



Hamilton
Bermuda at its *best*

**Corporation of Hamilton
Budget Report**

2017

CORPORATION OF HAMILTON - 2017 BUDGET

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Vision

We will be a vibrant, dependable and clean city where services are delivered innovatively and effectively.

Mission

Our mission is to provide effective operations of the city through collaboration of members, management and staff.

Core Values

Core Values

Innovative (Focus, Aspirational)

Transparency

Integrity

Service

Stability(Anchor/Foundation)

CORPORATION OF HAMILTON - 2017 BUDGET

Budget Summary

The City of Hamilton (“the city”) is excited about the projects that we will be working on in 2017. The vision for the city is “We will be a vibrant, dependable and clean city where services are delivered innovatively and effectively.”

There are items in the 2017 budget which will allow us to achieve that vision.

Vibrant

The city has a full year of events planned in 2017 and is pleased to welcome the Tall Ships and America’s cup events to the city. The Food Festival and Bermuda Fashion Festival the largest two events put on by the city have been moved to later in the year.

The city will also put funds into upgrading the bathrooms at Fort Hamilton and fixing the bridge to create a more vibrant space that one should consider when looking for a rental space.

Design work will be started in 2017 for a new small park area within the city.

Upgrades to the men’s bathroom in the basement of City Hall will also be completed in 2017.

Dependable and clean city

The city is excited to roll out a wheelie bin initiative which will eventually see all business and residents placing their trash in wheelie bins. No longer will we have unsightly trash bags and boxes on sidewalks and trash flying around the city. This initiative was started in 2016 but will be continued in 2017 through the investment in an add-on to the existing garbage trucks which will allow us to pick up the wheelie bins.

Moves to make this a safe city will also come through the investment in CCTV and in our wireless network.

A safer city will also be achieved through replacing two traffic light intersections. The city is unable to find parts to fix the current traffic lights and will eventually have to replace the entire system.

The city has a plan that involves resurfacing all roads every 20 years and this year’s budget includes funds to continue with that plan.

Innovatively and effectively

The Corporation of Hamilton will continue to take steps towards Investors in people status.

Efficiency will be improved through automation of certain processes. The city will invest in new programs for the Engineering department which will allow them to use the latest technology to manage processes and infrastructure.

HR will invest in a HR program to better track information.

Finance will continue to make strides towards greater efficiency through upgrades to the current accounting system and implementing new modules.

Corporation of Hamilton
 Number of Employees by Department
 2017 Budget

Department	Beginning 2017	New Hires	End 2017	Beginning 2016	Change
Wharf	1		1	1	-
Sanitation	28	1	29	27	2
Sewer	2		2	2	-
Streets	19		19	22	(3)
Works Depot	3		3	3	-
Parks	16		16	18	(2)
City Hall	1		1	2	(1)
Engineering – Management & Admin	11	1	12	14	(2)
Total Engineering	81	2	83	89	-6
					-
Finance	9		9	9	-
COO and Administration	3	1	4	3	1
Events	5		5	5	-
HR	2		2	2	-
Total Employees	100	3	103	108	-5

Staff changes in 2017

Sanitation

1 new sanitation worker will be hired

Engineering – Management & Admin

New Sanitation superintendent

COO and Administration

Communications Manager will now report to COO

Events

New Event & Marketing Assistant will be hired.

CORPORATION OF HAMILTON
Budget For the Twelve Months Ending December 31, 2017
Cash Flows

	2017
	Budget
Source of Funds	
Projected Revenue	22,231,968
Projected Opening Cash	2,900,000
Total Source of funds	25,131,968
Use of Funds	
Capital Expenditures	(2,913,300)
Operating Expenses - Cash basis (see below)	(20,539,367)
Loan Payments	
Loan - BNTB	(62,916)
Loan - Clarien	(1,068,075)
Total use of Funds	(24,583,658)
Cash available at end of year	548,310

2017	Revenue	Expenses	Net Deficit
Net Deficit per GAAP Financial Statements	22,231,968	23,232,182	(1,000,214)
Add back non cash Items			-
Depreciation		(1,669,608)	1,669,608
Fire Service		(660,000)	660,000
Interest on Debt		(363,207.00)	363,207
Convert Expenses to Cash Basis	22,231,968	20,539,367	1,692,601

CORPORATION OF HAMILTON
Draft Budget For the Twelve Months Ending December 31, 2017
Statement of Current Fund Revenue and Expenditures

