

Ward 2 Town Hall

2025 City Budget

CAMERON
KROETSCH
City Councillor



Thursday, December 5
Gasworks - 141 Park Street North
7:00pm to 9:00pm

Join the Ward 2 City Councillor who will go over the proposed 2025 City Water and Tax Budgets, outline the budget process, and hear from you about your priorities

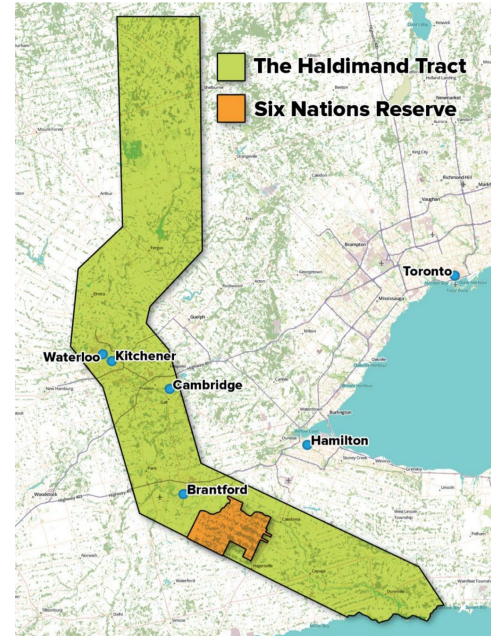
Livestream at [instagram.com/ward2hamilton](https://www.instagram.com/ward2hamilton)

Agenda for the Ward 2 Town Hall

- Land acknowledgement
- Town Hall Code of Conduct and introductions
- Moving past City budget traditions?
- Budget history and structure
- Budget process and new budget tools
- 2025 City Budget overview
- Budget impacts to Ward 2 residents

Land Acknowledgement

- Huron-Wendat, Neutral, Erie, Mississaugas, Haudenosaunee, Anishinaabe
- Haldimand Tract
- Dish with One Spoon
Wampum Belt



Town Hall Code of Conduct

- Questions at end of each section and at **the end**
- Raise your hand - we'll keep a speakers list
- Kindness and generosity first - no yelling, name calling, or rudeness - we'll adjourn the meeting
- Interrupt if you need clarity or help

Introductions to the Ward 2 Team

- Councillor Cameron Kroetsch
- Constituency Coordinators -
 - Liesl Thomas
 - Joey McCullough
 - Phoenix Friesen



Moving past City budget traditions?

- Asking staff to “sharpen their pencils”
- Voting “no” on the budget
- Putting decisions off to “get the number down”
- Trying to hit an arbitrary number
- Maintenance and status quo budgets

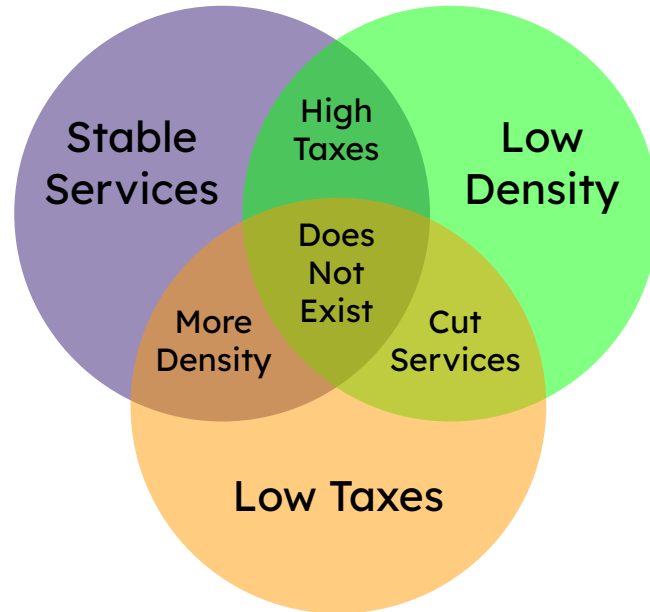
Moving past City budget traditions?

- Equity and gender based budgeting
- Needs based budgeting
- Asset management
- Climate resilience budgeting
- Improving services for residents

Questions before
we get into the
town hall?

