



City of Hamilton

AUDIT, FINANCE AND ADMINISTRATION COMMITTEE

Meeting #: 19-015
Date: October 17, 2019
Time: 9:30 a.m.
Location: Council Chambers, Hamilton City Hall
71 Main Street West

Angela McRae, Legislative Coordinator (905) 546-2424 ext. 5987

1. CEREMONIAL ACTIVITIES

2. APPROVAL OF AGENDA

(Added Items, if applicable, will be noted with *)

3. DECLARATIONS OF INTEREST

4. APPROVAL OF MINUTES OF PREVIOUS MEETING

4.1 October 3, 2019

5. COMMUNICATIONS

6. DELEGATION REQUESTS

7. CONSENT ITEMS

7.1 Advisory Committee Minutes:

7.1.a Committee Against Racism - Minutes - June 25, 2019

7.1.b Committee Against Racism - Minutes July 23, 2019

7.2 Grant's Sub-Committee - Clerk's Report 19-003 - September 23, 2019

- 7.3 Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS19082) (City Wide)

8. PUBLIC HEARINGS / DELEGATIONS

- 8.1 Richard Ferguson, respecting a recent incident regarding water use at his property (Approved October 3, 2019)

9. STAFF PRESENTATIONS

- 9.1 Tax and Rate Operating Budget Variance Report as at July 31, 2019 - Budget Control Policy Transfers (FCS19055(a)) (City Wide)

10. DISCUSSION ITEMS

- 10.1 Shoreline Protection Consulting Assignments (FCS19076 / PW19087) (Wards 1, 2, 5 and 10)
- 10.2 Hamilton Submission to Attorney General Study of Joint & Several Liability (FCS19085) (City Wide)

11. MOTIONS

- 11.1 Funding for CANUSA through the Recreation Division Operating Budget from the City Enrichment Fund

12. NOTICES OF MOTION

13. GENERAL INFORMATION / OTHER BUSINESS

14. PRIVATE AND CONFIDENTIAL

- 14.1 October 3, 2019 - Closed Minutes (Distributed under separate cover)

Pursuant to Section 8.1, Sub-sections (a), (e) and (f) of the City's Procedural By-law 18-270, and Section 239(2), Sub-sections (a), (e) and (f) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to the security of the property of the municipality or local board; litigation or potential litigation, including matters before administrative tribunals, affecting municipality or local board; and advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

15. ADJOURNMENT

4.1



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 19-014

9:30 a.m.
October 3, 2019
Council Chambers
Hamilton City Hall

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

Absent: Councillors J. Partridge and M. Pearson – Personal

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. **2019 Second Quarter Request for Tenders and Proposals Report (FCS19041(a)) (City Wide) (Item 7.1)**

(VanderBeek/Ferguson)

That Report FCS19041(a), respecting the 2019 Second Quarter Request for Tenders and Proposals Report, be received.

CARRIED

2. **2019 Second Quarter Emergency and Non-competitive Procurements Report (FCS19042(a)) (City Wide) (Item 7.2)**

(VanderBeek/Ferguson)

That Report FCS19042(a), respecting the 2019 Second Quarter Emergency and Non-competitive Procurements Report, be received.

CARRIED

3. **Second Quarter Non-compliance with the Procurement Policy Report (FCS19043(a)) (City Wide) (Item 7.3)**

(VanderBeek/Ferguson)

That Report FCS19043(a), respecting the Second Quarter Non-compliance with the Procurement Policy Report, be received.

CARRIED

4. **Semi-Annual Employee Attendance Report 2019 (HUR19020) (City Wide) (Item 7.4)**

(VanderBeek/Ferguson)

That Report HUR19020, respecting the Semi-Annual Employee Attendance Report 2019, be received.

CARRIED

5. Semi-Annual Occupational Injury and Illness Claims 2019 (HUR19021) (City Wide) (Item 7.5)

(VanderBeek/Ferguson)

That Report HUR19021, respecting the Semi-Annual Occupational Injury and Illness Claims 2019, be received.

CARRIED

6. Reporting Process for Office of the City Auditor Audit Assurance Reports (AUD19006) (City Wide) (Item 10.1)

(Ferguson/VanderBeek)

That the Reporting Process for City Audit Assurance Reports attached as Appendix "A" to Report AUD19006, be approved.

Result: Motion CARRIED by a vote of 5 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
NOT PRESENT - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Lloyd Ferguson
NOT PRESENT - Councillor Brenda Johnson
NOT PRESENT - Councillor Maria Pearson
YES - Councillor Brad Clark

7. Employee Code of Conduct Updates (HUR19022 / AUD19009) (City Wide) (Item 10.2)

(VanderBeek/Johnson)

- (a) That Council approve the inclusion of Schedule F: Interacting with the Office of the City Auditor (Appendix A to Report HUR19022 / AUD19009) in the City's Code of Conduct for employees; and,
- (b) That Council approve the amended wording as highlighted in Schedule D: Outside Employment and Activity (Appendix B to Report HUR19022 / AUD19009) in the City's Code of Conduct for employees.

Result: Motion CARRIED by a vote of 6 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
NOT PRESENT - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
NOT PRESENT - Councillor Maria Pearson
YES - Councillor Brad Clark

8. Parkland Dedication Reserve Status Report as of December 31, 2018 (FCS19072) (City Wide) (Item 10.3)

(Wilson/Clark)

- (a) That Report FCS19072 “Parkland Dedication Reserve Status Report as of December 31, 2018”, be received and made available to the public; and,
- (b) That Report FCS19072 “Parkland Dedication Reserve Status Report as of December 31, 2018”, be forwarded, if requested, to the Ministry of Municipal Affairs and Housing.

Result: Motion CARRIED by a vote of 6 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
NOT PRESENT - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
NOT PRESENT - Councillor Maria Pearson
YES - Councillor Brad Clark

9. City-Wide Cash Handling Policy and Guideline Revisions (FCS19067) (City Wide) (Item 14.2)

(Clark/Johnson)

- (a) That Appendix “A” to Report FCS19067, revised City-Wide Cash Handling Policy and Guidelines, be approved;
- (b) That Appendix “B” to Report FCS19067, Quick Reference regarding the Revisions to the Cash Handling Policy and Guidelines, be received; and,
- (c) That the contents of Report FCS19067 respecting the City-Wide Cash Handling Policy and Guideline Revisions, including Appendix “A” and “B”, remain confidential.

Result: Motion CARRIED by a vote of 6 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
NOT PRESENT - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
NOT PRESENT - Councillor Maria Pearson
YES - Councillor Brad Clark

10. Appeals of the Development Charge By-laws 19-141 and 19-142 (LS19034 / FCS19071) (City Wide) (Item 14.3)

(Wilson/VanderBeek)

- (a) That, once all appeals of Development Charge By-law Nos. 19-141 and 19-142 by academic institutions have been resolved, staff be directed to report back on Outstanding Business List item relating to options for an “Academic and Student Residence Development Grant Program; and,
- (b) That the contents of Report LS19034 / FCS19071, respecting Appeals of the Development Charge By-laws 19-141 and 19-142, remain confidential.

Result: Motion CARRIED by a vote of 6 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
NOT PRESENT - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
NOT PRESENT - Councillor Maria Pearson
YES - Councillor Brad Clark

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

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

6. DELEGATION REQUESTS (Item 6)

- 6.1 Ken Tigchelaar, Hamilton Area Social Enterprises, respecting advocacy for Social Procurement and its implications for Social Enterprise (For a future meeting)
- 6.2 Richard Ferguson, respecting a recent incident regarding water use at his property (For a future meeting)

11. MOTIONS (Item 11)

- 11.1 Water Service Line Replacement to Allow for Meter Replacement at 226 Beach Blvd., Hamilton – This item has been withdrawn

(Wilson/Clark)

That the agenda for the October 3, 2019 Audit, Finance and Administration Committee meeting be approved, as amended.

Result: Motion CARRIED by a vote of 5 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins

NOT PRESENT - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
NOT PRESENT - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
NOT PRESENT - Councillor Maria Pearson
YES - Councillor Brad Clark

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

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

(i) September 19, 2019 (Item 4.1)

(Wilson/VanderBeek)

That the Minutes of the September 19, 2019 meeting of the Audit, Finance and Administration Committee be approved, as presented.

Result: Motion CARRIED by a vote of 5 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
NOT PRESENT - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
NOT PRESENT - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
NOT PRESENT - Councillor Maria Pearson
YES - Councillor Brad Clark

(d) COMMUNICATIONS (Item 5)

(i) Correspondence from the Hamilton Waterfront Trust respecting their December 31, 2018 Audited Financial Statements (Item 5.1)

(Clark/Johnson)

That the correspondence from the Hamilton Waterfront Trust respecting their December 31, 2018 Audited Financial Statements, be received.

CARRIED

(e) DELEGATION REQUESTS (Item 6)

(Clark/Johnson)

That the following delegation requests, be approved for a future meeting:

- (i) Ken Tigchelaar, Hamilton Area Social Enterprises, respecting advocacy for Social Procurement and its implications for Social Enterprise (Added Item 6.1)

- (ii) Richard Ferguson, respecting a recent incident regarding water use at his property (Added Item 6.2)

Result: Motion CARRIED by a vote of 6 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
NOT PRESENT - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
NOT PRESENT - Councillor Maria Pearson
YES - Councillor Brad Clark

(f) CONSENT ITEMS (Item 7)

- (i) **Hamilton Aboriginal Advisory Committee Minutes - June 19, 2019 (Item 7.6)**

(VanderBeek/Ferguson)

That the Hamilton Aboriginal Advisory Committee Minutes from June 19, 2019, be received.

CARRIED

(g) PRIVATE AND CONFIDENTIAL (Item 14)

- (i) **September 19, 2019 – Closed Minutes (Item 14.1)**

(Clark/VanderBeek)

- (a) That the Closed Session Minutes of the September 19, 2019 Audit, Finance and Administration meeting, be approved as presented; and,
- (b) That the Closed Session Minutes of the September 19, 2019 Audit, Finance and Administration meeting, remain confidential.

Result: Motion CARRIED by a vote of 6 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
NOT PRESENT - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
NOT PRESENT - Councillor Maria Pearson
YES - Councillor Brad Clark

(Wilson/Clark)

That Committee move into Closed Session respecting Items 14.2 & 14.3, pursuant to Section 8.1, Sub-sections (a), (e) and (f) of the City's Procedural By-law 18-270, and Section 239(2), Sub-sections (a), (e) and (f) of the *Ontario Municipal Act, 2001*, as amended, as the subject matters pertain to the security of the property of the municipality or local board; litigation or potential litigation, including matters before administrative tribunals, affecting municipality or local board; and advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

CARRIED

**(ii) City-Wide Cash Handling Policy and Guideline Revisions (FCS19067)
(City Wide) (Item 14.2)**

For further disposition of this matter, refer to Item 9.

**(iii) Appeals of the Development Charge By-laws 19-141 and 19-142
(LS19034 / FCS19071) (City Wide) (Item 14.3)**

Staff were provided with direction in Closed Session.

For further disposition of this matter, refer to Item 10.

(h) ADJOURNMENT (Item 15)

(Ferguson/Clark)

That, there being no further business, the Audit, Finance and Administration Committee, be adjourned at 10:48 a.m.

CARRIED

Respectfully submitted,

Councillor Collins, Chair
Audit, Finance and Administration
Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk



Hamilton

- MINUTES -
COMMITTEE AGAINST RACISM
Tuesday, June 25, 2019, 6:30 p.m.
City Hall, 71 Main Street West, Room 192

Present: Marlene Dei-Amoah, Louic LeBlanc, Tyrone Childs, Taimur Qasim, Phillip Jeffrey, Annie Law

Regrets: Shamini Jacob

Absent: Leslyn Gombakomb and Sylvia Gill

Also Present: Jodi Koch – Director, Human Rights, Diversity and Inclusion
Councillor Brad Clark

Chair: M. Dei-Amoah

Welcome & Introductions

Staff welcomed all in attendance and a round of introductions were done.

1. **Changes to the Agenda – N/A**
2. **Declaration of Interest**
 - i) None declared
3. **Approval of Minutes**
 - i) Typo corrected in Item 5.1.1
 - ii) Duplicate line removed in Item 5.1.1

T. Qasim/L. LeBlanc

That the Committee Against Racism accepts the meeting minutes of January 22, 2019, as amended.

CARRIED

4. **Presentations - N/A**
5. **Business / Discussion Items**
 - 5.1 **Chair/Vice Chair/Recording Secretary Elections**

L. LeBlanc/T. Childs

That the Committee Against Racism elects Marlene Dei-Amoah as Chair for the 2018 – 2022 term.

CARRIED**T. Childs/M. Dei-Amoah**

That the Committee Against Racism elects Louic LeBlanc as Vice Chair for the 2018 – 2022 term.

CARRIED

- Election of Recording Secretary deferred to next meeting

5.2 Terms of Reference

- Past terms of reference distributed for the committee's review and feedback
- Need to ensure consistent with revised brochure to be reviewed at next meeting

5.3 2019 Budget Review

- Approved Budget for 2019 distributed

5.4 Equity Toolkit

- Discussion on toolkit and context to be used in applying
- Would be beneficial to understand context prior to providing input by the Committee
- To be added to a future agenda once more information is available.
- Equity Toolkit to be sent out electronically to Committee for review
- Consider adding to workplan discussions

L. LeBlanc/T. Childs

That the Committee Against Racism prepare a letter to City Council on the Equity Diversity and Inclusion Handbook.

CARRIED**5.5 Update on HARRC**

- Postcard to be sent out electronically

6 Announcements and Information Sharing

6.1 Filipino Association Annual Picnic taking place on June 29

6.2 July 13 Event at City Hall to counter protesters

7 Adjournment**T. Qasim/L. LeBlanc**

That the Committee Against Racism meeting adjourn at 9:07pm.

Next meeting scheduled for Tuesday, July 23, 2019.



Hamilton

MINUTES
Committee Against Racism
Volunteer Advisory Committee

July 23, 2019

6:30 pm

City Hall, 71 Main Street West, Room 192

Present: Annie Law, Shamini Jacob, Phillip Jeffrey

Absent with
Regrets: Marlene Dei- Amoah, Taimur Qasim

Absent: Tyrone Childs, Sylvia Gill, Leslyn Gombakomb, Louic
LeBlanc

Also Present: Jodi Koch - Director, Human Rights, Diversity and Inclusion
Councillor Brad Clark
Guests: Alvin Goodson and Kojo Dempsey

Pursuant to Section 5.4(4) of the City of Hamilton's Procedural By-law 18-270 at 7:03 pm the Staff Liaison to the Committee advised those in attendance that quorum had not been achieved within 30 minutes after the time set for the Committee Against Racism, therefore, the Staff Liaison to the Committee noted the names of those in attendance and the meeting stood adjourned.

