

CITY FINANCES
TOWN HALL

ANCASTER MEMORIAL ARTS CENTRE

JUNE 25, 2026 – 6:30 PM



Hamilton



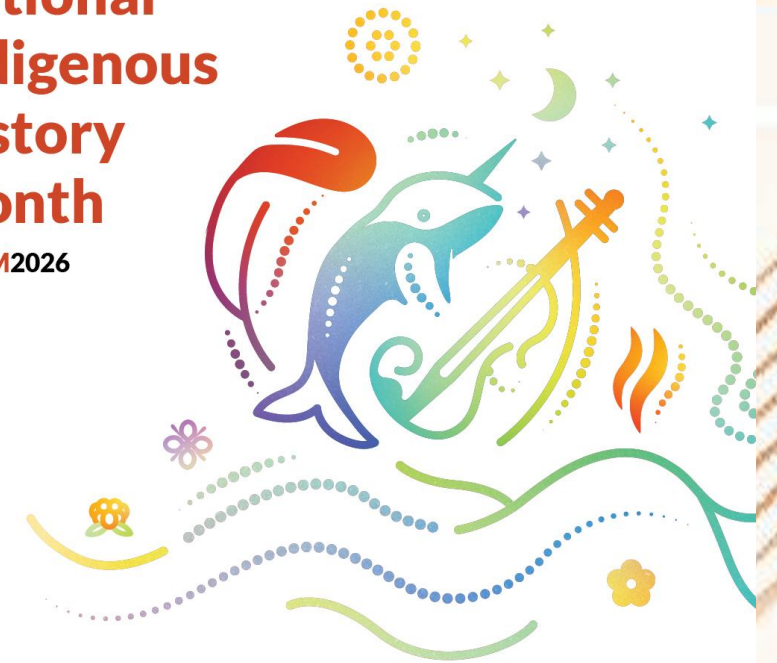
LAND ACKNOWLEDGEMENT

We acknowledge that the City of Hamilton is situated upon the traditional territories of the Erie, Neutral, Huron-Wendat, Haudenosaunee, and Mississaugas of the Credit.

As we work to plan for the future of Ward 12 and the City of Hamilton, we do so with the wisdom and guidance of the Indigenous people in mind so we can better understand our roles as residents, neighbours, partners, and caretakers.

**National
Indigenous
History
Month**

#NIHM2026



 Government of Canada
Gouvernement du Canada

Canada 

PRIOR TOWN HALLS

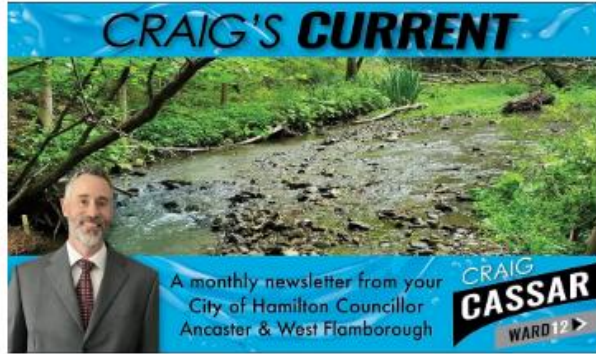
- **General Town Hall – June 2023**
- **Rural Town Hall – January 2024**
- **General Town Hall – February 2024**
- **Old Dundas / Old Ancaster Road – June 2024**
- **Hamilton Police – March 2025**
- **Climate Change, Rain Ready, Pollinators – May 2025**
- **Planning & Development – June 2025**
- **Road Safety & Transit – October 2025**
- **Protecting Yourself and Your Family – May 2026**

2026 TOWN HALLS

- Today: **CITY FINANCES**
- **JULY 23: ROADS**
- **AUGUST: ANCASTER VILLAGE CORE**

Craig's Current

A monthly newsletter from your City of Hamilton Councillor for Ward 12



May 2026

- Safety Townhall recording
- Updates on road rehabilitations
- Affordable housing in Ancaster
- Streetlight additions
- Roundabout vegetation and visibility
- Senior of the Year Awards nominations open
- Fire safety education
- Industrial development news for 844 Glancaster Road
- City public consultations open for comments

[Click here to subscribe to the newsletter](#)

Access previous newsletters below.

2026

MONTHLY ISSUES

- January 2026
- February 2026
- March 2026
- April 2026

SUPPLEMENTAL ISSUES



craigcassar.ca

GROUND RULES

- Respectful communication at all times
- Hold questions until the end of the presentation.
Raise your hand to speak and microphone will be brought to you
- Focus questions on tonight's topics



Ward 12 Town Hall

CITY FINANCES

June 25, 2026



Understanding Your Municipal Budget and Property Taxes

Key Factors That Influence Property Taxes and Water Rates

- Budgeting for Services
- Legislative Requirements
- Reliance on Staff
- Inflationary Pressures
- Property Assessment Growth/Reassessment
- Tax-Supported vs. Rate-Supported Services
- Vacant Unit Tax
- Tax Assistance Programs

Budgeting Basics

Purpose

- Sets out how the City will fund Council priorities, community needs and long-term priorities

Types of Budgets

- The City has two budgets:

Tax Supported Budget:

Supports the delivery of 70 city services including for example parks, recreation, transit, emergency services and waste management service, Council priorities and Provincial legislated requirements.

- Operating
- Capital

Water Rate Budget:

Supports the delivery of water, wastewater and stormwater services and infrastructure.

