

**4. Area Rating – Citizen’s Forum and Area Rating Options (FCS09087)  
(City Wide) (Item 7.1)**

- (a) That Report FCS09087 respecting Area Rating Options be received, and referred to a ‘Citizens’ Forum’ process as outlined in Appendix A attached hereto.
- (b) That the “Citizens’ Forum” present a consensus recommendation to Committee of the Whole on November 30, 2010.
- (c) That the staff be directed to develop the Terms of Reference, including Selection Criteria for Membership, costs associated with the initiative, reporting mechanisms and report back to Committee of the Whole by mid January 2010
- (d) That the Area Rating Options Report FCS09087 be forwarded to the Citizen’s Forum, once established.
- (e) That once individual citizens are selected, the selected names come to Committee of the Whole by February 2010 for final approval.
- (f) That the citizens on the Forum must be residents of the City of Hamilton;
- (g) That there be no fee paid to the members on the Forum;
- (h) That any costs borne by the Forum be funded from the Government Relations Fund.

That the further amendment to add the following as sub-section (i) to Item 4 of Committee of the Whole Report 09-032, which reads as follows, be referred to staff for further discussion for a report back to the Committee of the Whole:

- (i) That future costs as related to any costs associated with the Toronto Pan Am Games 2015 and related facilities not be area rated.

**CITY OF HAMILTON**

**CORPORATE SERVICES DEPARTMENT**  
**Financial Planning & Policy Division**

<b>Report to:</b> Mayor and Members Committee of the Whole	<b>Submitted by:</b> Roberto Rossini General Manager Finance & Corporate Services
<b>Date:</b> November 10, 2009	<b>Prepared by:</b> T. Hewitson ext. 4159 M. Di Santo ext. 6247

**SUBJECT: Area Rating Options (FCS09087) (City Wide)**

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**RECOMMENDATION:**

(a) That the following proposed amendments to the current method of area rating, constituting an “Urban / Rural” model of area rating, be referred to a public consultation process:

- (i) Elimination of Culture & Recreation (including Parkland purchases) from area rating,
- (ii) Area rating of Transit services based on an urban/rural model to align to the service area (attached map in Appendix D1),
- (iii) Area rating of Fire services based on an urban/rural model to align to the Fire primary response areas (attached map in Appendix D2),
- (iv) Continuation of area rating Sidewalk Snow Clearing within the transit area of Ward 12,
- (v) Area rating of Sidewalks and Street Lighting based on an urban/rural model to align to the service area (attached map in Appendix D1);

(b) That the proposed urban/rural method of area rating, as identified in recommendation (a) to report FCS09087 “Area Rating Options”, be staged and phased-in, as follows:

- (i) Stage 1: Culture & Recreation, Fire, Sidewalks and Streetlights be phased-in equally over four years commencing in 2011;
- (ii) Stage 2: Transit be phased-in equally over three years commencing in 2015;

and that this proposal be referred to a public consultation process;

(c) That the alternative area rating scenarios as described in report FCS09087 “Area Rating Options” also be referred to a public consultation process, as directed by Council, and;

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(d) That following a public consultation / information sharing process, the proposed urban/rural method of area rating and related phase-in plan be referred to Council in 2009/10 or 2011, as directed by Council.

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Roberto Rossini, General Manager  
Finance & Corporate Services

**EXECUTIVE SUMMARY:**

In August of 2008, staff presented report CM08022 "Area Rating Policy Update" to Committee of the Whole. Report CM08022 reviewed how the current area rating policy relates to the way services are currently being provided. The report concluded that area rating should reflect, not determine, how services are delivered and that the current method of area rating may not accurately reflect current service delivery or the cost of providing these services. In response to this report, Council subsequently passed the following motion:

- (a) *That the City of Hamilton maintain the current Area Rating Tax Policy for 2009 and 2010;*
- (b) *That staff be directed to bring a report back for council's consideration by the end of 2008 [subsequently extended to 2009] outlining the process for an information sharing and public consultation plan for area rating services received in all communities;*
- (c) *That the report highlight all pros and cons for area rating of these services;*
- (d) *That all various rating models be included in the report;*
- (e) *That the revised [area rating] plan model be implemented January 1, 2011.*

This report (FCS09087, "Area Rating Options") responds to Council's direction by expanding on the options available, providing estimated tax impacts of these options, and discussing possible options for a public consultation process.

This report also attempts to address many concerns raised by Council, both over the years and most recently during the development of this report. During the draft stages of this report, senior staff held two rounds of meetings with Councillors. Some of the concerns raised at these meetings were:

- Recognition by all Councillors that area rating is an extremely sensitive issue and the desire by all to deal with it fairly
- Significant tax increases are a problem and therefore would need a phase-in plan to mitigate
- The timing of when decisions need to be made (i.e. 2009, 2010 or 2011)

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- Timing of the Transit area rating changes versus the service level review and any resulting improvements
- Should more money be raised for transit through area rating changes
- Service differentials for transit within the former City of Hamilton
- The type and scope of public consultations (i.e. information sharing versus engagement in decision making)
- Public city-wide service benefits versus the benefits received by localized areas
- Whether all emergency services, in addition to fire protection, should be area rated due to the response time differentials (i.e. land ambulance)
- The desire or need to have some type of mechanism which would allow for enhanced services or capital purchases for a particular area
- Lack of programs (i.e. for seniors) and facilities in rural areas
- Recreation and parks standards not being met

This extensive consultation with Council was instrumental in the development of the proposed phase-in, which attempts to mitigate the potential tax impacts of any changes to the current method of area rating.

### **Principles:**

The basic approach to the review of area rating reflects the following two underlying principles:

- 1. Revenue Neutral Overall** – assumes the same tax levy regardless of the area rating option. Area rating does not generate additional taxes for the City as a whole.
- 2. Service Delivery Drives Taxes** – how a service is delivered can impact how it is appropriately taxed, not vice-versa. None of the area rating options presented requires a change in service delivery.

As well, a number of other general principles have guided this process. While area rating attempts to adjust taxes to account for key or significant differences in service levels and costs, it is not based on a user pay principle. Every property owner will utilize City services differently. Some services are never utilized but support a greater common good. The services recommended for area rating reflect a fairly distinct difference in service level and cost between the urban and the rural boundary. However, a small proportion of properties within those boundaries may not have exactly the same access or utility to the service.

The other principle inherent in these options is that this has been an evolutionary process for the City and, unless area rating is completely eliminated, will continue as such. For example, growth may require additional Transit and Fire services, leading to changes in urban/rural boundaries. Areas currently proposed to be paying rural tax rates, may, in the future, be in the urban zone.

Staff continue to contend that area rating based on former municipal boundaries (as is currently done), does not reflect how services are actually delivered or the cost to deliver these services. The proposed method of area rating should more accurately reflect how the service is delivered and the cost of providing these services.

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Options for area rating, and their resulting tax impacts, are discussed in the “Analysis/Rationale” section of this report (with detailed impacts of each option identified in Appendix A).

It should be noted that area rating is an annual decision, implemented through the annual tax levy by-law passed in April of each year. As such, if this Council approves the area rating policy for implementation in 2011, the new Council would need to reaffirm this decision during tax policy decisions made in April, 2011. Decision made by the current Council cannot bind the new Council.

### **OPTIONS**

The following is a summary of the area rating options reviewed for the three main services currently being area rated. Since amalgamation, these three services have been area rated based on former area municipal boundaries.

**Culture & Recreation** – Currently, Culture and Recreation services are area rated by former municipality based on where the facility is located. Report CM08022 “Area Rating Policy Update” stated that Culture and Recreation may no longer meet the legislative criteria to qualify as an area rated service. Staff continue to support this conclusion, and as such, no other area rating options were identified for Culture & Recreation. In a review of other municipalities in Ontario, no evidence was found of any other municipality that area rated this service. Essentially, Culture and Recreation facilities and programs are available to all City of Hamilton residents and, in many cases (i.e. Culture) are available to those outside the City. With respect to recreation program registrations – 60% of users travel to facilities outside of their neighbourhoods/community to participate in registered programs. With respect to Cultural facilities, Dundurn Castle (currently area rated only to the former municipality of Hamilton) draws over 70% of its visitors from outside of the City.

**Fire** – Currently Fire Services are area rated based on former municipal boundaries based on the resources located within those boundaries. However, the service is no longer delivered based on these boundaries. Primary response areas transcend these boundaries and often calls bring a response from beyond the primary station. Staff are proposing that Fire Services no longer be area rated based on former area municipality, but rather based on an urban/rural model in relation to how fire services are predominately being provided. This is consistent with how Fire is area rated in several Ontario municipalities. An urban / rural model recognizes the low costs of a composite workforce and ensures that rural areas of the City, which are serviced predominately by volunteer fire fighters, receive a benefit in the form of lower costs and therefore a lower tax rate. Urban areas, which are serviced predominately by career fire fighters, would be treated equally across the City in recognition that fire service levels are consistent in these urban areas. A cost allocation methodology apportions costs where career fire fighter service responds into the rural area and vice versa.

Alternatively, the service could be eliminated from area rating. However, since this would not recognize the rationale explained above, this option is not recommended.

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**Conventional Transit (HSR)** – Currently, Transit is area rated based on route mileage within a former municipal (transit) boundary. Staff are proposing an urban / rural model for transit, however, in light of a current service review being undertaken, staff are proposing that the movement towards an urban/rural model of transit be deferred until 2015. This urban / rural model would continue to exempt properties which are not in the transit service area, however, would not differentiate between former area municipalities, resulting in one transit tax rate across the urban transit area. This recognizes the fact that bus routes are interlinked and cross former municipal boundaries – where access to one route essentially provides access to the entire transit system. One exception to this is the transit area in Waterdown, which not only has minimal transit service, but it is the only route that is not directly connected to the rest of the transit system. In this case, staff would consider that the cost of the Waterdown route be borne exclusively by the properties in the Waterdown urban area and not rolled into the cost of the entire transit system. As more transit service evolves, then this special treatment should be reconsidered.

Alternatively, the service could be eliminated from area rating. However, since this would not recognize the rationale explained above, this option is not recommended. Until such time as the transit service review is complete, staff are therefore proposing to maintain the status quo method of area rating this service.

**Other Services** – as directed by Council, staff reviewed the possibility of area rating other services which currently are not being area rated. A review of how services are provided in the City, in conjunction with a thorough survey of other municipalities in Ontario, resulted in the identification of two services that may be possible candidates for area rating – Street Lighting and Sidewalks. Consistent with other municipalities, the proposed method of area rating these services is based on an urban / rural model, whereby rural areas of the City would pay marginally towards Street Lighting and Sidewalks to reflect the lower level of service.

Sidewalk Snow Removal, which is currently being area rated to the urban/transit area of Ancaster (ward 12) should continue to be area rated as long as this enhanced service level is being provided exclusively to this area of the City. Other parts of the City, which are not receiving this enhanced service, should not be required to pay for this service.

**Combined Impacts** – Due to the number of area rating options (options for each of Culture & Recreation, Transit and Fire plus options to area rate Street Lights and Sidewalks), there are a multitude of possibilities for total tax impacts. For the purpose of this report, below are the total tax impacts for two combined scenarios: 1) area rating based on an urban / rural model and 2) full elimination of area rating. Status quo for all area rated services is also an option for Council and this would have no impact.

### **Urban / Rural Option**

Below are the total tax impacts of area rating based on an urban / rural model. This method of area rating more closely reflects how services are provided and is consistent with the area rating methodology used by many other municipalities in Ontario. Ideally there would be one urban / rural boundary, however, since the proposed method attempts to capture how services are actually provided, the “urban/rural” boundary for

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transit and sidewalk/streetlights differs slightly from the “urban/rural” boundary for fire (see appendix D3 to FCS09087). The slight difference is in recognition of the fact that there are parts of the City which may receive transit but are serviced by volunteer fire fighters or do not receive transit and are serviced by career fire fighters. Despite the variation in urban boundaries between these two groups of services, the majority of properties would be either fully urban or fully rural (Appendix A to this report identifies the residential property count by former area municipality). Of the total residential properties, 97% would be either fully urban (87.5%) or fully rural (9.5%), whereas 3% of the properties may be urban for one area rated service and rural for another.

Note that the impacts identified below assume the elimination of area rating for Culture & Recreation, as no urban / rural option is being proposed for this service. The impacts identified below also incorporate staff’s service staging recommendation, whereby the status quo is maintained for Transit (under “stage 1”), pending the results of the service review.

### Area Rating: Urban / Rural Scenario

Total Residential Tax Impact  
(based on a \$219,600 home)

#### Properties within URBAN / TRANSIT service area

2009 Total Taxes	STAGE 1						STAGE 2			
	New Total Taxes		\$ Change in Total Taxes		% Change in Total Taxes		New Total Taxes		\$ Change in Total Taxes	% Change in Total Taxes
	Urban <sup>1</sup>	Urban with Rural Fire	Urban <sup>1</sup>	Urban with Rural Fire	Urban <sup>1</sup>	Urban with Rural Fire	Urban <sup>1</sup>	Urban with Rural Fire		
Stoney Creek \$ 3,075	\$ 3,259	\$ 3,109	\$ 184	\$ 34	6%	1%	\$ 3,345	\$ 3,195	\$ 86	3%
Glanbrook \$ 2,921	\$ 3,280	\$ 3,130	\$ 359	\$ 209	12%	7%	\$ 3,345	\$ 3,195	\$ 65	2%
Ancaster \$ 3,148	\$ 3,243	\$ 3,093	\$ 95	\$ (55)	3%	-2%	\$ 3,349	\$ 3,199	\$ 106	3%
Hamilton \$ 3,486	\$ 3,391	N/A	\$ (95)	N/A	-3%	N/A	\$ 3,345	N/A	\$ (46)	-1%
Dundas \$ 3,118	\$ 3,243	N/A	\$ 125	N/A	4%	N/A	\$ 3,345	N/A	\$ 102	3%
Flamborough \$ 3,033	\$ 3,241	N/A	\$ 208	N/A	7%	N/A	\$ 3,241	N/A	\$ -	0%

#### Properties within RURAL / NON TRANSIT service area

2009 Total Taxes	STAGE 1						STAGE 2			
	New Total Taxes		\$ Change in Total Taxes		% Change in Total Taxes		New Total Taxes		\$ Change in Total Taxes	% Change in Total Taxes
	Rural <sup>2</sup>	Rural with Urban Fire	Rural <sup>2</sup>	Rural with Urban Fire	Rural <sup>2</sup>	Rural with Urban Fire	Rural <sup>2</sup>	Rural with Urban Fire		
Stoney Creek \$ 3,013	\$ 3,028	N/A	\$ 15	N/A	1%	N/A	\$ 3,028	N/A	\$ -	0.0%
Glanbrook \$ 2,838	\$ 3,028	\$ 3,178	\$ 191	\$ 341	7%	12%	\$ 3,028	\$ 3,178	\$ -	0.0%
Ancaster \$ 3,102	\$ 3,028	\$ 3,178	\$ (73)	\$ 77	-2%	2%	\$ 3,028	\$ 3,178	\$ -	0.0%
Hamilton \$ N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dundas \$ 3,071	\$ 3,028	\$ 3,178	\$ (43)	\$ 107	-1%	3%	\$ 3,028	\$ 3,178	\$ -	0.0%
Flamborough \$ 2,989	\$ 3,028	N/A	\$ 39	N/A	1%	N/A	\$ 3,028	N/A	\$ -	0.0%

NOTE: urban/rural boundary for Transit and Sidewalks/Streetlights does not align with the urban/rural boundary for Fire

#### The Urban/Rural model above:

Stage 1: full elimination of Culture & Recreation area rating, urban / rural area rating for Fire, Sidewalks / Streetlights (status quo for Ancaster Sidewalk Snow Removal and Transit)

Stage 2: urban / rural area rating for Transit

<sup>1</sup> Urban = Transit + Urban Fire + Urban Sidewalks + Urban Streetlights

<sup>2</sup> Rural = No Transit + Rural Fire + Rural Sidewalks + Rural Streetlights

% Change in Total Taxes based on 2009 Total Taxes

This method of area rating has a slight benefit or minimal impact on the rural areas of the City in recognition of the fact that rural areas typically receive a lower level of service. One exception is Glanbrook, whereby the current area rating system results in significantly lower costs (particularly for Fire and Culture & Recreation services) in Glanbrook compared to the other former area municipalities. Since the urban/rural model results in all rural properties paying the same, this results in more significant impacts for Glanbrook rural properties.

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Those most significantly affected by an urban/rural model would be the suburban areas of the former area municipalities. These areas currently receive service levels generally comparable to that of the former City of Hamilton, and as such, this option results in a tax shift from the former City of Hamilton onto these suburban areas.

In light of the significant tax impacts, staff is proposing to phase-in the tax impact of Stage 1 equally over four years (2011-2014) and Stage 2 equally over three years (2015-2017). The following table identifies the annual tax impacts as a result of this proposed phase-in plan.

URBAN	STAGE 1				STAGE 2		
	% Increase				% Increase		
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
Stoney Creek	1.5%	1.5%	1.5%	1.5%	0.9%	0.9%	0.9%
Glanbrook	3.1%	3.1%	3.1%	3.1%	0.7%	0.7%	0.7%
Ancaster	0.8%	0.8%	0.8%	0.8%	1.1%	1.1%	1.1%
Hamilton	-0.7%	-0.7%	-0.7%	-0.7%	-0.4%	-0.4%	-0.4%
Dundas	1.0%	1.0%	1.0%	1.0%	1.1%	1.1%	1.1%
Flamborough	1.7%	1.7%	1.7%	1.7%	0.0%	0.0%	0.0%

RURAL	% Increase				% Increase		
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
	Stoney Creek	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%
Glanbrook	1.7%	1.7%	1.7%	1.7%	0.0%	0.0%	0.0%
Ancaster	-0.6%	-0.6%	-0.6%	-0.6%	0.0%	0.0%	0.0%
Hamilton	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dundas	-0.4%	-0.4%	-0.4%	-0.4%	0.0%	0.0%	0.0%
Flamborough	0.3%	0.3%	0.3%	0.3%	0.0%	0.0%	0.0%

**Stage 1:** Elimination of area rating C&R, urban/rural area rating for Fire, urban/rural area rating for Sidewalks & Streetlights - Phased-in over 4 years (2011-2014)

**Stage 2:** urban/rural area rating for Transit - Phased-in over 3 years (2015-2017)

**% change based on 2009 taxes**

**URBAN** = transit + urban fire + urban sidewalk + urban streetlights

**RURAL** = no transit + rural fire + rural sidewalk + rural streetlights

The above table identifies the annual tax impacts for properties within the fully urban or fully rural areas (which comprises 97% of the total residential properties). Appendix A to this report identifies the annual tax impacts (both % and \$) for all residential properties under this proposed phase-in plan. Appendix A to this report also identifies the number of residential properties for each of the tax impacts under this urban / rural model and corresponding percentage of the total residential properties within each former area municipality.



**Full Elimination Option**

As shown below, the full elimination of area rating has a significant tax impact, as it results in all Residential taxpayers paying the same tax rate, regardless of where they reside in the City. Based on 2009 budgeted costs and assuming the city-wide average residential assessment, this would result in all residential taxpayers paying \$3,305 (based on CVA of 219,600). The greatest impacts are seen in the rural areas which currently do not pay for transit, but now would under this full elimination scenario.

**Area Rating: Full Elimination Scenario for all Services**

**Total Residential Tax Impact**  
*(based on a \$219,600 home)*

**Properties within URBAN / TRANSIT service area**

	2009 Total Taxes	Total Taxes	\$ Change in Total Taxes	% Change in Total Taxes
Stoney Creek	\$ 3,075	\$ 3,305	\$ 229	7%
Glanbrook	\$ 2,921	\$ 3,305	\$ 384	13%
Ancaster	\$ 3,148	\$ 3,305	\$ 157	5%
Hamilton	\$ 3,486	\$ 3,305	\$ (182)	-5%
Dundas	\$ 3,118	\$ 3,305	\$ 187	6%
Flamborough	\$ 3,033	\$ 3,305	\$ 272	9%

**Properties within RURAL / NON TRANSIT service area**

	2009 Total Taxes	Total Taxes	\$ Change in Total Taxes	% Change in Total Taxes
Stoney Creek	\$ 3,013	\$ 3,305	\$ 292	10%
Glanbrook	\$ 2,838	\$ 3,305	\$ 467	16%
Ancaster	\$ 3,102	\$ 3,305	\$ 203	7%
Hamilton	N/A	N/A	N/A	N/A
Dundas	\$ 3,071	\$ 3,305	\$ 233	8%
Flamborough	\$ 2,989	\$ 3,305	\$ 316	11%

The full elimination of area rating would spread the cost of municipal tax-based services evenly across the entire City, under the assumption that all taxpayers benefit, to some extent, from these City services. This option, however, may result in pressure to increase services (i.e. transit, fire) to areas which currently receive less or no service. This could ultimately result in a tax increase for all residents. It should be noted that a significant number of Ontario municipalities surveyed do not area rate any services.

**Public Consultation / Information Session**

Council has directed staff to report back on *“the process for an information sharing and public consultation plan for area rating services received in all communities”*. In response to this directive, Council could consider all or some of the following public consultation elements;

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- ◆ Include area rating in the “Hot Topics” section of the City of Hamilton’s website ([www.hamilton.ca](http://www.hamilton.ca)), with links to staff reports CM08022 “Area Rating Policy Update” and FCS09087 “Area Rating Options” and corresponding presentations to Committee of the Whole. Further information provided on the City’s website may include:
  - A short summary “pamphlet”
  - An e-mail address ([arearating@hamilton.ca](mailto:arearating@hamilton.ca)) for feedback and comments
- ◆ Hold three public meetings (south, east and west) to make presentations and allow for public delegations, or conduct public meetings in each former area municipality or all current wards.
- ◆ Follow-up report to Committee of the Whole summarizing public feedback received from e-mail and public delegations, as well as any additional information and/or adjustments, if necessary, to the area rating models proposed in staff report FCS09087 “Area Rating Options”.
- ◆ Council deliberations and final approval of Area Rating Policy for implementation in taxation year 2011.

Council can direct staff on alternative consultation options, including expanding the public consultation. Timelines would have to be determined based on the level of consultation/communication requested. The basis for a particular consultation process and the resulting scope/extent, depends on the intent of the consultation. For example, is it a forum to provide information and the rationale for change, or should it be a forum to engage the public and solicit new ideas and feedback. Council needs to make this determination.

### **BACKGROUND:**

#### **Principles:**

The basic approach to the review of area rating reflects the following two underlying principles:

1. **Revenue Neutral Overall** – assumes the same tax levy regardless of the area rating option. Area rating does not generate additional taxes for the City as a whole.
2. **Service Delivery Drives Taxes** – how a service is delivered can impact how it is appropriately taxed, not vice-versa. None of the area rating options presented require change in service delivery.

**Definition of Area Rating:**

Area rating is used as a means to mitigate differences in:

- ◆ services provided and service levels;
- ◆ cost to deliver the service; and
- ◆ user fees for the same service.

Area rating is intended to account for either significant differentials in service levels or costs of providing services between different parts of the City. The cost of an area rated service could include: all operating costs, capital financing charges if applicable, all related user fees/revenues and appropriate charges for indirect program costs (i.e. administration / overhead). Generally, in the absence of area rating, similarly assessed properties would pay the same level of property taxes city-wide. Conversely, in the presence of area rating, similarly assessed properties pay different levels of property taxes depending on the level of services provided in their specific area.

It is recognized that no tax system can be made to create a perfect one to one relationship between services used and a homeowner's taxes, nor should it because taxes are the means by which society funds services that have a wide public benefit.

