



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	August 12, 2021
SUBJECT/REPORT NO:	Ward Specific Funding Initiatives Update as of December 31, 2020 (FCS21064) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Matt Hilson 905-546-2424 Ext. 1444
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

At its meeting on April 8, 2018, the Audit, Finance and Administration Committee approved the recommendations in Report FCS18014 requiring annual reporting to Council of the balances and activities in the ward-specific funding initiatives including Ward Area Rating Special Capital Re-investment Reserves, Ward-Specific Non-Property Tax Revenues, Cell Tower Revenues, Hydro One Contract Revenues and Minor Maintenance Council Priority Capital Projects.

INFORMATION

The Area Rating Special Capital Re-investment Reserve Policy (Report FCS12024) was approved by Council on February 22, 2012. This Policy addresses the process and principles of the re-investment of the tax shift variance to the former City of Hamilton for the infrastructure deficit. The funding was phased-in within the former City of Hamilton with Wards 1 to 8 receiving approximately \$420 K in 2011, \$640 K in 2012 and \$1.259 M in 2013. Once the phase-in was completed in 2014, each Ward received \$1.678 M annually until changes were approved to the ward boundaries and new reserves were approved.

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In December 2017, the Ontario Municipal Board (OMB) approved the new ward boundaries for the City of Hamilton in which the alignment of Wards 1 to 8 and the former City of Hamilton (pre 2001) no longer existed. Effective following the inauguration of the new term of Council on December 3, 2018, Wards 1, 2, 3, 4, 6, 7 and 8 include only properties from the former City of Hamilton. Wards 5, 9, 10 and 14 include properties from the former City of Hamilton and some other former municipalities while Wards 11, 12, 13 and 15 do not include any properties from the former City of Hamilton.

At its meeting on February 6, 2019, the General Issues Committee approved Report FCS19006, which recommended establishing reserves for newly created Ward 9, Ward 10 and Ward 14 and that the Area Rating Special Capital Reinvestment Reserve Fund balances as at December 31, 2018 be reallocated to the new wards within the former City of Hamilton based on percentage of assessment in each ward.

To help increase transparency regarding Ward Specific Funding Initiatives, Council approved that all grants above \$350 from the Special Capital Reinvestment Discretionary Fund be passed by Council. Report FCS18014 established that annual reports on the balances and activities in the Ward Specific Funding Initiatives including the Area Rating Special Capital Reinvestment Reserves and Discretionary Projects, Ward-Specific Non-Property Tax Revenues, Cell Tower Revenues and Minor Maintenance Council Priority Capital Projects be presented to Committee.

In addition, at its meeting on January 22, 2018, the Audit, Finance and Administration Committee (AF&AC) received correspondence from the public and staff was requested to report back to AF&AC on the funding of sponsorships, committee events and office expenses through the discretionary spending Area Rating Special Capital Reinvestment Fund. With the changes to the ward boundaries, all ward specific discretionary spending of the Area Rating Special Capital Reinvestment Fund will be provided annually.

Appendix “A” to Report FCS21064 provides a reserve forecast for each of the Area Rating Special Capital Reinvestment Fund Reserves as well as a detailed record of all ongoing projects funded from the applicable reserve as of December 31, 2020. The reserve forecast outlines the balance of the reserve as of December 31, 2020 and the forecasted year-end balances for 2021 and 2022. The detailed record of projects includes all ongoing projects that were funded from the reserve on or before December 31, 2020.

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APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS21064 – City of Hamilton Area Rating Special Capital Reinvestment Fund Reserve Forecast as of December 31, 2020

Appendix “B” of Report FCS21064 – Area Rating Special Capital Reinvestment Fund Discretionary Spending Wards 1 to 8 and Ward 14 as of December 31, 2020

Appendix “C” of Report FCS21064 – Non Property Tax Revenues re Wards 2, 3, 10, 12, 13 and 15 as of December 31, 2020

Appendix “D” to Report FCS21064 – Council Priority Minor Improvements as at December 31, 2020

MH/dt