- Operating
- Capital



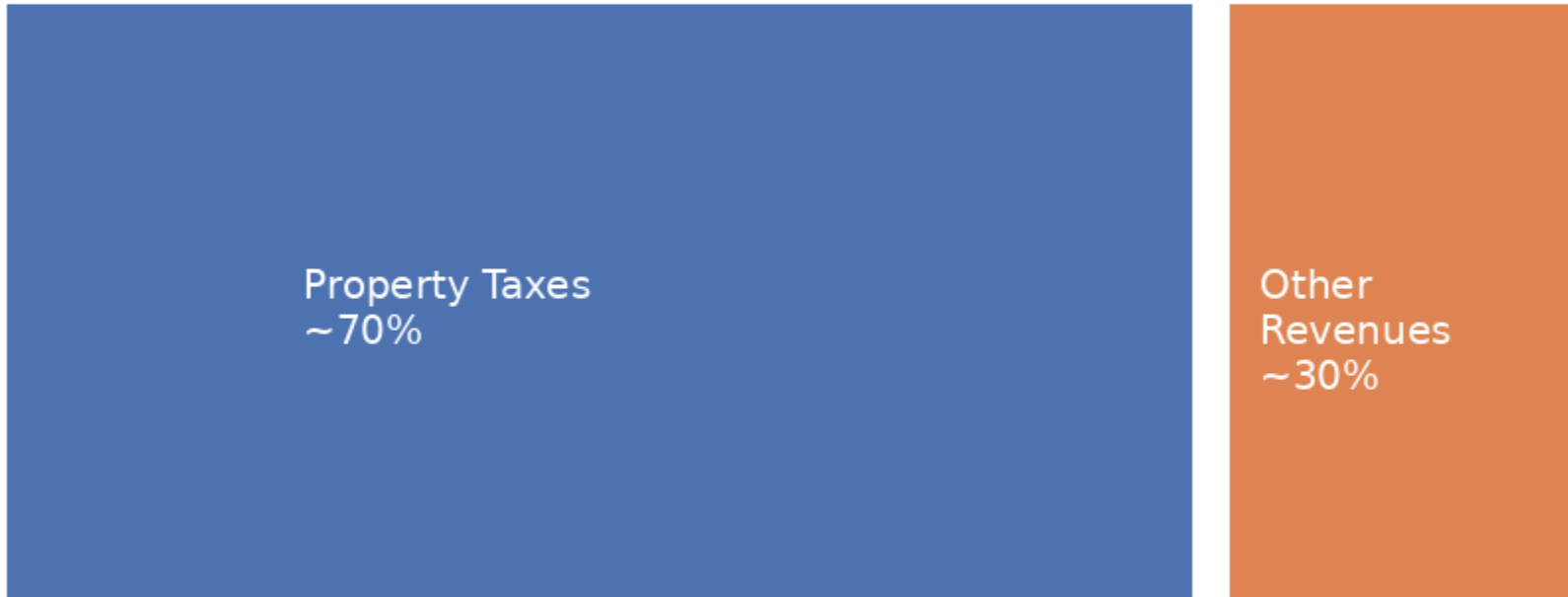
Strong Mayor Power Process

- Strong Mayor Power in Hamilton under Ontario Strong Mayor Legislation (The Municipal Act, 2001 (Section 284.16) and O. Reg. 530/22)
- The Mayor must prepare and provide a proposed budget to Council for its consideration by February 1.
- Council then has 30 calendar days to pass a resolution making amendment(s) to that budget. Council can approve a shorter amendment period if it chooses to do so.
- If no resolution is made by Council, the budget is deemed to be adopted.
- If a resolution is passed, the Mayor has 10 calendar days following the expiration of the amendment period to veto any budget amendments passed by Council.
- If the Mayor does not veto any amendments, the budget is deemed to be adopted.
- If the Mayor vetoes any amendments, then within 15 days after the expiry of the veto period, Council may seek to override the veto by a two-thirds majority.
- If Council does not exercise an override of the Mayor's veto, the proposed budget is deemed adopted.

Legislative Framework

- Municipal powers are delegated by the Province through legislation such as the Municipal Act, 2001.
- The City can provide services, levy property taxes, charge user fees and rates, and borrow for capital infrastructure.
- The City cannot levy income or sales taxes, create new taxes without provincial approval, or run operating deficits.
- Primary revenue sources include property taxes, water/wastewater/stormwater rates, user fees, development charges, grants, and investment income.
- Municipalities have significant service and infrastructure responsibilities but limited revenue tools compared to provincial and federal governments

Municipal Reliance on Property Taxes



- Limited revenue tools (vs. federal/provincial)
- Property tax is stable but inflexible
- Growth and assessment drive revenue increases
- Rising costs outpacing tax base growth

Municipal Infrastructure

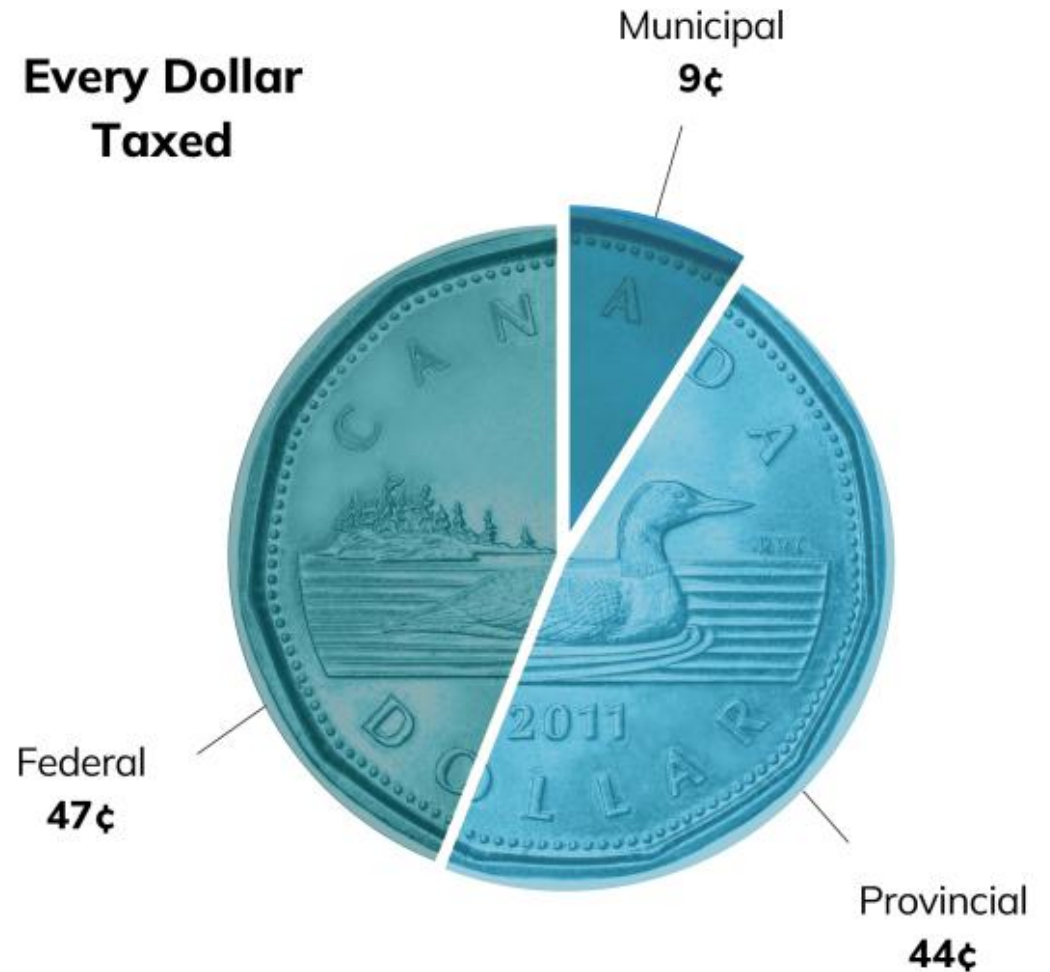
Municipal governments own and manage about 60% of the core public infrastructure that supports the economy and Canadian's quality of life.

