



# 2016 Budget Overview

April 19, 2016





A budget is an estimate of  
income and expenditure for a set  
period of time





A budget ensures that all expenditures at Hamilton Township are estimated for both operating and capital needs in order to match revenues needed for:





- **Operating needs**

- ✓ To ensure that council and staff are able to continue to provide service levels for Hamilton Township Residents

- **Capital Needs**

- ✓ Current capital needs such as roadwork, equipment, parks and recreation facilities etc.
- ✓ Put aside funding for future capital needs

- **Unexpected circumstances**

- ✓ Events beyond our control
  - HVAC unit breakdown
  - Road washout with need for immediate replacement
  - Equipment breakdown
  - Adverse Weather Conditions (Severe winter can increase material and labour costs)





## Other Considerations

### ✓ Other Sources of Revenue

- Ontario Municipal Partnership Fund
- Gas Tax
- Interest
- Government Grants for Capital Projects
- Fees
- Permits
- User fees for recreation and water
- Fundraising
- Donations
- Miscellaneous revenues and recovery of expenses



## Other Considerations

In 2014, the \$8.3 million of operating expenses and \$1.5 of capital expenses were funded by:

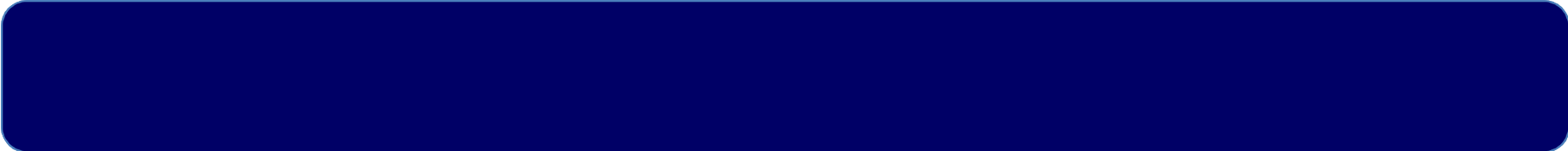
1. \$7.1M from Hamilton Rate Payers
2. \$1.8 M from other government sources (OMPF and Gas Tax, Agreements etc.)
3. Almost \$0.9M from user fees (building permits, recreation)





### Other Capital Considerations

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Capital Renewal Investment	1,216,239	1,362,030	1,387,732	1,570,178	4,136,183
Amortization	2,537,603	2,602,696	2,644,995	2,734,715	2,909,943
Infrastructure Gap	(1,321,364)	(1,240,666)	(1,257,263)	(1,164,537)	1,226,240
5 Year Average Capital Spend	1,934,472				
5 Year Average Amortization	2,685,990				
Average Yearly Infrastructure Gap	(751,518)				





### Other Considerations

	Total Operating Needs	\$XXX
Plus:	Total Capital Needs	\$XXX
Less:	User Fees	(\$XXX)
Less:	Various Government Sources of revenues	(\$XXX)
Equals:	Tax Levy Requirement	\$XXX







## Other Considerations

### Neighbouring Municipality Tax Increases

<b>Northumberland County</b>	<b>3.3%</b>
<b>Port Hope</b>	<b>2%</b>
<b>Cobourg</b>	<b>1.6%</b>
<b>Alnwick Haldimand</b>	<b>9%</b>
<b>Cramahe Township</b>	<b>4.3%</b>
<b>Brighton</b>	<b>2.85%</b>
<b>Trent Hills</b>	<b>1.8%</b>
<hr/>	
<b>Mean (Average)</b>	<b>3.55%</b>
<b>Median (Middle)</b>	<b>2.85%</b>





# **Township of Hamilton**

*By Land and Water We Flourish*

## **Budget Highlights**

- **2016 Proposed Levy Increase = 1.90%**
  - **2015 Levy Increase = 2.9 %**
  - **2014 Levy Increase = 2.5%**
  