	Actual				Budget		
	2013	2014	2015	2016 Forecast	2016	2017	Variance
Revenues							
Banners	\$4,800	\$9,700	\$6,000	\$6,144	\$5,000	\$5,000	
Car parks	4,213,247	4,265,540	3,362,750	3,313,160	3,709,000	3,255,068	(453,932)
Docks storage		(849)	100	84,415		120,000	120,000
Pension Surplus	20,000	9,847	6,284			6,000	6,000
Encroachments	30,350	30,350	30,300	31,217	30,300	31,300	1,000
Goods sold	4,882	1,915	9,236	9,005	2,000	2,000	
Interest	3,832	1,004	946	3,914	640	8,580	7,940
Licences and permits	271,246	273,365	314,350	331,859	255,000	326,032	71,032
City Maintenance - PTB Cleaning	55,167	49,440	49,440	49,440	49,440	49,440	
Miscellaneous	94,385	12,588	147,439	18,270	25,000	5,240	(19,760)
Rents	956,448	950,921	990,942	972,425	931,026	1,024,162	93,136
Sewerage	2,065,184	2,298,518	2,250,902	2,267,744	2,241,629	2,284,546	42,917
Tax revenue	8,469,630	8,534,243	8,526,787	8,758,387	8,635,520	8,662,600	27,080
Wharfage - Government		4,453,373	6,054,443	5,996,040	5,854,000	6,087,000	233,000
Wharfage - Ships		210,686	359,333	341,714	349,000	365,000	16,000
Government Grant	5,000,000						
Total Revenue	21,189,171	21,100,641	22,109,252	22,183,732	22,087,555	22,231,968	144,414
Expenses							
Staff costs							
Gross wages & salaries	5,114,545	4,882,112	4,802,907	4,614,067	4,823,880	4,975,124	151,244
Overtime	621,199	646,571	611,575	657,689	682,000	718,000	36,000
Social security	184,047	181,728	176,318	173,414	180,897	171,250	(9,647)
Health insurance	778,494	804,113	799,664	941,253	984,948	940,952	(43,996)
Life insurance	119,552	115,000	109,711	120,851	145,125	108,360	(36,765)
Long term disability	86,781	86,216	84,662	89,758	97,474	100,846	3,372
Payroll tax	296,744	294,260	302,948	300,875	298,862	357,507	58,645
Pension	495,958	495,463	556,521	480,346	488,900	521,004	32,104
Staff costs and fees	43,298	62,563	23,186	11,347	26,800	26,800	
Management and Admin salaries	2,444,261	2,586,268	2,601,953	2,643,447	2,583,629	2,596,260	12,631
Total Staff Cost	10,184,879	10,154,293	10,069,446	10,033,046	10,312,516	10,516,103	203,587
Administrative & operating							
Advertising	188,426	199,659	127,445	97,517	100,000	88,020	(11,980)
Audit fees	79,401	115,150	109,940	94,745	105,000	93,000	(12,000)
Computer expenses - hardware	5,167	1,633	965				
Computer expenses - software	91,726	115,944	161,719	134,385	120,000	120,000	
Contracted Services	1,688,692	1,639,594	1,467,459	920,043	864,500	1,811,000	946,500
Debt collection costs	137,931	847,902	115,375	134,365	180,000	180,000	
Electricity	1,096,480	1,450,699	1,105,883	1,098,034	1,193,500	1,160,000	(33,500)
Events	19,817		468,936	516,215	487,000	614,000	127,000
Fuel	129,053	139,282	117,133	102,145	120,000	110,000	(10,000)
Gifts and donations	17,161	4,209	4,950	5,905	20,000	20,000	
Government charges	573,511	603,702	589,637	603,640	600,000	610,000	10,000
Insurance	382,978	417,801	402,043	433,984	430,000	440,000	10,000
Legal fees	384,392	458,477	446,504	1,232,145	921,300	755,000	(166,300)
Liquidators Fees				375,000	375,000		(375,000)
Maintenance agreements	197,030	180,234	173,951	155,017	196,600	193,128	(3,472)
Materials and equipment/ tool purchase	1,204,619	1,256,032	1,291,065	1,081,376	1,410,700	1,080,000	(330,700)
Miscellaneous	(240,492)	4,100	11,489	2,066			
Meetings - Hospitality Expenses	6,975	15,368	4,499	6,135	7,500	9,000	1,500
Members Expenses	768,132	23,080	11,815	23,300	30,000	30,000	
Office supplies	106,033	90,361	79,868	92,563	114,500	112,720	(1,780)
Professional fees	44,488	33,047	51,047	15,195	5,000	5,000	
Security	805,414	776,161	757,630	755,107	740,000	780,000	40,000
Telephone and Internet	147,077	167,078	181,796	148,080	167,192	163,392	(3,800)
Temporary staff	12,627	7,834	6,130	14,585	35,000	25,000	(10,000)
Training	59,096	57,639	67,976	74,632	60,000	95,000	35,000
Travel	43,938	382,878	33,015	34,957	50,000	45,000	(5,000)
Uniforms and protective clothing	75,503	83,136	69,811	58,257	85,000	60,000	(25,000)
Water	105,121	120,359	98,810	81,368	75,000	80,000	5,000
Fire service	690,405	631,292	650,781	381,500		660,000	660,000
Total Admin & Operating	8,820,700	9,822,650	8,607,670	8,672,262	8,492,792	9,339,260	846,468
Depreciation	1,498,293	1,544,258	1,575,653	1,632,697	1,615,040	1,669,608	54,568
Finance							
Principal repayments		18,000,000					
Interest	570,822	528,441	485,930	774,433	1,309,213	363,207	(946,006)
Interest on Guarantee (MIF)			752,548	735,288		1,260,004	1,260,004
Bank service charges	108,432	109,520	88,197	90,826	197,040	84,000	(113,040)
Total Finance Charges	679,254	18,637,961	1,326,676	1,600,547	1,506,253	1,707,211	200,958
Total Expenses	21,183,126	40,159,163	21,579,445	21,938,552	21,926,601	23,232,182	1,305,581
Surplus/(Deficit)	6,045	(19,058,522)	529,807	245,180	160,954	(1,000,214)	(1,161,167)

