



City of Hamilton
GENERAL ISSUES COMMITTEE REVISED

Meeting #: 19-008
Date: April 17, 2019
Time: 9:30 a.m.
Location: Council Chambers, Hamilton City Hall
71 Main Street West

Stephanie Paparella, Legislative Coordinator (905) 546-2424 ext. 3993

	Pages
1. CEREMONIAL ACTIVITIES	
2. APPROVAL OF AGENDA	
(Added Items, if applicable, will be noted with *)	
3. DECLARATIONS OF INTEREST	
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10.6	Annual Assessment Appeals as of December 31, 2018 (FCS19030) (City Wide)	78
10.7	Annual Tax Arrears as of December 31, 2018 (FCS19031) (City Wide)	86
10.8	2019 Tax Policies and Area Rating (FCS19022) (City Wide)	97
	NOTE: There is an added Appendix "C" to this report.	
10.9	Open for Business Sub-Committee Report 19-001, February 27, 2019	122
10.10	Advisory Committee for Persons with Disabilities Report 19-002, March 12, 2019	127
10.11	Navy League Licence Agreement - Barton Community Hub (PED19077) (Ward 2)	133
	Discussion of Confidential Appendix "B" – Business Terms and Conditions to Report PED19077, in Closed Session, would be pursuant to Section 8.1, Sub-section (c) of the City's Procedural By-law 18-270, and Section 239(2), Sub-section (c) of the <i>Ontario Municipal Act, 2001</i> , as amended, as the subject matter pertains to a proposed or pending acquisition or disposition of land for City purposes.	
10.12	Interview Sub-Committee (to the General Issues Committee) Report 19-001, March 29, 2019	139
	Discussion of Private & Confidential Appendix "A" to the Interview Sub-Committee Report 19-002, in Closed Session, would be pursuant to Section 8.1, Sub-section (b) of the City's Procedural By-law 18-270, and Section 239(2), Sub-section (b) of the <i>Ontario Municipal Act, 2001</i> , as amended, as the subject matter pertains to personal matters about an identifiable individual, including City employees.	

- 10.13 Downtown Entertainment Assets Operating Agreements (CM18013(a))
(City Wide)

NOTE: THIS ITEM HAS BEEN WITHDRAWN FROM THE AGENDA AT THIS TIME.

- *10.14 Judicial Investigation - Red Hill Valley Parkway (LS19017) (City Wide)

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11. MOTIONS

12. NOTICES OF MOTION

13. GENERAL INFORMATION / OTHER BUSINESS

13.1 Amendments to the Outstanding Business List:

13.1.a Proposed New Due Dates:

13.1.a.a Tourism Gateway Centre in Winona

Current Due Date: March 20, 2019 - Proposed New
Due Date: December 4, 2019

13.1.a.b Corporate Strategic Growth Initiatives - Annual Update

Current Due Date: March 20, 2019 - Proposed New
Due Date: October 2, 2019

13.1.a.c Pier 8 Development Opportunity RFP - Summary of the 4 Proposals

Current Due Date: March 20, 2019 - Proposed New
Due Date: July 8, 2019

13.1.a.d CityLab Pilot Update

Current Due Date: March 20, 2019 - Proposed New
Due Date: May 1, 2019

13.1.b Items to be Removed:

13.1.b.a Review of the Downtown and Community Renewal Improvement Program

(Addressed as Item 1(b) at the February 21, 2019 AF&A Agenda – Development Charges Stakeholder Sub-Committee Report 19-002 (FCS18062(a))

13.1.b.b Policy to Govern the Process for the Installation of Signage, Art, Statues and Other Such Public Projects that are Donated to the City by the Private Sector

(Addressed as Item 10.2 on today's agenda (Report PED19068)

13.1.b.c Downtown Entertainment Assets - Proposals

(Addressed as Item 10.13 on today's agenda (Report (CM18013(a))

*13.2 Update respecting the Provinces Intention to Move from 52 Paramedic Services to 10 Across the Province (no copy)

14. PRIVATE AND CONFIDENTIAL

14.1 Closed Session Minutes - March 22, 2019 (Operating Budget)

Pursuant to Section 8.1, Sub-sections (d) and (f) of the City's Procedural By-law 18-270, and Section 239(2), Sub-sections (d) and (f) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to labour relations or employee negotiations; and, the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

14.2 Closed Session Minutes - April 3, 2019

Pursuant to Section 8.1, Sub-sections (c), (e), (f) and (k) of the City's Procedural By-law 18-270; and, Section 239(2), Sub-sections (c), (e), (f) and (k) of the *Ontario Municipal Act*, 2001, as amended, as the subject matters pertain to a proposed or pending acquisition or disposition of land for City purposes; litigation or potential litigation, including matters before administrative tribunals, affecting the City; the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and, a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

14.3 Disposition of Real Estate in the Barton-Tiffany Area (PED19063(a)) (Ward 2)

Pursuant to Section 8.1, Sub-section (c) of the City's Procedural By-law 18-270, and Section 239(2), Sub-section (c) of the *Ontario Municipal Act*, 2001, as amended, as the subject matter pertains to a proposed or pending acquisition or disposition of land for City purposes.

*14.4 Strathearne Avenue North Monitoring - Potential Regulatory Litigation (PW19036/LS19016) (Ward 4)

Pursuant to Section 8.1, Sub-sections (e) and (f) of the City's Procedural By-law 18-270, and Section 239(2), Sub-sections (e) and (f) of the *Ontario Municipal Act*, 2001, as amended, as the subject matter pertains to litigation or potential litigation, including matters before administrative tribunals, affecting the City; and, the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

15. ADJOURNMENT



GENERAL ISSUES COMMITTEE MINUTES 19-007

9:30 a.m.

Wednesday, April 3, 2019

Council Chambers

Hamilton City Hall

71 Main Street West

Present: Mayor F. Eisenberger, Deputy Mayor B. Clark (Chair)
Councillors M. Wilson, N. Nann, S. Merulla, C. Collins, T. Jackson,
E. Pauls, J. P. Danko, M. Pearson, B. Johnson, A. VanderBeek,
T. Whitehead, J. Partridge

Absent: Councillor J. Farr – Personal
Councillor L. Ferguson – Other City Business

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. Our People Survey Update (HUR19006) (City Wide) (Item 9.1)

(Jackson/Pauls)

That Report HUR19006, respecting Our People Survey Update, be received.

CARRIED

2. Synapse Life Science Consortium Request for Funding - 2019 (PED19057) (City Wide) (Item 10.1)

(Danko/Wilson)

(a) That the \$25K funding request by Synapse Life Sciences Consortium of the City of Hamilton's 2019 annual community partnership contribution be approved;

(b) That the \$25K annual contribution for the Synapse Life Sciences Consortium be conditional on the Council established annual Key Performance Indicators;

(c) That the annual \$25K contribution for the Synapse Life Sciences Consortium be funded from the Economic Development Investment Reserve Account No. 112221; and,

(d) That City staff, together with the Synapse Life Sciences Consortium, report back to the General Issues Committee with an annual review of the Municipal Funding Program, prior to the approval of a renewal option for

2020 and satisfactory Key Performance Indicator results of the previous year.

Result: Motion CARRIED by a vote of 12 to 1, as follows:

YES - Councillor Maureen Wilson
 NOT PRESENT - Councillor Jason Farr
 YES - Councillor Nrinder Nann
 YES - Councillor Sam Merulla
 NO - Councillor Chad Collins
 YES - Councillor Tom Jackson
 YES - Councillor Esther Pauls
 YES - Councillor John-Paul Danko
 YES - Deputy-Mayor Brad Clark
 YES - Mayor Fred Eisenberger
 YES - Councillor Judi Partridge
 NOT PRESENT - Councillor Terry Whitehead
 YES - Councillor Arlene VanderBeek
 NOT PRESENT - Councillor Lloyd Ferguson
 YES - Councillor Brenda Johnson
 YES - Councillor Maria Pearson

3. Art and Monuments Donation Policy (PED19068) (City Wide) (Item 10.2)

(Eisenberger/Partridge)

- (a) That the Art and Monuments Donation Policy, attached as Appendix "A" to Report PED19068, **as amended**, be approved; and,
- (b) That the Art and Monuments Donation Process, attached as Appendix "B" to Report PED19068, be approved.

Result: Main Motion, AS AMENDED, CARRIED, by a vote of 13 to 0, as follows:

YES - Councillor Maureen Wilson
 NOT PRESENT - Councillor Jason Farr
 YES - Councillor Nrinder Nann
 YES - Councillor Sam Merulla
 NOT PRESENT - Councillor Chad Collins
 YES - Councillor Tom Jackson
 YES - Councillor Esther Pauls
 YES - Councillor John-Paul Danko
 YES - Deputy-Mayor Brad Clark
 YES - Mayor Fred Eisenberger
 YES - Councillor Judi Partridge
 YES - Councillor Terry Whitehead
 YES - Councillor Arlene VanderBeek

NOT PRESENT - Councillor Lloyd Ferguson
 YES - Councillor Brenda Johnson
 YES - Councillor Maria Pearson

4. Waiver of Park and Insurance Fees for Easter Egg Hunts on City Owned Property (Item 11.1)

(Eisenberger/Merulla)

That the Motion respecting the Waiver of Park and Insurance fees for Easter Egg Hunts on City owned property, be referred to the April 10, 2019 meeting of Council to allow for comments from Legal Services and Risk Management with respect to waiving insurance fees (to be funded by the City) for all Easter Egg Hunts being held on City owned property.

Result: Motion CARRIED by a vote of 11 to 2, as follows:

YES - Councillor Maureen Wilson
 NOT PRESENT - Councillor Jason Farr
 YES - Councillor Nrinder Nann
 YES - Councillor Sam Merulla
 NOT PRESENT - Councillor Chad Collins
 NO - Councillor Tom Jackson
 YES - Councillor Esther Pauls
 YES - Councillor John-Paul Danko
 YES - Deputy-Mayor Brad Clark
 YES - Mayor Fred Eisenberger
 YES - Councillor Judi Partridge
 YES - Councillor Terry Whitehead
 YES - Councillor Arlene VanderBeek
 NOT PRESENT - Councillor Lloyd Ferguson
 NO - Councillor Brenda Johnson
 YES - Councillor Maria Pearson

5. Hamilton Professional Fire Fighters' Association, Local 288 - Ratification of Collective Agreement (HUR19009) (City Wide) (Item 14.2)

(Eisenberger/Merulla)

- (a) That the tentative agreement between the City of Hamilton and the Hamilton Professional Fire Fighters' Association, Local 288, representing Hamilton Fire Department, be ratified; and,
- (b) That Report HUR19009, respecting Hamilton Professional Fire Fighters' Association, Local 288 - Ratification of Collective Agreement, remain confidential.

Result: Motion CARRIED by a vote of 13 to 0, as follows:

YES - Councillor Maureen Wilson
 NOT PRESENT - Councillor Jason Farr
 YES - Councillor Nrinder Nann
 YES - Councillor Sam Merulla
 NOT PRESENT - Councillor Chad Collins
 YES - Councillor Tom Jackson
 YES - Councillor Esther Pauls
 YES - Councillor John-Paul Danko
 YES - Deputy-Mayor Brad Clark
 YES - Mayor Fred Eisenberger
 YES - Councillor Judi Partridge
 YES - Councillor Terry Whitehead
 YES - Councillor Arlene VanderBeek
 NOT PRESENT - Councillor Lloyd Ferguson
 YES - Councillor Brenda Johnson
 YES - Councillor Maria Pearson

FOR INFORMATION:

(a) APPROVAL OF AGENDA (Item 2)

The Committee Clerk advised of the following changes to the agenda:

1. NOTICES OF MOTION (Item 12)

12.1 Waiver of Park and Insurance Fees for Easter Egg Hunts on City Owned Property

2. PRIVATE & CONFIDENTIAL (Item 14)

14.2 Hamilton Professional Fire Fighters' Association, Local 288 - Ratification of Collective Agreement (HUR19009) (City Wide)

Pursuant to Section 8.1, Sub-section (d) of the City's Procedural By-law 18-270, and Section 239(2), Sub-section (d) of the *Ontario Municipal Act*, 2001, as amended, as the subject matter pertains to labour relations or employee negotiations.

(Johnson/Partridge)

That the agenda for the April 3, 2019 General Issues Committee meeting, be approved, as amended.

Result: Motion CARRIED by a vote of 9 to 0, as follows:

YES - Councillor Maureen Wilson
 NOT PRESENT - Councillor Jason Farr
 YES - Councillor Nrinder Nann
 YES - Councillor Sam Merulla
 NOT PRESENT - Councillor Chad Collins
 NOT PRESENT - Councillor Tom Jackson
 YES - Councillor Esther Pauls
 YES - Councillor John-Paul Danko
 YES - Deputy-Mayor Brad Clark
 NOT PRESENT - Mayor Fred Eisenberger
 YES - Councillor Judi Partridge
 NOT PRESENT - Councillor Terry Whitehead
 YES - Councillor Arlene VanderBeek
 NOT PRESENT - Councillor Lloyd Ferguson
 YES - Councillor Brenda Johnson
 NOT PRESENT - Councillor Maria Pearson

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF THE PREVIOUS MEETINGS (Item 4)

(i) March 20, 2019 (Item 4.1)

(Johnson/VanderBeek)

That the Minutes of the March 20, 2019 meeting of the General Issues Committee be approved, as presented.

Result: Motion CARRIED by a vote of 9 to 0, as follows:

YES - Councillor Maureen Wilson
 NOT PRESENT - Councillor Jason Farr
 YES - Councillor Nrinder Nann
 YES - Councillor Sam Merulla
 NOT PRESENT - Councillor Chad Collins
 NOT PRESENT - Councillor Tom Jackson
 YES - Councillor Esther Pauls
 YES - Councillor John-Paul Danko
 YES - Deputy-Mayor Brad Clark
 NOT PRESENT - Mayor Fred Eisenberger
 YES - Councillor Judi Partridge
 NOT PRESENT - Councillor Terry Whitehead
 YES - Councillor Arlene VanderBeek

NOT PRESENT - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
NOT PRESENT - Councillor Maria Pearson

(ii) March 22, 2019 – Special (Item 4.2)

(Johnson/VanderBeek)

That the Minutes of the March 22, 2019 Special meeting of the General Issues Committee be approved, as presented.

Result: Motion CARRIED by a vote of 9 to 0, as follows:

YES - Councillor Maureen Wilson
NOT PRESENT - Councillor Jason Farr
YES - Councillor Nrinder Nann
YES - Councillor Sam Merulla
NOT PRESENT - Councillor Chad Collins
NOT PRESENT - Councillor Tom Jackson
YES - Councillor Esther Pauls
YES - Councillor John-Paul Danko
YES - Deputy-Mayor Brad Clark
NOT PRESENT - Mayor Fred Eisenberger
YES - Councillor Judi Partridge
NOT PRESENT - Councillor Terry Whitehead
YES - Councillor Arlene VanderBeek
NOT PRESENT - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
NOT PRESENT - Councillor Maria Pearson

(iii) March 22, 2019 – Operating Budget (Item 4.3)

(Johnson/VanderBeek)

That the Minutes of the March 22, 2019 meeting of the General Issues Committee (Operating Budget) be approved, as presented.

Result: Motion CARRIED by a vote of 9 to 0, as follows:

YES - Councillor Maureen Wilson
NOT PRESENT - Councillor Jason Farr
YES - Councillor Nrinder Nann
YES - Councillor Sam Merulla
NOT PRESENT - Councillor Chad Collins
NOT PRESENT - Councillor Tom Jackson
YES - Councillor Esther Pauls
YES - Councillor John-Paul Danko
YES - Deputy-Mayor Brad Clark

NOT PRESENT - Mayor Fred Eisenberger
 YES - Councillor Judi Partridge
 NOT PRESENT - Councillor Terry Whitehead
 YES - Councillor Arlene VanderBeek
 NOT PRESENT - Councillor Lloyd Ferguson
 YES - Councillor Brenda Johnson
 NOT PRESENT - Councillor Maria Pearson

(d) CONSENT ITEMS (Item 7)

- (i) Business Improvement Area Advisory Committee Minutes, February 12, 2019 (Item 7.1)**

(Danko/Partridge)

That the Business Improvement Area Advisory Committee Minutes, of February 12, 2019, be received.

CARRIED

(e) PUBLIC HEARINGS / DELEGATIONS (Item 8)

- (i) Rob MacIsaac, President and CEO, Hamilton Health Sciences, Annual Presentation respecting an Overview of Current Issues, Opportunities and Future Planning (Item 8.1)**

Rob MacIsaac, President and CEO, Hamilton Health Sciences, addressed Committee and provided a PowerPoint presentation respecting an overview of current issues, opportunities and future planning for Hamilton Health Sciences.

(Pearson/VanderBeek)

That Rob MacIsaac, President and CEO, Hamilton Health Sciences, be provided additional time, beyond the 5 minutes, to provide the presentation respecting an overview of current issues, opportunities and future planning for Hamilton Health Sciences.

Result: Motion CARRIED by a vote of 9 to 0, as follows:

YES - Councillor Maureen Wilson
 NOT PRESENT - Councillor Jason Farr
 YES - Councillor Nrinder Nann
 YES - Councillor Sam Merulla
 NOT PRESENT - Councillor Chad Collins
 NOT PRESENT - Councillor Tom Jackson
 YES - Councillor Esther Pauls
 YES - Councillor John-Paul Danko
 YES - Deputy-Mayor Brad Clark

NOT PRESENT - Mayor Fred Eisenberger
 YES - Councillor Judi Partridge
 NOT PRESENT - Councillor Terry Whitehead
 YES - Councillor Arlene VanderBeek
 NOT PRESENT - Councillor Lloyd Ferguson
 YES - Councillor Brenda Johnson
 NOT PRESENT - Councillor Maria Pearson

(Pearson/Pauls)

That the presentation provided by Rob MacIsaac, President and CEO, Hamilton Health Sciences, respecting an overview of current issues, opportunities and future planning for Hamilton Health Sciences, be received.

CARRIED

A copy of the presentation is available on the City's website at www.hamilton.ca or through the Office of the City Clerk.

- (ii) Ted Scott, Synapse Life Sciences Consortium, respecting Item 10.1 - Report PED19057, Synapse Life Science Consortium Request for Funding – 2019 (Item 8.2)**

Ted Scott, Synapse Life Sciences Consortium, addressed Committee respecting Item 10.1 - Report PED19057, Synapse Life Science Consortium Request for Funding – 2019.

(Pearson/Danko)

That the presentation provided by Ted Scott, Synapse Life Sciences Consortium, respecting Item 10.1 - Report PED19057, Synapse Life Science Consortium Request for Funding – 2019, be received.

CARRIED

For disposition of this matter, please refer to Item 2.

- (iii) Anne Pearson and Gail Rappolt, United Nations Association in Canada, Hamilton Branch, and Culture of Peace Hamilton, to Share Information from Hamilton's September 2018 International Day of Peace Celebration (Item 8.3)**

Anne Pearson and Gail Rappolt, United Nations Association in Canada, Hamilton Branch, and Culture of Peace Hamilton, addressed Committee to share information from Hamilton's September 2018 International Day of Peace Celebration.

(Pauls/Partridge)

That the presentation provided by Anne Pearson and Gail Rappolt, United Nations Association in Canada, Hamilton Branch, and Culture of Peace Hamilton, to Share Information from Hamilton's September 2018 International Day of Peace Celebration, be received.

CARRIED

A copy of the presentation is available on the City's website at www.hamilton.ca or through the Office of the City Clerk.

(Jackson/VanderBeek)

That, as the delegate respecting this matter is present, Item 10.1, respecting Report PED19057 - Synapse Life Science Consortium Request for Funding - 2019, be moved up on the agenda to be considered before Item 9.1.

Result: Motion CARRIED by a vote of 12 to 0, as follows:

YES - Councillor Maureen Wilson
 NOT PRESENT - Councillor Jason Farr
 YES - Councillor Nrinder Nann
 YES - Councillor Sam Merulla
 YES - Councillor Chad Collins
 YES - Councillor Tom Jackson
 YES - Councillor Esther Pauls
 YES - Councillor John-Paul Danko
 YES - Deputy-Mayor Brad Clark
 NOT PRESENT - Mayor Fred Eisenberger
 YES - Councillor Judi Partridge
 NOT PRESENT - Councillor Terry Whitehead
 YES - Councillor Arlene VanderBeek
 NOT PRESENT - Councillor Lloyd Ferguson
 YES - Councillor Brenda Johnson
 YES - Councillor Maria Pearson

(f) STAFF PRESENTATIONS (Item 9)

(i) Our People Survey Update (HUR19006) (City Wide) (Item 9.1)

Dawn Hannemann, Manager of Organizational Development and Learning, addressed Committee and provided a PowerPoint presentation respecting Report HUR19006, Our People Survey Update.

(Eisenberger/VanderBeek)

That the presentation respecting Report HUR19006, Our People Survey Update, be received.

CARRIED

A copy of the presentation is available on the City's website at www.hamilton.ca or through the Office of the City Clerk.

For disposition of this matter, please refer to Item 1.

(g) DISCUSSION ITEMS (Item 10)

(i) Art and Monuments Donation Policy (PED19068) (City Wide) (Item 10.2)

Appendix "A" to Report PED19068, respecting the Art and Monuments Donation Policy, was amended as follows:

3.0 DEFINITIONS

Artwork or Commemorative Feature

A work of art, signage, monument, marker, statue, or other such feature that is intended to memorialize, celebrate or in some other way signify an event, individual, group or organization, ***exclusive of commemorative or memorial features that are subject to the processes and policies of the Parks & Cemeteries Section of the Public Works Department.***

4.0 DONATION CRITERIA

4.1 Relevance

- (iv) The Donation ***shall generally*** not replicate an existing monument or memorial in the public realm in the City of Hamilton pertaining to the same theme.

5.0 FINANCIAL

The Donor shall make a financial contribution to the City in an amount to be determined by City staff to offset the costs of ongoing maintenance of the Donation, ***unless otherwise agreed to by Council.***

6.0 TITLE

All rights, title and interest in and to the Donation shall be assigned to the City of Hamilton unless otherwise approved by City Council, ***excluding intellectual property rights, when appropriate.***

(h) NOTICES OF MOTION (Item 11)

(i) Waiver of Park and Insurance Fees for Easter Egg Hunts on City Owned Property (Item 11.1)

Councillor B. Johnson introduced a Notice of Motion respecting the waiver of park and insurance fees for Easter Egg Hunts on City owned property.

(Johnson/Pearson)

That the Rules of Order be waived to allow for the introduction of a Motion respecting the waiver of park and insurance fees for Easter Egg Hunts on City owned property.

Result: Motion CARRIED by a 2/3rd vote of 13 to 0, as follows:

YES - Councillor Maureen Wilson
 NOT PRESENT - Councillor Jason Farr
 YES - Councillor Nrinder Nann
 YES - Councillor Sam Merulla
 NOT PRESENT - Councillor Chad Collins
 YES - Councillor Tom Jackson
 YES - Councillor Esther Pauls
 YES - Councillor John-Paul Danko
 YES - Deputy-Mayor Brad Clark
 YES - Mayor Fred Eisenberger
 YES - Councillor Judi Partridge
 YES - Councillor Terry Whitehead
 YES - Councillor Arlene VanderBeek
 NOT PRESENT - Councillor Lloyd Ferguson
 YES - Councillor Brenda Johnson
 YES - Councillor Maria Pearson

(i) PRIVATE & CONFIDENTIAL (Item 14)

(i) Closed Session Minutes – March 20, 2019 (Item 14.1)

(Eisenberger/Whitehead)

- (a) That the Closed Session Minutes of the March 20, 2019 General Issues Committee meeting be approved, as presented; and,
- (b) That the Closed Session Minutes of the March 20, 2019 General Issues Committee meeting, remain confidential.

Result: Motion CARRIED by a vote of 13 to 0, as follows:

YES - Councillor Maureen Wilson
 NOT PRESENT - Councillor Jason Farr
 YES - Councillor Nrinder Nann
 YES - Councillor Sam Merulla
 NOT PRESENT - Councillor Chad Collins
 YES - Councillor Tom Jackson
 YES - Councillor Esther Pauls
 YES - Councillor John-Paul Danko
 YES - Deputy-Mayor Brad Clark
 YES - Mayor Fred Eisenberger
 YES - Councillor Judi Partridge
 YES - Councillor Terry Whitehead
 YES - Councillor Arlene VanderBeek
 NOT PRESENT - Councillor Lloyd Ferguson
 YES - Councillor Brenda Johnson
 YES - Councillor Maria Pearson

(Whitehead/Eisenberger)

That the Committee move into Closed Session, respecting Item 14.2, pursuant to Section 8.1, Sub-section (d) of the City's Procedural By-law 18-270, and Section 239(2), Sub-section (d) of the *Ontario Municipal Act*, 2001, as amended, as the subject matter pertains to labour relations or employee negotiations.

Result: Motion CARRIED by a vote of 13 to 0, as follows:

YES - Councillor Maureen Wilson
 NOT PRESENT - Councillor Jason Farr
 YES - Councillor Nrinder Nann
 YES - Councillor Sam Merulla
 NOT PRESENT - Councillor Chad Collins
 YES - Councillor Tom Jackson
 YES - Councillor Esther Pauls
 YES - Councillor John-Paul Danko
 YES - Deputy-Mayor Brad Clark
 YES - Mayor Fred Eisenberger
 YES - Councillor Judi Partridge
 YES - Councillor Terry Whitehead
 YES - Councillor Arlene VanderBeek
 NOT PRESENT - Councillor Lloyd Ferguson
 YES - Councillor Brenda Johnson
 YES - Councillor Maria Pearson

(j) ADJOURNMENT (Item 13)

(Pearson/VanderBeek)

That there being no further business, the General Issues Committee be adjourned at 2:05 p.m.

Respectfully submitted,

B. Clark, Deputy Mayor
Chair, General Issues Committee

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk



M I N U T E S
ARTS ADVISORY COMMISSION
November 27, 2018
4:00 p.m. – 6:00 p.m.
Visitor Information Centre
Lister Block, 28 James Street N.

Chair: Kyle Skinner Recorder: Lauren Anastasi

Present: Christine Braun, Monika Ciolek, Ken Coit, Sara Dickinson, Patricia LeClair, Peter Malysewich, Ray Rivers

Absent with Regrets: Elena Balaska

1. CHANGES TO THE AGENDA

None

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. APPROVAL OF MINUTES OF PREVIOUS MEETING

3.1 The following changes to be made to the September 25, 2018 meeting minutes.

- Item 6.6 **THAT** the Big Picture Sub-Committee develop detailed plans and budgets for 3 outreach events related to themes identified in the Big Picture 2017 Report to be part of Hamilton Arts Week and report back to November AAC meeting.
- Be changed to 1 outreach event

MOVED: Christine Braun

SECOND: Patricia LeClair

THAT these two changes be made to the September 25, 2018 meeting minutes.

CARRIED

4. CONSENT ITEMS

None.

5. PRESENTATIONS

None

6. DISCUSSION ITEMS

6.1 Update from the Hamilton Arts Awards Steering Committee – Sara Dickinson

Sara was unable to attend the steering committee meeting.
Ken spoke to this item.

- Nomination packages were issued the 1st week of November and are being distributed.
- 2 Shirley Elford awards of \$2000 are allocated for emerging artists in the categories of Music and Dance and Performing Arts.
- Awards will be held June 13th at Theatre Aquarius.
- Looking for sponsorship and artist commissions.
- In talks with potential MC's for the event.

6.2 Update from the Big Picture Sub-committee – Christine Braun

- Looking at an event to coincide with Hamilton Arts Week.
- Letter of support for an Arts Council grant submission confirming that the AAC will participate and has funding for an AAC event was issued. The Arts Council has not heard back on this grant.
- Will present more details at next meeting

6.3 Update from the Arts Funding Sub-committee – Patricia LeClair

- Have not met yet, will meet in the next 2 weeks
- Sent a poll to solicit dates
- Inquired about a date when AAC presents to council
- Ken informed us a date is not set as council is changing over, he will follow up with Clerks

6.4 Update public art program – Ken Coit

- Churchill Park Public Art Project call for Artists recieved 44 submissions including international interest. There is a meeting next Wednesday to shortlist to 6 artists to develop their proposals. Public consultation on these short-listed proposals is expected in late February.
- Started a few new projects including
 - A) King William. Working with CityLab, BIA and mobility animating. Consultations will begin in late January.
 - B) Wrapping & painting of traffic signal boxes and electrical boxes in the downtown. Working with BIA, Tourism and Heritage as some may be wayfinding and historical.
- Sara suggested considering a community art project working with students for some of the boxes.

6.5 AAC recruitment – Ken Coit

Everyone received notice from Clerks about reapplying. Interviews will be held in the new year.

7. NOTICES OF MOTION

None

8. MOTIONS

- 8.1 Inviting Annette Paiement – Executive Director of The Hamilton Arts Council to speak with AAC about education and support around recent artist concerns and panels.

MOVED: Sara Dickinson

SECOND: Peter Malysewich

CARRIED

9. OTHER BUSINESS

None

10. ADJOURNMENT

Meeting Adjourned at 5:00 p.m.

MOVED: Patricia LeClair

SECOND: Ray Rivers

THAT the meeting be adjourned.

CARRIED



INFORMATION REPORT

TO:	Mayor and Members, General Issues Committee
COMMITTEE DATE:	April 17, 2019
SUBJECT/REPORT NO:	Labour Relations Activity Report (2014 - 2018) (HUR19007) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Gord Muise (905) 546-2424 Ext. 2655
SUBMITTED BY:	Lora Fontana Executive Director Human Resources
SIGNATURE:	

COUNCIL DIRECTION

To provide Council with an overview of the City's labour relations activities for the period 2014 – 2018.

INFORMATION

This Report focuses on a five (5) year historical review of the data for the period of 2014 to 2018 and speaks to the general labour relations activities across unions and departments. The Report provides Council and other City stakeholders with an understanding of the state of labour relations.

In 2018, all of the City's collective agreements remained in effect with the exception of the HPFFA, Local 288 agreement. In December of 2018, the City and the HPFFA, Local 288, received a supplemental interest arbitration award to its previous decision awarded in 2017. This award provided wage increases for 2016 and 2017. The decision also provided collective agreement language with regards to a reasonable and customary limit on benefits. Five of the City's eleven collective agreements expired on December 31, 2018 and notice to bargain was provided by those Unions.

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Labour Relations Activity Report (2014 - 2018)
(HUR19007) (City Wide) - Page 2 of 2**

In 2018, 386 grievances were filed with the City. This is a 19% decrease from the 479 grievances filed in 2017. The City's largest and most diverse bargaining unit, CUPE Local 5167 Inside/Outside, which represents approximately 51% of the City's unionized workforce, generated 213 grievances. This is consistent with the 211 grievances filed in the previous year. Given the broad scope of the positions that CUPE 5167 represents, its activity is a good indicator of the overall positive state of labour relations throughout the City. The decrease in grievance activity for CUPE Local 1041 can primarily be attributed to multiple scope related grievances that were filed and resolved at arbitration in 2018.

The issue most grieved at the City continues to be discipline, followed by hours of work, recruitment, work and attendance related grievances (refer to Appendix A to Report HUR19007 for definitions). The Labour Relations section continues to strive to improve its relationship with the Union leadership by taking a consistent approach throughout the City.

Appendix A to Report HUR19007 provides a summary of the data of labour relations activity and the associated costs over the five year reporting period (2014 - 2018).

The Labour Relations Activity Report (2014 – 2018) continues to provide valuable reporting with a view of delivering contextual data within the City's labour relations environment. Through improved dialogue and training, as well as a demonstrated willingness from all stakeholders to work in a collaborative and efficient manner, the labour relations climate at the City continues to be positive overall and one in which the majority of grievances can be resolved without the need for arbitration.

