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

TO:	Mayor and Members Committee of the Whole
COMMITTEE DATE:	April 22, 2020
SUBJECT/REPORT NO:	2020 Tax Policies and Area Rating (FCS20039) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Gloria Rojas (905) 546-2424 Ext. 6247
SUBMITTED BY: **SIGNATURE:**	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department

RECOMMENDATION(S)

(a) That the following optional property classes be continued for the 2020 taxation year:

(i) Parking Lot and Vacant Land;
(ii) Large Industrial;

(b) That, based on the 2020 final approved Tax Operating Budget, the following final tax ratios be established for the 2020 taxation year:

(i)	Residential	1.0000
(ii)	Multi-Residential	2.4876
(iii)	New Multi-Residential	1.0000
(iv)	Commercial	1.9800
(v)	Parking Lot and Vacant Land	1.9800
(vi)	Industrial	3.3153
(vii)	Large Industrial	3.8876
(viii)	Pipeline	1.7947
(ix)	Farm	0.1767
(x)	Managed Forest	0.2500
(xi)	Landfills	2.9696

(c) That the following tax reductions be established for the 2020 taxation year:

(i)	Farmland awaiting development (1st Subclass)	25%
(ii)	Farmland awaiting development (2nd Subclass)	0%
(iii)	Excess land Subclass (Residual Commercial)	0%
(iv)	Excess land Subclass (Residual Industrial)	0%
(v)	Vacant land Subclass (Residual Industrial)	0%
(vi)	Excess land Subclass (Large Industrial)	0%

(d) That the existing Seniors' (65+) Tax Rebate Program be continued for the 2020 taxation year with the following updated criteria:

The income threshold will be verified against line 15000 (previously 150) – Total Income, on the previous year's Notice of Assessment(s) from Canada Revenue Agency. In the case of pension income splitting, line 15000 of the transferring spouse will be adjusted by the deduction for elected split-pension amount captured on line 210 of the Income Tax and Benefit Return;

(e) That the Deferral of Tax Increases for Seniors and Low-Income Persons with Disabilities Program (Deferral of Tax Increases Program) be continued for the 2020 taxation year with the following updated criteria:

The income threshold will be verified against line 15000 (previously 150) – Total Income, on the previous year's Notice of Assessment(s) from Canada Revenue Agency. In the case of pension income splitting, line 15000 of the transferring spouse will be adjusted by the deduction for elected split-pension amount captured on line 210 of the Income Tax and Benefit Return;

(f) That the Full Tax Deferral Program for Seniors and Low-Income Persons with Disabilities Program (Full Tax Deferral Program) be continued for the 2020 taxation year as the third year of the three-year pilot with the following updated criteria:

The income threshold will be verified against line 15000 (previously 150) – Total Income, on the previous year's Notice of Assessment(s) from Canada Revenue Agency. In the case of pension income splitting, line 15000 of the transferring spouse will be adjusted by the deduction for elected split-pension amount captured on line 210 of the Income Tax and Benefit Return;

(g) That the existing 40% Tax Rebate for eligible charities and similar organizations be continued for the 2020 taxation year;

(h) That, for the 2020 taxation year, the tax capping percentage for any assessment-related tax increases in the Commercial and Industrial property classes be set at the maximum allowable of 10% of previous year's Current Value Assessment (CVA) level taxes;

(i) That, for the 2020 taxation year, any capped property in the Commercial and Industrial property classes that is within $500 of its Current Value Assessment (CVA) taxes in 2020, be moved directly to its full Current Value Assessment (CVA) taxes;

(j) That capping protection will be limited only to reassessment related changes prior to 2017;

(k) That the Commercial property class be excluded from capping protection for 2020 and any subsequent years;

(l) That the four-year capping phase-out option be continued for the Industrial property class with 2020 being year two of four;

(m) That, for the 2020 taxation year, the minimum percentage of Current Value Assessment (CVA) taxes for properties eligible for the new construction / new to class treatment be set at 100% of Current Value Assessment (CVA) taxes;

(n) That for the 2020 taxation year, any property in the Industrial property class which paid full Current Value Assessment (CVA) taxes in 2019, no longer be eligible for capping protection in 2020 and future years;

(o) That, for the 2020 taxation year, all properties eligible for a tax reduction under the existing capping program receive the full decrease, funded from the approved capping program operating budget;

(p) That, for the 2020 taxation year, the Area Rated Levies be approved as identified in Appendix “A” to Report FCS20039, “2020 Tax Policies and Area Rating”, attached hereto;

(q) That the City Solicitor be authorized and directed to prepare all necessary by-laws, for Council approval, for the purposes of establishing the tax policies and tax rates for the 2020 taxation year.

