Hamilton

CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	April 16, 2014
SUBJECT/REPORT NO:	2014 Tax Policies & Area Rating (FCS14029)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	T. Hewitson (905) 546-2424 X 4159 G. Rojas (905) 546-2424 X 1335
SUBMITTED BY: **SIGNATURE:**	Mike Zegarac General Manager Finance & Corporate Services Department

RECOMMENDATION

a) That the following optional property classes be continued for the 2014 taxation year:
- New Multi-Residential
- Parking Lot and Vacant Land
- Large Industrial

b) That, based on the 2014 final approved tax operating budget, the following final tax ratios be established for the 2014 taxation year:

• Residential	1.0000
• Multi-Residential	2.7400
• New Multi-Residential	1.0000
• Commercial (residual)	1.9800
• Parking Lot & Vacant Land	1.9800
• Industrial (residual)	3.1752
• Large Industrial	3.7233
• Pipeline	1.7367
• Farm	0.1857
• Managed Forest	0.2500

c) That the following tax reductions be established for the 2014 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 (1st subclass) 25%
- Farmland awaiting development (2nd subclass) 0%

d) That the existing property tax relief deferral program for low-income seniors and disabled persons be continued for the 2014 taxation year;

e) That the existing 40% tax rebate for eligible charities and similar organizations be continued for the 2014 taxation year;

f) That the existing 30% vacancy rebate for eligible commercial and industrial properties be continued for the 2014 taxation year;

g) That the existing 100% tax rebate for Veteran's Clubhouses and Legion Halls be continued for the 2014 taxation year;

h) That the existing Senior's (65+) Tax Rebate Program be continued, with the following criteria updated for the 2014 taxation year:

(i) **Income threshold (150% of GIS couple)** increased to $33,120 ($32,832 in 2013);

(ii) **Assessment cap (120% of city-wide average)** increased to $357,300 ($344,200 in 2013);

(iii) **Rebate** increased by the CPI index to $174 ($172 in 2013);

i) That, for the 2014 taxation year, the tax capping percentage for any assessment-related tax increases in the Commercial, Industrial and Multi-Residential property classes be set at the maximum allowable of 10%;

j) That, for the 2014 taxation year, any capped property in the Commercial, Industrial and Multi-Residential property classes that is within $250 of its Current Value Assessment (CVA) taxes in 2014, be moved directly to its full Current Value Assessment (CVA) taxes;

k) That, for the 2014 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;

l) That for the 2014 taxation year, any property in the Commercial, Industrial and Multi-Residential property class which paid full Current Value Assessment (CVA) taxes in 2013, no longer be eligible for capping protection in 2014 and future years;

m) That, for the 2014 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;

n) That, for the 2014 taxation year, the Area Rated Levies be approved as identified in Appendix "A" to Report FCS14029 "2014 Tax Policies & Area Rating" attached hereto;

o) 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 2014 taxation year.

EXECUTIVE SUMMARY

This report highlights the tax policy tools and options for the 2014 taxation year. For the most part, the tax policies recommended for the 2014 taxation year are consistent with those recommended and approved by Council in prior years. Consistent with previous years, the following changes are proposed for 2014:

- reduction of the Industrial tax ratio in order to adhere to the provincial levy restriction;
- reduction of the Farm tax ratio to partially offset the reassessment-related tax impact; and
- indexation of the criteria for the Seniors (65+) Tax Rebate Program to take into account increased property values and inflation.

The "Analysis / Rationale for Recommendation" section of this report provides a table of all the tax policies being recommended.

As identified below, the combined impacts of the final approved 2014 operating budget, inclusive of the final growth and reassessment impacts, the final prescribed 2014 education tax rates and the tax policies recommended in this report, has resulted in achieving a **total city-wide average Residential tax impact of 1.5% or $53**.

					2014 Tax Impact (Average Residential)	
					DRAFT	
	2013		**2014**		**$**	**%**
Total Municipal Taxes	**$**	**3,002**	**$**	**3,062**	**$ 61**	**2.0%**
Education Taxes	$	567	$	560	$ (8)	(1.3)%
Total Taxes	**$**	**3,569**	**$**	**3,622**	**$ 53**	**1.5%**

Note – Anomalies due to rounding

The tax impact identified above is simply a city-wide average. Area rating and reassessment results in varying impacts throughout the municipality and on a property-by-property basis. In addition, properties will also be impacted by the Council approved area rating phase-in plan with 2014 being the last year of the approved four-year phase-in plan. Average impacts by former area municipality and ward are included in Appendix "B" to Report FCS14029 "2014 Tax Policies & Area Rating" attached hereto.