APPENDICES AND SCHEDULES ATTACHED

Appendix A to Report HUR19007 – Summary of Data

Appendix A to Report HUR19007

Page 1 of

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Collective Agreement Activity:

Collective Agreements	Term	Status
CUPE 5167 Inside/Outside (including Housing)	January 1, 2015 – December 31, 2018	Expired 2018 <i>Negotiations Commenced</i>
ATU 107	January 1, 2015 – December 31, 2018	Expired 2018 <i>Negotiations Commenced</i>
HPFFA 288	January 1, 2013 – December 31, 2017	Tentative Agreement <i>January 1, 2018 – December 31, 2022</i>
ONA Lodges	April 1, 2015 – March 31, 2019	Expires 2019 <i>Negotiations Commencing April 2019</i>
ONA Public Health	January 1, 2015 – December 31, 2018	Expired 2018 <i>Notice to bargain provided</i>
CUPE 1041	January 1, 2015 – December 31, 2018	Expired 2018 <i>Notice to bargain provided</i>
IUOE 772	January 1, 2015 – December 31, 2018	Expired 2018 <i>Notice to bargain provided</i>
CUPE 5167 Lodges	April 1, 2013 – March 31, 2019	Expires March 31, 2019
GHVFFA 911	January 1, 2016 – December 31, 2019	Expires 2019
OPSEU 256	April 1, 2016 – March 31, 2020	Expires 2020
HOWEA	January 1, 2017 – December 31, 2020	Expires 2020

Percentage of Overall Grievance Submission per Department (2018):

Department	2018 Headcount	Non-Unionized Headcount	Unionized Headcount	% of Union Employee within Dept.	% of Union Employee within COH	Number of Grievances*	% of Overall Grievances
CityHousing Hamilton	204	94	110	53.9 %	1.3 %	3	1 %
City Manager's Office	144	137	7	4.9 %	0.1 %	2	1 %
Corporate Services	498	220	278	55.8 %	3.4 %	9	2 %
Healthy and Safe Communities	4243	885	3358	79.1 %	40.7 %	144	37 %
Planning & Economic Development	890	401	489	54.9 %	5.9 %	29	8 %
Public Works	2272	199	2073	91.2 %	25.1 %	188	49 %
<i>City Wide Policy Grievances</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	11	3 %
*Total	8251	1936	6315	76.5 %	76.5 %	386	100 %

*5 Employees who have been elected to CUPE 5167 Executive are not included

* City Council staff and crossing guards are not included

*Totals may not reflect exact numbers in the second and third column due to effects of rounding

Union Demographics 2018

Union Group	Unionized Headcount	% of Union Employees within COH	Number of Grievances	% of Overall Grievances submitted by Union	Grievance Rate per 100 Unionized Employees
ATU 107	798	9.7 %	13	3 %	2
CUPE 1041	328	4.0 %	28	7 %	9
CUPE 5167	3186	38.6 %	213	55 %	7
CUPE 5167 Lodges	658	8.0 %	20	5 %	3
GHVFFA 911	221	2.7 %	1	0 %	0
HOWEA	47	0.6 %	26	7 %	55
HPFFA 288	523	6.3 %	15	4 %	3
IUOE	7	0.1 %	0	0 %	0
ONA 50 Lodges	159	1.9 %	4	1 %	3
ONA 50 Public Health	47	0.6 %	3	1 %	6
OPSEU 256	341	4.1 %	63	16 %	18
Total	6315	76.5 %	386	100 %	6

** 5 Employees who have been elected to CUPE 5167 Executive are not included*

** City Council staff and crossing guards are not included*

Grievance Analysis 2018

Total Grievances per Year (2014-2018):

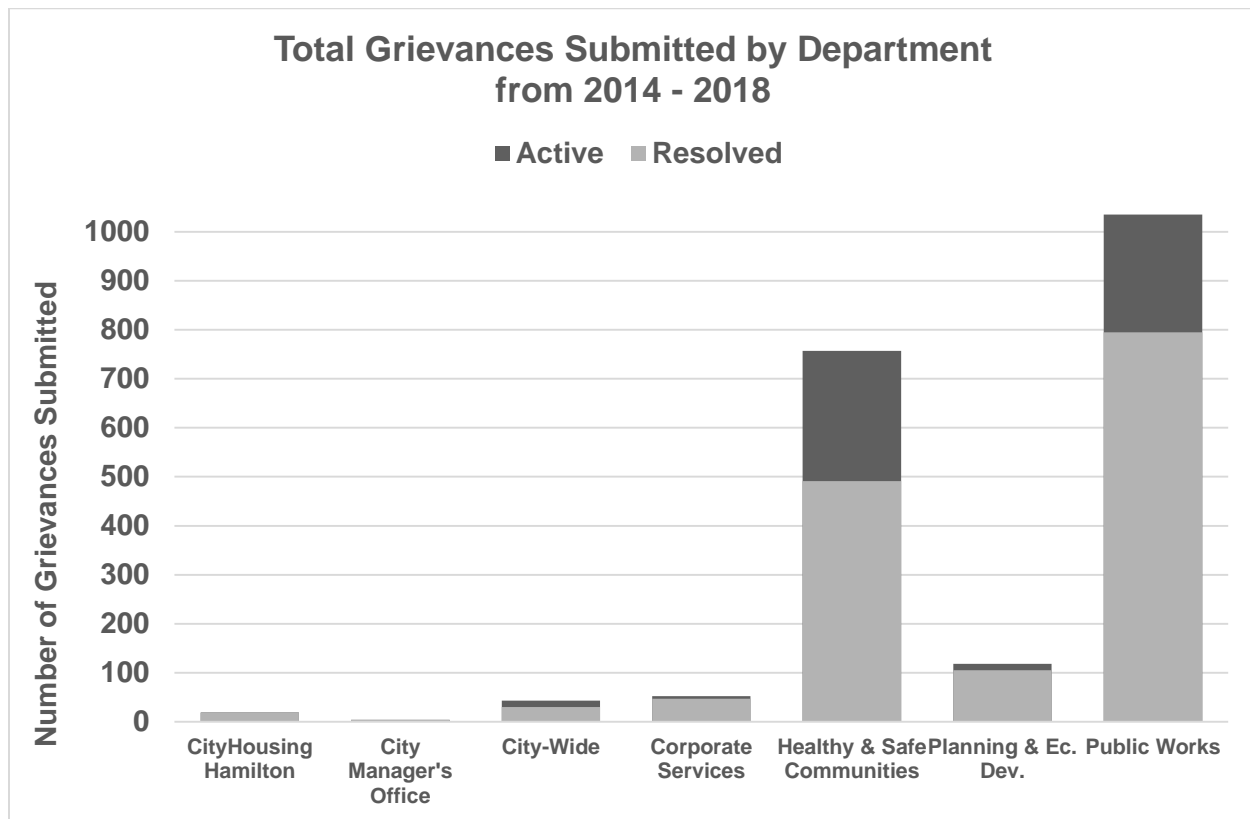


Total Grievances (2014-2018) - Active / Resolved

Year	Number of Grievances Filed	Total Number of Grievances Resolved*	Number of Active Grievances
2014	355	301	54
2015	355	286	69
2016	453	348	105
2017	479	333	146
2018	386	222	164
Total	2028	1490	538

*Chart above provides a breakdown of the number of active and resolved grievances of the grievances filed in their respective year

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Total Grievances by Department**Total Grievances by Department Summary (2014-2018):**

Department	2014	2015	2016	2017	2018	Total Grievances Submitted	Total Grievances Resolved	Total Active Grievances
CityHousing Hamilton	2	2	4	8	3	19	18	1
City Manager's Office	0	1	1	0	2	4	4	0
City-Wide	8	10	9	5	11	43	30	13
Corporate Services	12	6	9	16	9	52	47	5
Healthy & Safe Communities	140	115	148	210	144	757	491	266
Planning & Ec. Dev.	22	18	17	32	29	118	105	13
Public Works	171	203	265	208	188	1035	795	240
Total	355	355	453	479	386	2028	1490	538

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Total Grievances by Bargaining Unit

Union Grievance Activity (2014-2018):

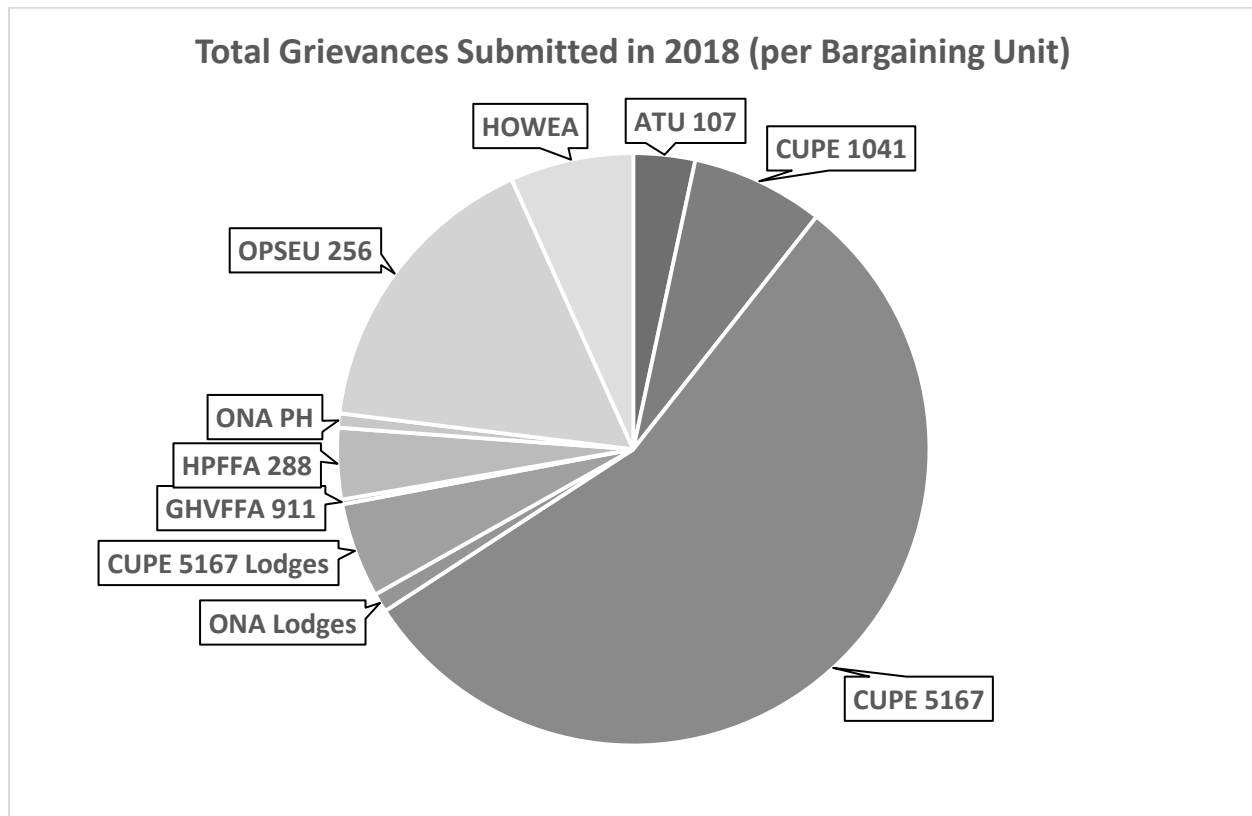


Chart Data:

Bargaining Unit	2014	2015	2016	2017	2018	2017/2018 Percentage Change
ATU 107	28	33	30	50	13	-74 %
CUPE 1041	36	33	35	62	28	-55 %
CUPE 5167	191	191	284	211	213	1 %
CUPE 5167 Lodges	15	11	9	18	20	11 %
GHVFFA 911	2	3	11	6	1	-83 %
HOWEA	15	14	14	9	26	189 %
HPFFA 288	33	20	19	29	15	-48 %
IUOE 772	0	0	0	0	0	0 %
ONA Lodges	1	7	5	10	4	-60 %
ONA PH	8	3	3	2	3	50%
OPSEU 256	26	40	43	82	63	-23 %
Total	355	355	453	479	386	-19 %

Grievance Categories

Attendance: Vacation, Stat Holidays, AWOL, Leave of Absence, Bereavement, ASP, Lieu Bank, Sick Bank, Flex Time

Benefits: Health Benefits, Life Insurance, OMERS, AD&D, Benefits

Compensation: Wages, Premium Pay, Shift Premiums, Meal Allowance, Compensation, Acting Pay, Job Evaluation, Retro Pay, Union Dues, Training Allowance, Payout Entitlements

Corporate Policy: DS&CM, Corporate Policy

Discipline: Verbal, Written, Suspension, Discipline

Harassment/Discrimination: Harassment, Discrimination, Human Rights, Toxic/Poisonous Workplace

Hours of Work: Overtime, Call-in, Call-out, Standby, Continuation of the work day, shift schedule, hours of work

Income Protection & RTW: STD, IPP, LTD, Work Accommodation, Return to Work, Doctors Note, Bridging

Job Assignment: Seniority, Conditions of Employment, Restructuring, Transfer, Job Location, Job Share, Shift Change

Job Security: Lay-off, Recall, Bumping,

Recruitment: Job postings & filling, Promotion, Demotion, Complement, Vacancies, Testing, temporary postings, HPSB-Secondary Duties

Termination: Termination, Severance

Work: Duties, Scope, Work of the Bargaining Unit, Contracting Out, Union Representation, Technological Change, Workplace Safety, Meal Breaks

Workplace Admin & Operations Parking, Mileage, City Vehicle, Bus Pass, Confidentiality, Tuition Reimbursement, Performance Appraisal, Admin-other, Clothing Allowance, Cleaning Allowance, Clothing/Uniform, Safety Wear, Training, Missed Page, Seniority

Grievance Categories

Grievance Category Comparison (2017-2018):

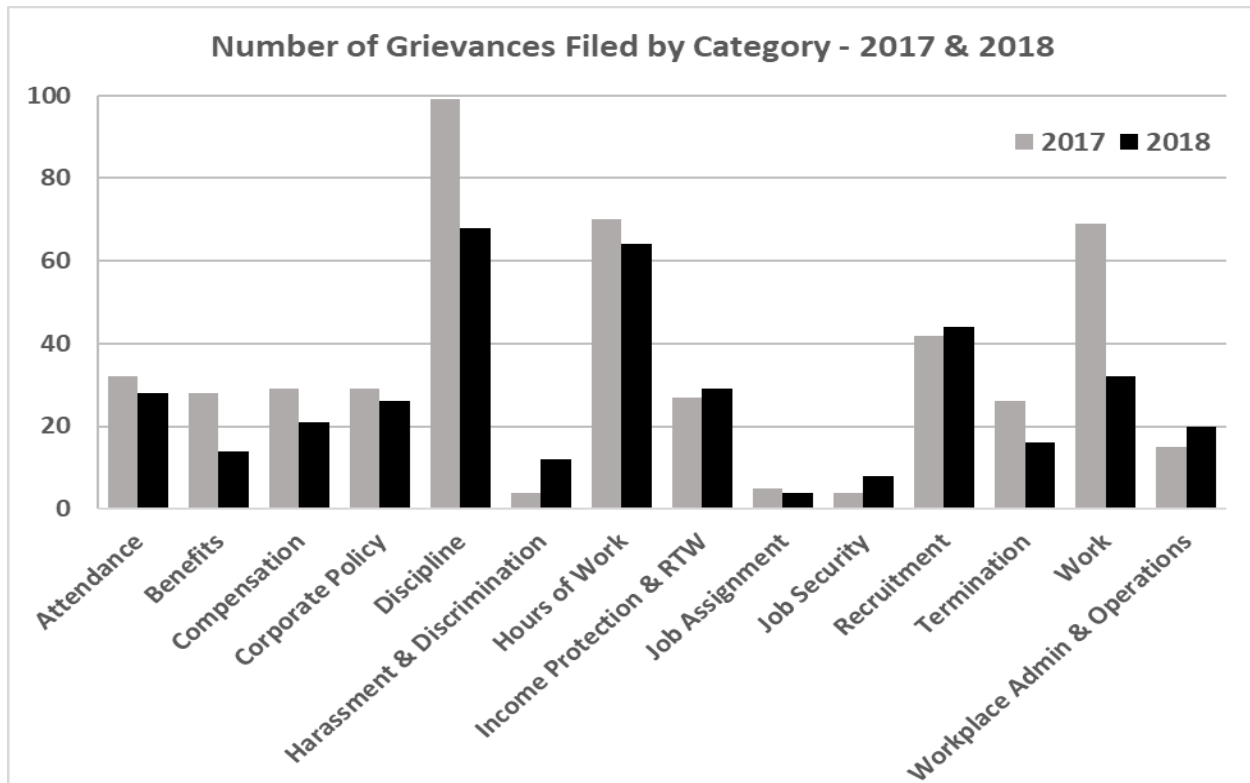
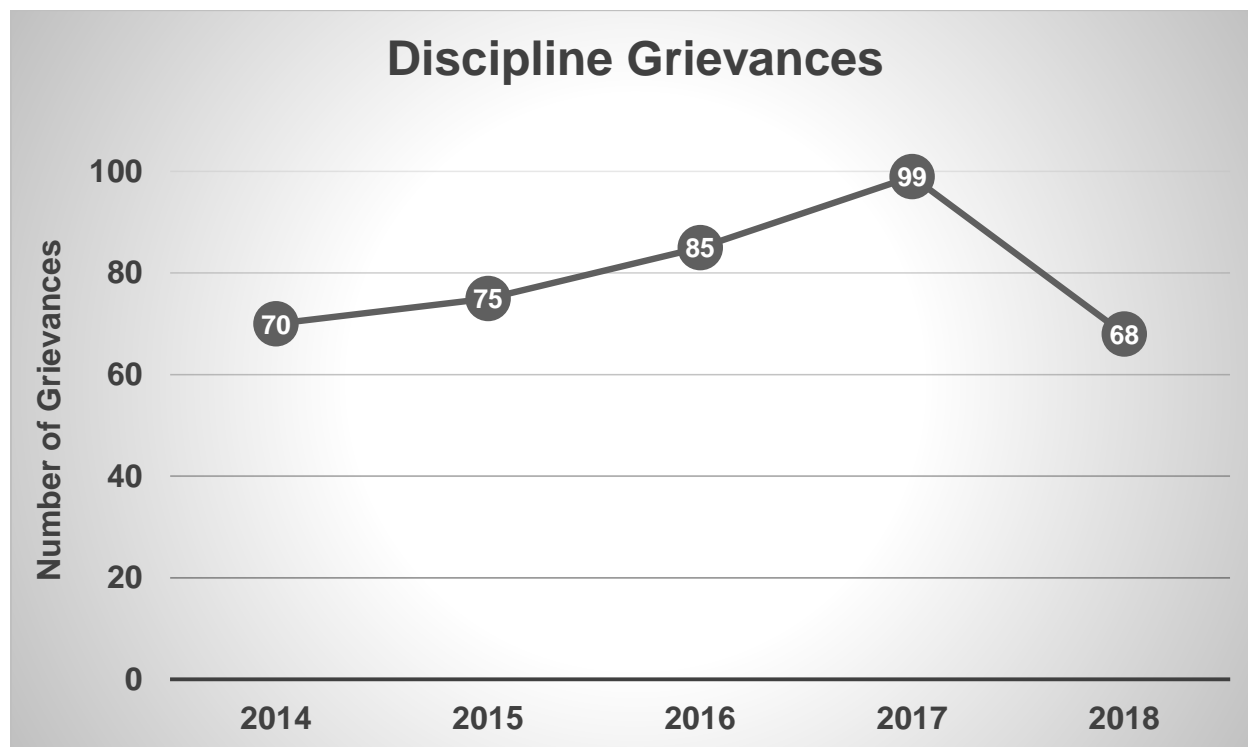


Chart Data:

Grievance Category	Number of Grievances (2017)	Number of Grievances (2018)	% change from 2017 - 2018
Attendance	32	28	-13%
Benefits	28	14	-50%
Compensation	29	21	-28%
Corporate Policy	29	26	-10%
Discipline	99	68	-31%
Harassment & Discrimination	4	12	200%
Hours of Work	70	64	-9%
Income Protection & RTW	27	29	7%
Job Assignment	5	4	-20%
Job Security	4	8	100%
Recruitment	42	44	5%
Termination	26	16	-38%
Work	69	32	-54%
Workplace Admin & Operations	15	20	33%
TOTAL	479	386	-19%

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Grievance Categories, by Union (2014-2018):**Top five grieved issues in 2018:****1. Discipline - Verbal, Written, Suspension, Discipline****Chart Data:**

Discipline	2014	2015	2016	2017	2018
ATU Local 107	10	11	9	14	1
CUPE Local 1041	1	5	5	7	3
CUPE Local 5167	55	56	65	68	54
CUPE Local 5167 Lodges	1	2	1	6	6
GHVFFA Local 911 Vol Fire	1	0	0	0	0
HOWEA Water Treatment Plant	0	1	3	0	2
HPFFA Local 288 Fire	1	0	1	0	0
ONA Local 50 Health	0	0	0	0	0
ONA Local 50 Lodges	1	0	1	4	1
OPSEU Local 256 EMS	0	0	0	0	1
Total	70	75	85	99	68

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Grievance Categories, by Union (2014-2018):

2. Hours of Work - Overtime, Call-in, Call-out, Standby, Continuation of the work day, shift schedule, hours of work

**Chart Data:**

Hours of Work	2014	2015	2016	2017	2018
ATU Local 107	10	2	2	9	1
CUPE Local 1041	9	5	5	2	5
CUPE Local 5167	43	35	65	22	33
CUPE Local 5167 Lodges	2	1	3	3	4
GHVFFA Local 911 Vol Fire	0	0	0	1	0
HOWEA Water Treatment Plant	5	1	4	2	7
HPFFA Local 288 Fire	0	2	1	1	1
ONA Local 50 Health	0	0	0	0	0
ONA Local 50 Lodges	0	0	0	4	1
OPSEU Local 256 EMS	9	16	13	26	12
Total	78	62	93	70	64

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Grievance Categories, by Union (2014-2018):

3. Recruitment - Job postings & filling, Promotion, Demotion, Complement, Vacancies, Testing, temporary postings, HPSB-Secondary Duties

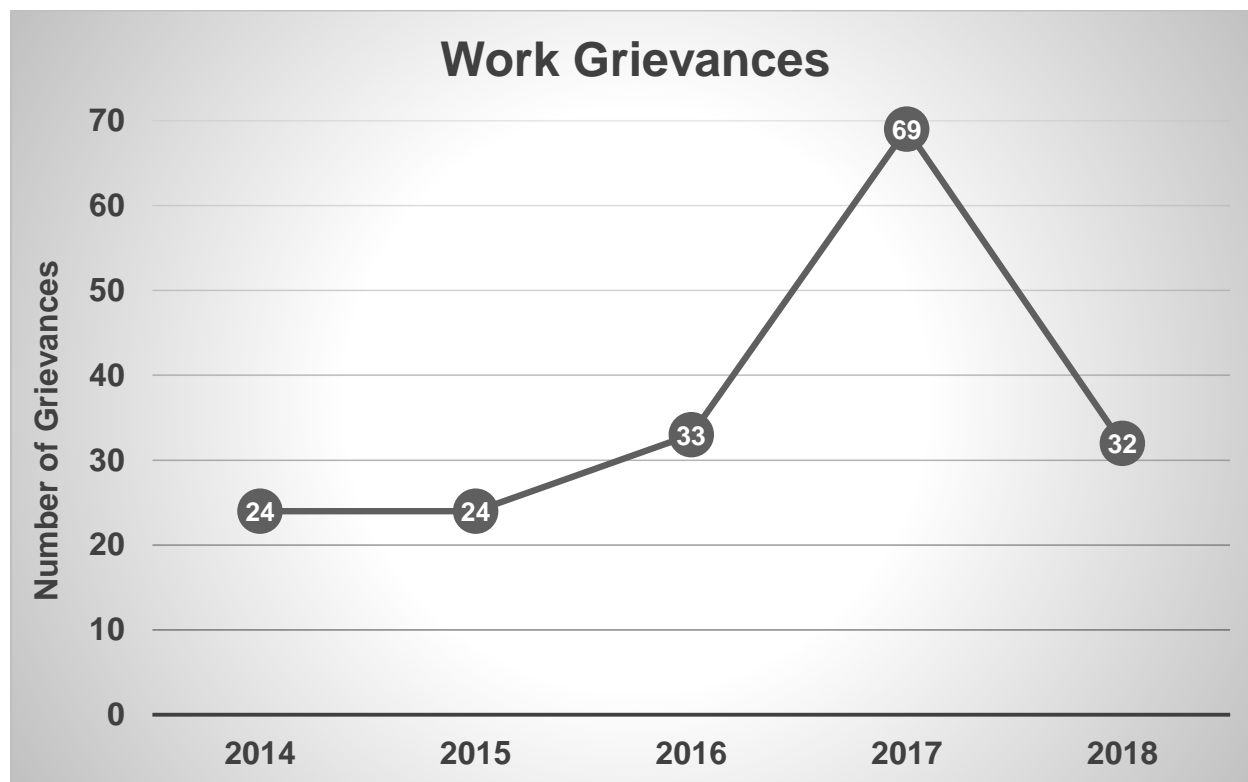
**Chart Data:**

Recruitment	2014	2015	2016	2017	2018
ATU Local 107	0	10	6	3	1
CUPE Local 1041	4	1	3	1	6
CUPE Local 5167	20	20	34	27	31
CUPE Local 5167 Lodges	3	1	1	0	2
GHVFFA Local 911 Vol Fire	0	0	0	0	0
HOWEA Water Treatment Plant	0	0	1	0	1
HPFFA Local 288 Fire	0	0	2	0	0
ONA Local 50 Health	0	1	0	1	0
ONA Local 50 Lodges	0	0	0	0	0
OPSEU Local 256 EMS	0	4	8	10	3
Total	27	37	55	42	44

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Grievance Categories, by Union (2014-2018):

4. Work - Duties, Scope, Work of the Bargaining Unit, Contracting Out, Union Representation, Technological Change, Workplace Safety, Meal Breaks

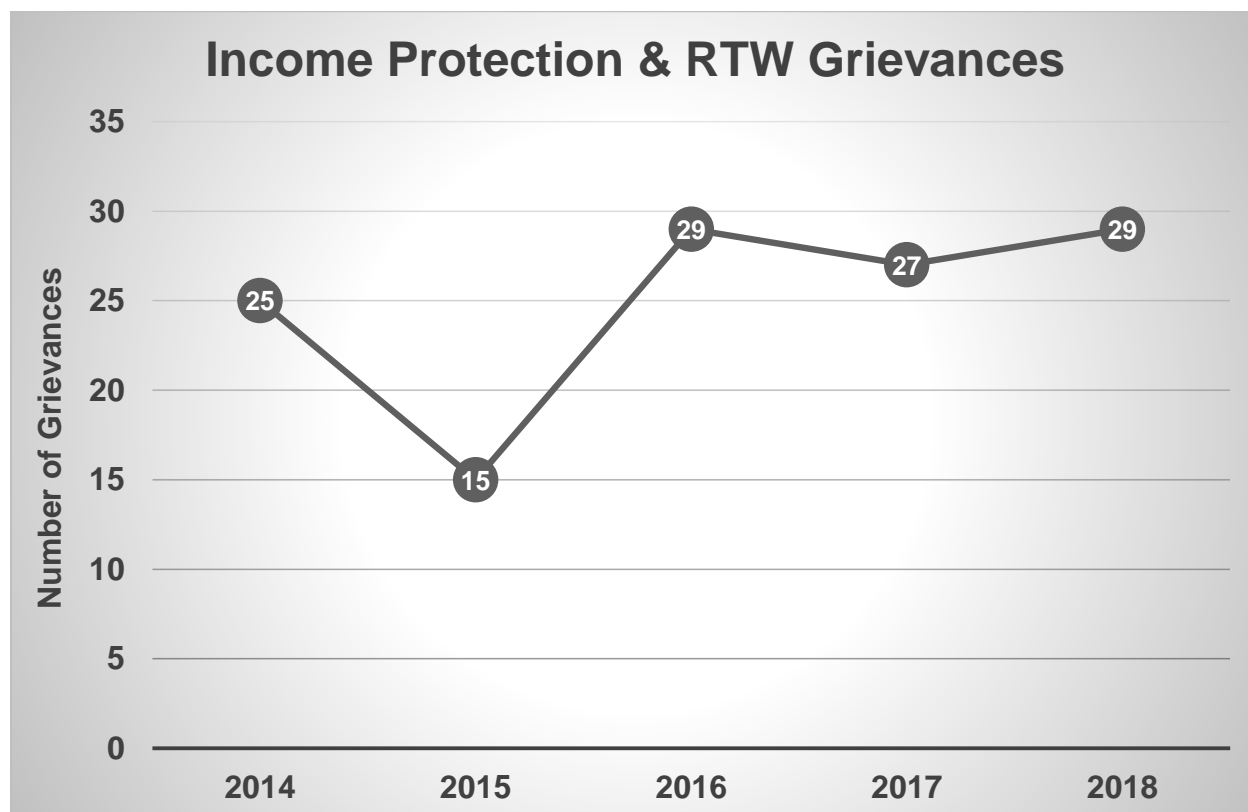
**Chart Data:**

Work	2014	2015	2016	2017	2018
ATU Local 107	0	0	5	7	1
CUPE Local 1041	5	2	3	36	3
CUPE Local 5167	9	6	5	4	7
CUPE Local 5167 Lodges	0	1	0	3	2
GHVFFA Local 911 Vol Fire	0	0	6	3	0
HOWEA Water Treatment Plant	7	12	3	4	7
HPFFA Local 288 Fire	2	1	4	5	3
ONA Local 50 Health	0	0	0	0	1
ONA Local 50 Lodges	0	2	3	0	1
OPSEU Local 256 EMS	1	0	4	7	7
Total	24	24	33	69	32

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Grievance Categories, by Union (2014-2018):

5. Income Protection & RTW: STD, IPP, LTD, Work Accommodation, Return to Work, Doctors Note, Bridging

**Chart Data:**

Income Protection & RTW	2014	2015	2016	2017	2018
ATU Local 107	2	2	3	2	0
CUPE Local 1041	2	0	3	0	2
CUPE Local 5167	7	9	18	17	10
CUPE Local 5167 Lodges	1	0	1	2	3
GHVFFA Local 911 Vol Fire	0	1	0	0	0
HOWEA Water Treatment Plant	2	0	0	0	0
HPFFA Local 288 Fire	4	0	0	1	2
ONA Local 50 Health	5	0	0	0	2
ONA Local 50 Lodges	0	0	1	0	0
OPSEU Local 256 EMS	2	3	3	5	10
Total	25	15	29	27	29

Appendix A to Report HUR19007

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Labour Relations Fees 2018*Amounts are rounded to the nearest dollar***Labour Relations Total Fees (Grievance and Non-Grievance):**** The Legal Fee amount for 2018 includes Inhouse legal cost**** The Legal Fee amount for 2017 includes Inhouse legal costs that was not reported in the last Labour Relations Activity Report*

	Mediator Fees	Arbitrator Fees	Legal Fees	Total LR Fees
2018 Totals *	\$ 35,250	\$ 144,718	\$ 626,110	\$ 806,078
2017 Totals **	\$ 35,203	\$ 122,182	\$ 738,695	\$ 896,080
Difference	\$ 47	\$ 22,536	-\$ 112,585	-\$ 90,002
Percentage Changes	0.1%	18.4%	-15.2%	-10.0%

Grievance Activity by Department

Grievance Costs by Department	Mediator Fees	Arbitrator Fees	Legal Fees	Total Labour Relations Fees	% of total fees per Department
CityHousing Hamilton	\$ -	\$ 3,991	\$ -	\$ 3,991	0.9%
City Manager's Office	\$ 319	\$ -	\$ 23,471	\$ 23,790	5.1%
Corporate Services	\$ 2,074	\$ 2,255	\$ -	\$ 4,329	0.9%
Healthy and Safe Communities	\$ 11,879	\$ 47,319	\$ 138,582	\$ 197,781	42.4%
Planning & Economic Development	\$ 2,360	\$ -	\$ 3,067	\$ 5,426	1.2%
Public Works	\$ 17,804	\$ 63,703	\$ 149,230	\$ 230,738	49.5%
Total Fees (2018)	\$ 34,436	\$ 117,268	\$ 314,350	\$ 466,055	
<i>Total Fees (2017)</i>	<i>\$ 31,659</i>	<i>\$ 112,428</i>	<i>\$ 422,640</i>	<i>\$ 566,726</i>	

Appendix A to Report HUR19007

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Grievance Activity by Category

