



City of Hamilton

AUDIT, FINANCE AND ADMINISTRATION COMMITTEE

Meeting #: 19-019
Date: December 5, 2019
Time: 11:00 a.m.
Location: Council Chambers, Hamilton City Hall
71 Main Street West

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

1. **APPOINTMENT OF COMMITTEE CHAIR AND VICE-CHAIR FOR 2020**
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 November 21, 2019
5. **COMMUNICATIONS**
6. **DELEGATION REQUESTS**
7. **CONSENT ITEMS**
 - 7.1 2019 Third Quarter Request for Tenders and Proposals Report (FCS19041(b)) (City Wide)
 - 7.2 2019 Third Quarter Emergency and Non-competitive Procurements Report (FCS19042(b)) (City Wide)
 - 7.3 Third Quarter Non-compliance with the Procurement Policy Report (FCS19043(b)) (City Wide)
 - 7.4 2019 Freedom of Information Quarterly Report (July 1 to September 30) (CL19005(b)) (City Wide)

8. PUBLIC HEARINGS / DELEGATIONS

9. STAFF PRESENTATIONS

9.1 Audit and Accountability Fund Third Party Reviewer's Report (FCS19059(b)) (City Wide)

9.2 Hamilton Anti-Racism Resource Centre Update (HUR18010(c)) (City Wide)

Discussion of Confidential Appendix "E" to this report in Closed Session is subject to the following requirement(s) of the City of Hamilton's Procedural By-law 18-270 and the Ontario Municipal Act, 2001:

- Litigation or potential litigation, including matters before administrative tribunals, affecting the City
- Advice that is subject to solicitor-client privilege, including communications necessary for that purpose

10. DISCUSSION ITEMS

10.1 Supplementary Audit Report - Housing Services Division: Capital (AUD19004(a)) (City Wide)

10.2 Children's Services Risk Assessment Report (AUD19014) (City Wide)

10.3 Children's Services: Office of the City Auditor Consulting Report (AUD19015) (City Wide)

10.4 2020 Budget Submissions Volunteer Advisory Committee (HUR19026) (City Wide)

10.5 Reserve / Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures Review (FCS19074) (City Wide)

Due to bulk, Appendix "A" is only available online.

10.6 Legalization of Cannabis Edibles (HUR19028) (City Wide)

10.7 Routine Disclosure and Active Dissemination Policy (CL19013) (City Wide)

10.8 CityHousing Hamilton Corporation (CHH) Redevelopment Financing Request (FCS19090) (City Wide)

10.9 Governance Review Sub-Committee Report 19-006 - November 26, 2019

11. MOTIONS

12. NOTICES OF MOTION

13. GENERAL INFORMATION / OTHER BUSINESS

14. PRIVATE AND CONFIDENTIAL

14.1 November 21, 2019 - Closed Minutes (Distributed under separate cover)

Pursuant to Section 8.1, Sub-sections (e) and (k) of the City's Procedural By-law 18-270, and Section 239(2), Sub-sections (e) and (k) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board; and, a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

14.2 Commercial Relationship Between the City of Hamilton and Century Group Inc. (FCS18100(a) / LS18060(a)) (City Wide) (Distributed under separate cover)

Pursuant to Section 8.1, Sub-sections (e), (f) and (k) of the City's Procedural By-law 18-270, and Section 239(2), Sub-sections (e), (f) and (k) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board; advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and, a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

14.3 Appendix "E" to Report HUR18010(c) - Hamilton Anti-Racism Resource Centre Update (City Wide)

Pursuant to Section 8.1, Sub-sections (e) and (f) of the City's Procedural By-law 18-270, and Section 239(2), Sub-sections (e) and (f) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board; and advice that is subject to solicitor-client privilege, including communications necessary for that purpose. (Please refer to Item 9.2 for the public portion of this report.)

15. ADJOURNMENT

4.1



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 19-017

9:30 a.m.

November 21, 2019

Council Chambers

Hamilton City Hall

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

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. Workplace Pet Policy and Procedure (HUR19023) (City Wide) (Item 10.1)

(Ferguson/Partridge)

That Report HUR19023, respecting Workplace Pet Policy and Procedure, be received.

CARRIED

(Clark/Pearson)

That staff be directed to implement a No Pet Policy for all municipal buildings excluding: Animal Services, Animal Control, Hamilton Police Services, and Service Dogs.

Result: Motion CARRIED by a vote of 6 to 2, as follows:

NO - Councillor Maureen Wilson
 YES - Chair Chad Collins
 YES - Councillor Judi Partridge
 YES - Councillor Arlene VanderBeek
 YES - Councillor Lloyd Ferguson
 NO - Councillor Brenda Johnson
 YES - Councillor Maria Pearson
 YES - Councillor Brad Clark

2. Orientation for Hearing of Complaints Made Pursuant to Subsection 20(1) of the *Development Charges Act, 1997* (LS19043) (City Wide) (Item 10.2)

(Pearson/Clark)

That Report LS19043, respecting the Orientation for Hearing of Complaints Made Pursuant to Subsection 20(1) of the *Development Charges Act, 1997*, be received.

CARRIED

3. Budgeting and Forecasting (FCS19066(a)) (City Wide) (Item 14.2)

(VanderBeek/Pearson)

- (a) That Council approve the single source procurement, pursuant to Procurement Policy #11 – Non-competitive Procurements, for the purchase of an operating budget solution as well as enterprise licensing for operating and capital budget solutions for a three-year term with an additional two, optional one-year renewal terms and that the General Manager, Finance and Corporate Services, be authorized to negotiate, enter into and execute a Contract and any ancillary documents required to give effect thereto, in a form satisfactory to the City Solicitor.
- (b) That capital funding in the amount of \$341,000 be appropriated from Project ID 3381557502 to capital Project ID 3381957502 for the implementation of the solution; and,
- (c) That the contents of Report FCS19066(a), respecting Budgeting and Forecasting, remain confidential and not be released as a public document except as necessary to implement Council's directions at the discretion of the City Solicitor.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

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

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

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

(VanderBeek/Pearson)

That the agenda for the November 21, 2019 Audit, Finance and Administration Committee meeting be approved, as presented.

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

NOT PRESENT - Councillor Maureen Wilson
YES - Chair Chad Collins
YES - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
NOT PRESENT - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
YES - 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) November 7, 2019 (Item 4.1)

(Pearson/Johnson)

That the Minutes of the November 7, 2019 meeting of the Audit, Finance and Administration Committee be approved, as presented.

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

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

(d) PUBLIC HEARINGS / DELEGATIONS (Item 8)

(i) Mouna Bile, Hamilton Community Legal Clinic, respecting recommendations towards the re-opening of Hamilton Anti-Racism Resource Centre (Approved November 7, 2019) (Item 8.1)

Mouna Bile, Hamilton Community Legal Clinic, Pauline Kajiura, and Jane Mulkewich, addressed the Committee respecting recommendations towards the re-opening of Hamilton Anti-Racism Resource Centre, with the aid of a presentation.

(Clark/Ferguson)

That the delegation from Mouna Bile, Hamilton Community Legal Clinic, Pauline Kajiura, and Jane Mulkewich, respecting recommendations towards the re-opening of Hamilton Anti-Racism Resource Centre, be received.

CARRIED

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

(e) MOTIONS (Item 11)

(i) Methodology for Infrastructure Master Plans to Support Future Calculation of Variable Development Charges (Item 11.1)

(Wilson/Clark)

WHEREAS, at the June 12, 2019 meeting, City Council repealed Development Charges (DC) By-law 14-153 and enacted a new 2019 DC By-law effective June 13, 2019;

WHEREAS, the DC By-law is a result of compiling the City's infrastructure Master Plans;

WHEREAS, the *Development Charges Act, 1997* requires a process to be followed which results in a calculated DC;

WHEREAS, the adoption of variable DC rates must be predicated on either a defined and defensible methodology calculation or by policy (such as providing a partial exemption to the calculated DC rate);

WHEREAS, the City's 2019 DC By-law reflects the results of such a review for water and wastewater services, and as a result includes a variable approach in calculating the 2019 DC By-law rate for stormwater services;

WHEREAS, all other services are calculated on a city-wide basis;

WHEREAS, the *More Homes, More Choice Act, 2019* (Bill 108) will remove the discounted (soft) services from the *Development Charges Act, 1997* once proclaimed into force and provides a defined list of services that will remain in the *Development Charges Act, 1997*; and,

WHEREAS, the City's current GRIDS 2 process will ultimately identify growth allocations by traffic zone throughout the city to 2041;

THEREFORE, BE IT RESOLVED:

That staff be directed to report back to the Audit, Finance & Administration Committee on methodology options including an assessment of the financial impacts for future updates to the Transportation Master Plan (including transit services); 10-year Fire Service Delivery Plan; and Waste Services Master Plan; that will provide the basis for a variable rate calculation as part of the next Development Charges (DC) By-law update should Council wish to take a variable rate approach.

(Clark/Wilson)

That the motion respecting Methodology for Infrastructure Master Plans to Support Future Calculation of Variable Development Charges be deferred until such time as a consultant cost can be determined, or until the Consultant can be in attendance at a future Audit, Finance & Administration Committee meeting to answer questions of Committee.

Result: Deferral Motion DEFEATED by a vote of 4 to 3, as follows:

YES - Councillor Maureen Wilson
NO - Chair Chad Collins
NO - Councillor Judi Partridge
NO - Councillor Arlene VanderBeek
NO - Councillor Lloyd Ferguson
NOT PRESENT - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark

Result: Main Motion DEFEATED by a vote of 4 to 3, as follows:

YES - Councillor Maureen Wilson
NO - Chair Chad Collins
NO - Councillor Judi Partridge
NO - Councillor Arlene VanderBeek
NO - Councillor Lloyd Ferguson
NOT PRESENT - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark

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

(i) Amendments to the Outstanding Business List (Item 13.1)

(VanderBeek/Ferguson)

That the following amendment to the Outstanding Business List, be approved:

(a) Items to be Removed (Item 13.1(a)):

Correspondence from Danny Trombetta, 610 South Service Road Inc (Gateway Ice Centre) respecting Development Charge liability for a proposed additional arena
Item 14.2 on the November 7, 2019 AF&A agenda
OBL Item: 19-O

Result: Motion CARRIED by a vote of 7 to 0, as follows:

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

(g) PRIVATE AND CONFIDENTIAL (Item 14)

(i) November 7, 2019 – Closed Session Minutes (Item 14.1)

(Ferguson/Partridge)

(a) That the Closed Session Minutes of the November 7, 2019 Audit, Finance and Administration meeting, be approved as presented; and,

(b) That the Closed Session Minutes of the November 7, 2019 Audit, Finance and Administration meeting, remain confidential.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

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

(Ferguson/Clark)

That Committee move into Closed Session respecting Item 14.2, pursuant to Section 8.1, Sub-sections (e) and (k) of the City's Procedural By-law 18-270, and Section 239(2), Sub-sections (e) and (k) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board; and, a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

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

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

(h) ADJOURNMENT (Item 15)

(Pearson/Clark)

That, there being no further business, the Audit, Finance and Administration Committee, be adjourned at 12:31 p.m.

CARRIED

Respectfully submitted,

Councillor Collins, Chair
Audit, Finance and Administration
Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 05, 2019
SUBJECT/REPORT NO:	2019 Third Quarter Request for Tenders and Proposals Report (FCS19041(b)) (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

Procurement Policy, Section 4.2 – Approval Authority, Item (6) requires a quarterly status report for Request for Tenders and Request for Proposals be prepared and presented to Council.

INFORMATION

This Report provides an update on the status of active Request for Tenders and Request for Proposals and Co-operative Contracts for the third quarter of 2019.

Request for Tenders and Request for Proposals have been issued and awarded in accordance with the City of Hamilton Procurement Policy. Those items with a status of “Under Review” will remain on the Report until such time an award is made. Request for Tenders and Request for Proposals listed under the “Co-operative Contracts” section was entered into by the City of Hamilton (City) via a co-operative procurement in accordance with the City’s Procurement Policy, Section 4.12 – Co-operative Procurements.

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: 2019 Third Quarter Request for Tenders and Proposals Report
(FCS19041(b)) (City Wide) - Page 2 of 2**

Appendix "A" to Report FCS19041(b) details all Request for Tenders and Request for Proposals documents issued by the City or entered into by the City through a co-operative procurement. Award information is current as of October 10, 2019.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS19041(b) – 2019 Third Quarter Request for Tenders and Proposals Report

PV/dw

CITY OF HAMILTON
 Summary of Tenders and Proposals Issued – July 1, 2019 – September 30, 2019

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C11-08-19	Proposal for the Supply and Delivery of Uniforms for Transit Operations	02/28/2019	Martin & Levesque Inc.	1 year + 4 options	\$445,123.90
C3-01-19	Proposal for Provision of Cashiering and Security Services for the Hamilton Convention Centre Parking Garage and York Boulevard Parkade	03/26/2019	Star Security Inc.	1 year + 4 options	\$556,522.92
C11-15-19	Proposal for Prime Consultant Services for Sir Wilfred Laurier New Gymnasium Replacement	04/05/2019	Grguric Architects Incorporated	Project Specific	\$330,310.00
C3-03-19	Proposal for Consultant Services Required to Develop a Community Energy Plan for the City of Hamilton	04/17/2019	Sustainability Solutions Group Workers Cooperative	Project Specific	\$170,075.00
C9-02-19	Tender for Light Duty Towing Services for Disabled Hamilton Police Services Vehicles	05/29/2019	Waterdown Towing Inc. Tip Top Towing Inc. 1810552 Ontario Inc. O/A Trotters	1 year + 4 options	\$3,410.00 \$1,400.00 \$2,050.00
C13-31-19	Tender for Dundas Lawn Bowling Club Canopy Addition and Barrier Free Accessible Double Door	05/31/2019	Bestco Construction (2005) Ltd.	Project Specific	\$110,669.00
C13-30-19	Tender for Prequalified General Contractors Required for the Stone Church and Garth (HDR05) Reservoir and Valve House Upgrades – Phase 1	06/11/2019	E. S. Fox Ltd.	Project Specific	\$2,995,000.00

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C11-31-19	Tender for the Supply and Delivery of Heavy Duty Truck Parts, Equipment Parts and Trailer Parts	06/12/2019	Transaxle Parts (Hamilton) Inc.	1 year + 4 options	\$89,416.68
C15-12-19 (TR)	Tender for Construction and Modification of Traffic Signal Infrastructure	06/12/2019	Decew Construction Inc.	Project Specific	\$584,720.00
C11-71-19	Tender for Supply and Delivery of Traffic Signal Heads	06/13/2019	Fortran Traffic Systems Ltd.	1 year + 4 options	\$292,388.20
C11-27-19	Tender for Supply and Delivery of Traffic Poles, Hardware, Signal Arms and Casting	06/19/2019	1177978 Ontario Inc.	1 year + 4 options	\$269,355.00
C11-28-19	Tender for Supply Installation and Maintenance of Roadway Markings	06/20/2019	Airlines Pavement Markings Inc.	1 year + 4 options	\$1,247,155.00
C13-36-19	Tender for Renovation at Fire Hall 13 in the City of Hamilton	06/24/2019	Caird-Hall Construction Inc.	Project Specific	\$157,000.00
C13-37-19	Tender for Chedoke Works Yard, Montgomery Park and Winona Community Centre Parking Lot Repaving	06/24/2019	Seawaves Development Services Inc.	Project Specific	\$609,635.00
C11-23-19	Proposal for Operation and Maintenance at Barton Community Hub	06/25/2019	Sonic Unyon Records	3 years + 2 options	\$3.00 Revenue Generating
C11-38-19	Tender for Supply and Delivery of Components for Pedestrian Crossover Systems	06/25/2019	Tacel Ltd.	1 year + 4 options	\$242,365.00
C11-40-19	Tender for Supply and Delivery of Aqua Ammonia to the City of Hamilton Water and Wastewater	06/25/2019	Anco Chemicals Inc.	1 year + 2 options	\$78,000.00

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
	Treatment Facility				
C15-51-19 (H)	Tender for End of the Line Bus Loop Rehabilitation	06/26/2019	Rankin Construction Inc.	Project Specific	\$307,630.00
C11-32-19	Proposal for Telephone Survey Services for Our Citizen Survey	06/28/2019	Metroline Research Group Inc.	Project Specific	\$143,000.00
C15-07-19 (H)	Tender for Tragina, Melvin and Britannia Road Resurfacing	06/28/2019	Rankin Construction Inc.	Project Specific	\$1,541,817.00
C12-08-19	Proposal for Pest Control Services - Integrated Pest Management Program	07/02/2019	Professional PCO Services Inc.	1 year + 4 options	\$55,760.00
C5-13-19	Tender for Snow Removal at Macassa and Wentworth Lodges	07/03/2019	Schutten Brothers Holdings	1 year + 4 options	\$146,028.00
C13-16-19	Tender for Site Preparation and Surface Treatment at Various Sites as and when Required	07/04/2019	Alpine Green Contracting	1 year + 2 options	\$130,000.00
C13-44-19	Tender for Contractors Required for Demolition at 350 Wentworth Street North	07/05/2019	MGI Construction Corp.	Project Specific	\$459,900.00
C15-13-19 (TR)	Tender for Construction of Traffic Signal Infrastructure	07/05/2019	Dufferin Construction Company	Project Specific	\$595,407.40

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C11-33-19	Tender for the Supply and Delivery of Service Body Trucks with Various Configurations	07/09/2019		Project Specific	
	Section One- Single Axle Sign Truck with a Service Body and Sliding Work Platform		Metro Freightliner Hamilton Inc.		\$712,412.00
	Section Two- Cab and Chassis with Service Body Crane/Auger		Metro Freightliner Hamilton Inc.		\$748,353.00
	Section Three- Valve Truck 450/4500 Series Cab and Chassis		Ridgehill Ford Sales		\$554,130.00
C11-18-19	Tender for the Supply and Delivery of Various Chemicals for City of Hamilton Water and Wastewater Treatment Facilities	07/10/2019		1 year + 2 options	
	Section One- Supply and Delivery of Sodium Hypochlorite		Appropriate Chemical International Ltd.		\$42,850.00
	Section Two- Supply and Delivery of Sodium Biosulfite		Appropriate Chemical International Ltd.		\$248,000.00
	Section Three- Supply and Delivery of Ferric Sulfate		Chemtrade Chemicals Canada Ltd.		\$919,020.00

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C15-65-19 (M)	Tender for Lincoln M. Alexander Parkway Asphalt Repairs	07/12/2019	Coco Paving Inc.	Project Specific	\$1,467,000.00
C13-39-19	Tender for Ancaster Memorial Arts Centre Building in the City of Hamilton	07/16/2019	Steelcore Construction Ltd.	Project Specific	\$17,433,148.00
C13-05-19	Tender for Culvert Replacement Services at Various Locations in the City of Hamilton	07/18/2019	Seawaves Development Services Inc.	Project Specific	\$726,180.00
C13-06-19	Tender for Watercourse No.4 – Outlet and Shoreline Reconstruction	07/18/2019	560789 Ontario Limited o/a R&M Construction	Project Specific	\$774,801.54
C18-16-19	Tender for Contractor Required for Elevator Modernization Work at 95 Hess Street South and 181 Jackson Street West	07/18/2019	Alcor Elevator Ltd.	Project Specific	\$1,025,300.00
C8-01-19	Proposal for Security Guard Services for the Hamilton Public Library	07/19/2019	Neptune Security Services Inc.	1 year + 4 options	\$477,107.50
C15-36-19 (BR)	Tender for Bridge #313 Arkledun Avenue Rehabilitation	07/19/2019	Coco Paving Inc.	Project Specific	\$326,000.00
C5-03-19	Proposal for Snack Vending Services for Recreation Centres and Arenas	07/23/2019	Adaria Vending Services Limited	5 years + 4 options	\$35,100.00 Revenue Generating
C5-10-19	Proposal for Vision Screening Services to Fulfill the Ontario Public Health Standards Child Visual Health and Child Vision Screening Requirements	07/24/2019	McMaster Paediatric Eye Research Group	1 year + 2 options	\$317,130.00

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C18-03-19	Tender for Supply and Install of Replacement Rooftop Ventilation Equipment at Four CityHousing Hamilton High-Rise Residential Apartment Buildings	07/24/2019	JTS Mechanical Systems Inc.	Project Specific	\$1,286,845.00
C15-67-19 (H)	Tender for McNab Street Road Resurfacing	07/25/2019	Coco Paving Inc.	Project Specific	\$280,000.00
C15-59-19 (PED)	Tender for North Waterdown Drive Road Construction	07/30/2019	Rankin Construction Inc.	Project Specific	\$2,290,410.00
C13-34-19	Tender for Ancaster Seniors Achievement Centre Roof Replacement	08/01/2019	A.M. Roofing Systems Inc.	Project Specific	\$193,950.00
C2-04-19	Proposal for Review of Return to Work Services and Health, Safety and Wellness	08/02/2019	Workplace Medical Corp	Project Specific	\$13,000.00
C11-42-19	Tender for Supply and Delivery of Winter Sand and/or Sand/Salt Mixtures	08/02/2019	Waterford Sand & Gravel	3 years + 2 options	\$2,053,125.00
C18-06-19	Proposal for Security Guard Services for CityHousing Hamilton	08/02/2019	Intelligarde International Inc.	1 year + 4 options	\$4,407,119.96
C5-17-19	Tender for Supply and Delivery of Stryker Power-Pro Cots and Power Load Systems for Hamilton Paramedic Service	08/12/2019	Rowland Emergency Vehicle Products Inc.	Project Specific	\$48,648.00
C11-48-19	Tender for Supply and Delivery of Pre-Mixed 70/30 Mixture of Manufactured Liquid Sodium Chloride Brine with De-Sugared Sugar Beet Molasses	08/19/2019	Eco Solutions	3 years + 2 options	\$231,280.00

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C11-49-19	Tender for Supply of Hot Mix Asphalt	08/20/2019	Associated Paving & Materials Ltd.	1 year + 2 options	\$191,126.00
			Coco Paving Inc.		\$768,450.00
C13-47-19	Tender for Supply and Install Wood Posts for Traffic Signs	08/20/2019	CSL Group Ltd.	1 year + 2 options	\$125,000.00
C15-64-19 (P)	Tender for Remediation Work for William Connell City Wide Park	08/28/2019	Rankin Construction Inc.	Project Specific	\$1,403,790.00
C11-50-19	Tender for Supply and Delivery of Pool Chemicals and Supplies for Pool Facilities	08/29/2019	Acapulco Pools Limited	1 year + 4 options	\$1,516,073.34
C15-42-19 (P)	Tender for Redevelopment of Fifty Road Parkette	08/30/2019	Stevensville Lawn Service Inc.	Project Specific	\$594,360.00
C11-46-19	Proposal for Premise Backflow Installations at Various Facilities within the City of Hamilton	09/06/2019	Plumbway Inc.	1 year + 2 options	\$90,000.00
			Glenn Richardson Plumbing & Heating Ltd.		\$90,000.00
			Binbrook Plumbing & Heating (1997) Ltd.		\$180,000.00
C11-52-19	Tender for Supply and Delivery of Regulation Traffic Signs	09/09/2019	Strada Sign Supply Inc.	1 year + 2 options	\$115,926.20
C18-18-19	Tender for Replacement of Emergency Generator System at 395 Mohawk Road	09/11/2019	JTS Mechanical Systems Inc.	Project Specific	\$256,408.00

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C15-41-19 (P)	Tender for Development of Century Street Parkette	09/17/2019	Kingsvalley Landscape Contractors Inc.	Project Specific	\$274,670.00
C15-46-19 (PED)	Tender for Royalvista Drive Reconstruction	09/23/2019	Ontario Concrete Paving Ltd.	Project Specific	\$110,413.75

Contracts Cancelled

Contract Number	Contract Title	Closing Date (mm/dd/yyyy)	Reason for Cancellation
C13-19-19	Tender for Tim Hortons Field Guardrail Replacements	07/03/2019	All bids received were over budget. A new Request for Tender will be issued in late 2019 incorporating revised specifications.
C13-43-19	Tender for Maintenance, Supply and Installation of AV System at Tim Hortons Field	07/03/2019	No compliant tenders received. A new Request for Tender to be issued in late 2019.
C2-03-19	Proposal for Learning Management System for the City of Hamilton	07/09/2019	A new Request for Proposal will be issued in late 2019 incorporating revised specifications.
C5-01-19	Tender for Supply and Delivery of Fire Hose (ULC Listed)	08/28/2019	A new Request for Tender will be issued in October 2019 incorporating revised specifications.
C15-69-19 (PED)	Tender for Creekside Drive Roadway Resurfacing and Sidewalk Reconstruction	09/16/2019	The cost is shared between developer and the City. The developer has rejected the lower bid. A Request for Quote will be issued in late 2019 for the City's portion of the work.

Contracts Pending Award

Contract Number	Contract Title	Closing Date (mm/dd/yyyy)	Contract Status
C11-12-19	Proposal for Operations and Maintenance of the City of Hamilton's Material Recycling Facility	05/14/2019	Closed & Under Review
C18-07-19	Proposal for Jamesville Redevelopment Opportunity	06/06/2019	Closed & Under Review
C3-04-19	Proposal for Consultant Required to Complete a Parking Master Plan for the City of Hamilton	07/08/2019	Closed & Under Review
C11-39-19	Tender for Supply and Delivery of Bulk Sodium Chloride (Road Salt)	07/24/2019	Closed & Under Review
C18-15-19	Tender for Installation of Security System at Vanier Towers	07/31/2019	Closed & Under Review
C15-26-19 (PED)	Tender for Mewburn Neighbourhood Stormwater Management Facility	08/01/2019	Closed & Under Review
C2-02-19	Proposal for Document and Records Management Software and Services for the City of Hamilton	08/07/2019	Closed & Under Review
C11-17-19	Tender for Supply and Delivery of Coagulant Product for the Water Treatment Facility	08/21/2019	Closed & Under Review
C5-07-19	Tender for Supply and Delivery of Various Fire Apparatus for the Hamilton Fire Department	08/27/2019	Closed & Under Review
C18-12-19	Proposal for Prime Consultant Services for New Passive House Certified 41 Unit Apartment Building in the City of Hamilton Ontario	09/10/2019	Closed & Under Review
C11-34-19	Proposal for Supply, Delivery, Laundering and Replacement of Rental Floor Mats and Dust Mops to Various City of Hamilton Facilities	09/17/2019	Closed & Under Review

Contracts Pending Award

Contract Number	Contract Title	Closing Date (mm/dd/yyyy)	Contract Status
C11-41-19	Tender for Move and Move Management Services for the City of Hamilton	09/17/2019	Closed & Under Review
C15-46-19 (PED)	Tender for Royalvista Drive Reconstruction	09/23/2019	Closed & Under Review
C13-14-19	Proposal for Contractor Required for the Design, Supply and Install of Play Structures at Five City of Hamilton Parks	09/27/2019	Closed & Under Review
C18-21-19	Tender for Contractor Required for Repair of Balcony Shearwalls at 405 York Boulevard in the City of Hamilton	10/01/2019	Not closed as of October 1, 2019
C5-16-19	Tender for Ice Water Rescue Equipment	10/03/2019	Not closed as of October 1, 2019
C5-18-19	Tender for Revenue Generating Agreement for Pro Shop and Skate Sharpening Concession Operator at Harry Howell Arena	10/03/2019	Not closed as of October 1, 2019
C15-70-19 (M)	Tender for Guiderail Replacement on Highway 52	10/03/2019	Not closed as of October 1, 2019
C11-51-19	Tender for Supply and Delivery of Accessible Pedestrian Signal Systems Equipment	10/08/2019	Not closed as of October 1, 2019
C13-46-19	Tender for Hamilton Housing Office Expansion at 350 King Street East	10/08/2019	Not closed as of October 1, 2019
C13-45-19	Tender for Bayfront Operations Yard Building in the City of Hamilton	10/09/2019	Not closed as of October 1, 2019
C9-01-19	Proposal for Provision Of Security And Non Security Towing And Storage Services For Accident Vehicles For Hamilton Police Service (Exclusive Of Hamilton Police Vehicles)	10/10/2019	Not closed as of October 1, 2019

CITY OF HAMILTON
 Summary of Tenders and Proposals Issued – July 1, 2019 – September 30, 2019

Co-operative Contracts

City Contract Reference	Contract Title	Cooperative Group	Effective Date (mm/dd/yyyy)	Vendor	Term	Estimated City Spend
C17-07-19	Office Supplies Corporate Contract	Grand River Co-operative Purchasing Group	07/01/2019	Staples Business Advantage	3 years + 2 options	\$622,316.28
C17-02-19	Towing Services for the City of Burlington, City of Hamilton, and the Town of Oakville	City of Burlington	07/17/2019	1105729 Ontario Inc.	1 year + 4 options	\$1,256,249.20



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 05, 2019
SUBJECT/REPORT NO:	2019 Third Quarter Emergency and Non-competitive Procurements Report (FCS19042(b)) (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

Council has directed Procurement to report on the use of Sections 4.10 and 4.11 of the Procurement Policy on a quarterly basis.

INFORMATION

This Report is issued quarterly in accordance with the Procurement Policy. The report details the procurement of goods and/or services during emergency situations and those detailed in Section 4.11 – Non-Competitive Procurements for the third quarter of 2019.

The Policy for Non-Competitive Procurements is used in narrowly defined circumstances where it is justified that the policies for the general acquisition process could not be followed. The “Emergency Procurement/Non-Competitive Procurement Form” is completed by the Client Department and approved by the General Manager.

During the third quarter of 2019, there were 119 purchases totalling \$6,377,519.70 and 1 totalling \$2,000 in revenue, which were processed through the use of an approved Policy 10 or 11. These are summarized in Appendix “A” to Report FCS19042(b).

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**SUBJECT: 2019 Third Quarter Emergency and Non-competitive Procurements
Report (FCS19042(b)) (City Wide) - Page 2 of 5**

The breakdown are as follows:

- 6 purchases totalling \$1,171,392.91 were issued under Policy 10, as “Emergency” purchases, whereby goods and services were acquired by the most expedient and economical means. The following purchase represents the largest dollar amount in this category:
 - Purchase Order 92557 for \$753,025.00 was issued to Moffatt Equipment to perform emergency works throughout the City including maintaining and running four emergency pumps 24 hours a day, cleaning of inlets/outlets and drainage channel improvements in various locations affected by the extreme rainfall events and elevated lake levels.
 - Purchase Order 92495 for \$236,748.77 was issued to Wessuc Inc. to perform emergency works along Beach Boulevard as a result of extreme wet weather and elevated lake level conditions. Works included vacuum truck services at various sewage pumping stations where the station pumps could not keep up with the incoming flows.
- 44 purchases totalling \$1,450,600.96 represent short-term “Extensions” of current contracts which have expired, and unforeseeable circumstances have caused a delay in awarding a new contract. The following purchases represent the largest dollar amounts in this category:
 - Purchase Order 68116 was increased by \$550,000.00 to Bridgestone Canada Inc. for the leasing of tires for Hamilton Transit. A report regarding lease versus buy was completed and it was determined that more information is required before proceeding with a tender. An extension to the current contract will provide the time required for a consultant’s report to be completed and an updated recommendation on lease versus buy to be presented to Council.
 - Purchase Order 91659 was increased by \$326,931.60 to Hamilton Cab Company Inc. to provide shared-ride taxi services. The three-month extension will include the introduction of off-peak Transcab service in Red Hill Business Park and replacing the existing scheduled shuttle services. The RFT and in-house bid preparation will be completed by late Fall allowing for the award of a new contract to commence January 1, 2020.
 - Purchase Order 92467 was increased by \$50,000.00 to Garda Canada Security Corporation to provide and perform security services to the Hamilton Public Library. This extension is required to provide sufficient time to complete the procurement process and award a new contract.

**SUBJECT: 2019 Third Quarter Emergency and Non-competitive Procurements
Report (FCS19042(b)) (City Wide) - Page 3 of 5**

- \$120,000.00 was issued to Kemira Water Solutions Canada Inc. for the following work:
 - Purchase Order 88819 was increased by \$70,000.00 for the supply and delivery of ferric sulfate, sodium bisulphite and sodium hypochlorite for the treatment/production of potable water and the treatment of municipal wastewater. This extension is required to provide sufficient time to complete the procurement process and award a new contract.
 - Purchase Order 88818 was increased by \$50,000.00 for the supply and delivery of poly aluminum chloride for the treatment/production of potable water. This extension is required to provide sufficient time to complete the procurement process and award a new contract.
- Purchase Order 91483 issued to 1984080 Ontario Inc. / Carstar for provision of vehicle collision repair services was increased by \$100,000.00. The contract was previously extended to accommodate significant changes including the division of light and heavy duty vehicles as well as the contract lead changing from Risk Management Services to Fleet Services. As a result, this extension is required to provide sufficient time to complete the procurement process and award a new contract.
- 69 purchases totalling \$3,755,525.83 were identified as “Single Source” purchases whereby a particular vendor was recommended because it was more cost-effective or beneficial to the City. The following purchases represent the largest dollar amounts in this category:
 - Purchase Order 92663 for \$248,820.00 was issued to Work Equipment Ltd. to supply and deliver two Trackless MT57s with rear mounted single agitator and dual tire options. The City currently has five other existing units with a full compliment of basic and specialty attachments that can be used by purchasing the same model. The City has completed multiple demos, but no other manufacturer was able to hook up and operate all the attachments without major modifications. Standardizing would allow the machines to be used in any district with any attachments as required and without having to retrain staff.
 - Purchase Order 92181 for \$200,000.00 was issued to Fisher Heating Inc. to provide inspection and certification services to various diesel storage locations and perform necessary repairs to bring the emergency diesel generators into TSSA compliance and be allowed refuelling. There is a lack of qualified OBT1 service providers to perform the work and several major companies do not have the qualified personnel.

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**SUBJECT: 2019 Third Quarter Emergency and Non-competitive Procurements
Report (FCS19042(b)) (City Wide) - Page 4 of 5**

- Purchase Order 92432 for \$168,463.98 was issued to Dell Canada Inc. to supply and deliver Dell Compellent Storage Solution. The Hamilton Police Technological Crime Unit is responsible for the acquisition and storage of digital evidence. The current storage life has come to end, and replacement is required to save digital evidence.
- Purchase Order 92408 for \$165,901.92 was issued to Zoll Medical Canada Inc. to supply and deliver extended warranty for Hamilton Paramedic Services Zoll X series defibrillators monitors until July 2022 beyond manufacturer's warranty.
- Purchase Order 88281, issued to Cycom Canada Corporation to supply and deliver ergonomic sit/stand workstations equipment to the City of Hamilton, was increased by \$150,000.00. The increase will allow the continuation of providing equipment to employees who have suffered work-related and non-work related injuries.
- Purchase Order 92125 for \$135,000.00 was issued to Metrolinx for the cost of parts in repairing damaged PRESTO equipment (parts cost only). Metrolinx is the only supplier of PRESTO equipment spare parts.
- Purchase Order 92684 for \$135,000.00 was issued to IBI Group Professional Services Canada Inc. (IBI Group) to prepare business case documents to support the City's Investing in Canada Infrastructure Program, The Maintenance and Storage Facility Project, Fleet Replacement Project and the Fleet Expansion Project. IBI Group has extensive knowledge of the MSF and Fleet requirements.
- Purchase Order 92284 for \$120,000.00 was issued to eSolutions Group Ltd. for the supply and delivery of a marketing and communications strategy and tactics for the for Fats, Oils and Grease Outreach Campaign to maintain the same look and feeling as the Own Your Throne campaign.
- Purchase Order 78030 was increased by \$102,108.86 to Long View Systems Inc. for the provision of Cisco Hardware required for the operation of the call centre application as well as maintenance of the cloud version of WebEx video conferencing. The decision to extend the existing agreement was based on negotiated savings of approximately \$600,000 over the term of agreement.
- Purchase Order 92124 for \$100,000.00 was issued to Thales Canada Transportation Solutions for the cost of labour charges resulting in the repairs of damaged PRESTO equipment (labour cost only).

**SUBJECT: 2019 Third Quarter Emergency and Non-competitive Procurements
Report (FCS19042(b)) (City Wide) - Page 5 of 5**

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS19042(b) – Third Quarter Emergency and Non-Competitive Procurements Report

PV/dw

2019 Third Quarter Emergency and Non-Competitive Procurements Report

PO No.	Type	Amount	Name	Department/Division
Corporate Wide				
Various PO's	EXTN	\$1,469.28	Maxill Inc.	Corporate Wide
City Manager's Office				
92372	SGLE	\$25,000.00	Cubic Health Inc.	Human Resources
92278	SGLE	\$30,000.00	Swiaty Investments Inc.	Human Resources
88281	SGLE	\$150,000.00	Cycom Canada Corporation	Human Resources
Corporate Services				
No PO	EXTN	\$75,000.00	Brinks Canada Limited	Financial Services
No PO	EXTN	\$75,000.00	Brinks Canada Limited	Financial Services
92548	SGLE	\$7,800.00	Consortech Solutions Inc.	Information Technology
91471	SGLE	\$75,000.00	Onix Networking Corp.	Information Technology
78030	SGLE	\$102,108.86	Long View Systems Inc.	Information Technology
Healthy and Safe Communities				
No PO	SGLE	\$2,000.00 (Revenue)	Toronto Coin Machine Exchange	Recreation
Various PO's	EXTN	\$27,748.40	Maxill Inc.	Various Division
92497	SGLE	\$10,000.00	Hamilton Community Foundation	Children's Services and Neighbourhood Development
92362	SGLE	\$20,000.00	GHD Limited	Recreation
92607	SGLE	\$20,000.00	Unicorn Rebellion	Healthy Environments
92477	SGLE	\$23,000.00	Orgcode Consulting Inc.	Housing Services
92320 92581	EXTN	\$30,000.00	Sinclair Dental Co Ltd.	Healthy Environments
92695	SGLE	\$30,000.00	Lawson Products Inc.	Hamilton Fire Department
92678	SGLE	\$35,000.00	Darch Fire Inc.	Hamilton Fire Department
92611	SGLE	\$53,110.00	Mohawk Ford Sales (1996) Limited	Hamilton Fire Department
92298	SGLE	\$56,000.00	1888783 Ontario Inc.	Public Health
92506	SGLE	\$80,000.00	Arcori Istcl Group Inc.	Housing Services
92408	SGLE	\$165,901.92	Zoll Medical Canada Inc.	Hamilton Fire Department
Library				
92462	SGLE	\$18,013.00	Ricoh Canada Inc.	Hamilton Public Library
92293	SGLE	\$18,840.00	JSI Telecom	Hamilton Public Library
92467	EXTN	\$125,000.00	Garda Canada Security Corporation	Hamilton Public Library
Planning and Economic Development				
Various PO's	EXTN	\$1,102.18	Maxill Inc.	Transportation Planning and Parking
92263	SGLE	\$9,875.00	Cinnamon Toast New Media Inc.	Tourism and Culture
92715	SGLE	\$15,000.00	Hamilton Chamber Of Commerce	Economic Development
92717	SGLE	\$32,749.00	Hub Parking Technology Canada Ltd.	Transportation Planning and Parking
92502	SGLE	\$35,000.00	Clintar Landscape Management	Tourism and Culture
92505	SGLE	\$35,000.00	Harper's Property Maintenance	Transportation Planning and Parking

2019 Third Quarter Emergency and Non-Competitive Procurements Report

PO No.	Type	Amount	Name	Department/Division
92268	SGLE	\$39,200.00	NGL Nordicity Group Limited	Tourism and Culture
92568	SGLE	\$50,000.00	International Advisory Council	Economic Development
92136	SGLE	\$52,700.00	ASI Group Ltd.	Tourism and Culture
92589	SGLE	\$59,869.00	MDB Insight Inc.	Economic Development
88330	EMER	\$99,999.00	CTM Media Group Ltd.	Transportation Planning and Parking
Police				
92324	SGLE	\$3,525.00	Environmental Consulting Occp Health	Police
92597	SGLE	\$5,000.00	Iron Mountain Canada Corporation	Police
92137	EXTN	\$8,990.00	Maxill Inc.	Police
92358				
92250	SGLE	\$9,955.00	Rampart International Corp.	Police
92283	SGLE	\$10,000.00	Shallow Creek Kennels, Inc.	Police
92232	SGLE	\$10,723.70	Cellebrite USA Inc.	Police
92376	SGLE	\$13,920.00	6157866 Canada Inc.	Police
92634	SGLE	\$34,470.00	Sokkia Corporation	Police
92538	SGLE	\$40,000.00	Dialog Ontario Inc.	Police
92323	SGLE	\$50,000.00	Caliber Target Systems Inc.	Police
92512	SGLE	\$96,291.08	Motorola Solutions Canada Inc.	Police
92432	SGLE	\$168,463.98	Dell Canada Inc.	Police
Public Works				
Various PO's	EXTN	\$6,148.50	Maxill Inc.	Various Division
92377	EXTN	\$3,211.00	Caird-Hall Construction Inc.	Energy, Fleet and Facilities Management
92395	SGLE	\$7,000.00	Rankin Construction Inc.	Environmental Services
92457	SGLE	\$7,000.00	Coco Paving Inc.	Environmental Services
75395	SGLE	\$9,909.00	Grguric Architects Incorporated	Energy, Fleet and Facilities Management
92499	EMER	\$14,255.00	Floval Equipment Limited	Hamilton Water
91154	SGLE	\$16,522.00	Aecom Canada Ltd.	Environmental Services
91973	SGLE	\$19,000.00	Seal It Up Inc.	Environmental Services
92122	EMER	\$24,000.00	Smith Brothers Contracting	Energy, Fleet and Facilities Management
92188	SGLE	\$25,000.00	Eco-Counter Inc.	Environmental Services
89856	SGLE	\$40,949.00	Toromont Industries Limited	Energy, Fleet and Facilities Management
90693				
92257	SGLE	\$34,650.00	AET Group Inc.	Environmental Services
92273	SGLE	\$34,860.00	Autoclave Canada Corporation	Hamilton Water
82636	SGLE	\$39,100.00	Ainley and Associates Ltd.	Hamilton Water
92204	EMER	\$43,365.14	Paul's Restorations Inc.	Energy, Fleet and Facilities Management
92166	SGLE	\$45,606.54	Lanhack Consultants Inc.	Energy, Fleet and Facilities Management

2019 Third Quarter Emergency and Non-Competitive Procurements Report

PO No.	Type	Amount	Name	Department/Division
89540	SGLE	\$47,500.00	Lyndon Security Services Inc.	Environmental Services
92123	SGLE	\$50,000.00	Binns Lock and Key Centre	Energy, Fleet and Facilities Management
92305	SGLE	\$50,000.00	Marathon Technical Services USA Inc.	Energy, Fleet and Facilities Management
92531	SGLE	\$50,000.00	Green Stream Lawn and Vegetation Management Inc.	Transportation Operations and Maintenance
88463	SGLE	\$52,733.75	R V Anderson Associates Limited	Hamilton Water
92294	SGLE	\$55,000.00	GHD Limited	Transit
92491	SGLE	\$59,975.00	Monteith Brown	Energy, Fleet and Facilities Management
92365	SGLE	\$60,000.00	Green Pro Solutions	Environmental Services
92404	SGLE	\$70,000.00	HCE Energy Inc.	Energy, Fleet and Facilities Management
90746	SGLE	\$78,925.00	CH2M Hill Canada Limited	Hamilton Water
78122	SGLE	\$82,860.00	WSP Canada Group Ltd.	Hamilton Water
90424	SGLE	\$89,600.00	CIMA Canada Inc.	Strategy, Continuous Improvement and Quality
92352	SGLE	\$99,000.00	Drivewise	Energy, Fleet and Facilities Management
91483	EXTN	\$100,000.00	1984080 Ont Inc./Carstar On Ferguson	Energy, Fleet and Facilities Management
92124	SGLE	\$100,000.00	Thales Canada	Transit
88818 88819	EXTN	\$120,000.00	Kemira Water Solutions Canada Inc.	Hamilton Water
92284	SGLE	\$120,000.00	Esolutions Group Limited	Hamilton Water
92125	SGLE	\$135,000.00	Metrolinx	Transit
92684	SGLE	\$135,000.00	IBI Group Professional Services Canada Inc.	Transit
92181	SGLE	\$200,000.00	Fisher Heating Inc.	Hamilton Water
92495	EMER	\$236,748.77	Wessuc Inc.	Hamilton Water
92663	SGLE	\$248,820.00	Work Equipment Ltd.	Energy, Fleet and Facilities Management
91659	EXTN	\$326,931.60	Hamilton Cab Company Inc.	Transit
68116	EXTN	\$550,000.00	Bridgestone Canada Inc.	Transit
92557	EMER	\$753,025.00	Moffatt Equipment	Hamilton Water



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 05, 2019
SUBJECT/REPORT NO:	Third Quarter Non-compliance with the Procurement Policy Report (FCS19043(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Patricia Vasquez (905) 546-2424 Ext. 5972
SUBMITTED BY:	Rick Male Director, Financial Services & Corporate Controller Corporate Services
SIGNATURE:	

COUNCIL DIRECTION

Procurement Policy, Section 4.19, Item (3) requires a quarterly report be prepared and presented to Council to report the use of all Procurement Policy Non-Compliance Forms.

INFORMATION

This Report is issued quarterly in accordance with the Procurement Policy. This report details the use of all Procurement Policy Non-Compliance Forms for the third quarter of 2019.

Procurements that are non-compliant with the Procurement Policy can be identified at any time during the procurement process. Procurements are deemed to be non-compliant with the Procurement Policy when the applicable Policy (Policies) and published procedure(s) are not followed. Under Policy 19, the General Manager is responsible for reviewing each incident and determines the appropriate level of disciplinary action to be taken.

During the third quarter of 2019, there were thirteen (13) instances relating to the use of Policy 19, totalling \$80,544.97. The instances are summarized in Appendix "A" to Report FCS19043(b).

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**SUBJECT: 2019 Third Quarter Non-compliance with the Procurement Policy
Report (FCS19043(b)) (City Wide) - Page 2 of 2**

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS19043(b) – 2019 Third Quarter Non-compliance with the Procurement Policy Report

PV/dw

Item 7.3

Revised Appendix "A" to Report FCS19043 (b)

Page 1 of 1

2019 Third Quarter Non-Compliance with the Procurement Policy Report

PO No.	Amount	Name	Division
Healthy & Safe Communities			
91060	\$13,250.00	The Capital Hill Group	Children's Services and Neighbourhood Development
Legislative			
Cheque	\$5,450.00	Zing Media Inc.	Councillor
Cheque	\$5,125.00	Zing Media Inc.	Councillor
Cheque	\$2,712.78	Zing Media Inc.	Councillor
P-Card	\$21.99	Staples	Councillor
P-Card	\$9.99	Staples	Councillor
Planning and Economic Development			
92478	\$19,389.40	University of Toronto	Transportation Planning and Parking
92220	\$14,887.00	University of Toronto	Transportation Planning and Parking
92170	\$9,999.00	Cinnamon Toast New Media Inc.	Culture
P-Card	\$200.00	Pioneer Cleaners Ltd.	Tourism and Culture
Public Works			
89672	\$8,076.01	Recyclable Materials Marketing	Environmental Services
92857	\$1,417.81	Wills Chevrolet Ltd.	Energy, Fleet & Facilities Management
P-Card	\$5.99	Part Source	Energy, Fleet & Facilities Management



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 5, 2019
SUBJECT/REPORT NO:	2019 Freedom of Information Quarterly Report (July 1 to September 30) (CL19005b) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Lisa Barroso, Manager, Records / Freedom of Information 905 546-2424 x2743
SUBMITTED BY:	Andrea Holland City Clerk Corporate Services
SIGNATURE:	

Council Direction:

As directed by Council in 2004, quarterly reports on Freedom of Information activity are presented to the Audit, Finance & Administration Committee. The intent of these reports is to keep the Committee and Council informed of the types and numbers of requests received and processed under the *Municipal Freedom of Information and Protection Act*.

Information:

Listed on Appendix "A", attached to Report CL19005b, are details of the Freedom of Information requests received during the third quarter of 2019 from July 1 to September 30. These details include the length of time it took to process each request, the status or disposition of the request, the type of request, and the originator of the request, based on the categories set by the Information & Privacy Commissioner. We also include the total of time spent by each city department on Freedom of Information requests.

Should Committee and Council wish to address a specific access request identified in this report, the matter would have to be dealt with, in closed session, in accordance with the *Municipal Act* and the City's Procedural By-law.

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**Access Requests Received Under the Municipal Freedom of Information and Protection of Privacy Act
for July 1, 2019 to September 30, 2019**

File #	Request Type	Requester Type	General Description	Information Requested From	Date Received	Date Completed	No. of Days to Finish	Disposition of Request	Clerk Time (Min.)	City Manager	Human Resources	Legal Services	Healthy & Safe Communities	Emergency Services	Corporate Services	Procurement	Mayor's Office	Councillors	Planning Economic Development	Public Health	Public Works	
19-008	G	M	employment	City Manager's Office	Jan 4/19			in progress														
19-016	G	B	property	Planning & Economic Development	Jan 17/19			in progress														
19-017	G	B	property	Planning & Economic Development	Jan 17/19			in progress														
19-018	G	B	property	Planning & Economic Development	Jan 17/19			in progress														
19-019	G	B	property	Planning & Economic Development	Jan 17/19			in progress														
19-020	G	B	property	Planning & Economic Development	Jan 17/19			in progress														
19-025	G	M	report	Corporate Services	Jan 25/19	Feb 25/19	30	no records disclosed (under appeal)	221	0	0	0	0	0	3	0	0	0	0	0	0	0
19-026	G	B	property	Planning & Economic Development	Jan 28/19			in progress														
19-027	G	IP	animal	Healthy and Safe Communities; Planning & Economic Development	Jan 28/19			in progress														
19-029	G	AG	administrative	Planning & Economic Development	Jan 31/19			in progress														
19-031	G	B	communications/infrastructure	Planning & Economic Development	Jan 31/19			in progress														
19-035	G	B	infrastructure	Planning & Economic Development	Feb 5/19			in progress														
19-036	G	B	procurement	Public Works	Feb 5/19			in progress														
19-037	G	B	infrastructure	Public Works	Feb 5/19			in progress														
19-040	G	IP	infrastructure	Public Works	Feb 11/19			in progress														

Legend:

IP - Individual/Public

B - Business

AR - Academic/Researcher

IA - Individual by Agent

M - Media

AG - Association/Group

File #	Requester Type	Requester Type	General Description	Information Requested From	Date Received	Date Completed	No. of Days to Finish	Disposition of Request	Clerk Time (Min.)	City Manager	Human Resources	Legal Services	Healthy & Safe Communities	Emergency Services	Corporate Services	Procurement	Mayors Office	Councillors	Planning Economic Development	Public Health	Public Works	
19-041	G	M	financial	Corporate Services	Feb 12/19			in progress														
19-043	G	B	infrastructure	Public Works	Feb 20/19			in progress														
19-045	G	M	economic	City Manager's Office	Feb 20/19			in progress														
19-048	G	B	video	Public Works	Feb 21/19			in progress														
19-050	G	B	animal	Planning & Economic Development	Feb 25/19			in progress														
19-052	G	IP	property	Planning & Economic Development, Healthy and Safe Communities	Feb 26/19			in progress														
19-055	G	M	infrastructure	Public Works, Corporate Services, Office of the Mayor	Feb 27/19			in progress														
19-056	G	IP	minutes	Corporate Services	Feb 27/19			in progress														
19-063	G	B	infrastructure	Public Works	Mar 8/19			in progress														
19-066	G	B	infrastructure	Public Works	Mar 12/19	Aug 20/19	90+	disclosed in part	563	0	0	0	0	0	10	0	0	0	0	0	0	144
19-069	G	B	property	Planning and Economic Development	Mar 14/19			in progress														
19-070	G	IP	property	Public Works	Mar 14/19			in progress														
19-071	G	M	environmental	Public Works	Mar 18/19			in progress														
19-072	G	IP	property	Planning & Economic Development	Mar 21/19			in progress														
19-073	G	IP	infrastructure	Corporate Services	Mar 21/19			in progress														
19-075	G	IP	property	Planning & Economic Development	Mar 25/19			in progress														
19-076	G	B	animal	Planning & Economic Development	Mar 25/19			in progress														

Legend:

IP - Individual/Public

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File #	Requester Type	Requester Type	General Description	Information Requested From	Date Received	Date Completed	No. of Days to Finish	Disposition of Request	Clerk Time (Min.)	City Manager	Human Resources	Legal Services	Healthy & Safe Communities	Emergency Services	Corporate Services	Procurement	Mayors Office	Councillors	Planning Economic Development	Public Health	Public Works	
19-077	G	IP	property	Planning & Economic Development	Mar 25/19			in progress														
19-078	G	B	infrastructure	Public Works	Mar 28/19			in progress														
19-081	G	B	property	Planning & Economic Development	Mar 29/19			in progress														
19-083	G	B	agreement	Corporate Services	Mar 29/19			in progress														
19-091	G	B	property	Planning & Economic Development	April 11/19			in progress														
19-092	G	B	property	Planning & Economic Development	April 11/19			in progress														
19-096	G	B	infrastructure	Public Works	April 15/19			in progress														
19-099	G	B	property	Planning & Economic Development	April 16/19			in progress														
19-101	G	B	property	Planning & Economic Development	April 17/19	Aug 17/19	81	all disclosed	292	0	0	0	0	0	6	0	0	0	35	0	0	
19-103	G	IP	property	Planning & Economic Development	April 18/19			in progress														
19-104	G	IP	property	Planning & Economic Development	April 18/19			in progress														
19-106	G	B	video	Public Works	April 23/19			in progress														
19-107	G	B	property	Planning & Economic Development	April 24/19			in progress														
19-110	G	IP	animal	Planning & Economic Development	April 29/19			in progress														
19-117	G	B	property	Planning & Economic Development	May 7/19			in progress														
19-121	G	B	infrastructure	Public Works	May 17/19	June 6/19	20	all disclosed	237	0	0	0	0	0	3	0	0	0	0	0	0	45
19-122	G	B	property	Planning & Economic Development	May 21/19			in progress														

Legend:

IP - Individual/Public IA - Individual by Agent
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File #	Request Type	Requester Type	General Description	Information Requested From	Date Received	Date Completed	No. of Days to Finish	Disposition of Request	Clerk Time (Min.)	City Manager	Human Resources	Legal Services	Healthy & Safe Communities	Emergency Services	Corporate Services	Procurement	Mayors Office	Councillors	Planning Economic Development	Public Health	Public Works	
19-126	G	IP	property	Planning & Economic Development	May 24/19			in progress														
19-127	G	B	property	Healthy and Safe Communities	May 27/19	Aug 19/19	84	disclosed in part	988	0	0	0	130	0	6	0	0	0	90	0	0	
19-129	G	IP	property	Planning & Economic Development	May 28/19			in progress														
19-130	G	B	property	Planning & Economic Development	May 30/19	July 2/19	30	disclosed in part	296	0	0	0	0	0	3	0	0	11	70	0	0	
19-131	G	IP	property	Planning & Economic Development	May 30/19	July 3/19	30	abandoned	294	0	0	0	0	0	3	0	0	0	80	0	0	
19-133	G	IP	financial	Corporate Services	June 3/19	July 3/19	30	all disclosed	257	0	0	0	0	0	130	0	0	0	0	0	0	
19-134	G	IP	property	Planning & Economic Development	June 3/19	July 3/19	30	abandoned	176	0	0	0	0	0	6	0	0	0	20	0	0	
19-135	G	B	property	Planning & Economic Development	June 5/19	July 11/19	30	all disclosed	161	0	0	0	0	0	6	0	0	0	110	0	0	
19-137	G	B	property	Planning & Economic Development	June 18/19	July 18/19	30	abandoned	220	0	0	0	0	0	3	0	0	0	30	0	0	
19-138	G	IP	property	Planning & Economic Development	June 17/19	July 16/19	29	no responsive records	147	0	0	0	0	0	3	0	0	0	16	0	0	
19-139	G	M	communications	City Manager's Office, Planning & Economic Development	June 19/19			in progress														
19-140	G	IP	personnel	City Manager's Office, Corporate Services	June 20/19	July 22/19	30	no records disclosed	273	0	0	0	0	0	26	0	0	0	0	0	0	
19-141	G	B	property	Planning & Economic Development	June 24/19			in progress														
19-142	G	B	property	Planning & Economic Development	June 27/19			in progress														
19-143	G	B	property	Healthy and Safe Community Services	June 28/19			in progress														
19-144	G	IP	property	Planning & Economic Development	July 4/19	Aug 6/19	30	all disclosed	148	0	0	0	0	0	6	0	0	0	15	0	0	
19-145	G	B	infrastructure	Public Works	July 5/19			in progress														

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File #	Request Type	Requester Type	General Description	Information Requested From	Date Received	Date Completed	No. of Days to Finish	Disposition of Request	Clerk Time (Min.)	City Manager	Human Resources	Legal Services	Healthy & Safe Communities	Emergency Services	Corporate Services	Procurement	Mayors Office	Councillors	Planning Economic Development	Public Health	Public Works
19-146	G	IP	property	Planning & Economic Development	July 8/19	Aug 27/19	30	all disclosed	242	0	0	0	0	0	6	0	0	0	120	0	0
19-147	G	IP	property	Planning & Economic Development	July 8/19			in progress													
19-148	G	IP	property	Planning & Economic Development	July 8/19	Aug 7/19	30	all disclosed	190	0	0	0	0	0	6	0	0	0	10	0	0
19-149	G	B	property	Planning & Economic Development	July 9/19			in progress													
19-150	G	IP	financial	Corporate Services	July 9/19			in progress													
19-151	G	IP	property	Planning & Economic Development	July 10/19	Aug 9/19	30	no responsive records	105	0	0	0	0	0	3	0	0	0	0	0	0
19-152	G	IP	video	Public Works	July 11/19			in progress													
19-153	G	IP	property	Planning & Economic Development	July 11/19	Aug 12/19	30	disclosed in part	266	0	0	0	0	0	6	0	0	0	120	0	0
19-154	G	B	registrations	Healthy & Safe Communities	July 12/19	Aug 12/19	30	all disclosed	125	0	0	0	0	0	3	0	0	0	0	0	0
19-155	G	B	property	Planning & Economic Development	July 12/19			in progress													
19-156	G	IP	property	Planning & Economic Development	July 12/19	Sept 13/19	45	disclosed in part	176	0	0	0	0	0	6	0	0	0	1	0	60
19-157	G	M	transit	Public Works	July 18/19			in progress													
19-158	G	B	transit	Public Works	July 19/19	Aug 26/19	30	disclosed in part	75	0	0	0	0	0	3	0	0	0	0	0	15
19-159	G	M	correspondence	Office of the Mayor	July 19/19			in progress													
19-160	G	IP	transit	Public Works	July 23/19			in progress													
19-161	G	B	infrastructure	Public Works	July 29/19			in progress													
19-162	G	B	infrastructure	Public Works	July 29/19			in progress													

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File #	Request Type	Requester Type	General Description	Information Requested From	Date Received	Date Completed	No. of Days to Finish	Disposition of Request	Clerk Time (Min.)	City Manager	Human Resources	Legal Services	Healthy & Safe Communities	Emergency Services	Corporate Services	Procurement	Mayors Office	Councillors	Planning Economic Development	Public Health	Public Works	
19-163	G	B	property	Planning and Economic Development; Corporate Services	July 30/19			in progress														
19-164	G	M	infrastructure	Public Works	July 31/19			in progress														
19-165	G	IP	video	Public Works	Aug 1/19			in progress														
19-166	G	IP	property	Planning & Economic Development	Aug 2/19			in progress														
19-167	G	B	purchasing	Public Works	Aug 2/19			in progress														
19-168	G	B	property	Public Works	Aug 7/19	Sept 4/19	28	available directly through City department	54	0	0	0	0	0	3	0	0	0	0	0	0	0
19-169	G	IP	policy/procedure	Office of the Mayor, Corporate Services, Hamilton Police Services	Aug 9/19			in progress														
19-170	G	B	animal	Planning & Economic Development; Healthy and Safe Communities	Aug 9/19			in progress														
19-171	G	B	animal	Planning & Economic Development; Healthy and Safe Communities	Aug 9/19	Sept 3/19	24	abandoned	32	0	0	0	0	0	3	0	0	0	0	0	0	0
19-172	G	B	property	Planning & Economic Development	Aug 12/19			in progress														
19-174	G	IP	property	Planning & Economic Development	Aug 12/19			in progress														
19-175	G	IP	data	Public Works	Aug 15/19	Sept 19/19	24	all disclosed	128	0	0	0	0	0	5	0	0	0	0	0	0	31
19-176	G	IP	property	Planning & Economic Development	Aug 16/19			in progress														
19-177	G	IP	property	Planning & Economic Development	Aug 16/19			in progress														
19-178	G	IP	property	Planning & Economic Development	Aug 19/19			in progress														

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19-179	G	B	animal	Planning & Economic Development	Aug 21/19			in progress														
19-180	G	IP	transcript	Public Works	Aug 26/19			in progress														
19-181	G	IP	transcript	Public Works	Aug 26/19			in progress														
19-182	G	B	property	Planning & Economic Development	Aug 26/19			in progress														
19-183	G	IP	video	Public Works	Aug 23/19			in progress														
19-184	G	IP	property	Planning & Economic Development	Aug 30/19			in progress														
19-185	G	B	property	Public Works; Healthy and Safe Communities; Corporate Services	Aug 30/19	Sep 27/19	28	available directly through City departments														
19-186	G	B	infrastructure	Public Works	Sept 10/19			in progress														
19-187	G	IP	procedures, petition	Planning & Economic Development, Corporate Services	Sept 11/19			in progress														
19-188	G	B	animal	Healthy and Safe Communities	Sept 18/19			in progress														
19-189	G	IP	data	Planning & Economic Development	Sept 18/19	Sept 25/19	7	no responsive records														
19-190	G	B	property	Planning & Economic Development	Sept 18/19			in progress														
19-191	G	IP	procurement	Public Works, Corporate Services	Sept 18/19			in progress														
19-192	G	M	financial	Councillor Office	Sept 19/19			in progress														
19-193	G	IP	animal	Planning & Economic Development	Sept 19/19			in progress														
19-194	G	B	property	Planning & Economic Development	Sept 20/19			in progress														

