

January 29, 2018

FEB - 7 2018

Mayor Eisenberger and Members of Council  
Mary Gallagher, City Clerk's Office  
City of Hamilton  
First Floor  
71 Main Street West,  
Hamilton ON L8P 4Y5

Dear Mayor Eisenberger and Members of Council:

**Re: Conservation Halton 2018 Budget Municipal Funding Apportionment**

Pursuant to Ontario Regulation 139/96 (as amended by O.R. 106/98), notice is hereby given that Conservation Halton will be reconsidering the apportionment of municipal funding for the 2018 Budget at the Conservation Halton Board of Directors meeting at 3:00 pm, March 22, 2018 at the Conservation Halton Administration Office located at 2596 Britannia Road West, Burlington. The meeting is open to the public.

Please note that the apportionment of municipal funding for Conservation Halton's 2018 Budget has changed compared to the notice sent to you on October 11, 2017. The revised municipal funding apportionment is a result of a decision issued by the Mining and Lands Commissioner on December 21, 2017. The change has resulted in an increase in the amount apportioned to the City of Hamilton and an offsetting decrease for other watershed municipalities. A detailed explanation of this change was provided in a report to the Conservation Halton Board of Directors at its meeting on January 25, 2018, a copy of which is attached.

All of Conservation Halton's watershed municipalities are being provided with a notice of the meeting to reconsider the apportionment of municipal funding for the 2018 Budget. The weighted voting procedure required under Regulation 139/96 provides that each member of the Board votes in proportion to their municipality's share of the revised current value assessment.

Please contact me for further information pertaining to the apportionment of the municipal funding in the Conservation Halton 2018 Budget.

Yours truly,



Hassaan Basit,  
CAO/Secretary-Treasurer

cc Sheryl Ayres, Senior Director Corporate and Strategic Initiatives, Conservation Halton  
Mike Zegarac, GM, Finance and Corporate Services, City of Hamilton

**REPORT TO:** Board of Directors

**REPORT NO: #** 09 17 03

**FROM:** Sheryl Ayres, Senior Director, Corporate & Strategic Initiatives  
[sayers@hrca.on.ca](mailto:sayers@hrca.on.ca); 905-336-1158 x 2250

**DATE:** January 25, 2018

**SUBJECT:** **2018 Budget Municipal Apportionment**

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### Recommendation

**THAT the Conservation Halton Board of Directors receive for information the revised municipal apportionment as outlined in the staff report dated January 25, 2018 for the municipal funding in the 2018 Budget, as a result of the recent Mining and Lands Commissioner decision related to a City of Hamilton apportionment appeal;**

**AND FURTHER THAT the 2018 municipal funding according to the revised apportionment be approved by a weighted majority of the Board of Directors at the March 22, 2018 meeting.**

### Executive Summary

The Mining and Lands Commissioner (MLC) ruled on December 21, 2017 on an appeal by the City of Hamilton of the apportionment by the Niagara Peninsula Conservation Authority, that an agreement in place since 2001 does not constitute an agreement according to the Conservation Authorities Act and Regulation 607/00. Conservation Halton staff have reviewed the decision of the MLC and are of the understanding that this decision would also apply to Conservation Halton as a party to the agreement with Hamilton approved by the Board of Directors in December 2000. The Province of Ontario Ministry of Natural Resources and Forestry (MNR) has advised Conservation Halton that the Conservation Authority may use its discretion to determine the apportionment of municipal funding.

### Report

The Conservation Halton Board of Directors approved the 2018 Budget on November 23, 2017 and in accordance with the Conservation Authorities Act Regulation 139/96, letters providing thirty days notice of the budget approval were sent to our watershed municipalities and a weighted vote occurred by Board members by their municipal representation.

The municipal apportionment data used by Conservation Halton has been provided by the Ministry of Natural Resources and Forestry. The municipal apportionment provided by MNR for the City of Hamilton since the 2001 Budget is based on a historical percentage of Hamilton's Current Value Assessment (CVA) data. The apportionment for the other municipalities is based on the percentage of geographic area of Conservation Halton's watershed within the respective municipality. The historical amount of CVA for Hamilton was derived in an agreement with MNR, the City of Hamilton and the four Conservation Authorities the City of Hamilton provides funding to. The agreement was approved by the Conservation Halton Board of Directors in December 2000. However, the provincial regulation was not updated to reflect this agreement.

The agreement was put in place as a result of the amalgamation by the Province of Ontario of the City of Hamilton and the elimination of the Region of Hamilton-Wentworth. Prior to the agreement, Conservation Halton received CVA data for the municipalities of Flamborough and Dundas. With the amalgamation, the combined CVA for Hamilton was much higher and would have resulted in a significant cost increase to the City of Hamilton. The intent of the agreement was to remove any increase in costs to Hamilton as a result of the amalgamation that was consistent with the Provincial amalgamation directive. The agreement ensured that municipal funding apportioned by Conservation Halton to its watershed municipalities was essentially the same as prior to the amalgamation.

According to MNRF data, 14.17% of the Conservation Halton watershed falls within the City of Hamilton. When this percentage is applied to the City of Hamilton's CVA the municipal apportionments for Conservation Halton are revised as follows:

Municipality:	2018 Apportionment % (Historical)	2018 Municipal Funding (Historical Apport.)	2018 Apportionment % (Revised)	2018 Municipal Funding (Revised Apport.)	Increase / (Decrease) \$
Region of Halton	92.3558%	\$8,818,431	87.4849%	\$ 8,353,342	(465,089)
Region of Peel	5.2183%	\$498,260	4.9431%	\$ 471,983	(26,277)
City of Hamilton	2.1899%	\$209,099	7.3485%	\$ 701,659	492,560
Township of Puslinch	0.2360%	\$22,534	0.2235%	\$ 21,340	(1,194)
	100.0000%	\$9,548,324	100.0000%	\$ 9,548,324	-

Besides Conservation Halton, the City of Hamilton provides funding to Hamilton Conservation Authority (HCA), Niagara Peninsula Conservation Authority (NPCA) and the Grand River Conservation Authority (GRCA). As a result of the MLC decision, staff understand there is essentially no impact to the HCA. NPCA has not been following the agreement since 2015 and it is anticipated that GRCA will be using the revised apportionment percentages in their 2018 Budget approval scheduled for February.

Staff consulted legal counsel regarding the impact of the MLC decision on Conservation Halton. Staff were advised that as the MLC has ruled that the agreement does not constitute an agreement according to the Conservation Authorities Act and Regulation there is a duty by Conservation Halton to correct the apportionment of the municipal funding.

Notices of the revised municipal funding apportionment are being sent to the Region of Halton, Region of Peel, City of Hamilton and Township of Puslinch providing 30 day notice prior to the Board of Directors meeting to vote on the revised apportioned municipal funding according to the revised municipal representation.

Conservation Halton staff will be presenting the 2018 Budget to the City of Hamilton General Issues Committee on January 23, 2018.

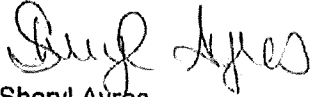
#### Impact on Strategic Goals

This report supports the Metamorphosis strategic theme of Striving for service excellence and efficiency.

### Financial Impact

There is no financial impact to this report as total municipal funding included in the 2018 Budget will remain the same.

Signed & respectfully submitted:



Sheryl Ayres  
Senior Director, Corporate & Strategic Initiatives

Approved for circulation:



Hassaan Basit  
CAO/Secretary-Treasurer

**FOR QUESTIONS ON CONTENT:**

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