The following table identifies the 2014 total final average tax impacts by property class.

	Municipal				Total Incl. Education
	Reassessment	**Budget**	**Tax Policy**	**Total**	
Residential	-0.1%	2.2%	0.0%	2.0%	**1.5%**
Multi-Residential	1.7%	2.0%	0.0%	3.8%	**3.6%**
Commercial	-0.4%	2.1%	0.0%	1.7%	**1.1%**
Industrial	-0.5%	1.1%	0.0%	0.6%	**0.5%**
Farm	4.5%	3.0%	-3.6%	3.7%	**3.6%**

Note: Anomalies due to rounding

As shown in the table above, the average total tax impacts vary between property classes. This is as a result of varying average reassessment impacts, recommended tax ratio reductions (Farm), the levy restriction (Industrial) and the provincially prescribed education tax rates.

The municipal budgetary average impact is consistent between the property classes, with the exception of the Industrial property class (due to the mandatory levy restriction) and the Farm property class (due to area rating). With respect to the reassessment, the Residential, Commercial and Industrial property classes benefited from a reassessment tax reduction, while the Multi-Residential and Farm property classes experienced a reassessment tax increase, which is consistent with 2013.

The reduction of the Farm tax ratio recommended in this report partially offsets the reassessment impact and ensures that the Farm total average tax impact equals that of the Multi-Residential property class. Not reducing the Farm tax ratio would have resulted in an average Farm property class total tax impact of 6.7%.

With respect to the Multi-Residential property class, it has an average municipal budgetary impact lower than that of the Residential and Commercial property classes. The reassessment is the primary reason for the overall tax impact on the Multi-Residential property class being significantly higher than the other classes. Offsetting the Multi-Residential reassessment-related impact is not recommended at this time, in light of potential appeals in this property class, as well as the resulting tax impact on the remaining property classes; this is consistent with 2013.

In 2014, the Industrial property class continues to benefit from the levy restriction resulting in an average total tax impact of 0.5%

Residential Tax Impacts (Reassessment + Budget + Area Rating Phase-in)

The following tables break down the 1.5% city-wide average total Residential tax impact into the average Urban and Rural Residential tax impacts by former area municipality. Further detail on the impacts by ward and by all four areas (Urban, Rural, Urban with Rural Fire and Rural with Urban Fire) are provided in Appendix "B" to Report FCS14029 "2014 Tax Policies & Area Rating" attached hereto.

2014 Total Residential Tax Impacts - URBAN

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

BY FORMER AREA MUNICIPALITY

	Reassessment	Budget (inclusive of Area Rating)	Total	Area Rating Phase-in (Yr 4 of 4)	Total Average 2014 Impact (%)
Stoney Creek	-0.8%	1.7%	**0.8%**	1.3%	**2.2%**
Glanbrook	-0.3%	2.4%	**2.1%**	2.5%	**4.6%**
Ancaster	-0.3%	1.8%	**1.4%**	0.7%	**2.2%**
Hamilton	-0.3%	1.7%	**1.5%**	0.0%	**1.5%**
Dundas	-0.3%	1.8%	**1.4%**	0.9%	**2.4%**
Flamborough	0.1%	1.6%	**1.6%**	1.6%	**3.2%**

City-Wide Average	**1.5%**

2014 Total Residential Tax Impacts - RURAL

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

BY FORMER AREA MUNICIPALITY

	Reassessment	Budget (inclusive of Area Rating)	Total	Area Rating Phase-in (Yr 4 of 4)	Total Average 2014 Impact (%)
Stoney Creek	-0.9%	2.5%	**1.6%**	-0.3%	**1.2%**
Glanbrook	-0.4%	2.5%	**2.1%**	1.1%	**3.3%**
Ancaster	-0.4%	2.5%	**2.1%**	-1.0%	**1.1%**
Hamilton	N/A	N/A	**N/A**	N/A	**N/A**
Dundas	-0.4%	2.4%	**2.1%**	-0.8%	**1.3%**
Flamborough	0.0%	2.5%	**2.5%**	0.0%	**2.4%**

City-Wide Average	**1.5%**

Note – anomalies in totals due to rounding

Overall, the total average impact in the urban area is higher than that of the rural area. Average impacts between former municipalities have a significant variation for both urban and rural areas due to the fact that the urban/rural model is not fully implemented, reassessment and some services (Transit, parkland purchases) continue to be area rated based on former municipality. Appendix "A" to Report FCS14029 "2014 Tax Policies & Area Rating" attached hereto, identifies the area-rated levies.