Budget history and structure

- Stable Services
- Low Density
- Low Taxes



Budget history and structure

Case study of six years of tax increases below national inflation -

- **2011** - tax increase = 0.8% < inflation = 2.9%
- **2012** - tax increase = 0.9% < inflation = 1.5%
- **2014** - tax increase = 1.5% < inflation = 2.0%
- **2018** - tax increase = 1.9% < inflation = 2.3%
- **2021** - tax increase = 1.9% < inflation = 3.4%
- **2022** - tax increase = 2.8% < inflation = 6.8%

Budget history and structure

Case study of six years of increases below inflation -

- Based on just looking at 2011, 2012, 2014, 2018, 2021, and 2022, we have created a tax deficit of 9.1%
- Inflation is measured nationally and does not delineate how costs go up for **cities** - this impact is much worse than it appears to be

Budget history and structure

Case study of this term of Council -

- 2023 - tax increase = 5.8% > inflation = 3.9%
- 2024 - tax increase = 5.8% > inflation = 2.3%
- 2025 - tax increase = 6.9% > inflation = 2.0%
- 2026 - tax increase = 6.8% > inflation = 2.0%

Budget history and structure

Case study of this term of Council -

- Based on just looking at the budgets of this Council in the year 2023, 2024, 2025, and 2026, using a **needs based budget and asset management approach**, we're projecting increases above inflation at 10.2% (inflation not yet set for 2024, 2025, or 2026)

Questions about
the budget history
and structure?

Budget process



Budget process



Mayoral Directive to Staff MDI-2024-03

Date: October 28, 2024

To: Marnie Cluckie, City Manager/CAO, Mike Zegarac, General Manager, Finance & Corporate Services/City Treasurer

WHEREAS pursuant to Part VI.1 (Special Powers and Duties of Head of Council) of the *Municipal Act, 2001*, Sections 284.3 (Direction to Employees) the mayor may direct municipal employees to:

a) undertake research and provide advice to the head of council and city council on policies and programs of the City or of the head of council as they relate to the powers and duties under this Part; and

b) carry out duties related to the exercise of the power or performance of the duty, including implementing any decisions made by the head of council under this Part.

AND WHEREAS pursuant to subsection 284.16 of the *Municipal Act, 2001* and section 7 of O. Regulation 530/22, the mayor shall prepare a proposed budget for the City.

I, Andrea Horwath, Mayor of the City of Hamilton, direct the City Manager and the City Treasurer, to prepare the 2025 Budgets (Rate Supported and Tax Supported) for consideration by City Council, with the following directions:

• It is imperative that the City of Hamilton 2025 Budgets are responsive to the economic challenges residents are currently facing, particularly the rising cost of living and the ongoing affordability crisis. This should be achieved through new and expanded revenue streams, and the prudent utilization of debt and reserves, while protecting the city's credit rating to ensure long-term financial stability, as was successfully achieved in the 2024 Budget.

• Rather than directing a specific, arbitrary budget target that risks underfunding of critical programs and infrastructure, and which results in significant deficiencies for Hamiltonians and inflated costs over time, that staff be directed to provide a range of

clear options for Council to consider. These options must balance the significant demands facing the City against property tax impacts on Hamiltonians who continue to grapple with affordability challenges, while clearly addressing the need for multi-year investment plans addressing needs such as infrastructure renewal and programs that Hamiltonians need and deserve.

• As we pursue provincial and federal investments to support housing and related initiatives—including \$14.1 M for establishing and operating a Temporary Outdoor Shelter Site with essential 24/7 wrap-around supportive services, as well as the expansion of 192 temporary indoor shelter beds—it is crucial that we take proactive measures during this interim period. Therefore, staff be directed to strategically utilize reserves as an interim measure to mitigate the financial impact on taxpayers, while municipalities await the real financial partnership from senior levels of government municipalities are calling for.

• Considering urgent pressures, including improvements to transportation infrastructure like roads and transit, cyber response and recovery investments, necessary water and wastewater infrastructure upgrades, and climate response initiatives, that items referred into the 2025 Budget process by City Council shall be prioritized by staff, prior to consideration by Council, according to their potential to advance council-identified priorities.

• That staff demonstrate to Council that they have conducted a thorough review of core maintenance budget submissions. This includes clearly identifying and articulating all redundancies and inefficiencies that will be addressed.