(Source FCM)

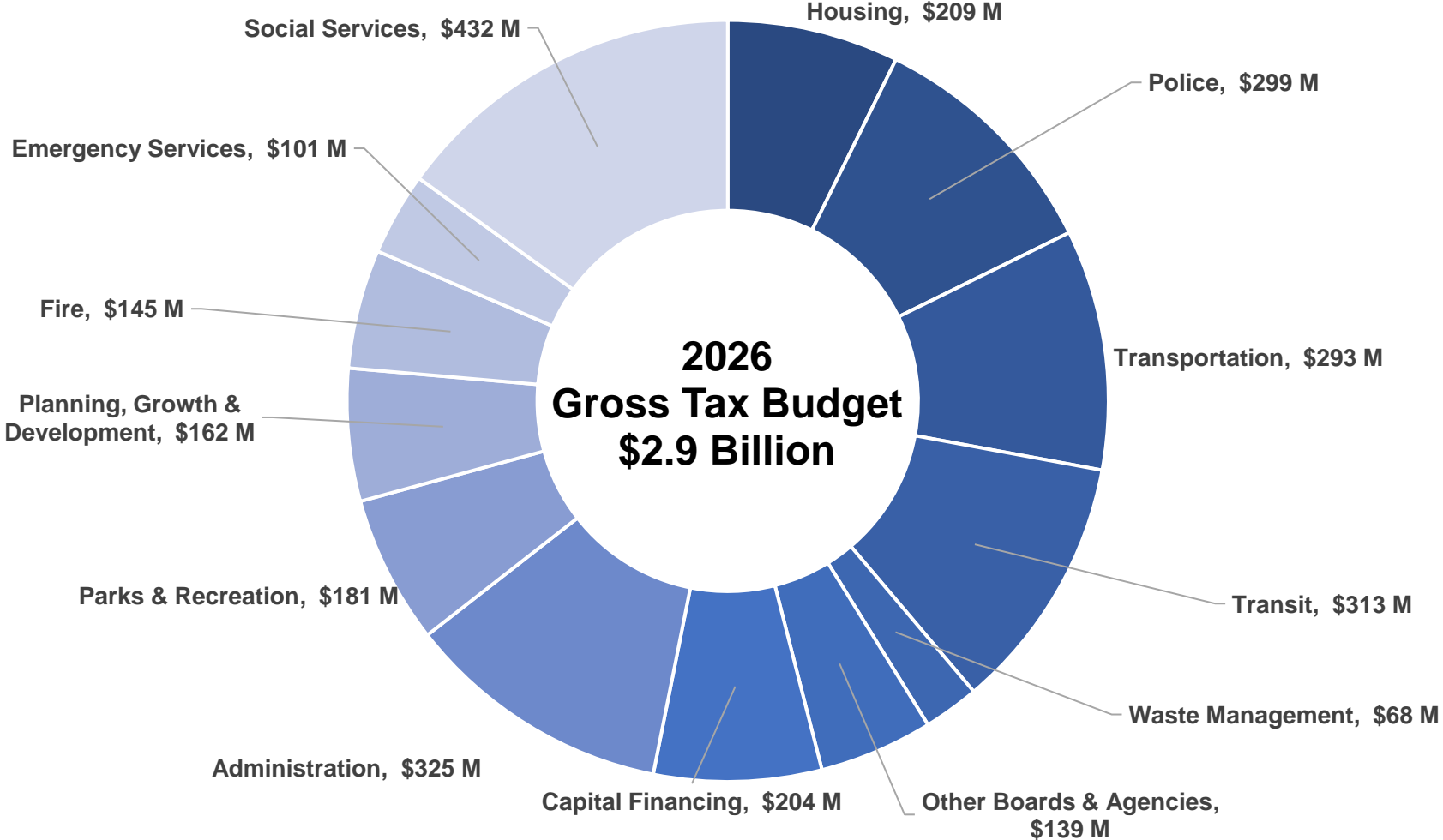
City of Hamilton

\$39.4B – total replacement value

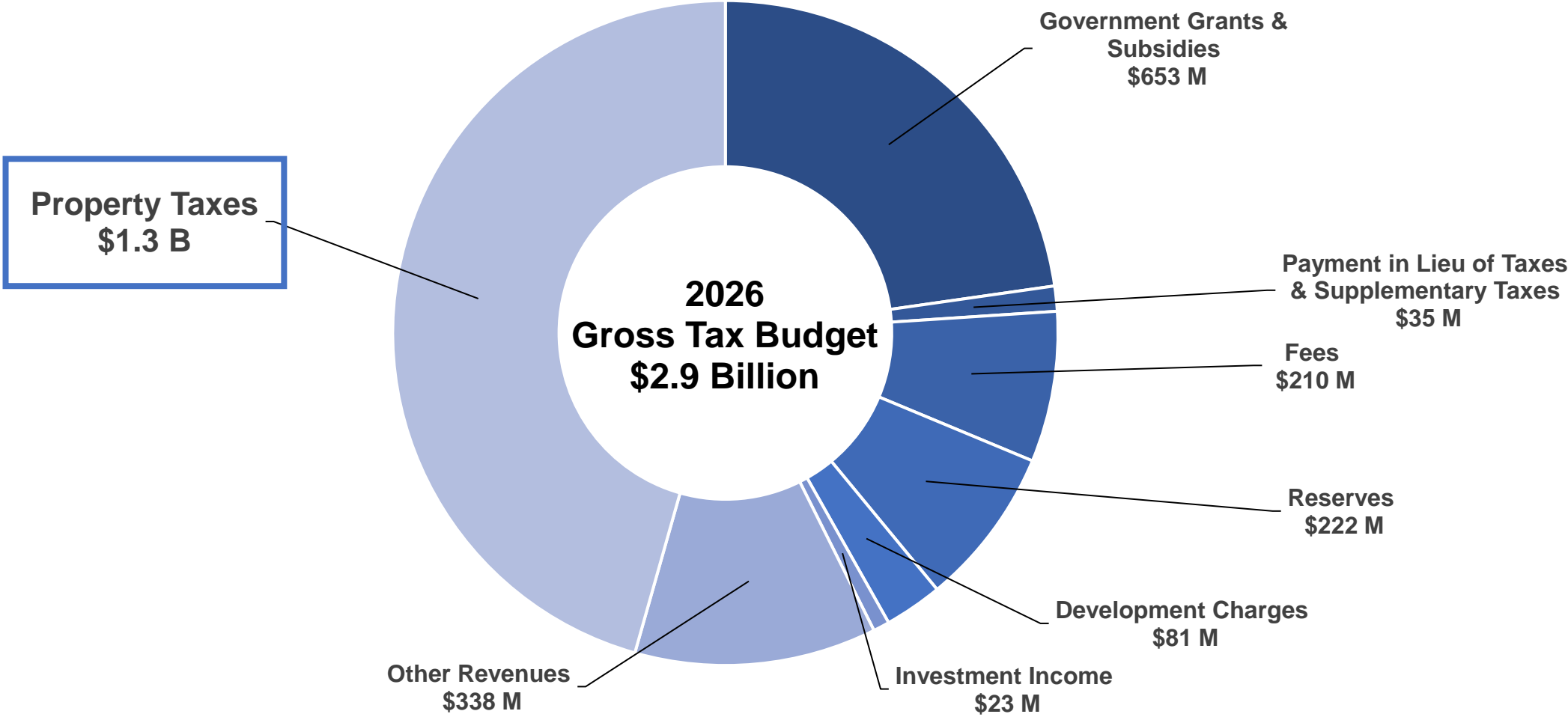
\$5.2B – 10-year infrastructure funding gap