The reassessment impact (includes education) is favourable for all of the former municipalities, with the exception of Flamborough which is experiencing a slight reassessment related tax increase of 0.1%

The budgetary impacts in the urban area vary between 1.6% (Flamborough) to 2.4% (Glanbrook). Area rated services explain the disparity between former municipalities. For example, the approved transit enhancements do not impact Dundas and Flamborough while Glanbrook benefits from transit service enhancements and the Glanbrook worker shuttle.

The rural area however has an average budgetary increase of 2.5% across all of the former municipalities. This is the result of increased costs for volunteer firefighters which normally service rural areas and decreased recreation revenues. Recreation revenues for 2014 have been reduced to more accurately reflect actuals across arenas in both urban and rural areas; however, arenas in urban areas tend to have additional revenue streams that help offset the decline in revenues and, thus, the impact is higher in rural areas.

A review of the current Fire Departments' Primary Response Areas resulted in approximately 30 properties in Ward 12 previously recorded as rural fire, updated to urban fire. These properties have predominantly been serviced by career firefighters and thus, should have been charged the higher urban fire rate. Appendix "C" to Report FCS14029 "2014 Tax Policies & Area Rating" attached hereto, identifies the current Urban Fire and Rural Fire areas used for area rating.

Area rating phase-in impacts vary greatly between former municipalities. The 2014 taxation year is the final year of the area rating phase-in; as such in 2014, fire, recreation, sidewalks and street lighting are solely area rated based on an urban/rural model.

Alternatives for Consideration – See Page 13

FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)

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 2014 approved budget. The combined growth and reassessment impacts have been used to offset the 2014 budgetary pressures.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND (Chronology of events)

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 2014 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 is no longer area rated and the area rating of Parkland Purchases, Sidewalk Snow Clearing (ward 12 only) and Transit (urban area only) continues to be area rated by former area municipality. Changes to the area rating of Transit have been deferred until the completion of an approved implementation plan for Transit service improvements. The approved urban/rural method of area rating is being phased-in over a four year period and, as such, 2014 represents the final year of this phase-in plan. The 2014 taxation year also marks the second year of the current reassessment cycle (2013-2016).

The final 2014 tax impacts identified in this report incorporate the area rated phased-in impact as well as reassessment impacts.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

This report deals with a number of tax policy items.

RELEVANT CONSULTATION

Staff have consulted with Provincial staff to ensure that the recommended tax policies adhere to the Provincial legislation. Staff from the Taxation Division, which administer the rebate programs, have also been consulted.

ANALYSIS AND RATIONAL FOR RECOMMENDATION
(Include Performance Measurement/Benchmarking Data if applicable)

Tax Policy Tool	Mandatory vs. Discretionary	Recommendation
Tax Ratios	Mandatory Discretionary	• 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 • Reduction of the Farm tax ratio to partially offset the reassessment-related tax impact, however ensuring that the final average total tax impact for the Farm property class equals to that of the Multi-Residential property class • No change to all other tax ratios – maintain the Multi-Residential and Commercial tax ratios at the Provincial threshold
Optional Property Classes	Discretionary	• No change • Maintain existing New Multi-Residential, Parking Lot & (Commercial) Vacant Land and Large Industrial optional property classes
Graduated Tax Rates	Discretionary	• No change • Not recommended to establish graduated tax rates