Respectfully submitted,

Jodi Koch
Director, Talent and Diversity



**GRANTS SUB-COMMITTEE
CLERK'S REPORT 19-003**

9:30 a.m.

Monday, September 23, 2019

Council Chambers

Hamilton City Hall

Pursuant to Section 5.4(4) of the City of Hamilton's Procedural By-law 18-270 at 10:01 a.m. the Chair advised those in attendance that quorum had not been achieved within 30 minutes after the time set for the Grants Sub-Committee. Therefore, the Clerk noted the names of those in attendance and the meeting stood adjourned.

Present:

Councillor B. Johnson (Chair)

Councillor S. Merulla

Councillor N. Nann

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Stephanie Paparella".

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	October 17, 2019
SUBJECT/REPORT NO:	Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS19082) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Patricia Vasquez (905) 546-2424 Ext. 5972
SUBMITTED BY:	Rick Male Director, Financial Services and Taxation & Corporate Controller Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

Section 4.4 of the Fair Wage Policy and Fair Wage Schedule, approved by Council on June 12, 2019, requires the Procurement Manager to co-ordinate the preparation of an annual report for the appropriate Standing Committee of Council regarding complaints investigated and resulting audits performed pursuant to the Fair Wage Policy and Fair Wage Schedule.

INFORMATION

This report provides an update on the status of active and completed Fair Wage complaint investigations between January 1, 2018, to December 31, 2018.

The complaints referenced in this report were governed under the requirements of the Fair Wage Policy and Schedule approved by Council on March 9, 2016. The requirements of the Policy at that time affected construction contracts over \$500,000 and required all contractors and sub-contractors providing construction and construction maintenance work to provide wages and benefits to their employees in accordance with the Policy.

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

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

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

**SUBJECT: Fair Wage Policy and Fair Wage Schedule Complaints Annual Report
(FCS19082) (City Wide) - Page 2 of 3**

In 2018, two ongoing investigations were initiated in the previous year one of which was completed in 2018 and the other is still currently under investigation. They are as follows:

- FW25-2017 - complaint was investigated and the audit found the sub-contractor to be non-compliant with the requirements of the Fair Wage Policy and Schedule. The audit determined that the amounts paid to employees (required vacation pay, hourly wage and/or employer paid benefits) did not meet the requirements of the Fair Wage Policy and Schedule. The sub-contractor was required to pay their employees the shortfall amounts. Confirmation was provided to the City confirming that the employees received the shortfall amount owed to them. The contractor was required to pay the audit costs associated with the investigation of the complaint.
- FW26-2017 – complaint is still under investigation as of December 31, 2018.

Also in 2018, the City received two new complaints in which investigations have been completed and are as follows:

- FW27-2018 - complaint was investigated and the audit found the sub-contractor to be non-compliant with the requirements of the Fair Wage Policy and Schedule. The audit determined that the amounts paid to employees (required vacation pay, hourly wage and/or employer paid benefits) did not meet the requirements of the Fair Wage Policy and Schedule. The sub-contractor was required to pay their employees the shortfall amounts. Confirmation was provided to the City confirming that the employees received the shortfall amount owed to them. The contractor was required to pay the audit costs associated with the investigation of the complaint.
- FW28-2018 - complaint was investigated and the audit found the sub-contractor to be non-compliant with the requirements of the Fair Wage Policy and Schedule. The audit determined that the amounts paid to employees (required vacation pay, hourly wage and/or employer paid benefits) did not meet the requirements of the Fair Wage Policy and Schedule. The sub-contractor was required to pay their employees the shortfall amounts. Confirmation was provided to the City confirming that the employees received the shortfall amount owed to them. The contractor was required to pay the audit costs associated with the investigation of the complaint.

The four complaints, and associated audit results have been summarized and provided in Appendix 'A' to Report FCS19082.

**SUBJECT: Fair Wage Policy and Fair Wage Schedule Complaints Annual Report
(FCS19082) (City Wide) - Page 3 of 3**

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS19082 – Fair Wage Policy and Fair Wage Schedule
Complaints - January 1, 2018 – December 31, 2018

PV/dw

**Fair Wage Policy and Fair Wage Schedule Complaints Annual Report
January 1, 2018 – December 31, 2018**

Complaint investigated and found non-compliant with the requirements of the Fair Wage Policy:

Fair Wage Complaint Number	Contract Number and Title	Contract Award Amount	Contractor	Complaint Against	Audit Fee to be Collected from the Contractor (excludes HST)	Value of Fair Wage Shortfall	Sanctions Imposed (if any)
FW25-2017	C13-26-16 – Binbrook Library – Demolition and New Build	\$2,649,000.00	Sona Construction Limited	Sub-contractor: J. R. Jones Electric	\$5,000.00	\$6,393.38	
FW27-2018	C13-44-17 – Addition and Renovations to the J. L. Grightmire Arena	\$5,668,000.00	Century Group Inc.	Sub-contractor: Harcon Electric Ltd.	\$5,000.00	\$2,141.51	
FW28-2018	C15-49-17(P) - Beasley Park Redevelopment – Phase 1	\$1,399,664.27	Newman Bros. Limited	Sub-contractor: Ark Tech Electrical Contractors	\$5,000.00	\$641.30	

Complaints under investigation as of December 31, 2018:

Fair Wage Complaint Number	Contract Number and Title	Contract Award Amount	Contractor	Complaint Against
FW26-2017	C15-56-16 (HSW) – Upper Sherman Road Reconstruction	\$3,990,560.04	Network Sewer and Watermain Ltd.	Contractor: Network Sewer and Watermain Ltd.

Form: Request to Speak to Committee of Council

Submitted on Thursday, September 19, 2019 - 8:39 pm

==Committee Requested==

Committee: Audit, Finance & Administration

==Requestor Information==

Name of Individual: Richard Ferguson

Name of Organization:

Contact Number:

Email Address:

Mailing Address:

Reason(s) for delegation request:

I am Richard Ferguson a resident in [REDACTED] at [REDACTED].

The reason I am emailing you today is because of a recent incident regarding water use at our property.

I waited until I received the actual bill of \$1,102 before I contacted you.

Our family went away on vacation on Friday August 16th and returned on August 24.

Upon returning from vacation we noticed that our side yard and entrance to our backyard was completely saturated as well as the area beside our property on the municipal greenspace. We did not know how long the tap was running

for but looked at the previous water bill to determine that there was a significant increase in normal water usage due to the tap/hose being turned on and running in the grass.

We do not and have not watered our grass since we moved in last October and we use rain barrels for watering plants and gardens.

What we determined is that a side tap/hose had been turned on in our absence and left on. Thankfully it did not flood our basement or cause any internal issues inside of our house.

I called horizon utilities upon our return to let them know what we had found and that this was not something caused by our family.

Horizon said they could do nothing for us as they are only providing the service on behalf of the city.

Horizon was very courteous and suggested that once we get our final bill, that we contact our municipal councillor and see if our councillor would be able to negotiate with the city on our behalf to have the bill reduced to normal usage amounts.

Earlier this year I emailed your office (did not receive a response back) regarding having a gate or opening installed in the fence along our property as we have noticed several young and older children and teens walking across our Property, down the side yard and climbing over the side fence. If an opening was installed they would not need to climb over our fence or trespass down the side of our property. (I had also asked about development of the adjacent properties behind us as well as the project that was under way on hwy 56)

What we believe happened is that potentially one of the kids that we had stopped or reprimanded from going down the side of the property and climbing the fence, turned on the water as a prank or spite while we were away.

We have since turned off the outside tap (with an internal shutoff) to prevent use of that tap in the future.

I am asking for your help to see if we can get some support from the city.

I was recently restructured from my position with Canon Canada after 10.5 years (end of June) and the constraints on income caused by that, plus one daughter midway through college and the youngest just starting university away from home, this massive waterbill is really going to hurt.

I am available to discuss if you have time.

I included a copy of my waterbill

NB- I would still like to inquire about the option of having an opening in the fence (by the city) where my property line meets my neighbours property

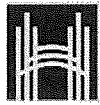
Thank you.

Richard Ferguson



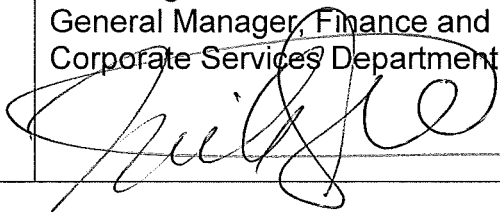
Will you be requesting funds from the City? Yes

Will you be submitting a formal presentation? No



Hamilton

CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
 Financial Planning, Administration and Policy Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	October 17, 2019
SUBJECT/REPORT NO:	Tax and Rate Operating Budget Variance Report as at July 31, 2019 - Budget Control Policy Transfers (FCS19055(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Katie Black (905) 546-2424 Ext. 6415 James Dowling (905) 546-2424 Ext. 5598
SUBMITTED BY:	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department <i>BW</i>
SIGNATURE:	

RECOMMENDATION(S)

- (a) That, in accordance with the "Budgeted Complement Control Policy", 2019 complement adjustments, including changing complement type and transferring complement from one department / division to another with no impact on the levy, as outlined in Appendix "C" to Report FCS19055(a), be approved.
- (b) That, in accordance with the "Budgeted Complement Control Policy", 2019 extensions of temporary positions with 24-month terms or greater, with no impact on the levy, as outlined in Appendix "D" to Report FCS19055(a), be approved.

EXECUTIVE SUMMARY

Staff has committed to provide Council with three variance reports for the Tax Supported and Rate Supported Operating Budgets during the fiscal year (Spring / Fall / Year-End). This is the second submission for 2019 based on the operating results as of July 31, 2019. Appendix "A" to Report FCS19055(a) summarizes the projected year-end variances of the Tax Supported Operating Budget by department and division while Appendix "B" to Report FCS19055(a) summarizes the projected year-end variances of the Rate Supported Operating Budget by program.

Both Tax and Rate Supported Operating Budgets are projecting positive variances of \$5.8 M and \$9.2 M, respectively.

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

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

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

SUBJECT: Tax and Rate Operating Budget Variance Report as at July 31, 2019 - Budget Control Policy Transfers (FCS19055(a)) (City Wide) - Page 2 of 11

The projected Tax Supported Operating Budget surplus of \$5.8 M is primarily composed of surpluses in Capital Financing of \$4.9 M, the Healthy and Safe Communities Department of \$3.9 M and Non Program revenues \$1.9 M. Partially offsetting the favourable variances are deficits in Boards and Agencies of -\$2.5 M (Conservation Authorities) and Corporate Initiatives -\$2.0 M (insurance premiums). The projected Rate Supported Operating Budget Surplus of \$9.2 M is a result of projected surplus in Operations of \$3.2 M, Capital Financing of \$1.9 M and Rate Revenues of \$4.1 M.

Additional details are presented in the Analysis and Rationale for Recommendations section of Report FCS19055(a).

In accordance with the "Budget Control Policy" and "Budgeted Complement Control Policy", approved by Council in February 2012 and March 2018, staff is recommending 21 items with no net levy impact, where the complement type is being changed or complement is being transferred. The complement transfers, identified in Appendix "C" to Report FCS19055(a), moves budgeted complement from one department / division to another to accurately reflect where the staff complement is allocated within the department / division for the purpose of delivering programs and services at desired levels. The complement adjustments identified in Appendix "C" to Report FCS19055(a) were not realized at the time of the 2019 budget submission. However, these adjustments will amend the 2019 operating budget, once approved, with no impact on the levy.

In accordance with the "Budget Control Policy" and "Budgeted Complement Control Policy", approved by Council in February 2012 and March 2018, staff is recommending four items where temporary positions with 24-month terms or greater are being extended as identified in Appendix "D" to Report FCS19055(a) with no impact on the levy.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The financial information is provided in the Analysis and Rationale for Recommendation section of Report FCS19055(a).

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

Staff has committed to provide Council with three variance reports on the Tax and Rate Operating Budget during the fiscal year (Spring / Fall / Year-End). This is the second submission for 2019 based on the operating results as at July 31, 2019.

**SUBJECT: Tax and Rate Operating Budget Variance Report as at July 31, 2019 -
Budget Control Policy Transfers (FCS19055(a)) (City Wide) - Page 3 of 11**

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not Applicable

RELEVANT CONSULTATION

Staff in all City of Hamilton departments and boards provided the information in Report FCS19055(a).

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The following provides an overview of the more significant factors affecting the 2019 projected tax and rate operating budget variances. Table 1 provides a summary of the departmental results as at July 31, 2019.

Table 1

**CITY OF HAMILTON
2019 Projected Year-End Variance
(\$000's)**

	2019 Approved Budget	2019 Year-End Forecast	2019 Variance (Forecast vs Budget)	
			\$	%
<u>TAX SUPPORTED</u>				
Planning & Economic Development	29,672	29,355	317	1.1
Healthy and Safe Communities	245,134	241,228	3,906	1.6
Public Works	242,414	243,280	(866)	(0.4)
Legislative	5,019	5,019	0	-
City Manager	11,759	11,484	275	2.3
Corporate Services	30,207	29,831	376	1.2
Corporate Financials / Non Program Revenues	(25,500)	(25,138)	(362)	(1.4)
Hamilton Entertainment Facilities	3,912	4,078	(166)	(4.2)
TOTAL CITY EXPENDITURES	542,617	539,137	3,480	0.6
Hamilton Police Services	164,290	164,290	0	-
Library	30,700	30,700	0	-
Other Boards & Agencies	13,095	15,643	(2,548)	(19.5)
City Enrichment Fund	6,116	6,116	0	-
TOTAL BOARDS & AGENCIES	214,201	216,749	(2,548)	(1.2)
CAPITAL FINANCING	129,969	125,115	4,854	3.7
TAX SUPPORTED	886,787	881,001	5,786	0.7
RATE SUPPORTED	0	(9,220)	9,220	N/A
TOTAL	886,787	871,782	15,006	1.7

() - Denotes unfavourable variance

Anomalies may occur due to rounding.

**SUBJECT: Tax and Rate Operating Budget Variance Report as at July 31, 2019 -
Budget Control Policy Transfers (FCS19055(a)) (City Wide) - Page 4 of 11**

Tax Supported Operating Budget

Departmental Budgets

Appendix "A" to Report FCS19055(a) summarizes the Tax Supported Operating Budget variances by department and division.