• That any new investment requests (business cases) by city departments, boards and agencies must clearly demonstrate their capacity to advance council-identified priorities. If these requests fall outside such categories, they must outline need and specific and measurable outcomes to support these items for consideration.

• Following the recognition received from the Government Finance Officers Association of the United States and Canada (GFOA) for transparency in the 2024 Budget Process, that the 2025 Budget Process will implement the same council-directed process revisions. This will involve integrating operating, capital, and rate budgets into two annual budgets: Rate Supported and Tax Supported. This integration will again clearly present the operational budget impacts stemming from capital project approvals, thereby enhancing accountability and foresight.

• That the 2025 Budget process will accelerate the adoption of council-directed process revisions by establishing a streamlined, accessible budget review timeline that prioritizes public engagement and promotes transparency throughout the budgeting process.

• That staff will expand the 2025 Budget engagement process by incorporating and promoting online tools, enabling Hamiltonians to identify their priorities.

I am committed to working collaboratively with Council to finalize the 2025 budgets, ensuring an accountable and transparent process that maximizes the effectiveness of our city resources while addressing the economic hardships faced by our residents. Together with City staff, we will implement measurable initiatives that prioritize exceptional customer service that directly serve the people of Hamilton. This approach will help foster a community built on trust, tangible results, and a commitment to accountability, all while ensuring fiscal prudence.

In preparation for the 2026 budget: It is essential that program lines are critically assessed for their ongoing public benefit. This work should include the engagement of Hamiltonians to make informed decisions that align with the needs of our growing community and ensure the responsible allocation of resources.

A handwritten signature in black ink, appearing to read "Andrea Horwath".

Andrea Horwath
Mayor, City of Hamilton

c.c. Matthew Trennum, City Clerk

Budget process

Strong Mayor Powers and amendments to the budget

- In 2023, Premier Doug Ford gave Strong Mayor Powers to every Mayor in a municipality where a “Housing Pledge” was signed off on by a City Council
- These “powers” allow the Mayor to hire and fire some City staff, direct City staff, determine the budget (through staff), and veto bylaws and bills
- There are also implications for budgets including the need for **members of Council to bring forward amendments to change the budget**

Budget timeline

- Public Delegations - November 18, 2024 and January 20, 2025
- Water Budget - November 22, 2024 and November 28, 2024
- **Targeted Water Budget Approval (Council Meeting) - December 11, 2024**
- Tax Budget Overview - January 23, 2025
- **Boards & Agencies Presentations - January 28, 2025**
- Housing & Healthy and Safe Communities Budget Presentations - January 29, 2025
- Corporate Services & City Manager's Office Budget Presentations - January 30, 2025
- Planning & Economic Development & Public Works Budget Presentations - January 31, 2025
- Tax Budget Deliberations - February 7, 2025
- Targeted Tax Budget Approval (Council Meeting) - February 12, 2025

Budget timeline

Public Delegations - November 18, 2024 and January 20, 2025

- Opportunity for the public to let Council know what their priorities are for the Water and Tax Budgets
- Opportunity for the public to make comments to Council to make changes, support items, or not support items
- Residents fought to have dates that let them see the budget before commenting on it, as there used to be a single delegation day in the past that was not sufficient for this purpose

Budget timeline

Water Budget - November 22, 2024 and November 28, 2024

Targeted Water Budget Approval (Council Meeting) - December 11, 2024

- A motion was passed at Council to allow for a shorter amendment period for the Water Budget to ensure that the water rates could be set for 2025
- Water rates must be set for January 2025 or the City will lose approximately \$2.8m in potential revenue

Budget timeline

Tax Budget Overview - January 23, 2025

Tax Budget Deliberations - February 7, 2025

Targeted Tax Budget Approval (Council Meeting) - February 12, 2025

- These dates are all related to the main Tax Budget (do not impact the Water Budget)
- They include the amount your “levy” taxes will go up over the course of the next year and will vary by ward based on area rating
- The Tax Budget will be released at the end of 2024 or very start of 2025

Budget timeline

Boards & Agencies Presentations - January 28, 2025

Housing & Healthy and Safe Communities Budget Presentations - January 29, 2025

Corporate Services & City Manager's Office Budget Presentations - January 30, 2025

Planning & Economic Development & Public Works Budget Presentations - January 31, 2025

