



Hamilton

*2012 Capital Budget Workshop
#2*

November 9, 2011 GIC



Capital Budget Workshop #2

Workshop 1 (Nov 1), staff informed Council of:

- State of the Infrastructure;
- Summary of ward meetings (additional information)
- 2011 Capital Budget recap/update; and
- Preliminary financing forecast

Council feedback/priorities:

- Hard infrastructure (roads/facilities);
 - Housing; and
 - Parkland;
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Capital Budget Workshop #2

- Staff have distributed to Committee members revised 2012 discretionary revenue/expenditure forecast.
 - Provide a summary of the DRAFT 2012 Capital Project listing, as endorsed by SMT.
 - Purpose of workshop #2 is to answer questions regarding distributed material.
 - Seek Committee's feedback and direction regarding 2012 Tax Capital Budget for presentation to Council in December.
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Summary Discretionary Funding and Expenditures



Discretionary Funding

Tax-Supported Capital - Discretionary Funding Forecasts Annual Totals Summary \$000'S

Year	2011 Forecast	2012 Forecast	Difference
2012	\$ 73,803	\$ 92,967	\$ 19,164
2013	\$ 75,718	\$ 83,145	\$ 7,427
2014	\$ 75,403	\$ 78,689	\$ 3,286
2015	\$ 75,597	\$ 79,319	\$ 3,722
2016	\$ 70,106	\$ 76,536	\$ 6,430
2017	\$ 78,435	\$ 89,014	\$ 10,579
2018	\$ 86,127	\$ 98,682	\$ 12,555
2019	\$ 85,708	\$ 100,359	\$ 14,651
2020	\$ 93,854	\$ 103,393	\$ 9,539

Discretionary Funding

2011 / 2012 Discretionary Capital Funding Sources (\$000's)

	2011 Final Capital Budget	2011 Forecast for 2012	2012 Updated
Contribution from Operating	31,057	27,569	35,483 *
Federal Gas Tax	30,955	30,955	30,955
External Debt	6,000	8,000	8,000
Hydro Dividends	2,000	2,000	2,000
Previous Yrs. Capital Financing Surplus	2,000	2,000	7,753 *
Unallocated Cap Reserve Loan	3,696	2,779	2,779
Unallocated Capital Reserve (2011 Parked/Council Strategic)	-	-	1,421
WIP Funding Interest	5,090	500	500
2011 OMPF Reconciliation	-	-	4,076 *
pre 2001 DC Reserves	3,000	-	-
HFF - Re: Reduction in Waste Capital	3,490	-	-
Total Funding (Net)	87,288	73,803	92,967



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Discretionary Funding

Discretionary Tax Supported Net Capital (\$000's)	2011 Approved	2012 Forecast (2011)	2012 Proposed
Roads	48,520	36,162	48,520
Corporate Facilities	4,800	5,424	5,113
Recreation Facilities	6,115	8,137	6,115
Cultural Facilities / Public Art	2,141	2,034	1,971
Park Development (New/Expansion)	2,075	3,616	3,616
Downtown / Waterfront	1,210	2,441	2,465
Forestry	1,500	1,356	1,500
Park's Operations	1,270	1,085	1,270
Housing (capital maintenance)	500	452	2,500
Community Services	785	226	100
Public Health Services	50	226	78
Corporate Services	150	90	100
Fire / EMS	1,260	2,000	1,097
Information Systems	1,390	-	3,244
Public Health - Long Term Accomodation (re Health Campus)	-	-	2,206
Pan Am Special Events & Programming	-	-	710
Hamilton Conservation Authority	2,000	2,000	2,000
Economic Development Initiatives (Health Campus)	1,000	2,000	2,000
Brownfield Development	750	-	-
Council Strategic Capital	2,750	3,000	1,250
Transit (Bus Replacement)	3,700	3,000	3,700
Other	2,318	-	1,950
Parked Projects	1,710	-	-
Unallocated	1,294	554	1,462
Total Expenditures (Net)	87,288	73,803	92,967



Changes to Nov 9th Capital Listing

(\$000's)

	Included Projects		Not Included Projects		Total Projects	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Adjustments:						
Culture						
Battlefield Gage House	(5)	(5)	0	0	(5)	(5)
War of 1812 Bicentennial Commemoration	(50)	(50)	406	406	356	356
Dundurn Renaissance - Interior Rooms	55	55	(55)	(55)	0	0
	0	0	351	351	351	351
Fleet Services						
Vehicle & Equipment Replacement	183	0	0	0	183	0
HES						
Simulated Training Manikin	(100)	(100)	0	0	(100)	(100)
All terrain-purpose patient carrying vehicle	(80)	(80)	0	0	(80)	(80)
Station # 30 - Rear Lot Paving	(70)	(70)	0	0	(70)	(70)
HARR Equipment & Training for Station 12 and 2	(80)	(80)	0	0	(80)	(80)
Portable Drafting Trailer	(100)	(100)	0	0	(100)	(100)
Portable Rehab Shelters (2)	(52)	(52)	0	0	(52)	(52)
Generator Station #28	(75)	(75)	0	0	(75)	(75)
	(557)	(557)	0	0	(557)	(557)



