



City of Hamilton Memorandum

To: Members of City Council
Date: January 20, 2026
Subject/Title: 2026 Proposed Tax Budget
Ward(s) Affected: City Wide

Information

This Memorandum outlines the proposed 2026 Tax Budget, grounded in a clear commitment to affordability, while ensuring the responsible stewardship of City services, infrastructure, and long-term sustainability. Hamiltonians have made it clear: rising costs are putting pressure on households and businesses, and they expect their City to act with discipline, accountability, and respect for every tax dollar.

As our city grows, we must continue to invest in the infrastructure and services residents rely on every day - while holding the line on affordability. This budget strikes that balance. It protects core services, prioritizes community safety and well-being, while enabling growth and supporting local employment development and jobs.

The 2026 Budget is the product of careful, line-by-line reviews across City programs and services, identifying efficiencies, right-sizing opportunities and cost control measures without compromising community or Council priorities.

It is a practical, responsible plan that meets the challenges of today while preparing Hamilton for the future. It is now in the hands of City Council to consider.

As per Mayoral Directive MDI-2025-01, staff have prepared the following proposed 2026 Mayor's budget for City Council to consider:

- (a)
 - (i) a net tax levy of \$783,399,881, representing an increase of \$39,859,751 over 2025 for City Departments;
 - (ii) a Capital Levy of \$201,988,500, inclusive of the Area Rating Special Capital Re-Investment levy of \$13,428,870, representing an increase of \$11,502,610 over 2025;

- (iii) a net tax levy of \$83,118,011, representing an increase from 2025 of \$3,110,441 for Hamilton Public Library, Board of Health, Conservation Authorities, MPAC, Hamilton Beach Rescue, Royal Botanical Gardens, Farmers' Market and City Enrichment Fund;
 - (iv) a net tax levy of \$240,893,620, representing an increase of \$16,139,200 over 2025 for Hamilton Police Services;
 - (v) a net tax levy of \$5,285,360, representing an increase over 2025 of \$186,660 for Public-Safety Answering Point (9-1-1 service);
 - (vi) The use of reserve funding of \$35,748,352 for the following purposes:
 - to fund historically unfunded DC exemptions;
 - in support of the HSR Next transit expansion;
 - enhanced paramedic services;
 - Social Housing Capital Repairs; and,
 - to support taxpayer affordability;
 - (vii) a 2026 gross capital budget of \$626,671,092 and financing plan;
 - (viii) The 2026 City staff complement increase of 58.10 FTE for a total complement of 6,453.14 FTE in support of the following:
 - Proposed FTE Reductions (32.61) FTE
 - Operating Impacts of Capital 78.71 FTE
 - Business Cases 9.00 FTE
 - Building Inspections Enforcement 1.00 FTE
 - Safe Apartments 2.00 FTE
 - (ix) The 2026 Hamilton Police Service and Hamilton Police Board complement increase of 80 FTE, for a total complement of 1,384 FTE;
 - (x) The 2026 Hamilton Public Library complement increase of 0.35 FTE, for a total complement of 307.38 FTE;
- (b) A parking infraction fee increase effective April 1, 2026, and that staff update Parking Infraction Fee schedules accordingly, with increased revenues projected of \$734 K to be used to fund: \$500 K used to reduce the 2026 operating budget levy and \$234 K to fund the Parking Capital Reserve (#108021) for future parking process improvements;
- (c) Amendments to the User Fee by-law to reflect fees of comparable jurisdictions for Commemorative Park Benches and Commemorative Trees;

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- (d) Amendments to Policy FPAP-RE-004 to ensure that a minimum of \$1 M must be available in the MAT Tax Reserve #108072 at all times;
- (e) That the Mayor authorize the General Manager, Finance and Corporate Services, or delegate, 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 \$127.1 M Canadian currency, which includes \$115.6 M in Tax Supported municipal debt and \$11.5 M in Development Charges municipal debt;
- (f) That the Mayor authorize staff to engage the services of all required professionals to secure the terms and issuance of the debenture issue(s) described in Recommendation (e) including, but not limited to, external legal counsel and fiscal agents;
- (g) That the Mayor authorize the General Manager, Finance and Corporate Services, or delegate, 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 (e), on terms satisfactory to the General Manager, Finance and Corporate Services, and in a form satisfactory to the City Solicitor;
- (h) 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 (e);
- (i) That the Mayor authorize the General Manager, Healthy and Safe Communities, or delegate, to execute, on behalf of the City, 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, adoption of the 2026 Tax Budget, 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; and
- (j) That the Mayor authorize the City Solicitor to prepare all necessary by-laws, for Council approval, for the purposes of establishing the tax levy, totalling \$1,314,685,372 exclusive of Education per Recommendation (a).

On October 7, 2025, 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 2025-01 to prepare the 2026 Water (Rate) Budget and the 2026 Tax Supported Budget for consideration by City Council, with the certain directions.

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The Mayor's 2026 Proposed Tax Budget provides approximately \$2.9 billion to support City services that residents rely on. The budget reflects key priorities identified through public engagement and Council's strategic priorities, including:

- Responding to affordability pressures while protecting long-term financial sustainability
- Renewing and enhancing infrastructure, such as roads, sidewalks, and community assets
- Maintaining core municipal services that Hamiltonians depend on
- Supporting public safety and emergency services
- Advancing housing and homelessness strategies
- Investing in transit and transit expansion

The Mayor's 2026 Proposed Tax Budget includes \$626.7 M in gross capital investments focused on infrastructure renewal and the protection of City assets. Capital investments are concentrated in core services such as transportation, public safety, including paramedics services and long-term care, as well as the security and resilience of City assets, including cyber resiliency.

Staff provided the 2026 Budget Outlook at the General Issues Committee (GIC) through Report FCS25036 on September 11, 2025. On December 12, 2025, staff released the 2026 Staff Draft Proposed budget book and capital detail sheets. A budget overview report (Report FCS26001) was released concurrently with the proposed 2026 Tax Supported Budget, providing Council and the public with detailed information on the proposed investments, financial impacts, and budget drivers.

Budget Process

An overview presentation to the GIC will be delivered by staff on January 23, 2026, which will be followed by detailed departmental presentations throughout the week of January 26th. Depending on the number of amendments proposed by Council, whether or not the Mayor's veto is exercised related to any of the amendments or whether Council successfully overrides any Mayoral veto of an amendment, adoption of the 2026 Tax Budget may happen somewhere between mid-February and mid-March 2026. The graphic included in the 2026 Tax Budget Overview of Report FCS26001 on page 2, summarizes some of the possible scenarios related to 2026 Tax Budget adoption.

This Memorandum was prepared by City Staff and Submitted and Recommended by Mayor Andrea Horwath.