- These dates all represent the individual presentations given by the City's core departments - Health & Safe Communities, Corporate Services, City Manager's Office, Planning & Economic Development, and Public Works
- Public Works is often the budget that has the largest financial impact apart from the budget for the Hamilton Police Service

New budget tools



I Want To ▾



2025 Tax & Rate Budget

2025 Rate Budget

Key Dates

Public Delegations

- November 18, 2024
- January 20, 2025

Rate Supported Budget

- November 22, 2024
- November 28, 2023 (if required)

Targeted Budget Approval (Council Meeting)

- December 11, 2024

Tax Supported Operating & Capital Budget Overview

- January 23, 2025

A graphic for the 2025 Budget Simulator. It features a dark blue background with a large, light blue circular graphic containing a white line-art icon of a bar chart and a magnifying glass. Below this, there is a stylized illustration of a modern city building with a curved facade and greenery at its base.

2025 Budget Simulator

Balancing the City's budget is a key task, and now Hamilton residents can gain a clearer understanding of how the 2025 financial plan is shaped with a new online tool. This interactive platform allows you to explore the budget process and share your ideas on how City funds should be spent.

[Explore the Budget Process ↗](#)

New budget tools



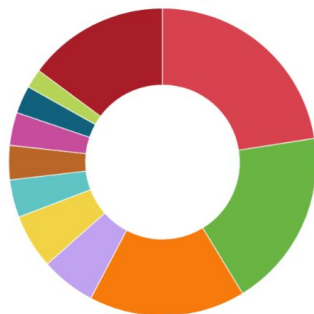
2025 Tax Budget Simulator

[Help](#)[Show Welcome Info](#)

You are balanced.



Where the Money Goes



Revenue



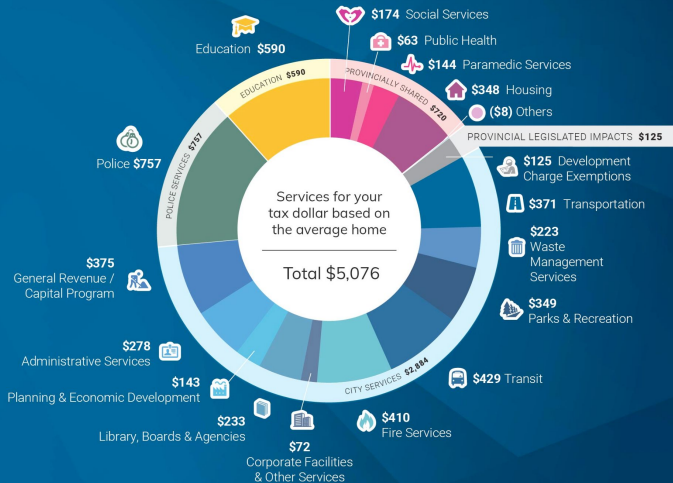
Spending

Emergency Services: \$395.3m	>
Community Services & Engagement: \$328.6m	>
Transit, Transportation & Parking: \$288.3m	>
Long Term Care & Public Health: \$101.0m	>
Housing: \$100.1m ⓘ	>
Legislative & Administrative Services: \$69.5m	>
Waste Management: \$63.2m ⓘ	>
Recreation: \$60.8m ⓘ	>

Questions about
the budget
process and tools?

2025 City Budget overview

2024 Distribution of Tax Dollars

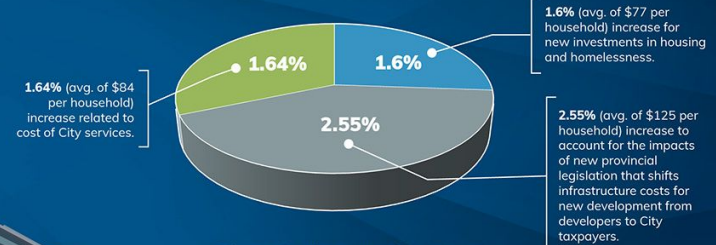


Based on Council Approved Budget, February 15, 2024

hamilton.ca/budget2024



City of Hamilton's Approved 2024 Budget



hamilton.ca/budget2024



2025 City Budget overview

TABLE 1: 2025 Outlook Reconciliation

2024 Budget Book Forecast for 2025	8.2%
Change in Assessment Growth	(0.4%)
Deferred Reassessment	(1.2%)
Departmental Savings	(0.8%)
Subtotal	5.8%
In-Year Council Referred Items	
Reducing Homelessness and Managing Encampments	0.3%
9-1-1 Call Centre at Waterdown Station	0.2%
Main St Conversion	0.2%
Paramedics Central Reporting Station	0.2%
Macassa Lodge B-Wing	0.2%
Other	0.1%
2025 Outlook Forecast	6.9%