CORPORATION OF HAMILTON
Draft Budget For the Twelve Months Ending December 31, 2017
Statement of Current Fund Revenue and Expenditures

	Budget			Explanation
	2016	2017	Variance	
Revenues				
Banners	\$5,000	\$5,000		
Car parks	3,709,000	3,255,068	(453,932)	
Docks storage		120,000	120,000	
Pension Surplus		6,000	6,000	
Encroachments	30,300	31,300	1,000	
Goods sold	2,000	2,000		
Interest	640	8,580	7,940	
Licences and permits	255,000	326,032	71,032	
City Maintenance - PTB Cleaning	49,440	49,440		
Miscellaneous	25,000	5,240	(19,760)	
Rents	931,026	1,024,162	93,136	
Sewerage	2,241,629	2,284,546	42,917	
Tax revenue	8,635,520	8,662,600	27,080	
Wharfage - Government	5,854,000	6,087,000	233,000	
Wharfage - Ships	349,000	365,000	16,000	
Government Grant				
Total Revenue	22,087,555	22,231,968	144,414	
Expenses				
Staff costs				
Gross wages & salaries	4,823,880	4,975,124	151,244	Staff Compensation
Overtime	682,000	718,000	36,000	
Social security	180,897	171,250	(9,647)	Assumes 5% increase in Health Ins rates from June 2017
Health insurance	984,948	940,952	(43,996)	
Life insurance	145,125	108,360	(36,765)	
Long term disability	97,474	100,846	3,372	
Payroll tax	298,862	357,507	58,645	
Pension	488,900	521,004	32,104	
Staff costs and fees	26,800	26,800		
Management and Admin salaries	2,583,629	2,596,260	12,631	Includes compensation for staff. Plus additional staff member in Events and Engineering
Total Staff Cost	10,312,516	10,516,103	203,587	
Administrative & operating				
Advertising	100,000	88,020	(11,980)	
Audit fees	105,000	93,000	(12,000)	
Computer expenses - hardware				
Computer expenses - software	120,000	120,000		
Contracted Services	864,500	1,811,000	946,500	Includes \$600 resurfacing
Debt collection costs	180,000	180,000		
Electricity	1,193,500	1,160,000	(33,500)	
Events	487,000	614,000	127,000	Increased events for America's Cup and Tall Ships
Fuel	120,000	110,000	(10,000)	
Gifts and donations	20,000	20,000		
Government charges	600,000	610,000	10,000	
Insurance	430,000	440,000	10,000	
Legal fees	921,300	755,000	(166,300)	
Liquidators Fees	375,000		(375,000)	
Maintenance agreements	196,600	193,128	(3,472)	
Materials and equipment/ tool purchase	1,410,700	1,080,000	(330,700)	Prior year includes \$150,000 for purchase of wheelie bins.
Miscellaneous				
Meetings - Hospitality Expenses	7,500	9,000	1,500	
Members Expenses	30,000	30,000		
Office supplies	114,500	112,720	(1,780)	
Professional fees	5,000	5,000		
Security	740,000	780,000	40,000	
Telephone and Internet	167,192	163,392	(3,800)	
Temporary staff	35,000	25,000	(10,000)	
Training	60,000	95,000	35,000	
Travel	50,000	45,000	(5,000)	
Uniforms and protective clothing	85,000	60,000	(25,000)	
Water	75,000	80,000	5,000	
Fire service		660,000	660,000	Contribution to Fire Service costs. No legal agreement exists but auditors insist we must accrue.
Total Admin & Operating	8,492,792	9,339,260	846,468	
Depreciation	1,615,040	1,669,608	54,568	
Finance				
Principal repayments				
Interest	1,309,213	363,207	(946,006)	Interest rate on loan has increased to 5.75%
Interest on Guarantee (MIF)		1,260,004	1,260,004	Interest on \$18 million due to MIF
Bank service charges	197,040	84,000	(113,040)	
Total Finance Charges	1,506,253	1,707,211	200,958	
Total Expenses	21,926,601	23,232,182	1,305,581	
Surplus/(Deficit)	160,954	(1,000,214)	(1,161,167)	