Tax Policy Tool	Mandatory vs. Discretionary	Recommendation
Capping	Mandatory program with discretionary criteria	• No change – continue to set the maximum allowable capping criteria in an effort to limit the amount of capping ◦ Movement towards the end of capping, with reassessment impacts being mitigated solely through the reassessment phase-in • Continue to set capping criteria at 10% and $250 minimum, no capping if at full CVA taxes in 2013, full CVA taxes on new construction/ new to class, no clawbacks
Relief for Low-Income Seniors and Disabled	Mandatory	• No change • Continue existing deferral program
Rebates to Charities	Mandatory	• Continue existing program – 40% rebate • Amended to include non-profit educational institutions that are accredited by the Ontario Ministry of Education, and operate in rented properties to be 100% exempted (would otherwise be tax exempt if they owned the property).
Vacancy Rebates	Mandatory with discretion on rebate %	• No change • Continue to provide vacancy rebate of 30% (minimum allowable) to both Commercial and Industrial property classes
Veteran's Clubhouses / Legion Halls Rebate	Discretionary	• No change • Continue existing 100% rebate
Heritage Tax Rebate	Discretionary	• Not recommended, consistent with staff report FCS10019/PED10031 "Heritage Property Tax Rebate Program" • The City already has financial incentive programs directed at heritage properties
Senior Tax Rebate Program	Discretionary	• Continue existing program • 2014 updated rebate amount = **$174** (2013 amount of $172 + CPI index) • Update assessment threshold to **$357,300** (120% of the updated city-wide average assessed value for a single family dwelling) • Update income threshold to **$33,120** (150% of updated GIS couple)

Tax Policy Tool	Mandatory vs. Discretionary	Recommendation
Area Rating	Discretionary	• Area rating based on the Council approved (April, 2011) Urban/Rural model (FCS09087 / FCS09087a / FCS11042) • Appendix "A" to Report FCS14029 identifies the area rated levies for 2014 • 2014 represents the final year of the Council approved 4-year area rating phase-in plan

Rebates for Charities

In response to the approved motion Audit, Finance & Administration Committee at its meeting of December 9, 2013, the Policy on Tax Rebates for Eligible Charities and Similar Organizations is amended to allow for a 100% tax rebate to non-profit educational institutions, which are accredited by the Ministry of Education for Ontario, rent their property and would otherwise be tax exempt if they owned their property.

There is only one institution under this category which was previously eligible for the 40% tax rebate. In accordance with the Council approved motion, it is now eligible for 100% tax rebate, thus ensuring similar treatment to other non-profit educational institutions which own their property.

Tax Ratios

With respect to tax ratios, the following Table identifies the recommended 2014 tax ratios compared to the 2013 final approved tax ratios and the Provincial thresholds:

Property Class	2013 Approved	2014 Recommended	Threshold Ratios
	Tax Ratios		
Residential	1.0000	**1.0000**	
New Multi-Residential	1.0000	**1.0000**	
Multi-Residential	2.7400	**2.7400**	2.74
Commercial Residual Parking Lot/Vacant Land	 1.9800 1.9800	 **1.9800** **1.9800**	 1.98
Industrial Residual Large	 3.2078 3.7615	 **3.1752** **3.7233**	 2.63
Pipelines	1.7367	**1.7367**	
Farm	0.1927	**0.1857**	
Managed Forest	0.2500	**0.2500**	

As shown above, the Industrial tax ratio has been reduced for 2014 in order to adhere to the Provincial levy restriction, however it continues to be significantly above the Provincial threshold ratio of 2.63. The Multi-Residential and Commercial tax ratios are at the Provincial threshold of 2.74 and 1.98 respectively; and staff are recommending no changes to them.

In an effort to partially offset the Farm reassessment-related tax impact and notwithstanding that the prescribed tax ratio for the Farm property class of 0.2500 is above the current ratio of 0.1927, the Farm tax ratio has also been further reduced for the 2014 taxation year. This recommendation is consistent with previous years and ensures an average total tax impact equivalent to that of the Multi-Residential property class. This reduction has no significant impact on the remaining property classes.

Staff will continue to review the Farm tax ratio on an annual basis. If in the future the Farm property tax class experiences a favourable reassessment-related tax impact, then staff would review the possibility of increasing the Farm tax ratio closer to the prescribed rate of 0.25.

All other property classes are recommended to maintain the same tax ratios as 2013.

Reassessment

The 2014 taxation year marks the second year of the current four-year reassessment cycle (2013-2016). The following table identifies the assessment change by class in each of the former area municipalities.