2025 City Budget overview

TABLE 2: Bill 185 2025 Updated Impact

(000's)	FCS24017				Result of Bill 185			
	2024		2025		2024		2025	
Capital Levy	\$ 23,142	40.1%	\$ 34,992	58.7%	\$ 23,142	40.1%	\$ 24,454	57.8%
Unallocated Capital Levy Reserve	\$ 22,560	39.1%	\$ 11,280	18.9%	\$ 22,560	39.1%	\$ 11,280	26.7%
Building Faster Fund	\$ 6,750	11.7%	\$ 6,750	11.3%	\$ 6,750	11.7%	\$ -	0.0%
Capital Financing Surplus	\$ 5,190	9.0%	\$ 6,544	11.0%	\$ 5,190	9.0%	\$ 6,544	15.5%
Total Financing	\$ 57,642		\$ 59,566		\$ 57,642		\$ 42,278	

2025 City Budget overview

TABLE 3: Multi-Year Budget Outlook Summary

DEPARTMENT	2024 Net Levy	2025 Outlook	%	2026 Outlook	%	2027 Outlook	%
Planning & Economic Development	35,501	38,465	8.3%	40,737	5.9%	42,857	5.2%
Healthy and Safe Communities	331,997	368,127	10.9%	384,458	4.4%	397,703	3.4%
Public Works	321,305	329,106	2.4%	345,499	5.0%	361,142	4.5%
Legislative	7,472	7,620	2.0%	7,774	2.0%	7,937	2.1%
City Manager	16,369	17,633	7.7%	17,863	1.3%	18,083	1.2%
Corporate Services	48,681	51,473	5.7%	53,566	4.1%	54,871	2.4%
Corporate Financials	19,048	13,635	-28.4%	18,907	38.7%	26,939	42.5%
Non-Program Revenues	(59,109)	(59,225)	0.2%	(57,332)	-3.2%	(52,610)	-8.2%
City Departments	721,264	766,835	6.3%	811,471	5.8%	856,922	5.6%
Hamilton Police Service	207,451	220,316	6.2%	227,894	3.4%	235,235	3.2%
Other Boards & Agencies	52,698	54,746	3.9%	56,823	3.8%	58,849	3.6%
City Enrichment Fund	7,101	7,819	10.1%	8,436	7.9%	9,053	7.3%
Boards & Agencies	267,250	282,880	5.8%	293,153	3.6%	303,137	3.4%
Capital Financing	168,032	209,719	24.8%	240,444	14.7%	264,379	10.0%
Total Net for Levy	1,156,546	1,259,434	8.9%	1,345,068	6.8%	1,424,438	5.9%