Further to direction from Council for the 2018 budget, the City has changed the reporting methodology and the budgeted gapping savings of -\$4.5 M previously held in Corporate Financials has been distributed to the departments. It is projected that at year-end the corporate wide gapping actuals will be -\$6.1 M, a surplus of \$1.6 M.

Each department's gapping variance (target versus projection) is detailed in the following sections, along with other departmental highlights.

Planning and Economic Development

Planning and Economic Development is forecasting a favourable variance of \$0.3 M, which is primarily driven by a projected surplus of \$0.4 M in Transportation, Planning and Parking. A favourable variance of \$0.5 M in revenues is anticipated in Parking Enforcement as well as savings of \$0.3 M in Parking Operations and further savings in gapping and contractual obligations. Favourable revenues are offset by an unbudgeted Council approved transfer of plate denial surpluses to the Parking reserve (projected to be \$0.6 M).

The Planning division is projecting a surplus of \$0.1 M, which is driven by gapping savings partially offset by small pressures in various accounts.

The Licensing and By-Law Services division is projecting an overall deficit of -\$0.2 M due to pressures in gapping, unbudgeted consulting fees, material and supplies, vehicles expenditures and training. This is partially offset by forecasted surplus in revenues in Licensing and Animal Services.

The remaining divisions have small variances totalling a combined positive variance of less than \$0.1 M.

The Planning and Economic Development departmental gapping target is -\$0.8 M for the 2019 year. As at July 31, 2019, the projected year-end gapping amount is -\$0.6 M, resulting in a projected deficit of -\$0.2 M.

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Budget Control Policy Transfers (FCS19055(a)) (City Wide) - Page 5 of 11**

Healthy and Safe Communities

The Healthy and Safe Communities Department is projecting an overall surplus of \$3.9 M. This variance includes Provincial funding announcements made between June and August of 2019 that are now expected to result in the City receiving funding, in total, as budgeted in 2019. Paramedic Services and Ontario Works funding is still expected to be less than budgeted but is offset by additional funding received in Children Services and Neighbourhood Development. Previously, based on funding announcements to June, the City was projecting a -\$2.9 M shortfall as reported to the General Issues Committee on June 19, 2019 through Report FCS19053. The impact to each division is identified in the explanations that follow.

The Housing Services division is anticipating an expected favourable variance of \$3.4 M. This surplus is attributed to Social Housing prior year reconciliations, gapping and housing allowances and rent supplement. Changes to provincial funding were minimal (-\$0.1 M), with a slight reduction in the Strong Communities Rent Supplement Program.

The Ontario Works (OW) division is forecasting a surplus of \$0.6 M due to gapping as back filling was delayed due to the spring Provincial announcement and maximizing available subsidies (LEAP savings-CSND). Partially offsetting the surplus are reductions of -\$1.2 M in Provincial funding.

The Hamilton Fire Department is projecting a positive variance of \$0.4 M due to employee related costs from settled contracts and staff retirements, partially offset by pressures in maintenance and operating costs.

The Long Term Care division is forecasting a surplus of \$0.1 M due to various savings in operating costs partially offset by employee related costs. This surplus includes a discontinuation of less than -\$0.1 M in Ministry funding for various programs.

The Recreation division is forecasting a positive variance of \$0.1 M to year end. Savings due to gapping and operating costs are offset by a loss of revenue due to temporary closures, unfavourable variances in golf revenues due to weather and facilities costs at Dundas Arena and Bernie Morelli Centre.

The Children's Services and Neighbourhood Development (CSND) division projects a positive variance of \$0.1 M due to gapping savings and various program costs. CSND is projected to receive \$2.6 M in Provincial Funding in addition to what was budgeted in 2019. This funding is required to be fully spent by the end of the year to support expanded child care system.

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

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The Hamilton Paramedic Services division is expecting a -\$0.7 M unfavourable variance due to the expected -\$1.1 M shortfall in Ministry funding and various operating costs projected to be higher than expected and offset partially by a favourable variance in employee related costs.

The HSC Administration division is projecting a deficit of -\$0.2M due to the cost of a temporary contract position, partially offset by savings from temporary vacancies.

Public Health Services is projecting a deficit of -\$0.1 M primarily due to one-time funding subsidy pressures based on funding assumptions for Raccoon Rabies, partially offset by savings in operating costs, gapping and a delay in the implementation of the new Ontario Seniors Dental Care Program.

The Healthy and Safe Communities departmental gapping target is -\$0.9 M for the 2019 year. As at July 31, 2019, the projected year-end gapping amount is -\$2.3 M, resulting in a projected surplus of \$1.4 M.

Public Works

Overall, the Department is forecasting an unfavourable variance of -\$0.9 M. There are several contributors, both favourable and unfavourable, across the divisions that are leading to this projected deficit.

The Transit division is projecting an unfavourable variance of -\$1.9 M. Unfavourable net gapping of -\$3.0 M is due to employee related costs, largely overtime and sick time. DARTS contract is trending to be -\$0.9 M unfavourable due to more trips delivered than budgeted. This is partially offset by favourable transit fare revenues of \$1.1 M due to continued ridership uptake, positive fuel costs of \$0.8 M and other various items.

Energy, Fleet and Facilities anticipates unfavourable gapping and staff costs as well as the cost of holding unbudgeted vacant facilities will contribute to a total divisional deficit of -\$0.6 M.

Transportation Operations and Maintenance is forecasting an overall positive variance of \$0.8 M. Of this surplus, \$1.7M is due to gapping, the timing of vacancies / hires and savings from restructuring. Partially offset by a -\$1.0 M reduction in capital recoveries expected due to less capital related work being performed.

Environmental Services anticipates a favourable variance of \$0.8 M due to \$1.4 M in gapping savings for retirements, resignations and vacancies. This is partially offset by increased contractual obligations at the Materials Recycling Facility (-\$0.3 M), increased costs for handling leaf and yard waste at the Glanbrook Landfill composite site (-\$0.2 M) and transfer station / Community Recycling Centres (CRC) operations due to Central Composting Facility shutdown and restart (-\$0.1 M).

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The Public Works departmental gapping target is -\$2.0 M for the 2019 year. As at July 31, 2019, the projected year-end gapping amount is -\$1.7 M, resulting in a projected deficit of -\$0.3 M.

Legislative

The Legislative budget is projected to be on budget for 2019 with potential unfavourable gapping being offset by other savings.

The Legislative departmental gapping target is -\$76 K for 2019. As at July 31, 2019, the projected year-end gapping will result in a deficit. However, it is expected this will be offset by favourable savings in other areas.

City Manager's Office

The City Manager's Office projects a favourable variance of \$0.3 M primarily related to favourable gapping in the Strategic Partnerships and Communications and Human Resources divisions and unspent Government Relations budget, somewhat offset by recruitment services and staff transitioning costs. Revenue Generation has decreased projected revenue which is offset by a reduction in program expenses.

The City Manager's departmental gapping target is -\$0.2 M for the 2019 year. As at July 31, 2019, the projected year-end gapping amount is -\$0.4 M, resulting in a projected surplus of \$0.2 M.

Corporate Services

Corporate Services is forecasting an overall positive variance of \$0.4 M. A favourable variance of \$0.3 M is projected in Financial Services mainly due to gapping and Taxation revenues, partially offset by unrealized reserve recoveries. The City Clerk's Office is projecting a favourable variance of \$0.2 M due to gapping while the Information Technology division is expecting a deficit of -\$0.1 M due to unfavourable gapping and additional software support. The combined remaining divisions are forecasting a slight favourable surplus to year-end.

The Corporate Services departmental gapping target is -\$0.6 M for the 2019 year. As at July 31, 2019, the projected year-end gapping amount is -\$1.0 M, resulting in a projected surplus of \$0.4 M.

Corporate Financials / Non Program Revenues

Corporate Financials / Non Program Revenues show a -\$0.3 M combined unfavourable variance. Contributing factors are identified as follows:

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Corporate Financials

Corporate Pensions, Benefits and Contingency

The projected unfavourable variance in the Corporate Pensions, Benefits and Contingency of -\$0.2 M is a result of unbudgeted legal expenses that have been incurred.

WSIB is projecting a -\$4.0 M unfavourable variance which will be offset by a transfer from the WSIB reserve for a zero-net levy impact.

Corporate Initiatives

Corporate Initiatives shows a projected unfavourable variance of -\$2.0 M due to insurance premiums.

Non Program Revenues

Non Program Revenues show a projected favourable variance of \$1.9 M. This is mainly the result of favourable year-to-date trending in Penalties and Interest of \$1.5 M. Also contributing to the surplus are favourable variances of \$0.4 M in Tax Remissions and Write Offs as a result of rebates and grants being lower than anticipated and a \$0.3 M surplus in Payment In Lieu which reflects the actual 2019 Final billing. This surplus is partially offset by a projected unfavourable Hamilton Utilities Corporation (HUC) Dividend partially due to unanticipated administration fees.

Boards and Agencies

In Boards and Agencies, there is a projected unfavourable variance of -\$2.5 M. The City's judicial review of the unsuccessful Lands and Mines Commissioner's apportionment appeal was recently dismissed by the Courts. Staff has withdrawn the appeal for the Niagara Peninsula Conservation Authority which will result in an -\$0.8 M shortfall. Staff is still reviewing the apportionment calculations for the other Conservation Authorities. However, if these are withdrawn as well, this will result in an additional -\$1.7 M shortfall.

Capital Financing

Capital financing is projecting a year-end surplus of \$4.9 M due to the delay in debt issuance with projected principal and interest savings. This includes a \$2.0 M transfer to the Unallocated Capital Levy Reserve at year end as approved in the 2019 Tax Capital Budget (Report FCS18097). Without this transfer, the overall Capital Financing surplus would be \$6.9 M.

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Rate Supported Operating Budget

As at July 31, 2019, the Rate supported operating budget is projecting a favourable variance of \$9.2 M due to savings in overall program expenditures of \$5.1 M and a favourable revenue projection of \$4.1 M.

Appendix "B" to Report FCS19055(a) summarizes the Rate Supported Operating Budget results by program.

Expenditures

Program spending for 2019 is projected to be a favourable variance of \$5.1 M or 2.3% of gross budget by year end. The driving factors behind this favourable expenditure variance are shown in Table 2.

Table 2

Expenditure Type	Variance (\$000's)
Contractual	2,816
Agencies and Support Payments	365
Total Operating	3,181
Debt Charges	5,463
DC Deb Charges Recoveries	(3,563)
Capital Financing	1,900
Total	5,081

() - Denotes unfavourable variance

Contractual expenditures are projecting a positive variance of \$2.8 M largely due to plant operations and maintenance contracts of \$2.0 M coupled with savings in Alectra Utilities contract and service coordination totalling \$0.8 M.

The Agencies and Support Payments category is forecasting a favourable variance of \$0.4 M due to less uptake on the Protective Plumbing Program (3P).

Capital financing costs have a net overall positive variance of \$1.9 M. The surplus in debt charges of \$5.5 M is offset by the Development Charge (DC) debt charge recoveries of -\$3.6 M. The debt charge surplus is due to the difference in budgeted and forecasted interest rates and the increased timeframe for issuing debt.

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Revenues

Overall, total revenues are forecasting a surplus of \$4.1 M (1.9% to budget) mainly due to favourable consumption trending across customer sectors, Multi-Residential, Industrial, Commercial and Institutional \$1.0 M and Residential \$1.0 M. Non-metered revenue, overstrength agreements and private fire lines contribute an additional \$2.1 M to the favourable variance.

2019 Complement Adjustments

In accordance with the “Budget Control Policy” and “Budgeted Complement Control Policy”, approved by Council in February 2012 and March 2018, staff is recommending 21 items with no net levy impact, where the complement type is being changed or complement is being transferred. The complement transfers, identified in Appendix “C” to Report FCS19055(a), moves budgeted complement from one department / division to another to accurately reflect where the staff complement is allocated within the department / division for the purpose of delivering programs and services at desired levels.

The transfers include three positions from CityHousing Hamilton which are being centralized to the Information Technology division of the City of Hamilton. The complement adjustments identified in Appendix “C” to Report FCS19055(a) were not realized at the time of the 2019 budget submission. However, these adjustments will amend the 2019 operating budget, once approved, with no impact on the levy.

In accordance with the “Budget Control Policy” and “Budgeted Complement Control Policy”, approved by Council in February 2012 and March 2018, staff is recommending four items where temporary positions with 24-month terms or greater are being extended as identified in Appendix “D” to Report FCS19055(a), with no impact on the levy.

ALTERNATIVES FOR CONSIDERATION

Not Applicable

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

**SUBJECT: Tax and Rate Operating Budget Variance Report as at July 31, 2019 -
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APPENDICES AND SCHEDULES ATTACHED

Appendix "A" – City of Hamilton Tax Operating Budget Variance Report as at July 31, 2019

Appendix "B" – City of Hamilton Combined Water, Wastewater and Storm Systems Rate Operating Budget Variance Report as at July 31, 2019

Appendix "C" – City of Hamilton Budgeted Complement Adjustment Schedule

Appendix "D" – City of Hamilton Budgeted Complement Temporary Extension Schedule

KB/JD/dt

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2019
(\$ 000's)

	2019 Approved Budget	2019 Actuals Jul YTD	Projected Actuals to Dec. 31	2019 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
<u>PLANNING & ECONOMIC DEVELOPMENT</u>						
General Manager	966	618	950	16	1.7%	Favourable variance due to gapping.
Transportation, Planning and Parking	2,181	101	1,751	430	19.7%	Favourable revenues in Parking Enforcement of \$547 K and Parking Operations of \$330 K as well as savings in gapping and contractual obligations, offset by unbudgeted Council approved transfer of plate denial surplus to Parking reserve (projected to be \$0.6 M).
Building	1,308	(1,903)	1,304	4	0.3%	Savings due to gapping, increase in service recovery revenue, partially offset by increase in facilities charges, computer software, and a decrease in zoning revenues.
Economic Development	5,424	3,184	5,424	0	0.0%	
Growth Management	468	(2,000)	445	23	4.9%	Savings due to gapping partially offset by a decrease in grading revenue.
Licensing & By-Law Services	6,681	4,109	6,880	(199)	(3.0)%	Deficit due to gapping pressures, unbudgeted consultant fees, pressures for vehicle retrofits, material and supplies and training partially offset by higher revenues in Animal Services and Licensing.
LRT	0	1,566	0	0	0.0%	
Planning	3,392	865	3,331	61	1.8%	Savings due to gapping, partially offset by small pressures in various accounts.
Tourism & Culture	9,252	5,532	9,270	(18)	(0.2)%	Unfavourable variance as a result of pressures in gapping, contractual and building maintenance expenses partially offset by higher revenue projections.
TOTAL PLANNING & ECONOMIC DEVELOPMENT	29,672	12,072	29,355	317	1.1%	

- () Denotes unfavourable variance.