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File #	Requester Type	Requester Type	General Description	Information Requested From	Date Received	Date Completed	No. of Days to Finish	Disposition of Request	Clerk Time (Min.)	City Manager	Human Resources	Legal Services	Health & Safe Communities	Emergency Services	Corporate Services	Procurement	Mayors Office	Councillors	Planning Economic Development	Public Health	Public Works	
19-195	G	IP	video	Public Works	Sept 25/19			in progress														
19-196	G	B	property	Planning & Economic Development	Sep 25/19			in progress														
19-197	G	B	property	Planning & Economic Development	Sept 25/19			in progress														
19-198	G	B	property	Planning & Economic Development	Sept 25/19			in progress														
19-199	G	IP	property	Planning & Economic Development	Sept 26/19			in progress														
19-200	G	IP	property	Planning & Economic Development	Sept 27/19			in progress														
18-004	G	IP	water	Public Health Services	Jan 19/18	Apr 16/19	90+	disclosed in part (under appeal)	2580	0	0	0	900	0	6	0	0	0	0	0	0	0
18-019	G	B	property	Safe & Healthy Communities	Feb 9/18			in progress														
18-030	G	IP	infrastructure	Planning & Economic Development, Emergency & Community Services	Feb 20/18	Apr. 23/18	30	partial disclosure (appeal concluded Sept 30/19)	2041	0	0	0	8	0	6	0	0	0	80	0	0	6
18-042	G	IP	equipment	Public Works	Mar 7/18	May 30/19	90+	no disclosure	210	0	0	0	0	0	3	0	0	0	0	0	0	0
18-050	G	IP	maintenance	Public Works	Mar 16/18			in progress														
18-052	G	IP	animal	Planning & Economic Development	Mar 23/18			in progress														
18-053	G	IP	property	Planning & Economic Development	Mar 26/18			in progress														
18-075	G	B	property	Planning & Economic Development	April 20/18			in progress														
18-076	G	IP	property	Public Works, Councillor Office	April 25/18			in progress														
18-082	G	B	infrastructure	Planning & Economic Development	May 15/18			in progress														
18-089	G	IP	animal	Planning & Economic Development	June 4/18			in progress														

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File #	Requester Type	Requester Type	General Description	Information Requested From	Date Received	Date Completed	No. of Days to Finish	Disposition of Request	Clerk Time (Min.)	City Manager	Human Resources	Legal Services	Healthy & Safe Communities	Emergency Services	Corporate Services	Procurement	Mayors Office	Councillors	Planning Economic Development	Public Health	Public Works
18-090	G	IP	property	Healthy and Safe Communities - Fire	June 4/18			in progress													
18-092	G	IP	property	Healthy and Safe Communities - Fire	June 4/18			in progress													
18-111	G	IA	animal	Planning & Economic Development	June 28/18	Aug 1/18	30	abandoned	78	0	0	0	0	0	3	0	0	0	23	0	0
18-115	G	IP	property	Healthy and Safe Communities	July 12/18			in progress													
18-118	G	IP	property	Planning & Economic Development	July 13/18			in progress													
18-123	G	B	property	Planning & Economic Development, Corporate Services	July 18/18			in progress													
18-124	G	IA	property	Public Works	July 23/18			in progress													
18-132	G	B	contracts	Corporate Services	Aug 3/18			in progress													
18-133	G	IA	property	Safe and Healthy Communities	Aug 3/18			in progress													
18-135	G	IP	property	Planning & Economic Development	Aug 3/18	Jan 18/19	60+	disclosed in part (under appeal)	1306	0	0	0	0	0	13	0	0	0	145	0	0
18-139	G	IA	law enforcement	Planning & Economic Development	Aug 13/18			in progress													
18-140	G	IP	property	Planning & Economic Development	Aug 13/18			in progress													
18-141	G	IA	infrastructure	Public Works	Aug 16/18	July 5/19	90+	disclosed in part	188	0	0	0	0	0	3	0	0	0	0	0	35
18-142	G	IP	property	Planning & Economic Development	Aug 21/18			in progress													
18-143	G	IP	property	Corporate Services	Aug 24/18			in progress													
18-151	G	B	property	Planning & Economic Development	Aug 27/18			in progress													

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18-154	G	B	property	Planning & Economic Development	Aug 29/18			in progress													
18-158	G	B	property	Planning & Economic Development	Sept 4/18	Feb 8/19	90 +	disclosed in part (under appeal)	730	0	0	0	0	0	6	0	0	0	270	0	0
18-159	G	IP	property	Planning & Economic Development	Sept 10/18			in progress													
18-160	G	IP	infrastructure	Public Works, Corporate Services	Sept 17/18			in progress													
18-165	G	IP	property	Planning & Economic Development	Oct 1/18			in progress													
18-168	G	IP	property	Planning & Economic Development	Oct 11/18			in progress													
18-172	G	IP	property	Planning & Economic Development	Oct 15/18			in progress													
18-174	G	IP	property	Planning & Economic Development	Oct 16/18			in progress													
18-175	G	IP	property	Planning & Economic Development	Oct 16/18			in progress													
18-178	G	M	services	Safe and Healthy Communities	Oct 17/18			in progress													
18-179	G	M	services	Safe and Healthy Communities	Oct 17/18			in progress													
18-186	G	B	infrastructure	Public Works	Oct 26/18			in progress													
18-189	G	M	infrastructure	Public Works	Nov 5/18	Feb 19/19	80	disclosed in part (under appeal)	1567	0	0	0	0	0	6	0	0	0	0	0	21
18-191	G	IA	property	Planning and Economic Development	Nov 7/18	Sept 9/19	90+	disclosed in part	502	0	0	0	0	0	6	0	0	0	135	0	0
18-193	G	AG	infrastructure	Public Works	Nov 8/18			in progress													
18-195	G	IP	property	Planning & Economic Development	Nov 8/18			in progress													
18-199	G	B	property	Planning & Economic Development	Nov 15/18	July 17/19	90+	disclosed in part	215	0	0	0	0	0	6	0	0	0	65	0	0

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18-200	G	IA	infrastructure	Public Works	Nov 16/18			in progress														
18-208	G	IP	property	Safe and Healthy Communities	Dec 5/18			in progress														
18-213	G	B	property	Planning and Economic Development	Dec 11/18			in progress														
18-222	G	IP	tenders	Corporate Services/Public Works	Dec 19/18			in progress														
18-223	G	IP	animal	Planning and Economic Development	Dec 19/18			in progress														
18-224	G	IP	animal	Safe and Health Communities	Dec 19/18			in progress														
17-005	G	IP	animal	Planning & Economic Development	Jan 11/17			in progress														
17-008	G	IA	roads	Public Works	Jan 20/17			in progress														
17-021	G	B	parks	Public Works	Feb 8/17			in progress														
17-064	G	IP	property, alley	Planning & Economic Development, Public Works, City Manager Office, Office of Councillor Vanderbeek	April 12/17			in progress														
17-066	G	IP	infrastructure	Public Works, Public Health Services, City Manager Office, Office of Councillor Vanderbeek	April 12/17			in progress														
17-067	G	IP	infrastructure	Planning & Economic Development, Public Works, City Manager Office, Office of Councillor Vanderbeek	April 12/17			in progress														
17-068	G	IP	infrastructure	Public Works	April 12/17			in progress														
17-069	G	IP	procurement	Pulic Works	April 12/17			in progress														

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17-070	G	IP	procurement	Public Works	April 12/17			in progress														
17-083	G	IP	correspondence	Planning & Economic Development	May 8/17			in progress														
17-087	G	AG	financial	Corporate Services	May 12/17			in progress														
17-088	G	AG	financial	Corporate Services	May 12/17			in progress														
17-089	G	AG	financial	Corporate Services	May 12/17			in progress														
17-092	G	B	infrastructure	Planning & Economic Development	May 15/17			in progress														
17-104	G	IA	animal	Planning & Economic Development	June 15/17			in progress														
17-105	G	B	property	Planning & Economic Development	June 16/17			in progress														
17-114	G	IP	traffic	Public Works	July 25/17			in progress														
17-115	G	IP	infrastructure	Public Works	July 25/17			in progress														
17-121	G	M	Financial	Corporate Services	Aug 4/17			in progress														
17-122	G	IP	enforcement	Office Councillor Whitehead, Public Works	Aug 4/17	Oct. 3/17	56	partial disclosure (under appeal)	945	0	0	0	0	0	17	0	0	21	9	0	0	
17-126	G	IP	financial	Community & Emergency Services	Aug 14/17			in progress														
17-127	G	IP	contract	Public Works	Aug 14/17			in progress														
17-133	G	IP	property	Community & Emergency Services, Planning & Economic Development	Aug 28/17			in progress														
17-134	G	IA	property	Planning & Economic Development	Aug 28/17			in progress														
17-136	G	IP	animal	Planning & Economic Development	Aug 31/17			in progress														

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File #	Request Type	Requester Type	General Description	Information Requested From	Date Received	Date Completed	No. of Days to Finish	Disposition of Request	Clerk Time (Min.)	City Manager	Human Resources	Legal Services	Health & Safe Communities	Emergency Services	Corporate Services	Procurement	Mayors Office	Councillors	Planning Economic Development	Public Health	Public Works
17-138	G	B	financial	Public Works	Aug 28/17			in progress													
17-142	G	B	property	Planning & Economic Development, Public Works, Corporate Services	Sept 12/17			in progress													
17-146	G	IP	property	Public Health Services, Planning & Economic Development	Sept 13/17			in progress													
17-152	G	B	property	Public Works	Sept 18/17			in progress													
17-153	G	B	property	Public Health Services	Sept 19/17			in progress													
17-161	G	IA	property	Community and Emergency Services, Planning & Economic Development	Sept 27/17			in progress													
17-162	G	B	property	Planning & Economic Development	Sept 28/17			in progress													
17-163	G	IP	financial	Corporate Services, Public Works	Sept 28/17			in progress													
17-170	G	IA	infrastructure	Public Works	Oct 5/17			in progress													
17-177	G	IA	traffic	Public Works	Oct 27/17	Apr 12/19	90+	disclosed in part	252	0	0	0	0	0	6	0	0	0	0	0	120
17-181	G	IP	property	Community & Emergency Services, Planning & Economic Development	Nov 6/17	Sept. 6/19	90+	disclosed in part	806	0	0	0	0	40	25	0	0	0	90	0	0
17-182	G	IP	property	Community & Emergency Services, Planning & Economic Development	Nov 6/17			in progress													
17-212	G	B	data	Public Works	Dec 1/17			in progress													
17-216	G	IP	property	Public Health Services, Planning & Economic Development	Dec 11/17			in progress													

Legend:

IP - Individual/Public

B - Business

AR - Academic/Researcher

IA - Individual by Agent

M - Media

AG - Association/Group

File #	Request Type	Requester Type	General Description	Information Requested From	Date Received	Date Completed	No. of Days to Finish	Disposition of Request	Clerk Time (Min.)	City Manager	Human Resources	Legal Services	Healthy & Safe Communities	Emergency Services	Corporate Services	Procurement	Mayors Office	Councillors	Planning Economic Development	Public Health	Public Works	
17-218	G	IP	video	Public Works	Dec 19/17			in progress														
17-220	G	IP	inspection	Public Health Services	Dec 22/17			in progress														
16-015	G	IA	property	Planning & Economic Development	Jan 18/16			in progress														
16-063	G	IP	property	Planning & Economic Development	Mar 14/16			in progress														
16-090	G	B	enforcement	Public Health Services	May 5/16			in progress														
16-124	G	B	property	Planning & Economic Development, Community & Emergency Services, Public Works, Office of the City Clerk (Records)	July 8/16			in progress														
16-196	G	B	procurement	Corporate Services	Nov 1/16			in progress														
16-207	G	B	property	Community and Emergency Services	Nov 24/16			in progress														
15-104	G	B	environment	Public Works	Jun 29/15			in progress	565	0	0	0	0	0	3	0	0	0	0	0	0	0
15-176	G	B	property	Planning & Economic Development	Oct 19/15			in progress	369	0	0	0	0	0	3	0	0	0	1168	0	0	0

Legend:

IP - Individual/Public

B - Business

AR - Academic/Researcher

IA - Individual by Agent

M - Media

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Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 5, 2019
SUBJECT/REPORT NO:	Audit and Accountability Fund Third Party Reviewer's Report (FCS19059(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	John Savoia (905) 546-2424 Ext. 7298
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

N/A

INFORMATION

Council, at its June 12, 2019 meeting, directed staff to provide options for potential application to the Audit and Accountability Fund (Fund), that fall within the criteria of the program guidelines, with an associated cost of up to \$250 K.

The Province announced, on May 21, 2019, the creation of the \$7.35 M Fund for large urban municipalities and school boards in Ontario “to help municipalities become more efficient and modernize service delivery while protecting front line jobs.” The Fund is a conditional grant program available to 39 large urban municipalities and 10 school boards across the province.

To be eligible for this funding, the Province expects a review of municipal expenditures to find efficiencies. The Province has outlined three forms a review project could take including:

- A line-by-line review of the municipality’s entire budget;
- A review of service delivery and modernization opportunities;
- A review of administrative processes to reduce costs.

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**SUBJECT: Audit and Accountability Fund Third Party Reviewer's Report
(FCS19059(b)) (City Wide) - Page 2 of 2**

Given the parameters / options of the program, on June 26, 2019, Council approved that the City explore an Expression of Interest under “a review of service delivery and modernization opportunities” stream specifically, a third-party review of the City’s use of external consultants and contractors.

On August 8, 2019, the City was notified that it will receive funding of up to \$250 K towards the Review of Use of External Contractors and Consultants (refer to Appendix “C” to Report FCS19059(a)).

The Review examined feasible and innovative service delivery options where external consultants and contractors are utilized extensively. The Review focused on the overall service performance in relation to approved service standards. The outcome of the Review identifies sustainable long-term service delivery efficiencies and associated cost savings.

The reporting requirement of this Fund is extremely short with a final report by the third party to be posted publicly by November 30, 2019 and therefore, the City single sourced a third-party consultant to complete this work to meet the provincial timelines. BMA Management Consulting Inc. (BMA) was engaged to conduct the Review.

The Review consisted of three areas of focus:

- Review of reliance of consultants for Development Charges (DC) studies
- Review reliance on Contractors Maintenance on the City’s Water Distribution System
- Review use of consultants to perform various studies involved with Transportation Modelling

On September 26, 2019, the Province provided a deadline extension whereby the City must publicly post the consultant’s final report with specific and actionable recommendations for cost-savings by December 31, 2019. The City is required to submit a draft report to the Ministry of Municipal Affairs and Housing by November 30, 2019.

Jim Bruzzese, President of BMA will present the Review findings to the Audit, Finance and Administration Committee on December 5, 2019.

APPENDICES AND SCHEDULES ATTACHED

N/A

JS/dt



City of Hamilton

Audit and Accountability Reviews

Prepared by:

BMA

Management Consulting Inc.

Audit & Accountability Fund – Provincially Funded Third-Party Reports

To engage in a third-party review to help municipalities become more efficient and modernize service delivery



The City's focus is to review the use of external resources with the objective of reducing external resource costs and bringing expertise in-house.

Three Areas Selected by the City

Transportation Modelling



Water Distribution Asset Maintenance

Development Charges Support

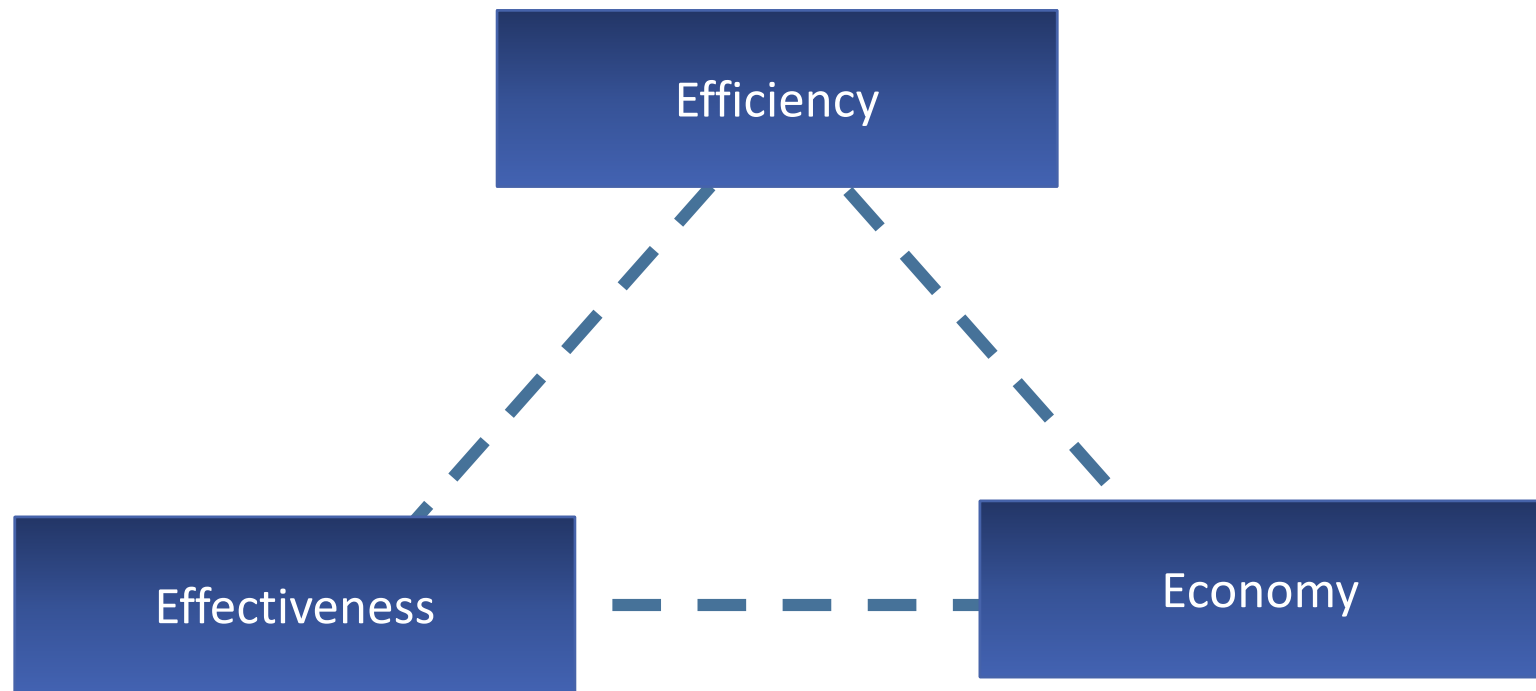


Approach

- Review background information for each program area of focus;
- Interviews with staff;
- Review other municipal best practices;
- Undertake analysis and rationale;
- Analyze key issues
- Make recommendations

Highlights from Performance Audit of External Consultants

- Recommendation - senior leadership team identify opportunities for insourcing and cost savings using the following criteria.



Transportation Modelling



Highlights from City in Motion Master Plan Review

- The report noted the following actions items with respect to transportation modelling:

- ***Create in-house transportation modelling and data analysis capacity*** to support transportation decision and planning needs, and the monitoring of TMP outcomes.
- Update the City's travel demand forecast to reflect the updates from the revised Growth-Related Integrated Development Strategy (GRIDS).

Analysis

In-House Advantages:

- ✓ Efficiency opportunities
- ✓ Service is ongoing in nature
- ✓ Strong preference to have the ability to readily and efficiently respond to changes in assumptions, run alternative scenarios and identify the impact of new studies on transportation management decision-making
- ✓ Build inhouse capacity
- ✓ More timely responses
- ✓ External costs can be mitigated fully, or in part, by the availability of internal resources

Financial Analysis

Contracted Service

- 2021-2025 Capital Budget identified between \$175,000 to \$200,000 annually in Transportation Modelling costs for outside consultants

In-House Resources

- An in-house resource with an estimated salary of approximately \$111,000 could update the model and run scenarios

Projected Annual Savings

Range of \$64,000-\$89,000. This position would also be responsible for monitoring and maintaining the model

Leading Practices - Transportation Modelling

- Single tier and regional municipalities with a population greater than 250,000 in the GTHA were contacted
- The municipalities that responded have internal transportation modelling resources:

Durham Region – 1 FTE

Peel Region – 3 FTEs

City of Brampton – 1 FTE

City of Mississauga – 1 FTE

City of Vaughan – 1 FTE

Summary of Benefits

- **Reduced reliance on external resources, a savings of approximately \$64,000 - \$89,000 annually**
- Respond to staff and Council inquires in a more timely manner
- Work more closely with the respective departments to make modifications and run alternative scenarios and sensitivity analysis
- Improved quality control
- Assist the management of development reviews within the transportation network based on proposed Zoning and Official Plan amendments
- Retain knowledgeable staff that can more quickly respond to changes in strategic directions

Recommendation

- **City hire a Transportation Planning Technologist position with an anticipated cost savings of approximately \$64,000 - \$89,000 by decreasing or eliminating the need for external consultants.**

Development Charges Support Review



Background

- Development Charges (DCs) are a critical source of revenue used to finance growth-related capital infrastructure
- The completion of the DC Background Study is almost exclusively undertaken by external consultants
- Preparation of the DC Background Study was determined by management as an opportunity for efficiencies and program enhancements to improve information available to Council on a timely basis, specifically related to future policy setting and the impact of Bill 108

New Legislative Requirements – Bill 108

- Bill 108, the More Homes, More Choice Act - Royal Assent June 2019
- The new Act makes significant changes to the Development Charges Act (DCA) and also introduces a new Community Benefit Charge (CBC).
- Soft Services
 - Soft services will no longer be eligible service under the DCA, commencing in January 2021
 - May be eligible for inclusion in a Community Benefit Charge By-law
- The amount charged will be capped in accordance with the legislation as a percentage of land values
- CBC eligible services will be determined in regulation which have yet to be released
- CBC requires development of a strategy, identification of the facilities, services and matters that will be funded

New Legislative Requirements – Bill 108

- The new CBC legislation will increase workloads and require additional resources to:
 - Evaluate the approach to these studies
 - Collect background data including property value information
 - Identification of the facilities, services that will be funded
 - Carry out the study
 - Undertake a public process
 - Prepare a by-law
 - Transition from DCs to CBC's will need to be carefully monitored
- The City has limited staff resources to undertake such analysis
- The transition of winding down the soft services from the DC By-law to a CBC By-law will need to be carefully monitored and the options for the City will need to be assessed



Analysis

- Opportunities to better support Council-policy decision making
- Early identification and vetting of key policy matters is critical because implementation and associated adjustments can be difficult if introduced towards the end of the process
- An In-house Senior Financial Analyst would provide an additional internal resource to help develop and analyze various policy decisions and ongoing support at a lower cost
 - Position could also be used to undertake certain activities required for the DC Background Study and the CBC study

Analysis - Efficiency

- DC Background Study and development charge policies and opinions in 2018 to Sept 2019 was \$687,000:
 - \$613,000 - DC Background Study
 - \$74,000 - DC opinions
- Minimum charge-out rates by the external consulting services for an Analyst position is \$120/hour
 - In excess of 850 hours for the consulting Analyst in last study - \$100,000+
 - Hourly rate of a Senior Financial Analyst at the City, taking into consideration benefits and chargeable hours is 30%-40% lower
 - CBC report will increase workloads and consultation efforts

Summary of Benefits - Effectiveness

- Assist in stakeholder engagement
- Impact analysis to respond to changes to the legislation and regulations and the impact to stakeholders on a more efficient and timelier basis
- Assist in the preparation of the CBC Study
- Undertake background research and impact analysis
- Could potentially reduce the cost of outside consultants
- External consultant liaison and contract oversight
- In-house expertise

Recommendation

- That the City consider the hiring of a Senior Financial Analyst to potentially reduce the cost of outside consultants in the preparation of the DC Background Study and the CBC Study subject to additional clarity once the new regulations are enacted.

Water Distribution Asset Maintenance Review



Background

- Objective - Review options of a mixed service delivery model by employing an additional crew for sub-standard water services (lead replacement)
- Replacing the City's portion of the line is done exclusively by outside contractors at a cost of approximately \$4.1 million
- City currently has 4 in-house crews for services such as fire hydrant replacement, watermain breaks, valve installations, water service line replacements
- Approximately 20,000 homes have been identified with lead water services
- On average, approximately 700 of these houses per year are replacing the water service line

Analysis

- Direct and indirect costs:
 - Internal direct costs include salaries, wages, equipment and supplies.
 - The indirect costs include training and meeting allowance (cell, phone, computer, etc.).
 - Yard facilities and supervisory staff have the capacity to oversee and accommodate the human and equipment resources
- Assumption: Based on available hours and assuming it takes four hours to complete, it is estimated that a City crew can complete approximately 343 sub-service water services/yr

Staffing for an additional crew

New Staff Position
Backhoe Operator
Water Distributor Operator
Truck Driver
Labourer/Truck Driver

Equipment needed

Equipment
Backhoe
Float
2 Trucks

Comparison

In-house	Cost Per Job
Salaries, Wages, Benefits per Job	\$ 947
Vehicles	\$ 355
New Vehicle Amortization	\$ 205
Materials	\$ 450
Other Costs	\$ 222
Soil Disposal	\$ 60
Final Restoration	\$ 1,800
Total	\$ 4,039

Assumptions

4 hours per job on average

\$600,000 in equipment expenses, amortized over 10 years at 3%

Other costs includes tool charge out costs, staffing ancillary costs

Soil disposal of 5 tonnes

Final restoration costs have been assumed to be the same under both scenarios

Contract	Cost Per Job
Salaries, Wages, Benefits per Job - City	\$ 322
Vehicles - City Inspector	\$ 38
Contract Costs	\$ 3,685
Final Restoration	\$ 1,800
Total	\$ 5,845

Assumptions

Salaries, Wages, Benefits is for City inspector

Vehicle charge out rate related to Inspector

Contracts Costs is average per job - actuals

Soil disposal is included in the contract costs

Final restoration costs have been assumed to be the same under both scenarios

Cost Comparative Analysis and Potential Savings

Comparative Analysis	Contracted Service	In-house	Total
<u>Existing</u>			
# of Substandard jobs completed annually	700		700
Avg Cost per Unit	\$ 5,845		
Estimated Cost of Service	\$ 4,091,842		\$ 4,091,842
<u>Mix of Inhouse Crew and Contract</u>			
# of Substandard jobs completed annually	357	343	700
Avg Cost per Unit	\$ 5,845	\$ 4,039	
Estimated Cost of Service	\$ 2,086,839	\$ 1,385,499	\$ 3,472,338
Estimated Annual Savings			(\$619,504)

Summary of Benefits

Savings of approximately \$ 620,000 annually

Having a combination of internal and external resources allows for more timely response to substandard water service requests

Should the need arise, the new crew provides the City with additional flexibility to address emergency watermain breaks

A combination of internal and contracted services would allow the City to continually monitor the costs of associated with insourcing and outsourcing

Recommendations

- **Employ a hybrid of in-house and contract services for the Substandard Water Program. Results of the financial analysis reflect a significant savings by adding a new City crew to undertake approximately 50% of the Substandard Water Program replacements.**

- **Continue to monitor costs of in-house versus outside contractors for substandard watermain replacement to determine the optimum mix.**



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Human Resources Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 5, 2019
SUBJECT/REPORT NO:	Hamilton Anti-Racism Resource Centre Update (HUR18010(c)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Jodi Koch (905) 546-2424 Ext. 3003
SUBMITTED BY:	Lora Fontana Executive Director Human Resources
SIGNATURE:	

Discussion of this Confidential Appendix "E" to this Report in Closed Session is subject to the following requirement(s) of the City of Hamilton's Procedural By-law and the *Ontario Municipal Act, 2001*:

- Litigation or potential litigation, including matters before administrative tribunals, affecting the City
- Advice that is subject to solicitor-client privilege, including communications necessary for that purpose

RECOMMENDATION(S)

- (a) That the City of Hamilton assume full responsibility for the interim operation of a modified model of the Hamilton Anti-Racism Resource Centre (HARRC) for a period of 6-12 months to allow for the following to occur:
- (i) An interim operating model consisting of an active website presence, online reporting, phone reporting, and referral service to existing local service providers be developed by staff in Human Resources Talent and Diversity Team no later than the end of February 2020;

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**SUBJECT: Hamilton Anti-Racism Resource Centre Update
(HUR18010(c)) (City Wide)**

Page 2 of 14

- (ii) Staff establish an Independent Board of Directors to have governance and operational oversight of HARRC;
 - (iii) Staff continue to seek input from the community to continue to understand current needs and issues; and,
 - (iv) Staff to establish appropriate governance model and related Terms of Reference to operate HARRC once the Independent Board of Directors is established;
- (b) That the existing funding agreement between the partners McMaster University, Hamilton Centre for Civic Inclusion and the City of Hamilton be dissolved, and the outstanding funds held by McMaster University of approximately \$50,000 be returned to the City of Hamilton;
 - (c) That the Mayor and City Clerk be authorized and directed to execute any documents required to implement subsections (a) and (b), with content acceptable to the and in a form satisfactory to the City Solicitor;
 - (d) That the City continues to fund HARRC as per the original commitment of \$100,000/year from the Tax Stabilization Fund Reserve Account 58300 110046 for the remainder of the three-year pilot project (26 months remaining);
 - (e) That City staff report back to Committee and Council to provide a status update in June 2020; and,
 - (f) That Appendix E to Report HUR18010(c) remain confidential.

EXECUTIVE SUMMARY

The purpose of this report is to obtain Committee and Council's support for the proposed re-opening and resumption of funding for the Hamilton Anti-Racism Resource Centre (HARRC).

As the first Anti-Racism Resource Centre in Canada, it was not unexpected that there would be some challenges. After a period of nine months, it became evident that there were some adjustments required in order to ensure that HARRC effectively met the needs of the community.

Therefore, representatives of McMaster, HCCI and the City who participate on an Oversight Committee for the HARRC pilot project met and agreed to recommend to their respective organizations that their respective contributions under the Funding Agreement be suspended for a period of 6 – 12 months. The decision to pause was made by mutual agreement by all three parties. A joint media release was made by the parties to this effect on February 14, 2019. (**Appendix A to Report HUR1810(c)**)

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**SUBJECT: Hamilton Anti-Racism Resource Centre Update
(HUR18010(c)) (City Wide)**

Page 3 of 14

City staff recognized the need to engage with the community to better understand the needs and issues relating to racism in Hamilton in order to ensure the re-envisioned Centre would meet expectations. Staff undertook a four-phase engagement strategy which included key stakeholder meetings, attendance at various community festivals and events, an extensive online survey and in-person focus groups to gather inputs in a variety of manners.

The online survey revealed several key messages including many individuals were not aware of the Centre (45%) or only learned of it once it closed (13%). It also supported that the community needs were relating to referral services, onsite counselling, data collection, and legal support. Furthermore, it showed that citizens would be more likely to report using online tools for both reporting experiences with racism (65%) or witnessing racism (78%). Sixty-seven percent of respondents also stated that the City should not run the Centre, but they were mixed on the preferred operating model. As a result, this was the issue discussed in greater detail at the focus group sessions.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The City of Hamilton continues to contribute \$100,000 per year for a three-year pilot program. The City has already made three payments of \$50,000 and will expect to receive the outstanding monies of approximately \$50,000 returned to the City by McMaster University upon dissolution of the original Funding Agreement towards the 2020 annual funding contribution by the City.

Human Resources Talent and Diversity team has spent \$21,000 in events and festivals and their staff spent over 300 hours engaged in various community engagement initiatives relating to HARRC from June to September 2019.

Staffing: Staff will need to be hired by HARRC once the Independent Board of Directors is established. In the meantime, City staff in existing roles will support HARRC in the proposed interim period.

Although the City of Hamilton receives no recognition for in-kind services as part of the original Funding Agreement, HR Diversity and Inclusion staff have supported the number of issues encountered. It is expected that continued support and assistance will be required until such time the Independent Board of Directors and appropriate staffing are in place.

Legal: Please refer to **Appendix E to Report HUR18010(c)** separate confidential legal considerations.

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HISTORICAL BACKGROUND

The proposal for an Anti-Racism Resource Centre resulted from the work conducted by the City of Hamilton's Committee Against Racism (CAR) Volunteer Advisory Committee. The idea for HARRC first came during a symposium hosted by CAR in 2003. Subsequent symposiums held in 2006 and 2010 further reinforced the belief that a resource centre would be beneficial for the City of Hamilton. In 2012, City Council approved a feasibility study regarding the establishment of such a resource centre. These findings were then presented by CAR to City Council in February 2014. It was at this time Council requested staff to investigate the possibility to liaise with the Hamilton Centre for Civic Inclusion and to examine scope and funding of work between CAR and HCCI.

The feasibility study resulted in a proposal to City Council in November 2015 which included a three-party joint venture as follows:

1. City of Hamilton to provide \$100,000 annually for three years
2. McMaster University to provide \$70,000 annually for three years comprised of \$30,000 in cash and \$40,000 in kind contribution (including administration and hire and manage staff)
3. Hamilton Centre for Civic Inclusion to provide \$30,000 in kind contribution (including providing a downtown office location including administrative support) annually for three years

On November 25, 2015, City Council approved funding in the amount of \$300,000 over a three-year period to support a joint project with McMaster University ("McMaster") and Hamilton Centre of Civic Inclusion ("HCCI") to create an Anti-Racism Resource Centre in order to:

- (a) Address issues of racism, discrimination and oppression within the City of Hamilton;
- (b) Provide resources for community involvement towards making Hamilton a more inclusive city;
- (c) Conduct research and data analysis of complaints of racism; and
- (d) Demonstrate leadership to promote a sense of belonging for racialized people in Hamilton where individuals impacted by racism and other forms of race-related oppression can access information, support and resources.

The Funding Agreement to establish the Hamilton Anti-Racism Resource Centre ("HARRC") was entered into between the City, McMaster, and HCCI effective August 2, 2017. The Hamilton Anti-Racism Resource Centre officially opened on April 4, 2018. A series of milestones were included in the Funding Agreement to provide clarity on expectations and delivery commitments placed upon the parties.

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In order to carry out the project, the parties agreed to form an Oversight Committee comprised of equal representation from the City of Hamilton, McMaster University and HCCI to provide support and advice to the Anti-Racism Resource Centre Project and acts as a forum to resolve any potential issues and concerns. The Oversight Committee was also responsible for monitoring the achievement of milestones as outlined in the HARRC Funding Agreement.

HARRC also had a Project Steering Committee which existed to provide direction and implementation advice to the Oversight Committee and staff. Community members were appointed to the HARRC Steering Committee in July 2018 and onboarding occurred in November 2018. A HARRC Steering Committee Chair was appointed in December 2018 and later resigned in January 2019.

The HARRC was staffed by one individual employed by and reporting solely to McMaster University, Director of Human Rights and Dispute Resolution, Equity and Inclusion Office. The HARRC Program Manager was responsible for delivering reports to the Oversight Committee, City Council, CAR and other agencies. He was also responsible for an annual report to the City of Hamilton and an annual discussion forum between relevant stakeholders. The Program Manager was employed solely by McMaster University and McMaster was responsible for all aspects of his employment including, but not limited to, payroll, benefits, and performance management.

The Human Resources Diversity and Inclusion Office was responsible for submitting quarterly and annual reports to CAR and to make regular presentations to Council as requested on the status of the project or any other matter relating to the funding or Funding Agreement between the parties. An Information Report on HARRC was presented by staff to Council on March 26, 2018, just prior to the official opening of HARRC. The Hamilton Anti-Racism Resource Centre held its official launch on the evening of Wednesday, April 4, 2018. Subsequent reports were made to Council on June 11, 2018, during in camera sessions on February 7, 2019 and February 13, 2019, and as part of the annual Diversity and Inclusion Strategic Plan Update to Council on July 11, 2019.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The City of Hamilton has a legislative obligation to ensure that we act and deliver services in compliance with the *Ontario Human Rights Code*. This requires the corporation to ensure that discrimination against people based on the protected grounds in protected social areas, is prohibited. Protected grounds include age; ancestry, colour, race; citizenship; ethnic origin; place of origin; creed; disability; family status; marital status; receipt of public assistance (in housing only); sex; sexual orientation; and gender identity and gender expression.

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HARRC was intended to gather information regarding racism related issues occurring in Hamilton in order to better inform Council on community issues and concerns so that we can strive to eliminate racism and racism related issues in our City.

The City of Hamilton recognizes the importance of diversity and inclusion to its present and future success as a place to live, work and play.

RELEVANT CONSULTATION

HARRC Funding Agreement partners - Ongoing consultation has taken place between the HARRC Funding Agreement partners (City of Hamilton, McMaster University and HCCI) and the Committee Against Racism Chairperson and Committee throughout this process.

Community Stakeholders – Almost immediately upon the announcement of the pause, it became apparent that the community expected the City to take on a leadership role in resolving the issues affecting HARRC. As a result, the Human Resources Talent and Diversity staff developed and implemented a four-phase plan to communicate with the community in a meaningful manner and provide opportunities for citizen engagement throughout the process. These phases are as follows:

- Phase 1** – Respond to requests to meet and stakeholder meetings – May 2019
- Phase 2** – Festival and Event Information Displays (June to September 2019)
- Phase 3** – Broader community engagement (June to September 2019)
 - a) Creation of City of Hamilton Anti-Racism website
 - b) Online Survey
- Phase 4** – Community Forum to share feedback (October 29, 2019)

The purpose of attendance at community events and festivals was to ensure a meaningful in-person presence where community groups gathered. The goal was to promote awareness of and encourage participation in the survey by groups experiencing racism. Careful consideration was given on how to best engage citizens visiting the information booth by having small giveaways, a daily draw for a City Prize Pack, information on career and volunteer opportunities and postcards providing details on the HARRC website and survey links. The team also collected contact information to develop a database for ongoing communications. All information gathered was shared with the community at a public engagement session held on October 29, 2019. (**Appendix B to Report HUR18010(c)**)

By utilizing a variety of communication techniques (small focus groups, presentations, one to one conversations, and online survey) the team strived to provide a multitude of options to meet citizens where they are and provide a meaningful opportunity to have their experiences heard.

Additionally, the development of the contact list of over 400 citizens has been extremely helpful in keeping community members apprised of developments and events relating to HARRC to maximize the opportunity for participation.

The HARRC Survey captured a total of 575 individual responses and was successful in reaching higher proportions of its intended target populations. The purposeful survey promotion was able to reach a higher proportion of people who are most likely to experience racism including people who identify as Indigenous and as members of a racialized group. Estimates of these populations locally are 2.3% (note: as per the Aboriginal identity result from Statistics Canada 2016 Census; known under-estimation) and 19% (note: as per the Visible minority result from Statistics Canada 2016 Census) versus a survey sample of 8% and 46% respectively. While it would be fair to say that this influences the representativeness of the sample and introduces bias, these are traditionally difficult to reach and underrepresented populations in survey research adding some credibility to results particularly about racism discrimination experiences. The Phase Two work of the community engagement plan which included attendance at community cultural festivals and events throughout June to September 2019 is a likely contributor to the survey participation rate for groups that are traditionally underrepresented in such surveys.

Subgroup analysis reveals that participants who self-identify as non-Indigenous and not being a member of a racialized group also believe that racism is an issue and similar proportions report witnessing racism in the community. The analysis of the subgroups controls for the influence of the overrepresentation of some groups in the sample. While they differ on their experiences of racial discrimination, the majority of both members of racialized groups and non-members, report that racism is an issue (~80%), report that they have witnessed racism (~75%) and have witnessed racism in public spaces (~65%).
(Appendix C to Report HUR18010(c))

HARRC Survey results are similar to national assessments of the experiences of racism in Canada. Approximately 6% of Canadians report experiencing racial discrimination in their lifetime¹. The survey sample identified 4% of the respondents personally reporting the experience of racism.

¹ Godley, Jenny. (2018). Everyday discrimination in Canada: Prevalence and patterns. Canadian Journal of Sociology. 43. 111-142.)

Overwhelmingly, the thousands of citizens we personally spoke to during our community engagement this summer antidotally supported the survey findings by sharing their own lived experiences or what they had witnessed. Of all the individuals we met, virtually all were supportive of the Centre and expressed that it was important this type of work be done to improve our City if we truly wish to achieve our vision of being the best place to raise a child and age successfully. It was also interesting to note how few citizens were aware of HARRC while it was operating as the survey demonstrated 45% of the participants had not ever heard of the Centre while another 13% only heard about it after it was paused.

Corporate Services – Legal and Risk Management Services

Legal Services have been consulted on the dissolution of the existing Funding Agreement. (**Appendix E to Report HUR18010(c)**). Financial Services have been consulted on the forecasted return of funds from McMaster University.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The recommendations have been developed after a thorough and careful review of the effectiveness of the Hamilton Anti-Racism Resource Centre and intended the objectives. All funding partners agreed that the original operating and personnel situation was not likely to result in favourable results. Therefore, the staff recommendations contained in this report are seen as the best way to support the desired success of the HARRC pilot project.

As part of the comprehensive approach to reviewing the effectiveness and direction of HARRC, a survey was designed and made available online through the City's Anti-Racism webpage. The survey was advertised through a variety of local media including community newspapers across the City, Farmers' Market billboards, press releases, social media including Twitter and LinkedIn, as well as through in-person interactions at festivals and events from June to September.

The following is a summary of 575 respondent's perceptions and experiences of racism in Hamilton.

- The majority (82%) of respondents believe that racism is an issue in the City of Hamilton.
- The majority (79%) of respondents have personally experienced and/or witnessed racism or racism related issues in the past year.
- The experiences with racism, whether personally experienced or witnessed, was most often identified to have occurred more than once in the past year.

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- The most common location where respondents personally experienced or witnessed racism was in public spaces.
- Respondents who witnessed racism or racism related issues were more likely to report the issue to HARRC compared to respondents who personally experienced racism or racism related issues.
- Respondents would most likely report racism they personally experienced or witnessed online.

The following is a summary of respondent's expectations of the Hamilton Anti-Racism Resource Centre (HARRC):

- Approximately 45% of respondents have never heard of the Hamilton Anti-Racism Resource Centre (HARRC). An additional 13% only heard about HARRC once it was paused.
- Respondents indicate that the HARRC should provide referral services to other service providers (79%), onsite counselling (77%), data collection (75%) and legal support (71%).
- Respondents indicate that the ideal location for HARRC should be in the downtown core (52%), in rotating locations (48%) and on a public transit line (36%).
- The HARRC operating model respondents most commonly identify as ideal is one that is not operated by the City and either housed with other community services or in a stand-alone facility.
- The majority of respondents indicate that the HARRC should be open Monday to Friday daytime and/or open for extended evening hours.

Some key messages that were heard consistently were the need to expedite the re-opening of HARRC and for the City to provide the necessary financial resources to do so. While there were a variety of reasons expressed why most citizens (67%) do not want the City to operate the Centre, it was clear there is an expectation that the City is best positioned to fund this work. The reasons expressed as to why the City should not operate HARRC included a lack of trust, too much bureaucracy, too expensive for tax payers, and structural and systemic institutional racism.

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The survey indicated that the community was quite divided on the other operating models. As a result, this was the focus of the in-person community engagement breakout sessions. The focus group work indicated that upon further review, the Independent Board of Directors appeared most desirable.

While significant consideration was given to this feedback, the option to have the City operate a transitional model appears to be the only feasible and timely option readily available. The interim model would consist of online and phone reporting with City staff connecting interested parties with referrals to other local agencies to provide counselling, legal and other services. The City would continue to collect data during this interim period as well as continue to build a community contact list which would be provided to the newly formed Board of Directors once implemented. This approach would fulfil many of the community's requirements of the Centre while building the foundation for the Independent Board of Directors model through data collection, contact list development, and continued community engagement during the transition period.

To delay the re-opening of HARRC until an Independent Board of Directors would result in failing to achieve the promised timeline of a maximum of 12 month pause and would deprive citizens from having a critical resource in the interim. It was not deemed feasible that an Independent Board of Directors could be created in the remaining three-month period prior to February 2020.

Any of the other options would require significant time periods to establish the necessary framework and funding agreements. It should be noted that the original pilot project funding was approved in 2015 and the actual Funding Agreement was not signed by all parties until August 2017.

Should the recommendations contained in this report not be approved, there is a very real risk that the community would suffer negative implications as a result of not having the necessary resources and support available in dealing with racism issues.

ALTERNATIVES FOR CONSIDERATION

The Operating Models provided were developed as a result of reviewing the HARRC survey data in an effort to guide the community engagement discussions. The goal was to have community input on the advantages and disadvantages of each model, along with concrete and specific recommendations on the implementation plan considering the personnel, financial, legal, and physical space requirements. The preliminary survey data was shared with the Committee Against Racism Volunteer Advisory Committee members who developed and suggested the first three options. The survey information was also shared with the existing partners on the Oversight Committee from McMaster University and Hamilton Centre for Civic Inclusion. The fourth option was proposed as a result. While there may be multiple other options available, these four options were deemed to

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be the most feasible by those familiar with the experiences and lessons learned during the first ten months of operation.

The Focus Groups were co-facilitated by members of the Committee Against Racism Volunteer Advisory Committee and the Human Resources Talent and Diversity Staff.

These models were presented to the community during Phase 4 of the Community Engagement process. While the notion of an Independent Board of Directors clearly received the most favourable response, there was a fifth model proposed during the course of the focus group discussion. The options that were considered are as follows:

Option #1: Independent Board of Directors

This operating model would function in a similar manner to the Hamilton Conservation Authority. An Independent Board is a board that has a majority of outside directors who are not affiliated with the leaders of the organization and have minimal or no business dealings with the organization to avoid potential conflicts of interest. An Independent Board is expected to provide vigilant oversight to mitigate managerial opportunism and promote organizational value.

The purpose of an Independent Board is to ensure members are not influenced by the interests in the organization. The Independent Directors can serve as a watchdog for the organization and ensure good governance. This, in turn, can play a vital role in risk management.

While the movement to Independent Boards started in the 1980's, many not-for-profit organizations have recognized the value of Independent Board of Directors and are now also seeking similar boards.

A Board of Directors, unlike an Advisory Board or Committee, is a legal entity who are responsible to the public in not-for-profit organizations. Board members have legal and fiduciary (a position of trust or responsibility including decision-making powers relating to the affairs of an organisation) responsibilities and are bound by relevant laws and applicable organizational by-laws. Many Directors on not-for-profits are selected based on their respective profile in the community in order to raise awareness of the organization and also to facilitate fundraising efforts. This is often true even if the individual has limited knowledge of the organization's focus. This model would have staff that are hired by HARRC.

Given the absence of a transition period and the resulting delay in the re-opening of HARRC until the Independent Board of Directors was formed, this alternative is not recommended.

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Option 2: Board of Directors Functioning as a Sub Committee of CAR

This organizational operating model would function in the same manner as the Hamilton Farmer's Market. This structure would consist of an incorporated, not-for-profit corporation in accordance with the Municipal Act, City of Hamilton Act, Corporations Act, Ontario Regulation 599/06 regarding Municipal Services Corporation with the City of Hamilton as the sole shareholder.

The City of Hamilton, in this scenario, would provide the following services:

- Recruitment, retention and management of all HARRC employees
- Health and Safety advice
- Payroll and Benefit Administration
- Return to Work services
- Employee file retention and maintenance

The Board would be comprised typically of between 7 to 13 members who are selected and appointed by the City of Hamilton. The Board would be comprised of Directors appointed from members of City Council and Directors from the private sector which could include members of HARRC staff and members of the community at large. HARRC staff would be employed through the City of Hamilton.

Due to the community feedback both through the survey as well as the focus groups, this option is not recommended. It was perceived by the community that the City of Hamilton would be too involved operationally and that the Volunteer Advisory Committee would not be adequately resourced to support HARRC.

Option 3: City Initiated Centre

This operating model would function as a standalone section housed within the City Manager's Office. This model would have staff hired by the City of Hamilton directly, with all funding provided by the City. HARRC staff would be required to provide regular updates to City Council and meet established performance metrics as specified by the organization. Committee Against Racism (CAR) would continue to serve as an advisory committee to both City Council and HARRC staff.

Due to the community feedback both through the survey as well as the focus groups, this option is not recommended. While some community members recognized the advantages of this model in terms of funding and stability, it was expressed that there was concern about the City having control of HARRC as an institution as opposed to a grassroots community initiative.

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Option 4: Partner with Existing Community Hub

This operating model would see HARRC co-housed and operated by another community service or agency. This organization would be responsible for all operating decisions and the City of Hamilton would simply provide funding in a specified amount for the duration of the pilot project. The funding would be contingent on the partner organization meeting established funding milestones and deliverables as specified in a funding agreement.

This option most closely represents the model utilized in the original pilot. The community focus groups recognized that this model can often be problematic when agencies have differing agendas and the Centre itself may suffer as a result. Given the lessons learned during the operating period, this option is not recommended.

Option 5: Hybrid Model (Incorporation of Independent Board of Directors and Partner with Existing Community Hub)

This model was created by one of the focus groups at the Community Engagement session held on October 29, 2019. The concept consisted of starting out as Option 4 – Partner with an Existing Community Hub and migrating to Option 1 – Independent Board of Directors. It also suggested that three years was not long enough for the pilot and it should be extended to five years.

This option is not recommended for the same rationale as outlined in Option 4.

Phase 4 Focus Group Themes:

The Community Engagement session on October 29, 2019 consisted of a series of speakers to highlight the history of HARRC, the results gathered during the operating period of April 2018 to February 2019, the results of the City's community engagement done in person and through the online survey in an effort to provide everyone with a common foundation for discussion. Both the operating experience and the survey supported common themes.

The survey indicated that the services required to be provided by the Centre included referral services (79%), onsite counselling (77%), data collection (75%), and legal support (71%). This was supported by the evidence collected during the operating period. The original HARRC model focussed primarily on data collection and community information sessions. It is now apparent that other services are equally or more important to the community.

The survey also indicated that participants would be most likely to use an online tool to report racism they personally experienced (65%) or had witnessed (78%). This was not an option in the original model. The need for online options was also supported by the antidotal evidence gathered during the operating period. The only other municipality with

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**SUBJECT: Hamilton Anti-Racism Resource Centre Update
(HUR18010(c)) (City Wide)**

Page 14 of 14

a similar anti-racism centre is located in Thunder Bay and reports that nearly 80% of participants choose to report online.

The input from the community forum held on October 29, 2019 has been captured verbatim and has been provided to all participants who provided email contact information. All focus groups expressed that the City of Hamilton should fund the Centre, but not have operating input or oversight. (**Appendix D to Report HUR18010(c)**)

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.

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

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

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

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 (HUR18010(c)) – Media Release – February 2019 – HARRC

Appendix B to Report (HUR18010(c)) – HARRC Survey Results Pamphlet

Appendix C to Report (HUR18010(c)) – HARRC Survey Results – Detailed

Appendix D to Report (HUR18010(c)) – Focus Group Feedback

Appendix E to Report (HUR18010(c)) – Legal Implications (Confidential)

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MEDIA RELEASE

For Immediate Release

February 14, 2019

Hamilton Anti-Racism Resource Centre pilot program paused, partners seek community input to revitalize service

HAMILTON, ON – The Hamilton Anti-Racism Resource Centre (HARRC), a pilot project involving the City of Hamilton, McMaster University, and the Hamilton Centre for Civic Inclusion is being temporarily paused for a period of up to 12 months to allow the partners to review and renew plans to achieve its envisioned goals.

HARRC was launched on April 4th, 2018 as a pilot project to gather information regarding racism related issues occurring in Hamilton, in order to better inform Council on community issues and concerns so that it may strive to eliminate racism and racism related issues in our City.

The City of Hamilton and its partners recognize the importance of building and ensuring a diverse, respectful and inclusive community as a foundational priority for our community. The City of Hamilton, HCCI, and McMaster University support this as the most effective approach for the partners to continue to work together to develop plans to enhance services for Hamilton residents moving forward.

Community outreach and consultation activities will be shared soon.

Citizens who require assistance during the temporary pause can contact:

City of Hamilton

Diversity and Inclusion Office
Phone: 905-546-2424 Ext. 8080
Email: diversity@hamilton.ca

McMaster University

Equity and Inclusion Office (EIO)
University Hall, Room 104
Phone: (905) 525-9140 Ext. 27581

Hamilton Centre for Civic Inclusion

423 King Street East
Phone: 905-297-4694
Email: info@hcci.ca

MEDIA CONTACTS:

Jacqueline Durlov
Communications Officer
City of Hamilton
905-546-2424, ext. 2221
Jacqueline.Durlov@hamilton.ca

Gord Arbeau
Director, Communications
McMaster University
905-525-9140, ext. 27305
Arbeaug@mcmaster.ca

THE HAMILTON ANTI-RACISM RESOURCE CENTRE (HARRC)



Survey Summary

45% of participants had **never heard** of HARRC

Participants identify the **ideal operating model** as one **not operated by the City 67%** and were divided on **stand alone 30%** **housed in City space 36%** or with other **community services 34%**

The majority of participants indicate that the HARRC should be open **Monday to Friday** daytime and/or open for **extended evening hours**

Participants indicated HARRC should provide:

referral services 79%

onsite counselling 77%

data collection 75%

legal support 71%

Participants indicate that the **IDEAL LOCATION FOR HARRC** should be in:

downtown core 52% **rotating locations 48%** **public transit line 36%**

The Hamilton Anti-Racism Resource Centre (HARRC), a collaborative pilot partnership between the City of Hamilton, McMaster University and the Hamilton Centre for Civic Inclusion (HCCI), was launched on April 4, 2018. The concept of HARRC resulted from a recommendation by the City of Hamilton's Committee Against Racism (CAR) Volunteer Advisory Committee and was intended to gather information regarding racism related issues occurring in Hamilton in order to better inform Council on community issues and concerns in an effort to eliminate racism and racism related issues in our City.

HARRC was paused in February 2018 for a period of up to 12 months to allow the partners to engage with the community and to review and renew plans to achieve its envisioned goals.

The City of Hamilton and its partners recognize the importance of equity, diversity, and inclusion to our present and future success as a place to live, work and play, and are committed to better understand the lived experiences of racism and the current needs and racism related issues faced by the residents of Hamilton.

The HARRC Survey was made available online between July 3 and September 15, 2019 on www.hamilton.ca/anti-racism.

575 SURVEY RESPONSES



www.hamilton.ca/Anti-Racism

THE PARTICIPANTS

Approximately

46% of participants self-identify as a **member of a racialized group**

69% of participants were between the **age of 26 to 55**

62% of participants self-identify as a **woman**

19%  of participants self-identify as a **person with a disability**

Approximately **8%** of participants self-identify as **Indigenous** or of **Indigenous ancestry**

65% of participants have been **living in Hamilton for more than 10 years**

EXPERIENCES of Racism in Hamilton

82% of participants state that racism is an **issue in the City of Hamilton**

Participants would be most likely to use an **online** method for the purpose of reporting racism they **personally experience 65%** or **witnessed 78%**



The experiences with racism, whether personally experienced or witnessed, were most often identified to have occurred **more than once** in the past year

Participants who **witnessed** racism or racism related issues were more likely to **report the issue to HARRC** compared to participants who personally experienced racism or racism related issues

79% of participants have **personally experienced and/or witnessed** racism or racism related issues in the past year

The most common location where participants personally experienced or witnessed racism was in **public spaces**



Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

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Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

History

The proposal for an Anti-Racism Resource Centre resulted from the work conducted by the City of Hamilton's Committee Against Racism (CAR). The idea for HARRC first came during a symposium hosted by CAR in 2003. Subsequent symposiums held in 2006 and 2010 further reinforced the belief that a resource centre would be beneficial for the City of Hamilton. In 2012, City Council approved a feasibility study regarding the establishment of such a resource centre. These findings were then presented by CAR to City Council in February 2014. It was at this time Council requested staff to investigate the possibility to liaise with the Hamilton Centre for Civic Inclusion and to examine scope and funding of work between CAR and HCCI.

The feasibility study resulted in a proposal to City Council in November 2015 which included a three-party joint venture as follows:

1. City of Hamilton to provide \$100,000 annually for three years
2. McMaster University to provide \$70,000 annually for three years comprised of \$30,000 in cash and \$40,000 in kind contribution (including administration and hire and manage staff)
3. Hamilton Centre for Civic Inclusion to provide \$30,000 in kind contribution (including providing a downtown office location including administrative support) annually for three years

On November 25, 2015, City Council approved funding in the amount of \$300,000 over a three-year period to support a joint project with McMaster University ("McMaster") and Hamilton Centre of Civic Inclusion ("HCCI") to create an Anti-Racism Resource Centre in order to:

- (a) Address issues of racism, discrimination and oppression within the City of Hamilton;
- (b) Provide resources for community involvement towards making Hamilton a more inclusive city;
- (c) Conduct research and data analysis of complaints of racism; and
- (d) Demonstrate leadership to promote a sense of belonging for racialized people in Hamilton where individuals impacted by racism and other forms of race-related oppression can access information, support and resources.

The Funding Agreement to establish the Hamilton Anti-Racism Resource Centre ("HARRC") was entered into between the City, McMaster University, and the Hamilton Centre of Civic Inclusion effective August 2, 2017. The Hamilton Anti-Racism Resource Centre officially opened on April 4, 2018. A series of milestones were included in the Funding Agreement to provide clarity on expectations and delivery commitments placed upon the parties. As the first Anti-Racism Resource Centre in Canada, it was not unexpected that there would be some challenges.

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

In order to carry out the project, the parties agreed to form an Oversight Committee comprised of equal representation from the City of Hamilton, McMaster University and HCCI to provide support and advice to the Anti-Racism Resource Centre Project and acts as a forum to resolve any potential issues and concerns. The Oversight Committee was also responsible for monitoring the achievement of milestones as outlined in the HARRC Funding Agreement.

HARRC also had a Project Steering Committee which exists to provide direction and implementation advice to the Oversight Committee and staff. Community members were appointed to the HARRC Steering Committee in July 2018 and onboarded occurred in November 2018. A HARRC Steering Committee Chair was appointed in December 2018, however she resigned from the position in January 2019.

HARRC was staffed by one individual employed by and reporting solely to McMaster University, Director of Human Rights and Dispute Resolution, Equity and Inclusion Office. The position was initially called the Anti-Racism Resource Centre Officer but was later known as Program Manager. The HARRC Program Manager was responsible for delivering reports to the Oversight Committee, City Council, CAR and other agencies. He was also responsible for an annual report to the City of Hamilton and an annual discussion forum between relevant stakeholders. The Program Manager was employed solely by McMaster University and McMaster was responsible for all aspects of his employment including, but not limited to, payroll, benefits, and performance management.

The City of Hamilton Diversity and Inclusion Office was responsible for submitting quarterly and annual reports to CAR and to make regular presentations to Council as requested on the status of the project or any other matter relating to the funding or Funding Agreement between the parties. An Information Report on HARRC was presented by staff to Council on March 26, 2018, just prior to the official opening of HARRC. The Hamilton Anti-Racism Resource Centre held its official launch on the evening of Wednesday, April 4, 2018. Subsequent reports were made to Council on June 11, 2018 and during in camera sessions on February 7, 2019 and February 13, 2019.

After a period of nine months, it became evident that there were some adjustments required in order to ensure that HARRC effectively met the needs of the community.

Therefore, representatives of McMaster, HCCI and the City who participate on an Oversight Committee for the HARRC pilot project met and agreed to recommend to their respective organizations that their respective contributions under the Funding Agreement be suspended for a period of 6 – 12 months. The decision to pause was made by mutual agreement by all three parties. A joint media release was made by the parties to this effect on February 14, 2019.

It became apparent that the community expected the City to take on a leadership role in resolving the issues affecting HARRC. As a result, City of Hamilton Talent and Diversity staff developed and implemented a four-phase plan to communicate with the community

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

in a meaningful manner and provide opportunities for citizen engagement throughout the process. These phases are as follows:

Phase 1 – Respond to requests to meet – May 2019

Phase 2 – Key Stakeholder meetings (June/July 2019)

Phase 3 – Broader community engagement (June to September 2019)

a) Creation of City of Hamilton Anti-Racism website

b) Online Survey

c) Cultural Festival and Event information tables

Phase 4 – Community Forum to share feedback (October 29, 2019)

Careful consideration was given on how to best engage citizens visiting the information booth by having small giveaways, a daily draw for a City Prize Pack, information on career and volunteer opportunities and postcards providing details on the HARRC website and survey links. The team also collected contact information to develop a database for ongoing communications. All information gathered was shared with the community at a public engagement session held on October 29, 2019.

This document represents the survey findings and the feedback received through the in person focus group sessions. These findings have been presented in their original verbatim form to preserve the voices and perspectives gathered.

We are extremely grateful to all Hamiltonians who participated in the engagement sessions, survey, and in person consultations throughout the period of February to October 2019. We sincerely value and appreciate the lived experiences shared and the allyship demonstrated by this incredibly diverse and vibrant community.

Special thanks to the members of the Committee Against Racism Volunteer Advisory Committee, City of Hamilton Talent and Diversity staff, Mayor Fred Eisenberger and Chris Cutler, Councillor Brad Clark for their unwavering support and participation throughout this process. Thanks also to our partners McMaster University and Hamilton Centre for Civic Inclusion for their commitment to the original vision and without whom we would not have been able to translate this community concept into a reality.

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

Background

The Anti-Racism Survey was made available online between July 3rd, 2019 and September 15th, 2019 on www.hamilton.ca. During this time, a total of 584 responses were submitted online.

An initial review of collected responses showed:

- four (4) responses where each had one (1) subsequent response submitted within the same minute that was an exact duplicate
- one (1) response that had five (5) subsequent responses submitted within the same minute that was an exact duplicate

These nine (9) duplicate records were removed, resulting in a cleaned dataset of 575 survey responses used as the basis of analysis.

This document provides a summary of the results based on the cleaned data. The universe of respondents (n) is provided in brackets for each question.

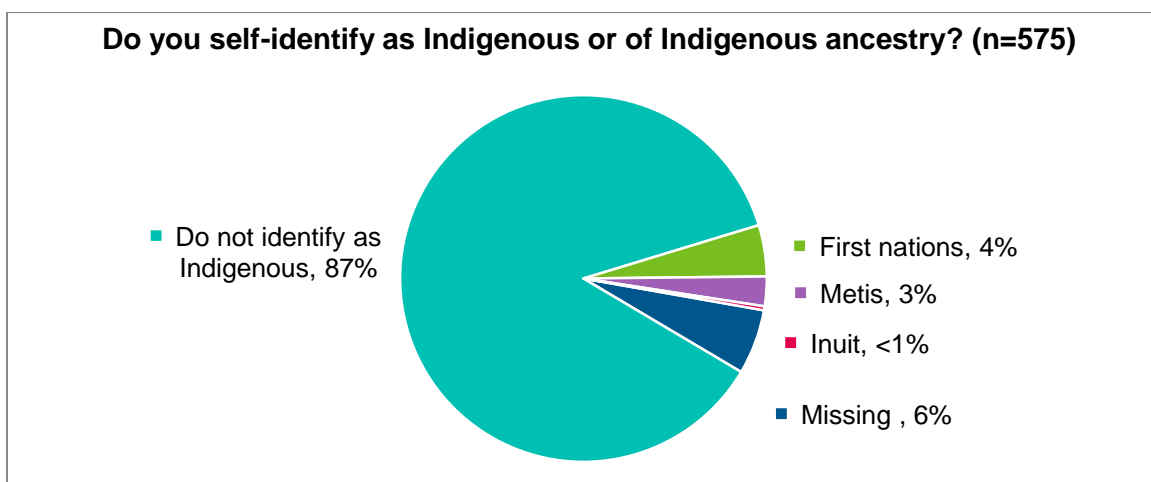
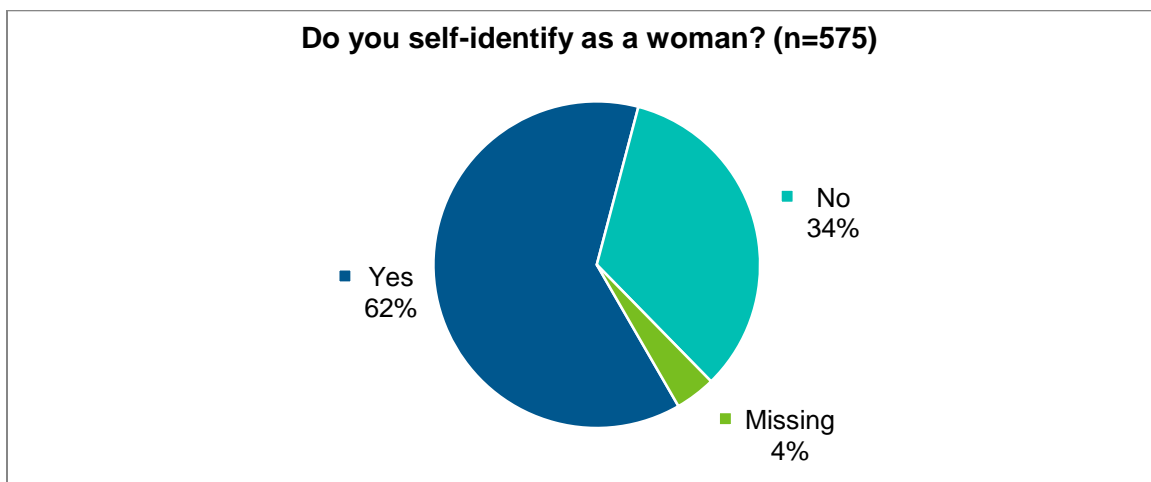
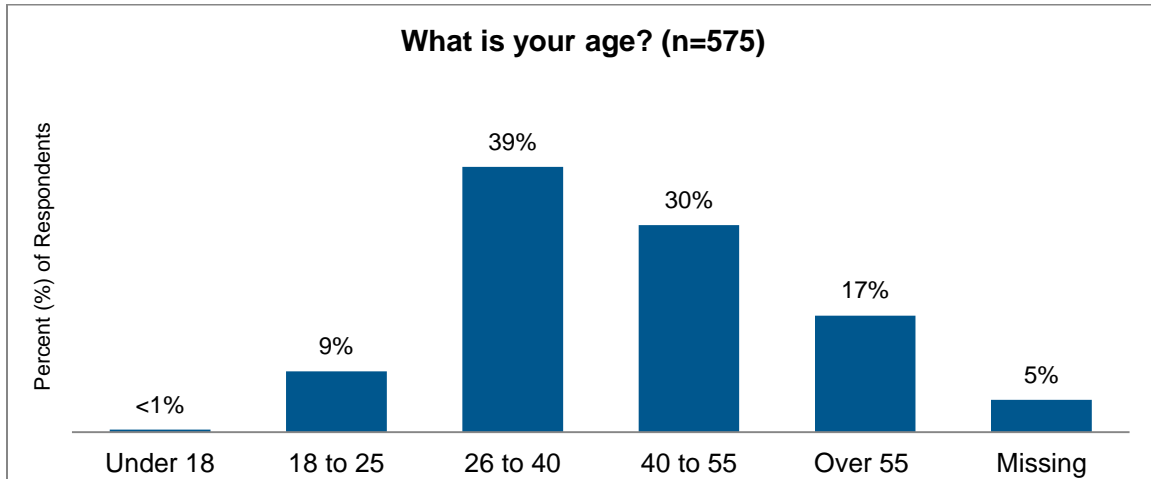
The Respondents

The following is a summary of respondent characteristics.

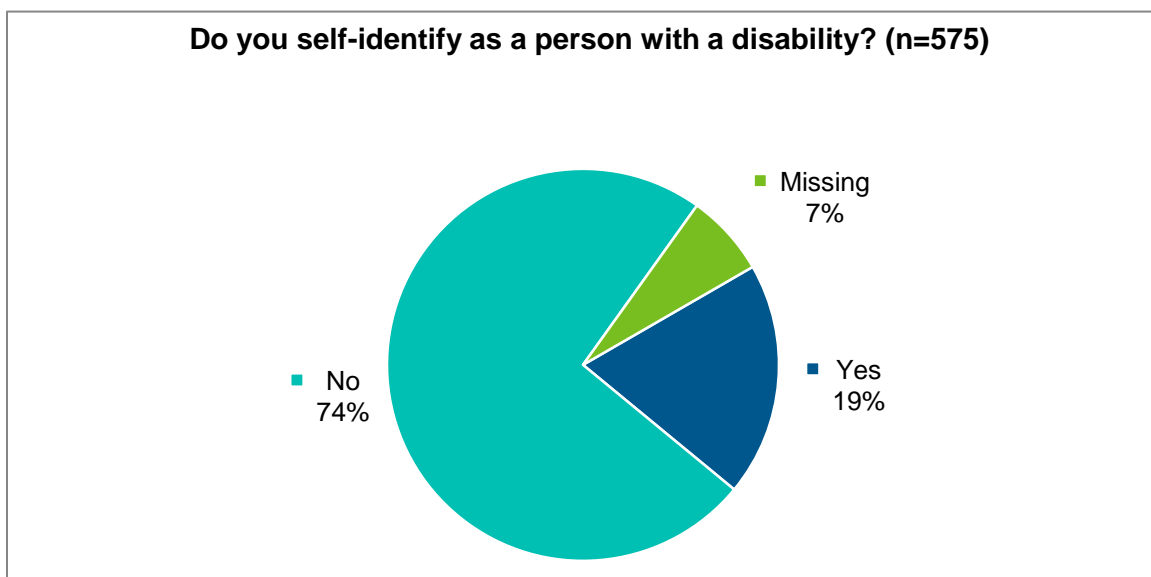
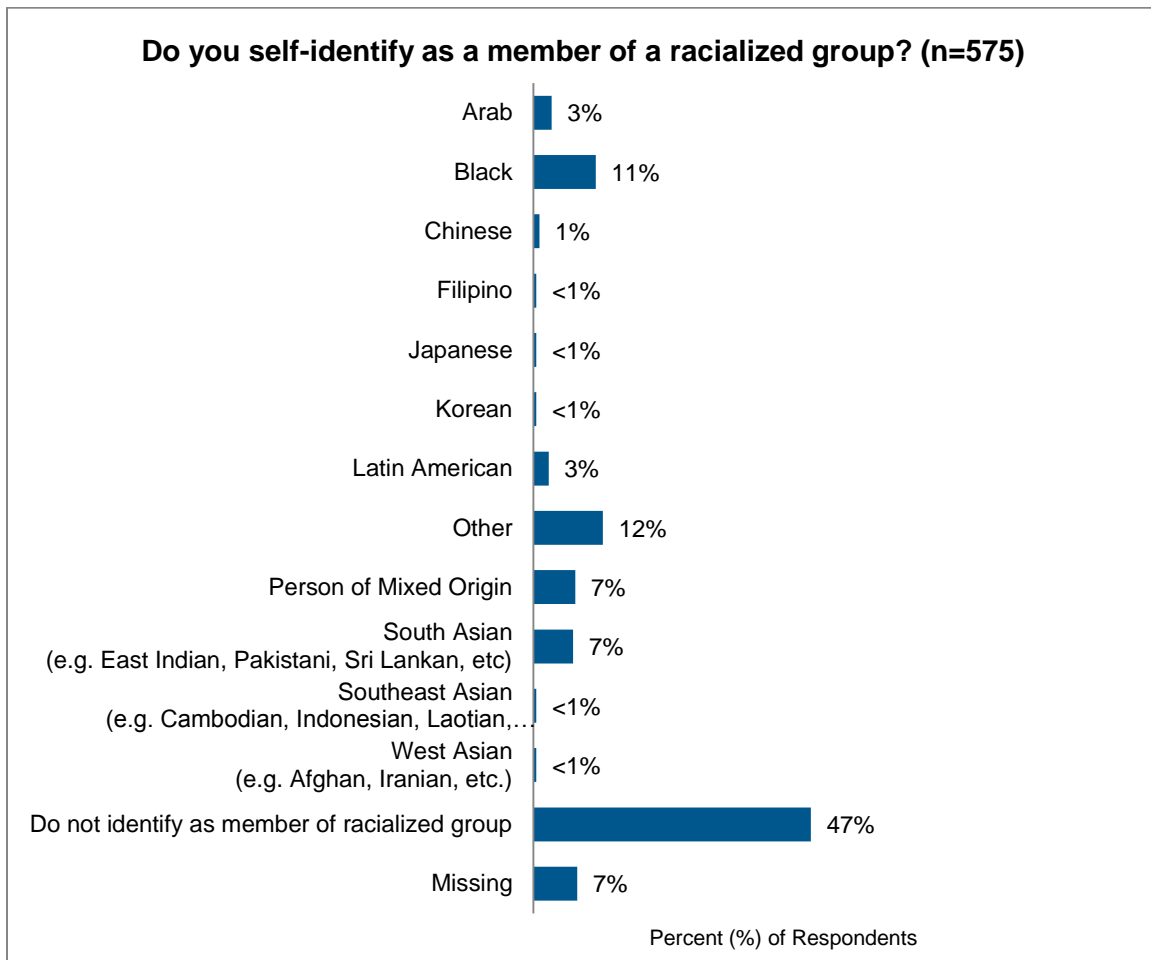
- The majority (69%) of respondents were between the age of 26 to 55.
- The majority (62%) of respondents self-identify as a woman.
- Approximately eight percent (8%) of respondents self-identify as Indigenous or of Indigenous ancestry.
- Approximately 46% of respondents self-identify as a member of a racialized group.
- Almost one-fifth (19%) of respondents self-identify as a person with a disability.
- The majority (65%) of respondents have been living in Hamilton for more than 10 years.

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

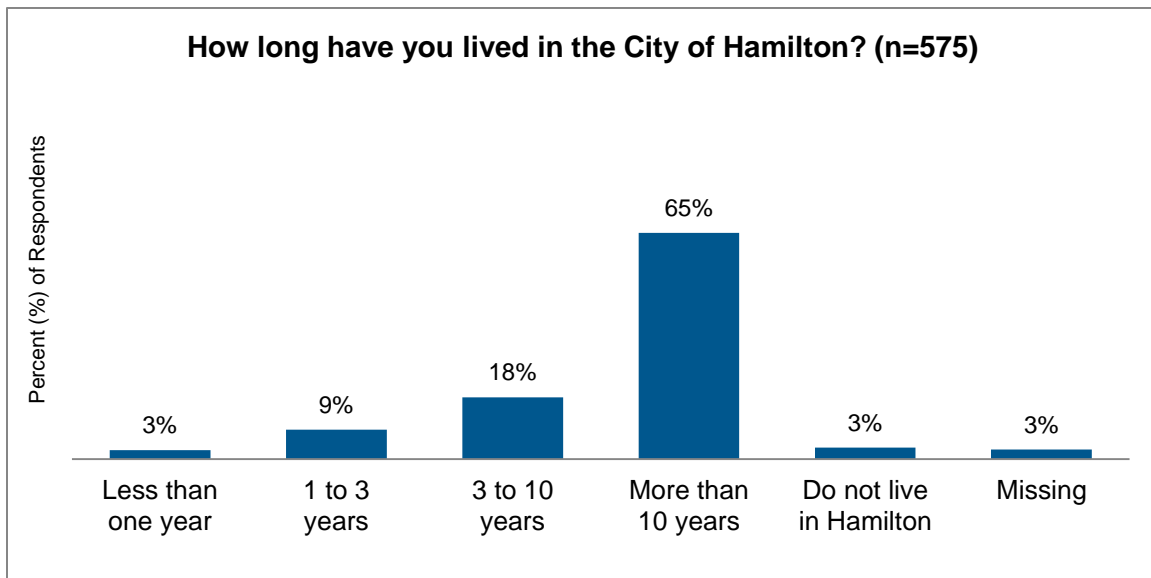
The following charts provide the detailed breakdowns of respondent characteristics.



Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary



Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary



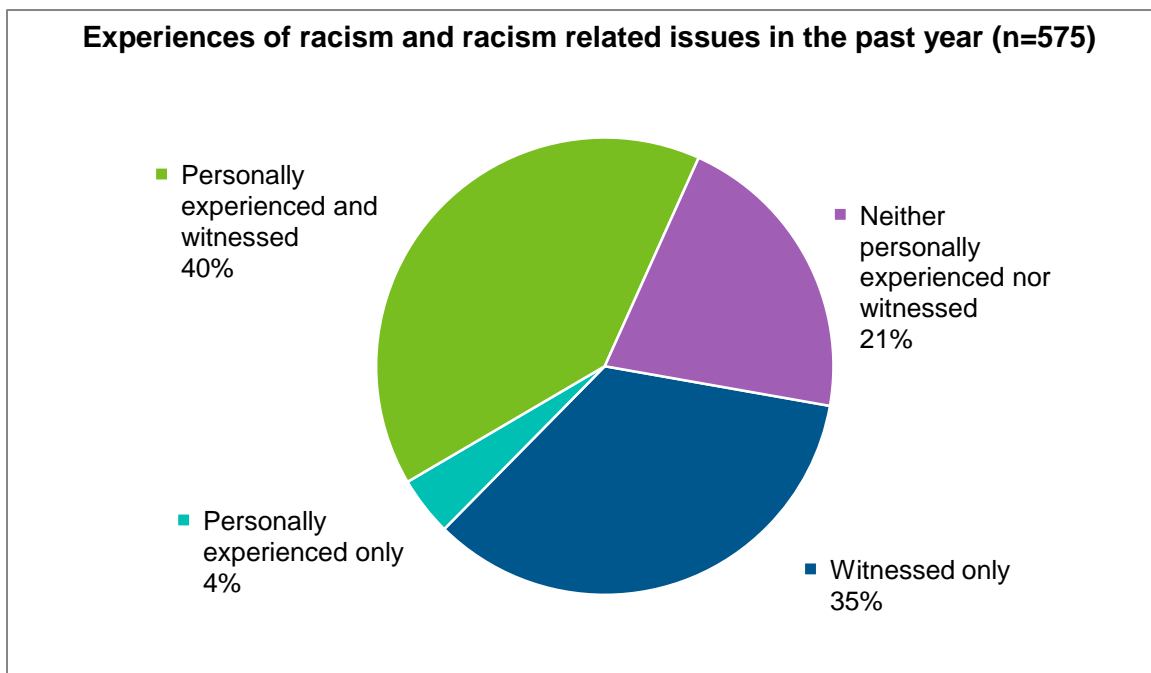
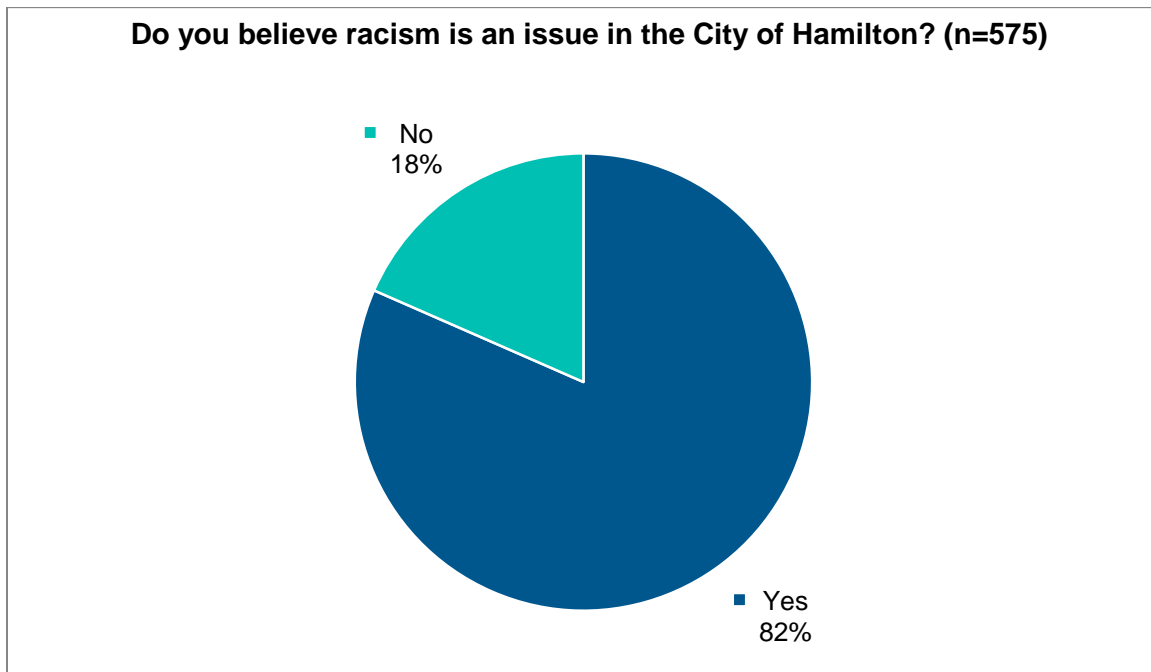
Perceptions and Experiences of Racism in Hamilton

The following is a summary of respondent's perceptions and experiences of racism in Hamilton.

- The majority (82%) of respondents believe that racism is an issue in the City of Hamilton.
- The majority (79%) of respondents have personally experienced and/or witnessed racism or racism related issues in the past year.
- The experiences with racism, whether personally experienced or witnessed was most often identified to have occurred more than once in the past year.
- The most common location where respondents personally experienced or witnessed racism was in public spaces.
- Respondents who witnessed racism or racism related issues were more likely to report the issue to HARRC compared to respondents who personally experienced racism or racism related issues.
- Respondents would most likely report racism they personally experienced or witnessed online.

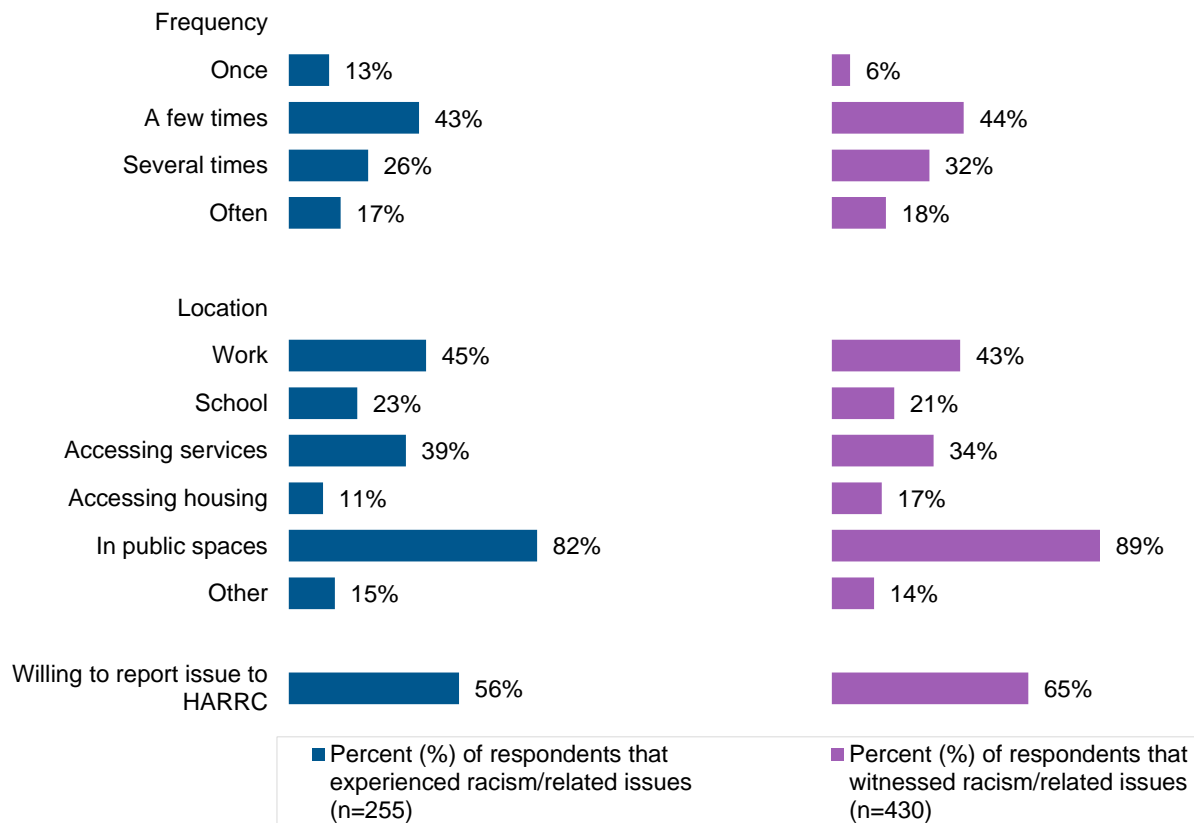
Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

The following charts provide the detailed breakdowns of responses to questions about perceptions and experiences of racism in Hamilton.

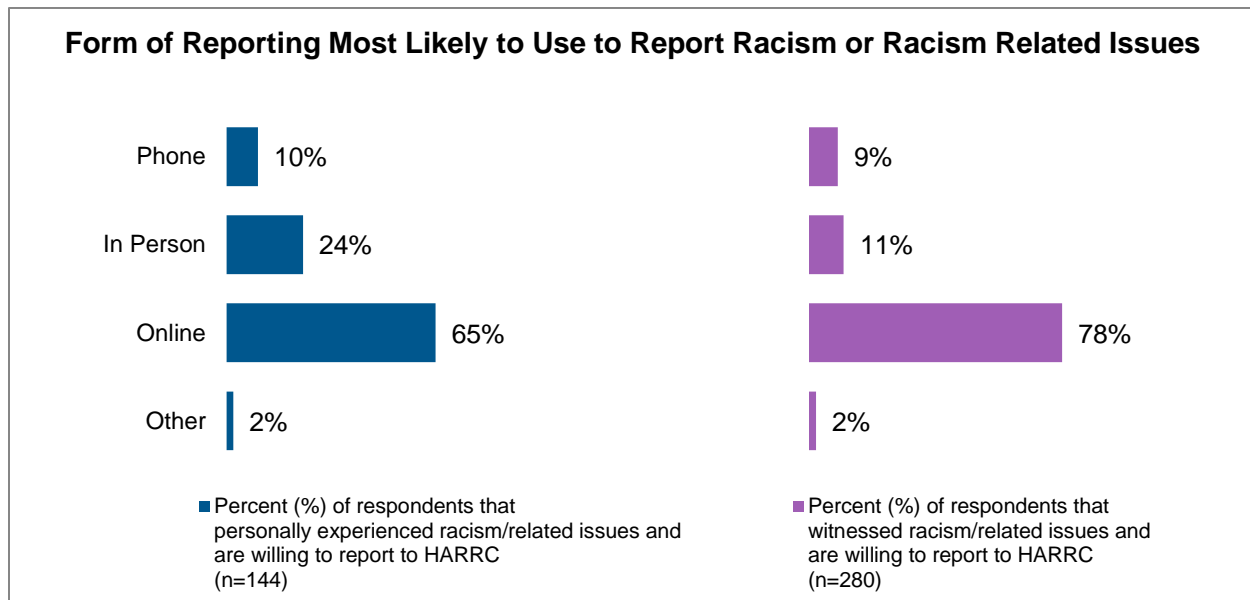


Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

Frequency, Location and Willingness to Report Racism or Racism Related Issues



Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary



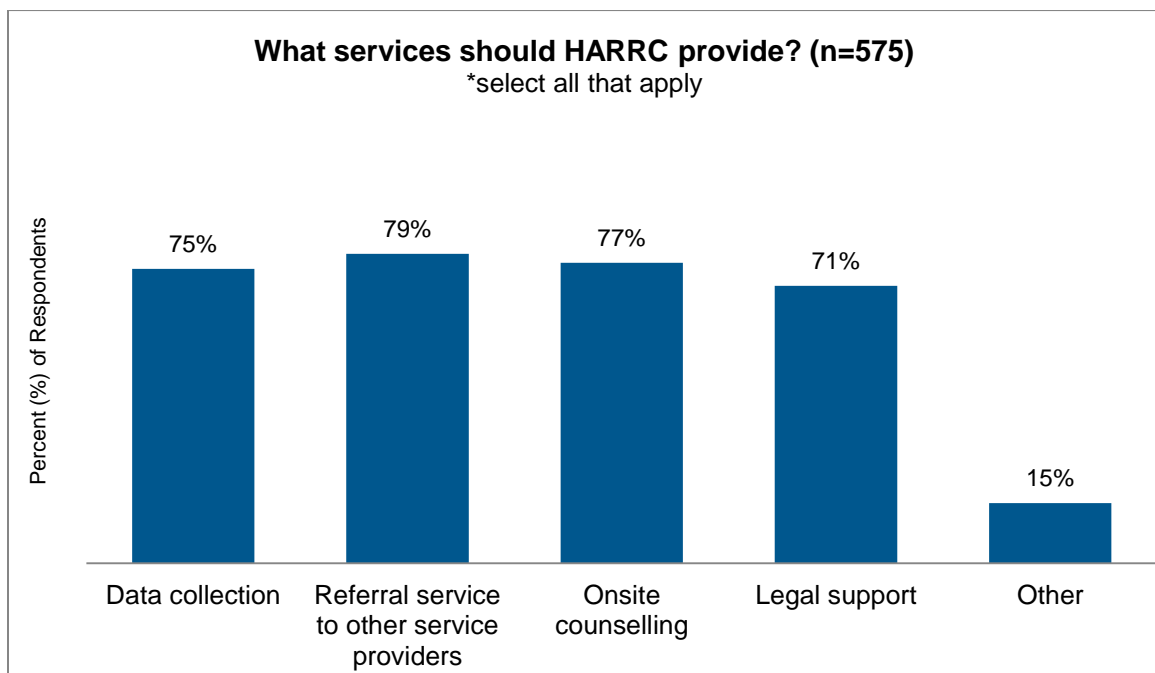
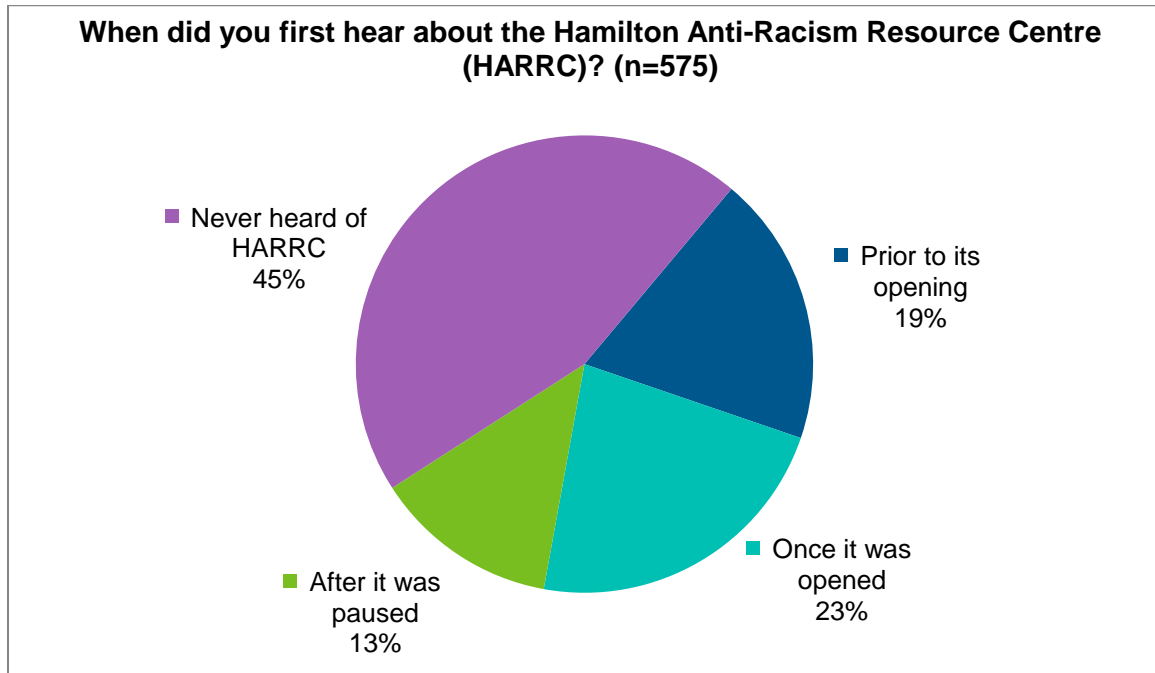
The Hamilton Anti-Racism Resource Centre (HARRC)

The following is a summary of respondent's expectations of the Hamilton Anti-Racism Resource Centre (HARRC).

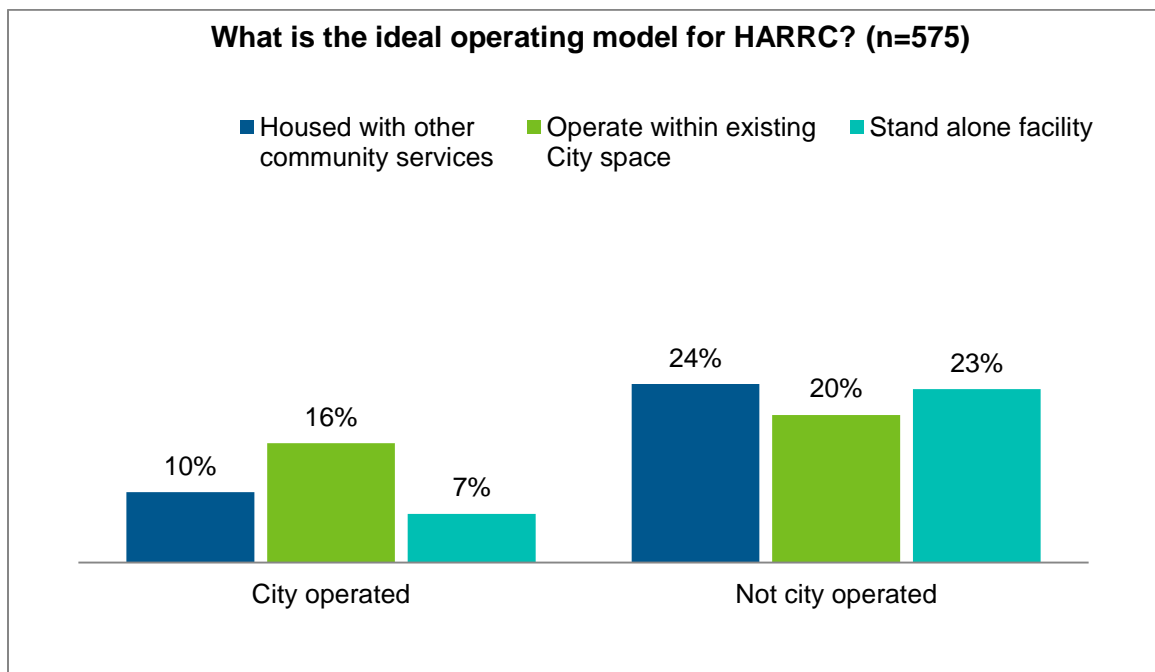
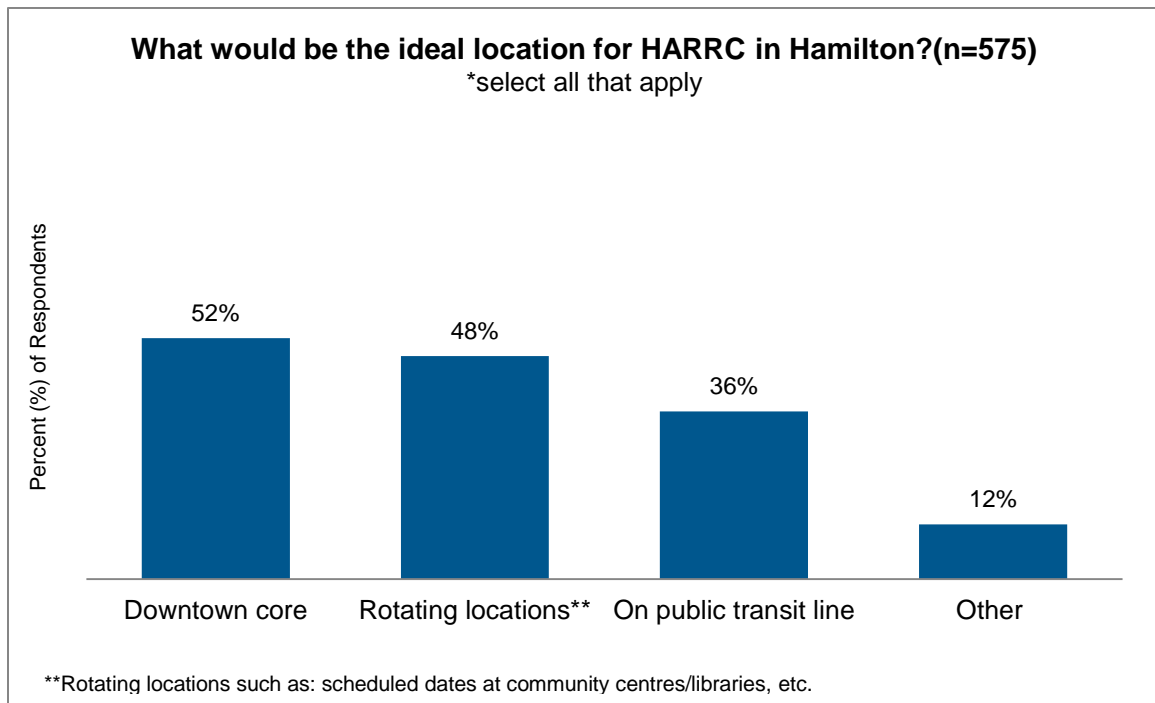
- Approximately 45% of respondents have never heard of the Hamilton Anti-Racism Resource Centre (HARRC).
- Respondents indicate that the HARRC should provide referral services to other service providers (79%), onsite counselling (77%), data collection (75%) and legal support (71%).
- Respondents indicate that the ideal location for HARRC should be in the downtown core (52%), in rotating locations (48%) and on a public transit line (36%).
- The HARRC operating model respondents most commonly identify as ideal is one that is not operated by the City and either housed with other community services or in a stand-alone facility.
- The majority of respondents indicate that the HARRC should be open Monday to Friday daytime and/or open for extended evening hours.

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

The following charts provide the detailed breakdowns of responses to questions about the Hamilton Anti-Racism Resource Centre (HARRC).



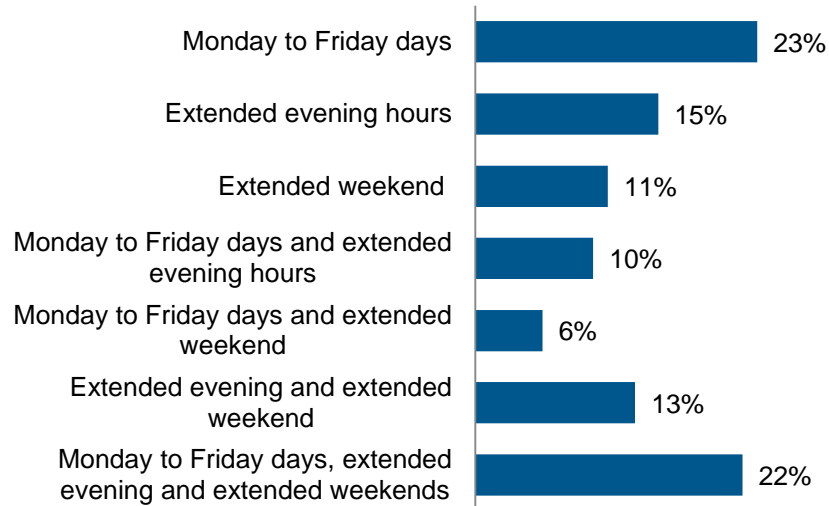
Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary



Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

What are the ideal operating hours for HARRC?

*select all that apply, responses presented reflect all combinations of selected responses



Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

Subgroup Analysis

The following section provides the results of select questions broken down by whether the respondent self-identified as a woman, being Indigenous or of Indigenous ancestry, a member of a racialized group or a person with a disability. The results are provided for respondents that self-identify with a characteristic and for respondents that do not self identify with a characteristic. Due to potential sampling bias of the survey data, significant testing for differences cannot be conducted and caution should be exercised when drawing conclusions about differences in results.

Self-identifies as a Woman

	Self-identifies as a woman	Does not self- identify as a woman
% of respondents that believe racism is an issue	89.4%	67.4%
% of respondents that have personally experienced racism	45.4%	43.0%
% of respondents that have personally experienced racism in a public space	37.3%	35.8%
% that have witnessed racism	81.6%	62.2%
% that have witnessed racism in public spaces	73.8%	52.8%
% that think the City of Hamilton should directly operate the HARRC	30.9%	35.2%
	Self-identifies as a woman and has experienced racism	Does not self-identify as a woman and has experienced racism
% of respondents that would report the issue	55.2%	62.7%
	Self-identifies as a woman and has witnessed racism	Does not self- identify as a woman and has witnessed racism
% of respondents that would report the issue	66.2%	65.8%

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

Indigenous or of Indigenous Ancestry

	Self-identifies as Indigenous or of Indigenous ancestry	Does not identify as Indigenous or of Indigenous ancestry
% of respondents that believe racism is an issue	67.4%	83.0%
% of respondents that have personally experienced racism	58.1%	42.7%
% of respondents that have personally experienced racism in a public space	53.5%	34.7%
% that have witnessed racism	65.1%	75.6%
% that have witnessed racism in public spaces	60.5%	66.7%
% that think the City of Hamilton should directly operate the HARRC	30.2%	33.1%

	Self-identifies as Indigenous and has experienced racism	Does not identify as Indigenous and has experienced racism
% of respondents that would report the issue	52.0%	57.7%

	Self-identifies as Indigenous or of Indigenous ancestry and has witnessed racism	Does not identify as Indigenous or of Indigenous ancestry and has witnessed racism
% of respondents that would report the issue	60.7%	66.0%

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

Member of a Racialized Group

	Self-identifies as a member of a racialized group	Does not identify as a member of a racialized group
% of respondents that believe racism is an issue	80.5%	84.1%
% of respondents that have personally experienced racism	70.5%	18.5%
% of respondents that have personally experienced racism in a public space	57.9%	14.8%
% that have witnessed racism	75.1%	75.3%
% that have witnessed racism in public spaces	64.4%	68.6%
% that think the City of Hamilton should directly operate the HARRC	31.8%	33.6%

	Self-identifies as a member of a racialized group and has experienced racism	Does not identify as a member of a racialized group and has experienced racism
% of respondents that would report the issue	62.5%	44.0%

	Self-identifies as a member of a racialized group and has witnessed racism	Does not identify as a member of a racialized group and has witnessed racism
% of respondents that would report the issue	65.3%	67.2%

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

Person with a Disability

	Self-identifies as a person with a disability	Does not identify as a person with a disability
% of respondents that believe racism is an issue	73.0%	84.0%
% of respondents that have personally experienced racism	36.0%	46.1%
% of respondents that have personally experienced racism in a public space	26.1%	38.6%
% that have witnessed racism	69.4%	76.0%
% that have witnessed racism in public spaces	62.2%	67.1%
% that think the City of Hamilton should directly operate the HARRC	18.9%	36.5%

	Self-identifies as a person with a disability and has experienced racism	Does not identify as a person with a disability and has experienced racism
% of respondents that would report the issue	50.0%	59.2%

	Self-identifies as a person with a disability and has witnessed racism	Does not identify as a person with a disability and has witnessed racism
% of respondents that would report the issue	66.2%	66.3%

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

Special thanks to all who supported this project during this re-envisioning period including:

Committee Against Racism:

Chair	Marlene Dei-Amoah
Vice-Chair	Louic LeBlanc
Members	Tyrone Childs Shamini Jacob Philip Jeffrey Annie Law Taimur Qasim

Sumaira Khurshid

City of Hamilton Staff:

Nabila Akbary
Jessica Bowen
Sean Carney
Katelyn Carr
Katrice Carson
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Robert Forsyth
Cole Gately
Lisa Hunt
Jodi Koch
Amy Komocsi
Jacqueline Kovacich
Grace Laufman
Tinu Lasode
Tina Mantopoulos
Scott Mason
Pam Nettleton
Debbie Paddock
Elaine Peacock
Betsy Pocop
Angela Rocci
Tara Russo
Marta Szostak
Aleksandra Vukosavljevic
Louisa Wong

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

Mayor Fred Eisenberger
Chris Cutler
Councillor Brad Clark

McMaster University:

Arig Al Shaibah
Dr. Ameil Joseph
Pilar Michaud

HCCI:

Milé Komlen



HARRC Operating Models Summary Results

Operating Models:

- 1) Independent Board of Directors
- 2) Board of Directors functioning as a Sub Committee of CAR
- 3) City Initiated Centre
- 4) Partner with Existing Community Hub
- 5) Hybrid Model (Incorporation of Independent Board of Directors and Partner with Existing Community Hub)

Facilitators:

Focus Group A - Jessica Bowen and Louic Leblanc

Focus Group B - Betsy Pocop, Annie Law, Tara Russo and Phillip Jeffrey

Focus Group C - Melissa Chiappetta, Angela Rocci and Shamini Jacob

Focus Group D - Lisa Hunt, Taimur Qasim and Sumaira Khurshid

The following comments are unfiltered and represent the inputs collected at the HARRC Focus Group Sessions held on October 29, 2019.

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VI.	Themes and Comments.....	Page 12

1) Independent Board of Directors

26 votes in total

Pros	Cons
<ul style="list-style-type: none"> • Independent community led board with community input and community members represented on board. • There would be no political agenda and no politicians (no unnecessary influence on the board). • The board would be comprised of members from the racialized communities (having the lived experience). • The model would be an arm's length from the funders and would increase autonomy and independence. • Not tied to any other group, and no affiliations to any organizations. • No baggage or history and starting on a fresh page. Can start fresh and have more buy in from community • Will have more community engagement • Can determine its own funding • Needs to be diverse and needs to have expertise in various areas (equity, legal, social work, finance) 	<ul style="list-style-type: none"> • There would likely be costs associated with providing adequate training on responsibilities of being a board member. • Not representative and this model historically leaves people out. • Hiring process may take a long time and the entire new focus will continue to delay the process • Difficult to find the right people. They don't know what is going on and don't have the lived experience. • When new boards are started, new focus groups are created. • Not fully funded by City; \$100,000 is not enough from City. Therefore, the need to fundraise. • City ownership of selection of BOD not seen as a good idea and bureaucracy can come into play. • CAR is already run by the City • Lack of trust with the City if they would have any influence. How is accountability to be exercised?

Implementation Plan:

Requirements	Details	Provider
Personnel	<ul style="list-style-type: none"> • To provide appropriate support for board members who may experience a level of exposure to trauma through the operations of HARRC. • One staff person not sufficient; should have minimum 4 staff. • Criteria for board member selection – diverse and sought-after expertise. Racialized personnel with lived experience. • To ensure board members have the skills to function appropriately within a board setting (and are aware of any legal implications) 	<ul style="list-style-type: none"> • Social worker and/or counsellor • Administrative support and manager • Paid employees • Advanced training requirements • Outreach workers • Four people at a minimum • ED Trainer • Online survey reviewers • CAR could provide resources
Financial	<ul style="list-style-type: none"> • Would require an increase in funding to \$300,000 per year [not as a pilot project with an expiry date but ongoing/permanent center]. • 2-3-year pilot is not long enough, should be a 5-year commitment to funding with same amount of funds for each year. 	<ul style="list-style-type: none"> • City should provide initial funding as well as indefinite funding which includes operations. • Fundraise

Requirements	Details	Provider
Legal	<ul style="list-style-type: none"> • Partnering with the Law Schools • Legal clinic should be in a confidential space. 	<ul style="list-style-type: none"> • Hire lawyers • Connection to community legal clinic.
Physical Space	<ul style="list-style-type: none"> • A central office and sub-office/satellite outreach locations into the community and those locations must be accessible. • Rotating locations and on the public transit line. • Bricks and mortar main hub that is welcoming and inclusive. • Large formal building can be traumatizing for some to visit, need a welcoming space and mobile branches 	<ul style="list-style-type: none"> • Centers at library and hospitals. • Mobile satellites
Other	<ul style="list-style-type: none"> • Experience on the board should consider intersectionality. • Annual report needed • Bilingualism would be needed. 	

Additional Considerations:

- Must be organized and supported with strong staff to be successful within the community.
- This board would require a term of reference for all members to stay focused on the shared overall goal of the center.
- The lived experience factor is of importance and therefore must be taken into consideration for selection of newly appointed board members. A review of applicants who are diverse. Make sure that there is a representation of age of BOD, including youth. Criteria for Board selection sought after expertise.

- A transparent process of selection through the hiring process.
- A fixed finance for 5 years minimum and then a subsequent review process should be in effect.
- This funding contract should be provided by the City of Hamilton and be more than \$100,000.
- Build relationships in different communalities
- Framework needed for anti oppression and anti racism for all work that comes from this.
- Mobile option – look at Canadian Blood Services and how they do community outreach
- Similar to the Conservation Authority
- Directors can serve as watch dogs
- Mobile option – look at Canadian Blood Services and how they do community outreach
- Is the pilot funding still there for the incubation stage? Would need to know this.

2) Board of Directors functioning as a Sub Committee of CAR

Zero Votes

Pros	Cons
<ul style="list-style-type: none"> • There would be general support for the work of the Centre • City Funds • One positive about this option is that it would be faster as it has already been done, but it does not outweigh all the risks (mainly the trust). 	<ul style="list-style-type: none"> • There would likely be costs associated with providing adequate training on the responsibilities of being a board member. • How would the funding be provided, i.e. could CAR withhold funding if they did not agree with HARRC projects; Would CAR act as a gatekeeper. There may be questions about access to funding and project approval • Concerns about a volunteer committee running HARRC • CAR has no power as a sub-committee (would potentially be guided by Council directive/influence)

Pros	Cons
	<ul style="list-style-type: none"> • 67% of people don't want it tied to the City. Survey results indicated not to be run by the City. • Staff selection by City and equity concerns. • Do not trust the City and too many layers (bureaucratic) and City control. It would still be connected to the city and would still have power if attached. • Lack of political/advocacy • Cannot become charitable organization. • CAR is entirely comprised of volunteers and would put a huge strain would need to double the training. • The City would be downloading the responsibility of HAARC to volunteers and the City would not have to take responsibility for the really hard aspects of overseeing the Board.

Implementation Plan:

Requirements	Details	Provider
Personnel	<ul style="list-style-type: none"> • A term of reference would need to be developed 	
Financial	<ul style="list-style-type: none"> • Training would have to be provided to those who are board members to ensure they are aware of board members' responsibilities. 	
Legal		

Requirements	Details	Provider
Physical Space	<ul style="list-style-type: none"> City Facility and must be accessible. 	
Other		<ul style="list-style-type: none"> Funding needed from City with the ability to fundraise.

Additional Considerations:

- Some felt that this was and a front to HAARC and anti-racism b/c orgs such as the Conservation Authority operate independently
- No support for community members who want to help but are not the individuals who experienced the discrimination. What is their role. Bystander intervention training.
- The same bias as #3 (City Initiated Center) would exist.
- Potential implications with Municipal Act – lack of independence which is important considering the topic is racism. Advocacy could be stymied
- There would be accountability to general public and City committee.
- A Board being selected by the City could mean same people on committees
- Make sure that we do what is needed for the community.
- Needs Accountability.
- Like the Farmer's Market
- Non-for-profit organization
- City will provide: recruit on, selection, payroll
- Board: 13-17-member City of Hamilton picks

3) City Initiated Centre

3 votes

Pros	Cons
<ul style="list-style-type: none"> • There would be access to resources including City Facilities and spaces, senior officials, additional staff. • It is funded and staffed. • This option offers opportunity for spaces (i.e. Recreation facilities) • Speed • Leverage spaces 	<ul style="list-style-type: none"> • The Centre would report into the City • The City as an institution perpetuates institution racism (the optics would be an issue). • Certain communities will not show up. • There could be a conflict and questions about safety if a concern arose involving racism if it involved

Pros	Cons
	<p>City staff and city services. It is not a safe space (especially in City Hall)</p> <ul style="list-style-type: none"> • This model has the capacity to be transactional as opposed to being transformational. • In dealing with structural racism within institutions there are trust issues (mistrust) and this also needs to be taken into consideration. Structural, systemic racism. • Reputation Hamilton has right now...not a good idea (bias). • Does not align with feedback received. 67% of people don't want it tied to the City.

Implementation Plan:

Requirements	Details	Provider
Personnel	<ul style="list-style-type: none"> • Minimum of 4 staff • Social Worker; employee to run the Centre. 	
Financial	<ul style="list-style-type: none"> • Funding needed from the City with the ability to fundraise. • All funding from the City. 	<ul style="list-style-type: none"> • The City
Legal		
Physical Space	<ul style="list-style-type: none"> • It would not need to be at City Hall; would need proper training. 	
Other		

Additional Considerations:

- This option does not align with survey feedback and there needs to be consideration for trust (community towards City).
- City has a stake to make it successful
- City initiated standalone center is a “no”
- Pretty sure everyone voiced resistance to this model

- Issues of power and conflict
- Legitimacy for outsiders
- Unsafe space
- If the space were put in city hall only those privileged not in the community.
- What if the complaint was regarding the city or city services?
- The city might be able to market it but could be exclusionary because it is a city initiative.
- Would hire City employers, city \$
- CAR would be advisory committee to HARRC and the City

4) Partner with Existing Community Hub

10 Votes

Pros	Cons
<ul style="list-style-type: none"> • It would likely be in a location that is within the community • The staff would already have appropriate training related to the subject matter. • They would have a more significant voice/impact in the community. • They have the expertise and knowledge on the subject matter. • Can offer good incubation if done well. • Group of people from community can feel part of center. • Report to community and not the City. • Partner with an existing org. that has an infrastructure. • Quick start up which would ensure delivery of services. • Can be healthy place to incubate a new structure 	<ul style="list-style-type: none"> • This would stretch existing personnel and resources who are already over-extended • There would be competition among groups (i.e. Oppression Olympics) • Conflict may arise between communities. • What does partnership mean? • Don't want to partner with McMaster University – not trustworthy • Lack of trust with community partners • Be wary of who we partner with – they may just want power and control. Power dynamics. Avoiding power/privilege structure. • To have a completely neutral HUB is difficult. • Optics – folks felt it is difficult to talk. • Collaboration structure

Implementation Plan:

Requirements	Details	Provider
Personnel	<ul style="list-style-type: none"> • Work with different community hubs who have expertise. • A social worker and an individual to lead the Centre. 	
Financial		<ul style="list-style-type: none"> • Funding needed from City with the ability to fundraise.
Legal		
Physical Space	<ul style="list-style-type: none"> • Stand alone, community-based City funded space. 	
Other	<ul style="list-style-type: none"> • Community partners with HCCI 	<ul style="list-style-type: none"> • Look at other City's with other models.

Additional Considerations:

- The governance structure that existed had too many layers
- Could work if changes are made.
- This model may bring in money to reduce existing strain on community organizations.
- More staff needed to support the manager
- Community hub would not be able to support b/c of underfunding
- Competition for resources
- Resources around staffing
- Could be a great opportunity to leverage and share expertise among the community partners if they were both funded well and able to work well together
- Concerns about certain communities feeling uncomfortable attending spaces that are specifically geared to one community i.e. oppression Olympics
- It could also work out really well for educational opportunities and bringing students in, but downside is that using students instead of hiring people to important work
- Could lead to high turn over
- Current model, sort of
- Funding by City> to project
- Funding Agreement

***5) Hybrid Model (Incorporation of Independent Board of Directors and Partner with Existing Community Hub)**

- That it be implemented, to start, as model #4 and then transition to model #1
- Standalone community-based organization funded by the City of Hamilton

- Minimum of 4 staff
- 2-3-year pilot is not long enough, should be a 5-year commitment to funding with same amount of funds for each year
- Location – rotating locations and on the public transit line
- Board of directors should be diverse
- Criteria for board member selection – diverse and sought-after expertise
- Partnering with a community hub while transitioning to an independent board of Directors

Themes and Comments

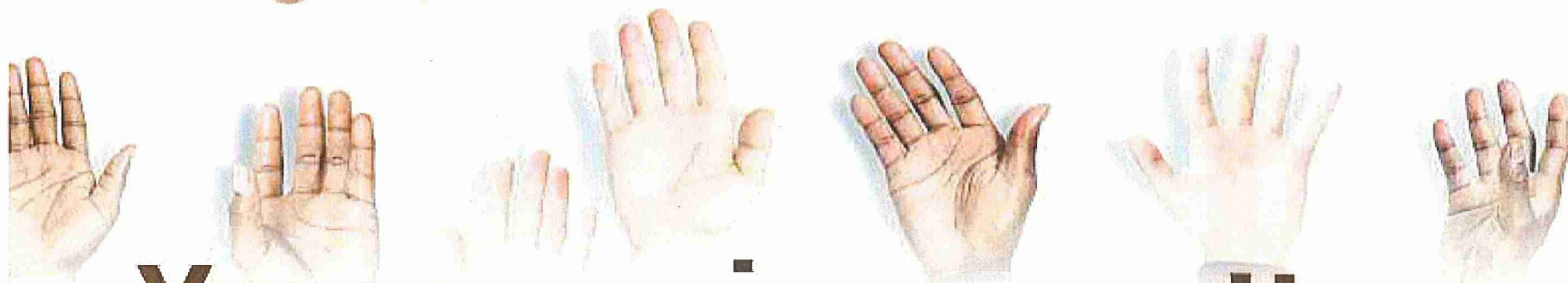
- People feel don't have enough information to weigh into the conversation / didn't know what the models or enough about them
- This consultation is not sufficient; did not do due diligence equipping people to vote confidently
- we need to understand the past issues from members and what went wrong, then turn a new leaf
- Structure of this workshop is not working
- No clarity was brought to the discussion, poorly planned
- Not fair to bring these votes back to council
- We reject this consultation
- This exercise is just a rubber stamp to say it was done; not reflective of importance of community
- Other speakers were not allowed to present and had no voice
- The allotted time was not long enough to flush out the models
- If the information collected here tonight leads to a decision, can we say don't like it?
- Send a request to survey all people here tonight that provided email to ask if they felt this session was effective
- Important to affiliate with other groups that do the same work
- We don't trust the City or McMaster
- A participant voiced following concern: this room is bias and there are participants here who clearly have agenda. People won't even consider the options that include the City or McMaster. I am a black man with a 7-year-old son who will one day face racism issues and I'm here because of that and I'm not even able to participate in this conversation and vote – he then left the room
- It was not okay to pause the center
- The group agreed that there should be a main building/location that is welcoming and inclusive but there is a need for outreach into the community. Mobile units in different areas of the City.

- The group agreed that the City should fund the chosen model but with the ability to fundraise.
- More staff than in the previous model would be needed to be successful. ED, Counsellors, legal needed.
- The room agreed that the City should not run the Model, not own or participate in the selection process of the BOD or the Personnel.
- There was a mixed opinion about starting over from the beginning due to timing i.e. it will take longer to implement option #1 than #4.
- There was an agreement that those involved in the process from selection of the BOD to personnel should be members of a racialized community.
- The City should provide unlimited funding with no strings attached



HARRC

HAMILTON ANTI-RACISM RESOURCE CENTRE



Your experience matters.

Community Engagement

HARRC was paused effective February 14, 2019 by joint agreement between Hamilton Centre for Civic Inclusion (HCCI), McMaster University and the City of Hamilton.



MEDIA RELEASE
For Immediate Release
February 14, 2019

**Hamilton Anti-Racism Resource Centre pilot program paused,
partners seek community input to revitalize service**

HAMILTON, ON – The Hamilton Anti-Racism Resource Centre (HARRC), a pilot project involving the City of Hamilton, McMaster University, and the Hamilton Centre for Civic Inclusion is being temporarily paused for a period of up to 12 months to allow the partners to review and renew plans to achieve its envisioned goals.

HARRC was launched on April 4th, 2018 as a pilot project to gather information regarding racism related issues occurring in Hamilton, in order to better inform Council on community issues and concerns so that it may strive to eliminate racism and racism related issues in our City.

The City of Hamilton and its partners recognize the importance of building and ensuring a diverse, respectful and inclusive community as a foundational priority for our community. The City of Hamilton, HCCI, and McMaster University support this as the most effective approach for the partners to continue to work together to develop plans to enhance services for Hamilton residents moving forward.

Community outreach and consultation activities will be shared soon.

Community Engagement

Community Engagement Strategy was planned in four phases:

Phase 1 – Respond to requests to meet – May 2019

Phase 2 – Festival and Event Information Displays (June – October)

Phase 3 – Online Survey (July – September)

Phase 4 – Community Forum to share Survey results and seek recommendations to present to City Council (October)

Phase 1

- Meet with all community groups or individuals who had expressed concern regarding the pause. The most pressing question was “Why?”
- Certain details relating to the pause were not able to be discussed due to the nature of the issues including personnel and legal implications relating to partner compliance with the Funding Agreement and associated milestones.
- Emphasis was placed on the partners commitment to HARRC and the upcoming community engagement strategy.

Phase 2

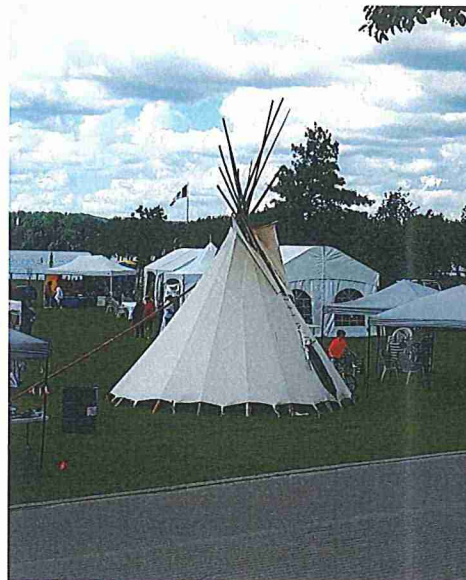
- Community festivals and events were identified in an effort to reach a diverse cross section of the Hamilton community. Additionally, several events were attended whenever invitations were extended.
- City staff spent nearly 300 hours in attendance at these events between June and October and spoke to thousands of citizens.
- Staff encouraged citizen completion of the HARRC Survey.
- Committee Against Racism members also attended when possible.
- A mailing list of over 400 email addresses was also compiled in an effort to keep the community informed of developments throughout the year.

5

Festivals and Events



PRIDE



Soaring Spirits



Ghana Fiesta

Festivals and Events



It's Your Festival



Nigerian Assoc. Picnic



Wiggly Waggle Walk

Festivals and Events



Phase 3

- An online survey was designed to capture citizen input into the preferred services, location, and operating model for HARRC.
- A Communication Plan was launched which included creation of a City of Hamilton Anti-Racism web landing page which promoted both the survey and the community event calendar.
- City of Hamilton hosted the Survey through our website and staff supported the data analysis required.
- Local media outlets were also utilized to promote the Survey which was available from July 3 to September 15, 2019 inclusive.
- **575** unique participants completed the Survey.

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Phase 4

A Community Engagement session was planned for October 29, 2019 in order to:

- Provide an update on the activities relating to HARRC
- Provide the Survey results to the public
- Solicit input from community on the preferred operating models by identifying pros and cons of each; implementation efforts required and by whom; and to design recommendations which will be provided to City Council on December 5, 2019

Survey Results



Participant Demographics

THE PARTICIPANTS

Approximately

46% of participants self-identify as a member of a racialized group

19%  of participants self-identify as a person with a disability

Approximately

8% of participants self-identify as **Indigenous** or of **Indigenous ancestry**

69% of participants were between the age of 26 to 55

62% of participants self-identify as a **woman**

65% of participants have been living in Hamilton for more than 10 years

Experiences of Racism

EXPERIENCES of Racism in Hamilton

82%
of participants state that racism is an **issue** in the **City of Hamilton**



Participants would be most likely to use an **online** method for the purpose of reporting racism they **personally experience 65%** or **witnessed 78%**



79% of participants have **personally experienced and/or witnessed** racism or racism related issues in the past year

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

Experiences of Racism

The experiences with racism, whether personally experienced or witnessed, were most often identified to have occurred **more than once** in the past year

Participants who **witnessed** racism or racism related issues were more likely to **report the issue to HARRC** compared to participants who personally experienced racism or racism related issues

The most common location where participants personally experienced or witnessed racism was in **public spaces**

Hamilton Anti-Racism Resource Centre (HARRC) Survey Summary

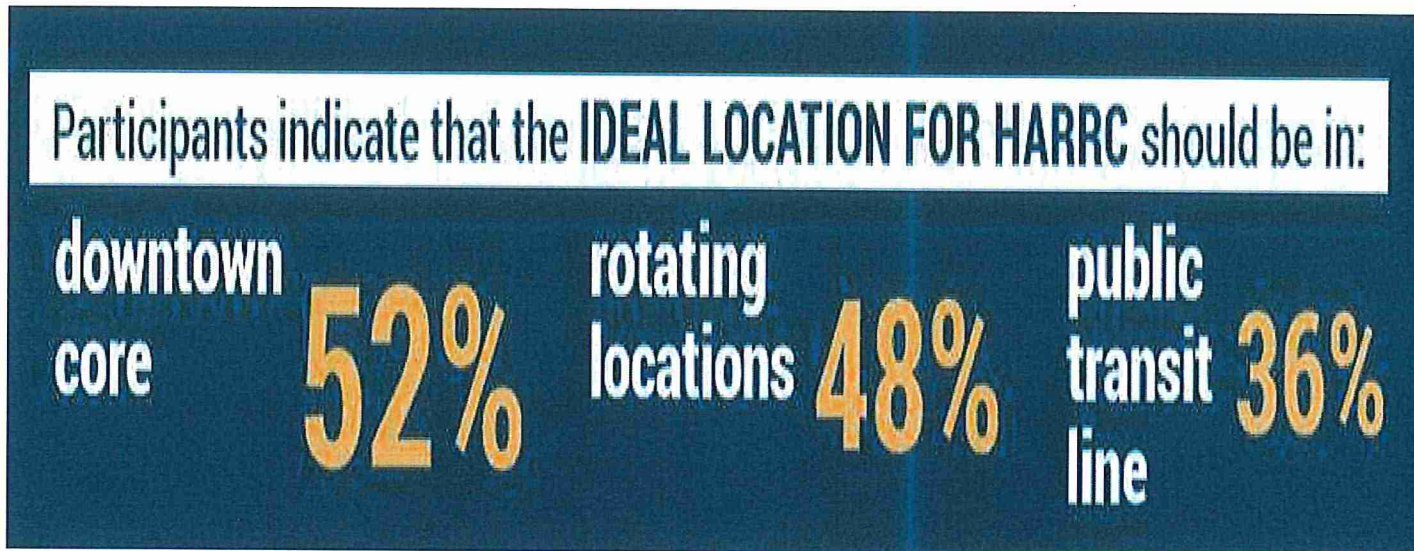
Awareness

45% of participants had **never heard** of **HARRC**

Participants identify the **ideal operating model** as one **not operated by the City 67%** and were divided on **stand alone 30%** **housed in City space 36%** or with other **community services 34%**

The majority of participants indicate that the HARRC should be open **Monday to Friday** daytime and/or open for **extended evening hours**

Ideal Location



Required Services

Participants indicated
HARRC should provide:

referral services

79%

onsite counselling

77%

data collection

75%

legal support

71%

Proposed Operating Models

Based on the survey results and the lessons learned during the first ten months of the pilot program, the Committee Against Racism (CAR) and the HARRC partners developed four possible operating models for community consideration:

- 1) Independent Board of Directors
- 2) Board of Directors functioning as a Sub Committee of CAR
- 3) City Initiated Centre
- 4) Partner with Existing Community Hub

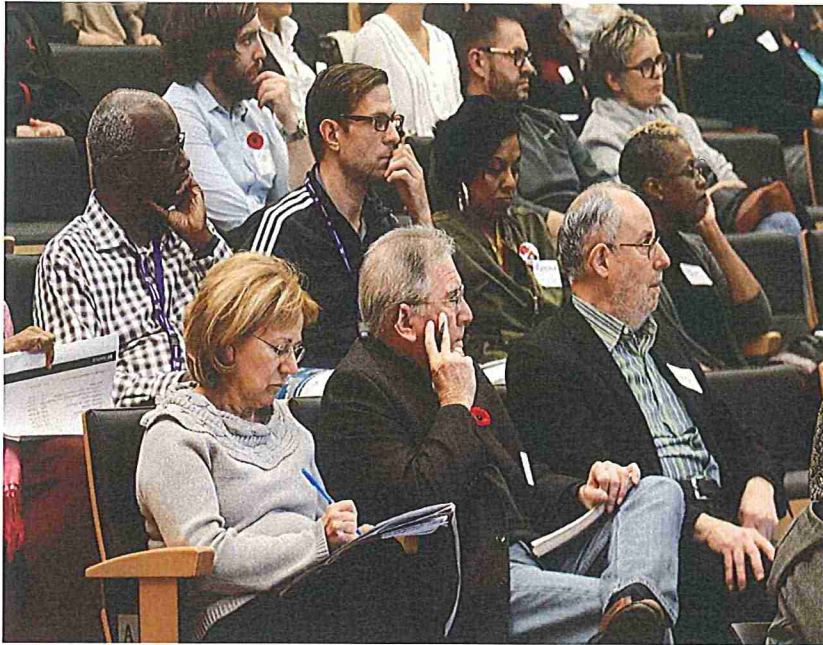
One Focus Group identified a fifth hybrid model that involved starting with Option #4 and transitioning to Option #1.

Focus Groups

In the Focus Groups, participants were asked to:

- 1) Provide input on the pros and cons of each operating model
- 2) Provide suggestions on the Implementation Plan for each including who should be responsible for providing the necessary components (People, Finances, Location, Legal Considerations)
- 3) Vote on the recommendations after the exercise is complete for all four operating models

Focus Groups



Results from Focus Groups

- Independent Board of Directors was the most popular option
- City should provide funding, but have no operational input or oversight
- Additional funding should be provided by the City and for a longer period of time
- Need to increase the number of staff for the HARRC
- Need to have collaborative approach with the community


Commitments on Next Steps

- All inputs will be consolidated as alternatives for consideration for City Council
- Summary data will be provided to all participants who have provided contact information
- Committee Against Racism Volunteer Advisory Committee members to review recommendations and provide their recommendations via a Citizen Committee Report
- Staff to prepare a Recommendation Report and present to Audit, Finance & Administration Sub Committee on December 5, 2019



Hamilton

CITY OF HAMILTON
CITY MANAGER'S OFFICE
Office of the City Auditor

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 5, 2019
SUBJECT/REPORT NO:	Supplementary Audit Report - Housing Services Division: Capital (AUD19004(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brigitte Minard, CPA, CA, CIA, CGAP (905) 546-2424 Ext. 3107 Sana Malik, CIA, CCSA, CFE (905) 546-2424 Ext. 4886
SUBMITTED BY:	Charles Brown, CPA, CA, CPA (Illinois) City Auditor Office of the City Auditor
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the Management Responses as detailed in Report AUD19004(a) be approved; and,
- (b) That the General Manager of Healthy and Safe Communities be directed to instruct the appropriate staff to have the Management Responses implemented.

EXECUTIVE SUMMARY

The Audit, Finance and Administration Committee on July 11 requested that the Office of the City Auditor perform additional review for certain projects included in the original audit where invoices had not been received.

This report details the results of that invoice review and makes two new audit recommendations and includes the associated management response.

Alternatives for Consideration – Not Applicable

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**SUBJECT: Supplementary Audit Report - Housing Services Division: Capital
(AUD19004(a)) (City Wide)** **Page 2 of 5**

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: None

Staffing: None

Legal: None

HISTORICAL BACKGROUND

On July 11, 2019, at the Audit, Finance and Administration Committee meeting, the committee members requested the City Auditor to complete additional review relating to the Social Housing Improvement Program (SHIP) that was included as part of the audit scope for Audit Report AUD19004 Housing Services Division: Capital.

This additional review consisted of more detailed investigation of the ten projects under the SHIP project where no invoices had been received by the Housing Services Division as of August 2018. As per the provincial guidelines, repairs should have commenced within three months of the date of funding commitment, which was December 2016. Without invoices or any other evidence, the OCA could not determine if repairs had initiated as per provincial guidelines in Report AUD19004. This report, AUD19004(a), contains the results of the additional review.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

None.

RELEVANT CONSULTATION

This report includes management responses provided by the management responsible for the administration of the Capital Funding within the Housing Services Division.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Overview

The Office of the City Auditor completed an audit of the Housing Division as part of the 2016-2018 audit work plan approved by Council. The audit fieldwork was completed in Q4 2018 and the results of this audit were reported to Council on in July 11, 2019 in Report AUD19004.

**SUBJECT: Supplementary Audit Report - Housing Services Division: Capital
(AUD19004(a)) (City Wide)** **Page 3 of 5**

The scope of the audit reviewed capital funding within the Social Housing program. The audit comprised of operational and compliance testing of the following areas:

- Social Housing Apartment Retrofit Program (SHARP) - \$7.1 million over 2 years
- Social Housing Improvement Program (SHIP) - \$11 million over 2 years
- High-level value for money review of the management tool, called the Asset Planner

On July 11, 2019, members of the Audit, Finance and Administration Committee requested the Office of City Auditor to review the ten projects under the SHIP project where no invoices had been received by the Housing Services Division as of August 2018.

According to Provincial guidelines, all projects should have commenced by March 2017 (within three months of the date of funding commitment, which was December 2016).

Analysis

The City Auditor confirmed that as of August 2019, the purchase orders for all projects reviewed in the original audit had been closed. The City Auditor reviewed the invoicing process, including specifically when the project invoices were received by the Housing Services Division from the Service Providers.

It was noted that for the projects belonging to CityHousing, the underlying invoices were not provided to Housing Services Division for payment until after August 2018.

CityHousing Hamilton used their own cash flow to pay the contractor invoices and did not request funding from the Housing Services Division until a later date. For three of the projects, CityHousing Hamilton did not receive invoices from the contractors within three months of the funding commitment date – the projects may have commenced within three months however there was no evidence to verify this.

There was one other Service Provider that was allocated funding for a project in the SHIP program which was based on completion of other projects. This project also did not commence as per Provincial guidelines.

Detailed Invoice Review Not Performed

The Office of the City Auditor performed a walkthrough of the invoices and the associated review process with the Housing Services Division and could not reconcile the invoices to the underlying purchase orders. Due to resource constraints and the bulk of invoices being received simultaneously, the Housing Services Division only performed a high-level review of the invoices. A detailed invoice review was not performed.

Additional Recommendations

The Office of the City Auditor (OCA) is making two new audit recommendations now that the invoices have been received by the Housing Services Division and the OCA has been able to complete this review.

Additional Recommendation #1:

It is recommended that the Housing Services Division enhance and strengthen the review of invoices prior to payment. The Housing Services Division should put in a process to ensure that Service Providers comply with Provincial guidelines relating to program initiation and completion timelines.

It was also noted that the Housing Services Division did not verify or document if the projects were completed. The submission of invoices from CityHousing was the only validation that the project was complete. Office of the City Auditor believes the Housing Services Division should have a systematic process, for example a checklist and documented evidence, that commitments are met.

Additional Recommendation #2:

It is recommended that the Housing Services Division develop a process and internal control to ensure that the funding is used for projects as intended; and that the Housing Services Division visibly inspect the projects where possible or get documented evidence from CityHousing Hamilton regarding project completion.

The current system of invoice submission, approval and documentation from CityHousing Hamilton requires improvement. For example, we found contractor invoices totalling \$66,000 for a purchase order of \$27,000. CityHousing was using the same contractor for multiple projects and submitting all invoices instead of separating it per project or per purchase order. This made it difficult for the Housing Services Division to decipher how much of the invoice costs was towards the specific project or purchase order. CityHousing should simplify their invoice submissions for transparency purposes and provide invoices to Housing Services Division as per the payment schedule. This would help to make the overall process more efficient.

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**SUBJECT: Supplementary Audit Report - Housing Services Division: Capital
(AUD19004(a)) (City Wide)**

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Management Response

Housing Services agrees that tighter controls are needed to ensure Service Providers are complying with program guidelines. We have improved the process for the Canada Ontario Community Housing Initiative (COCHI) capital funding and now document project status at milestones. If a project misses a milestone, steps to get the project on track will be documented.

Housing Services agrees that invoices should more clearly match the funded project. Expectations will be communicated to successful proponents and will be followed.

Housing Services will revise its approach to monitoring capital funding to include a final site visit. The approach will exclude projects of very low dollar value.

ALTERNATIVES FOR CONSIDERATION

Not applicable.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

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

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.



Hamilton

CITY OF HAMILTON
CITY MANAGER'S OFFICE
Office of the City Auditor

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 5, 2019
SUBJECT/REPORT NO:	Children's Services Risk Assessment Report (AUD19014) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brigitte Minard, CPA, CA, CIA, CGAP (905) 546-2424 Ext. 3107 Sana Malik, CIA, CFE, CFSA (905) 546-2424 Ext. 4886
SUBMITTED BY:	Charles Brown, CPA, CA, CPA (Illinois) City Auditor Office of the City Auditor
SIGNATURE:	<i>Charles Brown</i>

RECOMMENDATION

That the General Manager of Healthy and Safe Communities be directed to instruct the appropriate staff to have the management responses implemented, which were developed for the potential risks identified in the Children's Services Risk Assessment.

EXECUTIVE SUMMARY

The Children's and Home Management Services Division provides leadership for the integration of human services and the early years system and provides comprehensive evidence-based support services to children, families, and the community. The Division serves children, families, individuals, community agencies and programs, Healthy and Safe Communities Staff, and other City Departments through the provisions of the services noted below.

1. Child Care System Management
2. Early Years System Management
3. Red Hill Child and Family Centre
4. Life Skills and Case Management
5. Employment Services – Learning, Earning and Parenting program

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SUBJECT: Children's Services Risk Assessment Report (AUD19014) (City Wide)
Page 2 of 7

The risk assessment for Children's and Home Management Services was included in the 2016-2018 Audit Work Plan and approved by the City of Hamilton Council in April 2016. Since the start of the project, the Division was re-organized and is now known as Children's Services and Neighbourhood Development Division.

Since this risk assessment was completed, the provincial government has informed the City of Hamilton of several funding and policy changes that will be implemented between 2020 and 2022, including new cost-sharing requirements, reduced allocations for child care and EarlyON Child and Family Centres, changes to the thresholds for allowance administrative funding, and the implementation of a new tax credit for families. This risk assessment reflects the data and risks identified at the time of completion in 2018.

A risk assessment is the identification of potential risks that could negatively impact an organization's ability to conduct business and achieve its objectives.

This was one of the first risk assessments initiated by the Office of City Auditor (OCA) to allow management to self-assess their risks and controls and develop action plans, where required. The scope of the risk assessment included Child Care System Management, Early Years System Management, and the Red Hill Child and Family Centre.

Through the risk assessment process, 16 potential risks were identified which impacted the Division's ability to achieve its objectives. Each risk had one or more risk factors contributing to the risk. Based on consensus and voting, the top 12 risks were identified. While action plans, timelines and accountabilities were developed for some risks, Management provided current mitigating controls for the others.

After the risk assessment was completed, the leadership team in the Children's Services and Neighbourhood Development Division requested the OCA to assist, via a consulting engagement, in the development of an audit guide and checklist for their staff to conduct audits of operators that receive grants from the City of Hamilton. Based on the results of this OCA consulting work (Report AUD19015), the likelihood and impact of risk factors within "Financial Controllershship" were adjusted to be higher on the heat map by the OCA, and the issuance of this risk assessment report was deferred until the consulting work was fully completed in 2019 so that the two reports could be issued simultaneously.

Alternatives for Consideration – Not Applicable

SUBJECT: Children's Services Risk Assessment Report (AUD19014) (City Wide)
Page 3 of 7

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: None.

Staffing: None.

Legal: None.

HISTORICAL BACKGROUND

The City of Hamilton is legislatively responsible for service system management of child care and early years. This includes planning and funding licensed child care programs, administering financial assistance for eligible families through fee subsidies, and allocating additional resources to families and child care programs who provide care to children with special needs. It also includes the development and implementation of a 5-year community plan and the development and ongoing management of EarlyON Child and Family Centres.

Over the last several years, the funding of the Children's and Home Management Services Division has increased significantly resulting in investment in expanded programs and services. In 2017, the total child care and early years budget for Hamilton was \$69 million. Provincial funding made up \$63 million (91%) of the budget with the City contributing \$6 million (9%). In 2018, the total child care and early years budget for Hamilton increased to \$73 million.

This report identified key risks that could significantly impact the success of Children's and Home Management Services Division. The OCA collaborated with the Children's and Home Management Services Division to assess, prioritize, and mitigate key risks to increase the programs ability to achieve its strategic outcomes and minimize risks to the City.

Note that the risk assessment process began prior to the merger of the former Children's Services & Home Management and Neighbourhood & Community Initiatives divisions. Therefore, for the purposes of this report, the focus is on the former Children's Services and Home Management Division programs and services.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not Applicable.

SUBJECT: Children's Services Risk Assessment Report (AUD19014) (City Wide)
Page 4 of 7

RELEVANT CONSULTATION

To carry out this risk assessment, interviews and workshops were carried out with relevant representatives from Children's and Home Management Services Division.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Risk Assessment Process

The OCA used the enterprise risk management (ERM) model to carry out this risk assessment. ERM is a process to identify business risks and how these risks will be controlled further or eliminated to reduce the impact on business objectives. Effective risk management requires that all risks that could negatively impact the achievement of a business' objectives be recognized. For the risk assessment process, refer to Appendix "A" to Report AUD19014.

A risk is an event that may impact a business from meeting its objectives, and risk factors are the internal and external factors contributing to those risks.

As part of the risk assessment process, the OCA conducted a series of structured interviews with Children's and Home Management Services' Division management to gather an initial set of 16 potential risks (see Appendix "B" to Report AUD19014). The process also included those risks which the OCA team perceived to be applicable given the operational context. This was followed by two risk assessment workshops where management reviewed and prioritized each of the 16 risks.

Management review and prioritization of risks was based on two criteria – likelihood and impact.

- Likelihood is an indication of how often the potential risk may occur or what may be the chances of it happening.
- Impact is an indication of how severe a potential loss or negative outcome may be for a risk event.

Workshop participants were provided an opportunity to discuss the risks and identify additional factors and mitigations before voting on the likelihood and impact of each risk. Participants were asked to vote on the residual risk – the degree of likelihood and impact remaining after considering the controls and other mitigations currently in place to manage the risk.

SUBJECT: Children's Services Risk Assessment Report (AUD19014) (City Wide)
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The OCA collected each participant's votes anonymously to encourage individual responses without fear of undue influence by management and mapped these scores onto a heat map to see how critical each risk was in relation to each other. The resulting heat map is included in Appendix "C" to Report AUD19014.

The workshop participants, by consensus, chose 12 risks, rank ordered the contributing risk factors and chose one of the following risk response options:

- Transfer the risk – sharing the burden of loss, or benefit of gain, from a risk with another party.
- Eliminate the risk – withdrawing from, or not performing, an activity that could contribute to the risk.
- Accept the risk – accepting the loss, or benefit of gain, from the risk when it occurs; no further action to be taken.
- Manage the risk – reducing the severity or likelihood of the loss by putting more controls in place or reducing/eliminating the source of the risk.

Sixteen potential risks were identified which impacted the Division's ability to achieve its objectives. Each risk had one or more risk factors contributing to the risk. Based on consensus and voting, the top 12 risks were identified. While action plans, timelines and accountabilities were developed for some risks, management provided current mitigating controls for the others. A description of these risks, along with management responses, is included in Appendix "D" to Report AUD19014.

Participants in the workshops identified high-level strategic risks associated with the Division, rather than risks associated with the day-to-day implementation of many of its different programs. As a result, the action plans agreed upon to manage these risks are focused on the longer terms.

The primary risks were around change management, the changing political climate, use of technology, and availability of child care, and financial controllership. While the contributing factors for some of these risks are primarily external, there are certainly mitigation plans that the Division can undertake to prepare in the event the risk was to occur.

Some of the action plans management agreed upon were:

- **Change Management:** Review job descriptions to ensure change management skills are included in the hiring process. Continue to emphasize the importance of communication with all stakeholders.

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SUBJECT: Children's Services Risk Assessment Report (AUD19014) (City Wide)
Page 6 of 7

- Change in Political Environment/Government: Staff will work to educate all levels of government and work to reduce impact, as needed.
- Availability of Child Care: Communicate changes to the public and engage with operators to ensure services are responsive to community needs.
- Financial Controllershship: A new mid-year reconciliation template has been created to incorporate the Wage Improvement application process. Manager to review reconciliations when the annual service contract review is approved.
- Human Resources: Review roles and responsibilities of management staff to align with business need. Assess training and hiring needs on an ongoing basis.

Children's Services Management involved in this risk assessment process were open, forthcoming, and participated well in the process. Besides being forthcoming in interviews and other discussions, they agreed to the risks identified and compiled by the OCA from the interviews. The ongoing monitoring of risk responses and action plans is the responsibility of the Division. It is intended that the risk assessment results will be an integral part of annual strategic planning, priority setting and decision making.

The OCA provided Children's Services with a detailed report outlining the background, methodology, rationale and observations from each stage of the risk assessment process, as well as a comprehensive summary for each of the 16 potential risks identified as part of this exercise. A copy of this Children's Services Risk Assessment – Detailed Report is included in Appendix "D" to Report AUD19014.

Additional Considerations

Discussion was also held over the functioning of the Red Hill Family Centre which is the City of Hamilton's only municipally-operated licensed child care centre. Unlike other service providers, the City is responsible for its day-to-day operations, child welfare and facility management. The goal is to ensure high quality, sustainable, accessible, and increasingly integrated child care and early learning experiences for all children and their families. Since the facility provides supports to the most vulnerable children, workshop participants expressed the importance of this facility to the City. Given that there are costs associated with the City operating this facility, management could consider performing a formal cost/benefit analysis of this City-operated facility to assess the sustainability of operating this facility compared to other operating models.

ALTERNATIVES FOR CONSIDERATION

Not Applicable.

SUBJECT: Children's Services Risk Assessment Report (AUD19014) (City Wide)
Page 7 of 7

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.

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

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

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

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

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

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 AUD19014 – Risk Assessment Methodology

Appendix "B" to Report AUD19014 – List of Identified Risks

Appendix "C" to Report AUD19014 – Children's Services Risk Assessment Heat Map

Appendix "D" to Report AUD19014 – Children's Services Risk Assessment Detailed Report

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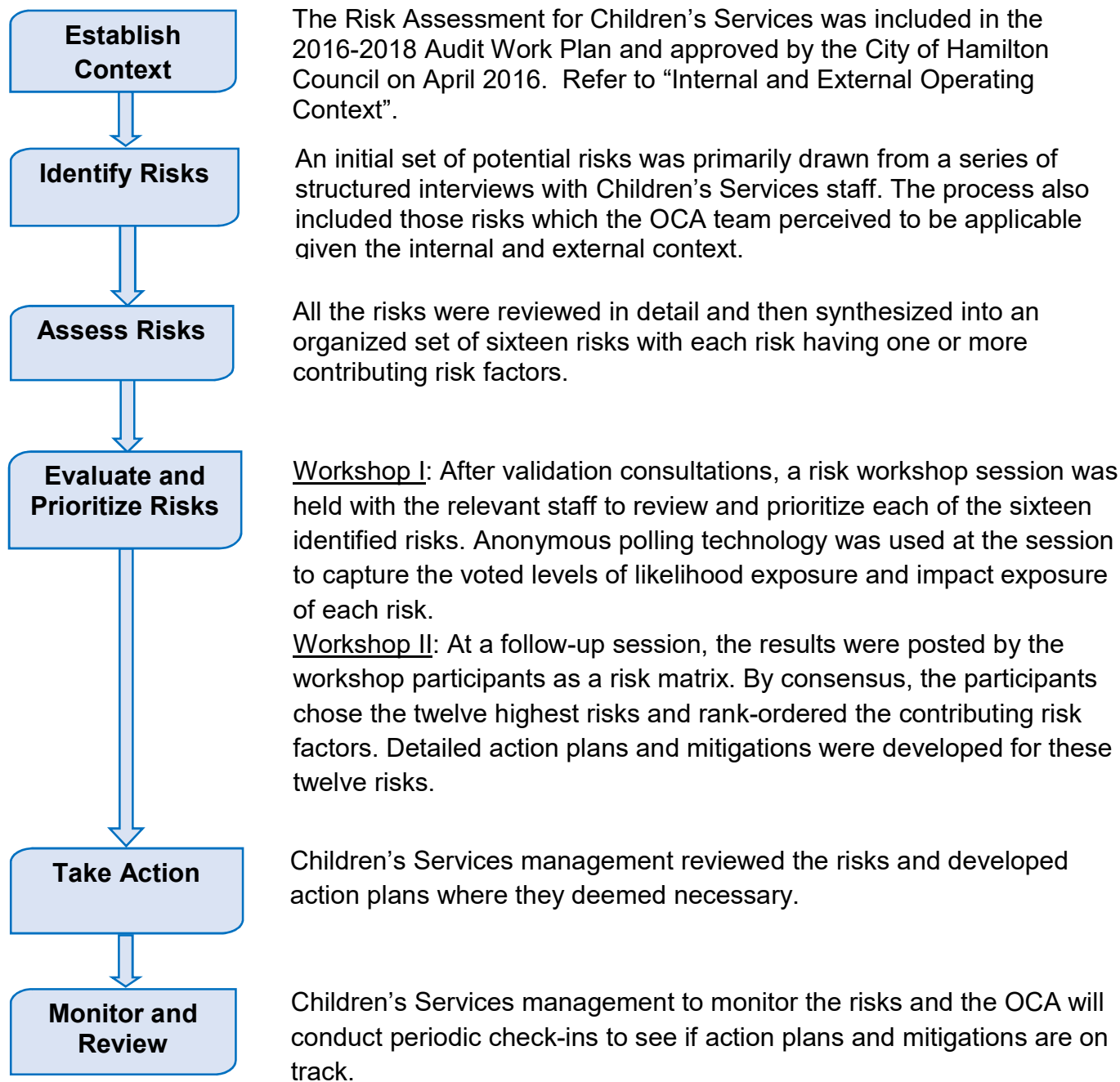
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**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR
CHILDREN'S SERVICES – RISK ASSESSMENT**

APPENDIX A – RISK ASSESSMENT METHODOLOGY

We utilized the risk assessment process stated below. The risk assessment process assists a business in identifying and assessing potential risks or opportunities for improvement.



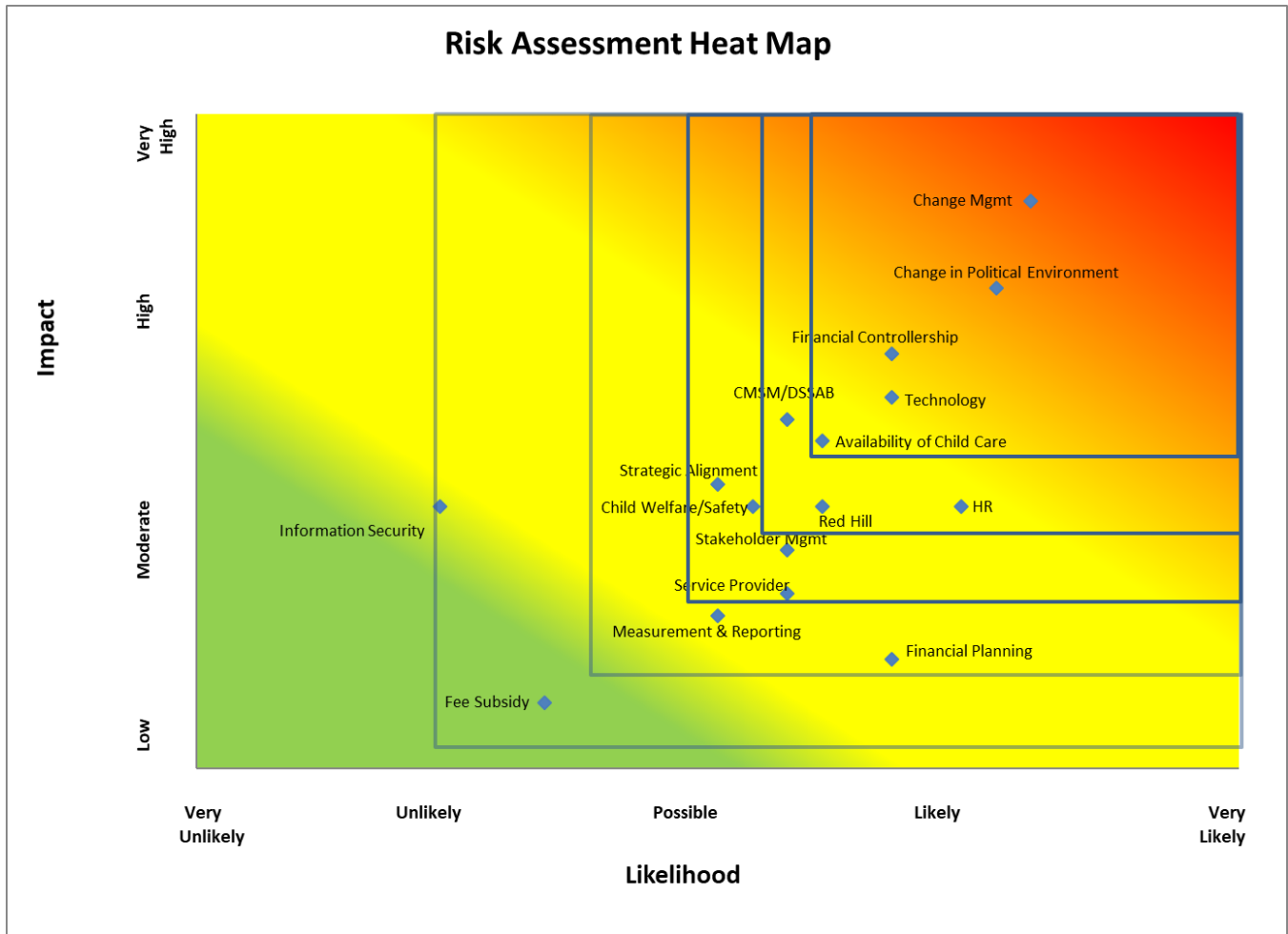
**CITY OF HAMILTON
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CHILDREN'S SERVICES – RISK ASSESSMENT**

APPENDIX B – LIST OF IDENTIFIED RISKS

No.	Potential Risk Category	Risk Statement
1	Change Management	Lack of a robust change management strategy could potentially result in insufficient stakeholder engagement, enhanced resistance to change, and increased costs and risks.
2	Change in Political Environment/Government	Unable to achieve overall objectives due to changing political climate.
3	Financial Controllarship	Insufficient financial oversight resulting in potential financial/operational losses; inability to meet the enhanced accountability measures of the Ministry.
4	a) Availability of Child Care b) Availability of Early Years Services	Parents and caregivers do not have access to high quality services that support them in their role as their children's first teachers, enhance their well-being, and enrich their knowledge about early learning and development.
5	Technology Support and Tools	Unable to achieve overall objectives due to insufficient/inadequate technology support and tools.
6	Child Care System Manager (Consolidated Municipal Service Manager or CMSM), role held by Children's Services at the City of Hamilton	CMSM is not performing the required tasks as stated in the strategic/operational plans.
7	Municipally Operated Service Provider (Red Hill Family Centre)	Risk of being unable to provide a safe and healthy environment for children.
8	Human Resources	Objectives are not achieved due to Divisional staff's HR related risks: training and development, pay and compensation, unclear/changing roles and responsibilities, and talent acquisition and management.
9	Strategic Alignment	A misaligned strategy increases the possibility that, even if successfully executed, the organization may not realize its mission and vision.

No.	Potential Risk Category	Risk Statement
10	Child Welfare and Safety	Unsafe workplace/environment resulting in children not experiencing positive developmental health and well-being.
11	Stakeholder Management	Key stakeholders not being provided with timely, relevant and up to date information about community and specialized services.
12	Service Provider Risk	Local service providers do not collaborate and integrate services to meet community needs in an efficient and accessible way.
13	Measurement and Reporting	Inadequate/ineffective measurement/reporting may lead to ineffective/flawed (internal) decision making, allocation of funds etc., and may not meet Ministry reporting requirements.
14	Financial Planning	Inefficient financial planning can diminish an organization's ability to safeguard its assets, use its resources economically and efficiently, and produce accurate and reliable financial information.
15	Information Security	Do we have sufficient controls in place to manage data privacy of information collected from soft/hard copy submissions/paper documents?
16	Fee Subsidy	Inaccurate calculations may lead to under/over payments of fee subsidies; and non-adherence to Ministry accountability measures.

**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR
CHILDREN’S SERVICES RISK ASSESSMENT
HEAT MAP**



Note – The risk corresponding to each label on the heat map is contained in Appendix “B” to Report AUD19014.

Based on the results of this management consulting work (Report AUD19015), the likelihood and impact of risk factors within “Financial Controllershship” were adjusted to be higher on the heat map by the Office of the City Auditor.

**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR REPORT
CHILDREN'S SERVICES RISK ASSESSMENT**

**CHILDREN'S SERVICES RISK ASSESSMENT
DETAILED REPORT**

**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR REPORT
CHILDREN'S SERVICES RISK ASSESSMENT**

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**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR REPORT
CHILDREN'S SERVICES RISK ASSESSMENT**

EXECUTIVE SUMMARY

The Children's and Home Management Services Division provides leadership for the integration of human services and the early years system and provides comprehensive evidence-based support services to children, families and the community. The Division serves children, families, individuals, community agencies and programs, Healthy and Safe Communities staff, and other city departments through the provisions of the services noted below.

1. Child Care System Management
2. Early Years System Management
3. Red Hill Child and Family Centre
4. Life Skills and Case Management
5. Employment Services – Learning, Earning and Parenting program

In 2018 a detailed risk assessment was completed on Children's and Home Management Services. A risk assessment is the identification of "potential" risks that could negatively impact an organization's ability to conduct business and achieve its objectives. For the risk assessment, we focussed on the first three services stated above. Since the start of the project, the Division was re-organized and is now known as Children's Services and Neighbourhood Development Division. It is important to note that the risk assessment was completed between 2017-2018 and there have been a number of changes since that time, most notably the change in provincial government. Since this risk assessment was completed, the provincial government has informed the City of Hamilton of a number of funding and policy changes that will be implemented between 2020 and 2022, including new cost-sharing requirements, reduced allocations for child care and EarlyON Child and Family Centres, changes to the thresholds for allowance administrative funding, and the implementation of a new tax credit for families. The following risk assessment reflects the data and risks identified at the time of completion.

Overall, 16 risks were identified which impacted Children's Services. Each risk had one or multiple risk factors contributing to the risk. Based on consensus and voting, the top 11 potential risks were identified to address each risk factor. While action plans,

**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR REPORT
CHILDREN'S SERVICES RISK ASSESSMENT**

timelines and accountabilities were developed for some, management provided mitigating controls for the others.

The primary risks were around change management, the changing political climate, use of technology and availability of child care. While the contributing factors for some of these risks are primarily external, there are certainly mitigation plans that the Division can undertake to prepare in the event the risk was to occur.

INTRODUCTION

Background

The risk assessment for the former Children's and Home Management Services Division (now Children's Services and Neighborhood Development Division) was included in the 2016-2018 Audit Work Plan and approved by the City of Hamilton Council in April 2016. This assessment was part of a new service offered by the Office of the City Auditor (OCA) to enable management to self-assess their risks and controls and develop action plans where required.

The City of Hamilton is legislatively responsible for service system management of child care and early years. This includes planning and funding licensed child care programs, administering financial assistance for eligible families through a fee subsidy and allocating additional resources to families and child care programs who provide care to children with special needs. It also includes the development and implementation of a 5-year community plan and the development and ongoing management of EarlyON Child and Family Centres.

**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR REPORT
CHILDREN'S SERVICES RISK ASSESSMENT**

Purpose

This report identified key risks that could significantly impact the success of Children's Services and Neighbourhood Development Division. The OCA collaborated with the Children's Services and Neighbourhood Development Division to assess, prioritize and mitigate key risks to increase the Division's ability to achieve its strategic outcomes and minimize risks to the City. For the purposes of this report, the focus is on Children's Services.

Internal Operating Context

The scope of services provided by Children's Services has increased with the surge in funding over the last several years. Some of the key factors affecting their internal operating context are as follows:

- At the end of 2017, the City had funding agreements with 76 child care operators with 203 sites that represent 13,000 licensed spaces for 0 to 12-year old's; the City-operated child care centre had 79 licensed spaces and the City also had funding agreements with three licensed home child care agencies with additional 653 licensed spaces. While the Division is not directly responsible for the running of the child care centres (other than the Red Hill Family Centre), it plays a pivotal part in ensuring the system priorities are being achieved.
- In 2017, there were 6,184 children who received a full or partial fee subsidy and the total child care and early years budget for Hamilton was \$69 million. Provincial funding made up \$63 million (91%) of the budget with the City contributing \$6 million (9%). In 2018, the total budget increased to \$73 million.
- In the fall of 2015, the City of Hamilton, in its role as Consolidated Municipal Services Manager (CMSM), identified the need to develop a new Early Years Community Plan (EYCP) to guide the next five years. The Hamilton EYCP 2016-2020 is used to guide the work of the Children's Services and Neighbourhood Development Division and the broader early years system.

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The course of action for the Hamilton Early Years Plan 2016-2020 consists of five key elements: ¹

1. A description and definition of the key components of the early years system;
2. A strategy map that aligns the vision, the focus, and the foundational principles that underpin the early years system;
3. An equity and engagement lens to ensure equitable outcomes for all children and families;
4. A new organizing structure that enables each component of the system to effectively work and learn together; and,
5. Seven strategic priorities with specific goals and recommended actions for the future.

This comprehensive plan has deliverables and recommendations which drives the strategic direction of the Division.

External Operating Context

The Division is subject to external factors that influence the planning and delivery of its programs and services and the types of risks it faces. Some of these factors include government priorities (e.g. budget) and government-wide initiatives. These factors must be taken into consideration when identifying risks and mitigation strategies. Outlined below are some of the most significant elements of the Division's external context.

- In February 2016, the Ministry of Education announced its intention to transform Ministry-funded child and family programs into an integrated system of services and supports for children ages 0-6 and their parents and caregivers. EarlyON Child and Family Centers integrate four previously Ministry funded child and family programs (Ontario Early Years Centres, Parenting and Family Literacy Centres, Child Care Resource Centres and Better Beginnings, Better Futures) and into a new system of early years programs called the EarlyON Child and Family Centres (previously referred to as Ontario Early Years Child and Family Centres).

¹ The Hamilton Early Years Community Plan 2016-2020

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In June 2017, the Province of Ontario announced 2018 allocations for EarlyON Child and Family Centres and released the guidelines which are intended to provide service system managers with an overview of program expectations, the Ministry's funding methodology, and set out eligible expenditures, and reporting requirements. These guidelines came into effect on January 1, 2018.

The City of Hamilton is responsible for the local planning, implementation, funding, and ongoing management of the new EarlyON Child and Family Centres. The City released its initial plan in September 2017 identifying the Key Transition Tasks required to meet provincial guidelines.

- The Ontario government is supporting access to licensed child care for 100,000 more children aged 0-4 years old over five years, beginning in 2017. This substantial new funding for licensed child care will support new child care fee subsidies, expand access to affordable licensed child care spaces and reduce fee subsidy waitlists to help parents access quality child care.
- In June 2018, a new provincial government was elected in Ontario. At the time of this risk assessment, the new government's child care and early years priorities, as well as their ongoing commitment to priorities of the previous provincial government have not yet been communicated to municipalities and many of the implications of the change in government remain to be seen.

RISK ASSESSMENT METHODOLOGY

Enterprise Risk Management

The OCA used the enterprise risk management (ERM) model to carry out this risk assessment. A risk is an event that may impact a business from meeting its objectives. ERM is a process to identify business risks and how these risks will be controlled further or eliminated to reduce the impact on business objectives.

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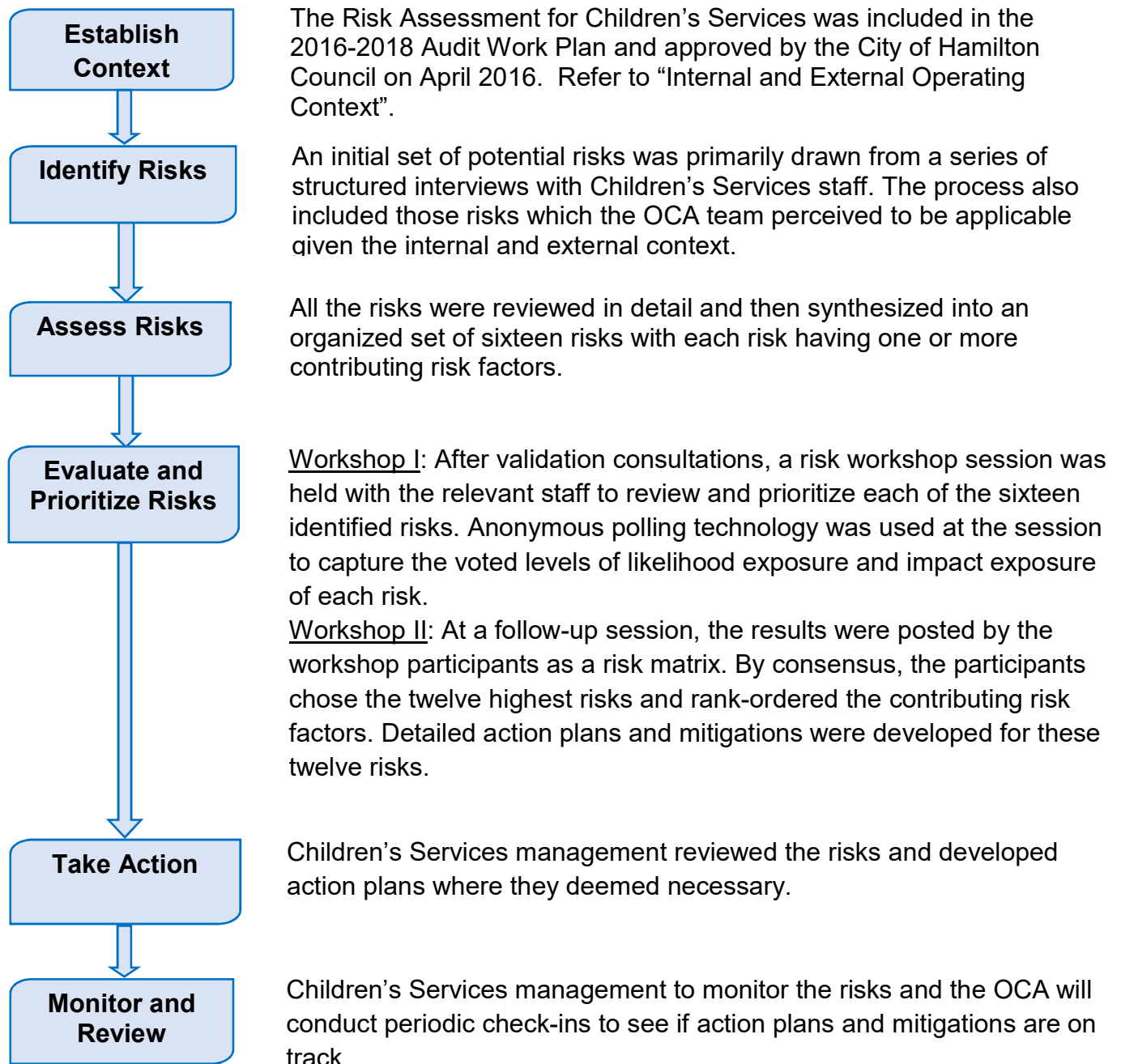
Effective risk management requires that all risks that could negatively impact the achievement of a business' objectives be recognized. The range of potential risks falls into seven broad categories and result from:

The business that you are in (volatility of external factors)	Environmental Risk		
The direction that you plan on going	Strategic Risk	Organizational and Cultural Risk	Systemic issues, culture and values, organizational capacity, commitment, and learnings management systems, etc.
Carrying out your objectives	Operational Risk		
Obtaining, committing and using economic resources	Financial Risk		
Having to comply with laws, regulations, standards and policies	Compliance Risk		
Relying on information	Informational Risk		

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Summary of the Risk Assessment Process

We utilized the risk assessment process stated below. The risk assessment process assists a business in identifying and assessing potential risks or opportunities for improvement.



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RISK IDENTIFICATION

The OCA conducted interviews to facilitate the identification of 16 risks facing the Children's Services, internal and external factors contributing to those risks, and controls and mitigations currently in place to manage those risks. A list of these risks, including the risk statement, is included in Table 1 of this Appendix "D" to Report AUD19014. Additional details and information pertaining to these risks, including additional risk statements, contributing factors and, existing controls and mitigations are included in Table 2 of this Appendix "D" to Report AUD19014.

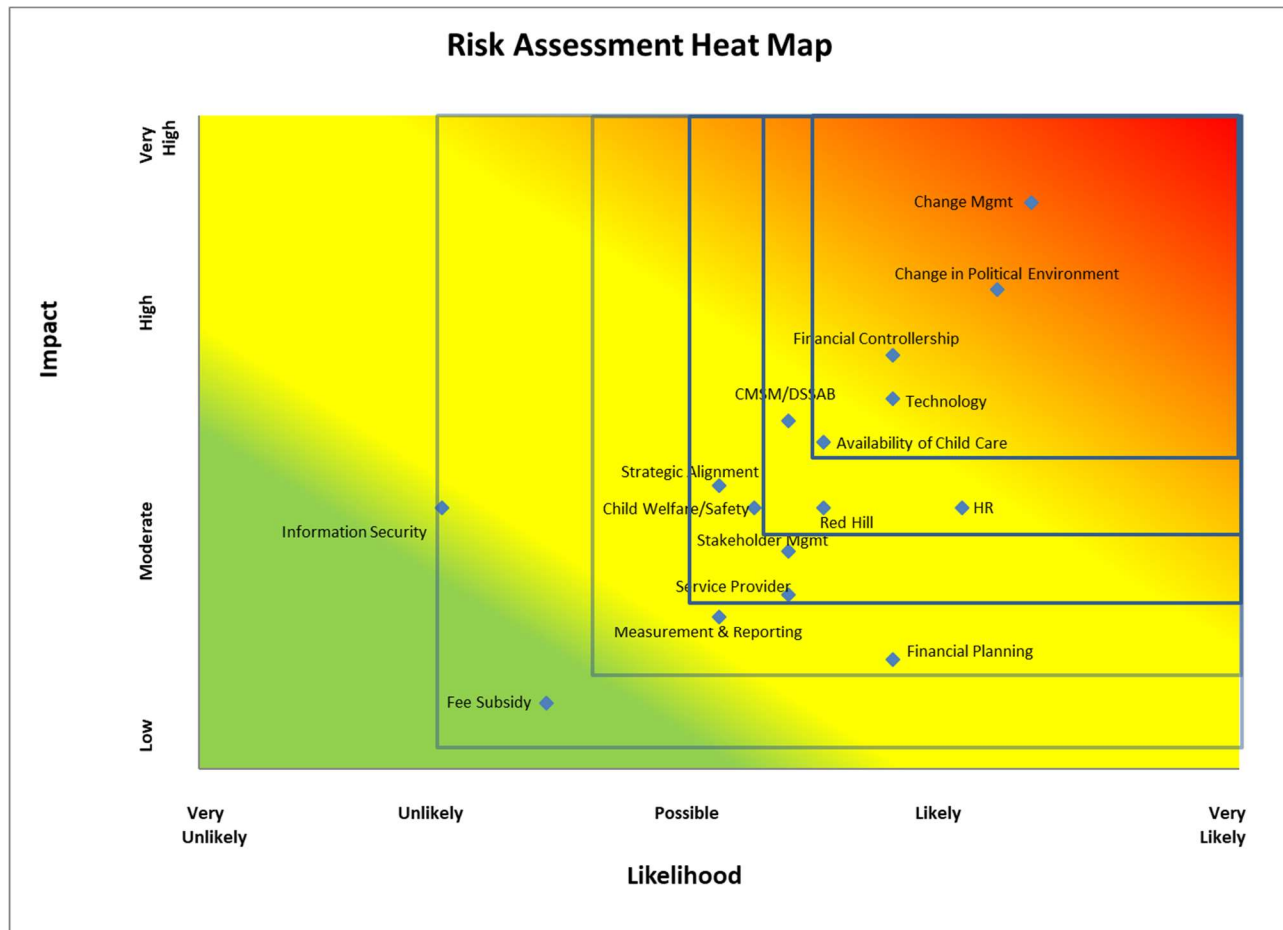
RISK ASSESSMENT

Upon identification of the 16 risks, the OCA conducted two risk assessment workshops where the Children's Services Management reviewed and prioritized each of the 16 risks. Management's review and prioritization of risks was based on two criteria – likelihood and impact. Likelihood is an indication of how often the potential risk may occur or what may be the chances of it happening. Impact is an indication of how severe a potential loss or negative outcome may be for a risk event. These likelihood and impact scales are included in Table 3 of this Appendix "D" to Report AUD19014.

Participants were provided an opportunity to discuss the risks and identify additional factors and mitigations before voting on the likelihood and impact of each risk. Participants were asked to vote on the residual risk – the degree of likelihood and impact remaining after considering the controls and other mitigations currently in place to manage the risk. The OCA collected each participant's votes in an anonymous manner to encourage individual responses without fear of undue influence of other participants.

The OCA combined the votes from the workshop to calculate an overall likelihood and impact score for each risk. These scores were plotted on the following heat map to create a visual representation of how critical each of the 16 risks were assessed in relation to each other. The heat map is a simple mechanism to increase visibility of risks and assist management decision making.

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RISK RESPONSE

To prioritize, potential risks were segregated with arbitrary lines on the heat map. Based on the placement of each risk and a discussion of impact on strategic outcomes and mandate, via consensus and voting it was decided to develop a detailed analysis and action plans for the top 12 risks, identified as "potential risks" (the first three boxes from top right of the matrix).

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The workshop participants chose one of the following risk response options:

- Transfer the risk – sharing the burden of loss, or benefit of gain, from a risk with another party.
- Eliminate the risk – withdrawing from, or not performing, an activity that could contribute to the risk.
- Accept the risk – accepting the loss, or benefit of gain, from the risk when it occurs; no further action to be taken.
- Manage the risk – reducing the severity or likelihood of the loss by putting more controls in place or reducing/eliminating the source of the risk.

Sixteen potential risks were identified which impacted the Division's ability to achieve its objectives. Each risk had one or more risk factors contributing to the risk. Based on consensus and voting, the top 12 risks were identified. While action plans, timelines and accountabilities were developed for some risks, management provided current mitigating controls for the others. A description of these risks, along with Management responses, is included in Table 2 of this Appendix "D" to Report AUD19014.

CONCLUSION

Over the last several years, the funding of Children's Services has increased significantly resulting in investment in expanded programs and services and the temporary elimination of the child care subsidy waitlist.

There do remain significant risks around change management, the changing political climate, use of technology and availability of child care. While the contributing factors for some of these risks are primarily external, there are certainly mitigation plans that the Division can undertake to prepare in the event the risk was to occur.

The ongoing monitoring of risk responses and action plans is the responsibility of the Division staff. It is intended that the risk assessment results will be an integral part of annual strategic planning, priority setting and decision making.

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**CHILDREN'S SERVICES RISK ASSESSMENT – DETAILED REPORT
TABLE 1 – LIST OF IDENTIFIED RISKS**

No.	Potential Risk Category	Risk Statement
1	Change Management	Lack of a robust change management strategy could potentially result in insufficient stakeholder engagement, enhanced resistance to change, and increased costs and risks.
2	Change in Political Environment/Government	Unable to achieve overall objectives due to changing political climate.
3	Financial Controllership	Insufficient financial oversight resulting in potential financial/operational losses; inability to meet the enhanced accountability measures of the Ministry.
4	a) Availability of Child Care b) Availability of Early Years Services	Parents and caregivers do not have access to high quality services that support them in their role as their children's first teachers, enhance their well-being, and enrich their knowledge about early learning and development.
5	Technology Support and Tools	Unable to achieve overall objectives due to insufficient/inadequate technology support and tools.
6	Child Care System Manager (Consolidated Municipal Service Manager or CMSM), role held by Children's Services at the City of Hamilton	CMSM is not performing the required tasks as stated in the strategic/operational plans.
7	Municipally Operated Service Provider (Red Hill Family Centre)	Risk of being unable to provide a safe and healthy environment for children.
8	Human Resources	Objectives are not achieved due to Divisional staff's HR related risks: training and development, pay and compensation, unclear/changing roles and responsibilities, and talent acquisition and management.
9	Strategic Alignment	A misaligned strategy increases the possibility that, even if successfully executed, the organization may not realize its mission and vision.

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No.	Potential Risk Category	Risk Statement
10	Child Welfare and Safety	Unsafe workplace/environment resulting in children not experiencing positive developmental health and well-being.
11	Stakeholder Management	Key stakeholders not being provided with timely, relevant and up to date information about community and specialized services.
12	Service Provider Risk	Local service providers do not collaborate and integrate services to meet community needs in an efficient and accessible way.
13	Measurement and Reporting	Inadequate/ineffective measurement/reporting may lead to ineffective/flawed (internal) decision making, allocation of funds etc., and may not meet Ministry reporting requirements.
14	Financial Planning	Inefficient financial planning can diminish an organization's ability to safeguard its assets, use its resources economically and efficiently, and produce accurate and reliable financial information.
15	Information Security	Do we have sufficient controls in place to manage data privacy of information collected from soft/hard copy submissions/paper documents?
16	Fee Subsidy	Inaccurate calculations may lead to under/over payments of fee subsidies; and non-adherence to Ministry accountability measures.

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**CHILDREN'S SERVICES RISK ASSESSMENT – DETAILED REPORT
TABLE 2 – DETAILED RISK SUMMARIES**

RISK 1 – CHANGE MANAGEMENT

Risk Rating

Likelihood: Likely

Impact: High

Risk Description

Lack of a robust change management strategy could potentially result in insufficient stakeholder engagement, enhanced resistance to change, and increased costs and risks.

Contributing Factors

- The Division might not have sufficient skills and resources to manage Change Management. (Management response: Mitigate)
- There are insufficient mechanisms in place to monitor change management timelines. (Management response: Mitigate)

Mitigating Controls and Action Plans

- The implementation of various project work plans will ensure a robust change management component is included.
- Staff trained in ADKAR and principles are used in planning/executing work plans.
- Review job descriptions/interview process to ensure change management skills are included in the hiring process.
- Continue to emphasize the importance of communication with all stakeholders.
- Implementation of various project work plans are a mechanism to monitor change management timelines.
- Build in sufficient time for change management activities and adjust timelines as needed.

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RISK 2 – CHANGE IN POLITICAL ENVIRONMENT

Risk Rating

Likelihood: Likely

Impact: High

Risk Description

Unable to achieve overall objectives due to changing political climate.

Contributing Factors

- With the change in Federal / Provincial Government, there might be changes and shifts in their focus/priorities from Child Care and Early Years Services to another priority, it may reduce the funding for Child Care or Early Years services causing:
 - Inability to fully deliver programs as planned
 - Negative stakeholder impact
 - Negative media coverage

(Management response: Mitigate)

Mitigating Controls and Action Plans

- Changes are unknown now; staff will work to educate all levels of government and work to reduce impact as needed.
- Work with Ontario Municipal Social Services Association (OMSSA) to educate about various levels of government and potential impact.

RISK 3 – FINANCIAL CONTROLLERSHIP

Risk Rating

Likelihood: Likely

Impact: Moderate

Risk Description

Insufficient financial oversight resulting in potential financial/operational losses; inability to meet the enhanced accountability measures of the Ministry.

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Contributing Factors

- The reconciliation of wage enhancement program is not being effectively performed. (Management response: Mitigate)
- Inaccurate payment of subsidies to Service Providers due to a lack of rigorous reconciliation process. (Management response: Mitigate)
- The CMSM's or DSSAB's reconciliation process is not adequately documented and retained (for ministry review). (Management response: Mitigate)
- Attendance reports supplied by Service providers insufficient to determine fee subsidy amounts with the risk of Service Provider potentially submitting fraudulent information. (Management response: Mitigate)
- Aged accounts receivable not being tracked (amounts owing from Service Providers) so that there are no long outstanding dues). (Management response: Accept)
- Families being initially incorrectly assessed resulting in inaccurate subsidy amounts (due to inputting errors such as parental contribution amount, Universal Child Care Benefit, etc.) (Management response: Accept)
- Insufficient oversight over the initial assessment process. (Management response: Accept)
- Potential conflict of interest - staff assessing children files and approving subsequent payments. (Management response: Accept)
- A consistent weighing mechanism is not used when calculating per diem rates; staff is not documenting the rationale for discretionary adjustments in calculations. (Management response: Accept)

Mitigating Controls and Action Plans

- A new mid-year reconciliation template has been created to incorporate the Wage Improvement application process. Manager to review reconciliations when the annual service contract review is approved.
- A new Program Analyst position will be created with a focus on financial expectations. Training sessions will be held to refresh requirements of performing an annual review.
- Review and update fee subsidy per diem calculation policy to include limits on acceptable operating expense
- Remind operators on the importance of completing accurate attendance. Send out email with link to the definitions and processes for completing attendance.
- Any recoveries are processed through the City Accounts Receivable section and are subject to the City of Hamilton collections policies.
- Each month before the invoices are produced, all Fee Subsidy staff review an Ontario Child Care Management System (OCCMS) report that may show discrepancies

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between the income test (parental contribution) and child placement. All discrepancies are corrected to ensure a correct subsidy amount.

- In addition to the Fee Subsidy monthly review noted above, the Supervisor of Fee Subsidy conducts random file reviews regularly.
- A separation of duties has been in place since 2008. Subsidy Eligibility Workers approve families/children. Program Analysts approve payments.
- Per diems are reviewed annual based on a consistent formula. All changes are reviewed and approved by the manager. Any adjustments are approved by the manager.

RISK 4 – AVAILABILITY OF CHILD CARE AND EARLY YEARS SERVICES

Risk Rating

Likelihood: Possible

Impact: Moderate

Risk Description

Parents and caregivers do not have access to high quality services that support them in their role as their children's first teachers, enhance their well-being, and enrich their knowledge about early learning and development.

Contributing Factors

- Failure to provide child care in case one or more child care operators unexpectedly shuts down in the city. A documented procedure does not exist to guide staff if such an event were to occur. (Management response: Accept)
- If there is an influx of refugees, Hamilton might not be able to accommodate with the current service levels. (Management response: Accept)
- Child and Family Centres might not be evenly spread across Hamilton resulting in services not being conveniently available to all residents. (Management response: Mitigate)

Mitigating Controls and Action Plans

- Management works closely with child care operators to ensure there are several ways they regularly communicate with the City, so that we are aware if they are financially struggling, or if their enrolment is low which may potentially cause them to shut down. Hamilton Early Years Quality Program ensures that an annual meeting with child care operators are held to develop goals.

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Child care operators are required to submit an annual budget with financial statements. Operators are required to complete a Record of Attendance invoice and report their operating capacity, vacancy, and wait list monthly. Program Analysts are required to compare this information with the operators' General Operating Funding Agreement submitted every year.

- There are several options if there were an influx of refugees in Hamilton. There are child care operators in Hamilton who do not have a Funding Agreement with the City due to a Council approved moratorium. New service agreements with new organizations would be considered when the needs of the community cannot be met by licensed child care organizations that already have a service agreement in place with the City of Hamilton. We would also explore other options such as licensed home child care, recreation programs, and EarlyON Child and Family Centres to support these families.
- Staff communicate changes to the public and engage with EarlyON Child and Family Centre participants to ensure services are responsive to community needs. Evaluation of service delivery will be ongoing.

RISK 5 – TECHNOLOGY SUPPORT AND TOOLS

Risk Rating

Likelihood: Likely

Impact: Moderate

Risk Description

Unable to achieve overall objectives due to insufficient/inadequate technology support and tools.

Contributing Factors

- The current technology/software might not be adequate or aligned with the enhanced reporting requirements and strategic objectives.
(Management response: Accept)
- There is a risk of gathering and reporting inaccurate information as the data is being pulled from multiple databases and systems within the Division.
(Management response: Mitigate)
- The risk of data loss if data in the information software/databases are not backed up timely. (Management response: Accept)

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Mitigating Controls and Action Plans

- Participate in Ontario Child Care Management System (OCCMS) Work Group to review technology and propose changes.
- A new data system is being developed to support the needs of the early years system. Existing technology currently being used includes OCCMS, the Hamilton Child Care Registry, and the Early Years Services Information System (EYSIS).
- This database will assist with streamlining data collection and reduce the risk of gathering and reporting inaccurate information.

RISK 6 – CONSOLIDATED MUNICIPAL SERVICE MANAGER (CMSM) RISK - role held by Children's Services at the City of Hamilton

Risk Rating

Likelihood: Possible

Impact: Moderate

Risk Description

CMSM is not performing the required tasks as stated in the strategic/operational plans.

Contributing Factors

- There is no defined/documentated procedure to handle/monitor service providers which have been granted a provisional license. For example, operators with a history of non-compliance, considered to be high risk, are not visited by the City in a timely manner. (Management response: Accept)
- Divisional staff is not monitoring service levels and administrative costs throughout the year to ensure City is on track to meet the current thresholds (administrative expenses not to exceed 10%, Special Needs Resourcing (SNR) 4.1% etc.) (Management response: Accept)
- CMSM does not provide financial reporting/submissions on a timely basis resulting in reduced or suspended funding by the Ministry. (Management response: Accept)

Mitigating Controls and Action Plans

- Program Analysts are responsible for printing off licenses and inputting any revisions to the license on OCCMS. If there is a provisional license, non-compliance issue, or a serious occurrence, the Program Analysts make note of it. Quality Analyst is responsible for printing off the details, bringing it to the attention of Supervisor/Manager. Supervisor will develop a plan of action. A meeting with all involved may occur and work plans may be developed to support the operator to

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come into compliance. Visits are scheduled by the Professional Learning Consultant to support Supervisor/Educators.

- Service levels are reported to Electronic Financial Information System (EFIS) on a regular basis.
- Reports are submitted in a timely manner; if reporting is not completed on time, staff will work with Ministry of Education (MEDU) to ensure continued funding.

RISK 7 – MUNICIPALITY OPERATED SERVICE PROVIDER (RED HILL FAMILY CENTRE)

Risk Rating

Likelihood: Possible

Impact: Moderate

Risk Description

Risk of being unable to provide a safe and healthy environment for children.

Contributing Factors

- Risk of financial/reputational losses in case of any incidents at the Red Hill facility (such as a child falling sick because of the in-house prepared food). (Management response: Mitigate)
- Risk that the taxi service fails in delivering children to the Red Hill. (Management response: Accept)
- An overall performance review (cost/benefit) of the city run centre has not been performed to ensure viability. (Management response: Accept)

Mitigating Controls and Action Plans

- Health and safety procedures are in place at Red Hill. Monitor food daily and provide ongoing training to staff.
- Work with provider and parents in the event taxi service fails to deliver children to the Centre.
- Red Hill Family Centre meets a unique need in the community that is not currently provided by other operators.

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RISK 8 – HUMAN RESOURCESRisk Rating

Likelihood: Likely

Impact: Moderate

Risk Description

Objectives are not achieved due to Divisional staff's HR related risks: training and development, pay and compensation, unclear/changing roles and responsibilities, and talent acquisition and management.

Contributing Factors

- Roles, responsibilities and accountabilities are not well defined and understood; lack of clarity on how success will be determined and measured.
(Management response: Mitigate)
- Divisional employees might not be engaged with limited learning/growth opportunities. (Management response: Mitigate)
- Current staffing levels are insufficient to accomplish current or new service levels.
(Management response: Mitigate)

Mitigating Controls and Action Plans

- Management to work with staff to complete Performance Accountability and Development (PAD) reviews. Continue to review roles, responsibilities based on business need; align with PAD process.
- Continue to review training and learning needs of staff; align with PAD process.
- Continue to review staffing needs on ongoing basis. Staffing needs are reviewed on annual basis to reflect funding, strategic priorities, etc.

RISK 9 – STRATEGIC ALIGNMENTRisk Rating

Likelihood: Possible

Impact: Moderate

Risk Description

A misaligned strategy increases the possibility that, even if successfully executed, the organization may not realize its mission and vision.

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Contributing Factors

- At the time of this assessment, the initial plan for EarlyON Child and Family Centres for the City had not been translated into the 2018 workplan. The Division is not on track, in terms of timeline, to move from the initial plan to actual implementation of the EarlyON Child and Family Centre Framework (the transition plan has not been drafted, reviewed, approved or implemented). (Management response: Mitigate).
- The operational Workplan is not integrated and aligned with the strategic plans. (Management response: Mitigate)

Mitigating Controls and Action Plans

- Implementation of a new organizing structure as part of the new EarlyON Child and Family Centre system is underway. Staff resources are in place to move this work forward.
- Regularly review operational and strategic workplans.

RISK 10 – CHILD WELFARE AND SAFETY

Risk Rating

Likelihood: Possible

Impact: Moderate

Risk Description

Unsafe work place/environment resulting in children not experiencing positive developmental health and well-being.

Contributing Factors

- The City will be held responsible if a child is seriously injured/hurt at Red Hill Family Centre. (Management response: Accept)
- There could be significant risks in the facility management and facility security at Red Hill Family Centre. (Management response: Accept)
- City can be held responsible for child safety at Service Provider locations. (Management response: Accept)
- City run provider - Red Hill Family Centre, might not be conducting an annual analysis of all serious occurrences as a method of identifying issues and/or trends. (Management response: Accept)

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Mitigating Controls and Action Plans

- Process in place to support staff to ensure healthy and safe environments and reduce risk.
- Procedures are in place to reduce facility risk at Red Hill Family Centre.
- Child Care Funding Agreement states that the City is not held liable for anything that happens in a child care program.
- The City will continue to provide support to service providers.
- Red Hill Family Centre monitors all accidental occurrences for trends on site; serious occurrences monitored by Quality Program.

RISK 11 – STAKEHOLDER MANAGEMENT

Risk Rating

Likelihood: Possible

Impact: Moderate

Risk Description

Key stakeholders not being provided with timely, relevant and up to date information about community and specialized services.

Contributing Factors

- High potential to negatively affect or harm the City's relationships with the key stakeholders (Ministry of Education, Clients/Parents).
(Management response: Accept)
- Risk associated with the potential lack of transparency and timeliness of communications. For example, a communications plan might not have been developed/deployed for all key stakeholders (regarding plan to expand EarlyON Child & Family Centres). (Management response: Accept)
- Adequate time and attention might not be devoted to stakeholder engagement.
(Management response: Mitigate)

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Mitigating Controls and Action Plans

- Continue to maintain strong relationships and work collaboratively with community partners and the public.
- Key message documents are updated on regular basis and distributed to partners and the public.
- Stakeholder engagement is a priority and has adequate resources attached to this work.
 - Continue to ensure stakeholder management is embedded in all project work plans.
 - Continue to review job descriptions and interview process to ensure staff have experience with collaborative approach to stakeholder management.
 - Continue to participate in various community tables as a means for regular, ongoing engagement with stakeholders. New plan will commence in 2021 and will also require in depth consultation with stakeholders.
 - Review of Early Years Community Plan (EYCP) will require in depth consultation with stakeholders

RISK 12 – SERVICE PROVIDER RISK

Risk Rating

Likelihood: Possible

Impact: Low

Risk Description

Local service providers do not collaborate and integrate services to meet community needs in an efficient and accessible way.

Contributing Factors

- The Service Provider might not be spending their funding/subsidy as required. (Management response: Accept)
- The Service Provider might not have the staff with the required qualifications or is unable to meet minimum staffing requirements. (Management response: Mitigate)
- The documentation submitted by the Service Provider might be insufficient and/or not in compliance with the funding agreements, or Annual Service Contract Review package. (Management response: Accept)

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Mitigating Controls and Action Plans

- Procedures in place for Service Providers to submit financial reporting as per Funding Agreement.
- Service Providers must follow the Child Care and Early Years Act. If staff do not have requirements, the Service Provider must obtain Director's approval from MEDU. City will work with Service Providers and participate in HR Workforce Committee to address staffing needs.
- Ongoing review of Agreements with Service Providers. Service Providers submit documentation annually, as per Funding Agreement. Program Analysts assigned to Service Providers follow up/set timelines.

RISK 13 – MEASUREMENT AND REPORTING

Risk Rating

Likelihood: Possible

Impact: Low

Risk Description

Inadequate/ineffective measurement/reporting may lead to ineffective/flawed (internal) decision making, allocation of funds etc., and may not meet Ministry reporting requirements.

Contributing Factors

- Financial and non-financial information might not be integrated to present a complete picture of Children's Services' performance and it may not meet Ministry requirements.
- Children's Services does not make the best use of strategic financial information and analysis, benchmarks, and indicators. There might be inadequate rigor in the information obtained and used to support decision making.

Mitigating Controls and Action Plans

- All ministry reporting of financial and non-financial information is done through the Education Financial Information System (EFIS) which integrates the financial and non-financial requirements. All reports have been completed and reviewed by MEDU up to the 2017 Financial statement.
- The City participates in the Municipal Benchmark Network Canada, combined with the EFIS requirements provides sufficient info to support decision making.

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RISK 14 – FINANCIAL PLANNINGRisk Rating

Likelihood: Likely

Impact: Low

Risk Description

Inefficient financial planning can deter an organization's ability to safeguard its assets, use its resources economically and efficiently, and produce accurate and reliable financial information.

Contributing Factors

- The current technology/software might be inadequate or unaligned with the enhanced reporting requirements (data and performance measures) and strategic objectives.
- There is a risk of gathering and reporting inaccurate information as the data is being pulled from multiple databases and systems within Children's Services.
- The risk of data loss if data in the information software/databases are not backed up in a timely manner.

Mitigating Controls and Action Plans

- We are required to use the Provincial OCCMS system. This is supplemented with using Excel to collect and analyze additional data.
- Reconciliations are done between OCCMS and the City Peoplesoft General Ledger.
- Data is backed up in a timely manner.

RISK 15 – INFORMATION SECURITYRisk Rating

Likelihood: Unlikely

Impact: Moderate

Risk Description

Information/data left on computers/offices can be compromised, either by loss or theft of the computer, or by unauthorized access caused by a computer virus, a weak password or physical security breach.

**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR REPORT
CHILDREN'S SERVICES RISK ASSESSMENT**

Contributing Factors

- There are insufficient controls in place to manage data privacy collected from soft/hard copy submissions/paper documents.

Mitigating Controls and Action Plans

- Confidentiality policies are in place. All staff are aware of their responsibilities.

RISK 16 – FEE SUBSIDY

Risk Rating

Likelihood: Unlikely

Impact: Low

Risk Description

Inaccurate calculations may lead to under/over payments of fee subsidies; and non-adherence to Ministry accountability measures.

Contributing Factors

- Families do not report changes in financial situations (resulting in over/under payment of fee subsidy).
- The income test (for eligibility of access to funding) is not being performed in a timely manner for all families receiving fee subsidy (resulting in payments to families who are no longer eligible).
- Upon determination of overpayment, there is no follow up/expectation for the family to return the overpayment. Potential negative stakeholder/media impact.
- The staff is not following up with applicants at key points (completion of education program, internship etc.).

Mitigating Controls and Action Plans

- Families are only required to report changes in reason for service (may result in a change in financial situation). Reason for service is documented and tracked. Changes in reason for service may result in changes in subsidy eligibility. Families can appeal for an increase in subsidy if their income is 20% lower than their last Notice of Assessment. This appeal isn't a requirement. Annual Financial Assessments are required.
- Fee Subsidy staff are required to follow the MEDU requirements of annual income tests. Reminders are built into the system. OCCMS tracks dates.

**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR REPORT
CHILDREN'S SERVICES RISK ASSESSMENT**

- All concerns regarding eligibility are reviewed with the Supervisor and in the case of potential overpayments reviewed with the Manager.
- OCCMS has a reminder system for workers to track key points with applicants.
- There are several options if there were an influx of refugees in Hamilton. There are child care operators in Hamilton who do not have a Funding Agreement with the City due to a Council approved moratorium which limited the creation of new service agreements with new for-profit child care organizations. New service agreements with additional child care organizations would be considered when the needs of the community cannot be met by licensed child care organizations that already have a service agreement in place with the City of Hamilton. We would also explore other options such as licensed home child care, recreation programs, and EarlyON Child and Family Centres to support these families.

**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR REPORT
CHILDREN'S SERVICES RISK ASSESSMENT**

**CHILDREN'S SERVICES RISK ASSESSMENT – DETAILED REPORT
TABLE 3 – LIKELIHOOD AND IMPACT SCALES**

Qualitative Measure of Consequences of Impact		
Level	Description	Example detail description
1	Low	<ul style="list-style-type: none"> ▪ Financial overrun or revenue loss up to \$50,000 ▪ Local media attention quickly remedied ▪ Limited exposure to sensitive data ▪ Not reportable to regulator ▪ Service disruption on par with day-to-day activities ▪ No injuries to employees or third parties, such as customers or vendors ▪ Isolated staff dissatisfaction ▪ Major business objectives met with minor deviations
2	Moderate	<ul style="list-style-type: none"> ▪ Financial overrun or revenue loss of \$50,000 up to \$500,000 ▪ Local reputational damage ▪ Exposure to sensitive data ▪ Reportable incident to regulator, Ombudsman, or Province ▪ Moderate service disruption ▪ Minor injuries to employees or third parties (like as customers) ▪ General staff morale problems and increase in turnover ▪ A few Business objectives not met
3	High	<ul style="list-style-type: none"> ▪ Financial overrun or revenue loss of \$500,000 up to \$5 million ▪ National short-term negative media coverage - Limited exposure to confidential information ▪ Report of breach to regulator, Ombudsman, or Province with immediate correction to be implemented ▪ Temporary service disruption - Injuries to employees or third parties, such as customers or vendors ▪ Widespread staff morale problems and high turnover ▪ Majority of business objectives not met

**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR REPORT
CHILDREN'S SERVICES RISK ASSESSMENT**

Qualitative Measure of Consequences of Impact

Level	Description	Example detail description
4	Very High	<ul style="list-style-type: none"> ▪ Financial overrun or revenue loss of \$5 million or more ▪ Regional long-term negative media coverage; significant loss of credibility ▪ Exposure to confidential information ▪ Report to regulator, Ombudsman, or Province requiring major project for corrective action ▪ Unable to provide essential services for an extended period ▪ Serious permanent injuries to employees or third parties, such as customers or vendors ▪ Some Senior Managers leave, high turnover of experienced staff, not perceived as employer of choice ▪ Business objectives not met

Qualitative Measure of Consequences of Likelihood

Level	Descriptor	Frequency
1	Very Unlikely	<10% chance over life of asset or project
2-2.4	Unlikely	10-35% chance over life of asset or project
2.5-2.9	Possible	35-65% chance over life of asset or project
3	Likely	65-80% chance over life of asset or project
4	Very Likely	80% or greater chance over life of asset or project



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Office of the City Auditor

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 5, 2019
SUBJECT/REPORT NO:	Children's Services: Office of the City Auditor Consulting Report (AUD19015) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Sana Malik, CIA, CFE, CFSA (905) 546-2424 Ext. 4886 Brigitte Minard, CPA, CA, CIA, CGAP (905) 546-2424 Ext. 3107
SUBMITTED BY:	Charles Brown, CPA, CA, CPA (Illinois) City Auditor Office of the City Auditor
SIGNATURE:	

RECOMMENDATION

That the General Manager of Healthy and Safe Communities be authorized and directed to instruct the appropriate staff to implement the management responses outlined in Appendix "B" to report AUD19015 Children's Services: Office of the City Auditor Consulting Report.

EXECUTIVE SUMMARY

This report is a summary of the work completed for an Office of the City Auditor (OCA) Consulting engagement. Consulting work contains many components that are similar to an audit, but the process is more collaborative.

The OCA designed an audit guide and checklist that Children's Services and Neighbourhood Development can use in the future to maintain oversight of operators that receive funding from the City of Hamilton. The OCA team also provided instruction to staff in Children's Services and Neighbourhood Development for how to complete an operator assessment and how to review relevant supporting documentation.

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: Children's Services: Office of the City Auditor Consulting Report
(AUD19015) (City Wide)**

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It was found that additional oversight is needed to be performed by Children's Services and Neighbourhood Development for the reconciliation process completed by Child Care Operators and that there are process improvements opportunities to strengthen the review process that is completed by Children's Services and Neighbourhood Development and to add a management review component.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: If the management responses are fully implemented, there will be increased oversight and accountability over funding provided to child care operators.

Staffing: None.

Legal: None.

HISTORICAL BACKGROUND

Following the completion of the fieldwork of the Council-approved Children's Services Risk Assessment (Report AUD19004), management in Children's Services and Neighbourhood Development requested assistance in the development of an audit guide and checklist template to be used in assessing the compliance of child care operators with various City-administered grant requirements.

The City of Hamilton is the Consolidated Municipal Service Manager that administers Provincial funding for Children's Services in Hamilton.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Child Care and Early Years Act, 2014 – The City of Hamilton is a Consolidated Municipal Service Manager.

RELEVANT CONSULTATION

Children's Services and Neighbourhood Development Division – Various staff and management.

**SUBJECT: Children's Services: Office of the City Auditor Consulting Report
(AUD19015) (City Wide)**

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ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

This report is a summary of the work completed for an OCA Consulting engagement. Consulting work completed by the OCA contains many components that are similar to an audit but is more collaborative in nature.

The OCA designed an audit guide and checklist that Children's Services and Neighbourhood Development can use in the future to maintain oversight of operators that receive funding from the City of Hamilton.

Additionally, the OCA attended five operator assessments where we provided instruction and support to Children's Services and Neighbourhood Development staff to increase their knowledge of how to conduct an operator assessment and how to utilize the audit guide and checklist that was developed for them.

Based on the results of the five operator assessments, it was found that there were several opportunities for process improvement. Additional oversight is needed to be performed by Children's Services for the mid-year and year-end reconciliation process (completed by operators and submitted to the City). Additionally, a process is needed for management review of the operator-completed reconciliations that are reviewed by staff in Children's Services and Neighbourhood Development.

The recently enhanced flexibility for General Operating Grant (GOG) distribution allowed operators to allocate GOG funding in ways not intended by City guidelines. Additional management review and oversight is needed to improve processes to ensure anomalies and required repayments/recoveries could be detected and resolved in a timely manner.

A detailed summary of results, recommendations and management responses can be found in Appendix "A" to Report AUD19015.

ALTERNATIVES FOR CONSIDERATION

None.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

**SUBJECT: Children's Services: Office of the City Auditor Consulting Report
(AUD19015) (City Wide)**

Page 4 of 4

Healthy and Safe Communities

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

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 AUD19005 – Children's Services: Office of the City Auditor (OCA) Consulting Report

Appendix "B" to Report AUD19005 – Children's Services: Office of the City Auditor (OCA) Consulting Report – Management Response

**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR (OCA)
CHILDREN'S SERVICES OCA CONSULTING REPORT**

The leadership in the Children's Services and Neighbourhood Development Division requested the Office of the City Auditor (OCA) to assist in the development of an audit guide and checklist template for their staff to conduct audits of child care operators that receive grants from the City of Hamilton. The following areas were in scope for this consulting engagement:

- The General Operating Grant (GOG) for wages, to ensure that child care operators have used the grant for the intended purpose which is to increase staff salaries and benefits and it meets the City guidelines.
- Verification that the Wage Enhancement Grant (WEG) is distributed as per Provincial guidelines.
- Process to ensure the attendance reports submitted by the Operators for fee subsidies can be verified.

Also included in the scope of this consulting engagement was a commitment to review the current mid-year and annual reconciliation procedure to ensure the reconciliation is adequately performed. Upon finalization and acceptance of the audit guide and checklist by Divisional Management, the OCA participated in 5 operator assessments to ensure effectiveness of the audit program and to train Children's Services staff. The operators were selected by Division Management based on their risk assessment.

BACKGROUND

Funding opportunities are available to child care operators who have a funding agreement with the City. The purpose of available funding is to provide stability to child care programs and support staff retention.

General Operating Grant (GOG)

GOG is part of the core service delivery funding from the Ministry of Education (MEDU) and consists of two components: funding for wages and funding for system priorities.

Wage Enhancement Grant (WEG)

The purpose of this funding is to:

1. Close the wage gap between Registered Early Childhood Educators (RECE) working in the publicly funded education system and those in the licensed child care sector.
2. Help stabilize child care operators by supporting their ability to retain RECEs and non-RECE program staff.
3. Reduce poverty by supporting greater employment and income security.

EXECUTIVE SUMMARY OF RESULTS

Based on the results of the five operator assessments, it was noted that \$48,000 of GOG distributed to child care operators could not be validated or reconciled to employee paystubs. This is 5% of the total approved GOG for these locations. For WEG, the Provincial guidelines had more rigidly defined guidelines, resulting in fewer discrepancies noted in reconciliations reviewed. We noted one instance where the hours were incorrectly calculated resulting in overpayment to the operator of WEG by \$1,100.

We noted cases of inequitable GOG distribution, unreported conflicts of interest and insufficient segregation of duties. We also noted multiple instances where operators were incorrectly reporting child absences (child was absent but marked as present on operators record) resulting in potential inaccuracies in fee subsidy calculations.

The primary reason for this could be attributed to inadequate oversight of the mid-year and year-end reconciliation process and no process to review the related documents. The enhanced flexibility for GOG distribution allowed operators to allocate GOG funding in ways not intended by City guidelines. Additional Management review and oversight is needed to ensure anomalies and required repayments/recoveries could be detected and resolved in a timely manner.

Findings Summarized by Operator:

	Child Care Operators				
	Operator A	Operator B	Operator C	Operator D	Operator E
Rationale for distributing GOG funding not reasonable and equitable.	X	X		X	X
The reconciliation was inaccurate/contained errors		X	X*	X	X
Conflict of Interest (not reported to City)	X	X			X
Incorrect recording of children attendance	X		X	X	X
Executive Director/owner paid GOG - role not defined, no timesheets	X			X	X
Insufficient Segregation of Duties	X	X		X	

*Minor error detected, was immediately resolved by Operator.

General Operating Grant (GOG) Findings

1. For four out of the five operators (80%), the rationale for distributing GOG funding was not reasonable and equitable.
2. The reconciliation template submitted by four out of the five operators was incorrect or contained errors. For two of these four operators, the reconciliation template contained inaccurate information (such as hours worked and GOG/hour rate); resulting in overstating the amount of GOG distributed to employees by approximately \$48,000. This amount could not be validated or reconciled with employee paystubs.
3. There was conflict of interest situations in three out of the five operators reviewed. These conflicts of interest were not reported to the City, which is in non-compliance with the funding agreement.
4. For four out of the five operators (80%), there were errors in the reporting of Children attendance to the City.
5. For three out of the five operators, Executive Directors were allocated GOG of approximately \$23,000. The Executive Directors/Owners eligibility of the funding couldn't be substantiated, their timesheets were not maintained, and their role was not defined.

6. In three of the five operator locations, there was insufficient segregation of duties. For example, in one location the Executive Director was the only bank signatory at the center and thus responsible for signing off staff salaries, including his own and other family members.

Wage Enhancement Grant (WEG) Findings

Owing to the more defined guidelines by the province, there were fewer discrepancies noted in the WEG funding distribution. We noted one instance where the staff hours were incorrectly calculated (the operator was including statutory holidays) resulting in overpayment to the operator of WEG by \$1,100.

Attendance Reporting Findings

As part of the audit guide and checklist work, we compared the Record of Attendance (ROA) attendance submitted to the City and the timesheets maintained at the location and noted anomalies in four out of the five operators reviewed. Operators were either incorrectly entering data (such as vacation days marked as sick days in ROA) or incorrectly reporting (child was absent but marked as present on ROA). There was a high volume of both types of anomalies.

RECOMMENDATIONS FOR MANAGEMENT

Following are recommendations that Management can consider for mitigating the deficiencies identified.

1. City Guidelines for General Operating Grant (GOG) Funding Needs to Be Strengthened and Revised

Revise the City guidelines on GOG funding to provide clarity on the following:

- A clear definition of what constitutes an 'equitable' and 'reasonable' distribution of GOG. The operator should be requested to establish a formal rationale for GOG distribution.
- Clear guidance on whether Executive Directors should be drawing from GOG funding. If so, outline what criteria must be met (for example defined roles, timesheets maintained, etc.)
- Clear guidance on whether supply staff at operator locations should be allocated GOG. We noticed variation across operators on how GOG was distributed to supply staff. Some operators were not giving any GOG to supply staff, even though the supply staff were working a high volume of hours.

- Highlight the importance (and requirement) of maintaining and retaining key documents which will be used during City's reconciliation process (such as staff timesheets).
- How the reconciliation should be completed by an operator. Improvements are required in the completion of the reconciliation template by operators. We noticed some operators were listing multiple staff on the same line and accumulating their total hours. This makes it difficult for the team in Children's Services to validate the total hours worked. Operators should be required to list each staff member on a separate line based on their role.

2. Conflict of Interest Needs to Be Monitored

As per the funding agreement, there should be no conflict of interest in the use of funds and disclosure should be made to the City if there was any actual, potential or perceived conflict of interest.

There were multiple instances where there was conflict of interest at the operator locations (such as parents approving their own and their children's' GOG). There is currently no mechanism within the City to monitor conflict of interest.

Management needs to understand and interpret the definition of conflict of interest as stated in the funding agreement and assess the risk of conflict of interest at operator locations. Given the amount of conflict of interest noted in the sample of operators selected, it is reasonable to conclude that conflicts of interests will be pervasive across operators funded by the City.

3. The Mid-Year and Annual Reconciliation Process Needs to Be Formalized

An audit guide and checklist template for this purpose has been created collaboratively by the OCA and Children's Services. It is recommended that Children's Services utilize these documents and regularly conduct reviews of the reconciliation process. The staff assigned to this task should validate and reconcile the submission with supporting documentation on a sample basis and expand the sample if anomalies are detected.

Examples of supporting documentation can include payroll summaries, T4's, general ledger statements, timesheets, etc.

4. Program Analysts Require Training

In 2018, a portion of the GOG funding (up to 25%) can be utilized by the child care operators for their operating expenses. As part of the audit, we reviewed the financial statements of the operators to assess the reasonableness of the operating costs which were covered by GOG funding. We noted instances where the operating costs were used for items not reasonably justified by a child care operator (for example, a non-profit operator reporting losses on their income statement but purchasing a higher-end vehicle).

The Program Analysts also review the operating costs as part of the annual service contract review of the operator; where they review the financial statements of each operator to determine the fee subsidy rate. We noted that there was no formal process for reviewing the financial statements submitted by the operators. The Program Analysts are not currently trained to identify and detect financial statement anomalies.

In one operator audit, where the child care operator was operating within a Church, the expenses for the child care operator and Church were consolidated and reported in the annual contract review (instead of only the operator expenses being reported). This affected the fee subsidy rate the City pays the operator annually, to the benefit of that operator.

The Program Analysts need to be given guidance on how to perform a high level financial statement review. Operating expenses should be reasonable and justifiable and supporting documentation should be reviewed if any anomalies are identified. It is recommended the Children's Services request advice from their Finance and Administration team to support this effort.

Program Analysts should understand how operators are organized administratively and the flow of funds within the operator's organization. The Program Analyst should assess that adequate segregation of duty exists, and that supporting organizational by-laws and board meeting minutes are properly maintained. Moreover, the Program Analysts should use critical thinking and professional judgement to ensure accuracy and consistency of information between the reconciliation and the terms contained in the annual service contracts.

Consideration should be given to incorporating an assessment of financial skills as part of the recruitment process when filling Program Analyst vacancies to ensure that qualified individuals are filling these positions.

5. Record of Attendance Requires Review

Operators' record of attendance for children attending their operation should be periodically reviewed. The operators should be educated on the importance of accurate reporting of attendance and the potential impacts to their receipt of funding from the City.

6. Management Oversight of The Reconciliation Process Requires Improvement

Management oversight over the reconciliation process needs to be improved. Reconciliations completed by the Program Analyst should be reviewed and approved by Management as per a prescribed frequency, or on a sample basis to ensure accuracy and quality.

CONCLUSION AND NEXT STEPS

Based on the results of the five operator assessments, there are opportunities for improvement. The recommendations listed above will enable Management to implement these improvements.

Given that only a small number of operators were assessed with on-site audits, Management should conduct similar audits across other child care operators to ensure the accuracy of reconciliations.

In mid-2018, the OCA completed a risk assessment of the Children's Services. The OCA conducted interviews to facilitate the identification of 16 risks facing the Children's Services, internal and external factors contributing to those risks, and controls and mitigations currently in place to manage those risks.

"Financial Controllershship" was one of the risks identified during the risk assessment. Management chose to not address this risk, the rationale provided was that controls were in place.

Based on the five operator assessments completed, we conclude that the current controls are not effective and need improvement. As a result, this risk will be ranked as a higher priority risk and Management will need to develop an action plan to mitigate the identified issues.

**CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR (OCA)
CHILDREN'S SERVICES OCA CONSULTING REPORT**

MANAGEMENT RESPONSES

Recommendation	Action Plan	Timeline
City Guidelines for General Operating Grant (GOG) Funding Needs to Be Strengthened and Revised	<p>Revise distribution guidelines to be more prescriptive to ensure a fair and equitable distribution to the appropriate positions.</p> <p>Limit the amount that can be used for administrative positions.</p>	Revised guidelines have been completed and were distributed in the October 2019 to be used for the 2020 General Operating Grant.
Conflict of Interest Needs to Be Monitored	<p>Develop guidelines and definitions to assist operators in understanding the conflict of interest policy.</p> <p>To be posted on the child care operator section on the City website.</p> <p>Create a form for operators to use to declare conflicts.</p>	<p>Guidelines to be completed and posted in Q4 of 2019.</p> <p>Operators to be notified of tools and form to be sent to all operators with existing contracts.</p>
The Mid-Year and Annual Reconciliation Process Needs to Be Formalized	A new mid-year reconciliation template has been created to incorporate the Wage Improvement application process and mid-year reconciliation.	<p>Implemented July 2019 for the Jan – June 2019 mid-year review.</p> <p>Will include a sample review of supporting documentation.</p>
Program Analysts Require Training	<p>Program Analyst posting will include increase financial expectations.</p> <p>Hold a training session on the requirements of the annual review.</p>	<p>Program Analyst position will be filled by end of Q4, 2019.</p> <p>Training session to occur in March 2020 before next year end review starts.</p>

Recommendation	Action Plan	Timeline
	Review and update fee subsidy per diem calculation policy to include limits on acceptable operating expense.	Per diem calculation review to be complete by April 2020.
Record of Attendance Requires Review	Remind operators on the importance of completing accurate attendance. Send out email with link to the definitions and processes for completing attendance.	September 2019
Management Oversight of The Reconciliation Process Requires Improvement	Manager to review reconciliations when the annual services contract review is approved. Early Years Contract Coordinator position was created from an existing FTE – position is non-union and will include oversight of the audit program, as well as review of reconciliations and training and support for Program Analyst position.	August 2019 Position filled in November 2019.



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Human Resources Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 5, 2019
SUBJECT/REPORT NO:	2020 Budget Submissions Volunteer Advisory Committee (HUR19026) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Jessica Bowen (905) 546-2424 Ext. 5164
SUBMITTED BY:	Lora Fontana Executive Director Human Resources
SIGNATURE:	

RECOMMENDATIONS

- (a) That the Volunteer Advisory Committee 2020 budget base submissions be approved as follows and referred to the 2020 budget process:
- (i) Advisory Committee on Immigrant & Refugees in the amount of \$3,500.00, attached as Appendix "A" to Report HUR19026;
 - (ii) Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee in the amount of \$3,914.00, attached as Appendix "B" to Report HUR19026;
 - (iii) Aboriginal Advisory Committee in the amount of \$3,552.00, attached as Appendix "C" to Report HUR19026;
 - (iv) Hamilton Mundialization Committee in the amount of \$5,890.00, attached as Appendix "D" to Report HUR19026;
 - (v) Hamilton Status of Women Committee in the amount of \$3,500.00, attached as Appendix "E" to Report HUR19026;
 - (vi) Committee Against Racism in the amount of \$8,900.00, attached as Appendix "F" to Report HUR19026.

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: 2020 Budget Submissions Volunteer Advisory Committee
(HUR19026) (City Wide) - Page 2 of 5**

- (b) That, in addition to the base funding, a one-time budget allocation for 2020 of \$2,000 to support external community partners working to promote the safety and well-being of woman identified and non-binary Hamiltonians, to be funded by the Status of Women Committee’s reserve, attached as Appendix “E” to Report HUR19026, be approved and referred to the 2020 budget process for consideration.
- (c) That, in addition to the base funding, a one-time budget allocation for 2020 of \$7,000.00, for ongoing support to the Hamilton Anti-Racism Resource Centre, to be funded by the Committee Against Racism’s reserve, attached as Appendix “F” to Report HUR19026 be approved and referred to the 2020 budget process for consideration.

EXECUTIVE SUMMARY

In accordance with the process for submission of budgets for the Volunteer Advisory Committees, the Human Resources Volunteer Advisory Committee Budgets for 2020 in the amount of \$38,256.00 which is comprised of \$29,256.00 as the 2020 base budget and \$9,000.00 which is requested from individual Advisory Committee reserves are being submitted with the recommendation that they be approved. All six (6) of the base budget requests are the same amounts as the 2019 approved budgets. Two (2) Committees have requested to draw funds from their Advisory Committee Reserve to support ongoing initiatives in 2020. The total request from individual advisory committee reserves is \$9,000.00.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The base budget requested for 2020 for the six (6) advisory committees is the same as the budget requested and approved for 2019.

Staffing: Not Applicable

Legal: Not Applicable

HISTORICAL BACKGROUND

At their October and November 2019 meetings, the Human Resources Volunteer Advisory Committees gave consideration to their budget needs for 2020. Their base budget submissions are attached as Appendices “A” to “F” to Report HUR19026 as approved.

**SUBJECT: 2020 Budget Submissions Volunteer Advisory Committee
(HUR19026) (City Wide) - Page 3 of 5**

The budget includes both incidental costs to support the Committees, as well as additional costs for specific events, programs and initiatives. The following is a summary of the request and detailed requests are attached as Appendices “A” to “F” to Report HUR19026.

Committee Name	2019 Approved	2020 Base Request	Request from Reserve	Total 2020 Request
Advisory Committee on Immigrant & Refugees (Appendix A to Report HUR19026)	\$3,500.00	\$3,500.00	-	\$3,500.00
Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Advisory Committee (Appendix B to Report HUR19026)	\$3,914.00	\$3,914.00	-	\$3,914.00
Aboriginal Advisory Committee (Appendix C to Report HUR19026)	\$3,552.00	\$3,552.00	-	\$3,552.00
Hamilton Mundialization Committee (Includes Kids for Kaga) (Appendix D to Report HUR19026)	\$5,890.00	\$5,890.00	-	\$5,890.00
Hamilton Status of Women Committee (Appendix E to Report HUR19026)	\$3,500.00	\$3,500.00	\$2,000.00	\$5,500.00
Committee Against Racism (includes Lincoln Alexander Day Celebrations) (Appendix F to Report HUR19026)	\$15,900.00	\$8,900.00	\$7,000.00	\$15,900.00

In accordance with the volunteer committee budget process, the budgets are recommended for approval.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The Volunteer Advisory Committees are able to put surplus funds from each year into a reserve, for future purposes and request the use of those funds, in future years, for specific activities. This provides the Committee with an opportunity to plan ahead to undertake specific projects or initiatives, in future years, while minimizing increases in their budgets. Some of the committees have not yet determined all of their activities for 2020. Should additional funding for any of the Advisory Committees be required in 2020 and be available in the volunteer advisory committee reserves, requests for reserve funding will be made at the appropriate time.

RELEVANT CONSULTATION

The Volunteer Advisory Committees discussed their 2020 budget needs at their October and November 2019 Committee meetings.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The recommendation will provide funding for the operations of the Volunteer Advisory Committees to enable them to continue to fulfil their terms of reference.

ALTERNATIVES FOR CONSIDERATION

The alternative would be not to fund the operations of the Advisory Committees. This is not recommended as they provide valuable service and advice to both Council and staff of the City and bring voices to deliberations that might otherwise not be heard.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**Community Engagement & 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.

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

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

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**SUBJECT: 2020 Budget Submissions Volunteer Advisory Committee
(HUR19026) (City Wide) - Page 5 of 5**

Healthy and Safe Communities

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

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

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

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

Our People and Performance

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

APPENDICES ATTACHED

- Appendix "A" to Report HUR19026 - Advisory Committee on Immigrant & Refugees
- Appendix "B" to Report HUR19026 - Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Advisory Committee
- Appendix "C" to Report HUR19026 - Aboriginal Advisory Committee
- Appendix "D" to Report HUR19026 - Hamilton Mundialization Committee
- Appendix "E" to Report HUR19026 - Hamilton Status of Women Committee
- Appendix "F" to Report HUR19026 - Committee Against Racism Committee

CITY OF HAMILTON

2020

ADVISORY COMMITTEES

BUDGET SUBMISSION

Advisory Committee for Immigrants and Refugees

PART A: General Information

ADVISORY COMMITTEE MEMBERS:

Aref Alshaikhahmed	
Waleed Aslam	
Anjum Chauhan	
Leslyn Gombakomba	
Dina Honig	
Al Karsten	
Marie Robbins	
Rami Safi	

MANDATE:

The Advisory Committee on Immigrants & Refugees, through the appropriate Standing Committee of Council, is a mandated advisory committee of the City of Hamilton, making recommendations to City Council and staff about policies, procedures and guidelines which address the needs and concerns of people who are immigrants or refugees.

PART B: Strategic Planning

STRATEGIC OBJECTIVES:

To ensure co-ordination and information sharing about immigrant and refugee issues throughout the City government.

To complement and collaborate with the work of the City of Hamilton's Committee Against Racism, wherever possible.

To liaise with community agencies and committees to encourage a more co-ordinated and responsive community services network of services dealing with multicultural issues.

To ensure the right of access for immigrants and refugees to City of Hamilton programs, services and facilities.

To provide a forum where immigrants, refugees, service providers and the broader community can express concerns, share information and recommend improvements to service levels for immigrants and refugees, through the appropriate Standing Committee of Council.

ALIGNMENT WITH CORPORATE GOALS:

Please check off which Council approved Strategic Commitments your Advisory Committee supports			
1) Community Engagement & Participation	X	2) Economic Prosperity & Growth	X
3) Healthy & Safe Communities	X	4) Clean & Green	X
5) Built Environment & Infrastructure	X	6) Culture & Diversity	X
7) Our People & Performance	X		

PART C: Budget Request**INCIDENTAL COSTS:**

Monthly Meetings Expenses (photocopying, refreshments, advertising, postage, etc.)	\$1,500.00
SUB TOTAL	\$ 1,500.00

SPECIAL EVENT/PROJECT COSTS:

Hosting the annual Newcomer Open House and preparing and disseminating the Newcomer Guide to Hamilton.	\$ 2,000.00
SUB TOTAL	\$ 2,000.00

TOTAL COSTS	\$ 3,500.00
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Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances)	\$
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TOTAL 2020 BUDGET REQUEST (net of reserve funding)	\$ 3,500.00
PREVIOUS YEAR (2019) APPROVED BUDGET (2019 Request \$3,500.00)	\$ 3,500.00

CERTIFICATION:

Please note that this document is a request for a Budget from the City of Hamilton Operating budget. The submission of this document does not guarantee the requested budget amount. Please have a representative sign and date the document below.

Representative's Name: _____**Signature:** _____**Date:** _____**Telephone #:** _____

CITY OF HAMILTON

2020

ADVISORY COMMITTEES

BUDGET SUBMISSION

**LESBIAN, GAY, BISEXUAL, TRANSGENDER, AND QUEER (LGBTQ)
ADVISORY COMMITTEE**

PART A: General Information

ADVISORY COMMITTEE MEMBERS:

James Diemert	Violetta Nikolskaya
Autumn Getty	Mitch Ray-Borsc
Freja Gray	Kristeen Sprague
Cameron Kroetsch	Kyle Weitz

MANDATE:

The Lesbian, Gay Bisexual, Transgender and Queer Advisory Committee (LGBTQ), through its appropriate Standing Committee of Council, is a mandated advisory committee of the City of Hamilton. To eliminate barriers experienced by LGBTQ communities by giving voice to the perspective of LGBTQ individuals and evaluating the City on its related efforts. The Committee does this by making recommendations to Council and staff in order that the City of Hamilton will excel in providing services to and interfacing with members of the LGBTQ communities.

PART B: Strategic Planning

STRATEGIC OBJECTIVES:

- To provide opportunities for members of Hamilton’s diverse LGBTQ communities to share stories, impart information, raise concerns and recommend changes as they relate to the way the City develops by-laws, policies, programs and services that impact LGBTQ communities, through the appropriate Standing Committee of Council.
- To provide advice and recommendations to City council and staff with respect to the implementation of by-laws, policies, programs and services that impact LGBTQ communities.
- To educate and increase the awareness and understanding of City Council and staff on issues that impact LGBTQ communities.
- To facilitate access to accurate information about LGBTQ communities, including an up-to-date list of LGBTQ positive spaces, programs, resources and organizations.
- To acknowledge and respect the diversity of Hamilton’s LGBTQ communities, including those voices not represented at the Committee table, with respect to gender identity, sexual orientation, age, ability, ethno-cultural background and socio-economic status.
- To review the progress and measure of success of the Committee and its activities on a regular basis.

ALIGNMENT WITH CORPORATE GOALS:

Please check off which Council approved Strategic Commitments your Advisory Committee supports			
1) Community Engagement & Participation	X	2) Economic Prosperity & Growth	X
3) Healthy & Safe Communities	X	4) Clean & Green	X
5) Built Environment & Infrastructure	X	6) Culture & Diversity	X
7) Our People & Performance	X		

PART C: Budget Request

INCIDENTAL COSTS:

Monthly meeting expenses (photocopying, refreshments, advertising, postage, etc.)	
SUB TOTAL	\$1,500.00

SPECIAL EVENT/PROJECT COSTS:

<ul style="list-style-type: none"> Partnership in the development and sharing of community resources and information Social marketing regarding positive spaces, including materials, focus groups, awareness, etcetera Partner with community groups for awareness campaigns at significant events in the LGBTQ community Subsidizing membership participation in workshops/conferences relevant to committee objectives 	
SUB TOTAL	\$2,414.00

TOTAL COSTS	\$3,914.00
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Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances)	\$
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TOTAL 2020 BUDGET REQUEST (net of reserve funding)	\$3,914.00
PREVIOUS YEAR (2019) APPROVED BUDGET (2019 Request \$3914.00)	\$3,914.00

CERTIFICATION:

Please note that this document is a request for a Budget from the City of Hamilton Operating budget. The submission of this document does not guarantee the requested budget amount. Please have a representative sign and date the document below.

Representative's Name: Cameron Kroetsch

Signature: 

Date: November 14/19

Telephone # : (905) 516-2195

CITY OF HAMILTON

2020

ADVISORY COMMITTEES

BUDGET SUBMISSION

ABORIGINAL ADVISORY COMMITTEE

PART A: General Information

ADVISORY COMMITTEE MEMBERS:

Connie Bellamy	
Cat Cayuga	
Scott Cruickshank	
Deborah Elmes	
Allan Loft	
Patty Lawlor (non-voting)	
Laura Workman	
Marilyn Wright	

MANDATE:

The Aboriginal Advisory Committee is a Council mandated advisory committee of the City of Hamilton. To address issues of mutual interest and/or concern and to enhance and to empower the Aboriginal community.

PART B: Strategic Planning

STRATEGIC OBJECTIVES:

To assist the City in achieving and demonstrating progress or positive change in support of the equitable economic, social, health and overall wellbeing of Aboriginal citizens.

To provide a forum and mechanism for co-ordinated dialogue and consultation between and among Aboriginal leaders and other stakeholders, acting as a catalyst for the development of positive relationships and open, transparent dialogue between and among the City and these stakeholders.

To offer input, advice and recommendations informed by stakeholder consultation to support the City in determining effective municipal strategies and/or policies on issues of importance to Aboriginal peoples.

ALIGNMENT WITH CORPORATE GOALS:

Please check off which Council approved Strategic Commitments your Advisory Committee supports			
1) Community Engagement & Participation	X	2) Economic Prosperity & Growth	X
3) Healthy & Safe Communities	X	4) Clean & Green	X
5) Built Environment & Infrastructure	X	6) Culture & Diversity	X
7) Our People & Performance	X		

PART C: Budget Request

INCIDENTAL COSTS:

Monthly meeting expenses (photocopying, refreshments, advertising, signage, postage, etc.)	
SUB TOTAL	\$1,000.00

SPECIAL EVENT/PROJECT COSTS:

<ul style="list-style-type: none"> - National Indigenous Peoples Month - Reaching Home Projects and Events - Committee led events for engagement and education activities - Support for community led engagement activities 	
SUB TOTAL	\$2552.00

TOTAL COSTS	\$ 3552.00
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Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances)	\$0
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TOTAL 2020 BUDGET REQUEST (net of reserve funding)	\$ 3552.00
PREVIOUS YEAR (2019) APPROVED BUDGET (2019 Request \$3552.00)	\$3552.00

CERTIFICATION:

Please note that this document is a request for a Budget from the City of Hamilton Operating budget. The submission of this document does not guarantee the requested budget amount. Please have a representative sign and date the document below.

Representative's Name: Marilyn Wright

Signature: Marilyn Wright

Date: November 14, 2019

Telephone # : 905-544-4320
X 246

CITY OF HAMILTON

2020

ADVISORY COMMITTEES

BUDGET SUBMISSION

Hamilton Mundialization Committee

PART A: General Information

ADVISORY COMMITTEE MEMBERS:

Rosemary Baptista	
Rein Ende	
Freja Gray	
Jan Lukas	
Anthony Macaluso	
Patricia Semkow	
Robert Semkow	

MANDATE:

- To facilitate and support peace initiatives and the twinning relationships between Hamilton and its ten twin-cities around the world.
- To assist Council in implementing its Mundialization resolution.
- To complement and affirm the objectives of the "Strengthening Hamilton Community Initiative" of the City.
- To support any and all relationships with the City of Hamilton's Twin Cities

PART B: Strategic Planning

STRATEGIC OBJECTIVES:

- To carry out the mandate of the committee with activities such as:
- Ongoing Kaga/Hamilton events commemorating the 50 year plus relationship between Kaga and Hamilton (Dundas)
- Anniversary twinning events or other twinning events as identified (e.g. Racalmuto Regional events)
- World Citizenship award
- Photo Contest
- Hiroshima- Nagasaki Vigil
- Ongoing review of Mundialization relationships and processes thereof.
- The benefit of participation is the enhancement of relationships between the citizens of our twin communities both locally and internationally and the citizens of the City of Hamilton.

ALIGNMENT WITH CORPORATE GOALS:

Please check off which Council approved Strategic Commitments your Advisory Committee supports			
1) Community Engagement & Participation	X	2) Economic Prosperity & Growth	X
3) Healthy & Safe Communities	X	4) Clean & Green	X
5) Built Environment & Infrastructure	X	6) Culture & Diversity	X
7) Our People & Performance	X		

PART C: Budget Request

INCIDENTAL COSTS:

Monthly Meetings Expenses (photocopying, refreshments, advertising, postage, etc.)	\$1,500.00
SUB TOTAL	\$ 1,500.00

SPECIAL EVENT/PROJECT COSTS:

Hiroshima – Nagasaki Vigil, World Citizenship Award and/or photo contest, other twinning events (e.g. Racalmuto events)	\$2,390.00
Kids for Kaga support for exchange program	\$2,000.00
SUB TOTAL	\$ 4,390.00

TOTAL COSTS	\$ 5,890.00
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Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances) The request from reserves is to cover expenses that may arise as a result of twin city visits or unanticipated events	\$
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TOTAL 2020 BUDGET REQUEST (net of reserve funding)	\$ 5,890.00
PREVIOUS YEAR (2019) APPROVED BUDGET (2019 Request \$5,890.00)	\$ 5,890.00

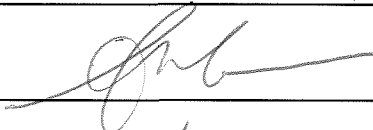
CERTIFICATION:

Please note that this document is a request for a Budget from the City of Hamilton Operating budget. The submission of this document does not guarantee the requested budget amount. Please have a representative sign and date the document below.

Representative's Name:

ANTHONY MACALUSO

Signature:



Date:

Nov 4/19

Telephone #:

905 679 8984

CITY OF HAMILTON

2020

ADVISORY COMMITTEES

BUDGET SUBMISSION

STATUS OF WOMEN ADVISORY COMMITTEE

PART A: General Information

ADVISORY COMMITTEE MEMBERS:

Deanna Allain	Doreen Ssenabulya
Stephanie Bertolo	Yulena Wan
Anna Davey	
Stephanie Frisina	
Autumn Getty	
Katie Hood	
Jan Lukas	
Marie Robbins (LOA)	

MANDATE:

The Status of Women Committee is a Council mandated advisory committee of the City of Hamilton. To act as an advisory committee of Council on matters pertaining to women and to provide input with respect to matters of municipal concern.

PART B: Strategic Planning

STRATEGIC OBJECTIVES:

To define, investigate, study and make recommendations on issues of concern affecting women of the City of Hamilton and other matters of social or municipal concern including matters referred to this Committee by City Council, staff and City of Hamilton committees.

To inform citizens of the City of Hamilton on issues affecting women.

To actively encourage women to participate in all aspects of society and support them in their life choices.

To advise citizens of the City of Hamilton of decisions made by City Council which may impact on women including matters of social concern and those referred to City Council by this Committee.

ALIGNMENT WITH CORPORATE GOALS:

Please check off which Council approved Strategic Commitments your Advisory Committee supports			
1) Community Engagement & Participation	X	2) Economic Prosperity & Growth	X
3) Healthy & Safe Communities	X	4) Clean & Green	X
5) Built Environment & Infrastructure	X	6) Culture & Diversity	X
7) Our People & Performance	X		

PART C: Budget Request

INCIDENTAL COSTS:

Monthly meeting expenses (photocopying, refreshments, advertising, postage, etc.)	
SUB TOTAL	\$1,000.00

SPECIAL EVENT/PROJECT COSTS:

Initiatives to be determined by the Committee	
SUB TOTAL	\$2,500.00

TOTAL COSTS	\$3,500.00
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Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances) To support external community partners working to promote the safety and well-being of woman identified and non-binary Hamiltonians.	\$2,000.00
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TOTAL 2020 BUDGET REQUEST (net of reserve funding)	\$3,500.00
PREVIOUS YEAR (2019) APPROVED BUDGET (2019 Request \$ 3,500.00)	\$3,500.00

CERTIFICATION:

Please note that this document is a request for a Budget from the City of Hamilton Operating budget. The submission of this document does not guarantee the requested budget amount. Please have a representative sign and date the document below.

Representative's Name: Stephanie Frisina

Signature:

Stephanie Frisina

Date:

Nov 8 2019

Telephone # :

289 684 7156

CITY OF HAMILTON

2020

ADVISORY COMMITTEES

BUDGET SUBMISSION

COMMITTEE AGAINST RACISM

PART A: General Information

ADVISORY COMMITTEE MEMBERS:

Marlene Dei-Amoah	Annie Law
Sylvia Gill	
Tyrone Childs	
Leslyn Gombakomba	
Louic LeBlanc	
Shamini Jacob	
Phillip Jeffrey	
Taimur Qasim	

MANDATE:

The Committee Against Racism is a volunteer advisory Committee of the City of Hamilton, appointed by Council. Members comprise of residents of the City of Hamilton, representing diverse background and cultures. The mandate of the Committee Against Racism is to advise, advocate and consult on relevant issues in the community of Hamilton relating to racism and its consequences, including anti-racism strategies.

PART B: Strategic Planning

STRATEGIC OBJECTIVES:

To work actively with institutions and all other relevant organizations, including education, police services, emergency services, public, private, voluntary sector and all levels of government to advise, consult, advocate and to promote proactive measures pertaining to racism and its consequences.

To initiate and facilitate discussions between individuals and/or groups to address issues and concerns of racism and/or while promoting respect and understanding in the community.

To make recommendations to the City of Hamilton on issues relating to Equity in Employment as well as issues relating to anti-racism.

ALIGNMENT WITH CORPORATE GOALS:

Please check off which Council approved Strategic Commitments your Advisory Committee supports			
1) Community Engagement & Participation	X	2) Economic Prosperity & Growth	X
3) Healthy & Safe Communities	X	4) Clean & Green	
5) Built Environment & Infrastructure	X	6) Culture & Diversity	X
7) Our People & Performance			

PART C: Budget Request

INCIDENTAL COSTS:

Monthly meeting expenses (photocopying, refreshments, advertising, postage, etc.)	
SUB TOTAL	\$900.00

SPECIAL EVENT/PROJECT COSTS:

Initiatives by the Committee, including the following:	
1) Lincoln Alexander Day	5000.00
2) Black History Month	1500.00
3) Support of anti-racism related community events	1500.00
SUB TOTAL	\$8000.00

TOTAL COSTS	\$8900.00
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Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances)	\$7000.00
For the purposes of:	
- Ongoing support to the Hamilton Anti-Racism Resource Centre = 7000.00	

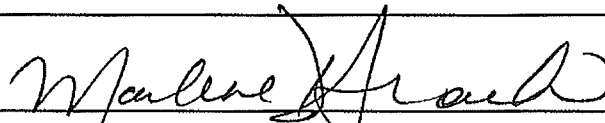
TOTAL 2020 BUDGET REQUEST (net of reserve funding)	\$8,900.00
PREVIOUS YEAR (2019) APPROVED BUDGET (2019 Request \$8,900.00)	\$8,900.00

CERTIFICATION:

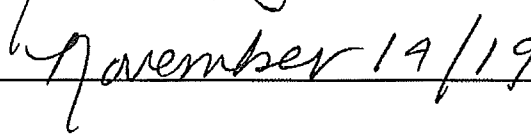
Please note that this document is a request for a Budget from the City of Hamilton Operating budget. The submission of this document does not guarantee the requested budget amount. Please have a representative sign and date the document below.

Representative's Name: **Marlene Dei-Amoah**

Signature:



Date:



Telephone #:



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

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 5, 2019
SUBJECT/REPORT NO:	Reserve / Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures Review (FCS19074) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Rosaria Morelli (905) 546-2424 Ext. 1390
SUBMITTED BY:	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
SIGNATURE:	

RECOMMENDATION

That Appendix "A" attached to Report FCS19074 respecting the Reserve / Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures dated December 5, 2019 be approved and replace the previous Reserve / Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures contained in Report FCS15055 and approved by Council on September 23, 2015.

EXECUTIVE SUMMARY

Report FCS19074 requests that Council adopt the Reserve / Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures (the "SIPP") dated December 5, 2019. The SIPP contains amendments arising from a formal review undertaken and required under the SIPP. The amended SIPP is attached as Appendix "A" to Report FCS19074.

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: Reserve / Revenue Funds and Trust Accounts Statement of
Investment Policies and Procedures Review (FCS19074) (City Wide) –
Page 2 of 12**

The SIPP provides the framework for the investment of the assets of the City of Hamilton's Reserve / Revenue Funds and Trust Accounts. The Funds are invested in accordance with Section 418 of the *Municipal Act, 2001* and Part I of Ontario Regulation 438/97 (the "Prescribed List") and the Trusts in accordance with the *Trustee Act* (Ontario). The Historical Background section of Report FCS19074 contains comments relating to the *Municipal Act, 2001* and Part II of Ontario Regulation 438/97, Prudent Investment.

The review focused primarily on identifying any changes that impact the SIPP owing to legislative amendments in 2018 to the Prescribed List since the preceding review in 2015. There have been no amendments to *Trustee Act*, Ontario since 2015.

Several changes, listed below, are proposed for the SIPP and have been incorporated into the amended SIPP. The changes impact the investment of the Reserve / Revenue Funds, although one change (#5 below) also applies to the Trust Accounts. Changes #1, #2, #3, #5 and #6 derive from amendments made to the Prescribed List. The changes can be characterized as follows:

1. To reduce the minimum credit ratings from AA(low) to A(low) for investments in certain securities of Canadian banks;
2. To reduce the minimum credit ratings from A to A(low) for investments in Canadian corporate debt securities with a term greater than one year and less than or equal to five years;
3. To permit investments in certain securities of Canadian Schedule I banks denominated in U.S. currency;
4. To increase the maximum portfolio limit from 10% to 15% for total investments in the One Investment Program;
5. To amend the provisions that the City shall follow when an investment made in a permitted security falls below the Minimum Quality Requirements as defined in the SIPP;
6. To permit any security if the City acquires the security as a gift in a will or as a donation not made for a charitable purpose; and to require certain provisions that the City shall follow if the City acquires such a security; and
7. To revise other minor items of a housekeeping nature.

**SUBJECT: Reserve / Revenue Funds and Trust Accounts Statement of
Investment Policies and Procedures Review (FCS19074) (City Wide) –
Page 3 of 12**

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Not Applicable.

Staffing: Not Applicable.

Legal: Not Applicable.

HISTORICAL BACKGROUND

According to Section 1.10 of the SIPP, the City Treasurer and Council must formally review the SIPP at a minimum once in every four calendar years.

The preceding formal review of the SIPP undertaken in 2015 is detailed in Report FCS15055 respecting Reserve / Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures Review, which was approved by Council at its meeting held on September 23, 2015.

The scope of this review focused primarily on updating the SIPP to incorporate any changes in legislation impacting the SIPP since the preceding review in 2015. The proposed changes #1 and #2, as outlined in the Executive Summary of the SIPP report, would result in no alterations to the maximum limits that are imposed on these investments and set out in Appendix “A”, Sector and Issuer Limitations, of the amended SIPP. These maximum limits are seen to be appropriate at this time but might be re-considered in a future review, if deemed necessary.

Although not the subject of Report FCS19074, in 2018, legislation was introduced that would now enable eligible Ontario municipalities (other than the City of Toronto) to invest under either the Prescribed List or Section 418.1 (Prudent Investment) of the *Municipal Act, 2001* and Part II of Ontario Regulation 438/97. The latter option is often referred to as the Prudent Investor Standard.

Investing under the prudent investor standard would provide municipalities with a framework and opportunity to invest in a much wider selection of securities and investments, but before being able to invest under the standard, a municipality must adopt the prescribed governance framework.

SUBJECT: Reserve / Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures Review (FCS19074) (City Wide) – Page 4 of 12

Report FCS17097, respecting Prudent Investor Standard and Proposed Amendments to Investment and Financing Rules, included remarks that the City was part of a working group that was proposing alternative governance structures believed to better suit the investment needs of individual municipalities.

Over the last two years, the City has continued to work jointly with the Region of York, the City of Ottawa, the Region of Peel and the Region of Durham, to assess the prudent investor standard and to explore further whether alternative governance models might be permitted. Staff plan to submit a report to City Council with their findings.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The amended SIPP provides the framework for the investment of the Reserve / Revenue Funds in accordance with the Prescribed List and for the investment of monies for the Trust Accounts in accordance with the *Trustee Act* (Ontario).

Under the Prescribed List, City Council is required to adopt a statement of the City's investment policies and goals before the City invests in an investment prescribed under the Prescribed List. The SIPP is the City's statement of its investment policies and goals.

There have been no changes to the *Trustee Act* (Ontario) since the preceding review of the SIPP in 2015.

RELEVANT CONSULTATION

Staff consulted with Legal and Risk Management Services Division in the preparation of Report FCS19074.

Aon, the City's investment Consultant, reviewed the SIPP from a compliance and governance perspective. All applicable regulatory guidance was considered, and any relevant changes were addressed in the SIPP where appropriate.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The proposed changes to the City's investment policy are consistent with the objectives of the SIPP, as set out in Sections 3.02 and 5.02, conforming to legislative constraints, preserving capital, maintaining adequate liquidity and maximizing returns.

The following list contains a description of each proposed change, a rationale for the change and the section or sections of the amended SIPP reflecting the proposed change.

**SUBJECT: Reserve / Revenue Funds and Trust Accounts Statement of
Investment Policies and Procedures Review (FCS19074) (City Wide) –
Page 5 of 12**

List of Proposed Changes

1. Minimum Credit Rating – Banks

It is proposed that the minimum credit rating be reduced from AA(low) to A(low) for investments in:

- securities of deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments (“deposit securities”) issued, guaranteed or endorsed by a bank listed in Schedule I, II or III to the *Bank Act* (Canada) (“Schedule I, II or III bank”) and with a term-to-maturity of more than two years; and
- securities of bonds, debentures, promissory notes or other evidence of indebtedness (“bond securities”) issued or guaranteed by a Schedule I, II or III bank and with a term-to-maturity of more than two years.

This change is proposed because it incorporates the corresponding change made to the Prescribed List, expands investment options and allows greater flexibility.

When the term-to-maturity is less than or equal to two years, there are no changes to the requirements under the SIPP: investments in deposit securities issued, guaranteed or endorsed by a Schedule I, II or III bank must meet a minimum credit rating of A(low); and investments in bond securities issued or guaranteed by a Schedule I, II or III bank must meet a minimum credit rating of AA(low).

Appendix “A”, Sector and Issuer Limitations, of the SIPP has been amended to provide the following:

- (i) investments are permitted in deposit securities of Schedule I, II or III banks rated A(low) or higher for all term-to-maturities; and in bond securities of Schedule I, II or III banks rated A(low) or higher with a term-to-maturity greater than two years.
- (ii) A new footnote has been added that reads:
 - ⁵ For securities of bonds, debentures, promissory notes, or other evidence of indebtedness issued or guaranteed by a bank listed in Schedule I, II or III to the *Bank Act* (Canada) with a term-to-maturity less than or equal to 2 years on the day the investment is made, the prescribed minimum credit rating is AA(low).

**SUBJECT: Reserve / Revenue Funds and Trust Accounts Statement of
Investment Policies and Procedures Review (FCS19074) (City Wide) –
Page 6 of 12**

2. Minimum Credit Rating – Canadian Corporate Debt Securities

A change is proposed to reduce the minimum credit rating from A to A(low) for investments in bond securities issued by a corporation that is incorporated under the laws of Canada or a province of Canada and with a term-to-maturity greater than one year and less than or equal to five years.

This change is proposed because it incorporates the corresponding change made to the Prescribed List, expands investment options and allows greater flexibility. These bond securities with a credit rating of A(low) would continue to qualify as investment-grade securities (known as debt obligations which are rated BBB or higher) within the investment universe.

The following sections of the SIPP have been amended to provide the following:

- (i) The table in Section 4.06 Maximum Quantity Restrictions contains a minimum credit rating for Corporate Debt of A(low).
- (ii) Appendix “A”, Sector and Issuer Limitations, contains a minimum credit rating for Corporate Debt of A(low).

3. New Investments – Denominated in U.S. Currency

It is proposed that investments in the following securities be permitted: deposit securities in U.S. currency, for any term-to-maturity, issued, guaranteed or endorsed by a Schedule I bank with a maximum portfolio limit of 2% and with a minimum credit rating of A(low).

The City holds some U.S. currency in its bank account earmarked to pay certain obligations denominated in U.S. currency. One of the benefits to adopting this proposed change is that the City would be able to invest, if deemed advantageous, in interest bearing securities denominated in U.S. currency instead of holding the U.S. currency in its bank account until the monies are required.

This change is proposed because it incorporates the corresponding change made to the Prescribed List, expands investment options and allows greater flexibility. In the proposed change, the issuers are Schedule I banks even though the corresponding change in the Prescribed List allows not only Schedule I banks but also other eligible issuers such as Schedule II and Schedule III banks.

**SUBJECT: Reserve / Revenue Funds and Trust Accounts Statement of
Investment Policies and Procedures Review (FCS19074) (City Wide) –
Page 7 of 12**

However, recognizing that these new investments would contain not only issuer credit risk but also potentially negative effects due to fluctuations in U.S. currency, staff recommends a conservative approach that restricts the issuers to Schedule I banks (preferred over Schedule II banks and Schedule III banks in terms of overall creditworthiness) and limits the maximum amount of investment to 2% of the total portfolio.

Schedule I banks, which include Canada's six largest banks designated by the Office of the Superintendent of Financial Institutions as domestic systemically important banks, are domestic banks whereas Schedule II banks are subsidiaries of foreign banks and Schedule III banks are foreign bank branches of foreign institutions.

The following sections of the SIPP have been amended to provide the following:

- (i) Executive Summary - Section 4: Reserve Revenue Funds - Permitted Investments has been amended to provide a revised sentence as follows:

The City shall not invest in a security that is expressed or payable in any currency other than Canadian dollars with the exception of those investments specified in Section 4.07 and footnote 6 of Appendix "A".

- (ii) Section 4.07 Currency has been amended to provide a revised sentence as follows:

The City shall not invest in a security that is expressed or payable in any currency other than Canadian dollars with the exception of those investments specified in footnote 6 of Appendix "A": investments in securities that are deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments issued, guaranteed or endorsed by a bank listed in Schedule I to the *Bank Act* (Canada), expressed or payable in the currency of the United States of America, are permitted. A maximum portfolio and individual limit of 2%, within the maximum portfolio and individual limits for Schedule I banks as indicated in the Appendix "A" applies. These investments will also adhere to a minimum credit rating and a minimum money market rating requirement of A(low) and R1(low) respectively.

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(iii) Appendix “A” Sector Issuer Limitations has been amended to provide a new footnote as follows:

- ⁶ Investments in securities that are deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments issued, guaranteed or endorsed by a bank listed in Schedule I to the *Bank Act* (Canada), expressed or payable in the currency of the United States of America, are permitted. A maximum portfolio and individual limit of 2%, within the maximum portfolio and individual limits for Schedule I banks as indicated in the table above, applies. These investments will also adhere to a minimum credit rating and a minimum money market rating requirement of A(low) and R1(low), respectively.

4. One Investment Program

An increase to the maximum portfolio limit from 10% to 15% is proposed for total investments in the One Investment Program. This increase would provide the City greater flexibility to increase if deemed appropriate its investment in the One Investment Program.

The One Investment Program which is run jointly by CHUMS Financing Corporation (a subsidiary of the Municipal Finance Officers Association of Ontario) and Local Authority Services (founded by the Association of Municipalities of Ontario) offers five portfolios of investment: High Interest Savings Account, Money Market Portfolio, Bond Portfolio, Universe Corporate Bond Portfolio, and Equity Portfolio.

The Prescribed List continues to require that a municipality shall not make investments in shares or bond securities (that have a term-to-maturity greater than five years) issued by corporations that are incorporated under the laws of Canada or a province of Canada unless the municipality makes these investments through the One Investment Program. The Equity Portfolio and the Universe Corporate Bond Portfolio offer exposure to investments in these shares and to investments in these bond securities, respectively.

The following sections of the SIPP have been amended to provide the following:

- (i) The table in Section 4.06 Maximum Quantity Restrictions amended to provide a maximum portfolio limit of 15% for One Investment Program in aggregate;
- (ii) Appendix “A”, Sector Issuer Limitations, amended to provide a maximum portfolio limit of 15% for the One Investment Program.

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5. Investments that Fall Below the Minimum Quality Requirements

The following change is proposed: If an investment made under the SIPP falls below the Minimum Quality Standards as defined in the SIPP, the City shall create a plan, including expected timelines, for selling the investment and shall sell the investment in accordance with the plan.

This change is proposed because it reflects the corresponding changes made to the Prescribed List. Prior to the amendments to the Prescribed List, if an investment fell below the Minimum Quality Requirements as defined in the SIPP, then the investment was to be sold within 180 days after the day the investment fell below the Minimum Quality Requirements.

Section 1.05 Downgrades in Credit Quality of the SIPP has been amended to provide the following: if an investment falls below the standard required, the City shall create a plan, including expected timelines, for selling the investment and shall sell the investment in accordance with the plan.

6. Securities Acquired as Gift or Donation

The following change is proposed: Any security is permitted if the City acquires the security as a gift in a will or as a donation not made for a charitable purpose; if the City acquires such a security that is not otherwise permitted under the Prescribed List, the City shall create a plan, including expected timelines, for selling the investment and shall sell the investment in accordance with the plan.

This change is proposed because it reflects the corresponding changes made to the Prescribed List. Previously, only certain securities acquired as a gift in a will (and the gift was not made for a charitable purpose) were permitted and were required to be sold within 90 days.

The following sections of the SIPP have been amended to provide the following:

- (i) Appendix "A", Sector and Issuer Limitations, has been amended to provide a revised sector as follows: Security – gift in a will; or non-charitable donation:
- (ii) Appendix "A", Sector Issuer Limitations, has been amended to provide a new footnote as follows:

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¹³ Any security if the City acquires the security as a gift in a will or as a donation not made for a charitable purpose. If the City acquires such a security that is not otherwise prescribed under Part 1 of O. Reg. 438/97, the City shall create a plan, including expected timelines, for selling the investment and shall sell the investment in accordance with the plan.

7. Housekeeping Changes

The following sections of the SIPP have been amended to provide for minor changes that either enhance clarity, make corrections, or update references and nomenclature.

- (i) Section 1.11 City Treasurer’s Report for the Reserve / Revenue Funds has been modified and contains:
 - A revised title that reads as follows: City Treasurer’s Report for the Reserve / Revenue Funds;
 - New wording added to the first sentence as follows: “complies with Section 8 (Investment Report) of Ontario Regulation 438/97, Eligible Investments, Related Financial Agreements and Prudent Investment, under the *Municipal Act, 2001* S.O. 2001, c.25 (the “*Municipal Act*”) and shall contain, but not be limited to, the following information:”.
 - A new sentence that reads as follows: g) a statement by the Treasurer as to whether or not, in his or her opinion, all investments are consistent with this SIPP adopted by the City;
 - A revised sentence to read as follows: f) a statement by the CIO as to whether or not, in his or her opinion, all investments are consistent with this Statement of Investment Policies and Procedures (SIPP) adopted by the City; and.
- (ii) Appendix “A”, Sector and Issuer Limitations, and Section 4.06 Maximum Quantity Restrictions: The One Funds was revised to the One Investment Program; and OSIFA was revised to the Ontario Infrastructure and Lands Corporation;
- (iii) Appendix “A”, Sector and Issuer Limitations, contains the following amended footnotes:

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- ¹ Exposure percentage limitations to be applied to the par value of the total portfolio exclusive of the exposure to similar assets and/or securities held under the investments made in the One Investment Program.
 - ⁴ Prescribed securities are: deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments issued, guaranteed or endorsed by a bank listed in Schedule I, II or III to the *Bank Act* (Canada); and bonds, debentures, promissory notes or other evidence of indebtedness issued or guaranteed by a bank listed in Schedule I, II or III to the *Bank Act* (Canada).
- (iv) Appendix “A”, Sector and Issuer Limitations, contains new footnotes as follows:
- ¹⁰ Minimum credit rating must satisfy R1(mid) by Dominion Bond Rating Service Limited, F1+ by Fitch Ratings, Prime-1 by Moody’s Investors Services Inc. or A-1+ by Standard and Poor’s.
 - ¹¹ One Investment Program is jointly run by CHUMS (a subsidiary of the Municipal Finance Officers’ Association of Ontario) and Local Authority Services (a corporation of the Association of Municipalities of Ontario).
 - ¹² Bonds, debentures, promissory notes or other evidence of indebtedness issued by a corporation that is incorporated under the laws of Canada or a province of Canada.
- (v) Appendix “D” of the SIPP – CFA Institute Code of Ethics and Standards of Professional Conduct reflects the most recent version from the CFA Institute.
- (vi) FTSE TMX was struck out and substituted by FTSE and Eligible Investments and Related Financial Agreements was struck out and substituted by Eligible Investments, Related Financial Agreements and Prudent Investment.

ALTERNATIVES FOR CONSIDERATION

Not Applicable.

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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 FCS19074 - Reserve / Revenue Funds and Trust Accounts
Statement of Investment Policies and Procedures dated December 5, 2019.

RM/dt

**Statement of Investment
Policies and Procedures**

**City of Hamilton –
Reserve/Revenue Funds
and Trust Accounts**

Dated: December 5, 2019

APPROVED on this _____ day of _____
, 2019

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Executive Summary

Section 1: Overview and Administration

- Policy provides investment framework for the City’s Reserve/Revenue funds and Trust Accounts.
- Overall objective is to ensure Funds and Trust Accounts are invested in accordance with existing legislation.
- Overall responsibility for Funds and Trust Accounts rests with the City Treasurer and Council, but many administrative duties and responsibilities have been delegated.
- The Chief Investments Officer (CIO) will complete and deliver a performance report to City Treasurer annually as at fiscal year-end unless otherwise requested by City Council or the City Treasurer and inform the City Treasurer of any security which experiences a credit downgrade in a timely manner.
- City’s Investment staff will comply with the Code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute and the City’s Code of Conduct.
- Council members, the City’s senior management team, and all external advisors are subject to the City’s guidelines pertaining to actual and perceived conflicts of interest.
- CIO will monitor the Funds’ and Trust Accounts’ asset mixes on a quarterly basis and will rebalance when necessary.
- City Treasurer must formally review the Policy at least once in every four calendar years.
- City Treasurer shall prepare and provide a comprehensive annual investment report to Council.

Section 2: Asset Mix and Diversification

- CIO will arrange for the investment of the Funds and Trust Accounts to achieve a satisfactory return using diversified portfolios that conform with all legislative constraints.
- Asset mix policies have been established for the Funds and Trusts Accounts at acceptable risk levels.
- Funds and Trust Accounts will be managed by the City’s investment personnel.

Section 3: Reserve/Revenue Funds

- A short description of the City’s Reserve/Revenue Funds and important cash flow considerations.
- The primary goals of the Funds include: 1) conforming to legislative constraints; 2) preserving capital; 3) maintaining adequate liquidity; and 4) maximizing returns.
- The performance objective is to outperform its benchmark composed of sixty-two decimal five percent (62.5%) FTSE Canada All-Gov’t Short Term Bond Index, twenty-seven decimal five percent (27.5%) FTSE Canada All-Gov’t Bond Index and ten percent (10.0%) FTSE Canada 91-Day T-Bill Index.
- Accounting issues will be taken into account when managing the City’s fixed income assets.
- Duration is to be maintained between one (1) year and six (6) years.

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Section 4: Reserve/Revenue Funds – Permitted Investments

- The investments of the Funds must comply with the requirements and restrictions set out in the *Municipal Act, 2001*, specifically Eligible investments, Related Financial Agreements and Prudent Investment, Ontario Regulation 438/97 and any revisions thereof.
- Minimum quality standard for eligible individual bonds is “BBB” and for short term securities is “R-1 low” as rated by a recognized bond rating agency.
- Please refer to chart in Section 4.06 for maximum quantity restrictions.
- The City shall not invest in a security that is expressed or payable in any currency other than Canadian dollars with the exception of those investments specified in Section 4.07 and footnote 6 of Appendix “A”.

Section 5: Trust Accounts

- A very brief description of the City’s Trust Accounts is included.
- The primary goals of the Trust Accounts include: 1) conforming to legislative constraints; 2) preserving capital; 3) maintaining adequate liquidity and 4) maximizing returns.
- Individual performance objectives will be set for each Trust Account. A customized sub-policy will also be drafted and appended to this Policy because the composition of investment assets and asset mix may vary broadly for each Trust Account.

Section 6: Trust Accounts – Permitted Investments

- The investments of the Trust Accounts must comply with the requirements and restrictions set out in the *Trustee Act*.
- Permitted investments are set out in detail in Section 6.02.
- Minimum quality standard for eligible individual bonds is “A (low)” and short term securities is “R-1 low” at purchase, as rated by a recognized bond rating agency. However issues rated “BBB” are permitted subject to the individual Trust Account maximums.
- All investment must be reasonably liquid (capable of liquidation with six (6) months).
- Please refer to Section 6.04 for maximum quantity restrictions.
- If it is not obvious that an investment qualifies under this Policy, the CIO must consult with the City Treasurer prior to purchasing the investment.

Appendix A – Sector and Issuer Limitations**Appendix B – *Municipal Act, 2001* (Eligible Investments, Related Financial Agreements and Prudent Investment, Ontario Regulation 438/97)****Appendix C – *Trustee Act* (Investment Provisions)****Appendix D – CFA institute Code of Ethics and Standards of Professional Conduct**

Section 1 – Overview and Administration

1.01 Purpose of Statement

This Statement of Investment Policies and Procedures (the “Policy”) provides the framework for the investment of the assets of the City of Hamilton’s Reserve/Revenue Funds (the “Funds”) and the City of Hamilton’s Trust Accounts (the “Trust Accounts”).

The overall objective of the Policy is to ensure that the Funds and Trust Accounts are invested in accordance with existing legislation in such a way as to maximize investment returns while minimizing investment risk.

1.02 Background

The City Treasurer of the City of Hamilton (the “City”) establishes the Policy for approval by the Council of the Municipality for the City of Hamilton (“Council”) and ensures that the designated assets are managed in accordance with the guidelines set out in the Policy. Council has determined that the Funds and Trust Accounts shall be managed internally by the Chief Investments Officer (the “CIO”). The Custodian, as appointed by council, is to hold an account for the assets to be managed in accordance to this policy.

1.03 Delegation of Responsibilities

Overall responsibility for the Funds and Trust Accounts ultimately rests with the City Treasurer and Council. It is permitted however to delegate administrative duties and responsibilities to internal and external agents.

a) Chief Investments Officer

The CIO is responsible for:

- (i) monitoring asset mix and rebalancing as required;
- (ii) day-to-day liaison with the Custodian and the Investment Consultant;
- (iii) monitoring and budgeting for cash flow within the Funds and Trust Accounts.
- (iv) researching, recommending and implementing improvements to asset management of the City’s investment assets; and
- (v) directing and implementing investment strategies for City managed portfolios.

b) Custodian/Trustee

The custodian/trustee will:

- (i) fulfill the regular duties of a Custodian/Trustee as required by law;
- (ii) maintain safe custody over the assets of the Funds and Trust accounts;
- (iii) execute the instructions of the City Treasurer and the CIO; and
- (iv) record income and provide financial statements to the City Treasurer monthly, or as required.

c) Investment Consultant

The investment consultant will:

- (i) assist the CIO and the City Treasurer in developing a prudent long-term asset mix, and specific investment objectives and policies;
- (ii) monitor, analyze and report on the Fund’s investment performance and to support the City Treasurer on any investment related matters;

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- (iii) assist with the selections of investment managers, custodians and other suppliers; and,
- (iv) meet with the City Treasurer and/or CIO as required.

d) The City Treasurer

The City Treasurer will provide annual audited financial statements of the Funds and Trust Accounts.

e) City Solicitor

The City's Solicitor will:

- (i) provide legal advice to the City Treasurer regarding compliance with relevant legislation; and
- (ii) provide legal counsel on a range of issues, including the review of contracts with suppliers.

The City Treasurer has the authority to retain other consultants/suppliers as the City Treasurer deems necessary from time to time.

1.04 Performance Reporting

The CIO is required to complete and deliver a performance report to the City Treasurer and to Council annually as at fiscal year-end unless otherwise requested by City Council or the City Treasurer.

1.05 Downgrades in Credit Quality

In order to keep the City Treasurer informed, the CIO will take the following steps in the event of a downgrade in the credit rating of a portfolio asset by a recognized bond rating agency to below the purchase standards set out in Sections 4.04 and 6.03:

- within ten (10) business days, the CIO will advise the City Treasurer in writing of the course of action taken, or intended to be taken by the CIO, and his rationale;
- immediately upon downgrade, the asset will be placed on a Watch List subject to monthly review by the CIO with the City Treasurer until such time as the security is sold or is upgraded to a level consistent with the Policy's purchase quality standards; and
- if an investment falls below the standard required, the City shall create a plan, including expected timelines, for selling the investment and shall sell the investment in accordance with the plan.

1.06 Standard of Professional Conduct

The City's investment personnel are expected to comply, at all times and in all respects, with the Code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute and the City's Code of Conduct Policy.

The CIO will manage the assets with the care, diligence and skill that an investment manager of ordinary prudence would use in dealing with assets of this nature. The CIO will also use all relevant knowledge and skill that he or she possesses, as a prudent investment manager.

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1.07 Conflicts of Interest

The standard applies to individual members of Council, the City’s senior management team, the Custodian, the Investment Consultant and any other external Advisor(s). All are subject to the following guidelines pertaining to both actual and perceived conflicts of interest.

Disclosure of Council Members and the Senior Management Team

Council Members and City employees shall subscribe to the City’s Conflict of Interest guidelines. In addition:

- a) A member of Council and the City’s senior management team shall fully disclose the particulars of any actual or perceived conflict of interest immediately upon becoming aware of the actual or perceived conflict, and in writing to the City Treasurer; and
- b) The person or persons in conflict as identified above shall not directly or indirectly participate in any discussion on the subject of the conflict nor participate in any vote on the matter. All such disclosures shall be recorded in the minutes of council or the senior management team meeting during which the apparent conflict was discussed.

The Custodian, the Investment Consultant and any other Advisor(s) (the “Parties”)

While it is impossible to determine every circumstance or case which can give rise to possible conflicts of interest, the following indicates some of the types of activities that could result in an actual or perceived conflict of interest and must be disclosed:

a) Disclosure of Conflict

A representative of the Parties shall disclose to the City Treasurer any material conflict of interest relating to him, and any material beneficial ownership of investments involved, which could reasonably be expected to impair his ability to render unbiased and objective advice. These disclosures shall be made whenever one of the Parties wishes to make recommendations concerning an investment in which he has a material beneficial interest or perceived conflict.

b) Disclosure of additional compensation arrangements

The Parties shall disclose to the City Treasurer in writing any compensation including payments in cash or in kind, he receives from an issuer of securities or any person other than his employer for services he renders to his customers or clients which could reasonably be expected to impair his ability to render unbiased and objective advice with respect to the assets. An employee of the Parties shall also disclose, with the approval of his employer, special compensation arrangements with the employer that might conflict with the City’s interests, such as bonuses based on short term performance criteria. Such written notice shall be presented within thirty (30) days.

c) Disclosure of referral fees

The Parties shall disclose any consideration paid to others for making a particular recommendation relating to asset matters. This disclosure statement shall be provided before the recommendation is implemented.

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1.08 Related Party Transactions

The City Treasurer, on behalf of the Funds and Trust Accounts, may not enter into a transaction with a related party unless:

- a) the transaction is both required for operation and or administration of the Funds and Trust Accounts and the terms and conditions of the transaction are not less favourable than market terms and conditions;
- b) securities of the related party are acquired at a public exchange; or
- c) the combined value of all transactions with the same related party is nominal or the transaction(s) is immaterial

For the purposes of this Section 1.08, transactions involving less than TEN THOUSAND DOLLARS (\$10,000.00) are considered nominal. A “related party” is defined to include any officer, director or employee of the City. It also includes a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, among others. Related party does not include government or a government agency, or a bank, trust company or other financial institution that holds the assets of the Funds and/or Trust accounts.

1.09 Monitoring of Asset Mix

In order to ensure that the Funds and Trust Accounts operate within the minimum and maximum guidelines stated in the Policy, the CIO shall monitor the asset mix on a calendar quarterly basis. Rebalancing can take place over a reasonably short period of time after an imbalance has been identified. Rebalancing may be affected by redirecting the net cash flows to and from the Funds and/or Trust Accounts, or by transferring cash or securities.

1.10 Policy Review

This Policy may be reviewed and revised at any time, but the City Treasurer and Council must formally review it at least once in every four calendar years.

1.11 City Treasurer’s Report for the Reserve/Revenue Funds

The City Treasurer shall provide an investment report annually to Council by May 31 of the calendar year for the prior fiscal year that complies with section 8 (Investment report) of Ontario Regulation 438/97, Eligible Investments, Related Financial Agreements and Prudent Investment, under the *Municipal Act*, 2001 S.O. 2001, c.25 (the “*Municipal Act*”), and shall contain, but not be limited to, the following information:

- a) a statement about the performance of the portfolio of investments of the City during the period covered by the report;
- b) a listing of the types of securities in which the portfolio invested during the period covered by the report;
- c) a listing of the securities and their credit ratings held by the portfolio at the date of the report;
- d) a description of the estimated proportion of the total investments of a municipality that are invested in its own long-term and short-term securities to the total investment of the municipality and a description of the change, if any, in that estimated proportion since the previous year’s report;
- e) a record of the date of each transaction in or disposal of its own securities, including a statement of the purchase and sale of each security;

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- f) a statement by the CIO as to whether or not, in his or her opinion all investments are consistent with this Statement of Investment Policy and Procedures (“SIPP”) adopted by the City;
- g) a statement by the treasurer as to whether or not, in his or her opinion all investments are consistent with this SIPP adopted by the City; and
- h) any other information that the council may require or that, in the opinion of the City Treasurer, should be included.

Section 2 – Asset Mix and Diversification Policy

2.01 Portfolio Return Expectations

The City Treasurer has appointed the CIO to arrange for the investment of part or all of the assets of the Funds and Trust Accounts to achieve a satisfactory long-term rate of return through a diversified portfolio, consistent with acceptable risks and prudent management and that conforms with all legislative constraints.

An appropriate asset mix policy has been established for the Funds and Trust Accounts to provide a reference for long-term return requirements at risk levels acceptable to the City Treasurer. Risk is controlled by investing in well diversified and high-quality portfolios.

2.02 Management Structure

The Funds and Trust Accounts will be managed by the City’s investment personnel.

Section 3 – Reserve/Revenue Funds

3.01 Fund Policy

The City's Reserve/Revenue Funds were amalgamated in 2001. Based on the pattern of cash flows experienced in the past, one can assume that cash flow will be added to the Funds between February and October and the Funds will be drawn down between November and February.

These assets of the Reserve/Revenue Fund will be managed on a total return basis and measured against performance benchmarks. Another important cash flow consideration relates to the Fund's intra-month cash flow activity. According to City sources, there is a great deal of short-term cash activity every month and the Funds require a comprehensive cash management operation.

3.02 Objectives

The primary goals of the Funds are to ensure compliance with the *Municipal Act, 2001* and Eligible Investments, Related Financial Agreements and Prudent Investment, Ontario Regulation 438/97, to minimize investment risk, and to maximize investment returns.

The four basic objectives of the Policy are:

1. Conform to Legislative Constraints

The City's investment portfolios must conform with the *Municipal Act*, which is the guiding legislation for investment of municipal funds. In particular, the investments must conform to Eligible Investments, Related Financial Agreements and Prudent Investment, Ontario Regulation 438/97. Eligible investments are discussed in greater detail in Section 4.02.

2. Preserve Capital

Ensuring the safety of principal is of paramount importance for the City. Proper diversification will help to ensure that this objective is met. The establishment of limitations relating to credit rating, sector exposure and term structure will ensure safety of principal by limiting the investment exposure to any one issuer, sector or term.

The limitations described in Section 4 reflect the requirements of the current legislation and the City's own guidelines on prudent investment standards. All eligible investments must adhere to these limits.

3. Maintain Adequate Liquidity

Maintaining adequate liquidity ensures that the Funds can be fully invested until required by the City. Liquid investments also afford more opportunities for investment management (i.e. lengthening or shortening the term of securities to take advantage of movements in interest rates or shifts in the yield curve).

The predictability of the City's cash flows will be an important consideration in determining the degree of liquidity required in the portfolio.

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4. Maximize Returns while Conforming to Other Objectives

Investment returns should be maximized through opportunistic investment management without compromising the objectives of preservation of capital and maintenance of liquidity.

The CIO is responsible for managing the Fund’s investment assets. For the purposes of evaluating the Fund’s performance, all rates of returns will be measured over moving one-year and four-year periods. Return objectives will be on a total return basis and will include realized and unrealized capital gains or losses plus income from all sources. Returns will be calculated on a time-weighted basis and compared to the objectives described below.

Performance Objectives:

The Fund’s performance objective, as outlined in Section 4.10, is to outperform a benchmark portfolio constructed from a blend of returns composed of sixty-two decimal five percent (62.5%) of the FTSE Canada All-Government Short Term Bond Index, twenty-seven decimal five percent (27.5%) of the FTSE Canada All-Government Bond Index and ten percent (10.0%) of the FTSE Canada 91-Day Treasury Bill Index, measured over four-year cycles.

The City’s cash management objectives include the maintenance of positive cash flow, the development of prudent temporary borrowing strategies and the investment of the City’s idle funds to earn a competitive rate of return.

3.03 Investment and Risk Philosophy

a) Investment Philosophy

The Funds will be managed on a total return basis, as per the objectives, guidelines and constraints imposed by the Policy. Efforts will be made to maximize returns and avoid capital losses, while incorporating the Funds’ unique cash flow demands.

b) Risk Philosophy

The Funds shall be managed in a conservative manner with special care and attention being taken to minimize risk and preserve capital.

3.04 Accounting Issues

With the likelihood that the City’s fixed income portfolio may incur unrealized losses, it is extremely important to address the accounting treatment of such unrealized losses with the City’s auditors. Discussions with the City’s auditors reveal that they will adopt a very conservative approach in valuing the portfolio, but will distinguish between temporary and permanent impairments in value. Should the loss in value of a portfolio be deemed permanent, the investment will be written down to recognize the loss. A write down of a portfolio investment to reflect a loss in value will not be reversed if there is a subsequent increase in value.

Section PS 3041 – Portfolio investments, Paragraph .10 of The Canadian Institute of Chartered Accountants Official Pronouncements Collection states: *“that a decline in quoted market value below carrying value of an investment with a fixed maturity amount may be considered temporary unless it is anticipated that the investment will be disposed of before it matures or that the carrying value may not be realizable”*.

This information has important implications for the manner in which the City’s fixed income investments should be managed and its resulting term structure.

Section 4 - Reserve/Revenue Funds: Permitted Investments and Performance Measurement

4.01 General Guidelines

The investments of the Funds must comply with the requirements and restrictions set out in the *Municipal Act, 2001* S.O. 2001, c.25 (the “*Municipal Act*”), specifically Eligible Investments, Related Financial Agreements and Prudent Investment, Ontario Regulation 438/97 and any revisions thereof. Any changes or revisions to the *Municipal Act*, specifically Eligible Investments, Related Financial Agreements and Prudent Investment, Ontario Regulation 438/97, subsequent to the formal adoption of this Policy, will be effective immediately. This Policy will be updated to reflect the change(s) at the time of its formal review.

4.02 Permitted Investments

The City will invest only in securities permitted under the *Municipal Act* and its related regulations, as amended from time to time.

A list of Sector and Issuer Limitations (the List) will be established by the City Treasurer and the Chief Investments Officer (see Appendix A). The List will state explicitly the approved sectors and issuer limitations of securities that may be held in the portfolio. In addition, while all investments on the List must meet legislative requirements, specific minimum credit rating requirements, dollar limits and/or percentage limits (of the total portfolio) will be established for each issuer. The List will be amended from time to time by the Chief Investments Officer.

4.03 Grandfathered Investments—Non-Bank ABCP

Investments which were allowed under the *Municipal Act* will be grandfathered and considered acceptable investments provided that:

- a) the City invested in the security before January 12, 2009; and
- b) the terms of the City’s continued investment in the security have been changed pursuant to the Plan Implementation Order of the Ontario Superior Court of Justice dated January 12, 2009 (Court file number 08-CL-7440) and titled “In the matter of the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 as amended and in the matter of a plan of compromise and arrangement involving Metcalfe & Mansfield Alternative Investments II Corp. et al”. O. Reg. 438/97 s.2.1

4.04 Minimum Quality Requirements

The City shall not invest in a security that does not meet the credit rating requirements established under the *Municipal Act* and Regulations.

4.05 Investments in School Board Issued Securities

A municipality shall not invest in a security issued or guaranteed by a school board or similar entity unless the money raised by issuing the security is to be used for school purposes.

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4.06 Maximum Quantity Restrictions

The City shall not invest more than twenty-five percent (25%) of the portfolio in short-term debt issued or guaranteed by the City. Short-term debt means any debt instrument that shall be fully repaid no later than three hundred and sixty-four (364) days after the debt is incurred. The total investment in ‘A’ or equivalent rated debt on purchase must not exceed thirty-five percent (35%) of the market value of the City’s bond portfolio.

Subject to the quality limits imposed above, the following quantity restrictions at the total fund level are to be respected. Please see the Sector and Issuer Limitations List in Appendix A for more details:

	Minimum %	Maximum %
Federal issues in aggregate	0	100
Federal Guarantee	0	100
Provincial holdings in aggregate	0	100
Single province exposure	0	50
Individual non-federal/non-provincial holding (*)	0	10
Non-federal/non-provincial holdings in aggregate	0	50
Municipal Issues (*)		
-individual muni issue rated “AAA”	0	10
-individual muni issue rated “AA”	0	10
-individual muni issue rated “A”	0	5
Municipal holdings in aggregate	0	30
Banks and Credit Unions in aggregate	0	50
Asset-Backed in aggregate	0	25
Foreign Country Debt in Cdn dollars	0	25
Commercial paper in aggregate	0	20
One Investment Program in aggregate	0	15
Corporate Debt rated A(low) or better < 5 years in aggregate	0	15
Ontario Infrastructure and Lands Corporation “AA” Broader Public Sector	0	15
Supranational	0	30
Short term securities in aggregate	0	50
Any security if the City acquires the security as a gift in a will or as a donation not made for a charitable purpose	0	N/A
Shares of a corporation received through a court order in lieu of debt that is payable to the municipality	0	N/A
Forward Rate Agreement	0	N/A
Portfolio benchmark duration (Macaulay)	1 year	6 years

(*) Except for City of Hamilton issues which have a limit of twenty-five percent (25%).

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4.07 Currency

The City shall not invest in a security that is expressed or payable in any currency other than Canadian dollars with the exception of those investments specified in footnote 6 of Appendix “A”: investments in securities that are deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments issued, guaranteed or endorsed by a bank listed in Schedule I to the *Bank Act* (Canada), expressed or payable in the currency of the United States of America, are permitted. A maximum portfolio and individual limit of 2%, within the maximum portfolio and individual limits for Schedule I banks as indicated in the Appendix “A”, applies. These investments will also adhere to a minimum credit rating and a minimum money market rating requirement of A(low) and R1(low) respectively.

4.08 Securities Lending

The investments of the Funds may be loaned, for the purpose of generating revenue for the Funds on a fully indemnified basis.

For securities held in segregated accounts, such loans must be secured by cash and/or readily marketable government bonds, treasury bills and/or letters of credit, discount notes and bankers’ acceptances of chartered banks. For bonds, the security held must have a market value of at least one hundred and two percent (102%) of the market value of the loaned securities. This market value relationship must be calculated at least daily. The terms and conditions of any securities lending program will be set out in a contract with the Custodian. The Custodian shall, at all times, ensure that the City Treasurer has a current list of those institutions that are approved to borrow the Fund’s investments.

4.09 Forward Rate Agreements

The City is authorized to enter into agreements to make prescribed investments as outlined in O. Reg. 438/97, on a future date and to that effect may enter into a one or more forward rate agreements.

a) Description of a Forward Rate Agreement

A Forward Rate Agreement (“FRA”) is legally binding agreement between two parties to exchange cash flows based on interest rates (usually one party pays a fixed interest rate and the other party pays a floating interest rate) applied to a notional principal amount at a given future date.

b) Purpose

The FRA should be used to minimize the cost or risk associated with investments because of fluctuations in interest rates.

Overall, the FRA should provide the City with the possibility to protect the future returns in anticipation of fluctuating interest rates (i.e. fixes today the interest rate that will accrue on an investment occurring in the future). It will also allow the City’s to plan for cash flows more effectively as future interest rates are no longer uncertain.

The FRA must be entered into with the intent of accomplishing the above purposes. For example, the fund may enter into a FRA to fix the rate of return for an investment that would meet the obligations of a sinking fund debenture.

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c) Standard FRA Contract

The standard FRA contract shall include the following:

- A forward amount, which is the principal amount of the investment or that portion of the principal amount to which the agreement relates;
- A settlement day, which is a specified future date;
- A forward rate of interest, which is a notional rate of interest applicable on the settlement day;
- A reference rate of interest, which is the market rate of interest payable on a specified future date on an acceptance issued by a bank listed in Schedule I, II and III to the *Bank Act*, S.C. 1991, c. 46 (the “*Bank Act*”); and
- A settlement payment to be payable on the settlement day if the forward rate and the reference rate of interest are different.

d) Type of investments

The City is allowed to enter into a FRA in any of the fixed income securities prescribed in the Sector and Issuer Limitations list (Appendix A). Dealing in FRA’s is permitted in Canadian dollars only.

e) Counterparty

The City shall not enter a FRA except with a bank listed in Schedule I, II and III to the *Bank Act* and only if the bank’s long term debt obligations on the day the agreement is entered are rated A (high) or higher by DBRS, A+ or higher by Fitch, A1 or higher by Moody’s or A+ or higher by S&P.

f) Reference Rate

The reference rate is the market rate of interest (floating interest rate) payable on a specified future date.

The parties are free to use any market rate of interest as a reference rate for entering into a FRA, provided the methodology of computing the rate is objective, transparent and mutually acceptable to counterparties.

g) Size Limit

The City should not enter a FRA if the forward notional amount, when added to all forward notional amounts under other forward agreements, if any, relating to the same investment, would exceed the total amount of the principal of the investment.

h) Term

The City shall not enter a FRA unless the settlement day under the agreement is within twelve (12) months of the day on which the agreement is executed.

i) Valuation

The FRA portfolio must be marked to market as determined by the custodian. The City shall apply the Generally Accepted Accounting Principles (GAAP) in reporting the impact of the FRA on the financial statements.

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j) Netting Settlement

The agreement should be set up so that on the settlement date, all FRA payments to be exchanged will be net settled (i.e. only the differential between the fixed and floating is paid).

In case of insolvency, the claim of the counterparty provides for the netting of the transaction between the insolvent and the creditor. In such case, the amount payable by one party is set off against the amount payable by the other party and only the net balance is paid or received.

k) Risk Management Authorization

All agreements will be negotiated by the CIO and authorized by the City Treasurer or Council of the City. The City Treasurer or Council will be presented with:

1. Estimated cost to the municipality resulting from the use of a FRA
2. Detailed estimate of the expected results of the use of a FRA
3. An analysis of financial and other risk to the municipality that would exist with and without the use of a FRA

l) Contract

A FRA contract should be developed and used as standard in all transactions. The standard shall clearly define the rights and obligations of each party.

m) Credit exposure limits

FRA with Schedule III banks should be limited to twenty-five percent (25%) of the entire FRA portfolio.

n) Monitoring

The CIO shall ensure that the appropriate infrastructure and monitoring systems such as ability to price the FRA, marked to market the positions, monitor limit exposures on an ongoing basis are put in place.

o) Monitoring Report

If the City has any subsisting FRA in a fiscal year, the City Treasurer of the City shall prepare and present to the City council once in that fiscal year, or more frequently if the council or desires, a detailed report on all those agreements.

The report must contain the following information and documents:

- A statement about the status of the forward rate agreements during the period of the report, including a comparison of the expected and actual results of using the agreements;
- A statement by the City Treasurer indicating whether, in his or her opinion, all the forward rate agreements entered during the period of the report are consistent with the City’s statement of policies and goals relating to the use of forward rate agreements;
- Such information as the council may require; and
- Such other information as the City Treasurer considers appropriate to include in the report.

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4.10 Performance Measurement

For purposes of evaluating the performance of the Funds, all rates of returns are measured over moving one-year and four-year periods. Return objectives include realized and unrealized capital gains or losses plus income from all sources.

The Funds' performance objective is to outperform a benchmark portfolio constructed from a blend of returns composed of sixty-two decimal five percent (62.5%) of the FTSE Canada All-Government Short-Term Bond Index, twenty-seven decimal five percent (27.5%) of the FTSE Canada All-Government Bond Index and ten percent (10.0%) of FTSE Canada 91-Day Treasury Bill Index.

Total Fund

Investment weightings and investment results are to be measured regularly against a long-term Benchmark Portfolio comprising:

Benchmark	%
FTSE Canada All-Government Short-Term Bond Index	62.5
FTSE Canada All-Government Bond Index	27.5
FTSE Canada 91-Day Treasury Bill Index	<u>10.0</u>
	100.0

Section 5 - Trust Accounts

5.01 Profile

The City’s Trust Accounts consist of multiple accounts, each with distinct and unique objectives. The individual Trust Accounts therefore, although small, may not be co-mingled.

Notwithstanding the following, a subpolicy will be developed for each individual Trust Account and appended to this Policy. Each subpolicy will contain a statement of objectives, and constraints and guidelines customized to the unique requirements of the individual Trust Accounts.

5.02 Objectives

The primary goals of the Trust Accounts are to ensure compliance with the investment provisions of the Trustee Act, R.S.O. 1990, c. T.23 (the “Trustee Act”). Effective July 1, 1999, the investment provisions of the *Trustee Act* were amended to a “prudent investor” standard. The new legal standard of “prudent investor” allows for greater portfolio diversification and a less restrictive means of selecting appropriate investments.

The basic objectives of the Trust Accounts include:

1. Conform to Legislative Constraints

The City’s Trust Accounts must conform with the *Trustee Act of Ontario*, which is the guiding legislation for investment of trust monies. In particular, the investments must conform to the requirements and restrictions imposed by Section 27 of the *Trustee Act*.

Among other criteria, Section 27 of the *Trustee Act* stipulates that a trustee:

- must exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments;
- may invest trust property in any form of property in which a prudent investor might invest; and
- must diversify the investments of trust property to the extent that is appropriate.

2. Preserve Capital

Ensuring the safety of principal is of paramount importance for the City. Proper diversification will help to ensure that this objective is met.

The limitations described in Section 6 reflect the requirements of the current legislation and the City’s own guidelines on prudent investment standards. All eligible investments must adhere to these limits.

3. Maintain Adequate Liquidity

Maintaining adequate liquidity ensures that the Trust Accounts can be fully invested until required by the City. Liquid investments also afford more opportunities for investment management (i.e. moving in to or out of equity investments as dictated by prevailing market conditions or lengthening or shortening the term of fixed income securities to take advantage of movements in interest rates).

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4. Maximize Returns while Conforming to Other Objectives

Investment returns should be maximized through opportunistic investment management without compromising the objectives of preservation of capital and maintenance of liquidity.

The CIO is responsible for managing the Trust Accounts' investment assets. For the purposes of evaluating the Trust Accounts performance, all rates of returns will be measured over moving one-year and four-year periods. Return objectives will be on a total return basis and will include realized and unrealized capital gains or losses plus income from all sources. Returns will be calculated on a time-weighted basis.

Performance Objectives:

The performance objectives of the individual Trust Accounts must be treated on an account-by account basis. The Trust Accounts are too diverse in nature to set specific performance objectives as individual objectives and constraints vary and the composition of investment assets and asset mix vary broadly.

5.03 Investment and Risk Philosophy**a) Investment Philosophy**

The Trust Accounts will be managed on a total return basis, as per the objectives, guidelines and constraints imposed by the Policy and individual Trust Accounts. Efforts will be made to maximize returns and avoid capital losses.

b) Risk Philosophy

The Funds shall be managed in a conservative manner with special care and attention being taken to minimize risk and preserve capital.

Section 6 - Trust Accounts: Permitted Investments

6.01 General Guidelines

The investments of the Trust Accounts must comply with the requirements and restrictions set out in the *Trustee Act*, R.S.O. 1990, c. T.23 (the “*Trustee Act*”), specifically the requirements and restrictions imposed by Section 27 of the *Trustee Act*. Any changes or revisions to the *Trustee Act*, specifically Section 27, subsequent to the formal adoption of this Policy will be effective immediately. This Policy will be updated to reflect the change(s) at the time of the Policy’s formal review.

6.02 Permitted Investments

The following are prescribed, for the purposes of this investment policy, as securities that the City may invest in:

1. Canadian and Foreign Equities

Permitted instruments are:

- common and convertible preferred equity listed on recognized stock exchanges;
- debentures convertible into common equity;
- rights, warrants and special warrants for common or convertible preferred stock;
- instalment receipts;
- American Depository Receipts and Global Depository Receipts; and
- exchange traded index participation units.

2. Bonds

Permitted instruments are:

- bonds, debentures, notes and other evidences of indebtedness of Canadian issuers denominated in Canadian dollars;
- mortgage-backed securities, guaranteed by the federal government as to the timely payment of all payments under the *National Housing Act*, R.S.C. 1985, c. N-11;
- term deposits and guaranteed investment certificates; and
- Supra-National bonds issued by the International Bank for Reconstruction and Development denominated in Canadian dollars.

3. Cash and Short-Term Investments

Permitted instruments (defined to be securities with less than one (1) year to maturity) are:

- cash on hand and demand deposits including deposit accounts of the custodian,
- treasury bills issued by the federal and provincial governments and their agencies, obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers’ acceptances, and
- commercial paper and term deposits.

4. Other Investments

Permitted instruments are:

- deposit accounts of the custodian which can be used to invest surplus cash holdings; and
- investments may be made in mutual funds.

6.03 Minimum Quality Requirements

Within the investment restrictions for individual portfolios, including mutual funds, all portfolios should hold a prudently diversified exposure to the intended market.

The following minimum quality restrictions apply to all investments held in the portfolio:

- generally speaking, the minimum quality standard for individual bond issues is 'A (Low)' or equivalent, as rated by a recognized bond rating agency at the time of purchase, however, issues rated 'BBB' are permitted subject to the individual Trust Account maximums;
- the minimum quality standard for individual short term securities is 'R-1 (Low)' or equivalent, as rated by a recognized bond rating agency at the time of purchase; and
- all investments shall be reasonably liquid (i.e. in normal circumstances they should be capable of liquidation within six (6) months).

6.04 Maximum Quantity Restrictions

The following restrictions are to be respected:

Equities

- The equity holdings will be well diversified and contain at least fifteen (15) securities. The maximum holding for any individual stock will be ten percent (10%) of the equity portfolio based on market value;
- Equity holdings representing more than ten percent (10%) of the voting shares of a corporation or more than ten percent (10%) of the available public float shall be disclosed on a quarterly basis; and
- Equity holdings representing more than twenty percent (20%) of the voting shares of a corporation or more than twenty percent (20%) of the available public float are not permitted. In addition, the combined share of all holdings in excess of ten percent (10%) of the voting shares or public float may not exceed three percent (3%) of the total equity portfolio. All calculations are based on market value.

Bonds and Short Term

- Except for federal and provincial bonds (including government guaranteed bonds), no more than ten percent (10%) of the bond portfolio may be invested in the bonds of a single issuer and its related companies;
- No one bond holding shall represent more than ten percent (10% of the market value of the total outstanding for that bond issue;
- No more than ten percent (10%) of the market value of the bond portfolio may be held in 'BBB' issues; and
- No more than ten percent (10%) of the market value of the bond portfolio may be held in real return bonds.

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Mutual Fund Investments

The CIO may invest in mutual funds, provided that every effort is made to minimize investment management fees.

Pooled Fund Investments

Investments in pooled funds are not permitted, unless such funds can be deemed to be mutual funds.

Prior Permission Required

The following investments may be permitted **provided that** prior approval has been obtained from the City Council:

- investments in private placements;
- direct investments in real estate;
- direct investments in venture capital financing or private equity limited partnerships;
- investments in bonds of foreign issuers;
- investments in units of investment trusts (e.g. REITs or resource trust units); and
- direct investments in mortgages.

No other investment is permitted.

6.05 General Restriction

At all times, the CIO must meet the requirements for eligible investments as outlined in the *Trustee Act*.

If it is not obvious that an investment qualifies under this Policy, the CIO should consult with the City Treasurer of his concern about the investment before the investment is acquired.

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Appendix A – Sector and Issuer Limitations

	Sector Exposure Maximum Limits ¹		Restrictions		
	Portfolio Limit	Individual Limit	Minimum Credit Rating ²	Money Market Rating	Maximum Term-to-Maturity (on the day the investment is made)
Federal Canada Government	100%	100%	N/A	R1(high)	
Federal Guarantees	100%	25%	N/A	R1(high)	
Provincial including Provincial Guarantees	100%	50%	AA(low)	R1(mid)	
	20%	10%	A(low)	R1(mid)	
	10%	10%	BBB(low)	R1(mid)	
Municipal					
City of Hamilton	25%	25%	N/A		
Other Municipalities and School Boards	25%	10%	AA(low)		
	15%	5%	A(low)		
Municipal Totals	30%				
Asset-Backed Securities (ABS) ³	25%	10%	AAA	R1(high)	
Banks ⁴ and Credit Union					
Schedule I Banks ⁶	50%	10%	AA(low)	R1(mid)	
Schedule I Banks ⁶	20%	5%	A(low) ⁵	R1(low)	
Schedule II Banks	15%	5%	AA(low)	R1(high)	
Schedule II Banks	10%	5%	A(low) ⁵	R1(mid)	
Schedule III Banks	15%	5%	AA(low)	R1(high)	
Schedule III Banks	10%	5%	A(low) ⁵	R1(mid)	
Credit Union with Guarantee ^{7,8}	8%	4%			1 year
Total for Banks & Credit Union with Guarantee	50%				
Negotiable promissory notes or Commercial Paper (other than ABS) ^{3,9}	15%	5%		R1(high)	1 year or less from the date of issue
	10%	2%		R1(mid) ¹⁰	1 year or less from the date of issue
Total Promissory Notes/ Commercial Paper	20%				
Foreign Country Debt (C\$ Issued)	25%	10%	AA(low)		
One Investment Program ¹¹	15%	10%			
Corporate Debt ¹²	15%	5%	A(low)		5 years

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Ontario Infrastructure and Lands Corporation/ “AA” Broader Public Sector	15%	5%			
Supranationals	30%	10%	AAA		
Security – gift in a will; or non-charitable donation ¹³	n/a	n/a			
Shares of a Corporation ¹⁴	n/a	n/a			
Forward Rate Agreements	n/a	25% ¹⁵			

Notes:

¹ Exposure percentage limitations to be applied to the par value of the total portfolio exclusive of the exposure to similar assets and/or securities held under the investments made in the One Investment Program.

² Minimum credit rating is met from at least one of the following credit rating agencies: Standard & Poor’s, Fitch Ratings, Dominion Bond Rating Service Limited or Moody’s Investors Services Inc.

³ Investments in ABS or negotiable promissory notes or commercial paper require, on the date that the investment is made, that the City of Hamilton itself is rated or all of the City of Hamilton’s long-term debt obligations are rated AA(low) or higher; OR that such investments be made under One Investment Program.

⁴ Prescribed securities are: deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments issued, guaranteed or endorsed by a bank listed in Schedule I, II or III to the *Bank Act* (Canada); and bonds, debentures, promissory notes or other evidence of indebtedness, issued or guaranteed by a bank listed in Schedule I, II or III to the *Bank Act* (Canada).

⁵ For securities of bonds, debentures, promissory notes or other evidence of indebtedness, issued or guaranteed by a bank listed in Schedule I, II or III to the *Bank Act* (Canada) with a term-to-maturity less than or equal to 2 years on the day the investment is made, the prescribed minimum credit rating is AA(low).

⁶ Investments in securities that are deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments issued, guaranteed or endorsed by a bank listed in Schedule I to the *Bank Act* (Canada), expressed or payable in the currency of the United States of America, are permitted. A maximum portfolio and individual limit of 2%, within the maximum portfolio and individual limits for Schedule I banks as indicated in the table above, applies. These investments will also adhere to a minimum credit rating and a minimum money market rating requirement of A(low) and R1(low) respectively.

⁷ Prescribed securities are deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments issued, guaranteed or endorsed by a credit union or league to which the *Credit Unions and Caisses Populaires Act, 1994* applies.

⁸ Unconditional (Irrevocable) Letter of Guarantee issued by the credit union central for the credit union in a form satisfactory to the City Solicitor and with content acceptable to the City.

⁹ Promissory note or commercial paper has been issued by a corporation that is incorporated under the laws of Canada or a province of Canada.

¹⁰ Minimum credit rating must satisfy R1(mid) by Dominion Bond Rating Service Limited, F1+ by Fitch Ratings, Prime-1 by Moody’s Investors Services Inc. or A-1+ by Standard and Poor’s.

¹¹ One Investment Program is jointly run by CHUMS (a subsidiary of the Municipal Finance Officers’ Association of Ontario) and Local Authority Services (a corporation of the Association of Municipalities of Ontario).

¹² Bonds, debentures, promissory notes or other evidence of indebtedness issued by a corporation that is incorporated under the laws of Canada or a province of Canada

¹³ Any security if the City acquires the security as a gift in a will or as a donation not made for a charitable purpose. If the City acquires such a security that is not otherwise prescribed under Part I of O. Reg. 438/97, the City shall create a plan, including expected timelines, for selling the investment and shall sell the investment in accordance with the plan.

¹⁴ Shares of a corporation received if the corporation has a debt payable to municipality, under court order the corporation has received creditor protection, and in lieu of debt is authorized by the court order and in the opinion of the Treasurer of the municipality the debt would be uncollectable by the City.

¹⁵ FRA with Schedule III Bank limited to 25% of entire FRA portfolio.

Appendix B - *Municipal Act, 2001*, Ontario Regulation 438/97 (Eligible Investments, Related Financial Agreements and Prudent Investment)

ONTARIO REGULATION 438/97 (formerly under Municipal Act)

ELIGIBLE INVESTMENTS, RELATED FINANCIAL AGREEMENTS AND PRUDENT INVESTMENT

Last amendment: 43/18

PART I

ELIGIBLE INVESTMENTS AND FORWARD RATE AGREEMENTS

Investment under s. 418 of the Act

1. (1) This Part applies in respect of investments by a municipality under section 418 of the Act. O. Reg. 43/18, s. 2.

(2) A municipality does not have the power to invest under section 418 of the Act in a security other than a security prescribed under this Part. O. Reg. 43/18, s. 2.

Eligible investments

2. The following are prescribed, for the purposes of subsection 418 (1) of the Act, as securities that a municipality may invest in:

1. Bonds, debentures, promissory notes or other evidence of indebtedness issued or guaranteed by,
 - i. Canada or a province or territory of Canada,
 - ii. an agency of Canada or a province or territory of Canada,
 - iii. a country other than Canada,
 - iv. a municipality in Canada including the municipality making the investment,
 - iv.1 the Ontario Infrastructure and Lands Corporation,
 - v. a school board or similar entity in Canada,
 - v.1 a university in Ontario that is authorized to engage in an activity described in section 3 of the Post-secondary Education Choice and Excellence Act, 2000,
 - v.2 a college established under the Ontario Colleges of Applied Arts and Technology Act, 2002,
 - vi. a local board as defined in the Municipal Affairs Act (but not including a school board or a municipality) or a conservation authority established under the Conservation Authorities Act,

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- vi.1 a board of a public hospital within the meaning of the Public Hospitals Act,
 - vi.2 a non-profit housing corporation incorporated under section 13 of the Housing Development Act,
 - vi.3 a local housing corporation as defined in section 24 of the Housing Services Act, 2011, or
 - vii. the Municipal Finance Authority of British Columbia.
2. Bonds, debentures, promissory notes or other evidence of indebtedness of a corporation if,
- i. the bond, debenture or other evidence of indebtedness is secured by the assignment, to a trustee, as defined in the Trustee Act, of payments that Canada or a province or territory of Canada has agreed to make or is required to make under a federal, provincial or territorial statute, and
 - ii. the payments referred to in subparagraph i are sufficient to meet the amounts payable under the bond, debenture or other evidence of indebtedness, including the amounts payable at maturity.
3. Deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments the terms of which provide that the principal and interest shall be fully repaid no later than two years after the day the investment was made, if the receipt, note, certificate or instrument was issued, guaranteed or endorsed by,
- i. a bank listed in Schedule I, II or III to the Bank Act (Canada),
 - ii. a loan corporation or trust corporation registered under the Loan and Trust Corporations Act, or
 - iii. a credit union or league to which the Credit Unions and Caisses Populaires Act, 1994 applies.
- 3.1 Deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments the terms of which provide that the principal and interest shall be fully repaid more than two years after the day the investment was made, if the receipt, note, certificate or instrument was issued, guaranteed or endorsed by,
- i. a bank listed in Schedule I, II or III to the Bank Act (Canada), or
 - ii. a loan corporation or trust corporation registered under the Loan and Trust Corporations Act.
 - iii. Revoked: O. Reg. 43/18, s. 3 (1).
4. Bonds, debentures, promissory notes or other evidence of indebtedness, the terms of which provide that the principal and interest shall be fully repaid no later than two years after the day the investment was made if issued or guaranteed by an institution listed in paragraph 3.1.
- 4.1 Bonds, debentures, promissory notes or other evidence of indebtedness, the terms of which provide that the principal and interest shall be fully repaid more than two years after the day the investment was made if issued or guaranteed by an institution listed in paragraph 3.1.

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- 4.2 Deposit receipts, deposit notes, certificates of deposit or investment, acceptances or similar instruments, the terms of which provide that the principal and interest shall be fully repaid more than two years after the day the investment was made if the receipt, note, certificate or instrument was issued, guaranteed or endorsed by a credit union or league to which the *Credit Unions and Caisses Populaires Act, 1994* applies.
- 4.3 Bonds, debentures, promissory notes or other evidence of indebtedness issued or guaranteed by a credit union or league to which the *Credit Unions and Caisses Populaires Act, 1994* applies.
5. Short term securities, the terms of which provide that the principal and interest shall be fully repaid no later than three days after the day the investment was made, that are issued by,
- a university in Ontario that is authorized to engage in an activity described in section 3 of the Post-secondary Education Choice and Excellence Act, 2000,
 - a college established under the Ontario Colleges of Applied Arts and Technology Act, 2002, or
 - a board of a public hospital within the meaning of the Public Hospitals Act.
6. Bonds, debentures, promissory notes, other evidence of indebtedness or other securities issued or guaranteed by the International Bank for Reconstruction and Development.
- 6.1. Bonds, debentures, promissory notes or other evidence of indebtedness issued or guaranteed by a supranational financial institution or a supranational governmental organization, other than the International Bank for Reconstruction and Development.
7. Securities that are arrangements for the sale of assets that entitle the purchaser to an undivided beneficial interest in a pool of assets.
- 7.1 Bonds, debentures, promissory notes or other evidence of indebtedness issued by a corporation that is incorporated under the laws of Canada or a province of Canada, the terms of which provide that the principal and interest shall be fully repaid more than five years after the date on which the municipality makes the investment.
- 7.2 Bonds, debentures, promissory notes or other evidence of indebtedness issued by a corporation that is incorporated under the laws of Canada or a province of Canada, the terms of which provide that the principal and interest shall be fully repaid more than one year and no later than five years after the date on which the municipality makes the investment.
8. Negotiable promissory notes or commercial paper, other than securities referred to in paragraph 7, maturing one year or less from the date of issue, if that note or commercial paper has been issued by a corporation that is incorporated under the laws of Canada or a province of Canada.
- 8.1 Shares issued by a corporation that is incorporated under the laws of Canada or a province of Canada.
9. Bonds, debentures, promissory notes and other evidences of indebtedness of a corporation incorporated under section 142 of the *Electricity Act, 1998*.

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10. Any security if the municipality acquires the security as a gift in a will or as a donation not made for a charitable purpose.
11. REVOKED: O. Reg. 43/18, s. 3 (5).
12. Shares of a corporation if,
 - i. the corporation has a debt payable to the municipality,
 - ii. under a court order, the corporation has received protection from its creditors,
 - iii. the acquisition of the shares in lieu of the debt is authorized by the court order, and
 - iv. the treasurer of the municipality is of the opinion that the debt will be uncollectable by the municipality unless the debt is converted to shares under the court order. O. Reg. 438/97, s. 2; O. Reg. 265/02, s. 1; O. Reg. 399/02, s. 2; O. Reg. 655/05, s. 2; O. Reg. 607/06, s. 1; O. Reg. 39/07, s. 1; O. Reg. 373/11, s. 1; O. Reg. 74/16, s. 1, 2; O. Reg. 43/18, s. 3.

2.1 A security is prescribed for the purposes of subsection 418 (1) of the Act as a security that a municipality may invest in if,

- (a) the municipality invested in the security before January 12, 2009; and
- (b) the terms of the municipality’s continued investment in the security have been changed pursuant to the Plan Implementation Order of the Ontario Superior Court of Justice dated January 12, 2009 (Court file number 08-CL-7440) and titled “In the matter of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended and in the matter of a plan of compromise and arrangement involving Metcalfe & Mansfield Alternative Investments II Corp. et al”. O. Reg. 292/09, s. 1.

Ratings, financial indicators

3. (1) A municipality shall not invest in a security under subparagraph 1 iii, v.1, v.2, vi.1, vi.2 or vi.3 or paragraph 4 of section 2 unless the bond, debenture, promissory note or evidence of indebtedness is rated,

- (a) REVOKED: O. Reg. 265/02, s. 2 (1).
- (b) by Dominion Bond Rating Service Limited as “AA(low)” or higher;
 - (b.1) by Fitch Ratings as “AA-” or higher;
- (c) by Moody’s Investors Services Inc. as “Aa3” or higher; or
- (d) by Standard and Poor’s as “AA-” or higher. O. Reg. 438/97, s. 3 (1); O. Reg. 265/02, s. 2 (1); O. Reg. 399/02, s. 3 (1); O. Reg. 655/05, s. 3 (1, 2); O. Reg. 607/06, s. 2; O. Reg. 39/07, s. 2; O. Reg. 43/18, s. 4 (1).

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(2) A municipality shall not invest in a security under paragraph 3.1 or 4.1 of section 2 unless the bond, debenture, promissory note or evidence of indebtedness is rated,

- (a) by Dominion Bond Rating Service Limited as "A(low)" or higher;
- (b) by Fitch Ratings as "A-" or higher;
- (c) by Moody's Investors Services Inc. as "A3" or higher; or
- (d) by Standard and Poor's as "A-" or higher. O. Reg. 43/18, s. 4 (2).

(2.0.1) If a municipality's total investments in securities under subparagraph 3 iii and paragraph 4.2 of section 2 have, in the opinion of the treasurer, a value in excess of \$250,000, the municipality shall not invest in any additional security under paragraph 4.2 of section 2 unless the credit union or league that issues, guarantees or endorses the security provides, within 30 days before the day the investment is made,

- (a) audited financial statements indicating that the financial indicators mentioned in subsection (2.0.2) are met by the credit union or league; or
- (b) certification in writing that all of the financial indicators mentioned in subsection (2.0.2) are met by the credit union or league. O. Reg. 43/18, s. 4 (2).

(2.0.2) For the purposes of subsection (2.0.1), the financial indicators to be met by the credit union or league are the following:

1. Positive retained earnings in its audited financial statements for its most recently completed fiscal year.
2. Regulatory capital of at least the percentage of its total assets set out in subsection (2.0.3) as of the date of the latest audited financial statements, calculated in accordance with Ontario Regulation 237/09 (General) made under the *Credit Unions and Caisses Populaires Act, 1994*.
3. Regulatory capital of at least the percentage of its total risk weighted assets set out in subsection (2.0.4) as of the date of the latest audited financial statements, calculated in accordance with Ontario Regulation 237/09 (General).
4. Positive net income in its audited financial statements for three of its five most recently completed fiscal years. O. Reg. 43/18, s. 4 (2).

(2.0.3) The percentage mentioned in paragraph 2 of subsection (2.0.2) is the percentage obtained by adding one percent to the minimum percentage set out in paragraph 1 of subsection 15 (3) of Ontario Regulation 237/09 (General). O. Reg. 43/18, s. 4 (2).

(2.0.4) The percentage mentioned in paragraph 3 of subsection (2.0.2) is the percentage obtained by adding one percent to the minimum percentage set out in paragraph 2 of subsection 15 (3) of Ontario Regulation 237/09 (General). O. Reg. 43/18, s. 4 (2).

(2.0.5) A municipality shall not invest in securities under paragraph 4.3 of section 2 unless the credit union or league that issues or guarantees the security satisfies the conditions set out in subsection (2.0.1). O. Reg. 43/18, s. 4 (2).

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(2.1) A municipality shall not invest in a security under paragraph 6.1 of section 2 unless the security is rated,

- (a) by Dominion Bond Rating Service Limited as "AAA";
- (b) by Fitch Ratings as "AAA";
- (c) by Moody's Investors Services Inc. as "Aaa"; or
- (d) by Standard and Poor's as "AAA". O. Reg. 655/05, s. 3 (4).

(3) A municipality shall not invest in a security under paragraph 7 of section 2 that matures more than one year from the date of issue unless the security is rated,

- (a) by Dominion Bond Rating Service Limited as "AAA";
- (a.1) by Fitch Ratings as "AAA";
- (b) by Moody's Investors Services Inc. as "Aaa"; or
- (c) by Standard and Poor's as "AAA". O. Reg. 265/02, s. 2 (2); O. Reg. 399/02, s. 3 (2); O. Reg. 655/05, s. 3 (5); O. Reg. 43/18, s. 4 (3).

(4) A municipality shall not invest in a security under paragraph 7 of section 2 that matures one year or less from the date of issue unless the security is rated,

- (a) by Dominion Bond Rating Service Limited as "R-1(high)";
- (a.1) by Fitch Ratings as "F1+";
- (b) by Moody's Investors Services Inc. as "Prime-1"; or
- (c) by Standard and Poor's as "A-1+". O. Reg. 265/02, s. 2 (2); O. Reg. 399/02, s. 3 (3); O. Reg. 655/05, s. 3 (6); O. Reg. 43/18, s. 4 (4).

(4.1) A municipality shall not invest in a security under paragraph 7.1 or 7.2 of section 2 unless the security is rated,

- (a) by Dominion Bond Rating Service Limited as "A(low)" or higher;
- (b) by Fitch Ratings as "A-" or higher;
- (c) by Moody's Investors Services Inc. as "A3" or higher; or
- (d) by Standard and Poor's as "A-" or higher. O. Reg. 43/18, s. 4 (5).

(4.2) REVOKED: O. Reg. 43/18, s. 4 (5).

(5) A municipality shall not invest in a security under paragraph 8 of section 2 unless the promissory note or commercial paper is rated,

- (a) by Dominion Bond Rating Service Limited as "R-1(mid)" or higher;
- (a.1) by Fitch Ratings as "F1+";
- (b) by Moody's Investors Services Inc. as "Prime-1"; or

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(c) by Standard and Poor's as "A-1+". O. Reg. 265/02, s. 2 (2); O. Reg. 399/02, s. 3 (4); O. Reg. 655/05, s. 3 (8).

(6) If an investment made under subparagraph 1 iii, v.1, v.2, vi.1, vi.2 or vi.3 of section 2 or paragraph 3.1, 4, 4.1, 6.1, 7, 7.1, 7.2 or 8 of section 2 falls below the standard required by this section, the municipality shall create a plan, including expected timelines, for selling the investment and shall sell the investment in accordance with the plan. O. Reg. 43/18, s. 4 (6).

(6.1) Subsection (6) does not apply with respect to an investment made by a municipality under paragraph 7 of section 2 on a day before the day this subsection comes into force. O. Reg. 292/09, s. 2 (3).

(6.1.1) If a municipality's total investments in securities under subparagraph 3 iii and paragraph 4.2 of section 2 have, in the opinion of the treasurer, a value in excess of the limit mentioned in subsection (2.0.1) of this section and one of the following circumstances applies, the municipality shall create a plan, including expected timelines, for selling investments made under paragraph 4.2 of section 2 in excess of that limit and shall sell the investments in accordance with the plan:

1. The financial indicators mentioned in subsection (2.0.2) are not met.
2. The credit union or league fails to provide audited financial statements or a certification as mentioned in subsection (2.0.1). O. Reg. 43/18, s. 4 (7).

(6.1.2) For the purposes of determining the value of investments under subsection (6.1.1), the value of all investments under subparagraph 3 iii of section 2 shall be counted as part of the total first, followed by the value of all investments made under paragraph 4.2 of section 2. O. Reg. 43/18, s. 4 (7).

(6.1.3) If one of the circumstances in paragraph 1 or 2 of subsection (6.1.1) applies, the municipality shall create a plan, including expected timelines, for selling investments made under paragraph 4.3 of section 2 and shall sell the investments in accordance with the plan. O. Reg. 43/18, s. 4 (7).

(7) A municipality shall not invest in a security under paragraph 9 of section 2 unless, at the time the investment is made and as long as it continues, the investment ranks, at a minimum, concurrently and equally in respect of payment of principal and interest with all unsecured debt of the corporation. O. Reg. 265/02, s. 2 (2).

(8) A municipality shall not invest in a security under paragraph 9 of section 2 unless, at the time the investment is made, the total amount of the municipality's investment in debt of any corporation incorporated under section 142 of the *Electricity Act, 1998* that would result after the proposed investment is made does not exceed the total amount of investment in debt, including any interest accrued on such debt, of the municipality in such a corporation that existed on the day before the day the proposed investment is to be made. O. Reg. 265/02, s. 2 (2).

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(9) Any investment made under paragraph 9 of section 2, including any refinancing, renewal or replacement thereof, may not be held for longer than a total of 10 years from the date such investment is made. O. Reg. 265/02, s. 2 (2).

(10) Subsections (7), (8) and (9) do not prevent a municipality from holding or disposing of a security described in paragraph 9 of section 2 issued by a corporation incorporated under section 142 of the *Electricity Act, 1998*, if the municipality acquired the security through a transfer by-law or otherwise under that Act. O. Reg. 655/05, s. 3 (9).

(11) If a municipality acquires a security under paragraph 10 of section 2 that is not otherwise prescribed under this Part, the municipality shall create a plan, including expected timelines, for selling the investment and shall sell the investment in accordance with the plan. O. Reg. 43/18, s. 4 (8).

(12) REVOKED: O. Reg. 292/09, s. 2 (4).

Investment limit

4. (1) A municipality shall not invest more than 25 per cent of the total amount in all sinking and retirement funds in respect of debentures of the municipality, as estimated by its treasurer on the date of the investment, in short-term debt issued or guaranteed by the municipality. O. Reg. 438/97, s. 4 (1).

(2) In this section,

“short-term debt” means any debt, the terms of which provide that the principal and interest of the debt shall be fully repaid no later than 364 days after the debt is incurred. O. Reg. 438/97, s. 4 (2).

Conditions

4.1 (1) A municipality shall not invest in a security under paragraph 7 of section 2 or in a promissory note or commercial paper under paragraph 8 of section 2 unless, on the date that the investment is made,

- (a) the municipality itself is rated, or all of the municipality’s long-term debt obligations are rated,
 - (i) by Dominion Bond Rating Service Limited as “AA(low)” or higher,
 - (i.1) by Fitch Ratings as “AA-” or higher,
 - (ii) by Moody’s Investors Services Inc. as “Aa3” or higher, or
 - (iii) by Standard and Poor’s as “AA-” or higher; or
- (b) the municipality has entered into an agreement with the Local Authority Services and the CHUMS Financing Corporation to act together as the municipality’s agent for the investment in that security, promissory note or commercial paper. O. Reg. 265/02, s. 3; O. Reg. 399/02, s. 4; O. Reg. 655/05, s. 4 (1, 2); O. Reg. 43/18, s. 5 (1).

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(1.1) A municipality shall not invest in a security under paragraph 7.1 or 8.1 of section 2 unless, on the date the investment is made, the municipality has entered into an agreement with the Local Authority Services and the CHUMS Financing Corporation to act together as the municipality's agent for the investment in the security. O. Reg. 655/05, s. 4 (3); O. Reg. 43/18, s. 5 (2).

(1.2) Subsection (1.1) does not apply to investments in securities by the City of Ottawa if all of the following requirements are satisfied:

1. Only the proceeds of the sale by the City of its securities in a corporation incorporated under section 142 of the *Electricity Act, 1998* are used to make the investments.
2. The investments are made in a professionally-managed fund.
3. The terms of the investments provide that,
 - i. where the investment is in debt instruments, the principal must be repaid no earlier than seven years after the date on which the City makes the investment, and
 - ii. where the investment is in shares, an amount equal to the principal amount of the investment cannot be withdrawn from the fund for at least seven years after the date on which the City makes the investment.
4. The City establishes and uses a separate reserve fund for the investments.
5. Subject to paragraph 6, the money in the reserve fund, including any returns on the investments or proceeds from their disposition, are used to pay capital costs of the City and for no other purpose.
6. The City may borrow money from the reserve fund but must repay it plus interest. O. Reg. 655/05, s. 4 (3).

(2) The investment made under clause (1) (b) or described in subsection (1.1), as the case may be, must be made in the One Investment Program of the Local Authority Services and the CHUMS Financing Corporation with,

- (a) another municipality;
- (b) a public hospital;
- (c) a university in Ontario that is authorized to engage in an activity described in section 3 of the *Post-secondary Education Choice and Excellence Act, 2000*;
- (d) a college established under the *Ontario Colleges of Applied Arts and Technology Act, 2002*;
- (d.1) a foundation established by a college mentioned in clause (d) whose purposes include receiving and maintaining a fund or funds for the benefit of the college;
- (e) a school board;
- (f) any agent of an institution listed in clauses (a) to (e);
- (g) Local Authority Services;
- (h) CHUMS Financing Corporation;

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- (i) Association of Municipalities of Ontario; or
- (j) Municipal Finance Officers’ Association of Ontario. O. Reg. 265/02, s. 3; O. Reg. 655/05, s. 4 (4); O. Reg. 607/06, s. 3; O. Reg. 292/09, s. 3; O. Reg. 52/11, s. 1; O. Reg. 74/16, s. 1, 3; O. Reg. 43/18, s. 5 (3-5).

School purposes

5. A municipality shall not invest in a security issued or guaranteed by a school board or similar entity unless,

- (a) the money raised by issuing the security is to be used for school purposes; and
- (b) REVOKED: O. Reg. 248/01, s. 1.

O. Reg. 438/97, s. 5; O. Reg. 248/01, s. 1.

Canadian dollars

6. (1) Subject to subsection (3), a municipality shall not invest in a security that is expressed or payable in any currency other than Canadian dollars. O. Reg. 43/18, s. 6 (1).

(2) Subsection (1) does not prevent a municipality from continuing an investment, made before this Regulation comes into force, that is expressed and payable in the currency of the United States of America or the United Kingdom. O. Reg. 438/97, s. 6 (2).

(3) Subsection (1) does not apply in respect of securities listed in paragraphs 3, 3.1 and 4.2 of section 2, which may also be expressed or payable in the currency of the United States of America. O. Reg. 43/18, s. 6 (2).

Statement of policies and goals

7. (1) Before a municipality invests in a security prescribed under this Part, the council of the municipality shall, if it has not already done so, adopt a statement of the municipality’s investment policies and goals. O. Reg. 438/97, s. 7; O. Reg. 43/18, s. 7.

(2) In preparing the statement of the municipality’s investment policies and goals under subsection (1), the council of the municipality shall consider,

- (a) the municipality’s risk tolerance and the preservation of its capital;
- (b) the municipality’s need for a diversified portfolio of investments; and
- (c) obtaining legal advice and financial advice with respect to the proposed investments. O. Reg. 265/02, s. 4.

(3) REVOKED: O. Reg. 655/05, s. 5.

(4) In preparing the statement of the municipality’s investment policies and goals under subsection (1) for investments made under paragraph 9 of section 2, the council of the

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municipality shall consider its plans for the investment and how the proposed investment would affect the interest of municipal taxpayers. O. Reg. 265/02, s. 4.

Investment report

8. (1) If a municipality has an investment in a security prescribed under this Part, the council of the municipality shall require the treasurer of the municipality to prepare and provide to the council, each year or more frequently as specified by the council, an investment report. O. Reg. 438/97, s. 8 (1); O. Reg. 43/18, s. 7.

(2) The investment report referred to in subsection (1) shall contain,

- (a) a statement about the performance of the portfolio of investments of the municipality during the period covered by the report;
- (b) a description of the estimated proportion of the total investments of a municipality that are invested in its own long-term and short-term securities to the total investment of the municipality and a description of the change, if any, in that estimated proportion since the previous year's report;
- (c) a statement by the treasurer as to whether or not, in his or her opinion, all investments are consistent with the investment policies and goals adopted by the municipality;
- (d) a record of the date of each transaction in or disposal of its own securities, including a statement of the purchase and sale price of each security; and
- (e) such other information that the council may require or that, in the opinion of the treasurer, should be included. O. Reg. 438/97, s. 8 (2); O. Reg. 655/05, s. 6.

(2.1) The investment report referred to in subsection (1) shall contain a statement by the treasurer as to whether any of the following investments fall below the standard required for that investment during the period covered by the report:

- 1. An investment described in subparagraph 1 iii, v.1, v.2, vi.1, vi.2 or vi.3 of section 2.
- 2. An investment described in paragraph 3.1, 4, 4.1, 6.1, 7, 7.1, 7.2 or 8 of section 2.
- 3. An investment described in subsection 9 (1). O. Reg. 292/09, s. 4; O. Reg. 43/18, s. 8 (1).

(2.2) The investment report referred to in subsection (1) shall contain a statement by the treasurer as to whether any investments under paragraphs 4.2 and 4.3 of section 2 are affected by the circumstances set out in paragraphs 1 and 2 of subsection 3 (6.1.1) during the period covered by the report. O. Reg. 43/18, s. 8 (2).

(3) Upon disposition of any investment made under paragraph 9 of section 2, the council of the municipality shall require the treasurer of the municipality to prepare and provide to the council a report detailing the proposed use of funds realized in the disposition. O. Reg. 265/02, s. 5.

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Inconsistencies, treasurer's duty

8.1 If an investment made by the municipality is, in the treasurer's opinion, not consistent with the investment policies and goals adopted by the municipality, the treasurer shall report the inconsistency to the council of the municipality within 30 days after becoming aware of it. O. Reg. 655/05, s. 7.

Investments pre March 6, 1997

9. (1) Despite this Part, an investment by a municipality in bonds, debentures or other indebtedness of a corporation made before March 6, 1997 may be continued if the bond, debenture or other indebtedness is rated,

- (a) REVOKED: O. Reg. 265/02, s. 6.
- (b) by Dominion Bond Rating Service Limited as "AA(low)" or higher;
- (b.1) by Fitch Ratings as "AA-" or higher;
- (c) by Moody's Investors Services Inc. as "Aa3" or higher; or
- (d) by Standard and Poor's as "AA-" or higher. O. Reg. 438/97, s. 9 (1); O. Reg. 265/02, s. 6; O. Reg. 399/02, s. 5; O. Reg. 655/05, s. 8; O. Reg. 43/18, s. 7.

(1.1) REVOKED: O. Reg. 43/18, s. 9 (1).

(2) If the rating of an investment continued under subsection (1) falls below the standard required by that subsection, the municipality shall create a plan, including expected timelines, for selling the investment and shall sell the investment in accordance with the plan. O. Reg. 43/18, s. 9 (2).

FORWARD RATE AGREEMENTS

Forward rate agreements

10. (1) A municipality that enters into an agreement to make an investment on a future date in a security prescribed by section 2 may enter one or more forward rate agreements with a bank listed in Schedule I, II or III to the *Bank Act* (Canada) in order to minimize the cost or risk associated with the investment because of fluctuations in interest rates. O. Reg. 655/05, s. 9.

(2) A forward rate agreement shall provide for the following matters:

1. Specifying a forward amount, which is the principal amount of the investment or that portion of the principal amount to which the agreement relates.
2. Specifying a settlement day, which is a specified future date.
3. Specifying a forward rate of interest, which is a notional rate of interest applicable on the settlement day.

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4. Specifying a reference rate of interest, which is the market rate of interest payable on a specified future date on an acceptance issued by a bank listed in Schedule I, II or III to the *Bank Act* (Canada).
5. Requiring a settlement payment to be payable on the settlement day if the forward rate and the reference rate of interest are different. O. Reg. 655/05, s. 9.

(3) A municipality shall not enter a forward rate agreement if the forward amount described in paragraph 1 of subsection (2) for the investment whose cost or risk the agreement is intended to minimize, when added to all forward amounts under other forward rate agreements, if any, relating to the same investment, would exceed the total amount of the principal of the investment. O. Reg. 655/05, s. 9.

(4) A municipality shall not enter a forward rate agreement unless the settlement day under the agreement is within 12 months of the day on which the agreement is executed. O. Reg. 655/05, s. 9.

(5) A municipality shall not enter a forward rate agreement if the settlement payment described in paragraph 5 of subsection (2) exceeds the difference between the amount of interest that would be payable on the forward amount calculated at the forward rate of interest for the period for which the investment was made and the amount that would be payable calculated at the reference rate of interest. O. Reg. 655/05, s. 9.

(6) A municipality shall not enter a forward rate agreement except with a bank listed in Schedule I, II or III to the *Bank Act* (Canada) and only if the bank's long-term debt obligations on the day the agreement is entered are rated,

- (a) by Dominion Bond Rating Service Limited as “A(high)” or higher;
- (b) by Fitch Ratings as “A+” or higher;
- (c) by Moody's Investors Service Inc. as “A1” or higher; or
- (d) by Standard and Poor's as “A+” or higher. O. Reg. 655/05, s. 9.

Statement of policies and goals

11. (1) Before a municipality passes a by-law authorizing a forward rate agreement, the council of the municipality shall adopt a statement of policies and goals relating to the use of forward rate agreements. O. Reg. 655/05, s. 9.

(2) The council of the municipality shall consider the following matters when preparing the statement of policies and goals:

1. The types of investments for which forward rate agreements are appropriate.
2. The fixed costs and estimated costs to the municipality resulting from the use of such agreements.
3. A detailed estimate of the expected results of using such agreements.
4. The financial and other risks to the municipality that would exist with, and without, the use of such agreements.

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5. Risk control measures relating to such agreements, such as,
 - i. credit exposure limits based on credit ratings and on the degree of regulatory oversight and the regulatory capital of the other party to the agreement,
 - ii. standard agreements, and
 - iii. ongoing monitoring with respect to the agreements. O. Reg. 655/05, s. 9.

Report to council

12. (1) If a municipality has any subsisting forward rate agreements in a fiscal year, the treasurer of the municipality shall prepare and present to the municipal council once in that fiscal year, or more frequently if the council so desires, a detailed report on all of those agreements. O. Reg. 655/05, s. 9.

(2) The report must contain the following information and documents:

1. A statement about the status of the forward rate agreements during the period of the report, including a comparison of the expected and actual results of using the agreements.
2. A statement by the treasurer indicating whether, in his or her opinion, all of the forward rate agreements entered during the period of the report are consistent with the municipality’s statement of policies and goals relating to the use of forward rate agreements.
3. Such other information as the council may require.
4. Such other information as the treasurer considers appropriate to include in the report. O. Reg. 655/05, s. 9.

PART II PRUDENT INVESTMENT

Definitions

13. In this Part,

“Investment Board” means a municipal service board that is established under section 196 of the Act by a municipality for the purposes of this Part and includes, for the purposes of paragraph 3 of section 15, subsection 17 (3) and sections 21 and 23, the Toronto Investment Board; (“commission des placements”)

“Joint Investment Board” means a municipal service board that is established under section 202 of the Act by two or more municipalities for the purposes of this Part; (“commission mixte des placements”)

“Toronto Investment Board” means the board of the City of Toronto described in subsection 46 (2) of Ontario Regulation 610/06 (Financial Activities) made under the *City of Toronto Act, 2006*. (“Commission des placements de Toronto”) O. Reg. 43/18, s. 10.

Application

14. This Part applies in respect of investments by a municipality under section 418.1 of the Act. O. Reg. 43/18, s. 10.

Requirements under s. 418.1 (3) of the Act

15. A municipality must satisfy one of the following requirements on the day referred to in subsection 418.1 (3) of the Act in order to pass a by-law for the purposes of that subsection:

1. The municipality must have, in the opinion of its treasurer, at least,
 - i. \$100,000,000 in money and investments that it does not require immediately, or
 - ii. \$50,000,000 in net financial assets, as indicated in Schedule 70 of the most recent Financial Information Return supplied to the Ministry of Municipal Affairs by the municipality under the Act and posted on the Ministry's website on the day the municipality passes the by-law under subsection 418.1 (2) of the Act.
2. The municipality must have entered into an agreement to establish and invest through a Joint Investment Board with one or more other municipalities, and all of the municipalities must have, in the opinion of each of their treasurers, a combined total of at least \$100,000,000 in money and investments that the municipalities do not require immediately.
3. The municipality must have entered into an agreement with the following parties to invest through an Investment Board or a Joint Investment Board that was established by another municipality or municipalities before the day the municipality passes the by-law:
 - i. The Investment Board or Joint Investment Board, as the case may be.
 - ii. Any other municipalities investing through the Investment Board or Joint Investment Board on the day the municipality passes the by-law. O. Reg. 43/18, s. 10.

Limitation, school board securities

16. A municipality shall not invest money in a security issued or guaranteed by a school board or similar entity in Canada unless the money raised by issuing the security is to be used for school purposes. O. Reg. 43/18, s. 10.

Investments only through Investment Board or Joint Investment Board

17. (1) A municipality that satisfies the requirement set out in paragraph 1 of section 15 may invest money only by having an Investment Board that meets the following criteria do so on its behalf:

1. The Investment Board has been established by the municipality.
2. The Investment Board has been given the control and management of the municipality's investments by the municipality delegating to the Investment Board,

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- i. the municipality’s powers to make the investments, and
- ii. the municipality’s duties under section 418.1 of the Act. O. Reg. 43/18, s. 10.

(2) A municipality that satisfies the requirement set out in paragraph 2 of section 15 may invest money only by having a Joint Investment Board that satisfies the following criteria do so on its behalf.

1. The Joint Investment Board is the subject of an agreement referred to in paragraph 2 of section 15.
2. The Joint Investment Board has been given the control and management of the municipality’s investments, together with that of all the other municipalities that are party to the agreement referred to under paragraph 2 of section 15, by each municipality delegating to the Joint Investment Board,
 - i. the municipality’s powers to make the investments, and
 - ii. the municipality’s duties under section 418.1 of the Act. O. Reg. 43/18, s. 10.

(3) A municipality that satisfies the requirement under paragraph 3 of section 15 may invest money only by having an Investment Board or Joint Investment Board, as the case may be, that satisfies the following criteria do so on its behalf:

1. The Investment Board or Joint Investment Board is the subject of an agreement referred to in paragraph 3 of section 15.
2. The Investment Board or Joint Investment Board has been given the control and management of the municipality’s investments by the municipality delegating to the Investment Board or Joint Investment Board,
 - i. the municipality’s powers to make the investments, and
 - ii. the municipality’s duties under section 418.1 of the Act. O. Reg. 43/18, s. 10.

(4) The following persons may not be appointed as members of the Investment Board or Joint Investment Board:

1. An officer or employee of any municipality for which it invests.
2. A member of council of any municipality for which it invests. O. Reg. 43/18, s. 10.

(5) Subsection (3) does not apply to any treasurer of a municipality for which the board invests provided that treasurers do not make up more than one quarter of the members. O. Reg. 43/18, s. 10.

Investment policy

18. (1) The council of a municipality shall adopt and maintain an investment policy in relation to investing under this Part. O. Reg. 43/18, s. 10.

(2) The investment policy shall include requirements with respect to the following:

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1. The municipality’s objectives for return on investment and risk tolerance.
 2. The municipality’s need for liquidity including, for greater certainty, the municipality’s anticipated needs for funds for planned projects and the municipality’s needs to have funds available for unanticipated contingencies. O. Reg. 43/18, s. 10.
- (3) The investment policy may include other requirements with respect to investment matters that council considers to be in the interests of the municipality. O. Reg. 43/18, s. 10.
- (4) At least annually, the council shall review the investment policy and update it, as necessary, as a result of the review. O. Reg. 43/18, s. 10.

Investment plan

19. (1) An Investment Board or Joint Investment Board shall adopt and maintain an investment plan in respect of all municipalities that have delegated to it,

- (a) the municipality’s powers to make investments; and
- (b) the municipality’s duties under section 418.1 of the Act. O. Reg. 43/18, s. 10.

(2) The investment plan shall deal with how the Investment Board or Joint Investment Board will invest each municipality’s money and set out the Board’s projections of the proportions of each municipality’s portfolio of investments to be invested at the end of the year in each type of security selected by the Investment Board or Joint Investment Board and may include other requirements. O. Reg. 43/18, s. 10.

(3) At least annually, following each council’s review of the investment policy under subsection 18 (4), the Investment Board or Joint Investment Board shall review the investment plan and update it, as necessary, as a result of the reviews. O. Reg. 43/18, s. 10.

Investment report

20. (1) An Investment Board or Joint Investment Board shall prepare and provide to the council of each municipality referred to in subsection 19 (1), each year or more frequently as specified by the council, an investment report. O. Reg. 43/18, s. 10.

- (2) The investment report shall contain,
- (a) a statement about the performance of the municipality’s portfolio of investments during the period covered by the report;
 - (b) a statement by the treasurer of the municipality as to whether or not, in the opinion of the treasurer, all investments are consistent with the municipality’s investment policy under section 18 and the investment plan for the municipality under section 19; and
 - (c) such other information that the council may require or that, in the opinion of the treasurer, should be included. O. Reg. 43/18, s. 10.

Inconsistencies, treasurer's duty

21. If an investment made by an Investment Board or a Joint Investment Board is, in the opinion of the municipality's treasurer, not consistent with the municipality's investment policy under section 18 and the investment plan for the municipality under section 19 of this Regulation or section 48.1 of Ontario Regulation 610/06 (Financial Activities) made under the *City of Toronto Act, 2006*, as the case may be, the treasurer shall report the inconsistency to the council within 30 days after becoming aware of it. O. Reg. 43/18, s. 10.

Agents of the Investment Board

22. (1) Subject to subsections (2) and (3), an Investment Board or Joint Investment Board may authorize an agent to exercise any of the board's functions to the same extent that a prudent investor, acting in accordance with ordinary investment practice, would authorize an agent to exercise any investment function. O. Reg. 43/18, s. 10.

(2) An Investment Board or Joint Investment Board may not authorize an agent under subsection (1) unless a written agreement between the board and the agent is in effect and the agreement includes,

- (a) a requirement that the agent comply with the requirements included in the investment policy or policies under section 18 and with the investment plan under section 19; and
- (b) a requirement that the agent report to the board at regular stated intervals. O. Reg. 43/18, s. 10.

(3) An Investment Board or Joint Investment Board shall exercise prudence in selecting an agent, in establishing the terms of the agent's authority and in monitoring the agent's performance to ensure compliance with those terms. O. Reg. 43/18, s. 10.

(4) For the purpose of subsection (3), prudence in monitoring an agent's performance includes,

- (a) reviewing the agent's reports;
- (b) regularly reviewing the agreement between the Investment Board or Joint Investment Board and the agent and how it is being put into effect, including assessing whether the requirement described in clause (2) (a) is being complied with;
- (c) considering whether directions should be provided to the agent or whether the agent's appointment should be revoked; and
- (d) providing directions to the agent or revoking the appointment if the Investment Board or Joint Investment Board considers it appropriate to do so. O. Reg. 43/18, s. 10.

(5) This section does not prevent the investment, by the Investment Board or Joint Investment Board, in mutual funds, pooled funds or segregated funds under variable

insurance contracts, and the manager of such a fund is not an agent for the purpose of this section. O. Reg. 43/18, s. 10.

Withdrawal from investment arrangement

23. A municipality may withdraw from investing through an Investment Board or Joint Investment Board that the municipality has not established if all of the following conditions are met:

1. All the municipalities investing through the board agree to the withdrawal.
2. The municipality has done one of the following:
 - i. Entered into an agreement with another municipality that has established an Investment Board, that Investment Board and any other municipalities investing through that Investment Board, to invest through that Investment Board.
 - ii. Entered into an agreement with the municipalities that have established a Joint Investment Board, that Joint Investment Board and any other municipalities investing through that Joint Investment Board, to invest through that Joint Investment Board.
 - iii. Established an Investment Board on its own or established a Joint Investment Board with one or more other municipalities.
3. The municipality has given the Investment Board or Joint Investment Board through which it will be investing the control and management of the municipality's investments by delegating to the board,
 - i. the municipality's powers to make the investments, and
 - ii. the municipality's duties under section 418.1 of the Act. O. Reg. 43/18, s. 10.

Application of Part, withdrawal or dissolution

24. (1) This section applies if a municipality establishes an Investment Board or a Joint Investment Board,

- (a) in order to meet the condition set out in subparagraph 2 iii of section 23 with respect to withdrawing from investing; or
- (b) in order to meet a condition set out in Ontario Regulation 42/18 (Dissolution of and Prescribed Changes to Investment Board or Joint Investment Board) made under the Act. O. Reg. 43/18, s. 10.

(2) The municipality must satisfy the requirement set out in paragraph 1 or 2 of section 15 at the time of establishing the board and the reference in subparagraph 1 ii of section 15 to “the day the municipality passes the by-law under subsection 418.1 (2) of the Act” is deemed for the purposes of this section to be a reference to “the day the Investment Board is established”. O. Reg. 43/18, s. 10.

(3) Subsections 17 (1) and (2) apply to the municipality. O. Reg. 43/18, s. 10.

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(4) Sections 16 and 18 to 22 apply with respect to the investment of money by the Investment Board or Joint Investment Board. O. Reg. 43/18, s. 10.

Transitional matters, what may be done in advance

25. For greater certainty, before a municipality passes a by-law under subsection 418.1 (2) of the Act and before the effective date of the by-law,

- (a) the municipality may establish an Investment Board or Joint Investment Board and appoint the members;
- (b) the municipality may enter into an agreement described in paragraph 2 or 3 of section 15;
- (c) the municipality may adopt an investment policy under section 18;
- (d) an Investment Board or Joint Investment Board may adopt an investment plan under section 19; and
- (e) an Investment Board or Joint Investment Board may authorize an agent under section 22. O. Reg. 43/18, s. 10.

Transitional matters, s. 418.1 of the Act

26. (1) No municipality shall pass a by-law under subsection 418.1 (2) of the Act until January 1, 2019. O. Reg. 43/18, s. 10.

(2) Despite the passing of a by-law by a municipality under subsection 418.1 (2) of the Act,

- (a) section 8 of this Regulation continues to apply to the municipality for the purposes of reporting in respect of any period up to and including the effective date of the by-law; and
- (b) section 20 of this Regulation applies to an Investment Board or Joint Investment Board for the purposes of reporting in respect of any period following the effective date of the by-law. O. Reg. 43/18, s. 10.

(3) Despite the passing of a by-law by a municipality under subsection 418.1 (2) of the Act,

- (a) section 8.1 of this Regulation continues to apply with respect to investments made on or before the effective date of the by-law; and
- (b) section 21 of this Regulation applies with respect to investments made following the effective date of the by-law. O. Reg. 43/18, s. 10.

(4) Despite the passing of a by-law by a municipality under subsection 418.1 (2) of the Act, reports shall be made by the treasurer under subsection 12 (1) of this Regulation until reports have been made covering the periods up to and including the period ending on the effective date of the by-law. O. Reg. 43/18, s. 10.

Appendix C - Trustee Act (Investment Provisions)

R.S.O. 1990, c. T.23

Amended by: 1992, c. 32, s. 27; 1993, c. 27, Sched.; 1994, c. 27, s. 43 (2); 1998, c. 18, Sched. B, s. 16; 2000, c. 26, Sched. A, s. 15; 2001, c. 9, Sched. B, s. 13; 2002, c. 24, Sched. B, s. 47; 2005, c. 5, s. 71; 2006, c. 19, Sched. B, s. 23.

Definitions

1. In this Act,

“assign” means the execution and performance by a person of every necessary or suitable deed or act for assigning, surrendering, or otherwise transferring land of which such person is possessed, either for the whole estate of the person so possessed or for any less estate, and “assignment” has a corresponding meaning; (“céder”, “cession”)

“contingent right” as applied to land includes a contingent and executory interest, and a possibility coupled with an interest, whether the object of the gift or limitation of such interest or possibility is or is not ascertained, and also a right of entry whether immediate or future, vested or contingent; (“droit éventuel”)

“convey” applied to a person means the execution and delivery by such person of every necessary or suitable assurance for conveying or disposing to another land whereof such person is seized, or wherein the person is entitled to a contingent right, either for the whole estate or for any less estate, together with the performance of all formalities required by law to the validity of such conveyance, and “conveyance” has a corresponding meaning; (“transporter”, “transport”)

“devisee” includes the heir of a devisee, and the devisee of an heir, and any person who may claim right by devolution of title of a similar description; (“légataire immobilier”)

“instrument” includes a deed, a will and a written document and an Act of the Legislature, but not a judgment or order of a court; (“acte”)

“land” includes messuages, and all other hereditaments, whether corporeal or incorporeal, chattels and other personal property transmissible to heirs, money to be laid out in the purchase of land, and any share of the same hereditaments and properties, or any of them, and any estate of inheritance, or estate for any life or lives, or other estate transmissible to heirs, and any possibility, right or title of entry or action, and any other interest capable of being inherited, whether the same estates, possibilities, rights, titles and interests, or any of them, are in possession, reversion, remainder or contingency; (“bien-fonds”)

“mortgage” is applicable to every estate, interest or property, in land or personal estate, that is merely a security for money, and “mortgagee” has a corresponding meaning and includes every person deriving title under the original mortgagee; (“hypothèque”, “créancier hypothécaire”)

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“personal estate” includes leasehold estates and other chattels real, and also money, shares of government and other funds, securities for money (not being real estate), debts, choses in action, rights, credits, goods, and all other property, except real estate, which by law devolves upon the executor or administrator, and any share or interest therein; (“biens meubles”)

“personal representative” means an executor, an administrator, and an administrator with the will annexed; (“représentant successoral”)

“possessed” is applicable to any vested estate less than a life estate, legal or equitable, in possession or in expectancy, in any land; (“possession”)

“securities” includes stocks, funds and shares; (“valeurs mobilières”)

“seized” is applicable to any vested interest for life, or of a greater description, and extends to estates, legal and equitable, in possession, or in futurity, in any land; (“saisi”)

“stock” includes fully paid-up shares, and any fund, annuity, or security transferable in books kept by any incorporated bank, company or society, or by instrument of transfer, either alone or accompanied by other formalities, and any share or interest therein; (“action”)

“transfer”, in relation to stock, includes the performance and execution of every deed, power of attorney, act or thing, on the part of the transferor to effect and complete the title in the transferee; (“transfert”)

“trust” does not mean the duties incident to an estate conveyed by way of mortgage but, with this exception, includes implied and constructive trusts and cases where the trustee has some beneficial estate or interest in the subject of the trust, and extends to and includes the duties incident to the office of personal representative of a deceased person, and “trustee” has a corresponding meaning and includes a trustee however appointed and several joint trustees; (“fiducie”, “fiduciaire”)

“will” includes,
 (a) a testament,
 (b) a codicil,
 (c) an appointment by will or by writing in the nature of a will in exercise of a power, and
 (d) any other testamentary disposition. (“testament”) R.S.O. 1990, c. T.23, s. 1; 2006, c. 19, Sched. B, s. 23.

INVESTMENTS**Investments authorized by other Acts or regulations**

26. If a provision of another Act or the regulations under another Act authorizes money or other property to be invested in property in which a trustee is authorized to invest and the provision came into force before section 16 of Schedule B of the *Red Tape Reduction Act, 1998*, the provision shall be deemed to authorize investment in the property

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in which a trustee could invest immediately before the coming into force of section 16 of Schedule B of the *Red Tape Reduction Act, 1998*. 1998, c. 18, Sched. B, s. 16 (1).

Investment standards

(27. (1)) In investing trust property, a trustee must exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments. 1998, c. 18, Sched. B, s.16 (1).

Authorized investments

(2) A trustee may invest trust property in any form of property in which a prudent investor might invest. 1998, c. 18, Sched. B, s. 16 (1).

Mutual, pooled and segregated funds

(3) Any rule of law that prohibits a trustee from delegating powers or duties does not prevent the trustee from investing in mutual funds, pooled funds or segregated funds under variable insurance contracts, and sections 27.1 and 27.2 do not apply to the purchase of such funds. 2001, c. 9, Sched. B, s. 13 (2).

Common trust funds

(4) If trust property is held by co-trustees and one of the co-trustees is a trust corporation as defined in the *Loan and Trust Corporations Act*, any rule of law that prohibits a trustee from delegating powers or duties does not prevent the co-trustees from investing in a common trust fund, as defined in that Act, that is maintained by the trust corporation and sections 27.1 and 27.2 do not apply. 1998, c. 18, Sched. B, s. 16 (1); 2001, c. 9, Sched. B, s. 13 (3).

Criteria

(5) A trustee must consider the following criteria in planning the investment of trust property, in addition to any others that are relevant to the circumstances:

1. General economic conditions.
2. The possible effect of inflation or deflation.
3. The expected tax consequences of investment decisions or strategies.
4. The role that each investment or course of action plays within the overall trust portfolio.
5. The expected total return from income and the appreciation of capital.
6. Needs for liquidity, regularity of income and preservation or appreciation of capital.
7. An asset's special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries. 1998, c. 18, Sched. B, s. 16 (1).

Diversification

(6) A trustee must diversify the investment of trust property to an extent that is appropriate to,

- (a) the requirements of the trust; and
- (b) general economic and investment market conditions. 1998, c. 18, Sched. B, s. 16 (1).

Investment advice

(7) A trustee may obtain advice in relation to the investment of trust property. 1998, c. 18, Sched. B, s. 16 (1).

Reliance on advice

[\(8\)](#) It is not a breach of trust for a trustee to rely on advice obtained under subsection (7) if a prudent investor would rely on the advice under comparable circumstances. 1998, c. 18, Sched. B, s. 16 (1).

Terms of trust

[\(9\)](#) This section and section 27.1 do not authorize or require a trustee to act in a manner that is inconsistent with the terms of the trust. 2001, c. 9, Sched. B, s. 13 (4).

Same

[\(10\)](#) For the purposes of subsection (9), the constating documents of a corporation that is deemed to be a trustee under subsection 1 (2) of the *Charities Accounting Act* form part of the terms of the trust. 2001, c. 9, Sched. B, s. 13 (4).

Trustee may delegate functions to agent

[27.1 \(1\)](#) Subject to subsections (2) to (5), a trustee may authorize an agent to exercise any of the trustee's functions relating to investment of trust property to the same extent that a prudent investor, acting in accordance with ordinary investment practice, would authorize an agent to exercise any investment function. 2001, c. 9, Sched. B, s. 13 (5).

Investment plan or strategy

[\(2\)](#) A trustee may not authorize an agent to exercise functions on the trustee's behalf unless the trustee has prepared a written plan or strategy that,

- (a) complies with section 28; and
- (b) is intended to ensure that the functions will be exercised in the best interests of the beneficiaries of the trust. 2001, c. 9, Sched. B, s. 13 (5).

Agreement

[\(3\)](#) A trustee may not authorize an agent to exercise functions on the trustee's behalf unless a written agreement between the trustee and the agent is in effect and includes,

- (a) a requirement that the agent comply with the plan or strategy in place from time to time; and
- (b) a requirement that the agent report to the trustee at regular stated intervals. 2001, c. 9, Sched. B, s. 13 (5).

Trustee's duty

[\(4\)](#) A trustee is required to exercise prudence in selecting an agent, in establishing the terms of the agent's authority and in monitoring the agent's performance to ensure compliance with those terms. 2001, c. 9, Sched. B, s. 13 (5).

Same

[\(5\)](#) For the purpose of subsection (4),

- (a) prudence in selecting an agent includes compliance with any regulation made under section 30; and
- (b) prudence in monitoring an agent's performance includes,
 - (i) reviewing the agent's reports.

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(ii) regularly reviewing the agreement between the trustee and the agent and how it is being put into effect, including considering whether the plan or strategy of investment should be revised or replaced, replacing the plan or strategy if the trustee considers it appropriate to do so, and assessing whether the plan or strategy is being complied with,

(iii) considering whether directions should be provided to the agent or whether the agent’s appointment should be revoked, and

(iv) providing directions to the agent or revoking the appointment if the trustee considers it appropriate to do so. 2001, c. 9, Sched. B, s. 13 (5).

Duty of agent

27.2 (1) An agent who is authorized to exercise a trustee’s functions relating to investment of trust property has a duty to do so,

(a) with the standard of care expected of a person carrying on the business of investing the money of others;

(b) in accordance with the agreement between the trustee and the agent; and

(c) in accordance with the plan or strategy of investment. 2001, c. 9, Sched. B, s. 13 (5).

No further delegation

(2) An agent who is authorized to exercise a trustee’s functions relating to investment of trust property shall not delegate that authority to another person. 2001, c. 9, Sched. B, s. 13 (5).

Proceeding against agent

(3) If an agent is authorized to exercise a trustee’s functions relating to investment of trust property and the trust suffers a loss because of the agent’s breach of the duty owed under subsection (1) or (2), a proceeding against the agent may be commenced by,

(a) the trustee; or

(b) a beneficiary, if the trustee does not commence a proceeding within a reasonable time after acquiring knowledge of the breach. 2001, c. 9, Sched. B, s. 13 (5).

Protection from liability

28. A trustee is not liable for a loss to the trust arising from the investment of trust property if the conduct of the trustee that led to the loss conformed to a plan or strategy for the investment of the trust property, comprising reasonable assessments of risk and return, that a prudent investor could adopt under comparable circumstances. 1998, c. 18, Sched. B, s. 16 (1).

Assessment of damages

29. If a trustee is liable for a loss to the trust arising from the investment of trust property, a court assessing the damages payable by the trustee may take into account the overall performance of the investments. 1998, c. 18, Sched. B, s. 16 (1).

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Regulations, agents

[30.](#) The Attorney General may make regulations governing or restricting the classes of persons or the qualifications of persons who are eligible to be agents under section 27.1 and establishing conditions for eligibility. 2001, c. 9, Sched. B, s. 13 (6).

Application, ss. 27-30

[31.](#) Sections 27 to 30 apply to a trust whether it is created before or after the date section 13 of Schedule B to the *Government Efficiency Act, 2001* comes into force. 2001, c. 9, Sched. B, s. 13 (6).

[32.](#) Repealed: 1998, c. 18, Sched. B, s. 16 (1).

[33.](#) Repealed: 1998, c. 18, Sched. B, s. 16 (1).

[34.](#) Repealed: 1998, c. 18, Sched. B, s. 16 (1).

Appendix D - CFA Institute Code of Ethics and Standards of Professional Conduct

Preamble

The CFA Institute Code of Ethics and Standards of Professional Conduct are fundamental to the values of CFA Institute and essential to achieving its mission to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society. High ethical standards are critical to maintaining the public’s trust in financial markets and in the investment profession. Since their creation in the 1960s, the Code and Standards have promoted the integrity of CFA Institute members and served as a model for measuring the ethics of investment professionals globally, regardless of job function, cultural differences, or local laws and regulations. All CFA Institute members (including holders of the Chartered Financial Analyst [CFA] designation) and CFA candidates have the personal responsibility to embrace and uphold the provisions of the Code and Standards and are encouraged to notify their employer of this responsibility. Violations may result in disciplinary sanctions by CFA Institute. Sanctions can include revocation of membership, revocation of candidacy in the CFA Program, and revocation of the right to use the CFA designation.

The Code of Ethics

Members of CFA Institute (including CFA charterholders) and candidates for the CFA designation (“Members and Candidates”) must:

- Act with integrity, competence, diligence, and respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession and the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.
- Promote the integrity and viability of the global capital markets for the ultimate benefit of society.
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

Standards of Professional Conduct

I. PROFESSIONALISM

A. Knowledge of the Law: Members and Candidates must understand and comply with all applicable laws, rules, and regulations (including the CFA Institute Code of Ethics and Standards of Professional Conduct) of any government, regulatory organization, licensing agency, or professional association governing their professional activities. In the event of conflict, Members and Candidates must comply with the more strict law, rule, or regulation. Members and Candidates must not knowingly participate or assist in and must dissociate from any violation of such laws, rules, or regulations.

B. Independence and Objectivity: Members and Candidates must use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities. Members and Candidates must not offer, solicit, or accept any gift, benefit, compensation, or consideration that reasonably could be expected to compromise their own or another’s independence and objectivity.

C. Misrepresentation: Members and Candidates must not knowingly make any misrepresentations relating to investment analysis, recommendations, actions, or other professional activities.

D. Misconduct: Members and Candidates must not engage in any professional conduct involving dishonesty, fraud, or deceit or commit any act that reflects adversely on their professional reputation, integrity, or competence.

II. INTEGRITY OF CAPITAL MARKETS

A. Material Nonpublic Information: Members and Candidates who possess material nonpublic information that could affect the value of an investment must not act or cause others to act on the information.

B. Market Manipulation: Members and Candidates must not engage in practices that distort prices or artificially inflate trading volume with the intent to mislead market participants.

III. DUTIES TO CLIENTS

A. Loyalty, Prudence, and Care: Members and Candidates have a duty of loyalty to their clients and must act with reasonable care and exercise prudent judgment. Members and Candidates must act for the benefit of their clients and place their clients’ interests before their employer’s or their own interests.

B. Fair Dealing: Members and Candidates must deal fairly and objectively with all clients when providing investment analysis, making investment recommendations, taking investment action, or engaging in other professional activities.

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C. Suitability

1. When Members and Candidates are in an advisory relationship with a client, they must:
 - a) Make a reasonable inquiry into a client’s or prospective client’s investment experience, risk and return objectives, and financial constraints prior to making any investment recommendation or taking investment action and must reassess and update this information regularly.
 - b) Determine that an investment is suitable to the client’s financial situation and consistent with the client’s written objectives, mandates, and constraints before making an investment recommendation or taking investment action.
 - c) Judge the suitability of investments in the context of the client’s total portfolio.
2. When Members and Candidates are responsible for managing a portfolio to a specific mandate, strategy, or style, they must make only investment recommendations or take only investment actions that are consistent with the stated objectives and constraints of the portfolio.

D. Performance Presentation: When communicating investment performance information, Members and Candidates must make reasonable efforts to ensure that it is fair, accurate, and complete.

E. Preservation of Confidentiality: Members and Candidates must keep information about current, former, and prospective clients confidential unless:

1. The information concerns illegal activities on the part of the client or prospective client,
2. Disclosure is required by law, or
3. The client or prospective client permits disclosure of the information.

IV. DUTIES TO EMPLOYERS

A. Loyalty: In matters related to their employment, Members and Candidates must act for the benefit of their employer and not deprive their employer of the advantage of their skills and abilities, divulge confidential information, or otherwise cause harm to their employer.

B. Additional Compensation Arrangements: Members and Candidates must not accept gifts, benefits, compensation, or consideration that competes with or might reasonably be expected to create a conflict of interest with their employer’s interest unless they obtain written consent from all parties involved.

C. Responsibilities of Supervisors: Members and Candidates must make reasonable efforts to ensure that anyone subject to their supervision or authority complies with applicable laws, rules, regulations, and the Code and Standards.

V. INVESTMENT ANALYSIS, RECOMMENDATIONS, AND ACTIONS**A. Diligence and Reasonable Basis:**

Members and Candidates must:

1. Exercise diligence, independence, and thoroughness in analyzing investments, making investment recommendations, and taking investment actions.
2. Have a reasonable and adequate basis, supported by appropriate research and investigation, for any investment analysis, recommendation, or action.

B. Communication with Clients and Prospective Clients

Members and Candidates must:

1. Disclose to clients and prospective clients the basic format and general principles of the investment processes they use to analyze investments, select securities, and construct portfolios and must promptly disclose any changes that might materially affect those processes.
2. Disclose to clients and prospective clients significant limitations and risks associated with the investment process.
3. Use reasonable judgment in identifying which factors are important to their investment analyses, recommendations, or actions and include those factors in communications with clients and prospective clients.
4. Distinguish between fact and opinion in the presentation of investment analysis and recommendations.

C. Record Retention: Members and Candidates must develop and maintain appropriate records to support their investment analyses, recommendations, actions, and other investment-related communications with clients and prospective clients.

VI. CONFLICTS OF INTEREST

A. Disclosure of Conflicts: Members and Candidates must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to their clients, prospective clients, and employer. Members and Candidates must ensure that such disclosures are prominent, are delivered in plain language, and communicate the relevant information effectively.

B. Priority of Transactions: Investment transactions for clients and employers must have priority over investment transactions in which a Member or Candidate is the beneficial owner.

C. Referral Fees: Members and Candidates must disclose to their employer, clients, and prospective clients, as appropriate, any compensation, consideration, or benefit received from or paid to others for the recommendation of products or services.

VII. RESPONSIBILITIES AS A CFA INSTITUTE MEMBER OR CFA CANDIDATE

A. Conduct as Participants in CFA Institute Programs: Members and Candidates must not engage in any conduct that compromises the reputation or integrity of CFA Institute or the CFA designation or the integrity, validity, or security of CFA Institute programs.

B. Reference to CFA Institute, the CFA Designation, and the CFA Program: When referring to CFA Institute, CFA Institute membership, the CFA designation, or candidacy in the CFA Program, Members and Candidates must not misrepresent or exaggerate the meaning or implications of membership in CFA Institute, holding the CFA designation, or candidacy in the CFA Program.



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 5, 2019
SUBJECT/REPORT NO:	Legalization of Cannabis Edibles (HUR19028) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Gord Muise (905) 546-2424 Ext. 2655 Dave Lindeman (905) 546-2424 Ext. 5657
SUBMITTED BY:	Lora Fontana Executive Director Human Resources
SIGNATURE:	

COUNCIL DIRECTION

Not Applicable

INFORMATION

On October 17, 2019, cannabis edibles, extracts and oils became legal for possession and consumption by anyone in Ontario, age 19 years or older. The application process for approval for the sale of cannabis containing products will result in the products becoming available for purchase on or about December 16, 2019.

Compared to cannabis that is inhaled, the effects of cannabis in ingestible form takes longer to be felt by the brain and body (2 to 4 hours) and impairment can last longer (up to 24 hours or longer).

While consumption is legal, employee impairment through the use of alcohol, cannabis (including edibles), illicit drugs and the misuse of prescription medication causing impairment is not permitted within the workplace. Employees are also discouraged from bringing cannabis products into the workplace to avoid unintended or accidental ingestion.

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**SUBJECT: Legalization of Cannabis Edibles
(HUR19028) (City Wide)****- Page 2 of 2**

The City has an obligation to provide a safe and healthy workplace for all our employees and the public. All City employees are expected to show up to work Fit For Duty and remain Fit For Duty throughout their time at work. Fit For Duty means being physically and psychologically ready to handle the tasks of the job.

Under the Highway Traffic Act, enforced by police, there is a zero tolerance for the presence of alcohol or drugs (including cannabis) in drivers of commercial vehicles. This includes any City employee who drives a City-owned vehicle. As well, our Substance Use and Substance Use for Safety-Sensitive Positions policies identify the obligations for employees to be free of impairment while at work and the steps that will be taken where impairment is suspected.

Human Resources has reviewed and updated its policies and procedures and communicated expectations for all employees as we prepared for the legalization of cannabis edibles. An “Impaired is Impaired” poster (Appendix A) was previously created and copies have been posted in prominent locations in the workplace to remind employees of their obligation to be Fit For Duty. Expectations have also been communicated through the employee newsletter and at various City team meetings.

People Leaders will be monitoring employees for signs of impairment and responding to situations where impairment is suspected by removing employees from the workplace and taking actions outlined in our policies and procedures, with the support from Human Resources.

APPENDICES AND SCHEDULES ATTACHED

Appendix A to Report HUR19028 – “Impaired is Impaired” Poster



Hamilton

IMPAIRED IS IMPAIRED

The City of Hamilton is committed to ensuring a safe, healthy and productive workplace.

Alcohol, cannabis, illicit drugs and the misuse of prescription medication can cause impairment, affect job performance, risk **your** safety and the safety of others.





CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
City Clerk's Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 5, 2019
SUBJECT/REPORT NO:	Routine Disclosure and Active Dissemination Policy (CL19013)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Lisa Barroso, Manager, Records & Freedom of Information 905-546-2424 Ext. 2743
SUBMITTED BY:	Andrea Holland City Clerk Corporate Services
SIGNATURE:	

RECOMMENDATION

- (a) That Report CL19013 entitled Routine Disclosure and Active Dissemination Policy, be approved;
- (b) That the Routine Disclosure and Active Dissemination Policy, attached as Appendix "A" to Report CL19013, be approved; and,
- (c) That the matter respecting the development of a corporate wide Access by Design policy to support proactive disclosure of information be identified as complete and removed from the Audit, Finance and Administration Committee Outstanding Business List.

EXECUTIVE SUMMARY

The routine and active disclosure of public records creates an efficient means of providing the public with greater access to government information. The City of Hamilton currently routinely discloses a significant amount of information to the public through various means (i.e. web site, open data portal). However, there is no overarching policy regarding routine and proactive disclosure to assist the public and staff in understanding what information can and should be released either upon request or through proactive release.

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**Subject: Routine Disclosure and Active Dissemination Policy
(CL19013) (City Wide)****- Page 2 of 7**

The Routine Disclosure and Active Dissemination Policy (RD/AD), as outlined in Appendix A, provides for the development of a plan to identify records and information across the corporation for pro-active and routine release to the public to enhance accountability and transparency and improve governance. The Corporate Access & Privacy Team will work with each Department/Division over the coming year to identify and develop plans detailing records and information to be routinely released directly through each division. The plan incorporates the *Access by Design Principles*, attached as Appendix B, developed by the Information and Privacy Commissioner of Ontario, to encourage public institutions to take a proactive approach to releasing information by making the disclosure an automatic process where possible.

Alternatives for Consideration – Not Applicable**FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)**

Financial: Each Division's RD/AD Plans will be developed and published on the City's web site outlining the type of record/information available, how and where the information can be accessed and provide a fee, if applicable, to access the information. Any fees associated with this Policy will be brought to Committee and Council for approval. (See Appendix C for a sample of Routine Disclosure and Active Dissemination Plans).

Staffing: At this time, staff are unsure of the time commitment required to provide this service. Staff will continue to monitor capacity and may make adjustments in order to support the policy to ensure that the public has access to records and information held by the City.

Legal: There are no legal implications.

HISTORICAL BACKGROUND (Chronology of events)

Council at its meeting held June 12th, 2019, adopted a motion directing staff to report back on the development of a corporate wide *Access by Design* policy for the City of Hamilton to support the proactive disclosure of information/records.

As part of Committee's discussion and consideration of a quarterly consent report on the status of Freedom of Information requests, staff responded to questions regarding the volume and type of requests filed under the *Municipal Freedom of Information & Protection of Privacy Act* (MFIPPA). Members also questioned the extent of Corporate staff's awareness and understanding of identifying records and information that may be disclosed to the public in the absence of a formal request under MFIPPA. This discussion demonstrated an opportunity to develop a Corporate Policy to identify records and information that can be routinely and/or proactively disclosed directly through division staff.

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The proposed Routine Disclosure and Active Dissemination Policy provides the framework for establishing a proactive approach to releasing public information directly through the division holding the record. Once implemented, the public and staff will have an understanding of what information can be routinely disclosed and what information requires a formal access request under MFIPPA.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The *Municipal Freedom of Information & Protection of Privacy Act* (MFIPPA) requires that local government institutions protect the privacy of individuals personal information contained in government records. It also gives individuals the right to request access to municipal government information, including most general records and records containing their own personal information. The proposed Routine Disclosure and Active Dissemination policy supports the requirement under MFIPPA of individuals right to access general municipal government records.

The Information and Privacy Commissioner of Ontario has produced a set of principles titled *Access by Design: The Seven Fundamental Principles*, attached as Appendix B, that encourage public institutions to take a pro-active approach to releasing information, making the disclosure of government held information an automatic process where possible.

The proposed Routine Disclosure and Active Dissemination Policy incorporates the seven Access by Design principles as well as existing proactive practices as follows:

1. *Proactive, not Reactive - Many public institutions are still reactive and wait until a request for information is received before deciding to release it; this can be a slow, cumbersome process, easily used as a mechanism to deny access to information. With Access by Design, government institutions can take a proactive approach to promote full transparency, while at the same time, achieving cost-savings by eliminating a costly and cumbersome disclosure process.*

The City of Hamilton provides a significant amount of information on a proactive basis through the City's web site and Open Data Portal. The Corporate Access and Privacy Team (Access & Privacy Team) will work with Divisions to identify information/records commonly requested and develop a RD/AD Plan, to be published on our web site, for the proactive release of that information.

2. *Access Embedded into Design - When access is embedded into the design of public programs from the outset, it delivers the maximum degree of access to government-held information by making proactive disclosure the default. The*

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**Subject: Routine Disclosure and Active Dissemination Policy
(CL19013) (City Wide)**

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benefits are twofold: the public can access information more directly; and government institutions can save significant resources by making their information available on a routine basis – by default.

It is expected that, as part of the implementation of the Routine Disclosure and Active Dissemination Policy, staff will identify the routine disclosure and active dissemination opportunities with any existing and new programs or policies, and these will be incorporated into the division Routine Disclosure and Active Dissemination Plans.

3. *Openness and Transparency = Accountability - A transparent and open government is vital for a free and democratic society. The essential purpose of access to information legislation is to support the democratic process by ensuring that citizens have the information required to hold their governments accountable – which is not possible if government activities and documents are hidden from public view. When government proactively provides routine access to government held information, it creates a “culture of accountability.”*

City Council has already established an “open government” culture within its own practices (i.e. the establishment of a Lobbyist Registry, improvements to closed meeting practices, public disclosure of office expenses). As part of the RD/AD Policy, further improvements to closed session reporting practices will be considered, moving towards a more open reporting structure, providing more transparency on matters before Council. The development of division Routine Disclosure and Active Dissemination Plans will ensure that open government culture is understood and promoted at all levels of the organization.

4. *Fosters Collaboration - The Internet has given impetus to a new phenomenon where more and more community groups are coming together online with the power to engage government policy makers directly. Government institutions need to embrace this new culture by making data readily available to these groups as part of the social contract to serve their citizens. Further, there are new opportunities for the private sector to work collaboratively with government in utilizing public data, with many potential benefits for the economy as a whole.*

The City of Hamilton has worked diligently to develop its Open Data and Open Hamilton Portal. The implementation of a Routine Disclosure and Active Dissemination Policy will support the use of open data and may identify additional opportunities for new data sets.

5. *Enhances Efficient Government - The demand for government services continually increases, while governments constantly face the need for cost reduction measures. By embracing Access by Design, public institutions can improve their information management practices by eliminating the inefficient*

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**Subject: Routine Disclosure and Active Dissemination Policy
(CL19013) (City Wide)**

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process of “reactive” disclosure, and yet provide more streamlined access to public information. Further, citizen groups can also utilize public data to spot inefficiencies in, and improvements for, government services – increasing efficiency by reducing demand on government resources.

The successful adoption and implementation of a Routine Disclosure and Active Dissemination Policy will not only streamline access to public information, but staff believes it will help improve information management practices and improve government services.

- 6. Makes Access Truly Accessible - Simply releasing more data is not enough. Access by Design also requires that public information be easily found, indexed and presented in user-friendly formats. There is little value in proactively disclosing public information if it is quietly placed online in obscure locations, using uncommon software which cannot be widely utilized. In addition, public institutions need to ensure that their IT systems are up to date and can meet increased public demand by extracting information quickly, in a cost-effective manner.*

The Digital Communications team has been continually working towards improvements to the City of Hamilton’s web site. The Access & Privacy Team will work with Digital Communications to ensure the Routine Disclosure and Active Dissemination Plans for the City are easily found and clearly presented.

- 7. Increases Quality of Information - Information has been called the lifeblood of the 21st century economy. This is no less true when it comes to meaningful citizen participation in public life. Not only is it essential for government institutions to place public data on public databases, they must also ensure that the information is accurate, reliable and up-to-date. Quality control and assurance protocols are vital to ensure that public participation in the democratic process remains relevant and meaningful.*

Schedules of records and information available through each division will be developed, reviewed, updated and posted to the City’s web site to ensure the public has accurate and reliable information.

RELEVANT CONSULTATION

Legal Services and Senior Leadership Team have reviewed the Policy.

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**ANALYSIS AND RATIONALE FOR RECOMMENDATION
(Include Performance Measurement/Benchmarking Data if applicable)**

A Routine Disclosure and Active Dissemination Policy helps build trust and confidence in government by providing better access to records and information for the public. Adoption of the policy supports Council and staff's commitment to the strategic principle that the "City of Hamilton is committed to promoting an open approach to government, ensuring public information is readily available and accessible". The policy also incorporates the fundamental principles of *Access by Design* as set out by the Information and Privacy Commissioner of Ontario. The City recognizes that the information that it holds was created through the provision and management of city services. Through routine disclosure and active dissemination, the City will proactively create opportunities to share information.

Implementation Plan

Upon Council approval of the Policy, the Access & Privacy Team will begin working with each division to develop its Routine Disclosure and Active Dissemination Plans. This will include the development of Routine Disclosure and Active Dissemination guidelines that will assist staff in identifying the types of records that may be suitable for RD/AD, as well as those records not suitable. It should be noted that records to be subject to Routine Disclosure and Active Dissemination will be determined by the type of record, not the identity of the requester or the eventual use that will be made of the record. Service Excellence will be considered when developing RD/AD Plans and the method by which the records are disseminated should provide the public ease of access to the information.

The City Clerk's Office will be one of the first to develop its Plan. Until such time as Division Routine Disclosure and Active Dissemination Plans have been developed, the Access & Privacy Team will identify where a request under MFIPPA should be released under the Routine Disclosure Policy.

The Routine Disclosure and Active Dissemination Policy, in conjunction with each Division's Routine Disclosure and Active Dissemination Plans, will apply to all City staff and to most records in the custody and under the control of the City of Hamilton.

Personal and constituency records of the City's elected representatives are not considered to be in the custody and control of the City and, therefore, not subject to this policy.

This Routine Disclosure and Active Dissemination Plans will be required to be reviewed regularly by Departments/Divisions and approved by the Access & Privacy Team.

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ALTERNATIVES FOR CONSIDERATION

n/a

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement & 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.

Our People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

Appendix A – Routine Disclosure and Active Dissemination Policy

Appendix B – Access by Design: The Seven Fundamental Principles

Appendix C – Sample Routine Disclosure and Active Dissemination Plans

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Routine Disclosure and Active Dissemination Policy

Policy Statement

This policy supports the strategic principle that “The City of Hamilton (City) is committed to promoting an open approach to government. Ensuring public information is readily available and accessible” and uses the fundamentals of *Access by Design* as set out by the Information and Privacy Commissioner of Ontario. The City, as a public entity, recognizes that the information that it holds was created through the provision and management of city services. Through routine disclosure and active dissemination, the City will proactively identify and share information that is under its custody and control. Any exceptions to this policy should be limited and specific.

The City and its departments shall provide public access to information by making records routinely available in response to requests for access or by means of periodically releasing identified allowable records. These Routine Disclosure and Active Dissemination (RD/AD) Plans will be implemented at the Division level.

The formal application through the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA) process will be used for those records which are not routinely released by Departments/Divisions.

Purpose

The purpose of this policy is to support the strategic direction set out in the City of Hamilton Strategic Plan 2016-2025. This policy identifies the requirement for City Departments to develop Plans for routinely releasing or actively making available certain records to the public. City Departments will adhere to the requirements of MFIPPA in respect of exemptions to disclosure for Personal Information, proprietary third-party information, and other confidential information.

MFIPPA provides the public a formal right of access to records that are in the City’s custody, or under its control, subject to limited and specific exemptions to disclosure. While the City may legitimately require that formal access requests be submitted in respect of certain types of records for a variety of reasons, a practice of providing Routine Disclosure and Active Dissemination for “everyday”, non-confidential records is beneficial as it allows the City to:

- Make City records available to the public and ensure that information is easily accessible to the residents of Hamilton;
- Proactively streamline the access to information process;

Appendix A - Routine Disclosure and Active Dissemination Policy (CL19013)

- Reduce staff time in responding to formal requests for information, resulting in greater cost efficiencies;
- Assist in reducing administrative costs;
- Provide greater accountability and transparency in its day-to-day operations; and
- Ensure a balance between providing greater access to City information while at the same time protecting personal and confidential information.

RD/AD is consistent with the Information and Privacy Commissioner of Ontario's Access by Design principles and existing City practices to make certain information available to the public.

Application

This policy applies to all City staff and to all records in the custody and under the control of the City of Hamilton. Personal and constituency records of Members of Council are not considered to be in the custody and control of the City and therefore not subject to this policy.

Policy Requirements

With guidance from the Corporate Access and Privacy Team (Access & Privacy), every Division shall establish a Routine Disclosure and Active Dissemination Plan that identifies:

1. Official Business Records that are to be disclosed through routine disclosure requests;
2. The method by which the Divisions will make the records available through routine disclosure or active dissemination;
3. All Department/Division Routine Disclosure and Active Dissemination Plans shall be approved by the Access & Privacy Team. The following underlying principles shall guide the development of the RD/AD Plan by each Division:
 - (a) The focus on identifying records that are subject to RD/AD processes should be on records that are of interest to the public, for which there are no exemptions to disclosure under MFIPPA, and that do not contain any Confidential Information. Classes of records which are often requested and regularly released should be considered for inclusion in the RD/AD Plan;
 - (b) In determining which records are to be subject to RD/AD, staff should not consider the identity of requester(s);
 - (c) Service Excellence should always be considered when developing RD/AD Plans, and the method by which the records are disseminated should provide the public ease of access to the information;

Appendix A - Routine Disclosure and Active Dissemination Policy (CL19013)

- (d) New programs and policies should be developed with an understanding of the routine disclosure and active dissemination opportunities, and these should be incorporated into any related staff report and/or division RD/AD Plans; and
- (e) The Division shall review and update RD/AD Plans routinely. Plans will be made available to the public on the City's website.

A Routine Disclosure and Active Dissemination guideline will be developed to assist departments with identifying types of records that are not suitable for RD/AD, and the specific types of information that must be excluded (severed) within records prior to disclosure.

When the Access and Privacy Team receives a request under MFIPPA that should be released as routine disclosure, team staff will direct the request to the responsible department and, where necessary, assist staff in understanding their obligations to release the information. A similar approach will be taken where possible with respect to requests received under the *Personal Health Information Protection Act*, relating to requests by individuals for their own personal health information.

Responsibilities

All City staff must comply with the Routine Disclosure and Active Dissemination Policy and with the applicable Division's RD/AD Plans.

Senior Management will be responsible for promoting compliance with this policy and ensuring RD/AD Plans are developed in consultation with the Access & Privacy Team. Senior Management shall also ensure that a review of the RD/AD Plan, as it relates to their respective area, occurs at a minimum of once a year.

Directors and Managers are responsible for identifying records suitable for RD/AD in their own respective areas. Updates and/or modifications to the RD/AD Plan shall be provided to their General Manager as new classes of records are created or modified, existing classes are deleted, or as otherwise needed.

The Corporate Access & Privacy Team shall work with all Departments/Divisions to identify types of records suitable for routine and active dissemination and be responsible for approving all RD/AD Plans to ensure compliance with this policy and MFIPPA.

Monitoring

The City Clerk shall be responsible for receiving complaints or concerns related to this policy.

Legislative and Administrative Authorities

The *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA) governs the collection, use and disclosure of information by certain institutions in Ontario including municipalities, public library boards, and police services boards. The purpose of MFIPPA is to provide a right of access to information in the custody of and under the control of the institutions with the principle that information should be made available to the public and that necessary exemptions from the right of access should be limited and specific. The purpose of MFIPPA is also to protect the privacy of individuals with respect to personal information about themselves held by institutions and to provide individuals with a right of access to that information.

Definitions

Confidential information means information that is subject to the exemptions to disclosure found in s. 9 (Relations with Governments), s. 10 (Third Party Proprietary Information) and s. 14 (1) (Personal Privacy) of MFIPPA, as well as any other information that the City deems to be confidential.

MFIPPA means the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.M.56, as amended, and includes any regulations passed under it.

Official Business Record means an original record, generated or received, in the City's custody and control that serves important functions of the City supporting program delivery or policy development, committing the City to action, meeting legal, financial, operational and other official requirements, or providing evidence of obligations, responsibilities, decisions and actions;

Open Data is a practice requiring that certain data be made freely available to the public, in machine readable format without restrictions from copyright, patents or other mechanisms of control. Open Data focuses on non-textual material such as geographic data, schedules, statistics, and demographic data.

Personal Information as defined in MFIPPA means recorded information about an identifiable individual, including,

- a) information relating to the race, national or ethnic origin, colour, religion, age, sex, sexual orientation or marital or family status of the individual;
- b) information relating to the education or the medical, psychiatric, psychological, criminal or employment history of the individual or information relating to financial transactions in which the individual has been involved;
- c) any identifying number, symbol or other particular assigned to the individual;
- d) the address, telephone number, fingerprints or blood type of the individual;
- e) the personal opinions or views of the individual except if they relate to another individual;

Appendix A - Routine Disclosure and Active Dissemination Policy (CL19013)

- f) correspondence sent to an institution by the individual that is implicitly or explicitly of a private or confidential nature, and replies to that correspondence that would reveal the contents of the original correspondence;
- g) the views or opinions of another individual about the individual;
- h) the individual's name if it appears with other personal information relating to the individual or where the disclosure of the name would reveal other personal information about the individual;

Record means information however recorded or stored, whether in printed form, on film, by electronic means or otherwise, and includes but is not limited to documents, financial statements, minutes, accounts, e-mails, correspondence, memoranda, plans, maps, drawings, photographs, and films, complete and unchanged;

Responsible Department refers to the department, division, or service area which holds custody and control of the original records for the length of time required under the Records Retention By-law 11-040;

Routine Disclosure and Active Dissemination (RD/AD) are activities designed to provide greater access to government information. **Routine disclosure (RD)** is the routine or automatic release of certain records in response to informal rather than formal requests under MFIPPA. **Active Dissemination (AD)** is the periodic release of certain records in the absence of a request, for example periodic posting of operational records to the City of Hamilton website.

Third Party Information is personal information of a person other than the requester or scientific, technical, commercial, financial or labour relations information supplied in confidence by someone other than the requester or the City of Hamilton.

References

Access by Design Principles – Information & Privacy Commissioner of Ontario
Municipal Freedom of Information & Protection of Privacy Act
Records Retention By-law 11-040, as amended



Access by Design

The 7 Fundamental Principles

Ann Cavoukian, Ph.D.

Information & Privacy Commissioner
Ontario, Canada

My concept of *Access by Design* (AbD) consists of fundamental principles that encourage public institutions to take a proactive approach to releasing information, making the disclosure of government-held information an automatic process where possible – access as the default.

Access by Design advances the view that government-held information should be made available to the public, and that any exceptions should be limited and specific.

While this is not a new idea, it certainly has taken on a new meaning since the advent of the Internet. The ubiquitous nature of the Web has driven dramatic new increases in public demand for government-held information, fostering civic participation and redefining the significance of freedom of information legislation. Further, advances in information communications technology have also driven an explosive growth in the collection and storage of information, with countless databases now holding vast amounts of data. Consequently, new challenges have arisen in balancing the need for access to information while ensuring its quality, and protecting individual privacy.

The principles of *Access by Design* may be applied to almost all types of government-held information, but the emphasis is on information that allows citizens to hold their government accountable. When information is freely available, the public may question the actions of their government and participate meaningfully in policy decisions. Transparency helps to create a culture of accountability.

Government transparency and access to information are vital ingredients for a free and functioning democratic society. Citizens must be ensured the right to government-held information in order to participate meaningfully in civil life – something which is not possible if government activities are hidden from public view.

The objectives of *Access by Design* – ensuring access, openness and transparency in order to foster a culture of accountability and improved service to the public – may be accomplished by practicing the following 7 Fundamental Principles (*see over page*):



The 7 Fundamental Principles

1. *Proactive*, not Reactive

Many public institutions are still reactive and wait until a request for information is received before deciding to release it; this can be a slow, cumbersome process, easily used as a mechanism to deny access to information. With *Access by Design*, government institutions can take a proactive approach to promote full transparency, while at the same time, achieving cost-savings by eliminating a costly and cumbersome disclosure process.

2. Access *Embedded* into Design

When access is embedded into the design of public programs from the outset, it delivers the maximum degree of access to government-held information by making proactive disclosure the default. The benefits are twofold: the public can access information more directly; and government institutions can save significant resources by making their information available on a routine basis – *by default*.

3. Openness and Transparency = *Accountability*

A transparent and open government is vital for a free and democratic society. The essential purpose of access to information legislation is to support the democratic process by ensuring that citizens have the information required to hold their governments accountable – which is not possible if government activities and documents are hidden from public view. When government proactively provides routine access to government-held information, it creates a “culture of accountability.”

4. Fosters *Collaboration*

The Internet has given impetus to a new phenomenon where more and more community groups are coming together online with the power to engage government policy makers directly. Government institutions need to embrace this new culture by making data readily available to these groups as part of the social contract to serve their citizens. Further, there are new opportunities for the private sector to work collaboratively with government in utilizing public data, with many potential benefits for the economy as a whole.

5. Enhances *Efficient Government*

The demand for government services continually increases, while governments constantly face the need for cost reduction measures. By embracing *Access by Design*, public institutions can improve their information management practices by eliminating the inefficient process of “reactive” disclosure, and yet provide more streamlined access to public information. Further, citizen groups can also utilize public data to spot inefficiencies in, and improvements for, government services – increasing efficiency by reducing demand on government resources.

6. Makes Access *Accessible*

Simply releasing more data is not enough. *Access by Design* also requires that public information be easily found, indexed and presented in user-friendly formats. There is little value in proactively disclosing public information if it is quietly placed online in obscure locations, using uncommon software which cannot be widely utilized. In addition, public institutions need to ensure that their IT systems are up-to-date and can meet increased public demand by extracting information quickly, in a cost-effective manner.

7. Increases *Quality* of Information

Information has been called the lifeblood of the 21st century economy. This is no less true when it comes to meaningful citizen participation in public life. Not only is it essential for government institutions to place public data on public databases, they must also ensure that the information is accurate, reliable and up-to-date. Quality control and assurance protocols are vital to ensure that public participation in the democratic process remains relevant and meaningful.

Sample Routine Disclosure and/or Active Dissemination Plan

City Clerk's Division

Type of Record	How to Access	Applicable Fees
Agendas of Council, Committee and Advisory Committees	<p>Online: https://www.hamilton.ca/council-committee/council-committee-meetings/meetings-and-agendas</p> <p>Phone: 905-546-2424 Ext. 4408</p> <p>Email: clerk@hamilton.ca</p>	No applicable fee
<p>Assessment Rolls – Current Year</p> <p>Assessment information is not available by phone or email. Information may be searched and viewed (only) in person.</p>	<p>In Person: City Clerk's Office, City Hall 71 Main Street West, 1st Floor Hamilton</p>	No applicable fee
Assessment Rolls – Historical Searches	<p>In Person: City Clerk's Office, City Hall 71 Main Street West, 1st Floor Hamilton</p>	<p>Search, preparation and photocopy fees may apply</p> <p>Search Fee: \$11.20/15 min.</p> <p>Preparation Fee: \$11.20/15 min.</p> <p>Photocopy Fee: .40 cents/page</p>
By-laws	<p>2004 to Present available online: https://www.hamilton.ca/government-information/by-laws-and-enforcement/city-hamilton-by-laws</p> <p>In Person: City Clerk's Office, City Hall 71 Main Street West, 1st Floor</p> <p>Phone: 905-546-2424 Ext. 4408</p> <p>Email: clerk@hamilton.ca</p>	Certified Copies are available for a fee

Type of Record	How to Access	Applicable Fees
<p>Elections – Nominated Candidates</p> <p>List of nominated candidates and their contact information, if applicable.</p>	<p>Online: https://www.hamilton.ca/municipal-election</p> <p>In Person: City Clerk’s Office, City Hall 71 Main Street West, 1st Floor</p> <p>Phone: 905-546-2424 Ext. 4408 Email: clerk@hamilton.ca</p>	<p>No applicable fee</p>
<p>Elections – Candidate Financial Statements</p> <p>Financial statements, including all expenses and contributions pertaining to the candidate’s campaign, as filed by candidates.</p>	<p>Online: https://www.hamilton.ca/municipal-election</p> <p>In Person: City Clerk’s Office, City Hall 71 Main Street West, 1st Floor</p> <p>Phone: 905-546-2424 Ext. 4408 Email: clerk@hamilton.ca</p>	<p>No applicable fee</p>
<p>Elections – Results</p> <p>Provides poll-by-poll results as well as the number of registered voters and votes cast.</p>	<p>Online: https://www.hamilton.ca/municipal-election</p> <p>In Person: City Clerk’s Office, City Hall 71 Main Street West, 1st Floor</p> <p>Phone: 905-546-2424 Ext. 4408 Email: clerk@hamilton.ca</p>	<p>No applicable fee</p>



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

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 5, 2019
SUBJECT/REPORT NO:	CityHousing Hamilton Corporation (CHH) Redevelopment Financing Request (FCS19090) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Joe Spiler (905) 546-2424 Ext. 4519
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That a 10-year, interest-bearing loan of \$9,229,500 for CityHousing Hamilton Corporation from the City of Hamilton for the 500 MacNab North Tower Renewal, be authorized and approved in accordance with the terms and conditions contained in Appendix "B" to Report FCS19090;
- (b) That a loan receivable be established on the City's balance sheet, not to exceed \$9,229,500, to record the corresponding CityHousing Hamilton Corporation liabilities regarding the long-term financing for the 500 MacNab North Tower Renewal;
- (c) That the Mayor and City Clerk be authorized and directed to execute a loan agreement together with any ancillary documentation in a form satisfactory to the City Solicitor and content satisfactory to the General Manager of Finance and Corporate Services and that the General Manager of Finance and Corporate Services be authorized to approve and execute any loan amending agreements, together with any ancillary amending documentation, if required, provided that the terms and conditions in Appendix "B" to Report FCS19090 are maintained;

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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.

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

**SUBJECT: CityHousing Hamilton (CHH) Redevelopment Financing Request
(FCS19090) (City Wide) – Page 2 of 7**

- (d) That a short-term, interest-bearing construction loan of \$29,225,000 for CityHousing Hamilton Corporation for the Roxborough Park Development, be authorized and approved in accordance with the terms and conditions contained in Appendix “C” to Report FCS19090;
- (e) That a loan receivable be established on the City’s balance sheet, not to exceed \$29,225,000, to record the corresponding CityHousing Hamilton Corporation liabilities regarding the financing for the Roxborough Park Development.
- (f) That the City of Hamilton will act as guarantor of any long-term financing not to exceed \$22,491,020 (construction cost less land sale) sought by CityHousing Hamilton Corporation for the Roxborough Park Development and that the General Manager of Finance and Corporate Services and City Clerk be authorized to execute any agreements and ancillary documents relating to the guarantee;
- (g) That the Mayor and City Clerk be authorized and directed to execute a loan agreement together with any ancillary documentation, in a form satisfactory to the City Solicitor and content satisfactory to the General Manager of Finance and Corporate Services and that the General Manager of Finance and Corporate Services be authorized to approve and execute any loan amending agreements relating to the long-term financing, together with any ancillary amending documentation, if required, provided that the terms and conditions in Appendix “C” to Report FCS19090 are maintained;

EXECUTIVE SUMMARY

CityHousing Hamilton Corporation (CHH) is the housing corporation owned by the City of Hamilton (City) and operated under *Housing Services Act, 2011* (“HSA”) as a local housing corporation. CHH consists of over 7,000 housing units spread over 1,200 properties with over 14,000 residents. The City is designated under the HSA as the Service Manager (SM) to manage social housing programs within the City.

The purpose of Report FCS19090 is to approve financing for two CHH housing projects. Appendix “A” is a letter dated October 30, 2019 regarding CHH’s request to the City for financing for both projects and any required conversion to external long-term debt net of senior levels of government debentures and / or grants. Appendix “B” is a summary Loan Term Sheet for the 500 MacNab Street North Project and Appendix “C” is a summary Loan Term Sheet for the Roxborough Park Development

The City’s External Loan Guidelines provides for interest-bearing loans to various community groups and not-for-profit organizations for capital upgrades or enhancements to their facilities. CHH, as a not-for-profit housing provider under the *Housing Services Act, 2011*, qualifies as an eligible City loan recipient.

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**SUBJECT: CityHousing Hamilton (CHH) Redevelopment Financing Request
(FCS19090) (City Wide) – Page 3 of 7**

The rehabilitation of 500 MacNab Street North (146 units) and the Roxborough Park Development (103 units) are the first projects in the renewal of the CHH portfolio and address deferred maintenance that led to major system failures.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: CHH Redevelopment of 500 MacNab Street North

CHH has, to date, leveraged \$8.9 M in grants tied to accessibility and low-energy measures. Canada Mortgage and Housing Corporation (CMHC) and Federation of Canadian Municipalities (FCM) have also provided \$10.95 M in long-term financing and CHH has \$3.92 M in equity invested in this project leaving a funding gap of \$9,229,500. CHH is asking the City for a 10-year \$9,229,500 loan under the City's external loan guidelines.

The City will earn interest based on the City's cost of borrowing (10-year serial debenture of 2.38% plus .25% administration = 2.63%) compounded semi-annually. The loan interest will be distributed in accordance with City policies and procedures. The Terms and Conditions of the loan are summarized in Appendix "B". A loan receivable will be established for the 500 MacNab Street North. Construction on this project is underway.

CHH has submitted an application to CMHC for long-term financing for the MacNab project for \$9,229,500. However, it is unknown, at this time, how much, if any, funds will be received. If funding from this application is successful, the funds will be immediately applied towards the outstanding balance of the City's Loan for this project.

CHH Roxborough Park Development

The Roxborough Park Development has a construction value of \$29,225,000. The development involves a land sale to the developer by CHH to Roxborough Park Inc. (RPI) resulting in net proceeds of \$6,733,980. These proceeds will not be received by CHH until the CHH development is completed (new building is completed) and RPI subsequently gets access to the purchased lands. Hence, CHH's request for the full \$29,225,000 from the City as a loan for interim construction funding.

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**SUBJECT: CityHousing Hamilton (CHH) Redevelopment Financing Request
(FCS19090) (City Wide) – Page 4 of 7**

CHH has submitted an application to CMHC to the National Housing Co-Investment Fund for this project. Once approved (in whole or in part), CHH will use any funding provided by CMHC to reduce the interim construction loan from the City. If any part of the construction loan is not reimbursed by CMHC funding, then CHH will source third party long-term financing and the City will act as guarantor for CHH's remaining long-term debt requirements.

Funding from the City to CHH would be based on construction draws (percentage of completed work) (refer Loan Term Sheet set out in Appendix "C" and Developer Cash Flow Payments in Appendix "D"). The City will record the amount of the draws as a loan receivable on the City's balance sheet. Due to the relatively short term of the funding requirement, the source of funding would come from the City's short-term cash balances.

The City will earn interest based on the City's cost of borrowing (5-year serial debenture of 2.18% plus .25% administration = 2.43%) compounded monthly. The loan interest will be distributed in accordance with City policies and procedures.

The Development Agreement between CHH and RPI includes a requirement that the developer is responsible for the interim financing interest costs during construction (imbedded in the contingency for the \$29.225 M budget) which will reduce the final required mortgage amount for CHH.

Staffing: Not applicable.

Legal: Legal Services will be required to draft Loan Agreements between the City and CHH for both loans for execution by the Mayor and City Clerk.

HISTORICAL BACKGROUND

CityHousing Hamilton Corporation (CHH) is the housing corporation owned by the City and operated under HSA as a local housing corporation. CHH owns and manages over 7,000 housing units spread over 1,200 properties, with over 14,000 residents speaking more than 30 first languages, 20% of which are children. CHH's mission is to "provide affordable housing that is safe, well maintained, cost effective and that supports the diverse needs of our many communities". CHH is the third largest housing provider in Ontario.

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**SUBJECT: CityHousing Hamilton (CHH) Redevelopment Financing Request
(FCS19090) (City Wide) – Page 5 of 7**

CHH is implementing a strategic plan to renew core assets, redevelop low-density sites and develop new sites to maximize social benefit and contribute to the financial sustainability of the organization. The rehabilitation of 500 MacNab North (146 units) and the new Roxborough Park development (103 units) will address deferred maintenance that would otherwise lead to major system failures.

The Board of Directors of CityHousing Hamilton Corporation (CHH) have passed resolutions for debt financing for CityHousing Hamilton Corporation (CHH) projects which included requests to investigate interim loans from the City of Hamilton.

These meetings were as follows:

- CHH Board meeting of June 10, 2019 through Confidential report CHH Report #17029(d) respecting Roxborough Park Development Project
- CHH Board meeting of July 18, 2019 through Confidential report CHH Report #18012(c) respecting 500 MacNab Tower Renewal Update

CHH has applied to the Federal National Housing Co-Investment Fund through Canada Mortgage and Housing Corporation (CMHC) totalling \$31,720,520 for both the MacNab Street North Project (\$9,229,500) and the Roxborough Park Project (\$22,491,020). This funding would be in the form of long-term mortgages and / or grants. The CMHC funding, if the applications are approved, will flow after completion of the agreements between CHH and CMHC. The timing of these is such that construction on both projects will be well underway before any funding from these applications are available. Thus, financing of these redevelopment projects is being requested from the City.

Appendix “A” is a letter dated October 30, 2019 regarding CHH’s request to the City for financing for both projects and any required conversion to external long-term debt net of senior levels of government debentures (CMHC) and / or grants.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The recommendations in Report FCS19090 were prepared in accordance with the City’s External Loan Guidelines.

RELEVANT CONSULTATION

- Housing Services Division, Healthy and Safe Communities Department
- Legal and Risk Management Services Division, Corporate Services Department

**SUBJECT: CityHousing Hamilton (CHH) Redevelopment Financing Request
(FCS19090) (City Wide) – Page 6 of 7**

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Approval of the recommendations in Report FCS19090 will allow the General Manager, Finance and Corporate Services, to provide financing in the form of two interest-bearing loans totalling \$38,454,500 to finance two CHH projects being 500 MacNab Street North (\$9,229,500) and the Roxborough Park Development (\$29,225,000).

The interest-bearing loan request from CHH meets the requirements of the City's External Loan Guidelines as reflected in Table 1 of Report FCS19090.

Table 1

Eligibility Criteria	Is Condition Met?
a) Applicant is incorporated as a Not-For-Profit Organization	Yes
b) Applicant's Board of Directors will assume responsibility for administration of the funding	Yes
c) Applicant's loan request will fund one-time capital expenditure	Yes
d) Applicant's capital expenditure provides benefits within City boundaries	Yes
e) Applicant is in good financial standing with the City	Yes
f) Applicant provides equal access to programs	Yes
g) Applicant demonstrates clear boundaries between religious activities and project being funded	Yes

ALTERNATIVES FOR CONSIDERATION

CHH and or the City could seek external private sector / IO loan financing for these two redevelopment projects. However, the financing rate would be significantly higher (3% - 5%) than the 2.43% and 2.63% that the City is charging CHH. The rate of return that the City will be receiving is competitive in comparison to the money market investment rate which these funds would be subject to.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

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**SUBJECT: CityHousing Hamilton (CHH) Redevelopment Financing Request
(FCS19090) (City Wide) – Page 7 of 7**

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

Appendix “A” to Report FCS19090 – Letter dated October 30, 2019

Appendix “B” to Report FCS19090 – 500 MacNab Street North Loan Term Sheet

Appendix “C” to Report FCS19090 – Roxborough Park Development Loan Term Sheet

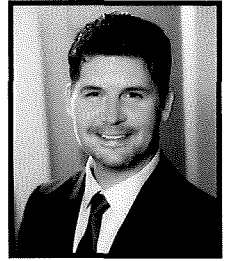
Appendix “D” to Report FCS19090 – Roxborough Developer Cash Flow

JS/dt



Councillor Chad Collins

Ward 5 - Centennial



October 30, 2019

Attention: Joseph Spiler
Manager of Capital and Development Financing
Corporate Services, City of Hamilton
71 Main Street West, 1st Floor
Hamilton, ON L8P 4Y5

CityHousing Hamilton Corporation (CHH) is engaged in revitalization of its social and affordable housing portfolio. Among the first projects is the major retrofit and restoration of CHH's oldest high-rise, the Ken Soble Tower, at 500 MacNab St. N., and the redevelopment of Roxborough, a real estate and design-build agreement for a new mixed income community on CHH lands.

CHH has been working with CMHC to secure funding for these projects through the National Housing Strategy and aims to receive both grant and financing but anticipates delays in receiving these. At the same time, enabling works have begun on 500 MacNab to comply with deadlines from another funder, and the Roxborough project is close to beginning.

The CHH Board has made recommendations to proceed with the developments and pursue financing, as per the following recommendations:

From the June 10, 2019 CHH Board Report 17029(d) on Roxborough:

(f) That Board of Directors approve CHH staff to negotiate the terms and debt for the amount of \$29,225,000.

From the July 18, 2019 CHH Board Report 18012(c) on MacNab:

(i) That the Board of Directors approve CityHousing Hamilton Corporation staff to proceed with the development plans outlined in Report #18012(c), including updated project costs and funding sources and amounts for gross project costs of up to \$33M, and including for the CEO to be directed and authorized to negotiate and enter into funding agreements, with terms acceptable to legal counsel.

As a wholly owned entity of the City of Hamilton (City), CHH would like to request of the City construction financing for both projects to ensure funds are available to proceed with construction, and subsequently for these to be converted to mid- and long-term debt. For 500 MacNab \$10,000,000 is requested, and for Roxborough \$29,225,000, with conversion to mid- and long-term debt as needed.

Sincerely,

Councillor Chad Collins
President
CityHousing Hamilton

**Appendix "B" to Report FCS19090
Page 1 of 2**

Loan Term Sheet

500 MacNab Street North (Rehabilitation of 146 Unit Apartment Building)

Borrower: CityHousing Hamilton Corporation ("CHH")

Lender: City of Hamilton ("City")

Type of Loan: \$9,229,500 Loan 10-year Amortization

1. Payment Provisions; The City will advance the \$9,229,500 to CHH (electronically) on or about February 1, 2020. The loan is repayable, together with interest, in 10 annual equal installments by CHH to the City beginning February 1, 2021. (Refer Schedule below)

**500 MacNab Street North
\$9,229,500 Loan Repayment Schedule
10-Year Amortization @ 2.63%**

Feb. 1	2021	\$1,063,000
Feb. 1	2022	1,063,000
Feb. 1	2023	1,063,000
Feb. 1	2024	1,063,000
Feb. 1	2025	1,063,000
Feb. 1	2026	1,063,000
Feb. 1	2027	1,063,000
Feb. 1	2028	1,063,000
Feb. 1	2029	1,063,000
Feb. 1	2030	1,063,000

Total Payments (P&I)	\$10,630,000
Principal Amount	<u>(9,229,500)</u>
Total Interest and Administration	\$1,400,500

Breakdown of Interest and Administration

Interest	\$1,267,373
Administration Fee	\$133,127

2. Any additional mortgage amounts and / or contributions received by CHH from CMHC or any other senior levels of government regarding this project will be forwarded to the City immediately to reduce the loan amount outstanding.
3. Interest Rate: 2.38% per annum, plus .25% administrative fee, compounded semi-annually. Interest will be paid to the City by CHH on an annual basis (refer to payment schedule).
4. Security: The City will be next in priority only to a CMHC registered mortgage or a long-term (greater than 20 years) third party financing.
5. Title Insurance Policy in favour of the City.

Appendix “B” to Report FCS19090**Page 2 of 2****TERMS OF LOAN AGREEMENT (City of Hamilton’s external loan guidelines FCS06078(a))**

If funding is approved, the legal loan agreement will include the necessary terms as agreed upon by both parties. The following must be included and / or considered during the development of the loan agreement. The list is not exhaustive and can be added to at any time.

- a) The interest rate will be based upon the current serial debenture rate, as provided by the investments section, for the time period that corresponds with the term of the loan. This reflects the equivalent capital cost of the loan. For example, the interest rate for a 10-year loan should be based on the 10-year serial debenture rate.
- b) A 0.25% administration fee will be added to the interest rate.
- c) The term of the loan must not exceed the useful life of the asset.
- d) At a minimum, interest should accrue annually.
- e) Terms of draws and a schedule of draws against the loan.
- f) Late payments charges will be applied as per the City’s policy on late payments.
- f) In the event of non-payment or late payments, the City will follow current protocols on collecting payments on amounts owing.
- h) In case of loan default, the loan agreement must ensure that the applicant’s asset or other security is included as collateral against the loan. The value of the asset or security must be of an equivalent value to the loan.
- i) The City of Hamilton must be recognized on project marketing and promotional material (e.g. City of Hamilton logo).
- j) Any out-of-pocket expenses, such as appraisal costs, incurred for the preparation of the loan agreement, over and above staff costs, will be added to the principal of the loan.
- k) The organization must provide full disclosure, at all times, with respect to issues that will or may affect the completion of the project or the organization’s ability to repay the loan.
- l) Follow-up procedures will also be included in the terms of the agreement. These include:
 - i. The organization must provide a final cost of the project
 - ii. The organization must provide the following annually:
 - 1) Annual financial statements (audited, if available)
 - 2) Budgets and cash flow projections
 - 3) Confirmation of insurance on the asset used as collateral
 - iii. The organization should agree to be available, at the request of the City, to an on-site visit to review the capital expenditure and the applicable financial records.
- m) Any other terms deemed appropriate by City Council, the City Solicitor or City staff.

Loan Term Sheet

Roxborough Park Development - 103 Unit Apartment Building (the "Project")

Borrower: CityHousing Hamilton Corporation ("CHH")

Lender: City of Hamilton ("City")

Type of Loan: \$29,225,000 Construction Financing Loan

1. The upset limit on the term of this loan will not exceed 4 years from the date of the first advance to CHH.
2. Payment Provisions: CHH will receive monthly invoices from the developer (Roxborough Park Inc.) based on the percentage of work completed. The City will advance the funds to CHH (electronically) only after CHH's project manager, the CHH CEO, Director of Housing Services and the City's Director of Financial Planning Administration and Policy have approved the invoice for payment (and verified that the work stated on the invoice has been completed). Monthly invoices will contain a 10% holdback provision.
3. When CHH receives payment of \$6,733,980 for the remnant Roxborough land it is selling to the developer (upon Project completion), this amount will be paid to the City immediately to reduce the Construction Loan Amount.
4. Any mortgage amounts and / or contributions received by CHH from CMHC regarding this Project will be forwarded to the City immediately to reduce the Construction Loan Amount outstanding.
5. After terms #3 and #4 have been applied to the outstanding balance of the Construction Financing Loan and within the term limit of this loan (four years), any outstanding City Construction Loan Amount will be converted by CHH to a conventional 30 or 35-year mortgage with the City acting as guarantor for CHH to obtain third party financing.
6. Construction Loan Interest Rate: 2.43% per annum compounded monthly (2.18% plus .25% administration). Interest will be paid to the City by CHH on a quarter-yearly basis commencing three months after the first advance of funds by the City.
7. Section 4.05 of the Master Development Agreement between CHH and the developer provides that CHH is responsible to obtain financing to fund the full cost of construction of the new CHH building. However, the developer agrees to be responsible for and pay to CHH as and when such costs become due, all costs (i.e. interest and other costs) in connection with the construction financing which are incurred up to the later of:
 - i) the CHH building completion date; and
 - ii) the date that the developer pays the purchase price for the lands being sold by CHH to the developer.
8. Security: The City will be next in priority only to a CMHC registered mortgage or a long-term (greater than 20 years) third party financing.
9. Title Insurance Policy in favour of the City.

**Appendix “C” to Report FCS19090
Page 2 of 2**

TERMS OF LOAN AGREEMENT (City of Hamilton’s external loan guidelines FCS06078(a))

If funding is approved, the legal loan agreement will include the necessary terms as agreed upon by both parties. The following must be included and / or considered during the development of the loan agreement. The list is not exhaustive and can be added to at any time.

- a) The interest rate will be based upon the current serial debenture rate, as provided by the investments section, for the time period that corresponds with the term of the loan. This reflects the equivalent capital cost of the loan. For example, the interest rate for a 10-year loan should be based on the 10-year serial debenture rate.
- b) A 0.25% administration fee will be added to the interest rate.
- c) The term of the loan must not exceed the useful life of the asset.
- d) At a minimum, interest should accrue annually.
- e) Terms of draws and a schedule of draws against the loan.
- f) Late payments charges will be applied as per the City’s policy on late payments.
- f) In the event of non-payment or late payments, the City will follow current protocols on collecting payments on amounts owing.
- h) In case of loan default, the loan agreement must ensure that the applicant’s asset or other security is included as collateral against the loan. The value of the asset or security must be of an equivalent value to the loan.
- i) The City of Hamilton must be recognized on project marketing and promotional material (e.g. City of Hamilton logo).
- j) Any out-of-pocket expenses, such as appraisal costs, incurred for the preparation of the loan agreement, over and above staff costs, will be added to the principal of the loan.
- k) The organization must provide full disclosure, at all times, with respect to issues that will or may affect the completion of the project or the organization’s ability to repay the loan.
- l) Follow-up procedures will also be included in the terms of the agreement. These include:
 - i. The organization must provide a final cost of the project
 - ii. The organization must provide the following annually:
 - 1) Annual financial statements (audited, if available)
 - 2) Budgets and cash flow projections
 - 3) Confirmation of insurance on the asset used as collateral
 - iii. The organization should agree to be available, at the request of the City, to an on-site visit to review the capital expenditure and the applicable financial records.
- m) Any other terms deemed appropriate by City Council, the City Solicitor or City staff.

PRELIMINARY PROJECTED CASH FLOW REPORT

Project:	Roxborough Park	Proposed Start Date:	
Location:	Reid Ave, Hamilton ON	Proposed Completion Date:	
Owner:	Roxborough Park Inc.	Duration:	20 Months
Budget Amount:	\$ 29,225,000	Holdback:	10.00%

Progres Claim Billing Date	Gross Billing This Month (G.B.T.M.)	Holdback This Month (H.T.M.)	Net Billing This Month (N.B.T.M.)	% Complete	Cumulative Gross Billing (C.G.B.)	Cumulative Holdback (C.H.)	Cumulative Net Billing (C.N.B.)
1*	750,000	75,000	675,000	2.57	750,000	75,000	675,000
2	925,000	92,500	832,500	5.73	1,675,000	167,500	1,507,500
3	1,100,000	110,000	990,000	9.50	2,775,000	277,500	2,497,500
4	1,300,000	130,000	1,170,000	13.94	4,075,000	407,500	3,667,500
5	1,800,000	180,000	1,620,000	20.10	5,875,000	587,500	5,287,500
6	2,050,000	205,000	1,845,000	27.12	7,925,000	792,500	7,132,500
7	1,600,000	160,000	1,440,000	32.59	9,525,000	952,500	8,572,500
8	1,400,000	140,000	1,260,000	37.38	10,925,000	1,092,500	9,832,500
9	1,400,000	140,000	1,260,000	42.17	12,325,000	1,232,500	11,092,500
10	1,700,000	170,000	1,530,000	47.99	14,025,000	1,402,500	12,622,500
11	1,800,000	180,000	1,620,000	54.15	15,825,000	1,582,500	14,242,500
12	1,900,000	190,000	1,710,000	60.65	17,725,000	1,772,500	15,952,500
13	1,900,000	190,000	1,710,000	67.15	19,625,000	1,962,500	17,662,500
14	1,800,000	180,000	1,620,000	73.31	21,425,000	2,142,500	19,282,500
15	1,800,000	180,000	1,620,000	79.47	23,225,000	2,322,500	20,902,500
16	1,600,000	160,000	1,440,000	84.94	24,825,000	2,482,500	22,342,500
17	1,300,000	130,000	1,170,000	89.39	26,125,000	2,612,500	23,512,500
18	1,300,000	130,000	1,170,000	93.84	27,425,000	2,742,500	24,682,500
19	1,000,000	100,000	900,000	97.26	28,425,000	2,842,500	25,582,500
20	800,000	80,000	720,000	100.00	29,225,000	2,922,500	26,302,500
NOTE: * Month #1 initial billing for period prior to commencing of building construction							
TOTALS	29,225,000	2,922,500	26,302,500				
HOLDBACK RELEASE - 45 Days after Substantial Performance (per CLA)							

Date of Issue: November 13, 2019

Prepared By: Roxborough Park Inc (RPI)



Hamilton

REPORT 19-006
GOVERNANCE REVIEW SUB-COMMITTEE
Tuesday, November 26, 2019
9:30 am
Council Chambers
Hamilton City Hall

Present: Councillors T. Whitehead (Chair), M. Wilson (Vice-Chair), M. Pearson, B. Clark, L. Ferguson, and A. VanderBeek

THE GOVERNANCE REVIEW SUB-COMMITTEE PRESENTS REPORT 19-006 AND RESPECTFULLY RECOMMENDS:

1. 2019 Review of the City's Procedural By-law 18-270 (CL19010 / LS19041) (City Wide) (Item 10.1)

- (a) That the Summary of the Proposed Revisions, as detailed in the ***amended*** Appendix 'A' attached to Governance Review Sub-Committee Report 19-006, be approved; and,
- (b) That a by-law to Amend By-law No. 18-270, the Council Procedural By-law substantially in the form attached as the ***amended*** Appendix 'B' to Governance Review Sub-Committee Report 19-006, be enacted by Council.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

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

The November 26, 2019 Agenda of the Governance Review Sub-Committee was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) APPROVAL OF MINUTES (Item 4)

(i) May 28, 2019 (Item 4.1)

The Minutes of the May 28, 2019 meeting of the Governance Review Sub-Committee were approved, as presented.

(d) DELEGATION REQUESTS (Item 6)

(i) Cameron Kroetsch, respecting changes to the Procedural By-law (For today's meeting) (Item 6.1)

The delegation request from Cameron Kroetsch, respecting changes to the Procedural By-law, was approved for today's meeting.

(e) PUBLIC HEARINGS / DELEGATIONS (Item 8)

(i) Cameron Kroetsch, respecting changes to the Procedural By-law (Added Item 8.1)

Cameron Kroetsch addressed the Committee respecting changes to the Procedural By-law.

The delegation from Cameron Kroetsch, respecting changes to the Procedural By-law, was received.

(f) DISCUSSION ITEMS (Item 10)

(i) 2019 Review of the City's Procedural By-law 18-270 (CL19010 / LS19041) (City Wide) (Item 10.1)

(a) That Appendix 'A' to Report CL19010 / LS19041, respecting the 2019 Review of the City's Procedural By-Law 18-0270 be amended to reflect the following wording for 1(ix) and 1(xix) as follows:

(ix) to amend subsection (3) to section 3.10 – Communication Items, to address communication items received after the agenda has been sent to print;

(xix) to amend subsection (5) to section 5.13 – Communication Items, to address communication items received after the agenda has been sent to print;

(b) That Appendix 'B' to Report CL19010 / LS19041, respecting the 2019 Review of the City's Procedural By-Law 18-0270 be amended to reflect the following wording for Section 3.10(3) and 5.13(4) as follows:

Section 3.10

- (3) ***Communication Items not received for inclusion in the Agenda package, shall be introduced under Changes to the Council Agenda, provided that they are received in the Office of the City Clerk no later than 12 Noon on the business day prior to the Council meeting.***

Section 5.13

- (4) ***Communication Items not received for inclusion in the Standing Committee Agenda package, shall be introduced under Changes to the Agenda, provided that they are received in the Office of the City Clerk no later than 12 Noon on the business day prior to the Standing Committee meeting.***

For disposition of this matter, refer to Item 1.

(ii) **Civil Marriage Solemnization (CL19012) (City Wide) (Item 10.2)**

- (a) That the City of Hamilton provide Civil Marriage Solemnization services ***as a Pilot Project for 1 year, to a maximum of 150 ceremonies, using current resources***, as of February 1, 2020;
- (b) That the Proposed 2020 User Fees and Charges respecting Civil Marriage Ceremony services attached as Appendix 'C' to Report CL19012, be approved, and included in Schedule 'A' of the By-law to Establish Certain 2020 User Fees and Charges for Services, Activities or the Use of Property;
- (c) That a By-law to Authorize Civil Marriage Solemnization Services and To Delegate the Authority to Solemnize Marriages in the City of Hamilton attached as Appendix 'A' to Report CL19012, which has been prepared in a form satisfactory to the City Solicitor, be enacted by Council; and
- (d) ***That staff report back in Fall of 2020 on the outcome of the Pilot Project.***

Councillor VanderBeek withdrew the motion above.

- (a) ***That Report CL19012 respecting Civil Marriage Solemnization, be referred back to staff for public consultation on a 1 year Pilot Project, to a maximum of 150 ceremonies, using current resources; and,***
- (b) ***That staff report back on the number of officiants in the City of Hamilton.***

(g) ADJOURNMENT (Item 15)

(Ferguson/VanderBeek)

That, there being no further business, the Governance Review Sub-Committee meeting be adjourned at 12:04 p.m.

CARRIED

Respectfully submitted,

Councillor T. Whitehead, Chair
Governance Review Sub-Committee

Councillor M. Wilson, Vice-Chair
Governance Review Sub-Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk

Appendix A to Item 1 of Governance Review Sub-Committee Report 19-006

Summary of the Proposed Revisions

Throughout the by-law:

- Healthy and Safe Communities Committee has been replaced with **Emergency and Community Services Committee**;
- Acronyms have been expanded upon to fully describe their meaning (i.e. OMBI, is now expanded upon when first referred to in the by-law, as follows: Ontario Municipal Benchmarking Initiative (OMBI);
- “48 hours” and “2/two business days” has been replaced with “**2 days**”.

Section 1 – Definitions:

- Added “Time Sensitive”, in order to define the term when it appears in the by-law:

“Time Sensitive” means useful for a specific amount of time only or has to be used or completed by a specific time.

- Added “Public Hearing”, as it applies to a meeting or a portion of a meeting held pursuant to the requirements of a statute, regulation or by-law:

“Public Hearing” means a Meeting or portion of a Meeting held pursuant to the requirements of a statute, regulation or by-law to hold a public meeting to hear representations on a matter from any person who attends the public meeting.

- The definition of “Motion” has been expanded upon to state that a motion is included in the published agenda:

“Motion” means a proposal by a member for the consideration of Council or a Committee **included in the published agenda** that is moved by a member and seconded by another member.

- Amended the definition of “Senior Leadership Team”, as follows:

“Senior Leadership Team” means the City Manager and General Managers appointed by Council and **anyone designated by the City Manager**.

- The definition of “Notice of Motion” has been expanded upon to state that it is a motion that may be included in the published agenda or in the addendum:

“Notice of Motion” means advanced, written notice, given by a member and received by the Clerk, advising Council or Committee that a Motion will

Appendix A to Item 1 of Governance Review Sub-Committee Report 19-006

be brought forward at a future Meeting of Council or Committee, that may be included in the published agenda or in the addendum.

Section 3 – Council Meetings

3.10 Communication Items

- *As per the Governance Review Sub-Committee's request the proposed section (4) was removed and the existing sub-section (3) was amended, as follows:*

- (3) Communication Items not received for inclusion in the Agenda package, shall be introduced under Changes to the Council Agenda, provided that they are received in the Office of the City Clerk no later than 12 Noon on the business day prior to the Council meeting.

3.12 Rules of Debate

- Added subsection (8)(l) to include “a motion to lift”:
- (8) The following matters may be introduced orally without written notice and without leave:
- a point of order
 - a point of privilege
 - a motion to adjourn
 - a motion to call the question
 - a motion to go into committee of the whole
 - a motion to recess
 - a motion to refer
 - a motion to defer
 - a motion to go into a closed meeting
 - a motion to suspend the rules of procedure
 - a motion to lift

3.13 Voting Procedures

- amendment to subsection (3) to remove “move into Closed Session” to change the votes to move into Closed Session to be by electronic votes:
- (3) When an electronic voting system is available every Member of Council or Committee present and participating in a vote on a motion, excluding those motions referred to in (i) and (ii) below, shall vote electronically.

Appendix A to Item 1 of Governance Review Sub-Committee Report 19-006

- (i) procedural (majority vote: refer, defer, withdraw, recess, call the question; ~~move into Closed Session~~ and adjourn); and
 - (ii) Consent Items.
- subsections (6) and (7) have been included to address the procedure to be followed when a member advises the Chair of a point of privilege with respect to the taking of an electronic vote:

(6) When an electronic vote is taken and a member advises the Chair of a point of privilege immediately following and prior to the taking of another vote, with respect to their vote being omitted or in error, the vote will be considered void and a new electronic vote will be retaken immediately.

(7) When an electronic vote is taken and a member advises the Chair of a point of privilege following the taking of another vote, with respect to their vote being omitted or in error, the member's request will be considered through a vote to reconsider the matter:

- (i) If a two-thirds majority vote to reconsider is decided in the affirmative, the electronic vote will be retaken immediately;
- (ii) If a two-thirds majority vote to reconsider is decided in the negative, the original electronic vote stands.

Section 4 - Committee of the Whole

- 4.2** During the consideration of Standing Committee Reports and Selection Committee Reports, a member may lift an item from the Information Section with the approval of a majority of the members present, for the matter:
- (a) to be voted upon by Council; or
 - (b) to be debated and/or amended by Council.
- 4.3** An information item that is lifted from a Standing Committee Report or a Selection Committee Report and amended, will be given an item number and added to the appropriate section of the Standing Committee Report or Selection Committee Report.

Section 5 – Standing Committee Meetings

5.2 - Appointment of Standing Committee Chairs and Vice Chairs

- Addition of subsection (5) to address the possible reappointment of the Chair or Vice-Chair of a Sub-Committee or an Advisory Committee or Task Force for more than one year in a Council term, as they may only meet a few times per term or there may not be sufficient interest from the other members of the Committee:

Appendix A to Item 1 of Governance Review Sub-Committee Report 19-006

- (5) Despite subsection 5.2 (1)(b) the Chair or Vice-Chair of a Sub-Committee or an Advisory Committee or Task Force established by Council may serve for more than one year in a Council term.

5.5 - Standing Committee Meeting Times

- Switching the times of the Board of Health and Public Works Committee meetings will provide Councillors with time between meetings:
 - (1) Unless otherwise decided by Council, scheduled meetings of the Standing Committees will be as follows:
 - (a) (i) General Issues Committee shall meet at least once per month on a Wednesday commencing at 9:30 a.m.;
 - (ii) Board of Health shall meet at least once per month commencing at 9:30 a.m.;
 - (iii) Public Works Committee shall meet at least once per month commencing at 1:30 p.m.;
 - (iv) Planning Committee shall meet at least once per month on a Tuesday commencing at 9:30 a.m.;
 - (v) Audit, Finance & Administration Committee shall meet at least once per month on a Thursday commencing at 9:30 a.m.;
 - (vi) Emergency & Community Services Committee shall meet at least once per month on a Thursday commencing at 1:30 p.m.;

5.10 Order of Business

This section has been amended to add a section that would provide the Clerk with the ability to adjust the general Order of Business for the regular meetings of Standing Committees, if it was deemed necessary (i.e. Planning Committee – separating Public Hearings and Delegations, and putting Delegations first):

- (i) The general Order of Business for the regular meetings of Standing Committees, unless changed by the Standing Committee in the course of the meeting, shall be as follows:
 - (a) Ceremonial Activities
 - (b) Approval of Agenda
 - (c) Declarations of Interest
 - (d) Approval of Minutes of Previous Meeting
 - (e) Communications
 - (f) Delegation Requests

Appendix A to Item 1 of Governance Review Sub-Committee Report 19-006

- (g) Consent Items
- (h) Public Hearings/Delegations
- (i) Staff Presentations
- (j) Discussion Items
- (k) Motions
- (l) Notice of Motions
- (m) General Information/Other Business
- (n) Private and Confidential
- (o) Adjournment

(ii) The Clerk may prepare the Order of Business for the regular meetings of Standing Committees with slight adjustments to the general Order of Business when deemed necessary.

5.11 Delegations

This section has been amended to remove any requirements pursuant to legislation as it applies to the holding of Public Hearings:

- (1) Persons who wish to appear as a delegation to address a Standing Committee on a matter that:
 - (a) is not listed on a Standing Committee agenda, shall make a request in writing to the Clerk, the Clerk will list the delegation request on the respective Standing Committee's upcoming agenda. The requester will be notified of the date of the meeting where their delegation will be heard following Council's ratification of the Standing Committee's Report.
 - (b) is listed on the agenda for a Standing Committee meeting, shall make a request in writing to be listed as a delegation, such request to be received by the Clerk no later than 12:00 noon the business day before the meeting. If the Standing Committee is meeting on a Monday, the deadline will be 12:00 noon on the Friday.
 - ~~(c) provided that a person may attend as a delegation in the absence of a request under paragraphs (a) or (b) where prescribed by applicable legislation or allowed by the Standing Committee.~~

The "Request to Speak to a Committee of Council" form is available on the City's website at www.hamilton.ca.

- (2) A request to attend as a delegation shall include the person's name, reason(s) for the delegation, and if applicable the name, address and telephone number of any person, corporations or organizations which they represent.

Appendix A to Item 1 of Governance Review Sub-Committee Report 19-006

- (3) Upon receipt of a request to attend as a delegation, the Clerk shall list the delegation request on the next appropriate agenda for the relevant Standing Committee and the decision whether or not to entertain the delegation will be made by the Standing Committee.
- ~~(4) A delegation granted permission to appear before the Standing Committee is encouraged to provide the Clerk with a brief of their presentation, which in turn will be provided by the Clerk to the Members of the Standing Committee in advance of the meeting.~~
- (5) When a person is listed as a delegation on a Standing Committee agenda and such person, without notification to the Clerk, does not attend said meeting, that person must make a new request to be considered as a delegation and must re-apply in accordance with subsections 5.11(1) and 5.11(2).
- (6) A delegation, which can be made by two or more individuals, shall be limited to an oral presentation of not more than five minutes, ~~except as otherwise prescribed for at a public meeting by applicable legislation.~~
- (7) Notwithstanding subsection 5.11(6), an extension of a specific allotment of time to the five-minute speaking restriction may be granted with the approval of a majority of the members of the Committee present.
- (8) Delegations are encouraged to provide a written brief of their presentation to the Clerk, at least 5 days in advance, which will be provided to the members of the Standing Committee and become part of the public record.
- ~~(9) Notwithstanding subsection 5.11(6),~~ A delegation may provide additional written material regarding the subject matter, for the public record, by providing a copy of such written material to the Clerk at least 5 days in advance of the meeting.
- ~~(9) A delegation making a request to address a Standing Committee pursuant to their rights under applicable legislation shall be heard without a written request being received in accordance with subsections 5.11(1) and 5.11(2), if advanced notice is not required by such applicable legislation.~~
- (10) Except as required by by-law, any Delegations who have previously appeared before a particular Committee on a subject matter shall be limited to providing only new information in their second and subsequent appearances at that Committee.
- (11) Notwithstanding subsection 5.11(10), a Committee member may add the delegation on a Committee Agenda.

5.12 Public Hearings

Appendix A to Item 1 of Governance Review Sub-Committee Report 19-006

The entire section has been amended to address the City's requirements for holding Public Hearings pursuant to legislation:

- (1) Public Hearings shall be held at Standing Committee meetings.
- (2) Advertising or notice of a Public Hearing shall be undertaken as required by applicable legislation, by-law, or according to City policy, to advise interested persons.
- (3) Public Hearings shall commence with:
 - (a) an introduction of the subject matter by the Chair or by staff;
 - (b) the staff presentation, if any and if not waived by the members of the Standing Committee;
 - (c) the signing in of all delegations on a sheet, provided by staff, with their name, address, including postal code, phone number and e-mail address (optional).
- (4) Persons who wish to appear as a delegation to address Standing Committee on a matter that is the subject of a Public Hearing may make a delegation in accordance with section 5.11.
- (5) Notwithstanding subsection (4), Standing Committee shall hear oral representations from any person in attendance at a Public Hearing, whether or not a request was made in advance.
- (6) There is no limitation to the length of oral representations made at a Public Hearing, except that the Chair may encourage the delegation to conclude where the representations are irrelevant or repetitive.
- (7) Where a delegation wishes to provide written material to the members of the Standing Committee at a Public Hearing, which will become public record, the delegation shall:
 - (a) comply with subsection 5.11(9); or
 - (b) provide 25 copies of the written material to the Clerk at the meeting for distribution at the meeting, with the exception of the General Issues Committee, which requires 45 copies.

5.13 Communication Items

- *As per the Governance Review Sub-Committee's request the proposed section (5) was removed and the existing sub-section (4) was amended, as follows:*

Appendix A to Item 1 of Governance Review Sub-Committee Report 19-006

- (4) Communication Items not received for inclusion in the Standing Committee Agenda package, shall be introduced under Changes to the Agenda, provided that they are received in the Office of the City Clerk no later than 12 Noon on the business day prior to the Standing Committee meeting.

The Ombudsman of Ontario in the Final Report respecting Closed meetings on February 9 and 23, 2019, recommended that the City's Procedural By-law be updated to include a provision for notice of all Committee meetings, in addition to those of its Standing Committees, staff are therefore, recommending that the following section be included to address the Ombudsman's recommendation:

5.17 Change to a Scheduled Committee Meeting

- (1) The Clerk may change the time or location of a Committee meeting in consultation with the Committee Chair or the Committee Vice Chair in the Committee Chair's absence.
- (2) The Clerk shall give each Member of the Committee, or their designated staff, notice of the change to the Committee meeting at least 2 days prior to the time appointed for such meeting by:
- (a) delivering a written notice personally;
 - (b) delivering such notice at their residence or place of business; or
 - (c) facsimile transmission or electronic mail to such residence or place of business.
- (3) The written notice to be given under subsection 5.17(2) shall state the reason for the change to the meeting.
- (4) The Clerk shall ensure that the change to the Committee meeting is posted to the Committee and Council Meeting Calendar on the City's website at www.hamilton.ca.

Appendices

Appendix A - GENERAL ISSUES COMMITTEE

- Added "Climate Change" to the MANDATE of the General Issues Committee;
- The reference to MPMP (Municipal Performance Measurement Program) has been removed as it was discontinued effective the 2014 reporting year;
- The reference to OMBI, has been expanded upon: Ontario Municipal Benchmarking Initiative (OMBI); and

Appendix A to Item 1 of Governance Review Sub-Committee Report 19-006

- The reference to G.R.I.D.S. was expanded upon and changed to the manner in which it is currently being referred to as GRIDS:

MANDATE

General:

To report and make recommendations to Council on matters relating to:

- MPMP, Ontario Municipal Benchmarking Initiative (OMBI)
- Growth Related Integrated Development Strategy (GRIDS)
- Climate Change

Specific duties shall include:

- To consider and recommend to Council on matters relating to GRIDS

Appendix D - PLANNING COMMITTEE

- Local Planning Appeal Tribunal (LPAT) has replaced Ontario Municipal Board:

Specific duties shall include:

- To advise and assist Council in any matters arising from the work of the Committee of Adjustment in considering applications for consent and minor variance under the *Planning Act*, including possible City participation at any Local Planning Appeal Tribunal (LPAT) Hearings to consider the appeal of Committee of Adjustment decisions

Revision:

Appendix F – AUDIT, FINANCE & ADMINISTRATION COMMITTEE

Council at their meeting of October 23, 2019, delegated its authority to hold any further hearings; pursuant to any other complaints made pursuant to Section 20 of the *Development Charges Act, 1997*; to the Audit, Finance & Administration Committee:

- Added “to hold hearings on complaints made pursuant to Section 20 of the *Development Charges Act, 1997*” to the MANDATE of the Audit, Finance & Administration Committee;

Appendix B to Item 1 of Governance Review Sub-Committee Report 19-006

Authority: Item __, Audit, Finance &
Administration Committee
TBD
CM: TBD
Ward: City Wide

Bill No. ____

CITY OF HAMILTON

BY-LAW NO. 19-____

To Amend By-law No. 18-270, the Council Procedural By-law

WHEREAS Council enacted a Council Procedural By-law being City of Hamilton By-law No. 18-270;

AND WHEREAS it is necessary to amend By-law 18-270.

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. That By-law No. 18-270, be amended:
 - (i) to replace Healthy and Safe Communities Committee with Emergency and Community Services Committee;
 - (ii) to amend the instances where acronyms have been used, in order to fully describe the meaning of acronyms being referred to throughout the by-law;
 - (iii) to replace the term “48 hours” and “2/two business days” with “2 days”;
 - (iv) to add the definition of “Time Sensitive”;
 - (v) to add the definition of “Public Hearing”;
 - (vi) to expand upon the definition of “Motion”;
 - (vii) to expand upon the definition of “Notice of Motion”;
 - (viii) to amend the definition of “Senior Leadership Team”;
 - (ix) to amend subsection (3) to section 3.10 – Communication Items, to address communication items received after the agenda has been sent to print;**
 - (x) to add subsection (8)(l) to section 3.12 – Rules of Debate, to include “a motion to lift”;
 - (xi) to amend subsection (3) of section 3.13 – Voting Procedures to remove “move into Closed Session” to change the votes to move into Closed Session to be by electronic vote;
 - (xii) to add subsections (6) and (7) to section 3.13 – Voting Procedures to address the procedure to be followed when a member advises the Chair of a point of privilege with respect to the taking of an electronic vote;
 - (xiii) to add subsections 4.2 and 4.3 to include a procedure for lifting an information item from a Committee Report;
 - (xiv) to add subsection (5) to section 5.2 - Appointment of Standing Committee Chairs and Vice Chairs to address the possible reappointment of the Chair or Vice-Chair of a Sub-Committee or an

To Amend By-law No. 18-270, the Council Procedural By-law

Page 2 of 2

- Advisory Committee or Task Force for more than one year in a Council term;
- (xv) to amend the times of the Board of Health and Public Works Committee meetings to: Board of Health at 9:30 a.m. and Public Works Committee at 1:30 p.m.;
 - (xvi) to add section 5.10 (ii) to provide the Clerk with the ability to adjust the general Order of Business for regular Standing Committee meetings when it is deemed necessary;
 - (xvii) to amend section 5.11 - Delegations to remove any requirements pursuant to legislation as it applies to the holding of Public Hearings;
 - (xviii) to delete and replace section 5.12 - Public Hearings to address the City's requirements for holding Public Hearings pursuant to legislation;
 - (xix) to amend subsection (5) to section 5.13 – Communication Items, to address communication items received after the agenda has been sent to print;**
 - (xx) to add section 5.17 - Change to a Scheduled Committee Meeting, to address the Ombudsman of Ontario recommendation to include a provision for notice of all Committee meetings;
 - (xxi) to add "Climate Change" to the MANDATE of the General Issues Committee;
 - (xxii) to delete the reference to MPMP (Municipal Performance Measurement Program);
 - (xxiii) to expand upon the reference to OMBI, to: Ontario Municipal Benchmarking Initiative (OMBI); to expand upon the reference to GRIDS;
 - (xxiv) to replace the reference to the Ontario Municipal Board to the Local Planning Appeal Tribunal (LPAT); and
 - (xxv) to add "to hold hearings on complaints made pursuant to Section 20 of the Development Charges Act, 1997" to the MANDATE of the Audit, Finance & Administration Committee.

2 This By-law comes into force on the day it is passed.

PASSED this _____ day of _____, 2019.

F. Eisenberger
Mayor

A. Holland
City Clerk