



Hamilton

***2011 TAX OPERATING BUDGET
Update***

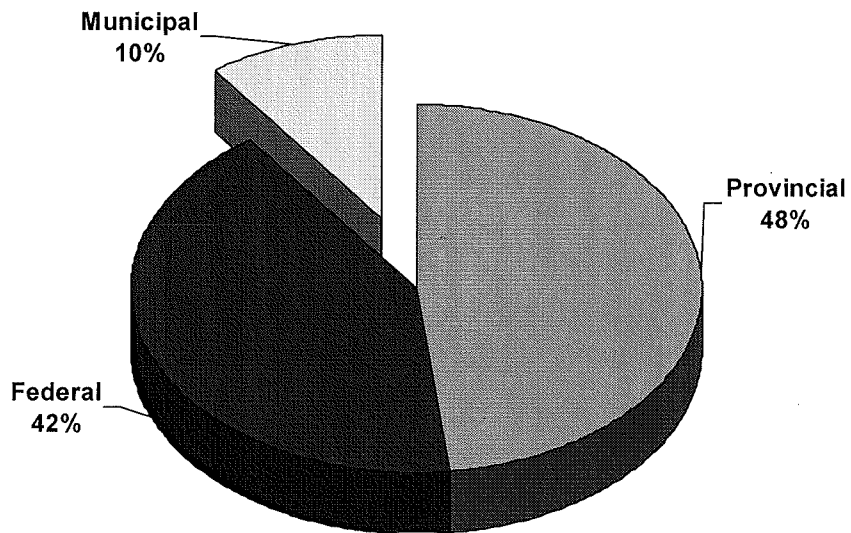
Stoney Creek Ward 11

April 12, 2011



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Where do the Average Person's Taxes Go?

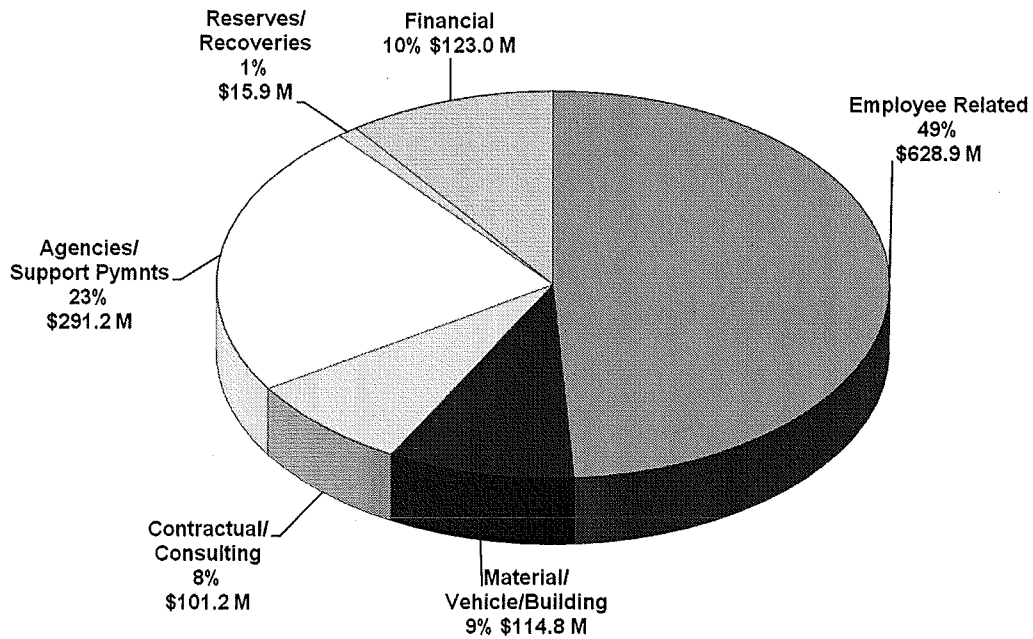


Source: Government of Canada, Government of Ontario, MARS (for 2000 only 89% of municipalities reported), Provincial Auditor, Deloitte & Touche