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2019
(\$ 000's)

	2019 Approved Budget	2019 Actuals Jul YTD	Projected Actuals to Dec. 31	2019 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
HEALTHY AND SAFE COMMUNITIES						
HSC Administration	2,761	1,616	2,919	(158)	(5.7)%	The HSC Administration division is projecting a deficit of -\$0.2M due to the cost of a temporary contract position, partially offset by savings from temporary vacancies.
Children's Services and Neighbourhood Development (CSND)	8,675	5,165	8,544	131	1.5%	Favourable variance due to gapping partially offset by other employee related costs and program costs. CSND is projected to receive \$2.6 M in Provincial Funding in addition to what was budgeted in 2019. This funding is required to be fully spent by the end of the year to support expanded child care system.
Ontario Works	11,918	4,302	11,289	629	5.3%	Favourable variance due to gapping as back filling delayed due to spring Provincial announcement, and maximizing available subsidies (LEAP savings CSND). Partially offset by reductions of -\$1.2M in Provincial funding.
Housing Services	45,068	22,143	41,635	3,433	7.6%	Favourable variance due to Social Housing provider reconciliations (AIR's) for prior years funding, gapping and housing allowance rent supplements.
Long Term Care	13,472	6,910	13,337	135	1.0%	Favourable variance due to savings in various operating costs partially offset by various employee related costs.
Recreation	33,852	22,759	33,718	134	0.4%	Favourable variance due to gapping and savings in operating costs due to planned temporary closure of several facilities throughout the year, partially offset by lost revenues due to temporary closures, golf revenues impacted by wet spring and unbudgeted repairs to Dundas arena and Bernie Morelli centre.
Hamilton Fire Department	93,137	53,286	92,738	399	0.4%	Favourable variance due to overall employee related costs as a result of settled contracts, and staff retirements partially offset by various maintenance and operating costs.
Hamilton Paramedic Service	23,795	13,680	24,501	(706)	(3.0)%	Unfavourable variance due to expected shortfall in Ministry funding (Base & Enhancement funding), partially offset by favourable employee related cost savings.
Public Health Services	12,456	6,470	12,547	(91)	(0.7)%	Unfavourable variance due to one-time funding subsidy pressures based on funding assumptions for Raccoon Rabies, partially offset by savings in operating costs, gapping and delay in the implementation of the new Ontario Seniors Dental Care Program.
TOTAL HEALTHY AND SAFE COMMUNITIES	245,134	136,331	241,228	3,906	1.6%	

- () Denotes unfavourable variance.

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2019
(\$ 000's)

	2019 Approved Budget	2019 Actuals Jul YTD	Projected Actuals to Dec. 31	2019 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
PUBLIC WORKS						
PW-General Administration	715	585	715	0	0.0%	
Energy Fleet and Facilities	9,315	6,567	9,893	(578)	(6.2)%	Unfavourable variance due to (\$254 K) net gapping, (\$204 K) mainly attributable to the cost of holding vacant facilities (unbudgeted) and (\$120 K) security office anticipating variance due to additional staff as per Council Report LS19031/PW19068.
Engineering Services	(1,126)	(638)	(1,126)	0	0.0%	
Environmental Services	79,086	40,969	78,245	841	1.1%	Favourable variance due to \$1.4 M in net gapping savings due to retirements, resignations and hard to fill vacancies. Partially offset by (\$300 K) increase in contractual obligations at the Materials Recycling Facility, (\$150 K) increased handling of leaf and yard waste at the Glanbrook Landfill compost site and (\$120 K) due to increased costs at the Transfer Station / Community Recycling Centre sites due to increased handling of source separated organic waste during Central Composting Facility shutdown and restart.
Transit	74,299	52,654	76,213	(1,914)	(2.6)%	Unfavourable variance relates to (\$3.0 M) net unfavourable gapping; unfavourable employee related costs largely as a result of overtime (\$3.2 M) and sick (\$2.7 M) partially offset by favourable salaries and wages of \$3.5 M. The DARTS contract is trending to be unfavourable (\$880 K) due to more trips being delivered than budgeted. Partially offset by \$1.1 M from Transit fare revenues forecasted to be favourable due to continuing ridership uptake, \$757 K from fuel trending to be favourable due to Diesel consumption and the price of Natural Gas and other small variances contributing an additional \$109 K in surpluses.
Transportation Operations & Maintenance	80,125	48,452	79,340	785	1.0%	Favourable variance due to \$1.7 M net gapping savings from staff vacancies attributable to restructuring and normal staff turnover (retirements, job transfers, terminations, seasonal hiring, etc.), partially offset by a (\$1.0 M) reduction in capital recoveries expected due to less capital related work being performed.
TOTAL PUBLIC WORKS	242,414	148,589	243,280	(866)	(0.4)%	
LEGISLATIVE						
Legislative General	(342)	(173)	(342)	0	0.0%	
Mayors Office	1,134	606	1,134	0	0.0%	
Volunteer Committee	113	42	113	0	0.0%	
Ward Budgets	4,114	2,142	4,114	0	0.0%	
TOTAL LEGISLATIVE	5,019	2,617	5,019	0	0.0%	

- () Denotes unfavourable variance.

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2019
(\$ 000's)

	2019 Approved Budget	2019 Actuals Jul YTD	Projected Actuals to Dec. 31	2019 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
CITY MANAGER						
Strategic Partnerships & Communications	2,840	1,512	2,711	129	4.5%	Favourable variance due to gapping from temporary vacancies and unspent Government Relations budget. Revenue Generation has a decrease in projected revenues due to cancelled sponsorships (\$200 K) offset by reduced program expenses.
Audit Services	1,116	582	1,082	34	3.0%	Favourable variance due to gapping.
CMO - Administration	399	155	474	(75)	(18.8)%	Unfavourable due to consulting fees, recruitment services and staff transitioning costs partially offset by temporary vacancy.
Human Resources	7,404	3,781	7,217	187	2.5%	Favourable variance due to gapping.
TOTAL CITY MANAGER	11,759	6,030	11,484	275	2.3%	
CORPORATE SERVICES						
City Clerk's Office	2,409	1,079	2,240	169	7.0%	Favourable variance due to gapping.
Corporate Services - Administration	329	212	318	11	3.3%	Favourable variance due to gapping.
Customer Service	5,270	3,035	5,290	(20)	(0.4)%	Unfavourable variance due to gapping target.
Financial Planning, Admin & Policy	4,800	3,667	4,755	45	0.9%	Favourable variance due to \$120 K in gapping and unbudgeted Hamilton Renewable Power Inc. revenue of \$23 K, partially offset by reduced Finance & Administration Cost Allocation recovery (\$96 K).
Financial Services	3,980	1,604	3,659	321	8.1%	Favourable variance mainly due to gapping of \$227 K, Tax Transfer Fee \$120 K, Arrears Processing Fees \$25 K and savings in Employee Related Costs \$5 K; partially offset by unrealized budgeted recovery from Tax Stabilization Reserve (\$36 K) and Tax Registrations recovery (\$30 K).
Information Technology	10,036	8,021	10,186	(150)	(1.5)%	Unfavourable variance due to gapping (\$79 K) and unbudgeted Acquia Cloud annual support (\$60 K).
Legal Services	3,383	3,732	3,383	0	0.0%	
TOTAL CORPORATE SERVICES	30,207	21,350	29,831	376	1.2%	
CORPORATE FINANCIALS						
Corporate Pensions, Benefits & Contingency	15,345	11,254	15,585	(240)	(1.6)%	Unbudgeted Legal Expenses of \$0.2 M incurred. WSIB gross expenses expected to result in adverse variance of \$4.1 M to be offset by corresponding unbudgeted recovery from WSIB reserve.
Corporate Initiatives	4,120	2,729	6,148	(2,028)	(49.2)%	Unfavourable variance due to insurance premiums - gross expenses expected to result in adverse variance of (\$2.0 M).
TOTAL CORPORATE FINANCIALS	19,465	13,983	21,733	(2,268)	(11.7)%	

- () Denotes unfavourable variance.

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2019
(\$ 000's)

	2019 Approved Budget	2019 Actuals Jul YTD	Projected Actuals to Dec. 31	2019 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
HAMILTON ENTERTAINMENT FACILITIES						
Operating	3,912	2,546	4,078	(166)	(4.2)%	Unfavourable variance due to facility costs being higher than anticipated.
TOTAL HAMILTON ENTERTAINMENT FACILITIES	3,912	2,546	4,078	(166)	(4.2)%	
TOTAL CITY EXPENDITURES	587,582	343,518	586,008	1,574	0.3%	
CAPITAL FINANCING						
Debt-Healthy and Safe Communities	2,340	(2,943)	4,410	(2,070)	(88.5)%	Due to delay in debt issuance, principal and interest savings. As per Capital Budget Report FCS18097 - a \$2 M surplus will be transferred to the Unallocated Capital Levy Reserve prior to year-end. Without this transfer the overall Capital Financing surplus would be \$6.9 M.
Debt-Planning & Economic Development	194	(61)	88	106	54.6%	
Debt-Public Works	38,696	(5,886)	35,078	3,618	9.3%	
Debt-Corporate Financials	74,313	70,538	71,113	3,200	4.3%	
Infrastructure Renewal Levy	13,429	13,429	13,429	0	0.0%	
TOTAL CAPITAL FINANCING	128,972	75,077	124,118	4,854	3.8%	
BOARDS & AGENCIES						
Police Services						
Operating	164,290	88,250	164,290	0	0.0%	No material variances expected - Police expect to be on target with the 2019 budget.
Capital Financing	806	(310)	806	0	0.0%	
Total Police Services	165,096	87,940	165,096	0	0.0%	
Other Boards & Agencies						
Library	30,700	18,354	30,700	0	0.0%	Unfavourable variance due to impact of Conservation Authority levies per Regulation Formula.
Conservation Authorities	5,498	4,909	8,026	(2,528)	(46.0)%	
Hamilton Beach Rescue Unit	134	38	134	0	0.0%	
Royal Botanical Gardens	635	368	635	0	0.0%	
MPAC	6,715	3,358	6,715	0	0.0%	
Farmers Market	113	(29)	133	(20)	(17.7)%	
Total Other Boards & Agencies	43,795	26,998	46,343	(2,548)	(5.8)%	
Capital Financing - Other Boards & Agencies	191	(281)	191	0	0.0%	
City Enrichment Fund	6,116	4,333	6,116	0	0.0%	
TOTAL BOARDS & AGENCIES	215,198	118,990	217,746	(2,548)	(1.2)%	
TOTAL EXPENDITURES	931,752	537,585	927,872	3,880	0.4%	

- () Denotes unfavourable variance.

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2019
(\$ 000's)

	2019 Approved Budget	2019 Actuals Jul YTD	Projected Actuals to Dec. 31	2019 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
NON PROGRAM REVENUES						
Payment In Lieu	(15,727)	(12,952)	(16,027)	300	(1.9)%	Favourable variance reflects actual 2019 Final billing.
Penalties and Interest	(10,500)	(6,826)	(12,000)	1,500	(14.3)%	Projected surplus based on year to date trending.
Right of Way	(3,228)	(3,227)	(3,227)	(1)	0.0%	
Senior Tax Credit	587	632	562	25	4.3%	
Supplementary Taxes	(9,125)	(3,114)	(9,125)	0	0.0%	
Tax Remissions and Write Offs	9,790	(2,102)	9,355	435	4.4%	Rebates and grants estimated to be lower than anticipated.
HUC Dividend and Other Interest	(5,300)	(6,057)	(4,947)	(353)	6.7%	Administration fees paid deducted from dividend.
Investment Income	(4,100)	(15,678)	(4,100)	0	0.0%	
Slot Revenues	(5,000)	(2,751)	(5,000)	0	0.0%	
POA Revenues	(2,362)	(2,886)	(2,362)	0	0.0%	
TOTAL NON PROGRAM REVENUES	(44,965)	(54,961)	(46,871)	1,906	(4.2)%	
TOTAL LEVY REQUIREMENT	886,787	482,624	881,001	5,786	0.7%	

- () Denotes unfavourable variance.

