Hamilton

2026 SINGLE-FAMILY UNIT FORECASTED RATE

General Issues Committee

March 19, 2025

AGENDA

1. Background
2. Revenue Neutrality
3. Single-Family Unit (SFU) Calculation
4. Recommendations

Stormwater Residential Fee (Generated From Item 5.1) (November 28, 2024)

a) That staff report to General Issues Committee in Q1 2025 with an analysis summarizing the factors contributing to the 2026 forecast change in the stormwater fee to $270.10 per annum; and,

b) That staff identify any options that would further support the forecast stormwater management investments to realize a largely revenue neutral transition to a stormwater fee structure.

Hamilton's Current Stormwater Funding

$000	Storm Operating (W/WW Rate)	Conservation Authorities (Tax Levy)	Roads Maintenance (Tax Levy)	Total Stormwater Program
2026 Forecasted Budget	**$ 46,538**	**$ 8,624**	**$ 4,589**	**$ 59,751**

Stormwater funding is primarily based on water consumption

- Large volume water consumers contribute more towards stormwater management
- Lower volume water consumers and those not on municipal water system (ex. parking lots) contribute less towards stormwater management

Revenue Neutrality

- Overall, the new stormwater fee structure is not generating additional revenue.
- However, the approved stormwater fee structure will impact properties differently.
- In April 2026 when the dedicated stormwater fee is implemented, the wastewater rate will be reduced.
- Staff recommendation is to transfer the property levy related to the stormwater management activities to the Stormwater Reserve as a funding source.

Single-Family Unit (SFU) Calculation

$$\textbf{SFU} = \frac{\text{total stormwater program cost}}{\text{number of billable units}} \qquad \frac{(A + B + C + D)}{E}$$

Total program stormwater costs are the sum of:

A) Capital and operating expenses for the City's stormwater management program, currently included in the wastewater rate supported budget

B) Catch basin / culvert maintenance and conservation authority levies, currently funded in the tax levy budget

C) Cost to administer the new dedicated stormwater fee

D) Cost of the new stormwater incentives programs

E) The number of billable units (BU) is equal to the total SFU

Approved Credit Program

Made in Hamilton 3 credit stream approach based on feedback received and Council direction

Green Space Credit

- Considers percentage of property that is green space
- Automatic enrollment – no application needed
- Only available for properties with no direct stormwater connection and only contribute overland flow via green space

Hamilton Harbour Discharge Credit

- Property owners can apply for up to a 90% credit if they can demonstrate that the property's stormwater fully discharges to Lake Ontario which is provincial jurisdiction

Stormwater Management Infrastructure Credit

- Property owners will be able to apply for a credit of up to 50% if they reduce the quantity and/or improve the quality of stormwater that runs off their property

A property will not be eligible for more than one stream. Reassessment process in development.

Previous SFU Rates

$000	Storm Operating	Tax Levy	Billing Cost & Admin	*Credit / Incentive Programs	Transfer from Reserve	**Total Stormwater Program**	**Total Billing Units**	**Annual SFU Rate**
Jun '23	$ 36,643	$ 13,458	$ 2,367	$ 2,761	$ -	**$ 55,230**	**324,488**	**$ 170**
Nov '24	$ 54,464	$ 13,213	$ 2,244	$ 9,600	$ -	**$ 79,520**	**294,000**	**$ 270**

Changes from $170 to $270 SFU

- Implementation date revised from September 1, 2025 to April 1, 2026
- Increase to the Operating Stormwater budget from $37M for 2025 to $54M for 2026 – includes a larger capital investment in the Stormwater system
- Recommended multi-stream credit program increased incentive program costs
- Billing units estimated

Previous SFU Rates

$000	Storm Operating	Tax Levy	Billing Cost & Admin	*Credit / Incentive Programs	Transfer from Reserve	**Total Stormwater Program**	**Total Billing Units**	**Annual SFU Rate**
Nov '24	$ 54,464	$ 13,213	$ 2,244	$ 9,600	$ -	**$ 79,520**	**294,000**	**$ 270**
Mar '25	$ 46,538	$ 13,213	$ 2,244	$ 5,737	$ (11,000)	**$ 56,732**	**283,935**	**$ 201**

*March 2025 - Excludes Green Space Credit cost of $8.5 M

Changes from $270 to $201 SFU

- $11M transfer from Stormwater Reserve fund stormwater program
- Further analysis of capital projects reduced 2026 Stormwater Operating program from $54M to $47M
- Multi-stream credit program approved
- AECOM completed parcel analysis and firmed up billing unit count

