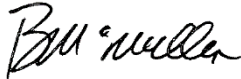




INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	June 15, 2023
SUBJECT/REPORT NO:	Ward Specific Funding Initiatives Update as of December 31, 2022 (FCS23052) (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. Since 2014, each ward has received \$1.678 M annually until a change in ward boundary alignment in 2018.

At its meeting on June 20, 2016, the Audit, Finance and Administration Committee (AF&AC) approved Report FCS16042, which created Ward specific Capital projects where non-property tax revenues (net of any operating costs) be deposited. Previously, non-property tax revenues were deposited in ward-specific reserves or used to fund associated operating cost requirements such as right of way maintenance responsibilities. Non-property tax revenues arise from license agreements for cellular towers, easements, right of ways and signage. Report FCS16042 also lists the cellular towers on City-owned property and the associated annual rental revenue.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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 January 1, 2018, Wards 1, 2, 3, 4, 7 and 8 include only properties from the former City of Hamilton. Wards 5, 6, 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.

In addition, at its meeting on January 22, 2018, the AF&AC, in response to correspondence received from the public, 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 of Wards 1 to 8. With the changes to the ward boundaries, all ward specific discretionary spending of the Area Rating Special Capital Reinvestment Fund will be provided annually.

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 Re-Investment 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.

On April 9, 2018, staff was directed to report back to the AF&AC meeting with enhanced guidelines and tracking / reporting procedures on Area Rating Special Capital Re-investment Reserve Funding, Area Rating Special Capital Re-investment Fund, Cellular Tower and Ward-Specific Non-Property Tax Revenues and Minor Maintenance Council Priority Projects. In addition, it was also recommended that staff provides information on the history of social infrastructure as a criterion of Area Rating Reserve and Discretionary funding.

In response to this, on December 17, 2018, Report FCS18014(a) was presented to AF&AC and provided policy governing the use of Area Rating Special Capital Re-investment Reserve Funding, Area Rating Special Capital Re-investment Fund, Cellular Tower and Ward-Specific Non-Property Tax Revenues and Minor Maintenance Council Priority Projects.

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On September 1, 2021, an intranet site was launched to provide Councillors with up-to-date balances of the Area Rating Special Capital Re-investment Reserve and Area Rating Special Capital Re-investment Fund. The balances are updated on a monthly basis to allow Councillors and staff the means to effectively monitor the ward specific funding balances and to plan for future initiatives.

Appendix “A” to Report FCS23052 summarizes the uncommitted balances of the City of Hamilton’s Special Capital Re-investment Reserves as of December 31, 2022. The summary also includes a future forecast up to the end of 2023. In 2022, these reserves provided \$9,275,738 in funding to 57 projects with a gross project cost of \$16,880,443.

Appendix “B” to Report FCS23052 provides a detailed record of all ongoing capital projects that are partially or fully funded from the corresponding Special Reserve as of December 31, 2022. There are no ongoing projects funded from the Ward 9 or Ward 10 Special Reserve.

Appendix “C” to Report FCS23052 summarizes the uncommitted balance of the Area Rating Special Capital Re-investment Fund Discretionary Spending in Wards 1 to 8 and Ward 14 as of December 31, 2022. The summary includes the specific initiatives that were funded by the discretionary funds. Only ongoing discretionary projects are included in the summary, as after three years, if the funding is not spent, the discretionary project is closed and any remaining funding is returned to the Area Rating Reserve per the Capital Closing Policy (Report FCS09083(a)). Some discretionary projects that are older than three years are included on summary as they are required to remain open as they continue to fund ongoing initiatives. No new commitments may be made against these accounts.

Appendix “D” to Report FCS23052 summarizes the uncommitted balances of the Ward Specific Non-Property Tax Revenue Accounts for Wards 2, 3, 10, 12 and 15 as of December 31, 2022. The summary includes details about the specific revenues received and the initiatives that were funded by the Ward Specific Non-Property Tax Revenue Accounts.

Appendix “E” to Report FCS23052 summarizes the uncommitted balances of the Council Priority Minor Improvements Accounts as of December 31, 2022. The summary includes the specific initiatives that were funded by the Council Priority Minor Improvements Accounts. During the 2020 Capital Budget Process, an accounting change was made to record administrative overhead in separate project numbers to show the gross capital investment for state-of-good-repair in the Minor Maintenance Council Priority Projects. The change was for presentation purposes only and did not impact the total funding allocation to each Ward.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS23052 – Special Capital Re-Investment Reserve Forecast as of December 31, 2022

Appendix “B” to Report FCS23052 – Detailed Record of All Ongoing Projects from Reserve as of December 31, 2022

Appendix “C” of Report FCS23052 – Area Rating Special Capital Re-investment Fund Discretionary Spending Wards 1-8, Ward 14 as of December 31, 2022

Appendix “D” of Report FCS23052 – Ward Specific Non Property Tax Revenue as of December 31, 2022

Appendix “E” to Report FCS23052 – Ward Council Priority Minor Improvements as of December 31, 2022

MH/dt