Grievance Costs by Category	Mediator Fees	Arbitrator Fees	Legal Fees	Total Labour Relations Fees	% of total fees per grievance category
Attendance	\$ 1,095	\$ 4,550	\$ -	\$ 5,645	1.2%
Benefits	\$ 353	\$ 2,783	\$ 7,519	\$ 10,655	2.3%
Compensation	\$ 913	\$ 6,785	\$ 44,891	\$ 52,590	11.3%
Corporate Policy	\$ 1,649	\$ 5,515	\$ -	\$ 7,164	1.5%
Discipline	\$ 6,574	\$ -	\$ 14,775	\$ 21,348	4.6%
Harassment & Discrimination	\$ 2,117	\$ 2,191	\$ 1,919	\$ 6,228	1.3%
Hours of Work	\$ 7,228	\$ 12,505	\$ 23,078	\$ 42,811	9.2%
Income Protection & RTW	\$ 1,921	\$ 11,080	\$ 22,624	\$ 35,625	7.6%
Job Assignment	\$ 319	\$ 2,193	\$ -	\$ 2,512	0.5%
Job Security	\$ 984	\$ 4,419	\$ -	\$ 5,402	1.2%
Recruitment	\$ 3,917	\$ 10,569	\$ 50,238	\$ 64,723	13.9%
Termination	\$ 3,214	\$ 32,362	\$ 97,471	\$ 133,047	28.5%
Work	\$ 4,153	\$ 13,172	\$ 33,935	\$ 51,259	11.0%
Workplace Admin & Operations	\$ -	\$ 9,146	\$ 17,901	\$ 27,047	5.8%
Total Fees (2018)	\$ 34,436	\$ 117,268	\$ 314,350	\$ 466,055	
<i>Total Fees (2017)</i>	<i>\$ 31,659</i>	<i>\$ 112,428</i>	<i>\$ 422,640</i>	<i>\$ 566,726</i>	

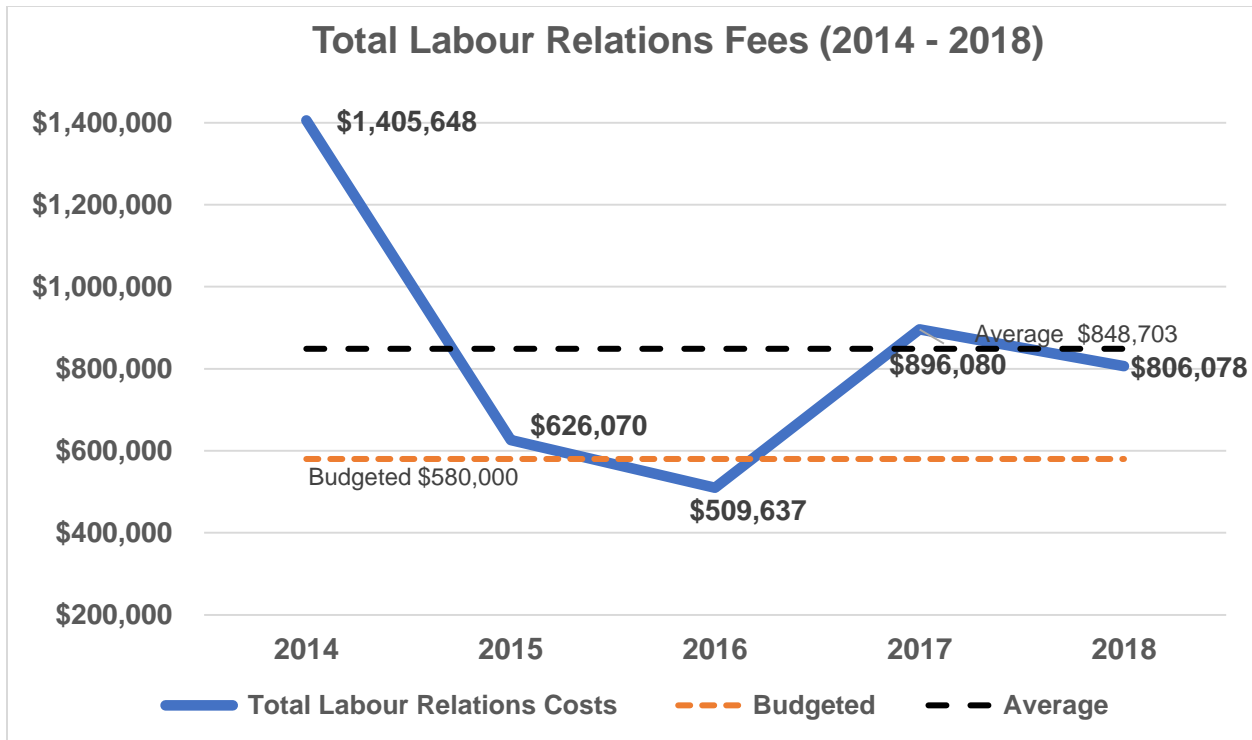
Appendix A to Report HUR19007

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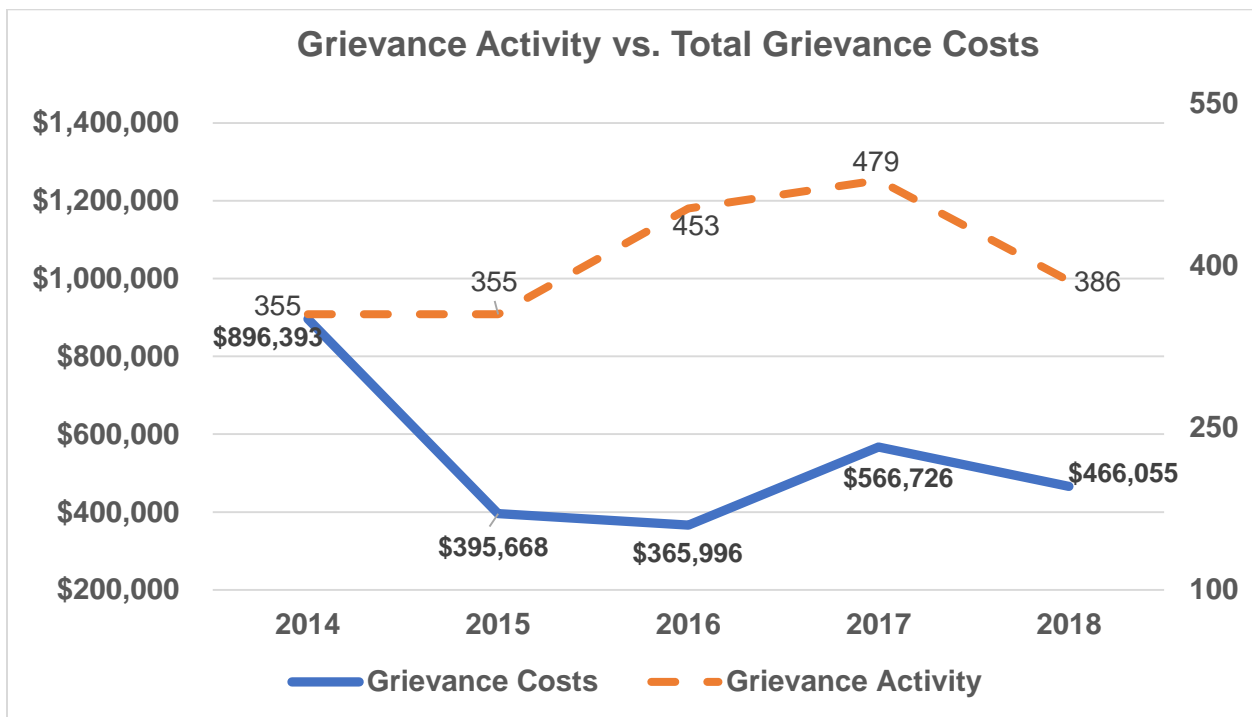
Non-Grievance Activity

Description	Mediator Fees	Arbitrator Fees	Legal Fees	Total Labour Relations Fees	Percentage of Total Fees
Cancellation	\$ 814	\$ -	\$ -	\$ 814	0.2%
Interest Arbitration	\$ -	\$ 27,450	\$ 32,498	\$ 59,948	17.6%
Non-Union Termination	\$ -	\$ -	\$ 12,405	\$ 12,405	3.6%
Human Rights Claims	\$ -	\$ -	\$ 119,632	\$ 119,632	35.2%
Non-Grievance Legal	\$ -	\$ -	\$ 147,224	\$ 147,224	43.3%
Total Fees - Non-Grievance (2018)	\$ 814	\$ 27,450	\$ 311,759	\$ 340,023	
<i>Total Fees - Non-Grievance (2017)</i>	<i>\$ 3,544</i>	<i>\$ 9,754</i>	<i>\$ 316,055</i>	<i>\$ 329,353</i>	
Percentage Change	-77.0%	181.4%	-1.4%%	3.2%	

Total Legal, Mediation & Arbitration Fees:



Total Grievance Costs (Legal, Mediation & Arbitration) vs. Grievance Activity:





INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 17, 2019
SUBJECT/REPORT NO:	2018 Municipal Tax Competitiveness Study (FCS19023) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Gloria Rojas (905) 546-2424 Ext. 6247
SUBMITTED BY:	Cindy Mercanti Director, Customer Service and POA Acting Director, Financial Planning and Policy Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

N/A

INFORMATION

The City of Hamilton has participated in an annual tax competitiveness study since 2001. Each year, staff report on the results of this study highlighting how Hamilton's property tax burden compares to other municipalities both for the current year and the trend experienced over the previous years.

Report FCS19023 deals with the main focus of the study – **comparison of relative taxes**. The full study will be made available through the City's website (www.hamilton.ca).

Generally, when compared to the entire survey (which currently includes 111 Ontario municipalities ranging in population from 4,800 to 2.9 M), Hamilton's ranking in relative tax burden, by major property class, remains "high", with the exception of Office Building and Large Industrial, which continue to be ranked "mid". When compared to a smaller, more representative sample (either in population or location), the general trend shows that Hamilton's position, over the long-term, has improved.

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OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: 2018 Municipal Tax Competitiveness Study (FCS19023) (City Wide) -
Page 2 of 16**

When comparing the tax burden on specific property classes to previous years, some improvements have been seen in Hamilton's position versus the comparators. Office Building and Large Industrial continue to be well below the comparator average (11% and 14%, respectively) and the Neighbourhood Shopping Centre class has made improvements from a difference of 25% above the comparator average in 2013 to 9% above the average in 2018. In the case of the Residential property class, over the last 10 years, Hamilton's position has improved from 11% above the comparator average in 2011 to 6% above the comparator average in 2018.

The smaller, more representative sample, referred to as the comparators, is now made up of 15 municipalities. Staff has selected these municipalities based on the criteria that the municipality has been included in the study since 2002 and either has a population greater than 100,000 or is in close proximity to the City of Hamilton.

What factors influence tax burden?

It should be noted that the objective of Report FCS19023 is to identify general trends, and not a specific year-over-year result. There are many factors that affect a municipality's ranking (both compared to prior years and to the sample average) in any particular year. Some factors include:

- Changes to the sample properties included in the study
- Sample properties experiencing an impact that differs from the respective municipal average (change in value either due to reassessment or a physical change to the property)
- Levy restrictions to the Multi-Residential, Commercial and Industrial property classes
- Tax policies (i.e. tax ratio, use of optional property classes, area rating)
- Non-uniform education tax rates in the non-residential tax class
- The level of service provided and the associated costs of providing these services
- Access to other sources of revenue such as land transfer tax (Toronto only), Provincial subsidies, gaming and casino revenues, user fees, etc.

By focusing on the general trends and not concentrating on the results of one specific year, one can determine if the municipality is moving in the right direction.

The following section highlights some key findings of the comparison of relative taxes for each of the main property classes.

Residential Property Taxes

As shown in Table 1, in 2018, Hamilton's average property taxes of \$4,135 for a detached bungalow were 6% above the comparator average property taxes, which is a considerable improvement since 2011 when the residential taxes were 11% above the comparators.

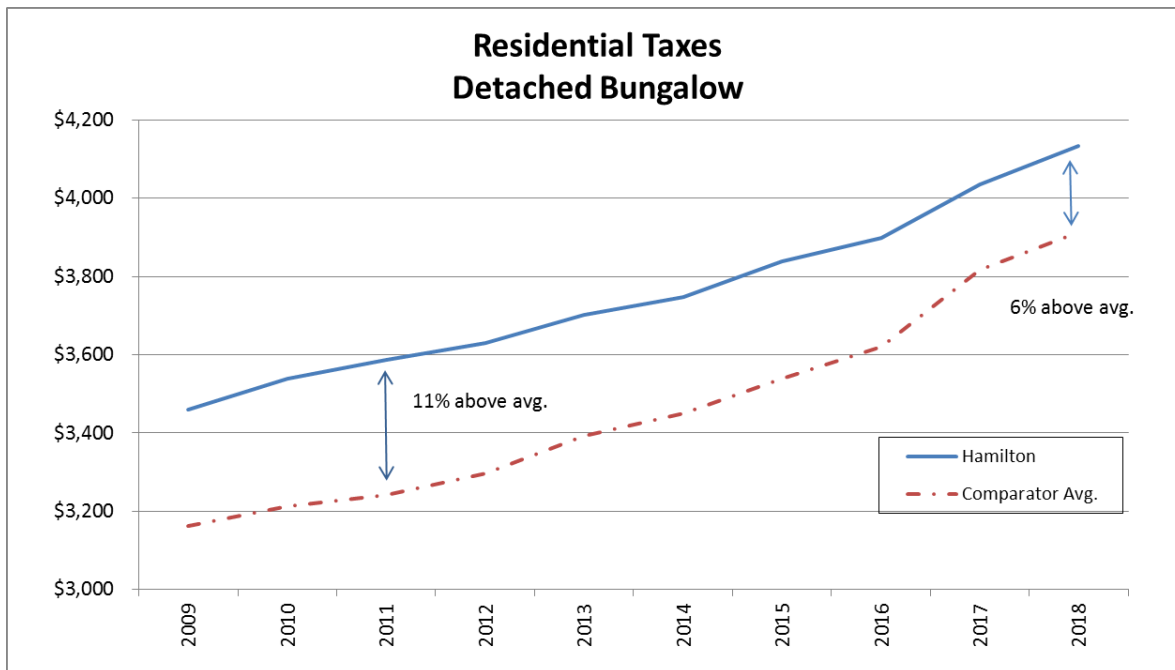
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**SUBJECT: 2018 Municipal Tax Competitiveness Study (FCS19023) (City Wide) -
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Table 1



This trend is in line with the low tax increases over the last few years when compared to similar municipalities as noted in Table 2.

Table 2

Residential Tax Impact 2015 - 2018

	Ottawa	Hamilton	Halton / Burlington	Kingston	Peel / Mississauga	London	Toronto	Guelph
2015	2.0%	3.4%	2.7%	2.5%	2.8%	2.5%	2.8%	4.3%
2016	2.0%	1.7%	2.0%	2.5%	2.5%	2.9%	2.7%	3.0%
2017	2.0%	2.1%	2.6%	2.5%	2.9%	2.9%	2.5%	3.1%
2018	2.1%	1.9%	2.5%	2.5%	2.7%	2.8%	2.9%	3.0%
Average	2.0%	2.3%	2.5%	2.5%	2.7%	2.8%	2.7%	3.4%

Overall, Hamilton has showed improvement over the last 10 years even though the City continues to be negatively impacted by the levy restriction on the Industrial property class and more recently with the restriction to pass any reassessment and levy related increases to the Multi-Residential property class, which result in an added tax burden on Hamilton's Residential property class. The results of latest reassessment cycle (2017-2020) will have an additional impact to the Residential property class as property values rose above the City's average causing a shift in the tax burden. Staff will continue to monitor how reassessment is impacting the Residential property class.

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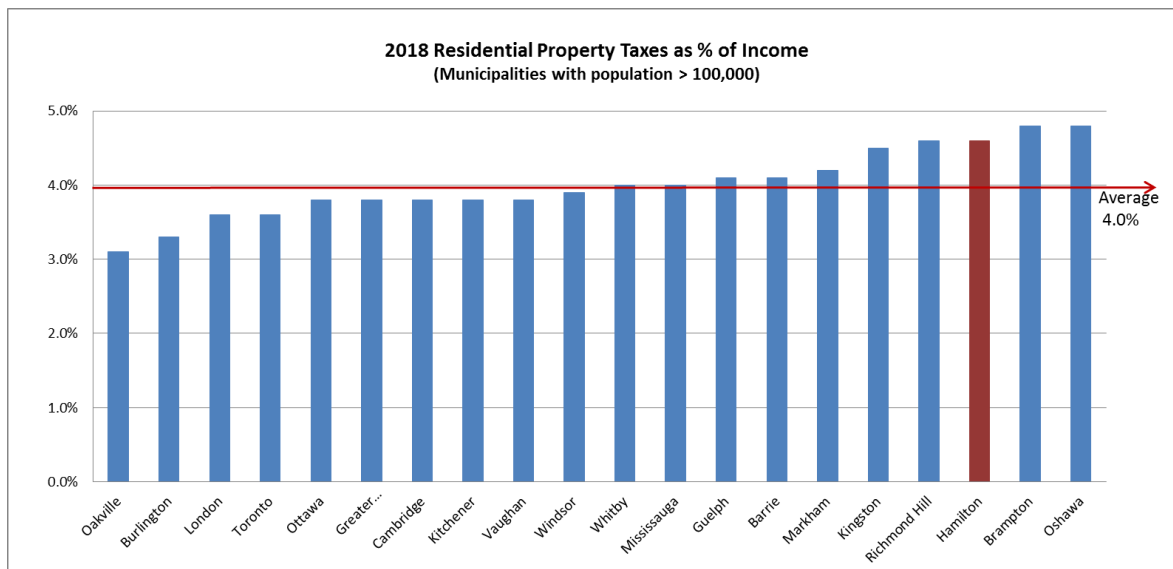
**SUBJECT: 2018 Municipal Tax Competitiveness Study (FCS19023) (City Wide) -
Page 4 of 16**

When compared with the full sample of the BMA Study (103 municipalities), Hamilton's residential taxes rank high at 20% above the average. This result, however, must be taken with caution as there are many reasons for differences in tax burdens across municipalities. These include but are not limited to:

- Availability of comparable properties, especially in smaller, rural municipalities
- The values of similar properties vary significantly across the municipalities
- Different levels of service and the cost associated with those services
- Area rating

Table 3 illustrates that residential property taxes as a percentage of income in Hamilton at 4.6% is higher than the sample average of 4.0% (municipalities with populations greater than 100,000). Hamilton's average household income of \$93,400 in 2018 is approximately 14% lower than the sample at \$108,000.

Table 3



Household income is one measure of a community's ability to pay for services. However, it can be a difficult measure for cities to affect change. To improve this measure, either expenditures need to be reduced (possibly impacting services to residents) or incomes need to increase which is a long-term factor influenced by the city's economics.

Table 4 identifies the long-term trend for the City.

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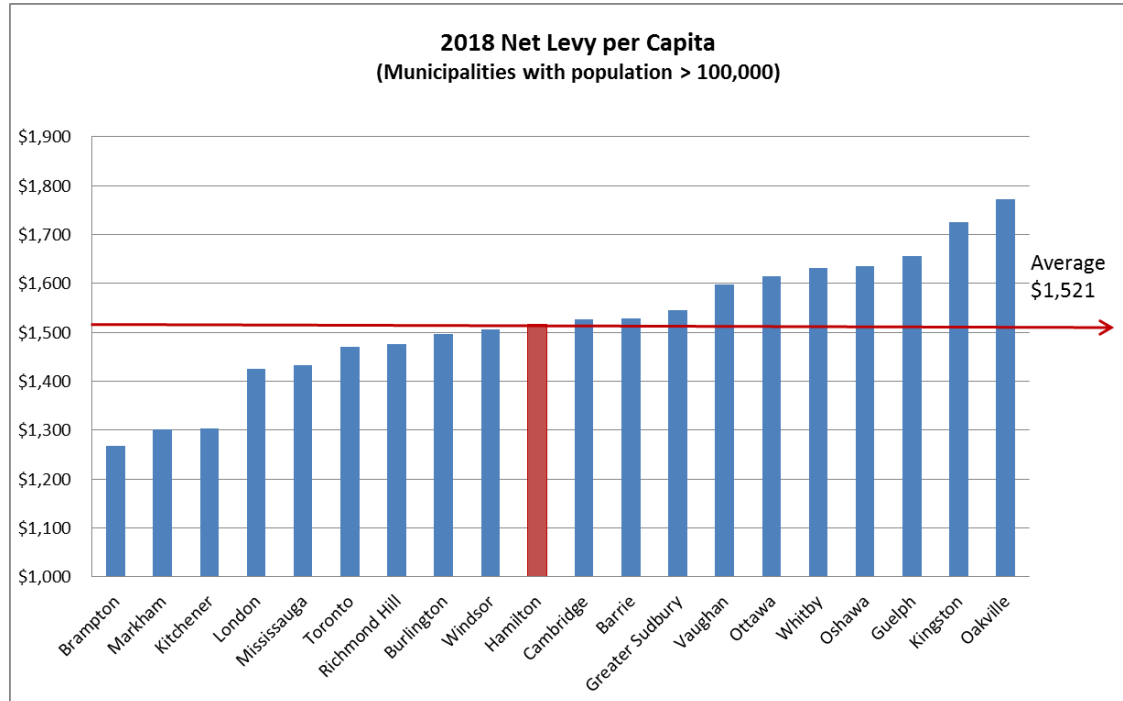
Table 4
Residential Property Taxes as % of Income

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Hamilton	6.1%	5.2%	5.0%	5.0%	4.6%	4.3%	4.4%	4.4%	4.3%	4.5%	4.6%
Comparator's Average	4.6%	4.2%	4.1%	4.1%	3.8%	4.0%	4.0%	3.8%	3.7%	4.0%	4.0%
Difference	32%	25%	21%	23%	21%	7%	10%	14%	16%	13%	15%

As shown in Table 4, although Hamilton is above the average among the comparator municipalities, its position has had a significant improvement over the last few years. Hamilton's average property taxes as a percentage of income was 6.1% in 2008, which was 32% above the larger municipalities sample average but the difference has been reduced to 15% above the average over the past several years. Notwithstanding the fact that property taxes are not conditional on income, overall, this trend shows improvement in the ability to pay.

As shown in Table 5, Hamilton's 2018 net levy per capita of \$1,517 is basically at par with the average levy per capita of the comparators (at \$1,521), which continues to be consistent with previous years and demonstrates that Hamilton's higher than average property tax burden as a percentage of income is a product of lower income levels rather than a municipal spending issue.

Table 5



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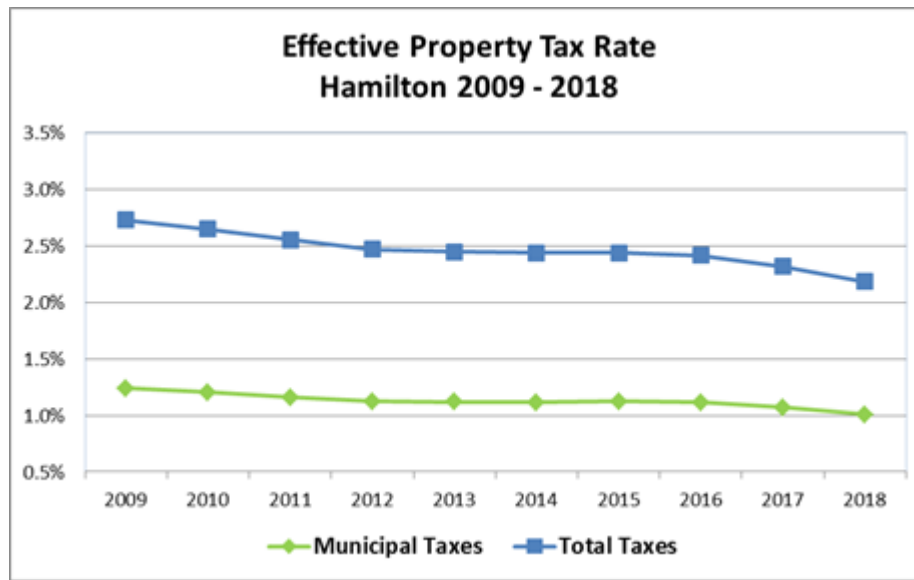
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As shown in Table 6, Hamilton's effective residential property tax rate (tax rate as a percentage of property value) has shown a consistent, slow reduction since 2009, ranging from 1.5% to 1.2%. The significant assessment growth in the residential property class experienced in Hamilton in the last several years has been a major factor for this result.

Table 6



When compared to other municipalities, however, Hamilton is above the 1.1% average. Municipalities such as Toronto, Markham, Richmond Hill and Vaughan have effective property tax rates as low as 0.6%-0.7% while Windsor is the highest of the comparators with an effective property tax rate of 1.8%. Table 7 illustrates these results.

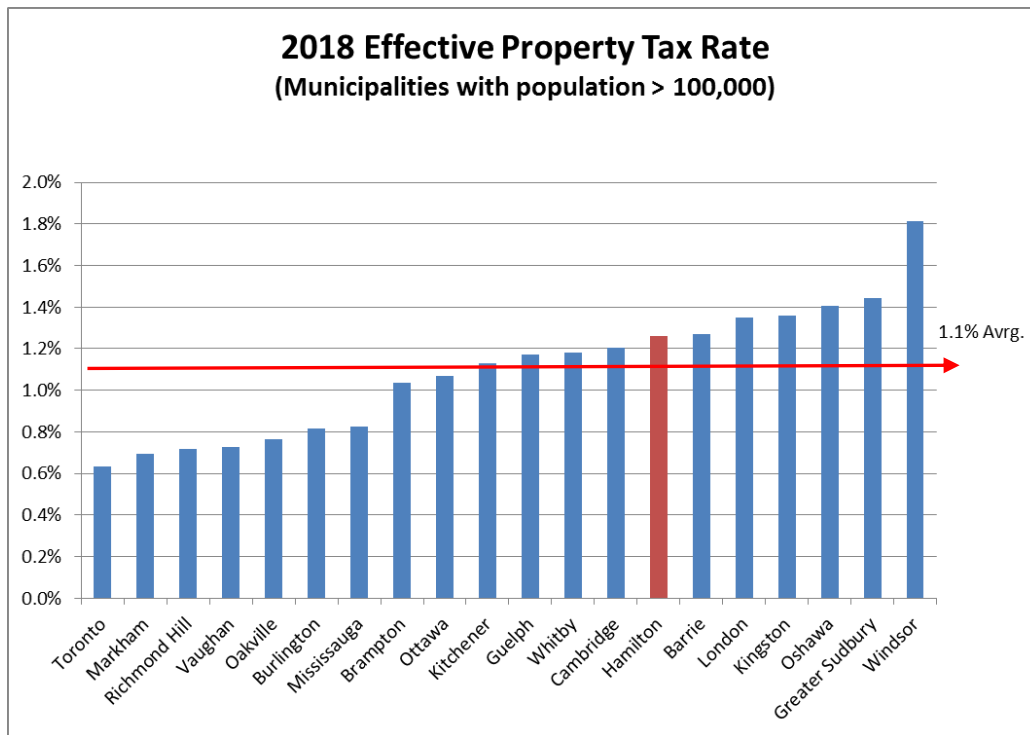
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Table 7



Multi-Residential Property Taxes

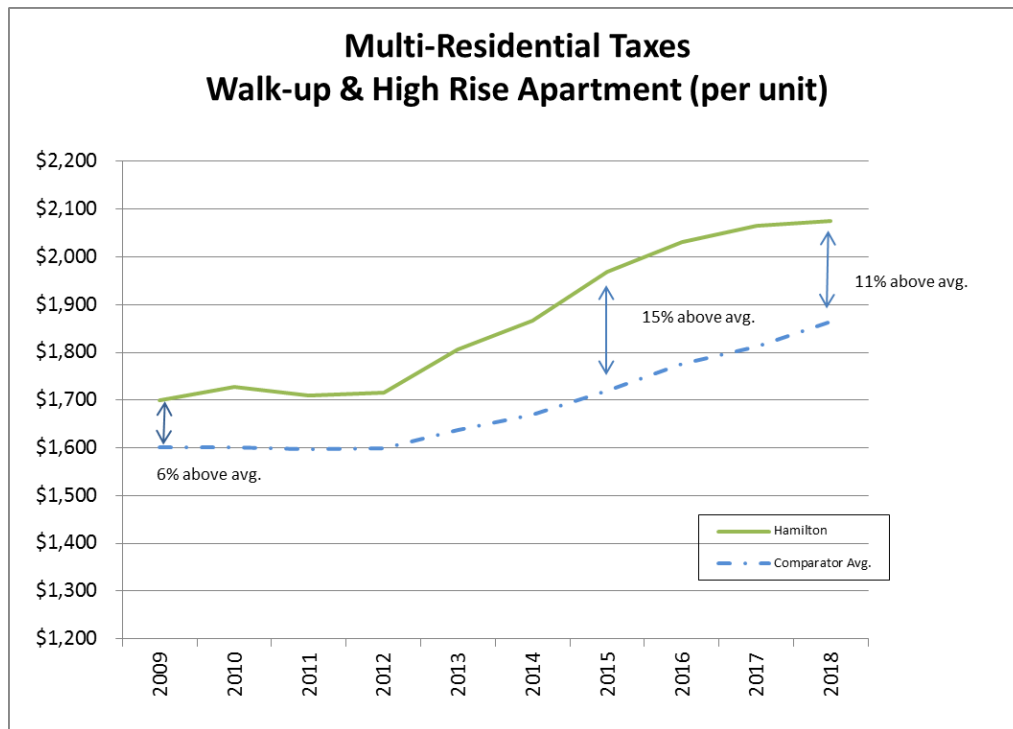
Hamilton's average taxes per unit for an apartment (both walk-up and high rise) have risen from as low as 6% above the comparator average reaching a high of 15% above the comparator average in 2015. This is primarily due to the Multi-Residential assessment values in the 2013-2016 reassessment cycle which rose above the City's average. This trend seems to be reversing and is now at 11% above the comparator average. In the latest reassessment cycle (2017-2020) the Multi-Residential property class saw an average reassessment benefit of 1.7% which resulted in an average tax decrease of 1.3% for 2018. The reduction in Multi-Residential taxes is expected to continue during 2019-2020 as the current reassessment cycle continues. Table 8 illustrates these results.

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Table 8



Additional reductions in the tax burden of the Residential property class are expected since, in 2017, the Province enacted legislation to freeze the tax burden for Multi-Residential properties in municipalities where the tax ratio is above 2.0, implementing a full levy restriction and preventing to pass any reassessment increases onto the Multi-Residential property class.

Additional information on the Multi-Residential property class can be found in report FCS18002 Update Respecting Multi-Residential Taxation.