CITY OF HAMILTON
2014 CVA REASSESSMENT (YEAR 2 OF 4 YEAR PHASE-IN)
COMPARISON OF CHANGES IN CURRENT VALUE (TAXABLE ASSESSMENT ONLY)

	Residential	Multi-Residential	Total Commercial	Total Industrial	Farm	TOTAL
Stoney Creek	2.5%	5.2%	2.4%	2.4%	7.7%	2.6%
Glanbrook	3.0%	5.1%	2.9%	10.7%	9.2%	3.5%
Ancaster	3.1%	6.1%	2.4%	5.3%	7.8%	3.2%
Hamilton	3.1%	4.9%	2.8%	2.3%	7.4%	3.2%
Dundas	3.1%	6.2%	3.2%	4.4%	6.5%	3.2%
Flamborough	3.4%	4.9%	3.1%	5.6%	7.3%	3.7%
TOTAL	3.1%	5.0%	2.8%	3.0%	7.9%	3.2%

Overall, there are no additional taxes raised as a result of reassessment. This is reflected in the following table, which identifies the final average municipal reassessment tax impact by class and former municipality, based on the above average changes in CVA.

Reassessment - Municipal only

CITY OF HAMILTON
2014 CVA REASSESSMENT (YEAR 2 OF 4 YEAR PHASE-IN)
AVERAGE % IMPACT ON MUNICIPAL TAXES (exclusive of mitigation measures, budget, tax policies)

	Residential	Multi-Residential	Total Commercial	Total Industrial	Farm	Total
Stoney Creek	-0.7%	2.0%	-0.7%	-0.9%	4.3%	-0.6%
Glanbrook	-0.2%	1.8%	-0.4%	6.2%	5.8%	0.1%
Ancaster	-0.1%	2.7%	-0.7%	1.6%	4.4%	-0.1%
Hamilton	-0.1%	1.7%	-0.3%	-1.1%	4.1%	0.1%
Dundas	-0.1%	2.9%	0.0%	1.1%	3.2%	0.2%
Flamborough	0.2%	1.7%	-0.2%	2.1%	4.0%	0.3%
TOTAL	-0.1%	1.7%	-0.4%	-0.5%	4.5%	0.0%

The Multi-Residential and the Farm property classes had higher than average increase in property values and therefore have reassessment-related tax increases, while the Commercial and Industrial classes are experiencing benefits as a result of their lower than average reassessments increases. The average reassessment for Residential properties of 3.1% is slightly lower than the city-wide average and thus results in a municipal tax benefit of -0.1%; including education, the total average benefit is -0.3%.

Although the Province provides municipalities with tools to offset the reassessment related tax shifts between property classes, staff are not recommending this option with the exception of the Farm property class, as it has no significant impact on the remaining property classes and is consistent with previous years' recommendations. Offsetting reassessment tax shifts for the Multi-Residential property class would result in an increase to the Residential, Industrial and Commercial classes. More details about this option can be found in the "Alternatives for Consideration" section of this report.

Tax Impacts (Reassessment + Budget + Area Rating Phase-in)

The final average tax impacts, as identified in Report FCS14029, are as a result of various factors:

- 2014 approved tax operating budget (FCS14005)
- 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 (ward 12 urban only) and Parkland Purchase are area rated based on former area municipality
- Prescribed 2014 Provincial education tax rates
- 2014 assessment growth (FCS14021)
- Year 2 of current reassessment cycle (2013-2016)
- Levy restriction on the Industrial property class
- Final year of the 4-year area rating phase-in
- 2014 tax policies as recommended within this report

Appendix "B" to Report FCS14029 "2014 Tax Policies & Area Rating" attached hereto provides further detail on the impacts by ward and by all four areas (Urban, Rural, Urban with Rural Fire and Rural with Urban Fire). Although the Residential city-wide average total impact is 1.5%, due to the various factors identified above, the impacts will vary between former municipalities and wards. While the reassessment and area rating phase-in account 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 one area municipality than on another (for example, transit enhancements).

Note that 87% of the Residential properties are identified as fully Urban and 10% as fully Rural. Only 3% of the Residential properties fall within "Urban with Rural Fire" or "Rural with Urban Fire".

ALTERNATIVES FOR CONSIDERATION

(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for each alternative)

For discretionary tax policy tools, it is Council's decision whether or not to establish the program. For mandatory tools/programs, Council may have some alternatives with respect to criteria only.

