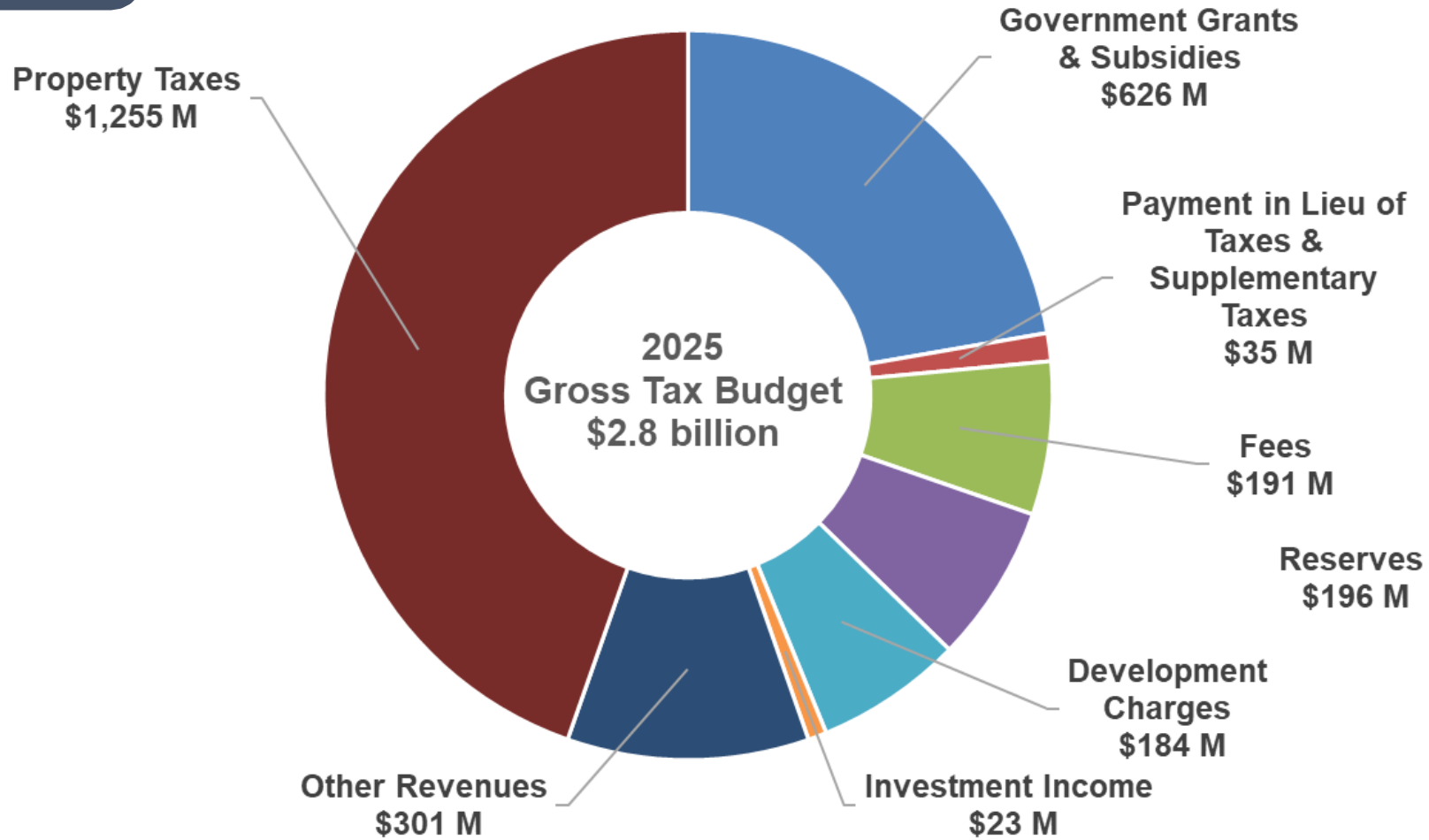


Learn more about the City's Housing Investments at: [hamilton.ca/HousingInvestments](https://hamilton.ca/HousingInvestments)



# 2025 Revenues

**\$2.8B**  
Capital and Operating





# 2025 Net Tax Budget

Total Net for Tax Levy of \$1.3 billion representing an increase of \$96 million

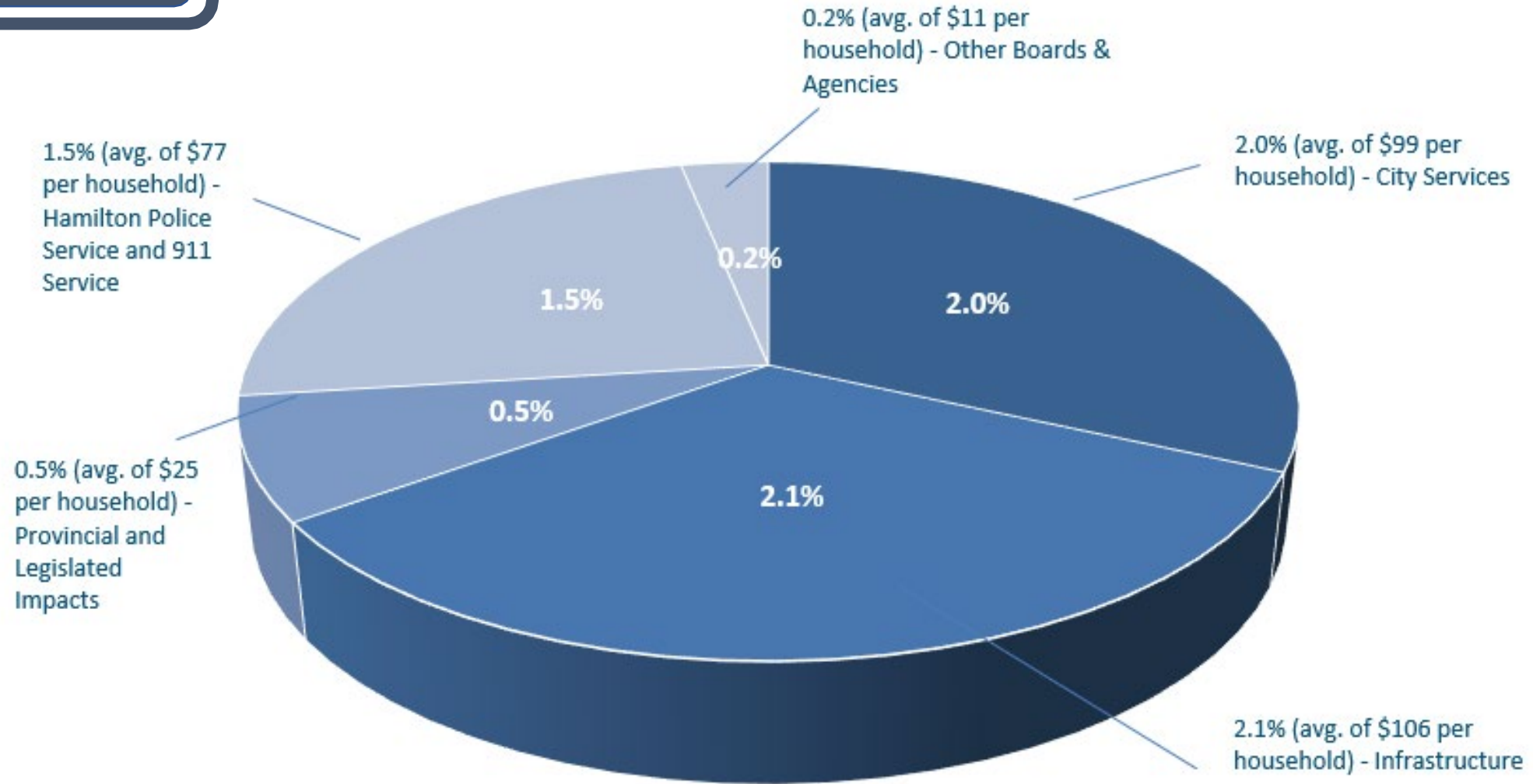
For the average home assessed at \$387,000, this represents an increase of \$318