The City of Hamilton, as a restructured municipality, has two sources of legislation for area rating – the Municipal Act and the City of Hamilton Act (relevant sections of both Acts and related regulation are attached as Appendix C). At the present time, the City would mainly use the Municipal Act (Section 326) for any revisions to the current area rating policy, as the City of Hamilton Act has time restrictions, which, for the most part, have expired.

Provincial legislation allows the area rating of an identifiable “special service”. A “special service” is defined in the Municipal Act (Section 326) as:

*“a service or activity of a municipality or a local board of the municipality that is,*  
*(a) not being provided or undertaken generally throughout the municipality, or*  
*(b) being provided or undertaken at different levels or in a different manner in*  
*different parts of the municipality.”*

Previously, the Province dictated which services could be identified as a “special service”. This list of eligible special services was revoked with the introduction of Ontario Regulation 585/06 (attached as Appendix C) which now states the services that cannot be identified as a “special service”. To date, the only service identified in this regulation is health programs and services. All other services, as long as they meet the definition of a special service, can now be area rated.

**History of Area Rating in Hamilton:**

Area rating is not new as a result of amalgamation. Prior to amalgamation, the former Region of Hamilton-Wentworth area rated Transit, Waste Management, Libraries and Storm Sewers. Below is a brief description of how these services were area rated by the former Region:

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- ◆ **Transit** was provided on a fee-for-service basis (prior to 1998) by the former Regional Government based on each of the former local area municipality's desired level of service. In 1998, a new cost allocation formula for Transit was approved based on 50% route/service mileage and 50% weighted urban assessment of each former area municipality. Since the apportionment was not solely on service mileage, this resulted in some urban areas paying for, but not receiving, Transit service (primarily urban areas of Flamborough and Glanbrook).
- ◆ **Waste Management** (garbage disposal/recycling) was allocated based on the former local area municipality's tonnage. For example, if the former town of Ancaster accounted for 5% of the total tonnage, Ancaster would have been levied 5% of the total Waste Management budget. Note: garbage collection was provided at the local municipal level.
- ◆ **Libraries** were area rated only to the former area municipalities of Stoney Creek, Glanbrook, Ancaster and Flamborough for costs associated with the Wentworth Library Board. Similarly assessed properties within these four former area municipalities paid the same property taxes for Libraries. The former area municipalities of Hamilton and Dundas each had their own respective Library Boards, thus they were not levied for Libraries by the Regional Government.
- ◆ **Storm Sewers** were allocated exclusively to the former area municipality of Hamilton. If applicable, Storm Sewer costs in the remaining former area municipalities were provided at the local municipal level.

Services such as Fire, Parks, Recreation and Garbage Collection were provided exclusively at the local area municipal level, therefore not part of Regional Government. None of the six former area municipalities area rated any of their services.

With the Province's decision to amalgamate the City of Hamilton, came much discussion with respect to area rating. Special Advisor David O'Brien's report to the Minister of Municipal Affairs and Housing (Local Government Reform for Hamilton-Wentworth, November 1999) stated:

*"Area rating of certain specific municipal services is a mechanism which allows a municipality to provide varying levels of service to different areas and recover the costs of such services in a fair and equitable manner. In a restructured municipality, areas not receiving services (public transit), or areas not receiving similar service levels (fire services) should not be required to pay the same property tax as those benefiting from such services or higher service levels. It is important however to recognize that such services as culture and recreation (including libraries) are generally equally available to all residents of a municipality and as such may not be good candidates for area rating. Accordingly, the cost of such services should be shared equally by the general taxpayer"*

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Accordingly, Mr. O'Brien's recommendation on area rating stated: *"That the new City of Hamilton area rate **transit** and **fire** to reflect the service or level of service received and that services such as culture and recreation, including libraries, which are generally available to all residents of the municipality, not be area rated."*

The joint City of Hamilton/Region of Hamilton-Wentworth submission agreed with area rating transit and fire, but contrary to the Special Advisor's recommendation, also recommended the area rating of culture and recreation and libraries.

When the City amalgamated in 2001, staff examined all potential services as possible candidates for area rating. Ultimately, City Council approved the area rating of the following services: Transit, Fire, Culture & Recreation, Storm Sewers, Senior's Tax Credit, Slot Revenues and Financial Adjustments. The rationale for area rating these specific services is stated as follows (staff report FCS01015D "Final 2001 CVA Reassessment, Amalgamation and Phase-in Tax Impacts", July 2001):

*"Transit and storm sewer services are recommended for area rating because, unlike other programs, these services are not available in all areas of the new City. The provision and cost of fire protection services are not uniform throughout the new City, so staff is also recommending area rating. The other services formed part of the Mayor's compromise budget proposals because of differences in program needs, user fees and service levels. These services are currently under review by staff and Council, so area rating would remain in effect until such time as these differences are addressed and future policy direction established by Council."*

The 2001 staff report (FCS01015D) also commented on the appropriateness of area rating over the long term, stating: *"...as service levels, service delivery, costs and user fees are equalized, area rating of certain programs may not be appropriate in the long run. As a result, area rating may be viewed / used simply as an interim measure to help moderate the movement towards amalgamation."* In effect, the area rating of these specific services, coupled with a five-year phase-in plan for Residential tax increases/decreases, mitigated the 2001 tax impacts of both amalgamation and reassessment – whereby *"no former area municipality saw residential tax increases as a whole increase due to reassessment and amalgamation in excess of 2.4% [for 2001]"*. The report, however, did suggest that area rating along former municipal boundaries may not truly reflect how some services were being delivered.

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The table below identifies the services area rated since 2001.

Year	Services Area Rated in the City of Hamilton
<b>2001</b>	Transit, Fire, Culture & Recreation, Storm Sewers, Senior's Tax Credit, Slot Revenues and Financial Adjustments
<b>2002</b>	same as 2001, <b>except removal of Senior's Tax Credit</b> (established a new city-wide program)
<b>2003</b>	no change, same as 2002
<b>2004</b>	same as 2003, <b>except removal of Financial Adjustments</b>
<b>2005</b>	no change, same as 2004
<b>2006</b>	same as 2005, <b>except removal of Storm Sewers</b> (transferred to the rate budget = no longer on property taxes, now included in water/sewer rates)
<b>2007</b>	no change, same as 2006
<b>2008</b>	same as 2007, <b>except removal of Slot Revenues and addition of Sidewalk Snow Removal</b> (ward 12 only – flat fee from 2005 to 2007) <b>and Loan Repayment for Parkland Purchases</b> (added to Culture & Recreation area rated levy)
<b>2009</b>	no change, same as 2008 ( <b>added additional Loan Repayment for Parkland Purchases</b> )

As shown above, the services that remain area rated in 2009 are: Transit, Fire, Culture & Recreation (includes debt repayment for parkland purchases) and Sidewalk Snow Removal (Ancaster Ward 12 only). The methodology of how the three main services are area rated, which is summarized below, has remained unchanged since 2001. Since amalgamation, these three main services have been area rated based on former area municipal boundaries.

- ◆ **Culture & Recreation** – operating costs of each facility (i.e. pools, recreation centres, museums, etc.) is allocated to the former area municipality in which the facility is physically located in, regardless of who uses the programs offered by the facility. City-wide overhead costs (i.e. administration) are then allocated to each former area municipality based on their respective share of direct facility costs.
- ◆ **Fire** – Full-time fire suppression costs are allocated based on a former area municipality's share of the total number of career fire fighters determined by the fire station's location. Part-time fire suppression costs are allocated based on a former area municipality's share of the total number of volunteer fire fighters determined by the fire station's location. Direct station costs (utilities, etc) are allocated to the former area municipality in which the station is located in. Finally, general overhead costs such as administration, training, fire prevention, etc, are allocated based on the former area municipality's share of the combined full-time (career) and part-time (volunteer) fire fighters. This current formula does not take into account the movement of both fire fighters and equipment between former area municipalities or the fact that the primary response areas of each fire station may cross former municipal boundaries.

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- ◆ **Transit** – Council redefined the Urban Transit boundary in recognition that properties, primarily in the rural areas of the City that did not receive Transit Service, should not pay for Transit. This Transit Service Area was developed using the urban boundary with some exceptions - excludes urban areas that do not receive transit, includes rural areas which receive transit (trans-cab). Over the years, the transit boundary has expanded with the introduction of new routes. The total cost of Conventional Transit (excluding Specialized Transit - DARTs) is allocated based exclusively on transit service mileage within former area municipal boundaries. For example if 12% of the total transit service mileage is within the former boundary of Stoney Creek, properties within the Transit Service Area of the former municipality of Stoney Creek are allocated 12% of the total Conventional Transit net cost. The formula or mechanism therefore does not take into consideration that a rider can start his/her trip in one former area municipality but end in another.

**Current Impact of Area Rating:**

To illustrate the results of area rating based on the current methodology, the following Table identifies what a residential property pays for each of the area rated services based on the city-wide average residential assessment of \$219,600 (using the 2009 approved area rated tax rates).

***Taxes based on a \$219,600 home (city-wide average)***

	Transit <sup>1</sup>	Culture & Recreation	Fire	Sidewalk Snow Removal <sup>2</sup>
Stoney Creek	\$ 62	\$ 74	\$ 197	\$ -
Glanbrook	\$ 83	\$ 34	\$ 63	\$ -
Ancaster	\$ 42	\$ 99	\$ 261	\$ 4
Hamilton	\$ 195	\$ 190	\$ 360	\$ -
Dundas	\$ 46	\$ 99	\$ 231	\$ -
Flamborough	\$ 44	\$ 56	\$ 191	\$ -

<sup>1</sup> Transit is only charged if the property is in the transit service area

<sup>2</sup> Sidewalk Snow Removal is charged if the property is in the transit service area of ward 12 only

As shown above, there are six different tax rates for each of the area rated services, which simply align to the former area municipalities. This method of area rating does not necessarily reflect how these services are provided today, as it simply allocates costs to each former area municipality based on the physical location of these services (i.e. physical location of a bus route, a pool, a golf course, a fire station, etc), ignoring the fact that benefiting taxpayers would not be restricted to just those within the former area municipal boundary of where these facilities/services are physically located.

**General Principles of Property Taxation:**

Property tax is a function of both a property's assessed value (CVA) and the municipal and education tax rates (assessment x tax rate).

Below is an example (using 2009 approved tax rates) of a residential property located in the Transit Service Area of Ward 13 (former Town of Dundas).

<p><b>Property's Residential Assessed Value (CVA)</b></p> <p>\$219,600</p>	X	<p><b>Residential Tax Rate</b></p> <p><u>Municipal: General</u> <b>0.996%</b></p> <p>+</p> <p><u>Municipal: Area-Rated</u> <b>0.105% (Fire)</b></p> <p>+</p> <p><b>0.045% (C&amp;R)</b></p> <p>+</p> <p><b>0.021% (Transit*)</b></p> <p>+</p> <p><u>Provincial Education</u> <b>0.252%</b></p> <p>=</p> <p><b>Total Tax Rate</b> <b>1.420%</b></p>	=	<p><b>Residential Property Taxes</b></p> <p><u>Municipal: General</u> <b>\$2,188</b></p> <p>+</p> <p><u>Municipal: Area-Rated</u> <b>\$231 (Fire)</b></p> <p>+</p> <p><b>\$99 (C&amp;R)</b></p> <p>+</p> <p><b>\$46 (Transit*)</b></p> <p>+</p> <p><u>Provincial Education</u> <b>\$553</b></p> <p>=</p> <p><b>Total Property Taxes</b> <b>\$3,118</b></p>
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\* only applicable to properties in the Transit Service Area

Property taxes are comprised of Municipal and Education taxes. For municipalities that apply area rating, Municipal taxes are broken down into "General" and "Area-Rated" services. The General Municipal tax rate is the same for all residential taxpayers and includes City services that are not area rated (i.e. Police, Health & Community Services, Roads, Parks, Administrative Services, etc.). A similar assessed home pays the same for these General Municipal services regardless of where the property resides in the City of Hamilton. Area-rated municipal services (2009 = Fire, Culture & Recreation and Transit) currently differ depending on which former area municipality the property is located in. The Education tax rate is set by the Province, although the City collects these education taxes on behalf of the Province. There is one province-wide residential education tax rate that applies to all Ontario homeowners.

Although all residential properties in the City of Hamilton pay the same Municipal General and Provincial Education tax rate, the actual Municipal General and Provincial Education property taxes depends on the property's assessed value (CVA). This assessed value (CVA) reflects the value of your home and is determined by the Municipal Property Assessment Corporation (MPAC), a Provincial agency, and not the City of Hamilton. Since taxes are based on current value assessment, the higher the current value of your home, the higher your property taxes. These higher property taxes



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do not translate into a higher level of service. Simply, all City of Hamilton residential taxpayers pay the same *tax rate* for “general municipal services” and education taxes, however actual *property taxes* depends on the assessed value of the home. This is not unique to Hamilton – it is the system of taxation in Ontario and the rest of Canada.

It should be stressed that simply because a taxpayer does not utilize a specific service, it does not suggest that the taxpayer should not pay for the service. If the service is being provided generally across the city, it would not meet the definition of a “special service”, hence all taxpayers would pay for the service equally, regardless of the fact that one taxpayer may use the service more than another. Property taxes are not a fee for service, but a way of distributing the cost for local public services and programs throughout the municipality. Note that in addition to property taxes, if applicable, taxpayers are also responsible for water/sewer charges – these charges are not included in the property tax bill. Unlike property taxes, water/sewer charges are a “user fee” – based exclusively on a homeowner’s usage. Rural residents not connected to the City’s water/sewer system would therefore not be billed water/sewer charges.

### **ANALYSIS/RATIONALE:**

#### **Culture & Recreation**

The current method of area rating Culture and Recreation allocates costs between former area municipalities, primarily based on where facilities / programs are located. For example, the cost of operating an arena in Ancaster is borne by the residents of Ancaster. However, the programs available at that facility are available to all City residents and potentially non-residents. In Culture, the examples are similar - all residents and visitors to the City have access to Dundurn Castle, which is currently area rated only to the former City of Hamilton. Five of these cultural facilities are designated national historic sites. Statistics show that 40%-70% of the visitors to these designated national historic sites are non-residents (from other municipalities, provinces and countries).

Culture and Recreation facilities and programs are available to all City of Hamilton residents regardless of where in the municipality they reside. The catchment area for these facilities and programs extends beyond former area municipal boundaries. Unlike in 2001, when this service was selected for area rating, 96% of user fee revenues collected have now been harmonized throughout the City. Staff have concluded that this service no longer meets the definition of a “special service” and are recommending to eliminate it from area rating. Any service deficiency in certain parts of the City should be addressed through Council policy or program delivery, and not through area rating. Outside the City of Hamilton, of the municipalities surveyed (see Appendix B), none area rate Culture & Recreation.

Three options were identified for Culture & Recreation. Status quo, elimination (including no area rating of parkland purchases) and elimination (but continue area rating parkland purchases). An urban/rural model, as identified for Transit and Fire services, was not identified for Culture & Recreation as it does not accurately reflect how services are provided. Appendix A highlights the resulting tax impacts of each area rating option, however the table below highlights the tax impact for the proposed option of eliminating

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Culture & Recreation from area rating. Note that commencing in 2008, the debt repayment for some parkland purchases have been rolled into the Culture & Recreation area rated levy – the option below includes the elimination of area rating debt repayment for parkland purchase as well. Council would have the option to continue to area rate just the debt repayment for parkland purchases. The impact of this latter option is included in Appendix A.

As shown below, the residential tax impact of this option varies from a reduction of -1.4% in the former City of Hamilton to increases ranging from 1.3% to 3.8% in the remaining former area municipalities.

**CULTURE & RECREATION**

2009 Net Service Levy = \$33.3 million

Total Residential Tax Impact

*(based on a \$219,600 home)*

**RECOMMENDATION:**

**ELIMINATE FROM AREA RATING** (includes elimination of area rating special levy for parkland)

	2009 Final Total Taxes		Culture & Recreation				\$ change in C&R		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009		Eliminate		Urban/ Transit	Rural/No Transit	Urban/ Transit	Rural/No Transit
			U/T	R/nT	U/T	R/nT				
Stoney Creek	\$ 3,075	\$ 3,013	74	74	141	141	67	67	2.2%	2.2%
Glanbrook	\$ 2,921	\$ 2,838	34	34	141	141	108	108	3.7%	3.8%
Ancaster	\$ 3,148	\$ 3,102	99	99	141	141	42	42	1.3%	1.4%
Hamilton	\$ 3,486	N/A	190	N/A	141	N/A	(49)	N/A	-1.4%	N/A
Dundas	\$ 3,118	\$ 3,071	99	99	141	141	42	42	1.4%	1.4%
Flamborough	\$ 3,033	\$ 2,989	56	56	141	141	85	85	2.8%	2.9%

U/T = Properties located within Urban/Transit service area; R/nT = Properties located within Rural/No Transit service area

As shown above, with the current method of area rating Culture & Recreation costs, a home assessed at \$219,600 pays anywhere from \$34 to \$190 for Culture & Recreation services in 2009. Eliminating the area rating of Culture & Recreation results in all homes assessed at \$219,600 paying \$141, regardless of where the property is located.

Staff are proposing that area rating of all Culture and Recreation program costs (including parkland purchases) be discontinued. The “Alternatives for Consideration” section of this report highlights the pros and cons of the three options for Culture & Recreation.

**Fire**

In the City of Hamilton, Fire Service is delivered through a composite workforce – meaning both career (full-time) and volunteer (part-time) fire fighters. This service delivery model recognizes the unique urban and rural areas within the City. Some fire stations in the City have only career fire fighters, others have a combined career and volunteer workforce, while others are manned solely by volunteers. Although staffing (career, composite, volunteer) may defer depending on where the fire station is located, personnel and equipment are not restricted to specific areas or former area municipalities. Depending on the emergency, personnel and equipment can be deployed to any part of the City in order to maintain a desired level of service across the entire City.

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Each fire station has a “primary response area”. These primary response areas do not necessarily reflect former municipal boundaries. The Primary Response Areas for fire stations manned exclusively by full-time (career) fire fighters extend beyond the former City of Hamilton boundary and into urban areas of Dundas, Ancaster, Glanbrook and Stoney Creek. Fire stations manned by a composite work force, have the same career resources (fully staffed with Career fire fighters 24 hours a day -7 days a week), however they are supplemented by volunteers as well. Statistics show that for the most part, the urban areas of composite stations are serviced primarily by career fire fighters – similar to other urban areas of the City.

Continuing to area rate Fire Services based on former area municipal boundaries does not accurately reflect the level or cost of providing Fire Services across the City. For example, the cost of providing fire services in the rural area is lower, while the response times slower. Conversely, the cost of fire services in the urban area are higher, but the response times faster. Staff have reviewed the suitability of area rating Fire Services based on how Fire service is actually being provided – by a composite workforce (Career vs. Volunteer). Staff are proposing that Fire Services no longer be area rated based on former area municipality, but rather based on an urban/rural boundary in relation to the fire stations’ primary response areas. For composite primary response areas, the career costs would be allocated to the urban portion of the composite primary response area, while volunteer costs would be allocated to the rural portion of the composite primary response area. This would reflect the predominate resource that responds in these specific areas.

In addition, staff are considering an allocation method which recognizes that both career and volunteer fire fighters cross urban / rural boundaries (therefore the rural area would be allocated a portion of Career fire fighter costs and the urban area would be allocated a portion of Volunteer fire fighter costs). The allocation is based on Fire Services data which tracks the response of each call. Accordingly, the proposed option best creates a tax model that fairly represents the cost of fire services and how they are delivered.

Appendix A identifies the resulting tax impacts of the three area rating options identified for Fire, however the table below highlights the tax impact for the proposed option of area rating based on an urban/rural model.

**FIRE**

2009 Net Service Levy = \$69.0 million

Total Residential Tax Impact  
(based on a \$219,600 home)

**RECOMMENDATION:**  
**URBAN / RURAL OPTION**

	2009 Final Total Taxes		Fire				\$ change in Fire		% change in Total Taxes			
	Urban/ Transit	Rural/ No Transit	2009		Eliminate		Urban Fire	Rural Fire	Urban/ Transit		Rural/ No Transit	
			U/T	R/nT	U/F	R/F			Urban Fire	Rural Fire	Urban Fire	Rural Fire
Stoney Creek	\$ 3,075	\$ 3,013	197	197	312	162	115	(35)	3.8%	-1.1%	N/A	-1.2%
Glanbrook	\$ 2,921	\$ 2,838	63	63	312	162	250	100	8.6%	3.4%	8.8%	3.5%
Ancaster	\$ 3,148	\$ 3,102	261	261	312	162	51	(99)	1.6%	-3.1%	1.6%	-3.2%
Hamilton	\$ 3,486	N/A	360	N/A	312	N/A	(48)	N/A	-1.4%	N/A	N/A	N/A
Dundas	\$ 3,118	\$ 3,071	231	231	312	162	81	(69)	2.6%	N/A	2.7%	-2.2%
Flamborough	\$ 3,033	\$ 2,989	191	191	312	162	121	(29)	4.0%	N/A	N/A	-1.0%

U/T = Properties located within Urban/Transit service area; R/nT = Properties located within Rural/No Transit service area  
U/F = Properties located within Urban/Fire service area; R/F = Properties located within Rural/Fire service area

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As identified above, Fire is currently area rated along former area municipal boundaries (under “Fire 2009” each municipality is paying a different rate). Under this current model, all properties within a former area municipal boundary pay the same rate for fire service regardless of the fact that some parts of that former area municipality are manned predominately by Volunteer fire fighters and other parts predominately by Career fire fighters.

The recommended urban/rural option accounts for this composite workforce and would result in just two fire tax rates (compared to six currently) – one for all properties serviced predominately by Career fire fighters (Urban Fire Area) and a second, lower rate for all properties serviced predominately by Volunteer fire fighters (Rural Fire Area). This would result in residential properties in the urban fire area paying \$312, compared to \$162 in the rural fire area (based on 2009 costs and a home assessed at \$219,600).

With the exception of Glanbrook, all other rural fire areas of the City would benefit from this method of area rating. Properties in the urban fire area, with the exception of Hamilton, would experience increases ranging from 1.6% to 8.8%. The main reason for the significant increase in Glanbrook is that the current method of area rating does not allocate any Career fire fighter costs to Glanbrook (as there are no “career” or “composite” fire stations physically located in Glanbrook), even though Career fire fighters do currently service parts of Glanbrook (primary response areas for career fire stations on Hamilton mountain and composite fire station in Stoney Creek extend into Glanbrook). This is reflected in the 2009 fire taxes, in which Glanbrook’s fire taxes of \$63 on an average home is significantly lower than all other former area municipalities. Had Glanbrook been allocated just 2% of the total Career fire fighter costs in 2009, the impact of the recommended urban/rural model would be consistent with the impacts experienced in the other suburban municipalities.

The “Alternatives for Consideration” section of this report highlights the pros and cons of the three options for Fire.

**Conventional Transit (HSR)** – The current method of area rating conventional transit allocates costs to each former area municipality wholly based on their respective share of the total transit service mileage. This allocation is calculated by dividing the Transit net cost by the mileage in the service area of each former area municipality. This results in six different tax rates for transit.

Properties outside the current defined Urban Transit Service Area do not receive Transit Service and are not taxed for conventional transit, while areas within this Urban Transit Service Area may receive varying levels of service. The current level of service recognizes the different service needs across the City and is not unique to Hamilton. Different levels of transit service is seen in all municipalities, however not all municipalities necessarily area rate transit. Although some differences may exist across the City, bus routes cross former municipal boundaries and essentially link the City together. The transit system works as a network – bus routes are interlinked and access to one route essentially provides access to the entire system.