One alternative for consideration is maintaining the Farm tax ratio at the 2013 level. Not reducing the Farm tax ratio would result in a total Farm property class average tax impact of 6.7%. It should be noted that typically these Farm properties also have assessment in the Residential property class. Therefore, although the Farm component is increasing, on average 6.7%, the total tax bill (both Farm and Residential) is increasing 2.6% on average. Staff are recommending a reduction to the Farm tax ratio, as traditionally Council has approved on-going reductions to this tax ratio. The recommended reduction will bring the average total tax impact to the Farm property class in line with the impact of the Multi-Residential property class.

A second alternative for consideration is the potential reduction of the Multi-Residential tax ratio in order to offset some or all of the reassessment-related tax impact. The Multi-Residential total average tax impact would be reduced to 1.9% (from the current 3.6%) if the reassessment-related tax impact was eliminated. This would be achieved by lowering the Multi-Residential tax ratio from the current Provincial Threshold of 2.74 to 2.6870, however would result in a total tax shift of $1.4 million, or +0.2% onto the remaining property classes. Staff are not recommending the reduction of the Multi-Residential tax ratio in 2014, both due to the impact on the remaining property classes, as well as the fact that MPAC's change in the valuation methodology (which has resulted in the Multi-Residential property class experiencing a reassessment-related tax impact) could result in appeals. This is consistent with 2013 tax policies. It should be noted that the reassessment is the main factor contributing to the higher than average tax impact on the Multi-Residential property class, as its municipal budgetary impact is comparable to the Residential property class.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

1.1 Continue to grow the non-residential tax base.
1.4 Improve the City's transportation system to support multi-modal mobility and encourage inter-regional connections.
1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS14029 – 2014 Area Rated Levies Summary

Appendix "B" to Report FCS14029 – 2014 Final Residential Tax Impacts

Appendix "C" to Report FCS14029 – Urban / Rural Fire Areas

2014 AREA RATING SUMMARY

AREA RATED SERVICES - URBAN / RURAL

SERVICE	BUDGET	URBAN / RURAL			
		URBAN		RURAL	
Fire	82,442,140	76,085,270	92.3%	6,356,870	7.7%
Recreation	31,014,584	28,781,921	92.8%	2,232,663	7.2%
Sidewalk	2,381,018	2,337,843	98.2%	43,175	1.8%
Street Lighting	6,027,361	5,655,897	93.8%	371,464	6.2%

AREA RATED SERVICES - FORMER AREA MUNICIPALITY

SERVICE	BUDGET	FORMER AREA MUNICIPALITY											
		HAMILTON		ANCASTER		DUNDAS		FLAMBOROUGH		GLANBROOK		STONEY CREEK	
Transit	38,758,240	33,043,907	85.3%	1,527,096	3.9%	709,394	1.8%	391,093	1.0%	681,534	1.8%	2,405,217	6.2%
Sidewalk Snow Removal	106,190	-	0.0%	106,190	100.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Parkland Purchases	1,215,580	650,264	53.5%	-	0.0%	317,963	26.2%	-	0.0%	-	0.0%	247,353	20.3%

		HAMILTON	
Special Infrastructure Re-investment	13,428,869	13,428,869	100%

TOTAL AREA RATES LEVIES	**175,373,982**

2014 Total Residential Tax Impacts - URBAN

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

BY FORMER AREA MUNICIPALITY

	2014 Average Residential Assessment	% of Muni Residential Properties	Reassessment	Budget (inclusive of Area Rating)	Total	Area Rating Phase-In (Yr 4 of 4)	Total Average 2014 Impact (%)	Total Average 2014 Impact ($)
Stoney Creek	301,500	77%	-0.8%	1.7%	0.8%	1.3%	2.2%	$ 83
Glanbrook	296,200	35%	-0.3%	2.4%	2.1%	2.5%	4.6%	$ 170
Ancaster	408,700	88%	-0.3%	1.8%	1.4%	0.7%	2.2%	$ 113
Hamilton	226,500	100%	-0.3%	1.7%	1.5%	0.0%	1.5%	$ 45
Dundas	347,900	95%	-0.3%	1.8%	1.4%	0.9%	2.4%	$ 105
Flamborough	390,400	43%	0.1%	1.6%	1.6%	1.6%	3.2%	$ 156

