



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Chair and Members Governance Review Sub-Committee
COMMITTEE DATE:	February 14, 2019
SUBJECT/REPORT NO:	Councillor Ward Office Budgets and Policy and Guidelines for Eligible Expenses for Elected Officials (FCS18083(b)) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Amanda Thind (905) 546-2424 Ext. 4522
SUBMITTED BY:	Brian McMullen Acting General Manager, Finance and Corporate Services Corporate Services Department
SIGNATURE:	

RECOMMENDATION

That the Student Accommodation Benefit Factor be eliminated and the budget be allocated equally to the Councillor Ward Office Budgets.

EXECUTIVE SUMMARY

A number of reports have been presented to Council through standing committees and sub-committees addressing Councillor Ward Office Budgets. There are several factors considered when creating these budgets.

Report FCS18083(b) addresses two Outstanding Business List items related to some of the factors, as follows:

1. Council, at its meeting of October 11, 2017, approved Audit, Finance and Administration Committee (AF&AC) Report 17-013 directing staff to develop a calculation for student adjustments in Wards affected by post-secondary institutions, considering some full-time attendees live in particular Wards and some are transient.

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2. Council, at its meeting on December 19, 2018, approved Item 13 of the AF&AC Report 18-014, as follows:

- “(d) That staff be directed to investigate the Geographic Factor as it relates to the new ward boundaries and report back to the Governance Review Sub-Committee.
- (e) That staff be directed to review the Wards represented in the Inner-City Fund and report back to the Governance Review Sub-Committee.”

A new Student Accommodation Factor Benefit, introduced in 2015, refers to the impact on Ward Councillors and office staff of post-secondary students living in any of the fifteen wards of the City of Hamilton. This factor has benefitted old Wards 1, 8, 10 and 12. The total approved 2018 budget was \$6,879.

Statistics Canada has advised that they do not collect data on student housing. A student's place of residence is considered to be their parent's address and are counted as such, even if they live elsewhere while attending school. Staff has attempted to obtain information from McMaster University, Mohawk College and Redeemer University College on the post-secondary students living in the fifteen wards of the City of Hamilton. The data that is available does not provide the information needed. With the ward boundary changes effective December 1, 2018, it is expected that post-secondary students now live in new Wards 1, 8, 10, 12 and 14. The total preliminary estimated budget for 2019 increased to \$8,640, with no allocation to new Ward 14.

With uncertainty in the estimated number of post-secondary students living within the new wards, eliminating the Student Accommodation Factor Benefit is recommended by staff. This portion of the 2019 budget of \$8,640 will be distributed equally to each Councillor Ward Office Budget as Other Discretionary Expenses.

The Geographic Factor refers to additional funding received by specific Wards to offset increased commuting expenses due to the size of the Wards. The Geographic Factor was applicable to the largest wards of old Ward 11 and old Ward 14 and with the new ward boundaries effective as of December 1, 2018, is applicable to new Wards 11, 12 and 13. Table 1 (see Page 7) shows the size of each ward in acres and the percentage split for each ward.

The preliminary 2019 budget for the Geographic Factor is \$2,550 or \$850 each, for new Wards 11, 12 and 13.

The Inner City Fund refers to additional funding received by old Wards 2, 3, 4 and 5 to address inner city issues such as social services, language barriers, drug issues and

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density of second level lodging homes / residential care facilities. Since these ward boundaries did not change significantly with the ward boundary changes effective December 1, 2018, the Inner City Fund is still applicable to the new Wards 2, 3, 4 and 5. The preliminary 2019 budget for the Inner City Fund is \$50,680 or \$12,670 each, for new Wards 2, 3, 4 and 5.

Alternatives for Consideration – See Page 8

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The elimination of the Student Accommodation Factor Benefit results in an available 2019 budget of \$8,640 to be distributed equally to all Ward Office Budgets.

Staffing: Not Applicable

Legal: Not Applicable

HISTORICAL BACKGROUND

Council, at its meeting of October 11, 2017, approved Audit, Finance and Administration Committee (AF&AC) Report 17-013 directing staff to develop a calculation for student adjustments in wards affected by post-secondary institutions, considering some full-time attendees live in particular wards and some are transient.

Council, at its meeting on December 19, 2018, approved item 13 of the AF&AC Report 18-014 as follows:

- “(d) That staff be directed to investigate the Geographic Factor as it relates to the new ward boundaries and report back to the Governance Review Sub-Committee.
- “(e) That staff be directed to review the Wards represented in the Inner-City Fund and report back to the Governance Review Sub-Committee.”