EXECUTIVE SUMMARY

Report FCS20039 highlights the tax policy tools and options for the current taxation year and, for the most part, is consistent with the tax policies recommended in previous years and also includes the following changes:

- Elimination of the rate discount for properties in the vacant and excess land subclasses in the commercial and industrial property classes;

- Changes to the criteria for income verification for the Seniors’ Tax Rebate Program as well as the Deferral of Tax Increases and Full Tax Deferral Programs to accommodate income splitting; and

- The discontinuation of tax capping for the commercial property class as there are no properties eligible for 2020.

Table 3 in the "Analysis and Rationale for Recommendation(s)" section of Report FCS20039 provides details of all the tax policies being recommended.

As identified in Table 1, the combined impacts of the final approved 2020 Operating Budget, inclusive of the final growth, reassessment and education impacts and the tax policies recommended in Report FCS20039 has resulted in achieving a total **City-wide residential tax impact of 2.9% or $121** for the average residential property valued at $380,300. This is equivalent to a $32 increase for every $100,000 of assessment.

Table 1
2020 Average Residential Tax Impact

	$	%
Municipal Taxes	$ 119	3.3%
Education Taxes	$ 2	**0.4%**
Total Taxes	**$ 121**	**2.9%**

The tax impact identified in Table 1 is simply a City-wide average. Area rating, tax policies and reassessment result in varying tax impacts throughout the City and on a property-by-property basis. Average residential tax impacts by ward and area rating scenario are included in Appendix "B" to Report FCS20039, "2020 Tax Policies and Area Rating", attached hereto.

Table 2 identifies the 2020 total average tax impacts by property class.

Table 2
Total Tax Impact by Class

	Municipal				Total Incl. Education
	Reassessment	**Tax Policy**	**Budget**	**Total**	
Residential	0.2%	-0.2%	3.3%	3.3%	**2.9%**
Multi-Residential	-1.3%	-0.2%	0.0%	-1.5%	**-1.5%**
Commercial	0.4%	0.2%	3.3%	3.8%	**2.8%**
Industrial	-2.1%	3.5%	1.7%	3.0%	**2.8%**
Farm	3.1%	-0.3%	4.1%	7.0%	**6.2%**

Anomalies in totals due to rounding

As shown in Table 2, the average tax impacts vary between property classes. This is as a result of varying average reassessment impacts, tax policies and restrictions on the Multi-Residential and the Industrial property classes.

The reassessment impacts for the 2020 taxation year are similar to previous years as 2020 is the last year of this reassessment cycle. However, as part of “Ontario’s Action Plan: Responding to COVID-19” announced on March 25, 2020, the government is postponing the reassessment planned for 2020. This means that property assessments for the 2021 taxation year will continue to be based on the same valuation date that was in effect for the 2020 taxation year. The Municipal Property Assessment Corporation (MPAC) will continue to maintain the assessment roll and ensure that it is updated to reflect changes such as new construction. Staff will update Council when the impact of these changes has been analyzed.

The tax policy impacts include the elimination of the Vacant / Excess Land Subclasses in the Commercial and Industrial Property Classes (the “Reduction Program”) as approved by Council in Report “New Municipal Flexibility for Vacant Unit Rebates and Vacant / Excess Land Subclasses (FCS17021(b))”, in order to align with the direction already taken by the Province. Additional details can be found in the Analysis and Rationale for Recommendations section of Report FCS20039.

The final tax impact also includes the effect of the Provincial legislation as it relates to the Multi-Residential property class, in which municipalities with a Multi-Residential tax ratio above 2.0 are not allowed to pass any reassessment related increases to the class and are also subject to a full levy restriction. In addition, the Industrial property class continues to be restricted and levy increases cannot be more than 50% of the increase passed onto the Residential property class. Overall, the tax impact varies significantly between classes.

The municipal tax impact for the Residential property class is 3.3%, which is the net result of reassessment, the benefit to the residential class due to the elimination of the Reduction Program and the budgetary increases. The total tax impact including education is 2.9%.

The Multi-Residential property class, including properties in the Multi-Residential and New Multi-Residential property classes, is experiencing an average tax reduction of -1.5% (Municipal and with Education). This is beyond the legislated requirement of 0% increase because this class is experiencing a reassessment related benefit that cannot be passed onto the other classes and also because this class is subject to the full levy restriction, since the City has a tax ratio of 2.4876 (for 2020) which is above the maximum required of 2.0.