2025 Average Residential Impact (Per \$387,000 Current Value Assessment)		
Service	Property Tax (\$)	Property Tax (%)
Infrastructure	\$106.20	2.1%
City Services	\$99.02	2.0%
Police	\$57.55	1.1%
Public-Safety Answering Point (911)	\$19.68	0.4%
Provincial Impact and Legislated Services	\$25.10	0.5%
Other Boards & Agencies	\$10.85	0.2%
<b>Ave. Residential Impact</b>	<b>\$318.40</b>	<b>6.3%</b>

**\$318**

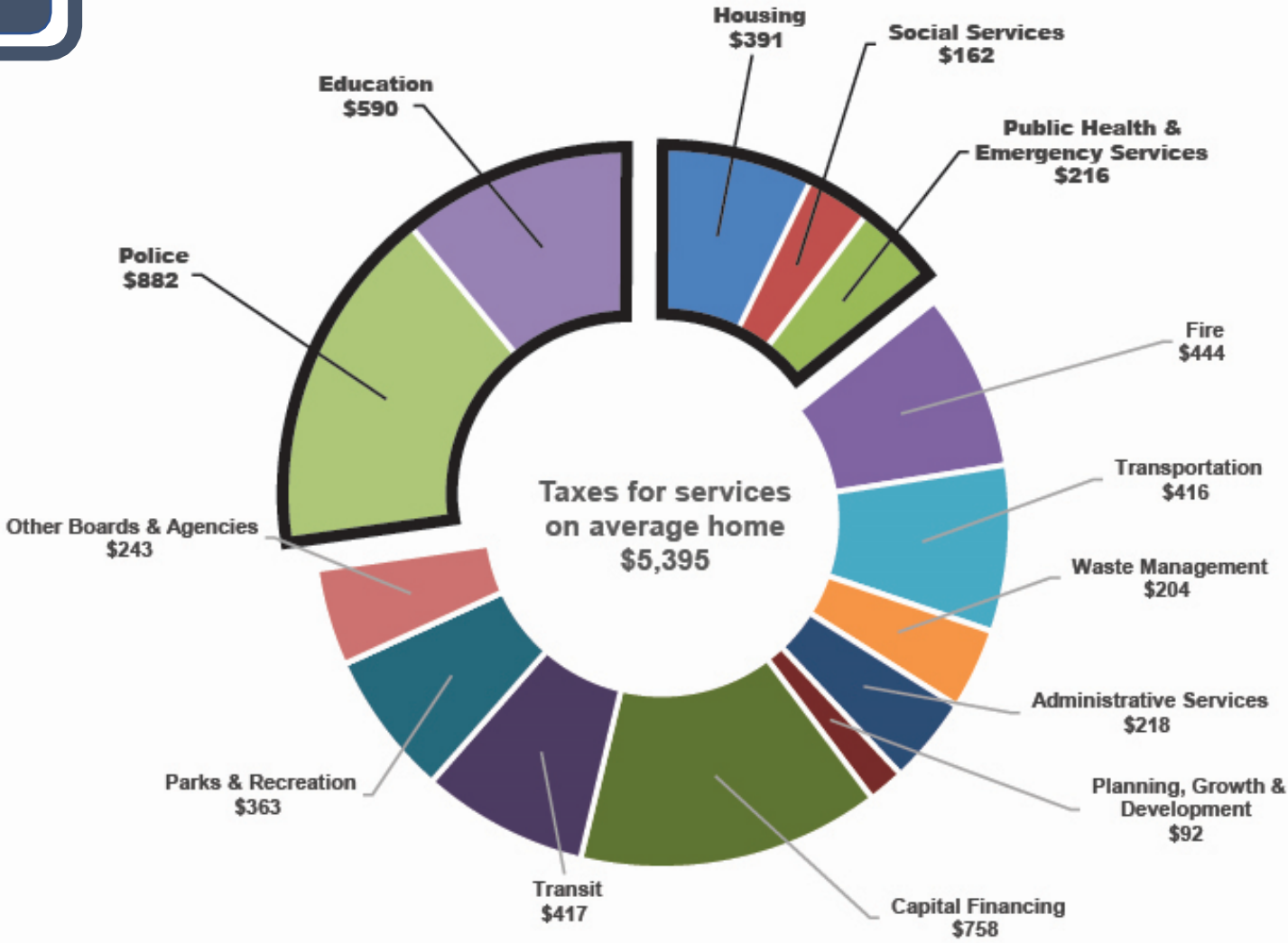
Avg. Residential Tax Impact

# 2025 Proposed Residential Tax Impact



# Where Your Money Goes

**\$1.3B**  
Net Tax Levy



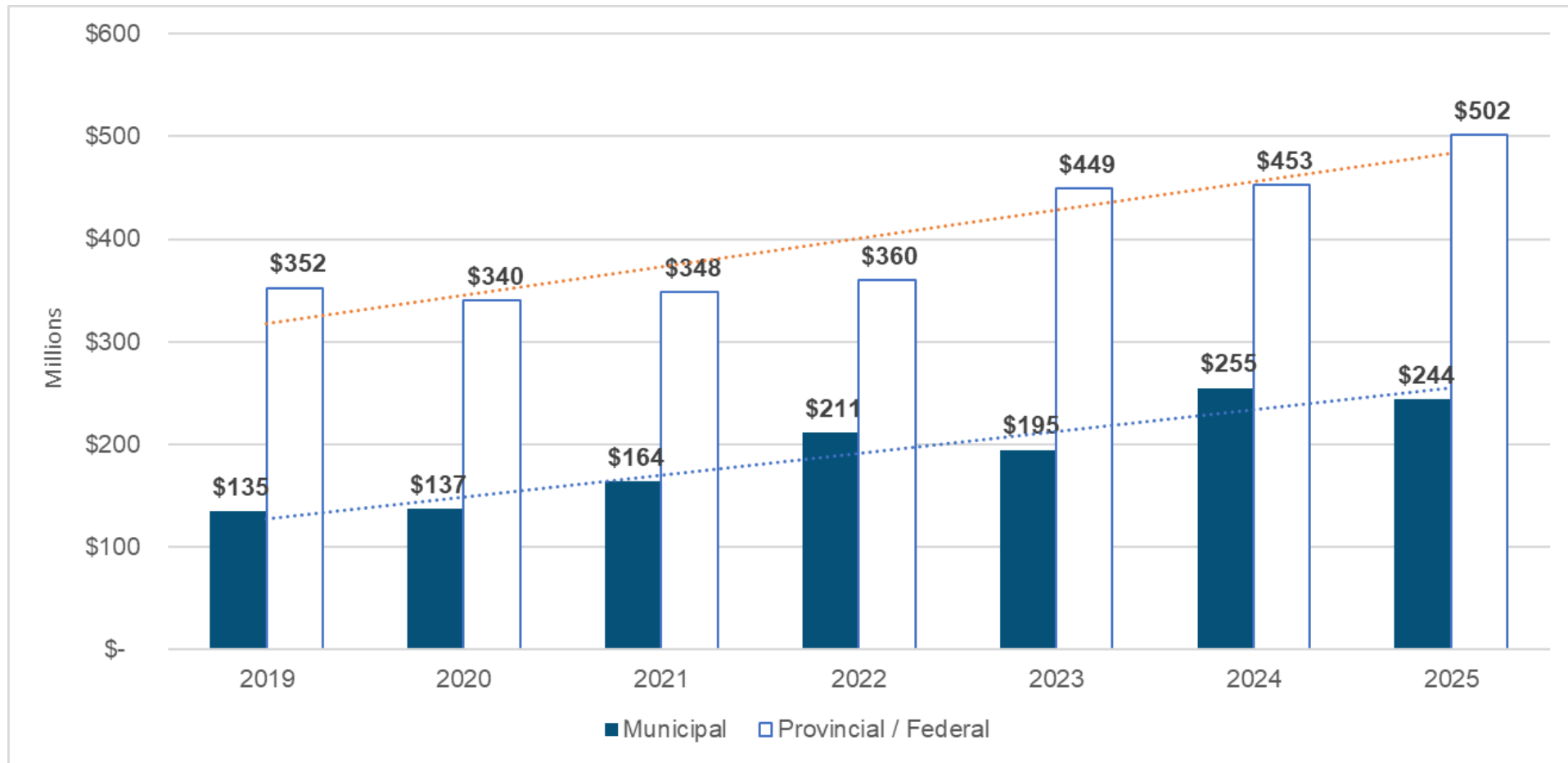


# Proposed 2025 Tax Operating Budget by Department

(\$000's)	2024		2025							
	Restated Budget	Maintenance	Maintenance vs. Restated		Capital Levy	Strategic Priorities		Total	Total vs. Restated	
						Business Cases	Council Referred			
Planning and Economic Development	35,501	37,896	2,395	6.7%	-	-	97	37,993	2,492	7.0%
Healthy and Safe Communities	331,997	360,244	28,247	8.5%	-	-	49	360,293	28,296	8.5%
Public Works	321,305	340,408	19,103	5.9%	-	-	932	341,341	20,036	6.2%
Legislative	7,472	7,811	340	4.5%	-	-	-	7,811	340	4.5%
City Manager	16,369	17,133	764	4.7%	-	-	326	17,459	1,090	6.7%
Corporate Services	48,681	51,709	3,028	6.2%	-	-	-	51,709	3,028	6.2%
Corporate Financials & Non Program	(40,061)	(54,859)	(14,798)	36.9%	-	-	-	(54,859)	(14,798)	36.9%
<b>Total City Expenditures</b>	<b>721,264</b>	<b>760,342</b>	<b>39,078</b>	<b>5.4%</b>	<b>-</b>	<b>-</b>	<b>1,404</b>	<b>761,747</b>	<b>40,483</b>	<b>5.6%</b>
Hamilton Police Services	207,451	224,754	17,304	8.3%	-	-	-	224,754	17,304	8.3%
Hamilton Police Services - 911 Service	-	5,099	5,099	100.0%	-	-	-	5,099	5,099	100.0%
