



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 19-006

9:30 a.m.
April 18, 2019
Council Chambers
Hamilton City Hall

Present: Councillors C. Collins (Chair), M. Wilson (Vice-Chair), B. Johnson, M. Pearson, J. Partridge, A. VanderBeek, B. Clark and L. Ferguson

Also Present: Councillors J.P. Danko, N. Nann and T. Whitehead

THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT 19-006 AND RESPECTFULLY RECOMMENDS:

1. Human Resources Branding Strategy (HUR19005) (City Wide) (Item 7.2)

That Report HUR19005, respecting the Human Resources Branding Strategy, be received.

2. Internal Administrative Pool Update (HUR19011) (City Wide) (Item 7.3)

That Report HUR19011, respecting the Internal Administrative Pool Update, be received.

3. Ward-Specific Funding Initiatives Report as of December 31, 2018 (FCS19021) (City Wide) (Item 7.4)

That Report FCS19021, respecting the Ward-Specific Funding Initiatives Report as of December 31, 2018, be received.

4. 2019 Development Charges Background Study and By-law Update (FCS19036) (City Wide) (Item 8.1)

That Report FCS19036, respecting the 2019 Development Charges Background Study and By-law Update, be received.

5. Tax and Rate Operating Budget Variance Report as at December 31, 2018 – Budget Control Policy Transfers (FCS18067(b)) (City Wide) (Item 9.1)

(a) That, in accordance with the “Budgeted Complement Control Policy”, the 2018 complement transfer transferring complement from one department /

division to another with no impact on the levy, as outlined in Appendix “A” of the Audit, Finance & Administration Report 19-006, be approved; and,

- (b) That, subject to final audit, the Disposition of 2018 Year-End Operating Budget Surplus / Deficit be approved as follows:

Table 1

| DISPOSITION / RECONCILIATION OF YEAR-END SURPLUS/ (DEFICIT) | \$ | \$ |
|--|----------------|-----------------------|
| Corporate Surplus from Tax Supported Operations | | \$ 8,291,887 |
| Less: Disposition to Self-Supporting Programs & Agencies | | \$ (1,132,176) |
| Police (Transfer to Police Reserve) | \$ (1,055,515) | |
| Library (Transfer to Library Reserve) | \$ (37,144) | |
| Farmers Market (Transfer to Hamilton Farmers Market Reserve) | \$ (39,517) | |
| Balance of Corporate Surplus | | \$ 7,159,711 |
| Less: Transfer to Unallocated Capital Levy Reserve | | \$ (5,085,049) |
| Less: Transfer to Flamborough Capital Reserve | | \$ (346,362) |
| Less: Transfer to the Non-Residential Roads Development Charge Reserve | | \$ (538,630) |
| Less: Transfer to Hamilton Entertainment Facilities - Capital Projects Reserve | | \$ (464,325) |
| Less: Transfer to Vehicle Replacement Reserve - Fire | | \$ (725,345) |
| Balance of Tax Supported Operations | | \$ 0 |
| Corporate Surplus from Rate Supported Operations | | \$ 16,467,202 |
| Less: Transfer to the Rate Supported Water Reserve | | \$ (8,002,578) |
| Less: Transfer to the Rate Supported Wastewater Reserve | | \$ (5,764,624) |
| Less: Transfer to the Unfunded Rate Development Charge Reserve | | \$ (2,700,000) |
| Balance of Rate Supported Operations | | \$ 0 |

6. Governance Review Sub-Committee Report 19-002 – March 25, 2019 (Item 10.1)

(a) Appointment of Chair and Vice-Chair (Item 1.1)

- (i) That Councillor Whitehead be appointed as Chair of the Governance Review Sub-Committee for the 2018 – 2022 term.
- (ii) That Councillor Wilson be appointed as Vice-Chair of the Governance Review Sub-Committee for the 2018 – 2022 term.

(b) Board of Health Self-Evaluation Results (BOH18011(a)) (City Wide) (Referred to Governance Review Sub-Committee at September 26, 2018 Council) (Item 10.1)

That Report BOH18011(a), respecting the Board of Health Self-Evaluation Results, be received.