The Commercial property class is experiencing a municipal tax impact of 3.8% which is the combined impact of reassessment and tax policies of 0.6%, which includes the tax shift as a result of the Reduction Program and a budget impact of 3.3%. A benefit from the education tax results in a total tax impact of 2.8%.

The Industrial property class is experiencing a municipal tax increase of 3.0%. Although this class has benefited from the lower property values in the current reassessment cycle and the ongoing levy restriction, the Reduction Program elimination resulted in shifts that impacted the Industrial and Commercial property classes. A benefit from the education tax results in a total tax impact of 2.8%.

The total impact for the farm class is 6.2%, which is greatly impacted by reassessment as in this cycle, the increase in the value of these properties was significantly higher than average not only in the City, but also across the Province. However, normally farm properties also have a residential component and the combined impact is, therefore, below the 6.2% shown only for the farm property class. Also, the City's low farm tax ratio of 0.1767, helps to limit the actual tax impact in dollars.

Alternatives for Consideration

Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Current and future tax policies impact the City financially in terms of revenue streams and their sources. The policies recommended in Report FCS20039 have no budget impact since they have all been incorporated into the 2020 approved budget. The combined growth and reassessment impacts have been used to offset the 2020 budgetary pressures.

Staffing: None

Legal: None

HISTORICAL BACKGROUND

Each year, staff bring forward tax policy options as part of the overall annual budget approval. The tax policies being recommended are consistent with the assumptions used when identifying tax impacts to Council during the 2020 budget process.

In 2011, significant changes were approved by Council to the method used for the area rating of specific services. Specifically, commencing in the 2011 taxation year, services such as Recreation, Fire, Sidewalks and Street Lighting are area rated based on an urban / rural model. Culture was area rated prior to 2011 and is no longer area rated. Parkland Purchases, Sidewalk Snow Clearing (Ancaster only) and Transit (urban area only) continue to be area rated by the former area municipality.

The final 2020 tax impacts identified in Report FCS20039 incorporate the budget impact as well as tax policies, growth and reassessment impacts.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Report FCS20039 deals with a number of tax policy items.

RELEVANT CONSULTATION

Staff has consulted with Provincial staff and confirmed that the recommended tax policies adhere to the Provincial legislation.

Staff from the Taxation Section and Legal and Risk Management Services Division, Corporate Services Department has also been consulted.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Table 3 below details the recommendations for the 2020 tax year for each of the tax policy tools available to municipalities.

Table 3

Tax Policy Tool	Mandatory vs. Discretionary	Recommendation
Tax Ratios	Mandatory Discretionary	• Reduction of the Multi-Residential tax ratio to adhere to Provincial legislation that prevents municipalities from passing on any reassessment and budgetary related increases onto this class. • Reduction of the Industrial tax ratio to adhere to the levy restriction and only pass on 50% (maximum allowable) of the Residential budgetary tax increase. • Commercial tax ratio to continue at the Provincial threshold (Discretionary).
Capping	Mandatory program with discretionary criteria	• Limit capping protection only to reassessment related changes prior to 2017. • Once all properties in the class are at CVA taxes, the class is not eligible for capping in future years. New for 2020 properties in the Commercial class are excluded. • Continue to set the maximum allowable capping criteria in an effort to limit the amount of capping. • Criteria: 10% of previous year's CVA level taxes and moving to CVA level taxes if within $500 of CVA level taxes. • No changes in the following criteria: no capping if at full CVA taxes in 2019, full CVA taxes on new construction / new to class, no clawbacks. • Continuation of the phase-out option for the for the Industrial property class.