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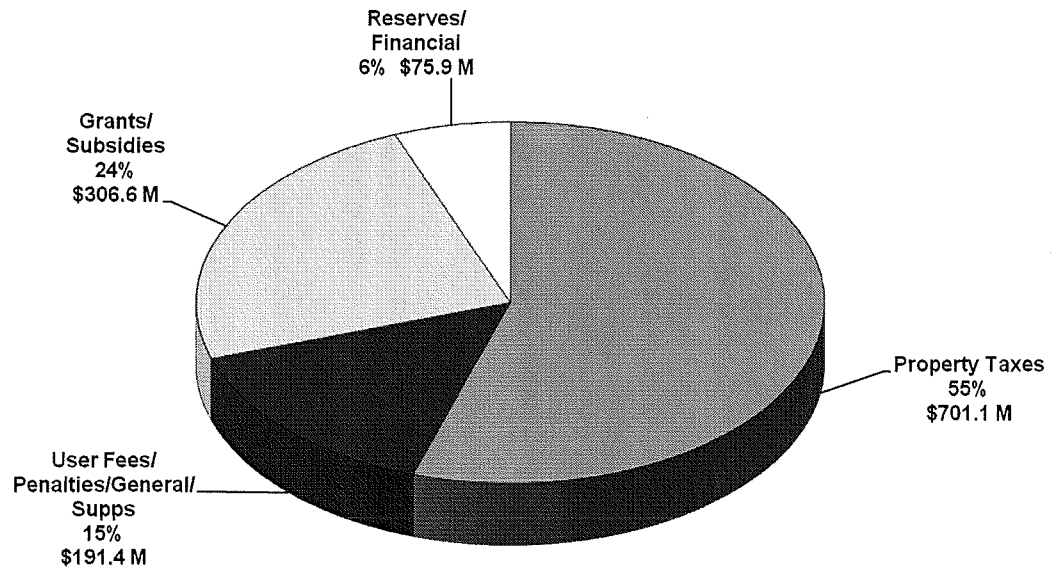
2011 Draft Gross Expenditures by Cost Category - \$1.3 billion





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2011 Draft Gross Revenues by Category - \$1.3 billion





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2011 Significant Budget Items

- Employee Related (City Departments)
 - Salary/Wage (Contingency, merit, other) \$ 6.4M
 - OMERS 4.0M
 - Employer/Government Benefits 2.6M

- Police Services \$6.2M
- Capital (0.5%) \$3.3M
- Contractual obligations (PW) \$2.7M
- Provincial Impacts \$1.7M
- Hydro \$1.6M
- Library & Other Boards & Agencies \$0.7M
- Operating Impacts of Capital \$0.6M



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Significant Budget Items (contd.)

- User / Permit Fee Revenue (\$3.5M)
- HSR Fare Revenue (contracts & ridership) (\$1.1M)
- Savings Options (Appendix 4) (\$0.9M)
- Waste Commodity Revenue (\$0.6M)
- Natural Gas (approx. 10% reduction) (\$0.6M)



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2011 Base Budget Savings

2011 Base Budget Savings

Planning & Ec Dev	\$	(682,000)
Corporate Services	\$	(144,000)
Public Health Services	\$	(74,000)
Community Services	\$	(1,103,000)
Public Works	\$	(4,036,000)
Total	\$	(6,039,000)

- **Included in base budget**
- **Reduces the total residential tax impact about -0.8%**
- **Details to be presented during departmental presentations**

Note – anomalies in totals due to rounding

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Draft 2011 Budget Submission (the starting point)

	Total Levy Change	
	\$	%
TOTAL CITY DEPARTMENTS	18,001,975	4.3%
Police	6,198,742	5.0%
Library	261,556	1.0%
Other Boards & Agencies	401,677	2.1%
TOTAL BOARDS & AGENCIES	6,861,975	4.0%
CAPITAL FINANCING	3,245,999	4.1%
TOTAL	28,109,949	4.2%
Total Average Residential Tax Impact		2.4%

Note – Excludes potential Council Referred and Staff Requested Enhancements



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Reduction Process

- *Council directed staff to
 - That Council set a goal of 0% increase on the tax levy with no service cuts while utilizing attrition, departmental reorganizations and the elimination of annual gapping.*
- *Various feedback and input has been received from Council*
- *SMT has reviewed the draft budget, updated 2010 actuals and developed options presented at committee and summarized @ March 3rd /March 28th GIC*