Commercial Property Class

When measuring the competitiveness of the Commercial property class across the Province, it is important to keep in mind the challenges that the sector is facing as a result of the evolving economic landscape including:

- The closure of major anchor retailers
- The entry of new, high-end international retailers into the Canadian Marketplace
- Changing shopping patterns of Canadian consumers / online shopping
- Substantial number of appeals filled by owners / operators

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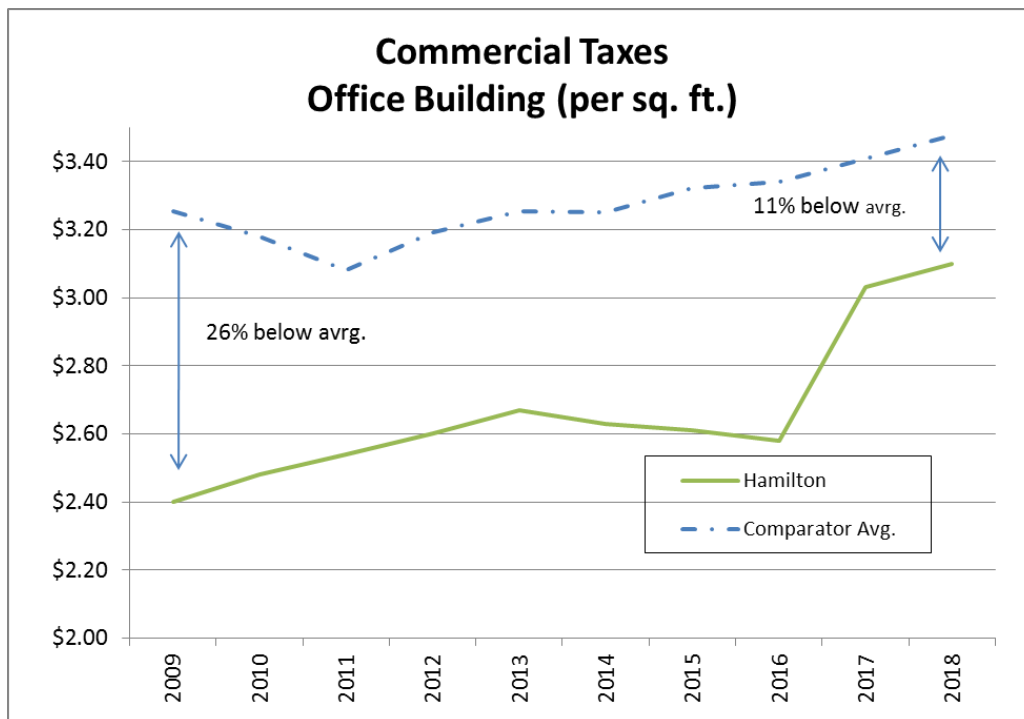
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As seen in Tables 9 and 10, there is no a regular pattern between sectors in the class but rather, each type of property follows different trends. While the tax burden of office buildings in Hamilton has been historically lower than the sample average, the tax burden of the Neighbourhood Shopping Centres continues to be above the comparator average. In both cases, the trend was relatively stable in the last several years but the gap seems to be narrowing which could be explained by the reassessment impacts of the last cycle.

Table 9

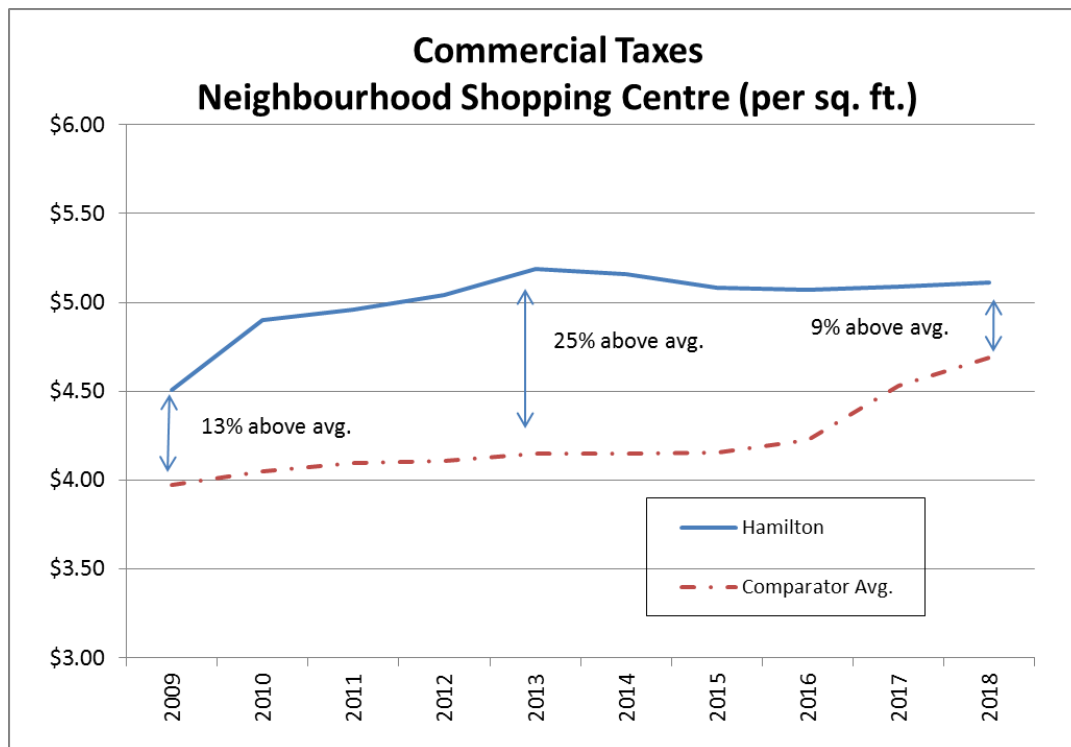


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Table 10



Industrial Property Class

Similar to the Commercial property class, the Industrial property class follows different patterns depending on the type or size of industry.

Regarding the Standard Industrial property class (under 125,000 square feet in size), the results have been somewhat volatile during the study period. After a steady and significant increase in the gap between Hamilton and comparable municipalities during 2010-2012, the difference has remained relatively stable, but still high at 23%.

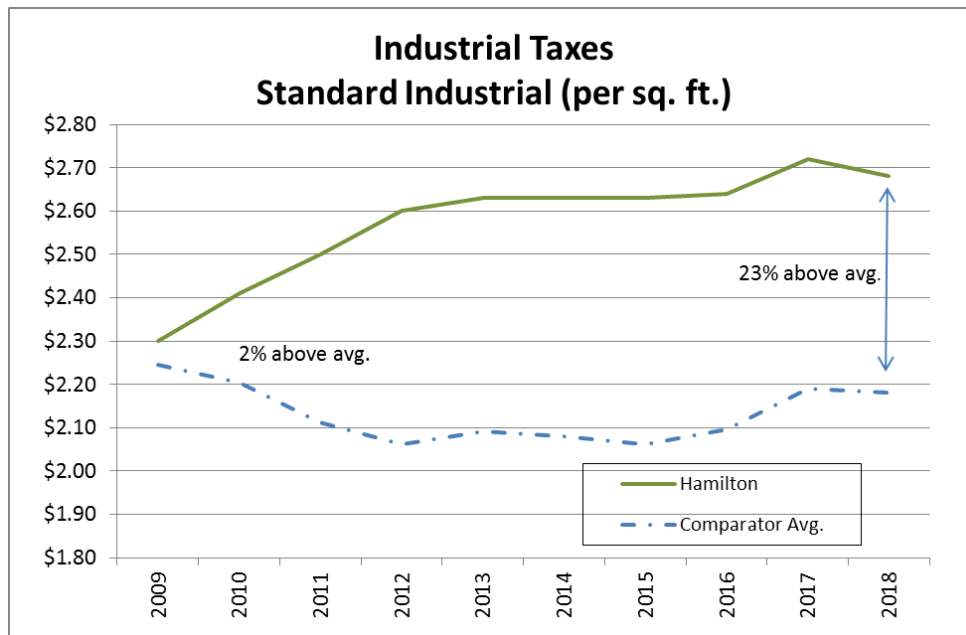
Table 11 illustrates the previously explained trend.

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Table 11



The gap between Hamilton and comparable municipalities in the Large Industrial property class (larger than 125,000 square feet in size) has also been volatile during the study period but in this case, Hamilton is in a more competitive position being below the comparators (14% below in 2018). The fact that Hamilton's tax burden is low, however, translates into a greater tax burden for other classes, primarily the Residential property class.

The gap between the comparators and Hamilton can be attributed to a variety of reasons including the overall decline of the manufacturing industry in Ontario which is driven by global variables and has left many municipalities with a reduced assessment base due to appeals, vacancies, etc. In addition, the Provincial Business Education Tax (BET) reduction plan, which was in place until 2013 and was used to lower the Industrial education tax rate to an annual ceiling, benefitted many of the comparators but did not benefit Hamilton.

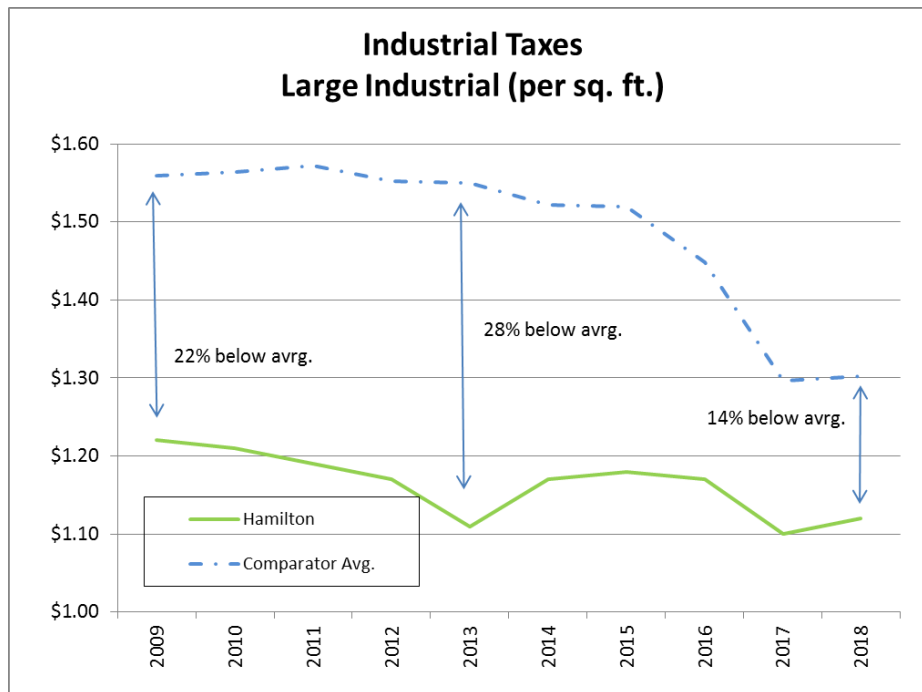
The previously explained trend can be seen in Table 12.

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Table 12



Residential versus Non-Residential Split

Hamilton's 2019 unweighted assessment is comprised of 88.0% Residential and 12.0% Non-Residential. Hamilton continues to have a lower percentage share of non-residential unweighted assessment when compared to larger municipalities (populations greater than 100,000), which averaged 83.5% Residential and 16.5% Non-Residential.

Table 13 illustrates these results.

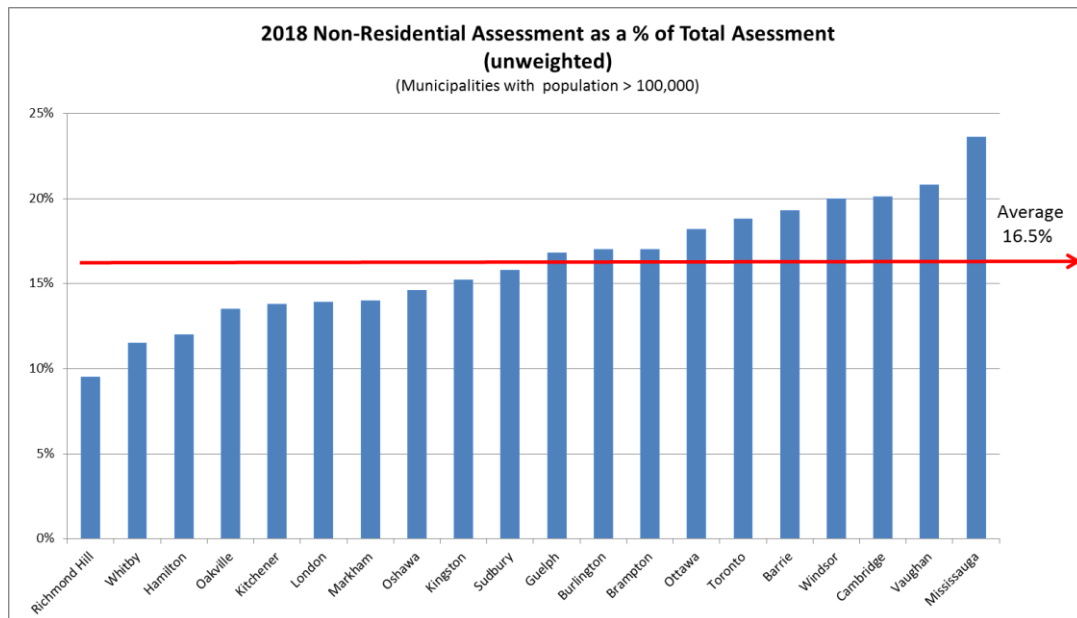
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Table 13



At 12.0%, Hamilton's current share of non-residential assessment has been the lowest during the study period as shown in Table 14.

Table 14

RESIDENTIAL VS. NON-RESIDENTIAL ASSESSMENT 2009 - 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residential	87.5%	86.6%	86.3%	86.4%	86.7%	87.1%	87.0%	87.0%	87.8%	88.0%
Non-Residential	12.5%	13.4%	13.7%	13.6%	13.3%	12.9%	13.0%	13.0%	12.2%	12.0%

Note: Commencing in 2010, BMA study includes PIL assessment, however if PIL assessment is excluded, Hamilton still experienced an increase in Non-Residential Assessment in both 2010 and 2011.

It must be noted, however, that although Hamilton's share of non-residential assessment has decreased over time, this is a trend that also has been experienced by the comparable municipalities.

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In 2011, the non-residential assessment share of total assessment in the comparable municipalities had an average of 18.7% while Hamilton was at 13.7%. For 2018, the share has been reduced to 16.0% and 12.0%, respectively. In the last few years, the difference between Hamilton and comparable municipalities has been relatively stable at approximately 4.0%.

Table 15

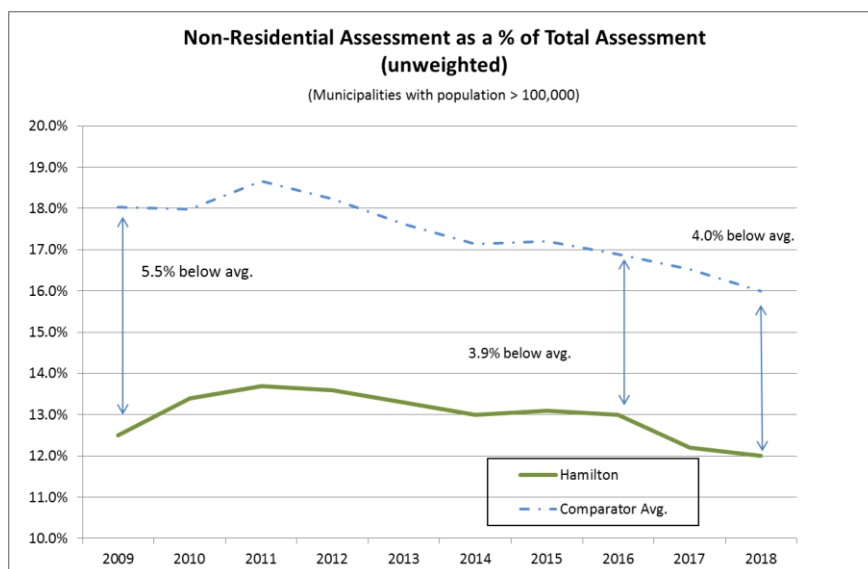


Table 16 shows the top three municipalities with highest proportion of unweighted assessment by property class.

Table 16

**MUNICIPALITIES WITH HIGHEST PROPORTION OF UNWEIGHTED ASSESSMENT
PER PROPERTY CLASS**

Residential		Multi-Residential		Commercial		Industrial	
Tiny	94.5%	Waterloo	9.4%	Niagara Falls	25.6%	Ingersoll	6.6%
Gravenhurst	90.8%	Kingston	8.0%	Cornwall	23.6%	St. Mary's	6.8%
Georgina	90.3%	Elliot Lake	7.6%	Parry Sound	22.2%	North Dumfries	5.4%

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Overall, although Hamilton has experienced significant total assessment growth in the last several years, with building permits exceeding \$1 B in the last seven years, most of the growth continues to be in the Residential property class. In addition, the growth attained in the Non-Residential property classes is driven by institutional properties (hospitals, educational institutions) which do not translate in additional revenue for the City. Another factor that is negatively affecting the ratio of Residential versus Non-Residential assessment is the increasing number of successful appeals and ongoing assessment reviews by MPAC in the Commercial and Industrial property classes.

Tax Ratios

Tax ratios distribute tax burden between classes relative to the residential class tax ratio. For example, a non-residential property with a tax ratio of 2.0 would pay twice the amount of municipal tax as a similarly valued residential property. Tax ratios are largely historical and represent the relative taxes between classes that existed when the Province established the current tax system in 1998.

Hamilton's tax ratios compared to the Provincial Thresholds and comparators' tax ratios by property class are shown in Table 17.

Table 17

2018 Tax Ratios by Property Class

	Multi-Residential	Commercial	Industrial
Barrie	1.0000	1.4334	1.5163
Brampton	1.7050	1.2971	1.4700
Guelph	1.8733	1.8400	2.2048
Hamilton	2.6342	1.9800	3.4115
Kingston	1.9000	1.9800	2.6300
London	1.7958	1.9300	1.9300
Mississauga	1.4510	1.4772	1.6108
Ottawa	1.4261	1.8726	2.6233
Greater Sudbury	2.0000	1.9800	3.9575
Thunder Bay	2.3771	2.1179	2.4182
Toronto	2.5231	2.8476	2.8359
Windsor	2.0000	2.0187	2.3200
Provincial Threshold	2.7400	1.9800	2.6300

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As shown in Table 17, all municipalities have a Multi-Residential tax ratio below the Provincial Threshold. Although some municipalities have had reduction targets for this class, other municipalities including Hamilton, had reduced their Multi-Residential tax ratio due to reassessment or Provincial legislation. Regarding the Commercial tax ratio, with the exception of Thunder Bay, Toronto and Windsor all municipalities have a tax ratio at or below the Provincial Threshold.

Hamilton is one of three municipalities, including Greater Sudbury and Toronto that have an Industrial tax ratio above the Provincial Threshold. All other municipalities in the 2018 study have an Industrial tax ratio at or below the Provincial Threshold. Since the Industrial property class is restricted, municipalities with tax ratios above the Provincial Threshold are not allowed to pass a municipal tax increase of more than 50% of the increase applied to the Residential property class.

APPENDICES AND SCHEDULES ATTACHED

N/A

GR/dt



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 17, 2019
SUBJECT/REPORT NO:	Office Tenancy Assistance Program - 286 Sanford Avenue North, 2nd Floor, Hamilton (PED19020) (Ward 3)
WARD(S) AFFECTED:	Ward 3
PREPARED BY:	Carlo Gorni (905) 546-2424 Ext. 2755
SUBMITTED BY:	Glen Norton Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That a conditional loan commitment totalling \$250 K for 2580922 Ontario Inc. (Meir Dick and Ray Hutton) the owner of the subject property leasing office space at 286 Sanford Avenue North, 2nd Floor, Hamilton, be authorized and approved under the Office Tenancy Assistance Program in accordance with the Program's terms and conditions;
- (b) That the Mayor and City Clerk be authorized and directed to execute the Loan agreement together with any ancillary documentation required, to effect recommendation (a) of Report PED19020, in a form satisfactory to the City Solicitor;
- (c) That the General Manager of the Planning and Economic Development Department be authorized to approve and execute any loan amending agreements together with any ancillary amending documentation, if required, provided that the terms and conditions of the Office Tenancy Assistance Program, as approved by City Council, are maintained.

EXECUTIVE SUMMARY

The Office Tenancy Assistance Program (OTAP) application for office tenant improvements at 286 Sanford Avenue North, 2nd Floor, Hamilton was submitted by

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SUBJECT: Office Tenancy Assistance Program - 286 Sanford Avenue North, 2nd Floor, Hamilton (PED19020) (Ward 3) - Page 2 of 6

2580922 Ontario Inc. (Meir Dick and Ray Hutton), carrying on business as Arthouse Commercial Concepts GP. The applicant is leasing space at 286 Sanford Avenue North, Hamilton to McCallum Sather Architects and has undertaken leasehold improvements on 10,000 square feet of office space on the 2nd floor of the building. Prior the extensive renovations currently being undertaken on the building, it had been vacant for a number of years. McCallum Sather Architects was located in Hamilton at another location and have relocated its office and 40 employees to the subject building. This move is expected to allow for an expansion to 65 employees.

Branch HQ Inc. will occupy 10,000 square feet of the same building on the 3rd floor to create and operate a co-working space business and has also applied for a loan under the OTAP. The recommended loan for this application is detailed separately in Report PED19021.

The loan is based on the lesser of 90% of leasehold improvement costs (total leasehold improvement costs are estimated at \$659,500) or, the square foot (in this case 10,000 square feet) multiplied by \$25 (as the term of the lease is ten years). The lesser amount of the above two formulae is the square foot multiplied by \$25 or \$250 K.

The loan may be advanced in three stages, upon 50%, 75% and 100% completion of eligible leasehold improvements.

The loan may be advanced as follows:

- (i) at the 50% completion stage the amount advanced shall equal the amounts invoiced for eligible improvements less 10% up to a maximum amount of 50% of the Loan amount;
- (ii) at the 75% completion stage the amount advanced shall equal the amounts invoiced for eligible improvements less 10% up to a maximum of 25% of the Loan amount; and,
- (iii) at the 100% completion stage the amount advanced shall equal the amounts invoiced for eligible improvements less 10% up to a maximum of 25% of the Loan amount.

Loan repayment will commence following the final advance of the loan and no later than four months following the first advance. The loan will be repaid over a five-year term. The loan interest rate will be 0% for the repayment term.

Alternatives for Consideration – See Page 5

SUBJECT: Office Tenancy Assistance Program - 286 Sanford Avenue North, 2nd Floor, Hamilton (PED19020) (Ward 3) - Page 3 of 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Loans provided through the OTAP will be funded by creating a receivable on the City's balance sheet. As loan repayments are made, the receivable is reduced. Funding provided through the Urban Renewal Section's Program Budget Capital Project No. 8201703100 is used to subsidize the interest expense. The estimated interest cost to the City over the five-year period is \$43,750.00. As of March 1, 2019, Capital Project No. 8201703100 which is used to subsidize the interest rate charged on loans had a balance of \$106,623.81.

Staffing: Administration of the OTAP can be accommodated within the Urban Renewal Section of the Planning and Economic Development Department as well as the Finance and Administration Section of the Corporate Services Department.

Legal: Section 28 of the *Planning Act* permits a municipality, in accordance with a Community Improvement Plan, to make loans and grants which would otherwise be prohibited under Section 106(2) of the *Municipal Act*, to registered/assessed owners and tenants of lands and buildings. A Community Improvement Plan can only be adopted and come into effect within a designated Community Improvement Project Area. Changes to a Community Improvement Plan or Community Improvement Project Area require formal amendments, as dictated by the *Planning Act*. The Downtown and Community Renewal Community Improvement Plan and Project Area, provides the authorization for the City to offer loans under the OTAP.

Prior to the first advance of funding from the City, the applicant will be required to execute a Loan Agreement and General Security Agreement. All documents and required searches will be developed and undertaken in consultation with Legal Services.

As projects move forward, it is sometimes necessary to amend previously approved loan agreements and any ancillary documentation. Therefore, staff recommends that the General Manager of Planning and Economic Development Department be authorized to amend loan agreements and any ancillary documentation, provided that the terms and conditions of the OTAP are maintained.

SUBJECT: Office Tenancy Assistance Program - 286 Sanford Avenue North, 2nd Floor, Hamilton (PED19020) (Ward 3) - Page 4 of 6

HISTORICAL BACKGROUND

City Council, at its meeting held March 10, 2010, approved an amendment to the Downtown and Community Renewal Community Improvement Plan which introduced the OTAP (formerly titled the Hamilton Downtown Office Tenancy Assistance Program), a program that provides a low-interest loan to either building owners or tenants for eligible leasehold improvements to office buildings. Initially the Program was offered to office buildings located within the Downtown Hamilton Community Improvement Project Area only. Since that time, a number of program refinements have been approved by City Council, the most recent amendment being the expansion of the Program to Community Downtowns, the Mount Hope/Airport Gateway, Business Improvement Areas and the corridors of Barton Street and Kenilworth Avenue, as identified in the Downtown and Community Renewal Community Improvement Project Area.

The intent of the Program is to facilitate the increased attractiveness and marketability of office stock, reduce the office vacancy rate by attracting new office tenants and owner-occupied office uses from outside the City, and assist existing businesses to expand.

The proposed project at 286 Sanford Avenue North, 2nd Floor, Hamilton, is an eligible project under the terms of the OTAP.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Urban Hamilton Official Plan

The subject lands are municipally known as 286 Sanford Avenue North and are designated as “Employment Lands” in Schedule “E” – Urban Structure and as “Industrial Land” on Schedule “E-1” – Urban Land Use Designation. The use of the property conforms to the above designations.

Zoning By-law No. 05-200

The subject property is zoned Light Industrial (M6) Zone. The proposed use of an office is permitted.

Built Heritage

The property is designated under Part IV of the *Ontario Heritage Act* by municipal by-law 88-202 as a property of cultural heritage value.

Site Plan Control

The property is subject to site plan control as such development or redevelopment of the property may be subject to site plan control.

SUBJECT: Office Tenancy Assistance Program - 286 Sanford Avenue North, 2nd Floor, Hamilton (PED19020) (Ward 3) - Page 5 of 6

RELEVANT CONSULTATION

Staff from the Finance and Administration Division, Corporate Services Department and the Legal Services Division, City Manager's Office, were consulted and concur with the recommendations included in Report PED19020.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Bankruptcy searches on the corporation and its shareholders were undertaken. Upon review of this and other documentation, staff is satisfied that the applicant has the financial capacity to repay the loan. Staff undertook due diligence with respect to undertaking a search to determine whether the applicant or shareholders of the corporation are in litigation with the City of Hamilton, whether property taxes are paid current, and whether there are any Building Code, Fire Code or Property Standard violations outstanding on the property. There were no issues with the aforementioned.



286 Sanford Avenue North, Hamilton

Appendix "A" to Report PED19020 identifies the location of the property.

ALTERNATIVES FOR CONSIDERATION

Decline the Loan

Declining the loan could negatively impact the financial viability of the project. This alternative is not recommended.

SUBJECT: Office Tenancy Assistance Program - 286 Sanford Avenue North, 2nd Floor, Hamilton (PED19020) (Ward 3) - Page 6 of 6

Approved a Reduced Loan Amount

Council may decide to approve a reduced loan amount. This would compromise the intent of the OTAP, as well as undermine the renewal efforts in general. This alternative is not recommended.

Financial: A loan totalling approximately \$250 K would not be issued.

Staffing: N/A

Legal: N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

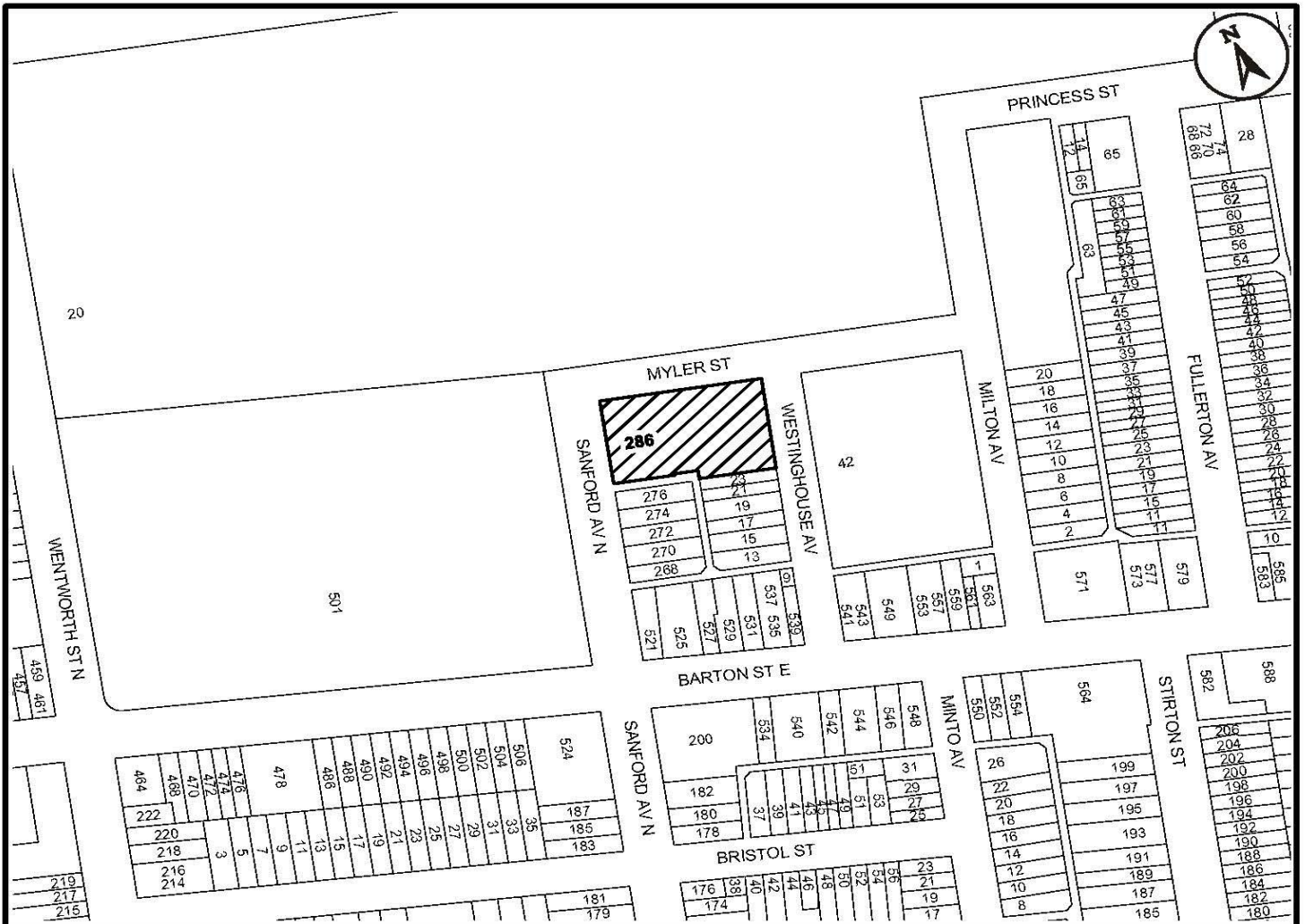
Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

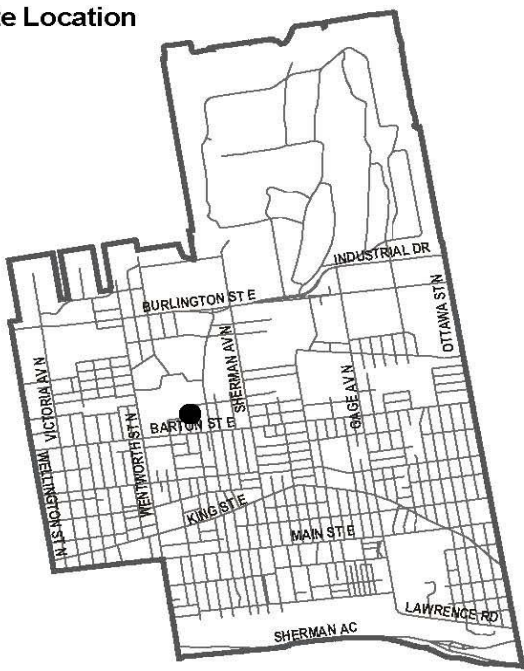
APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED19020-Location Map

CG:dt



● Site Location



Key Map - Ward 3

N.T.S.

Location Map



PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:
286 Sanford Av N

Date:
December 19, 2018

Appendix "A"

Scale:
N.T.S.

Planner/Technician:
CG/AL

Subject Property

286 Sanford Avenue North



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 17, 2019
SUBJECT/REPORT NO:	Office Tenancy Assistance Program - 286 Sanford Avenue North, 3 rd Floor, Hamilton (PED19021) (Ward 3)
WARD(S) AFFECTED:	Ward 3
PREPARED BY:	Carlo Gorni (905) 546-2424 Ext. 2755
SUBMITTED BY:	Glen Norton Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That a conditional loan commitment totalling \$250 K for 2580922 Ontario Inc. (Meir Dick and Ray Hutton) the owner of the subject property leasing office space at 286 Sanford Avenue North, 3rd Floor, Hamilton, be authorized and approved under the Office Tenancy Assistance Program in accordance with the Program's terms and conditions;
- (b) That the Mayor and City Clerk be authorized and directed to execute the Loan agreement together with any ancillary documentation required, to effect recommendation (a) of Report PED19021, in a form satisfactory to the City Solicitor;
- (c) That the General Manager of the Planning and Economic Development Department be authorized to approve and execute any loan amending agreements, together with any ancillary amending documentation, if required, provided that the terms and conditions of the Office Tenancy Assistance Program, as approved by City Council, are maintained.