Other Boards and Agencies	52,698	55,531	2,832	5.4%	-	-	-	55,531	2,832	5.4%
City Enrichment Fund	7,101	7,101	0	0.0%	-	-	668	7,770	668	9.4%
<b>Total Boards and Agencies</b>	<b>267,250</b>	<b>292,485</b>	<b>25,235</b>	<b>9.4%</b>	<b>-</b>	<b>-</b>	<b>668</b>	<b>293,153</b>	<b>25,903</b>	<b>9.7%</b>
Capital Financing	168,032	168,032	-	0.0%	29,451	-	-	197,483	29,451	17.5%
<b>Total Net for Levy</b>	<b>1,156,546</b>	<b>1,220,860</b>	<b>64,313</b>	<b>5.6%</b>	<b>29,451</b>	<b>-</b>	<b>2,072</b>	<b>1,252,383</b>	<b>95,837</b>	<b>8.3%</b>

Average Residential Tax Impact			
Municipal Net Levy Tax Impact		4.9%	7.4%
Assessment Growth		(1.6)%	(1.6)%
Reassessment		0.0%	0.0%
Tax Policy		0.5%	0.5%
Education Tax Impact		0.0%	0.0%
<b>Total</b>		<b>3.8%</b>	<b>6.3%</b>

# Funding for Provincially & Federally Legislated Services and Programs



Housing, Ontario Works Admin, Childrens Services, Long Term Care, Public Health, Paramedic Services

# 2025 Boards & Agencies

2025 Boards & Agencies Proposed Budgets (\$000's)						
Board/Agency	2024 Budget Net \$	2025 NET Operating Budget	Change		Funded from Capital Levy	2025 TOTAL Budget
			\$	%		
Conservation Authorities	9,357	9,756	399	4.3%	2,000	11,756
MPAC	6,976	7,116	140	2.0%	-	7,116
Hamilton Beach Rescue Unit	146	148	3	1.8%	-	148
Hamilton Farmers' Market	332	342	10	3.0%	-	342
Royal Botanical Gardens	674	687	13	2.0%	-	687
Hamilton Police Services (HPS)	207,451	224,754	17,304	8.3%	2,321	227,075
911 Service - (HPS)	-	5,099	5,099	100.0%	-	5,099
Hamilton Public Library	35,214	37,481	2,268	6.4%	-	37,481
City Enrichment Fund	7,101	7,770	668	9.4%	-	7,770
<b>Total Boards &amp; Agencies</b>	<b>267,250</b>	<b>293,153</b>	<b>25,903</b>	<b>9.7%</b>	<b>4,321</b>	<b>297,474</b>