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Potential Reductions for Committee Review – March 3rd

		Potential Impact	
		Muni	Total
DRAFT 2011 Residential Tax Increase	\$ 28,100,000	2.7%	2.4%
OPTIONS / POTENTIAL MITIGATION			
Pending Program Change Options			
Community Services	(\$1,794,000)		
Corporate Services	(\$131,000)		
Planning & Economic Dev.	(\$39,000)		
City Manager	\$0		
Public Works	(\$2,980,000)		
Boards & Agencies	(\$10,000)		
Public Health	(\$125,000)		
Corporate Financials	(\$1,272,000)		
	(\$6,351,000)	-1.0%	-0.8%
"Potential" 2011 Total Residential Tax Impact	\$ 21,749,000	1.7%	1.6%

Note – Excludes potential Council Referred and Staff Requested Enhancements

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Further Reductions for Committee Review – March 28th

GIC - March 3rd Potential 2011 Total Residential Tax Impact	\$	21,749,000	1.7%	1.6%
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OPTIONS / POTENTIAL MITIGATION

Pending Program Change Options

Community Services	(\$214,000)			
Planning & Economic Dev.	(\$71,524)			
City Manager	(\$34,600)			
Public Works	(\$550,000)			
Capital Financing	(\$309,000)			
Non-Union Comp. Reduction	(\$1,183,500)			
Corporate Financials	(\$3,015,500)			
		(\$5,378,124)	-0.8%	-0.7%
Fuel Increase		\$570,000		

Updated "Potential" 2011 Total Residential Tax Impact	\$	16,950,732	1.0%	1.0%
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Note – Excludes potential Council Referred and Staff Requested Enhancements



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Potential Levy as Updated at March 28th GIC

	Total Levy Change	
	\$	%
TOTAL CITY DEPARTMENTS	7,161,748	1.7%
Police	6,198,742	5.0%
Library	261,556	1.0%
Other Boards & Agencies	391,687	2.0%
TOTAL BOARDS & AGENCIES	6,851,985	4.0%
CAPITAL FINANCING	2,936,999	3.7%
TOTAL	16,950,732	2.6%
Total Average Residential Tax Impact		1.0%

Note – Excludes potential Council Referred and Staff Requested Enhancements

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Residential Tax Impact by Levy

	Change (2011 over 2010)			
	DRAFT		POTENTIAL	
	\$	%	\$	%
Municipal Taxes				
City Departments	\$ 45	1.6%	\$ (1)	-0.1%
Boards & Agencies	\$ 17	0.6%	\$ 17	0.6%
Capital	\$ 14	0.5%	\$ 13	0.5%
Total Municipal Taxes	\$ 76	2.7%	\$ 28	1.0%
Education Taxes	\$ 4	0.7%	\$ 4	0.7%
Total	\$ 80	2.4%	\$ 32	1.0%

- Excludes Council referred & requested enhancement items
- 1% on Residential Tax Increase:
 - MUNICIPAL ONLY = \$6.5M
 - "TOTAL" INCL EDUCATION = \$7.8M

Note – anomalies in totals due to rounding



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Draft Average Residential Tax Impact By Muni

Average Impacts by Former Area Municipality

	Urban / Transit Area	Rural / No Transit Area
Stoney Creek	1.0%	1.0%
Glanbrook	-0.3%	-0.1%
Ancaster	0.3%	0.4%
Hamilton	0.9%	N/A
Dundas	2.0%	2.0%
Flamborough	0.5%	0.5%
City-Wide Average	0.8%	

Annual residential impacts - includes budget, reassessment, area-rating, education and tax policies (status quo for Area Rating)



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Annual City-wide Residential Tax Impacts

	2006	2007	2008	2009	2010	DRAFT 2011 *
Stoney Creek	2.9%	3.3%	2.5%	1.3%	2.1%	1.0%
Glanbrook	0.6%	1.9%	2.3%	0.5%	1.4%	-0.2%
Ancaster	2.2%	3.8%	4.8%	2.6%	2.0%	0.3%
Hamilton	2.3%	3.5%	3.1%	1.7%	1.9%	0.9%
Dundas	3.6%	3.5%	2.6%	2.4%	3.0%	2.0%
Flamborough	1.2%	3.7%	9.1%	1.7%	2.4%	0.5%
City-wide Average	2.3%	3.4%	3.8%	1.7%	2.0%	0.8%

