

HAMILTON SUMMIT 2018

Advancing Hamilton's Priorities in the 2018 Provincial Election

Friday, April 13, 2018, 9 a.m.
Hamilton City Hall, Council Chambers
71 Main Street West, Hamilton



Hamilton



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MESSAGE FROM THE MAYOR



In February 2018 City of Hamilton Council passed a motion asking staff to provide an opportunity for the residents of Hamilton to attend an educational summit intended to address key priorities that impact our city.

In advance of the provincial election on June 7, 2018, the City of Hamilton is pleased to host this public summit: Hamilton Summit 2018: Advancing Hamilton's Priorities in the 2018 Provincial Election, which includes expert panels to discuss the priority areas along with specific requests from the City of Hamilton.

The Hamilton Summit 2018 will include Panel discussions, MPP's and nominated candidates for the upcoming provincial election, community stakeholders and residents and opportunity to provide comments on these priority areas. This event is open to the general public, as well as being available via livestream.

The summit will also provide the media an opportunity to learn about key topics that are a priority to the City of Hamilton, as well as conduct interviews with those in attendance.

The objective of the Summit is to educate, build awareness, and solicit solutions for four major growing priorities as related to provincial downloading and its impact on the City of Hamilton.

The priorities include:

- **Local Healthcare** - Impact on Emergency Medical Services (Paramedic Service MOHLTC grant funding, Paramedic Service off-load delays, Ambulance dispatch operations)
- **Social and Affordable Housing** (Preserving the existing infrastructure, Increased supply: Meeting community needs, Chronic shortage of permanent housing with supports, Inter-ministerial policy and service coordination, Long-term sustainable funding to reduce and end homelessness)
- **Infrastructure** (Continued underfunding of infrastructure renewal: The impact, Smart City grant funding, Recreation lifecycle replacement deficit, Growing need for recreation facilities, Cultural resource management: Long-term sustainability, Hamilton Transit (Hamilton Street Railway) – 10 Year Local Transit Strategy, Water/wastewater/stormwater)
- **Municipal Financial Tools** (Levy restriction to the industrial property class, Taxation changes to the multi-residential property class, Assessment growth and appeals, Provincially shared programs, Conservation Authority levy appointment)

Mayor Fred Eisenberger,
City of Hamilton





**LOCAL
HEALTHCARE
IMPACT ON
EMERGENCY
MEDICAL
SERVICES**

Paramedic Service

Ministry of health long-term care grant funding

THE ISSUE

- Under the Ambulance Act (Legislative Assembly of the Province of Ontario 2017), the municipality is legally required to ensure the proper delivery of ambulance services to meet the needs of the municipality. Additional acts require the municipality to cover: 100 per cent of the cost during the year in which an increase of funding for ambulance services was approved by the municipality (hereafter to be referred to as the “City of Hamilton”).
- 50 per cent of the cost during all subsequent years, subject to the approval for additional funding and/or changes in funding by the MOHLTC.

THE CITY OF HAMILTON’S REQUEST

In a correspondence to the former Minister of Health, the Honourable Dr. Eric Hoskins (succeeded by the Honourable Dr. Helena Jaczek), the City of Hamilton (COH) expressed that the Land Ambulance Service Grant (LASG) funding formula be amended such that the MOHLTC funding represents 50 per cent of the cost of land ambulance services for the year in which the costs occur.

*The MOHLTC funding represent **50%** of the cost of land ambulance services for the **year in which the costs occur***



BACKGROUND

Pursuant to the *Health Systems Improvement Act* (Legislative Assembly of the Province of Ontario 2007) and the Ambulance Act, there has been a commitment by the MOHLTC to fund 50 per cent of the costs associated with land ambulance services. This is accomplished through an agreement known as the Land Ambulance Service Grant, which provides approximately 50 per cent of the approved cost (as agreed to by the MOHLTC) of land ambulance operations for the prior year plus an allocated percentage increase for inflationary purposes.

As the LASG funding is based on the previous year's budget rather than the current years' budget approved by City of Hamilton City Council. This creates a lag in funding, resulting in:

- 100 per cent of costs for service enhancements are covered by COH municipal levy for the year in which the enhancement was approved.
- 50 per cent of costs for service enhancements are covered in all subsequent years, pending the approval by the MOHLTC.

This funding arrangement has resulted in the COH **spending approximately \$2.2 million dollars in additional operating costs** through capital reserve funds during the past four years.



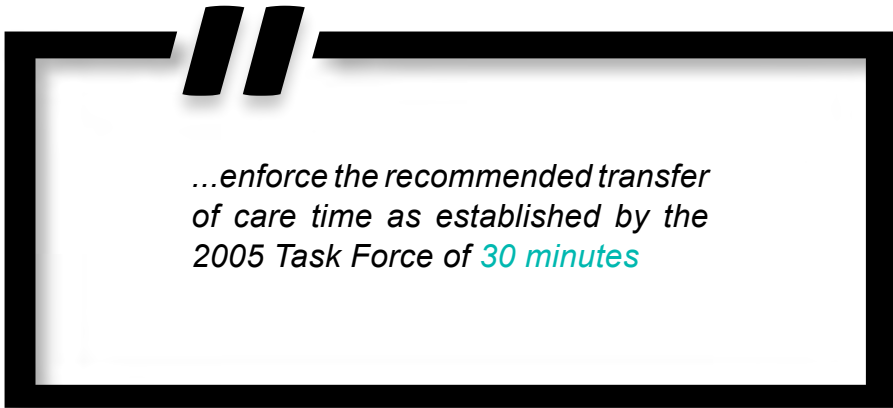
Paramedic Service off-load delays

THE ISSUE

Through its legislative and regulatory mandates, the MOHLTC is responsible for the delivery of health care throughout Ontario, including oversight of hospitals and ambulance services. Additionally, the MOHLTC through the Ambulance Act (Legislative Assembly of the Province of Ontario 2017) maintains the final decision through its central ambulance communications centre (CACC) in determining the destination to which a patient may be transported.