- (i) That the Board of Health appoint a Vice-Chair for the Term of Council; and,
- (ii) That By-law 18-270, A By-law to Govern the Proceedings of Council and Committees of Council, be amended to reflect the term of appointment for the Board of Health's Vice-Chair.

7. Terrapure Environmental - Heritage Green Community Trust Indenture (LS19013 / FCS19034) (Ward 9) (Item 10.2)

That the General Manager of Finance and Corporate Services, or his designate, be authorized and directed to negotiate and execute, on behalf of the City of Hamilton, an Amended and Restated Heritage Green Community Trust Indenture with Revolution Landfill LP (known as Terrapure Environmental), the owner and operator of the Stoney Creek Regional Facility, and the current trustees of the Heritage Green Community Trust, on such other terms and conditions as are satisfactory to the General Manager of Finance and Corporate Services, and in a form satisfactory to City Solicitor.

8. Lead Water Service Replacement Loan Program Amendments (FCS19025) (City Wide) (Outstanding Business List Item) (Item 10.3)

- (a) That the General Manager of Corporate Services be authorized to amend the Lead Water Service Replacement Loan Program (LWSRLP) so that effective May 1, 2019, loan amounts provided under the LWSRLP will be added to the property owner's Alectra Utilities water account to be repaid on a monthly basis over a period of up to 10 years;
- (b) That staff be authorized to offer property owners with a current outstanding loan the option to have the remaining balance transferred to their Alectra water account to be repaid monthly on the same terms when the loan was originally approved;
- (c) That the City Solicitor be authorized to make necessary changes to documents related to the LWSRLP to implement recommendations (a) and (b) of Report FCS19025;
- (d) That Hamilton Water staff report back to the Public Works Committee by Q3 2019 on the feasibility of replacing all known public lead water service lines; and,
- (e) That the Mayor, on behalf of City Council, submit a request to the Minister of Government and Consumer Services, seeking that legislative and regulatory enactments be made as part of implementation of the *Home Inspection Act, 2017*, to prescribe the requirement of testing water services to identify the presence of lead water service lines.

9. Development Charges Stakeholders Sub-Committee Report 19-003 (Item 10.4)

(a) Development Charges By-law Policy – 2019 Development Charges Academic Comparators (FCS18062(b\ld)) (City Wide) (Item 7.1)

That Report FCS18062(d) respecting Development Charges By-law Policy – 2019 Development Charges Academic Comparators, be received.

(b) 2019 Background Study for GO Transit Development Charges By-law Amendment (FCS19020) (City Wide) (Item 7.2)

- (i) That Report FCS19020 be recognized as a Development Charge Background Study under Section 10 of the *Development Charges Act*, 1997, as amended for the purpose of providing background for amending policy of the existing GO Transit Development Charge By-law 11-174, as amended;
- (ii) That the Development Charges Stakeholder Sub-Committee approval of Report FCS19020 be considered the Public Release of the DC Background Study as required by Section 10(4) of the *Development Charges Act*, 1997, as amended; and,
- (iii) That the item respecting amendments to the GO Transit Development Charges By-law be identified as complete and removed from the Outstanding Business List.

(c) 2019 Development Charges – Background Study (Item 10.1)

That the 2019 Development Charges – Background Study, be received.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

The Committee Clerk advised of the following changes to the agenda:

1. PUBLIC HEARINGS/DELEGATIONS (Item 8.1)

8.1(a) Morning Session (9:30 a.m.)

8.1(a)(d) Sergio Manchia, UrbanSolutions Planning & Land Development Consultants Inc.

8.1(b) Evening Session (7:00 p.m.)

8.1(b)(b) Nafia Al-Mutawaly, Microgrid Solutions

8.1(b)(c) Stephanie Bertolo & Scott Robinson, McMaster Students Union

8.1(b)(d) Savan Chandaria, Tibro Group

8.1(b)(e) Karin Dearness

8.1(c) Written Submissions

8.1(c)(e) Mike Cope

8.1(c)(f) McMaster Students Union

8.1(c)(g) Joel Farber, Fogler, Rubinoff LLP

8.1(c)(h) Karl Gonnensen, Metropolitan Consulting Inc.