2025 City Budget overview

Spending

Recreation

3.5%

Waste Management

3.6%

Legislative and Administrative Services

4.0%

Other

4.3%

Housing

5.7%

Long Term Care and Public Health

5.8%

Capital Financing

9.6%

Emergency Services

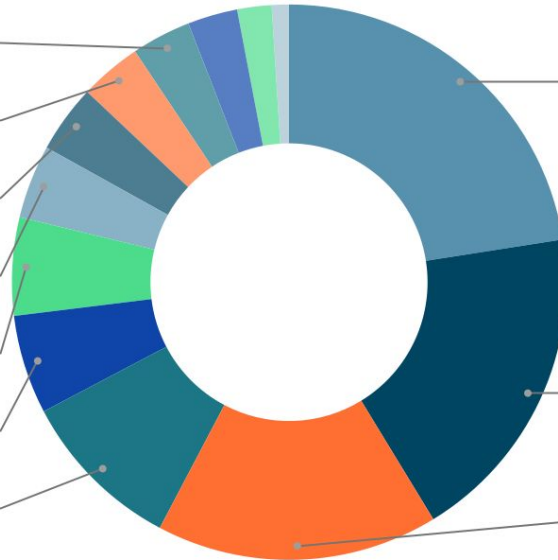
22.5%

Community Services and Engagement

18.7%

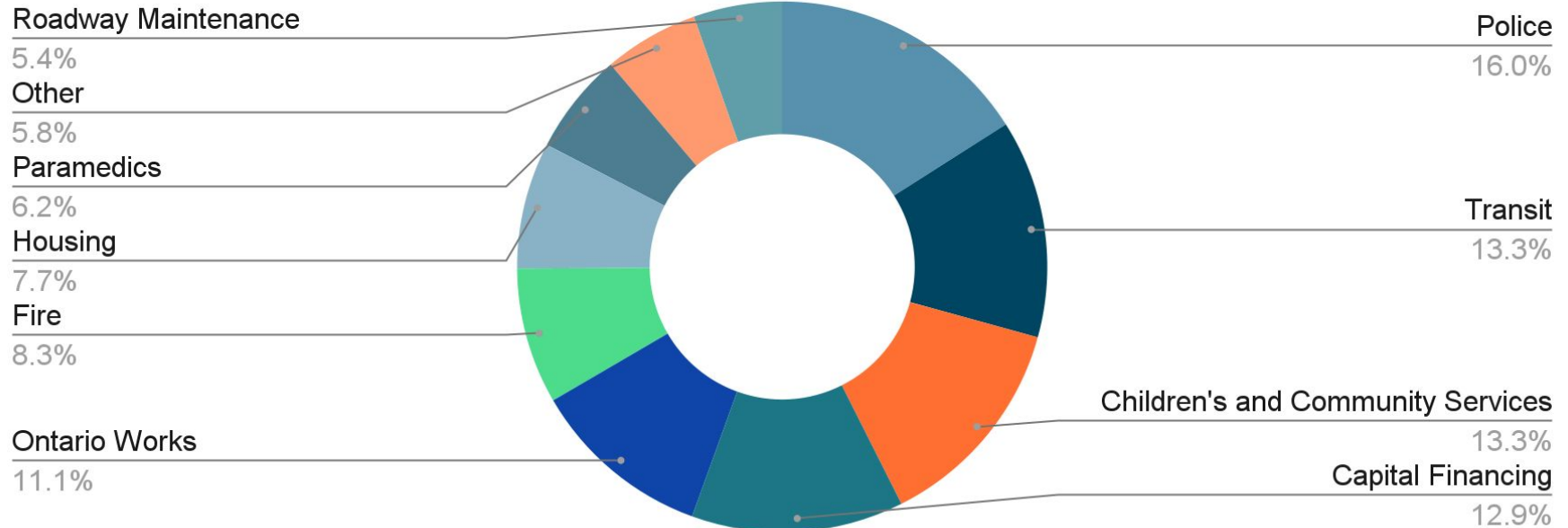
Transit, Transportation, and Parking

16.4%



2025 City Budget overview

Top 10 Spending



2025 City Budget overview

Revenue

Non-Program Revenues

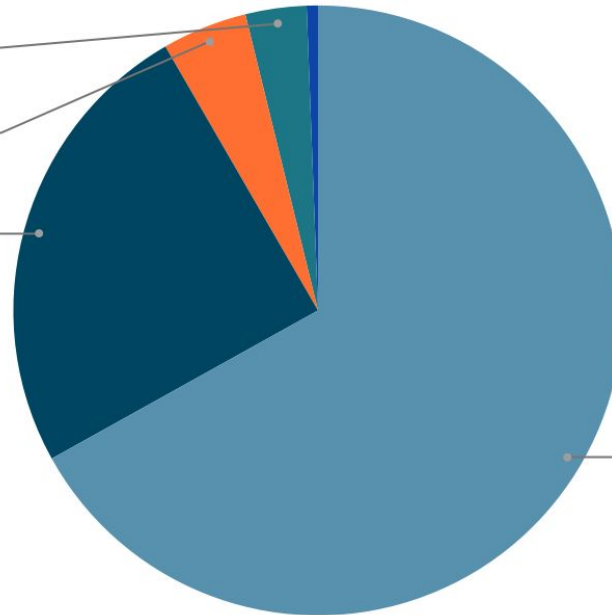
3.2%

User Fees

4.5%

Grants and Subsidies

24.7%



Taxes

66.9%

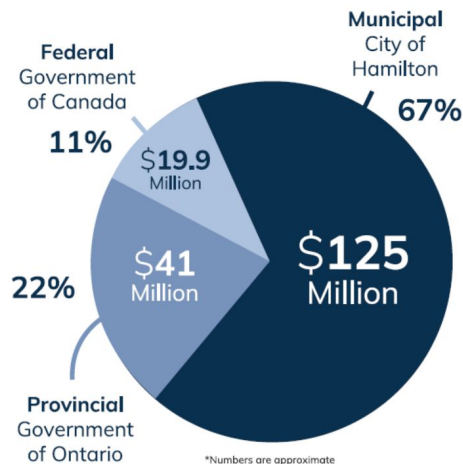
2025 City Budget overview

Summary of \$146.6m Spent on Housing in 2023				
Operating	Federal	Provincial	Municipality	Total
Homelessness	\$9,925,000.00	\$28,695,000.00	\$11,123,000.00	\$49,743,000.00
Social Housing	\$11,012,000.00	-	\$45,758,000.00	\$56,770,000.00
Affordable Housing	\$337,000.00	-	\$12,476,000.00	\$12,813,000.00
Adminsitration	-	-	\$693,000.00	\$693,000.00
COVID Reserve	-	-	\$1,932,000.00	\$1,932,000.00
Operating Subtotal	\$21,274,000.00	\$28,695,000.00	\$71,982,000.00	\$121,951,000.00
Capital	Federal	Provincial	Municipality	Total
Social Housing	-	\$6,624,000.00	\$3,653,000.00	\$10,277,000.00
Affordable Housing	\$10,898,000.00	\$3,483,000.00	-	\$14,381,000.00
Capital Subtotal	\$10,898,000.00	\$10,107,000.00	\$3,653,000.00	\$24,658,000.00
Operating + Capital	Total Federal	Total Provincial	Total Municipality	Grand Total
Total	\$32,172,000.00	\$38,802,000.00	\$75,635,000.00	\$146,609,000.00

2025 City Budget overview

Investments in Housing

Total Investments **\$185.9 Million**



Hamilton's Investment Areas



Affordable Housing
\$21.3 Million



Tenant Supports
\$23.6 Million



Social Housing