# 2025 Staffing Complement

<b>2025 Proposed Complement (FTE) (exclusive of Boards &amp; Agencies)</b>	
<b>2024 Restated</b>	<b><u>6,568.93</u></b>
<b>2024 Approved Safe Apartment/Housing Accelerator</b>	<b>33.95</b>
<b>Transit Strategy (Year 9)</b>	<b>46.00</b>
<b>Operating Impacts from Capital</b>	<b>58.48</b>
<b>Council Referred Items</b>	<b>16.00</b>
<b>Business Cases (\$0 Net Levy)</b>	<b><u>29.64</u></b>
	<b>184.07</b>
<b>2025 Proposed</b>	<b>6,753.00</b>





# 2025 Reserve Strategy (\$63.2M)

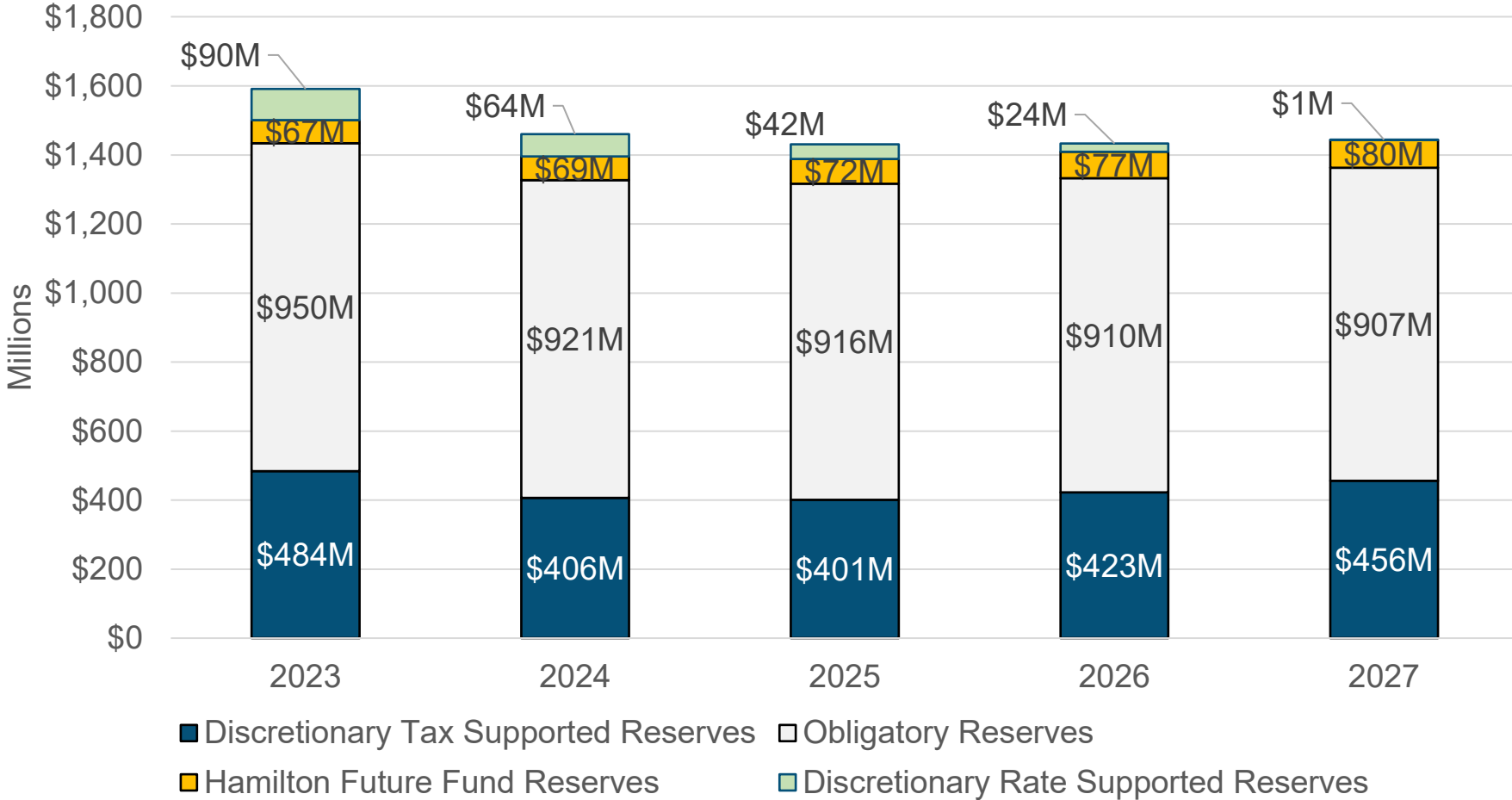
- Housing Stability and Investment Roadmap \$3.9 million for 2025
  - Horizon Utilities Corporation (HUC) Dividend estimated shortfall (\$3.9M) funded with assumption of stabilization of dividends in 2026
- Property Tax Affordability Strategy \$27.7 million for 2025
  - Employee related costs \$20.4 million
  - Transit (revenue shortfall and service expansion) \$5.1M
  - Shortfall Provincial Funding Agreements \$1.2 million
  - Winter Control \$1.0 million
- Development Charge Exemption Phase-in \$18.9 million for 2025
- Extraordinary Capital Inflation \$12.7 million for 2025
  - \$8 million to fund cybersecurity capital projects
  - \$4.7 million - Hamilton Street Railway Storage Facility cost escalation

# Multi-Year Reserve Strategy

	2025	2026	2027
Reserve Strategy			
<b>Operating:</b>			
Housing Sustainability and Investment Roadmap	(\$3.9M)		
Tax Affordability	(\$27.7M)	(\$16.9M)	(\$3.1M)
<b>Capital:</b>			
DC Exemptions	(\$18.9M)		
Capital Inflation and Cyber Response	(\$12.7M)	(\$0.1M)	
<b>Total</b>	<b>(\$63.3M)</b>	<b>(\$17.0M)</b>	<b>(\$3.1M)</b>