THE CITY OF HAMILTON'S REQUEST

A lack of ambulance resources is a direct result of the current off-load delays being experienced in COH hospitals, the COH requests that the MOHLTC enforce the recommended transfer of care time as established by the 2005 Task Force of 30 minutes or the MOHLTC cover the full cost of ambulance off-load delay utilizing average unit hour costs of production.

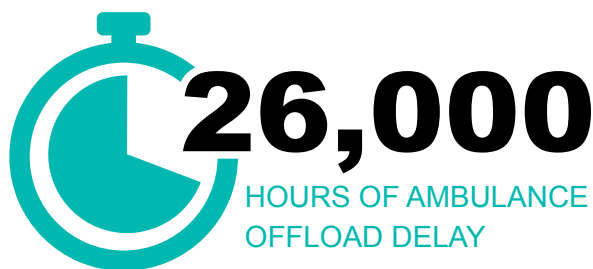


...enforce the recommended transfer of care time as established by the 2005 Task Force of 30 minutes

BACKGROUND

While the MOHLTC has reviewed the issues of off-load delays at hospitals, there continues to be extensive delays in the transfer of care of patients from paramedics to hospital staff within the mandate of 30 minutes as documented in the report *Improving Access to Emergency Services: A System Commitment* (Schwartz 2005). This has resulted in the loss of ambulances being available to respond to 911 calls in the COH putting the public at risk. In 2017, the Hamilton Paramedic Service encountered **more than 26,000 hours of ambulance offload delay** at receiving hospitals.

In our opinion, the continued off-load delays and the resulting lack of available ambulances able to respond to 911 requests, is not acceptable and the responsibility of the MOHLTC. Therefore, we submit that all off-load delay costs associated to ambulance services be funded at 100 per cent by the MOHLTC. This funding will enable COH staff to provide additional ambulances, therefore offsetting resources lost in hospitals due to off-load delays.



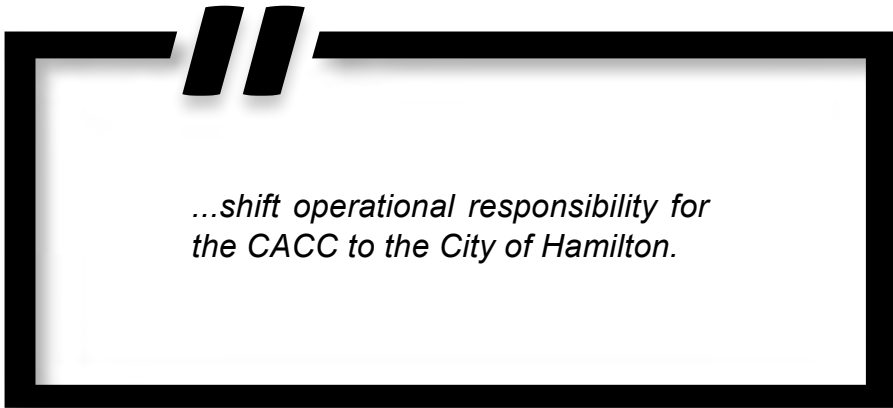
Ambulance dispatch operations

THE ISSUE

Through its regulatory powers under the Ambulance Act (Legislative Assembly of the Province of Ontario 2017), the MOHLTC is entirely responsible for the operation of central ambulance communication centres (CACC'S) across Ontario. This includes but is not limited to staffing, system design, technology, operating practices, and call taking processes. As a further result of this legislative power, paramedics are required to follow the direction of the CACC, including which calls to respond to, by which means (i.e. lights and siren) and where patients will be transported.

THE CITY OF HAMILTON'S REQUEST

To improve on the effectiveness and efficiencies of how Hamilton Paramedic Services resources are used, the COH requests that while continuing to maintain its regulatory oversight and 100 per cent funding, the MOHLTC shift operational responsibility for the CACC to the City of Hamilton.

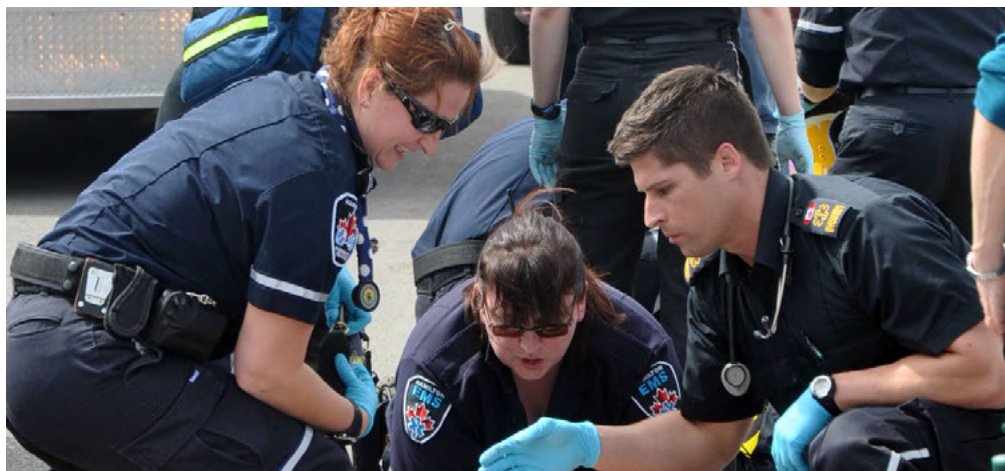


*...shift operational responsibility for
the CACC to the City of Hamilton.*

BACKGROUND

As an individual entity with its own priorities and mandates from the MOHLTC, the CACC strategic priorities are not aligned with the business practices of the COH. This has resulted in the following:

