

<b>Area Rating Special Capital Re-Investment Policy</b>	 Hamilton	Page 1 of 2
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<b><i>Area Rating Special Capital Re-Investment Policy</i></b>	
<b>POLICY STATEMENT</b>	The City of Hamilton annual capital deficit is projected at \$195 M (2011). The Area Rating Special Capital Re-Investment will aid in addressing the required infrastructure investments within the former City of Hamilton which has some of the oldest infrastructure.
<b>PURPOSE</b>	The purpose of this Policy is to ensure that the Area Rating Special Capital Re-Investment is managed in a transparent and effective manner.
<b>SCOPE</b>	This Policy applies to the tax shifts that result as a direct result of the phased-in approach to amending the area rating methodology to an "Urban / Rural" model.
<b>DEFINITIONS</b>  <b>"Area Rating Special Capital Re-Investment"</b>  <b>"Council Approval"</b>  <b>"Infrastructure"</b>  <b>"Affected Wards"</b>  <b>"Phase-in"</b>	The following terms referenced in this Policy are defined as:  The tax capacity that will be directed in the former City of Hamilton to infrastructure investments as a result of the shift in area rating methodology.  Can be gained through motion, staff report or the budget approval process.  Is basic physical and organizational structures needed for the operation of a service and facility. The term typically refers to the technical structures that support a society, such as roads, water supply, sewer supply, facilities and so forth and are deemed essential to enable, sustain or enhance societal living conditions.  Former City of Hamilton Wards 1 through 8.  The period of 2011-2014, represents the period the tax shift variance will be implemented.

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<b>PRINCIPLES</b>	<p>The following principles apply to this Policy:</p> <ol style="list-style-type: none"> <li>1) Approved Special Capital Re-Investment will be allocated to affected Wards by Council for the purpose of investment in infrastructure projects and/or one-time funding of a principally capital nature to address the infrastructure deficit / shortfall.</li> <li>2) Ward Councillors, within the affected wards, are provided adequate flexibility to identify infrastructure priorities within their wards for consideration and approval of Council to ensure efficient and effective delivery of programs / services.</li> <li>3) Funding through the Special Capital Re-Investment should not replace the Tax Supported Capital Budget, although consideration can be made to accelerate projects which may otherwise be deemed unaffordable.</li> <li>4) Projects must be approved by Council and all potential operating and financial impacts should be identified.</li> <li>5) Funding can be banked for the purpose of providing funding in whole, or in part, towards a financially significant infrastructure/one-time investment.</li> </ol>
<b>TERMS AND CONDITIONS</b>	<p><b>Approval Process</b></p> <p>The following outlines various change scenarios and the applicable approval process required:</p> <ol style="list-style-type: none"> <li>1) The Special Capital Re-Investment will be allocated equally across the eight affected Wards (1-8).</li> <li>2) Projects funded in full or part through the Special Capital Re-Investment must be approved by Council and follow the City of Hamilton's Procurement Policy.</li> <li>3) Projects being considered for funding through the Special Capital Re-Investment must include a completed Capital Detail Sheet (see Appendix B of FCS12024) prior to deliberation by Council; and</li> <li>4) Beyond 2012, projects should be brought forward in conjunction with the annual capital budget process.</li> </ol> <p>This Policy was drafted by Financial Planning and Policy, Corporate Services; Council approval pending.</p>