\$93.6 Million



Shelters
\$39.1 Million



Encampments
\$8.3 Million

Questions about the 2025 Budget Overview?

Budget impacts to Ward 2 residents

Table 1
2024 Total Residential Tax Impacts (Municipal and Education):
Urban / Full Time Fire

(inclusive of growth, reassessment, area rating, tax policies and education taxes)

BY WARD

	Residential Properties	% of Total Properties in Ward	Average Residential Assessment	Reassessment & Tax Policies	Budget	Area Rating	Tax Impact (%)	Tax Impact (\$)
Ward 1	10,157	100%	\$ 408,400	0.0%	6.6%	0.7%	7.3%	\$ 398
Ward 2	8,518	100%	\$ 281,800	0.0%	6.6%	0.7%	7.3%	\$ 275
Ward 3	12,611	100%	\$ 229,900	0.0%	6.6%	0.7%	7.3%	\$ 224
Ward 4	13,984	100%	\$ 236,200	0.0%	6.6%	0.7%	7.3%	\$ 230
Ward 5 - HM	2,326	100%	\$ 305,700	0.0%	6.6%	0.7%	7.3%	\$ 298
Ward 5 - SC	9,399	100%	\$ 359,700	0.0%	6.1%	0.8%	6.9%	\$ 301
Ward 6	11,771	100%	\$ 334,600	0.0%	6.6%	0.7%	7.3%	\$ 326
Ward 7	13,570	100%	\$ 339,400	0.0%	6.6%	0.7%	7.3%	\$ 331
Ward 8	11,042	100%	\$ 376,700	0.0%	6.6%	0.7%	7.3%	\$ 367
Ward 9 - HM	-	-	-	-	-	-	-	-
Ward 9 - SC	-	1%	\$ 409,000	0.0%	6.1%	0.8%	6.9%	\$ 342
Ward 9 - GL	-	0%	\$ 434,200	0.0%	6.7%	0.8%	7.5%	\$ 400
Ward 10 - HM	32	0%	\$ 698,700	0.0%	6.6%	0.7%	7.3%	\$ 681
Ward 10 - SC	2,431	16%	\$ 414,700	0.0%	6.1%	0.8%	6.9%	\$ 347
Ward 11 - GL	2,511	24%	\$ 408,400	0.0%	6.7%	0.8%	7.5%	\$ 376
Ward 12 - AN	7,661	47%	\$ 558,100	0.0%	5.8%	0.8%	6.6%	\$ 449
Ward 12 - FL	-	-	-	-	-	-	-	-
Ward 13 - DN	7,837	67%	\$ 470,900	0.0%	5.8%	0.8%	6.6%	\$ 376
Ward 13 - FL	-	-	-	-	-	-	-	-
Ward 14 - HM	9,652	95%	\$ 394,400	0.0%	6.6%	0.7%	7.3%	\$ 384
Ward 14 - AN	442	4%	\$ 693,700	0.0%	5.8%	0.8%	6.6%	\$ 558
Ward 14 - GL	-	0%	\$ 440,500	0.0%	6.7%	0.8%	7.5%	\$ 405
Ward 15 - FL	13	10%	\$ 526,100	0.0%	5.4%	0.8%	6.2%	\$ 392
City-Wide Average			\$ 385,900				5.78%	\$ 286