# Reserve Management

## City of Hamilton 2023 to 2027 Reserve Projections



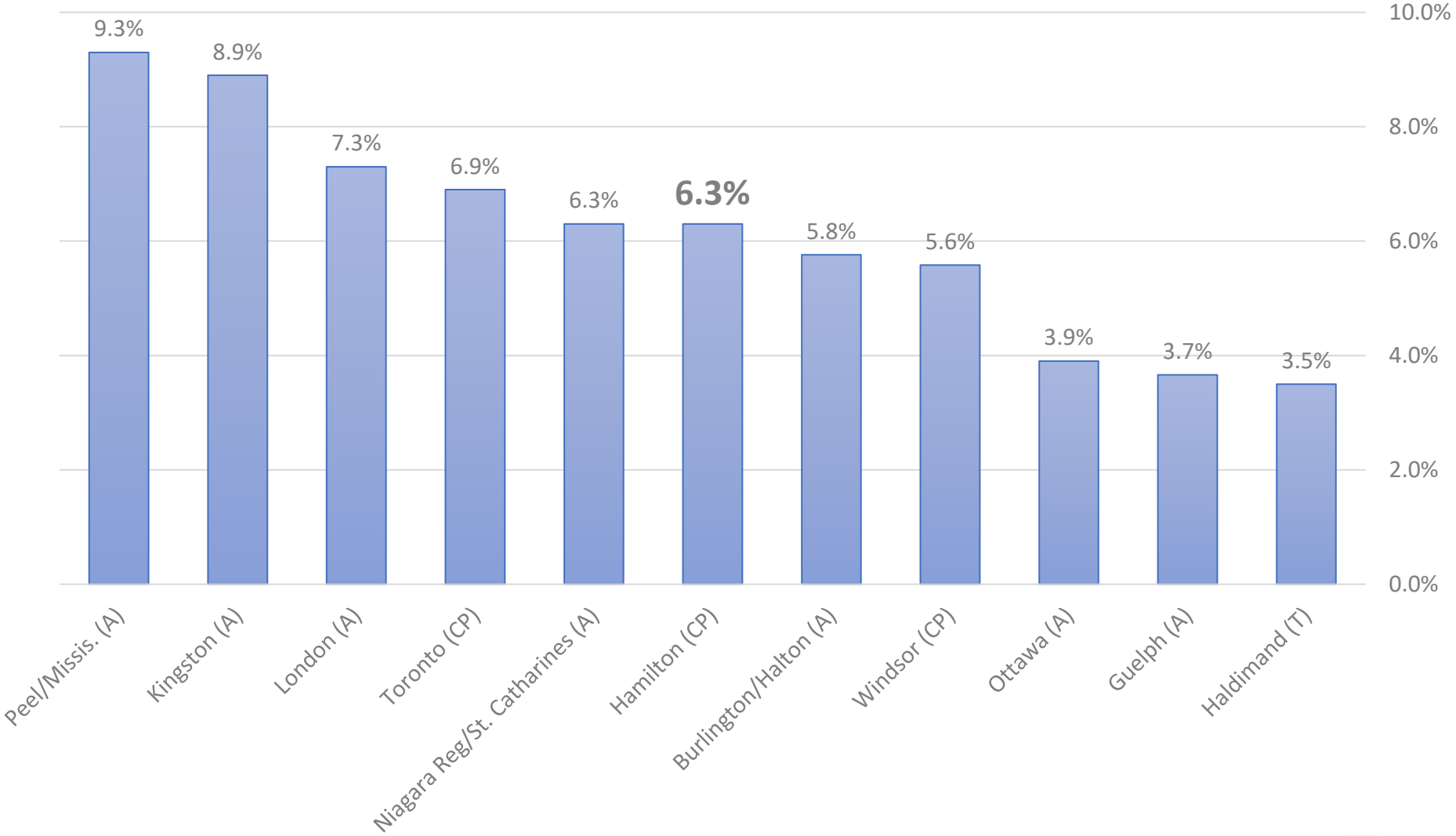
\*Excludes 2023 investment income transfers to reserves of \$70.5M

T = Council Directed Target  
 CP = Current Position  
 A = Approved

# 2025 Residential Tax Comparators

**Notes:**

- **Municipalities that are reflecting a target was set by Council. This may not reflect the current position**





# 2025 Reduction Scenarios

Reduction Scenarios			
	Reduction (\$)	Levy Increase (\$)	Total Residential Tax Increase
Adjusted Preliminary Budget		95,837,000	6.3%
Total Reductions Of	(3,900,000)	91,937,000	6.0%
Total Reductions Of	(10,400,000)	85,437,000	5.5%
Total Reductions Of	(16,900,000)	78,937,000	5.0%



# PROPOSED 2025 TAX CAPITAL BUDGET





# 2025-2028 Capital Financing Plan: Key Objectives

- Asset reinvestment in accordance with Asset Management Plans
- Growth and Development
- Address deficiencies in statutory and discretionary DC exemptions
- Investment in strategic initiatives
- Support inflationary increases to maintain infrastructure





# 2025 Major Investments (1 of 2)

## Transit (*Total Gross = \$110M*)

- Transit Maintenance and Storage Facility - **\$75M (\$418M)**
- HSR Bus Replacement Program (ICIP) - **\$15M (\$316M)**
- HSR Expansion Buses - Modal Split (ICIP) - **\$8M (\$45M)**

## Transportation Network (*Total Gross = \$190M*)

- Arterial Road 1N Oversizing (AEGD) - **\$34M (\$34M)**
- Collector Road 6N (AEGD) - **\$6.0M (\$16M)**
- Preventative Road Maintenance Program - **\$8.5M (\$59M)**
- Bridge 451 - Hwy 5 E, 120m e/o Mill St S - **\$7.0M (\$11M)**
- Gordon Dean Ave - Barton to Hwy 8 - **\$6.3M (\$12M)**
- Snow Disposal Facility - **\$6.0M (\$15M)**