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Although there are some “common good” benefits (environmental, economic and social) of public transit to the City as a whole, staff are not recommending the elimination of area rating transit, as clearly the direct benefit lies within the current service area. Ideally, staff would be proposing an urban / rural area rating model which simply establishes one transit rate within the Transit Service Area (Urban) and continues not to charge properties outside the Transit Service Area (Rural). All properties within the Transit boundary would pay the same rate for transit, with one exception - the Waterdown area. The Waterdown transit service is clearly unique compared to the rest of the transit service area. Service duration and frequency is very limited and the route is not directly connected to other HSR routes (limited indirect access by way of the Burlington transit system). For this reason, staff are recommending that the cost of the Waterdown route should be borne exclusively by the properties in Waterdown and not rolled into the cost of the entire transit system.

The following table highlights the residential tax impacts of this staff recommendation.

**TRANSIT (maintain existing transit boundary)**

2009 Net Service Levy = \$30.5 million

Total Residential Tax Impact

*(based on a \$219,600 home)*

**RECOMMENDATION:**

**URBAN / RURAL + WATERDOWN OPTION**

	2009 Final Total Taxes		Transit				\$ change in Transit		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009		Urban / Rural		Urban/ Transit	Rural/No Transit	Urban/ Transit	Rural/No Transit
			U/T	R/nT	U/T	R/nT				
Stoney Creek	\$ 3,075	\$ 3,013	62	-	148	-	86	-	2.8%	0.0%
Glanbrook	\$ 2,921	\$ 2,838	83	-	148	-	65	-	2.2%	0.0%
Ancaster	\$ 3,148	\$ 3,102	42	-	148	-	106	-	3.4%	0.0%
Hamilton	\$ 3,486	N/A	195	N/A	148	N/A	(46)	N/A	-1.3%	N/A
Dundas	\$ 3,118	\$ 3,071	46	-	148	-	102	-	3.3%	0.0%
Flamborough	\$ 3,033	\$ 2,989	44	-	44	-	-	-	0.0%	0.0%

U/T = Properties located within Urban/Transit service area; R/nT = Properties located within Rural/No Transit service area

Generally, properties that are not currently being charged for transit, will continue not to be charged for transit, and therefore experience no impact. Properties in the Urban/Transit area would experience a total tax impact varying from a reduction of -1.3% in Hamilton to increases ranging from 0.0% in Flamborough to 3.4% in Ancaster.

In light of a current services review being undertaken by Transit, staff are recommending that the above urban/rural method of area rating transit no be implemented until 2015. Until such time, staff are proposing to maintain the status quo for area rating Transit, giving adequate time for the services review to be completed and forthcoming recommendations/action items to be considered.

Appendix A identifies the resulting tax impacts of the three area rating options identified for Transit. Pros and Cons of each option are identified in the “Alternatives for Consideration” section of this report.

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**Other Services**

Sidewalk Snow Removal is currently being area rated to the urban/transit area of Ancaster (ward 12). Staff recommend continuing to area rate as long as this enhanced service is being provided exclusively to this area of the City.

Based on the staff survey of other municipalities (Appendix B), Street Lighting and Sidewalks are also viable candidates for area rating. These services would fit well into an urban / rural model. Essentially rural areas have minimal sidewalks and street lighting. The total value of the combined net service levy is only \$6.9 million; \$4.4 million for streetlights and \$2.5 million for sidewalks. As shown in the following tables, the impacts of area rating these services is minimal, with virtually no impact to the urban areas, and a minor reduction to the rural areas (a -0.3% reduction for sidewalks and an additional -0.3% for street lighting).

**SIDEWALKS (2009 not area rated - on the General Levy)**

2009 Net Service Levy = \$2.5 million

Total Residential Tax Impact  
(based on a \$219,600 home)

**RECOMMENDATION:**  
URBAN / RURAL

	2009 Final Total Taxes		Sidewalks				\$ change in Sidewalks		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009		Urban / Rural		Urban Sidewalks	Rural Sidewalks	Urban/ Transit	Rural/No Transit
			U/T	R/nT	U/SW	R/SW				
Stoney Creek	\$ 3,075	\$ 3,013	11	11	12	2	1	(9)	0.0%	-0.3%
Glanbrook	\$ 2,921	\$ 2,838	11	11	12	2	1	(9)	0.0%	-0.3%
Ancaster	\$ 3,148	\$ 3,102	11	11	12	2	1	(9)	0.0%	-0.3%
Hamilton	\$ 3,486	N/A	11	N/A	12	N/A	1	N/A	0.0%	N/A
Dundas	\$ 3,118	\$ 3,071	11	11	12	2	1	(9)	0.0%	-0.3%
Flamborough	\$ 3,033	\$ 2,989	11	11	12	2	1	(9)	0.0%	-0.3%

U/T = Properties located within Urban/Transit service area; R/nT = Properties located within Rural/No Transit service area  
U/SW = Properties located within Urban/Sidewalks service area; R/SW = Properties located within Rural/Sidewalks service area

**STREETLIGHTS (2009 not area rated - on the General Levy)**

2009 Net Service Levy = \$4.4 million

Total Residential Tax Impact  
(based on a \$219,600 home)

**RECOMMENDATION:**  
URBAN / RURAL

	2009 Final Total Taxes		Streetlights				\$ change in Streetlights		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009		Urban / Rural		Urban Sidewalks	Rural Sidewalks	Urban/ Transit	Rural/No Transit
			U/T	R/nT	U/SL	R/SL				
Stoney Creek	\$ 3,075	\$ 3,013	18	18	19	11	1	(8)	0.0%	-0.3%
Glanbrook	\$ 2,921	\$ 2,838	18	18	19	11	1	(8)	0.0%	-0.3%
Ancaster	\$ 3,148	\$ 3,102	18	18	19	11	1	(8)	0.0%	-0.3%
Hamilton	\$ 3,486	N/A	18	N/A	19	N/A	1	N/A	0.0%	N/A
Dundas	\$ 3,118	\$ 3,071	18	18	19	11	1	(8)	0.0%	-0.3%
Flamborough	\$ 3,033	\$ 2,989	18	18	19	11	1	(8)	0.0%	-0.3%

U/T = Properties located within Urban/Transit service area; R/nT = Properties located within Rural/No Transit service area  
U/SL = Properties located within Urban/Streetlights service area; R/SL = Properties located within Rural/Streetlights service area

It should be noted that some rural areas of the City do have Sidewalks and Street Lights – area rating based on a urban/rural model would simply reflect the fact that there is a significantly higher concentration of Sidewalks and Street Lights in the urban area (costs would be allocated based on a ratio of sidewalks / light poles in urban versus rural).

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With respect to Sidewalks, area rating based on an urban/rural model recognizes the fact that sidewalks are predominately in the urban area, however does not take into account that there are pockets within the urban area which do not have sidewalks.

**ALTERNATIVES FOR CONSIDERATION:**

This section of the report highlights the pros and cons of each of the area rating options identified for each service.

**Culture & Recreation**

Area Rating Options for Culture & Recreation	PROS	CONS
<p><b>1. Status Quo</b></p>	<ul style="list-style-type: none"> <li>No tax impact to any former area municipality</li> </ul>	<ul style="list-style-type: none"> <li>Does not reflect how services are being provided</li> <li>Does not take into account that usage of facilities and programs cross former municipal boundaries</li> <li>May not meet the definition of a "special service" as defined in the Municipal Act</li> <li>No evidence of any other municipality in Ontario area rating C&amp;R</li> </ul>
<p><b>2. Eliminate from Area Rating (includes the elimination of area rating debt repayment for parkland purchases)</b></p>	<ul style="list-style-type: none"> <li>Reflects the fact that all taxpayers have access to all C&amp;R facilities / programs and that user fee revenues have been largely harmonized across the City</li> <li>Catchment area for these facilities / programs extend beyond former area municipal boundaries and beyond urban / rural areas</li> <li>Adherence to area rating legislation</li> <li>Consistent with other municipalities in Ontario (no evidence of any other municipality area rating C&amp;R)</li> <li>Allows for the development of a policy to treat parkland purchases consistently across the City</li> </ul>	<ul style="list-style-type: none"> <li>Tax impact to suburban municipalities ranging from 1.3% to 3.8%</li> <li>May cause pressure for more localized facilities/programs in areas currently with limited or no programs</li> <li>Does not provide a mechanism for areas/wards to provide for and fund special or local projects</li> </ul>
<p><b>3. Eliminate from Area Rating (continue to area rate debt repayment for parkland purchases)</b></p>	<ul style="list-style-type: none"> <li>Same as option 2</li> <li>Provides a mechanism for areas/wards to provide and fund special or local projects</li> </ul>	<ul style="list-style-type: none"> <li>Same as option 2 (slightly lower tax impacts (-0.1%) with the exception of Dundas</li> <li>Parkland purchases may not be treated consistently across the City</li> </ul>

**Fire**

Area Rating Options for Fire	PROS	CONS
1. Status Quo	<ul style="list-style-type: none"> <li>No tax impact to any former area municipality</li> </ul>	<ul style="list-style-type: none"> <li>Does not reflect how services are being provided</li> <li>Does not take into account that personnel and equipment is commonly deployed to all areas in order to maintain a desired level of service across the entire City</li> <li>Does not align to the fire station's primary response areas</li> <li>All taxpayers within each former area municipality pay the same rate - does not reflect that within each former area municipality, some areas are serviced fully by Career and other fully by Volunteer fire fighters</li> </ul>
2. Eliminate from Area Rating	<ul style="list-style-type: none"> <li>Reflects the fact that personnel and equipment is commonly deployed to all areas of the City in order to maintain a desired level of service</li> <li>Ensures all taxpayers pay the same for fire services</li> <li>One tax rate (compared to currently six)</li> </ul>	<ul style="list-style-type: none"> <li>Tax impact to suburban municipalities ranging from 1.0% to 8.1%</li> <li>May cause pressure for movement towards a fully Career workforce (therefore eliminates the current benefits of a composite workforce)</li> <li>Does not fairly reflect the varying cost or level of service differences between urban and rural areas</li> </ul>
3. Urban / Rural	<ul style="list-style-type: none"> <li>More accurately reflects how services are provided</li> <li>Recognizes and promotes a continued composite workforce</li> <li>Ensures all taxpayers in the urban area, which are serviced predominately by Career fire fighters pay the same rate, while all taxpayers in the rural area, which are serviced predominately by Volunteer fire fighters pay the same (lower) rate</li> <li>All rural fire areas of the City, with the exception of Glanbrook, would experience a reduction in total taxes</li> <li>Consistent with how fire services is predominately area rated by other municipalities in the Province</li> </ul>	<ul style="list-style-type: none"> <li>Tax impact to the urban fire areas of the suburban municipalities ranging from 1.6% to 8.8%</li> <li>While this option sets a single urban tax rate and another single rural tax rate, response times are not totally uniform within the urban and/or rural areas.</li> </ul>



**Transit**

Area Rating Options for Transit	PROS	CONS
1. Status Quo	<ul style="list-style-type: none"> <li>• No tax impact to any former area municipality</li> <li>• Ensures that properties that do not receive transit do not pay for transit</li> </ul>	<ul style="list-style-type: none"> <li>• Does not reflect how services are being provided within the transit service area</li> <li>• Does not take into account that bus routes cross former municipal boundaries</li> <li>• Does not reflect properly the public benefit aspects of transit within the urban area</li> </ul>
2. Eliminate from Area Rating	<ul style="list-style-type: none"> <li>• Reflects the fact that all taxpayers may benefit indirectly from the environmental, economic and social benefits of public transit</li> <li>• Consistent with many municipalities which do not area rate transit, regardless of varying service levels across the City</li> </ul>	<ul style="list-style-type: none"> <li>• Tax impact to transit service areas of the suburban municipalities ranging from 1.6% to 2.8%</li> <li>• Tax impact to rural areas currently outside the transit service area ranging from 4.2% to 4.6%</li> <li>• May cause pressure to increase transit service to areas which are currently not serviced, increasing cost to everyone.</li> </ul>
3. Urban / Rural (+ Waterdown)	<ul style="list-style-type: none"> <li>• More accurately reflects how services are provided</li> <li>• Recognizes that the transit system works as a network – access to one route provides access to the entire system</li> <li>• Distinguishes the uniqueness of the transit service in Waterdown (minimal service and geographically separate from the rest of the transit system)</li> <li>• Ensures all taxpayers in the urban transit area (with the exception of Waterdown), which have access to transit service pay the same rate, while all taxpayers in the rural area, which do not have transit, continue not to pay for transit</li> <li>• No impact to all rural areas of the City; minimal to no impact to the urban area of Flamborough</li> <li>• Consistent with how transit services is predominately area rated by other municipalities in the Province</li> </ul>	<ul style="list-style-type: none"> <li>• Tax impact to the urban/transit areas of the suburban municipalities ranging from 2.2% to 3.4%</li> </ul>

**Street Lights**

Area Rating Options for Street Lights	PROS	CONS
1. Status Quo	<ul style="list-style-type: none"> <li>No tax impact to any former area municipality</li> </ul>	<ul style="list-style-type: none"> <li>Does not take into account that some parts of the City (primarily rural) have little or no street lights</li> </ul>
2. Urban / Rural	<ul style="list-style-type: none"> <li>Reflects the fact that some parts of the City (primarily rural) have little or no street lights</li> <li>Slight benefit to the rural area with almost no impact to the urban area</li> <li>Consistent with urban/rural model employed by many municipalities in the Province</li> </ul>	<ul style="list-style-type: none"> <li>Makes the tax system more complex to administer</li> </ul>

**Sidewalks**

Area Rating Options for Sidewalks	PROS	CONS
1. Status Quo	<ul style="list-style-type: none"> <li>No tax impact to any former area municipality</li> </ul>	<ul style="list-style-type: none"> <li>Does not take into account that some parts of the City (primarily rural) have few or no sidewalks</li> </ul>
2. Urban / Rural	<ul style="list-style-type: none"> <li>Reflects the fact that some parts of the City (primarily rural) do not have, or have minimal sidewalks</li> <li>Slight benefit to the rural area with almost no impact to the urban area</li> <li>Consistent with urban/rural model employed by many municipalities in the Province</li> </ul>	<ul style="list-style-type: none"> <li>Makes the tax system more complex to administer</li> <li>Does not reflect the fact that some “urban” areas do not have sidewalks</li> </ul>

**Note:** the urban/rural boundary for Transit and Sidewalk/Streetlights does not align to the urban/rural boundary for Fire (see appendix D for maps). For the most part, however, the majority of properties will either be fully urban or fully rural. However, to ensure area rating reflects service delivery, there will be areas in the City which may be considered as urban for one service (i.e. Transit) however rural for another service (i.e. Fire) (see attached maps in Appendix D).

**Note:** the impacts identified in this report use 2009 final approved budget figures and reflect total tax impacts which includes both municipal and education taxes. As the impacts identified in this report are calculated using the latest figures available (2009), final impacts would need to be recalculated prior to implementation in 2011.

**Phase-in of Impacts**

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Council has the authority to phase-in any property tax impact as a result of changes/elimination of area rating. Staff are proposing a two-staged approach of phasing in the tax impacts:

Stage 1: Elimination of Culture & Recreation from area rating and an urban/rural model of area rating for Fire, Sidewalks and Streetlights phased-in equally over four years commencing in 2011.

Stage 2: an urban/rural model of area rating for Transit phased-in equally over 3 years commencing in 2015 (this would give adequate time to complete Transit's current service delivery review and resulting service changes, if any, as well as be implemented once Stage 1 is fully completed).

The impacts of this proposed phase-in plan are identified in Appendix A to FCS09087.

An alternative method of area rating could be staged by service, as follows:

Stage 1: Elimination of Culture & Recreation from area rating commencing in 2011 (no phase-in)

Stage 2: an urban/rural model of area rating for Fire phased-in equally over 2 years commencing in 2012

Stage 3: an urban/rural model of area rating for Sidewalks and Streetlights commencing in 2014 (no phase-in)

Stage 4: an urban/rural model of area rating for Transit phased-in equally over 3 years commencing in 2015

Both options of phasing-in the impacts of the proposed changes to area rating would result in an urban/rural method of area rating being fully implemented by 2017.

### **Survey of Services Area Rated:**

A survey was conducted of single-tier and two-tier municipalities in Ontario (see Appendix B for full survey results). The table below lists the most common area rated services identified. The survey includes 25 single-tier municipalities plus 8 two-tier municipalities (8 upper-tier + 45 lower-tier).

<b>Service</b>	<b>Area Rating</b>	<b>Comment</b>
No area rating	<ul style="list-style-type: none"><li>• 13 single-tier</li><li>• 2 upper-tier</li><li>• 34 lower-tier</li></ul>	<ul style="list-style-type: none"><li>• Half of the single-tier municipalities surveyed do not area rate; of those that do, Transit and Fire are the two most common services area rated; these two services are generally area rated based on an urban / rural model</li><li>• The most common service area rated by upper-tier municipalities is waste management because some do not provide rural waste collection services</li><li>• Three quarters of the lower-tier</li></ul>

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		<p>municipalities surveyed do not area rate (more than half of the lower-tier municipalities which area rate are in Niagara Region); most common services area rated include: streetlights, transit (where not provided by the upper-tier), sewers/storm and sidewalks – mostly area rated to the urban area only</p>
Transit	<ul style="list-style-type: none"> <li>• 9 single-tier</li> <li>• 2 upper-tier</li> <li>• 5 lower-tier</li> </ul>	<ul style="list-style-type: none"> <li>• mostly area rated based on an urban / rural model</li> <li>• <b>Recommended postponed urban/rural pending results and implementation of service review</b></li> </ul>
Fire	<ul style="list-style-type: none"> <li>• 8 single-tier</li> </ul>	<ul style="list-style-type: none"> <li>• only area rated in single-tier municipalities as the service is normally provided by lower-tiers in two-tier municipalities</li> <li>• mostly area rated based on an urban / rural model</li> <li>• <b>Recommended urban / rural</b></li> </ul>
Street Lights	<ul style="list-style-type: none"> <li>• 6 single-tier</li> <li>• 6 lower-tier</li> </ul>	<ul style="list-style-type: none"> <li>• mostly area rated to urban area</li> <li>• <b>Recommended urban / rural:</b> based on the percentage share of total streetlights (therefore rural area would pay a lower rate), however small dollar impact which may not justify a separate tax rate</li> </ul>
Waste Management	<ul style="list-style-type: none"> <li>• 2 single-tier</li> <li>• 5 upper-tier</li> </ul>	<ul style="list-style-type: none"> <li>• Mostly done in two-tier municipalities</li> <li>• <b>Not recommended:</b> Hamilton has the same service level across the City</li> </ul>
Storm / Sewers / Drainage / Water	<ul style="list-style-type: none"> <li>• 4 single-tier</li> <li>• 4 lower-tier</li> </ul>	<ul style="list-style-type: none"> <li>• mostly area rated to urban area</li> <li>• <b>Not recommended:</b> on the Rate budget in Hamilton, therefore already charged to ratepayers with sewers (currently under review)</li> </ul>
Police	<ul style="list-style-type: none"> <li>• 4 single-tier</li> <li>• 1 upper-tier</li> </ul>	<ul style="list-style-type: none"> <li>• Mostly area rated where OPP services a specific area</li> <li>• Some based on urban/rural</li> <li>• <b>Not recommended:</b> public safety is a benefit to all of society regardless of location. Many services and costs of modern policing are not localized (i.e. central investigation, major crimes unit, etc.)</li> </ul>

Sidewalks	<ul style="list-style-type: none"> <li>• 4 lower-tier</li> </ul>	<ul style="list-style-type: none"> <li>• Area rated to urban area</li> <li>• Seen in mostly smaller municipalities (population under 20k)</li> <li>• <b>Recommended urban / rural:</b> based on the percentage share of total sidewalks (therefore rural area would pay a lower rate), however small dollar impact which may not justify a separate tax rate</li> </ul>
Sidewalk Snow Removal	<ul style="list-style-type: none"> <li>• 1 single-tier</li> <li>• 2 lower-tier</li> </ul>	<ul style="list-style-type: none"> <li>• Area rated where service is only provided to specific area, mostly an urban area charge</li> <li>• <b>Recommended status quo:</b> as long as the service is only being provided to the urban / transit area of ward 12, recommended to maintain area rating the service to area which receives the benefit</li> </ul>
Libraries	<ul style="list-style-type: none"> <li>• 2 upper-tier</li> </ul>	<ul style="list-style-type: none"> <li>• Mostly where a library board services a specific area (townships)</li> <li>• <b>Not recommended:</b> Hamilton libraries are scattered throughout both urban and rural parts of the City and are open to all residents, regardless of location.</li> </ul>

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Area rating does not result in more revenue to the City. It is simply a method of allocating the cost of specific services to the taxpayer. A change to the method of area rating simply redistributes who ultimately is paying for the service. There may be, however, financial implications if area rating is fully eliminated and Council chooses to harmonize services. This financial impact depends on the desired level of harmonization. Staff do not recommend changing or harmonizing service levels, since the recommended urban / rural model of area rating addresses differences, where appropriate.

With respect to the issue of using area rating as a means to raise more public money for future transit improvements, this is a matter best left for Council budget and service deliberations.

**POLICIES AFFECTING PROPOSAL:**

As approved by Council, the approved method/level of area rating will be implemented for the 2011 taxation year. Future tax policy decisions may be impacted by the approved method of area rating.

**SUBJECT: Area Rating Options (FCS09087) (City Wide) - Page 29 of 29**

Area rating is an annual decision, implemented through the annual tax levy by-law passed in April of each year. As such, if this Council approves the area rating policy for implementation in 2011, the new Council would need to reaffirm this decision during tax policy decisions made in April, 2011. Decision made by the current Council cannot bind the new Council.

**RELEVANT CONSULTATION:**

Staff have consulted with City Departments whose services are currently area rated or potentially new to area rating: Community Services (Culture & Recreation), Hamilton Emergency Services (Fire) and Public Works (Transit, Sidewalk Snow Removal, Sidewalks, Streetlights). As well, staff consulted with the Taxation Division to determine any potential issues to the taxation billing system of employing any of the area rating options.

Extensive consultation with Council was conducted by senior staff during the draft stages of this report.

Staff conducted a survey of the area rating policies in other Ontario municipalities. The result of this survey is attached to this report as Appendix B.

At the August 7, 2008 Council meeting, Council approved the initiation of public consultation / information sharing sessions to commence in 2009. This report will be a valuable tool to be used during this initiative.