Tax Policy Tool	Mandatory vs. Discretionary	Recommendation
Vacancy Rebates	Discretionary	• This program has been eliminated as approved by Council on June 2017 (Report FCS17021(a)).
Optional Property Classes	Discretionary	• Maintain existing Parking Lot and (Commercial) Vacant Land and Large Industrial optional property classes. • The City has not adopted the small-scale on-farm business subclasses. • Education rates for these subclasses will be identified in the corresponding City By-law.
Reduction Programs	Discretionary	• Reductions to the vacant and excess land subclasses were eliminated beginning in the 2020 tax year as approved by Council on December 4, 2019, Report FCS17021(b).
Seniors Tax Rebate Program	Discretionary	• Continue existing program – see below. • 2020 updated rebate amount = $198 (2019 amount of $194 + CPI). • Increase assessment threshold to $493,200 (120% of the updated city-wide average assessed value for a single family dwelling). • Increase income threshold to $36,900 (150% of updated GIS couple). • **New:** Amend criteria to verify income threshold when pension income splitting has occurred. Adjustment will enhance eligibility.
Deferral of Tax Increases Program	Mandatory	• Maintain the program with the updated criteria approved by Council (Report FCS18005). • Update income threshold to $36,900 (150% of updated GIS couple). • **New:** Amend criteria to verify income threshold when pension income splitting has occurred. Adjustment will enhance eligibility.
Full Tax Deferral Program	Discretionary	• Three-year pilot approved by Council (Report FCS18005) starting in 2018. • Update income threshold to $36,900 (150% of updated GIS couple). • Application fee: $200+HST; Interest at 5% per annum. • **New:** Amend criteria to verify income threshold when pension income splitting has occurred. Adjustment will enhance eligibility.
Area Rating	Discretionary	• Area rating based on the Council approved (April 2011) Urban/Rural model (Reports FCS09087 / FCS09087a / FCS11042).

Tax Policy Tool	Mandatory vs. Discretionary	Recommendation
		• Appendix "A" to Report FCS20039 identifies the area rated levies for 2020.
Rebates to Charities and Similar Organizations	Mandatory	• Continue with existing program. • 40% rebate for charities. • 100% rebate for accredited educational institutions that rent their property. • 100% rebate for Veteran's Clubhouses and Legion Halls that would otherwise be tax exempt.

Tax Ratios

Tax ratios distribute the tax burden across the property classes relative to the Residential property class tax ratio, which is set at 1.0000. For example, a property in a property class with a tax ratio of 2 would pay twice the amount of municipal tax as a similarly valued residential property. Tax ratios must be set within flexibility ranges determined by Provincial regulations.

Table 4 identifies the recommended 2020 final tax ratios compared to the 2019 final approved tax ratios and the Provincial thresholds:

Table 4
Recommended 2020 Final Ratios

	2019 Final Tax Ratios	Recommended 2020 Final Tax Ratios	Provincial Threshold	Provincial Range of Fairness
Residential	1.0000	1.0000		
Multi-Residential	2.5671	2.4876	2.7400	1.0 - 1.1
Commercial	1.9800	1.9800	1.9800	0.6 - 1.1
Industrial	3.3696	3.3153	2.6300	0.6 - 1.1
Industrial - Large	3.9513	3.8876	2.6300	0.6 - 1.1
Pipeline	1.7947	1.7947		
Landfills	2.9696	2.9696	3.1189	
Farm	0.1767	0.1767		

As shown in Table 4, the Multi-Residential tax ratio has been reduced from 2019 in order to comply with the Provincial legislation that prevents municipalities with tax ratios above 2.0 to pass any reassessment related increases and any budgetary increases onto the Multi-Residential property class.

The Industrial property class continues to be levy-restricted as the City's tax ratio is above the Provincial Threshold and as a result, the 2020 tax ratio has also been reduced from the 2019 tax ratio.

Staff is recommending that the 2019 tax ratios for all other property classes be maintained as detailed in Recommendation (b) of Report FCS20039.

Capping

In 2016 and 2017, the Province enacted a series of options to help municipalities to accelerate the process towards Current Value Assessment (CVA) level taxes. The measures that the City has adopted since, have resulted in significant progress towards CVA taxes. For 2020, there is only one property in the Industrial property class that is still capped, properties in the Commercial property class that were capped in 2019 no longer qualify for capping protection and the Multi-Residential property class is also no longer eligible.

Recommendations (h) to (o) of Report FCS20039 detail the capping measures that staff is recommending for the 2020 tax year.

Reduction Programs for Vacant / Excess Land Subclasses

In 2017, the Province approved legislation providing municipalities with flexibility in the application of Vacant Unit Rebates and Commercial and Industrial Vacant / Excess Land Subclasses Reduction Program ("the Reduction Program"). The Reduction Program applies to commercial or industrial properties only in the vacant and excess land subclasses, in which these subclasses are taxed at a fixed percentage that is 30% to 35% below the tax rate of the broad class.

Starting in 2019, the Ministry of Finance started a phase-out of the subclass reduction factors applied to the Education rates with the goal of eliminating the reduction by 2020. This legislation applies to all municipalities, regardless of their own reduction program. In December 4, 2019, Council approved the elimination of the Reduction Program beginning in the 2020 taxation year in order to align with the direction taken by the Province.