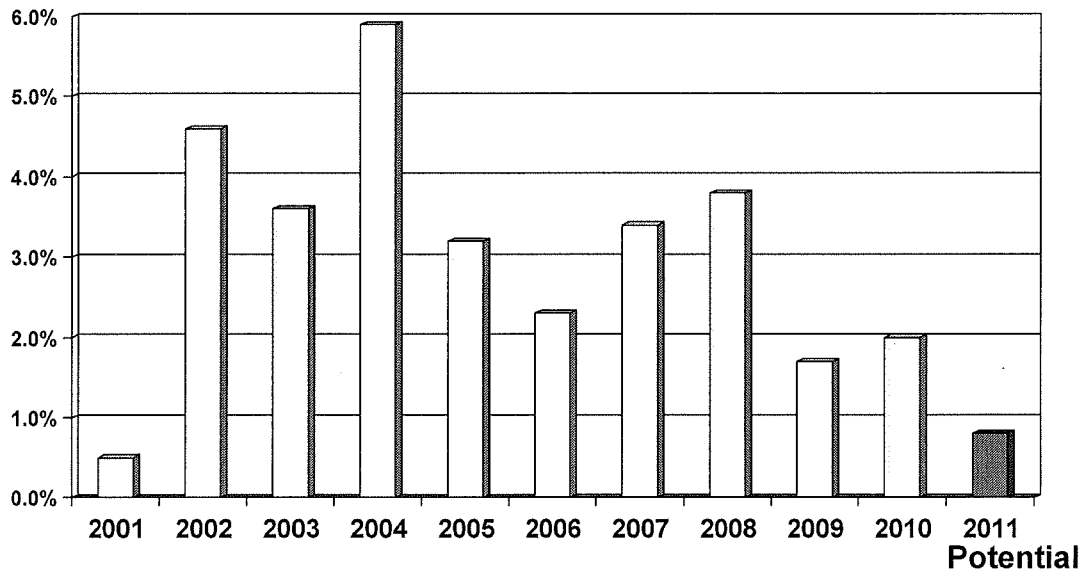
* Status Quo area rating in 2011

Annual residential impacts - includes budget, reassessment, area-rating, education and tax policies



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Annual City-wide Residential Tax Impacts

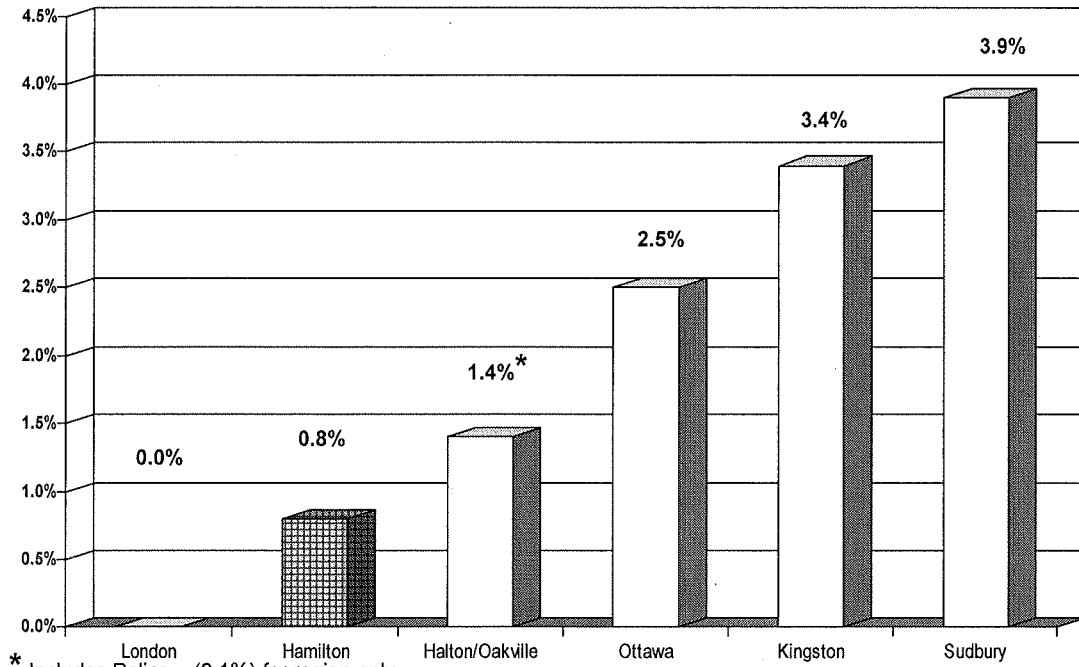


Annual residential impacts - includes budget, reassessment, area-rating, education and tax policies