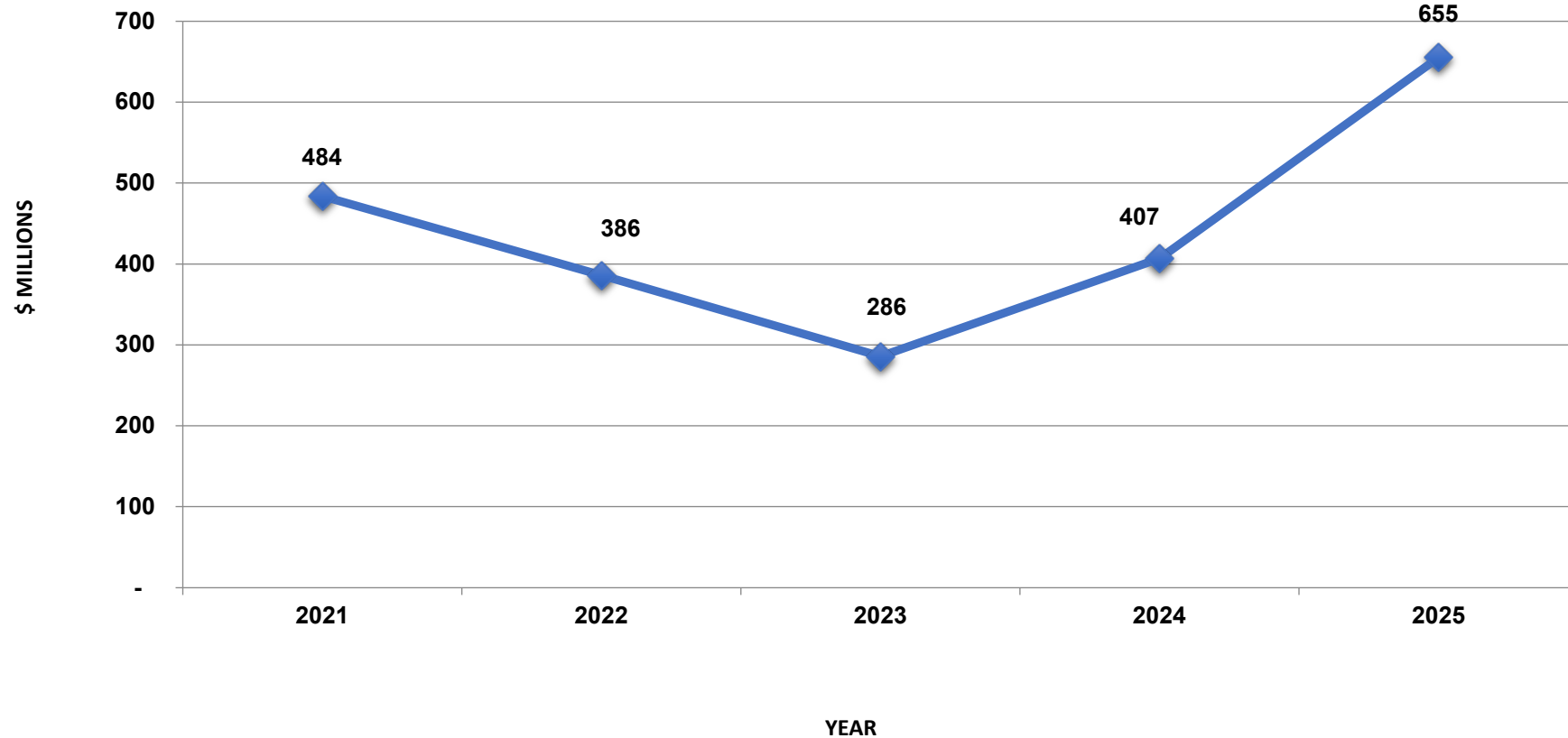




## 2025 Major Investments (2 of 2)

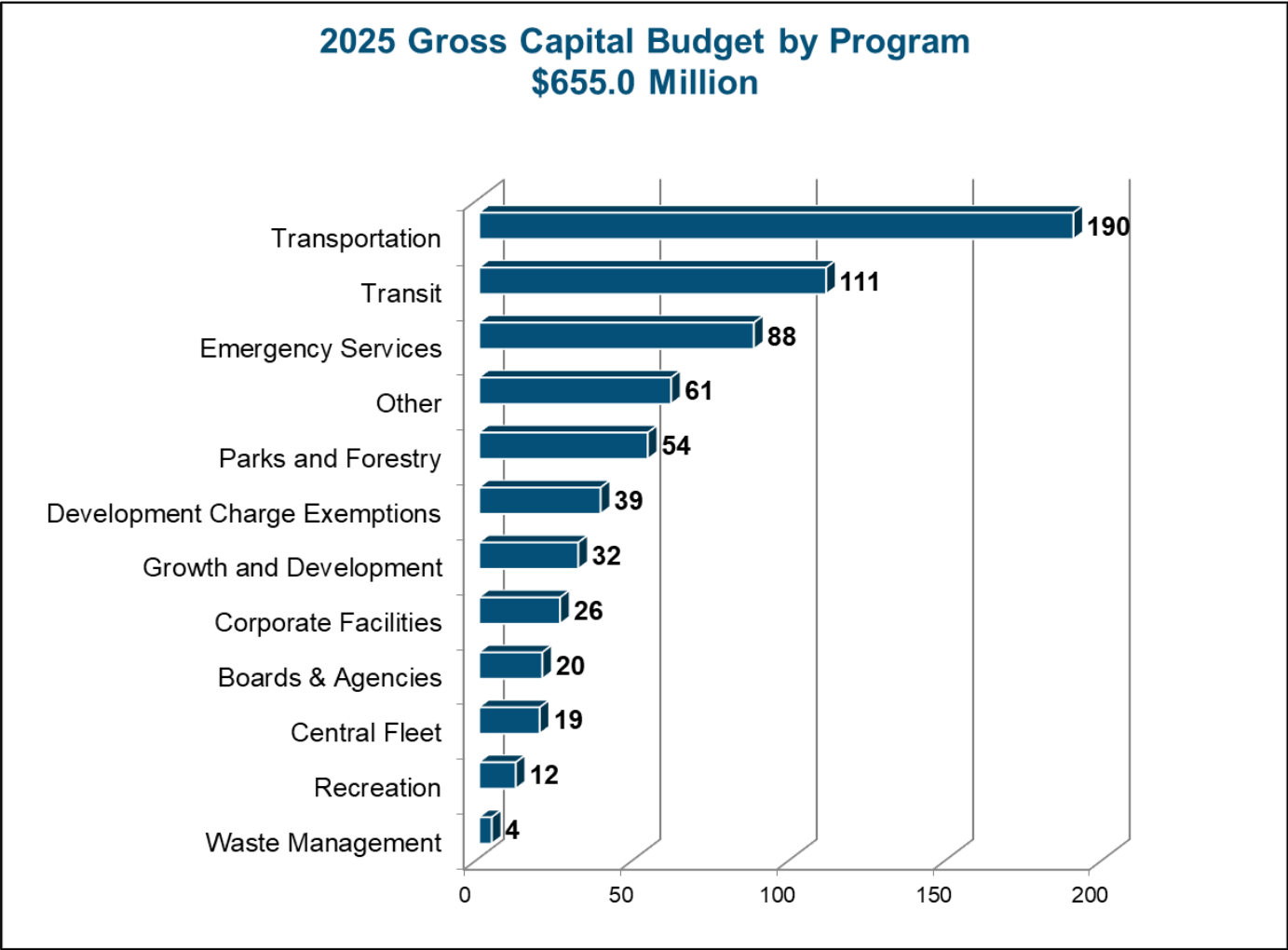
- Economic Development - **\$11M (\$72M)**
- Paramedic Central Reporting Station - **\$62.0M (\$82M)**
- Waterdown Fire/Police Station- **\$22.6M (\$65M)**
- Macassa Lodge B-Wing - **\$31.7M (\$61M)**
- Project Parks Master Plan 2025-2033 - **\$33.0M (\$329M)**
- Cybersecurity Recovery - **\$30.4M (\$52M)**
- *Cyber Resilience* - **\$13.2M**
- Fleet Vehicle & Equipment Replace Program- **\$15.9M (\$193M)**
- DC Exemptions - **\$38.8M (\$585M)**