The elimination of the Reduction Program did not result in levy savings, but it redistributed the tax burden among property classes, benefiting the Residential property class by approximately (0.2%) or ($8) for the average residential property. This benefit is already included in the average residential tax impact presented on page 4 of Report FCS20039.

Additional details on the elimination of the Reduction Program can be found in Report FCS17021(b), "New Municipal Flexibility for Vacant Unit Rebates and Vacant / Excess Land Subclasses".

Seniors' Tax Rebate

The Seniors' Tax Rebate Program is a non-mandatory tax relief program that offers a tax rebate of $198 (2020) for seniors that fall within the eligibility criteria. The program has been in place city-wide since 2002 providing relief to a large number of citizens. In 2019, the City provided 3,306 rebates for a total of $640,706 (municipal $ share is 555,283).

Recommendation (d) of Report FCS20039 includes a minor amendment to the income criteria of this program in order to avoid double-counting pension income designated for splitting by one spouse when adding line 15000 of the Income Tax Return for both spouses. This change may result in a few additional successful applications.

Full Tax Deferral and Deferral of Tax Increases Programs

Since Full Tax Deferral and Deferral of Tax Increases Programs share common elements with the Seniors' Tax Rebate Program, including the income criterion in Recommendations (e) and (f) of Report FCS20039, staff is advising that the same modification to avoid including the pension income splitting amount in the total calculation of income be applied to these programs. Similarly, staff does not anticipate a significant increase in successful applications due to this change.

Regarding the Full Tax Deferral program, this is a pilot project entering its third year. 2018 was the first year of the program and the City received four applications for a total of $14 K in deferred taxes. In 2019, 21 applications were received (17 new and four renewals) for a total $89 K in deferred taxes. To date, no applications have been received for 2020 as applications require the 2019 Notice of Assessment.

Staff will report back on the progress of the pilot program and will submit any recommendations regarding continuation of the program once the applications for 2020 have been processed.

Tax Impacts

The final average tax impacts, as identified in Appendix "B" to Report FCS20039, are the result of various factors:

- 2020 approved tax operating budget (Report FCS20001(a));
- Approved area rating methodology, whereby Fire, Recreation, Sidewalks and Street Lighting are area rated based on Urban / Rural, while Transit (urban area only), Sidewalk Snow Removal (Ancaster only) and Parkland Purchase are area rated based on the former area municipality;
- Fourth year of the current reassessment cycle (2017-2020);
- Reassessment and levy restrictions on the Multi-Residential property class;
- Levy restriction on the Industrial property class; and
- 2020 tax policies as recommended within Report FCS20039.

Further details on the impacts by ward are provided in Tables 5 and 6. Although the Residential City-wide average total impact is 2.9%, due to the various factors identified above, the impacts will vary between wards. While the reassessment accounts for most of the varying impacts experienced in different parts of the City, budget pressures and enhancements in area rated services may also have a greater impact on some wards than others (for example, transit service levels).

Note that 87% of the Residential properties are identified as fully Urban and 9% as fully Rural. Only 4% of the Residential properties fall within “Urban with Rural Fire” or “Rural with Urban Fire”.

Residential Tax Impacts (Reassessment + Tax Policies + Budget)

Tables 5 and 6 break down the 2.9% City-wide average Residential tax impact into the average Urban and Rural Residential tax impacts by ward. Further detail on the impacts by ward and by all four tax groupings (Urban, Rural, Urban with Rural Fire and Rural with Urban Fire) are provided in Appendix “B” to Report FCS20039 “2020 Tax Policies and Area Rating” attached hereto.

Average impacts between wards have significant variation in the urban areas as a consequence of the reassessment and because some services (transit, parkland purchases) continue to be area rated. Tax impacts in the urban areas vary from 1.9% (Ward 11) to 4.1% (Wards 1 and 3). In the rural areas, the tax impacts by ward are more consistent with the 2.9% city-wide average ranging from 2.8% (Ward 11) to 3.2% (Ward 9 and 15). Appendix “A” to Report FCS20039 “2020 Tax Policies and Area Rating” identifies the area-rated levies.