CITY OF HAMILTON COMBINED WATER, WASTEWATER AND STORM SYSTEMS RATE OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2019 (\$ 000's)

	2019 Approved Budget	2019 Actual at July 31	2019 Projected To Year End	2019 Projected Actuals vs. Approved Budget		2019 % Spent
				\$	%	
<u>OPERATING EXPENDITURES:</u>						
<u>Environmental Services</u>						
Divisional Administration & Support	2,243	1,435	2,243	-	0.0%	100.0%
Woodward Upgrades	1,525	1,010	1,525	-	0.0%	100.0%
Customer Service	422	168	422	-	0.0%	100.0%
Outreach and Education	1,351	657	1,301	50	3.7%	96.3%
Service Co-ordination	4,402	1,602	3,936	466	10.6%	89.4%
Engineering Systems & Data Collection	1,287	702	1,287	-	0.0%	100.0%
Compliance & Regulations	871	447	871	-	0.0%	100.0%
Laboratory Services	3,528	1,980	3,528	-	0.0%	100.0%
Environmental Monitoring & Enforcement	1,818	1,044	1,818	-	0.0%	100.0%
Water Distribution & Wastewater Collection	21,370	10,632	21,370	-	0.0%	100.0%
Plant Operations & Maintenance	41,383	20,358	39,383	2,000	4.8%	95.2%
Capital Delivery	1,860	1,011	1,860	-	0.0%	100.0%
Sustainable Initiatives	1,497	611	1,497	-	0.0%	100.0%
Infrastructure & Source Water Planning	2,465	1,038	2,465	-	0.0%	100.0%
Wastewater Abatement Program	1,150	645	1,150	-	0.0%	100.0%
Alectra Utilities Service Contract	5,700	3,284	5,400	300	5.3%	94.7%
Corporate & Departmental Support Services	6,432	3,691	6,432	-	0.0%	100.0%
Utilities Arrears Program	500	98	500	-	0.0%	100.0%
Gapping Target	(300)	-	(300)	-	0.0%	100.0%
Sewer Lateral Management Program	500	205	500	-	0.0%	100.0%
Hamilton Harbour Remedial Action Plan	395	153	395	-	0.0%	100.0%
Protective Plumbing Program (3P)	1,250	382	885	365	29.2%	70.8%
Financial Charges	177	-	177	-	0.0%	100.0%
Capital and Reserve Recoveries	(6,100)	(78)	(6,100)	-	0.0%	100.0%
Sub-Total Environmental Services	95,726	51,075	92,545	3,181	3.3%	96.7%

CITY OF HAMILTON COMBINED WATER, WASTEWATER AND STORM SYSTEMS RATE OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2019 (\$ 000's)

	2019 Approved Budget	2019 Actual at July 31	2019 Projected To Year End	2019 Projected Actuals vs. Approved Budget		2019 % Spent
				\$	%	
<u>Capital and Reserve Impacts on Operating</u>						
<u>Contributions to Capital</u>						
Water	51,762	51,762	51,762	-	0.0%	100.0%
Wastewater	42,837	42,837	42,837	-	0.0%	100.0%
Stormwater	3,205	3,205	3,205	-	0.0%	100.0%
Sub-Total Contributions to Capital	97,804	97,804	97,804	-	0.0%	100.0%
<u>Contributions for DC Exemptions</u>						
Water	2,547	-	2,547	-	0.0%	100.0%
Wastewater	4,590	-	4,590	-	0.0%	100.0%
Stormwater	1,863	-	1,863	-	0.0%	100.0%
Sub-Total Contributions for DC Exemptions	9,000	-	9,000	-	0.0%	100.0%
<u>Capital Debt Charges</u>						
Water Quality Initiatives	9,762	-	7,537	2,225	22.8%	77.2%
Wastewater	10,120	-	8,461	1,659	16.4%	83.6%
Stormwater	3,950	-	2,371	1,579	40.0%	60.0%
DC Debt Charges Recoveries	(4,467)	(704)	(904)	(3,563)	79.8%	20.2%
Sub-Total Debt Charges	19,365	(704)	17,465	1,900	9.8%	90.2%
Sub-Total Capital Financing	126,169	97,100	124,269	1,900	1.5%	98.5%
Transfer to Reserves	365	365	365	-	0.0%	100.0%
Sub-Total Capital and Reserve Impacts on Operating	126,534	97,465	124,634	1,900	1.5%	98.5%
TOTAL EXPENDITURES	222,260	148,540	217,179	5,081	2.3%	97.7%

CITY OF HAMILTON COMBINED WATER, WASTEWATER AND STORM SYSTEMS RATE OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2019 (\$ 000's)

	2019 Approved Budget	2019 Actual at July 31	2019 Projected To Year End	2019 Projected Actuals vs. Approved Budget		2019 % Spent
				\$	%	
REVENUES:						
Rate Revenue						
Residential	(97,939)	(51,183)	(98,939)	1,000	(1.0)%	101.0%
Industrial Commercial Institutional (ICI)	(107,753)	(54,933)	(108,753)	1,000	(0.9)%	100.9%
Haldimand / Halton	(2,601)	(1,204)	(2,601)	-	0.0%	100.0%
Raw Water	(150)	(43)	(120)	(30)	20.0%	80.0%
Non-Metered	(580)	(937)	(1,700)	1,120	(193.1)%	293.1%
Private Fire Lines	(1,550)	(1,017)	(1,750)	200	(12.9)%	112.9%
Hauler / 3rd Party Sales	(1,225)	(768)	(1,225)	-	0.0%	100.0%
Overstrength Agreements	(2,249)	(675)	(3,098)	849	(37.8)%	137.8%
Sewer Surcharge Agreements	(5,200)	(1,424)	(5,200)	-	0.0%	100.0%
Sub-Total Utility Rates	(219,247)	(112,184)	(223,386)	4,139	(1.9)%	101.9%
Non-Rate Revenue						
Local Improvement Recoveries	(276)	(172)	(276)	-	0.0%	100.0%
Permits / Leases / Agreements	(1,365)	(487)	(1,365)	-	0.0%	100.0%
Investment Income	(450)	-	(450)	-	0.0%	100.0%
General Fees and Recoveries	(922)	(571)	(922)	-	0.0%	100.0%
Sub-Total Non-Rate Revenue	(3,013)	(1,230)	(3,013)	-	0.0%	100.0%
TOTAL REVENUES	(222,260)	(113,414)	(226,399)	4,139	(1.9)%	101.9%
NET SURPLUS	-	35,126	(9,220)	9,220	(4.1)%	

**CITY OF HAMILTON
BUDGETED COMPLEMENT ADJUSTMENT SCHEDULE**

STAFF COMPLEMENT CHANGE

Complement adjustments as per the Budgeted Complement Control Policy including transfers to another division or department

ITEM #	TRANSFER FROM				TRANSFER TO			
	Department	Division	Position Title ⁽¹⁾	FTE	Department	Division	Position Title ⁽¹⁾	FTE
1	Planning & Economic Development	Licensing Bylaw Services	Clerk	1.00	Corporate Services	Customer Service and Provincial Offences Administration	Customer Contact Centre Representative	1.00
	Explanation: Customer Service work transferred from PED to Corporate Services as part of the Call Consolidation process							
2	Planning & Economic Development	Transportation Planning and Parking	Clerk	1.00	Corporate Services	Customer Service and Provincial Offences Administration	Customer Contact Centre Representative	1.00
	Explanation: Customer Service work transferred from PED to Corporate Services as part of the Call Consolidation process							
3	Planning & Economic Development	Transportation Planning and Parking	School Crossing Guard	0.50	Corporate Services	Financial Planning, Administration and Policy	Financial Assistant II	0.50
	Explanation: The transfer of 0.5 FTE will assist with the creation of a 0.5 FTE in the F&A group taking over work from HMPS.							
4	Planning & Economic Development	General Manager Office	Sr Advisor West Harbour Waterfront	1.00	Planning & Economic Development	Economic Development	Sr Advisor West Harbour Waterfront	1.00
	Explanation: Transfer of Sr Advisor position from General Manager's Office to Economic Development.							
5	Planning & Economic Development	LRT	Sr Project Manger	1.00	Public Works	Engineering Services	Sr Project Manger	1.00
6	Planning & Economic Development	LRT	3 Construction Inspectors	3.00	Public Works	Engineering Services	3 Construction Inspectors	3.00
7	Planning & Economic Development	LRT	2 Project Managers	2.00	Public Works	Engineering Services	2 Project Managers	2.00
Explanation: Positions are reporting to PW- transferring to appropriate department.								
8	Public Works	Hamilton Water	Lab Techn	1.00	Public Works	Hamilton Water	Project Manager	1.00
	Explanation: Requesting approval to convert Lab Techn position grade I to Project Manager grade 6. Differential will be absorbed in Operating budget. No net levy impact.							
9	Public Works	Energy, Fleet & Facilities	Stadium Mtce Coord	1.00	Public Works	Energy, Fleet & Facilities	Facility Mtce Tech-Electrician	1.00
	Explanation: Requesting approval to convert vacant Stadium Maintenance Tech position grade H to a Facility Maintenance Tech Electrician grade J. Differential will be absorbed in Operating budget by reduced contracted services. No net levy impact.							
10	Public Works	Energy, Fleet & Facilities	Building Coordinator	1.00	Public Works	Energy, Fleet & Facilities	Refrig A/C Tech Fac Mtce	1.00
	Explanation: Requesting approval to convert vacant Building Coordinator Grade H to a Refrigeration A/C Technician Facilities Maintenance Grade J. Differential will be absorbed by the Operating budget by reduction in contracted outside services. No net levy impact.							

CITY OF HAMILTON BUDGETED COMPLEMENT ADJUSTMENT SCHEDULE

STAFF COMPLEMENT CHANGE

Complement adjustments as per the Budgeted Complement Control Policy including transfers to another division or department

ITEM #	TRANSFER FROM				TRANSFER TO			
	Department	Division	Position Title ⁽¹⁾	FTE	Department	Division	Position Title ⁽¹⁾	FTE
11	Public Works	Environmental Services	Waste Collection Operator	1.00	Public Works	Environmental Services	Waste Collection Investigator	1.00
Explanation: Requesting approval to convert the Waste Collection Operation position into a Waste Collection Investigator position from a C5 Grade F to a C5 Grade I. No net levy impact.								
12	Healthy & Safe Communities	Hamilton Fire Department	Application Analyst - Fire	2.00	Corporate Services	Information Technology	Application Analyst - Fire	2.00
13	Healthy & Safe Communities	Hamilton Fire Department	Radio Technician	1.00	Corporate Services	Information Technology	Radio Technician	1.00
14	Healthy & Safe Communities	Hamilton Fire Department	RF (radio frequency) Systems Specialist	1.00	Corporate Services	Information Technology	RF (radio frequency) Systems Specialist	1.00
15	CityHousing Hamilton		Manager of Business Services	1.00	Corporate Services	Information Technology	Manager of Business Services	1.00
16	CityHousing Hamilton		Northgate Support Technician	1.00	Corporate Services	Information Technology	Northgate Support Technician	1.00
17	CityHousing Hamilton		Applications Developer	1.00	Corporate Services	Information Technology	Applications Developer	1.00
18	Healthy & Safe Communities	Recreation	Supervisor of Technology	1.00	Corporate Services	Information Technology	Supervisor of Technology	1.00
19	Healthy & Safe Communities	Recreation	Legend Administrator	2.00	Corporate Services	Information Technology	Legend Administrator	2.00
20	Healthy & Safe Communities	Ontario Works	System Support Technician	4.00	Corporate Services	Information Technology	System Support Technician	4.00
Explanation: IT Centralization as per report FCS17091.								
21	Corporate Services	Customer Service and Provincial Offences Administration	Court Admin Clerk	1.00	Corporate Services	Customer Service and Provincial Offences Administration	Coordinator of Court Services	1.00
Explanation: Requesting approval to convert vacant Court Admin Clerk position grade H to Coordinator of Court Services grade 4 to support Bill 177. Differential will be absorbed by operating budget. No net levy impact.								

Note - Complement transfers include the transfer of corresponding budget.


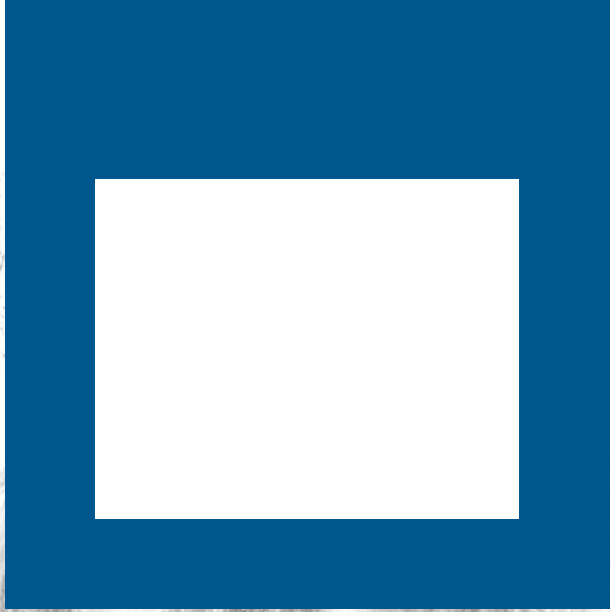
(1) - If a position is changing, the impact of the change is within 1 pay band unless specified.

**CITY OF HAMILTON
BUDGETED COMPLEMENT TEMPORARY EXTENSION SCHEDULE**

TEMPORARY POSITION EXTENSIONS

Extensions to temporary positions with terms of 24 months or greater as per the Budgeted Complement Control Policy

ITEM #	TRANSFER FROM				TRANSFER TO			
	Department	Division	Position Title	FTE	Department	Division	Position Title	FTE
1	Public Works	Transit	Senior Project Manager	Temp	Public Works	Transit	Senior Project Manager	Temp
	Explanation: Temporary position with a 24 month term expiring December 2019, requesting approval for additional 4 month extension. Position back-filling an SPM on an assignment that is being recovered. No net levy impact.							
2	Corporate Services	Financial Planning, Administration and Policy	Financial Coordinator	Temp	Corporate Services	Financial Planning, Administration and Policy	Financial Coordinator	Temp
	Explanation: Temporary position with a 24 month term expiring November 2019, requesting approval for an extension of up to 12 months to support development and changes due to Bill 108. No net levy impact.							
3	City Manager's Office	Human Resources	Return to Work Specialist	Temp	City Manager's Office	Human Resources	Return to Work Specialist	Temp
	Explanation: Temporary position with a 24 month term expiring October 2019, requesting approval for an extension of 7 months to continue back-filling a permanent Specialist on assignment to Fire. The assignment continues to be successful and has contributed to a demonstrable decrease in absenteeism. No net levy impact.							
4	City Manager's Office	CMO Admin	Project Manager	Temp	City Manager's Office	CMO Admin	Project Manager	Temp
	Explanation: Temporary position expiring December 2019. Requesting approval for an extension of Project Manager City Lab to match program extension approved via CM19003, expiring May 31, 2022. No net levy impact.							



