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ERO Number: 019-4610

Ministry of the Environment, Conservation and Parks
Conservation and Source Protection Branch
14th Floor,
40 St. Clair Ave. West
Toronto ON M4V 1M2

Dear Ms. Corrigan:

Subject: City of Hamilton Submission on the Regulatory and Policy Proposals (Phase 2) under the Conservation Authorities (CA) Act (ERO number 019-4610)

Thank you for the opportunity to provide comments on the above-referenced proposal (the Proposal) under the *Conservation Authorities Act* related to Bill 108 - *More Homes, More Choice Act, 2019* (the Act). Please accept the following draft comments for consideration. These comments will be considered by City Council in the coming weeks. We will be in a position to confirm whether these comments are final once Council has considered them.

Our main issue is the fairness of the levy apportionment.

The City of Hamilton falls within the jurisdiction of four conservation authorities. On January 1, 2001, the new City of Hamilton was created from the amalgamation of the upper tier municipality of Regional Municipality of Hamilton Wentworth and lower tier municipalities of Ancaster, Dundas, Flamborough, Glanbrook, Hamilton and Stoney Creek. Prior to amalgamation the assessment from the lower tier municipalities was used in the apportionment of the conservation authorities (authorities or CA) levies.

After amalgamation, when the formula, based on the relative ratio that each participating municipality's modified assessment bears to the total authority's modified assessment, was applied, the new City of Hamilton was to be burdened with an allocation significantly higher than its share prior to the amalgamation. In this context, all four CAs and municipalities, jointly with the City of Hamilton, agreed that the amalgamation should not be the basis to skew the allocation and agreed jointly on a funding formula that would distribute the CA levies on the original basis prior to the amalgamation.

In 2014, one of the conservation authorities advised that they would no longer honour the agreement and the City of Hamilton was advised that the modified assessment formula would apply. This change resulted in a distorted increase to all of the City of Hamilton's CA levies. This statutory interpretation caused a disproportionate and unfair financial burden to Hamilton. It is imperative that the Act and regulations be clear to state that only the rateable property within a conservation authority's jurisdiction be used when calculating the levy apportionment.

With the principle from the *Conservation Authorities Act* of "Benefit Derived", our request is that the Regulations require that either:

1. If lower municipalities are part of the formula, then only the assessment of the previous lower tier area of the amalgamated city be considered; or,
2. For the purposes of determining the levy allocation, only the assessment of the upper tier and single tier municipalities be considered

Our full submission to ERO number 019-4610 response is provided in Appendix A under the following sections which align with the four parts in Phase 2 of regulatory and policy proposals.

1. Municipal CA Levies Regulation:
 - Apportionment and Budget
 - CA Budgetary Process
2. Minister's Regulation for Determining Amounts Owed by Specified Municipalities
3. A 'Fee Classes Policy' that outlines classes of programs and services, through a Minister's published list, for which a CA may charge a user fee
4. Complementary regulations to increase transparency of CA operations

Thank you again for the opportunity to provide meaningful input into this review. The City looks forward to the development of the final Regulations. City of Hamilton staff would be pleased to meet with you to discuss these comments in greater detail.

Yours truly,



Mike Zegarac
General Manager, Finance and Corporate Services