8.1(c)(i) T. Johns Consulting Group Ltd.

8.1(c)(j) Hamilton-Halton Home Builders' Association

2. STAFF PRESENTATIONS (Item 9.1)

- 9.1 Tax and Rate Operating Budget Variance Report as at December 31, 2018 – Budget Control Policy Transfers (FCS18067(b)) (City Wide)

Wording within Table 1 on page 2 of the report was revised, along with wording to page 17 and 18 of the Presentation.

The agenda for the April 18, 2019 Audit, Finance and Administration Committee meeting was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 3)

Councillor Wilson declared an interest in Item 8.1 respecting the 2019 Development Charges Background Study and By-law Update (FCS19036) pertaining to affordable housing, as a family member is involved in affordable housing financing (not delivery).

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)

(i) April 4, 2019 (Item 4.1)

The Minutes of the April 4, 2019 meeting of the Audit, Finance and Administration Committee were approved, as presented.

(d) CONSENT ITEMS (Item 7)

(i) Minutes of Various Advisory Committees (Item 7.1)

The following minutes from various Advisory Committee meetings, were received as presented:

- (1) Hamilton Status of Women Committee – January 24, 2019 (Item 7.1(a))
- (2) Hamilton Status of Women Committee – February 28, 2019 (Item 7.1(b))
- (3) Hamilton Mundialization Committee – November 21, 2018 (Item 7.1(c))
- (4) Hamilton Mundialization Committee – January 16, 2019 (Item 7.1(d))
- (5) Hamilton Mundialization Committee – February 20, 2019 (Item 7.1(e))
- (6) Advisory Committee for Immigrants and Refugees – October 11, 2018 (Item 7.1(f))

(e) PUBLIC HEARINGS / DELEGATIONS (Item 8)

(i) 2019 Development Charges Background Study and By-law Update (FCS19036) (City Wide) (Item 8.1)

The Chair advised that Item 8.1 was a public meeting pursuant to Section 12 of the Development Charges Act, 1997, to present and obtain public input on the City's proposed 2019 Development Charges By-law and the respective underlying Background Study, as well as proposed amendments to Development Charges Exemption Policy contained within the City's GO Transit Development Charges By-law 11-174, and the respective underlying Background Study. The Chair further advised that notice of the public meeting was published in the Hamilton Spectator on March 22, 2019 and the Hamilton Community News on March 21, 2019, inviting interested parties to make representations at today's meeting. Any person in attendance was able to make representation.

Gary Scandlan, from Watson & Associates, addressed the Committee respecting the 2019 Development Charges Background Study, with the aid of a presentation.

The presentation from Gary Scandlan, Watson & Associates respecting the 2019 Development Charges Background Study, was received.

A copy of the presentation is available on the City's website at www.hamilton.ca or through the office of the City clerk.

Registered Speakers (9:30 a.m.)

The following Registered Speakers addressed the Committee respecting the proposed 2019 Development Charges By-law and the respective underlying Background Study, as well as proposed amendments to Development Charges Exemption Policy contained within the City's GO Transit Development Charges By-law 11-174, and the respective underlying Background Study:

- 8.1(a)(a) Robert Graham and David Zeitsma, Redeemer University College (a copy of the presentation and handout is available at www.hamilton.ca)
- 8.1(a)(b) Jesse Newton, Oak Hill Academy (a copy of the handout is available at www.hamilton.ca)
- 8.1(a)(c) Dan Postma, Calvin Christian School (a copy of the presentation is available at www.hamilton.ca)
- 8.1(a)(d) Sergio Manchia, UrbanSolutions Planning & Land Development Consultants Inc.

Non-Registered Speakers (9:30 a.m.)

The following Non-Registered Speakers addressed the Committee respecting the proposed 2019 Development Charges By-law and the respective underlying Background Study, as well as proposed amendments to Development Charges Exemption Policy contained within the City's GO Transit Development Charges By-law 11-174, and the respective underlying Background Study:

Don McLean
Lynda Lukasik, Environment Hamilton
Gail McKeegan

The 9:30 a.m. Registered and Non-Registered delegations respecting the proposed 2019 Development Charges By-law and the respective underlying Background Study, as well as proposed amendments to Development Charges Exemption Policy contained within the City's GO Transit Development Charges By-law 11-174, and the respective underlying Background Study, were received.