**CITY STRATEGIC COMMITMENT:**

By evaluating the “**Triple Bottom Line**”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

**Community Well-Being is enhanced.**             Yes    No

**Environmental Well-Being is enhanced.**     Yes    No

**Economic Well-Being is enhanced.**         Yes    No

**Does the option you are recommending create value across all three bottom lines?**  
 Yes    No

**Do the options you are recommending make Hamilton a City of choice for high performance public servants?**                                     Yes    No

# **APPENDIX A**

## **TAX IMPACTS**

**Residential Property Count**  
**Urban/Rural: Stage 1 & 2 Total Tax Impact**  
**Urban/Rural: Proposed Phase-in Plan - annual % increase**  
**Urban/Rural: Proposed Phase-in Plan - annual \$ increase**  
**Culture & Recreation: Tax impact of Area Rating Options**  
**Transit: Tax impact of Area Rating Options**  
**Fire: Tax impact of Area Rating Options**  
**Sidewalks: Tax impact of Area Rating Options**  
**Streetlights: Tax impact of Area Rating Options**





## Area Rating: Urban / Rural Scenario

### Residential Property Count

(includes all properties with some or all RT assessment)

#### Properties within URBAN / TRANSIT service area

	# of Residential Properties		% of Former Muni Residential Properties	
	Urban <sup>1</sup>	Urban with Rural Fire	Urban <sup>1</sup>	Urban with Rural Fire
Stoney Creek	16,444	3,616	79%	17%
Glanbrook	2,602	657	32%	8%
Ancaster	10,257	25	87%	0%
Hamilton	93,865	-	100%	0%
Dundas	7,550	-	95%	0%
Flamborough	4,949	-	39%	0%
<b>Total</b>	<b>135,667</b>	<b>4,298</b>		

#### Properties within RURAL / NON TRANSIT service area

	# of Residential Properties		% of Former Muni Residential Properties	
	Rural <sup>2</sup>	Rural with Urban Fire	Rural <sup>2</sup>	Rural with Urban Fire
Stoney Creek	820	-	4%	0%
Glanbrook	4,554	340	56%	4%
Ancaster	1,350	142	11%	1%
Hamilton	-	-	0%	0%
Dundas	223	215	3%	3%
Flamborough	7,692	-	61%	0%
<b>Total</b>	<b>14,639</b>	<b>697</b>		

**NOTE:** urban/rural boundary for Transit and Sidewalks/Streetlights does not align with the urban/rural boundary for Fire

**The Urban/Rural model above:**

<sup>1</sup> Urban = Transit + Urban Fire + Urban Sidewalks + Urban Streetlights

<sup>2</sup> Rural = No Transit + Rural Fire + Rural Sidewalks + Rural Streetlights

## Area Rating: Urban / Rural Scenario

Total Residential Tax Impact  
(based on a \$219,600 home)

### Properties within URBAN / TRANSIT service area

	STAGE 1						STAGE 2					
	New Total Taxes		\$ Change in Total Taxes		% Change in Total Taxes		New Total Taxes		\$ Change in Total Taxes		% Change in Total Taxes	
	Urban <sup>1</sup>	Rural Fire	Urban <sup>1</sup>	Rural Fire	Urban <sup>1</sup>	Rural Fire	Urban with Rural Fire	Rural Fire	Urban with Rural Fire	Rural Fire	Urban with Rural Fire	Rural Fire
2009 Total Taxes												
Stoney Creek	\$ 3,075	\$ 3,109	\$ 184	\$ 34	6%	1%	\$ 3,259	\$ 3,109	\$ 3,195	\$ 86	3%	
Glanbrook	\$ 2,921	\$ 3,130	\$ 359	\$ 209	12%	7%	\$ 3,280	\$ 3,130	\$ 3,195	\$ 65	2%	
Ancaster	\$ 3,148	\$ 3,093	\$ 95	\$ (55)	3%	-2%	\$ 3,243	\$ 3,093	\$ 3,199	\$ 106	3%	
Hamilton	\$ 3,486	N/A	\$ (95)	N/A	-3%	N/A	\$ 3,391	N/A	N/A	\$ (46)	-1%	
Dundas	\$ 3,118	N/A	\$ 125	N/A	4%	N/A	\$ 3,243	N/A	N/A	\$ 102	3%	
Flamborough	\$ 3,033	N/A	\$ 208	N/A	7%	N/A	\$ 3,241	N/A	N/A	\$ -	0%	

### Properties within RURAL / NON TRANSIT service area

	STAGE 1						STAGE 2					
	New Total Taxes		\$ Change in Total Taxes		% Change in Total Taxes		New Total Taxes		\$ Change in Total Taxes		% Change in Total Taxes	
	Rural <sup>2</sup>	Urban Fire	Rural <sup>2</sup>	Urban Fire	Rural <sup>2</sup>	Urban Fire	Rural with Urban Fire	Urban Fire	Rural with Urban Fire	Urban Fire	Rural with Urban Fire	Urban Fire
2009 Total Taxes												
Stoney Creek	\$ 3,013	N/A	\$ 15	N/A	1%	N/A	\$ 3,028	N/A	N/A	\$ -	0.0%	
Glanbrook	\$ 2,838	\$ 3,178	\$ 191	\$ 341	7%	12%	\$ 3,028	\$ 3,178	\$ 3,178	\$ -	0.0%	
Ancaster	\$ 3,102	\$ 3,178	\$ (73)	\$ 77	-2%	2%	\$ 3,028	\$ 3,178	\$ 3,178	\$ -	0.0%	
Hamilton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Dundas	\$ 3,071	\$ 3,178	\$ (43)	\$ 107	-1%	3%	\$ 3,028	\$ 3,178	\$ 3,178	\$ -	0.0%	
Flamborough	\$ 2,989	N/A	\$ 39	N/A	1%	N/A	\$ 3,028	N/A	N/A	\$ -	0.0%	

**NOTE:** urban/rural boundary for Transit and Sidewalks/Streetlights does not align with the urban/rural boundary for Fire

The Urban/Rural model above:

Stage 1: full elimination of Culture & Recreation area rating, urban / rural area rating for Fire, Sidewalks / Streetlights (status quo for Ancaster Sidewalk Snow Removal and Transit)

Stage 2: urban / rural area rating for Transit

<sup>1</sup> Urban = Transit + Urban Fire + Urban Sidewalks + Urban Streetlights

<sup>2</sup> Rural = No Transit + Rural Fire + Rural Sidewalks + Rural Streetlights

% Change in Total Taxes based on 2009 Total Taxes

# Area Rating: Urban / Rural Scenario

## Proposed Phase-in Plan

		STAGE 1				STAGE 2			
		% Increase				% Increase			
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 7
<b>URBAN</b>	<b>2009 Total Taxes</b>								
	Stoney Creek	\$ 3,075	1.5%	1.5%	1.5%	0.9%	0.9%	0.9%	0.9%
	Glanbrook	\$ 2,921	3.1%	3.1%	3.1%	0.7%	0.7%	0.7%	0.7%
	Ancaster	\$ 3,148	0.8%	0.8%	0.8%	1.1%	1.1%	1.1%	1.1%
	Hamilton	\$ 3,486	-0.7%	-0.7%	-0.7%	-0.4%	-0.4%	-0.4%	-0.4%
	Dundas	\$ 3,118	1.0%	1.0%	1.0%	1.1%	1.1%	1.1%	1.1%
	Flamborough	\$ 3,033	1.7%	1.7%	1.7%	0.0%	0.0%	0.0%	0.0%
<b>RURAL</b>	<b>2009 Total Taxes</b>								
	Stoney Creek	\$ 3,013	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
	Glanbrook	\$ 2,838	1.7%	1.7%	1.7%	0.0%	0.0%	0.0%	0.0%
	Ancaster	\$ 3,102	-0.6%	-0.6%	-0.6%	0.0%	0.0%	0.0%	0.0%
	Hamilton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Dundas	\$ 3,071	-0.4%	-0.4%	-0.4%	0.0%	0.0%	0.0%	0.0%
	Flamborough	\$ 2,989	0.3%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%
<b>URBAN with Rural Fire</b>	<b>2009 Total Taxes</b>								
	Stoney Creek	\$ 3,075	0.3%	0.3%	0.3%	0.9%	0.9%	0.9%	0.9%
	Glanbrook	\$ 2,921	1.8%	1.8%	1.8%	0.7%	0.7%	0.7%	0.7%
	Ancaster	\$ 3,148	-0.4%	-0.4%	-0.4%	1.1%	1.1%	1.1%	1.1%
	Hamilton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Dundas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Flamborough	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>RURAL with Urban Fire</b>	<b>2009 Total Taxes</b>								
	Stoney Creek	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Glanbrook	\$ 2,838	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%
	Ancaster	\$ 3,102	0.6%	0.6%	0.6%	0.0%	0.0%	0.0%	0.0%
	Hamilton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Dundas	\$ 3,071	0.9%	0.9%	0.9%	0.0%	0.0%	0.0%	0.0%
	Flamborough	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Stage 1: Elimination of area rating C&R, urban/rural area rating for Fire, urban/rural area rating for Sidewalks & Streetlights - Phased-in over 4 years (2011-2014)  
 Stage 2: urban/rural area rating for Transit - Phased-in over 3 years (2015-2017)

Note: Residential (CVA = 219,600); % change based on 2009 taxes

URBAN = transit + urban fire + urban sidewalk + urban streetlights; RURAL = no transit + rural fire + rural sidewalk + rural streetlights

# Area Rating: Urban / Rural Scenario Proposed Phase-in Plan

		STAGE 1				STAGE 2			
		\$ Increase				\$ Increase			
	2009 Total Taxes	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 7
<b>URBAN</b>									
Stoney Creek	\$ 3,075	\$ 46	\$ 46	\$ 46	\$ 46	\$ 29	\$ 29	\$ 29	\$ 29
Glanbrook	\$ 2,921	\$ 90	\$ 90	\$ 90	\$ 90	\$ 22	\$ 22	\$ 22	\$ 22
Ancaster	\$ 3,148	\$ 24	\$ 24	\$ 24	\$ 24	\$ 35	\$ 35	\$ 35	\$ 35
Hamilton	\$ 3,486	\$ (24)	\$ (24)	\$ (24)	\$ (24)	\$ (15)	\$ (15)	\$ (15)	\$ (15)
Dundas	\$ 3,118	\$ 31	\$ 31	\$ 31	\$ 31	\$ 34	\$ 34	\$ 34	\$ 34
Flamborough	\$ 3,033	\$ 52	\$ 52	\$ 52	\$ 52	\$ -	\$ -	\$ -	\$ -
<b>RURAL</b>									
Stoney Creek	\$ 3,013	\$ 4	\$ 4	\$ 4	\$ 4	\$ -	\$ -	\$ -	\$ -
Glanbrook	\$ 2,838	\$ 48	\$ 48	\$ 48	\$ 48	\$ -	\$ -	\$ -	\$ -
Ancaster	\$ 3,102	\$ (18)	\$ (18)	\$ (18)	\$ (18)	\$ -	\$ -	\$ -	\$ -
Hamilton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dundas	\$ 3,071	\$ (11)	\$ (11)	\$ (11)	\$ (11)	\$ -	\$ -	\$ -	\$ -
Flamborough	\$ 2,989	\$ 10	\$ 10	\$ 10	\$ 10	\$ -	\$ -	\$ -	\$ -
<b>URBAN with Rural Fire</b>									
Stoney Creek	\$ 3,075	\$ 8	\$ 8	\$ 8	\$ 8	\$ 29	\$ 29	\$ 29	\$ 29
Glanbrook	\$ 2,921	\$ 52	\$ 52	\$ 52	\$ 52	\$ 22	\$ 22	\$ 22	\$ 22
Ancaster	\$ 3,148	\$ (14)	\$ (14)	\$ (14)	\$ (14)	\$ 35	\$ 35	\$ 35	\$ 35
Hamilton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dundas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Flamborough	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>RURAL with Urban Fire</b>									
Stoney Creek	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Glanbrook	\$ 2,838	\$ 85	\$ 85	\$ 85	\$ 85	\$ -	\$ -	\$ -	\$ -
Ancaster	\$ 3,102	\$ 19	\$ 19	\$ 19	\$ 19	\$ -	\$ -	\$ -	\$ -
Hamilton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dundas	\$ 3,071	\$ 27	\$ 27	\$ 27	\$ 27	\$ -	\$ -	\$ -	\$ -
Flamborough	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Stage 1: Elimination of area rating C&R, urban/rural area rating for Fire, urban/rural area rating for Sidewalks & Streetlights - Phased-in over 4 years (2011-2014)  
 Stage 2: urban/rural area rating for Transit - Phased-in over 3 years (2015-2017)

Note: \$ change based on Residential assessment (CVA) = \$219,600

URBAN = transit + urban fire + urban sidewalk + urban streetlights; RURAL = no tran. rail fire + rural sidewalk + rural streetlights

**CULTURE & RECREATION**

2009 Net Service Levy = \$33.3 million

Total Residential Tax Impact  
(based on a \$219,600 home)

**1. STATUS QUO**

	2009 Final Total Taxes		Culture & Recreation				\$ change in C&R		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009 U/T	R/nT	U/T	R/nT	Urban/ Transit	Rural/No Transit	Urban/ Transit	Rural/No Transit
Stoney Creek	\$ 3,075	\$ 3,013	\$ 74	\$ 74	\$ 74	\$ 74	\$ -	\$ -	0.0%	0.0%
Glanbrook	\$ 2,921	\$ 2,838	\$ 34	\$ 34	\$ 34	\$ 34	\$ -	\$ -	0.0%	0.0%
Ancaster	\$ 3,148	\$ 3,102	\$ 99	\$ 99	\$ 99	\$ 99	\$ -	\$ -	0.0%	0.0%
Hamilton	\$ 3,486	N/A	\$ 190	N/A	\$ 190	N/A	\$ -	\$ -	0.0%	N/A
Dundas	\$ 3,118	\$ 3,071	\$ 99	\$ 99	\$ 99	\$ 99	\$ -	\$ -	0.0%	0.0%
Flamborough	\$ 3,033	\$ 2,989	\$ 56	\$ 56	\$ 56	\$ 56	\$ -	\$ -	0.0%	0.0%

**2. ELIMINATE FROM AREA RATING (Includes elimination of area rating special levy for parkland)**

	2009 Final Total Taxes		Culture & Recreation				\$ change in C&R		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009 U/T	R/nT	Eliminate U/T	R/nT	Urban/ Transit	Rural/No Transit	Urban/ Transit	Rural/No Transit
Stoney Creek	\$ 3,075	\$ 3,013	\$ 74	\$ 74	\$ 141	\$ 141	\$ 67	\$ 67	2.2%	2.2%
Glanbrook	\$ 2,921	\$ 2,838	\$ 34	\$ 34	\$ 141	\$ 141	\$ 108	\$ 108	3.7%	3.8%
Ancaster	\$ 3,148	\$ 3,102	\$ 99	\$ 99	\$ 141	\$ 141	\$ 42	\$ 42	1.3%	1.4%
Hamilton	\$ 3,486	N/A	\$ 190	N/A	\$ 141	N/A	\$ (49)	\$ (49)	-1.4%	N/A
Dundas	\$ 3,118	\$ 3,071	\$ 99	\$ 99	\$ 141	\$ 141	\$ 42	\$ 42	1.4%	1.4%
Flamborough	\$ 3,033	\$ 2,989	\$ 56	\$ 56	\$ 141	\$ 141	\$ 85	\$ 85	2.8%	2.9%

**3. ELIMINATE FROM AREA RATING (maintain area rating for special levy for parkland)**

	2009 Final Total Taxes		Culture & Recreation				\$ change in C&R		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009 U/T	R/nT	Eliminate U/T	R/nT	Urban/ Transit	Rural/No Transit	Urban/ Transit	Rural/No Transit
Stoney Creek	\$ 3,075	\$ 3,013	\$ 74	\$ 74	\$ 138	\$ 138	\$ 64	\$ 64	2.1%	2.1%
Glanbrook	\$ 2,921	\$ 2,838	\$ 34	\$ 34	\$ 138	\$ 138	\$ 105	\$ 105	3.6%	3.7%
Ancaster	\$ 3,148	\$ 3,102	\$ 99	\$ 99	\$ 138	\$ 138	\$ 39	\$ 39	1.2%	1.3%
Hamilton	\$ 3,486	N/A	\$ 190	N/A	\$ 142	N/A	\$ (48)	\$ (48)	-1.4%	N/A
Dundas	\$ 3,118	\$ 3,071	\$ 99	\$ 99	\$ 152	\$ 152	\$ 53	\$ 53	1.7%	1.7%
Flamborough	\$ 3,033	\$ 2,989	\$ 56	\$ 56	\$ 138	\$ 138	\$ 82	\$ 82	2.7%	2.7%

U/T = Properties located within Urban/Transit service area; R/nT = Properties located within Rural/No Transit service area

**TRANSIT (maintain existing transit boundary)**

2009 Net Service Levy = \$30.5 million

Total Residential Tax Impact  
(based on a \$219,600 home)

**1. STATUS QUO**

	2009 Final Total Taxes		Transit				Status Quo		\$ change in Transit		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009		Transit		Status Quo		Urban/ Transit	Rural/ No Transit	Urban/ Transit	Rural/ No Transit
			U/T	R/nT	U/T	R/nT	U/T	R/nT				
Stoney Creek	\$ 3,075	\$ 3,013	\$ 62	\$ -	\$ 62	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
Glanbrook	\$ 2,921	\$ 2,838	\$ 83	\$ -	\$ 83	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
Ancaster	\$ 3,148	\$ 3,102	\$ 42	\$ -	\$ 42	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
Hamilton	\$ 3,486	N/A	\$ 195	N/A	\$ 195	N/A	N/A	\$ -	\$ -	0.0%	N/A	
Dundas	\$ 3,118	\$ 3,071	\$ 46	\$ -	\$ 46	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
Fiamborough	\$ 3,033	\$ 2,989	\$ 44	\$ -	\$ 44	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	

**2. ELIMINATE FROM AREA RATING**

	2009 Final Total Taxes		Transit				Eliminate		\$ change in Transit		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009		Transit		Eliminate		Urban/ Transit	Rural/ No Transit	Urban/ Transit	Rural/ No Transit
			U/T	R/nT	U/T	R/nT	U/T	R/nT				
Stoney Creek	\$ 3,075	\$ 3,013	\$ 62	\$ -	\$ 129	\$ 129	\$ 129	\$ 129	\$ 67	\$ 129	2.2%	4.3%
Glanbrook	\$ 2,921	\$ 2,838	\$ 83	\$ -	\$ 129	\$ 129	\$ 129	\$ 129	\$ 46	\$ 129	1.6%	4.6%
Ancaster	\$ 3,148	\$ 3,102	\$ 42	\$ -	\$ 129	\$ 129	\$ 129	\$ 129	\$ 87	\$ 129	2.8%	4.2%
Hamilton	\$ 3,486	N/A	\$ 195	N/A	\$ 129	N/A	N/A	\$ (65)	\$ 83	\$ 129	-1.9%	N/A
Dundas	\$ 3,118	\$ 3,071	\$ 46	\$ -	\$ 129	\$ 129	\$ 129	\$ 83	\$ 85	\$ 129	2.7%	4.2%
Fiamborough	\$ 3,033	\$ 2,989	\$ 44	\$ -	\$ 129	\$ 129	\$ 129	\$ 85	\$ 85	\$ 129	2.8%	4.3%

**3. URBAN / RURAL + WATERDOWN**

	2009 Final Total Taxes		Transit				Urban / Rural		\$ change in Transit		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009		Transit		Urban / Rural		Urban/ Transit	Rural/ No Transit	Urban/ Transit	Rural/ No Transit
			U/T	R/nT	U/T	R/nT	U/T	R/nT				
Stoney Creek	\$ 3,075	\$ 3,013	\$ 62	\$ -	\$ 148	\$ -	\$ 148	\$ -	\$ 86	\$ -	2.8%	0.0%
Glanbrook	\$ 2,921	\$ 2,838	\$ 83	\$ -	\$ 148	\$ -	\$ 148	\$ -	\$ 65	\$ -	2.2%	0.0%
Ancaster	\$ 3,148	\$ 3,102	\$ 42	\$ -	\$ 148	\$ -	\$ 148	\$ -	\$ 106	\$ -	3.4%	0.0%
Hamilton	\$ 3,486	N/A	\$ 195	N/A	\$ 148	N/A	N/A	\$ (46)	\$ 102	\$ -	-1.3%	N/A
Dundas	\$ 3,118	\$ 3,071	\$ 46	\$ -	\$ 148	\$ -	\$ 148	\$ -	\$ -	\$ -	3.3%	0.0%
Fiamborough	\$ 3,033	\$ 2,989	\$ 44	\$ -	\$ 44	\$ -	\$ 44	\$ -	\$ -	\$ -	0.0%	0.0%

<sup>2</sup>properties located within Urban/Transit service area; R/nT = Properties located within

<sup>1</sup>No Transit service area

**FIRE**

2009 Net Service Levy = \$69.0 million

Total Residential Tax Impact  
(based on a \$219,600 home)

**1. STATUS QUO**

	2009 Final Total Taxes		Fire				Status Quo		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009 U/T	R/nT	U/T	R/nT	U/T	R/nT	Urban/ Transit	Rural/No Transit
Stoney Creek	\$ 3,075	\$ 3,013	\$ 197	\$ 197	\$ 197	\$ 197	\$ 197	\$ 197	0.0%	0.0%
Glanbrook	\$ 2,921	\$ 2,838	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	0.0%	0.0%
Ancaster	\$ 3,148	\$ 3,102	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	\$ 261	0.0%	0.0%
Hamilton	\$ 3,486	N/A	\$ 360	N/A	\$ 360	N/A	\$ 360	N/A	0.0%	N/A
Dundas	\$ 3,118	\$ 3,071	\$ 231	\$ 231	\$ 231	\$ 231	\$ 231	\$ 231	0.0%	0.0%
Flamborough	\$ 3,033	\$ 2,989	\$ 191	\$ 191	\$ 191	\$ 191	\$ 191	\$ 191	0.0%	0.0%

**2. ELIMINATE FROM AREA RATING**

	2009 Final Total Taxes		Fire				Eliminate		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009 U/T	R/nT	U/T	R/nT	U/T	R/nT	Urban/ Transit	Rural/No Transit
Stoney Creek	\$ 3,075	\$ 3,013	\$ 197	\$ 197	\$ 293	\$ 293	\$ 293	\$ 293	3.1%	3.2%
Glanbrook	\$ 2,921	\$ 2,838	\$ 63	\$ 63	\$ 293	\$ 293	\$ 293	\$ 293	7.9%	8.1%
Ancaster	\$ 3,148	\$ 3,102	\$ 261	\$ 261	\$ 293	\$ 293	\$ 293	\$ 293	1.0%	1.0%
Hamilton	\$ 3,486	N/A	\$ 360	N/A	\$ 293	N/A	\$ 293	N/A	-1.9%	N/A
Dundas	\$ 3,118	\$ 3,071	\$ 231	\$ 231	\$ 293	\$ 293	\$ 293	\$ 293	2.0%	2.0%
Flamborough	\$ 3,033	\$ 2,989	\$ 191	\$ 191	\$ 293	\$ 293	\$ 293	\$ 293	3.3%	3.4%

**3. URBAN / RURAL**

	2009 Final Total Taxes		Fire				Eliminate		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009 U/T	R/nT	U/F	R/F	U/F	R/F	Urban/ Transit	Rural/ No Transit
Stoney Creek	\$ 3,075	\$ 3,013	\$ 197	\$ 197	\$ 312	\$ 162	\$ 312	\$ 162	3.8%	-1.1%
Glanbrook	\$ 2,921	\$ 2,838	\$ 63	\$ 63	\$ 312	\$ 162	\$ 312	\$ 162	8.6%	3.4%
Ancaster	\$ 3,148	\$ 3,102	\$ 261	\$ 261	\$ 312	\$ 162	\$ 312	\$ 162	1.6%	-3.1%
Hamilton	\$ 3,486	N/A	\$ 360	N/A	\$ 312	N/A	\$ 312	N/A	-1.4%	N/A
Dundas	\$ 3,118	\$ 3,071	\$ 231	\$ 231	\$ 312	\$ 162	\$ 312	\$ 162	2.6%	N/A
Flamborough	\$ 3,033	\$ 2,989	\$ 191	\$ 191	\$ 312	\$ 162	\$ 312	\$ 162	4.0%	N/A

U/T = Properties located within Urban/Transit service area; R/nT = Properties located within Rural/No Transit service area  
U/F = Properties located within Urban/Fire service area; R/F = Properties located within Rural/Fire service area

**SIDEWALKS (2009 not area rated - on the General Levy)**

2009 Net Service Levy = \$2.5 million

Total Residential Tax Impact  
(based on a \$219,600 home)