Table 5

2020 Total Residential Tax Impacts (Municipal and Education): Urban - Including Urban Fire / with Transit

(inclusive of reassessment, area rating, tax policies and education taxes)

BY WARD

	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average Impact (%)	Total Average Impact ($)
Ward 1	1.3%	2.8%	4.1%	$ 191
Ward 2	0.9%	2.8%	3.7%	$ 120
Ward 3	1.3%	2.8%	4.1%	$ 103
Ward 4	0.3%	2.8%	3.1%	$ 83
Ward 5	-0.2%	2.8%	2.6%	$ 92
Ward 6	-0.2%	2.8%	2.6%	$ 99
Ward 7	0.2%	2.8%	2.9%	$ 114
Ward 8	0.1%	2.8%	2.8%	$ 121
Ward 9	-0.2%	2.8%	2.5%	$ 106
Ward 10	-0.2%	2.8%	2.6%	$ 119
Ward 11	-0.6%	2.6%	1.9%	$ 83
Ward 12	-0.4%	3.0%	2.6%	$ 147
Ward 13	-0.5%	2.9%	2.4%	$ 121
Ward 14	0.0%	2.8%	2.8%	$ 129
Ward 15	-0.3%	2.5%	2.2%	$ 126
City-Wide Average	**0.0%**	**2.9%**	**2.9%**	**$ 121**

Anomalies in totals due to rounding

The first column of Table 6 combines the benefit of the elimination of the Reduction Program and the tax impacts due to reassessment. Since the elimination of the Reduction Program benefited the Residential property class with a uniform reduction of 0.2%, the difference among wards is due to reassessment. Overall, Wards 1, 2 and 3 are experiencing higher than average reassessment / tax policy impacts (0.9% to 1.3%) while Wards 11, 12 and 13 are benefiting from lower than average reassessment / tax policy impacts (-0.4% to -0.6%).

The budget impacts are relatively similar across the City, with some minor variations in Wards 11 and 15 (2.5%-2.6% vs the average of 2.9%). This is due to revisions in transit resulting in fewer kilometres allocated to Glanbrook and Flamborough, which translated into a lower allocation of the transit levy in these two former municipalities. Ward 11 is benefiting from the fact that the Glanbrook TransCab kilometres were revised as a result of the extension of Route 22-Upper Ottawa. Ward 15 is benefiting from the change in the split of Route 18-Waterdown, which now allocates the Burlington portion of the route to Hamilton, which was previously allocated to Waterdown.

Ward 12 is experiencing a slightly higher than average budget impact due to additional funding for the Ancaster Memorial Arts Centre and increased frequency of Route 44-Rymal.

Table 6

2020 Total Residential Tax Impacts (Municipal and Education): Rural - Including Rural Fire / No Transit

(inclusive of reassessment, area rating, tax policies and education taxes)

BY WARD

	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average Impact (%)	Total Average Impact ($)
Ward 1	N/A	N/A	N/A	N/A
Ward 2	N/A	N/A	N/A	N/A
Ward 3	N/A	N/A	N/A	N/A
Ward 4	N/A	N/A	N/A	N/A
Ward 5	N/A	N/A	N/A	N/A
Ward 6	N/A	N/A	N/A	N/A
Ward 7	N/A	N/A	N/A	N/A
Ward 8	N/A	N/A	N/A	N/A
Ward 9	-0.2%	3.4%	3.2%	$ 120
Ward 10	N/A	N/A	N/A	N/A
Ward 11	-0.6%	3.4%	2.8%	$ 108
Ward 12	-0.4%	3.5%	3.1%	$ 157
Ward 13	-0.5%	3.4%	2.9%	$ 135
Ward 14	N/A	N/A	N/A	N/A
Ward 15	-0.3%	3.4%	3.1%	$ 160
City-Wide Average	**0.0%**	**2.9%**	**2.9%**	**$ 121**

Anomalies in totals due to rounding

The residential rural areas of the City are experiencing a benefit from the combined effect of the Reduction Program elimination and the reassessment varying from (0.2%) in Ward 9 to (0.6%) in Ward 11. As previously explained, the elimination of the Reduction Program resulted in a (0.2%) for the Residential property class and therefore, the differences are explained by reassessment.

In terms of the budget impact, the rural areas of the City are experiencing slightly higher than average increases mostly due to increases in recreation and the cost of providing fire services in rural areas, which are mostly covered by volunteer firefighters. Decreases in streetlighting due to efficiencies of using LEED lights, partially mitigate these increases.

ALTERNATIVES FOR CONSIDERATION

Alternatives are discussed in the Analysis and Rationale section of Report FCS20039.

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 FCS20039 – 2020 Area Rated Levies Summary

Appendix “B” to Report FCS20039 – 2020 Residential Tax Impacts

GR/dt