2012 Expenditure Highlights

- **Net discretionary amount allocated to Road repair and rehabilitation \$48.5m.**
 - **Equals 2011 allocation**
 - **Compares to the previous 3 year average (2009-2011) of \$49.4m.**
 - **Gross road amount = \$74.9m**
 - **\$48.5m discretionary, \$10.6m WIP transfers, \$5.7m DC's, \$6.3m rate supported (coordinated), Developer Recov. \$1.7m, Reserves/Other \$2.1m.**
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Roads Capital by Program Area

Program	2012 NET
Development / Growth Related Program	250,000
Replacement Program	13,000,000
Urban Rehabilitation	11,240,000
Rural Rehabilitation	3,372,000
Bridges and Structures	1,950,000
O & M / Studies / Traffic Engineering	6,638,000
Council Priority Projects	12,070,000
Total	48,520,000



2012 Expenditure Highlights

- **Facilities rehab (Corporate \$5.1m, Recreation \$6.1m).**
 - **Downtown/Waterfront \$2.4m.**
 - **Transit Bus Replacement (Fed Gas Tax Funded) \$3.7m.**
 - **McMaster Health Campus \$2.2m + 2m from Ec-Dev initiatives fund.**
 - **Council Strategic Capital \$1.25m**
 - **Unallocated \$1.46m**
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2012 Expenditure Highlights - Housing

- **Housing (capital maintenance for City-Housing Hamilton Inc.) has increased from \$500k to \$2.5m.**
- **City Housing Hamilton's total budgeted spending on repair and maintenance for 2012 = \$7.8m (reserve provision) + \$2.5m = \$10.3m**



2012 Expenditure Highlights

Council Strategic Capital

- **\$2.75M (approved 2011)**
 - **\$1.25M (preliminary forecast 2012)**

 - **Potential \$4M to be deliberated in early 2012**
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Highlights Projects not Included

- **Central Library Renovations \$800k**
 - **Police – Investigative Services Headquarters \$1.5m (2012), \$15m (2013)**
 - **Westdale Tennis Courts \$225k**
 - **Forestry Yards Accommodation \$3m**
 - **Emerald Ash Borer Management Plan \$300k**
 - **Parkland Acquisition Strategy**
 - **Industrial Land Acquisition Strategy**
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2012 Proposed Tax Capital

Workshop #1, request received to present 3 different funding options

- 1. 0.5% \$3.35m increase in Capital Levy**
 - 2. 0.75% \$5.025m increase**
 - 3. 1.0% \$6.7m increase**
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2012 Proposed Tax Capital Budget Staff Recommended 0.5%

2012 Tax Capital Budget

- Included Capital = \$224 million.
- Not included Capital = \$19.5 million



2012 Capital Levy

CAPITAL BUDGET IMPACT ON OPERATING BUDGET

(\$000's)

	2011 APPROVED	0.5% Levy Increase		CHANGE	
		2012 PROPOSED	\$	%	
Debt Charges	51,520	50,444	(1,076)	-2.1%	
Transfer from Operating	31,857	36,283	4,426	13.9%	
Total Impact	83,377	86,727	3,350	4.0%	

Impact on Average Residential 0.5%



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2012 Tax Capital Budget Schedule

- ***November 1 to 14th – 2012 Draft Tax Capital to SMT***
 - ***November 19 – Tax Capital Budget Book to Print***
 - ***November 24 – Distribute Tax Capital Budget Book to Council***
 - ***December 1,8 – 2012 Tax Capital Budget for Council Approval***
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Q&A

- **Thank you**



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Discretionary Capital Forecast

Expenditures (net)	2011 Approved	2012 Forecast (2011)	2012 Proposed	2013 Forecast	2014 Forecast
Roads	48,520	36,162	48,520	46,590	43,758
Corporate Facilities	4,800	5,424	5,113	4,910	4,611
Recreation Facilities	6,115	8,137	6,115	5,872	5,515
Cultural Facilities / Public Art	2,141	2,034	1,971	1,893	1,778
Park Development (New/Expansion)	2,075	3,616	3,616	3,472	3,261
Downtown /Waterfront	1,210	2,441	2,465	2,367	2,223
Forestry	1,500	1,356	1,500	1,440	1,353
Park's Operations	1,270	1,085	1,270	1,219	1,145
Housing	500	452	2,500	2,401	2,255
Community Services - Other	785	226	100	96	90
Public Health	50	226	78	75	70
Corporate Projects	150	90	100	96	90
Fleet	370				
Lodges	397	-	1,670	500	500
Fire / EMS	1,260	2,000	1,097	1,000	1,000
Information Systems	1,390	-	3,244	500	500
Public Health - Long Term Accomodation (re Health Campus)			2,206	174	-
Pan Am Special Events & Programming	-		710	710	710
Flamborough Twin Pad (net)				-	-
Parking	-	-	150	-	-
Planning / Development	661	-	130	130	130
Hamilton Conservation Authority	2,000	2,000	2,000	2,000	2,000
Downtown Market Relocation	890			-	-
Economic Development Initiatives	1,000	2,000	2,000	2,000	2,000
Brownfield Development	750			-	-
Council Strategic Capital	2,750	3,000	1,250	2,000	2,000
Transit (FGT)	3,700	3,000	3,700	3,700	3,700
Parked Projects	1,710			-	-
Unallocated	1,294	554	1,462		
Total Expenditures (Net)	87,288	73,803	92,967	83,145	78,689