- Prioritization software that is overly sensitive and lacks specificity of the patients' condition leading to an inefficient use of ambulance resources. Such as an ambulance responding to non-life threatening emergencies prior to life threatening ones.
- Improvements to hardware and/or systems are complex and often require approvals from other MOHLTC officials other than the manager responsible for the CACC. This leads to the implementation of quality improvement initiatives being delayed and/or slow to complete due to the bureaucratic process
- Access to some information from the CACC is restricted because of the Personal Health Information Protection Act (PHIPA). This information is essential to providing quality initiatives surrounding patient satisfaction and the evaluation of programs





SOCIAL AND AFFORDABLE HOUSING



Preserving the existing infrastructure

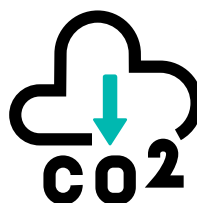
THE ISSUE

The existing social housing stock in Hamilton was constructed more than thirty years ago, much of which continues to operate despite building systems and funding envelopes that are at or approaching end of life cycles. In addition, building systems and structures do not support energy efficiency or contribute to the reductions of greenhouse gas emissions. The City of Hamilton has invested locally to support repairs and regeneration in its stock but cannot commit the required level of funding from the property tax base. Existing building condition assessments put the estimated capital repair deficiency for social housing at approximately \$200 million over the next 10 years.

THE CITY OF HAMILTON'S REQUEST

Our request is that the Province of Ontario commit to continuing its investment of proceeds from the Climate Change Action Plan to reducing greenhouse gas emissions through appropriate retrofits in aging social housing and, in addition, commits further funding for other non-energy related repairs and renovations.

...the Province of Ontario commit to continuing its investment of proceeds from the Climate Change Action Plan to reducing greenhouse gas emissions



BACKGROUND

With the devolution of social housing to the municipalities in 2001, the Province provided one-time capital funding of \$3,791,218 to the City of Hamilton, which was placed in a reserve for social housing purposes. This funding was inadequate to support the assets that were subsequently transferred with over \$100 million in capital repairs needed. This funding was maintained only for emergency repairs and supporting social housing programs and is currently exhausted.

Hamilton has invested significant local funding to preserve and support its social housing assets so that it can target the wait list of over 6,300 households. To date, this local discretionary commitment to social housing infrastructure totals \$26.5 million. Capital funds distributed from the annual capital budget are typically targeted to health and safety issues, vacant unit rehabilitation and accessibility.

Aside from the current energy related investments, social housing providers have limited options to assist with the cost of capital and emergency repairs. All social housing providers in Hamilton have insufficient reserves to address the cost of outstanding capital repairs and most would need to approach the City for funding for any serious emergency repairs. In Hamilton, current building condition assessments put the estimated capital repair deficiency for the existing social housing infrastructure at approximately \$200 million over the next 10 years. This grows to nearly \$600 million over the next 25 years.

Despite Hamilton's local investments in housing, it cannot meet this pressure from the property tax base and without continued investment from other levels of government; the social housing infrastructure will quickly age towards a deteriorated state.

Increased supply: Meeting community needs


THE ISSUE

Hamilton is in need of new affordable rental housing stock. In the last 10 years, little has been built in Hamilton relative to the need, the existing stock continues to age, and rents continue to increase.

Despite Hamilton's local investments in housing, it cannot meet the need for new rental housing development from the property tax base. Without increased investment from other levels of government, many Hamiltonians will increasingly find it difficult to find rental housing they can afford.

THE CITY OF HAMILTON'S REQUEST

In order to meet the needs of residents to find affordable rental housing, the Housing Services division requests that the Province of Ontario commit to increasing its investment into new affordable rental housing development.



...commit to increasing its investment into new affordable rental housing development.

BACKGROUND

Hamilton is projected by the Province to grow by approximately 29 per cent, to 723,500 people by the year 2041. To accommodate growth, Hamilton's Urban Official Plan sets a target of 629 new rental-housing units annually, 377 of which are affordable. The City of Hamilton's 10-Year Housing and Homelessness Action Plan targets 300 new affordable rental units per year. Hamilton is falling short of meeting these targets for new affordable rental housing.

These targets for new affordable rental housing do not account for the growing unmet demand for affordable rental housing. Hamilton's growing social housing waitlist and decreasing vacancy rates, particularly in the more affordable part of the rental housing spectrum, now at 2.6 per cent overall, are indicators of this growing need.

Rents have increased by 25 per cent over the last five years and continue to increase. There are many reports of people moving to less expensive parts of the city, moving to less expensive municipalities, doubling up families in single units, and moving to illegal rooming houses, because of increasing rents. New rental supply is needed to moderate the increase in rents.

The City of Hamilton is contributing a significant amount of funding to new affordable rental housing construction. In 2017, Hamilton committed \$50 million over 10 years through the Poverty Reduction Implementation Plan, \$20 million of which will address the supply of affordable rental housing and \$20 million of which will improve the quality of social housing. The remaining \$10 million is allocated to reduction of poverty experienced by Indigenous peoples.

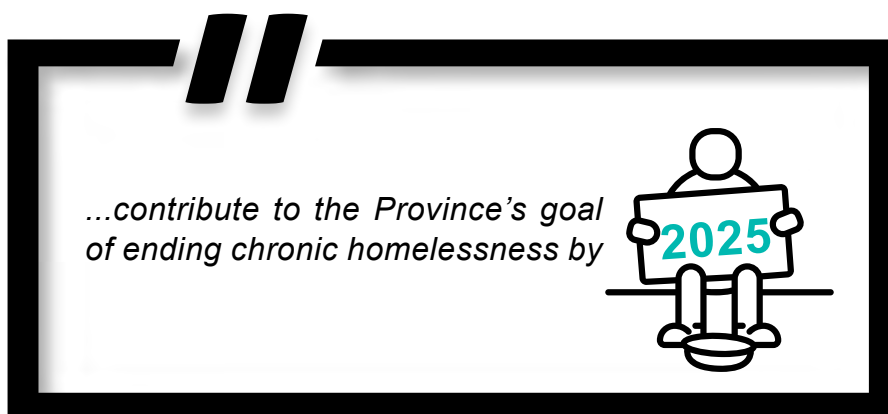
Chronic shortage of permanent housing with supports

THE ISSUE

A lack of permanent, affordable housing with supports contributes to people becoming homeless and remaining homeless for long periods.

