



Hamilton

AREA RATING REVIEW
FCS21078(D)

GENERAL ISSUES COMMITTEE

February 21, 2023

Presentation Objectives

- Background information on Area Rating
- Fire Area Rating
 - Existing model
 - Recommended model

Historical Background

Year	Services Area Rated in the City of Hamilton
2001	Transit, Fire, Culture and Recreation, Storm Sewers, Senior's Tax Credit, Slot Revenues and Financial Adjustments.
2002 - 2008	Removal of Senior's Tax Credit; Removal of Financial Adjustments; Removal of Storm Sewers; Removal of Slot Revenues; Addition of Sidewalk Snow Removal (Ward 12 only) Addition of Loan Repayment for Parkland Purchases.
2011	Transit, Recreation, Sidewalks and Streetlighting, Parkland Purchases, Infrastructure Levy; Sidewalk Snow Removal, Fire.
2022	4-year phase-out of Recreation, Sidewalks and Streetlighting Elimination of Parkland Purchases as debt is paid off. Consultation on Fire
2023	Removal of Sidewalk Snow Removal.

Policy Background

- Area Rating accounts for differences in service level or cost of providing services across the City
- Properties with same assessment but different service levels are taxed differently
- Governed by Ontario Regulation 585/06

1. Revenue Neutral
2. Service Delivery Drives Taxes
3. It is not pay-for-use
4. Evolutionary process

Fire Area Rating

- Service delivery vs. tax rates
 - 3 levels of service
 - Full time
 - Composite
 - Volunteer
 - 2 tax rates

- Fire Service Area Rating Review survey
- Three Options
 - Option 1: Three different rates
 - Option 2: No change
 - Option 3: One equal rate across the City
- Results
 - 48.1% of participants agree with Option 1
 - 44.2% of participants agree with Option 2
 - 23.5% of participants agree with Option 3

Fire Area Rating

- Recommended model
 - Three tax rates based on level of service
 - Redistribution of assessment and costs
 - Elimination of transfer from reserve
 - Phase-in the impact over two years

Fire Area Rating

- Recommend Model Impact: Tax Shifts

	REMAIN FULL TIME	REMAIN VOLUNTEER	FULL TIME TO COMPOSITE	VOLUNTEER TO COMPOSITE
Number of Properties	122,877	15,881	37,631	1,536

Year 1	Average Tax Impact (\$)	\$ 42	\$ (80)	\$ (67)	\$ 122
	Average Tax Impact (%)	1.0%	-2.0%	-1.5%	3.1%

Year 2	Average Tax Impact (\$)	\$ 38	\$ -	\$ (97)	\$ (97)
	Average Tax Impact (%)	0.9%	0.0%	-2.3%	-2.4%

Total Tax Impact	Average Tax Impact (\$)	\$ 80	\$ (80)	\$ (164)	\$ 25
	Average Tax Impact (%)	1.8%	-2.0%	-3.8%	0.7%

Differences due to rounding



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THANK YOU



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ALTERNATIVES FOR CONSIDERATION

Fire – General Levy

Year 1 of 4

	URBAN			RURAL	
	Tax Impact (%)	Tax Impact (\$)		Tax Impact (%)	Tax Impact (\$)
Ward 1	-0.1%	\$ (5)		N/A	N/A
Ward 2	-0.1%	\$ (4)		N/A	N/A
Ward 3	-0.1%	\$ (3)		N/A	N/A
Ward 4	-0.1%	\$ (3)		N/A	N/A
Ward 5	-0.1%	\$ (4)		N/A	N/A
Ward 6	-0.1%	\$ (4)		N/A	N/A
Ward 7	-0.1%	\$ (4)		N/A	N/A
Ward 8	-0.1%	\$ (5)		N/A	N/A
Ward 9	-0.1%	\$ (5)		1.1%	\$ 46
Ward 10	-0.1%	\$ (5)		N/A	N/A
Ward 11	-0.1%	\$ (5)		1.1%	\$ 44
Ward 12	-0.1%	\$ (0)		1.1%	\$ 61
Ward 13	-0.1%	\$ (6)		1.1%	\$ 54
Ward 14	-0.1%	\$ (5)		N/A	N/A
Ward 15	-0.1%	\$ (7)		1.1%	\$ 58