



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

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	June 19, 2019
SUBJECT/REPORT NO:	Transit Area Rating Review Sub-Committee Terms of Reference (FCS19058) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Gloria Rojas (905) 546-2424 Ext. 6247
SUBMITTED BY:	Brian McMullen Director of Financial Planning, Administration and Policy
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the Terms of Reference for the Transit Area Rating Review Sub-Committee, attached as Appendix "A" to Report FCS19058, be approved.
- (b) That the item in the Outstanding Business List respecting this matter be identified as completed and removed from the General Issues Committee Outstanding Business List.

EXECUTIVE SUMMARY

The current transit service area rating formula has been in place since 2001 and is based on an urban / rural transit model recognizing that properties outside of the transit service area (rural) should not be levied for the service. The methodology also accounts for the difference in service levels in the former area municipalities by allocating the levy based on transit service mileage within the service area. This allocation is calculated by determining each former municipality's share of the transit service mileage and then multiplying that share by the total area rated transit levy. Applicable tax rates are calculated based on the former municipality's share of the levy and assessment.

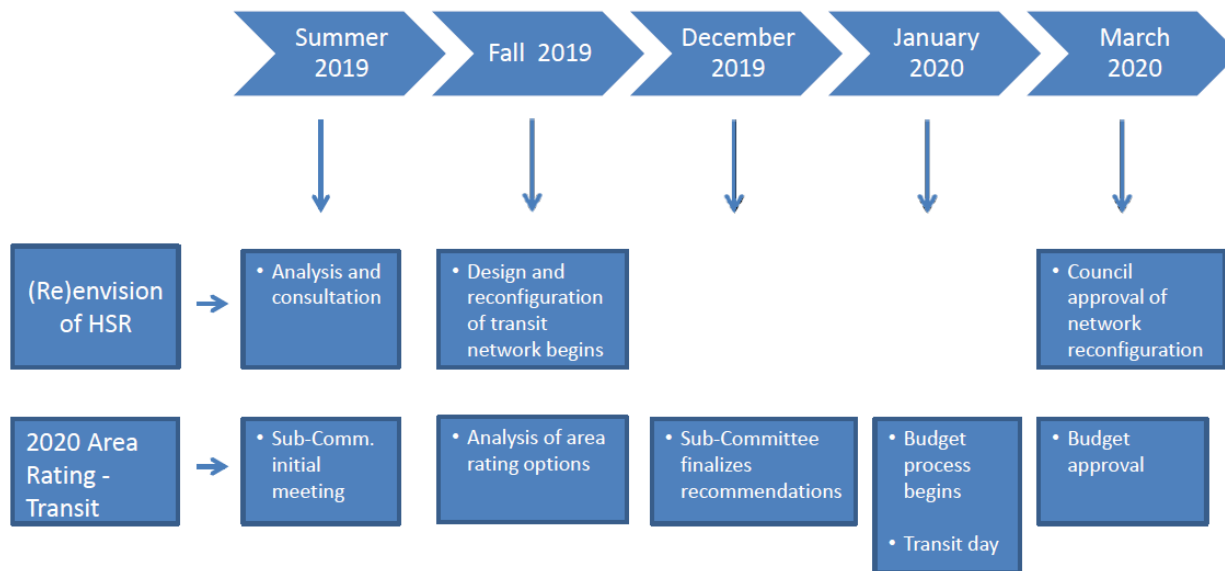
The total levy for transit area rating excludes the budgets for DARTS Contract and Taxi Scrip and includes the capital financing portion allocated to Transit. For 2019, the levy for Transit area rating was \$58.9 M.

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Further to staff submitting Report FCS19010 “Tax Levy Impacts of Changing Area Rating Transit” which presented a number of options for changing the existing method of area rating Transit, on March 27, 2019, Council established the Transit Area Rating Review Sub-Committee. The purpose is to evaluate and recommend alternatives to the existing area rating methodology for transit on time for the 2020 Budget process. Staff has been directed to provide information on enhanced service levels based on ridership forecasts and alternative funding options in the final report to the General Issues Committee.

In order to incorporate the Sub-Committee recommendations into the 2020 Budget deliberation process, the recommendations should be completed by December 2019. However, Transit is currently in the process of reviewing its service (“(Re)envision of HSR”) which may result in an expansion of the current urban transit boundary. Recommendations from the (Re)envision process will not be completed until March 2020. Therefore, the service information requested to assist the Sub-Committee in considering alternatives for area rating will not be available. Draft information may be available in the fall of 2019.

The following chart highlights the timeline for the Transit Area Rating Review Sub-Committee and the Re(envision) of HSR.



To better align decisions in respect to changes in area rating methodology and service change information, the Sub-Committee may wish to consider reaching decisions in the 2020 process but deferring action on recommendations until the 2021 process.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

At the March 27, 2019 meeting, City Council approved the following Motion:

26. A System-Wide Approach to Public Transit (Item 7.1)

WHEREAS, transportation and public transit continue to be significant and important public policy matters;

WHEREAS, public transit (known as HSR) in the City of Hamilton remains a priority for Council;

WHEREAS, public transit is currently apportioned to residents based on geographic area and service levels; and,

WHEREAS, Council has stated on numerous occasions, that it supports a system-wide approach to public transit, which includes enhancing service levels;

THEREFORE, BE IT RESOLVED:

- (a) That a Transit Area Rating Review Sub-Committee be established, to be comprised of 6 members of Council; (3) three urban and (3) three suburban Councillors, to evaluate options for rebalancing area rating for transit, based on an urban and rural split, and to make recommendations to the General Issues Committee in a fair and equitable way in order to rebalance transit area rating for the 2020 budget process;
- (b) That staff be directed to report back to the General Issues Committee with a Terms of Reference and guiding principles for the Transit Area Rating Review Sub-Committee, prior to the first meeting of the Sub-Committee;
- (c) That staff be directed to report back to the Transit Area Rating Review Sub-Committee with an area rating analysis for transit for the 2020 Operating budget process, with respect to a public transit system that supports a system-wide approach, with that report to include enhanced service levels that align with the overall City Transit Strategy; and,

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(d) That staff be directed to review the possibility of the area rating net benefit to Wards 1 to 8 being used for public transit city-wide and report to the Transit Area Rating Review Sub-Committee.

In response to section (c), staff is submitting the Terms of Reference of the Transit Area Rating Review Sub-Committee to the General Issues Committee for their consideration, attached as Appendix “A” to Report FCS19058.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

The recommended Terms of Reference have been prepared in consultation with staff from Public Works (Transit) and Corporate Services (Financial Planning, Administration and Policy and Office of the City Clerk).

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Refer to “Executive Summary” section.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS19058 – Transit Area Rating Review Sub-Committee Terms of Reference

GR/dt