2026 Impact Analysis

Residential User Annual Bill in 2026

Residential Type	**Single-Family Dwelling**			**Townhome**	**Triplex**	**Single-Family Dwelling**
Water User Profile	Average Residential User	Low Water User (Single Occupant)	Large Water User (Multi Generational Home)	Average Townhome	Average Triplex	Not connected to City System
Meter Size	meters < 25mm					N/A
Annual Consumption	200m3	100m3	300m3	170m3	250m3	N/A
Current Annual WWW Bill	$ 1,168	$ 702	$ 1,686	$ 1,013	$ 1,427	N/A
Restated WWW Bill, 2026	$ 1,003	$ 603	$ 1,448	$ 870	$ 1,226	N/A
WWW Bill, Net Change	**$ (165)**	**$ (99)**	**$ (238)**	**$ (143)**	**$ (201)**	**N/A**
Annual Storm Bill	**$ 201**	**$ 201**	**$ 201**	**$ 100**	**$ 181**	**$ 201**
Annual Net Change	$ 36	$ 102	$ (37)	$ (43)	$ (21)	$ 201
Annual Net Change %	3.1%	14.5%	(2.2%)	(4.2%)	(1.5%)	N/A

*Assumes forecasted rates are implemented for 2026

2026 Impact Analysis

ICI User Annual Bill in 2026

Property Type	Institutional (Secondary School)	Commercial (Big Box Retailer)	Commercial (Car Wash)	Commercial (Fast Food Chain)
Meter Size	150mm	100mm	50mm	38mm
Annual Consumption	4,159m3	18,064m3	4,430m3	3,170m3
Impervious Area	27,696m2	55,200m2	1,800m2	3,300m2
Annual WWW Bill, Current Structure	$ 43,626	$ 104,613	$ 26,481	$ 18,629
Restated WWW Bill, 2026	$ 37,488	$ 89,875	$ 22,750	$ 16,005
WWW Bill, Net Change	**$ (6,139)**	**$ (14,738)**	**$ (3,730)**	**$ (2,624)**
Annual Storm Bill	**$ 19,135**	**$ 38,130**	**$ 1,246**	**$ 2,271**
Annual Net Change	$ 12,997	$ 23,392	$ (2,484)	$ (353)
Annual Net Change %	29.8%	22.4%	(9.4%)	(1.9%)

*Assumes forecasted rates are implemented for 2026

2026 Impact Analysis

ICI User Annual Bill in 2026

Property Type	Industrial (Food Processing)	Institutional (Hospital)	Industrial (Large Industrial Water User)	Commercial (York Blvd Parkade)
Meter Size	250mm	Various Meters	Various Meters	N/A
Annual Consumption	505,000m3	301,940m3	947,144m3	N/A
Impervious Area	93,200m2	41,300m2	32,600m2	4,100m2
Annual WWW Bill, Current Structure	$ 2,666,690	$ 1,663,441	$ 4,950,371	N/A
Restated WWW Bill, 2026	$ 2,290,904	$ 1,429,061	$ 4,252,751	N/A
WWW Bill, Net Change	**$ (375,786)**	**$ (234,380)**	**$ (697,620)**	**N/A**
Annual Storm Bill	**$ 64,240**	**$ 28,522**	**$ 22,512**	**$ 2,834**
Annual Net Change	$ (311,546)	$ (205,858)	$ (675,108)	$ 2,834
Annual Net Change %	(11.7%)	(12.4%)	(13.6%)	N/A

*Assumes forecasted rates are implemented for 2026

Next Steps

- Q2 2025 – Stormwater Estimator Inquiry Tool Launch
  - Will allow property owners to become informed of their forecasted stormwater fee as of April 2026
  - Tool will provide billing units and the automatic green space credit
  - This tool will allow property owners to prepare and budget for the implementation of the dedicated stormwater fee
  - Will allow larger property owners (ICI/Multi-residential) to consider applying for credits and create business cases for stormwater management practices and/or retrofits
- Upcoming workshops with Community partners and interested parties
- Stormwater Fee Bylaw coming soon

Report FCS22043(d) Recommendations

RECOMMENDATIONS

1. That property tax levy funding related to stormwater expenditures to be funded by the new stormwater rate structure, be transferred to the Stormwater Reserve (108010) to support a largely revenue neutral transition to a dedicated stormwater fee effective April 1, 2026;

2. That the daily single-family unit (SFU) stormwater fee of $0.55 ($200.75 annually) for all properties in the City of Hamilton be adopted, in principle, effective April 1, 2026;

3. That the subject matter respecting a review of the annual SFU rate required to implement a dedicated user fee for stormwater, be identified as complete and removed from the General Issues Committee Outstanding Business List.

THANK YOU