FAIRNESS TO HAMILTON CAMPAIGN SUB-COMMITTEE
REPORT 11-001
Wednesday July 13, 2011
2:00 p.m.
Room 192,
Hamilton City Hall

Present:
Mayor B. Bratina
Councillors S. Merulla (Chair), B. McHattie (Vice-Chair),
J. Partirdge
M. Wilkinson, D. Adames, Tom Cooper, E. Myrie

Absent with
Regrets:
Councillor T. Whitehead – Vacation

Also Present:
P. Chapman, Mayors Chief of Staff
M. Zegarac, Director, Financial Planning and Policy
Jane Lee, Director of Customer Service, Access & Equity
G. Hendry, Director Social Housing & Homelessness
M. Di Santo, Senior Tax Policy Advisor
A. Grozelle, Legislative Assistant, City Clerk’s

THE FAIRNESS TO HAMILTON CAMPAIGN PRESENTS REPORT 11-001 AND
RESPECTFULLY RECOMMENDS:

1. Appointment of a Chair and Vice-Chair
   (a) That Councillor Sam Merulla be appointed Chair of the Fairness to
       Hamilton Campaign Sub-committee for the 2010-2014 term.
   (b) That Councillor Brian McHattie be appointed Vice-Chair of the Fairness to
       Hamilton Campaign Sub-committee for the 2010-2014 term.
2. Accessibility for Ontarians with Disabilities Act Integrated Standard (Item 14, General Issues Committee Report 11-009) (Item 5.1)

That Item 14 of General Issues Committee Report 11-009 respecting the Accessibility for Ontarians with Disabilities Act Integrated Standard, be received.

3. 2011 Additional Items referred by Council during Budget Process – Emergency Shelter and Intensive Case Management System (Item 20, General Issues Committee Budget Report 11-005c) (Item 5.2)

That Item 20, General Issues Committee Budget Report 11-005(c) respecting 2011 Additional Items referred by Council during Budget Process – Emergency Shelter and Intensive Case Management System, be received.

4. Correspondence from the Honourable Dwight Duncan, Minister of Finance respecting Special Assistance to the City of Hamilton (referred by Council April 27, 2011) (Item 5.3)

That the Correspondence from the Honourable Dwight Duncan, Minister of Finance respecting Special Assistance to the City of Hamilton, be received.

5. Fairness to Hamilton – Update (FCS11062) (City Wide) (Item 5.4)

(a) That the City of Hamilton request the Province re-instate one-time funding to ensure that Hamilton is not impacted negatively by the shortfall caused by clawbacks of OMPF and special funding ($4.0 million in 2011);

(b) That the City of Hamilton request the Province revise the OMPF formula to encompass a broader measure of ability to pay and the burden of additional cost for programs such as Social Services, Social Housing, Emergency Medical Services (land ambulance) and Public Health;

(c) That the issue of the lack of uniformity in the Business Education Tax rates across the Province be referred to the Hamilton Chamber of Commerce for additional work to report back to the Fairness to Hamilton Campaign Sub-Committee with details on the impacts to local Businesses.

(d) That report FCS11062 respecting, Fairness to Hamilton-Update, be received.
FOR THE INFORMATION OF THE COMMITTEE:

(a) CHANGES TO THE AGENDA (Item 1)

The Clerk advised of the following change to the agenda:

(i) That Appendices C and D be added to Item 5.1 respecting the Accessibility for Ontarians with Disabilities Act Integrated Standard

The agenda of the July 13, 2011 meeting was approved as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

None

(c) MINUTES (Item 3)

Clerks Report – June 1, 2011

Chair Merulla requested that the Clerks Report of June 1, 2011 be amended to indicate that he was absent due to a Dental Emergency.

The Clerks Report of June 1, 2011 was approved as amended.

(d) DISCUSSION ITEMS (Item 5)

(i) Accessibility for Ontarians with Disabilities Act Integrated Standard (Item 14, General Issues Committee Report 11-009) (Item 5.1)

Committee members discussed the AODA Integrated Standard. Highlights included but were not limited to the following:

- Councillor Partridge asked if the recommendations of the Association of Municipalities of Ontario had been endorsed by Council
- Staff indicated that AMO’s recommendations had been presented for information and that the Integrated Standards have been passed
- Councillor McHattie raised questions about the scope and terms of reference of the Fairness to Hamilton Campaign Committee
- Chair Merulla indicated that there are still issues of downloading of social services that need to be addressed with the Province
• Chair Merulla indicated that the City of Hamilton needs to keep an inventory of these issues to strengthen their case for Provincial uploading.