THE CITY OF HAMILTON'S REQUEST

An increased investment in permanent housing with supports targeted to reduce homelessness and contribute to the Province's goal of ending chronic homelessness by 2025.



BACKGROUND

People who experience chronic homelessness have gone long periods without a home. People in these circumstances often have disabling conditions, such as chronic physical or mental illness and/or substance use. Life on the streets and in shelters makes the chronically homeless vulnerable to serious health crises, violence, and criminal justice system involvement. There is a strong moral and economic argument in favour of providing housing and supports, rather than more costly emergency response services.

In order to achieve the Provincial goal of ending chronic homelessness by 2025, significant investments in affordable housing and supports are required. Permanent supportive housing is a prerequisite to truly ending homelessness in the long term. This includes ensuring that people who are chronically homeless are prioritized and that systems are in place to enable such persons to receive accelerated access to permanent housing and support programs such as supportive housing and Housing First.

Since 2003, Ontario has invested more than \$4 billion, which is the largest affordable housing investment in the province's history. This includes funding for the Community Homelessness Prevention Initiative (CHPI). While historically the federal government has been an active funding partner of housing and homelessness services, since the 1980s there has been a steady withdrawal of federal funding for housing. This has worsened the problem in Ontario.

Despite significant provincial investments in affordable housing over the past several decades, more needs to be done to solve this pressing issue. By not investing adequately in housing with supports for people experiencing homelessness, the costs of health care, justice and other taxpayer-funded expenses increase.

Inter-ministerial policy and service coordination

THE ISSUE

Provincially funded institutions discharge people without a fixed address in communities resulting in homelessness. This includes discharge from hospitals, the child welfare system, and corrections.

THE CITY OF HAMILTON'S REQUEST

In order to provide supports to people without a fixed address while in provincial institutions so that they are not discharged into homelessness, we are requesting an investment increase towards supportive housing programs. In addition, the Ontario government should arrange an inter-ministerial collaboration to develop coordinated policies and processes across housing, health, corrections and child welfare.

BACKGROUND

People who are in transition from provincially funded institutions may be particularly vulnerable to homelessness. Supporting transitions could make an impact in preventing homelessness, as people who interact with various systems may be at greater risk of becoming homeless after their care, treatment, or incarceration is complete.

There are disproportionate rates of individuals experiencing homelessness that have interacted with provincial institutions. For example, based on Hamilton's 2016 Point in Time Count 42 per cent of youth experiencing homelessness had been in the child welfare system. Additionally, 96% of people experiencing homelessness reported visiting the Emergency Room on at least one occasion over the last six months and 77% of people experiencing homelessness reported social assistance (Ontario Works/Ontario Disability Support Program) as their primary source of income.

Long-term sustainable funding to reduce and end homelessness

THE ISSUE

Hamilton's current Provincial homelessness funding allocation under the Community Homelessness Prevention Initiative (CHPI) does not reflect the demand for homelessness support services.

THE CITY OF HAMILTON'S REQUEST

The Province of Ontario should provide long-term stable funding, as opposed to annualized funding. The funding allocation for Hamilton should be reflective of the need.

BACKGROUND

Across Ontario, there is an urgent need to reduce and end homelessness. The Ontario government plays a key role in affordable housing and homelessness prevention. Since 2013, Ontario has invested \$293.7 million in funding for CHPI. Hamilton's annualized funding allocation is \$19 million. The program funding enables Hamilton to better support a range of housing with support and homelessness prevention services, however since the program's inception Hamilton's annualized funding allocation has been increased by less than 1 per cent. This is not sufficient to meet increasing costs in housing with support and homelessness prevention services and will limit Hamilton's ability to contribute to the province's goal of ending chronic homelessness by 2025.



INFRASTRUCTURE



Continued underfunding of infrastructure renewal: The impact

THE ISSUE

The city currently operates and maintains a portfolio of public works infrastructure worth in excess \$20 billion. This portfolio is essential to ensuring healthy, vibrant and safe communities as well as delivering services in accordance with the City's strategic plan. Although the city is able to develop effective asset management plans, it continues to deal with the challenge of not being able to dedicate enough funding locally to keep pace with growing infrastructure renewal needs. Long-term, sustainable and predictable funding is critical.

Rising expectations from residents, as well as heightened standards driven by regulatory change also creates pressure on staff to deliver and embrace new technology.

THE CITY OF HAMILTON'S REQUEST

Our request is that the Province of Ontario provide revenue and revenue tools in addition to property tax to provide greater predictability in long-term sustainable Infrastructure funding. The additional funds would strictly be allocated to funding infrastructure renewal in order to address the backlog of needs. Critical to this is the flexibility of utilizing this long-term and predictable funding to complete projects that are a priority to the city.

BACKGROUND

The City of Hamilton's latest State of the Infrastructure report indicates that the physical condition of the City's assets is generally in fair to good condition. However, this study also indicates that past inability to dedicate enough funding locally to keep pace with growing improvement needs, along with the lack of consistent and dedicated future funding, will lead to a downward trend that will result in a network that is in poor condition.

With respect to sustainable funding, the City's past capital investment dedicated to infrastructure renewal is \$184 million per year, which translates to a re-investment rate of approximately 0.9 per cent. Based on the city's life cycle analysis as well as industry best practice the renewal rate should be no less than 1.5 per cent or approximately \$300 per year million for the \$20 billion public works portfolio.



