



City of Hamilton
HAMILTON-WENTWORTH DISTRICT
SCHOOL BOARD
LIAISON COMMITTEE

Meeting #: 19-003
Date: October 10, 2019
Time: 9:30 a.m.
Location: Room 718, 7th Floor, City Hall

Tamara Bates, Legislative Coordinator (905) 546-2424 ext. 4102

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 June 27, 2019
5. COMMUNICATIONS
6. DELEGATION REQUESTS
7. CONSENT ITEMS
8. PUBLIC HEARINGS / DELEGATIONS
9. STAFF PRESENTATIONS

10. DISCUSSION ITEMS

- 10.1 Hamilton-Wentworth District School Board, City of Hamilton Property Acquisition Financing (Joint City – Hamilton -Wentworth District School Board Report) (PED19145)

11. MOTIONS

12. NOTICES OF MOTION

13. GENERAL INFORMATION / OTHER BUSINESS

- 13.1 HWDSB Funding Agreements of Track and Fields (no copy)

14. PRIVATE AND CONFIDENTIAL

15. ADJOURNMENT



**Hamilton-Wentworth District School Board
Liaison Committee
MINUTES 19-002
Thursday, June 27, 2019
12:30 p.m.
Education Centre, Room 340-B
20 Education Court, Hamilton**

Present: Mayor F. Eisenberger (Co-Chair)
A. Johnstone, Chair, HWDSB (Co-Chair)
Councillor J. Partridge
P. Deathe, Trustee, HWDSB
C. Galindo, Trustee, HWDSB

**Absent with
Regrets:** T. Rezvan, Student Trustee, HWDSB
C. Prosic, Student Trustee, HWDSB

THE FOLLOWING ITEMS WERE REFERRED TO THE GENERAL ISSUES COMMITTEE FOR CONSIDERATION:

- 1. Parkland Dedication/Cash in Lieu for Schools (PED19143) (City Wide) (Item 10.1)**

(Eisenberger/Galindo)

That report PED19143, respecting Parkland Dedication/Cash-in-Lieu for Schools, be received.

CARRIED

FOR INFORMATION:

- (a) APPROVAL OF THE AGENDA (Item 2)**

The Committee Clerk advised there were no changes to the agenda.

(Deathe/Partridge)

That the agenda for the June 27, 2019 meeting of the Hamilton-Wentworth District School Board Liaison Committee be approved, as presented.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)**(i) April 11, 2019 (Item 4.1)****(Eisenberger/Partridge)**

That the Minutes of the April 11, 2019 meeting of the Hamilton-Wentworth District School Board Liaison Committee be approved, as presented.

CARRIED**(d) CONSENT ITEMS (Item 7)****(i) Minutes of the Joint Property Assessment Committee (Item 7.1)****(Deathe/Eisenberger)**

That the following minutes of the Joint Property Assessment Committee, be received:

- (a) April 9, 2018
- (b) June 4, 2018
- (c) October 9, 2018
- (d) January 7, 2019
- (e) April 1, 2019

CARRIED**(e) DISCUSSION ITEMS (Item 10)****(i) Status of City of Hamilton and HWDSB Property Agreements (Item 10.2)****(Eisenberger/Deathe)**

That the report, respecting the status of City of Hamilton and HWDSB Property Agreements, be received.

CARRIED**(ii) New School Construction (Item 10.3)****(Partridge/Deathe)**

That the report, respecting New School Construction, be received.

CARRIED

(f) GENERAL INFORMATION/OTHER BUSINESS (Item 13)**(i) Amendments to the Outstanding Business List (Item 13.1)****(Deathe/Galindo)**

That the following amendments to the HWDSB Liaison Committee's Outstanding Business List, be approved:

(a) Items to be removed:

- (i) Dominic Agostino Riverdale Community Hub Proposal (HSC18029)**
(Addressed as Item 10.1 on the April 11, 2019 agenda)
- (ii) Parkland Dedication/Cash-in-Lieu for Schools (City Wide) (PED19143)**
(Addressed as Item 10.1 on today's agenda)

CARRIED**(g) PRIVATE & CONFIDENTIAL (Item 14)****(i) Closed Session Minutes – April 11, 2019 (Item 14.1)****(Eisenberger/Galindo)**

- (a)** That the Closed Session Minutes of the April 11, 2018 Hamilton-Wentworth District School Board Liaison Committee meeting, be approved, as presented; and,
- (b)** That the Closed Session Minutes of the April 11, 2018 Hamilton-Wentworth District School Board Liaison Committee meeting, remain confidential.

CARRIED**(h) ADJOURNMENT (Item 15)****(Eisenberger/Galindo)**

That there being no further business, the meeting of the HWDSB Liaison Committee be adjourned at 1:38 p.m.

