




Hamilton

MEMORANDUM

TO:	Members of City Council
DATE:	January 13, 2025
SUBJECT:	2025 Proposed Tax Budget - REVISED
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Andrea Horwath, Mayor City of Hamilton
SIGNATURE:	

This Memorandum outlines the proposed 2025 Tax Budget, reflecting a commitment to Hamilton’s future as a growing city on the move that is committed to responsible and necessary infrastructure investments. This budget is grounded in the principles of building back better and stronger, with a focus on responsible decision-making to address today’s most pressing challenges while ensuring a secure future for generations to come.

With strategic investments in critical transportation infrastructure like roads and transit, housing and homelessness, cyber recovery and resiliency, and climate action, the 2025 Tax Budget embodies our commitment to balancing immediate needs with long-term priorities and managing resources responsibly.

The following recommendations outline investments that will support Hamilton’s progress, ensuring responsible stewardship of resources and a shared vision of a thriving, vibrant and prosperous city.

As per Mayoral Directive MDI-2024-03, staff have prepared the following proposed Mayor’s budget for City Council to consider:

- (a)
 - i) The net tax levy of ~~\$761,906,930~~ **\$760,728,569**, inclusive of business cases and Council referred items representing an increase over 2024 of ~~\$40,642,950~~ **\$39,464,590**, for City Departments;
 - (ii) The Capital Levy of ~~\$184,040,540~~ **\$177,154,540**, representing an increase over 2024 of ~~\$29,451,358~~ **\$22,565,358**;

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- (iii) The Area Rating Special Capital Re-Investment Levy of \$13,428,870, representing no change over 2024;
 - (iv) The net tax levy of \$63,300,223, representing an increase over 2024 of \$3,508,601 for external Boards and Agencies, exclusive of Hamilton Police Services and inclusive of the City Enrichment Fund;
 - (v) The net tax levy of \$224,754,425, representing an increase over 2024 of \$17,303,785 for Hamilton Police Services;
 - (vi) The net tax levy for Public-Safety Answering Point (911 service) of \$5,098,698;
 - (vii) The sustainable use of reserve funding of \$63,291,163 for the following purposes:
 - to phase-in statutory and discretionary development charge exemptions permitted under the *Development Charges Act, 1997* and the City of Hamilton's Development;
 - In support of the Housing Sustainability and Investment Roadmap;
 - in support of Building Back Better and strong; and,
 - to support taxpayer affordability;
 - (viii) The 2025 gross capital budget of ~~\$641,820,000~~ **\$655,020,000** and financing plan;
 - (iv) The 2025 staff complement of ~~8,366.15~~ **8,347.15** FTE representing an increase of **202.53** FTE over 2024 in support of the following:
 - Operating Impacts of Capital **58.48 40.48 FTE**
 - Council Referred Items **16.00 15.00 FTE**
 - Business Cases 29.64 FTE
 - Transit Strategy 46.00 FTE
 - Police Services 40.00 FTE
 - Library Services (2.54) FTE
 - Safe Apartment/Housing Accelerator 33.95 FTE
- (b) That the Mayor authorize the General Manager, Finance and Corporate Services, to negotiate and confirm the terms for the placement and issuance of all debenture issue(s), in either a public or private market and / or bank loan agreements and debenture issue(s), in and / or variable interest rate bank loan agreement and debenture issue(s), in an amount not to exceed \$66.5 M Canadian currency, which includes \$16.3 M in Tax Supported municipal debt and \$50.2 M in Development Charges municipal debt;
- (c) That the Mayor authorize the General Manager, Finance and Corporate Services, to engage the services of all required professionals to secure the terms and issuance of the debenture issue(s) described in recommendation (b) including, but not limited to, external legal counsel and fiscal agents;

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- (d) That the Mayor authorize the General Manager, Finance and Corporate Services, 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 Recommendation (b), on terms satisfactory to the General Manager, Finance and Corporate Services, and in a form satisfactory to the City Solicitor;
- (e) That Mayor authorize staff to prepare all necessary by-law(s) for Council's consideration, for the purpose of authorizing debenture issue(s) described in Recommendation (b);
- (f) That the Mayor authorize the General Manager, Healthy and Safe Communities, 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 2025 Tax Budget and Financing Plan, 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;
- (g) That, where required for Public Health Services, the Mayor authorize the General Manager, Healthy and Safe Communities, 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 2025 Tax Budget and Financing Plan, and includes the authority to authorize the submission of budgets and quarterly and / or year-end reporting; and,
- (h) That the Mayor authorize the City Solicitor to prepare all necessary bylaws, for Council approval, for the purposes of establishing the tax levy, totalling ~~\$1,252,543,700~~ **\$1,244,465,309** exclusive of Education per Recommendation (a).

Section 284.16 of the *Municipal Act, 2001* and O. Reg. 530/22 set out the process for the presentation of the budget for Council's consideration and the adoption of the budget. In particular, the Mayor, in accordance with the regulations, prepare a proposed budget for the municipality and provide the proposed budget to the Council for the Council's consideration.