**TAX AND RATE OPERATING BUDGET
VARIANCE REPORT AS OF
JULY 31, 2019
FCS19055(a)**

Audit, Finance & Administration Committee – Oct 17, 2019

- 1. Summary of Tax and Rate Operating Budget Variance Forecasts**
- 2. Tax Supported Operating Budget Variance Forecast**
- 3. Rate Supported Operating Budget Variance Forecast**

2019 PROJECTED YEAR END OPERATING BUDGET VARIANCES (\$000's)

	2019 Approved Budget	2019 Year-End Forecast	2019 Variance (Forecast vs Budget)	
			\$	%
TAX SUPPORTED				
PLANNING & ECONOMIC DEVELOPMENT	29,672	29,355	317	1.1%
HEALTHY & SAFE COMMUNITIES	245,134	241,228	3,906	1.6%
PUBLIC WORKS	242,414	243,280	(866)	(0.4%)
LEGISLATIVE	5,019	5,019	0	0.0%
CITY MANAGER	11,759	11,484	275	2.3%
CORPORATE SERVICES	30,207	29,831	376	1.2%
CORP FINANCIALS/ NON PROG REVENUES	(25,500)	(25,138)	(362)	(1.4%)
HAMILTON ENTERTAINMENT FACILITIES	3,912	4,078	(166)	(4.2%)
TOTAL CITY DEPARTMENTS	542,617	539,137	3,480	0.6%
TOTAL BOARDS & AGENCIES	214,201	216,748	(2,548)	(1.2%)
CAPITAL FINANCING	129,969	125,115	4,854	3.7%
TOTAL TAX SUPPORTED	886,787	881,000	5,786	0.7%
TOTAL RATE SUPPORTED	0	(9,220)	9,220	4.1%

() Denotes unfavourable variance

Tax Supported Operating Budget Variance Forecast

CITY DEPARTMENT VARIANCES

(\$000's)

	2019 Approved Budget	2019 Year-End Forecast	2019 Variance (Forecast vs Budget)	
			\$	%
<u>TAX SUPPORTED</u>				
PLANNING & ECONOMIC DEVELOPMENT	29,672	29,355	317	1.1%
HEALTHY & SAFE COMMUNITIES	245,134	241,228	3,906	1.6%
PUBLIC WORKS	242,414	243,280	(866)	(0.4%)
LEGISLATIVE	5,019	5,019	0	0.0%
CITY MANAGER	11,759	11,484	275	2.3%
CORPORATE SERVICES	30,207	29,831	376	1.2%
CORP FINANCIALS/ NON PROG REVENUES	(25,500)	(25,138)	(362)	(1.4%)
HAMILTON ENTERTAINMENT FACILITIES	3,912	4,078	(166)	(4.2%)
TOTAL CITY DEPARTMENTS	542,617	539,137	3,480	0.6%

() Denotes unfavourable variance

DEPARTMENT VARIANCES EXPLANATION

SUMMARY

Main Drivers for Variance:

Planning and Economic Development:

\$317 K departmental surplus

- \$431 K favourable in Transportation Planning & Parking division attributed to revenue
- (\$199 K) unfavourable in Licensing & By-Law Services due to gapping pressures, unbudgeted consultant fees, pressures for vehicle retrofits, material and supplies and training

Healthy and Safe Communities:

\$3.9 M departmental surplus

- \$3.4 M favourable in Housing Services due to prior year reconciliations (AIRs), gapping and housing allowances and rent supplements
- \$629 K favourable in Ontario Works due to gapping and maximizing available subsidies; partially offset by reductions in Provincial funding of (\$1.2 M)
- \$400 K favourable in Hamilton Fire Department due to employee related costs; partially offset by pressures in maintenance and operating costs
- (\$706 K) unfavourable in Hamilton Paramedics due to the expected (\$1.1 M) shortfall in Ministry funding and higher than expected operating costs; offset partially by a favourable variance in employee related costs.

DEPARTMENT VARIANCES EXPLANATION SUMMARY

Public Works:

\$866 K departmental deficit

- (\$1.9 M) unfavourable in Transit
 - Unfavourable gapping of (\$3.0 M)
 - DARTS contract unfavourable of (\$880 K) due to more trips delivered than budgeted
 - Partially offset by \$1.1 M in transit fare revenue due to continued ridership uptake and \$757 K positive fuel costs
- \$841 K favourable Environmental Services variance due to \$1.4 M gapping savings partially offset by contractual obligations
- \$785 K favourable Transportation Operations & Maintenance
 - \$1.7 M gapping savings
 - Partially offset by a (\$1.0 M) reduction in capital recoveries
- (\$578 K) unfavourable variance in Energy Fleet and Facilities due to gapping and the cost of holding (unbudgeted) vacant buildings

City Manager's Office:

\$274 K departmental surplus

- Favourable variance primarily related to gapping

DEPARTMENT VARIANCES EXPLANATION

SUMMARY

Corporate Services:

\$376 K departmental surplus

- \$321 K favourable Financial Services variance mainly due to gapping and Taxation revenues
- \$169 K favourable City Clerks variance due to gapping
- (\$150 K) unfavourable Information Technology variance due to additional software support and unfavourable gapping

Corporate Financials / Non Program Revenues:

(\$362 K) departmental deficit

- (\$2.3 M) unfavourable variance (Corporate Financials) due to increased insurance premiums and unbudgeted legal expenses that have been incurred
- \$1.9 M favourable variance (Non Program Revenues)
 - Favourable \$1.5 M year-to-date trending in Penalties and Interest,
 - Favourable \$435 K variance in Tax Remissions and Write Offs
 - Surplus \$300 K in Payment In Lieu
 - Partially offset by unfavourable \$353 K in Hamilton Utilities Corporation (HUC) Dividend

OTHER NON-DEPARTMENTAL VARIANCES (\$000's)

	2019 Approved Budget	2019 Year-End Forecast	Variance (2019 Forecast vs Budget)	
			\$	%
POLICE	164,290	164,290	0	0.0%
LIBRARY	30,700	30,700	0	0.0%
OTHER BOARDS & AGENCIES	13,095	15,643	(2,548)	(19.5%)
CITY ENRICHMENT FUND	6,116	6,116	0	0.0%
TOTAL BOARDS & AGENCIES	214,201	216,749	(2,548)	(1.2%)
CAPITAL FINANCING	129,969	125,115	4,854	3.7%
TOTAL OTHER NON- DEPARTMENTAL	344,170	341,864	2,307	0.7%

* Anomalies due to rounding

() Denotes unfavourable variance

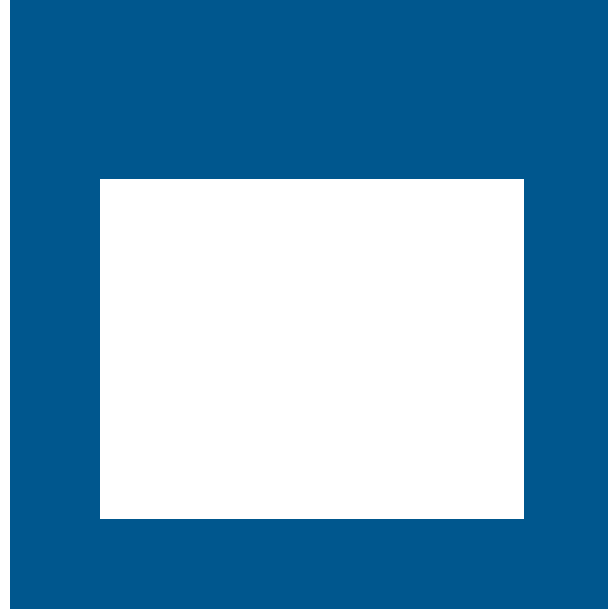
Rate Supported Operating Budget Variance Forecast

2019 RATE OPERATING BUDGET PROJECTED YEAR-END VARIANCE (\$000's)

	2019 Approved Budget	2019 Projected To Year End	2019 Projected Variance	
			\$	%
TOTAL EXPENDITURES	222,260	217,179	5,081	2.3%
TOTAL REVENUES	(222,260)	(226,399)	4,139	(1.9%)
NET	-	(9,220)	9,220	4.1%

* Anomalies due to rounding

() Denotes unfavourable variance



THANK YOU



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Services and Taxation Division
and
PUBLIC WORKS DEPARTMENT
Environmental Services Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	October 17, 2019
SUBJECT/REPORT NO:	Shoreline Protection Consulting Assignments (FCS19076/PW19087) (Wards 1, 2, 5 and 10)
WARD(S) AFFECTED:	Wards 1, 2, 5 and 10
PREPARED BY:	Tina Iacoe (905) 546-2424 Ext. 2796 Cynthia Graham (905) 546-2424 Ext. 2337
SUBMITTED BY: SIGNATURE:	Rick Male Director, Financial Services, Taxation & Corporate Controller Corporate Services Department
SUBMITTED BY: SIGNATURE:	Craig Murdoch Director, Environmental Services Public Works Department

RECOMMENDATIONS

- (a) That in accordance with By-law 17-064 Procurement Policy, Procurement Policy #5.4, and upon Federal approval of funding from the Disaster Mitigation and Adaptation Fund, that staff be directed to proceed with a modified Request for Proposals to consultancy firms specializing in coastal engineering for implementation of the Disaster Mitigation and Adaptation Funding project for Shoreline Protection Measures;

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

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

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

**SUBJECT: Shoreline Protection Consulting Assignments (FCS19076/PW19087)
(Wards 1, 2, 5 and 10) - Page 2 of 7**

- (b) That the General Manager of the Public Works Department or designate be authorized to negotiate and execute all agreements and any ancillary documents required to implement this project in a form satisfactory to the City.

EXECUTIVE SUMMARY

On May 8, 2019, Report FCS19038 was approved by Council approving the funding for the Disaster Mitigation and Adaptation Fund (DMAF) project for Shoreline Protection Measures.

In accordance with By-law 17-064 Procurement Policy, Policy #5.4 Request for Proposals, the purpose of this Report is to request Council's approval to proceed with a modified Request for Proposals (RFP) for consultancy firms specializing in coastal engineering for implementation of the Disaster Mitigation and Adaptation Funding project for Shoreline Protection Measures. The modified RFP proposed would be issued similar to the Request for Rostered Candidates for Consulting and Professional Services in that multiple consultant firms will be pre-qualified based on their technical expertise and proposed hourly rates to complete the work. Consultant assignments will be issued one of two ways. The first is directly to pre-qualified firms on a rotational basis as well as a "best fit" basis and having an estimated procurement cost of less than \$150,000. The second is by an informal request for quotation of the pre-qualified firms and having an estimated procurement cost more than \$150,000.

The proposed modified RFP is an efficient way to secure qualified shoreline consultants that are prepared to complete work related to shoreline protection. Many municipalities across Ontario and Canada are requiring work related to shoreline damage due to extreme storms in the past few years, so the modified RFP would help the city secure qualified professionals, and help those firms plan for work in the next several years. Additionally, it would allow firms to be vetted once for this type of work rather than having to submit many similar proposals for each sub-project and save staff resources by consolidating the review of qualified firms to one review.

Alternatives for Consideration – See Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: No impact.

Staffing: The establishment of a shortlist of consultant teams would reduce the administrative burden on staff since individual RFP's would not be required to complete each of the sub-projects.

**SUBJECT: Shoreline Protection Consulting Assignments (FCS19076/PW19087)
(Wards 1, 2, 5 and 10) - Page 3 of 7**

Legal: Legal and Risk Management Services will provide support as required in the procurement process and in the development of contracts.

HISTORICAL BACKGROUND

On July 12, 2018, Report PW18063 was approved by Council directing staff to undertake a study of the shoreline for future erosion risk and remediation design, as well as complete repair work at damaged sections of the Lake Ontario and Hamilton Harbour shoreline. This report outlined the damage that was sustained in the Bayfront Trail area due to high water levels and extreme storm events in 2017 and 2018.

On December 12, 2018, Report PW18097 was approved by Council. This report outlined a series of proposed projects that staff recommended be submitted to the Disaster Mitigation and Adaptation Fund (DMAF) for Federal funding and directed staff to proceed with submission for DMAF approval. Staff completed this direction and an announcement was made by the Government of Canada in April 2019 that the funding request was successful.

On May 8, 2019, Report FCS19038 was approved by Council approving the funding sources for the City of Hamilton's (City) share of the project costs and directed staff to enter into the DMAF agreement for a project total of \$31.85 million. The terms of the program state that the Federal portion is 40% of the cost of the project (\$12.74M), with the city share totalling is 60% (\$19.11M)

The associated agreement to finalize the funding from DMAF has not yet been executed, due to a delay caused by the Federal election. Staff are confident that the funding will be secured, and the agreement executed following the election in October. The agreement includes mandatory items as part of the procurement of the services to complete the project. One of the mandatory items is the inclusion of community benefit measures, also called social procurement, to benefit at least three of the following federal target groups: apprentices from traditionally disadvantaged communities, Indigenous peoples, women, persons with disabilities, veterans, youth, new Canadians, or small-medium-sized enterprises and social enterprises. These measures are to be reported on regularly as part of the project reporting to the Government of Canada.

In addition, the DMAF agreement requires the City to meet several conditions including consultation with First Nations and Indigenous groups, and, if appropriate, the implementation of accommodation measures. The costs associated with First Nations and Indigenous consultation and accommodation are considered expenses eligible for reimbursement under the DMAF agreement. The recommendations in this report propose that staff be delegated authority to negotiate and execute all agreements including those necessary to satisfy DMAF obligations required to implement this project.

**SUBJECT: Shoreline Protection Consulting Assignments (FCS19076/PW19087)
(Wards 1, 2, 5 and 10) - Page 4 of 7**

The Shoreline Protection Measures Project (Project) requires several varied design and construction requirements for each of the waterfront locations identified in the DMAF application. Staff anticipate that there will be a significant amount of consultancy work (in excess of \$3 million) to be procured in order to complete the work and meet the funding requirement dates for the Project. The Project is expected to take 8 years to complete.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Should Council give its approval to proceed with the modified RFP, the RFP will be issued and awarded in compliance with the following:

- the Canada – European Union Comprehensive Economic and Trade Agreement (CETA) and the Canadian Free Trade Agreement (CFTA) are applicable to municipal procurement initiatives for goods or services of a certain value (CETA: \$365,700 and above, CFTA: \$101,100 and above); and
- By-Law 17-064, City's Procurement Policy.

RELEVANT CONSULTATION

Legal and Risk Management Services were consulted on and support the recommendations in this Report.

ANALYSIS AND RATIONALE FOR RECOMMENDATIONS

Analysis of Procurement Policy #9 and #5.4

Procurement Policy #9 – Consulting and Professional Services allows for the issuance of a Request for Rostered Candidates (RFRC) procurement process every two years whereby several consultant firms are pre-qualified based on their technical expertise and proposed hourly rates to complete the work (Roster). The City's Roster is made up of 41 different roster categories, each having a different scope of work and technical expertise required. The Roster allows for several consultant assignments to be issued directly to pre-qualified firms on a rotational basis as well as a best fit basis and having an estimated procurement cost of less than \$150,000.

While the methodology of the City's Roster would fit well with the consultancy work required for the Project, the Roster currently does not have any categories with relevant expertise and scope of work required to complete the Project. None of the Roster categories have any coastal engineering experience therefore the Roster cannot be utilized for the Project.

**SUBJECT: Shoreline Protection Consulting Assignments (FCS19076/PW19087)
(Wards 1, 2, 5 and 10) - Page 5 of 7**

As an alternative, Procurement Policy #5.4 Request for Proposals allows for the issuance of a Request for Proposals (RFP) procurement process whereby proposals are scored on their technical expertise and costing using evaluation criteria and weightings. Staff do not feel that the evaluation methodologies set out in the Procurement Policy can be followed in strict accordance with the Procurement Policy for the purposes of the Project. However, Procurement Policy #5.4 section 2(d) provides for instances where the evaluation methodologies listed are not conducive to a successful outcome and allows an alternate evaluation methodology to be used at Council's approval.