Student Accommodation Factor Benefit:

A Student Accommodation Factor Benefit was introduced through the Governance Review Sub-Committee Report 14-003 and approved by Council on September 24, 2014. The recommendation reads that the collective financial impact of the following recommendations be finalized to form part of the 2015 City Budget deliberations, as follows:

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“That a new “Student Accommodation Factor Benefit”* be established to assist specific Ward budgets as outlined below:

Ward 1 (presence of main campuses of McMaster University and Columbia International College).

- 12% benefit* (29,496) = \$1,769.76

Ward 8 (presence of main campuses of Mohawk College and Hillfield Strathallan College and a presence by Columbia International College).

- 12% benefit*(49,661) = \$2,979.66

Ward 10 (presence of satellite campus of Mohawk College).

- 5% benefit*(24,278) = \$606.95

Ward 12 (presence of main campus of Redeemer University College).

- 7% benefit*(34,825) = \$1,218.88

Total: \$6,575.25

Benefit is percentage x ward population (based on 2011 census) x \$0.50/person = \$value.”

The calculation, as identified in the recommendation, was built into the 2015 Ward Budgets and approved as part of the 2015 Budget deliberations.

The Student Accommodation Factor Benefit is one component of the Councillor Ward Budgets. The calculation uses the Census population data tailored for each of the affected Wards by applying varying percentage benefits to arrive at a base student population. The base is then multiplied by \$0.50 per person to arrive at the Student Accommodation Factor Benefit.

Based on 2016 Census population data, the 2018 budget allowance for the Student Accommodation Factor Benefit was:

• Old Ward 1	\$ 1,786
• Old Ward 8	\$ 3,133
• Old Ward 10	\$ 604
• Old Ward 12	\$ 1,356
• Total	\$ 6,879

The benefit is not capped. The calculation is not indexed. The amounts fluctuate only when new Census data is available, when the ward boundaries change or when academic space at post-secondary institutions expand.

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Geographic Factor

The Geographic Factor refers to additional funding received by specific wards to offset increased commuting expenses due to the size of the wards. The Geographic Factor was established in 2004 at \$1,600 and in February 2012 it was increased to \$2,500. It increases annually by the guideline unless otherwise specified by Council and is split equally among the qualifying wards. The 2018 approved budget for the Geographic Factor was \$2,500.

Inner City Fund

The Inner City Fund refers to additional funding received by old Wards 2, 3, 4 and 5 to address inner city issues such as social services, language barriers, drug issues and density of second level lodging homes / residential care facilities. The Inner City Fund was established in 2004 at \$45,000. In 2015 an annual inflationary increase was applied to this component, representing the first amendment since 2004. It increases annually by the guideline unless otherwise specified by Council and is split equally among the qualifying wards. The approved 2018 budget for the Inner City Fund was \$49,704.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not Applicable.

RELEVANT CONSULTATION

Not Applicable.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Student Accommodation Factor

Data on post-secondary student accommodation by ward is the key component of the Student Accommodation Factor. Statistics Canada has advised that they do not collect data on student housing. A student's place of residence is considered to be their parent's address and are counted as such, even if they live elsewhere while attending school.

Consequently, staff has attempted to obtain the data from McMaster University, Mohawk College and Redeemer University College on the post-secondary students living in the fifteen wards of the City of Hamilton.

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During 2018, Mohawk College and McMaster University were able to provide data based on students that moved into the various wards after the time of application. Movement was determined by comparison of the first address on file with the current student address. Students who did not update their current address to reflect student housing are not captured in the data. Redeemer University College was not able to provide data.

With the ward boundary changes effective December 1, 2018, it is expected that post-secondary students now live in new Wards 1, 8, 10, 12 and 14. Data is not available based on the new ward boundaries.

The total preliminary estimated budget for 2019 increased to \$8,640 with no allocation to new Ward 14.

With uncertainty in the estimated number of post-secondary students living within the new wards, staff is recommending eliminating the Student Accommodation Factor Benefit with a budget reduction of \$8,640.

Geographic Factor

Prior to the new Ward boundaries effective as of December 1, 2018, the Geographic Factor was applicable to old Ward 11 and old Ward 14 based on being the largest area. With the new ward boundaries, this Factor is applicable to largest wards of new Wards 11, 12 & 13. Table 1 shows the size of each ward in acres and the percentage split for each Ward.