CARRIED

**HWDSB Liaison Committee
Minutes 19-002**

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Respectfully submitted,

Alex Johnstone, Co-Chair,
Hamilton Wentworth District School
Board Liaison Committee

Lisa Chamberlain
Legislative Coordinator
Office of the City Clerk



Hamilton



TO:	City of Hamilton, Hamilton-Wentworth District School Board Liaison Committee
COMMITTEE DATE:	October 10 th , 2019
SUBJECT/REPORT:	Hamilton-Wentworth District School Board, City of Hamilton Property Acquisition Financing (Joint City – Hamilton – Wentworth District School Board Report) (PED19145)
PREPARED BY:	<p>City of Hamilton: Raymond Kessler (905) 546-2424 Ext. 7019 Ryan McHugh (905) 545-2424 Ext. 2725</p> <p>Hamilton-Wentworth District School Board: Stacey Zucker (905) 527-5092</p>

Issue:

At the June 6, 2018 General Issues Committee meeting of the City of Hamilton (City), the then Chair of the Hamilton-Wentworth District School Board (HWDSB), Todd White, through a delegation, identified a “HWDSB Proposal for City of Hamilton Property Acquisition Payments”.

During this delegation, Chair White noted two major concerns that impact the City related to the sale of surplus properties by HWDSB:

1. There is not always enough notice of the sale of a surplus property so that it can be included in the City budget; and,
2. Regulation 444/98 of the *Education Act* requires school boards to sell property at fair market value (FMV). Depending on the size and the location of the property, the FMV could be more than the City has available to purchase land at the time of sale.

The proposal that Chair White proposed was intended to allow the school board to continue to sell surplus properties in accordance with the regulation and allow the City to create more predictability from a budget stand point.

Upon the conclusion of the delegation, Council provided City staff the following direction:

That the request from the HWDSB, requesting that the City of Hamilton set an annual maximum payment amount for the acquisition of School Board property, should the City be the successful bidder, in a five-year agreement, be referred to the General Manager of Planning and Economic Development Department, and the City Solicitor for review, in consultation with HWDSB staff, and report back to the General Issues Committee.

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Subsequently, staff were directed to report back to the HWDSB Liaison Committee.

Relevant Background Information:

When school boards throughout the Province of Ontario no longer require a property for operational use, Regulation 444/98 under the *Education Act* gives them the ability to declare a property surplus. When a surplus property is brought to market, the Regulation requires school boards to first offer the opportunity to purchase the property to a list of preferred bidders. Boards are required to sell the property at fair market value and bases FMV on "highest and best use". Regulation 193/10 requires boards to use proceeds of disposition (POD) to address renewal priorities of the Board, including addressing health and safety, replacing and repairing building components, improving the energy efficiency of schools and improving accessibility. HWDSB currently has \$271 M of deferred high and urgent needs maintenance and POD are a component of the funding to address these needs.

As one of these preferred bidders, the City has historically been an active buyer of these properties as they typically include parkland and are viewed as valuable public assets. If all preferred bidders (including the City) fail to make an unqualified offer on the opportunity, the Regulation allows the HWDSB to bring the surplus property to the open market.

Since 2003, the City of Hamilton has purchased 14 properties from the HWDSB. The following table below provides a high-level overview of the HWDSB properties that were purchased by the City over the last five years:

Year	Number of HWDSB Properties Purchased	Total Value of Properties Purchased	Description of Properties Purchased
2018	2	\$8,015,000	King George School Mountain Secondary School
2017	0	\$0	-
2016	2	\$4,425,000	Parkside High School Eastmount Park School
2015	1	\$7,003,030	305-315 Stone Church Road West
2014	3	\$7,265,000	Memorial School Winona School Parcel of former Saltfleet High School
Total	8	\$26,708,030	-

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Historically, when the City of Hamilton acquires a school board property, the funds usually come from a combination of the Parkland Dedication Reserve, the Parkland Acquisition Reserve and then Ward specific reserves on a case by case basis. At the end of fiscal year 2018, the Parkland Dedication Reserve and the Parkland Acquisition Reserve had balances of \$20,948,776.06 and \$9,864,309.73 respectively. Over a longer timeline, the Parkland Dedication Reserve and the Parkland Acquisition Reserve have had average ending balances of \$28,829,681.80 and \$8,389,337.13 during the years 2014-2018. Most of the funds in the Parkland Dedication Reserve are already committed. It should be noted that these reserves are used for all parkland acquisition, not just for the acquisition of school properties. Additionally, the implementation of Bill 108 *More Homes More Choice Act* is expected to significantly impact the funding levels within these reserves.

The Parkland Dedication Reserve receives revenues assessed under Sections 42, 51.1 and 53 of the *Planning Act*. These funds are to be “spent only for the acquisition of land to be used for park or other public recreational purposes, including the erection, improvement or repair of buildings and the acquisition of machinery for park or other public recreational purposes”. *The Planning Act* also requires municipalities to show which projects have been funded from the Parkland Dedication Reserve as well as the other amounts funded to those projects during the year. There is also the requirement that Council makes this statement available to the public and forwarded to the Ministry, at their request.