Anomalies in totals due to rounding

Budget impacts to Ward 2 residents

AVERAGE RESIDENTIAL TAX IMPACT	2025	2026	2027
Municipal Net Levy Tax Impact	7.9%	6.1%	5.3%
Assessment Growth	-1.4%	-1.0%	-1.0%
Re-Assessment	0.0%	1.2%	1.2%
Tax Policy	0.5%	0.5%	0.5%
Education	0.0%	0.0%	0.0%
Average Residential Tax Impact	6.9%	6.8%	6.0%

Budget impacts to Ward 2 residents

		2023	
Ward 2 -HM		Assessment	Taxes
Residential and Farm	RT	2,400,226,344	27,063,125
Farmland Awaiting Development - Com	C1	-	-
Farmland Awaiting Development - Res	R1	-	-
Farmland Awaiting Development - Multi	M1	-	-
New Multi-Residential	NT	277,962,100	3,261,983
Multi-Residential	MT	668,842,273	17,291,855
Commercial - Residual	CT	572,775,712	13,213,049
- vacant bldg, excess land	CU	1,604,000	-
- small-scale on farm	C7	-	-
Commercial - Office Building	DT	125,730,698	2,921,128
- vacant bldg, excess land	DU	-	-
Commercial - Parking Lot	GT	55,816,800	1,329,559
- vacant land	CX	38,285,400	825,700
Commercial - Shopping	ST	79,331,589	1,948,683
- vacant bldg, excess land	SU	-	-
Commercial Education Only	CC	-	-
Total Commercial		873,544,199	20,238,120
Industrial - Residual	IT	25,409,400	925,133
- vacant bldg, excess land,	IU	81,100	2,953
- vacant land	IX	401,000	14,600
- small-scale on farm	I7	-	-
Industrial - Large	LT	-	-
- vacant bldg, excess land	LU	-	-
Total Industrial		25,891,500	942,685
Pipelines	PT	99,000	2,085
Landfills	HT	-	-
Farmlands	FT	-	-
Managed Forests	TT	-	-
TOTAL		4,246,565,416	68,799,853

Ward 12	114,540,411	10.71%
Ward 10	91,561,418	8.56%
Ward 7	80,264,717	7.50%
Ward 15	76,571,500	7.16%
Ward 5	76,353,999	7.14%
Ward 13	71,551,488	6.69%
Ward 2	68,799,853	6.43%
Ward 4	67,828,213	6.34%
Ward 1	67,392,623	6.30%
Ward 6	64,246,651	6.01%
Ward 8	63,388,651	5.93%
Ward 9	61,075,187	5.71%
Ward 11	56,287,677	5.26%
Ward 3	56,173,696	5.25%
Ward 14	53,572,066	5.01%
Total	1,069,608,150	100.00%

Questions about
Budget impacts to
Ward 2 residents?

Any general
questions about
the budget?