2026 Gross Expenditures

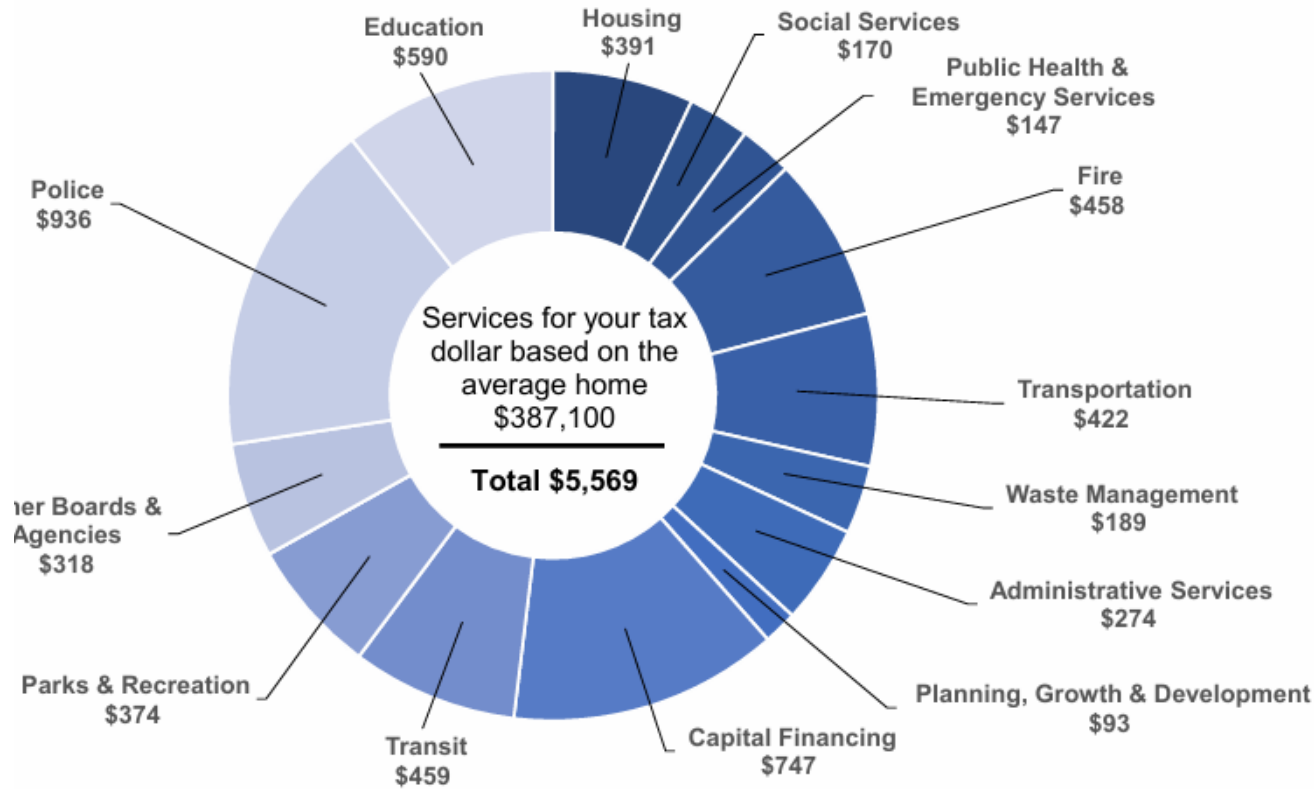


2026 Gross Revenues



Expenditures

Where Your Money Goes



What City Council has control over – **50%**

- Education – 11%
- Provincially Shared Services – 13%
- Police Services – 17%
- Other Boards and Agencies – 6%

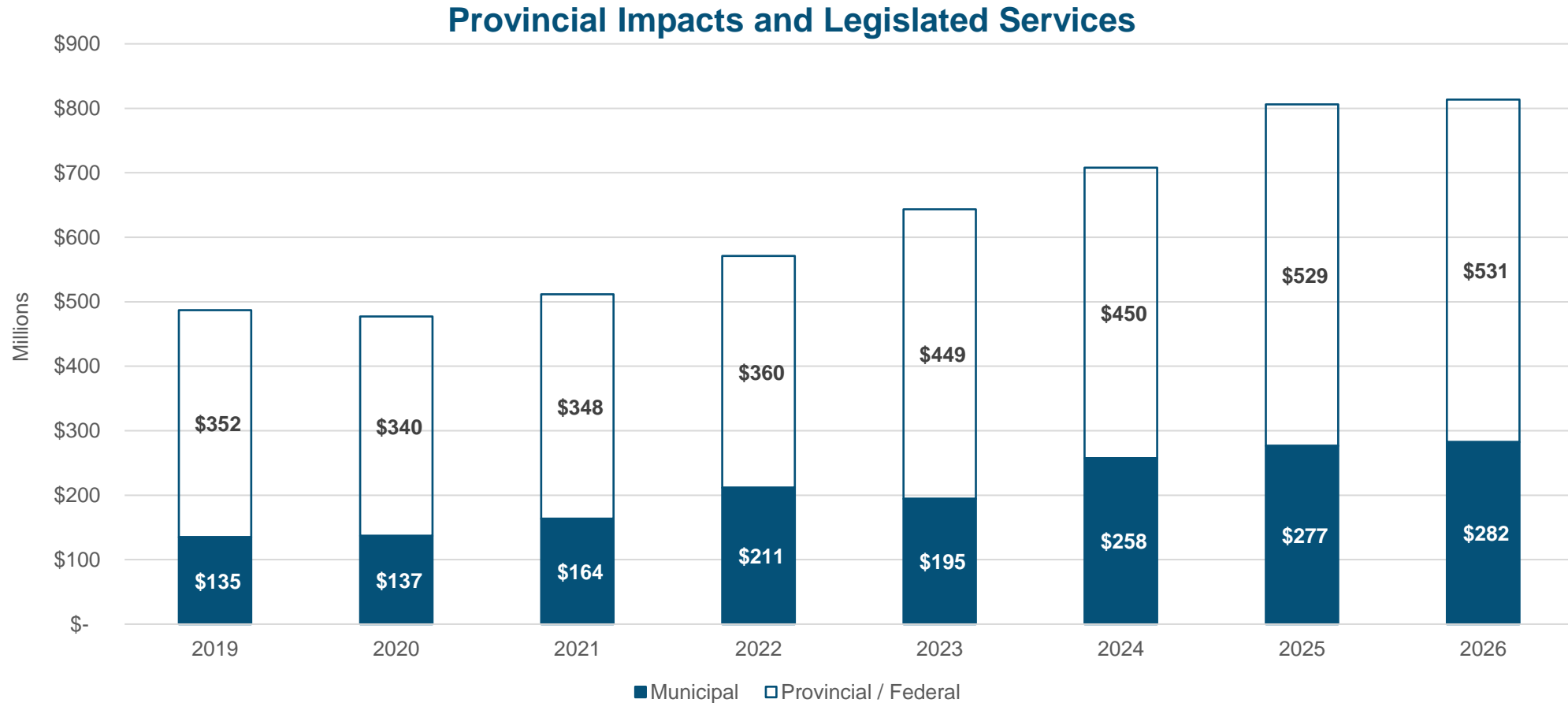
\$1.3B
Net Tax Levy

Key Property Tax Increase Drivers (2022-2026)