EXECUTIVE SUMMARY

The Office Tenancy Assistance Program (OTAP) application for office tenant improvements at 286 Sanford Avenue North, 3rd Floor, Hamilton was submitted by

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SUBJECT: Office Tenancy Assistance Program-286 Sanford Avenue North, 3rd Floor, Hamilton (PED19021) (Ward 3) - Page 2 of 6

2580922 Ontario Inc. (Meir Dick and Ray Hutton), carrying on business as Arthouse Commercial Concepts GP. The applicant is proposing to carry out renovations at 286 Sanford Avenue North, 3rd Floor, Hamilton to create new co-working space that can be used by new and small businesses who require and can use such facilities to establish and expand their business. A lease has been signed with Branch HQ Inc. who will use the space for this purpose. This space will include a business centre to allow for collaboration and networking between the businesses using the space and the hosting of other business functions including meetings with outside clients.

The tenant will undertake leasehold improvements on 10,000 square feet of office space on the 3rd floor of the building. Prior to these extensive renovations being undertaken on the building, it had been vacant for a number of years.

McCallum Sather Architects will occupy 10,000 square feet of the same building on the 2nd floor. 2580922 Ontario Inc. has also applied for a loan under the OTAP for this part of the subject property. The recommended loan for this application is detailed separately in Report PED19020.

Except in cases where the application is from an owner not involving a lease, the loan is based on the lesser of 90% of leasehold improvement costs or the square foot (in this case 10,000 square feet) multiplied by a dollar amount that corresponds to the term of the lease.

The estimated leasehold costs are \$659,500. Ninety percent of these costs is \$593,550. The lease is for 10,000 square feet for a five-year period. At this lease term, the floor area to be leased is multiplied by \$25 for a total of \$250 K. Therefore, the recommended loan is for \$250 K.

The loan may be advanced in three stages, upon 50%, 75% and 100% completion of eligible leasehold improvements.

The loan may be advanced as follows:

- (i) at the 50% completion stage the amount advanced shall equal the amounts invoiced for eligible improvements less 10% up to a maximum amount of 50% of the Loan amount;
- (ii) at the 75% completion stage the amount advanced shall equal the amounts invoiced for eligible improvements less 10% up to a maximum of 25% of the Loan amount; and,

SUBJECT: Office Tenancy Assistance Program-286 Sanford Avenue North, 3rd Floor, Hamilton (PED19021) (Ward 3) - Page 3 of 6

- (iii) at the 100% completion stage the amount advanced shall equal the amounts invoiced for eligible improvements less 10% up to a maximum of 25% of the Loan amount.

Loan repayment will commence following the final advance of the loan and no later than four months following the first advance. The loan will be repaid over a five-year term. The loan interest rate will be 0% for the repayment term.

Alternatives for Consideration – See Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Loans provided through the OTAP will be funded by creating a receivable on the City's balance sheet. As loan repayments are made, the receivable is reduced. Funding provided through the Urban Renewal Section's Program Budget Capital Project No. 8201703100 is used to subsidize the interest expense. The estimated interest cost to the City over the five-year period is \$43,750.00. As of March 1, 2019, Capital Project No. 8201703100 which is used to subsidize the interest rate charged on loans had a balance of \$106,623.81.

Staffing: Administration of the OTAP can be accommodated within the Urban Renewal Section of the Planning and Economic Development Department as well as the Finance and Administration Section of the Corporate Services Department.

Legal: Section 28 of the *Planning Act* permits a municipality, in accordance with a Community Improvement Plan, to make loans and grants which would otherwise be prohibited under Section 106(2) of the *Municipal Act*, to registered/assessed owners and tenants of lands and buildings. A Community Improvement Plan can only be adopted and come into effect within a designated Community Improvement Project Area. Changes to a Community Improvement Plan or Community Improvement Project Area require formal amendments, as dictated by the *Planning Act*. The Downtown and Community Renewal Community Improvement Plan and Project Area, provides the authorization for the City to offer loans under the OTAP.

Prior to the first advance of funding from the City, the applicant will be required to execute a Loan Agreement and General Security Agreement. All documents and required searches will be developed and undertaken in consultation with Legal Services.

SUBJECT: Office Tenancy Assistance Program-286 Sanford Avenue North, 3rd Floor, Hamilton (PED19021) (Ward 3) - Page 4 of 6

As projects move forward, it is sometimes necessary to amend previously approved loan agreements and any ancillary documentation. Therefore, staff recommends that the General Manager of Planning and Economic Development be authorized to amend loan agreements and any ancillary documentation, provided that the terms and conditions of the OTAP are maintained.

HISTORICAL BACKGROUND

City Council, at its meeting held March 10, 2010, approved an amendment to the Downtown and Community Renewal Community Improvement Plan which introduced the OTAP (formerly titled the Hamilton Downtown Office Tenancy Assistance Program), a program that provides a low-interest loan to either building owners or tenants for eligible leasehold improvements to office buildings. Initially the Program was offered to office buildings located within the Downtown Hamilton Community Improvement Project Area only. Since that time, a number of Program refinements have been approved by City Council, the most recent amendment being the expansion of the Program to Community Downtowns, the Mount Hope/Airport Gateway, Business Improvement Areas and the corridors of Barton Street and Kenilworth Avenue, as identified in the Downtown and Community Renewal Community Improvement Project Area.

The intent of the Program is to facilitate the increased attractiveness and marketability of the office stock, reduce the office vacancy rate by attracting new office tenants and owner-occupied office uses from outside the City, and assist existing businesses to expand.

The proposed project at 286 Sanford Avenue North, 3rd Floor, Hamilton, is an eligible project under the terms of the OTAP.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Urban Hamilton Official Plan

The subject lands are municipally known as 286 Sanford Avenue North and are designated as “Employment Lands” in Schedule “E” – Urban Structure and as “Industrial Land” on Schedule “E-1” – Urban Land Use Designation. The use of the property conforms to the above designations.

Zoning By-law No. 05-200

The subject property is zoned Light Industrial (M6) Zone. The proposed use of an office is permitted.

SUBJECT: Office Tenancy Assistance Program-286 Sanford Avenue North, 3rd Floor, Hamilton (PED19021) (Ward 3) - Page 5 of 6

Built Heritage

The property is designated under Part IV of the *Ontario Heritage Act* by municipal by-law 88-202 as a property of cultural heritage value.

Site Plan Control

The property is subject to site plan control as such development or redevelopment of the property may be subject to site plan control.

RELEVANT CONSULTATION

Staff from the Finance and Administration Division, Corporate Services Department and the Legal Services Division, City Manager's Office, were consulted and concur with the recommendations included in Report PED19021.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Bankruptcy searches on the corporation and its shareholders were undertaken. Upon review of this and other documentation, staff is satisfied that the applicant has the financial capacity to repay the loan.

Staff also undertook due diligence with respect to undertaking a search to determine whether the applicant or shareholders of the corporation are in litigation with the City of Hamilton, whether property taxes are paid current, and whether there are any Building Code, Fire Code or Property Standard violations outstanding on the property. There were no issues with the.



286 Sanford Avenue North, Hamilton

SUBJECT: Office Tenancy Assistance Program-286 Sanford Avenue North, 3rd Floor, Hamilton (PED19021) (Ward 3) - Page 6 of 6

Appendix “A” to Report PED19021 identifies the location of the property.

ALTERNATIVES FOR CONSIDERATION

Decline the Loan

Declining the loan could terminate or delay the project. This alternative is not recommended.

Approved a Reduced Loan Amount

Council may decide to approve a reduced loan amount. This would compromise the intent of the OTAP, as well as undermine the renewal efforts in general. This alternative is not recommended.

Financial: A loan totalling approximately \$250 K would not be issued.

Staffing: N/A

Legal: N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A”-Location Map

CG:dt



AIRPORT SUB-COMMITTEE REPORT 19-002

11:00 a.m.

March 29, 2019

**Canadian Warplane Heritage Museum
9280 Airport Rd, Mount Hope, ON**

Present: Mayor F. Eisenberger
Councillors L. Ferguson (Co-Chair), B. Johnson (Co-Chair), J.P. Danko, J. Partridge, E. Pauls, and M. Pearson

**Absent with
Regrets:** T. Whitehead - Personal

THE AIRPORT SUB-COMMITTEE PRESENTS REPORT 19-002 AND RESPECTFULLY RECOMMENDS:

1. Appointment of Chair and Vice-Chair (Item 1.1)

That Councillors L. Ferguson and B. Johnson be appointed as Co-Chairs of the Airport Sub-Committee on a rotating basis for the 2018-2022 term.

2. Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation regarding the John C. Munro Hamilton International Airport (PED19082) (City Wide) (Item 7.1)

That Report PED19082, respecting the Annual Auditor's Report on the Annual Schedule of Percentage Rent Computation regarding the John C. Munro Hamilton International Airport, be received.

3. 2019 - 2020 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED19086) (City Wide) (Item 10.1) (Attached hereto as Appendix "A")

That the City of Hamilton approve and allocate \$100,000 from the Airport Joint Marketing Reserve Fund No. 112217 as the City's contribution to the 2019-2020 John C. Munro Hamilton International Airport (HIA) – City of Hamilton Joint Marketing Initiatives as outlined in Report PED19086.

4. 2019 - 2030 Capital Expenditure Request for John C. Munro Hamilton International Airport (HIA) (PED19083) (City Wide) (Item 14.1)

That the contents of Report PED19083, respecting the 2019 - 2030 Capital Expenditure Request for John C. Munro Hamilton International Airport (HIA), including recommendations remain confidential, until final execution of the pending agreement.

5. Tradeport / City Lease Negotiation Information Report (PED19084) (City Wide) (Item 14.2)

That Report PED19084, respecting Tradeport / City Lease Negotiation Information Report, be received and remain confidential.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

The Committee Clerk advised that there were no changes to the agenda.

The agenda for the March 29, 2019 Airport Sub-Committee meeting was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)

(i) May 3, 2018 (Item 4.1)

The Minutes of the May 3, 2018 meeting of the Airport Sub-Committee were approved, as presented.

(d) STAFF PRESENTATIONS (Item 9)

(i) Cathie Puckering, President and CEO, John C. Munro Hamilton International Airport - 2018 Year in Review Report respecting the John C. Munro Hamilton International Airport (Item 9.1)

Cathie Puckering, President and CEO, John C. Munro Hamilton International Airport, addressed the Committee respecting the 2018 Year in Review Report, with the aid of a presentation. A copy of the presentation has been included in the official record.

The presentation from Cathie Puckering respecting the John C. Munro Hamilton International Airport 2018 Year in Review, was received.

A copy of the presentation is available at www.hamilton.ca.

(e) PRIVATE AND CONFIDENTIAL (Item 14)

Committee moved into Closed Session respecting Items 14.1 & 14.2 pursuant to Section 8.1, Sub-sections (i) and (k) of the City's Procedural By-law 18-270; and, Section 239(2), Sub-sections (i) and (k) of the *Ontario Municipal Act*, 2001, as amended, as the subject matters pertain to a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization; and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

(i) 2019 - 2030 Capital Expenditure Request for John C. Munro Hamilton International Airport (HIA) (PED19083) (City Wide) (Item 14.1)

Staff were provided with direction in Closed Session.

For further disposition of this matter, refer to Item 4.

(ii) Tradeport / City Lease Negotiation Information Report (PED19084) (City Wide) (Item 14.2)

Staff were provided with direction in Closed Session.

For further disposition of this matter, refer to Item 5.

(f) ADJOURNMENT (Item 15)

There being no further business, the Airport Sub-Committee, adjourned at 2:38 p.m.

Respectfully submitted,

Councillor L. Ferguson, Co-Chair
Airport Sub-Committee

Angela McRae
Legislative Coordinator

Office of the City Clerk



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Growth Management Division

TO:	Chair and Members Airport Sub-Committee
COMMITTEE DATE:	March 29, 2019
SUBJECT/REPORT NO:	2019-2020 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED19086) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY:	Tony Sergi Senior Director of Growth Management Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

That the City of Hamilton approve and allocate \$100,000 from the Airport Joint Marketing Reserve Fund No. 112217 as the City's contribution to the 2019-2020 John C. Munro Hamilton International Airport (HIA) – City of Hamilton Joint Marketing Initiatives outlined in Report PED19086.

EXECUTIVE SUMMARY

In accordance with Section 34 of the John C. Munro Hamilton International Airport (HIA) Lease Agreement between the City of Hamilton and TradePort International Corporation (TIC), the City is obliged to allocate monies to the HIA Joint Marketing Initiatives on an annual basis or as necessary. TIC has requested funding for one project for the 2019-2020 project year.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As of December 31, 2018, there was \$380,664 in the Airport Joint Marketing Reserve Fund No. 112217. There are more than sufficient funds to allocate the \$100,000 recommended for the 2019-2020 Joint Marketing Initiatives in this Report.

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SUBJECT: 2019-2020 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED19086) (City Wide) - Page 2 of 4

Staffing: Not Applicable

Legal: Approval of the Joint Marketing Initiatives fulfils one of the City's obligations under the Head Lease Agreement with TIC for the HIA.

HISTORICAL BACKGROUND

The Regional Municipality of Hamilton-Wentworth (Region) leased the HIA from Transport Canada in 1987. On July 19, 1996, the Region entered into a 40-year Sub-Lease Agreement with TIC (to be converted to Lease upon transfer) to operate the HIA on its behalf. In December 1996, ownership of the HIA was transferred from Transport Canada to the Region.

Section 4.04 of the Lease Agreement provides for revenue sharing amongst the City and TIC which commenced in 2006. Pursuant to Sections 34.01, 34.02, 34.03 of the Agreement, the City agrees on an annual basis to dedicate no less than 25% of all Percentage Rent received by the City to match but not exceed marketing expenditures of the HIA in the immediately preceding year. In addition, the City agrees on an annual basis to dedicate a further 25% of all Percentage Rent received by the City to fund capital expenditures for municipal services in, on and around the HIA.

To comply with the HIA Lease Agreement, enable efficient use of HIA revenues, and maintain effective review procedures, staff recommended the establishment of separate HIA reserves for the revenues generated by the HIA Lease Agreement, Report PED07077 approved by Council February 28, 2007.

On December 31, 2018, staff was advised by Finance Division that there was \$380,664 in the Airport Joint Marketing Reserve Fund No. 112217. Therefore, staff is requesting approval for financial support of the proposed 2019-2020 Joint Marketing Initiatives from same.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

John C. Munro Hamilton International Airport Head Lease Agreement

RELEVANT CONSULTATION

- Planning and Economic Development Department, Economic Development Division;
- Corporate Services Department, Finance and Administration Section; and,
- TradePort International Corporation (TIC).

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SUBJECT: 2019-2020 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED19086) (City Wide) - Page 3 of 4

ANALYSIS AND RATIONALE FOR RECOMMENDATION

There is only one project totaling \$100,000, for the City's consideration as Joint Marketing Initiatives as defined in Section 34 of the Head Lease Agreement to promote economic growth and development for the HIA. TIC or the City have not yet awarded any project listed, consultants have not been retained, and costing amounts are estimates only. TIC has advised that should the total cost of any project increase beyond the estimated cost, the City contribution would not be affected.

General Marketing and Awareness Campaign

To support commercial passenger service, Airport Awareness Campaigns promote the destinations available from the HIA. Two campaigns are created, one for the summer program, which begins in April and runs through to September, and another for the winter program, which begins in October and runs through to March. The HIA works closely with an agency to develop a creative platform and marketing plan. A number of marketing mediums are used to promote the HIA, some of which include online, television and radio ads, outdoor billboards and bus shelters. Campaigns are focused on the central Hamilton area, but may extend to surrounding cities such as Burlington, Brantford and Niagara Region.

Timing

Summer Campaign (approximate):

Campaign Development: March 2019
 Campaign Duration: April 2019 to September 2019

Winter Campaign (approximate):

Campaign Development: September 2019
 Campaign Duration: October 2019 to March 2020

Estimated Cost*

Summer Campaign:

Total Cost	= \$300,000
Airport Contribution	= \$250,000
City Contribution	= was \$50,000

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SUBJECT: 2019-2020 John C. Munro Hamilton International Airport (HIA) - City of Hamilton Joint Marketing Initiatives (PED19086) (City Wide) - Page 4 of 4

Winter Campaign:

Total Cost	= \$250,000
Airport Contribution	= \$200,000
City Contribution	= \$50,000

****Should total cost increase, City contribution level would not be affected.***

ALTERNATIVES FOR CONSIDERATION

Not Applicable

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

Not Applicable

GP/acs/sd



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 17, 2019
SUBJECT/REPORT NO:	Annual Assessment Appeals as of December 31, 2018 (FCS19030) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Maria Di Santo (905) 546-2424 Ext. 5254 David Janaszek (905) 546-2424 Ext. 4546
SUBMITTED BY:	Rick Male Director, Financial Services and Taxation & Corporate Controller Corporate Services Department
SIGNATURE:	

INFORMATION

Appeals of assessment value and classification have a large impact on the Municipality's annual budgeted tax revenue. As property taxes are based on an assessment value multiplied by a tax rate, any reduction in the assessment value or classification (primarily a class change to a lower taxed property class) will have a negative impact on the Municipality's property tax revenues. Recent years have shown a continued trend in large commercial and industrial appeals that result in significant property tax reductions.

This report is intended to keep Council apprised of the trends over the last five years. Trends continue to show large industrial and commercial appeals that have off-set, in part, the growth in these property classes. Through the budget process, the City of Hamilton (City) recognizes that assessments will be challenged and lost. As such, an annual budget is approved (2018 budget = \$7.3 million) for regular, on-going losses due to appeals, requests for reconsideration and Municipal tax applications. In addition to this, an allowance is set up where there is a potential for a significant loss of assessment that covers multiple years.

The five-year average Municipal loss due to the combined impacts of Assessment Review Board (ARB) appeals, requests for reconsideration and Municipal tax applications equates to approximately \$8.1 million per year. This considers the lower than expected reductions processed in the 2018 taxation year. This is not an indication that there has

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**SUBJECT: Annual Assessment Appeals as of December 31, 2018 (FCS19030)
(City Wide) - Page 2 of 8**

been a decrease in the number of appeals filed or that property owners have been unsuccessful with their appeals, but rather, it reflects the reduced amount of resolved appeals in 2018 resulting from the scheduling delay of changes implemented by the Board in 2017.

The Assessment Review Board introduced new Rules of Practice and Procedure which came into effect on April 1, 2017. The changes impact all parties in the process, including Municipalities, and were introduced to streamline the property tax appeal process and promote fairness and efficiency. The new rules will help to ensure that appeals, both old and new, will commence within the current four-year cycle and be completed on a timely basis. Under the new rules, a commencement date is assigned to each appeal. This commencement date is when work is expected to begin as the appeal proceeds through the schedule of events spanning up to 2 years. This is a robust and rigid schedule that must be complied with. An appeal would exceed 2 years should the parties be unable to resolve the appeal(s) and a full hearing before the ARB is required.

Although the new rules came into effect on April 1, 2017, the first commencement date scheduled by the ARB was November 15, 2017 with additional appeals commencing once a month thereafter throughout the current 4-year cycle. Given the first commencement date and the 2-year timeline associated with the schedule of events, it was not expected that many appeals would be resolved within 2018.

Unfortunately, the process which led up to the scheduling of appeals under the new rules resulted in a delay of the appeal process in 2017 and impacts the following years. Municipalities were asked to provide the ARB with a short list of sensitive and priority properties which the Board would consider in the scheduling process. Taxation staff provided a list of properties to the ARB in August 2017. When compiling the list, Taxation staff considered factors such as political sensitivity, age of appeal, quantity of appeals for a property and properties with significantly high assessment value. MPAC and other industry representatives were also provided an opportunity to review the listing of appeals and provide their input and preferences towards scheduling commencement dates for the appeals.

Assessment appeals are not unique to the City of Hamilton. The issue of the loss of commercial and industrial assessments is province-wide. As the Municipal Property Assessment Corporation (MPAC) is responsible for the property valuations, Municipal property tax revenues hinge on how well their valuations hold up when challenged by taxpayers and highly trained appraisal consultants. Further complicating matters is the fact that large province-wide appeals are being delayed due to their complexity and the time it takes to be heard at the Assessment Review Board (ARB). An appeal that takes five to seven years for a decision can lead to a significant cumulative Municipal property tax revenue loss if a reduction in assessment value is warranted.

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**SUBJECT: Annual Assessment Appeals as of December 31, 2018 (FCS19030)
(City Wide) - Page 3 of 8**

Table 1 below shows the number of properties with outstanding ARB appeals by CVA (Current Value Assessment) Cycle:

Table 1

Outstanding appeals by Assessment Value and Number

	2018- 2017 Assessment Cycle (2016 CVA)	2016 – 2013 Assessment Cycle (2012 CVA)	2012 – 2009 Assessment Cycle (2008 CVA)	2008 – 2006 Assessment Cycle (2005 CVA)
CVA under Appeal	8,943,989,251	3,203,029,098	974,633,303	8,185,920
# of properties by taxation year ¹	1,290	272	73	2

¹ a property will be identified multiple times if the appeal extends multiple taxation years

Table 1 highlights the magnitude of the number of current outstanding appeals for properties within the City of Hamilton. The assessment values in Table 1 are the cumulative property values under appeal. Some of these appeals will be withdrawn or settled for no reduction, while others may be settled anywhere from a loss of 1% to 30% of the value, leading to a loss in Municipal property tax dollars. Currently, the largest appeals are in the big box category, along with the neighbourhood shopping plaza category. Many of these appeals are province-wide appeals as to the valuation issues being challenged, and are cumbersome due to the number of owners, Municipalities and tenants involved.

The actual loss of Municipal property tax dollars over the last five years because of successful appeals, requests for reconsiderations and Municipal tax applications is highlighted in Table 2. Expected loss of property tax revenues due to challenges to assessment values is budgeted annually, with additional allowances set aside for more significant multi-year appeals. As legislation permits the challenge of a property's assessment, and as there are several highly trained appraisal consultants, it is inevitable that adjustments will be made to property values that inevitably reduce the City's property tax revenues. For business properties, it is common practice for their appraisal consultants to automatically file appeals, regardless of the value returned by MPAC. As the valuation of business properties is complex, with multiple variables, appraisal consultants simply need to prove the inaccuracy of one of these multiple variables, which, in most cases, may ultimately warrant some type of reduction in the assessed value returned by MPAC. Some of these variables which are challenged may include external factors such as the economy and the functional obsolescence of a process.

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**SUBJECT: Annual Assessment Appeals as of December 31, 2018 (FCS19030)
(City Wide) - Page 4 of 8**

Table 2

5 Year Analysis of Appeals/Tax Reduction by Property Type

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Loss due to Appeals	-\$3,888,500	-\$19,842,700	-\$9,799,900	-\$7,680,900	-\$11,404,300
Taxes Lost by Property Type					
Commercial	-\$1,573,200 ² 40.5%	-\$4,095,000 20.6%	-\$1,946,600 19.9%	-\$3,982,500 51.8%	-\$958,500 8.4%
Taxable to Exempt	-\$41,600 1.1%	-\$12,646,400 ¹ 63.7%	-\$1,024,900 10.5%	-\$315,600 4.1%	-\$58,700 0.5%
Farm/Managed Forest	-\$266,400 6.9%	-\$217,000 1.1%	\$305,400 3.1%	-\$330,400 4.3%	-\$145,900 1.3%
Industrial	-\$1,019,000 26.2%	-\$1,506,500 7.6%	\$5,176,400 52.8%	-\$1,136,800 14.8%	-\$8,705,500 76.3%
Residential	-\$988,400 25.4%	-\$1,377,800 6.9%	-\$1,346,600 13.7%	-\$1,915,600 24.9%	-\$1,535,700 13.5%

¹ primarily due to City Housing properties now exempt from taxation (via Municipal Capital Facility by-law)

² inclusive of \$550,000 benefit due to the settlement of the City's appeal of Flamboro Downs

The figures reflected in Table 2 are Municipal property tax reductions that have resulted through a variety of processes including ARB appeals, MPAC Request for Reconsideration (RfR's), and Municipal tax applications (under section 357/358 of the Municipal Act). As can be seen from Table 2, the actual loss in Municipal property tax dollars can vary widely from year to year and by property class. As such, it is difficult to predict annual losses, as the loss would depend on when the appeal/request for reconsideration is ultimately settled. The longer it takes to settle, the more significant the potential loss (due to multiple years) when it is settled. An increase in the Municipal property tax revenue loss is typically experienced in the year in which significant multi-year appeals are settled. As stated previously, to account for this volatility, funds are also set aside in an allowance account where staff feel the potential for a higher than average reduction may be warranted, or where an appeal for a group of properties is on-going for several years.

The 2018 loss of \$3.9M is the lowest in the last five years. This is not an indication that there has been a decrease in the number of appeals filed or that property owners have been unsuccessful with their appeals, but rather, it reflects the reduced amount of resolved appeals resulting from the scheduling delay in the changes implemented in 2017 by the Assessment Review Board. Because of this delay, any allowance set up for significant appeals will simply be carried forward until the pending appeals are settled.

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The more significant ARB appeals settled in 2018 include; Costco (for taxation years 2009-2016), Walmart (for taxation years 2010-2016), Shoppers Drug Mart (for taxation years 2013-2018) and No Frills (for taxation years 2013-2016). The more significant reductions through MPAC's request for reconsideration and Municipal tax applications in 2018 include Superior Boiler Works (for 2014-2018 tax years), Former Football Hall of Fame (for 2016-2018 tax years), Costa's Wine Country (for 2015-2018 tax years), the former Bishop Ryan Secondary School property (for the 2018 tax year), the former James St Baptist church property (for 2015-2016 tax years), a Multi-Residential Apartment building on Rebecca St (for the 2018 tax year) and a Union Gas Transmission Pipeline (for 2016-2018 tax years).

It's important to note that the resolution of the Flamboro Downs assessment appeals filed by the City of Hamilton for taxation years 2013-2018 resulted in a \$550,000 Municipal property tax benefit to the City. This amount is included in the 2018 net loss of \$3.9M. Exclusive of this benefit, the 2018 loss is closer to \$4.4M.

The 2017 total loss identified in Table 2 is skewed due to City Housing properties being made exempt from taxation. Exclusive of the City Housing exemptions, the 2017 total Municipal loss due to appeals would equate to approximately \$7.2 million. The five-year average Municipal loss due to the combined impacts of ARB appeals, requests for reconsideration and Municipal tax applications (factoring out the 2017 exemption of City Housing properties and the 2018 gain due to the settlement of the City's appeal of Flamboro Downs) equates to approximately \$8.1 million per year. In recognition that many appeals were not resolved in 2018 due to ARB scheduling logistics, the four-year (2014-2017) average equates to \$9.0M. This annual loss represents approximately 1% of the Municipal tax levy.

With the new ARB rules, the Municipal Property Assessment Office, along with the Province, are continuing to work towards setting some standard rules and procedures around assessment methodologies that hopefully will take some of the volatility out of the assessment challenges the City has seen to date. MPAC has committed to providing the larger property holders comprehensive guides that explain assessment methodology and how the methodology was applied to value their property, as well as the detailed information used to value the property. MPAC have made this data available in mid-2016, and then through consultations with those taxpayers, hopefully will have agreed upon values before issuing the final assessment roll to the City. If MPAC gets the co-operation of the other parties, future returned assessment rolls should hopefully be accurate with less appeals of significant value. City staff will continue to monitor and report back to Council annually.

Considering Council's concerns with respect to the volatility of the assessment base, resources within the Taxation section were realigned in 2017 to dedicate more time both protecting the City's interests within ARB proceedings and holding MPAC more

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accountable to defend their values, as well as ensuring MPAC captures new growth within acceptable timelines.

It had been anticipated that more staff time would be allotted in 2018 to closely monitor the outstanding appeals and ensure a more active role with the larger commercial and industrial appeals. Unfortunately, staff involvement was limited because of staff vacancies experienced at various times throughout 2018. Staffing in this area has proven to be more difficult than originally anticipated, due to the level of assessment and valuation knowledge required in the position. Currently one Assessment and Appeals Advisor position continues to be vacant, to hopefully be successfully filled by the second quarter of 2019.

One of the primary roles of the Assessment and Appeals Advisors is to review and discuss the reasons for any reductions with MPAC to ensure there are valid reasons for the reductions before appeals are signed off on any Minutes of Settlement. Advisors also attend many of the settlement meetings between MPAC staff, property owners and/or their agents, to ensure the reasons for an appeal are valid, and to challenge any potential settlements based on facts.

It should be noted that some of the assessment reductions identified in this report, may in fact eventually lead to potential assessment growth. In some cases, there may be losses on a property due to an appeal or demolition, only to then have growth on the same property due to development of the property reflected in supplementary assessments and ultimately increase in property taxes.

On the industrial side, while the City may experience losses due to tenants or structures at the Port Authority, gains are then realized through supplementary revenues with new tenants moving in and new buildings being built to accommodate larger tenants. Taxation staff work closely with the Hamilton Port Authority and the Airport to ensure all tenant information is correct and picked up on a timely basis by MPAC. Taxation staff also work closely with the City's Planning & Economic Development department and MPAC to ensure developments are picked up through MPAC's supplementary/omitted assessment process or updated for inclusion on the assessment roll for the following tax year.

Table 3 shows the positive gains over the last five years due to supplementary/omitted billing revenues. Under the *Assessment and Municipal Acts*, assessments and property taxes can be retroactively billed after the final roll is returned for the current year (referred to as supplementary taxes) and prior two years (referred to as omitted taxes). Taxation staff are pro-active in ensuring that large developments are picked up as quickly as possible, while also looking for areas where the tax classifications and values for new developments may be incorrect.

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Table 3

Five Year Analysis of Supplementary / Omitted Tax Revenues

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Supplementary/ Omitted Revenues	\$10,394,300	\$11,211,100	\$7,915,400	\$15,017,000	\$12,096,000
Loss due to Appeals	-\$3,888,500	-\$7,229,500*	-\$9,799,900	-\$7,680,900	-\$11,404,300
Net – Supplementary Revenues less Appeals	\$6,505,800	\$3,981,600	-\$1,884,500	7,336,100	691,700

*Exclusive of City Housing properties exemption from property taxes in 2017 (Municipal Capital Facility by-law)

The above table shows that the City's supplementary and omitted tax revenues have, for the most part, resulted in a net positive increase in Municipal property taxes. This increase is further supplemented by growth, only reflected on the year-end assessment roll return, which is not part of this report, and is reported yearly during the budget process.

The five-year average for supplementary/omitted Municipal property tax revenue is approximately \$11.3 million. Like the appeals, this revenue is also difficult to predict accurately. This revenue is contingent on the volume of new development, the type of development (due to the different valuation methods and tax rates depending on the property tax class), the period of construction (length of time between building permit and occupancy) and ultimately when MPAC reflects the new development on the assessment roll.

In recent years, the City of Hamilton has experienced record building permit revenues which unfortunately do not always translate into increased assessments and property taxes. Some of the factors in reconciling building permits to assessment growth include:

- Construction value does not equate to assessed value – property taxes are calculated based on current value assessment (not construction value). Depending on the type of development, the difference between the two can be significant. This also does not consider that the current value assessment determined by MPAC can then be challenged and subsequently reduced if the appeal/request for reconsideration is successful.
- Institutional/Government development may ultimately be exempt from taxation
- Alterations, plumbing, sewage building permits that increase construction value may not affect the assessed value
- Demolition permits increase the over construction value, while having the opposite effect, for the most part, on assessed value.
- Timing – total construction value reported for one year (i.e. \$1,364,145,418 and \$1,264,757,129 for 2017 and 2018 respectively) will not be added all at once to the assessment roll – MPAC will only pick up the development (if it affects current

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value) when occupancy is granted. As such, it is more of a staggered increase over a period of 1 – 3 years.