- **1% Levy Increase = \$72,668**
  
- **1.9% Increase = \$138,246**





## Budget Highlights

### •2016 Levy Requirement

	2015	2016	Change \$	Change %
Tax Levy	\$7,266,823	\$7,405,069	\$138,246	1.90%





# Township of Hamilton

*By Land and Water We Flourish*

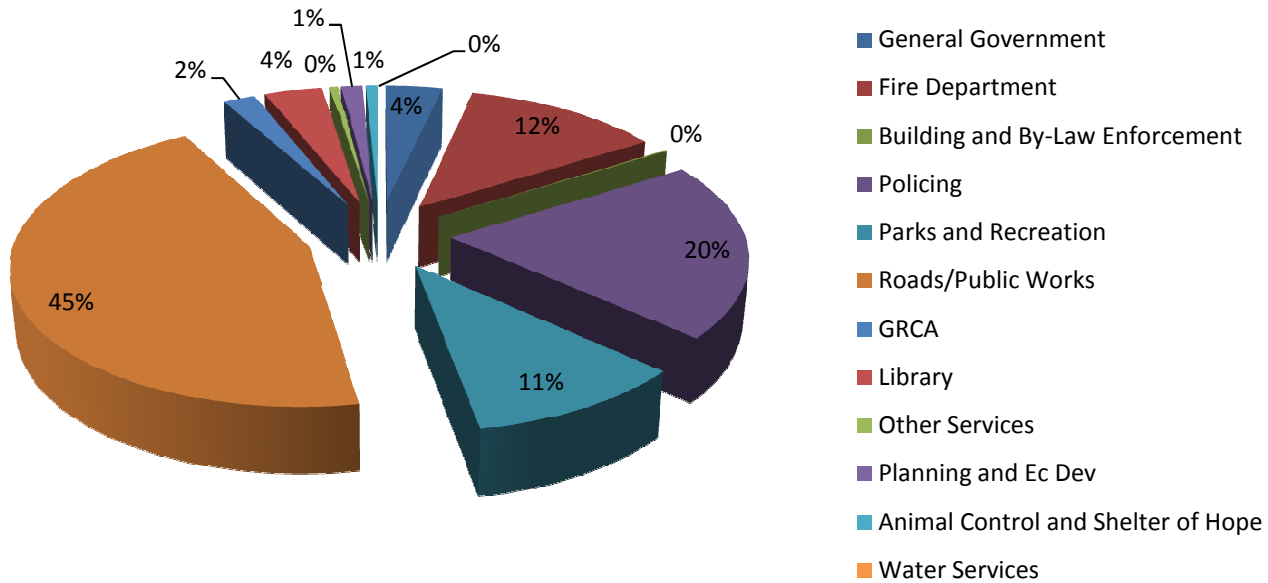
## 2016 Draft Budget Summary

### Draft Operating Budget

<b>FIR Category</b>	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>% Change</b>	<b>\$ Change</b>
<b><u>General Government</u></b>	228,611	257,851	0.4%	29,240
<b><u>Protection Services</u></b>	2,474,352	2,516,503	0.6%	42,151
<b><u>Transportation Services</u></b>	2,232,690	2,254,969	1.0%	22,279
<b><u>Recreation and Cultural Services</u></b>	898,142	1,030,685	1.8%	132,543
<b><u>Planning and Development</u></b>	105,350	96,841	-0.1%	(8,509)
<b><u>Environmental Services</u></b>	0	0	0.0%	0
<b><u>Other</u></b>	50,921	41,843	-0.1%	(9,078)
<b><u>Total Capital</u></b>	1,276,757	1,206,378	-1.0%	(70,379)
	<b>7,266,822</b>	<b>7,405,069</b>	<b>1.90%</b>	<b>138,246</b>

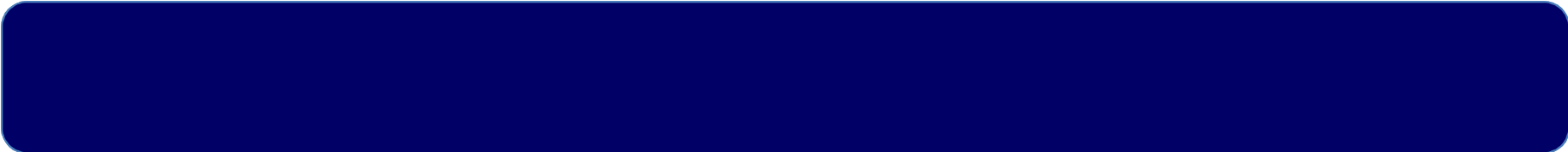
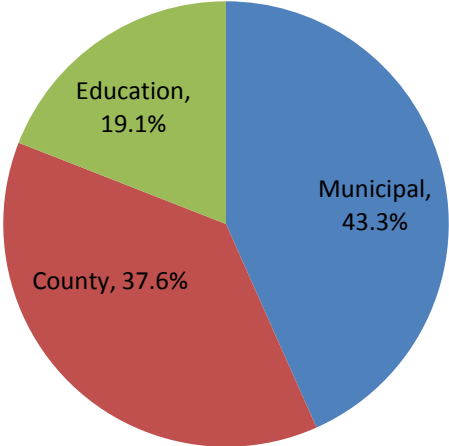


### Budget Distribution by Department as a % of Levy





### Where Your Tax Dollars Go





## Implications of Tax Increases – Municipal Increase

Individual Tax bills are calculated using the tax rate and the assessed value. The change for each property will vary, but an average increase would be approximately:

Assessed Value	<u>Municipal Increase</u>		
	2015	2016	Increase
300,000	1,631.96	1,662.97	31.01
250,000	1,359.97	1,385.80	25.84
200,000	1,087.97	1,108.64	20.67





## 2016 Focus

- **Process changes within the Finance Department to:**
  - increase controls on spending
  - take advantage of potential cost savings throughout the year
  - increase reporting on Budget vs. Year To Date spending
- **Take advantage of all funding opportunities**
- **Prepare for long term financial planning for the upcoming 2017 budget**
  - Long term capital planning





## 2017 Focus

- **Early start to the 2017 budget**
  - **Starting in the fall of 2016**
- **Increased public consultation for the 2017 budget process**
- **Earlier approval of the 2017 budget**





**A copy of the detailed budget will be available on the Township website pending Council resolution to approve the 2016 proposed budget.**