**1. STATUS QUO**

	2009 Final Total Taxes		Sidewalks				\$ change in Sidewalks		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009		Status Quo		Urban/ Transit	Rural/No Transit	Urban/ Transit	Rural/No Transit
			U/T	R/nT	U/T	R/nT				
Stoney Creek	\$ 3,075	\$ 3,013	\$ 11	\$ 11	\$ 11	\$ 11	\$ -	\$ -	0.0%	0.0%
Glanbrook	\$ 2,921	\$ 2,838	\$ 11	\$ 11	\$ 11	\$ 11	\$ -	\$ -	0.0%	0.0%
Ancaster	\$ 3,148	\$ 3,102	\$ 11	\$ 11	\$ 11	\$ 11	\$ -	\$ -	0.0%	0.0%
Hamilton	\$ 3,486	N/A	\$ 11	N/A	\$ 11	N/A	\$ -	N/A	0.0%	N/A
Dundas	\$ 3,118	\$ 3,071	\$ 11	\$ 11	\$ 11	\$ 11	\$ -	\$ -	0.0%	0.0%
Flamborough	\$ 3,033	\$ 2,989	\$ 11	\$ 11	\$ 11	\$ 11	\$ -	\$ -	0.0%	0.0%

**2. URBAN / RURAL**

	2009 Final Total Taxes		Sidewalks				\$ change in Sidewalks		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009		Urban / Rural		Urban Sidewalks	Rural Sidewalks	Urban/ Transit	Rural/No Transit
			U/T	R/nT	U/SW	R/SW				
Stoney Creek	\$ 3,075	\$ 3,013	\$ 11	\$ 11	\$ 12	\$ 2	\$ 1	\$ (9)	0.0%	-0.3%
Glanbrook	\$ 2,921	\$ 2,838	\$ 11	\$ 11	\$ 12	\$ 2	\$ 1	\$ (9)	0.0%	-0.3%
Ancaster	\$ 3,148	\$ 3,102	\$ 11	\$ 11	\$ 12	\$ 2	\$ 1	\$ (9)	0.0%	-0.3%
Hamilton	\$ 3,486	N/A	\$ 11	N/A	\$ 12	N/A	\$ 1	N/A	0.0%	N/A
Dundas	\$ 3,118	\$ 3,071	\$ 11	\$ 11	\$ 12	\$ 2	\$ 1	\$ (9)	0.0%	-0.3%
Flamborough	\$ 3,033	\$ 2,989	\$ 11	\$ 11	\$ 12	\$ 2	\$ 1	\$ (9)	0.0%	-0.3%

U/T = Properties located within Urban/Transit service area; R/nT = Properties located within Rural/No Transit service area  
U/SW = Properties located within Urban/Sidewalks service area; R/SW = Properties located within Rural/Sidewalks service area



**STREETLIGHTS (2009 not area rated - on the General Levy)**  
**2009 Net Service Levy = \$4.4 million**

Total Residential Tax Impact  
 (based on a \$219,600 home)

**1. STATUS QUO**

	2009 Final Total Taxes		Streetlights				\$ change in Streetlights		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009		Status Quo		Urban/ Transit	Rural/No Transit	Urban/ Transit	Rural/No Transit
			U/T	R/nT	U/T	R/nT				
Stoney Creek	\$ 3,075	\$ 3,013	\$ 18	\$ 18	\$ 18	\$ 18	\$ -	\$ -	0.0%	0.0%
Glanbrook	\$ 2,921	\$ 2,838	\$ 18	\$ 18	\$ 18	\$ 18	\$ -	\$ -	0.0%	0.0%
Ancaster	\$ 3,148	\$ 3,102	\$ 18	\$ 18	\$ 18	\$ 18	\$ -	\$ -	0.0%	0.0%
Hamilton	\$ 3,486	N/A	\$ 18	N/A	\$ 18	N/A	\$ -	N/A	0.0%	N/A
Dundas	\$ 3,118	\$ 3,071	\$ 18	\$ 18	\$ 18	\$ 18	\$ -	\$ -	0.0%	0.0%
Flamborough	\$ 3,033	\$ 2,989	\$ 18	\$ 18	\$ 18	\$ 18	\$ -	\$ -	0.0%	0.0%

**2. URBAN / RURAL**

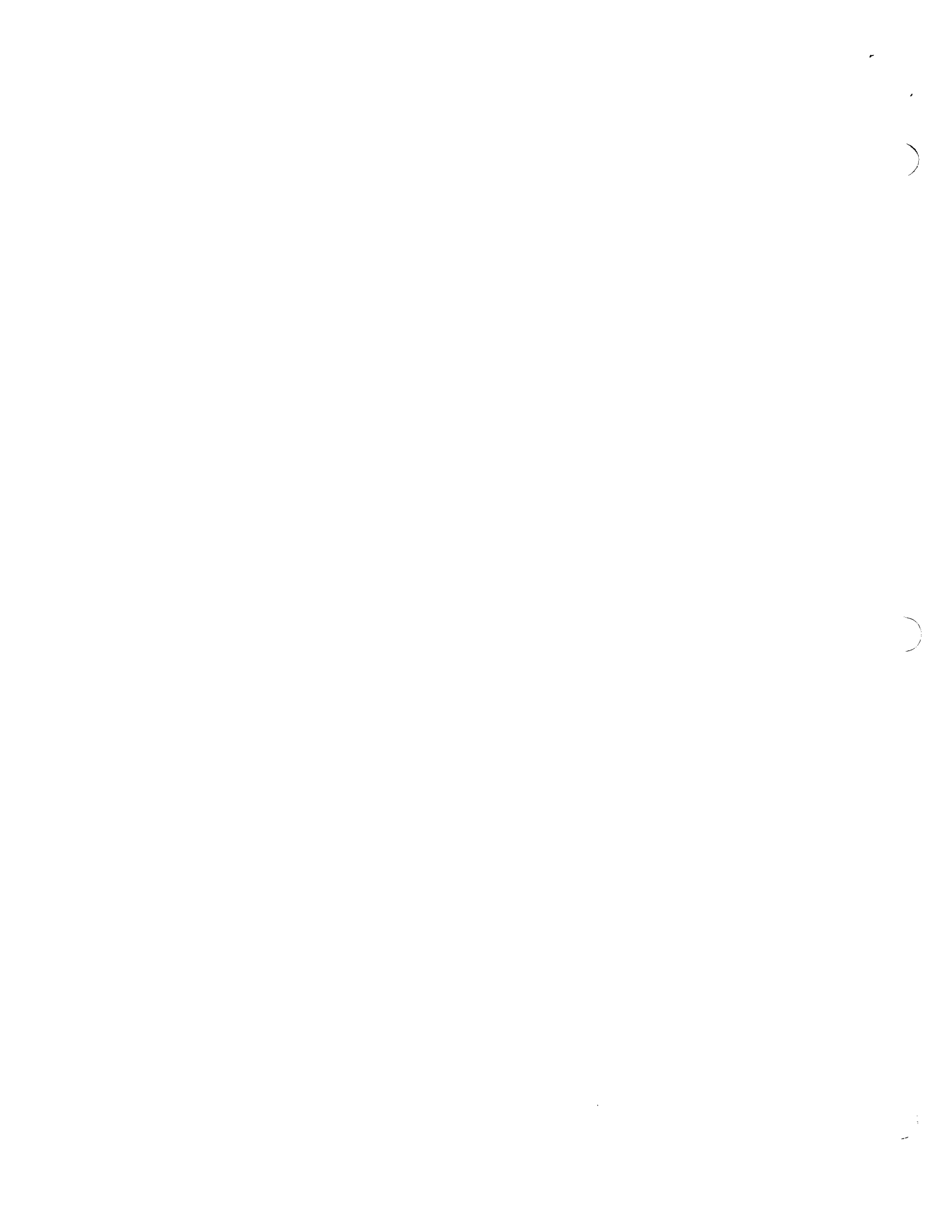
	2009 Final Total Taxes		Streetlights				\$ change in Streetlights		% change in Total Taxes	
	Urban/ Transit	Rural/ No Transit	2009		Urban / Rural		Urban Sidewalks	Rural Sidewalks	Urban/ Transit	Rural/No Transit
			U/T	R/nT	U/SL	R/SL				
Stoney Creek	\$ 3,075	\$ 3,013	\$ 18	\$ 18	\$ 19	\$ 11	1	1	0.0%	-0.3%
Glanbrook	\$ 2,921	\$ 2,838	\$ 18	\$ 18	\$ 19	\$ 11	1	1	0.0%	-0.3%
Ancaster	\$ 3,148	\$ 3,102	\$ 18	\$ 18	\$ 19	\$ 11	1	1	0.0%	-0.3%
Hamilton	\$ 3,486	N/A	\$ 18	N/A	\$ 19	N/A	1	N/A	0.0%	N/A
Dundas	\$ 3,118	\$ 3,071	\$ 18	\$ 18	\$ 19	\$ 11	1	1	0.0%	-0.3%
Flamborough	\$ 3,033	\$ 2,989	\$ 18	\$ 18	\$ 19	\$ 11	1	1	0.0%	-0.3%

UT = Properties located within Urban/Transit service area; R/nT = Properties located within Rural/No Transit service area  
 U/SL = Properties located within Urban/Streetlights service area; R/SL = Properties located within Rural/Streetlights service area



# **APPENDIX B**

## **SURVEY OF ONTARIO MUNICIPALITIES**



## Area Rating – Survey of Ontario Municipalities

Municipality	Services Area Rated	Comments / Description
<b>Single-Tier Municipalities</b>		
<b>Toronto</b> (population: 2,503,281)	none	
<b>Ottawa</b> (population: 812,129)	<b>Transit</b> <b>Fire</b>	<ul style="list-style-type: none"> <li>◆ <b>Transit</b> <ul style="list-style-type: none"> <li>▪ Urban/Full service – goal of 95% of properties within 400m of route</li> <li>▪ Rural/Commuter service:               <ul style="list-style-type: none"> <li>• Zone A – only morning and evening service into the city core</li> <li>• Zone B – Para-Transpo only</li> </ul> </li> <li>▪ Town transit (Stittsville only) – being phased out</li> </ul> </li> <li>◆ <b>Fire</b> = full-time (urban) and volunteer (rural)</li> <li>◆ <b>Area rate Canterbury Community Centre</b> to just one community (ward 18) - catchment area limited due to location (10 yr period commencing in 2007)</li> </ul>
<b>Hamilton</b> (population: 504,559)	<b>Fire</b> <b>Transit</b> <b>Culture &amp; Recreation</b> <b>Sidewalk Snow Removal</b>	<ul style="list-style-type: none"> <li>◆ Services area rated based on (6) former area municipal boundaries</li> <li>◆ <b>Fire:</b> allocated based on fire fighters per station location and direct station costs (6 different rates)</li> <li>◆ <b>Transit:</b> established transit boundary (not applicable outside boundary) – allocated based on 100% mileage within each former area municipality (6 different rates)</li> <li>◆ <b>Culture &amp; Recreation:</b> direct facility/ program costs allocated based on facility location within each former area municipality (6 different rates)</li> <li>◆ <b>Sidewalk Snow Removal</b> – enhanced service allocated to transit area of ward 12 only</li> </ul>

## Area Rating – Survey of Ontario Municipalities

Municipality	Services Area Rated	Comments / Description
<b>London</b> (population: 352,395)	<b>Transit</b>	<ul style="list-style-type: none"> <li>◆ <b>Transit</b> is applicable only to properties at or within 450 meters of a bus route (transit area) – being transferred to the General Levy (therefore no longer area rated) over four years commencing in 2009</li> </ul>
<b>Windsor</b> (population: 216,473)	<b>none</b>	
<b>Greater Sudbury</b> (population: 157,857)	<b>Fire Transit</b>	<ul style="list-style-type: none"> <li>◆ <b>Fire:</b> all admin costs allocated generally (based on total weighted CVA), area rate just firefighter (salary and benefit) costs               <ul style="list-style-type: none"> <li>▪ Career – former City of Sudbury</li> <li>▪ Composite – former City of Valley East</li> <li>▪ Volunteer – all other areas</li> </ul> </li> <li>◆ <b>Transit:</b> area rated based on service hours (includes Handi Transit)               <ul style="list-style-type: none"> <li>▪ Urban – former City of Sudbury</li> <li>▪ Commuter – all other areas with the exception of the formerly unorganized areas (which are not charged for transit)</li> </ul> </li> </ul>
<b>Barrie</b> (population: 128,430)	<b>Streetlights Storm</b>	<ul style="list-style-type: none"> <li>◆ reduced rate for services not provided in annexed area</li> </ul>
<b>Kingston</b> (population: 117,207)	<b>Fire</b>	<ul style="list-style-type: none"> <li>◆ <b>Fire - Central, East, West</b></li> </ul>
<b>Guelph</b> (population: 114,943)	<b>none</b>	
<b>Thunder Bay</b> (population: 109,140)	<b>Street Lighting Sewer/Drainage Transit</b>	<ul style="list-style-type: none"> <li>◆ different boundary for each area rated service</li> </ul>

## Area Rating – Survey of Ontario Municipalities

Municipality	Services Area Rated	Comments / Description
<b>Chatham-Kent</b> (population: 108,177)	<b>Police</b> <b>Fire</b> <b>Transit</b> <b>Handi-transit</b> <b>Garbage Pickup</b> <b>Horticulture</b> <b>Urban Drainage</b> <b>Brush</b> <b>Street Lighting</b> <b>Community Initiatives</b>	<ul style="list-style-type: none"> <li>◆ <b>Police</b> = urban, rural</li> <li>◆ <b>Fire</b> = full-time, volunteer</li> <li>◆ <b>Street Lighting</b> = urban only</li> <li>◆ A single rate is determined for each service that is then applied only against each former municipality receiving the service ("for example, a resident of Tilbury will pay the same rate for street lighting as Blenheim and Chatham even though the cost of service may be historically different")</li> <li>◆ Results in 19 different residential tax rates</li> </ul>
<b>Brantford</b> (population: 90,192)	none	
<b>Sault Ste. Marie</b> (population: 74,948)	<b>Transit</b> <b>Sanitary Sewers</b> <b>Water</b>	<ul style="list-style-type: none"> <li>◆ urban/rural (urban area charge)</li> </ul>
<b>Kawartha Lakes</b> (population: 74,561)	<b>Transit</b> <b>Fire</b> <b>Police</b> <b>Parks</b> <b>Streetlights</b> <b>Pits &amp; Quarries</b> <b>Revenues</b>	<ul style="list-style-type: none"> <li>◆ 17 different residential tax rates</li> <li>◆ <b>Transit</b> only applicable to Lindsay</li> <li>◆ <b>Fire</b> – 3 different rates (approved map identifies location of 3 areas)</li> <li>◆ <b>Police</b> – 3 different rates (OPP, Lindsay police, Ops police)</li> <li>◆ <b>Parks</b> only applicable to Lindsay</li> <li>◆ <b>Streetlights</b> only applicable to a few communities (some generally rated streetlights)</li> <li>◆ <b>Pits &amp; Quarries Revenues</b> – varying "credits" applicable to some communities</li> </ul>
<b>Peterborough</b> (population: 74,898)	none	
<b>Norfolk County</b> (population: 62,563)	none	

## Area Rating – Survey of Ontario Municipalities

Municipality	Services Area Rated	Comments / Description
<b>North Bay</b> (population: 53,966)	none	
<b>Belleville</b> (population: 48,821)	<b>Police</b> <b>Fire</b> <b>Transit</b> <b>Street Lighting</b> <b>Debt</b>	<ul style="list-style-type: none"> <li>◆ based on urban/rural (different urban/rural boundary for police, fire and transit)</li> <li>◆ Results in four different areas: Belleville Urban, Cannifton Urban Fire Area, Cannifton Rural Fire Area and Rural</li> </ul>
<b>Cornwall</b> (population: 45,965)	none	
<b>Haldimand County</b> (population: 45,212)	none	
<b>Quinte West</b> (population: 42,697)	<b>Waste Management</b> <b>Fire</b> <b>Police</b> <b>Streetlights</b>	◆ Area rated by ward
<b>St. Thomas</b> (population: 36,110)	none	
<b>Stratford</b> (population: 30,461)	none	
<b>Orillia</b> (population: 30,259)	none	◆ small \$ area rated to a minimal amount of Residential assessment only re: Couchiching Point Canal Maintenance
<b>Brockville</b> (population: 21,957)	none	



## Area Rating – Survey of Ontario Municipalities

Municipality	Services Area Rated	Comments / Description
<b>Two-Tier Municipalities</b>		
<b>Peel Region</b> (upper-tier) (population: 1,159,405)	<b>Police</b> <b>Waste Management</b>	<ul style="list-style-type: none"> <li>◆ <b>Police</b> – Peel Regional Police allocated to Brampton and Mississauga; full cost of OPP to Caledon only</li> <li>◆ <b>Waste Management</b> – based on tonnage</li> </ul>
(lower-tiers) <b>Mississauga</b> (population: 668,549) <b>Brampton</b> (population: 433,806) <b>Caledon</b> (population: 57,050)	none	
<b>York Region</b> (upper-tier) (population: 892,712)	none	
(lower-tiers) <b>Markham</b> (population: 261,573) <b>Vaughan</b> (population: 238,866) <b>Richmond Hill</b> (population: 162,704) <b>Newmarket</b> (population: 74,295) <b>Aurora</b> (population: 47,629) <b>Georgina</b> (population: 42,346) <b>Whitchurch-Stouffville</b> (population: 24,390) <b>East Gwillimbury</b> (population: 21,069) <b>King</b> (population: 19,487)	none	

## Area Rating – Survey of Ontario Municipalities

Municipality	Services Area Rated	Comments / Description
<b>Durham Region</b> (upper-tier) (population: 561,258)	<b>Solid Waste Transit</b>	<ul style="list-style-type: none"> <li>◆ <b>Transit</b> - varies by local area municipality based on both the service level and the weighted assessment (7-yr phase-in to be fully based on weighted assessment –no longer area rated by 2012)</li> <li>◆ <b>Solid Waste</b> – varies by local area municipality based on tonnages, stops, and service levels (2009 is the 1<sup>st</sup> year of a 3-yr phase-in program similar to transit)</li> </ul>
(lower-tiers) <b>Oshawa</b> (population 141,590) <b>Whitby</b> (population: 111,184) <b>Ajax</b> (population: 90,167) <b>Pickering</b> (population: 87,838) <b>Clarington</b> (population: 77,820) <b>Scugog</b> (population: 21,439) <b>Uxbridge</b> (population: 19,169)	<b>none</b>	
<b>Brock</b> (population: 11,979)	<b>Streetlights</b>	<ul style="list-style-type: none"> <li>◆ charged to urban area only</li> </ul>

## Area Rating – Survey of Ontario Municipalities

Municipality	Services Area Rated	Comments / Description
<b>Waterloo Region</b> (upper-tier) (population: 478,121)	<b>Transit</b> <b>Library</b> <b>Waste Collection</b>	<ul style="list-style-type: none"> <li>◆ <b>Transit</b> – urban/rural: one rate for urban area municipalities (Kitchener, Cambridge, Waterloo), one rate for rural townships</li> <li>◆ <b>Library</b> – one rate for rural townships only</li> <li>◆ <b>Waste Collection</b> – one rate for urban area municipalities (Kitchener, Cambridge, Waterloo) and one rural township, all other rural townships have varying flat fees</li> </ul>
(lower-tiers) <b>Kitchener</b> (population: 204,668) <b>Cambridge</b> (population: 120,371) <b>Waterloo</b> (population: 97,475) <b>Woolwich</b> (population: 19,658) <b>Wilmot</b> (population: 17,097) <b>Wellesley</b> (population: 9,789)	none	
<b>North Dumfries</b> (population: 9,063)	<ul style="list-style-type: none"> <li>◆ <b>Sidewalk</b></li> <li>◆ <b>Sidewalk Snow Removal</b></li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>Urban area charge (Ayr settlement area)</b></li> </ul>

## Area Rating – Survey of Ontario Municipalities

Municipality	Services Area Rated	Comments / Description
<b>Halton Region</b> (upper-tier) (population: 439,256)	<b>Waste Management</b>	<ul style="list-style-type: none"> <li>◆ Three different <b>Waste Management</b> tax rates charged to each of its four lower-tiers: Basic Waste, Enhanced Waste, Blue Box</li> <li>◆ Urban area = all three Waste Management tax rates</li> <li>◆ Rural area = only Basic Waste and Blue Box (with the exception of Halton Hills where rural = Blue Box only)</li> </ul>
(lower-tiers) <b>Burlington</b> (population: 164,415)	<b>Transit</b>	<ul style="list-style-type: none"> <li>◆ Area rate based on urban/rural – however the urban/rural boundaries for transit (lower-tier) and Waste Management (upper-tier) differ slightly</li> <li>◆ Results in 3 different residential tax rates: urban, rural with rural garbage service, rural with urban garbage service</li> </ul>
<b>Milton</b> (population: 53,939)	<b>Transit</b> <b>Urban Streetlights</b> <b>Sidewalk Snow Plowing</b> <b>Crossing Guards</b> <b>Tree Maintenance (high profile areas)</b> <b>Traffic Signal Maintenance</b>	<ul style="list-style-type: none"> <li>◆ urban service area (one urban service area tax rate for all “urban” services)</li> </ul>
<b>Oakville</b> (population: 165,613) <b>Halton Hills</b> (population: 55,289)	<b>none</b>	

## Area Rating – Survey of Ontario Municipalities

Municipality	Services Area Rated	Comments / Description
<b>Niagara Region</b> (upper-tier) (population: 427,421)	<b>Waste Management</b>	♦ <b>Waste Management</b> – allocate separate rate to each of the 12 lower-tiers (flat fee in Niagara-on-the-Lake)
(lower-tiers) <b>St. Catharines</b> (population: 131,989)	<b>Transit Streetlights</b>	♦ charged to urban service area only
<b>Niagara Falls</b> (population: 82,184)	<b>Transit Streetlights Sidewalks</b>	♦ urban service area
<b>Grimsby</b> (population: 23,937)	<b>Sanitary Sewers</b>	♦ charged to urban area only
<b>Thorold</b> (population: 18,224)	<b>Sidewalks Sewer Water</b>	♦ urban service area (one urban service area tax rate for properties with sidewalks and/or sewers and/or water)
<b>Niagara-on-the-Lake</b> (population: 14,587)	<b>Streetlights Consolidated Stormwater Mgmt Improvement</b>	♦ charged to urban areas only
<b>West Lincoln</b> (population: 13,167)	<b>Sanitary/Storm Sidewalks Streetlights</b>	♦ charged to urban area only
<b>Welland</b> (population: 50,331) <b>Fort Erie</b> (population: 29,925) <b>Lincoln</b> (population: 21,722) <b>Port Colborne</b> (population: 18,599) <b>Pelham</b> (population: 16,155) <b>Wainfleet</b> (population: 6,601)	none	