City-Wide Average	1.5%

BY WARD

	2014 Average Residential Assessment	% of Ward Residential Properties	Reassessment	Budget (inclusive of Area Rating)	Total	Area Rating Phase-In (Yr 4 of 4)	Total Average 2014 Impact (%)	Total Average 2014 Impact ($)
Ward 1	280,200	100%	1.4%	1.7%	3.2%	0.0%	3.2%	$ 119
Ward 2	186,200	100%	1.0%	1.7%	2.7%	0.0%	2.7%	$ 68
Ward 3	148,600	100%	0.1%	1.7%	1.8%	0.0%	1.8%	$ 36
Ward 4	163,200	100%	-0.6%	1.7%	1.2%	0.0%	1.2%	$ 26
Ward 5	231,200	100%	-0.8%	1.7%	0.9%	0.0%	0.9%	$ 28
Ward 6	236,400	100%	-0.5%	1.7%	1.2%	0.0%	1.2%	$ 38
Ward 7	259,500	100%	-0.7%	1.7%	1.0%	0.0%	1.0%	$ 36
Ward 8	274,500	100%	-0.8%	1.7%	0.9%	0.0%	0.9%	$ 35
Ward 9	289,500	99%	-0.8%	1.7%	0.8%	1.3%	2.2%	$ 80
Ward 10	287,100	100%	-1.1%	1.7%	0.6%	1.3%	2.0%	$ 72
Ward 11 - SC	342,500	9%	-0.6%	1.7%	1.1%	1.3%	2.5%	$ 107
Ward 11 - GL	296,200	35%	-0.3%	2.4%	2.1%	2.5%	4.6%	$ 170
Ward 12	411,600	94%	-0.4%	1.8%	1.4%	0.7%	2.1%	$ 111
Ward 13	347,900	95%	-0.3%	1.8%	1.4%	0.9%	2.4%	$ 105
Ward 14 - AN	361,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 14 - FL	381,300	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 15	394,700	64%	0.1%	1.6%	1.7%	1.6%	3.3%	$ 159

City-Wide Average	1.5%

Note – anomalies in totals due to rounding

2014 Total Residential Tax Impacts - RURAL
(inclusive of approved budget, reassessment, area rating, tax policies and education taxes)

BY FORMER AREA MUNICIPALITY

	2014 Average Residential Assessment	% of Muni Residential Properties	Reassessment	Budget (inclusive of Area Rating)	Total	Area Rating Phase-In (Yr 4 of 4)	Total Average 2014 Impact (%)	Total Average 2014 Impact ($)
Stoney Creek	301,500	4%	-0.9%	2.5%	1.6%	-0.3%	1.2%	$ 43
Glanbrook	296,200	54%	-0.4%	2.5%	2.1%	1.1%	3.3%	$ 110
Ancaster	408,700	10%	-0.4%	2.5%	2.1%	-1.0%	1.1%	$ 54
Hamilton	226,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dundas	347,900	3%	-0.4%	2.4%	2.1%	-0.8%	1.3%	$ 53
Flamborough	390,400	57%	0.0%	2.5%	2.5%	0.0%	2.4%	$ 110

City-Wide Average	1.5%

BY WARD

	2014 Average Residential Assessment	% of Ward Residential Properties	Reassessment	Budget (inclusive of Area Rating)	Total	Area Rating Phase-In (Yr 4 of 4)	Total Average 2014 Impact (%)	Total Average 2014 Impact ($)
Ward 1	280,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 2	186,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 3	148,600	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 4	163,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 5	231,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 6	236,400	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 7	259,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 8	274,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 9	289,500	0%	-0.9%	2.5%	1.6%	-0.3%	1.2%	$ 41
Ward 10	287,100	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 11 - SC	342,500	15%	-0.6%	2.5%	1.9%	-0.3%	1.5%	$ 60
Ward 11 - GL	296,200	54%	-0.4%	2.5%	2.1%	1.1%	3.3%	$ 110
Ward 12	411,600	5%	-0.4%	2.5%	2.1%	-1.0%	1.1%	$ 52
Ward 13	347,900	3%	-0.4%	2.4%	2.1%	-0.8%	1.3%	$ 53
Ward 14 - AN	361,000	99%	0.5%	2.5%	3.0%	-1.0%	2.0%	$ 84
Ward 14 - FL	381,300	100%	-0.1%	2.5%	2.4%	0.0%	2.4%	$ 104
Ward 15	394,700	36%	0.0%	2.5%	2.5%	0.0%	2.5%	$ 112