MD/dw



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 17, 2019
SUBJECT/REPORT NO:	Annual Tax Arrears as of December 31, 2018 (FCS19031) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Maria Di Santo (905) 546-2424 Ext. 5254
SUBMITTED BY:	Rick Male Director, Financial Services and Taxation & Corporate Controller Corporate Services Department
SIGNATURE:	

INFORMATION

Property taxation is the main source of revenue for Municipalities to fund their operations. As such, the City of Hamilton must ensure that this primary source of revenue is protected and monitored closely. This Information Report focusses on the level of annual property tax arrears over the last five years, up to and including December 31, 2018. This Report also identifies the steps taken by Taxation staff to ensure the protection and collection of these arrears, while adhering to requirements under the *Municipal Act, 2001*.

While the information in this report illustrates rather large property tax arrears, for the most part, the City is protected in that it has priority lien status on the property and eventually will collect the property taxes, and other charges added to the tax roll, in the event of a tax sale of a property. This report will show that over the last 5 years, the City has collected 99.9% of all property tax revenues levied.

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Table 1 is an analysis of the tax arrears from 2014 to 2018.

Table 1

5 Year Analysis of Tax Arrears

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Arrears ¹	\$73,737,453	\$68,792,042	\$82,770,634	\$81,008,372	\$83,100,003
Increase/(Decrease) Over Previous Year	\$4,945,411	(\$13,978,592)	\$1,762,262	(\$2,091,631)	\$4,689,280
Percentage Increase/(Decrease)	7.19%	(16.89%)	2.18%	(2.51%)	5.98%
Current Taxes Levied ² Plus Additions to Tax Roll	\$1,077,755,612	\$1,049,614,426	\$1,039,473,707	\$1,011,641,806	\$975,197,854
Increase/(Decrease) Over Previous Year	\$28,141,186	\$10,140,719	\$27,831,901	\$36,443,952	\$26,513,409
Percentage Increase/(Decrease)	2.68%	0.98%	2.75%	3.74%	2.79%
% of Total Arrears to Current Taxes Levied	6.84%	6.55%	7.96%	8.01%	8.52%
Municipal Benchmarking Network Canada (MBNC) – Current Year's Tax Arrears as a % of Current Year Levy					
Hamilton	TBD	3.9%	4.3%	3.8%	4.2%
Municipal Average ³	TBD	2.5%	2.6%	2.6%	2.6%
Municipal Benchmarking Network Canada (MBNC) – Prior Year's Tax Arrears as a % of Current Year Levy					
Hamilton	TBD	2.4%	3.1%	3.5%	3.2%
Municipal Average ³	TBD	1.7%	1.8%	2.0%	1.5%

Total Arrears¹ is inclusive of current and prior years, penalty and interest charges and charges added to the tax roll (i.e. water arrears, property standards charges, etc.). Exclusive of supplementary/omitted billings levied but not due as of December 31st of each respective year.

Current Taxes Levied² is exclusive of supplementary/omitted billings levied but not due as of December 31st of each respective year.

Municipal Average³ of comparator Municipalities across Canada

As identified in the Table 1, 2018 saw an increase in total arrears compared to 2017, yet the level of arrears as of December 31, 2018 is still lower than that of years 2014 to 2016. The reduction in arrears experienced in 2017 was primarily due to substantial payment of arrears received for three large industrial properties.

The percentage of Total Arrears to Current Taxes Levied also increased in 2018 (6.84% compared to 6.55% in 2017), however it remains lower than the percentage experienced in years 2014 to 2016. This is largely due in part to the fact that the total arrears, except for 2017, have declined, while the taxes levied, as well as charges added to the tax roll, continues to increase.

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It should be noted that the total arrears is not simply for the property taxes levied each year, but also includes penalty and interest charges, as well as other charges added to the tax roll (i.e. water arrears charges, property standards charges, development charges, POA charges, etc.). Where allowable under the *Municipal Act*, charges are added to the tax roll and collected in the same manner as property taxes. This is an efficient and effective method of collecting non-property tax arrears.

When looking at the results of the Municipal Benchmarking Network Canada (MBNC), Hamilton continues to be well above the average of the comparator Municipalities. It should be noted that MBNC splits out tax arrears between current year and prior year tax arrears. MBNC also does not consider penalty and interest charges added to the tax roll account as part of the arrears calculation, which, on average, can equate to an additional 1%.

Breakdown of Tax Receivable by Property Class

Table 2 provides a breakdown of the annual Taxes Receivable by major property class and the respective share to the overall total Taxes Receivable. The second portion of Table 2 identifies the number of properties with balances owing at the end of the year, by major property class, and the respective share to the overall total number of properties with a balance owing at year end.

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Table 2**5 Year Analysis of Tax Receivable by Major Property Class**

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Taxes Receivable ³	\$83,598,660	\$79,954,701	\$89,282,439	\$91,059,641	\$86,800,951
Vacant Land	\$2,944,401 3.52%	\$2,580,918 3.23%	2,331,508 2.61%	2,198,808 2.41%	2,446,105 2.82%
Farm/Managed Forest	\$1,590,046 1.90%	\$1,931,372 2.42%	2,228,680 2.50%	2,050,572 2.25%	2,075,802 2.39%
Residential	\$50,275,034 60.14%	\$48,675,560 60.88%	45,664,994 51.15%	49,830,344 54.72%	50,808,433 58.53%
Commercial	\$16,311,790 19.51%	\$14,458,260 18.08%	\$14,085,536 15.78%	\$14,341,232 15.75%	\$9,945,973 11.46%
Industrial	\$12,435,451 14.88%	\$12,143,278 15.19%	\$24,951,991 27.95%	\$22,621,460 24.84%	\$19,668,087 22.66%
Other	\$41,939 0.05%	\$165,313 0.21%	\$19,732 0.02%	\$17,225 0.02%	\$1,856,550 2.14%
# of Properties	19,288	17,582	16,239	16,505	15,926
Vacant Land	565 2.93%	645 3.67%	528 3.25%	661 4.0%	568 3.57%
Farm/Managed Forest	392 2.03%	382 2.17%	403 2.48%	411 2.49%	386 2.42%
Residential	17,191 89.13%	15,395 87.56%	14,162 87.21%	14,373 87.08%	13,829 86.84%
Commercial	802 4.16%	825 4.69%	839 5.17%	784 4.75%	736 4.62%
Industrial	333 1.73%	329 1.87%	305 1.88%	274 1.66%	339 2.13%
Other	5 0.03%	6 0.03%	2 0.01%	2 0.01%	52 0.33%

Tax Receivable³ is inclusive of supplementary/omitted billings levied but not due as of December 31st of each respective year and exclusive of credit balances or balances under \$5 as of December 31st of each respective year.

As shown in Table 2 above, relatively speaking, the level of tax arrears by property class has remained stable, except for the increase experienced in the Commercial property class and decrease experienced in the Industrial property class.

With respect to the number of properties with an amount owing at yearend, this figure continues to rise. This is primarily driven by the Residential property class; however, the Residential property class has also experienced the largest amount of growth. Although the number of Residential properties in arrears has increased by approximately 3,400 (17,191 in 2018 compared to 13,829 in 2014), the number of new residential properties over this same time (particularly single-family and condominiums) exceeds this amount.

Lastly, on a per unit basis, when comparing the Residential arrears to the number of Residential properties in arrears, the arrears have declined (\$2,924.50 in 2018 compared to \$3,674.05 in 2014).

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Penalty and Interest Analysis

Table 3 identifies the penalty and interest charges applied to the tax roll accounts for amounts not paid by the due dates. In adherence to By-law 13-136 “A By-law to Set Penalty and Interest Rates”, taxpayers are charged 1.25% per month (15% per year) for property taxes and other charges added to the tax roll, that are past due. Penalty and interest charges are added the first of the month, for the full month. The penalty and interest rate charged is the maximum allowable under the Municipal Act and is consistent with what other Ontario Municipalities charge. The high interest rate acts as a deterrent for most taxpayers to avoid paying late or accumulating arrears, however, some taxpayers will continue to pay late or allow the arrears to grow, regardless of the penalty and interest charges incurred.

As identified in Table 3 below, over the last five years, penalty and interest revenue has averaged approximately \$11.8M per year, with 2016 being the highest year at \$12.5M in penalty and interest revenue. Approximately \$2.5M of the 2016 total penalty and interest revenue was attributed to three large industrial properties that were in arrears. The significant reduction in penalty and interest revenue in 2017 was due primarily to the settling of some of the arrears for these large industrial properties. The combined 2018 arrears for these large industrial properties continued to fall compared to 2017, albeit not to the extent of the reduction experienced in 2017.

Table 3

5 Year Analysis of Penalty and Interest Charges

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
P&I charges added to the Tax Roll	\$11,290,901	\$11,368,557	\$12,534,763	\$11,904,628	\$11,748,414
Increase/(Decrease) over Previous Year	(\$77,656)	(\$1,166,206)	\$630,135	\$156,214	\$1,271,372
% Increase/(Decrease) over Previous Year	(0.68%)	(9.30%)	5.29%	1.33%	12.13%

Even with the reduction in penalty and interest revenue when compared to 2016, significant revenue continues to be generated through penalties and interest charges for late payments. This is a cost borne exclusively by taxpayers who choose to pay late. The City’s collection efforts ultimately have an impact on this revenue. The more aggressive the City’s collection efforts are, the less revenue in penalty and interest. It should be noted that although the 2018 penalty and interest revenue declined slightly when compared to 2017, the second half of 2018 identified an upward trend.

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Tax Collection Efforts

There are several steps taken to ensure the City's taxes receivable are protected and ultimately collected:

- Arrears are indicated on both tax billings (Interim tax bill mailed out in early February and Final tax bill mailed out in early June)
- Setting the penalty and interest rate at the maximum allowable under the Municipal Act (1.25% per month / 15% per year) – this rate is identified on all tax bills and remainder notices, so taxpayers are aware of the cost of falling into arrears
- Starting in 2015, the City started issuing four reminder notices per year (in March, May, July and October, being the months following each instalment due date) versus the two reminder notices mailed out previously. The additional reminder notices do have some positive effect in collections, by advising taxpayers earlier where a potential problem may exist (i.e. bill not received in the mail, new owner who did not get a tax bill from previous owner, misapplied payment to another tax roll account, etc).
- Letters mailed out to new owners of properties advising of any arrears and of upcoming instalments due. When property ownership changes, Taxation staff send letters to the new owners when there is no upcoming billing or reminder notice. This avoids new owners falling into arrears where their lawyer failed to settle any arrears on closing or where new owners were not made aware of upcoming instalments.
- An annual letter is sent in January to all properties in 3+ years in arrears, advising the taxpayer a lien will be registered should the arrears not be dealt with. Taxpayers are made aware that should a lien be registered, that any interested parties registered on title, such as a mortgage company, will be notified of these arrears.
- For taxpayers who ignore the 3+ years in arrears letters, liens get registered on title and notices are sent to anyone on title, including mortgage holders. The approved user fee to cover the City's costs for the registration of delinquent accounts is also added to the tax roll account. Tax staff monitor all properties in 3+ years in arrears, registering liens in order of largest arrears.
- On average, the City runs two tax sales per year. This is the last step in the collection of tax arrears. For the most part, arrears are settled before the tax sale,

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by either the property owner or their mortgage company. For properties that do go to tax sale, the arrears are paid by the proceeds of the successful bidder.

Table 4 identifies the number of reminder notices mailed out in March, May, July and October, as well as, the number of properties in arrears as of year-end.

Table 4

5 Year Analysis of Reminder Notices issued

	2018	2017	2016	2015	2014
# of March Reminders	18,409	19,859	18,660	20,016	N/A
# of May Reminders	21,514	22,723	22,380	21,371	21,674
# of July Reminders	20,516	21,125	20,630	19,929	N/A
# of Oct Reminders	23,298	24,544	23,579	23,176	24,509
# of Properties billed ¹	177,258	175,961	174,634	172,841	170,928
# of Properties in Arrears at year-End	19,288	17,582	16,239	16,505	15,926
% of Properties in Arrears	10.88%	9.99%	9.30%	9.55%	9.32%

of Properties billed¹ in the June final property tax billing for each respective taxation year.

As Table 4 illustrates above, although the additional reminder notices have not resulted in less properties in arrears, they do assist greatly in resolving issues sooner rather than later, for such things as a missed payment, a misapplied payment, misplaced or lost tax bills, etc. The number of reminder notices issued are consistent year over year. There is typically an increase in reminder notices mailed out in May and October, due to taxpayers forgetting the second instalment of their interim or final tax bill. A newspaper ad is also published in the local paper to remind taxpayers of the upcoming instalment due date. Regardless of this collection effort, some taxpayers will continue to misplace or lose their tax bills, sell/purchase property and pay on their previous roll number in error, or simply ignore the reminder notices.

Although the number of properties in arrears increased in 2018, the number of reminder notices mailed out in 2018 has declined when compared to 2017. This is simply due to a change in how reminder notices are issued in conjunction with the application of the Council approved user fee. Effective 2018, reminder notices are mailed out to all arrears over \$50. The user fee is applied to all remainder notices issued. Previously, reminder notices were mailed out to all arrears over \$5, yet the user fee for mailing the reminder notice was only charged to arrears over \$900.

By the end of 2018, approximately 11% of the total number of properties billed had not paid their taxes in full. This percentage is slightly higher than the approximate 10% experienced in prior years.

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Tax Registration

Table 5 breaks down the number of properties, on a yearly basis, that are in arrears three years or more. The annual 3+ years in arrears letters (typically mailed out mid to late January), elicit several responses ranging from promises to pay, payment arrangements, payment of the minimum amount required to discharge the lien (third year in arrears) and payment in full. Unfortunately, some taxpayers simply ignore the City's letter.

Taxation staff sorts and monitors these arrears into different categories (i.e. properties with payment arrangements, properties that will pay in full, properties that can only settle the third year, properties that have not contacted the City, etc.). Staff then begin to register liens on those who have ignored their arrears, starting with the properties with the largest arrears. Staff also monitor arrears of taxpayers who have made promises and move them into the registration process if those promises are not kept. It has been the practice of Taxation staff to show compassion for taxpayers in financial difficulty and will work with the taxpayer to allow them some time, within reason, to sort out their financial affairs.

The tax registration and sale of properties is regulated under Part XI of the Municipal Act, 2001. Once a property is eligible to be registered, an extensive title check is required to determine who is registered on title. Once the lien is registered, Taxation staff must send notices within 60 days to all parties registered on title. The full costs of this process are added to the tax roll account, as per the annual Council approved user fee by-law. In many cases, Mortgage companies will act to protect their interest and work with the taxpayer on the arrears or use their Power of Sale legislation.

If the tax arrears are not addressed on receiving the Notice of Registration, then Final Notices must be sent after 280 days of registering a lien. A tax sale cannot take place before one year (365 days) has passed since the registration of the lien.

Table 5 identifies how many properties, per year, receive 3+ years in arrears letters versus how many are registered.

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Table 5

5 Year Analysis of Tax Registration / 3+ years in Arrears Letters issued

	2018	2017	2016	2015	2014
3+ years in Arrears letters	1,203	1,288	1,284	1,408	1,604
Increase / (Decrease) over Prior Year	85	4	(124)	(196)	158
Properties Registered with Tax Lien	360	310	400	500	500
% Registered per Year	29.9%	24.1%	31.2%	35.5%	31.2%

The number of properties falling behind on their taxes three or more years continues to be a concern, as does the number of tax liens the City places on properties and the number of properties that eventually go to tax sale every year. In many cases, the taxpayers sell their properties to satisfy their debts or their mortgage companies must get involved, either re-financing the property or going to power of sale. Taxation staff typically register approximately 300 to 500 liens per year. The lower number of liens registered in 2017 is primarily due to staff vacancies. These vacancies were filled by the end of the second quarter of 2018, resulting in an increase in 2018 registrations when compared to 2017.

Note that effective 2017, the *Municipal Act* was being amended to allow the registration of liens for properties in 2+ years arrears. Doing so would increase the number of properties that could potentially be registered by over 2.5 times. For now, Taxation staff will continue to register at three years in arrears until the impacts of moving to two years can be determined. As the City is protected via the priority lien status and ultimately has collected 99.9% of the property taxes levied, any proposed change to the status quo would need to balance the expected resulting reduction in total tax arrears with the added costs for additional staff resources required, potential loss of penalty and interest revenue and impacts to taxpayers in financial difficulty.

Tax Sale of Properties

The actual tax sale of a property is the final step of the process and one with serious consequences. When a property goes to tax sale, several of the properties generally get rectified by the owners and pulled from the actual sale. Every effort possible is made to allow property owners to keep their properties by settling the arrears themselves. For many of the properties that go to sale, properties may also have large property standard charges and/or water arrears added to the tax roll, as well as Federal and/or Provincial liens. The City must also deal with estate issues where no will exists. A further issue is where slivers of properties have been created and have been over-valued, and where the only means to rectify the problem is through the tax sale process.

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**SUBJECT: Annual Tax Arrears as of December 31, 2018 (FCS19031) (City Wide) -
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Of the properties that end up going through to the final bidding process of a tax sale, there are three potential results:

1. They sell for at least the minimum bid (taxes owing including all charges and fees added to the tax roll) and the City recovers all that is owed.
2. They do not sell (no acceptable bids are received) and the property is not vested to the City due to liability concerns. These properties are then dealt with by the City's process for potentially contaminated properties or re-evaluate by the Municipal Property Assessment Corporation (MPAC) to a reasonable value for un-buildable land and left in the current owner's name.
3. They do not sell (no acceptable bids are received) and the property is vested to the City. City Real Estate staff would then attempt to sell the properties vested, at which time a report goes to Council to write-off any difference between what it sold for and the taxes owing.

Table 6 confirms that most arrears are generally settled, with relatively very few properties going to tax sale.

Table 6

5 Year Analysis of Tax Sales

	2018	2017	2016	2015	2014
Letters sent advising of impending tax sale	37	42	85	121	62
Properties advertised for tax sale	18	8	25	28	32
% to Tax Sale	48.6%	19.0%	29.4%	23.1%	51.6%
Rectified by Taxpayer	14	5	18	19	22
%Rectified	77.8%	62.5%	72.0%	67.9%	68.8%
Sold at Tax Sale	4	3	6	4	7
% Sold at Tax Sale	22.2%	37.5%	24.0%	14.3%	21.9%
No Bids Received	0	0	1	5	3
% with No Bids	0.0%	0.0%	4.0%	17.9%	9.4%
Sold at a later date by Real Estate	0	0	0	2	1

As shown above, most arrears are rectified by the taxpayer even after the property is advertised for Tax Sale.

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**SUBJECT: Annual Tax Arrears as of December 31, 2018 (FCS19031) (City Wide) -
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Tax Write-Offs

Section 354 of the *Municipal Act*, allows a Municipality to write-off property taxes if deemed uncollectable after an unsuccessful tax sale, or if no tax sale was conducted, deemed uncollectable due to the property being owned by the Federal, Provincial or Municipal government. Table 7 shows, on a yearly basis, the amount of taxes that have been written off, by Council approval, as uncollectible.

Table 7

**5 Year Analysis of Council Approved Write-Offs under Section 354 of the
Municipal Act**

	2018	2017	2016	2015	2014
Write-Offs Approved by Council	\$6,145.01	\$202,828*	\$397,842	\$7,928	\$2,015
Current Taxes Levied Plus Additions to Tax Roll	\$1,077,755,612	\$1,049,614,426	\$1,039,473,707	\$1,011,641,806	\$965,362,097
% of Taxes Levied – Collected	99.99%	99.98%	99.96%	99.99%	99.99%

*property vested to City after failed tax sale – write-off report awaiting recommended action to be taken (i.e. possible sale of property by Real Estate)

As Table 7 illustrates the City will eventually collect, on average, 99.9% of the taxes levied.

MD/dw

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CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 17, 2019
SUBJECT/REPORT NO:	2019 Tax Policies and Area Rating (FCS19022) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Gloria Rojas (905) 546-2424 Ext. 6247
SUBMITTED BY:	Brian McMullen Acting General Manager, Finance and Corporate Services Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the following optional property classes be continued for the 2019 taxation year:
- Parking Lot and Vacant Land;
 - Large Industrial.
- (b) That, based on the 2019 final approved Tax Operating Budget, the following final tax ratios be established for the 2019 taxation year:
- Residential 1.0000
 - Multi-Residential 2.5671
 - New Multi-Residential 1.0000
 - Commercial 1.9800
 - Parking Lot and Vacant Land 1.9800
 - Industrial 3.3696
 - Large Industrial 3.9513
 - Pipeline 1.7947
 - Farm 0.1767
 - Managed Forest 0.2500
 - Landfills 2.9696

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SUBJECT: 2019 Tax Policies and Area Rating (FCS19022) (City Wide) - Page 2 of 16

- (c) That the following tax reductions be established for the 2019 taxation year:
- | | |
|--|-----|
| • Excess Land Subclass (Residual Commercial) | 30% |
| • Excess land Subclass (Residual Industrial) | 30% |
| • Vacant land Subclass (Residual Industrial) | 30% |
| • Excess land Subclass (Large Industrial) | 30% |
| • Farmland awaiting development (1 st Subclass) | 25% |
| • Farmland awaiting development (2 nd Subclass) | 0% |
- (d) That the existing Seniors' (65+) Tax Rebate Program be continued for the 2019 taxation year;
- (e) That the Deferral of Tax Increases for Seniors and Low-Income Persons with Disabilities Program (Deferral of Tax Increases Program) be continued for the 2019 taxation year;
- (f) That the Full Tax Deferral Program for Seniors and Low-Income Persons with Disabilities Program (Full Tax Deferral Program) be continued for the 2019 taxation year as the second year of the three-year pilot;
- (g) That the existing 40% Tax Rebate for eligible charities and similar organizations be continued for the 2019 taxation year;
- (h) That the existing Tax Rebate for eligible charities and similar organizations be amended to include a 100% tax rebate for Veteran's Clubhouses and Legion Halls which use and occupy land as a memorial home, clubhouse or athletic grounds and would otherwise be tax exempt under Section 3(1) of the *Assessment Act, R.S.O. 1990, c. A.31*.
- (i) That the City of Hamilton By-law 12-116 to provide property tax rebates for Veteran's Clubhouses and Legion Halls occupying property in the City of Hamilton be repealed as they are now exempt;
- (j) That, for the 2019 taxation year, the tax capping percentage for any assessment-related tax increases in the Commercial and Industrial property classes be set at the maximum allowable of 10% of previous year's Current Value Assessment (CVA) level taxes;
- (k) That, for the 2019 taxation year, any capped property in the Commercial and Industrial property classes that is within \$500 of its Current Value Assessment (CVA) taxes in 2019, be moved directly to its full Current Value Assessment (CVA) taxes;

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SUBJECT: 2019 Tax Policies and Area Rating (FCS19022) (City Wide) - Page 3 of 16

- (l) That capping protection will be limited only to reassessment related changes prior to 2017;
- (m) That the four-year capping phase-out option be continued for the Commercial property class with 2019 being year 2 of 4;
- (n) That, if conditions are met pending release of the education tax rate, the four-year capping phase-out option be started for the Industrial property class;
- (o) That vacant lands that are currently subject to capping protection be excluded from the phase-out eligibility criteria where all properties must be within 50% of CVA level taxes;
- (p) That, for the 2019 taxation year, the minimum percentage of Current Value Assessment (CVA) taxes for properties eligible for the new construction / new to class treatment be set at 100% of Current Value Assessment (CVA) taxes;
- (q) That for the 2019 taxation year, any property in the Commercial and Industrial property class which paid full Current Value Assessment (CVA) taxes in 2018, no longer be eligible for capping protection in 2019 and future years;
- (r) That, for the 2019 taxation year, all properties eligible for a tax reduction under the existing capping program receive the full decrease, funded from the approved capping program operating budget;
- (s) That, for the 2019 taxation year, the Area Rated Levies be approved as identified in Appendix "A" to Report FCS19022 "2019 Tax Policies and Area Rating" attached hereto;
- (t) That Schedule "C" of the City of Hamilton By-law 18-131 be amended to reflect the provincially prescribed Education tax rate for the small-scale on-farm business subclasses;
- (u) That the City Solicitor & Corporate Counsel be authorized and directed to prepare all necessary by-laws, for Council approval, for the purposes of establishing the tax policies and tax rates for the 2019 taxation year.

SUBJECT: 2019 Tax Policies and Area Rating (FCS19022) (City Wide) - Page 4 of 16

EXECUTIVE SUMMARY

This Report highlights the tax policy tools and options for the current taxation year. For the most part this report is consistent with the tax policies recommended in previous years and also includes the following changes:

- New optional property sub-classes – O. Reg. 361/18;
- Elimination of the vacant unit rebate; and,
- Changes to the Veteran’s Clubhouses and Legion Halls tax rebate to recognize provincial exemption – s(3)15.1 *Assessment Act, R.S.O. 1990, c. A.31*.

The “Analysis and Rationale for Recommendation(s)” section of this Report provides a table of all the tax policies being recommended.

As identified below in Table 1, the combined impacts of the final approved 2019 Operating Budget, inclusive of the final growth and reassessment impacts and the tax policies recommended in this Report has resulted in achieving a municipal **city-wide residential tax impact of 2.5% or \$88** for the average residential property valued at \$358,600. This is equivalent to a \$25 increase for every \$100,000 of assessment. The Provincially prescribed education tax rate has not been released as of the date of this report.

Table 1

**2019 Municipal Residential Tax Impact
(Excludes Education Impact)**

	2018	2019	\$	%
Municipal Taxes	\$ 3,469	\$ 3,557	\$ 88	2.5%

Note: - Anomalies due to rounding
- Updated for growth and reassessment

The tax impact identified above is simply a City-wide average. Area rating and reassessment results in varying tax impacts throughout the City and on a property-by-property basis. Average residential tax impacts by ward and area rating scenario are included in Appendix “B” to Report FCS19022 “2019 Tax Policies and Area Rating” attached hereto.

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Table 2 identifies the 2019 Municipal average tax impacts by property class.

Table 2

	Municipal		
	Reassessment + Tax Policies	Budget	Total
Residential	0.2%	2.3%	2.5%
Multi-Residential	-1.4%	0.0%	-1.4%
Commercial	0.6%	2.5%	3.1%
Industrial	-2.3%	1.2%	-1.1%
Farm	3.6%	1.8%	5.4%

Note: Anomalies due to rounding

As shown in Table 2 above, the average municipal tax impacts vary between property classes. This is as a result of varying average reassessment impacts and restrictions on the Multi-Residential and the Industrial property classes.

The reassessment impact for the 2019 taxation year are not as significant as in the previous year in part because valuation changes resulting in decreases are accounted for in the first year of the reassessment cycle while increases are phased-in during the four years of the cycle. In addition, the transition ratios introduced in 2017 provided some mitigation; staff are not recommending transition ratios for the current taxation year.

The final tax impact also includes the effect of the Provincial legislation as it relates to the Multi-Residential property class, in which municipalities with a Multi-Residential tax ratio above 2.0 are not allowed to pass any reassessment related increases to the class and are also subject to a full levy restriction. In addition, the Industrial property class continues to be restricted and levy increases cannot be more than 50% of the increase passed onto the Residential property class. Overall, the tax impact varies significantly between classes.

The municipal tax impact for the Residential property class is 2.5% of which 0.2% is the result of reassessment and tax policies and 2.3% is the result of budgetary increases and levy restrictions. Staff will update Council on the total tax impact including education once the rates for the current year are set by the Province.

The Multi-Residential property class, including properties in the Multi-Residential and New Multi-Residential property classes, is experiencing an average municipal tax reduction of -1.4%. This is beyond the legislated requirement of 0% increase because this class is experiencing a reassessment-related benefit that cannot be passed onto the other classes and also because this class is subject to the full levy restriction, since

SUBJECT: 2019 Tax Policies and Area Rating (FCS19022) (City Wide) - Page 6 of 16

the City has a tax ratio of 2.5671 (for 2019) which is above the maximum required of 2.0.

The Commercial property class has a reassessment impact of 0.6% and a budget impact of 2.5% for a total municipal impact of 3.1%.

The Industrial property class is experiencing a municipal tax reduction of -1.1% as a result of the lower property values in the current reassessment cycle and the levy restriction. This is consistent with the previous two years of the current reassessment cycle (total tax reduction of -0.6% in 2017 and -1.1% in 2018).

The Farm property class is facing a reassessment related tax impact of 3.6% due to a significant increase in the value of these properties not only in the City, but across the Province, and a budgetary increase of 1.8%. The total municipal impact for the farm class is 5.4%. However, normally farm properties also have a residential component that is experiencing minimal tax impacts as they are located in the rural areas of the City (see “Residential Tax Impacts” section, page 13). The combined impact is, therefore, below the 5.4% shown only for the farm property class and, due to the City’s low tax ratio of 0.1767, the actual tax impact in dollars is also not significant.

Impacts by Ward reported in tables 5 and 6 and in Appendix “B” to Report FCS19022 “2019 Tax Policies and Area Rating” attached hereto reflect the new ward boundaries approved by the Ontario Municipal Board (OMB) in December 2017 and effective for the 2019 taxation year.

Alternatives for Consideration

Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Current and future tax policies impact the City financially in terms of revenue streams and their sources. The policies recommended in this Report have no budget impact since they have all been incorporated into the 2019 approved budget. The combined growth and reassessment impacts have been used to offset the 2019 budgetary pressures.

Staffing: None

Legal: None

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HISTORICAL BACKGROUND

Each year, staff bring forward tax policy options as part of the overall annual budget approval. The tax policies being recommended are consistent with the assumptions used when identifying tax impacts to Council during the 2019 budget process.

In 2011, significant changes were approved by Council to the method used for the area rating of specific services. Specifically, commencing in the 2011 taxation year, services such as Recreation, Fire, Sidewalks and Street Lighting are area rated based on an urban / rural model. Culture was area rated prior to 2011 and is no longer area rated. Parkland Purchases, Sidewalk Snow Clearing (Ancaster only) and Transit (urban area only) continue to be area rated by former area municipality.

The final 2019 tax impacts identified in this Report incorporate the budget impact as well as tax policies, growth and reassessment impacts.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

This Report deals with a number of tax policy items.

RELEVANT CONSULTATION

Staff has consulted with Provincial staff and confirmed that the recommended tax policies adhere to the Provincial legislation.

Staff from the Taxation Section and Legal Services Division, Corporate Services Department have also been consulted.

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ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Table 3

Tax Policy Tool	Mandatory vs. Discretionary	Recommendation
<p>Tax Ratios</p>	<p>Mandatory</p>	<ul style="list-style-type: none"> • Reduction of the Multi-Residential tax ratio to adhere to Provincial legislation that prevents municipalities to pass any reassessment and budgetary related increases onto this class • Reduction of the Industrial tax ratio to adhere to the levy restriction and only pass on 50% (maximum allowable) of the Residential budgetary tax increase • Commercial tax ratio to continue at the Provincial threshold (Discretionary)
	<p>Discretionary</p>	
<p>Capping</p>	<p>Mandatory program with discretionary criteria</p>	<p>The Province continues to increase municipalities' options to move properties off of capping.</p> <ul style="list-style-type: none"> • Limit capping protection only to reassessment related changes prior to 2017 • Once all properties in the class are at CVA taxes, the class is not eligible for capping in future years • Continue to set the maximum allowable capping criteria in an effort to limit the amount of capping • Criteria: 10% of previous year's CVA level taxes and moving to CVA level taxes if within \$500 of CVA level taxes • Continuation of the phase-out option for the Commercial property class and excluding vacant lands from the eligibility criteria • No changes in the following criteria: no capping if at full CVA taxes in 2018, full CVA taxes on new construction/ new to class, no clawbacks • New: If applicable after the release of the education tax rate, phase-out option for the Industrial property class

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Tax Policy Tool	Mandatory vs. Discretionary	Recommendation
Vacancy Rebates	Discretionary	<ul style="list-style-type: none"> Program has now expired for the 2019 taxation year as approved by Council on June 2017 (Report FCS17021(a))
Optional Property Classes	Discretionary	<ul style="list-style-type: none"> Maintain existing Parking Lot & (Commercial) Vacant Land and Large Industrial optional property classes The new small-scale on-farm business subclasses (O. Reg. 361/18) will not be adopted by the City Education rates for these subclasses will be identified in the corresponding City By-law
Reduction Programs	Discretionary	<ul style="list-style-type: none"> Maintain current reduction programs for the vacant and excess land subclasses in the Industrial and Large Industrial property classes. Continue to review and monitor for potential reduction or elimination per updated options introduced by Province in 2017
Seniors Tax Rebate Program	Discretionary	<ul style="list-style-type: none"> Continue existing program – see below 2019 updated rebate amount = \$194 (2018 amount of \$190 + CPI) Increase assessment threshold to \$465,000 (120% of the updated city-wide average assessed value for a single family dwelling) increase income threshold to \$36,100 (150% of updated GIS couple)
Deferral of Tax Increases Program	Mandatory	<ul style="list-style-type: none"> Maintain the program with the updated criteria approved by Council (Report FCS18005) Update income threshold to \$36,100 (150% of updated GIS couple)
Full Tax Deferral Program	Discretionary	<ul style="list-style-type: none"> 3-year pilot approved by Council (Report FCS18005) starting in 2018 Update income threshold to \$36,100 (150% of updated GIS couple) Application fee:\$ 200+HST; Interest at 5% per annum
Area Rating	Discretionary	<ul style="list-style-type: none"> Area rating based on the Council approved (April, 2011) Urban/Rural model (FCS09087 / FCS09087a / FCS11042) Appendix “A” to Report FCS19022 identifies the area rated levies for 2019

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Tax Policy Tool	Mandatory vs. Discretionary	Recommendation
Rebates to Charities and Similar Organizations	Mandatory	<ul style="list-style-type: none"> • Continue with existing program • 40% rebate for charities • 100% rebate for accredited educational institutions that rent their property • New: 100% rebate for Veteran's Clubhouses and Legion Halls that would otherwise be tax exempt.