Proposed Procurement Process

Staff is requesting Council's approval to proceed with a modified RFP for consultancy firms specializing in coastal engineering for the Shoreline Protection Measures project. The RFP would be issued similar to the RFRC for Consulting and Professional Services whereby:

- 1) several consultant firms would be pre-qualified based on their technical expertise;
- 2) proposed hourly rates will be evaluated;
- 3) consultant assignments will be issued directly to pre-qualified firms on a rotational basis as well as a best fit basis and having an estimated procurement cost of less than \$150,000;
- 4) staff will report annually on all assignments awarded under the RFP, including consultants used and a breakdown of the total cost awarded. This reporting will coincide with the DMAF funding reporting to Committee and Council;

and with the following differences:

- 1) the RFP and pre-qualification of proponents will continue for a three-year term (Roster has a two-year term);
- 2) should a consultant assignment be estimated more than \$150,000, each of the pre-qualified firms will be asked to submit a cost proposal for the work and the award of the work will be to the lowest compliant bid (this is currently allowed by Council under special approval as a pilot to the Roster);
- 3) in anticipation of the end of the three-year pre-qualification term, Landscape Architectural Services staff will also report back to Committee and Council with an assessment of this procurement process and make recommendations or request further direction;
- 4) Firms will be allowed a 2% inflation on their fees for each of the three years.

**SUBJECT: Shoreline Protection Consulting Assignments (FCS19076/PW19087)
(Wards 1, 2, 5 and 10) - Page 6 of 7**

Rationale of Recommendation

Qualified consultant firms that will work on the Project will be required to have the technical expertise of a Coastal Engineer on staff to perform and lead the project. City staff is aware that there are a limited number (5 to 6) of consultant firms in Canada with this technical knowledge on staff. In addition to this, staff are aware that there are several other municipalities that have secured similar funding agreements for shoreline protection work, therefore the demand for these technical services will not only be high due to the volume of work but also because of the limited number of consultants available to do the work.

Staff also recognize that the volume of work to be completed by the timelines required is too much for one consultant firm to complete. By retaining a list of qualified consultants, staff will be able to distribute the work on a rotational and best fit basis, similar to the work awarded under the Roster, without having to undertake separate RFP's for each sub-project. Similar to the Roster, consultant firms will be interested in being a pre-qualified firm and being directly awarded work without having to submit multiple proposals. This will also allow the firms to take on work that is within the capacity of their firm.

ALTERNATIVES FOR CONSIDERATION

Option #1

An alternative to the recommended approach would be to issue separate RFPs for each sub-project within the Shoreline Protection Measures Project. Additional Landscape Architectural Services (LAS) and Procurement staff resources will be required to undertake this option due to the number of separate RFP's to be issued, evaluated and awarded. In addition to this, it is unlikely that the proponents' technical submissions will vary in response to multiple RFPs since both the nature of the work is similar and the team being proposed will be similar. It is likely that staff will be evaluating similar submissions, if not the same, from the same group of consultants for each RFP issued.

Option #2

An alternative to the recommended approach would be to issue one RFP for the entire consulting work required for the Project. Due to the nature of the work to be completed (multiple sites and sub projects) staff has determined that this option is not feasible since the volume of work is too much for one firm to complete within the timelines required. Also, this option will only provide the City with one firm's expertise and knowledge transfer. Since the Project is scheduled to continue for 8 years, it is possible that there may be personnel changes during that time that may change (adversely or favourably) the makeup of the technical team and the expertise they bring.

**SUBJECT: Shoreline Protection Consulting Assignments (FCS19076/PW19087)
(Wards 1, 2, 5 and 10) - Page 7 of 7**

Also, the timelines set out in the funding agreement make it difficult for staff to predict the entire scope of work required to complete the Project. It will be very difficult for LAS staff to develop the scope of work for a single RFP for the 8 years of the Project. There will likely be many changes in the work required, therefore creating multiple change orders to the original contract as well as scope creep as the Project progressed.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

None

TI/CG//dw



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Legal and Risk Management Services Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	October 17, 2019
SUBJECT/REPORT NO:	Hamilton Submission to Attorney General Study of Joint & Several Liability (FCS19085) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	John McLennan (905) 546-2424 Ext. 5736
SUBMITTED BY:	Nicole Auty City Solicitor Legal and Risk Management Services
SIGNATURE:	

RECOMMENDATION

- (a) That Report FCS19085 Hamilton Submission to Attorney General Study of Joint & Several Liability be received;
- (b) And that a letter, similar to the draft version attached as Appendix "A", on behalf of the City of Hamilton from the Mayor be sent to the Office of the Ministry of the Attorney General prior to November 1, 2019.

EXECUTIVE SUMMARY

Council was notified in July 2019 by written correspondence (Appendix "B") from the Attorney General regarding the Province's intention to review the impact of joint and several liability legislation on municipal insurance costs as well as the impact on the delivery of services. The Attorney General requested individual submissions from municipalities detailing their specific experience with the impact of joint and several liability.

A submission to the Ministry is suggested to request material relief for municipalities from the financial burdens associated with the current joint and several liability scheme. Schedule "A" is draft correspondence from the Mayor which outlines financial costs

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SUBJECT: Hamilton Submission to Attorney General Study of Joint & Several Liability (FCS19085) (City Wide) - Page 2 of 4

associated with the current scheme, while also proposing legislative changes and other initiatives for the establishment of a comprehensive and fair compensation scheme.

Alternatives for Consideration – Page 3

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Favourable amendments to joint and several liability legislation would result in significant “cost of risk” savings for municipalities. Cost of risk encompasses claims payments under deductible, claims reserves, insurance costs, and all related administration costs to managing risk. Depending on the type and level of amendment savings could reasonably exceed \$1,000,000 per year.

Staffing: Not applicable

Legal: Not applicable

HISTORICAL BACKGROUND

The joint and several provisions of the Negligence Act state:

“Where damages have been caused or contributed to by the fault or neglect of two or more persons... and, where two or more persons are found at fault or negligent, they are jointly and severally liable to the person suffering the loss or damage...”

The above passage is commonly known as “the 1% rule,” due to the fact that a defendant found only 1% liable is obliged to pay the entire judgment in the event that other defendants do not have the financial means to do so.

The most common joint and several circumstance for municipalities is with motor vehicle accidents or other significant personal injury. The province allows for only a minimum of \$200,000 in liability coverage for motorists. Injuries suffered in a given motor vehicle accidents can of course be catastrophic and numerous depending on the number of passengers and vehicles involved. Minimum liability coverage of \$200,000 for an “at fault” motorist would only scratch the surface of covering damages for a serious accident. Municipal road authorities are routinely brought into motor vehicle accident actions by way of broad and unfounded allegations of negligence. Municipalities found liable even to a small degree on any allegation, and considering the potential that the primary tortfeasors would be unable to fund a significant damage award, creates a disproportionate risk or cost of municipal damage payments due to the application of joint and several liability. Costs in an individual claim of personal injury can run into the millions of dollars. These factors lead to decisions in settlements where

SUBJECT: Hamilton Submission to Attorney General Study of Joint & Several Liability (FCS19085) (City Wide) - Page 3 of 4

the municipality has to protect itself through accepting higher shares of damages, or having to take on the greater risks after a trial that the end financial result will be well above actual exposure.

The City's most recent example (Smith ats Safranyos) of the severe financial burden created by joint and several liability. The simple financial impact of the case was a payment of approximately \$15,000,000 forced on the City where the apportionment of liability equated to a payment of less than \$5,000,000.

Joint and several liability has been unfairly impacting cost of risk for municipalities for decades. As a result, property tax dollars are diverted away from the delivery of public services through higher insurance and claim costs. The impact has been exacerbated in recent years due to the exponential rise in damage awards. While municipalities may have the ability to fund damage awards through the tax base, Council is well aware of the inaccuracy of considering municipalities as "deep pocket" defendants. The costs involved of being treated as having deep pockets take away from service delivery or are passed on in tax increases. Combined with various other factors affecting cost of risk and municipal budgets across the board, the continued presence of the current form of joint and several liability is untenable.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Municipal and private sector risk management/insurance/claims professionals, Pearson Dunn Insurance (City's Broker of Record), Jardine Lloyd Thompson Canada (City's Insurance Program Manager), Legal Services Division, private law firms.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Municipalities face an unfair and severe financial burden due to the presence of joint and several liability legislation. By providing details of the City's experience with joint and several liability it is hoped that the Attorney General will institute change sufficient to lessen the burden on municipalities while also ensuring those in need are reasonably compensated.

ALTERNATIVES FOR CONSIDERATION

The City could choose not to submit correspondence to the Attorney General although this is clearly not recommended. As a full service, large municipality the City is among

SUBJECT: Hamilton Submission to Attorney General Study of Joint & Several Liability (FCS19085) (City Wide) - Page 4 of 4

the municipalities most adversely impacted by joint and several liability. As such, it is important that the City take a prominent consultative role with the Attorney General.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS19085 – Mayor’s Correspondence to Attorney General – Draft

Appendix “B” to Report FCS19085 – Attorney General Request for Municipal Input

JM/dz

DRAFT

16 October 2019

The Honourable Doug Downey
Attorney General of Ontario
McMurtry Scott Building, 11th Floor
720 Bay Street
Toronto, ON
M7A 2S9

Dear Attorney General Downey,

Re: Joint & Several Liability Study

As the Mayor of the City of Hamilton, I extend thanks from our entire municipal organization for the opportunity to provide details of Hamilton's experience with joint and several liability.

The approach to handling liability claims in the City of Hamilton is rooted in fairness. City Council has provided Risk Management Services with a mandate to compensate claimants equitably when our investigation indicates a legal liability to do so. To that end we are in complete agreement with the commentary from the Association of Municipalities Ontario (AMO) in their submission to you of October 1, 2019, stating:

Municipal governments accept the responsibility to pay for their fair share of a loss. Always. Making it right and paying a fair share are the cornerstones of our legal system. Citizens expect nothing less of their local governments.

Where liability claims are concerned, joint and several liability exists in contrast to the good intentions of Ontario municipalities. Not only do municipalities pay far more than a fair share in claims resolution, be it through negotiation or court judgment, cost of risk as a whole is significantly inflated. "Cost of risk" encompasses claims payments, claims reserves, insurance costs, and all related administrative costs to managing risk.

An examination of Safranyos et al v City of Hamilton, which is Hamilton's most recent experience with a judicial application of joint and several liability, illustrates clearly how a disproportionate financial burden is placed on what is considered to be a "deep pockets" defendant.

Plaintiff motorist Safranyos, with four children in her vehicle, attempts to turn right onto a four-lane roadway, failing to recognize the excessive speed of an oncoming motorist. A collision ensues. Safranyos is familiar with the intersection and has negotiated this

maneuver many times previously. Allegations against Hamilton focus on the absence of a stop line on the pavement and intersection sightlines, both of which were clearly of secondary influence compared to the actions of both motorists. The trial judge assessed partial liability of 25% against Hamilton, and 25% against the speeding motorist. Hamilton's attempts at appeal were unsuccessful. The speeding co-defendant was successful on appeal and had the action against him dismissed. With no contribution from the speeding co-defendant and only a \$1,000,000 policy limit contribution from Safranyos, a claims expense of approximately \$15,000,000 was the ultimate result for Hamilton and its insurer.

Safranyos is merely one example where a trial outcome has resulted in an onerous financial burden for Hamilton and its insurers due the disproportion created by the presence of joint and several liability. Your office will no doubt be hearing similar accounts of trial judgments and associated disproportionate claims expenses from municipalities across Ontario. The AMO correspondence referenced earlier discusses a number of the more newsworthy cases from recent years. There is no shortage of examples establishing the extreme financial risk of trying a case for Ontario municipalities. In this regard the scales of justice are clearly not balanced.

While it may be possible to calculate the sum total of disproportionate claims payments made by Ontario municipalities and their insurers relative to trial judgments over the years, it would be folly to attempt to calculate the impact of joint and several liability on day to day claims handling, file reserving, and out of court settlements. Suffice it to say, the impact is constant, severe, and obvious in light of the risks of going to trial and factors in virtually all claims handling decisions. The presence of joint and several liability hangs over the heads of risk managers, municipal lawyers, elected officials, and insurers like the sword of Damocles. As a result, claims handling has become an exercise in financial management as opposed to an analysis of municipal law. Plaintiff lawyers are of course well aware of the risk issues arising from joint and several liability and apply it consistently as leverage in file negotiation.

If we look at the Safranyos case in hindsight, the fact circumstance unquestionably justified a vigorous defence by any reasonable analysis of law. Driver error was clearly the significant cause of this unfortunate accident. The intersection did not have a notable accident history, and the allegation of insufficient sightlines seemed dubious at best. An offer to settle capable of appealing to the plaintiffs was not seriously considered for all the above reasons, yet, in hindsight, settling the matter for \$10,000,000 would have brought considerable savings to Hamilton and the insurer.

Judgments like Safranyos and those discussed in the AMO submission have made Ontario municipalities risk adverse in terms of using court for defensible positions with the lack of balance and fairness built into joint and several liability. Consequently, settling claims, often at very high dollar values, has become the lesser of two evils.

The impact of joint and several liability on the municipal insurance market for Ontario municipalities is harsh. Presently the world market is in a hard cycle, largely due to the problematic emerging influence of:

-3-

- climate change
- terrorism
- cyber crime
- environmental impairment
- rapidly rising damage awards
- shrinking market

The state of the world market is exacerbated in Ontario by the continued presence of joint and several liability. In fact, Ontario is one of the few jurisdictions remaining in North America to have unrestricted joint and several liability legislation. A majority of states in the United States have moved away from the strict scheme which still exists in Ontario, as have a number of provinces. Accordingly, the number of insurers willing to underwrite Ontario municipalities has been in slow decline over the last 10 years, drastically reducing competition. Municipalities of all sizes and levels of service, even those with solid loss ratios, are experiencing increases far exceeding the rate of inflation.

Municipalities, like Hamilton, where a full range of services is provided, including transit, police, and public health, are particularly exposed to the significant rate increases.