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2011 Municipal Comparison Excludes Education



* Includes Police – (0.1%) for region only



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Process

Remaining Relevant Committee Dates

- **Apr 1 & 7** – Budget Deliberations
 - GIC considers standing committee reports and incorporates amendments presented today.
 - Enhancements deferred until all department operating budgets considered.
- **Apr 8** – Area Rating Information
- **Apr 14 & 15** – Finalization: Levies/Area Rating/Council Referred and Staff Enhancements
- **April 27** - Council



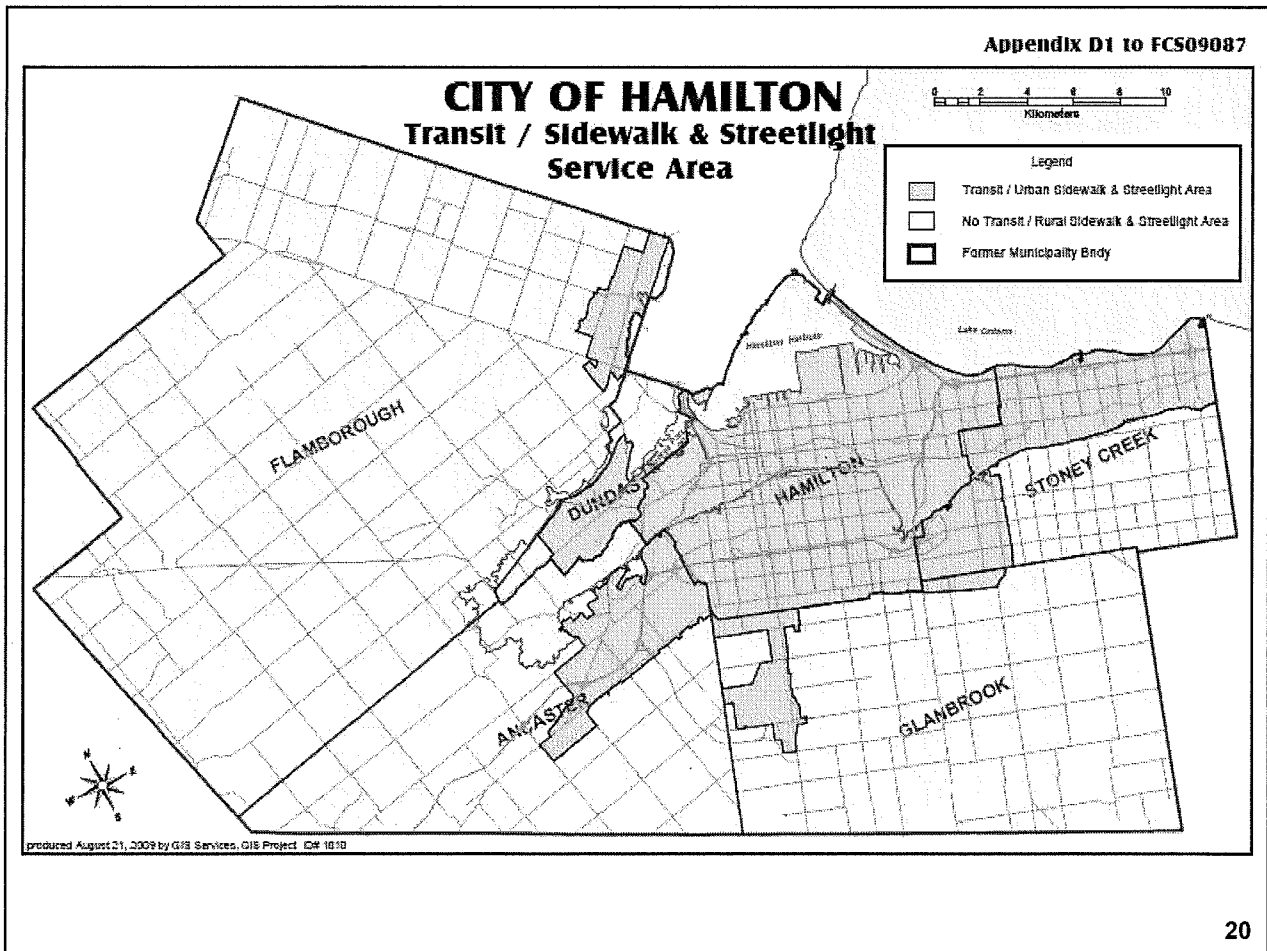
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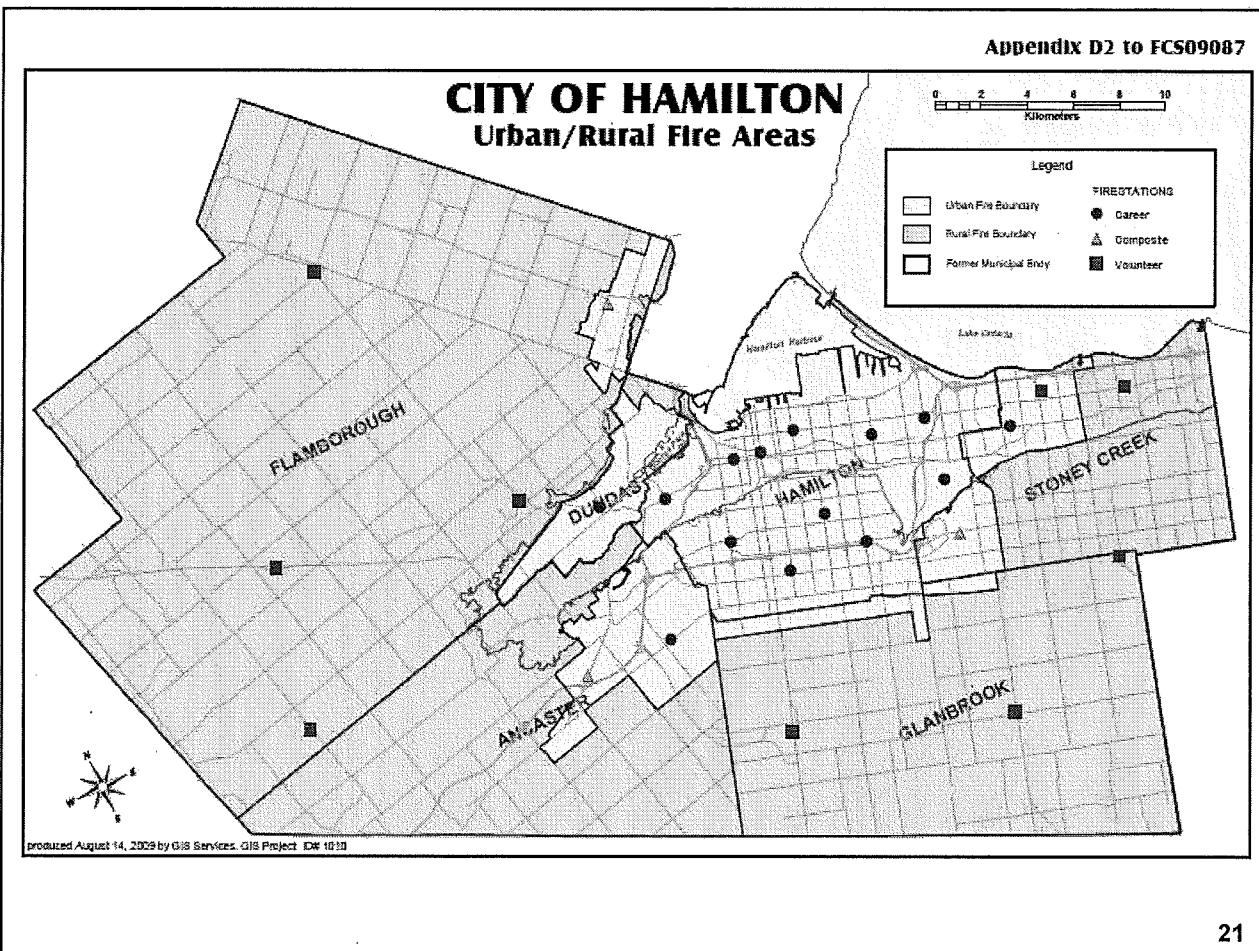
Area Rating: Process

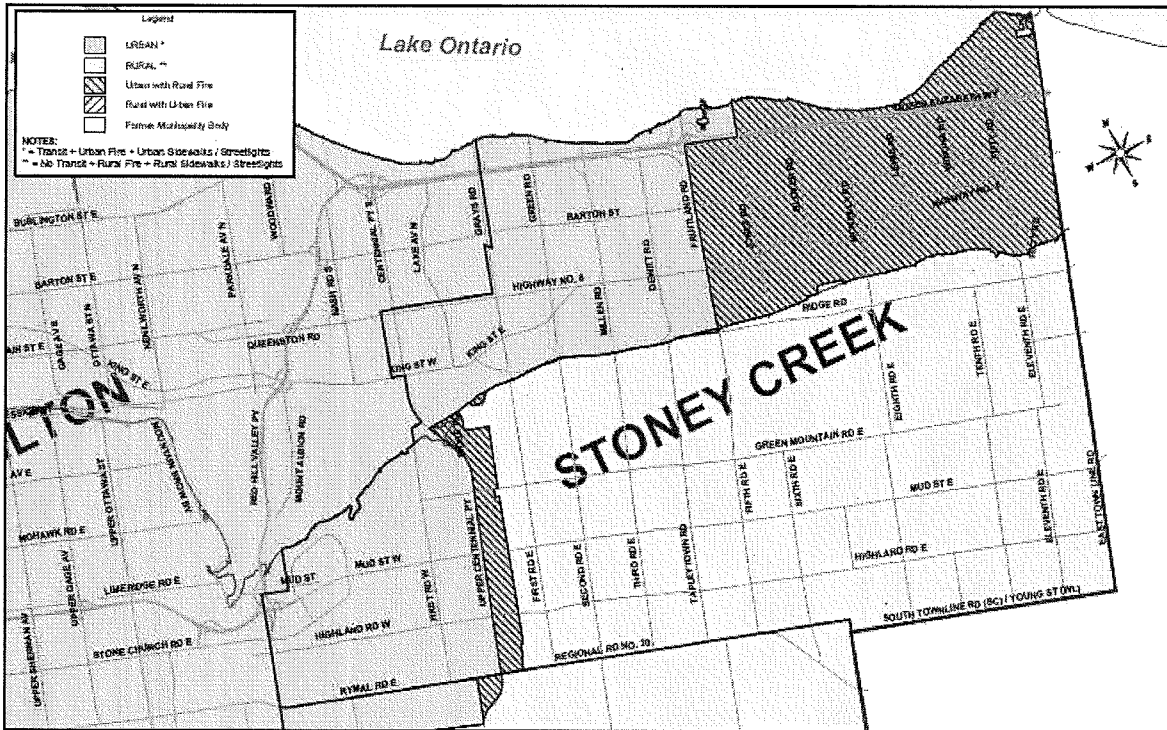
- **April 8th – staff report back to the General Issues committee:**
 - Update financial impacts of staff's previous recommended urban/rural model (Nov. 2009 report)
 - Identify financial impacts of Citizens' Forum recommended area rating model
 - Provide alternatives
 - High level overview and assessment of Chamber's proposal
- **Report FCS09087a (Area Rating Options – update) available on the City's website (www.hamilton.ca)**

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STAGE 1 & 2:

[Solid Grey Box]	URBAN
[Stippled Box]	RURAL
[Diagonal Lines Box]	Urban with Rural Fire
[Cross-hatched Box]	Rural with Urban Fire

Stage 1: Elimination of area rating Culture & Recreation, urban/rural area rating for Fire and Sidewalks & Streetlights
 - Phased-in over 4 years (2011-2014)
 Stage 2: urban/rural area rating for Transit
 - Phased-in over 3 years (2016-2017)

City of Hamilton
STONEY CREEK
 Urban / Rural Service Areas