# 2021 to 2025 Gross Tax Supported Capital



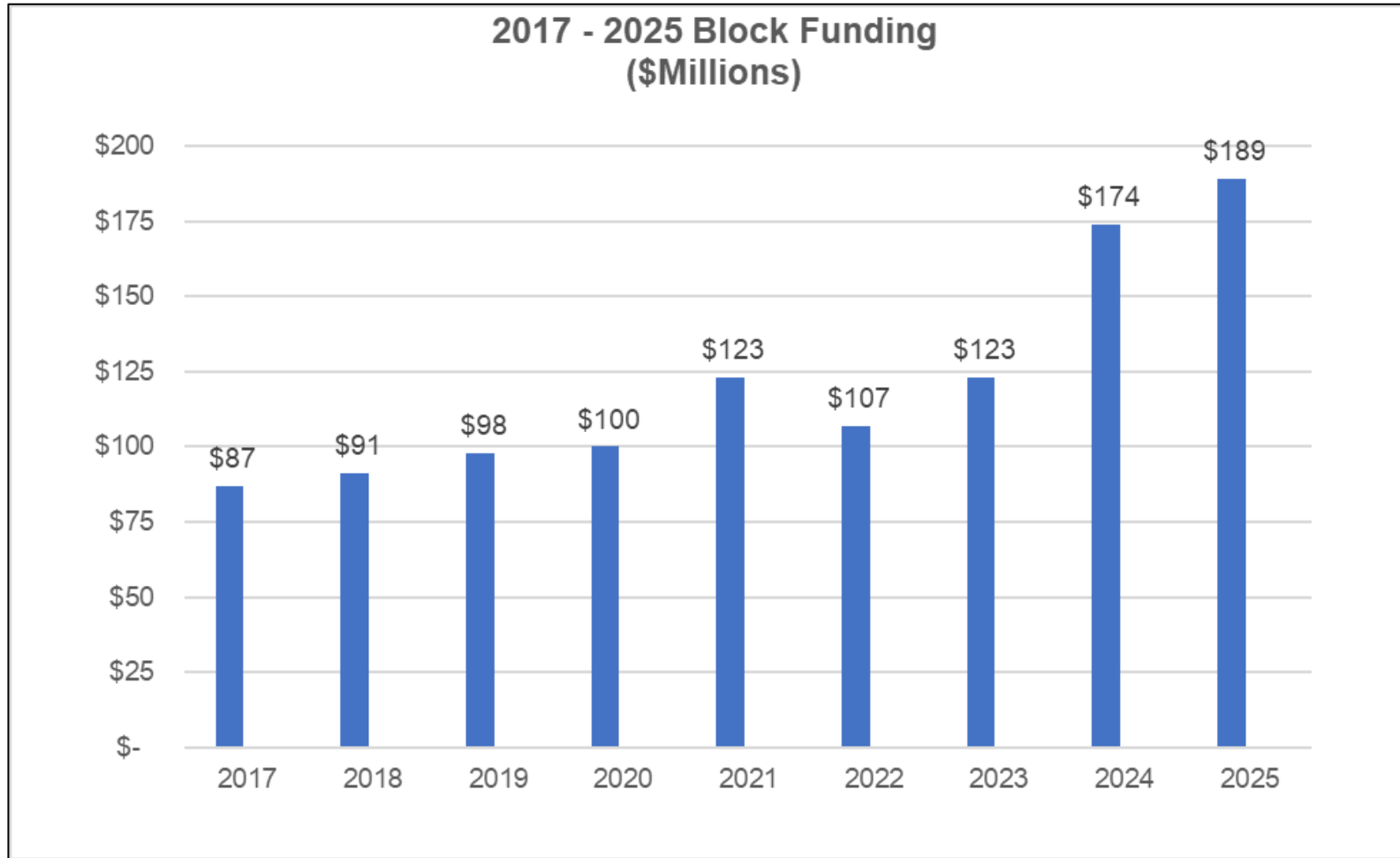
\*2025 - Inclusive of \$13.2M Cyber Resilience