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Table 1

Old Wards	Area (acres)	Percentage of all Wards	New Wards	Area (acres)	Percentage of all Wards
Old Ward - 1	3,759	1%	New Ward - 1	3,787	1%
Old Ward - 2	1,636	1%	New Ward - 2	1,463	1%
Old Ward - 3	3,571	1%	New Ward - 3	3,746	1%
Old Ward - 4	4,089	1%	New Ward - 4	5,044	2%
Old Ward - 5	5,097	2%	New Ward - 5	4,865	2%
Old Ward - 6	3,950	1%	New Ward - 6	3,976	1%
Old Ward - 7	4,316	2%	New Ward - 7	3,207	1%
Old Ward - 8	4,296	2%	New Ward - 8	3,345	1%
Old Ward - 9	4,773	2%	New Ward - 9	18,155	7%
Old Ward - 10	3,047	1%	New Ward - 10	7,758	3%
Old Ward - 11	67,690	24%	New Ward - 11	48,630	17%
Old Ward - 12	27,189	10%	New Ward - 12	73,548	26%
Old Ward - 13	6,295	2%	New Ward - 13	67,460	24%
Old Ward - 14	102,414	37%	New Ward - 14	2,784	1%
Old Ward - 15	36,803	13%	New Ward - 15	31,075	11%
	278,925	100%		278,842	100%

Note to Table 1: Errors and Omissions Excepted (E&OE): Table may not add to 100%, due to rounding.

The preliminary 2019 budget for the Geographic Factor is \$2,550 or \$850 each, for new Wards 11, 12 and 13.

Inner City Fund

Staff were requested to review the Wards represented in the Inner City Fund. The Inner City Fund refers to additional funding received by old Wards 2, 3, 4 and 5 to address inner city issues such as social services, language barriers, drug issues and density of second level lodging homes / residential care facilities.

City staff undertake ward profiles using Statistics Canada data and other data to summarize various demographic and statistical information. These ward profiles are available on the City's open data website at <http://open.hamilton.ca/>. The information available indicates that there are many similarities and differences between the wards. Some of these differences can affect the Ward Councillor and the Ward office staff but they can also be City-wide issues. An extensive review of these differences has not been included in Report FCS18083(b).

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Since these ward boundaries did not change significantly with the ward boundary changes effective December 1, 2018, staff is recommending that the Inner City Fund is still applicable to the new Wards 2, 3, 4 and 5. The preliminary 2019 budget for the Inner City Fund is \$50,680 or \$12,670 each, for new Wards 2, 3, 4 and 5.

ALTERNATIVES FOR CONSIDERATION

There are a number of alternatives that can be considered for the Student Accommodation Factor Benefit, Geographic Factor and Inner City Fund.

Alternative 1

Eliminate the Student Accommodation Factor Benefit and reduce the preliminary 2019 budget by \$8,640.

With the ward boundary changes effective December 1, 2018, it is expected that post-secondary students now live in new Wards 1, 8, 10, 12 and 14. With uncertainty in the estimated number of post-secondary students living within the new wards, eliminating the Student Accommodation Factor Benefit is an alternative. The budget for this factor could be reduced to zero dollars resulting in a budget reduction of \$8,640.

Alternative 2

Eliminate the Geographic Factor and allocate the preliminary 2019 budget of \$2,550 to all wards.

With the methods of communicating with residents and businesses changing since the introduction of this factor in 2004, eliminating the Geographic Factor is an alternative. The budget for this factor could be allocated to all wards resulting in no levy impact.

Alternative 3

Eliminate the Geographic Factor and reduce the preliminary 2019 budget by \$2,550.

Similar explanation to Alternative 2, the budget for this factor could be reduced to zero dollars resulting in a budget reduction of \$2,550.

Alternative 4

Eliminate the Inner City Fund and allocate the preliminary 2019 budget of \$50,680 to all wards.

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Each of the new ward offices has different challenges to be considered. With the changes in the population and the size of the wards with the new ward boundaries, eliminating the Inner City Fund is an alternative. The budget for this factor could be allocated to all wards in an attempt to equalize budgets and service levels resulting in no budget reduction.

Alternative 5

Eliminate the Inner City Fund and reduce the preliminary 2019 budget by \$50,680.

Similar explanation to Alternative 4, the budget for this factor could be reduced to zero dollars resulting in a budget reduction of \$50,680.

In addition, the Governance Review Sub-committee and Council can consider the Councillor Ward Office Preliminary 2019 Budget of \$3,936,730, which was approved as amended by Council at its meeting of December 19, 2018, through Audit, Finance and Administration Committee Report 18-014 and Report FCS18083(a). This Report titled “Councillor Ward Office Budgets and Policy and Guidelines for Eligible Expenses for Elected Officials” provides the details on all cost categories in the Councillor Ward Office Budgets.

Note to Report: E&OE: Report FCS18083(b) may contain minor adjustments to numbers presented in Report FCS18083(a) as a result of rounding.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

N/A

AT/dt