Smart City grant funding

THE ISSUE

Resources are finite while the population and demand for services continues to grow. Municipalities need to be able to deploy smart technology, such as sensors and advanced monitoring capabilities, to maximize the delivery of services and to address major challenges.

THE CITY OF HAMILTON'S REQUEST

In order to maximize the use of resources, improve quality of life for residents, improve operating efficiencies and improve the sustainability of the community as a whole, our request is the creation of focused smart city investment programs that would allow for the implementation of smart technology.

BACKGROUND

The concept of smart cities is a global trend that is shifting the way municipalities deliver their services, partner with other government institutions and the private sector, and enable an open dialogue with the community. If Ontario is to be seen as leader in the technology industry, its municipalities must be positioned to make use of existing and emerging smart technology that have been deployed around the globe.

Recreation lifecycle replacement deficit

THE ISSUE

The current levels of annual capital funding allocated to infrastructure lifecycle replacement at recreation facilities in Hamilton are unsustainable. Current levels only allow for complete asset replacement every 200 years. The Canadian Infrastructure Report Card recommends renewal every 50 years. Without significant funding for capital repairs and renewal, the condition of the City's recreation facilities will continue to deteriorate, with some facilities reaching poor or critical condition in the next 10 years.

THE CITY OF HAMILTON'S REQUEST

Our ask in this process is that the Province provide long term funding for capital repairs to help maintain service levels at the City's Recreation facilities. A total of \$30 million is being request over a 15-year period with the following allocation:

- \$1 million annually over a 15-year period for Accessibility for Ontarians with Disabilities Act (AODA) upgrades.
- \$1 million annually over a 15-year period to reduce our infrastructure deficit increasing Hamilton's current reinvestment percentage by 0.1 per cent to 0.57 per cent.

BACKGROUND

Overall, the forecast of unfunded capital needs for recreation facilities is about \$165 million. The existing facility lifecycle renewal is in an annual shortfall range of \$15.7 to \$25 million (low end is to sustain at current condition, high end includes bringing existing facilities up to "good condition" and address AODA required items). Sustainable funding would be a 2.1 per cent annual reinvestment of the \$966 million value of the recreation facilities portfolio. This sustainable funding percentage is within the range recommended by the Canadian Infrastructure Report Card (1.7 to 2.5 per cent). The current reinvestment percentage is 0.47 per cent.

Growing need for recreation facilities

THE ISSUE

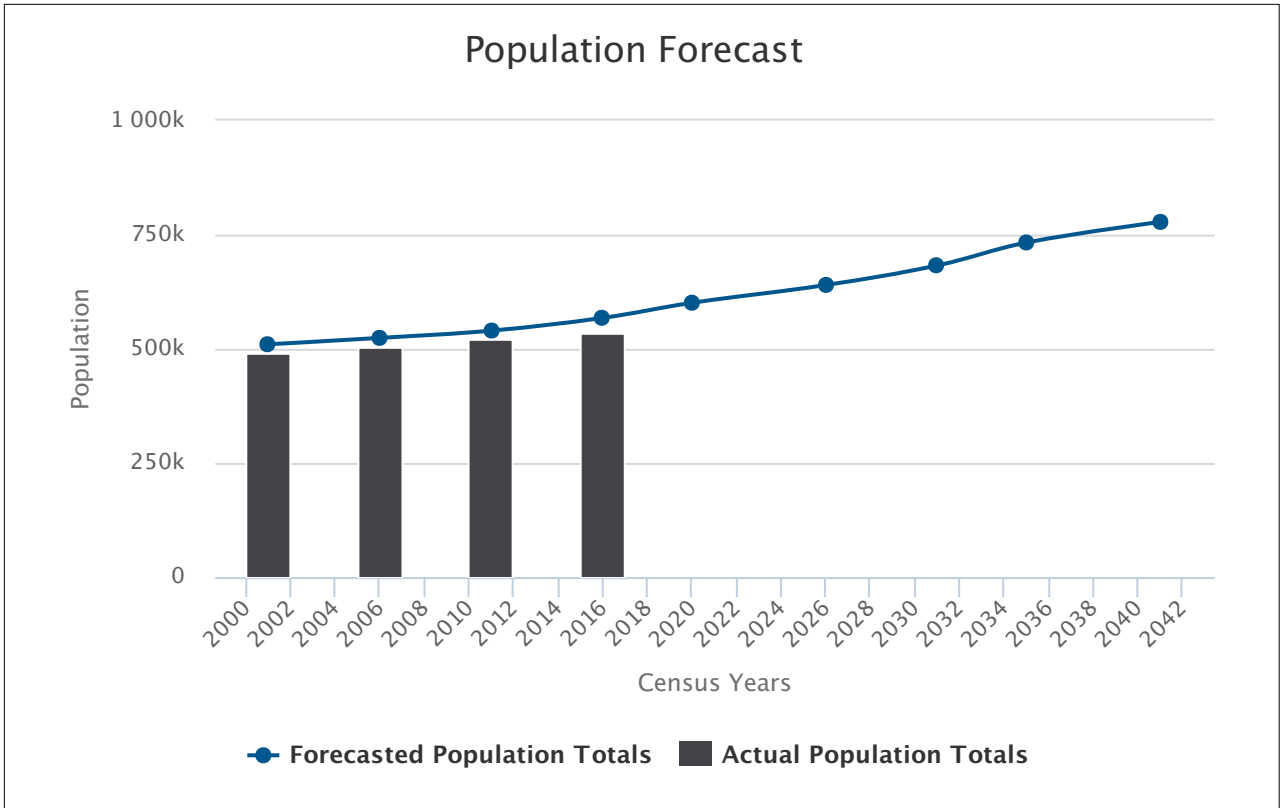
The City of Hamilton's population is forecasted to increase by approximately 37 per cent over the next 25 years, which translates into 210,000 new residents. Without significant investment in new facilities, we will not be able to meet the demands of our growing community. Furthermore, our existing facilities are continuing to age and are approaching the end of their useful life.

