

From: Lakewood Beach Community Council <LakewoodBeachCC@hotmail.com>
Sent: October 26, 2020 12:15 PM
To: DL - Council Only <dlcouncilonly@hamilton.ca>
Cc: clerk@hamilton.ca
Subject: Staff Recommendation to increase Rate budget by 4.28% - GIC Item 6.1

Dear Mayor & Council,

Our community is made up of households with vastly different income levels. As such, we wanted to draw your attention to the recommended rate increase of 4.28% and ask that you give consideration to those households who have experienced financial hardships, or increased expenses, due to the covid-19 pandemic. Financial strains that are likely to continue throughout most if not all of 2021.

As per the Staff Report going to GIC on October 29th: *"The Canadian economy is in the deepest recession since the 1930s"*

This change in our economy occurred in 2020. Yet the Staff Recommendation is that the *"2020 Rate Supported Operating and Capital Budgets be prepared in alignment with the long term financing plan approved"* in November **2019** (pre-pandemic).

We already knew Hamilton pre-pandemic had one of the highest poverty rates. At this juncture, we don't know what impact the recession has had on those poverty rates however it doesn't take much effort to 'read the room' & recognize residential rate/tax payers need a period of recovery.

We also read within the Staff Report, that *"while industrial and commercial water consumption declined over the past year ... the increase in residential consumption has offset the negative impact on revenues"* to the city.

While we appreciate & respect that with no change in overall consumption, Staff would recommend to *continue with the pre-covid19 long-term financing plan for water, wastewater and storm capital infrastructure*, it is our hope that Council will approach this year differently in your deliberations prior to approving this Recommendation.

Questions that come to mind and answers that might be helpful for Council to consider are:

1. What are the projects that make up net capital costs? (which are estimated at \$173.5 M in 2021 versus \$135.6 M in 2020)
2. What are the financial details of those projects in regards to funding from other sources/reserves? (Gross Costs vs 87% of those costs, ~ \$33M, more being downloaded to the residential ratepayer)

3. What have been our historical Rate increases?. (ie A Table similar to Table 6 but for Rates Budgets)
4. How do our water rates and historical trends compare to other municipalities?
5. Has the % of late payments for Water increased, decreased or stayed the same in 2020 as compared to 2019?
6. Has the % of households in arrears status/late payments for Property Taxes increased, decreased or stayed the same in 2020?

If Council is going to consider increasing expenditures by ~ \$40M during these times - knowing that an even greater % will be shifted to the residential taxpayer than past years - in our humble opinion additional transparency on the how/why of spending/investing is warranted.

Respectfully,

Lakewood Beach Community Council