City-Wide Average	1.5%

Note – anomalies in totals due to rounding

2014 Total Residential Tax Impacts - URBAN WITH RURAL FIRE

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

BY FORMER AREA MUNICIPALITY

	2014 Average Residential Assessment	% of Muni Residential Properties	Reassessment	Budget (inclusive of Area Rating)	Total	Area Rating Phase-In (Yr 4 of 4)	Total Average 2014 Impact (%)	Total Average 2014 Impact ($)
Stoney Creek	301,500	19%	-0.9%	1.8%	0.9%	0.1%	1.1%	$ 39
Glanbrook	296,200	10%	-0.4%	2.5%	2.2%	1.4%	3.6%	$ 128
Ancaster	408,700	0%	-0.3%	1.9%	1.5%	-0.5%	1.1%	$ 52
Hamilton	226,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dundas	347,900	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Flamborough	390,400	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City-Wide Average	1.5%

BY WARD

	2014 Average Residential Assessment	% of Ward Residential Properties	Reassessment	Budget (inclusive of Area Rating)	Total	Area Rating Phase-In (Yr 4 of 4)	Total Average 2014 Impact (%)	Total Average 2014 Impact ($)
Ward 1	280,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 2	186,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 3	148,600	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 4	163,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 5	231,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 6	236,400	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 7	259,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 8	274,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 9	289,500	0%	-0.9%	1.8%	0.9%	0.1%	1.1%	$ 37
Ward 10	287,100	0%	-1.1%	1.8%	0.7%	0.1%	0.8%	$ 29
Ward 11 - SC	342,500	76%	-0.6%	1.8%	1.2%	0.1%	1.3%	$ 56
Ward 11 - GL	296,200	10%	-0.4%	2.5%	2.2%	1.4%	3.6%	$ 128
Ward 12	411,600	0%	-0.4%	1.9%	1.5%	-0.5%	1.0%	$ 50
Ward 13	347,900	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 14 - AN	361,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 14 - FL	381,300	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 15	394,700	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City-Wide Average	1.5%

Note – anomalies in totals due to rounding

2014 Total Residential Tax Impacts - RURAL WITH URBAN FIRE

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

BY FORMER AREA MUNICIPALITY

	2014 Average Residential Assessment	% of Muni Residential Properties	Reassessment	Budget (inclusive of Area Rating)	Total	Area Rating Phase-In (Yr 4 of 4)	Total Average 2014 Impact (%)	Total Average 2014 Impact ($)
Stoney Creek	301,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Glanbrook	296,200	1%	-0.4%	2.4%	2.0%	2.3%	4.3%	$ 153
Ancaster	408,700	1%	-0.3%	2.3%	2.0%	0.3%	2.3%	$ 115
Hamilton	226,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dundas	347,900	2%	-0.3%	2.3%	2.0%	0.5%	2.5%	$ 106
Flamborough	390,400	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City-Wide Average	1.5%

BY WARD

	2014 Average Residential Assessment	% of Ward Residential Properties	Reassessment	Budget (inclusive of Area Rating)	Total	Area Rating Phase-In (Yr 4 of 4)	Total Average 2014 Impact (%)	Total Average 2014 Impact ($)
Ward 1	280,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 2	186,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 3	148,600	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 4	163,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 5	231,200	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 6	236,400	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 7	259,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 8	274,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 9	289,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 10	287,100	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 11 - SC	342,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 11 - GL	296,200	1%	-0.4%	2.4%	2.0%	2.3%	4.3%	$ 153
Ward 12	411,600	1%	-0.4%	2.3%	1.9%	0.3%	2.3%	$ 113
Ward 13	347,900	2%	-0.3%	2.3%	2.0%	0.5%	2.5%	$ 106
Ward 14 - AN	361,000	1%	0.5%	2.3%	2.9%	0.3%	3.2%	$ 140
Ward 14 - FL	381,300	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ward 15	394,700	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City-Wide Average	1.5%

Note – anomalies in totals due to rounding

Appendix "C" to Report FCS14029