• Councillor McHattie sought clarification on the Committees level of engagement and follow-up would be with the Province.

• Chair Merulla indicated that the Committees goal is to raise awareness of the issues facing Hamilton in terms of downloading and place pressure on the Province.

• Mayor Bratina indicated that it is the role of Council to direct the Mayor to address the Province.

• Mayor Bratina indicated that putting pressure on the Province is not his preferred wording, describing the importance of building a working relationship between the Province and the City of Hamilton.

• AMO and the Mayors Office both work with the Province to address downloading issues.

• Mayor Bratina indicated that to create a laundry list of problems and request that the Mayor approach the Province with them is not the correct approach.

• Mayor Bratina pointed out that a member of the committee is taking part on an election campaign and is therefore involved with a political party.

• Mayor Bratina indicated that Councillor Whitehead is working on the campaign for the Provincial member of the Mountain, he noted that the Councillor was not in attendance and could not respond to his statement.

• Mayor Bratina stressed that issues of inequities discussed at the Committee should be Hamilton specific and not matters that are felt by municipalities Province wide indicating that AMO would address these larger issues.

• Mayor Bratina asked about what specific business the Committee was going to be addressing.

• Chair Merulla indicated that the Sub-Committee had success in the past with advocating on a broad range of issues.

• Chair Merulla indicated that 25% of the residential taxes raised are related to downloading of issues and that they need to raise awareness of this.

• Chair Merulla indicated that Councillor Whiteheads has no financial benefit or gain from working on a Provincial campaign so there is conflict of interest.

• Councillor Partridge suggested that the Committee should be looking to expand their Terms of Reference.

• Councillor Partridge indicated that whatever the committee does it should be done in concert with the Mayors Office.

General Issues Committee – August 9, 2011
• Mayor Bratina indicated that the City of Hamilton has always spoken to Provincial and Federal issues through Council
• Mayor Bratina indicated that the past action by the Province on downloading issues was in response to the work done by AMO
• Mayor Bratina stated that he was not sure why the Committee was needed and indicated that if there is any hint of political bias originating from the Committee it will become a much larger issue

• Councillor McHattie indicated that he feels that the Committee has a role to play in keeping an inventory of issues
• Councillor McHattie indicated that the Committee should keep in mind the Mayor's role advocating with the Province and that this must be done in a non-partisan fashion

• Tom Cooper discussed the background of the Sub-Committee
• Discussed the success of the Sub-Committee and the strength of its hybrid nature combining councillors with community groups and the business sector

• Evelyn Myrie discussed the importance of a community based approach
• Myrie discussed enhancing the role of NGO’s in the Committee and working outside of the Mayor’s Office

• David Adames indicated that he would like to have the discussion held later in the agenda as it does not pertain to the item currently before the Committee.

(ii) 2011 Additional Items referred by Council during Budget Process – Emergency Shelter and Intensive Case Management System (Item 20, General Issues Committee Budget Report 11-005c) (Item 5.2)

Gillian Hendry, Director Social Housing & Homelessness provided an update to Committee members. Highlights included but were not limited to the following:

• Discussed how staff are waiting to see how the Province moves forward with the OMP funding
• Indicated that the Province is changing the funding formula and Combining housing and homeless funding
• Discussed how staff did not know if this would create more funding however were hopeful it would create more flexibility

General Issues Committee – August 9, 2011
(iv) Fairness to Hamilton – Update (FCS11062) (City Wide) (Item 5.4)

Mike Zegarac, Director, Financial Planning and Policy, provided an overview of the Report to Committee. Highlights included but were not limited to the following:

- Staff discussed the impact of the Social Services uploading in Hamilton as compared to other communities relative to neighbouring communities.
- Compared the Social Services uploading time frame for Hamilton of 2008 to 2018 to the Greater Toronto area pool of municipalities shorter time frame of 2007-2013.
- The difference in time frames has resulted in net benefit for the other 905 areas over The City of Hamilton.
- Discussed the Ontario Municipal Partnership Fund and how the City of Hamilton is a recipient of this because of the large social service demands in the area.
- Indicated that the City of Hamilton is not enjoying the tax benefits of the Toronto pool because of the way uploading is being done, social services upload results in a clawback in the amount of funding awarded under the OMP.
- Discussed how the City of Hamilton will not be in a net benefit position until 2013 and right now the City is looking at around $1.1 million in additional cost because of the downloading.
- By 2013 the City of Hamilton could get a benefit of around $2.2 million from the uploaded costs.
- By 2013 the Region of York will have an estimated annual benefit of $79 million, Peel $60 million and Halton $34 million.
- Indicated that the benefits felt by the Regions of York, Peel and Halton in 2011 translates to an estimate tax room of 2-3%.
- Discussed the difference in residential education taxes and business education taxes.
- Indicated that in the province residential education tax rates are uniform; however this is not true with the Business Education Tax (BET) which varies from community to community.
- Discussed the provinces move lower the BET rates, however the system put in place lowers all rates so inequities between municipalities still exist.
- Indicated that the regions of York, Halton and Peel all enjoy lower BET rates which impacts commercial and industrial tax rates and places Hamilton at a competitive disadvantage.
- Staff indicated that Council has requested that Social Services be included in the OMP funding.
- Indicated that the Social Housing costs have been fixed at the 2002 levels and the difference felt there has been around $10 million.
• Staff indicated that if the Province would upload actual Social Housing into the OMPF it would place Hamilton in a positive net position

• Mayor Bratina asked staff to explain the differences between what the City’s position and the Province's position

• Staff indicated that the City of Hamilton has been in a unique position where they have received special funding in the amount of $103 million.

• Staff indicated that they have always included this special funding as a base funding in their calculations

• Mayor Bratina indicated that the Province has related that there are many communities who did not receive special funding and asked staff to clarify how the special grants work

• Staff indicated that grant programs are used in different ways by the Province to award funds for a range of projects

• Staff indicated that the City of Hamilton would have benefited through being included in the GTA pooling

• Staff discussed how funding ratios put in place over many municipalities have different impacts on different areas. Placing some in a position to receive greater benefit than others.

• Mayor Bratina asked if the issue of uniformity in Provincial funding was an issue that can be brought forward through the Association of Municipalities of Ontario

• Staff indicated that it was a Province wide issue that could be addressed by AMO

• Mayor Bratina indicated that the Committee could look at tracking these issues to look for ways to close the funding deficit

• Councillor McHattie suggested referring the matter of Business Education Tax Rates to the City of Hamilton Chamber of Commerce in order to allow for more feedback and input from the business and commercial community

• David Adames agreed that the matter of BET’s could go to the Chamber of Commerce and that they would report back to the Committee with their findings

• Councillor McHattie discussed the shortfall of $4 million in 2011 and asked for staff clarification

• Staff indicated that the upload benefit of Ontario Works in an amount of around $3 million dollars changes the shortfall amount from $4 million to just over $1 million

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• Staff indicated that the City has requested the Province do another OMPF reconciliation in order to review the $1.1 million shortfall

• Councillor McHattie indicated that the Community Reinvestment Fund work done in the past is the route that should be taken by the province until 2013 when there is a net benefit not a loss.

• Councillor Partridge asked if staff had looked at the other areas locally such as Kitchener and Waterloo to illustrate the tax competitiveness on issues outside of the Toronto pool

• Staff indicated that they have that information and can forward it to the Chamber of Commerce for use in their discussions

• Tom Cooper asked for more details about the Ontario Municipal Partnership Fund and the reconciliation costs
• Staff indicated that with the recession there was a significant increase in Ontario Works cases which had resulted in the reconciliation being done by the Province in the past

• Mayor Bratina asked if the Business Education Tax had an impact on residential taxes
• Staff indicated that the BET is separate from the residential education tax rate which is uniform across the province

• C. McHattie asked staff why Hamilton’s Business Education Tax is higher than other areas
• Staff indicated that the BET rates were based on the funding of education in individual municipalities and unlike residential it is not a uniform rate.

(e) ADJOURNMENT (Item 7)

There being no further business the meeting adjourned at 3:32 p.m.

Councillor Sam Merulla
Chair, Fairness to Hamilton Campaign

Andy Grozelle
Legislative Assistant
July 13, 2011

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