City of Hamilton General Liability Premium Increase 2000-2019

- Compound premium increases of \$1,612,000 over the last 5 years / Premium 72% higher than 2014
- Compound premium increases of \$1,612,000 over the last 10 years / Premium 72% higher than 2009
- Compound premium increases of \$4,078,000 over the last 20 years / Premium 540% higher than year 2000

City of Hamilton Total Insurance Premium Increase 2000-2019

- Compound premium increase of \$5,569,000 (\$) over the last 5 years / Premium 75% higher than 2014
- Compound premium increases of \$6,145,000 (\$) over the last 10 years / Premium 91% higher than 2009
- Compound premium increases of \$15,030,000 over the last 20 years / Premium 404% higher than year 2000

The cost of insurance represented 0.3% of the City's budget in the year 2000. In 2019, at 0.7%, the amount of budget devoted to insurance premiums has more than doubled. In a market situated to stay hard for the foreseeable future the percentage will surely increase.

Consequently, a greater amount will be removed each year from available funds for the provision of municipal services.

-4-

Ontario municipalities are united in their commitment to paying their fair share of a loss. These same municipalities also understand the need to ensure that accident victims receive fair compensation. Joint and several liability is often cited as a necessary means to ensure fair compensation. It is important to understand, however that the concept of joint and several liability was born of a time when few, if any, social support mechanisms were in place to assist accident victims. Modern times in Ontario have seen the development of accident benefit programs, universal healthcare, employer benefit plans, private benefit plans, title insurance, and workers compensation programs. Joint and several legislation in Ontario exists largely as an anachronism, the primary beneficiaries being not accident victims but personal injury lawyers.

Discussions with staff at all levels in Hamilton illustrate clearly that joint and several liability creates unreasonable and elusive challenges for the entire organization. Sound policies and procedures followed with all due diligence operationally are not sufficient to protect municipalities from large, disproportionate liability losses. Financial staff scramble to find funds for losses, reserves, and insurance premiums. Elected officials scramble to control tax rates in the face of the rising cost of risk. Public Works staff scramble to constantly align policies and procedures to recent case law. Risk Managers scramble to explain confounding losses and to keep the organization abreast of new exposures. Lawyers scramble to provide defenses in an unbalanced, unpredictable legal environment.

Accident victims deserve to be compensated fairly. Determining fairness; however, requires a sound and logical assessment, one which carefully considers the positions of all stakeholders. It stands against reason that damage judgments are rising exponentially in comparison to the inflation rate. It stands against reason that strict joint and several liability legislation continues to exist in a time when numerous social support mechanisms are in place. It stands against reason that jury trials are not permitted for trials involving municipal defendants. It stands against reason that municipalities are considered as “deep pocket” entities when funding shortfalls exist in all areas of municipal service provision.

To level the playing field for Ontario municipalities, the City of Hamilton offers the following:

1. In recognition of the fact that municipalities are not “deep pocket” defendants, full proportionate liability to replace joint and several liability.
2. Minimum automobile liability coverage increased to \$2,000,000.
3. Make jury trials available to municipal defendants.
4. Implement a cap for economic loss awards.

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5. A compensation fund for accident victims when defendants are unable to fund reasonable compensation to their proportionate level.
6. In recognition of the fact that the primary cause of 90% of all serious motor vehicle accidents is driver error, an increased commitment to safety initiatives such as Vision Zero.
7. Establish a provincial and municipal working group to consider input from all stakeholders and to put forward recommendations to the Attorney General.

Again, I extend thanks from our entire municipal organization at the City of Hamilton for the opportunity to provide details of our particular experience with joint and several liability. I am available at your convenience to discuss any questions or concerns you may have with our submission.

The City of Hamilton looks forward to assisting your office however it can in finding a reasonable alternative to joint and several liability, an alternative that will fairly compensate victims while not placing an unmanageable, disproportionate financial burden on municipalities.

Sincerely,

Mayor Fred Eisenberger
(Insert standard sign-off)

Attorney General
McMurtry-Scott Building
720 Bay Street
11th Floor
Toronto ON M7A 2S9
Tel: 416-326-4000
Fax: 416-326-4007

Procureur général
Édifice McMurtry-Scott
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Télééc.: 416-326-4007



Ontario

JUL 12 2019

Our Reference #: M-2019-3638

Dear Head of Council,

Further to the Premier's announcement at the 2019 ROMA conference, I am writing to invite you to participate in the government's consultations regarding joint and several liability, insurance costs, and the 'liability chill' affecting the delivery of everyday public services.

In order to make this consultation process as effective as possible, the government needs to hear directly from you about your municipality's experiences. It is impossible to canvass possible solutions without understanding the actual problems faced by municipalities.

This will be an evidence-led consultation and policy development process. The first phase of the process will involve collecting background technical information. I therefore ask that you have your municipal officials respond in writing to the general questions noted below. We will also be establishing a Technical Table of provincial and municipal elected officials, building on AMO's existing Working Group, to make sure that we are all on the same page around the issues and evidence that need to be addressed.

Given the importance of hearing your experiences, there is no predetermined format or questionnaire for this consultation. We don't want to inadvertently limit you. We would ask, though, that your officials consider and address three broad questions so that there is some comparability among the responses.

First, please describe the nature of the problem as you see it. What are the problems that you need addressed to benefit your municipality. Is it increasing premiums? Rising deductibles? Being unfairly named in lawsuits? Being held to unreasonably strict standards (e.g., regarding road design or maintenance)? Feeling that you cannot offer certain services because of the liability risk? A general sense of unfairness that municipal taxpayers pay more than their fair share (e.g., because individuals are under-insured or were behaving irresponsibly)? Please have your officials describe all the specific problems that are directly affecting your municipality.

Second, please indicate what evidence leads you to your view of the problem. Without limiting the types of evidence you may wish to discuss, I have attached to this letter a list of potentially relevant facts and evidence that your officials may wish to address.

Finally, given your view of the problem and the supporting evidence, what solutions do you propose? In formulating your proposals, please keep in mind the need to ensure that catastrophically injured persons are fairly compensated and that costs are not simply transferred to the publicly funded health care system.

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-2-

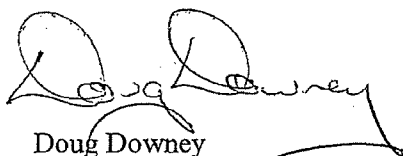
I will provide an update on the consultation process at AMO in August. I will also meet with interested delegations.

The second phase of the municipal consultation process will involve formal discussions in early Fall among elected officials about the evidence and the potential policy solutions. Once there is a provincial and municipal understanding on the key issues, the government will engage with other interested stakeholders.

The Ministry of the Attorney General has established a dedicated email address to receive the background technical information from your officials. Please have your officials respond by Friday, September 27, 2019 to magpolicy@ontario.ca. For further information, please have your officials reach out to MAG at the email address noted above.

Our goal must be meaningful and lasting reform. I encourage you to share your experiences on this important subject.

Sincerely,



Doug Downey
Attorney General

→ Amended to Friday, November 1, 2019.

CITY OF HAMILTON MOTION

11.1

Audit, Finance & Administration Committee: October 17, 2019

MOVED BY COUNCILLOR B. JOHNSON.....

SECONDED BY COUNCILLOR

Funding for CANUSA through the Recreation Division Operating Budget from the City Enrichment Fund

WHEREAS, prior to the 2019 City Enrichment Fund intake, the Executive Committee for CANUSA Hamilton met with Recreation staff as well as the Ward 6 Councillor to express their desire to ensure annual static funding from the City of Hamilton in support of the annual planning and implementation of the CANUSA Games;

WHEREAS, before 2015, CANUSA was not required to make a formal application, but rather, received annual operating funds. The CANUSA organizing committee has requested to return to fixed annual support from the City of Hamilton based on previous funding levels;

WHEREAS, during the 2019 City Enrichment Fund intake, the Grants Sub-Committee had approved funding to CANUSA in the amount of \$38,202;

THEREFORE, BE IT RESOLVED:

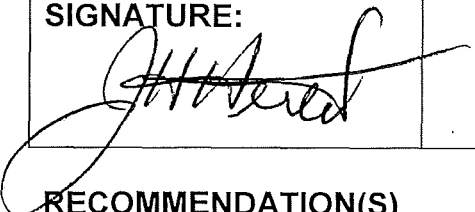
- (a) That \$30,284 be transferred from the City Enrichment Fund (Sports & Active Lifestyles Program) to the operating budget of the Recreation Division to form the annual base budget to support the CANUSA games; and,
- (b) That an enhancement of \$10,916, to increase the annual base budget of funding to CANUSA Hamilton (from \$30,284 to \$41,200) to support the annual CANUSA games at the current level, be submitted through the Recreation Divisions' 2020 operating budget for consideration.

Background material attached hereto.



Hamilton

CITY OF HAMILTON
CITY MANAGER'S OFFICE
Strategic Partnerships & Communications

TO:	Chair and Members Grants Sub-Committee
COMMITTEE DATE:	September 23, 2019
SUBJECT/REPORT NO:	Funding for CANUSA through Recreation Operating Budget from City Enrichment Fund (GRA 19004) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Steve Sevor (905) 546-2424 Ext. 4645
SUBMITTED BY:	John Hertel Director, Strategic Partnerships & Communications City Manager's Office
SIGNATURE:	

RECOMMENDATION(S)

- (a) That \$30,284 be transferred from the City Enrichment Fund (Sports & Active Lifestyles Program) to the operating budget of the Recreation Division;
- (b) That the \$10,916 operating increase required to provide funding to CANUSA at the current level be referred to the 2020 budget process; and,
- (c) That the above identified amounts be utilized to support CANUSA Hamilton for the annual execution of the CANUSA Games.

EXECUTIVE SUMMARY

Prior to the 2019 City Enrichment Fund intake, the Executive Committee for CANUSA Hamilton met with Recreation staff as well as the Ward 6 Councillor to express their desire to ensure annual static funding from the City of Hamilton in support of the annual planning and implementation of the CANUSA Games.

Currently CANUSA Hamilton is required to apply annually to the City Enrichment Fund to support the execution of the CANUSA Games. The requirement to apply through the intake process was added in 2015 and the submission is adjudicated in the same manner as other applicants. Before 2015, CANUSA was not required to make a formal

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

SUBJECT: Funding for CANUSA through Recreation Operating Budget from City Enrichment Fund (GRA19004) (City Wide) - Page 2 of 4

application; but rather, received annual operating funds. The CANUSA organizing committee has requested to return to fixed annual support from the City of Hamilton based on previous funding levels.

During the 2019 City Enrichment Fund intake, the Grants Sub-Committee had approved funding to CANUSA in the amount of \$38,202.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The above recommendations will have an impact on the 2020 budget. Currently the Sports & Active Lifestyles Program of the City Enrichment Fund has an approved 2019 budget of \$276,265. Staff funding recommendations for the 2019 intake as it relates to CANUSA was \$30,284. Grants subcommittee approved an amount of \$38,202 which comprises of \$30,284 from the SAL envelope and an additional \$7,918 from the City Enrichment Fund Reserves #112230. Should the recommendation be approved, the Recreation Division would look to supplement the balance of \$10,916 from the internal operating budget to match the pre-City Enrichment Fund allocation of \$41,200. The historical funding for CANUSA is listed below:

- 2017 – 2019: \$38,202 (per annum)
- 2016: \$41,500 (additional \$2,245 funded from reserves)
- 2005 – 2015: \$41,200 (per annum)

Staffing: There are no staffing implications associated with Report GRA19004.

Legal: There are no legal implications associated with Report GRA19004.

HISTORICAL BACKGROUND

The CANUSA Games were created in 1958 through the joint efforts of the Canadian and U.S.A. Amateur Athletic Unions. The CANUSA Games are international friendship games between the City of Hamilton and the City of Flint, Michigan, U.S.A. The Games provide youth with an opportunity to experience friendship through competition and currently bring together over 1,400 athletes to participate in friendly rivalry in 16 sports. It is the largest and longest running international games in North America.

Each year, the CANUSA organizing committees from both Hamilton and Flint, rotate in hosting the event; however, each organizing committee is responsible for coordinating the participation of their citizens.

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SUBJECT: Funding for CANUSA through Recreation Operating Budget from City Enrichment Fund (GRA19004) (City Wide) - Page 3 of 4

The City of Hamilton supports the Games through facility access, administrative space, staff liaison support and operating funding. Prior to 2002, the funding for the Games was part of the Recreation Division's operating budget as described in Report CS11041. Subsequently from 2002-2011, operating funding in the amount of \$41,200 per annum was provided to CANUSA Hamilton through the Community Partnership Program. During this time CANUSA's funding was classified as committed funding which excluded them from the application process until 2015; after which they were subjected to the availability of funding within the grant program. In 2015, the Community Partnership Program evolved into the City Enrichment Fund and CANUSA was funded through the Sports & Active Lifestyles program area.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

There are no policy or legislative implications associated with Report GRA19004.

RELEVANT CONSULTATION

Recreation staff met with CANUSA Games representatives to understand their request; more specifically to understand their desire for stable annual funding regardless of location of Games.

Recreation staff also met with Ward 6 Councillor who supports the transition of funds as indicated in the recommendation.

Consultation with staff from Corporate Services, Finance, Administration & Revenue Generation have confirmed the current 2019 base funding allocation for CANUSA through the Sports & Active Lifestyles Program of the City Enrichment Fund is \$30,284.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

CANUSA Games is an integral fabric of the City of Hamilton. City of Hamilton officials have supported the planning and implementation of the Games since 1958. The CANUSA Games is seen as a partnership between the City of Hamilton and the CANUSA Hamilton Board of Directors.

As a partner with CANUSA Games, the Mayor and Members of Council in addition to the representatives from the City of Hamilton's Recreation Division are invited as City delegates to participate in the Games activities.

Due to the relationship with the City of Flint as one of Hamilton's official sister cities, it is appropriate to maintain the connection through the continuation of the CANUSA Games. The City has provided funding for the Games for many years and considers continued funding to be in the interests of the City.

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Annual funding to CANUSA was originally provided through the Recreation Division, this recommendation naturally strengthens and supports the continued partnership of this historic event.

The recommendation will ultimately reduce the total base funding amount for the City Enrichment Fund Sports & Active Lifestyles Program area; however, funds are allocated yearly to CANUSA provided that the parameters of the City Enrichment Fund are met. Considering the historical allocation, the transfer of funds from the Sports & Active Lifestyles Program area to Recreation ostensibly does not have an impact on any other applicant in the Sports & Active Lifestyles Program area.

ALTERNATIVES FOR CONSIDERATION

Not applicable

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

APPENDICES AND SCHEDULES ATTACHED

None