- **Maintaining and renewing essential infrastructure**, including roads, bridges, water and wastewater assets, facilities and fleet, to support reliable service delivery and long-term asset sustainability.
- **Managing inflationary and labour cost pressures**, which have affected virtually all municipal operations and services.
- **Responding to evolving community needs**, including housing, homelessness and public safety priorities.
- **Funding legislated and shared services**, including costs associated with external boards and agencies.
- **Supporting service continuity and resiliency**, including investments in technology, cybersecurity and business continuity following the cyber incident.
- **Balancing affordability with long-term financial sustainability.**

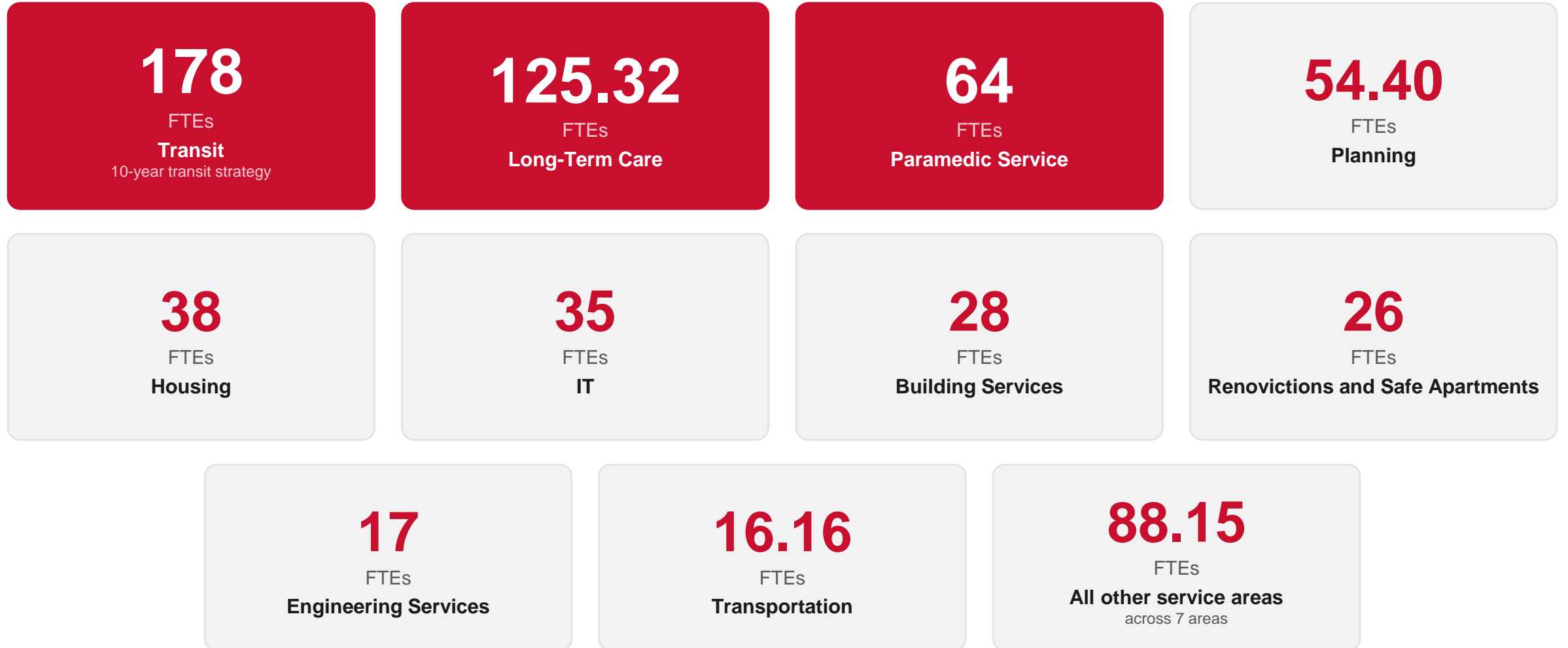
Federal/Provincial Programs

Figure depicts the escalation in costs of providing provincially mandated services and legislated impacts since 2019 and the respective funding share between Municipal, Provincial and Federal Governments. The Municipal share has increased by 108% over past 8 years.