### Area Rating – Survey of Ontario Municipalities

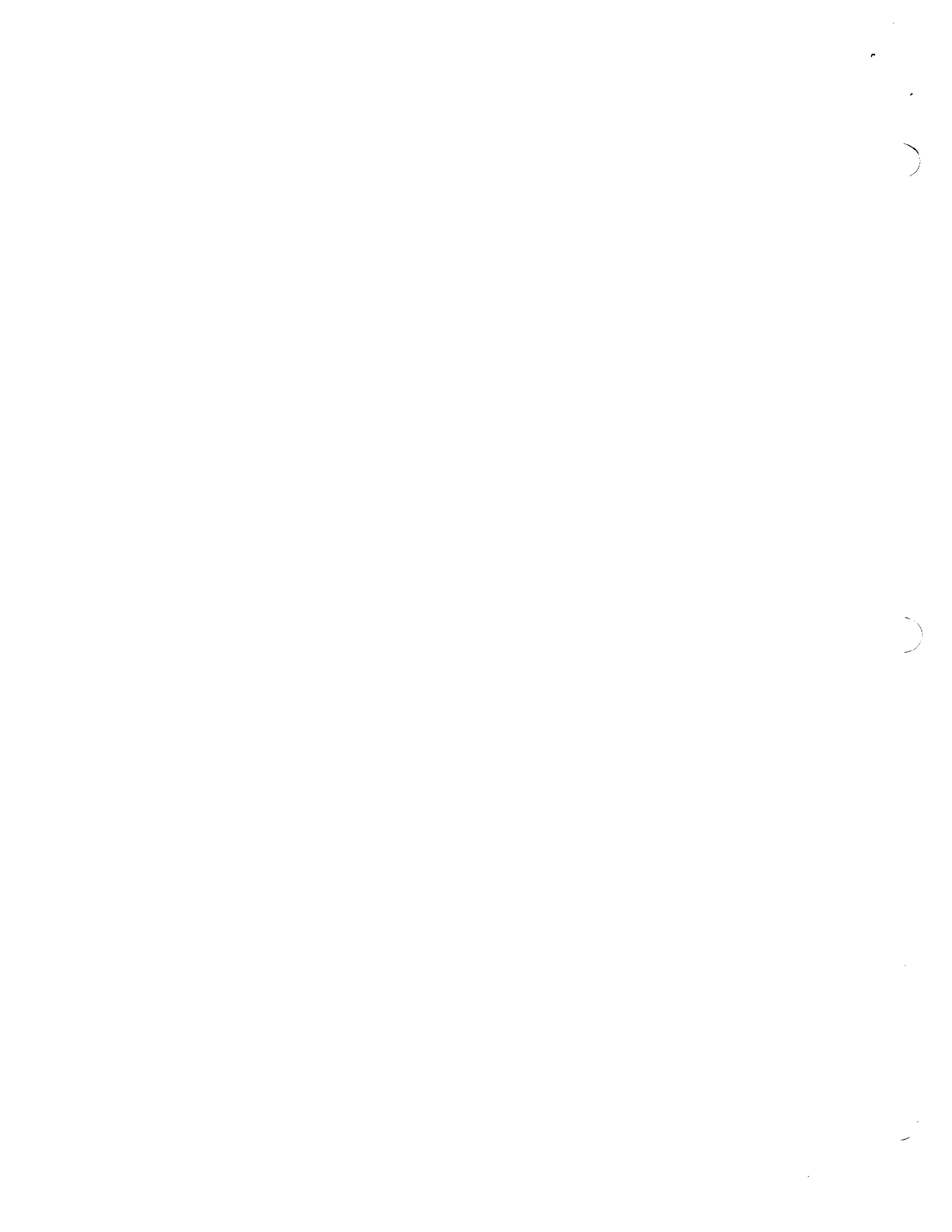
Municipality	Services Area Rated	Comments / Description
<b>Lambton County</b> (upper-tier) (population: 128,204)	none	
<b>Sarnia</b> (lower-tier) (population: 71,419)	Transit	
<b>Oxford County</b> (upper-tier) (population: 102,756)	Library	<ul style="list-style-type: none"> <li>• <b>Library – one rate for townships only</b></li> </ul>
<b>Woodstock</b> (lower-tier) (population: 35,480)	none	

Source: Financial Information Returns (FIRs), tax levy by-laws, municipal websites and telephone inquiries  
 Population: 2006 Census, Statistics Canada

# **APPENDIX C**

## **PROVINCIAL LEGISLATION**

**City of Hamilton Act, Section 12-16  
Municipal Act, Section 326  
Ontario Regulation 585/06**





## Sections 12 – 16 of the City of Hamilton Act

### By-law re special services

**12. (1)** Subject to the restrictions set out in this section, the city may do the following things by by-law:

1. Identify a special service.
2. Determine the amount of the city's costs (including capital costs, debenture charges and charges for depreciation or for a reserve fund) that are related to that special service.
3. Subject to a regulation made under subsection (5), designate one or more merged areas of the city as an area in which the residents and property owners receive or will receive an additional municipal benefit from the special service that is not or will not be received in the other merged areas of the city.
4. Determine the portion of the amount determined under paragraph 2 that represents the additional cost of providing the additional municipal benefit in each area designated under paragraph 3 and set out the method it used for making that determination.
5. Determine the amount, if any, of the additional cost referred to in paragraph 4 that is to be raised under subsection (8). 1999, c. 14, Sched. C, s. 12 (1).

### Restriction

- (2)** A by-law may be made with respect to a special service,
- (a) that was being provided in a merged area of the city by or on behalf of an old municipality or a local board of an old municipality; and
  - (b) that continued to be provided in the merged area by or on behalf of the city or a local board of the city at any time during 2001. 1999, c. 14, Sched. C, s. 12 (2).

### Same

**(3)** A by-law cannot designate a merged area under paragraph 3 of subsection (1) as one in which residents and property owners do not currently receive but will receive an additional municipal benefit from the special service in future unless,

- (a) the expenditures necessary to make the additional benefit available in the merged area appear in the city's budget for the year (as adopted under section 290 of the *Municipal Act, 2001*); or

- (b) the city has established a reserve fund to finance those expenditures over a period of years. 1999, c. 14, Sched. C, s. 12 (3); 2002, c. 17, Sched. F, Table.

**Same**

(4) The city cannot pass a by-law for a particular year (the “applicable year”) after 2002 with respect to a particular special service unless the following conditions are met:

1. The city passed a by-law with respect to the special service in 2002.
2. The city passed a by-law with respect to the special service for every year after 2002 and before the applicable year. 1999, c. 14, Sched. C, s. 12 (4).

**Regulation, designated areas**

(5) For the purposes of paragraph 3 of subsection (1), the Minister may, by regulation,

- (a) specify an area that may be designated under that paragraph even though it is not composed of one or more merged areas;
- (b) prescribe circumstances in which an area may be designated under that paragraph even though it is not composed of one or more merged areas. 1999, c. 14, Sched. C, s. 12 (5).

**Same**

(6) A regulation under subsection (5) may be general or specific in its application and may apply differently to different special services. 1999, c. 14, Sched. C, s. 12 (6).

**Same**

(7) A regulation under subsection (5) may be made retroactive to a date not earlier than January 1 of the year in which the regulation is made. 1999, c. 14, Sched. C, s. 12 (7).

**Special levy**

(8) For each year in which a by-law under subsection (1) is in force, the city shall levy a special local municipality levy under section 312 of the *Municipal Act, 2001* on the rateable property in the area designated under paragraph 3 of subsection (1) to raise the amount determined under paragraph 5 of that subsection. 1999, c. 14, Sched. C, s. 12 (8); 2002, c. 17, Sched. F, Table.

**Same**

(9) Such rateable property as may be prescribed is exempt from the levy under subsection (8) to the extent prescribed. 1999, c. 14, Sched. C, s. 12 (9).

**Adjustments, general local municipality levy**

**13. (1)** This section applies with respect to the tax rates levied to raise the general local municipality levy under section 312 of the *Municipal Act, 2001*. 1999, c. 14, Sched. C, s. 13 (1); 2002, c. 17, Sched. F, Table.

**Interpretation**

**(2)** A reference in this section to the assets or liabilities of a merged area is a reference to the assets or liabilities on December 31, 2000 of the old municipality that comprises the merged area and of its local boards. 1999, c. 14, Sched. C, s. 13 (2).

**Decrease in tax rates**

**(3)** Subject to the restrictions set out in this section, the city may, by by-law, decrease the tax rates that would otherwise apply on the assessment within a merged area,

- (a) if the city council considers that it would be unfair that the taxpayers in the merged area not receive direct benefit from the assets or any class of assets of the merged area; and
- (b) if the amount of taxes lost by decreasing the tax rates does not exceed the value of the assets referred to in clause (a). 1999, c. 14, Sched. C, s. 13 (3).

**Increase in tax rates**

**(4)** Subject to the restrictions set out in this section, the city may, by by-law, increase the tax rates that would otherwise apply on the assessment within a merged area,

- (a) if the city council considers that it would be unfair that the taxpayers outside the merged area be responsible for the liabilities or any class of liabilities of the merged area; and
- (b) if the amount of taxes gained by increasing the tax rates does not exceed the value of the liabilities referred to in clause (a). 1999, c. 14, Sched. C, s. 13 (4).

**Restriction**

**(5)** The city cannot pass a by-law under this section for 2009 or a subsequent year. 1999, c. 14, Sched. C, s. 13 (5).

**Same**

**(6)** The city cannot pass a by-law under this section for a particular year (the “applicable year”) after 2002 with respect to a merged area unless the following conditions are met:

1. The city passed a by-law under this section in 2002 with respect to the merged area.

2. The city passed a by-law under this section with respect to the merged area for every year after 2002 and before the applicable year. 1999, c. 14, Sched. C, s. 13 (6).

**Same**

(7) In any year, increases or decreases, as the case may be, in the tax rates on different classes of property in a merged area must bear the same proportion to each other as the proportion of the applicable tax ratios established under section 308 of the *Municipal Act, 2001* for the property classes for the year. 1999, c. 14, Sched. C, s. 13 (7); 2002, c. 17, Sched. F, Table.

**Budget**

(8) The city shall include in its budget (as adopted under section 290 of the *Municipal Act, 2001*) for a year the amounts resulting from an increase or decrease in tax rates under this section for the year. 1999, c. 14, Sched. C, s. 13 (8); 2002, c. 17, Sched. F, Table.

**Regulations**

(9) The Minister may, by regulation, require the city to exercise its powers under this section and may require the city to do so with respect to such assets and liabilities as may be specified in the regulation and to do so in the manner specified in the regulation. 1999, c. 14, Sched. C, s. 13 (9).

**General or specific**

(10) A regulation under subsection (9) may be general or specific in its application. 1999, c. 14, Sched. C, s. 13 (10).

**Retroactivity**

(11) A regulation under subsection (9) may be made retroactive to January 1 of the year in which it is made. 1999, c. 14, Sched. C, s. 13 (11).

**Effect on by-laws**

(12) A by-law of the city passed under this section, whether it is passed before or after a regulation is made under subsection (9), is of no effect to the extent that it does not comply with the regulation. 1999, c. 14, Sched. C, s. 13 (12).

**Definitions**

(13) In this section,

“assets” means reserves, reserve funds and such other assets as may be prescribed; (“éléments d’actif”)

“liabilities” means debts and such other liabilities as may be prescribed. (“éléments de passif”) 1999, c. 14, Sched. C, s. 13 (13).

**Recovery of costs re: collection and disposal of sewage**

**14.** The city may pass by-laws under Part XII of the *Municipal Act, 2001* for imposing fees or charges to recover all or part of the cost of the establishment,

construction, maintenance, operation, extension, improvement and financing of the collection and disposal of sewage. 1999, c. 14, Sched. C, s. 14; 2002, c. 17, Sched. F, Table.

**Levies for various services**

**15. (1)** The city may establish one or more municipal service areas and levy one or more special local municipality levies under section 312 of the *Municipal Act, 2001* in the municipal service areas for the purpose of raising all or part of its costs for the following services, including the costs of establishing, constructing, maintaining, operating, improving, extending and financing those services:

1. The supply and distribution of water.
2. Fire protection and prevention.
3. Public transportation, other than highways.
4. Street lighting.
5. The collection and disposal of sewage. 1999, c. 14, Sched. C, s. 15 (1); 2002, c. 17, Sched. F, Table.

**Same**

**(2)** For the purposes of subsection (1), the city may levy different special local municipality levies in different municipal service areas and the different levies may vary on any basis the city considers relevant. 1999, c. 14, Sched. C, s. 15 (2).

**Area taxing power**

**16. (1)** In this section,

“area taxing power” means a power under section 12 or 15 of this Act or under any other provision of an Act, regulation or order that authorizes the city to raise costs related to services by imposing taxes on less than all the rateable property in the city. 1999, c. 14, Sched. C, s. 16 (1).

**Duty**

**(2)** The city shall exercise its area taxing power with respect to such services as may be prescribed and shall do so in the prescribed taxation years and in the prescribed manner. 1999, c. 14, Sched. C, s. 16 (2).

**Same**

**(3)** A regulation authorized by subsection (2) cannot prescribe a taxation year after the 2004 taxation year. 1999, c. 14, Sched. C, s. 16 (3).

**Effect on by-laws**

**(4)** A by-law of the city passed under an area taxing power, whether it is passed before or after a regulation authorized by subsection (2), is of no effect to the extent that it does not comply with the regulation. 1999, c. 14, Sched. C, s. 16 (4).

## Section 326 of the Municipal Act

### By-laws re special services

**326. (1)** A municipality may by by-law,

- (a) identify a special service;
- (b) determine which of the costs, including capital costs, debenture charges, charges for depreciation or a reserve fund, of the municipality are related to that special service;
- (c) designate the area of the municipality in which the residents and property owners receive or will receive an additional benefit from the special service that is not received or will not be received in other areas of the municipality;
- (d) determine the portion and set out the method of determining the portion of the costs determined in clause (b) which represent the additional costs to the municipality of providing the additional benefit in the area designated in clause (c);
- (e) determine whether all or a specified portion of the additional costs determined in clause (d) shall be raised under subsection (4). 2001, c. 25, s. 326 (1); 2006, c. 32, Sched. A, s. 136 (1).

### Definitions

**(2)** In this section,

“benefit” means a direct or indirect benefit that is currently available or will be available in the future; (“avantage”)

“special service” means a service or activity of a municipality or a local board of the municipality that is,

- (a) not being provided or undertaken generally throughout the municipality, or
- (b) being provided or undertaken at different levels or in a different manner in different parts of the municipality. (“service spécial”) 2001, c. 25, s. 326 (2).

### Limitation

**(3)** An area designated by a municipality for a year under clause (1) (c) cannot include an area in which the residents and property owners do not currently receive an additional benefit but will receive it in the future unless the expenditures necessary to make the additional benefit available appear in the budget of the municipality for the year adopted under section 289 or 290 or the municipality has established a reserve fund to finance the expenditures over a period of years. 2001, c. 25, s. 326 (3).

**Levies**

- (4) For each year a by-law of a municipality under this section remains in force, the municipality shall, except as otherwise authorized by regulation,
- (a) in the case of a local municipality, levy a special local municipality levy under section 312 on the rateable property in the area designated in clause (1) (c) to raise the costs determined in clause (1) (e);
  - (b) in the case of an upper-tier municipality, direct each lower-tier municipality which includes any part of the area designated in clause (1) (c) to levy a special upper-tier levy under section 311 on the rateable property in that part of the municipality to raise its share of the costs determined in clause (1) (e). 2001, c. 25, s. 326 (4).

**Regulations**

- (5) The Minister may make regulations providing for any matters which, in the opinion of the Minister, are necessary or desirable for the purposes of this section, including,
- (a) prescribing services that cannot be identified as a special service under clause (1) (a);
  - (b) establishing conditions and limits on the exercise of the powers of a municipality under this section, including making the exercise of the powers subject to the approval of any person or body;
  - (c) prescribing the amount of the costs or the classes of costs for the purpose of clause (1) (b);
  - (d) prescribing the area or rules for determining the area for the purpose of clause (1) (c);
  - (e) prescribing the amount of the additional costs or the rules for determining the additional costs for the purpose of clause (1) (d);
  - (f) providing for a process of appealing a by-law under this section and the powers the person or body hearing the appeal may exercise;
  - (g) providing that an appeal under clause (f) may apply to all or any aspect of the by-law;
  - (h) providing for rules or authorizing the person or body hearing an appeal under clause (f) to determine when by-laws subject to appeal come into force, including a retroactive date not earlier than the day on which the by-law was passed;
  - (i) for the purpose of subsection (4), exempting or delegating to a municipality the power to exempt specified rateable property from all or part of a special local municipality levy or a special upper-tier levy for a

specified special service. 2001, c. 25, s. 326 (5); 2006, c. 32, Sched. A, s. 136 (2).

**Retroactive**

(6) A regulation under this section may be retroactive to a date not earlier than January 1 of the year in which the regulation is made. 2001, c. 25, s. 326 (6).

**Deemed services**

(7) If a municipality or a local board of a municipality pays for a service or activity provided or undertaken by another municipality or a local board of another municipality, the service or activity shall be deemed to be a service or activity of the first municipality or local board. 2001, c. 25, s. 326 (7).



**Ontario Regulation 585/06**

**Municipal Act, 2001**

**ONTARIO REGULATION 585/06**

**SERVICES THAT CANNOT BE IDENTIFIED AS A SPECIAL SERVICE**

**Consolidation Period:** From January 1, 2007 to the e-Laws currency date.

No amendments.

*This is the English version of a bilingual regulation.*

**Services that cannot be identified as a special service**

1. For the purposes of clause 326 (5) (a) of the Act, the following services are prescribed as services that cannot be identified as a special service under clause 326 (1) (a) of the Act:

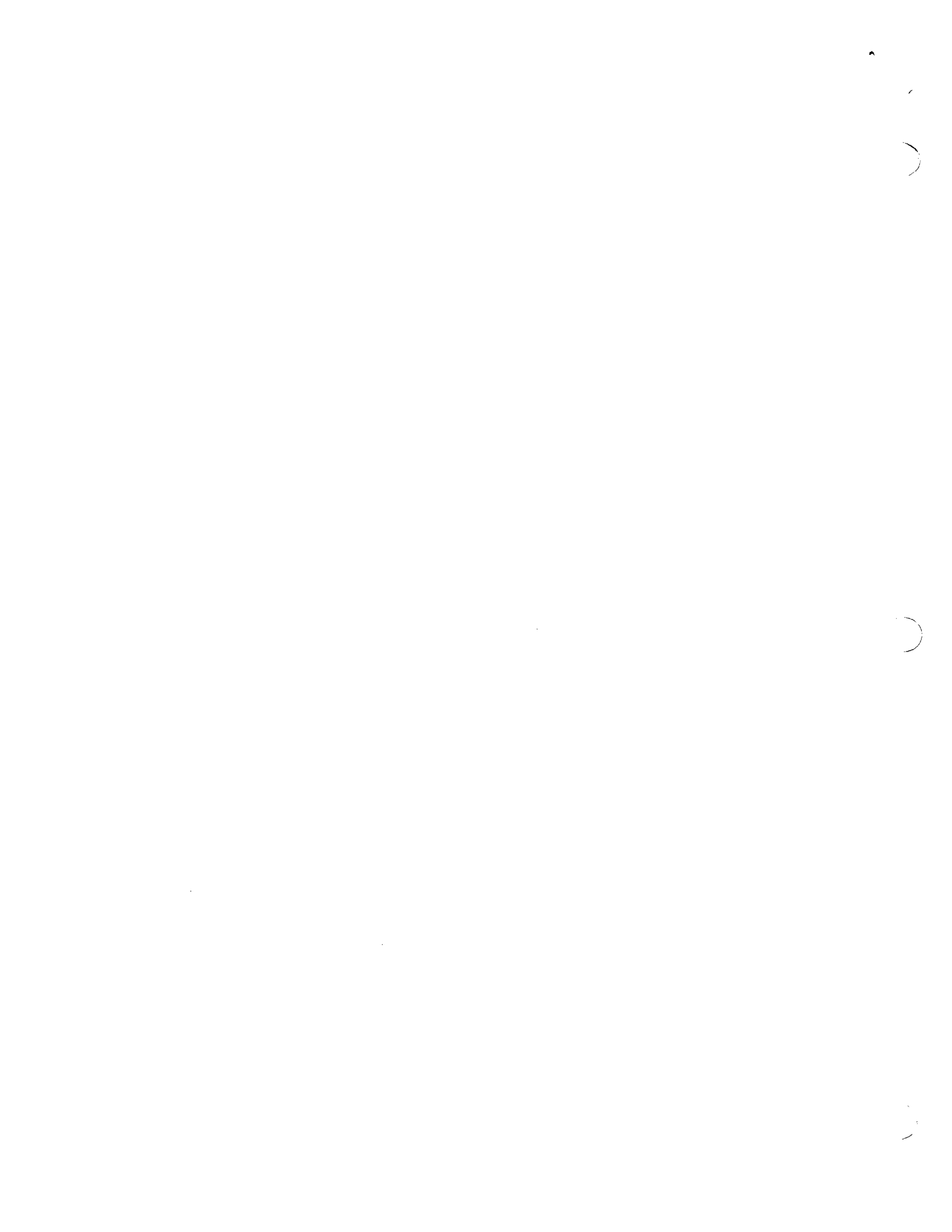
1. Health programs and services under Part II of the *Health Protection and Promotion Act*. O. Reg. 585/06, s. 1.
2. Omitted (revokes other Regulations). O. Reg. 585/06, s. 2.
3. Omitted (provides for coming into force of provisions of this Regulation). O. Reg. 585/06, s. 3.