Appendix “A” attached to Report PED19145 identifies a list of HWDSB school properties that may become surplus for disposition over the next five years.

Options for Consideration:

HWDSB and City staff have worked together to review the proposal presented to the City and have come up with two options for the City of Hamilton Hamilton-Wentworth District School Board Liaison Committee to consider. Both options consider the intent of the motion and have taken the following into account:

For HWDSB, the main intentions are:

- Adhere to the Regulations; and,
- Ensure that the Board has the funding to maintain the inventory of schools and complete the required repairs and renovations.

For the City, the main intentions are:

- Establish a predictable multi-year budget for school property acquisition;
- Enable protection of important community assets; and,
- Maintain the sustainability of the Parkland Dedication Reserve and the Parkland Acquisition Reserves.

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Option 1 – Enter into an agreement that sets up an annual amount that the City gives the Board to cover existing and future property payments.

The option represents the proposal outlined during Chair White's delegation. It involves the City entering into an agreement with the HWDSB that can be summarized as follows:

The HWDSB and the City of Hamilton would work together to identify upcoming properties that the City has an interest in purchasing from the Board. Based on this work, the City and Board would identify a term for the agreement and an annual amount that the City would budget for and pay to the Board in each year of the agreement.

This agreement would not put the City higher on the Boards list of preferred bidders. It also wouldn't commit the City to purchasing any HWDSB properties over the term of the agreement.

Their original intent of the proposal is that this would be interest free, i.e. the City would not owe the Board interest if there was an outstanding amount and the Board would not owe the City interest if there was a balance of cash on hand with the Board.

At the end of the agreement, the Board and the City would be required to pay any outstanding balances, i.e. if the properties purchased by the City during the course of the agreement exceed the amount paid to the Board over the term of the agreement, the City would owe the Board the difference. Conversely, if the City purchases were less than the amount they paid the Board, the Board would owe the City the difference.

A monetary example can be shown as follows using \$20 M (\$4 M per year over a five-year period)

Agreement Year	City of Hamilton Annual Fixed Payment to HWDSB*	Value of HWDSB Properties Purchased*	Balance on Hand with HWDSB
Year 1	\$4 M	\$3 M	\$1 M
Year 2	\$4 M	\$10 M	(\$5 M)
Year 3	\$4 M	\$0	(\$1 M)
Year 4	\$4 M	\$0	\$3 M
Year 5	\$4 M	\$7 M	\$0

*Amounts shown are for illustration purposes only.

The City's past practice of funding school board purchases is as follows:

- 25% Parkland Dedication Reserve
- 50% Parkland Acquisition Reserve
- 25% Area Rating to Former Hamilton properties

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City Council approval is required to use reserves and area rate amounts to specific properties.

Things to Consider

- With regards to the payments being interest free, there would be advantages and disadvantages to either the Board or the City, depending on the balance on hand with HWDSB;
- The City of Hamilton and the HWDSB must determine how to adhere to their strict reporting requirements; and,
- The City would have to identify a predetermined funding source, and adequate funding level, which becomes increasingly challenging with the passing of Bill 108 *More Homes More Choice Act*.

Option 2 – Enter into an agreement where upon purchasing a HWDSB property, the City makes a series of fixed payments to the HWDSB over a number of equal annual instalments.

Under this option, the City and the HWDSB would agree on a fixed term payment schedule, where the purchase price is paid in equal instalments over a multi-year timeline, similar to a mortgage. As with a mortgage, there would be interest charged on the outstanding payments.

Things to Consider

- There is no speculation with regards to properties to be purchased;
- The option does not take advantage of any interest free payments;
- As a result of the way that the Board is funded for Capital, this would create possible cash flow concerns for the Board; and,
- Whether or not it is the City's desire to debt finance any property purchases and whether the interest rate being offered by the HWDSB is lower than that of the City's borrowing rate.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" – Potential Surplus HWDSB Properties

RK:RM:SZ/sd

Appendix "A"

Potential Surplus HWDSB School Properties

School Site	Approximate Size (ac.)
Delta Secondary	6.19
Beverly Central Elementary	3.94
Dr. J. Seaton Elementary	14.43
Mountain View Elementary	5.87
Nora Frances Henderson Secondary (Barton)	10.38
Spencer Valley Elementary	8.53
Elizabeth Bagshaw Elementary	6.00
Glen Echo Elementary	2.66
Sir Isaac Brock Elementary	6.81
RL Hyslop Elementary	2.20
Green Acres Elementary	4.56
Queens Rangers Elementary	7.39
Fessenden Elementary	8.00
Ancaster High	11.84