THE CITY OF HAMILTON'S REQUEST

Our ask in this process is that the Province of Ontario provide long-term funding of \$150 million over the next 25 years for the construction of five new recreation facilities.

BACKGROUND

Hamilton's long-term population forecast is based on assumptions that include and are not limited to a long-term economic outlook that remains positive, an economy that remains focused on goods production and related industrial activities, and demographic changes primarily driven by increasing fertility rates, rising life expectancy and continued growth from immigration. According to the Renovation and Replacement Study of the Hamilton Recreation and Public-Use Facilities (Indoor Study) completed in 2008, a City-wide provision standard of one community recreation centre for every 30,000 residents is a reasonable target, particularly for new growth areas – as this is more reflective of the broader scope of services modern community centres offer. In order to meet the forecasted community needs there is currently an annual shortfall of \$13.5M of new construction and expansion capital dollars.



Cultural resource management: Long-term sustainability

Shortfall in Capital Infrastructure Support

THE ISSUE

The municipality is contractually obligated to the Ontario Heritage Trust to preserve the heritage properties designated under the Ontario Heritage Act. Additionally, the City is contractually obligated to Parks Canada to preserve and interpret the City-owned National Historic Sites. At this time, there is no provincial capital-funding program dedicated to stabilization, restoration or maintenance of heritage resources. The full cost is borne by the municipality.

THE CITY OF HAMILTON'S REQUEST

Our request is that the Ontario Ministry of Tourism, Culture and Sport (MTCS), as part of its current Discussion Paper process, consider establishing a Built Heritage Infrastructure Support grant program available to municipalities. Further, that this consideration be conducted in the context of examining other supports for the heritage field, including expanding the Community Museum Operating Grant and re-activating the Museums and Technology Fund.



...consider establishing a Built Heritage Infrastructure Support grant program available to municipalities.

BACKGROUND

The Tourism and Culture Division stewards 40 heritage facilities, including museums, historic sites and adaptive re-use operations. The replacement value of these structures has been estimated, in different State of the Infrastructure studies using varying methodologies, at between \$45 million and \$78 million dollars. A 2009 study estimated the annual cost of maintaining the portfolio at the existing level of service at \$4.8 million per year.

At this time, the annual capital block funding allocation for heritage facilities restoration is between \$1 million and \$1.5 million per year. In addition, the Operations and Maintenance annual allocation is approximately \$800,000. The shortfall (of \$2.5 to \$3 million per year) is met through deferred maintenance, unpredictable federal grant supports and emergency funding.



Hamilton Transit (Hamilton Street Railway) – 10 Year Local Transit Strategy

THE ISSUE

In 2015 City Council approved a 10-Year Local Transit Strategy. Infrastructure investments during years three and four of the Strategy were partially funded by senior levels of government, however the remaining years of the strategy were unfunded and estimated to have outstanding projects costs exceeding \$300 million. Funding for the remaining years of the strategy is our primary issue.

THE CITY OF HAMILTON'S REQUEST

Our request is that the Province continue to support Transit Infrastructure funding initiatives, allowing the City of Hamilton to fully realize implementation of the planned infrastructure capital related to the 10 Year Local Transit Strategy. Critical to this is the allowance for both flexibility and reasonable timelines for the implementation of projects being funded. We also ask that the Province of Ontario continue to recognize the importance of committing to fund future transit infrastructure capital needs to meet the demand of our growing community, and to consider creating operational funding initiatives to match capital funding initiatives.



BACKGROUND

In 2013 the Rapid Ready Expanding Mobility Choices in Hamilton report was approved by City Council. The Rapid Ready report contained strategy for all forms of public transportation in Hamilton over the following five years. Following approval of the report Council directed staff to report back for the 2015 budget process on a 10-Year Local Transit Strategy that would make specific route recommendations, identify a financial strategy, and reference the role of rapid transit in increasing modal split with a goal of reaching 80 to 100 rides per capita by 2025.

The goal of the strategy is to stabilize the local transit system, while incrementally building service and customer amenities to a level that meets the needs of existing ridership, prepares for future growth, and promotes new ridership. The strategy identifies the need to increase the existing transit fleet, build facilities to house our growing fleet, build and expand customer-facing infrastructure (terminals and shelters), market the BLAST rapid transit network to increase ridership, improve communication with customers, and improve corridor capacity through signal prioritization initiatives.

The strategy focuses on addressing deficiencies within the current system, aligning services to updated service standards, keeping pace with ongoing growth, promoting ridership (modal split) by improving service levels throughout the urban area as well as improving local transit connectivity with inter-regional transit, beginning to build our rapid transit network by introducing additional express bus service on BLAST corridors, and enhancing customer experience by improving customer communications, improving the density of shelters, and implementing branding initiatives.

Water, wastewater, stormwater

THE ISSUE

Infrastructure needs related to water, wastewater, and stormwater can often be in excess of available annual budgets. As a result, City investment in this area of infrastructure is lower than some benchmark lifecycle investment strategies would recommend. In order to stay within targeted rate based budget expectations, projects are often delayed in time to alleviate financing pressures. Financial support from other government levels will enable a greater opportunity to keep up with the challenge of our aging infrastructure.

THE CITY OF HAMILTON'S REQUEST

Our request is for additional funding support for the following future projects:

- Woodward Water Treatment Plant upgrade
- \$125 million (2018-27)
- Dundas WWTP Upgrade improving wastewater treatment performance - \$50 million (2019 to 2025)
- Woodward Wastewater Treatment Plant Expansion
- \$265 million (2025 to 2035)

BACKGROUND

Financed projects noted below are all underway with funding support from senior levels of government. Works provide key benefits to the Hamilton community for improved performance and reliability aimed at environmental improvements.

