

Pilon, Janet

Subject: Area Rating Funds - Councillor Green's Motion

From: Gabriel Nicholson
Sent: September-11-17 2:40 PM
To: Office of the Mayor
Cc: Farr, Jason; Pilon, Janet
Subject: Area Rating Funds - Councillor Green's Motion

Hello,

It is with great concern that I write today regarding the Special Levy imposed on residents of Wards 1-8, that the city terms Area Rating Special Capital Re-Investment.

I believe that the city in 2012 stretched the Limitations as defined in the Municipal Act, Section 326 (3) in order to justify the perpetual, never ending taxation of residents.

A Special Levy is meant to be assigned when a project with an additional benefit is to be provided, yet only to a certain area. Then the Special Levy is added until the additional benefit is paid for.

The Limitations clause state that this cannot include an area in which the residents and property owners do not currently receive an additional benefit but will receive it in the future UNLESS the expenditures necessary to make the additional benefit available appear in the budget of the municipality for the year adopted or the municipality has established a reserve fund to finance the expenditures over a period of years.

It is this last part that has been stretched to justify the Area Rating Special Capital Re-Investment tax. The intention of the Special Levy, as defined in 326(1), is to identify a special service and then determine whether it can be paid in one year or multiple years.

Hamilton has flipped this to claim that 'first we will tax you, then we will decide what the additional benefits are'. This is wrong and unjust.

The Special Levy Tax needs to be cancelled for 2018 until the city can revisit the issue and use the proper procedures for these funds, ie every additional benefit must be identified during budget talks, so that citizens understand what it is they are paying this tax for. Any monies currently accrued need to be assigned to Public Works so that they may address the best expenditures in Wards 1-8 fixing city owned infrastructure.

Councillors should not be deciding on a whim where to spend this money. The yearly take per ward is almost 1.7 million dollars, and if you asked citizens they would be hard pressed to actually identify any of these 'additional benefits' in their ward.

These funds have paid for parties, consultants, and been given to charity.

This money is not for for any of that, theatre facades, or school board properties, or art, or to make things look nice.

Your Municipal Councillor Handbooks provided by the province gives you the Coles Notes of Section 326, while highlighting Ontario Regulation 585/06 which prevents certain health programs and services from being area-rated.

These include

Community Sanitation (no special levy money for garbage cans in park)

Provision of Safe Drinking Water (no special levy money for fountains)

Family Health, including Nutrition Services (\$65,000 was diverted to a school nutrition program this year)

There are so many things Councillors want to spend the Special Levy money on, when Public Works already has the answer and that is " road, sewer , water , bridges, facilities"

There is a growing movement to distort the Special Levy Policy from it's intended purpose of addressing Capital Infrastructure deficiencies to allow for Social Infrastructure wants. This is the ultimate failure of the program, with no clear direction from the leadership on this issue.

We need to address a growing 2 Billion Dollar infrastructure deficit that will never end.

It's time to do the right thing and end this program until an alternative can be devised.

If you wish to fund school board property enhancements, do it at the 2018 budget table, where it's transparent what you intend.

It's funny actually, the comment on the Area Rating Special Capital Re-Investment

"Council on February 22, 2012 through Report FCS12024 Appendix A approved Special Capital Investment Policy to ensure that the Area Rating Special Capital Re-Investment is managed in a transparent and effective manner."

This is neither transparent or effective.

But it will make for some great pre-election photo-ops in September, 2018.

I trust that you will do the right thing and send Councillor Green's motion to the 2018 budget process.

Thank You

Gabriel Nicholson