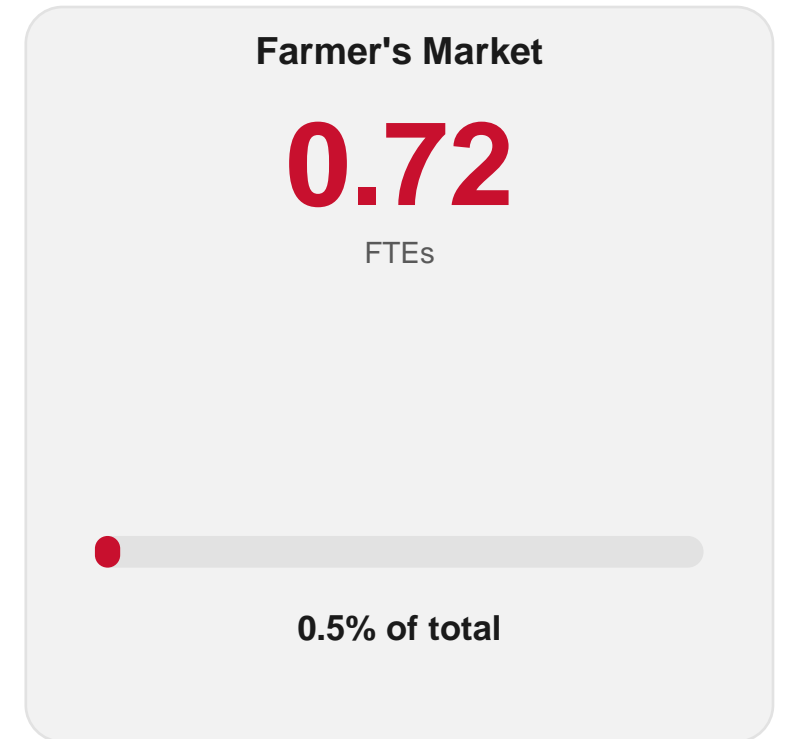
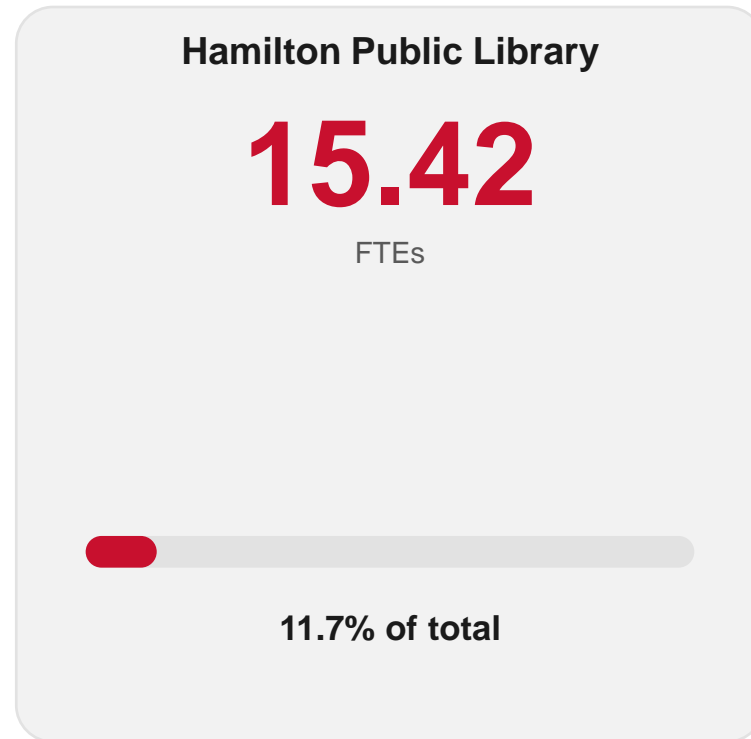
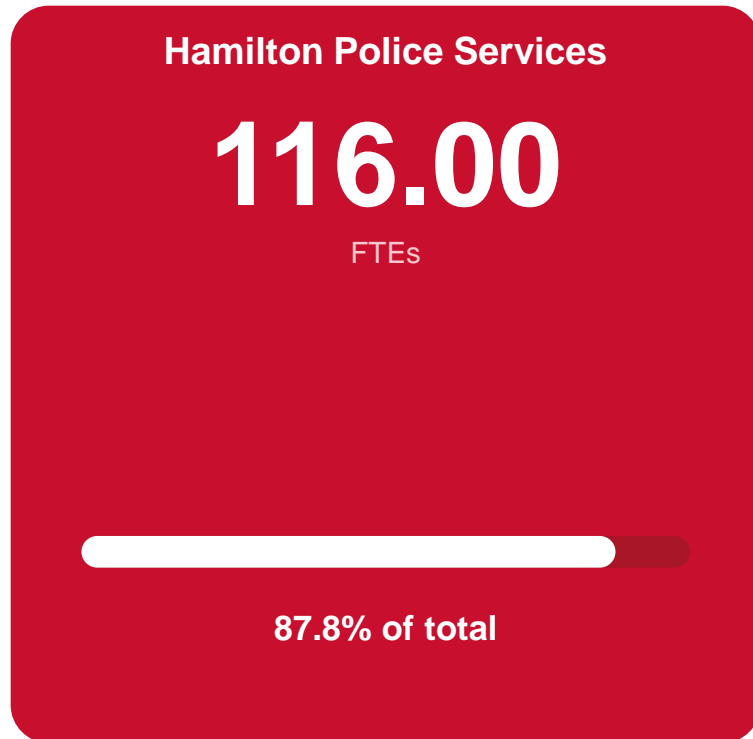
Number of Employees

More than 80% of the new Full Time Employees (FTEs) approved in this term of council are represented in the programs and service areas listed below (top 10 areas shown; remaining areas grouped): 2022-2025



Number of Employees

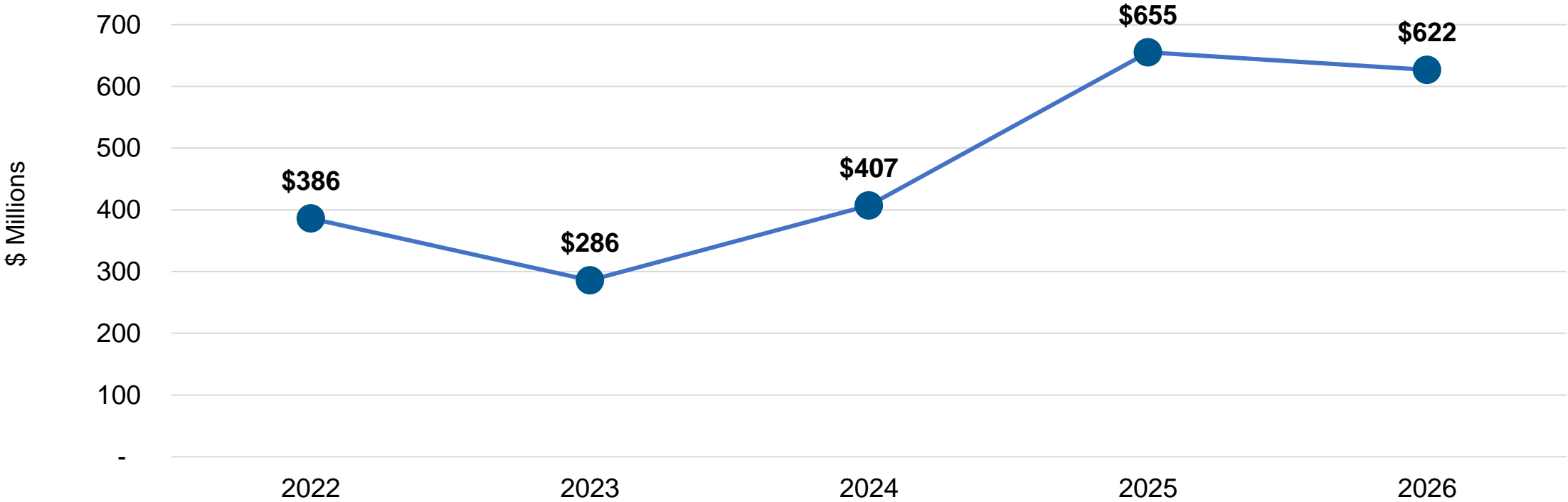
132.14 total Full Time Employees (FTEs) across three boards and agencies (2022–2025).