# **APPENDIX D1, D2 & D3**

## **MAPS**

**Transit / Sidewalk & Streetlights Service Area**  
**Fire Service Area**  
**Urban/Rural Service Area: Total Stage 1**  
**Urban/Rural Service Area: Total Stage 2**  
**Urban/Rural Service Area: Total Stage 1 & 2**  
**Urban/Rural Service Area: Stoney Creek**  
**Urban/Rural Service Area: Glanbrook**  
**Urban/Rural Service Area: Ancaster**  
**Urban/Rural Service Area: Hamilton**  
**Urban/Rural Service Area: Dundas**  
**Urban/Rural Service Area: Flamborough**

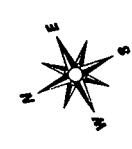
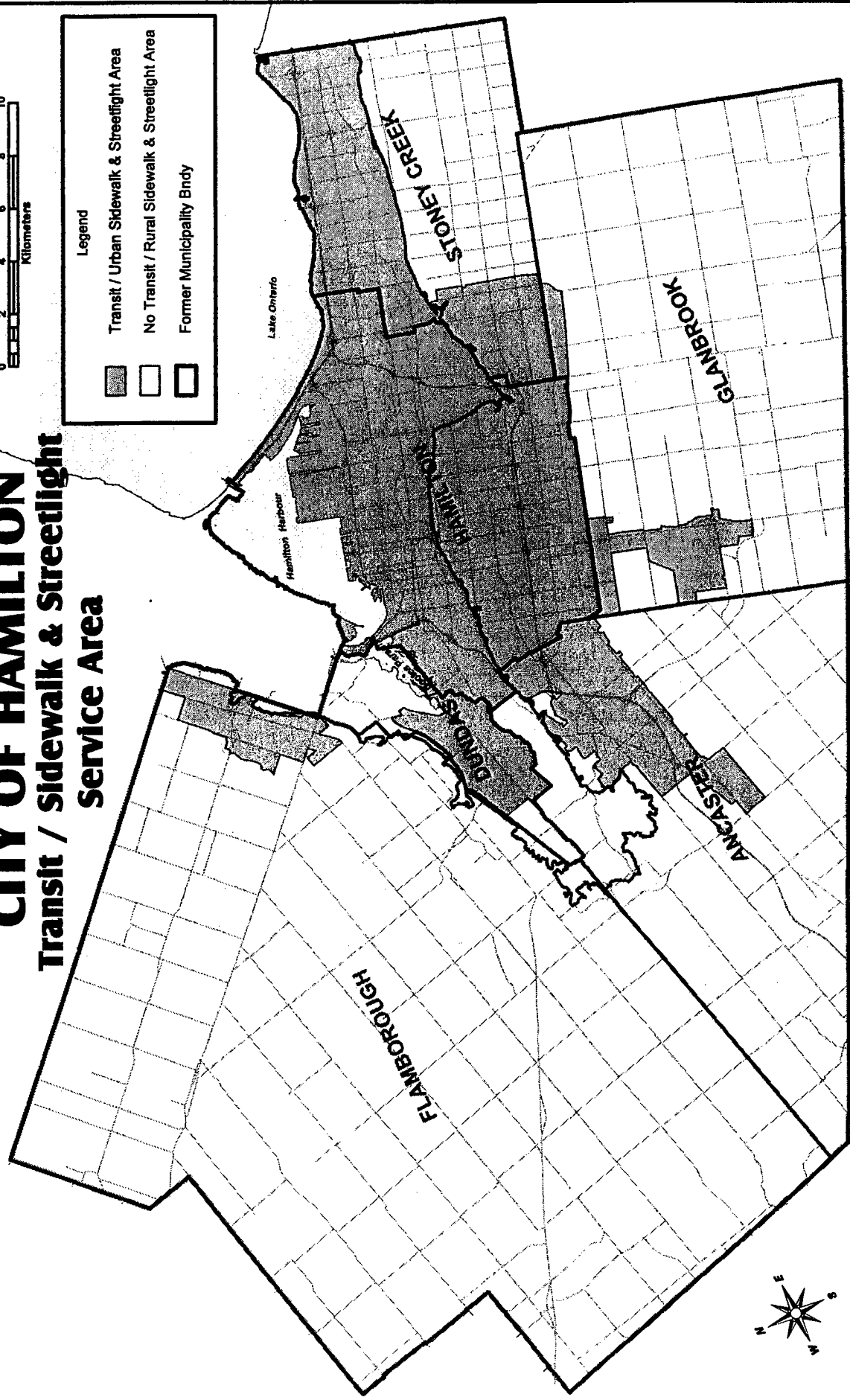


# CITY OF HAMILTON Transit / Sidewalk & Streetlight Service Area

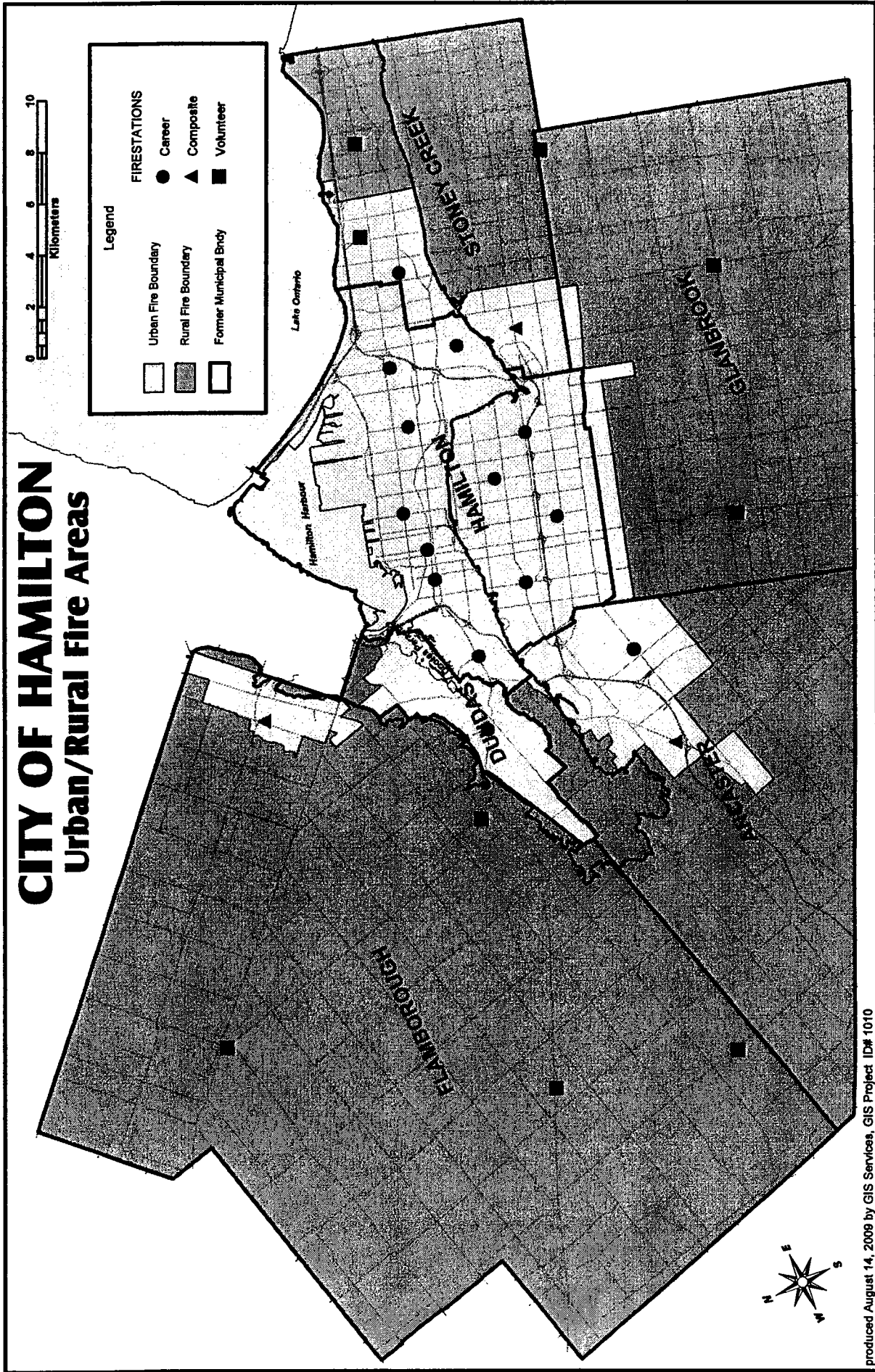


**Legend**

- Transit / Urban Sidewalk & Streetlight Area
- No Transit / Rural Sidewalk & Streetlight Area
- Former Municipality Bndy



# CITY OF HAMILTON Urban/Rural Fire Areas



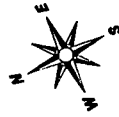
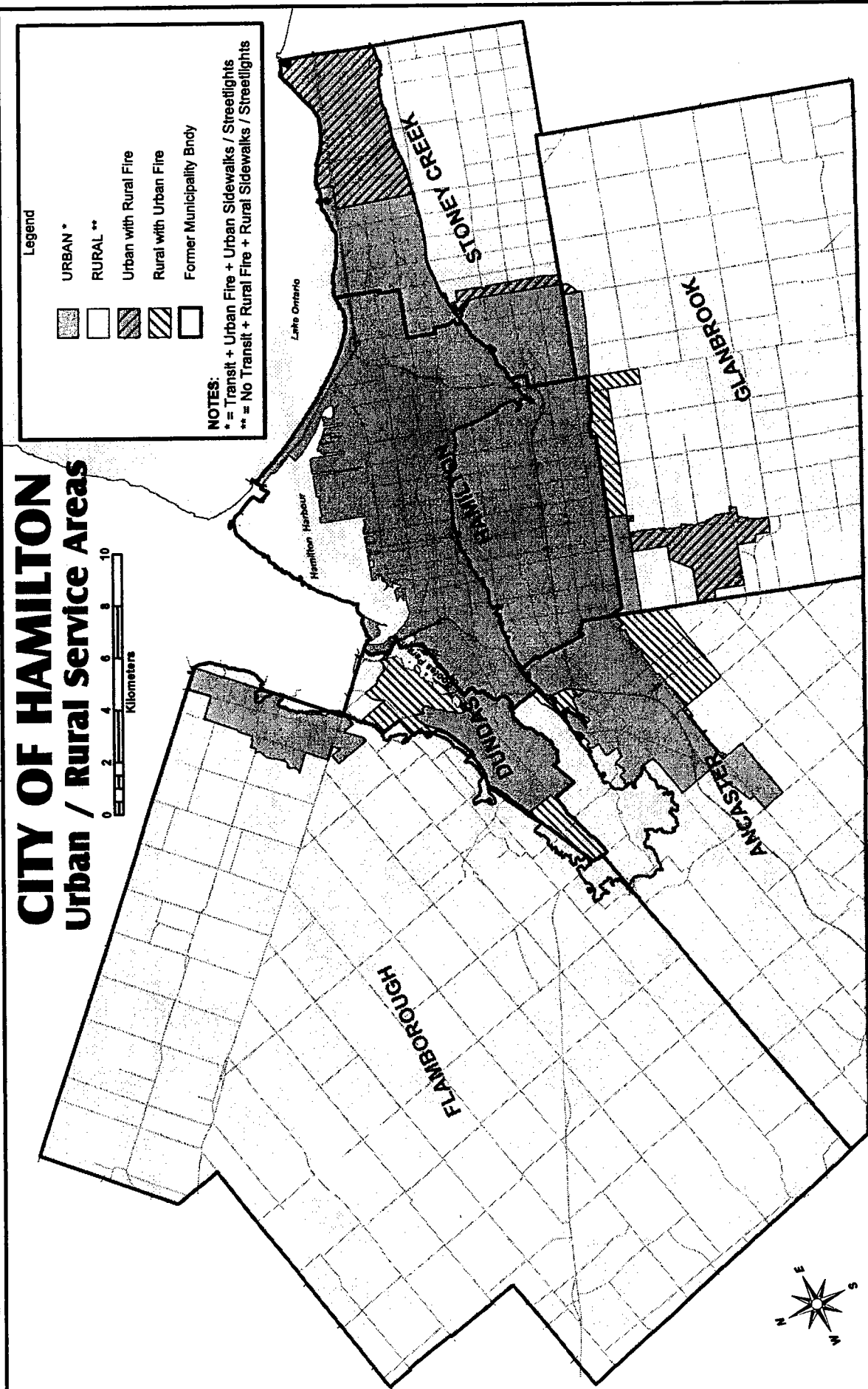
# CITY OF HAMILTON Urban / Rural Service Areas



**Legend**

- URBAN \*
- RURAL \*\*
- Urban with Rural Fire
- Rural with Urban Fire
- Former Municipality Boundary

**NOTES:**  
 \* = Transit + Urban Fire + Urban Sidewalks / Streetlights  
 \*\* = No Transit + Rural Fire + Rural Sidewalks / Streetlights



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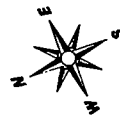
## STAGE 1:

### TOTAL STAGE 1

	Stoney Creek	Glanbrook	Ancaster	Hamilton	Dundas	Flamborough
URBAN	6%	12%	3%	-3%	4%	7%
RURAL	1%	7%	-2%	N/A	-1%	1%
Urban with Rural Fire	1%	7%	-2%	N/A	N/A	N/A
Rural with Urban Fire	N/A	12%	2%	N/A	3%	N/A

**Stage 1: Elimination of area rating Culture & Recreation, urban/rural area rating for Fire and Sidewalks & Streetlights - Phased-in over 4 years (2011-2014)**

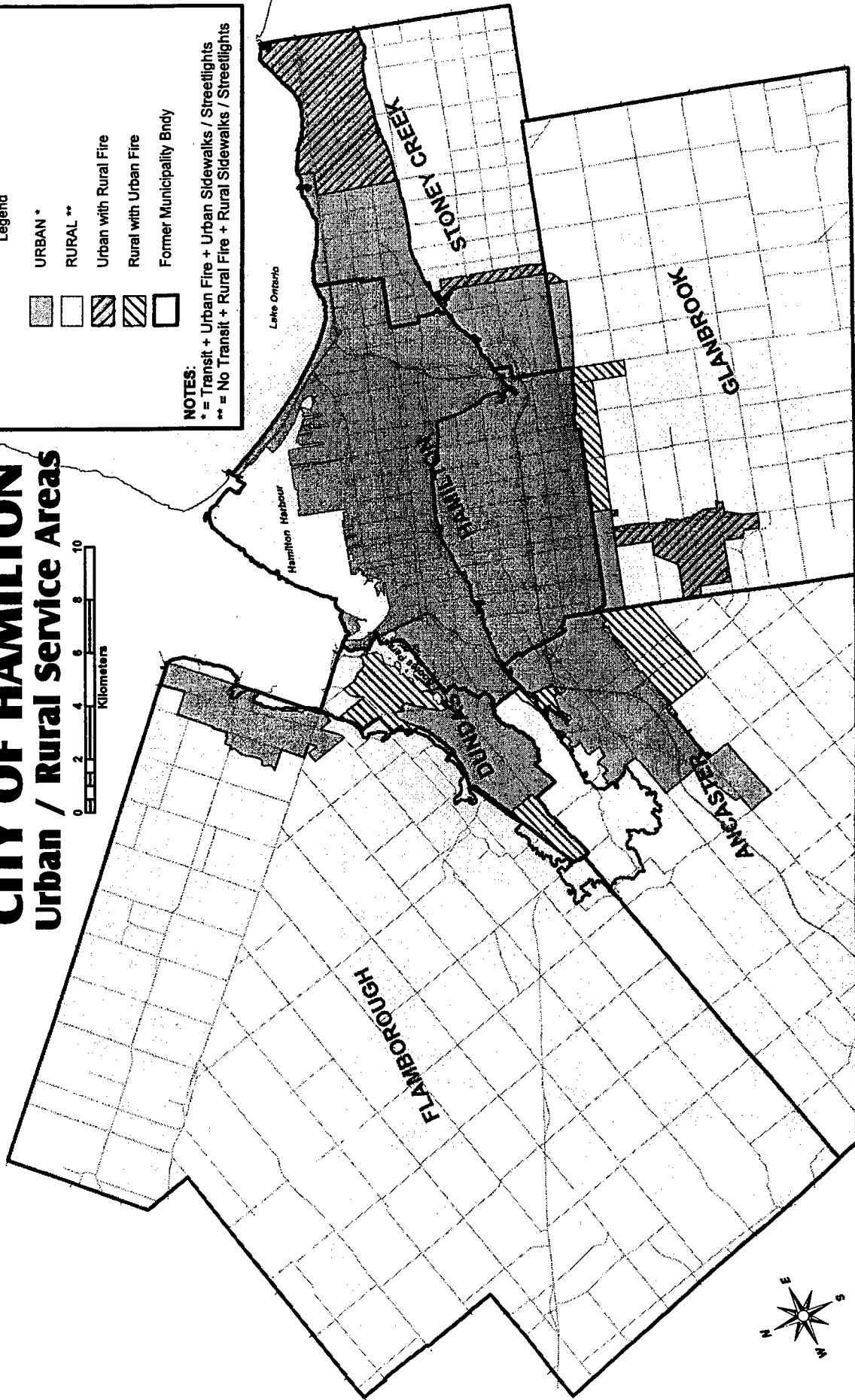
# CITY OF HAMILTON Urban / Rural Service Areas



**Legend**

- URBAN \*
- RURAL \*\*
- Urban with Rural Fire
- Rural with Urban Fire
- Former Municipality Bndy

**NOTES:**  
 \* = Transit + Urban Fire + Urban Sidewalks / Streetlights  
 \*\* = No Transit + Rural Fire + Rural Sidewalks / Streetlights



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**Stage 2:** urban/rural area rating for Transit  
- Phased-in over 3 years (2015-2017)

		TOTAL STAGE 2					
		Stoney Creek	Glanbrook	Ancaster	Hamilton	Dundas	Flamborough
URBAN	3%	3%	2%	3%	-1%	3%	0%
RURAL	0%	0%	0%	0%	N/A	0%	0%
Urban with Rural Fire	3%	3%	2%	3%	N/A	N/A	N/A
Rural with Urban Fire	N/A	N/A	0%	0%	N/A	0%	N/A

**STAGE 2:**



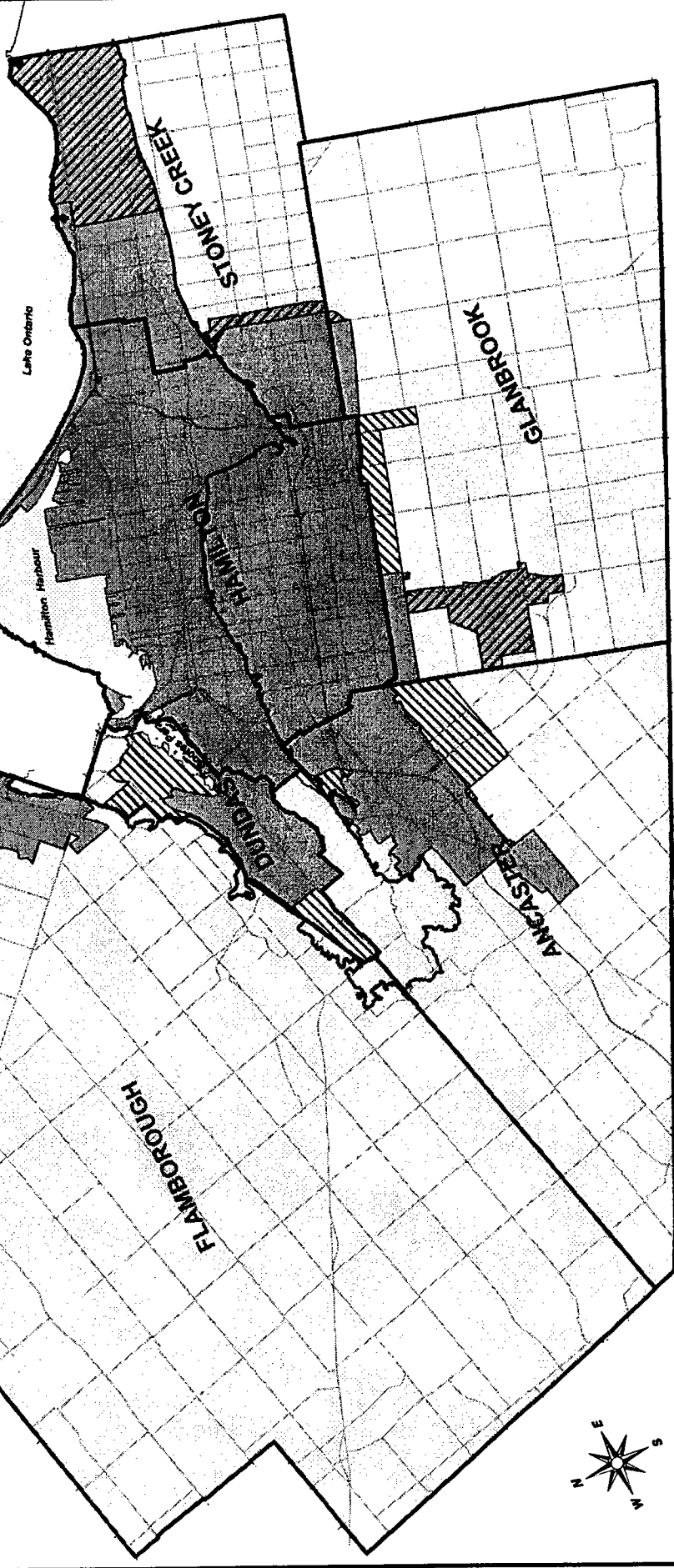
# CITY OF HAMILTON Urban / Rural Service Areas



**Legend**

- URBAN \*
- RURAL \*\*
- Urban with Rural Fire
- Rural with Urban Fire
- Former Municipality Bndy

**NOTES:**  
 \* = Transit + Urban Fire + Urban Sidewalks / Streetlights  
 \*\* = No Transit + Rural Fire + Rural Sidewalks / Streetlights



Produced November 5, 2009 by GIS Services, GIS Project ID# 1010

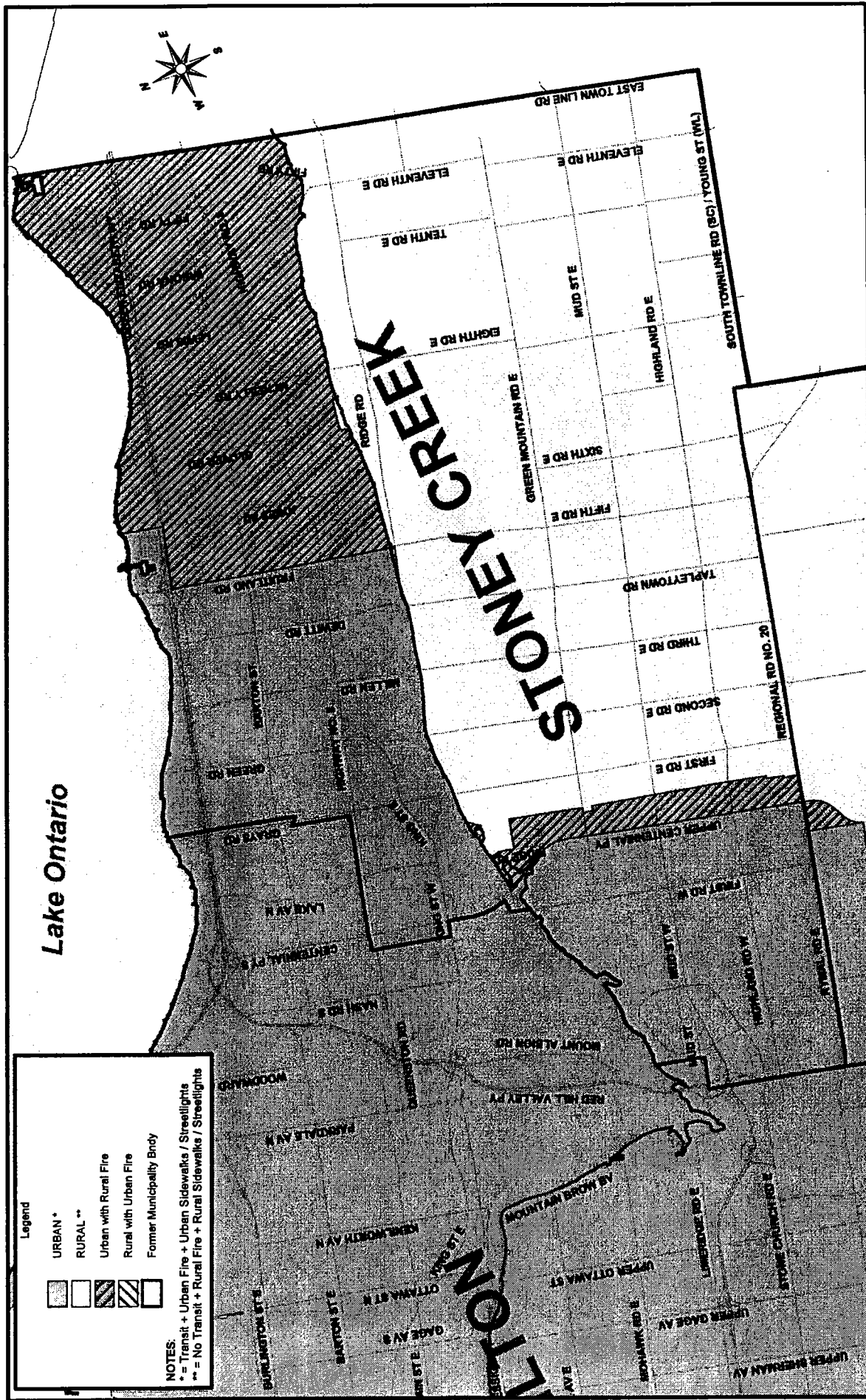
## STAGE 1 & 2:



### TOTAL STAGE 1 & 2

	Stoney Creek	Glanbrook	Ancaster	Hamilton	Dundas	Flamborough
URBAN	9%	14%	6%	-4%	7%	7%
RURAL	1%	7%	-2%	N/A	-1%	1%
Urban with Rural Fire	4%	9%	1%	N/A	N/A	N/A
Rural with Urban Fire	N/A	12%	2%	N/A	3%	N/A

**Stage 1:** Elimination of area rating Culture & Recreation, urban/rural area rating for Fire and Sidewalks & Streetlights  
 - Phased-in over 4 years (2011-2014)  
**Stage 2:** urban/rural area rating for Transit  
 - Phased-in over 3 years (2015-2017)