The public meeting respecting the proposed 2019 Development Charges By-law and the respective underlying Background Study, as well as proposed amendments to Development Charges Exemption Policy contained within the City's GO Transit Development Charges By-law 11-174, and the respective underlying Background Study recessed at 12:32 p.m.

The public meeting respecting the proposed 2019 Development Charges By-law and the respective underlying Background Study, as well as proposed amendments to Development Charges Exemption Policy contained within the City's GO Transit Development Charges By-law 11-174, and the respective underlying Background Study reconvened at 7:00 p.m. to allow for the evening session of Registered and Non-Registered Speakers.

Registered Speakers (7:00 p.m.)

The following Registered Speakers addressed the Committee respecting the proposed 2019 Development Charges By-law and the respective underlying Background Study, as well as proposed amendments to Development Charges Exemption Policy contained within the City's GO Transit Development Charges By-law 11-174, and the respective underlying Background Study:

- 8.1(b)(a) Dr. Patrick Deane, President and Vice-Chancellor, Roger Couldrey, Vice-President, McMaster University (a copy of the presentation and submission is available at www.hamilton.ca)

- 8.1(b)(b) Dr. Nafia Al-Mutawaly, Microgrid Solutions, Lotfi Belkhir, McMaster University Engineering, Brian de Nobriga, Claybar Contracting Inc, and Dr. Maryam Rostami, McMaster University, Department of Family Medicine (a copy of the presentation is available at www.hamilton.ca)
The video is available at the following link:
<https://www.youtube.com/watch?v=70SUt7Qwgk>
- 8.1(b)(c) Stephanie Bertolo and Scott Robinson, McMaster Students Union (a copy of the presentation is available at www.hamilton.ca)
- 8.1(b)(d) Savan Chandaria, Tibro Group (a copy of the presentation is available at www.hamilton.ca)
- 8.1(b)(e) Karin Dearnness (a copy of the presentation is available at www.hamilton.ca)

Non-Registered Speakers (7:00 p.m.)

The Chair called for any Non-Registered Speakers to address the Committee respecting the proposed 2019 Development Charges By-law and the respective underlying Background Study, as well as proposed amendments to Development Charges Exemption Policy contained within the City's GO Transit Development Charges By-law 11-174, and the respective underlying Background Study and no one came forward to speak.

The 7:00 p.m. Registered delegations respecting the proposed 2019 Development Charges By-law and the respective underlying Background Study, as well as proposed amendments to Development Charges Exemption Policy contained within the City's GO Transit Development Charges By-law 11-174, and the respective underlying Background Study, were received.

Written Submissions

The following written submissions respecting the proposed 2019 Development Charges By-law and the respective underlying Background Study, as well as proposed amendments to Development Charges Exemption Policy contained within the City's GO Transit Development Charges By-law 11-174, and the respective underlying Background Study, were received:

- 8.1(c)(a) Patrick Deane, McMaster University
8.1(c)(b) Thomas Ferns, Mohawk College
8.1(c)(c) David Zietsma, Redemeer University College
8.1(c)(d) Matthias Feiner
8.1(c)(e) Mike Cope
8.1(c)(f) McMaster Students Union

- 8.1(c)(g) Joel Farber, Fogler, Rubinoff LLP
- 8.1(c)(h) Karl Gonnens, Metropolitan Consulting Inc.
- 8.1(c)(i) T. Johns Consulting Group Ltd.
- 8.1(c)(j) Hamilton-Halton Home Builders' Association

The public meeting respecting the proposed 2019 Development Charges By-law and the respective underlying Background Study, as well as proposed amendments to Development Charges Exemption Policy contained within the City's GO Transit Development Charges By-law 11-174, and the respective underlying Background Study, closed.

For further disposition of this matter, refer to Item 4.