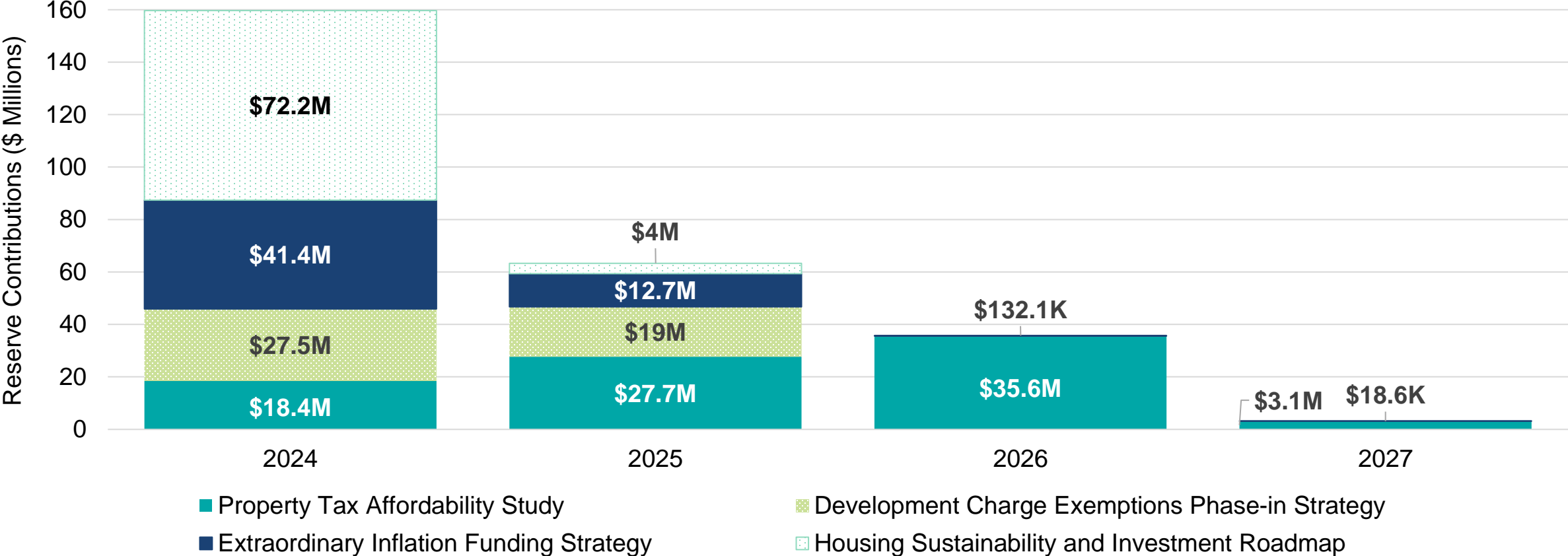
Consumer Price Index (CPI) vs. Municipal Price Index (MPI)

- CPI measures the cost of living for residents.
 - Cost of Living
- MPI measures the cost of providing municipal services.
 - Cost of Service Delivery
- Municipal budget pressures are more closely aligned with MPI than CPI.
- Even when CPI moderates, municipal costs may continue to increase at a higher rate due to wage settlements, construction inflation, infrastructure renewal, and regulatory requirements

2022 to 2026 Gross Capital Investment



2024 to 2027 Reserve Strategy



Savings Achieved (2025 & 2026)

2025

- Departmental Savings - **\$10.4 M** reduction
- Deferred Reassessment - **\$15.6 M** reduction
- Change in Assessment Growth - **\$5.2 M** reduction
- Capital Financing - **\$11.7 M** reduction
- Deferrals of Council Referred Items and Business Cases - **\$10.4 M** reduction
- Contingency Reduction - **\$7.8 M** reduction
- Realignment of Operating Impacts - **\$6.5 M** reduction
- Gapping Savings - **\$3.9 M** reduction

TOTAL Savings - \$71.5 M

2026

- Departmental Savings - **\$24.7 M** reduction
- Financial Offsets – **\$26.8 M** reduction
- Financial Sustainability (Reserve Strategy) - **\$13.8 M** reduction
- Deferrals of Council Referred Items and Business Cases - **\$0.8 M** reduction
- Budget Realignment – **\$4.5 M** increase
- B&A Realignment – **\$0.7 M** increase

TOTAL Savings - \$60.9 M

MPAC 2026 Assessment

- MPAC assesses the value of all properties in Ontario for municipal taxation purposes.
- Property assessments are based on market value and are used by municipalities to calculate property taxes.
- Ontario property assessments continue to be based on January 1, 2016 property values, as the Province has repeatedly postponed the scheduled reassessment cycle. Property taxes in 2026 are still based on 2016 assessed values.
- A future reassessment would represent the first province-wide update in approximately 10 years rather than the typical four-year cycle.
- The Province has historically phased in assessment increases over multiple years to reduce taxpayer impacts, although no framework has yet been announced for a future reassessment.

Water (Rate) Budget

Water Budget	2026 Adopted Budget	2027 Projected Budget	2028 Projected Budget	2029 Projected Budget
RATE INCREASE	7.32%	5.48%	6.99%	6.98%
AVERAGE RESIDENTIAL BILL	\$ 1,139.15	\$ 1,201.63	\$ 1,285.66	\$ 1,375.34

- Main Drivers for the Water Budget:
 - Capital Financing Costs
 - Employee Related Costs
 - Contractual Pressures (Biosolids Contract, Computer Maintenance Contract and Binbrook Odour Control)
 - Overall, the 2026 Financing plan strategy revised due to re-baselined infrastructure investment timing

2026 Adopted Water Budget and Financing Plan Overview

Operating

\$351.2 M Total Program and Financial Expenditures

\$347.8 M Rate Revenue

\$3.4 M Non-Rate Revenue

Capital

\$251 M Combined Water (Rate) Capital Program

- 44% Water
- 43% Wastewater
- 13% Storm

\$4.6 B capital investment forecast (2026 to 2035)

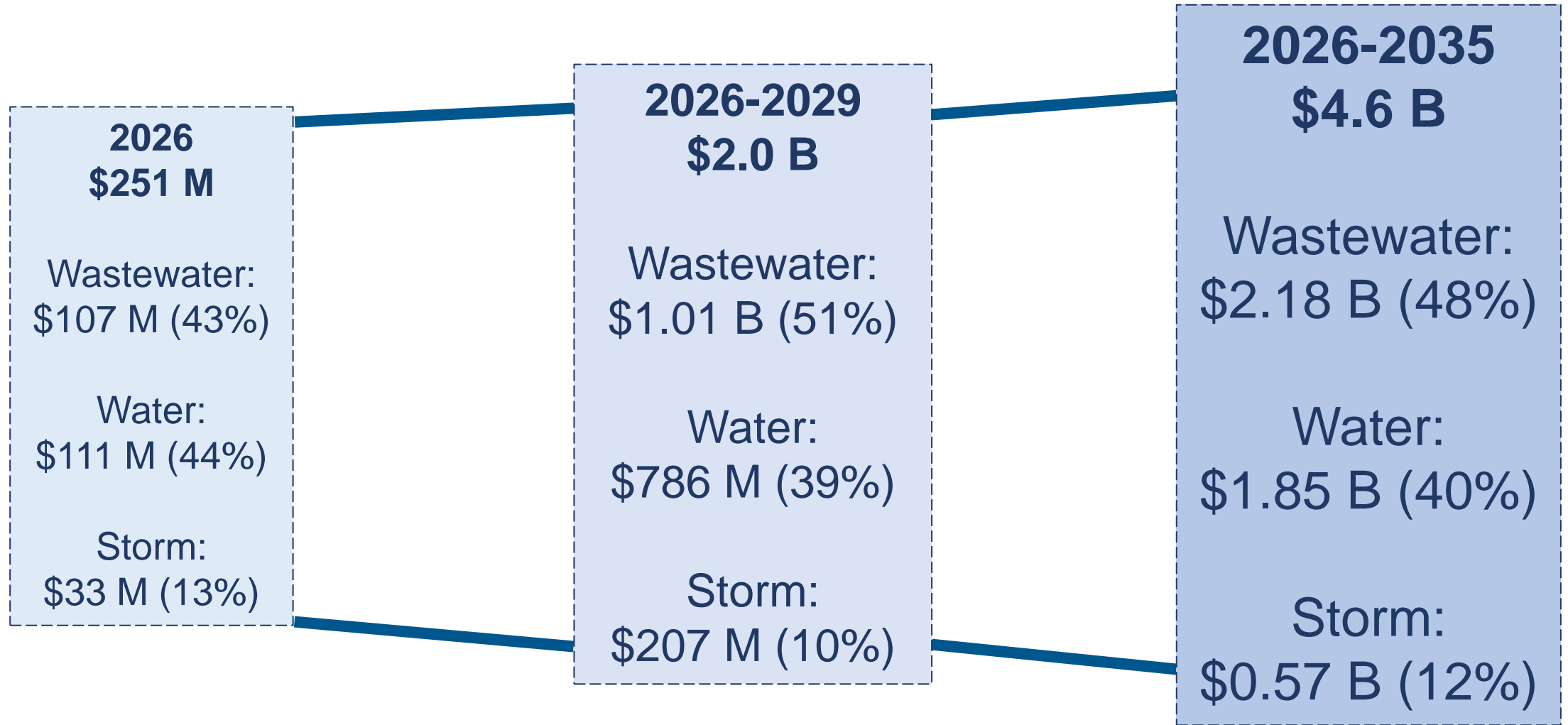
\$0.71 M increase from last year's 10-year forecast