CORPORATION OF HAMILTON

2017 Budget
Capital Expenditures

	2015	2016	2017	2017 vs 2016
	Budget	Budget	Budget	Variance
Capital Expenditures				
Vehicles Renewals		150,000	450,000	300,000
New Capital Projects	850,000	565,000	635,000	70,000
Capital Renewals	2,990,000	1,164,500	1,828,300	663,800
Total Capital Expenditures	3,840,000	1,879,500	2,913,300	1,033,800

CORPORATION OF HAMILTON
 2017 Budget
 Vehicle Renewals

					2017
		Cab/Chassis			
Description	Licence #	Make	Manufacture Date		
Dump Truck	HC 524	Mitsubishi		1997	70,000
Vacuum Truck	HC 623	Isuzu			200,000
Small garbage truck	HX 30	Isuzu		1998	150,000
Van	IN	Mazda			30,000
					\$ 450,000

Replace with Intermediate truck

CORPORATION OF HAMILTON
2017 Budget
New Capital Projects

PROPOSED NEW CAPITAL PROJECTS

		PROPOSED BUDGET	
1	Car Park control equipment	150,000	a-Purchase and installed equipment at #1 Car Park, b-Design ParlaVille and Bull's Head for barriers, c-additional pay unit for City Hall
14	Tree grates	50,000	For installation through out city as we install new street trees
15	Mag Meters for North Street and Dundonald PS	60,000	Install flow meters on the two stations to collect data for future improvements
20	CCTV camera installations	50,000	Install existing cameras and purchase additional cameras
21	Split bin lifts for garbage trucks	75,000	Purchase and installation on the three large garbage trucks
22	Parkette for Serpentine lot	50,000	Design
	Foundations for tent in City Hall/ #1 Car Park	50,000	
	Wharf Study to tender the Stevedoring Contract	150,000	RFP in 2018
	Total	\$ 635,000.00	

CORPORATION OF HAMILTON
2017 Budget
Capital Projects removed from 2017 Budget

Below is a list of Capital projects which have been removed from the 2017 Budget in order to achieve a balanced budget.

New Capital Projects	Amount	Explanation
Barr's Bay Park Marina	850,000	
City Hall Theatre Light control box access	100,000	Provide new access to light control box in theatre to mitigate existing issues with current access
Solar panels for City Properties	200,000	Front St Pump Station, Hamilton Hall, Stevedoring House, Works Depot
Stair access on Bulls Head / Elliott Street	60,000	Provide pedestrian access to Bull's Head and eliminate conflict with vehicles on ramp.
Convert Old Horse Canopy area to pedestrian precinct	100,000	Design and construct
CCTV camera installations	50,000	Install existing cameras and purchase additional cameras
Parkette for Serpentine lot	150,000	Design
Total New Capital Projects	\$ 1,510,000	

Capital Renewals	Amount	Explanation
Streets		
Sidewalks	200,000	Design and refurbishment of Union St
City Hall		
Windows and external doors	30,000	Replace remaining wooden windows
Internal walls	50,000	Painting
Corporation Offices		
Fixtures and fittings	20,000	
Decoration/painting	20,000	Mayors Parlour and Offices
City Hall - Front Desk Security	50,000	If not done in 2016
Infrastructure		
Bulls Head Steel painting		
Car park resurfacing	550,000	Resurface City Hall car park
Bulls Head Car Park Replace culverts	130,000	Design
Wharf		
Seawall	1,000,000	Ferry Terminal and flagpole areas, pipe subsidence at #7 dock
Equipment		
Wireless network	100,000	Transmitter for access points
Total Capital Renewals	\$ 2,150,000	

Total removed from 2017 Budget	\$ 3,660,000
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