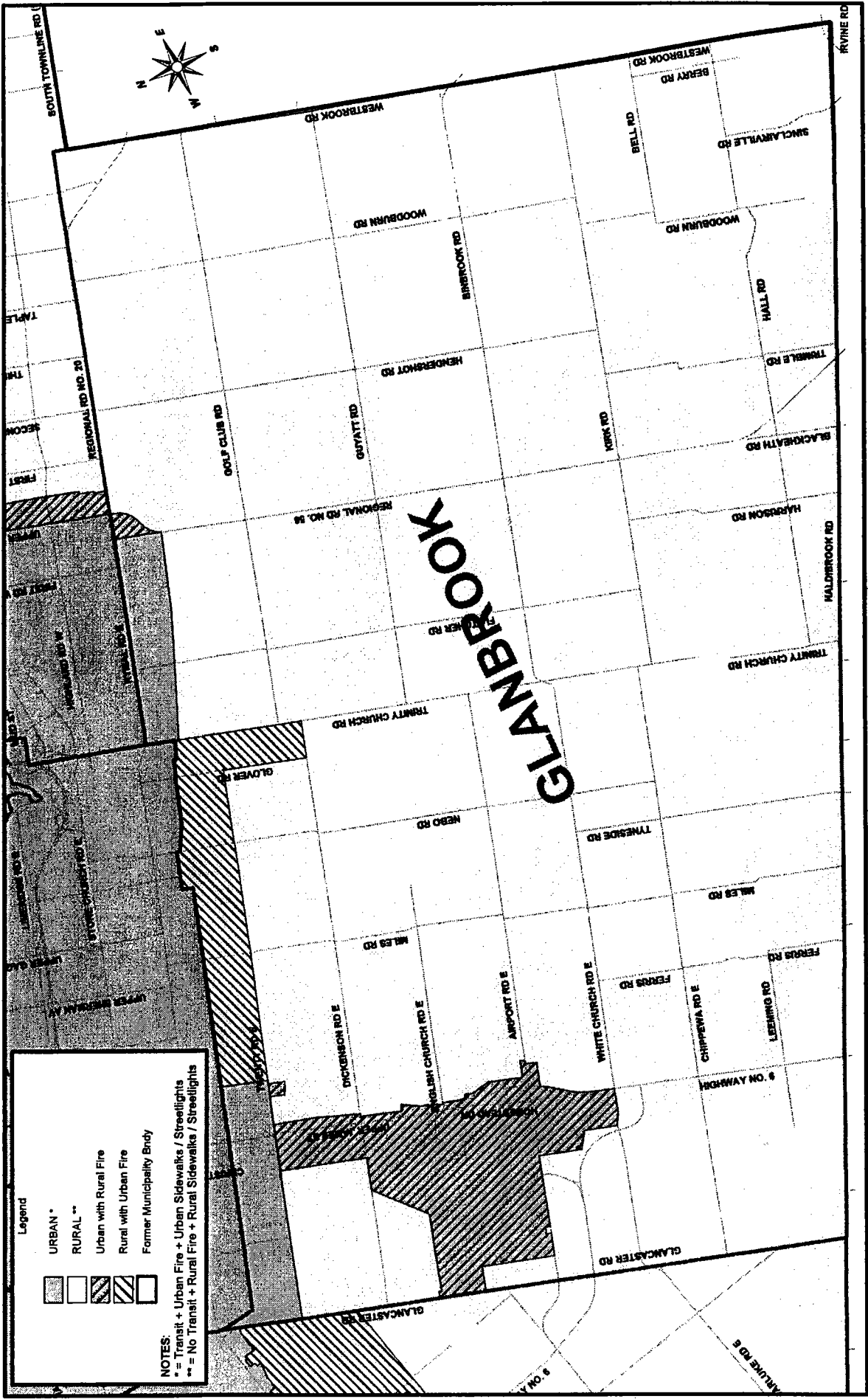
# City of Hamilton STONEY CREEK Urban / Rural Service Areas

Stage 1: Elimination of area rating Culture & Recreation, urban/rural area rating for Fire and Sidewalks & Streetslights  
 - Phased-in over 4 years (2011-2014)  
 Stage 2: urban/rural area rating for Transit  
 - Phased-in over 3 years (2015-2017)

	Stoney Creek		
	Total Stage 1	Total Stage 2	Total Stage 1 & 2
URBAN	6%	3%	9%
RURAL	1%	0%	1%
Urban with Rural Fire	1%	3%	4%
Rural with Urban Fire	N/A	N/A	N/A

## STAGE 1 & 2:

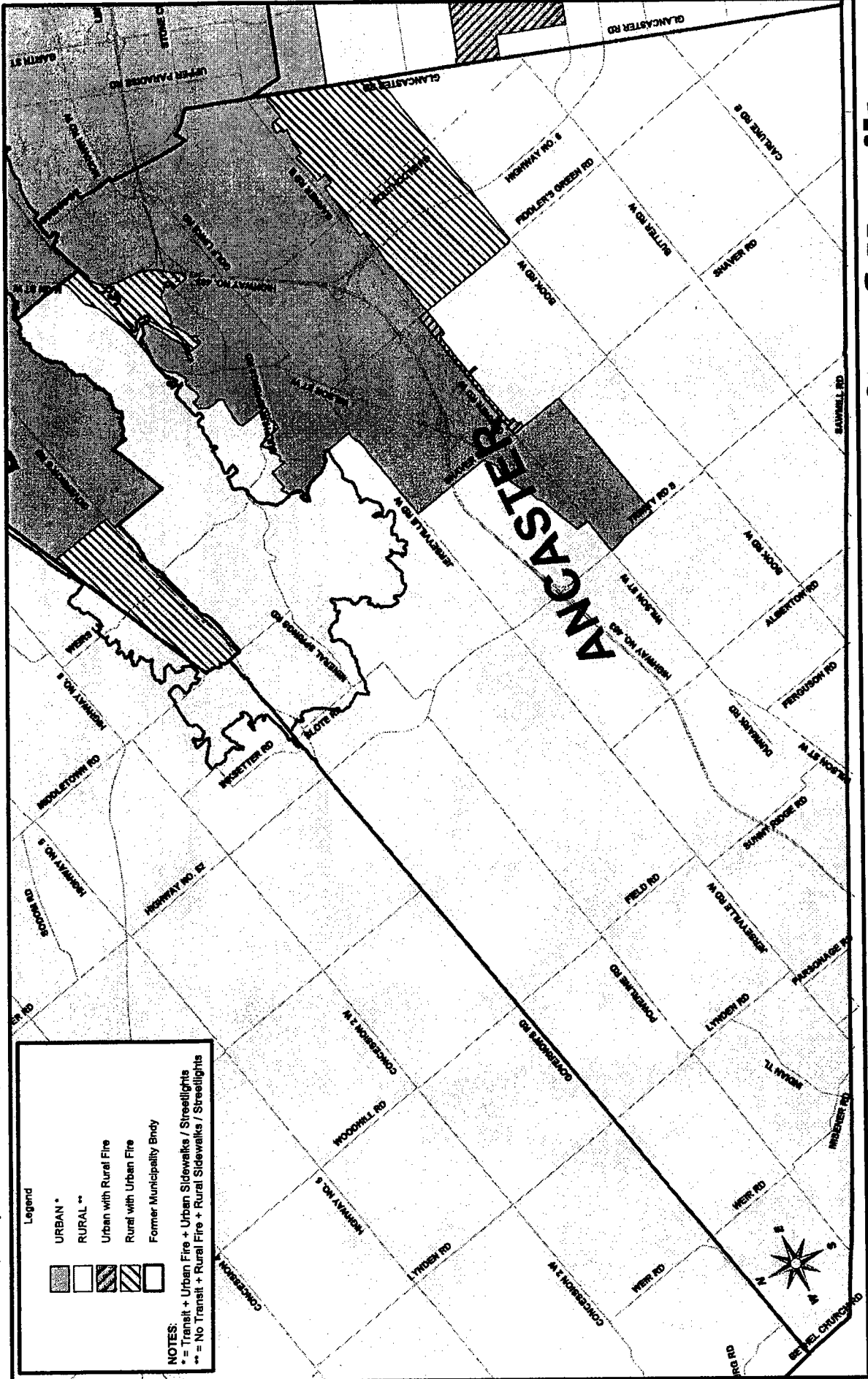
Kilometers



# City of Hamilton GLANBROOK Urban / Rural Service Areas

**Stage 1:** Elimination of area rating Culture & Recreation, urban/rural area rating for Fire and Sidewalks & Streetslights  
 - Phased-in over 4 years (2011-2014)  
**Stage 2:** urban/rural area rating for Transit  
 - Phased-in over 3 years (2015-2017)

	Glanbrook		Total Stage 1 & 2
	Total Stage 1	Total Stage 2	
URBAN	12%	2%	14%
RURAL	7%	0%	7%
Urban with Rural Fire	7%	2%	9%
Rural with Urban Fire	12%	0%	12%



**Legend**

- URBAN \*
- RURAL \*\*
- Urban with Rural Fire
- Rural with Urban Fire
- Former Municipality Bndy

**NOTES:**

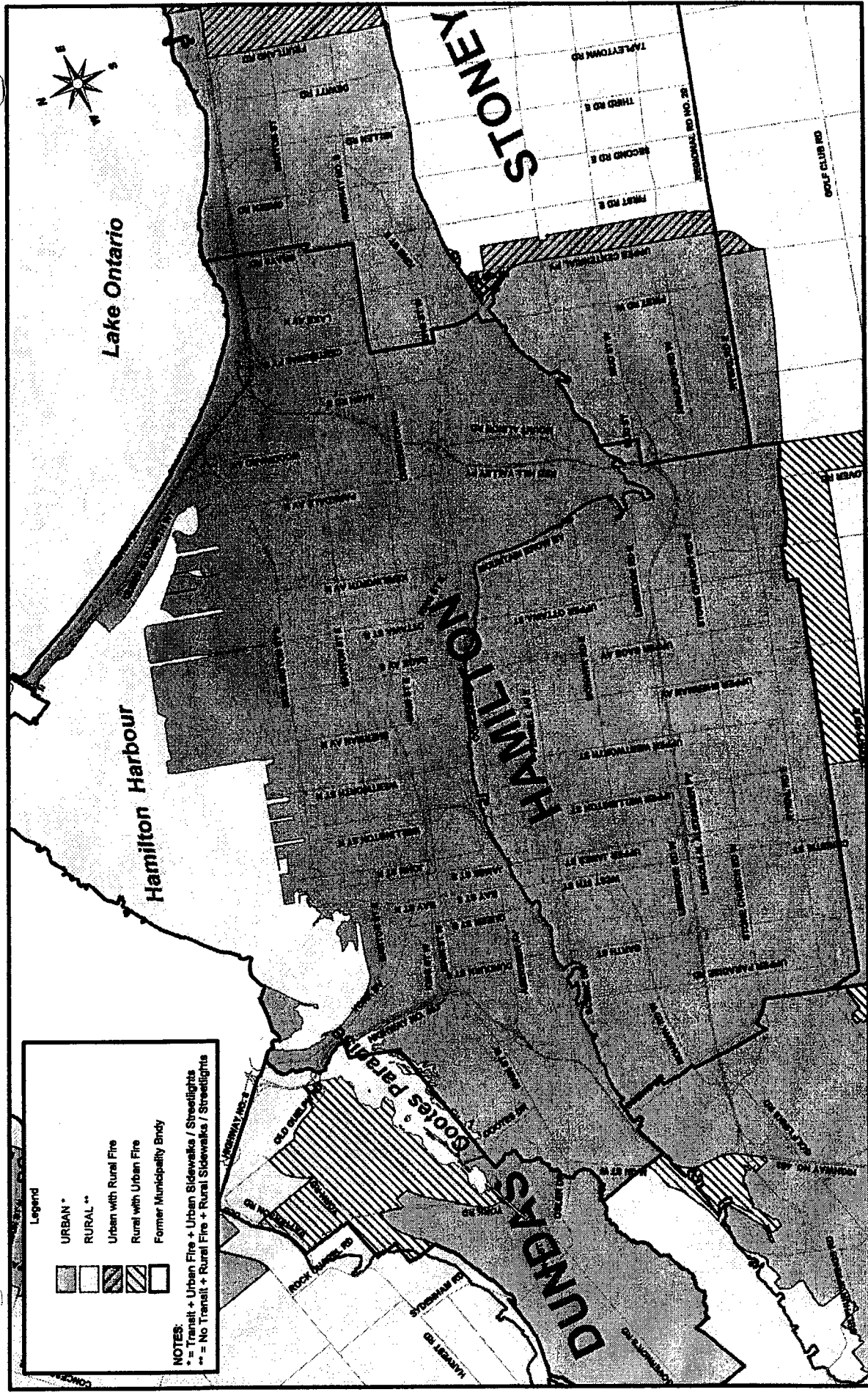
- \* = Transit + Urban Fire + Urban Sidewalks / Streetlights
- \*\* = No Transit + Rural Fire + Rural Sidewalks / Streetlights

# City of Hamilton ANCASTER Urban / Rural Service Areas

- Stage 1: Elimination of area rating Culture & Recreation, urban/rural area rating for Fire and Sidewalks & Streetlights
- Phased-in over 4 years (2011-2014)
- Stage 2: urban/rural area rating for Transit
- Phased-in over 3 years (2015-2017)

	Ancaster		Total Stage 1 & 2
	Total Stage 1	Total Stage 2	
URBAN	3%	3%	6%
RURAL	-2%	0%	-2%
Urban with Rural Fire	-2%	3%	1%
Rural with Urban Fire	2%	0%	2%

## STAGE 1 & 2:



# City of Hamilton HAMILTON Urban / Rural Service Areas



- Stage 1: Elimination of area rating Culture & Recreation, urban/rural area rating for Fire and Sidewalks & Streetlights - Phased-in over 4 years (2011-2014)
- Stage 2: urban/rural area rating for Transit - Phased-in over 3 years (2015-2017)

	Hamilton		Total Stage 1 & 2
	Total Stage 1	Total Stage 2	
URBAN	-3%	-1%	-4%
RURAL	N/A	N/A	N/A
Urban with Rural Fire	N/A	N/A	N/A
Rural with Urban Fire	N/A	N/A	N/A

## STAGE 1 & 2:

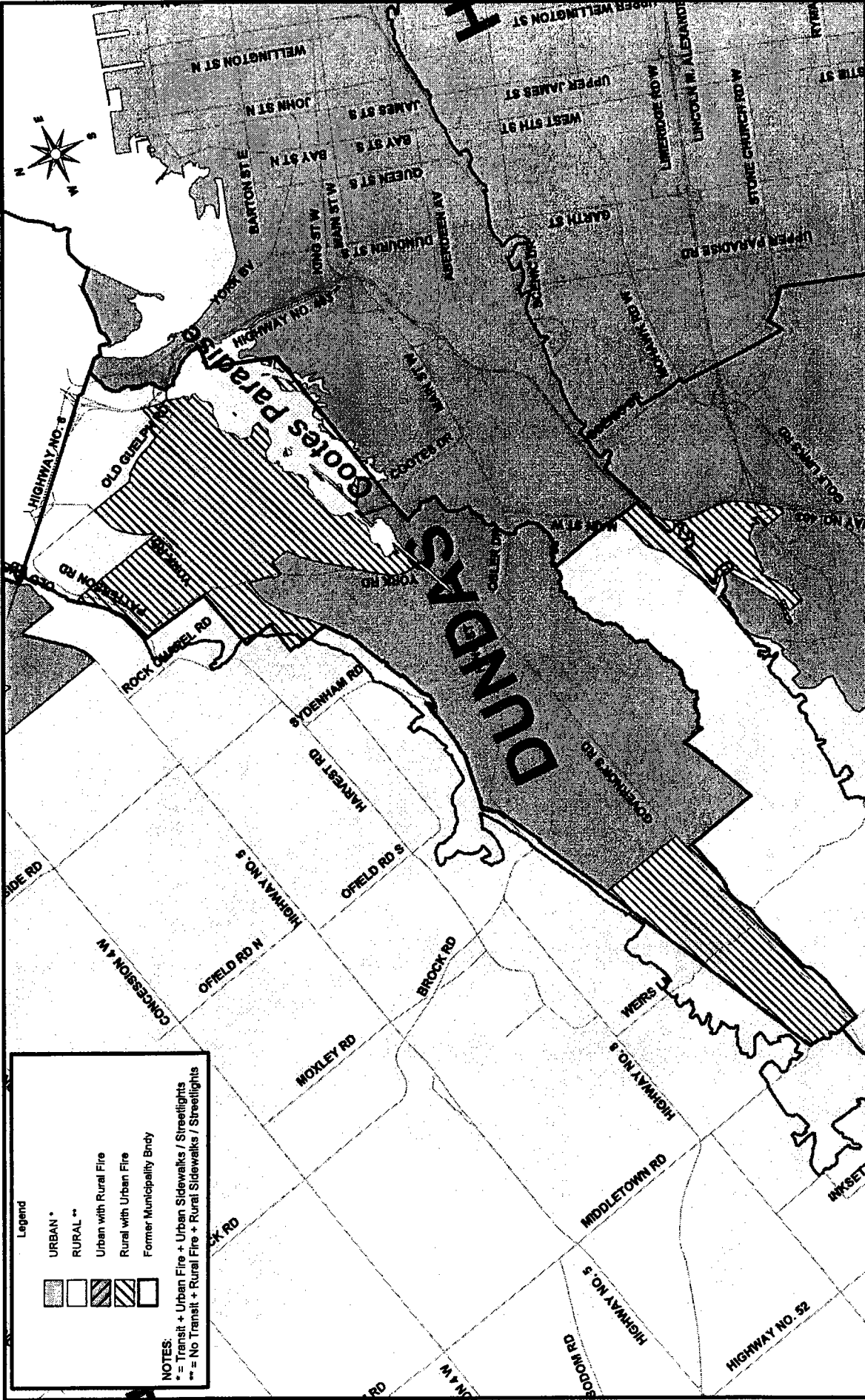
URBAN	-3%	-1%	-4%
RURAL	N/A	N/A	N/A
Urban with Rural Fire	N/A	N/A	N/A
Rural with Urban Fire	N/A	N/A	N/A

**Legend**

- URBAN \*
- RURAL \*\*
- Urban with Rural Fire
- Rural with Urban Fire
- Former Municipality Body

**NOTES:**

- \* = Transit + Urban Fire + Urban Sidewalks / Streetlights
- \*\* = No Transit + Rural Fire + Rural Sidewalks / Streetlights



**Legend**

- URBAN \*
- RURAL \*\*
- Urban with Rural Fire
- Rural with Urban Fire
- Former Municipality Boundary

**NOTES:**

- \* = Transit + Urban Fire + Urban Sidewalks / Streetlights
- \*\* = No Transit + Rural Fire + Rural Sidewalks / Streetlights

STAGE 1 & 2:	Dundas		
	Total Stage 1	Total Stage 2	Total Stage 1 & 2
URBAN	4%	3%	7%
RURAL	-1%	0%	-1%
Urban with Rural Fire	N/A	N/A	N/A
Rural with Urban Fire	3%	0%	3%

**Stage 1:** Elimination of area rating Culture & Recreation, urban/rural area rating for Fire and Sidewalks & Streetlights  
 - Phased-in over 4 years (2011-2014)  
**Stage 2:** urban/rural area rating for Transit  
 - Phased-in over 3 years (2015-2017)

# City of Hamilton DUNDAS Urban / Rural Service Areas



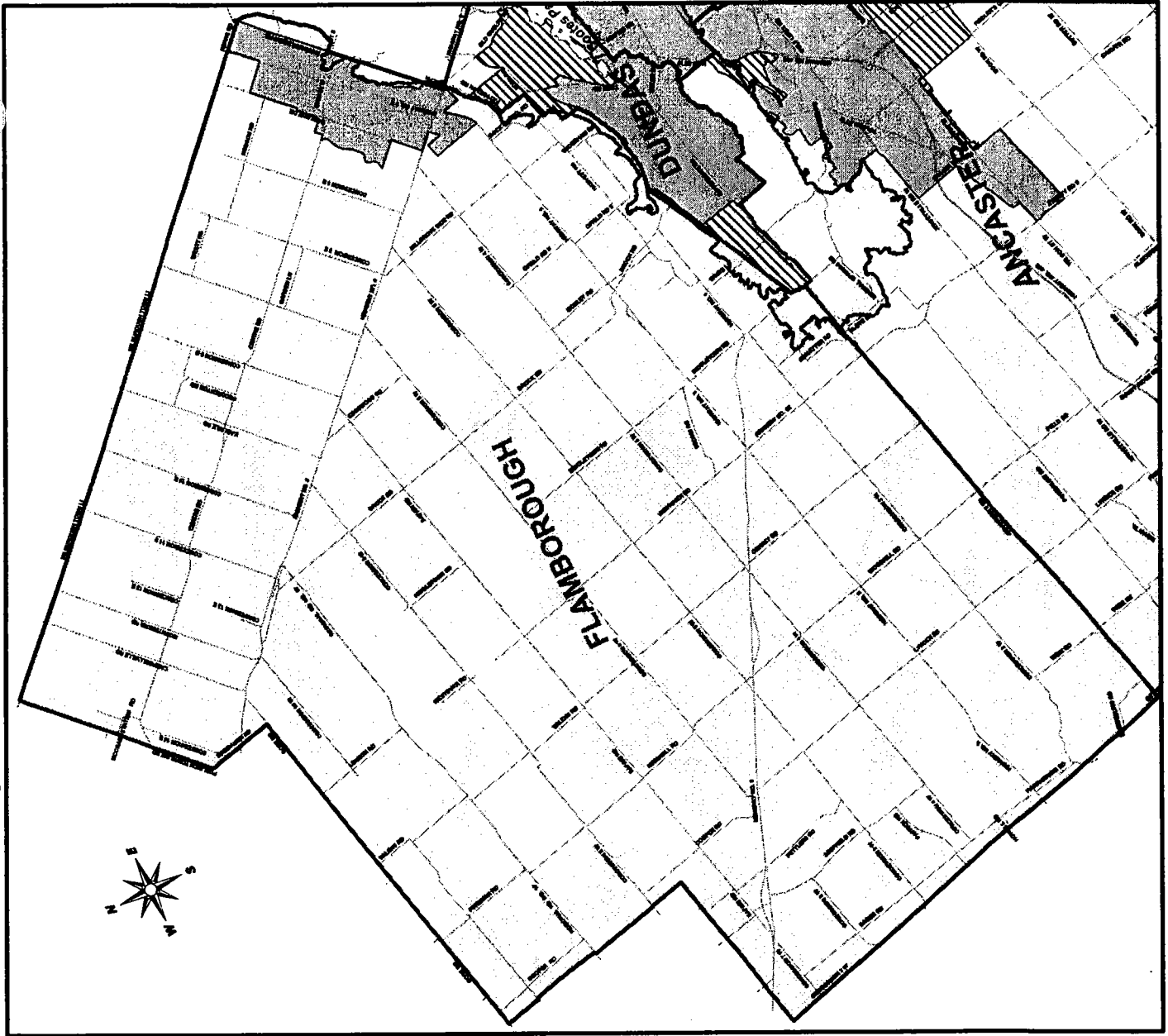
# City of Hamilton FLAMBOROUGH Urban / Rural Service Areas



**Legend**

- URBAN \*
- RURAL \*\*
- Urban with Rural Fire
- Rural with Urban Fire
- Former Municipality Body

**NOTES:**  
 \* = Transit + Urban Fire + Urban Sidewalks / Streetlights  
 \*\* = No Transit + Rural Fire + Rural Sidewalks / Streetlights



**STAGE 1 & 2:**

	Flamborough		Total Stage 1 & 2
	Total Stage 1	Total Stage 2	
URBAN	7%	0%	7%
RURAL	1%	0%	1%
Urban with Rural Fire	N/A	N/A	N/A
Rural with Urban Fire	N/A	N/A	N/A

**Stage 1:** Elimination of area rating Culture & Recreation, urban/rural area rating for Fire and Sidewalks & Streetlights  
 - Phased-in over 4 years (2011-2014)  
**Stage 2:** urban/rural area rating for Transit  
 - Phased-in over 3 years (2015-2017)