Note: Anomalies due to rounding

Impact of Adopted 2026 Water, and Wastewater/Storm rate increases on a Typical Average Residential Bill: 7.32% or \$77.65 per household

Based on annual water and wastewater consumption of 200m³

Long Term Capital Program - At a Glance



Stormwater Funding – Guiding Principles

Equity and Fairness

- Stormwater fee is NOT a new source of revenue for the City. Previous funding approach did not reflect demand on stormwater system.
- The funding model should be justifiable and ensure property owners contribute in a manner that reflects their impact on the stormwater system and transfers burden from homeowners to other users that have large impact based on impervious surface contributing runoff to the system.

Climate Resilience and Environmental Sustainability

- Support investments that reduce flooding risks, improve water quality, protect natural watercourses, and help the City adapt to climate change.

Affordability and Financial Sustainability

- Provide a stable, dedicated funding source to maintain, repair, replace, and expand stormwater infrastructure while balancing affordability for property owners.
- Council has recognized the unique circumstances of agricultural properties. And implemented credits that reduce stormwater fees for eligible agricultural properties by up to approx. 95%.

Simplicity and Administrative Efficiency

- Be easy for residents and businesses to understand, and practical and cost-effective for the City to administer.

City of Hamilton Stormwater Credit Program

Transition to Equitable Fees

Hamilton is moving to stormwater fees based on runoff contribution, replacing wastewater charges for fair billing.

Green Space Credit

Automatically applies to properties with permeable surfaces like parks, reducing runoff and easing municipal pressure.

Stormwater Infrastructure Credit

Up to 50% fee reduction for properties using detention ponds, green roofs, or landscaping that manages runoff.

Hamilton Harbour Discharge Credit

Up to 90% reduction for properties discharging stormwater directly to Lake Ontario under strict regulations.

Ontario Stormwater Fee Restrictions Farmland and Managed Forests

Core restriction: municipalities cannot impose stormwater fees/charges on the farm or managed forest portions of a property unless that portion directly discharges through a storm sewer into the municipal storm sewer system.

O. Reg. 102/26 • In force July 16, 2026

What is restricted
Fees/charges for municipal stormwater management cannot be imposed on portions classified under the Assessment Act as farm property class or managed forests property class.

Key exception
Restriction does not apply where stormwater is discharged directly from a storm sewer on that portion of the property into a municipal storm sewer.

What is not a storm sewer
The regulation excludes Drainage Act works, ditches and culverts from the definition of “storm sewer.”

Municipal implications

Preliminary Financial Impact
Earlier staff report estimated a \$1.4M annual revenue impact and approximately \$3.65 per SFU if fully offset, subject to final billing and budget assumptions.

Tax Assistance Programs

Seniors Tax Rebates

Programs provide up to \$236 seniors rebate plus a \$160 utility rebate to ease financial burden.

Support for Low-Income and Disabled

Deferral options assist low-income seniors and persons with disabilities in managing tax payments.

Charity and Non-Profit Rebates

Charities and non-profits leasing commercial or industrial spaces receive a 40% tax rebate.

Compassionate appeals

Extreme poverty or sickness

Veterans and Municipal Appeals

Veterans get 100% rebate; Municipal Act Appeals cover property damage, demolition, and renovations.



Vacant Unit Tax

- Council first directed staff to explore a Vacant Home Tax in December 2019.
- Following Council approval in June 2022, 2023 was established as the first reference year.
- The VUT By-law (24-062) was passed in April 2024, with the first occupancy year declarations due in 2025.
- The Vacant Unit Tax is an annual tax payable by the owner of a residential unit that has been vacant for more than 183 days in the previous calendar year.
- All owners of residential units must submit an annual mandatory declaration on the status of their property.
- If a mandatory declaration is not submitted, the residential unit will be considered vacant, and the Vacant Unit Tax will be charged. Many exemptions are offered.
- High response rate in submitted declarations in the second year of the program and many home that were vacant in first year of program are now occupied.
- Net revenues from program are dedicated to affordable housing initiatives.

Vacant Unit Tax

Vacant Unit Tax Occupancy Exemptions:

- Death of an Owner
- Major Renovations
- Uninhabitable/Hazardous Property
- Sale of the property
- Resident in a Care Facility
- Court Order
- Non-Profit Housing Unit
- Model Homes
- Unsold New Inventory

Vacant Unit Tax

2025 Occupancy Year Declaration Results	2024 Number of Properties	2024 Percentage of Properties	2025 Number of Properties	2025 Percentage of Properties
Total Residential Properties Required to Submit a Declaration	178,058	100.0%	179,324	100.0%
Properties that completed the annual occupancy declaration (occupied or exempt)	175,035	98.3%	174,931	97.5%
Eligible properties declared as vacant	379	0.2%	306	0.2%
Eligible properties deemed vacant due to non-submission of the occupancy declaration	2,644*	1.5%	4,087**	2.3%

* Reflects deemed vacant properties after approximately 14 months (Declaration and Appeal Periods)

** Reflects deemed vacant properties after approximately five months (Declaration Period)

Vacant Unit Tax

Ward 12 Property Type	Occupied	Exempt	Vacant	Number of Residential Units
Single Family Detached Home	97.6%	0.8%	1.5%	11,387
Condominium	96.2%	1.4%	2.4%	1,955
Townhouse / Semi Detached Home	96.6%	1.2%	2.2%	1,906
Multi-unit Residence up to 6 Units	41.3%	58.7%	0.0%	63
Other	89.1%	6.5%	4.5%	558
Total	96.8%	1.4%	1.8%	15,869



Questions