- Woodward Wastewater Treatment Upgrade Project is underway and will continue through to the end of 2021. Estimated project value is \$330 million
- Biosolids Management P3 Project is underway and operations are projected to commence in 2020. NPV (Net Present Value) of the projects is \$106.5 million. 30-year private public partnership.
- Randle Reef is underway and is estimated to be completed in 2022 - it is a \$138.9 million project. (\$14 million City portion)
- 16 CWWF projects – totalling approximately \$44 million for improvement of various assets including pumping and piping infrastructure will be ongoing into 2020.

Funding support will help address infrastructure investment backlog, improve performance where appropriate and meet future growth needs







MUNICIPAL FINANCIAL TOOLS (TAX LEVYING AND POLICIES)

Levy restriction to the industrial property class

THE ISSUE

Provincial legislation prohibits municipalities from applying municipal levy increases above 50 per cent of the levy increase applied to the residential property class, if the tax ratio of the multi-residential, commercial or industrial property classes is above the provincial threshold.

THE CITY OF HAMILTON'S REQUEST

Our request is for the removal of the levy restriction within the industrial tax class.

BACKGROUND

Historically, the tax ratio for the industrial property class in Hamilton has been above the provincial threshold and therefore, the class is subject to the levy restriction; this restriction creates an added pressure to the residential property class between \$200,000 to \$350,000 per year that will continue for approximately 20 years until the industrial tax ratio reaches the provincial threshold.

However, the industrial property class has seen significant reductions in assessment over the last five years through reassessments and appeals totalling \$215 million or a loss of over \$8.4 million in tax revenue. This assessment change results in significant impacts to the other tax classes but does not change the tax ratios. Therefore, the industrial class is getting the benefit of reduced assessment and the levy restriction.

Taxation changes to the multi-residential property class

THE ISSUE

In 2017, as a response to concerns regarding the perceived higher tax burden to the multi-residential property class, the Province prevented municipalities from passing reassessment related shifts onto the multi-residential property class. In addition, municipalities where the tax ratio of the multi-residential property class is greater than 2.0 were not allowed to increase the tax burden for the class (full levy restriction).

THE CITY OF HAMILTON'S REQUEST

Our request is for the removal of the levy restriction within the multi-residential tax class.

BACKGROUND

These new restrictions increased the burden to the residential property class by \$2.0 million in 2017. Similar results are expected for the 2018 taxation year as the Province of Ontario announced the restriction would continue to be in place.

City of Hamilton studies indicate that tax ratio is not an accurate measure of tax burden between tax classes. Different valuation methods result in assessments that are not easily comparable. In addition, our studies indicate that lowering the multi-residential tax ratio does not appear to result in lower rents.