Tax Ratios

Tax ratios distribute the tax burden across the property classes relative to the Residential property class tax ratio, which is set at 1.0000. For example, a property in a property class with a tax ratio of 2 would pay twice the amount of municipal tax as a similarly valued residential property. Tax ratios must be set within flexibility ranges determined by Provincial regulations.

Table 4 identifies the recommended 2019 final tax ratios compared to the 2018 final approved tax ratios and the Provincial thresholds:

Table 4

	2018 Final Tax Ratios	Recommended 2019 Final Tax Ratios	Provincial Threshold	Provincial Range of Fairness
Residential	1.0000	1.0000		
Multi-Residential	2.6342	2.5671	2.7400	1.0 - 1.1
Commercial	1.9800	1.9800	1.9800	0.6 - 1.1
Industrial	3.4115	3.3696	2.6300	0.6 - 1.1
Industrial - Large	4.0004	3.9513	2.6300	0.6 - 1.1
Pipeline	1.7947	1.7947		
Landfills	2.9696	2.9696	3.1189	
Farm	0.1767	0.1767		

As shown above, the Multi-Residential tax ratio has been reduced from 2018 in order to comply with the Provincial legislation that prevents municipalities with tax ratios above 2.0 to pass any reassessment related increases and any budgetary increases onto the Multi-Residential property class.

The Industrial property class continues to be levy-restricted as the City's tax ratio is above the Provincial Threshold and as a result, the 2019 tax ratio has also been reduced from the 2018 tax ratio.

Staff are recommending to maintain the 2018 tax ratios for all other property classes.

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Capping

The City has adopted the measures provided in 2016 and 2017 by the Province and significant progress has been made towards CVA taxes. For example, The Multi-Residential property class is no longer eligible for capping and the number of capped properties continues to be reduced every year. Since 2018 the Commercial property class has become eligible for the phase-out program by virtue of having all properties within 50% of CVA level taxes; excluding vacant lands from the eligibility criteria. In the phase-out program, the cap for eligible properties is reduced by one quarter in the first year, by one third in the second year and by half in the third year. After three consecutive taxation years, every property in the class will be exempt from capping protection.

Since the education tax rate has not been released by the Province as of the date of this report, staff is not able to calculate if the Industrial property class meets the criteria to start the phase-out option. Staff is recommending that if the conditions are met once the education tax rate is available, the phase-out option for the Industrial property class be started in 2019.

Vacancy Rebates

In 2017 the Province amended the legislation to provide municipalities with greater flexibility on the administration of the vacancy rebates program. Following approval by Council of report “New Municipal Flexibility for Vacant Unit Rebates and Vacant/Excess Land Subclasses (FCS17021(a))” on June 7, 2017, the City began to phase-out the program, which has been cancelled for the 2019 taxation year and beyond.

New Optional Property Subclasses

In May of 2018, the Government of Ontario established two new optional subclasses for small-scale on-farm businesses. The commercial and industrial subclasses would have a tax rate that is 75% lower than the commercial and industrial rates that would otherwise apply. These subclasses are in effect for 2018 taxation and subsequent taxation years and the Education tax rates for the commercial/industrial operation will be the lesser of the existing tax rate or 0.00272500, irrespective of municipalities opting into the small-scale on-farm business subclasses.

For a property to be assessed in these subclasses, 51% of the commercial and/or industrial facility must be used to sell, process or manufacture something from a product produced on the farmland. The first \$50,000 of assessed value attributed to the commercial or industrial operation will qualify for the reduced commercial or industrial tax rate. If the commercial or industrial operation has an assessed value equal to or greater than \$1 million, it will not qualify.

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Based on MPAC's supplementary roll information, the City of Hamilton has 12 qualifying properties for a total assessment of \$350k in both subclasses which would represent a loss in municipal tax revenue of \$2,060 (2018). Although the tax impact of adopting the new subclasses is not significant, staff is not recommending to adopt the subclasses since the industrial property class is already benefiting from the levy restriction and lower than average property assessments and it is a condition of the program that the subclass for the commercial property class can only be adopted if the subclass is adopted for the industrial property class.

Reduction Programs for Vacant / Excess Land subclasses

Similar to the Vacancy Rebates which were eliminated, the Province is providing municipalities with flexibility to modify their reduction programs. Staff is not recommending any changes to the City's current program which provides for a 30% reduction for excess lands in the Commercial, Industrial and Large Industrial property classes, as well as 30% reduction for vacant lands in the Industrial property class. Staff will continue to review and monitor this subclass for potential reduction or elimination of the rebate.

Full Tax Deferral Program

Report "Tax Assistance Programs for Seniors and Low-Income Persons with Disabilities (FCS18005)" approved by Council in January 2018 included a recommendation for a 3-year pilot program to assist seniors and low-income persons with disabilities by deferring the full amount of the taxes for the year until the property is sold.

2018 was the first year of the program and the City received 4 applications for a total of \$14k in deferred taxes. In 2019 we have received 12 applications that total \$19.2k for the February and April instalments of the current taxation year. The instalments for June and September have not been processed yet.

Staff will report back on the progress of the pilot program and any changes that may be warranted after the deadline for the 2019 applications has passed.

Veteran's Clubhouses / Legion Halls Rebate

Effective January 2018, the tax exemption section of the *Assessment Act, R.S.O. 1990, c. A.31* has been updated to add land used and occupied as a memorial home, clubhouse or athletic grounds by an Ontario Branch of the Royal Canadian Legion.

The City had already offered a 100% tax rebate to Veteran's Clubhouses / Legion Halls and therefore there would not be any financial implications as a result of this change in legislation.

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This rebate has also been offered to one Veteran's organization that is not an Ontario Branch of the Royal Canadian Legion. Staff is recommending that the Tax Rebates for Eligible Charities and Similar Organizations be amended to allow for a 100% tax rebate for this particular organization to continue as it is not eligible for property tax exemption under the current legislation but has previously received the tax rebate under the City's existing program.

Tax Impacts

The final average tax impacts, as identified in Appendix "B" to Report FCS19022, are the result of various factors:

- 2019 approved tax operating budget (Report FCS18096);
- Approved area rating methodology, whereby Fire, Recreation, Sidewalks and Street Lighting are area rated based on Urban / Rural, while Transit (urban area only), Sidewalk Snow Removal (Ancaster only) and Parkland Purchase are area rated based on the former area municipality;
- Third year of the current reassessment cycle (2017-2020);
- Reassessment and levy restrictions on the Multi-Residential property class;
- Levy restriction on the Industrial property class; and,
- 2019 tax policies as recommended within this Report.

Further details on the impacts by ward are provided in tables 5 and 6 below. Although the Residential City-wide average total impact is 2.5%, due to the various factors identified above, the impacts will vary between former municipalities and wards. While the reassessment accounts for most of the varying impacts experienced in different parts of the City, budget pressures and enhancements in area rated services may also have a greater impact on some wards than others (for example, transit enhancements).

Note that 87% of the Residential properties are identified as fully Urban and 9% as fully Rural. Only 4% of the Residential properties fall within "Urban with Rural Fire" or "Rural with Urban Fire".

Residential Tax Impacts (Reassessment + Tax Policies + Budget)

Tables 5 and 6 break down the 2.5% City-wide average municipal Residential tax impact into the average Urban and Rural Residential tax impacts by ward. Further detail on the impacts by ward and by all four tax groupings (Urban, Rural, Urban with Rural Fire and Rural with Urban Fire) are provided in Appendix "B" to Report FCS19022 "2019 Tax Policies & Area Rating" attached hereto.

Impacts by ward reflect the new ward boundaries approved by OMB in December 2017 and effective for the 2019 taxation year.

SUBJECT: 2019 Tax Policies and Area Rating (FCS19022) (City Wide) - Page 14 of 16

Average impacts between wards have significant variation for both urban and rural areas as a consequence of the reassessment and because some services (transit, parkland purchases) continue to be area rated. Municipal impacts vary from 0.7% (Ward 13) to 4.5% (Ward 3) in the urban areas of the City but are relatively similar in the rural areas ranging from 1.3% (Ward 11) to 1.8% (Ward 9). Appendix "A" to Report FCS19022 "2019 Tax Policies & Area Rating" identifies the area-rated levies.

Table 5

**2019 Municipal Residential Tax Impacts :
Urban - Including Urban Fire / with Transit**

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

BY WARD

	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2019 Impact (%)	Total Average 2019 Impact (\$)
Ward 1	1.6%	2.8%	4.4%	\$ 173
Ward 2	1.5%	2.8%	4.3%	\$ 115
Ward 3	1.7%	2.8%	4.5%	\$ 95
Ward 4	0.5%	2.8%	3.3%	\$ 74
Ward 5	-0.1%	2.6%	2.5%	\$ 74
Ward 6	0.0%	2.8%	2.7%	\$ 89
Ward 7	0.4%	2.8%	3.1%	\$ 103
Ward 8	0.3%	2.8%	3.0%	\$ 109
Ward 9	-0.1%	2.0%	2.0%	\$ 70
Ward 10	0.1%	2.0%	2.1%	\$ 77
Ward 11	-0.5%	2.1%	1.6%	\$ 58
Ward 12	-0.3%	2.0%	1.7%	\$ 82
Ward 13	-0.4%	1.0%	0.7%	\$ 29
Ward 14	0.2%	2.7%	2.9%	\$ 113
Ward 15	-0.2%	2.1%	1.9%	\$ 89
City-Wide Average	0.2%	2.3%	2.5%	\$ 88

The average municipal residential tax impacts by ward are consistent with the results of the previous two years of the reassessment cycle, with Wards 1, 2 and 3 experiencing higher tax reassessment impacts (1.5% to 1.7%) while Wards 11, 12 and 13 benefiting from lower than average reassessment (-0.3% to -0.5%) that reduce their municipal tax impact.

Also similar to 2018, the wards located in the former municipality of Hamilton have a higher than average budget-related tax increase since they carry a higher share of the transit budget; although the transit service had significant increases in terms of the levy and the kilometres serviced, the share remained relatively similar amongst former municipalities.

SUBJECT: 2019 Tax Policies and Area Rating (FCS19022) (City Wide) - Page 15 of 16

In terms of budget impacts the only significant change from 2018 is the reduction in parkland purchases benefiting Ward 13 (Dundas properties only).

Table 6

**2019 Municipal Residential Tax Impacts :
Rural - Including Rural Fire / No Transit**

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

BY WARD

	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2019 Impact (%)	Total Average 2019 Impact (\$)
Ward 1	N/A	N/A	N/A	N/A
Ward 2	N/A	N/A	N/A	N/A
Ward 3	N/A	N/A	N/A	N/A
Ward 4	N/A	N/A	N/A	N/A
Ward 5	N/A	N/A	N/A	N/A
Ward 6	N/A	N/A	N/A	N/A
Ward 7	N/A	N/A	N/A	N/A
Ward 8	N/A	N/A	N/A	N/A
Ward 9	0.0%	1.8%	1.8%	\$ 56
Ward 10	N/A	N/A	N/A	N/A
Ward 11	-0.5%	1.8%	1.3%	\$ 43
Ward 12	-0.3%	1.8%	1.5%	\$ 65
Ward 13	-0.3%	1.8%	1.4%	\$ 55
Ward 14	N/A	N/A	N/A	N/A
Ward 15	-0.1%	1.8%	1.7%	\$ 71

City-Wide Average	0.2%	2.3%	2.5%	\$ 88
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The residential rural areas of the City are experiencing lower than average municipal tax impacts which is mostly the result of assessment values in the rural areas of the City increasing at a lower rate than in the rest of the City and the fact that rural areas are not levied for some services such as Transit.

Overall, budget impacts are consistent across the rural areas of the City. In 2019, the urban areas are seeing small tax reductions due to efficiencies in the Street Lighting budget but also they are experiencing increases in Fire due to higher volume of responses.

ALTERNATIVES FOR CONSIDERATION

Alternatives are discussed in the Analysis and Rationale section of this report.

**SUBJECT: 2019 Tax Policies and Area Rating (FCS19022) (City Wide) - Page 16
of 16**

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” – 2019 Area Rated Levies Summary

Appendix “B” – 2019 Municipal Residential Tax Impacts

GR/dkm

2019 AREA RATED LEVIES SUMMARY

AREA RATED SERVICES - URBAN / RURAL

SERVICE	BUDGET	URBAN / RURAL			
		URBAN		RURAL	
Fire	\$ 92,626,801	\$ 85,527,922	92.3%	\$ 7,098,879	7.7%
Recreation	\$ 35,919,945	\$ 33,316,658	92.8%	\$ 2,603,287	7.2%
Sidewalk	\$ 2,900,330	\$ 2,829,463	97.6%	\$ 70,867	2.4%
Street Lighting	\$ 5,754,212	\$ 5,393,749	93.7%	\$ 360,463	6.3%

AREA RATED SERVICES - FORMER AREA MUNICIPALITY

SERVICE	BUDGET	FORMER AREA MUNICIPALITY											
		HAMILTON		ANCASTER		DUNDAS		FLAMBOROUGH		GLANBROOK		STONEY CREEK	
Transit	\$ 58,912,940	\$ 48,578,306	82.5%	\$ 2,610,666	4.4%	\$ 1,209,374	2.1%	\$ 1,461,202	2.5%	\$ 1,314,148	2.2%	\$ 3,739,245	6.3%
Sidewalk Snow Removal	\$ 139,256	\$ -	0.0%	\$ 139,256	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Parkland Purchases	\$ 1,884,769	\$ 1,227,857	65.1%	\$ 340,013	18.0%	\$ 69,546	3.7%	\$ -	0.0%	\$ -	0.0%	\$ 247,353	13.1%
Special Infrastructure Re-investment	\$ 13,428,870	\$ 13,428,870	100.0%		0.0%		0.0%		0.0%		0.0%		0.0%
TOTAL AREA RATED LEVIES	\$ 211,567,123												

2019 Municipal Residential Tax Impacts : Urban - Including Urban Fire / with Transit

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

BY WARD

	2019 Average Residential Assessment	% of Ward Residential Properties	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2019 Impact (%)	Total Average 2019 Impact (\$)
Ward 1	\$ 385,000	100%	1.6%	2.8%	4.4%	\$ 173
Ward 2	\$ 261,800	100%	1.5%	2.8%	4.3%	\$ 115
Ward 3	\$ 208,200	100%	1.7%	2.8%	4.5%	\$ 95
Ward 4	\$ 219,100	100%	0.5%	2.8%	3.3%	\$ 74
Ward 5	\$ 296,600	100%	-0.1%	2.6%	2.5%	\$ 74
Ward 6	\$ 314,900	100%	0.0%	2.8%	2.7%	\$ 89
Ward 7	\$ 318,800	100%	0.4%	2.8%	3.1%	\$ 103
Ward 8	\$ 346,400	100%	0.3%	2.8%	3.0%	\$ 109
Ward 9	\$ 378,800	91%	-0.1%	2.0%	2.0%	\$ 70
Ward 10	\$ 396,300	69%	0.1%	2.0%	2.1%	\$ 77
Ward 11	\$ 361,100	25%	-0.5%	2.1%	1.6%	\$ 58
Ward 12	\$ 512,800	59%	-0.3%	2.0%	1.7%	\$ 82
Ward 13	\$ 457,400	67%	-0.4%	1.0%	0.7%	\$ 29
Ward 14	\$ 383,600	100%	0.2%	2.7%	2.9%	\$ 113
Ward 15	\$ 499,900	71%	-0.2%	2.1%	1.9%	\$ 89
City-Wide Average	\$ 358,600		0.2%	2.3%	2.5%	\$ 88

Notes:

Urban: 87% of all residential properties

Anomalies in totals due to rounding

2019 Municipal Residential Tax Impacts : Rural - Including Rural Fire / No Transit

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

BY WARD

	2019 Average Residential Assessment	% of Ward Residential Properties	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2019 Impact (%)	Total Average 2019 Impact (\$)
Ward 1	\$ 385,000	N/A	N/A	N/A	N/A	N/A
Ward 2	\$ 261,800	N/A	N/A	N/A	N/A	N/A
Ward 3	\$ 208,200	N/A	N/A	N/A	N/A	N/A
Ward 4	\$ 219,100	N/A	N/A	N/A	N/A	N/A
Ward 5	\$ 296,600	N/A	N/A	N/A	N/A	N/A
Ward 6	\$ 314,900	N/A	N/A	N/A	N/A	N/A
Ward 7	\$ 318,800	N/A	N/A	N/A	N/A	N/A
Ward 8	\$ 346,400	N/A	N/A	N/A	N/A	N/A
Ward 9	\$ 378,800	8%	0.0%	1.8%	1.8%	\$ 56
Ward 10	\$ 396,300	N/A	N/A	N/A	N/A	N/A
Ward 11	\$ 361,100	62%	-0.5%	1.8%	1.3%	\$ 43
Ward 12	\$ 512,800	35%	-0.3%	1.8%	1.5%	\$ 65
Ward 13	\$ 457,400	32%	-0.3%	1.8%	1.4%	\$ 55
Ward 14	\$ 383,600	N/A	N/A	N/A	N/A	N/A
Ward 15	\$ 499,900	29%	-0.1%	1.8%	1.7%	\$ 71
City-Wide Average	\$ 358,600		0.2%	2.3%	2.5%	\$ 88

Notes:

Rural: 9% of all residential properties

Anomalies in totals due to rounding

2019 Municipal Residential Tax Impacts : Urban - Including Rural Fire / with Transit

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

BY WARD

	2019 Average Residential Assessment	% of Ward Residential Properties	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2019 Impact (%)	Total Average 2019 Impact (\$)
Ward 1	\$ 385,000	N/A	N/A	N/A	N/A	N/A
Ward 2	\$ 261,800	N/A	N/A	N/A	N/A	N/A
Ward 3	\$ 208,200	N/A	N/A	N/A	N/A	N/A
Ward 4	\$ 219,100	N/A	N/A	N/A	N/A	N/A
Ward 5	\$ 296,600	N/A	N/A	N/A	N/A	N/A
Ward 6	\$ 314,900	N/A	N/A	N/A	N/A	N/A
Ward 7	\$ 318,800	N/A	N/A	N/A	N/A	N/A
Ward 8	\$ 346,400	N/A	N/A	N/A	N/A	N/A
Ward 9	\$ 378,800	0%	0.0%	2.2%	2.2%	\$ 72
Ward 10	\$ 396,300	31%	0.1%	2.4%	2.5%	\$ 88
Ward 11	\$ 361,100	12%	-0.5%	2.4%	1.9%	\$ 64
Ward 12	\$ 512,800	5%	-0.3%	2.3%	2.0%	\$ 89
Ward 13	\$ 457,400	N/A	N/A	N/A	N/A	N/A
Ward 14	\$ 383,600	N/A	N/A	N/A	N/A	N/A
Ward 15	\$ 499,900	N/A	N/A	N/A	N/A	N/A
City-Wide Average	\$ 358,600		0.2%	2.3%	2.5%	\$ 88

Notes:

Urban with Rural Fire: 3% of all residential properties

Anomalies in totals due to rounding

2019 Municipal Residential Tax Impacts : Rural - Including Urban Fire / No Transit

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

BY WARD

	2019 Average Residential Assessment	% of Ward Residential Properties	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2019 Impact (%)	Total Average 2019 Impact (\$)
Ward 1	\$ 385,000	N/A	N/A	N/A	N/A	N/A
Ward 2	\$ 261,800	N/A	N/A	N/A	N/A	N/A
Ward 3	\$ 208,200	N/A	N/A	N/A	N/A	N/A
Ward 4	\$ 219,100	N/A	N/A	N/A	N/A	N/A
Ward 5	\$ 296,600	N/A	N/A	N/A	N/A	N/A
Ward 6	\$ 314,900	N/A	N/A	N/A	N/A	N/A
Ward 7	\$ 318,800	N/A	N/A	N/A	N/A	N/A
Ward 8	\$ 346,400	N/A	N/A	N/A	N/A	N/A
Ward 9	\$ 378,800	N/A	N/A	N/A	N/A	N/A
Ward 10	\$ 396,300	N/A	N/A	N/A	N/A	N/A
Ward 11	\$ 361,100	1%	-0.5%	1.6%	1.1%	\$ 37
Ward 12	\$ 512,800	1%	-0.3%	1.6%	1.3%	\$ 58
Ward 13	\$ 457,400	1%	-0.3%	0.6%	0.2%	\$ 9
Ward 14	\$ 383,600	N/A	N/A	N/A	N/A	N/A
Ward 15	\$ 499,900	N/A	N/A	N/A	N/A	N/A
City-Wide Average	\$ 358,600		0.2%	2.3%	2.5%	\$ 88

Notes:

Rural with Urban Fire: 1% of all residential properties

Anomalies in totals due to rounding

**2019 Total Residential Tax Impacts :
 Urban - Including Urban Fire / with Transit**

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

BY WARD

	2019 Average Residential Assessment	% of Ward Residential Properties	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2019 Impact (%)	Total Average 2019 Impact (\$)
Ward 1	\$ 385,000	100%	1.6%	2.4%	4.1%	\$ 184
Ward 2	\$ 261,800	100%	1.5%	2.4%	4.0%	\$ 122
Ward 3	\$ 208,200	100%	1.7%	2.4%	4.1%	\$ 101
Ward 4	\$ 219,100	100%	0.5%	2.4%	2.9%	\$ 76
Ward 5	\$ 296,600	100%	-0.1%	2.2%	2.1%	\$ 75
Ward 6	\$ 314,900	100%	0.0%	2.4%	2.4%	\$ 90
Ward 7	\$ 318,800	100%	0.4%	2.4%	2.8%	\$ 106
Ward 8	\$ 346,400	100%	0.3%	2.4%	2.7%	\$ 111
Ward 9	\$ 378,800	91%	0.0%	1.7%	1.7%	\$ 70
Ward 10	\$ 396,300	69%	0.1%	1.7%	1.8%	\$ 79
Ward 11	\$ 379,900	25%	-0.5%	1.8%	1.3%	\$ 56
Ward 12	\$ 512,800	59%	-0.3%	1.7%	1.4%	\$ 81
Ward 13	\$ 457,400	67%	-0.3%	0.9%	0.5%	\$ 27
Ward 14	\$ 383,600	100%	0.2%	2.3%	2.5%	\$ 115
Ward 15	\$ 499,900	71%	-0.2%	1.8%	1.6%	\$ 89

City-Wide Average	\$ 358,600	0.2%	2.0%	2.2%	\$ 90
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Notes:

Urban: 87% of all residential properties

Anomalies in totals due to rounding

**2019 Total Residential Tax Impacts :
 Rural - Including Rural Fire / No Transit**

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

BY WARD

	2019 Average Residential Assessment	% of Ward Residential Properties	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2019 Impact (%)	Total Average 2019 Impact (\$)
Ward 1	\$ 385,000	N/A	N/A	N/A	N/A	N/A
Ward 2	\$ 261,800	N/A	N/A	N/A	N/A	N/A
Ward 3	\$ 208,200	N/A	N/A	N/A	N/A	N/A
Ward 4	\$ 219,100	N/A	N/A	N/A	N/A	N/A
Ward 5	\$ 296,600	N/A	N/A	N/A	N/A	N/A
Ward 6	\$ 314,900	N/A	N/A	N/A	N/A	N/A
Ward 7	\$ 318,800	N/A	N/A	N/A	N/A	N/A
Ward 8	\$ 346,400	N/A	N/A	N/A	N/A	N/A
Ward 9	\$ 378,800	8%	0.0%	1.5%	1.5%	\$ 56
Ward 10	\$ 396,300	N/A	N/A	N/A	N/A	N/A
Ward 11	\$ 379,900	62%	-0.4%	1.5%	1.1%	\$ 40
Ward 12	\$ 512,800	35%	-0.3%	1.5%	1.2%	\$ 64
Ward 13	\$ 457,400	32%	-0.3%	1.5%	1.2%	\$ 54
Ward 14	\$ 383,600	N/A	N/A	N/A	N/A	N/A
Ward 15	\$ 499,900	29%	-0.1%	1.5%	1.4%	\$ 71
City-Wide Average	\$ 358,600		0.2%	2.0%	2.2%	\$ 90

Notes:

Rural: 9% of all residential properties

Anomalies in totals due to rounding

2019 Total Residential Tax Impacts :
Urban - Including Rural Fire / with Transit
 (inclusive of reassessment, area rating, tax policies and education taxes)

BY WARD

	2019 Average Residential Assessment	% of Ward Residential Properties	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2019 Impact (%)	Total Average 2019 Impact (\$)
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Ward 4	\$ 219,100	N/A	N/A	N/A	N/A	N/A
Ward 5	\$ 296,600	N/A	N/A	N/A	N/A	N/A
Ward 6	\$ 314,900	N/A	N/A	N/A	N/A	N/A
Ward 7	\$ 318,800	N/A	N/A	N/A	N/A	N/A
Ward 8	\$ 346,400	N/A	N/A	N/A	N/A	N/A
Ward 9	\$ 378,800	0%	0.0%	1.9%	1.8%	\$ 73
Ward 10	\$ 396,300	31%	0.1%	1.9%	2.0%	\$ 83
Ward 11	\$ 379,900	12%	-0.5%	2.0%	1.5%	\$ 61
Ward 12	\$ 512,800	5%	-0.3%	1.9%	1.6%	\$ 88
Ward 13	\$ 457,400	N/A	N/A	N/A	N/A	N/A
Ward 14	\$ 383,600	N/A	N/A	N/A	N/A	N/A
Ward 15	\$ 499,900	N/A	N/A	N/A	N/A	N/A
City-Wide Average	\$ 358,600		0.2%	2.0%	2.2%	\$ 90

Notes:
 Urban with Rural Fire: 3% of all residential properties
 Anomalies in totals due to rounding

**2019 Total Residential Tax Impacts :
 Rural - Including Urban Fire / No Transit**

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

BY WARD

	2019 Average Residential Assessment	% of Ward Residential Properties	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2019 Impact (%)	Total Average 2019 Impact (\$)
Ward 1	\$ 385,000	N/A	N/A	N/A	N/A	N/A
Ward 2	\$ 261,800	N/A	N/A	N/A	N/A	N/A
Ward 3	\$ 208,200	N/A	N/A	N/A	N/A	N/A
Ward 4	\$ 219,100	N/A	N/A	N/A	N/A	N/A
Ward 5	\$ 296,600	N/A	N/A	N/A	N/A	N/A
Ward 6	\$ 314,900	N/A	N/A	N/A	N/A	N/A
Ward 7	\$ 318,800	N/A	N/A	N/A	N/A	N/A
Ward 8	\$ 346,400	N/A	N/A	N/A	N/A	N/A
Ward 9	\$ 378,800	N/A	N/A	N/A	N/A	N/A
Ward 10	\$ 396,300	N/A	N/A	N/A	N/A	N/A
Ward 11	\$ 379,900	1.0%	-0.5%	1.3%	0.9%	\$ 35
Ward 12	\$ 512,800	1%	-0.3%	1.3%	1.0%	\$ 57
Ward 13	\$ 457,400	1%	-0.3%	0.5%	0.2%	\$ 8
Ward 14	\$ 383,600	N/A	N/A	N/A	N/A	N/A
Ward 15	\$ 499,900	N/A	N/A	N/A	N/A	N/A

City-Wide Average	\$ 358,600	0.2%	2.0%	2.2%	\$ 90
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Notes:

Rural with Urban Fire: 1% of all residential properties

Anomalies in totals due to rounding



Hamilton

OPEN FOR BUSINESS SUB-COMMITTEE REPORT 19-001

Wednesday February 27, 2019

9:30 a.m.

**Council Chambers, 2nd Floor
Hamilton City Hall**

Present: Mayor Eisenberger, Councillor M. Pearson (Chair)
Councillor J. Farr (Vice-Chair), J. P. Danko, L. Ferguson and
A. VanderBeek

Also in attendance: Ed Fothergill, Hamilton Chamber of Commerce
Adam Hitchcock, Hamilton Halton Home Builders Association
Matteo Patricelli, Flamborough Chamber of Commerce
Kyle Slote, Hamilton Burlington Society of Architects
Kathy Wakeman, Stoney Creek Chamber of Commerce

Absent with Regrets: Councillor T. Whitehead – Personal
Councillor J. Partridge – Personal

THE OPEN FOR BUSINESS SUB-COMMITTEE PRESENTS REPORT 19-001 AND RESPECTFULLY RECOMMENDS:

- 1. APPOINTMENT OF CHAIR AND VICE CHAIR (Item 1)**
 - (a) That Councillor M. Pearson be appointed Chair of the Open for Business Sub-Committee for the 2018-2022 term; and
 - (b) That Councillor J. Farr be appointed Vice-Chair of the Open for Business Sub-Committee for the 2018-2022 term.

2. Continuous Improvement Team - Process Review - Micro-breweries - Case Study No. 20 (Item 7.1)

That the Continuous Improvement Team - Process Review - Micro-breweries - Case Study No. 20, be received.

3. Continuous Improvement Team - 2018 Special Occasion Permit Review – Case Study No. 21 (Item 7.2)

That the Continuous Improvement Team - 2018 Special Occasion Permit Review – Case Study No. 21, be received.

4. Open for Business Future Ready Leadership Program (PED19058) (City Wide) (Item 7.3)

That Report PED19058 respecting the Open for Business Future Ready Leadership Program, be received.

5. 2019 ePLANS Launch - Online Building Permit Submissions - Case Study No. 22 (Added Item 7.4)

That the 2019 ePLANS Launch - Online Building Permit Submissions - Case Study No. 22, be received.

6. Rural Development and Sustainable Private Servicing (PED18191) (Wards 9, 11, 12, 14, 15) (Item 9.1)

That Report PED18191, respecting Rural Development and Sustainable Private Servicing, be received.

7. Continuous Improvement Process Review - Transportation Reviews for Development Case Study No. 19 (Item 9.2)

That the Continuous Improvement Process Review - Transportation Reviews for Development Case Study No. 19, be received.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

The Clerk advised of the following change to the agenda:

1. CONSENT ITEMS

7.4 2019 ePLANS Launch - Online Building Permit Submissions -
Case Study No. 22

2. STAFF PRESENTATIONS

9.1 Rural Development and Sustainable Private Servicing
(PED18191) (Wards 9, 11, 12,14, 15) (from the September 6,
2018 meeting where quorum was lost)

9.1.a Revised Presentation (to be distributed by staff at the
meeting)

9.3 Open For Business Accomplishments (to be distributed)

9.3.a Presentation (to be distributed by staff at the meeting)

The agenda for the February 27, 2019 meeting was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 3)

None.

(c) APPROVAL OF MINUTES (Item 4)

(i) March 27, 2018 (Item 4.1)

The Minutes of the March 27, 2018 meeting were received, as
presented.