The Mayor's proposed Tax Budget 2025 is \$2.81 B gross and **\$1.24 B net**. The budget addresses key priorities, which includes, maintaining front-line services, supporting transit and transit expansion, supporting the Housing Secretariat 2025 workplan, supporting the housing and homelessness strategies, supporting emergency services and public safety and supporting the Climate Action Strategy.

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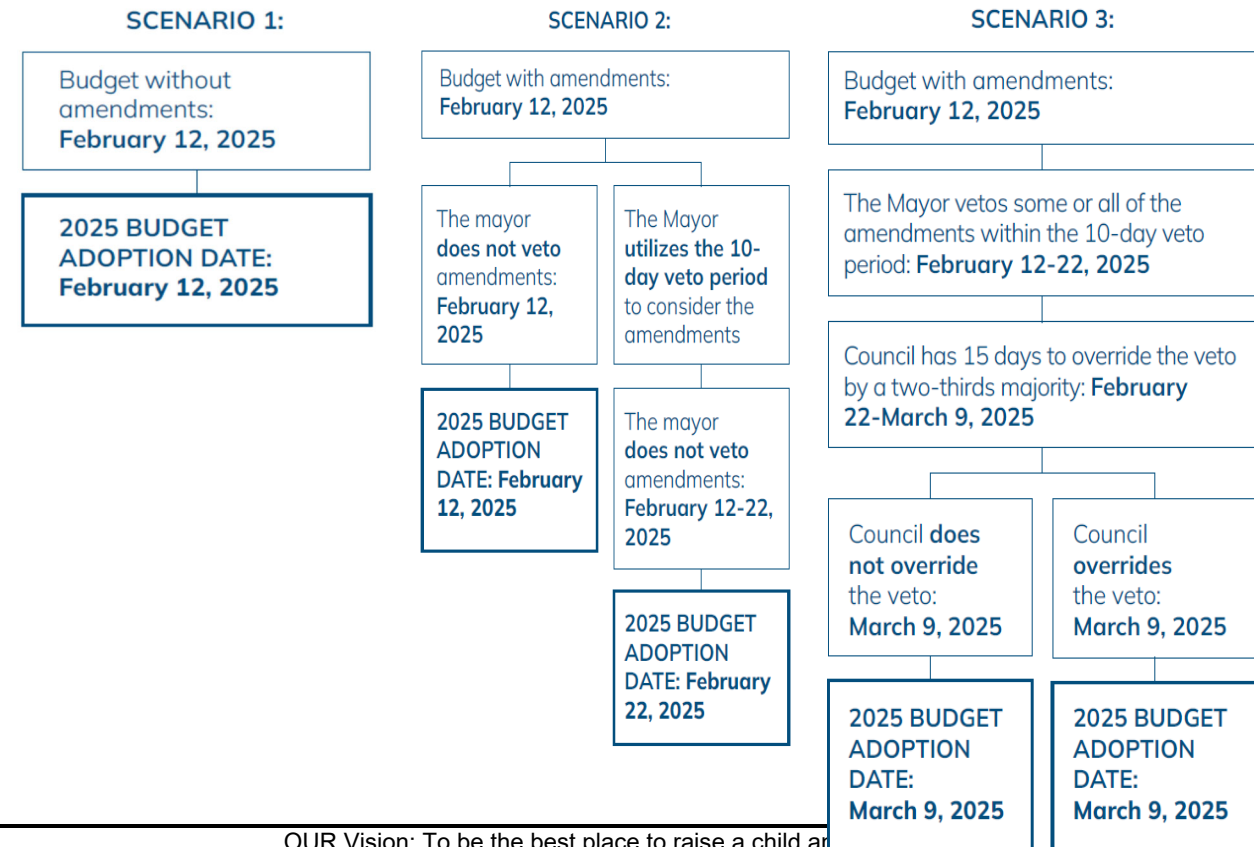
The 2025 Tax Budget was balanced based on the expectation of expanded support from the Government of Canada and the Province of Ontario, including \$14.1 M for establishing and operating Temporary Outdoor Shelter with essential wrap-around supportive services, as well as, the expansion of 192 temporary indoor shelter beds.

The Mayor’s Proposed 2025 Tax Budget includes gross investments in infrastructure to the amount of ~~\$641.8~~ **\$655 M**. The 2025 tax capital budget focuses on investments in the Transportation Network, Transit, Paramedics facility, Long Term Care and Cybersecurity and Resilience.

Staff provided an update on the 2025 Budget Outlook at the General Issues Committee (GIC) through Report FCS24041 on November 6, 2024. Staff has also prepared a detailed budget overview report for review by Council and the public. Report FCS25004 was released on January 13, 2025 which contains detailed information on the proposed 2025 Tax Budget.

Budget Process

An overview presentation to the GIC will be delivered by staff on January 23, 2025, which will be followed by detailed departmental presentations throughout the week of January 28 to 31. Depending on the number of amendments and whether or not the Mayor’s veto is exercised or a Council override of a veto by the Mayor is exercised, adoption of the 2025 Tax Budget may happen somewhere between February 12, 2025 and March 9, 2025. The graphic below summarizes some possible scenarios related to 2025 Tax Budget adoption.



APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to 2025 Proposed Tax Budget – 2025 Tax Supported Operating Budget
Amendments

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