Assessment growth and appeals

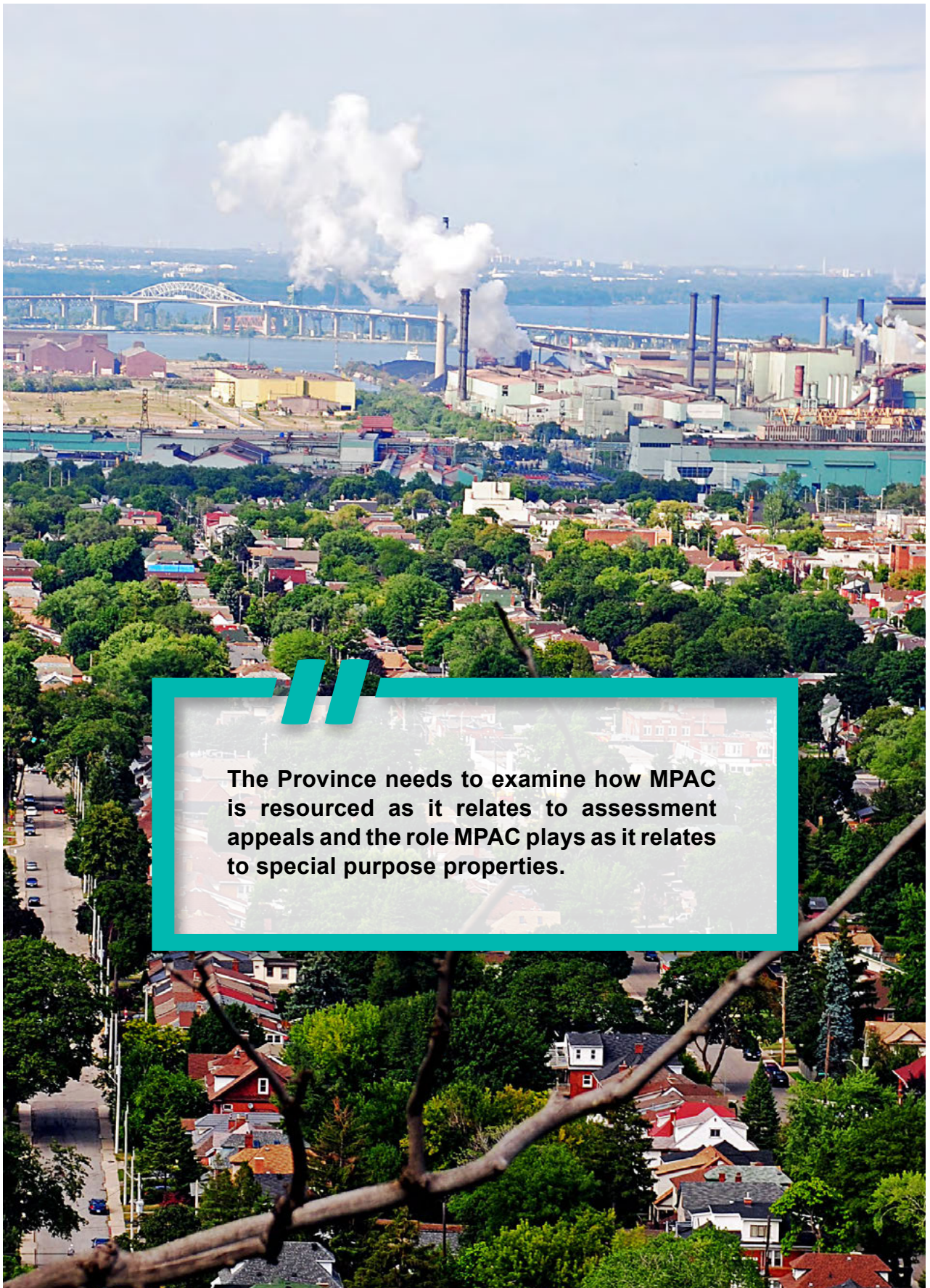
THE ISSUE

Appeals are impacting the Commercial and Industrial property classes. During the last several years the City has seen strong building-permit activity, however, the assessment growth figures in the last couple of years have been well below expectations mostly due to appeals in the Commercial and Industrial property classes. The total municipal tax loss over the past five years due to appeals in these classes is over \$33 million.

Some of the loss is due to MPAC initiating independent reviews of their own previous valuation. For example, Stelco's assessment was recently reviewed resulting in a reduction of their valuation by \$44 million, as unleased lands were re-evaluated from about \$101,000 to \$100 per acre.

THE CITY OF HAMILTON'S REQUEST

Commercial and industrial assessments are under siege and MPAC is poorly equipped to defend their assessments; this has resulted in MPAC undervaluing properties. These properties are being rewarded through lower assessments for polluting properties, not reinvesting and leaving properties shut down. The Province needs to examine how MPAC is resourced as it relates to assessment appeals and the role MPAC plays as it relates to special purpose properties.



The Province needs to examine how MPAC is resourced as it relates to assessment appeals and the role MPAC plays as it relates to special purpose properties.

Provincially shared programs

THE ISSUE

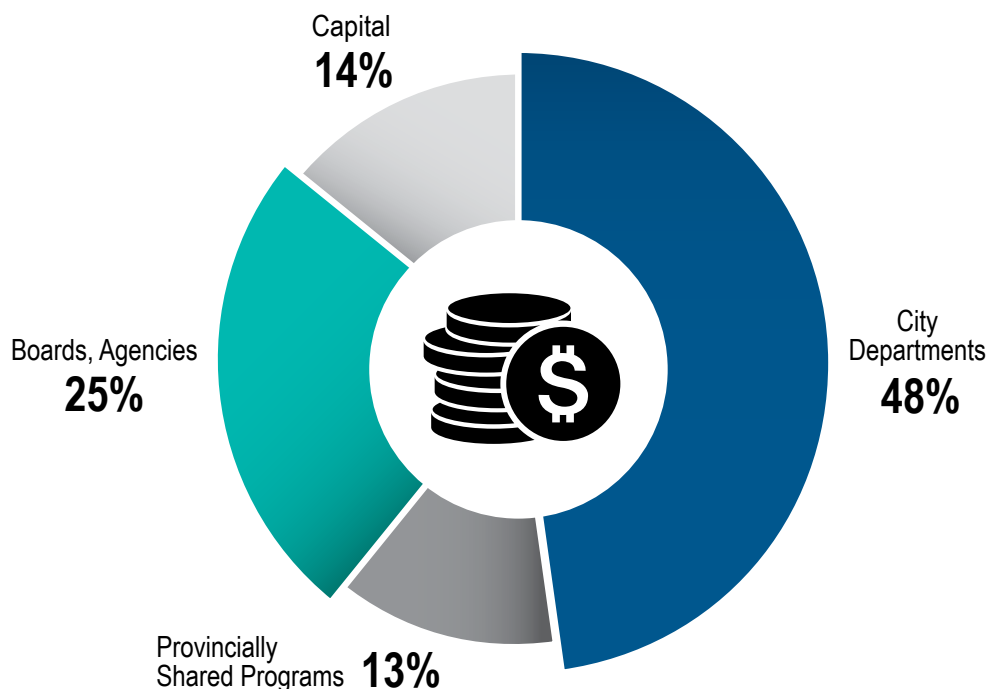
The Provincially Shared Programs (PSP) total \$115 million or 13 per cent of the City's net operating budget. These are programs and services mandated by the Province, giving the City limited control. Some of these services include Public Health, Housing Services and Paramedics.

The PSP subsidies are not keeping up with inflation, and service benchmarks are adding pressures to the budget.

THE CITY OF HAMILTON'S REQUEST

The Province needs to provide funding that keeps pace with expenditures, or reduce mandates so program expenditures can be reduced in line with subsidies.

2018 Preliminary Levy by Major Component



Conservation Authority levy appointment

THE ISSUE

After 14 years of using an apportionment based on an agreement that ensured the City of Hamilton's conservation authority levies were not negatively impacted by amalgamation, the Niagara Peninsula Conservation Authority (NPCA) chose in 2015 to use the apportionment formula set out in Ontario Regulation 670/00, which the NPCA interpreted to include all of Hamilton's assessment. This resulted in Hamilton's levy increasing over \$750,000 and the levies to the Region of Niagara and Haldimand County decreasing accordingly.

THE CITY OF HAMILTON'S REQUEST

The formula as interpreted by the Province and the Lands and Mining Commissioner needs to be changed to acknowledge that land area is a poor representation of assessment in a Conservation Authority. With today's GIS capability, actual assessment in a CA is easy to approximate and relatively easy to accurately calculate. The allocation formula should be updated to reflect assessment in a watershed. If not province wide, then Hamilton should be identified in the regulation as an exception to the formula.

BACKGROUND

In 2015, Hamilton appealed the NPCA apportionment to the Commissioner of Mining and Lands. Hamilton subsequently appealed the 2016, 2017 and 2018 levies, as well. In December 2017, Hamilton's appeal was dismissed.

Using this formula, the total impact to Hamilton including all conservation authorities is \$2.4 million in 2018. Hamilton intends to seek a judicial review of the Commissioner's decision.