# 2025 Gross Capital Investment



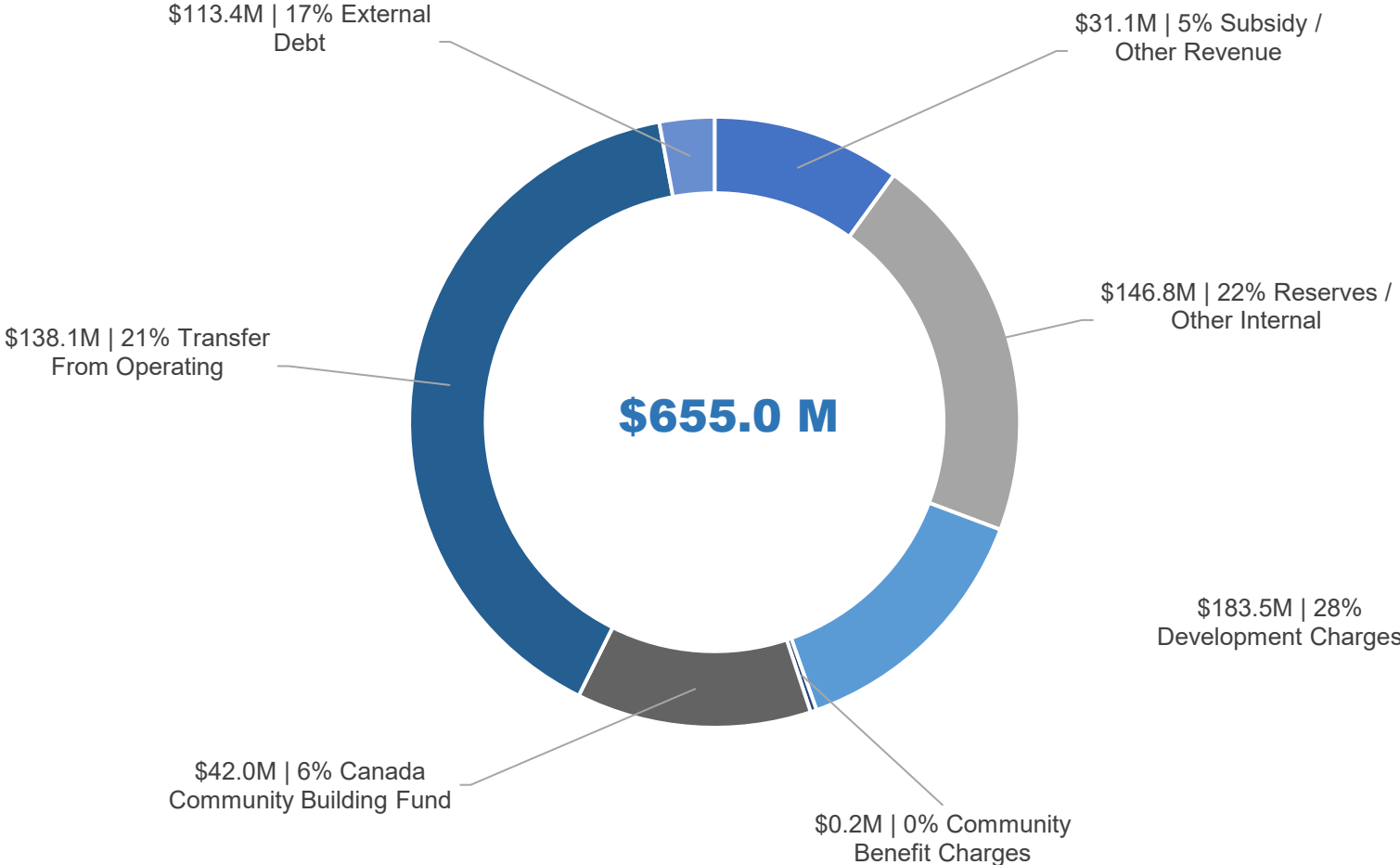
\*Inclusive of \$13.2M Cyber Resilience

# 2017 – 2025 Block Fund Trending





# 2025 Gross Capital Funding



\*Inclusive of \$13.2M Cyber Resilience




**\$29.5M**

2025 Levy Increase

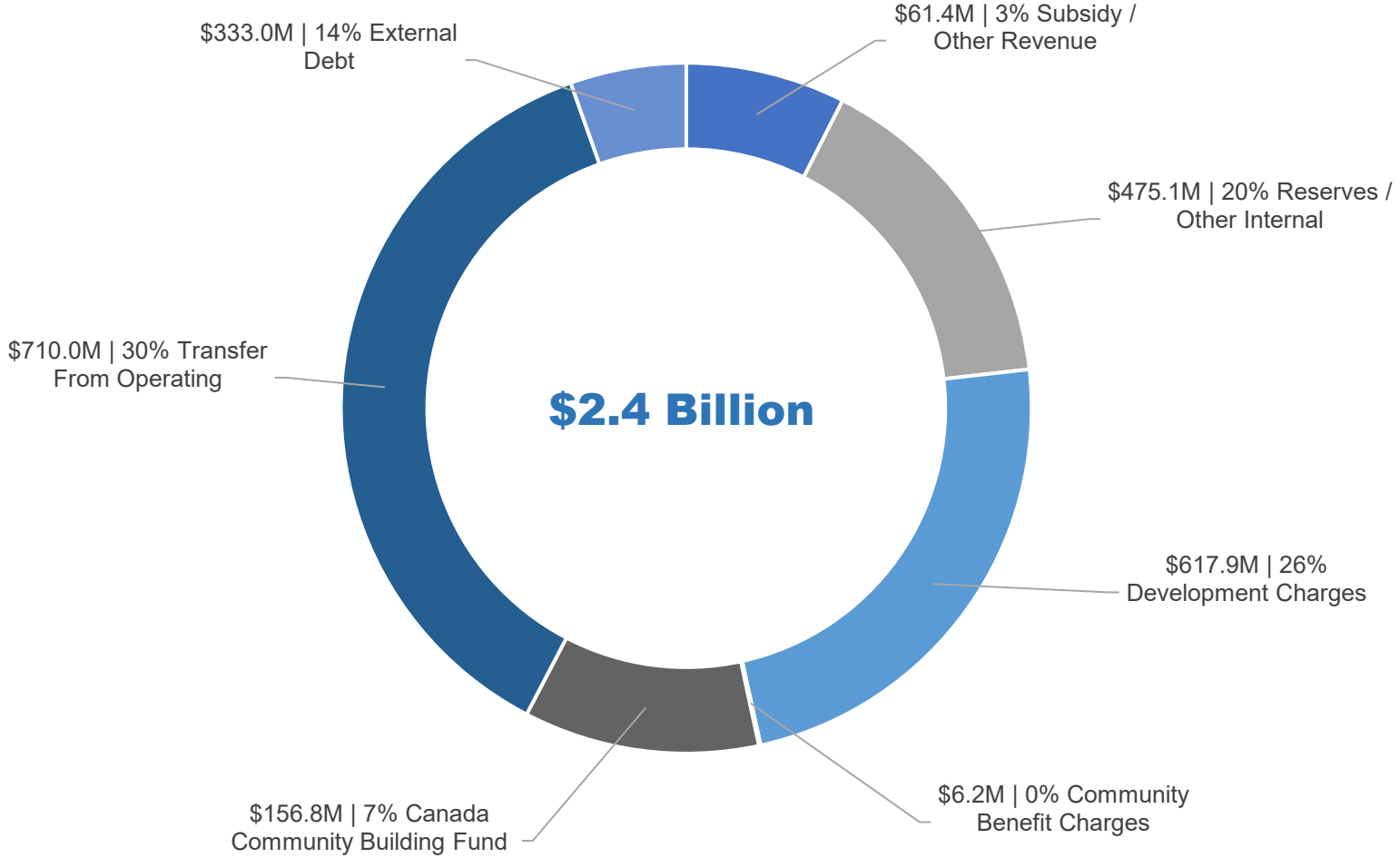
# Forecasted Capital Levy Increases

	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	0.70%	0.86%	0.25%	0.62%
<b>Total Net for Levy Impact</b>	<b>2.55%</b>	<b>3.03%</b>	<b>2.22%</b>	<b>2.08%</b>

## 2025 Debt Assessment

Measurement	2025		
	Forecast	Target	
Tax & Rate Supported Debt as a % of City Own-Source Revenue	35%	60%	
DC Supported Debt as a % of Total DC Eligible Costs	25%	25%	
Debt to S&P Adjusted Operating Revenue (S&P Global Ratings)	16%	30%	

# 2025 – 2028 Gross Capital Funding





# Proposed Budget Adjustments

	Net Levy Impact (\$)	Average Residential Tax Impact (%)
<b>Per Proposed Budget Book:</b>	<b>\$95.8M</b>	<b>6.3%</b>
<b>Addition:</b>		
Cyber Resilience*	\$0M	-
<b>Reductions:</b>		
Use of WIP Surplus Funds	(\$6.9M)	(0.5%)
<b>Revised Position</b>	<b>\$88.9M</b>	<b>5.8%</b>
HSC Net Levy Reductions	(\$209K)	(0.0%)
Operating Impacts of Capital (Transit Maintenance and Storage Facility) – Reductions**	(\$969K)	(0.1%)
<b>Revised Position</b>	<b>\$87.7M</b>	<b>5.7%</b>

**This would bring the Average Residential Tax increase to \$288**

\*\$13.2M - Capital budget impact not reflected in budget book documents. \$0 operating levy impact.

\*\*17 FTEs

# Thank You