(ii) Clerk's Report – September 6, 2018 (Item 4.2)

The Clerk's Report of the September 6, 2018 meeting was received, as
presented.

(d) STAFF PRESENTATIONS (Item 9)

**(i) Rural Development and Sustainable Private Servicing (PED18191)
(Wards 9, 11, 12,14, 15) (Item 9.1)**

Heather Travis, Senior Project Manager, gave an overview of PED18191 respecting Rural Development and Sustainable Private Servicing, with the aid of a PowerPoint presentation.

The presentation respecting Rural Development and Sustainable Private Servicing (PED18191), was received.

The presentation is available on the City's website at www.hamilton.ca, or through the Office of the City Clerk.

For further disposition of this matter, please refer to Item 6.

**(ii) Continuous Improvement Process Review - Transportation Reviews
for Development Case Study No. 19 (City Wide) (Item 9.2)**

Brian Hollingworth, Director, Transportation Planning and Parking, introduced Steve Molloy, Manager, who gave an overview of Case Study No. 19 respecting a Continuous Improvement Process Review – Transportation Reviews for Development.

The presentation respecting the Continuous Improvement Process Review - Transportation Reviews for Development Case Study No. 19, was received.

The presentation is available on the City's website at www.hamilton.ca, or through the Office of the City Clerk.

For further disposition of this matter, please refer to Item 7.

(iii) Open For Business Accomplishments (Item 9.3)

Jason Thorne, General Manager of Planning and Economic Development, addressed the Committee respecting Open For Business Accomplishments, with the aid of a PowerPoint presentation.

The presentation respecting Open For Business Accomplishments, was received.

The presentation is available on the City's website at www.hamilton.ca, or through the Office of the City Clerk.

(e) ADJOURNMENT (Item 15)

There being no further business, the meeting of the Open For Business Sub-Committee was adjourned at 11:50 a.m.

Respectfully submitted,

Councillor M. Pearson, Chair
Open for Business Sub-Committee

Loren Kolar
Legislative Coordinator
Office of the City Clerk



Hamilton

ADVISORY COMMITTEE FOR PERSONS WITH DISABILITIES

Report 19-002

4:00 p.m.

Tuesday, March 12, 2019

Rooms 192 and 193, City Hall

71 Main Street West

Present: A. Mallet (Chair)
P. Cameron, J. Cardno, P. Lynes, T. Manzuk, T. Murphy, A. Nicolls, K. Nolan, T. Nolan, B. Semkow, M. Sinclair and T. Wallis

**Absent
with regrets:** Councillor T. Whitehead – City Business, P. Kilburn

**THE ADVISORY COMMITTEE FOR PERSONS WITH DISABILITIES
PRESENTS REPORT 19-002 AND RESPECTFULLY RECOMMENDS:**

1. Hamilton Street Railway Bus Transfers (Item 11.1)

WHEREAS, Accessibility for Ontarians with Disabilities Act (AODA) Standards stress the need for equity of services on transit;

WHEREAS, those experiencing disabilities such as mobility challenges are frequently slow moving, requiring a longer time to reach bus stops, especially those mid-block and, similarly more time to complete tasks such as shopping and appointments;

WHEREAS, there is no actual financial costs to implement this practice;

WHEREAS, benefit may be gained from the goodwill and educational process that acknowledges diversity in ridership.

THEREFORE BE IT RESOLVED:

ACPD requests City Council to direct staff to investigate the feasibility of HSR extending the duration of HSR bus transfers for persons with disabilities including consultation with ACPD on this process.

2. City's Commitment to the Lives of Persons with Disabilities in the City of Hamilton (Added Item 11.2)

That the Mayor and Council be invited to attend and speak to the Advisory Committee for Persons with Disabilities respecting the City's commitment to the betterment of the lives of persons with disabilities in the City of Hamilton.

FOR INFORMATION:

(a) CEREMONIAL ACTIVITIES (Item 1)

There were no Ceremonial Activities at the meeting.

(b) CHANGES TO THE AGENDA (Item 2)

The Clerk advised the Committee that there was a change to the agenda:

1. CONSENT ITEMS

7.2.a Housing Issues Working Group Update - Meeting Notes -
January 15, 2019

2. MOTIONS

11.1 Hamilton Street Railway Bus Transfers

3. GENERAL INFORMATION / OTHER BUSINESS

13.3 Citizen Committee Report respecting Polling Station Accessibility During the 2018 Election - Citizen Committee Report - Sample Copy

The agenda for the March 12, 2019 meeting of the Advisory Committee for Persons with Disabilities was approved, as amended.

(c) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(d) APPROVAL OF MINUTES (Item 4)

(i) January 15, 2018 (Item 4.1)

The minutes of the January 15, 2018 meeting of the Advisory Committee for Persons with Disabilities, were approved, as presented.

(e) CONSENT ITEMS (Item 7)

(i) Built Environment Working Group Notes – December 4, 2018 (Item 7.1(a))

The Built Environment Working Group Meeting Notes of December 4, 2018, were received.

M. Sinclair will represent the Advisory Committee for Persons with Disabilities in a City of Hamilton video project respecting the Accessible Pedestrian Signals.

**(ii) Housing Issues Working Group Notes – January 15, 2019
(Added Item 7.2(a))**

Edward John, Director of Housing Services, will be invited to speak at a future meeting of the Advisory Committee for Persons with Disabilities to discuss City of Hamilton Housing Services work plan.

Members of the Housing Working Group will draft and present correspondence for distribution with the Guide to Finding Housing for People with Disabilities, at the next Advisory for Persons with Disabilities meeting.

The Housing Issues Working Group Meeting Notes of January 15, 2019, were received.

(iii) Transportation Working Group Notes – October 23, 2019 (Item 7.3)

The Transportation Working Group Notes of October 23, 2019 were received.

(iv) Wheelchair and Scooter Safety Working Group Update (Item 7.4)

Notes from the Wheelchair and Scooter Safety Roundtable held in November 2018, will be distributed to the Advisory Committee for Persons with Disabilities when available.

(f) GENERAL INFORMATION/OTHER BUSINESS (Item 13)**(i) Accessibility Complaints to the City of Hamilton Update (Item 13.1)**

No update.

(ii) Accessibility for Ontarians with Disabilities Act (AODA) Update (Item 13.2)

No update.

(iii) Citizen Committee Report respecting Polling Station Accessibility During the 2018 Election (Added Item 13.3)

T. Wallis, T. Nolan, T. Manzuk, A. Mallet and P. Cameron will form a working group to work on a draft of the Citizen Committee Report respecting Polling Station Accessibility During the 2018 Election.

(iv) Presenters List for the Advisory Committee for Persons with Disabilities (Added Item 13.4)

The item entitled Presenters List for the Advisory Committee for Persons with Disabilities, will be added to the monthly agenda.

(v) Correspondence to a Member of Provincial Parliament respecting Listening to Ontarians with Disabilities: Report of the Third Review of the Accessibility for Ontarians with Disabilities Act, 2005 (Added Item 13.5)

Discussion on draft correspondence to D. Skelly MPP to be prepared, inviting her to speak to the Advisory Committee for Persons with Disabilities respecting the Listening to Ontarians with Disabilities: Report of the Third Review of the Accessibility for Ontarians with Disabilities Act, 2005, was deferred to the next agenda.

(g) ADJOURNMENT (Item 15)

There being no further business, the Advisory Committee for Persons with Disabilities adjourned at 6:05 p.m.

Respectfully submitted,

A. Mallet, Chair
Advisory Committee for Persons
with Disabilities

Loren Kolar
Legislative Coordinator
Office of the City Clerk



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 17, 2019
SUBJECT/REPORT NO:	Navy League Licence Agreement-Barton Community Hub (PED19077) (Ward 2)
WARD(S) AFFECTED:	Ward 2
PREPARED BY:	David McCullagh (905) 546-2424 Ext. 1647
SUBMITTED BY:	Glen Norton Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

Discussion of Confidential Appendix “B” – Business Terms and Conditions to Report PED19077 in closed session is subject to the following requirement(s) of the City of Hamilton’s Procedural By-law and the *Ontario Municipal Act, 2001*:

- A proposed or pending acquisition or disposition of land for City purposes;

RECOMMENDATION

- (a) That a Licence Agreement between the City of Hamilton (Licensor) and the Navy League of Canada (Licensee) for the use of a portion of the Barton Community Hub, as shown in Appendix “A” attached to Report PED19077 based substantially on the terms and conditions outlined in Confidential Appendix “B” attached to Report PED19077, and such other terms and conditions deemed appropriate by the General Manager of Planning and Economic Development Department, be approved;
- (b) That the General Manager, Planning and Economic Development Department or designate, acting on behalf of the City as Licensor, be authorized to provide any consents, approvals and notices related to the subject Licence Agreement herein outlined;
- (c) That the City Solicitor be authorized to revise, amend and waive terms of the License Agreement as she considers appropriate;

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Navy League Licence Agreement-Barton Community Hub (PED19077)
(Ward 2) - Page 2 of 5**

- (d) That the Real Estate and Legal fees of \$1,500 be funded from Account No. 55778-790016 and credited to Account No. 45408-812036;
- (e) That the Mayor and Clerk be authorized and directed to execute the Licence Agreement and all other necessary associated documents, in a form satisfactory to the City Solicitor;
- (f) That Confidential Appendix “B” – Business Terms and Conditions to this Report PED19077 remain confidential until completion of the real estate transaction.

EXECUTIVE SUMMARY

The Navy League of Canada (“Navy League”) has, over the past decades, occupied and run its programs out of a City owned stand-alone building located on Pier 8. Over this same period, the Navy League benefited from an ongoing nominal value occupancy agreement that required the Navy League to cover the costs of utilities and maintenance.

In 2018, as part of its redevelopment of the Hamilton Waterfront, the City required the Navy League to vacate its location on Pier 8 for the demolition of the building.

The City assisted the Navy League in finding a new home within the newly constructed Barton-Tiffany Community Hub as located and depicted in Appendix “A” attached to Report PED19077 thus enabling the Navy League to continue to offer its community-based programming in Hamilton. Subsequently, the Navy League and City Real Estate staff, (in consultation with Facilities staff), has negotiated the terms of a nominal value Licence Agreement substantially on the terms and conditions outlined in Confidential Appendix “B” attached to Report PED19077 for the Navy League’s shared use of the Barton-Tiffany Community Hub. This Report PED19077 seeks approval of this Licence Agreement.

As this Report deals with the proposed disposition of City property by way of a Licence Agreement, it is appropriate that the business terms and conditions of the agreement be discussed in closed session pursuant to section 239(2) of the *Municipal Act*.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As outlined in Confidential Appendix “B” attached to Report PED19077. Fees payable outlined in Confidential Appendix “B” attached to Report PED19077 will be received into Account No. 46000-790016;

Real Estate and Legal fees of \$1,500 will be credited to Account No. 45408-812036.

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**SUBJECT: Navy League Licence Agreement-Barton Community Hub (PED19077)
(Ward 2) - Page 3 of 5**

Staffing: N/A

Legal: Legal Services will be required to assist in the preparation of the necessary documents required to complete this transaction.

HISTORICAL BACKGROUND

The City is undertaking a major redevelopment of its waterfront, and in particular the area known as the West Harbour pursuant to the City's West Harbour (Setting Sail) Secondary Plan dated June 2012. This redevelopment has required the demolition of the building occupied by the Navy League on Pier 8 and thereby the Navy League having to give up and vacate the building.

Council at its meeting of July 14, 2017 in its approval of General Issues Committee Report 17-015, approved the West Harbour Subcommittee Report 17-002 - Funding for the Adaptive Re-Use of a portion of the Barton Street Works Facility for Public Use (Item 9.2). The adaptive re-use of that facility includes provision of space.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

This recommendation is consistent with the City's Real Estate Portfolio Management Strategy Plan as approved by City Council on November 24, 2004 and the Procedural By-law for the Sale of Land, By Law No. 14-204.

The programs offered by the Navy League and its use of space within the Barton-Tiffany Community Hub is consistent with the City's vision for the Barton-Tiffany neighbourhood and uses within the Barton-Tiffany Community Hub.

RELEVANT CONSULTATION

- Planning and Economic Development Department, General Manager's Office, West Harbour Development Office;
- Corporate Services, Finance and Administration and Revenue Generation, Finance and Administration;
- Public Works Department, Energy Fleet and Facilities Management, Facility Planning and Business Support; and,
- Corporate Services, Legal and Risk Management Services, Legal Services.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The Navy League was established in 1895 to promote an interest in Maritime Affairs throughout Canada. The Navy League has over the years developed its current community-based Cadet programming focusing on leadership, citizenship, discipline, and respect.

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**SUBJECT: Navy League Licence Agreement-Barton Community Hub (PED19077)
(Ward 2) - Page 4 of 5**

The Navy League, as a not-for-profit body, is not a military organization, or a program developed to train for naval or any military forces. While operating its programs throughout Canada, benefitting many young Canadians, the Navy League has maintained its program presence in Hamilton for a number of decades in a stand-alone building located on Pier 8.

The City of Hamilton, undertaking a major redevelopment of its waterfront, including the area known as Pier 8, required the Navy League to vacate and return the occupied stand-alone building back to the City of Hamilton for demolition.

Section A.6.3.5.2.6 of the Barton-Tiffany Urban Design Study and approval of Report PED14164 directed staff to pursue “The adaptive re-use of all or a portion of the Barton Street Works building for recreational or other public uses”. Upon completion, the new Barton-Tiffany Community Hub will provide space for the Navy League and allow it to continue offering its community-based programming in the City of Hamilton.

The recommendations in this Report PED19077 are consistent with the City’s vision for the Barton-Tiffany neighbourhood, uses within the Barton-Tiffany Community Hub and supportive of the ongoing work of the not-for-profit Navy League and its continued offering of community-based programs.

ALTERNATIVES FOR CONSIDERATION

Failure to secure a suitable location for the Navy League as contemplated by the subject Licence Agreement, the Navy League will have to source another location in which to operate its community-based programming.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

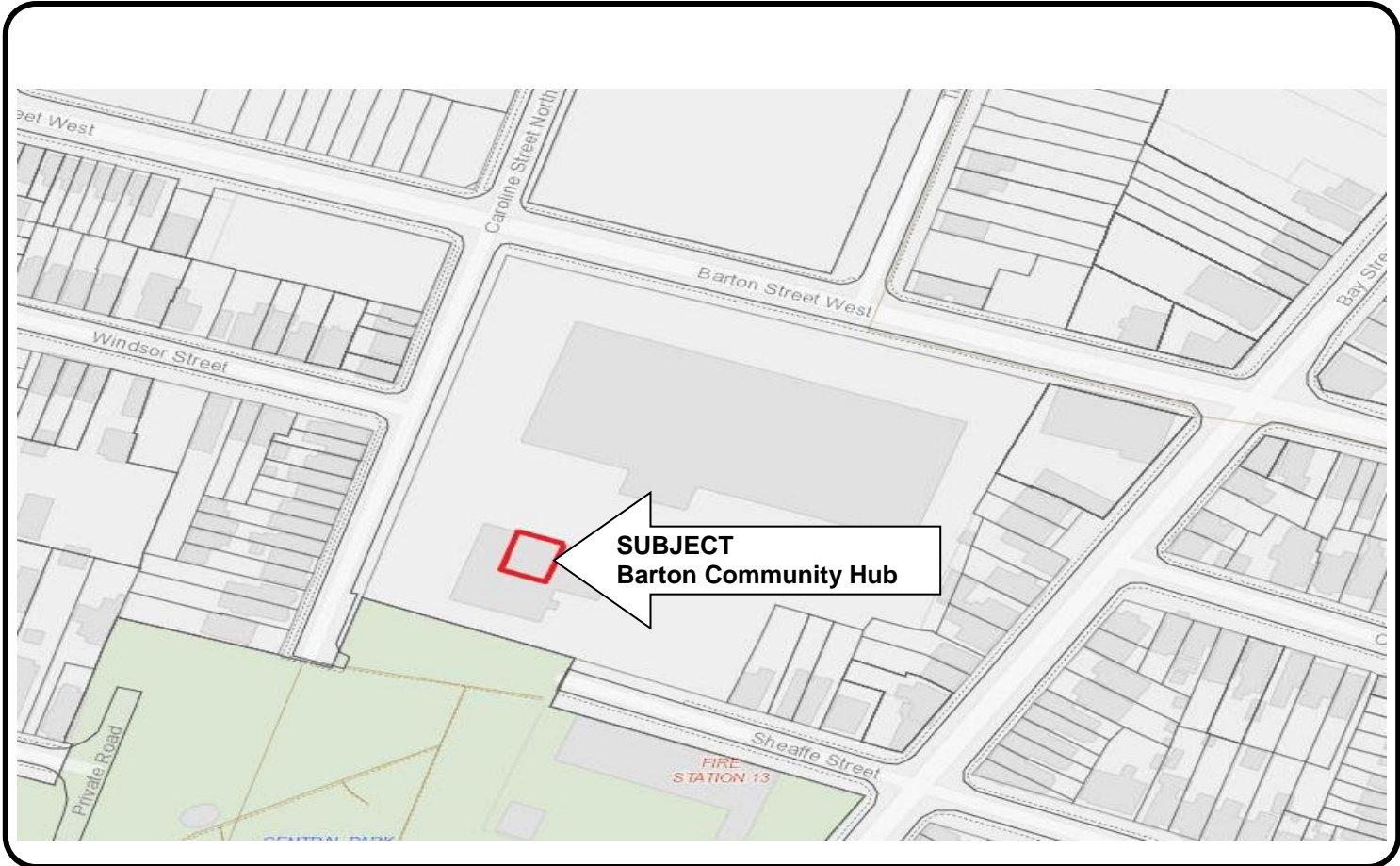
OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Navy League Licence Agreement-Barton Community Hub (PED19077)
(Ward 2) - Page 5 of 5**

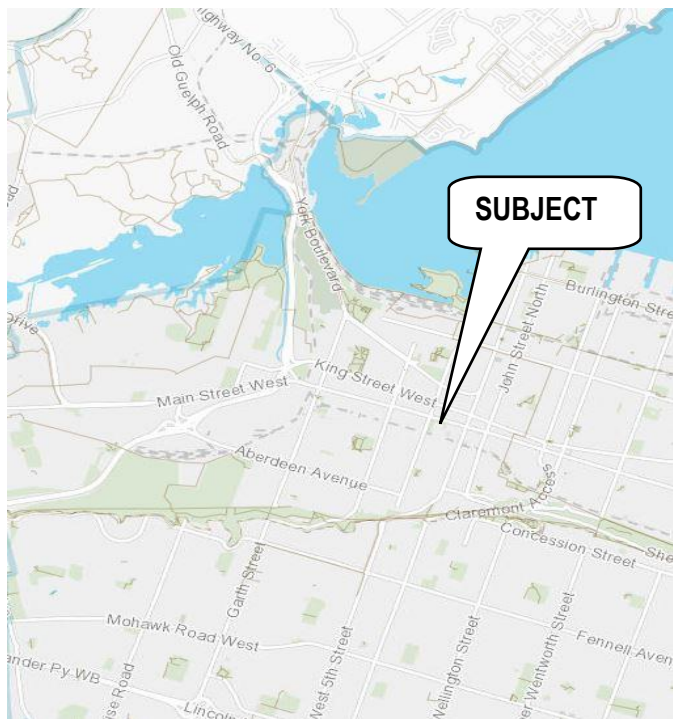
APPENDICES AND SCHEDULES ATTACHED

Appendix "A" – Location Plan and Key Map
Confidential Appendix "B" – Business Terms and Conditions

DM/sd



KEY MAP



LOCATION PLAN

**BARTON COMMUNITY HUB
NAVY LEAGUE OF CANADA
125 BARTON STREET WEST, SOUTH BLDG
(Ward 2)
REAL ESTATE SECTION
CITY OF HAMILTON**

LEGEND



SUBJECT LICENCED SPACE

SCALE
NOT TO SCALE

DATE
2019-04-05

REFERENCE FILE NO: **2019-006**



**INTERVIEW SUB-COMMITTEE
(To the General Issues Committee)
REPORT 19-001**

10:00 a.m.
Friday, March 29, 2019
Council Chambers
Hamilton City Hall
71 Main Street West

Present: Councillors B. Clark (Chair), J. Farr (Vice Chair), S. Merulla

Absent: Mayor F. Eisenberger and Councillor N. Nann – Other City Business

**THE INTERVIEW SUB-COMMITTEE PRESENTS REPORT 19-001 AND
RESPECTFULLY RECOMMENDS:**

1. Appointment of Chair and Vice Chair (Item 1)

- (a) That Councillor B. Clark, be appointed as Chair of the Interview Sub-Committee (to the General Issues Committee) for the balance of the 2018 to 2022 term of Council;
- (b) That Councillor J. Farr, be appointed as Vice Chair of the Interview Sub-Committee (to the General Issues Committee) for the balance of the 2018 to 2022 term of Council; and,

2. Arts Advisory Commission Citizen Member Appointments (Item 4.1)

- (a) That the citizen appointments to the Arts Advisory Commission, as outlined in Private & Confidential Appendix "A" to Report 19-001, be approved for the balance 2018 to 2022 term of Council or until successors are appointed by Council;
- (b) That, upon approval of Council, the names of the citizen appointments to the Arts Advisory Commission, as outlined in Private & Confidential Appendix "A" to Report 19-001 to the Interview Sub-Committee, be released to the public; and,

- (c) That the Terms of Reference for the Arts Advisory Commission be amended, by changing the composition from “up to 8 members” to “up to 9 members”.

FOR INFORMATION:**(a) APPROVAL OF AGENDA (Item 2)**

The Committee Clerk advised that there were no changes to the agenda.

The agenda for the March 29, 2019 meeting of the Interview Sub-Committee (to the General Issues Committee) was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) PRIVATE & CONFIDENTIAL (Item 4)**(i) Shortlisting of Applicants to the Arts Advisory Commission (Item 4.1)**

Committee moved into Closed Session to discuss Item 4.1, pursuant to Section 8.1, Sub-section (b) of the City's Procedural By-law 18-270, and Section 239(2), Sub-section (b) of the *Ontario Municipal Act*, 2001, as amended, as the subject matter pertains to personal matters about an identifiable individual, including City employees.

(d) ADJOURNMENT (Item 13)

There being no further business, the Interview Sub-Committee (to the General Issues Committee) adjourned at 10:07 a.m.

Respectfully submitted,

Councillor B. Clark
Chair, Interview Sub-Committee

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Legal and Risk Management Services Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 17, 2019
SUBJECT/REPORT NO:	Judicial Investigation Red Hill Valley Parkway (LS19017) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Nicole Auty (905) 546-2424 Ext. 4636
SUBMITTED BY:	Nicole Auty, City Solicitor Legal and Risk Management Services Corporate Services
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the Terms of Reference for the Judicial Investigation attached as Appendix "A" be approved and that the Terms of Reference be forwarded to the Chief Justice of the Superior Court;
- (b) That the City Manager be authorized and directed to take such actions and to execute such documents in a form satisfactory to the City Solicitor as required to give effect to Council's decision to initiate a Judicial Investigation, including such actions required by the Justice presiding over the Investigation.
- (c) That the costs of the Judicial Investigation be paid from the Tax Stabilization Reserve (110046);
- (d) That staff provide regular status reports identifying the costs to date associated with the Judicial Investigation;
- (e) That the law firm of Lenczner Slight Royce Smith Griffin LLP be appointed as legal counsel for the City of Hamilton for the Judicial Investigation.

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OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Judicial Investigation Red Hill Valley Parkway (LS19017) (City Wide) -
Page 2 of 4**

EXECUTIVE SUMMARY

On March 20, 2019 Council passed a motion initiating a Judicial Investigation and referring a list of questions to external legal counsel for review and to report back.

The proposed Terms of Reference in Appendix "A" are the result of that review and are presented for Council's consideration.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The *Municipal Act 2001*, requires the City to pay the costs of the Investigation. In order to ensure the Tax Stabilization Reserve (110046) not over committed, staff will commit \$7M as an initial allocation. This is not an indication of budget or detailed estimate of the overall cost of the Investigation. The proposed reports will provide Council with an ongoing account of the costs of the Investigation.

Staffing: As indicated in earlier reports, there will be impacts on internal staffing and resourcing as a result of the Judicial Investigation. The extent of the impact will not be known until the Commissioner is appointed and the process and scope of the investigation are confirmed.

Legal: The legal implications of a Judicial Investigation have been provided to Council in earlier reports. Due to the specialized nature and resources required to support Council in relation to the Investigation, it is recommended that external counsel be retained on behalf of the City.

HISTORICAL BACKGROUND

On January 23, 2019, and in greater detail on February 6, 2019, Council was provided information regarding a friction report relating to the Red Hill Valley Parkway.

Following review of that information, on March 20, 2019 Council decided to initiate a Judicial Investigation into the circumstances surrounding the matter. Council also directed external legal counsel to bring back Terms of Reference to provide to the Commissioner who will conduct the Investigation.

**SUBJECT: Judicial Investigation Red Hill Valley Parkway (LS19017) (City Wide) -
Page 3 of 4**

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Section 274 of the *Municipal Act, 2001* sets out the legislative parameters for a Judicial Investigation.

RELEVANT CONSULTATION

Appendix “A” was reviewed and prepared by external counsel, Lenczner Slaght Royce Smith Griffin LLP.

ANALYSIS AND RATIONALE FOR RECOMMENDATIONS

The Terms of Reference are attached as Appendix “A” to Report LS19017 and are based on the questions submitted by Council at the March 20, 2019 Council meeting. Once approved by Council, the Terms of Reference will set the parameters of the Judicial Investigation, subject to approval from the Commissioner presiding over the Judicial Investigation.

Although the *Municipal Act, 2001* mandates that the Commissioner presiding over the Judicial Investigation shall investigate the matters requested by Council, in practice, commissioners of judicial inquiries often seek to vary the scope of the investigation and may refuse to investigate terms that it considers to be too broad or vague. In the event that the Commissioner appointed to the Judicial Investigation wishes to revise certain terms in the Terms of Reference, external counsel will work with the Commissioner and Council to refine the specified terms.

Pursuant to the legislation, the City may hire legal counsel to represent the City and the City is obligated to pay for the Commissioner to retain legal counsel and all other costs of the Investigation, including administrative and logistical costs.

It is unknown at this time what the costs of the Judicial Investigation will be and therefore staff recommend reporting back at regular intervals to identify the costs expended to date. It is also recommended that Council allocate an initial amount of \$7M from the Tax Stabilization Reserve to allow for proper management of this reserve.

ALTERNATIVES FOR CONSIDERATION

Not Applicable

**SUBJECT: Judicial Investigation Red Hill Valley Parkway (LS19017) (City Wide) -
Page 4 of 4**

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report LS19017 –
Terms of Reference re Judicial Inquiry

WHEREAS under s. 274 of the *Municipal Act, 2001* S.O. 2001, c. 25, the council of a municipality may, by resolution, request a judge of the Superior Court of Justice to inquire into or concerning any matter connected with the good government of the municipality, or the conduct of any part of its public business;

AND WHEREAS any judge so requested shall make inquiry and shall report the results of the investigation or inquiry to the council as soon as practicable;

AND WHEREAS on February 6, 2019, Council of the City of Hamilton ("**Council**") was advised that a draft report by Tradewind Scientific Ltd. with respect to friction on the Red Hill Valley Parkway (the "**RHVP**"), dated November 20, 2013 (the "**Report**"), was not disclosed to Council;

AND WHEREAS the Report was provided to the City of Hamilton's Department of Engineering Services in January, 2014 by Golder Associates Ltd;

AND WHEREAS the Ontario Ministry of Transportation (the "**MTO**") conducted friction testing on the RHVP in 2007, but did not disclose the results of the testing (the "**MTO Report**") to Council or to the public;

AND WHEREAS concerns have been raised about why the Report, or the information and recommendations in the Report, were not disclosed to Council;

NOW THEREFORE Council does hereby resolve that:

1. An inquiry is hereby requested to be conducted pursuant to s. 274 of the *Municipal Act*, S.O. 2001, c. 25, which authorizes the Commissioner to inquire into any matter related to a supposed malfeasance, breach of trust, or other misconduct on the part of a member of Council, or an officer or employee of the City of Hamilton or of any person having a contract with it, in regards to the duties or obligations of the member, officer, or other person to the corporation, or to any matter connected with the good government of the municipality, or the conduct of any part of its public business; and
2. The Honourable Chief Justice Smith, Chief Justice of the Superior Court of Ontario, be requested to designate a judge of the Superior Court of Ontario as Commissioner for the inquiry and the judge so designated as Commissioner is hereby authorized to conduct the inquiry in two stages:
 - (a) To obtain, bearing in mind cost and the principles of proportionality, all documents necessary to answer the following questions:

- (i) Identify all individuals who received a copy of the Report or were advised of the Report or the information and recommendations contained therein after it was provided to the City's Department of Engineering Services in January, 2014;
- (ii) Based on the City's by-laws, policies and procedures, as they were in 2014, should Council have been made aware of the Report, or the information and recommendations contained therein, once the Report was submitted to the Department of Engineering Services in 2014?
- (iii) Why was the information in the Report, or the information and recommendations contained therein, not provided to Council or the public once the Report was submitted to the Department of Engineering Services in 2014?
- (iv) Who, if anyone, was responsible for the failure to disclose a copy of the Report, or the information and recommendations contained therein, to Council in 2014?
- (v) Was there any negligence, malfeasance or misconduct in failing to provide the Report, or the information and recommendations contained therein, to Council or the public?
- (vi) How was the Report discovered in 2018?
- (vii) Identify all individuals who received a copy of the Report or were advised of the Report or the information and recommendations contained therein, in 2018;
- (viii) Were appropriate steps taken to disclose the Report, or the information and recommendations contained therein, once it was discovered in 2018?
- (ix) Was there any negligence, malfeasance or misconduct in failing to disclose the Report, or the information and recommendations contained therein, once the Report was discovered in 2018?
- (x) Were users of the RHVP put at risk as a result of the failure to disclose the Report's findings?
- (xi) Did the Report contain findings or information that would have triggered Council to make safety changes to the roads or order further studies?

- (xii) Did the failure to disclose the Report, or the information and recommendations contained therein, contribute to accidents, injuries or fatalities on the RHVP since January, 2014?
- (xiii) Did anyone in the Public Works Office or Roads Department request, direct or conduct any other friction test, asphalt assessment, or general road safety reviews or assessments on the RHVP?
- (xiv) Did subsequent consultant reports provide additional support or rebuttal to the conclusions contained in the Report?
- (xv) Identify any changes to the City's bylaws, policies and procedures to prevent any such future incidents of non-disclosure of significant information to Council;
- (xvi) Did the MTO Report provide additional support or rebuttal to the conclusions contained in the Report?
- (xvii) Why was the MTO Report not provided to Council or made publicly available?
- (xviii) Who was briefed within the MTO's office about the MTO Report?
- (xix) Did the MTO Report contain findings or information that would have triggered Council to make safety changes to the roads or order further studies?
- (xx) Did the failure to disclose the MTO Report, or the information and recommendations contained therein, contribute to accidents, injuries or fatalities on the RHVP since January, 2014?
- (xxi) Did the MTO request, direct or conduct any friction tests, asphalt assessments, or general road safety reviews or assessments on the RHVP other than the MTO Report?
- (xxii) What is the standard in Ontario, if any, with respect to the acceptable levels of friction on a roadway?
- (xxiii) Is information with respect to the friction levels of the roadways in Ontario publicly available?
- (xxiv) To what extent do other factors, including, but not limited to, driver behaviour, lighting and weather conditions, contribute to motor vehicle

accidents when compared to the impact of friction levels on motor vehicle accidents on the RHVP?

- (b) Having concluded the documentary review, to hold a public hearing to answer the questions listed in items 2 (a) (i) – (xxiv).

- 3. **AND IT IS FURTHER RESOLVED THAT** the Terms of Reference of the Inquiry shall be to inquire into all aspects of the above matters listed in items 2 (a) (i) – (xxiv), their history and their impact on the ratepayers of the City of Hamilton as they relate to the good government of the municipality, or the conduct of its public business, and to make any recommendations which the Commissioner may deem appropriate and in the public interest as a result of the inquiry.