(f) STAFF PRESENTATIONS (Item 9)

(i) Tax and Rate Operating Budget Variance Report as at December 31, 2018 – Budget Control Policy Transfers (FCS18067(b)) (City Wide) (Item 9.1)

Brian McMullen, Acting General Manager, Finance and Corporate Services, addressed the Committee respecting Tax and Rate Operating Budget Variance Report as at December 31, 2018 - Budget Control Policy Transfers, with the aid of a presentation.

The presentation respecting Tax and Rate Operating Budget Variance Report as at December 31, 2018 - Budget Control Policy Transfers, was received.

A copy of the presentation is available on the City's website at www.hamilton.ca or through the office of the City Clerk.

For further disposition of this matter, refer to Item 5.

(g) NOTICES OF MOTION (Item 12)

Councillor Collins relinquished the Chair to introduce the following Notices of Motion respecting the 2019 Development Charges Background Study and By-law Update:

(i) 2019 Development Charges By-law – Garden Suites (Added Item 12.1)

WHEREAS, the proposed 2019 Development Charges By-law provides an exemption for Laneway Houses;

WHEREAS, a Garden Suite is an alternative form of a detached dwelling that only exists on a lot ancillary to a principal dwelling which expands the

housing stock on properties with existing single and semi-detached dwellings in a manner similar to Laneway Houses; and,

WHEREAS, a Garden Suite is already defined within the proposed 2019 Development Charges By-law;

BE IT THEREFORE RESOLVED:

That a Garden Suite be added to the list of exempted uses within Section 25 of the proposed 2019 Development Charges By-law.

(ii) 2019 Development Charges By-law – Commercial Greenhouse (Added Item 12.2)

WHEREAS, the proposed 2019 Development Charges By-law lists Commercial Greenhouse within the definition of Industrial Development;

WHEREAS, per the proposed 2019 DC By-law a Commercial Greenhouse “means a Building, that is made primarily of translucent building material, used, designed or intended to be used for the sale and display of plants products grown or stored therein gardening supplies and equipment, or landscaping supplies and equipment” which is a retail use, not an industrial use;

WHEREAS, comparator municipalities assess these types of retail greenhouses as commercial; and,

WHEREAS, “Retail Greenhouse” is a more descriptive term to ensure that there is no confusion with a wholesale greenhouse, which is an agriculture use;

THEREFORE BE IT RESOLVED:

That the term Commercial Greenhouse be removed from the definition of Industrial Development in the proposed 2019 DC By-law, thereby having the use default to being assessed as non-industrial; and,

That the defined term Commercial Greenhouse be restated as Retail Greenhouse.

(iii) 2019 Development Charges By-law – CityHousing Hamilton (Added Item 12.3)

WHEREAS, buildings developed and used for the City of Hamilton and Local Boards is exempt pursuant to Section 3 of the Development Charges Act, 1997 and Section 20 of the proposed 2019 Development Charges By-law;

WHEREAS, the 2019 Development Charges Background Study includes capital projects by CityHousing Hamilton to fulfil the service of social housing provided by the City of Hamilton;

WHEREAS, CityHousing Hamilton is not a Board per the enacting legislation; and,

WHEREAS, the capital cost of social housing projects would increase, thereby increasing the overall Development Charge rates if the City were to charge Development Charges on projects owned and used by CityHousing Hamilton to fulfillment of the social housing service provided by the City of Hamilton;

THEREFORE BE IT RESOLVED:

That CityHousing Hamilton be added to the list of exempted organizations in Section 20 of the proposed 2019 Development Charges By-law.

(h) GENERAL INFORMATION / OTHER BUSINESS (Item 13)

(i) Amendments to the Outstanding Business List:

The following amendments to the Audit, Finance & Administration Committee's Outstanding Business List, were approved:

(a) Items to be removed:

Item: 19-D

That the subject matter respecting "the feasibility of a grant program for residents for any lead pipe watermain replacement" be identified as complete and removed from the Audit, Finance and Administration Committee Outstanding Business List.

(i) ADJOURNMENT (Item 15)

There being no further business, the Audit, Finance and Administration Committee, adjourned at 10:02 p.m.

Respectfully submitted,

Councillor Collins, Chair
Audit, Finance and Administration
Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk