



City of Hamilton
AUDIT, FINANCE AND ADMINISTRATION COMMITTEE

Meeting #: 20-001
Date: January 16, 2020
Time: 9:30 a.m.
Location: Council Chambers, Hamilton City Hall
71 Main Street West

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

1. CEREMONIAL ACTIVITIES

2. APPROVAL OF AGENDA

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

3. DECLARATIONS OF INTEREST

4. APPROVAL OF MINUTES OF PREVIOUS MEETING

4.1 December 5, 2019

5. COMMUNICATIONS

6. DELEGATION REQUESTS

6.1 Fardad Chadorshabchi, respecting water billing charges (For a future meeting)

7. CONSENT ITEMS

7.1 Various Advisory Committee Minutes:

7.1.a Committee Against Racism - September 24, 2019

7.1.b Committee Against Racism - October 22, 2019

7.1.c Committee Against Racism - November 12, 2019

- 7.1.d Hamilton Aboriginal Advisory Committee - September 5, 2019
- 7.1.e Hamilton Aboriginal Advisory Committee - October 3, 2019
- 7.1.f Hamilton Aboriginal Advisory Committee - December 5, 2019
- 7.1.g Hamilton Mundialization Committee - April 17, 2019
- 7.1.h Hamilton Mundialization Committee - June 19, 2019
- 7.1.i Hamilton Mundialization Committee - September 18, 2019
- 7.1.j Hamilton Mundialization Committee - October 16, 2019
- 7.1.k Hamilton Mundialization Committee - November 5, 2019
- 7.1.l Hamilton Status of Women Committee - November 28, 2019
- 7.1.m Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee - April 30, 2019
- 7.1.n Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee - June 25, 2019
- 7.1.o Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee - August 20, 2019
- 7.1.p Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee - August 27, 2019
- 7.1.q Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee - September 17, 2019
- 7.1.r Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee - October 15, 2019

7.2 Fraud, Waste, and Whistleblower Update - Q3 2019 (AUD20001) (City Wide)

7.3 2020 Temporary Borrowing and Interim Tax Levy By-laws (FCS20003) (City Wide)

7.4 Education Development Charge Update (FCS20010) (City Wide)

8. PUBLIC HEARINGS / DELEGATIONS

9. STAFF PRESENTATIONS

10. DISCUSSION ITEMS

- 10.1 HMRF/HWRF Pension Administration Sub-Committee Report 19-001 - December 10, 2019
- 10.2 2019 City of Hamilton External Audit Plan (FCS20004) (City Wide)
- 10.3 Use of External Services for Tax Assessment & Appeals (FCS20005) (City Wide)
- 10.4 Citizen Committee Report - Hamilton Aboriginal Advisory Committee - Updated Terms of Reference
- 10.5 2020 Grant Advances – City Enrichment Fund (GRA20001) (City Wide)

11. MOTIONS

12. NOTICES OF MOTION

13. GENERAL INFORMATION / OTHER BUSINESS

14. PRIVATE AND CONFIDENTIAL

- 14.1 Closed Minutes - December 5, 2019 (Distributed under separate cover)

Pursuant to Section 8.1, Sub-sections (f) and (k) of the City's Procedural By-law 18-270, and Section 239(2), Sub-sections (f) and (k) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to 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.

15. ADJOURNMENT



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 19-019

12:14 p.m.

December 5, 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

Also Present: Councillor N. Nann

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. Appointment of Committee Chair and Vice-Chair for 2020 (Item 1)

(i) (Clark/Partridge)

That Councillor M. Wilson be appointed as Chair of the Audit, Finance & Administration Committee for 2020.

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

(ii) (Pearson/Partridge)

That Councillor B. Clark be appointed as Vice-Chair of the Audit, Finance & Administration Committee for 2020.

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

**2. 2019 Third Quarter Request for Tenders and Proposals Report
(FCS19041(b)) (City Wide) (Item 7.1)**

(Clark/Pearson)

That Report FCS19041(b), respecting 2019 Third Quarter Request for Tenders and Proposals Report, be received.

CARRIED

**3. 2019 Third Quarter Emergency and Non-competitive Procurements Report
(FCS19042(b)) (City Wide) (Item 7.2)**

(Clark/Pearson)

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

CARRIED

**4. Third Quarter Non-compliance with the Procurement Policy Report
(FCS19043(b)) (City Wide) (Item 7.3)**

(Clark/Pearson)

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

CARRIED

**5. 2019 Freedom of Information Quarterly Report (July 1 to September 30)
(CL19005(b)) (City Wide) (Item 7.4)**

(Clark/Pearson)

That Report CL19005(b), respecting the T2019 Freedom of Information Quarterly Report (July 1 to September 30), be received.

CARRIED

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

(Pearson/Partridge)

That Report FCS19059(b), respecting the Audit and Accountability Fund Third Party Reviewer's Report, be received.

CARRIED

7. **Hamilton Anti-Racism Resource Centre Update (HUR18010(c)) (City Wide)
(Item 9.2)**

(i) (Pearson/Ferguson)

That the staff direction provided in Closed Session, be approved and remain confidential.

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

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

(ii) (Clark/Pearson)

(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;
- (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.

Result: Motion CARRIED by a vote of 6 to 1, as follows:

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

8. Citizen Committee Report - Committee Against Racism - Transitional Model for the Re-opening of HARRC (CAR-19-01) (Added Item 9.3)

(Clark/Ferguson)

That the Citizen Committee Report - Committee Against Racism - Transitional Model for the Re-opening of HARRC (CAR-19-01), be received and referred to staff for consideration and report back to the Audit, Finance & Administration Committee in February 2020.

Result: Motion CARRIED by a vote of 7 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
YES - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark

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

(Partridge/Pearson)

- (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.

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

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

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

(Pearson/Clark)

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.

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

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

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

(Johnson/Partridge)

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.

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

NOT PRESENT - Councillor Maureen Wilson
YES - Chair Chad Collins
YES - Councillor Judi Partridge
NOT PRESENT - Councillor Arlene VanderBeek

NOT PRESENT - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark

12. 2020 Budget Submissions Volunteer Advisory Committee (HUR19026) (City Wide) (Item 10.4)

(Johnson/Clark)

- (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.
- (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.

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

NOT PRESENT - Councillor Maureen Wilson
YES - Chair Chad Collins
YES - Councillor Judi Partridge
NOT PRESENT - Councillor Arlene VanderBeek

NOT PRESENT - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark

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

(Partridge/Pearson)

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.

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

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

14. Legalization of Cannabis Edibles (HUR19028) (City Wide) (Item 10.6)

(Johnson/Clark)

That Report HUR19028, respecting the Legalization of Cannabis Edibles, be received.

CARRIED

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

(Clark/Pearson)

- (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,

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

NOT PRESENT - Councillor Maureen Wilson
YES - Chair Chad Collins
YES - Councillor Judi Partridge
NOT PRESENT - Councillor Arlene VanderBeek

NOT PRESENT - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark

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

(Clark/Johnson)

- (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;
- (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; and,
- (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.

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

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

17. Governance Review Sub-Committee Report 19-006 - November 26, 2019 (Item 10.9)

(Clark/Pearson)

(a) 2019 Review of the City's Procedural By-law 18-270 (CL19010 / LS19041) (City Wide) (Item 10.1)

- (i) 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,
- (ii) 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.

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

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

18. Commercial Relationship Between the City of Hamilton and Century Group Inc. (FCS18100(a) / LS18060(a)) (City Wide) (Item 14.2)

(Partridge/Pearson)

- (a) That the direction provided to staff in Closed Session respecting Report FCS18100(a) / LS18060(a), the Commercial Relationship Between the

City of Hamilton and Century Group Inc., be approved and released publicly following approval by Council; and,

- (b) That the contents of this Report FCS18100(a) / LS18060(a), respecting the Commercial Relationship Between the City of Hamilton and Century Group Inc., remain confidential.

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

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

19. Negotiation Update for the Continued Supply of Raw Water to 690 Strathearne Avenue North (FCS18049(d) / LS18014(b)) (Ward 4) (Added Item 14.4)

(Pearson/Johnson)

- (a) That the direction provided to Staff in Closed Session, respecting Report FCS18049(d) / LS18014(b), the Negotiation Update for the Continued Supply of Raw Water to 690 Strathearne Avenue North, be approved; and,
- (b) That the contents of Report FCS18049(d) / LS18014(b) 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 5 to 0, as follows:

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

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

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

5. COMMUNICATIONS (Item 5)

- 5.1 Correspondence from Ameil J. Joseph, Associate Professor, School of Social Work, McMaster University, respecting the Hamilton Anti-Racism Resource Centre Relaunch

Recommendation: Be received and referred to the consideration of Item 9.2, the Hamilton Anti-Racism Resource Centre Update (HUR18010(c)) (City Wide).

6. DELEGATION REQUESTS (Item 6)

- 6.1 Mouna Bile, HARRC Community Working Group, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (For today's meeting)
- 6.2 Kojo Dampsey, Hamilton Centre for Civic Inclusion, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (For today's meeting)
- 6.3 Tajseem Hussain, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (For today's meeting)
- 6.4 Gabriela Roberts, Black Students Association McMaster, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (For today's meeting)
- 6.5 Michael Abraham, The Space Youth Centre, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (For today's meeting)
- 6.6 Charles Frechette, ArcelorMittal Long Product Canada (AMLPC), respecting the progress of negotiation between the City's staff and AMLPC, and asking for an extension (For today's meeting)

9. STAFF PRESENTATIONS (Item 9)

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

Added supplementary consultant reports:

- 9.1(a) Development Charges Support Review
- 9.1(b) Transportation Modelling Review
- 9.1(c) Water Distribution Asset Maintenance

- 9.3 Citizen Committee Report - Committee Against Racism - Transitional Model for the Re-opening of HARRC (CAR-19-01)

14. PRIVATE AND CONFIDENTIAL (Item 14)

14.4 Negotiation Update for the Continued Supply of Raw Water to 690 Strathearne Avenue North (FCS18049(d) / LS18014(b)) (Ward 4)

CHANGE TO THE ORDER OF ITEMS

Councillor Clark requested to have Items 9.2 & 9.3 moved up on the agenda to be before Item 9.1.

(Clark/Partridge)

That the agenda for the December 5, 2019 Audit, Finance and Administration Committee meeting be approved, as amended.

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

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

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

(i) November 21, 2019 (Item 4.1)

(Pearson/VanderBeek)

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

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

(d) COMMUNICATIONS (Item 5.1)

(Partridge/Wilson)

That Communication Item 5.1, correspondence from Ameil J. Joseph, Associate Professor, School of Social Work, McMaster University, respecting the Hamilton Anti-Racism Resource Centre Relaunch, be received and referred to the consideration of Item 9.2, the Hamilton Anti-Racism Resource Centre Update (HUR18010(c)) (City Wide).

CARRIED

(e) DELEGATION REQUESTS (Item 6)

(VanderBeek/Partridge)

That the following Delegation Requests, be approved for today's meeting:

- (i) Mouna Bile, HARRC Community Working Group, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (For today's meeting) (Added Item 6.1)
- (ii) Kojo Dampsey, Hamilton Centre for Civic Inclusion, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (For today's meeting) (Added Item 6.2)
- (iii) Tajseem Hussain, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (For today's meeting) (Added Item 6.3)
- (iv) Gabriela Roberts, Black Students Association McMaster, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (For today's meeting) (Added Item 6.4)
- (v) Michael Abraham, The Space Youth Centre, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (For today's meeting) (Added Item 6.5)
- (vi) Charles Frechette, ArcelorMittal Long Product Canada (AMLPC), respecting the progress of negotiation between the City's staff and AMLPC, and asking for an extension (For today's meeting) (Added Item 6.6)

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

(f) PUBLIC HEARINGS / DELEGATIONS (Item 8)

(i) Mouna Bile, HARRC Community Working Group, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (Added Item 8.1)

Mouna Bile, HARRC Community Working Group, addressed the Committee respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update.

For disposition of this matter, please refer to Item 7 & (g)(ii).

(ii) Kojo Dampsey, Hamilton Centre for Civic Inclusion, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (Added Item 8.2)

Kojo Dampsey, Hamilton Centre for Civic Inclusion, addressed the Committee respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update.

For disposition of this matter, please refer to Item 7 & (g)(ii).

(iii) Tajseem Hussain, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (Added Item 8.3)

Tajseem Hussain, addressed the Committee respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update.

For disposition of this matter, please refer to Item 7 & (g)(ii).

(iv) Gabriela Roberts, Black Students Association McMaster, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (Added Item 8.4)

Gabriela Roberts, Black Students Association McMaster, addressed the Committee respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update.

For disposition of this matter, please refer to Item 7 & (g)(ii).

(v) Michael Abraham, The Space Youth Centre, respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update (Added Item 8.5)

Michael Abraham, The Space Youth Centre, addressed the Committee respecting Item 9.2, the Hamilton Anti-Racism Resource Centre Update.

For disposition of this matter, please refer to Item 7 & (g)(ii).

(vi) Charles Frechette, ArcelorMittal Long Product Canada (AMLPC), respecting the progress of negotiation between the City's staff and AMLPC, and asking for an extension (Added Item 8.6)

Charles Frechette, ArcelorMittal Long Product Canada (AMLPC), addressed the Committee respecting the progress of negotiation between the City's staff and AMLPC, and asking for an extension, with the aid of a presentation.

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

For disposition of this matter, please refer to Item 19 & (k)(iii).

(Clark/Pearson)

That the Delegations for Items 8.1 through 8.6, be received.

CARRIED

(g) STAFF PRESENTATIONS (Item 9)

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

Mike Zegarac, General Manager, Finance and Corporate Services, Corporate Services, introduced Jim Bruzzese, President of BMA, to present the Audit and Accountability Fund Third Party Reviewer's Report, with the aid of a presentation.

(Pearson/Partridge)

That the presentation respecting the Audit and Accountability Fund Third Party Reviewer's Report, 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.

(Clark/Partridge)

That the added supplementary materials provided by BMA, be received:

- 1) Development Charges Support Review (Added Item 9.1(a))
- 2) Transportation Modelling Review (Added Item 9.1(b))
- 3) Water Distribution Asset Maintenance (Added Item 9.1(c))

CARRIED

(Clark/Pearson)

That the added supplementary information from BMA, respecting the Development Charges Support Review (Added Item 9.1(a)), the Transportation Modelling Review (Added Item 9.1(b)), and the Water Distribution Asset Maintenance (Added Item 9.1(c)), be forwarded to the

appropriate staff for review and a report back to the appropriate Standing Committee.

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

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

For disposition of this matter, please refer to Item 6.

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

Jodi Koch, Director of Talent and Diversity, addressed the Committee respecting the Hamilton Anti-Racism Resource Centre Update, with the aid of a presentation.

(Clark/Partridge)

That the presentation respecting the Hamilton Anti-Racism Resource Centre Update, 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.

(iii) Citizen Committee Report - Committee Against Racism - Transitional Model for the Re-opening of HARRC (CAR-19-01) (Added Item 9.3)

Marlene Dei-Amoah, Chair, and Louic Leblanc, Vice-Chair of the Committee Against Racism, addressed the Committee respecting the Citizen Committee Report - Committee Against Racism - Transitional Model for the Re-opening of HARRC (CAR-19-01).

(Clark/Partridge)

That the presentation respecting the Citizen Committee Report - Committee Against Racism - Transitional Model for the Re-opening of HARRC (CAR-19-01), be received.

CARRIED

For disposition of this matter, please refer to Item 8.

(h) **PRIVATE AND CONFIDENTIAL (Item 14)**

(Clark/Pearson)

That Committee move into Closed Session respecting Item 9.2 Appendix 'E', 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.

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 VanderBeeck
NOT PRESENT - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark

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

Staff were provided direction in Closed Session.

For disposition of this matter, please refer to Item 7.

(i) **DISCUSSION ITEMS (Item 10)**

(i) **Governance Review Sub-Committee Report 19-006 – November 26, 2019 (Item 10.9)**

(Clark/Johnson)

Amendment to Item 1 of the Governance Review Sub-Committee Report 19-006 respecting the 2019 Review of the City's Procedural By-law 18-270

WHEREAS the Ontario Municipal Benchmarking Initiative (OMBI) has been renamed to Municipal Benchmarking Network Canada (MBNC).

THEREFORE BE IT RESOLVED:

That Appendix 'A' and Appendix 'B' to Governance Review Sub-Committee Report 19-006, be **further amended** to change all references to the Ontario Municipal Benchmarking Initiative (OMBI) to the Municipal Benchmarking Network Canada (MBNC).

(a) 2019 Review of the City's Procedural By-law 18-270 (CL19010 / LS19041) (City Wide) (Item 10.1)

- (i) That the Summary of the Proposed Revisions, as detailed in the **Revised** Appendix 'A' attached to the Governance Review Sub-Committee Report 19-006, be approved; and,
- (ii) That a by-law to Amend By-law No. 18-270, the Council Procedural By-law substantially in the form attached as the **Revised** Appendix 'B' to the Governance Review Sub-Committee Report 19-006, be enacted by Council.

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

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

For disposition of this matter, please refer to Item 17.

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

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

(Clark/Pearson)

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

- (a) Items to be Removed (Item 13.1(a)):**
Access By Design Policy
Routine Disclosure and Active Dissemination Policy (CL19013)
Item 10.7 on today's agenda (Item 15 above)
OBL Item: 19-I

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

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

(k) PRIVATE AND CONFIDENTIAL (CONTINUED) (Item 14)

(i) November 21, 2019 – Closed Session Minutes (Item 14.1)

(Clark/Johnson)

- (a) That the Closed Session Minutes of the November 21, 2019 Audit, Finance and Administration meeting, be approved as presented; and,
- (b) That the Closed Session Minutes of the November 21, 2019 Audit, Finance and Administration meeting, remain confidential.

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

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

(Partridge/Pearson)

That Committee move into Closed Session respecting Items 14.2 & 14.4, 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.

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

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

(ii) Commercial Relationship Between the City of Hamilton and Century Group Inc. (FCS18100(a) / LS18060(a)) (City Wide) (Item 14.2)

Staff were provided direction in Closed Session.

For disposition of this matter, refer to Item 18.

**(iii) Negotiation Update for the Continued Supply of Raw Water to 690
Strathearne Avenue North (FCS18049(d) / LS18014(b)) (Ward 4)
(Added Item 14.4)**

Staff were provided direction in Closed Session.

For disposition of this matter, refer to Item 19.

(l) ADJOURNMENT (Item 15)

(Pearson/Partridge)

That, there being no further business, the Audit, Finance and Administration
Committee, be adjourned at 5:49 p.m.

CARRIED

Respectfully submitted,

Councillor Collins, Chair
Audit, Finance and Administration
Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk

Form: Request to Speak to Committee of Council
Submitted on Tuesday, December 3, 2019 - 3:42 pm

==Committee Requested==

Committee: Audit, Finance & Administration

==Requestor Information==

Name of Individual: Fardad Chadorshabchi

Name of Organization:

Contact Number:

Email Address:

Mailing Address:

Reason(s) for delegation request:

Good day,

Property Address:

1. I had been charged triple the amount for my water bill during 2018 and part of 2019 because the water meter Reader on the outside was not working and I was 100% unaware of it since neither the city nor the water department ever notified me about it and kept charging me triple the amount(flat rate).

2. I have visited Water department of Hamilton numerous times and I got passed on to different people and was brushed off then after many emails back and forth with the person in charge, finally when I met that person, she sat beside me and started yelling at me though I had the whole

back and forths in our email messages respectfully! Then a colleague joined her and mentioned that they took the average of the first and the last month of the triple charge amounts and billed me that way! Based on TRIPLE CHARGED AMOUNT! and pushed me to believe that it was my consumption! I have collected few Water bills as proof that my Water Bills are no more than \$62 to \$72 monthly as proof to you.

At this point I urgently need to sort this out with you , since the interest is keeping to add on and if you reply to this matter late, I honestly am losing a lot of money knowing that I got laid off and have been seeking employment. My notice of assessment last year was only \$16000! and the mortgage is being paid by the little rent I collect and I am short of money and with all respect, I honestly can not afford this very high demanding interests and amounts that the city is pushing me to pay.

Best Regards;
Fardad Chadorshabchi

Will you be requesting funds from the City? Yes

Will you be submitting a formal presentation? Yes



Hamilton

- MINUTES -
COMMITTEE AGAINST RACISM
Tuesday, September 24, 2019, 6:30 p.m.
City Hall, 71 Main Street West, Room 192

- Present:** Marlene Dei-Amoah, Tyrone Childs, Shamini Jacob, Phillip Jeffrey, Annie Law, Taimur Qasim
- Regrets:** Louic LeBlanc
- Absent:** Leslyn Gombakomb and Sylvia Gill
- Also Present:** Jodi Koch – Director, Human Rights, Diversity and Inclusion
Councillor Brad Clark
Nabila Akbary, Admin. Assistant, Talent and Diversity
Guests: Albert Mac, Taylor Decost, Sam Patrick, Alvin Goodson, Kojo Dampety
- Chair:** M. Dei-Amoah

Welcome & Introductions

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

1. Changes to the Agenda

- i) Additional Item of 5.7 titled as Community Event

2. Declaration of Interest

- i) None declared

3. Approval of Minutes

- i) Correction on spelling of name for Phillip Jeffrey from the Meeting Minutes dated June 25, 2019

T. Qasim/T. Childs

That the Committee Against Racism accepts the Meeting Minutes of June 25, 2019 as amended and the No Quorum Minutes of July 23, 2019.

CARRIED

4. Presentations - N/A

5. Business / Discussion Items

5.1 Election of Recording Secretary

- Rotating basis annually
- Recording secretary of 2019 including January 2020 is Taimur Qasim

P. Jeffrey/T. Childs

That the Committee Against Racism elects Taimur Qasim as Recording Secretary for the year of 2019 including January 2020.

CARRIED

5.2 Update on Hamilton Anti-Racism Resource Centre

- Provided by Jodi Koch: City Staff spent 300 hours attending community events to promote the Hamilton Anti-Racism Resource Centre and survey. Online Survey received 584 responses and preliminary results should be available by October 22, 2019 CAR meeting.
- Schedule additional CAR meeting mid November 2019

5.3 HARRC Community Engagement Event

- Date set is for October 29, 2019

5.4 CAR Brochure Review

- Inquire on updated brochure status from Louic prior to next meeting in October 22, 2019

DEFERRED

5.5 Budget 2020

- Budget 2020 to be finalized at November 2019 meeting once CAR decides on the recommendations to council regarding HARRC.
- Tentatively the details of 2020 Budget are to remain the same as 2019 submission
- 350\$ from Councillor Clark's budget, invoice to be sent for HARRC Community Consultation event on October 29, 2019 for the purchase of refreshments

5.6 Public Delegation Request

- Process and instructional guide to be provided by Clerks office

5.7 Community Event

- 24th Annual Youth Scholarship Banquet on October 19, 2019 at 6:30pm within the Sheraton Hotel located on 116 King Street, Hamilton.
- Tickets are \$70 includes meal and students are \$55

- Email for enrollment is accischolarships@gmail.com
- Tyrone Childs - ask is if any committee members are interested in attending on behalf of CAR
- Councillor Clark to attend and pay for his own ticket
- Tyrone Childs and Marlene Dei-Amoah to attend event on behalf of committee

T. Childs/ S. Jacob

That the Committee Against Racism to support the event by having two members attend additionally to purchase two student youth tickets. \$250 contribution towards tickets for the 24th Annual Youth Scholarship Banquet.

CARRIED

6. Announcements and Information Sharing

- Councillor Clark speaking to Restorative Practices Training by John Howard Society on September 27, 2019 for Council and Senior Leadership Team
- Gandhi Peace Festival: Waging Action on Hate for the date of October 4, 2019 and October 5, 2019 is the Freedom March

7. Adjournment

P. Jeffrey/T. Childs

That the Committee Against Racism meeting adjourn at 8:07pm.

Next meeting scheduled for Tuesday, October 22, 2019.



Hamilton

- MINUTES -
COMMITTEE AGAINST RACISM
Tuesday, October 22, 6:30 p.m.
City Hall, 71 Main Street West, Room 192

- Present:** Marlene Dei-Amoah, Louic LeBlanc, Shamini Jacob, Phillip Jeffrey, Annie Law and Taimur Qasim
- Regrets:** N/A
- Absent:** Sylvia Gill, Tyrone Childs and Leslyn Gombakomba
- Also Present:** Jodi Koch – Director, Human Rights, Diversity and Inclusion
 Councillor Brad Clark
 Nabila Akbary - Admin. Assistant, Talent and Diversity
 Guests: Alvin Goodson and Kojo Dampthey
- Chair:** M. Dei-Amoah

Welcome & Introductions

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

1. Changes to the Agenda

- i) Correction of date for next CAR meeting to Tuesday, November 26, 2019

2. Declaration of Interest

- i) None declared

3. Approval of Minutes

P. Jeffrey / L. LeBlanc

That the Committee Against Racism accepts the Meeting Minutes of September 24, 2019.

CARRIED

4. Presentations - N/A

5. Business / Discussion Items

- 5.1 Update on HARRC Survey

- Provided by J. Koch: Survey leaflet presented and reviewed draft HARRC survey results.
- Final results to be presented at community engagement event on October 29, 2019

5.2 HARRC Community Engagement Event

- Provided by J. Koch: Reviewed the agenda for the evening of the HARRC event. Survey data will be presented to the community.
- Focus on proactive recommendations.
- Discussion on different options for the new HARRC government structure.

5.3 Terms of Reference

DEFERRED

5.4 CAR Brochure Review

DEFERRED

5.5 Equity Toolkit Discussion

DEFERRED

5.6 2020 Budget Discussion

DEFERRED

6. Announcements and Information Sharing

- i) None declared

7. Adjournment

L. LeBlanc / P. Jeffrey

That the Committee Against Racism meeting adjourn at 9:15pm.

Next meeting scheduled for Tuesday, November 26, 2019



Hamilton

- MINUTES -
COMMITTEE AGAINST RACISM
Tuesday, November 12, 6:30 p.m.
City Hall, 71 Main Street West, Room 264

Present:	Marlene Dei-Amoah, Shamini Jacob, Phillip Jeffrey, Annie Law, Taimur Qasim
Regrets:	Louic LeBlanc and Councillor Brad Clark
Absent:	Sylvia Gill, Tyrone Childs and Leslyn Gombakomba
Also Present:	Jodi Koch – Director, Human Rights, Diversity and Inclusion Nabila Akbary, Admin. Assistant, Talent and Diversity
Chair:	M. Dei-Amoah

Welcome & Introductions

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

1. Declaration of Interest

- i) None declared

2. Business/ Discussion Items

2.1 HARRC Operating Models

- Results from all four focus groups from the HARRC event presented as a compiled draft document.
- Discussion held on operating models.

2.2 Budget 2020

- Decisions made on final 2020 budget

P. Jeffrey / S. Jacob

That the Committee Against Racism accepts the final review and decisions for the 2020 budget.

CARRIED

2.3 Citizen Committee Report

- To complete the Citizen Committee Report as it relates HARRC and governance models.

A. Law / P. Jeffrey

Draft Citizen Committee Report and recommendations for HARRC for November 26, 2019
CAR meeting.

CARRIED

3. Adjournment

S. Jacob / A. Law

That the Committee Against Racism meeting adjourn at 9:16 pm.

Next meeting scheduled for Tuesday, November 26, 2019



Hamilton

MINUTES

Aboriginal Advisory Committee Thursday, September 5, 2019 – 5:30 P.M. City Hall, 71 Main St. W., Room 264

Present: Allan Loft, Connie Bellamy, Cat Cayuga, Deborah Elmes, Scott Cruickshank

Regrets: Laura Workman, Marilyn Wright

Also Present: Patty Lawlor - Ally
Betsy Pocop – Human Rights, Diversity & Inclusion (staff)
Nabila Akbary - Admin. Assistant, Talent and Diversity (staff)

Chairperson: Connie Bellamy

Welcome and Introductions

- All were welcomed

Opening

- A. Loft did an opening

1. Changes to the Agenda

Items added:

- 5.6 Book Display
- 5.7 HPL Galleries
- 5.8 Member Resignation
- 5.9 Mayor's Meeting on Hate Crimes

Item deferred:

- 5.1 Election of Chair/Vice-Chair/Recording Secretary

Motion #1

A. Loft/ D. Elmes

That the Aboriginal Advisory Committee accepts the September 5, 2019 agenda, as amended.

CARRIED

2. Declaration of Interest

- There were no declarations of interest

3. Approval of Previous Minutes

Motion #2**D. Elmes/ S. Cruickshank**

That the Aboriginal Advisory Committee accepts the minutes of June 19, 2019 as presented.

CARRIED**4. Presentations**

- No presentations

5. Discussion Items**5.1 Election of Chair/Vice-Chair/Recording Secretary**

- B. Pocop to ask if absentee ballot is permitted.

Motion #3**D. Elmes/ C. Cayuga**

- Defer elections of Chair/ Vice- Chair/ Recording Secretary until October 3, 2019 meeting

CARRIED**5.2 Committee Mandate**

- Reviewed and no changes suggested

5.3 Terms of Reference

- Terms of Reference to reflect ally/non-voting members
- Ally is defined by the committee as an individual supporting the mandate of the committee and the work of the community
- For the selection process Aboriginal community leadership will make recommendations for appointments of residents from the Hamilton Aboriginal Community and for allies.
- For composition to reflect it is comprised of seven to nine appointees from the Hamilton Aboriginal Community and up to two non-voting allies
- Revise member of Council is not member of committee but rather representative of Council
- Ally or optional terms to be used

Motion #4**D. Elmes/A. Loft**

That the Aboriginal Advisory Committee accepts the revised Terms of Reference for 2018 - 2022 term

CARRIED**5.4 2019 Budget**

- B. Pocop provided updated budget information

5.5 Equity Toolkit

- The Aboriginal Advisory Committee to review at October or November meeting

5.6 Book Display Update

- P. Lawlor provided update on the display that was presented until mid-July 2019
- Thank you letters for partners to be sent once Chair has been appointed to sign off
- Easel signage and pamphlet were removed/taken and not yet found at City Hall
- Interim display features personal items loaned by P. Lawlor and D. Elmes

5.7 HPL Galleries

- Potential collaboration between the Aboriginal Advisory Committee or Urban Indigenous Strategy and HPL
- Item deferred, discussion to occur with Urban Indigenous Strategy

5.8 Member Resignation

- The Committee thanked resigning committee member for her support and participation wishing her the best for her future with good health

Motion #5**D. Elmes/ A. Loft**

The Aboriginal Advisory Committee accepts the resignation of member Khitanya Petgrave.

CARRIED**6. Announcements/ Information Sharing**

- D. Elmes did not attend meeting for LGBTQ Committee
- Mayor's Meeting re: Hate Crimes - add to October agenda for M. Wright to provide further information if available.

7. Closing

- A. Loft did a closing

8. Adjournment

Meeting adjourned at 7:50pm

Next Meeting

- Next meeting scheduled for Thursday October 3, 2019



Hamilton

MINUTES

Aboriginal Advisory Committee Thursday, October 3, 2019 – 5:30 P.M. City Hall, 71 Main St. W., Room 264

Present: Scott Cruickshank, Marilyn Wright, Connie Bellamy, Laura Workman, Allan Loft, Deborah Elmes, Patty Lawlor (non-voting)

Regrets: Cat Cayuga

Also Present: Betsy Pocop – Human Rights, Diversity & Inclusion (staff)
Shelly Hill, Nicole Jones - Urban Indigenous Strategy
Kevin Gonci – Hamilton Collaborative Partnership

Opening

- A. Loft did an opening

Welcome and Introductions

- All were welcomed

1. Changes to the Agenda

- Item 4.1 – Presentation from HSR (Re)envision the HSR is deferred to November 2019 meeting
- Addition of a presentation from Kevin Gonci
- Addition of Item 4.2 Urban Indigenous Strategy

Motion #1

A. Loft/ D. Elmes

That the Aboriginal Advisory Committee accepts the October 3, 2019 agenda, as amended.

CARRIED

2. Declaration of Interest

- There were no declarations of interest

3. Approval of Previous Minutes

3.1 September 5, 2019

- Indicate P. Lawlor as ally, non-voting member
- Item 5.6 to match heading from agenda
- Item 5.7 - HPL Galleries
 - Distributed information about HPL Galleries

- Item 5.7 was deferred to have discussion with Urban Indigenous Strategy

Motion #2**S. Cruickshank/ C. Bellamy**

That the Aboriginal Advisory Committee accepts the minutes of September 5, 2019, as amended.

CARRIED**4. Presentations****4.1 Hamilton Collaborative Partnership**

- K. Gonci presented
- There is a proposal for a large scale complex and gathering space and a request has been made to have the City of Hamilton partner in the project
- The proposal currently has the support of many local organizations
- K. Gonci will be presenting at Emergency and Community Services meeting on October 17, 2019
- Request: if the committee is in support of the development of the facility, that the committee write a letter of support for the October 17th meeting

4.2 Urban Indigenous Strategy

- S. Hill provided update
- S. Hill began in the position in late June
- MMIWG related events, putting together implementation plan for the strategy
- Biggest portfolio currently is archaeology
- Policies and procedures looking at working with indigenous groups to implement process and where to connect groups to have money put forward or on projects
- Exhibit at Dundurn Castle; led by youth; opening night raised over \$600.00; opened until November 5, 2019
- The Committee discussed the HPL Galleries and potential partnership with HPL, the Advisory Committee and Urban Indigenous Strategy for a display
- Potential call out for engagement from members of the wider community for the Gallery Display

5. Discussion Items**5.1 Election of Chair/Vice-Chair/Recording Secretary**

- M. Wright nominated for Chair. No other nominations presented. M. Wright acclaimed Chair.
- C. Bellamy nominated for Vice – Chair. No other nominations presented. C. Bellamy acclaimed Vice-Chair.
- P. Lawlor and L. Workman nominated for Recording Secretary. Both nominations declined. D. Elmes nominated and accepted the nomination. No further nominations presented. D. Elmes acclaimed Recording Secretary.

5.2 Business Arising from Previous Minutes**5.3 2020 Budget**

- Item deferred

5.4 Equity Toolkit

- Item deferred

5.5 Mayor's Meeting re: Hate Crimes

- Item deferred

5.6 Book Display Update

- P. Lawlor provided update on the book display that was presented until mid-July 2019
- Thank you letters for partners to be sent once Chair has been appointed to sign off
- Easel signage and pamphlet were removed/taken and not yet found at City Hall
- Interim display features personal items loaned by P. Lawlor and D. Elmes

6. Announcements/ Information Sharing

- M. Wright requested to invite two youth to the November meeting and future meetings to have youth more involved with the committee

7. Closing

- A. Loft did a closing

8. Adjournment

Meeting adjourned at 8:05pm

Next Meeting

- Next meeting scheduled for Thursday, November 7, 2019



Hamilton

MINUTES

Aboriginal Advisory Committee

December 5, 2019

5:30pm

City Hall, Room 264

Present: Chair: Marilyn Wright
 Vice- Chair: Connie Bellamy
 Members: Scott Cruichshank

Absent with
Regrets: Allan Loft, Debb Elmes, Laura Workman, Cat Cayuga,
 Patty Lawlor (non-voting)

Also Present: Councillor Nrinder Nann
 Shelly Hill, Urban Indigenous Strategy
 Nicole Jones, Urban Indigenous Strategy

Pursuant to Section 5.4(4) of the City of Hamilton's Procedural By-law 18-270 at 6:00pm the Staff Liaison to the Committee advised those in attendance that quorum had not been achieved within 30 minutes after the time set for the Aboriginal Advisory Committee, therefore, the Staff Liaison to the Committee noted the names of those in attendance and the meeting stood adjourned.

Respectfully submitted,

Betsy Pocop,
Human Rights Specialist,
Diversity & Inclusion Office



**MINUTES: Hamilton Mundialization Advisory Committee
Wednesday, April 17, 2019 – 5:56 p.m.
Hamilton City Hall, Room 192**

Present: Rein Ende, Pat Semkow, Bob Semkow, Nick van Velzen
Regrets: Councilor Arlene VanderBeek, Ron Vine, Jan Lukas
Absent: n/a
Also Present: Nadia Olivieri, Staff Liaison
Guests: n/a

WELCOME & INTRODUCTIONS 6:05 pm

The Vice Chair welcomed everyone to the meeting and provided the Land Acknowledgement.

1. APPROVAL OF AGENDA

(P. Semkow/ B. Semkow)

That the Hamilton Mundialization Advisory Committee agenda of April 17, 2019 be approved as presented.

2. DECLARATIONS OF INTEREST –None declared.

3. APPROVAL OF MINUTES

1.1. Minutes of March, 2019

(P. Semkow / N. van Velzen)

That the minutes of March 20, 2019 meeting of the Mundialization Committee be approved as presented.

CARRIED

4. PRESENTATION – n/a

5. DISCUSSION ITEMS

5.1. Artifact Identification

5.1.1. Correspondence reviewed

- The Committee was satisfied with the email correspondence drafted by Staff Liaison and Franca Hicks. Email correspondence to be sent to individuals identified by the Committee in an effort to collect appropriate details on various Mundialization identified artifacts



5.2. 2019 Activity Plan

5.2.1. 2019 Event Planning

5.2.1.1. Photo contest

5.2.1.1.1. Letter for Chris Cutler

- Theme for Mayor to Mayor letter was recorded and will be provided to Chris Cutler along with the finalized version of the advertisement poster.

5.2.1.1.2. Advertisement poster

Reviewed wording for poster.

Staff Liaison will submit poster design request to Creative Design Services.

5.2.1.2. 50 years of Gandhi in Canada

Defer to next meeting for a update.

5.2.1.3. Hiroshima Nagasaki

Summary of April 17 Planning Meeting provided to Committee members by Committee Vice-Chair for review.

Highlights from the summary are as follows:

- The commemoration event will take place at noon on Tuesday August 6, 2019 at the Council Chambers in Dundas Old City Hall. Staff Liaison to release any other dates held for the event.
- Staff Liaison to contact last year's event caterer to organize for event refreshments for attendees.
- Staff Liaison to book the event day into the Mayor's planning schedule.
- New Mundialization Chair will be request to host event
- Message/letter from Mayors of Nagasaki and City of Hamilton
- Efforts need to be made to ensure adequate publicity for the event – connect with media; assemble mailing list; Staff Liaison to have event posted on COH website
- Keynote speaker to be confirmed



5.3. Web Page information
5.3.1. Possible next steps

Staff Liaison is scheduled to discuss options with Steve Sedor and Glenn Binkosky from Corporate Services on April 18, 2019.

<https://www.mundialization.ca/>

<https://www.hamilton.ca/council-committee/council-committee-meetings/mundialization-committee>

6. OTHER BUSINESS

- 6.1. Information sharing
Reminder: there is no meeting in May 2019.
Today's meeting is the last meeting session for the 2014 -2018 Committee term.

The Vice Chair would like to thank Nick van Velzen for his contribution to the Hamilton Mundialization Committee

7. ADJOURNMENT

Having exhausted the agenda the Acting Chair declared the meeting adjourned at 7:05 pm.

NEXT MEETING: TBA (likely June 19, 2019)

Hamilton City Hall, Room 192

2019 Dates: June 19, (July 21, August 21*) September 18, October 16, November 20, and December 18, 2019.

*Summer dates, if meetings are required.



Hamilton



Minutes
Hamilton Mundialization Advisory Committee
Wednesday, June 19, 2019 – 6:00p.m.
Hamilton City Hall, Room 192

Present: Rein Ende, Pat Semkow, Bob Semkow, Anthony Macaluso, Rosemary Baptista, Jan Lukas.

Absent: Freja Gray

Also Present: Jessica Bowen, Staff Liaison
 Councillor Arlene VanderBeek

Welcome & Introductions

The Staff Liaison welcomed all members to the committee. All members provided a short introduction.

Appointment of Chair and Vice-Chair

(R.Ende / J. Lukas)

The Committee nominated Anthony Macaluso for the position of Mundialization Chair.

(J.Lukas/B.Semkow)

The Committee nominated Rein Ende for the position of Mundialization Vice-Chair.

The Chair welcomed everyone to the meeting and provided the Land Acknowledgement.

1. APPROVAL OF AGENDA

(J.Lukas/P. Semkow)

That the Hamilton Mundialization Advisory Committee agenda of June 19, 2019 be approved as presented.



Hamilton



2. DECLARATIONS OF INTEREST

None declared.

3. APPROVAL OF MINUTES

(B.Semkow/R.Ende)

The minutes required an amendment of the dates from March 20, 2019 to April 17, 2019.

That the minutes of April 17, 2019 be approved as amended.

CARRIED

4. PRESENTATIONS

None

5. DISCUSSION ITEMS

5.1 Artifact Identification

Returning committee members provided new committee members with an overview of this project. With twinning there are various artefacts that have been given by the twin cities. The artifacts in the past have had stories to provide context those items. The previous staff liaison had committee to connecting with the donors of the artifacts to request they provide the content

J.Bowen was asked to send the artifact list to the committee.

5.2 2019 Activity Plan

5.2.1 Photo Contest

Advertisement poster: Staff Liaison will submit poster design request to Creative Design Services.



Hamilton



5.2.2 50 years of Gandhi in Canada
Event poster to be distributed to Committee members

5.2.3 Hiroshima Nagasaki Event
Summary of April 17 Planning Meeting provided to Committee members by
Committee Vice-Chair for review.

The event will take place at 12:00pm on Tuesday, August 6, 2019 at the
Council Chambers in Dundas Old City Hall.

J.Bowen will arrange for catering to be provided from the same vendor as last year.

(A.Macaluso / R.Ende)

Motion: The Mundialization Committee will allocate up to \$750.00 to support the catering
cost for the Hiroshima Nagasaki event.

5.3 Website Information

Currently there is information about the Mundialization Committee on an external website:
the website. If the content of the website is to move to the City website, the committee
inquired about what needs to happen.

5.4 Racalmuto Dinner

The dinner is scheduled for September 27, 2019 at Liuna Station.

Members have been attending the event each year. Committee members tickets for the
event have been supported with a 50% subsidy from the committee.

(J. Lukas / B.Semkow)

Motion:

That the Mundialization Committee provide committee members with a 50% subsidy for
tickets to the Racalmuto Dinner on September 27, 2019.

CARRIED



Hamilton



6. Information Sharing

6.1 Park Project - Kids for Kaga

Councillor VanderBeek provided some background and history on the Kids for Kaga event. She advised the committee that the Park Project is looking to support for the purchase of signage, moving Sobi bikes and a new roof. Councillor VanderBeek advised the committee of the project to ensure the committee has knowledge of it and can be included in some way. The event is anticipated to happen in July 2020.

(J.Lukas/B.Semkow)

Motion: The Committee will consider ways to support the Kaga Park project and how the Mundialization Committee can participate and support the event.

Other events:

- On October 2, 2019 and October 4, 2019 there will be two events held for the Ghandi Gandhi 150 & 27th Annual Gandhi Peace Festival. The poster for the event will be distributed to all committee members.
- On June 21, 2019 at 12:00pm at the Hamilton Art Gallery there will be an unveiling of a Sicilian Cart which will later move to City Hall.

ADJOURNMENT

The meeting adjourned at 7:38 pm.

Next Meeting

Wednesday, September 18, 2019
6:00 p.m. – Room 192, City Hall

2019 Dates:

- Wednesday, October 16, 2019;
- Wednesday, November 20, 2019; and
- Wednesday, December 18, 2019.



Hamilton

Minutes

Hamilton Mundialization Advisory Committee Wednesday, September 18, 2019 – 6:00p.m. Hamilton City Hall, Room 192

Present:	Rosemary Baptista, Rein Ende, Jan Lukas, Anthony Macaluso (Chair), Pat Semkow, Bob Semkow.
Regrets:	Councillor Vanderbeek
Absent:	Freja Gray
Also Present:	Jessica Bowen, Staff Liaison

Welcome & Introductions

Land Acknowledgement

1. Approval of the Agenda

(J.Lukas/P.Semkow)

That the agenda of September 18, 2019 be approved as presented.

2. Declarations of Interest

None declared

3. Approval of Minutes

(B.Semkow/R.Baptista)

That the minutes of June 19, 2019 be approved as presented.

4. Presentations

No presentations

5. Discussion Items

5.1 Artefact Identification

The Committee discussed the work that had been done previously to identify the artefacts that have been given by twin cities. The committee will connect with Franca Hicks, Curator of Collections at the City to determine the status of the artefact identification project that she had engaged in earlier this year.

A committee member indicated that there are gifts to be given to the City. Staff and the Chair will inquire what the process is for receiving gifts.

5.1. 2019 Activity Plan

a) 2020 Event Planning

The Committee identified that the Photography Contest and World Citizenship Award would continue in 2020.

For the October meeting, the committee will prepare to review the criteria for the award and establish a committee.

b) Photo Contest

- The photo contest is nearing completion.
- After the contest closes, the committee needs to select judges and review the criteria used previously.
- Staff to provide the committee with forms previously used to engage in judging.

c) World Citizenship Award

d) Hiroshima Nagasaki

The committee advised that 2020 will be the 75th anniversary and consideration should be given to hosting a more substantial event.

5.2. Website

J.Bowen advised that the committee that they cannot link from the City website to the external Mundialization website. The external site is currently owned and paid for by a former committee member.

J.Bowen to determine what next steps are require from the committee in relation to the website.

5.3. 2020 Budget

The Committee briefly discussed the 2020 budget submission. There are remaining items that have not yet been included in the current budget status including the photo contest; Christmas dinner and subsidy for the Racalmuto dinner.

6. Other Business

6.1. Information Sharing

Exhibit: Honouring our Sisters, Missing and Murdered Indigenous Women and Girls. Dundurn Castle, October 1, 2019 to November 5, 2019.

Ghandi 150 Events:

Waging Action on Hate and Racism in Hamilton Conference, Friday, October 4, 2019 - 8:30 am - 5:00 pm McMaster Innovation Park

Gandhi-King-Mandela Peace March, Saturday, October 5, 2019: 11:00am - 2:00pm at Hamilton City Hall

Sicilian Canta Dinner, September 27, 2019 at 5:30 pm - 11:30 pm. Six Committee members are confirmed to attend.

7. Adjournment

Next Meeting: October 17, 2019 | Hamilton City Hall, Room 192



Hamilton

Minutes
Mundialization Committee
Wednesday, October 16, 2019
6:00pm
Hamilton City Hall, Room 192

Present: Vice-Chair: Rein Ende

Members: Patricia Semkow, Bob Semkow

Absent with

Regrets: Jan Lukas, Rosemary Baptista, Freja Gray, Anthony Macaluso

Also Present: Members of the public

Pursuant to Section 5.4(4) of the City of Hamilton's Procedural By-law 18-270 at 6:30pm the Staff Liaison to the Committee advised those in attendance that quorum had not been achieved within 30 minutes after the time set for the Hamilton Mundialization Committee, therefore, the Staff Liaison to the Committee noted the names of those in attendance and the meeting stood adjourned.

Respectfully submitted,

Jessica Bowen
Supervisor, Diversity & Inclusion,
Human Resources, City
Manager's Office



Hamilton

Minutes

Hamilton Mundialization Advisory Committee

Tuesday, November 5, 2019 – 5:30p.m.

Hamilton City Hall, Room 192

Present: Rosemary Baptista, Rein Ende, Anthony Macaluso (Chair), Pat Semkow, Bob Semkow, Freja Gray

Regrets: Jan Lukas

Also Present: Jessica Bowen, Staff Liaison

1. Approval of the Agenda

(R.Ende/P.Semkow)

That the agenda of November 5, 2019 be approved as presented.

CARRIED

2. Declaration of Conflict of Interest

A.Macaluso declared a conflict of interest on Item 3.2

3. Discussion Items

3.1. 2020 Budget Submission

(R.Ende/B.Semkow)

Motion: That the Mundialization Committee request a budget of \$5890.00 for 2020.

CARRIED

3.2. Request from Sicilian Carretto Committee

(R.Baptista/F.Gray)

Motion: The Mundialization Committee agrees to provide financial support for the Carretto Committee for the installation of the Sicilian Cart at City Hall.

CARRIED



Hamilton

MINUTES

Status of Women Advisory Committee

November 28, 2019

6:00pm

City Hall, Room 192

Present: Members: Doreen Ssenabulya, Stephanie Bertolo, Jan Lukas

Absent with
Regrets: Yulena Wan, Stephanie Frisina, Anna Davey, Katie Hood

Also Present: Betsy Pocop, Staff Liaison, Diversity & Inclusion Office

Pursuant to Section 5.4(4) of the City of Hamilton's Procedural By-law 18-270 at 6:30pm the Staff Liaison to the Committee advised those in attendance that quorum had not been achieved within 30 minutes after the time set for the Status of Women Advisory Committee, therefore, the Staff Liaison to the Committee noted the names of those in attendance and the meeting stood adjourned.

Respectfully submitted,

Betsy Pocop,
Human Rights Specialist
Diversity & Inclusion Office



Hamilton

Minutes

LGBTQ Advisory Committee
Tuesday, April 30, 2019, 8:00 p.m.
City Hall, 71 Main St. W., Room 192

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

Absent: Sean Cullen

Also Present: Betsy Pocop (staff, Diversity & Inclusion Office)
Jessica Bowen (staff, Diversity & Inclusion Office)

Recorder: Betsy Pocop

Business/ Discussion Items

1. Pride Flag Raising 2019

- The Committee discussed planning and logistics for the Pride Flag Raising event
- Possible dates for event to be held: May 31, June 1 or June 3
- Committee members to decide on guest speakers and forward list of guest speakers to B. Pocop
- Refreshments to include: cake and cupcakes as was done the previous year

Meeting adjourned at 8:35pm.

Next meeting scheduled for May 15, 2019 at 6:00pm.



Hamilton

Minutes
LGBTQ Advisory Committee
Tuesday, June 25, 2019, 6:00 p.m.
City Hall, 71 Main St. W., Room 192

Present: Violetta Nikolskaya, Cameron Kroetsch, Mitch Ray-Borsc,
James Diemert, Autumn Getty, Freja Gray, Sean Cullen

Regrets: Kyle Weitz

Absent: Kristeen Sprague

Also Present: Betsy Pocop (staff, Diversity & Inclusion Office)
Members of the public

Recorder: Betsy Pocop

Business/ Discussion Items

1. Election of Chair and Vice-Chair

- The Committee commenced with the election of the Chair
- J. Diemert nominated C. Kroetsch
- No other nominations put forth
- C. Kroetsch accepted nomination
- All present voted for C. Kroetsch
- The Committee proceed with election for Vice-Chair
- C. Kroetsch nominated V. Nikolskaya
- No other nominations put forth
- V. Nikolskaya accepted the nomination
- All present voted for V. Nikolskaya

Meeting adjourned at 5:45pm.

Next meeting scheduled for July 16, 2019 at 6:00pm.



Hamilton

MINUTES
LGBTQ Advisory Committee

August 20, 2019

6:00pm

City Hall, Rooms 192/193

Present: James Diemert, Autumn Getty, Cameron Kroetsch (Chair),
Violetta Nikolskaya (Vice Chair)

Regrets: Sean Cullen, Freja Gray, Mitch Ray-Borsc, Kristeen Sprague,
Kyle Weitz, Maureen Wilson (City Councillor)

Staff: Jessica Bowen (Diversity and Inclusion)

Guests: None

Pursuant to Section 5.4(4) of the City of Hamilton's Procedural By-law 18-270 at 6:30 pm the Staff Liaison to the Committee advised those in attendance that quorum had not been achieved within 30 minutes after the time set for the LGBTQ Advisory Committee, therefore, the Staff Liaison to the Committee noted the names of those in attendance and the meeting stood adjourned.

Respectfully submitted,

Jessica Bowen
Supervisor, Diversity and
Inclusion, Human Resources



Hamilton

Minutes

LGBTQ Advisory Committee

Tuesday, August 27, 2019 - 6:30 PM to 7:30 PM

City Hall, 71 Main Street West - Room 192

Present: James Diemert, Autumn Getty, Cameron Kroetsch (Chair),
Violetta Nikolskaya (Vice Chair), Mitch Ray-Borsc,
Maureen Wilson (City Councillor)

Regrets: Sean Cullen, Freja Gray, Kristeen Sprague, Kyle Weitz

Staff: Jessica Bowen (Diversity and Inclusion)

Guests: Members of the public

Chair: Cameron Kroetsch

1. Welcome / Introductions

Committee members and guests were welcomed and there was a round of introductions.

2. Land Acknowledgement

C. Kroetsch provided a Land Acknowledgement.

3. Declarations of Conflicts of Interest

4. Procedural Business

4.1 Motion to Approve the Agenda

That the LGBTQ Advisory Committee approve the agenda for today's meeting as distributed with the following additions / amendments:

(a) That item 7.5 be added to the agenda:

7.5 Motion to Invite Representatives from the Hamilton Police Service to Delegate to the LGBTQ Advisory Committee at a Future Meeting

(b) That item 3.1 be removed from the agenda

(J. Diemert / V. Nikolskaya)

CARRIED

5. Presentations

6. Recommendations

7. Regular Business

7.1 Motion to Create a Working Group on the Needs Assessment entitled "Mapping the Void: Two-Spirit and LGBTQ+ Experiences in Hamilton"

That the LGBTQ Advisory Committee create a Working Group to further examine the Needs Assessment entitled "Mapping the Void: Two-Spirit and LGBTQ+ Experiences in Hamilton".

(A. Getty / M. Ray-Borsc)

Discussion: The results of the Needs Assessment can be found at <https://labourstudies.mcmaster.ca/lgbtq>. The YWCA may have a space that can be used for Working Group meetings. There was agreement that one Committee member should be in attendance at all Working Group meetings to ensure consistency. V. Nikolskaya to attend all Working Group meetings.

CARRIED

7.2 Motion to Appoint the Chair and Vice Chair of the Committee to Meet with Councillor Brad Clark

That the LGBTQ Advisory Committee appoint the Chair (C. Kroetsch) and Vice Chair (V. Nikolskaya) to meet with Councillor Brad Clark at his request.

(J. Diemert / A. Getty)

Discussion: Committee members inquired if there was any additional context to the request. No additional information was available. It was suggested that, at this meeting, the Chair and Vice Chair could only provide insight into items that the Committee had already discussed. Members suggested extending an invitation to the Councillor to attend an upcoming meeting.

CARRIED

7.3 Motion to Appoint the Chair and Vice Chair of the Committee to Attend a Meeting Organized by the Office of the Mayor of Hamilton

That the LGBTQ Advisory Committee appoint the Chair (C. Kroetsch) and Vice Chair (V. Nikolskaya) to attend a meeting at the invitation of the Office of the Mayor of Hamilton on Wednesday, August 28, 2019 at 9:00 AM.

(V. Nikolskaya / J. Diemert)

Discussion: The timing of the meeting, beginning at 9:00 AM, is not an optimal meeting time for people who have conflicting work schedules. The Committee discussed who had been invited and whether the entire Committee was invited or just the Chair and Vice Chair. Members discussed the role of the Committee and suggested that it was within its mandate to give advice to members of Council. Members reiterated that the representatives could not provide advice to the Mayor that they hadn't discussed as a group. It was noted that the meeting was not open or public and was invite-only and that this excluded many members of the Two-Spirit and LGBTQIA+ community.

CARRIED

7.4 Motion to Appoint the Chair and Vice Chair of the Committee to Attend a Meeting Organized by the Office of the Chief of the Hamilton Police Service

That the LGBTQ Advisory Committee appoint the Chair (C. Kroetsch) and Vice Chair (V. Nikolskaya) to attend a meeting at the invitation of the Office of the Chief of the Hamilton Police Service on Thursday, August 29, 2019 at 6:00 PM.

(M. Ray-Borsc / A. Getty)

Discussion: Committee members did not think it would be appropriate for the Committee to advise Hamilton Police Service as the Committee's mandate is to advise City Council.

Members shared that they were interested in hearing the dialogue first hand. Historically, if other organisations wanted advice from the Committee they have requested to attend a monthly meeting. There were concerns raised about who has been invited to the meeting and who has been left out. There are concerns that the meeting will not be representative of either trans or racialized members of Two-Spirit and LGBTQIA+ communities.

FAILED

7.5 Motion to Invite Representatives from the Hamilton Police Service to Delegate to the LGBTQ Advisory Committee at a Future Meeting

That the LGBTQ Advisory Committee invite representatives from the Hamilton Police Service to delegate to the LGBTQ Advisory Committee at a future meeting.

(V. Nikolskaya / J. Diemert)

Discussion: This was suggested in lieu of attending the meeting as outlined in 7.4. Members noted that the mandate of the Committee is to "eliminate barriers" experienced by Two-Spirit and LGBTQIA+ communities. The Committee does this by making recommendations to Council in order that the City will excel in providing services to and interfacing with members of those communities. It can, though, receive delegations and act

on specific requests made of it through that process if they are within its mandate. The Committee asked that staff make this invitation to the Hamilton Police Service on its behalf.

CARRIED

8. Discussion Items

9. Outstanding Business

9.1 Motion to Rename the Committee

9.2 Motion to Recommend that the Committee Change the Standing Committee to which it Reports

9.3 Motion to Change the Committee's Mandate, Terms of Reference, and Budget

9.4 Motion to Change the Committee Pamphlet

9.5 Motion related to LGBTQ+ Art Initiatives

9.6 Motion to Draft the Committee Workplan for 2019

9.7 Motion to Discuss the Process for Deputations and Delegations from the Committee

9.8 Motion to Schedule Working Group Meetings

10. Notices of Motions

10.1 Motion to Appoint a Recording Secretary

11. Announcements

12. Adjournment

(V. Nikolskaya / J. Diemert)

CARRIED



Hamilton

Minutes

LGBTQ Advisory Committee

Tuesday, September 17, 2019 - 6:00 PM to 8:00 PM

City Hall, 71 Main Street West - Room 192

Present: James Diemert, Autumn Getty, Freja Gray, Cameron Kroetsch (Chair), Violetta Nikolskaya (Vice Chair), Mitch Ray-Borsc, Kyle Weitz, Maureen Wilson (City Councillor)

Regrets: Sean Cullen, Kristeen Sprague

Staff: Jessica Bowen (Diversity and Inclusion)

Guests: Lianna Sanelli

Chair: Cameron Kroetsch

1. Welcome / Introductions

Committee members and guests were welcomed and there was a round of introductions.

2. Land Acknowledgement

V. Nikolskaya provided a Land Acknowledgement.

3. Declarations of Conflicts of Interest

None were declared

4. Procedural Business

4.1 Motion to Approve the Agenda

That the LGBTQ Advisory Committee approve the agenda for today's meeting as distributed with the following additions / amendments:

- (a) That agenda item 4.3 (f) be removed
- (b) That items 5 and 6 be removed from the Agenda
- (c) That agenda item 6.1 be moved from Recommendations to Discussion Items and added to the Agenda as item 8.4 (now 6.4)
- (d) That item 7.3 be moved from Regular Business to Discussion Items and added to the Agenda as item 8.5 (now 6.5)

(M. Ray-Borsc / V. Nikolskaya)

CARRIED

4.2 Motion to Rescind the Motions of July 16, 2019 (4.2 to 4.5)

That the LGBTQ Advisory Committee rescind its Motions 4.2 to 4.5 from its July 16, 2019 meeting.

(J. Diemert / V. Nikolskaya)

Discussion: These motions were carried to approve the minutes of the Committee's previous meetings but have since been reformatted in collaboration with the City Clerk's office so that they're clearer, easier to read, and more useful for the Committee.

CARRIED

4.3 Motion to Approve the Minutes of:

(a) April 30, 2019

(b) May 15, 2019

(c) May 28, 2019

(d) June 25, 2019

(e) July 16, 2019

(f) August 27, 2019

That the LGBTQ Advisory Committee approve the meeting minutes of April 30, May 15, May 28, June 25, July 16, and August 27, 2019 as distributed.

(V. Nikolskaya / K. Weitz)

CARRIED

5. Regular Business

5.1 Motion to appoint a Recording Secretary

That the LGBTQ Advisory Committee appoint a Recording Secretary.

(V. Nikolskaya / F. Gray)

Discussion: No members of the Committee were willing, at this time, to serve as Recording Secretary

That the LGBTQ Advisory Committee table the motion until its next meeting.

(M. Ray-Borsc / J. Diemert)

TABLED

5.2 Motion to draft the Committee Workplan for 2019

That the LGBTQ Advisory Committee accept the items in today's Agenda under item 9 as its Workplan for 2019 and that it develop a Workplan for 2020 as soon as possible.

(C. Kroetsch / J. Diemert)

Discussion: The committee discussed focusing on a workplan for 2020. For the remainder of 2019, the committee will focus on the motion put forward in May 2019 and the other items under 9 on today's Agenda. Members noted that historically the committee has supported the Trans Day of Remembrance and a "meet and greet" event in December and that these items be added to the 2019 Workplan.

CARRIED

5.3 Motion to schedule Working Group meetings

That the LGBTQ Advisory Committee schedule the following meetings of its 2 Working Groups:

- (a) Working Group on the Needs Assessment on October 7, 2019 at 6:00 PM (YWCA)
- (b) Working Group on the Committee Selection on October 22, 2019 at 6:00 PM (The AIDS Network)
- (c) Working Group on the Needs Assessment on November 11, 2019 at 6:00 PM (YWCA)

(V. Nikolskaya / J. Diemert)

CARRIED

6. Discussion Items

6.1 Update from Working Group on Committee Selection

Group members met at the Hamilton Centre for Civic Inclusion and discussed the community space that exists (i.e. social

space, bar space, office space). There was a general discussion about community partnerships.

6.2 Report from meeting with Mayor Fred Eisenberger

The meeting was part of a series of meetings that the Mayor was holding to address hate, so-called “dialogues”. The Committee was not given an agenda in advance and so was not able to provide useful feedback as part of the main discussion and didn’t have instructions from the Committee to represent it on that topic.

There were some stakeholders from other marginalized communities, including religious communities, around the table.

There was space on the agenda to talk about other things such as the “positive space” campaign. We strongly suggested that the group read the recent *Mapping the Void* needs assessment from McMaster University.

There was a suggestion that the Committee had been invited to the previous meeting of this group. The Chair clarified for the group that the Committee had not been invited previously. The Chair then explained the process for sending invitations and urged the group to give lede time to Committee to discuss those invitations in advance of the next meeting.

6.3 Reopening Committee selection process

Councillor Wilson, a member of the Interview Sub-Committee to the Audit, Finance & Administration Committee, advised that the motion put that the LGBTQ Advisory Committee put forward was approved on September 11 by the Audit, Finance and Administration Committee.

Following the approval of the motion, the Interview Sub-Committee met. A query went out to those who had

previously applied to the Committee asking if they were still interested in applying to be selected.

When the Interview Sub-Committee next meets it will review applications and discuss methodology.

The Committee made the following comments to Councillor Wilson:

- given a recent resignation from the committee, if the selection committee could consider recruiting one additional member
- if staff could advise on what questions can be asked of recruits to demonstrate a fair and equitable process and to ensure that adequate representation can be achieved as per the motion the committee put forth with respect to the selection of members
- all the applicants should be interviewed
- membership related to youth, people of colour, Indigenous, and Two-Spirit representatives should be the focus of this recruitment

Councillor Wilson will communicate the Committee's views to the Interview Sub-Committee.

6.4 Recommending a Budget for 2020

Overview of budget process for 2020 was provided by staff. A draft budget for 2020 will be provided for the October meeting.

6.5 Process for deputations and delegations from the Committee

The Committee is planned to depute at either the October or November meeting of Hamilton Police Services Board. The

Committee discussed the steps that would be taken in the event that there are times where a deputation may need to happen in a timely manner but where the committee could not meet in advance to collectively agree on what will be shared.

Committee members will adhere to the parameters outlined in the Volunteer Advisory Handbook. Without an explicit discussion, the Committee agreed to not move forward on a deputation.

A Committee member indicated that they felt it was the Committee's responsibility to address what happened at the June 18, 2019 Community Conversation that it hosted as part of the deputation to the Hamilton Police Services Board in addition to a request to the Board to ask City Council to consider a reselection process similar to the one it recently requested.

7. Outstanding Business

7.1 Motion to rename the Committee

7.2 Motion to recommend that the Committee change the Standing Committee to which it reports

7.3 Motion to change the Committee's Mandate, Terms of Reference, and Budget

7.4 Motion to Update the Committee Pamphlet

7.5 Motion related to LGBTQ+ Art Initiatives

8. Notices

8.1 Motion related to the Trans Day of Remembrance

8.2 Motion to recommend a Budget for 2020

8.3 Discussion of December event

8.4 Discussion of food for meetings

8.5 Discussion of review of attendance expectations

9. Announcements

The following announcements were made:

- Kyle's Place is hosting an ASL class every Saturday afternoon for 10 weeks
- Pride Hamilton is hosting its first Events Committee meeting for planning Pride 2020 on September 29, 2019 at the YWCA

10. Adjournment

(V. Nikolskaya / J. Diemert)

CARRIED



Hamilton

Minutes

LGBTQ Advisory Committee

Tuesday, October 15, 2019 - 6:00 PM to 8:00 PM

City Hall, 71 Main Street West - Room 192

-
- Present:** James Diemert, Autumn Getty, Freja Gray, Cameron Kroetsch (Chair), Kyle Weitz, Maureen Wilson (City Councillor)
- Regrets:** Violetta Nikolskaya (Vice Chair), Kristeen Sprague, Mitch Ray-Borsc
- Absent:** Sean Cullen
- Staff:** Jessica Bowen (Diversity and Inclusion)
- Guests:** Fred Bennink (Hamilton Police Services Board), members of the public
-

1. Welcome / Introductions

Committee members and guests were welcomed and there was a round of introductions.

2. Land Acknowledgement

C. Kroetsch provided a Land Acknowledgement.

3. Declarations of Conflicts of Interest

None

4. Procedural Business

4.1 Motion to Approve the Agenda

(J. Diemert / K. Wietz)

That the LGBTQ Advisory Committee approve the agenda for today's meeting as distributed with the following additions / amendments:

(a) That items 7.6, 7.7, and 7.8 be added to the agenda:

7.6 Community Contacts List

7.7 Update from the Working Group on Committee Selection

7.8 Update from the Working Group on the Needs Assessment

CARRIED

4.2 Motion to Approve the Minutes of September 17, 2019

(J. Diemert / K. Wietz)

That the LGBTQ Advisory Committee approve the meeting minutes of September 17, 2019 as distributed with the following additions / amendments:

- (a) That “members of the public” be added to the header section under “Guests”

CARRIED

5. Recommendations

5.1 Motion to recommend to City Council a Budget for 2020

(F. Gray / J. Diemert)

That the LGBTQ Advisory Committee request a budget of \$3,914.00 for 2020 with a 2% increase (if applicable).

CARRIED

6. Regular Business

6.1 Motion to appoint a Recording Secretary

(J. Diemert / K. Weitz)

That the LGBTQ Advisory Committee acclaim A. Getty as Recording Secretary.

CARRIED

Discussion: This motion was tabled at the September 2019 meeting of the Committee. A. Getty has agreed to take up these duties starting in 2020. A. Getty was the only nominee to the position and was acclaimed to it.

6.2 Motion regarding the Trans Day of Remembrance

(K. Weitz / J. Diemert)

That the LGBTQ Advisory Committee allocate \$600.00 from its 2019 budget to support the Trans Day of Remembrance on November 20, 2019.

CARRIED

Discussion: A member advised that last year this event was organised in collaboration with members of the community. There was a dinner hosted at the YWCA. The space was an in-kind contribution and the meal was supplied by local businesses in the City.

6.3 Motion regarding a December Event replacing the Committee's Regularly Scheduled Meeting

(J. Diemert / A. Getty)

That the LGBTQ Advisory Committee direct C. Kroetsch to explore logistical details with respect to the Committee hosting an event on December 17, 2019 including the following:

- (a) connecting with the YWCA around possible event space;
and
- (b) connecting with the LGBTQ Archives Project and past committee members who may be interested in participating and bringing a report on this back to the Committee at its next meeting.

CARRIED

Discussion: There was a suggestion that the Committee hold an open house event in December (as in the past). Public engagement with the Committee has increased in the past year and a meet and greet event may be better attended than in the past year. There is the potential of this event to attract community members and bring focus to a particular issue. Members suggested potentially focusing on the newly launched LGBTQ Archives as potential theme/option.

6.4 Motion to Depute to the Hamilton Police Services Board

(F. Gray / J. Diemert)

That the Committee submits a request for deputation to the next Hamilton Police Services Board meeting including a letter circulated at today's meeting that outlines the request in detail.

CARRIED

7. Discussion Items

7.1 Denial of request to depute to the Hamilton Police Services Board

C. Kroetsch was appointed to give the deputation that was denied and reported back that the denial by the Board was the result of its conclusion that the content of the deputation was not relevant. The intention is to request to depute again and to make the request clearer by providing more information.

7.2 Religious Ceremonial Activities at City Council Meetings

Guests to the Committee brought up this issue at the September 2019 and the Committee agreed to discuss it. The Committee discussed the practice and decided that it did not have the capacity to follow up on this matter given its other priorities and outstanding business.

7.4 Food for Committee Meetings

Concerns have been brought up at previous meetings around food and beverage selection options and members suggested the options be expanded. Members wanted to continue having food at meetings. Further discussion will be had with respect to possible options for 2020.

7.5 Attendance Expectations and Review of Attendance Policy

Members are unsure of the procedures to be used in these instances, especially when someone has indicated a desire to resign but has not formally submitted their resignation. Staff will follow up with members who have missed more than 3 consecutive meetings so that they are aware of the expectations and the policy, specifically that being removed from an Advisory Committee would mean that they could not sit on one in future.

7.6 Community Contact List

A member inquired about the possibility of the Committee keeping and maintaining a list of contacts in Two-Spirit and LGBTQIA+ communities in Hamilton. There was a suggestion that a Google Doc could be used to achieve this once the information was collected. There was the suggestion that the Committee does not currently have the capacity to do this but that it may in future.

7.7 Update from Working Group on Committee Selection

The Working Group will not meet until the new members of the Committee are selected or at such time as there are additional vacancies and a need to make a further recommendation to City Council.

7.8 Update from Working Group on the Needs Assessment

There will be a Working Group meeting for the needs assessment (from McMaster called “Mapping the Void”) held on November 11, 2019 at 6:00 PM at the YWCA.

8. Outstanding Business

8.1 Motion to Rename the Committee

8.2 Motion to Recommend that the Committee Change the Standing Committee to which it Reports

8.3 Motion to Change the Committee’s Mandate, Terms of Reference, and Budget

8.4 Motion to Change the Committee Pamphlet

8.5 Motion regarding LGBTQ+ Art Initiatives

8.6 Motion regarding Planning a Committee Retreat for 2020

8.7 Motion regarding the Committee Workplan for 2020

8.8 Motion regarding Food at Committee Meetings

9. Notices

9.1 Motion regarding the Committee's December 2019 Event

9.2 Motion regarding the process to Recommend that the Committee change the Standing Committee to which it Reports

10. Announcements

10.1 Working Group for the Needs Assessment is meeting is on November 11, 2019 at 6:00 PM at the YWCA

10.2 Hamilton Public Library is hosting an LGBTQ Archives Fundraiser on October 22, 2019 from 7:30 PM to 10:30 PM at Mills Hardware

10.3 Trans Day of Remembrance is taking place on November 20, 2019

11. Adjournment

(J. Diemert / F. Gray)

CARRIED



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	January 16, 2020
SUBJECT/REPORT NO:	Fraud, Waste, and Whistleblower Update – Q3 2019 (AUD20001) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brigitte Minard CPA, CA, CIA, CGAP (905) 546-2424 Ext. 3107 Cindy Purnomo Stuive (905) 546-2424 Ext. 2257
SUBMITTED BY:	Charles Brown CPA, CA, CPA (Illinois) City Auditor Office of the City Auditor
SIGNATURE:	

COUNCIL DIRECTION

By-law 19-181 (Whistleblower By-law), Section 19 – Responsibility of the City Auditor requires reporting to Council quarterly, in the aggregate, on the number, nature and outcome of disclosures of serious wrongdoing made under this By-law.

On June 27, 2018, Council directed the City Auditor to implement a Fraud and Waste Hotline with intake performed by an independent third party as part of a three-year pilot project. The City's Fraud and Waste Hotline launched in July 2019.

INFORMATION

This Information Report contains information about the number, nature and outcome of the Fraud and Waste Hotline reports and Whistleblower disclosures relating to By-law 19-181 for Q3 2019 (July – September 2019), along with historical information.

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**SUBJECT: Fraud, Waste, and Whistleblower Update – Q3 2019 (AUD20001)
(City Wide) Page 2 of 7**

HISTORICAL BACKGROUND

On June 27, 2018, Council directed the City Auditor to implement a Fraud and Waste Hotline. After this direction was received, it received some media coverage and there was an increase in the volume of items reported by both staff and citizens. Starting in Q3 2018, additional categories were added to capture this volume and will continue to be included on a go-forward basis.

The City of Hamilton's Fraud and Waste Hotline was formally launched in early July 2019. This report is the first to contain volume information related to the launch and this information will be included on an ongoing basis. The format of the quarterly report has been updated to reflect the launch of the hotline and the increased level of activity.

Q3 2019 SUMMARY

The following Table shows Hotline reporting activity for the quarter and the disposition of each report including the number that resulted in an investigation being undertaken.

Description	Q3	Previously Reported Q1 and Q2	Year to Date Q1 to Q3
No Action/Not Enough Information	3	4	7
Referral - No Further Action Required	11	2	13
Referral - Response Required	1	3	4
Investigations Launched	13	5	18
2019 Total Reports	28	14	42

There were zero reports in Q3 regarding issues affecting or having implications for public safety.

Investigations – Case Types

The following Table shows a breakdown of the subject matter of the investigation for those launched in Q3 and previously.

**SUBJECT: Fraud, Waste, and Whistleblower Update – Q3 2019 (AUD20001)
(City Wide) Page 3 of 7**

Description	Q3	Previously Reported Q1 and Q2	Year to Date Q1 to Q3
Fraud	2	3	5
Waste/Mismanagement	8	0	8
Combined Fraud & Waste	3	2	5
2019 Total Cases	13	5	18

In Q3 2019, the most common type of investigation related to waste/mismanagement. This is to be expected as the definition of fraud is narrower than waste/mismanagement. Fraud encompasses any array of irregularities and illegal acts characterized by intentional deception (forgery, alteration of documents, misrepresentation of information, misappropriation, unauthorized use, disappearance, destruction of assets, authorizing payment for goods/services not received, improper handling of money, false claims, violations of Code of Conduct). Waste involves taxpayers not receiving reasonable value for money in connection with any government funded activities, due to mismanagement or an inappropriate or careless act or omission by those with control over or access to government resources. Importantly, waste goes beyond fraud and doesn't necessarily involve a violation of law. Waste relates primarily to poor management, imprudent expenditure, inadequate oversight or abuse of policy and includes incurring unnecessary costs or risks due to ineffective practices, systems or controls.

Sometimes, investigations can contain elements of both fraud and waste/mismanagement. In Q3 2019, there were three of these investigations. Each investigation is unique and has a customized approach. The length of time to complete an investigation varies depending on the number of allegations, the scope of the investigation, and the complexity the matter being investigated.

Report Status – Investigations (as of January 2, 2020)

The following Table shows the current status of investigations launched in Q3 and previously.

Description	Q3	Previously Reported Q1 and Q2	Year to Date Q1 to Q3
Open	8	2	10
Closed	5	3	8
2019 Total	13	5	18

**SUBJECT: Fraud, Waste, and Whistleblower Update – Q3 2019 (AUD20001)
(City Wide) Page 4 of 7**

As of January 2, 2020, 8 of the 13 investigations launched in Q3 were open and active. Closing an investigation depends on the nature of the allegation, the complexity of the investigation, the ease in obtaining relevant information, and arranging relevant interviews.

Whistleblower By-law Disclosures

The following Table lists the number of Hotline reports that involve reporting by a qualifying Whistleblower.

Description	Q3	Previously Reported Q1 and Q2	Year to Date Q1 to Q3
2019 Reports Involving Whistleblower	1	1	2

By-law 19-181 (Whistleblower By-law), Section 19 – Responsibility of the City Auditor requires quarterly reporting, in the aggregate, on the number, nature and outcome of disclosures of serious wrongdoing made under this By-law. In Q3, one of the Fraud and Waste Hotline Intake reports was a qualifying disclosure per the Whistleblower By-law, as assessed by the Office of the City Auditor. Under By-law 19-181 (Whistleblower By-law), Section 6 – Requirements with respect to a Qualifying Disclosure, the employee making the disclosure of serious wrongdoing identified themselves and their position with the City; the employee making the disclosure of serious wrongdoing has reasonable grounds to believe there has been serious wrongdoing by one or more employees; the employee making the disclosure of serious wrongdoing does so in good faith; the employee's disclosure of serious wrongdoing was made to the City Auditor.

Category	Number of Q3 Reports	Percentage of Q3 Reports
Qualifying Disclosure	1	4%
Not a Qualifying Disclosure	0	0%
Not a Whistleblower Matter	27	96%
2019 Total	28	100%

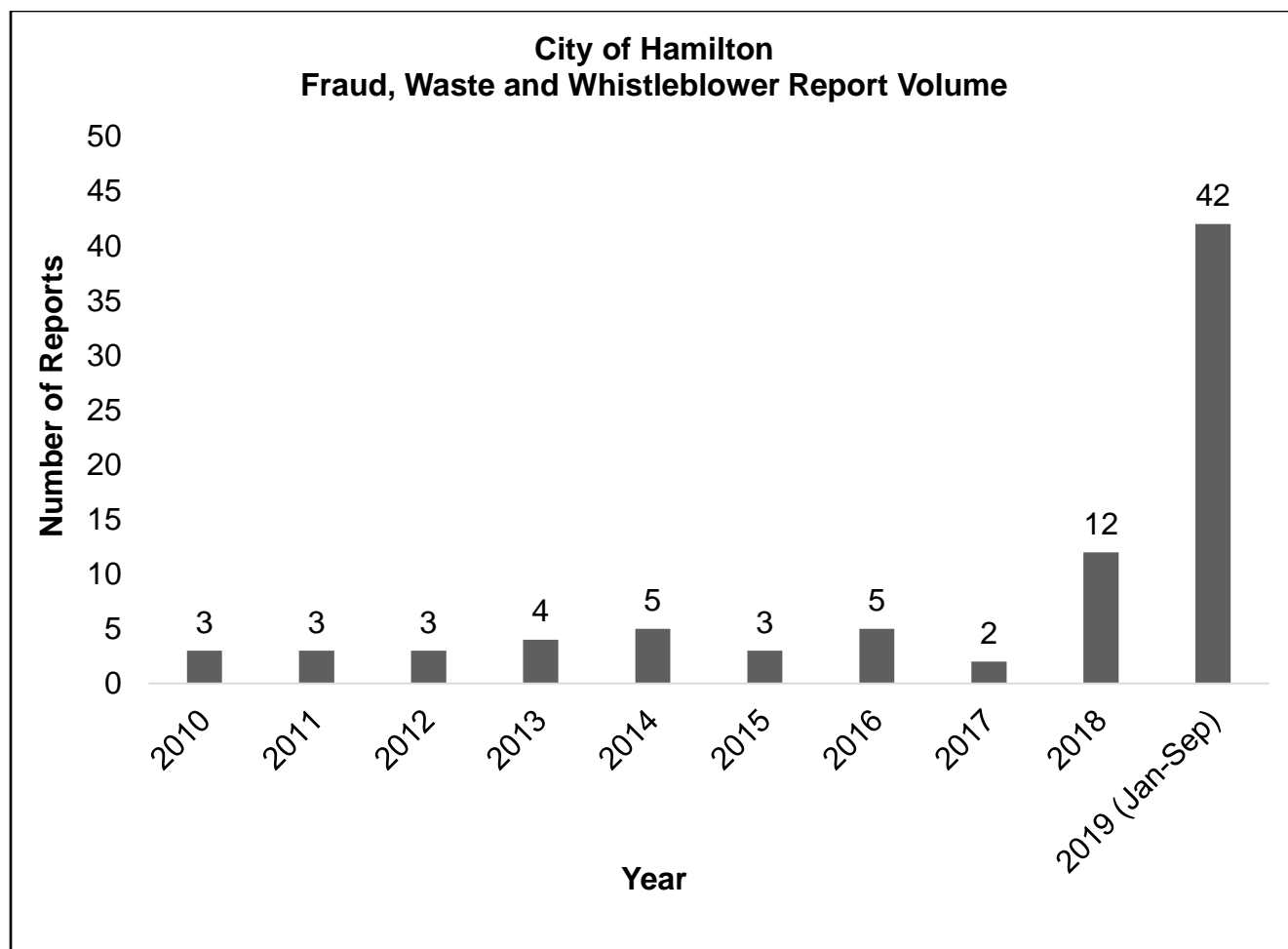
**SUBJECT: Fraud, Waste, and Whistleblower Update – Q3 2019 (AUD20001)
(City Wide) Page 5 of 7**

Employees

Description	Q3	Previously Reported Q1 and Q2	Year to Date Q1 to Q3
Reports Self-Identified as Employee	50% 14 of 28	43% 6 of 14	48% 20 of 42

When making a report through the Fraud and Waste Hotline, reporters can self-disclose as an employee, even if they choose to remain completely anonymous with their report. In Q3 2019, 50% of reporters self-identified as an employee of the City of Hamilton. The Office of the City Auditor cannot validate this information due to the nature of hotline reporting.

Historical Volume (2010 to Present)



**SUBJECT: Fraud, Waste, and Whistleblower Update – Q3 2019 (AUD20001)
(City Wide) Page 6 of 7**

In 2018, volume increased after Council approved the creation of a Fraud and Waste Hotline, as some media coverage was received after this approval was given.

In 2019, for the first nine months the volume was 42 reports. This is more reports in the first nine months of the year compared to previous nine years combined.

Currently the routine initial review, assessments and investigations are generally being performed with existing resources in the Office of the City Auditor (OCA) by realigning roles and rearranging existing work, including the pause and delay of some projects underway or planned by the OCA.

Annual Report

A more detailed annual report containing additional analysis, case samples and outcomes will be completed after the 2019 calendar year end analysis has been completed and will be submitted to the Audit, Finance, and Administration Committee.

HOW TO SUBMIT A REPORT

The Fraud and Waste Hotline is available for the public, employees, and vendors that do business with the City of Hamilton.

confidential
anonymous

SPEAK UP

Report any wrongdoing



Hamilton
Office of the City Auditor

Use the Fraud and Waste Hotline

www.hamilton.ca/Fraud

Call Toll Free 24/7 1-888-390-0393

**SUBJECT: Fraud, Waste, and Whistleblower Update – Q3 2019 (AUD20001)
(City Wide) Page 7 of 7**

The Fraud and Waste Hotline accepts reports through the following methods:

- **Online:** www.hamilton.ca/fraud A “Submit Report” button links to the third-party vendor page
- **Email:** cityofhamilton@integritycounts.ca
- **Phone:** 1-888-390-0393
- **Mail:** PO Box 91880, West Vancouver, BC V7V 4S4
- **Fax:** 1-604-926-5668

If any reports are received directly by the Office of the City Auditor by telephone, email, fax, mail, or the web-based suggestions form (www.hamilton.ca/audit) these complaints will be entered directly into the Hotline case management system and assessed similar to any other report.

APPENDICES AND SCHEDULES ATTACHED

None.



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

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	January 16, 2020
SUBJECT/REPORT NO:	2020 Temporary Borrowing and Interim Tax Levy By-laws (FCS20003) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Gloria Rojas (905) 546-2424 Ext. 6247
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION

- (a) That Appendix "A" attached to Report FCS20003, "By-law to Authorize the Temporary Borrowing of Monies to Meet Current Expenditures Pending Receipt of Current Revenues for 2020", be passed;
- (b) That Appendix "B" attached to Report FCS20003, "By-law to Authorize an Interim Tax Levy for 2020", be passed.

EXECUTIVE SUMMARY

Both the Temporary Borrowing and Interim Tax Levy By-laws ensure that the City has access to a continuing cash flow to fund operations until a final 2020 Budget has been approved.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The City would have to pay negotiated interest payments should it have to borrow funds under the Temporary Borrowing By-law.

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**SUBJECT: 2020 Temporary Borrowing and Interim Tax Levy By-laws (FCS20003)
(City Wide) – Page 2 of 3**

Staffing: N/A

Legal: The Temporary Borrowing By-law is required under Section 407 of the *Municipal Act, 2001*. An interim Tax Levy By-law is required under Section 317 of the *Municipal Act, 2001*.

HISTORICAL BACKGROUND

Appendix “A” to Report FCS20003 is a Temporary Borrowing By-law allowing the City to ensure that it has access to adequate cash flow to meet operating commitments. The allowable percentages to borrow as set out in Section 407 of the *Municipal Act, 2001* are 50% of estimated revenues prior to September 30 and 25% afterwards. It is important to note that actual borrowings under this provision have historically been very limited in both magnitude and duration. The most recent case of the City taking advantage of this provision was in late 1998 and 1999 under the Current Value Assessment conversion, when the Province was adjusting the rules and regulations for taxation of commercial and industrial properties, which held up final tax bills to August and September, respectively.

Appendix “B” to Report FCS20003 is an Interim Tax Levy By-law. In the course of its operations, before a final budget has been approved, the City incurs expenses on a regular basis. These expenses, including such items as employee wages, material expenditures and School Board tax payments, would require significant temporary borrowing without the ability to levy taxes in advance of the final tax bills being issued. Section 317 of the *Municipal Act, 2001* permits the levy of up to 50% of the prior year’s taxes (annualized for adjustments such as supplementary taxes or tax appeals). The Interim Tax Levy By-law provides the formal mechanism whereby Council can affect this pre-levy. The due dates of the instalments for the 2020 Interim Levy are proposed to be February 28, 2020 (or later) and April 30, 2020.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Sections 317 and 407 of the *Municipal Act, 2001*.

RELEVANT CONSULTATION

Legal and Risk Management Services, Division of the Corporate Services Department was originally consulted as to the form of the By-laws.

**SUBJECT: 2020 Temporary Borrowing and Interim Tax Levy By-laws (FCS20003)
(City Wide) – Page 3 of 3**

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

By-laws are required under the *Municipal Act, 2001*. Both the Temporary Borrowing and Interim Tax Levy By-laws ensure the City has adequate funding to run day-to-day operations.

ALTERNATIVES FOR CONSIDERATION

N/A

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.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS20003 – 2020 Temporary Borrowing By-law

Appendix “B” to Report FCS20003 – 2020 Interim Tax Levy By-law

GR/dt

**Appendix "A" to Report FCS20003
Page 1 of 2**

Authority:

Bill No.

CITY OF HAMILTON

BY-LAW NO.

**To Authorize the Temporary Borrowing of Monies to Meet Current
Expenditures Pending Receipt of Current Revenues for 2020**

WHEREAS the Council for the City of Hamilton deems it necessary to pass and enact a by-law to authorize the temporary borrowing of monies by the City to meet current budget expenditures for the year 2020 pending receipt of current revenues; and,

WHEREAS section 407(1) of the *Municipal Act, 2001*, provides as follows:

"At any time during a fiscal year, a municipality may authorize temporary borrowing, until the taxes are collected and other revenues are received, of the amounts that the municipality considers necessary to meet the expenses of the municipality for the year and of the amounts, whether or not they are expenses for the year, that the municipality requires in the year"; and,

WHEREAS Section 407(2) of the *Municipal Act, 2001*, imposes certain limitations on the amounts that may be borrowed at any one time.

NOW THEREFORE the Council of the City of Hamilton hereby enacts as follows:

1. (a) The City of Hamilton is hereby authorized to borrow from a Bank or person by way of Promissory Notes or Bankers Acceptances from time to time a sum or sums of monies not exceeding at any one time the amounts specified in Section 407(2) of the *Municipal Act, 2001* to pay off temporary bank overdrafts for the current expenditures of the City for the year 2020, including amounts for sinking funds, principal and interest falling due within such fiscal year and the sums required by law to provide for the purposes of the City.
- (b) The amount of monies that may be borrowed at any one time for the purposes of Section 407(1) of the *Municipal Act, 2001*, together with the total of any similar borrowings that have not been repaid, shall not, except with the approval of the Local Planning Appeal Tribunal, exceed the prescribed percentages of the total of the estimated revenues of the City as set forth in the estimates adopted for the year, which percentages are set out in Section 407 of the *Municipal Act, 2001* as it may be amended from time to time.

Appendix "A" to Report FCS20003
Page 2 of 2

2. (a) Until estimates of revenue of the City for the 2020 year are adopted, borrowing shall be limited to the estimated revenues of the City as set forth in estimates adopted for the next preceding year.

(b) The total estimated revenues of the City, including the amounts levied for Education purposes, adopted for the year 2020 are One Billion, Nine Hundred Million Dollars (\$1,900,000,000).
3. All sums borrowed pursuant to the authority of this By-law, together with any and all similar borrowings in the current year and in previous years that have not been repaid shall, together with interest thereon, be a charge upon the whole of the revenues of the City for the current year and for all preceding years, as and when such revenues are collected or received.
4. The Treasurer shall, and is hereby authorized and directed to, apply in payment of all sums borrowed pursuant to this By-law, together with interest thereon, all of the monies thereafter collected or received for the current and preceding years, either on account or realized in respect of taxes levied for the current year and preceding years or from any other sources which may lawfully be applied for such purpose.
5. That the Mayor and failing such person, the Deputy Mayor of the City Council and failing such person, the City Manager, together with the Treasurer or any one of the Temporary Acting Treasurers be authorized and directed to sign and execute the aforesaid Promissory Notes and Bankers Acceptances, hypothecations, agreements and such other documents, writings and papers which shall give effect to the foregoing.
6. This By-law shall come into force and effect on the 1st day of January 2020 and shall remain in force and effect until December 31, 2020.

PASSED this _____ day of _____, 2020

F. Eisenberger
Mayor

A. Holland
City Clerk

**Appendix "B" to Report FCS20003
Page 1 of 3**

Authority:

Bill No.

**CITY OF HAMILTON
BY-LAW NO.**

To Authorize an Interim Tax Levy for 2020

WHEREAS the Council for the City of Hamilton deems it necessary to pass a by-law to levy on the whole of the assessment for each property class in the local municipality rateable for a local municipality purpose, a sum not to exceed that which would be produced by applying the prescribed percentage (or 50 percent if no percentage is otherwise prescribed) of the total amounts billed to each property for all purposes in the previous year on the properties that, in the current year, are in the property class as provided for in Section 317 of the *Municipal Act, 2001*; and,

WHEREAS Section 317 of the *Municipal Act, 2001*, also authorizes a Municipal Council, by by-law, to adjust the interim taxes on a property if the Council is of the opinion that the Interim Tax Levy on a property is too high or too low in relation to its estimate of the total taxes which will be levied on the property in 2020.

NOW THEREFORE the Council of the City of Hamilton hereby enacts as follows:

1. The interim tax levies shall be levied and collected upon the whole of the rateable property categories in Columns 1 and 2, shown below:

Appendix “B” to Report FCS20003
Page 2 of 3

Column 1	Column 2
Class	Class Code
Residential	RT
Farmlands Awaiting Development	C1/R1/M1
Multi-Residential	MT
New Multi-Residential	NT
Commercial	CT
Commercial Excess Land / Small-scale on farm	CU/C7
Commercial Office Building / Excess Land	DT/DU
Commercial Parking Lot / Vacant Land	GT/CX
Commercial Shopping Centre / Excess Land	ST/SU
New Commercial	XT
New Commercial Excess Land / Small-scale on farm	YU/X7
New Commercial Office Building / Excess Land	YT/YU
New Commercial Shopping Centre / Excess Land	ZT/ZU
Industrial	IT
Industrial Excess / Vacant land / Small-scale on farm	IU/IX/I7
New Industrial	JT
New Industrial Excess / Vacant land / Small-scale on farm	JU/JX/J7
Industrial Large/Excess Land	LT/LU
New Industrial Large Industrial/Excess Land	KT/KU
Landfills	HT
Pipeline	PT
Farmland	FT
Managed Forest	TT
Rail Right of Way	WT CN
Rail Right of Way	WT CP
Utility Right of Way	UT
Shortline Railway Right-of-Way	BT

2. The interim tax levy shall become due and payable in two instalments as allowed under Section 342(1)(a) of the *Municipal Act, 2001*, as follows:

Fifty percent of the interim levy, rounded, shall become due and payable on the 28th day of February 2020, or at a later date, and the balance of the interim levy shall become due and payable on the 30th day of April 2020 and non-payment of the amounts due on the dates stated, in accordance with this section, shall constitute default.

3. That when payment of any instalment or any part of any instalment of taxes levied by this by-law is in default, penalties and where applicable interest, shall be imposed respectively in accordance with City of Hamilton policies.

Appendix "B" to Report FCS20003
Page 3 of 3

4. Section 342(1) (b) of the *Municipal Act, 2001* allows for alternative instalment due dates to spread the payment of taxes more evenly over the year. Therefore, the interim tax levy for those on a 12-month, pre-authorized automatic withdrawal payment plan shall be paid in six equal instalments due and payable on or after the first or fifteenth day of each month January to June, inclusive. For those on the 10-month pre-authorized automatic withdrawal payment plan, the interim levy shall be paid in five equal instalments due and payable on or after the first day of each month February to June, inclusive. The pre-authorized payment plans shall be penalty and interest free for as long as the taxpayer is in good standing with the terms of the plan agreements.
5. The interim tax levy rates shall also apply to any property added to the assessment roll after this by-law is enacted.
6. This by-law shall come into force and effect on the 1st day of January 2020.

PASSED this _____ , _____

F. Eisenberger
Mayor

A. Holland
City Clerk



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	January 16, 2020
SUBJECT/REPORT NO:	Education Development Charge Update (FCS20010) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Alicia Li (905) 546-2424 Ext. 1434
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

N/A

INFORMATION

Report FCS20010 is to provide an update to Council regarding a recent amendment made to the *Education Act, R.S.O. 1990, c. E.2 (Education Act)* and the associated Ontario Regulation 20/98 (Education Development Charges – General) by the Ministry of Education (see Appendix “A” to Report FCS20010).

On November 8, 2019, the Province, through Ontario Regulation 371/19, amended the *Education Act*, Ontario Regulation 20/98 (Education Development Charges – General). The amendment included changes to the process a School Board must follow when calculating an Education Development Charge (EDC), imposing limits on annual increases of an EDC and adding a mandatory exemption for a variety of Institutional developments.

The Province has communicated that the changes to the Education DC Policy Framework are to “support the goals of the government’s Housing Supply Action Plan, to enhance cost predictability for developers, and to maintain adequate revenues to support the accommodation of students in new development.”

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**SUBJECT: Education Development Charge Update (FCS20010) (City Wide) –
Page 2 of 3**

Section 6.1 (1) was added to the *Education Act*, Ontario Regulation 20/98 (Education Development Charges – General) by Ontario Regulation 371/19 on November 8, 2019.

6.1 (1) A board shall exempt an owner from education development charges if one of the following conditions is satisfied:

1. *Subject to subsection (2), the development would construct, erect or place a building or structure, or make an addition or alteration to a building or structure for one of the following purposes:*
 - i. *A private school.*
 - ii. *A long-term care home, as defined in the Long-Term Care Homes Act, 2007.*
 - iii. *A retirement home, as defined in the Retirement Homes Act, 2010.*
 - iv. *A hospice or other facility that provides palliative care services.*
 - v. *A child care centre, as defined in the Child Care and Early Years Act, 2014.*
 - vi. *A memorial home, clubhouse or athletic grounds owned by the Royal Canadian Legion.*
2. *The owner is a college of applied arts and technology established under the Ontario Colleges of Applied Arts and Technology Act, 2002.*
3. *The owner is a university that receives regular and ongoing operating funds from the Government of Ontario for the purposes of post-secondary education.*
4. *The owner is an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institutes Act, 2017. O. Reg. 371/19, s. 1.*

(2) If only a portion of a building or structure, or an addition or alteration to a building or structure, referred to in paragraph 1 of subsection (1) will be used for a purpose identified in that paragraph, only that portion of the building, structure, addition or alteration is exempt from an education development charge. O. Reg. 371/19, s. 1.

The added mandatory exemptions added to EDCs affect the City only by way of no longer collecting EDCs for the specified forms of developments. On November 11, 2019 City staff received notice of the change from the School Boards and cascaded the notice to all Building Division staff and appropriate Finance staff. A notice, attached as Appendix “A” to Report FCS20010, of all EDC Policy Framework changes was sent to the Directors of Education from the Ministry of Education in a letter dated November 8, 2019.

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**SUBJECT: Education Development Charge Update (FCS20010) (City Wide) –
Page 3 of 3**

Note that there is no direct financial impact to the City as a result of these amendments. EDCs collected by City Building staff at permit issuance are remitted to the respective school boards by Finance staff. The School Boards adopt and enforce EDC By-laws which are legislated by the *Education Act*. The City is merely an intermediary that collects the EDCs on behalf of the Boards according to the rules in the *Education Act* and each Board's EDC By-law.

Staff is reviewing permits issued on or after the effective date of Friday, November 8, 2019 and will work with each School Board regarding any applicable refunds.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS20010 – November 8, 2019 Memorandum from the Ministry of Education: Education Development Charge Policy Framework Update

AL/dt



Ministry of Education

Office of the Assistant Deputy Minister
Capital and Business Support Division

15th Floor
315 Front St West
Toronto ON M7A 0B8
Tel.: 416 212-9675
Fax.: 416 325-4024
TTY: 1-800-268-7095

Ministère de l'Éducation

Bureau du sous-ministre adjoint
Division du soutien aux immobilisations et aux
affaires

15^e étage
315, rue Front ouest
Toronto ON M7A 0B8
Tél. : 416 212-9675
Télééc. : 416 325-4024
ATS : 1-800-268-7095

2019: B20

MEMORANDUM TO: Directors of Education
Superintendents of Facilities
Superintendents of Business

FROM: Colleen Hogan
Assistant Deputy Minister (A)
Capital and Business Support Division

DATE: November 8, 2019

SUBJECT: Education Development Charge Policy Framework Update

Further to **Memorandum 2019: B11 Interim Changes to Education Development Charges (EDC)**, I am writing to inform you of the conclusion of the Ministry of Education's review of the EDC framework, and to outline amendments made to the *Education Act*, Ontario Regulation 20/98 (Education Development Charges – General) and Ontario Regulation 444/98 (Disposition of Surplus Real Property).

In June 2019, the *Education Act* was amended, through Bill 108 – *More Homes, More Choice Act, 2019* to update the Education Development Charges policy framework. These amendments support the goals of the government's Housing Supply Action Plan, to enhance cost predictability for developers, and to maintain adequate revenues to support the accommodation of students in new development.

EDC Rate Restrictions:

The EDC rate restrictions previously announced in Memorandum 2019: **Memorandum 2019: B11 Interim Changes to Education Development Charges (EDC)**, remain in-force with a minor adjustment to the non-residential rate as follows:

- A maximum yearly increase of the greater of 5% or \$300 per residential unit; and
- A maximum yearly increase of the greater of 5% or \$0.10 per square foot for non-residential development.

Alternative Projects and Localized Education Development Agreements:

The amendments to the *Education Act* and O. Reg. 20/98 support an updated EDC policy framework which allows for the application of EDC revenue for project costs that will address the needs of the board for pupil accommodation and ensures school boards are better able to align the users of schools to the payers of EDCs by:

- Allowing school boards to use EDC revenues to support lower-cost alternatives (Alternative Projects) to site acquisition; and
- Allowing school boards to enter into a Localized Education Development Agreements (LEDAs) that would exempt land from EDCs for specific developments in exchange for direct alternatives to site acquisition to address student accommodation needs.

Before a school board can enter into a LEDA or implement an Alternative Project, Minister approval is required. A school board can request Minister approval at any point; however, the LEDA or Alternative Project will not come into effect until the boards passes a new by-law.

A school board may make a change to a previously-approved Alternative Project, however boards are required to notify the Minister at least 60 days prior to implementing the change. If the Minister notifies the board, within 60 days from the day the notice was provided, that the proposed changes shall not be made, the board shall not make the change.

Notification of Site Acquisition:

School boards are required to provide the Minister with advance notification of their intent to acquire, lease or expropriate sites that are supported by EDC revenue, Land Priorities or the Temporary Accommodation Grant.

This notification is to be submitted to the ministry at least 60 days prior to the financial close of the transaction. If the Minister notifies the board, within 60 days from the day the notice was provided, that the proposed transaction shall not proceed, the board shall not proceed with the transaction.

In order to allow boards a full 60-day period to provide notification, this requirement will come into effect for transactions that are expected to close after January 10, 2020.

EDC Rate Calculation:

The following regulatory amendments were made that affect the EDC rate determination as follows:

- recently expired by-laws, who are not permanently accommodated should be added to the count of new pupils that are the result of new residential development;
- The following types of institutional development are now exempt from paying EDCs:
 1. Long-term care homes;
 2. Retirement homes;
 3. Private schools;
 4. Publicly-assisted universities and colleges;
 5. Indigenous Institutes;
 6. Memorial homes, clubhouses or athletic grounds of the Royal Canadian Legion;
 7. Hospices; and
 8. Child care centres.
- The number of school spaces that can be used to accommodate new pupils from new residential development are now subject to the Minister's approval; and
- School boards are no longer able to calculate a non-residential EDC rate using the percentage of the declared value of the development.

Administration:

The following regulatory amendments were made that are administrative in nature:

- School boards are no longer required to prepare a pamphlet for each development charge by-law. Instead, school boards are only required to post the required information on the board's website;
- School boards are now permitted to make changes to the geographic boundaries of their by-laws, subject to the existing requirement that a by-law not apply with respect to land in more than one region; and
- When providing notice of a board's meeting regarding the passage of an EDC by-law, a board must provide specifics, including the location, time and date of the meeting.

Changes to the *Education Act* were also made to authorize the Lieutenant Governor in Council to make regulations governing the expiration of Education Development Charge by-laws. This allows for a regulation to be made that would specify an expiration date for by-laws currently in force, thereby ensuring all new by-laws adhere to the new legislative requirements at an appropriate time in the future. No such regulation has been made.

The above EDC-related amendments to the legislation and regulation will be in force at November 8, 2019, and the amended statutes can be found here:

<https://www.ontario.ca/laws/statute/90e02>.

To provide further guidance to school boards regarding the new EDC policy framework, the ministry will post an updated guideline, now titled the **Education Development Charge and Site Acquisition Guideline**. The document will be found here:

<https://efis.fma.csc.gov.on.ca/faab/CapitalPrograms.htm>

The Ministry would like to take this opportunity to thank all stakeholders who provided valuable feedback through the EDC consultation process. We particularly wish to thank those Ontario Association of School Business Officials and Council of Senior Business Officials representatives who provided their expertise to undertake a detailed review the Guideline and forms.

Should school boards require further information regarding these amendments, transition timelines or the Guideline, please contact your board's respective Capital Analyst, or contact Paul Bloye, Director, Capital Programs Branch at 416-325-8589 or at paul.bloye@ontario.ca.

Sincerely,

original signed by:

Colleen Hogan
Assistant Deputy Minister (A)
Capital and Business Support Division
Ministry of Education



Hamilton

**HMRF/HWRF PENSION ADMINISTRATION SUB-COMMITTEE
REPORT 19-001**

1:00 p.m.

Tuesday, December 10, 2019
Hamilton City Hall, Room 192
71 Main Street West

Present: Councillors M. Pearson (Chair) and L. Ferguson
HMRF Members: D. Skarratt (Co-Vice Chair) and D. Alford
HWRF Members: H. Hicks and R. Slack

Regrets: HWRF Members: J. Garchinski (Co-Vice Chair)

**THE HMRF/HWRF PENSION ADMINISTRATION SUB-COMMITTEE PRESENTS
REPORT 19-001 AND RESPECTFULLY RECOMMENDS:**

**1. HMRF/HWRF/HSR Pension Plan Possible Transfer to OMERS
(FCS18093(a)) (City Wide) (Item 10.1)**

That Report FCS18093(a) respecting the HMRF/HWRF/HSR Pension Plan Possible Transfer to OMERS, be received.

**2. Master Trust Pension Investment Performance Report as at December
31, 2018 (FCS18091(a)) (City Wide) (Item 10.2)**

That Report FCS18091(a) respecting the Master Trust Pension Investment Performance Report as at December 31, 2018, be received.

**3. Master Trust Pension Investment Performance Report as at June 30,
2019 (FCS19075) (City Wide) (Item 10.3)**

That Report FCS19075 respecting the Master Trust Pension Investment Performance Report as at June 30, 2019, be received.

**4. 2019 Master Trust Pension Statement of Investment Policies and
Procedures (FCS19073) (City Wide) (Item 10.4)**

- (a) That Appendix "A" to HMRF/HWRF Pension Administration Sub-Committee Report 19-001, respecting the 2019 City of Hamilton Defined Benefit Pension Plans Master Trust Statement of Investment Policies and

Procedures be approved and replace the previous 2018 City of Hamilton Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures contained in Report FCS18090 and approved by Council on January 23, 2019.

- (b) That Appendix “A” to HMRF/HWRF Pension Administration Sub-Committee Report 19-001, respecting the 2019 City of Hamilton Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures be forwarded to the Hamilton Street Railway Pension Advisory Committee for their information.

FOR INFORMATION:

(a) APPROVAL OF AGENDA (Item 2)

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

The agenda for the December 10, 2019 meeting of the HMRF/HWRF Pension Administration Sub-committee was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

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

(i) December 18, 2018 (Item 4.1)

That the December 18, 2018 Minutes of the HMRF / HWRF Pension Administration Sub-Committee meeting was approved, as presented.

(d) ADJOURNMENT (Item 15)

There being no further business, the HMRF/HWRF Pension Administration Sub-Committee adjourned at 1:21 p.m.

Respectfully submitted,

Councillor M. Pearson, Chair
HMRF/HWRF Pension Administration
Sub-Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk

Statement of Investment Policies and Procedures

City of Hamilton Defined Benefit Pension Plans Master Trust

December 2019

APPROVED on this day of December, 2019

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Section 1—Overview

1.01 Purpose of Statement

This Statement of Investment Policies and Procedures (the "Policy" or "Master Trust SIPP") provides the framework for the investment of the assets of the City of Hamilton Defined Benefit Pension Plans Master Trust (the "Master Trust").

This Policy is based on the "prudent person portfolio approach" to ensure the prudent investment and administration of the assets of the Master Trust are within the parameters set out in the *Pension Benefits Act*, (Ontario) and the Regulations thereunder.

1.02 Background of the Master Trust

The inception date of the Master Trust is November 1, 1999, when three defined benefit pension plans, the "Plans", (the Hamilton Municipal Retirement Fund (Registration number 0275123), the Hamilton Street Railway Pension Plan (1994) (Registration number 0253344), and the Hamilton Wentworth Retirement Fund (Registration number 1073352)) invested in units of the Master Trust. The portfolio of assets in the Master Trust is referred to as "the Fund". These Plans hold units of the Master Trust and share, on a pro-rata basis, in all income, expenses and capital gains and losses of the Master Trust.

For reference purposes, the details of the Statement of Investment Policies and Procedures for each of the above mentioned Plans participating in the Master Trust have been attached to Appendix A of this Policy.

1.03 Objective of the Plan

The objective of the Plans is to provide members of the Plans with retirement benefits prescribed under the terms thereof.

1.04 Investment and Risk Philosophy

The primary investment objective is to provide an economic return on assets sufficient to fund Plan liabilities over the long-term, while adhering to prudent investment practices.

The investment philosophies and strategies must take into account both return and risk objectives of the Plans and the City of Hamilton (the "City").

In recognition of the risk and return objectives of the Plans and the City, an initial asset allocation policy was developed by the Investment Consultant in consultation with both the Chief Investments Officer and the Treasurer of the City (the "Treasurer") based on the Plans' current (at that time) funded status and the characteristics of the Plans and City. It is recognized, however, that the Plans' return requirements and risk tolerance will change over time, and the intent is to reallocate the portfolio to lower risk allocations dynamically as the Plans' funded statuses improve.

1.05 Administration

The General Manager of Finance and Corporate Services for the City ("General Manager of Finance and Corporate Services") is the designated contact person at the City for administrative purposes.

Section 2—Asset Mix and Diversification Policy

2.01 Master Trust Return Expectations

Each of the investment managers appointed to invest the assets of the Master Trust (the “Investment Managers”) is directed to achieve a satisfactory long-term real rate of return through a diversified portfolio, consistent with acceptable risks, performance objectives and prudent management.

In order to achieve their long-term investment goals, the Plans must invest in assets that have uncertain returns, such as Canadian equities, foreign equities and bonds. However, the City attempts to reduce the overall level of risk by diversifying the asset classes and further diversifying within each individual asset class. Based on historical data and reasonable expectations for future returns, the City believes that a diversified portfolio of Canadian equities, nominal bonds, real return bonds and foreign equities will likely outperform over the long term.

The overall goal of this Policy is to maximize the return of the Fund while bearing a reasonable level of risk relative to the liabilities in order to ensure the solvency of the Fund over time. The assets of the Plans are sufficiently liquid to make payments which may become due from the Plans. The weights applied to each of the asset classes are based on the targets in the initial asset allocation outlined in Section 2.03 and adjusted based on the target allocation in the Dynamic Investment Policy Schedule in Section 2.03.

2.02 Expected Volatility

The volatility of the Master Trust is directly related to its asset mix, specifically, the balance between Canadian bonds, Canadian equities and foreign equities. Since the Investment Managers do not have the authority to make any type of leveraged investment on behalf of the Master Trust, the volatility of the Master Trust should be similar to the volatility of the Benchmark Portfolio set out in Section 4.02 (Performance Measurement).

2.03 Asset Mix

(a) In order to achieve the long-term objective within the risk/return considerations described in Section 1.04, the following asset mix policy (Benchmark Portfolio) and ranges were selected for the initial asset allocation:

Assets	Minimum %	Initial Target Weight %	Maximum %	Asset Category
Canadian Equity	25	30	35	Return-Seeking
Global Equity	25	30	35	Return-Seeking
Total Equities	50	60	70	Return-Seeking
Fixed Income	30	40	50	Liability-Hedging

For purpose of the total asset mix described above, the Investment Managers' asset class pooled funds are deemed to be 100% invested, even though these funds may contain a portion held in cash and cash equivalent instruments.

The Plan's target asset allocation for each investment category listed in subsection 76(12) of the Regulation 909 to the Pension Benefits Act (Ontario) is as follows:

Investment Category under subsection 76(12) of Regulation 909	Target Asset Allocation	Accessed through mutual or pooled or segregated funds
1. Insured Contracts	0.0%	-
2. Mutual or pooled funds or segregated funds	N/A	-
3. Demand deposits and cash on hand	0.0%	-
4. Short-term notes and treasury bills	0.0%	-
5. Term Deposits and guaranteed investment certificates	0.0%	-
6. Mortgage Loans	0.0%	-
7. Real Estate	0.0%	-
8. Real Estate Debentures	0.0%	-
9. Resource properties	0.0%	-
10. Venture Capital	0.0%	-
11. Corporations referred to in subsection 11(2) of Schedule III to the federal investment regs	0.0%	-
12. Employer issued securities	0.0%	-
13. Canadian stocks other than investments referred to in 1 to 12 above	30.0%	Yes
14. Non-Canadian stocks other than investments referred to in 1 to 12 above	30.0%	Yes
15. Canadian bonds and debentures other than investments referred to in 1 to 12 above	40.0%	Yes
16. Non-Canadian bonds and debentures other than investments referred to in 1 to 12 above	0.0%	-
17. Investments other than investments referred to in 1 to 16 above	0.0%	-

For inclusion within a fixed income investment category in the above table, the minimum ratings for target asset allocations of fixed income assets are outlined below. This framework is used to inform whether the target asset allocation to an investment category qualifies as fixed income for purposes of calculating the Provision for Adverse Deviations (PfAD) as defined under Regulation 909.

Credit Rating Agency	Rating – Bond Market Securities	Rating – Money Market Securities
DBRS	BBB	R-2 (middle)
Fitch Ratings	BBB-	F-3
Moody's Investors Services	Baa3	P-3
Standard & Poor's	BBB-	A-3

- (b) **Return-Seeking Assets:** These assets generally will consist of all non-fixed income investments, such as equities and alternatives, with a main focus on price appreciation with generally higher expected long-term returns.
- (c) **Liability-Hedging Assets:** These assets generally will be fixed-income investments, such as bonds, with similar duration characteristics as the pension liabilities (i.e., these assets generally behave like pension liabilities). Since these assets focus mainly on current income, their expected long-term returns will generally be lower than return-seeking assets.
- (d) **Sub-Allocations and Rebalancing Ranges:** The sub-allocations and rebalancing ranges within the return-seeking portfolio will be reviewed from time to time as the total return-seeking allocation changes due to the Dynamic Investment Policy Schedule below. The rebalancing ranges for the total return-seeking assets and liability-hedging assets (fixed income) are also determined by the Dynamic Investment Policy Schedule below.

(e) In recognition of the risk and return objectives of the Plans and the City, an initial asset allocation policy was developed by the Investment Consultant in consultation with both the Chief Investments Officer and the Treasurer based on the Plans' current (at that time) funded status and the characteristics of the Plans and City. It is recognized, however, that the Plans' return requirements and risk tolerance will change over time, and the intent is to reallocate the portfolio to lower risk allocations dynamically as the Plans' funded statuses improve.

Based on an assessment of the Plans' long-term goals and desired risk levels, the HMRF/HWRF Pension Administration Sub-Committee (following advice from the Investment Consultant) recommended to City Council a "Dynamic Investment Policy" which was subsequently approved by City Council. The Dynamic Investment Policy was developed by the Investment Consultant in consultation with the Chief Investments Officer and the Treasurer, and is based on the 2010 Dynamic Investment Policy Study which was conducted by the Investment Consultant.

The Dynamic Investment Policy dynamically adjusts the allocation to return-seeking assets and liability-hedging assets as the Plans' funded statuses improve. Funded status may change due to any combination of investment returns, contributions, benefit payments, fund expenses, and changes to liabilities (including discount rate changes).

This Policy is based on the results of the 2010 Dynamic Investment Policy Study and the Dynamic Investment Policy Schedule is as follows:

Funded Ratio ^{1 2}	Return -Seeking Allocation		
	Minimum	Target	Maximum
<65%	50%	60%	70%
65%	50%	60%	70%
66%	50%	60%	70%
67%	50%	60%	70%
68%	50%	60%	70%
69%	50%	60%	70%
70%	50%	60%	70%
71%	49%	59%	69%
72%	47%	57%	67%
73%	46%	56%	66%
74%	44%	54%	64%
75%	43%	53%	63%
76%	41%	51%	61%
77%	40%	50%	60%
78%	38%	48%	58%
79%	37%	47%	57%
80%	35%	45%	55%
81%	34%	44%	54%
82%	32%	42%	52%
83%	31%	41%	51%

Return -Seeking Allocation			
Funded Ratio ^{1 2}	Minimum	Target	Maximum
84%	29%	39%	49%
85%	28%	38%	48%
86%	26%	36%	46%
87%	25%	35%	45%
88%	23%	33%	43%
89%	22%	32%	42%
90%	20%	30%	40%
91%	19%	29%	39%
92%	17%	27%	37%
93%	16%	26%	36%
94%	14%	24%	34%
95%	13%	23%	33%
96%	11%	21%	31%
97%	10%	20%	30%
98%	8%	18%	28%
99%	7%	17%	27%
100%	5%	15%	25%
>100%	5%	15%	25%

¹ Funded ratio defined on a Wind-up basis.

² Funded ratio will change based on any combination of investment returns, contributions, benefits payments, expenses and changes in liabilities.

Sub-Allocations: The sub-allocations within the liability hedging and return seeking categories will be drawn down approximately based on the table below. However, allocations to illiquid assets may be adjusted at a slower rate. Sub-allocations should be within 5% of their targets. The sub-allocations will be adjusted proportionately when the return-seeking allocation is between the levels listed in the table below.

	Return Seeking		Liability Hedging	
	Canadian Equity	Global Equity	Long-Term Bonds	Real Return Bonds
15% return seeking	8%	7%	11%	74%
20% return seeking	10%	10%	12%	68%
25% return seeking	13%	12%	14%	61%
30% return seeking	15%	15%	15%	55%
35% return seeking	18%	17%	17%	48%
40% return seeking	20%	20%	18%	42%
45% return seeking	23%	22%	20%	35%
50% return seeking	25%	25%	21%	29%
55% return seeking	28%	27%	23%	22%
60% return seeking	30%	30%	25%	15%

Duration Strategy: Based on the Dynamic Investment Policy Study completed in 2010, the portfolio interest rate dollar duration will increase as the funded status improves and the allocation to liability hedging assets increases. Interest rate derivatives may be used on either a strategic or opportunistic basis to mitigate risk by increasing the hedge ratio up to 100%. This will be at the discretion of the Administrator and based on the duration of the Plan's liabilities.

Rebalancing and Monitoring: A systematic rebalancing procedure will be utilized to ensure that the asset allocation of the Fund stays within the ranges defined above. As the return-seeking asset allocation changes, the sub-category allocations will be kept approximately proportional to the Initial allocation specified above. However, the allocations to illiquid investments may be adjusted more slowly. The funded ratio and asset allocation of the Fund will be reviewed regularly or when significant cash flows occur, and will be monitored and reported on at least an annual basis, or upon such more frequent basis as may be requested by City Council or its delegates from time to time. The Fund will be rebalanced as necessary, making use of benefit payments and contributions to the extent possible and considering the transaction costs involved in the rebalancing.

2.04 Management Structure

The Master Trust may employ a mix of active and passive management styles. Active management provides the opportunity to outperform specific investment benchmarks and it can provide lower absolute volatility of returns. Passive, or index, management minimizes the risk of underperformance relative to a benchmark index and is generally less expensive than active management. This approach also diversifies the manager risk, making the Master Trust less reliant on the skills of a single Investment Manager.

Because holding large amounts of foreign assets can expose the Master Trust to fluctuations in the level of the Canadian dollar, a portion of the foreign assets may be hedged back into Canadian dollars.

2.05 Environmental, Social and Governance (ESG) Issues

The Administrator's primary responsibility is to make decisions in the best interest of the Plan beneficiaries. This responsibility requires that there be an appropriate balance between the need to seek long-term investment returns to help build better pensions for all members of the Plans and the needs for those returns to be delivered in as stable a manner as possible (given the behaviour of the investment markets).

The Administrator neither favours nor avoids managers and investments based on ESG integration. In keeping with the foregoing, and having regard to the size of the Plans and the pension fund, the Administrator does not take ESG factors into account when making investment decisions. As previously noted, the Administrator has delegated the search for investment managers to its Investment Consultant. On the direction of the Administrator, the Investment Consultant is directed to search and select the best investment managers for investing the assets of the Plans considering factors such as business, staff, historical performance and investment process, since the Administrator believes that these factors will contribute to higher investment returns in the long run and manage risk. Investment Managers are not prohibited from considering ESG factors if they believe that it will have a positive impact on the Plans' investment returns.

Section 3—Permitted and Prohibited Investments

3.01 General Guidelines

The investments of the Master Trust must comply with the requirements and restrictions set out in the *Income Tax Act* (Canada) and the *Pension Benefits Act* (Ontario), and their respective Regulations.

3.02 Permitted Investments

In general, and subject to the restrictions in this Section 3, the Investment Managers may invest in any of the following asset classes and in any of the investment instruments listed below:

- (a) **Canadian and Foreign Equities**
 - (i) Common and convertible preferred stock the shares of which are (a) listed on a prescribed stock exchange in Canada; or (b) listed on a prescribed stock exchange outside Canada;
 - (ii) Debentures convertible into common or convertible preferred stock, provided such instruments are traded on a recognized public exchange or through established investment dealers;
 - (iii) Rights, warrants and special warrants for common or convertible preferred stock the shares of which are (a) listed on a prescribed stock exchange in Canada; or (b) listed on a prescribed stock exchange outside Canada;
 - (iv) Private placement equities, where the security will be eligible for trading on a recognized public exchange within a reasonable and defined time frame;
 - (v) Instalment receipts, American Depository Receipts, Global Depository Receipts and similar exchange traded instruments;
 - (vi) Units of real estate investment trusts (REITs);
 - (vii) Exchange traded index-participation units (e.g., iUnits; SPDRs);
 - (viii) Income trusts registered as reporting issuers under the Securities Act, domiciled in a Canadian jurisdiction that provides limited liability protection to unit holders; and
 - (ix) Units of limited partnerships which are listed on the TSX exchange.

(b) **Canadian and Foreign Fixed Income**

- (i) Bonds, debentures, notes, non-convertible preferred stock and other evidence of indebtedness of Canadian or developed market foreign issuers whether denominated and payable in Canadian dollars or a foreign currency, provided such instruments are traded on a recognized public exchange or through established investment dealers, subject to Section 3.04 below;
- (ii) Real return bonds, subject to Section 3.04 below;
- (iii) Mortgages secured against Canadian real estate subject to Section 3.05 below;
- (iv) Mortgage-backed securities, guaranteed under the *National Housing Act*;
- (v) Term deposits and guaranteed investment certificates;
- (vi) Private placements of bonds subject to Section 3.03 below; and,
- (vii) Investment in bond and debenture issues of the City and affiliated bodies is neither encouraged nor discouraged. The decision by the Investment Manager(s) to invest in such issues is entirely their responsibility and they should be governed by the same degree of due diligence and prudence that they would apply when assessing any other investment in respect of a registered pension plan.

(c) **Cash and Short Term Investments**

- (i) Cash on hand and demand deposits;
- (ii) Canadian and U.S. Treasury bills and bonds (with remaining maturities not exceeding 365 days) issued by the federal (Canada & U.S., as applicable) and provincial governments and their agencies;
- (iii) Sovereign short-term debt instruments of developed countries, with maturities not exceeding 365 days;
- (iv) Obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances;
- (v) Commercial paper and term deposits; and
- (vi) Other money market instruments (maturity not exceeding 365 days).

(d) **Derivatives**

Assets are not invested in derivative instruments and the trust will not invest in derivatives directly (including options and futures). In the event that a pooled fund invests in derivatives, prior to investing in such pooled fund, appropriate risk management processes and procedures will be in place in order to help mitigate any risks associated with derivatives. Specifically, all derivative investments will

be made in accordance with applicable legislation and regulatory policies relating to the investment of pension plan assets in derivatives. The following uses of non-leveraged derivative instruments are permitted:

- (i) Covered put and/or call options with respect to publicly traded securities that are held in the portfolio;
 - (ii) The Investment Manager of an index portfolio may utilize fully backed, i.e. non-leveraged, derivative strategies designed to replicate the performance of specific market indices, i.e.- exchange-traded equity index futures contracts;
 - (iii) Investment Managers may use currency futures contracts and forward contracts to hedge foreign currency exposure; and
 - (iv) Interest rate derivatives can be used to hedge the interest rate risk in the liabilities.
- (e) **Other Investments**
- (i) Investments in open-ended or closed-ended pooled funds provided that the assets of such funds are permissible investments under this Policy, and
 - (ii) Deposit accounts of the Custodian can be used to invest surplus cash holdings.
- (f) **Index Mandates**
- (i) For managers of index mandates, permitted investment vehicles may include all instruments that may form part of the respective index.

3.03 Minimum Quality Requirements

- (a) **Quality Standards**
- Within the investment restrictions for individual portfolios, all portfolios should hold a prudently diversified exposure to the intended market.
- (i) The minimum quality standard for individual bonds and debentures is 'BBB-' or equivalent as rated by a Recognized Bond Rating Agency, at the time of purchase.
 - (ii) The minimum quality standard for individual short term investments is 'R-1' low or equivalent as rated by a Recognized Bond Rating Agency, at the time of purchase.
 - (iii) The minimum quality standard for individual preferred shares is 'P-1' or equivalent as rated by a Recognized Bond Rating Agency, at the time of purchase.
 - (iv) All investments shall be reasonably liquid (i.e. in normal circumstances they should be capable of liquidation within 1 month).

(b) **Split Ratings**

In cases where the Recognized Bond Rating Agencies do not agree on the credit rating, the bond will be classified according to the following methodology:

- (i) If two agencies rate a security, use the lower of the two ratings;
- (ii) If three agencies rate a security, use the most common; and if four agencies rate a security, use the lowest most common; and
- (iii) If three agencies rate a security and all three agencies disagree, use the middle rating; if four agencies rate a security and all four agencies disagree, use the lowest middle rating.

(c) **Downgrades in Credit Quality**

Each Investment Manager will take the following steps in the event of a downgrade in the credit rating of a portfolio asset by a Recognized Rating Agency to below the purchase standards set out in Section 3.03 (a) Quality Standards:

- (i) The Chief Investments Officer will be notified of the downgrade by telephone at the earliest possible opportunity;
- (ii) Within ten business days of the downgrade, the Investment Manager will advise the Chief Investments Officer in writing of the course of action taken or to be taken by the Investment Manager, and its rationale; and
- (iii) Immediately upon downgrade, the Investment Manager will place the asset on a Watch List subject to monthly review by the Investment Manager with the Chief Investments Officer until such time as the security matures, is sold or until it is upgraded to a level consistent with the purchase quality standards as expressed in the above guidelines.

(d) **Rating Agencies**

For the purposes of this Policy, the following rating agencies shall be considered to be 'Recognized Bond Rating Agencies':

- (i) Dominion Bond Rating Service Limited;
- (ii) Standard and Poor's;
- (iii) Moody's Investors Services Inc.; and
- (iv) Fitch Ratings

(e) **Private Placement Bonds**

Private placement bonds are permitted subject to **all** of the following conditions:

- (i) The issues acquired must be 'A' or equivalent rated;
- (ii) The total investment in such issues must **not** exceed 10% of the market value of the Investment Manager(s) bond portfolio;

- (iii) The Investment Manager's portfolio may **not** hold more than 5% of the market value of any one private placement;
- (iv) The Investment Manager(s) must be satisfied that there is sufficient liquidity to ensure sale at a reasonable price; and
- (v) The minimum issue size for any single security must be at least \$150 million.

3.04 Maximum Quantity Restrictions

(a) Total Fund Level

No one equity holding shall represent more than 10% of the total market value of the Master Trust's assets.

(b) Individual Investment Manager Level

The Investment Manager(s) shall adhere to the following restrictions:

(i) Equities

- (A) No one equity holding shall represent more than 10% of the market value of any one Investment Manager's equity portfolio.
- (B) No one equity holding shall represent more than 10% of the voting shares of a corporation.
- (C) No one equity holding shall represent more than 10% of the available public float of such equity security.
- (D) Income Trusts shall not comprise more than 15% of any Investment Manager's Canadian equity portfolio.

(ii) Bonds and Short Term

- (A) Except for federal and provincial bonds (including government guaranteed bonds), no more than 10% of an Investment Manager's bond portfolio may be invested in the bonds of a single issuer and its related companies.
- (B) Except for federal and provincial bonds, no one bond holding shall represent more than 10% of the market value of the total outstanding for that bond issue.
- (C) No more than 8% of the market value of an Investment Manager's bond portfolio shall be invested in bonds rated BBB (this includes all of BBB's: BBB+, BBB, and BBB-) or equivalent.
- (D) This Policy will permit the continued holding of instruments whose ratings are downgraded below BBB- after purchase, provided that such instruments are disposed of in an orderly fashion.

- (E) No more than 10% of the market value of an Investment Manager's bond portfolio shall be invested in bonds denominated in a currency other than Canadian dollars.
- (F) Except for the dedicated real return bond mandate, no more than 10% of the market value of the bond portfolio may be held in real return bonds.

(iii) Other

The use of derivative securities shall be supported at all times by the explicit allocation of sufficient assets to back the intended derivative strategy. For greater certainty, Investment Managers are not permitted to leverage the assets of the Master Trust. The use of derivative securities is only permitted for the uses described in this Policy. Purchase or sale of any of these instruments for speculative purposes is prohibited.

Notwithstanding the limits described in this Section, the single security limits do not apply to an Investment Manager's index mandate.

3.05 Prior Permission Required

The following investments are permitted **provided that** prior permission for such investments has been obtained from the Administrator:

- (a) Investments in private placement equities (except for the foreign equity investment managers investing in pooled funds where the pooled fund policy permits private placement equities).
- (b) Direct investments in mortgages.
- (c) Direct investments in any one parcel of real property that has a book value less than or equal to 5% of the book value of the Master Trust's assets. The aggregate book value of all investments in real property and Canadian resource properties shall not exceed 25% of the book value of the Master Trust's assets. (Previously, the overall 25% limit in respect of real and resource properties was a requirement under the *Pension Benefits Act* (Ontario).)
- (d) Direct investments in venture capital financing or private equity partnerships; and
- (e) Derivatives other than those described in 3.02(d).

3.06 Prohibited Investments

The Investment Managers shall not:

- (a) Invest in companies for the purpose of managing them;
- (b) Invest in securities that would result in the imposition of a tax on the Fund under the *Income Tax Act* (Canada) unless they provide a prior written acknowledgement that such investments will result in a tax and receive prior written permission for such investments from the Administrator or;
- (c) Make any investments not specifically permitted by this Policy.

3.07 Securities Lending

The investments of the Master Trust may be loaned, for the purpose of generating revenue for the Fund, subject to the provisions of the *Pension Benefits Act* (Ontario) and the *Income Tax Act* (Canada), and applicable regulations.

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 loaned securities, the security held or collateral must have an aggregate market value which shall never be less than the percentage of the aggregate market value of the loaned securities which is the highest of: (i) the minimum percentage required by any applicable legislation, regulatory authority or prevailing market practice; or (ii) 105%. The aggregate market value of the loaned securities and of the collateral shall be monitored and calculated by the Custodian 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 Chief Investments Officer has a current list of those institutions that are approved to borrow the Fund's investments.

Lending of the portion of the Master Trust's assets held in a pooled fund is governed by the terms of the conditions set out in the pooled fund Statement of Investment Policies and Procedures or similar document.

3.08 Borrowing

The Master Trust shall not borrow money, except to cover short-term contingency and the borrowing is for a period that does not exceed ninety days, subject to the *Pension Benefits Act* (Ontario), the *Income Tax Act* (Canada) and the written permission of the General Manager of Finance and Corporate Services.

3.09 Conflicts between the Policy and Pooled Fund Investment Policies

While the guidelines in this Policy are intended to guide the management of the Master Trust, it is recognized that, due to the use of pooled funds, there may be instances where there is a conflict between the Policy and the investment policy of a pooled fund. In that case, the Investment Manager is expected to notify Chief Investments Officer upon the initial review of the Policy and whenever a change in the pooled fund policy creates a conflict. However, it is understood that any ambiguity will be interpreted in favour of the pooled fund policy, provided such interpretation complies with all applicable laws.

Section 4—Monitoring and Control

4.01 Delegation of Responsibilities

The General Manager of Finance and Corporate Services is the designated contact person for administrative matters. However, City Council has delegated certain administrative duties and responsibilities to internal and external agents, including to the HMRF/HWRF Pension Administration Sub-committee, the Chief Investments Officer and the General Manager of Finance and Corporate Services. Overall responsibility for the Master Trust ultimately rests with City Council, and the City (acting through Council) is the pension plan administrator of the Plans (for each Plan, the "Administrator").

(a) Chief Investments Officer

The Chief Investments Officer has been delegated the following responsibilities:

- (i) monitoring the Master Trust asset mix and rebalancing as required, including executing asset mix changes required per the Dynamic Policy Schedules outlined in section 2.03;
- (ii) day-to-day liaison including contract management with external Investment Managers, the Investment Consultant, and the Custodian/Trustee;
- (iii) monitoring and budgeting for cash flow within the pension fund;
- (iv) researching, recommending and implementing improvements to asset management of the Master Trust;
- (v) directing and implementing strategy for self-managed portfolios, if any; and
- (vi) preparing and presenting to City Council and the HMRF/HWRF Pension Administration Sub-Committee a report on the Plan's investment performance and asset mix, and such other information as City Council may require and/or other such information as the Chief Investments Officer considers appropriate to include in the report, on at least an annual basis, or upon such more frequent basis as may be requested by City Council or its delegates from time to time.

(b) Investment Managers

The Investment Managers have been delegated the following responsibilities:

- (i) invest the assets of the Master Trust in accordance with this Policy;

- (ii) meet with the Chief Investments Officer as required and provide written reports regarding the Investment Manager's past performance, their future strategies and other issues as requested;
- (iii) notify the Chief Investments Officer, in writing of any significant changes in the Investment Manager's philosophies and policies, personnel or organization and procedures;
- (iv) will provide periodically, but no less than on an annual basis, or upon such more frequent basis as may be requested by City Council or its delegates from time to time, lists of assets and such other information as may be requested by the Chief Investments Officer; and,
- (v) file, on at least an annual basis, or upon such more frequent basis as may be requested by City Council or its delegates from time to time compliance reports (see Section 4.03).

(c) Custodian/Trustee

The custodian/trustee will:

- (i) Fulfil the regular duties of a Custodian/Trustee as required by law;
- (ii) maintain safe custody over the assets of the Master Trust Plans;
- (iii) execute the instructions of the Chief Investments Officer and the Investment Managers; and
- (iv) record income and provide financial statements to the Chief Investments Officer on at least an annual basis, or upon such more frequent basis as may be requested by City Council or its delegates from time to time, or as otherwise required.

(d) Investment Consultant

The investment consultant has been delegated the following responsibilities:

- (i) assist the Chief Investments Officer in developing a prudent long-term asset mix, and specific investment objectives and policies;
- (ii) monitor, analyse and report on the Master Trust's investment performance and to support the Chief Investments Officer on any investment related matters;
- (iii) monitor and report the funded status of the Plans to the Chief Investments Officer on at least an annual basis, or upon such more frequent basis as may be requested by City Council or its delegates from time to time;
- (iv) assist with the selection of Investment Managers, custodians and other suppliers; and

(v) meet with the Chief Investments Officer as required.

(e) **Actuary**

The actuary has been delegated the following responsibilities:

(i) perform actuarial valuations of the Plan as required; and

(ii) advise the Chief Investments Officer and the Investment Consultant on any matters relating to Plan design, membership and contributions, and actuarial valuations.

4.02 Performance Measurement

For the purpose of evaluating the performance of the Master Trust and the Investment Managers, all rates of returns are measured over moving four-year periods. Return objectives are net of fees and include realized and unrealized capital gains or losses plus income from all sources. Returns will be measured quarterly and will be calculated as time-weighted rates of return.

(a) **Active and Index Canadian Equity Managers**

Investment results of the active and index Canadian Equity Managers are to be tested regularly against a Benchmark Portfolio comprising:

Benchmark	%
S&P/TSX Composite Index	100

(b) **Active and Index Global Equity Managers**

Investment results of the active and index Global Equity Managers are to be tested regularly against a long-term Benchmark Portfolio comprising:

Benchmark	%
MSCI World Index (C\$)	100

(c) **Active and Index Canadian Bond Managers – Long Bonds**

Investment results of the active and index Canadian Bond Managers for Long Bonds are to be tested regularly against a Benchmark Portfolio comprising:

Benchmark	%
FTSE Canada Long Bond Index	100

- (d) **Active and Index Canadian Bond Managers – Real Return Bonds**
 Investment results of the active and index Canadian Bond Managers for Real Return Bonds are to be tested regularly against a Benchmark Portfolio comprising:

Benchmark	%
FTSE Canada Real Return Bond Index	100

4.03 Compliance Reporting by Investment Manager

The Investment Managers are required to complete and deliver a compliance report to the Chief Investments Officer and the Investment Consultant on at least an annual basis, or upon such more frequent basis as may be requested by City Council or its delegates from time to time. The compliance report will indicate whether or not the Investment Manager was in compliance with this Policy during the period covered in the report.

In the event that an Investment Manager is not in compliance with this Policy, the Investment Manager is required to advise the Chief Investments Officer immediately, detail the nature of the non-compliance and recommend an appropriate course of action to remedy the situation.

The Master Trust invests in pooled funds with separate investment policies. In that case, the Investment Manager must confirm compliance to the pooled fund policy. In addition, should a conflict arise between a pooled fund policy and this Policy, the Investment Manager is required to advise the Chief Investments Officer immediately and detail the nature of the conflict.

4.04 Standard of Professional Conduct

The Investment Managers are expected to comply, at all times and in all respects, with a written code of ethics that is no less stringent in all material respects than the Code of Ethics and Standards of Professional Conduct as promulgated by the CFA Institute.

The Investment Managers will manage the assets with the care, diligence and skill that an investment manager of ordinary prudence would use in dealing with pension plan assets. The Investment Managers will also use all relevant knowledge and skill that they possess or ought to possess as prudent investment managers.

Section 5—Administration

5.01 Conflicts of Interest

(a) **Responsibilities**

This standard applies to the City's staff, as well as to all agents employed by the City, in the execution of their responsibilities under the *Pension Benefits Act* (Ontario) (the "Affected Persons").

An "agent" is defined to mean a company, organization, association or individual, as well as its employees who are retained by the Administrator to provide specific services with respect to the investment, administration and management of the assets of the Master Trust.

(b) **Disclosure**

In the execution of their duties, the Affected Persons shall disclose any material conflict of interest relating to them, or any material ownership of securities, which could impair their ability to render unbiased advice, or to make unbiased decisions, affecting the administration of the Master Trust assets.

Further, it is expected that no Affected Person shall make any personal financial gain (direct or indirect) because of his or her fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge of their responsibilities are permitted in accordance with City policies as approved by Council.

No Affected Person shall accept a gift or gratuity or other personal favour, other than one of nominal value, from a person with whom the employee deals in the course of performance of his or her duties and responsibilities for the Master Trust.

It is incumbent on any Affected Person who believes that he or she may have a conflict of interest, or who is aware of any conflict of interest, to disclose full details of the situation to the attention of the General Manager of Finance and Corporate Services and/or the Treasurer immediately. The General Manager of Finance and Corporate Services and/or the Treasurer, in turn, will decide what action is appropriate under the circumstances.

No Affected Person who has or is required to make a disclosure as contemplated in this Policy shall participate in any discussion, decision or vote relating to any proposed investment or transaction in respect of which he or she has made or is required to make disclosure, unless otherwise determined permissible by decision of the General Manager of Finance and Corporate Services and/or the Treasurer.

5.02 Related Party Transactions

The Chief Investments Officer shall not, on behalf of the Plans or the Master Trust, directly or indirectly,

- (i) lend the moneys of the Plans to a related party or use those moneys to hold an investment in the securities of a related party; or
- (ii) enter into a transaction with a related party.

The Chief Investments Officer may enter into a transaction with a related party:

- (i) for the operation or administration of the Plans if it is under terms and conditions that are not less favourable to the Plans than market terms and conditions and such transaction does not involve the making of loans to, or investments in, the related party or
- (ii) the value of the transaction is nominal or the transaction is immaterial. In assessing whether the value of the transaction is nominal or immaterial, two or more transactions with the same related party shall be considered as a single transaction.

For the purposes of Section 5.02, only the market value of the combined assets of the Fund shall be used as the criteria to determine whether a transaction is nominal or immaterial. Transactions less than 0.5% of the combined market value of the assets of the Fund are considered nominal.

The following investments are exempt from the related party rules:

- (i) investments in an investment fund or a segregated fund (as those terms are used in the *Pension Benefits Standards Regulations*) in which investors other than the administrator and its affiliates may invest and that complies with Section 9 and Section 11 of Schedule III to the *Pension Benefits Standards Regulations*;
- (ii) investments in an unallocated general fund of a person authorized to carry on a life insurance business in Canada;
- (iii) investments in securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;

- (iv) investments in a fund composed of mortgage-backed securities that are fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;
- (v) investments in a fund that replicates the composition of a widely recognized index of a broad class of securities traded at a marketplace (as that term is used in the *Pension Benefits Standards Regulations*); or
- (vi) investments that involve the purchase of a contract or agreement in respect of which the return is based on the performance of a widely recognized index of a broad class of securities traded at a marketplace (as that term is used in the *Pension Benefits Standards Regulations*).

A "related party" is defined to mean the Administrator of the Plans, including any officer, director or employee of the Administrator. It also includes, the Investment Managers and their employees, a union representing employees of the employer, a member of the Master Trust, a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, and any other person constituting a "related party" under the *Pension Benefits Act (Ontario)*. 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 Master Trust.

5.03 Selecting Investment Managers

In the event that a new Investment Manager must be selected or additional Investment Manager(s) added to the existing Investment Manager(s), the Chief Investments Officer will undertake an Investment Manager search with or without the assistance of a third-party investment consultant depending on the expertise required. The criteria used for selecting an Investment Manager will be consistent with the investment and risk philosophy set out in Section 1.04 (Investment and Risk Philosophy).

5.04 Directed Brokerage Commissions

Investment Managers may use directed brokerage to pay for research and other investment related services provided they comply with, and provide the disclosure required by, the Soft Dollar Standards promulgated by the CFA Institute.

5.05 Monitoring of Asset Mix

In order to ensure that the Master Trust operates within the minimum and maximum guidelines stated in this Policy as outlined in Section 2, the Chief Investments Officer shall monitor the asset mix on at least an annual basis, or upon such more frequent basis as may be requested by City Council or its delegates from time to time. Rebalancing between the investment mandates can take place over a reasonably short period of time after an imbalance has been identified. Rebalancing may be effected by redirecting the net cash flows to and from the Master Trust, or by transferring cash or securities between portfolios and/or Investment Managers.

5.06 Monitoring of Investment Managers

An important element in the success of this Policy is the link between the Investment Managers and the Chief Investments Officer. It is expected that the Investment Managers will communicate with the Chief Investments Officer whenever necessary. Periodic, written investment reports from the Investment Managers are sent to and reviewed by the Chief Investments Officer and form part of the monitoring process.

Meetings including telephone conference call meetings between the Investment Managers and the Chief Investments Officer will be scheduled as required. At each meeting or telephone conference call meeting, it is expected that the Investment Managers will prepare a general economic and capital markets overview, which will be distributed prior to or during the meeting. They should also include the following in their presentations:

- review of the previous period's strategy and investment results,
- discussion of how the condition of the capital markets affects the investment strategy of their respective portfolios,
- economic and market expectations,
- anticipated changes in the asset mix within the limits provided in this Policy, and,
- discussion of compliance and any exceptions.
- discussion of any votes that were cast against the wishes of company management by the Investment Managers in exercising voting rights (Section 5.08).

5.07 Dismissal of an Investment Manager

Reasons for considering the termination of the services of an Investment Manager include, but are not limited to, the following factors:

- (a) performance results which are below the stated performance benchmarks;
- (b) changes in the overall structure of the Master Trusts' assets such that the Investment Manager's services are no longer required;
- (c) change in personnel, firm structure or investment philosophy which might adversely affect the potential return and/or risk level of the portfolio; and/or
- (d) failure to adhere to this Policy.

5.08 Voting Rights

The Administrator has delegated voting rights acquired through the investments held by the Master Trust to the custodian of the securities to be exercised in accordance with the Investment Manager's instructions. Investment Managers are expected to exercise all voting rights related to investments held by the Master Trust in the interests of the members of the underlying pension plans. The Investment Managers shall report when they vote against the wishes of the company management to the Chief Investments Officer, providing information as to the reasons behind this vote.

5.09 Valuation of Investments Not Regularly Traded

The following principles will apply for the valuation of investments that are not traded regularly:

- (a) **Equities**
Average of bid-and-ask prices from two major investment dealers, at least once every calendar quarter.
- (b) **Bonds**
Same as for equities.
- (c) **Mortgages**
Unless in arrears, the outstanding principal plus/minus the premium/discount resulting from the differential between face rate and the currently available rate for a mortgage of similar quality and term, determined at least once every month.
- (d) **Real Estate**
A certified written appraisal from a qualified independent appraiser at least once every two years.

5.10 Policy Review

This Policy may be reviewed and revised at any time, but at least once every calendar year it must be formally reviewed. Should the Investment Manager(s) wish to review this Policy at any time, it is his/her responsibility to contact the Chief Investments Officer with specific recommendations.

The appropriateness of the Dynamic Investment Policy asset allocation parameters should be reviewed on an ongoing basis. A new Dynamic Investment Policy Study (Dynamic Asset-Liability Modeling Study) may be undertaken if any of the following events occur:

- (a) The plan gets significantly closer to the end-state of the flight path, including if the flight path funded ratio measurement changes significantly (to over 84%) from the starting point of the 2010 study, which was 69%.
- (b) There are significant changes to the regulations that affect the key metrics used in making decisions in the 2010 Dynamic Investment Policy Study or should affect the asset allocation in the future;
- (c) Capital market conditions change significantly such that the assumptions embedded in the 2010 Dynamic Investment Policy Study are no longer reasonable; or
- (d) The plan sponsor's risk posture changes significantly.

Appendix A - Statement of Investment Policies & Procedures Hamilton Municipal Retirement Fund

Overview

1.01 Purpose of Statement

This Statement of Investment Policies and Procedures (the "Hamilton Municipal Retirement Fund SIPP") provides the framework for the investment of the assets of the Hamilton Municipal Retirement Fund, registration number 0275123 (the "Plan");

The objective of the Hamilton Municipal Retirement Fund SIPP is to ensure that the assets of the Plan, together with expected contributions made by both the City and the Plan members, shall be invested in a continued prudent and effective manner.

The Hamilton Municipal Retirement Fund SIPP is based on the "prudent person portfolio approach" to ensure the prudent investment and administration of the assets of the Plan (the "Fund") are within the parameters set out in the *Pension Benefits Act*, (Ontario) and the Regulations thereunder.

All provisions in the Master Trust SIPP apply to this Appendix.

1.02 Background of the Plan

The Hamilton Municipal Retirement Fund is a contributory defined benefit plan. The plan has been closed to new entrants since 1965. Municipal employees hired after June 30, 1965 participate in the OMERS Pension Plan. Therefore, this is a closed fund and will terminate upon the death of the last retiree or successor. Effective July 1, 2001, the last active member retired from the Plan.

1.03 Plan Profile

a) Contributions

There are no active members in the Plan.

b) Benefits

2% of average annual earnings in best consecutive 5 years before retirement for each year of credited service up to 35 years reduced by 0.675% of the 5-year average earnings up to the final year's YMPE for each year of contributory service after January 1, 1966. CPP Offset suspended from date of retirement to age 65. Effective Jan 1, 2006 annual increases will not be less than the increase provided to retirees under the OMERS plan. .

c) Liabilities

As of the most recent actuarial valuation of the Plan as at December 31, 2017 there were no active members, 3 terminated vested members and 186 retirees and beneficiaries.

As of December 31, 2017 the going-concern liability of the plan was \$73,940,300, including Provision for Adverse Deviation (PfAD) of 4,239,000, compared to the actuarial value of assets of \$77,679,500. On a solvency basis, the liability was \$63,784,500, while the assets (at market) were \$77,579,500 (net of provision for plan windup expenses of \$100,000). On a windup basis, the liability was \$79,960,200.

1.04 Objective of the Plan

The objective of the Plans is to provide members of the Plans with retirement benefits prescribed under the terms thereof.

1.05 Investment and Risk Philosophy

The primary investment objective is to provide an economic return on assets sufficient to fund plan liabilities over the long-term, while adhering to prudent investment practices.

The investment philosophies and strategies must take into account both return and risk objectives of the Plan and the City.

In recognition of the risk and return objectives of the Plan and the City, an initial Asset Allocation Policy was developed based on the Plan's current funded status and the characteristics of the Plan and City. It is recognized, however, that the Plan return requirements and risk tolerance will change over time, and the intent is to reallocate the portfolio to lower risk allocations dynamically as the Plan's funded status improves.

1.06 Administration

The General Manager of Finance and Corporate Services for the City of Hamilton is the designated contact at the City for administrative purposes.

1.07 Pooling of Assets

For investment purposes, certain assets of the Plan are invested in units of the City of Hamilton Defined Benefit Plans Master Trust, along with certain assets of the Hamilton-Wentworth Retirement Fund and the Hamilton Street Railway Pension Plan (1994).

Up to 2 % of Plan assets may be invested outside of the City of Hamilton Defined Benefit Plans Master Trust for operating expenses and liquidity purposes, in accordance with the parameters set out in Section 3.02 (c) and (e) of the City of Hamilton Defined Benefit Plans Master Trust SIPP. The provisions of the City of Hamilton Defined Benefit Plans Master Trust SIPP apply to the investment of these assets.

1.08 Master Trust SIPP

The Master Trust SIPP is the policy that should be followed while investing the pooled assets of the Hamilton Municipal Retirement Fund.

Appendix B - Statement of Investment Policies & Procedures Hamilton Street Railway Pension Plan (1994)

Overview

1.01 Purpose of Statement

This Statement of Investment Policies and Procedures (the "Hamilton Street Railway Pension Plan SIPP") provides the framework for the investment of the assets of the Hamilton Street Railway Pension Plan (1994), registration number 0253344 (the "Plan");

The objective of the Hamilton Street Railway Pension Plan SIPP is to ensure that the assets of the Plan, together with expected contributions made by both the City and the Plan members, shall be invested in a continued prudent and effective manner.

The Hamilton Street Railway Pension Plan SIPP is based on the "prudent person portfolio approach" to ensure the prudent investment and administration of the assets of the Plan (the "Fund") are within the parameters set out in the *Pension Benefits Act*, (Ontario) and the Regulations thereunder.

All provisions in the Master Trust SIPP apply to this Appendix.

1.02 Background of the Plan

The current Plan dates from January 1, 1994 when two former plans – Canada Coach Lines and Hamilton Street Railway plans were merged. Effective January 1, 2009 this contributory defined benefit plan was closed to new members and active members stopped contributing and accruing service under the plan.

1.03 Plan Profile

a) Contributions

Under the terms of the Plan text, members' contributions prior to 1999 were 7.5% of earnings less contributions made to Canada Pension Plan. For the calendar years 1999 through 2008, members (depending on the year) either enjoyed a contribution holiday or were limited to contribution rates of 1% of earnings. Effective January 2009, as members became City employees, no member contributions have been required or permitted to be made to the Plan.

b) Benefits

Members receive a pension equal to 1.5% of average pensionable earnings up to the average Year's Maximum Pensionable Earnings (YMPE) as established under the Canada Pension Plan, plus 2% of the excess, multiplied by years of credited service accrued up to December 31, 2008. The "average pensionable earnings" are defined as the average of best five years' earnings during the member's credited service and OMERS credited service, if any. The "average YMPE" is defined as the average of the YMPE for the last thirty-six complete months of plan membership.

In the event that pensions accrued under the prior plan exceed the pension accrued under the current plan for service prior to July 1, 1980, then the pension is increased accordingly. Pensions are subject to annual indexing equal to the indexing provided to retirees under the OMERS plan (100% of inflation to a maximum of 6% per annum).

c) *Liabilities*

As of the most recent actuarial valuation of the Plan as at January 1, 2017, there were 388 active members, 26 deferred members and 599 retirees and beneficiaries. The average age of the active members was approximately 52.8 years with average pensionable earnings of \$66,849.

As of January 1, 2017, the going-concern liability of the plan was \$214,681,400 compared to the actuarial value of assets of \$193,491,200. Approximately 34.2% of the accrued liability was related to active members, approximately 65.3% was related to retirees, and approximately 0.5% was related to deferred members. On a solvency basis, the liability was \$219,410,700 while the assets (at market) were \$193,291,200. Both the going-concern and solvency deficits are being eliminated through a series of special payments.

1.04 Objective of the Plan

The objective of the Plan is to provide members of the Plan with retirement benefits prescribed under the terms thereof.

1.05 Investment and Risk Philosophy

The primary investment objective is to provide an economic return on assets sufficient to fund plan liabilities over the long-term, while adhering to prudent investment practices.

The investment philosophies and strategies must take into account both return and risk objectives of the Plan and the City.

In recognition of the risk and return objectives of the Plan and the City, an initial Asset Allocation Policy was developed based on the Plan's current funded status and the characteristics of the Plan and City. It is recognized, however, that the Plan return requirements and risk tolerance will change over time, and the intent is to reallocate the portfolio to lower risk allocations dynamically as the Plan's funded status improves.

1.06 Administration

The General Manager of Finance and Corporate Services for the City of Hamilton is the designated contact at the City for administrative purposes.

1.07 Pooling of Assets

For investment purposes, certain assets of the Plan are invested in units of the City of Hamilton Defined Benefit Plans Master Trust, along with certain assets of the Hamilton-Wentworth Retirement Fund and the Hamilton Municipal Retirement Fund.

Up to 2 % of Plan assets may be invested outside of the City of Hamilton Defined Benefit Plans Master Trust for operating expenses and liquidity purposes, in accordance with the parameters set out in Section 3.02 (a), (c) and (e) of the City of Hamilton Defined Benefit

Plans Master Trust SIPP. The provisions of the City of Hamilton Defined Benefit Plans Master Trust SIPP apply to the investment of these assets.

1.08 Master Trust SIPP

The Master Trust SIPP is the policy that should be followed while investing the pooled assets of the Hamilton Street Railway Pension Plan (1994).

Appendix C - Statement of Investment Policies & Procedures The Hamilton-Wentworth Retirement Fund

Overview

1.01 Purpose of Statement

This Statement of Investment Policies and Procedures (the "Hamilton-Wentworth Retirement Fund SIPP") provides the framework for the investment of the assets of the Hamilton-Wentworth Retirement Fund, registration number 1073352 (the "Plan");

The objective of the Hamilton-Wentworth Retirement Fund SIPP is to ensure that the assets of the Plan, together with expected contributions made by both the City and the Plan members, shall be invested in a continued prudent and effective manner.

The Hamilton-Wentworth Retirement Fund SIPP is based on the "prudent person portfolio approach" to ensure the prudent investment and administration of the assets of the Plan (the "Fund") are within the parameters set out in the *Pension Benefits Act*, (Ontario) and the Regulations thereunder.

All provisions in the Master Trust SIPP apply to this Appendix.

1.02 Background of the Plan

The Plan is a contributory, defined benefit Plan. Effective January 1, 1985 all active Region Other Participants, excluding Police Civilians, were transferred to OMERS. The liability to transfer such members to OMERS was met by monthly payments of \$115,187 until December 31, 2000 and monthly payments of \$361 thereafter, concluding September 30, 2003. Effective January 1, 2002, the last active member retired from the plan.

1.03 Plan Profile

a) Contributions

Under the terms of the Plan text:

For normal retirement age 60 class:

- 1) Senior Police Officers: contributions should be 7% of earnings up to the YMPE plus 8.5% of contributory earnings in excess of YMPE.
- 2) Other Police Officers: contributions should be 6.5% of earnings up to YMPE plus 8% of contributory earnings in excess of YMPE.

For a normal retirement age of 65 contributions should be 5.75% of earnings.

b) Benefits

2% of average annual earnings in best 5 years before retirement for each year of credited service up to 35 years reduced by 0.675% of the 5-year average earnings up to the final year's YMPE for each year of contributory service after January 1, 1966. CPP Offset suspended from date of retirement to age 65. Effective Jan 1, 2008 annual increases will not be less than the increase provided to retirees under the OMERS plan, which is currently equal to 100% of the increase in the Consumer Price Index to a maximum of 6.0% per annum.

c) Liabilities

As of the most recent actuarial valuation of the Plan as at December 31, 2016, there were no active members, no deferred members and 171 retirees and beneficiaries.

As of December 31, 2016, the going-concern liability of the plan was \$55,249,000 compared to the actuarial value of assets of \$59,443,000. On a solvency basis, the liabilities were \$63,005,000 while the assets were \$59,373,000. The solvency deficit is being eliminated through a series of special payments.

1.04 Objective of the Plan

The objective of the Plan is to provide members of the Plan with retirement benefits prescribed under the terms thereof.

1.05 Investment and Risk Philosophy

The primary investment objective is to provide an economic return on assets sufficient to fund plan liabilities over the long-term, while adhering to prudent investment practices.

The investment philosophies and strategies must take into account both return and risk objectives of the Plan and the City.

In recognition of the risk and return objectives of the Plan and the City, an initial Asset Allocation Policy was developed based on the Plan's current funded status and the characteristics of the Plan and City. It is recognized, however, that the Plan return requirements and risk tolerance will change over time, and the intent is to reallocate the portfolio to lower risk allocations dynamically as the Plan's funded status improves.

1.06 Administration

The General Manager of Finance and Corporate Services for the City of Hamilton is the designated contact at the City for administrative purposes.

1.07 Pooling of Assets

For investment purposes, certain assets of the Plan are invested in units of the City of Hamilton Defined Benefit Plans Master Trust, along with certain assets of the Hamilton Street Railway Pension Plan (1994) and the Hamilton Municipal Retirement Fund.

Up to 2 % of Plan assets may be invested outside of the City of Hamilton Defined Benefit Plans Master Trust for operating expenses and liquidity purposes, in accordance with the parameters set out in Section 3.02 (c) and (e) of the City of Hamilton Defined Benefit Plans Master Trust SIPP. The provisions of the City of Hamilton Defined Benefit Plans Master Trust SIPP apply to the investment of these assets.

1.08 Master Trust SIPP

The Master Trust SIPP is the policy that should be followed while investing the pooled assets of the Hamilton-Wentworth Retirement Fund Pension Plan.

Appendix D – Compliance Reports

**The City of Hamilton Master Trust
 Index Bond Manager**

**Compliance Report for the Quarter Ended _____
 (date)**

		GUIDELINES	POLICY COMPLIED WITH
ASSET MIX (at Market Value)		%	YES/NO *
FIXED INCOME	BONDS	100%	
CASH	SHORT-TERM & CASH	0%	
CONSTRAINTS			
GENERAL	Investment Policy Section 3.01 – General Guidelines		
BONDS	Investment Policy Section 3.02 (b) – Bonds		
CASH	Investment Policy Section 3.02 (c) – Cash		
DERIVATIVES	Investment Policy Section 3.02 (c) – Derivatives		
OTHER	Investment Policy Section 3.02 (e) – Other Investments		
INDEX	Investment Policy Section 3.02 (f) – Index Mandates		
QUALITY REQUIREMENTS	Investment Policy Section 3.03 – Minimum Quality Requirements		
QUANTITY RESTRICTIONS	Investment Policy Section 3.04 – Maximum Quantity Restrictions		
PRIOR PERMISSION	Investment Policy Section 3.05 – Prior Permission Required		
PROHIBITED INVESTMENTS	Investment Policy Section 3.06 – Prohibited Investments		
SECURITIES LENDING	Investment Policy Section 3.07 – Securities Lending		
RESPONSIBILITIES	Investment Policy Section 4.01 (b) – Delegation of Responsibilities – Investment Managers		
STANDARDS OF PROFESSIONAL CONDUCT	Investment Policy Section 4.04 - Standards of Professional Conduct		
CONFLICTS OF INTEREST	Investment Policy Section 5.01 - Conflicts of Interest		
VOTING RIGHTS	Investment Policy Section 5.08 - Voting Rights		

* If policy not complied with, comment on specifics

COMPLETED BY: _____ **SIGNED BY:** _____

**The City of Hamilton Master Trust
Index Equity Manager**

**Compliance Report for the Quarter Ended _____
(date)**

		GUIDELINES	POLICY COMPLIED WITH YES/NO *
ASSET MIX (at Market Value)		%	
EQUITIES			
	U.S.		
	EAFE		
	TOTAL FOREIGN		
CASH	SHORT-TERM & CASH		
CONSTRAINTS			
GENERAL	Investment Policy Section 3.01 – General Guidelines		
EQUITIES	Investment Policy Section 3.02 (a) – Canadian and Foreign Equities		
CASH	Investment Policy Section 3.02 (c) – Cash and Short Term Investments		
DERIVATIVES	Investment Policy Section 3.02 (d) – Derivatives		
OTHER INVESTMENTS	Investment Policy Section 3.02 (e) – Other Investments		
INDEX	Investment Policy Section 3.02 (f) – Index Mandates		
QUALITY REQUIREMENTS	Investment Policy Section 3.03 – Minimum Quality Requirements		
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BORROWING	Investment Policy Section 3.08 – Borrowing		
RESPONSIBILITIES	Investment Policy Section 4.01 (b) – Delegation of Responsibilities – Investment Managers		
STANDARDS OF PROFESSIONAL CONDUCT	Investment Policy Section 4.04 - Standards of Professional Conduct		
CONFLICTS OF INTEREST	Investment Policy Section 5.01 - Conflicts of Interest		
VOTING RIGHTS	Investment Policy Section 5.08 - Voting Rights		

* If policy not complied with, comment on specifics

COMPLETED BY: _____ **SIGNED BY:** _____

**The City of Hamilton Master Trust
 Active Bond Manager**

**Compliance Report for the Quarter Ended _____
 (date)**

		GUIDELINES	POLICY COMPLIED WITH YES/NO *
ASSET MIX (at Market Value)		%	
FIXED INCOME	BONDS	100%	
CASH	SHORT-TERM & CASH	0%	
CONSTRAINTS			
GENERAL	Investment Policy Section 3.01 – General Guidelines		
BONDS	Investment Policy Section 3.02 (b) – Bonds		
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* If policy not complied with, comment on specifics

COMPLETED BY: _____ **SIGNED BY:** _____

**The City of Hamilton Master Trust
Active Equity Manager**

**Compliance Report for the Quarter Ended _____
(date)**

		GUIDELINES	POLICY COMPLIED WITH YES/NO *
ASSET MIX (at Market Value)		%	
EQUITIES	CANADIAN		
	U.S.		
	EAFE		
	TOTAL FOREIGN		
CASH	SHORT-TERM & CASH		
CONSTRAINTS			
GENERAL	Investment Policy Section 3.01 – General Guidelines		
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* If policy not complied with, comment on specifics

COMPLETED BY: _____ **SIGNED BY:** _____



CITY OF HAMILTON
CORPORATE SERVICES
Financial Services and Taxation

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	January 16, 2019
SUBJECT/REPORT NO:	2019 City of Hamilton External Audit Plan (FCS20004) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Shelley Hesmer (905) 546-2424 Ext. 3020
SUBMITTED BY:	Rick Male Director, Financial Services and Taxation and Corporate Controller Corporate Services Department
SIGNATURE:	

RECOMMENDATION

That Appendix "A" attached to Report FCS20004 respecting the 2019 City of Hamilton External Audit Planning prepared by KPMG be received.

EXECUTIVE SUMMARY

Council, at its meeting of September 11, 2017, approved the Audit, Finance and Administration Committee recommendation and Report FCS17073, "Appointment of External Auditor 2017-2021" wherein KPMG was selected as the City's external auditor.

KPMG's audit approach and scope of work for the City of Hamilton (City) and its related entities for the 2019 fiscal year is provided in their Audit Planning Report for the year ended December 31, 2019 (refer to Appendix "A" to Report FCS20004). KPMG's Audit Planning Report outlines their audit responsibilities and audit approach in accordance with Canadian generally accepted auditing standards. The audit standards focus the audit on areas where there is greater risk of misstatement. KPMG has tailored their audit of the City to several specific audit areas: including revenue recognition, deferral policies including grants, tangible capital assets, employee future benefits liability, landfill liability, investments and related income, and operating expenses.

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 City of Hamilton External Audit Plan (FCS20004) (City Wide) -
Page 2 of 3**

KPMG will be discussing the audit work required on the financial statements for the Library, Housing and Business Improvement Areas with the respective boards or oversight bodies.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The 2019 external audit fees of \$215,000 are within the limits of the approved 2019 Operating Budgets for the City and the entities included in the report.

Staffing: There are no associated staffing implications.

Legal: There are no associated legal implications.

HISTORICAL BACKGROUND

KPMG, has been the provider of the City of Hamilton’s external audit services since 2012, having been the successful proponent of a 2011 Request for Proposals (RFP). In December 2016, KPMG had approached senior management with a proposed contract renewal for the next five years. Financial Services staff brought Report FCS17048 to the Audit, Finance and Administration Committee on May 08, 2017, to seek authority to negotiate with KPMG and to bring back the results of such efforts to a future Committee meeting. Report FCS17073 was presented to the Audit, Finance and Administration Committee on August 16, 2017, and provided the necessary follow-up and recommendations. Council at its meeting of September 11, 2017, approved the Audit, Finance and Administration recommendation and Report FCS17073 “Appointment of External Audit for Fiscal Years 2017 to 2021” wherein KPMG ‘s annual audit fees for the five year period of 2017-2021 will be \$215,000 per year.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not Applicable.

RELEVANT CONSULTATION

The 2019 Audit Planning Report from KPMG and the City of Hamilton 2019 Year End Plan had been discussed with management of the City’s Departments and Board including:

- Corporate Services Department
 - General Manager of Finance and Corporate Services
 - Director of Finance Services, Taxation and Corporate Controller
 - Director of Financial Planning, Administration and Policy
 - Manager of Business Application Support, Accounts Payable and Receivable
 - Manager of Payroll and Pensions

**SUBJECT: 2019 City of Hamilton External Audit Plan (FCS20004) (City Wide) -
Page 3 of 3**

- Managers of Finance and Administration
 - Manager of Current Budgets and Fiscal Planning
 - Manager of Capital Budget and Development
- Hamilton Police Services – Chief Accountant
 - Hamilton Public Library – Director of Finance and Facilities

The Finance and Administration staff of the Corporate Services Department co-ordinate the audit work with the City's operating departments and divisions.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The annual audit planning report and external audit plan provides the committee with an opportunity to review the audit approach and expectations of the audit. KPGM will be available to answer questions about their report.

ALTERNATIVES FOR CONSIDERATION

Not Applicable.

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.

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 FCS20004 – The City of Hamilton Audit Planning Report for the year ended December 31, 2019, as prepared by KPMG.

SH/dw



The City of Hamilton

**Audit Planning Report for the
year ended December 31, 2019**

Prepared for the January 16, 2020 Audit,
Finance and Administration committee
meeting

kpmg.ca/audit



Table of contents

▶ Executive summary
▶ Audit Risks
▶ Materiality
▶ The audit of today, tomorrow & the future
▶ Key deliverables and milestones
▶ Current developments and audit trends
▶ Appendices

The contacts at KPMG in connection with this report are:

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Lead Audit Engagement
Partner
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Audit Senior Manager
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ppciapanna@kpmg.ca



Executive summary



Audit and business risks

Our audit is risk-focused. In planning our audit we have taken into account key areas of focus for financial reporting. These include:

- Revenue recognition and deferral policies including grants
- Tangible capital assets,
- Employee future benefits liability,
- Landfill liability,
- Investment and related income,
- Operating expenditures

See pages 5-9



Audit materiality

Materiality has been determined based on prior period total revenues. We have determined group materiality to be \$51,200,000.

We have reviewed the scope of work across segments and business across the group. Materiality will be set at lower thresholds where necessary to meet requirements of various funding agencies.



Executive summary



Independence & Quality Control

We are independent and have extensive quality control and conflict checking processes in place. We provide complete transparency on all services and follow Finance and Administration Committee approved protocols.



Current developments and Audit Trends

Please refer to page 14 for relevant accounting and/or auditing changes relevant to the City and relevant audit trends..

This Audit Planning Report should not be used for any other purpose or by anyone other than the Finance and Administration Committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Planning Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Audit risks



Professional Requirements

Why is it significant?

Fraud risk from revenue recognition.

This is a presumed fraud risk under Canadian Auditing Standards.



Our audit approach

We have identified the following areas where this presumed fraud risk is relevant:

- Government grants
- Development charges

Government grant revenue recognition is dependent on the terms of the grant and can be complex depending upon the terms. The City receives many different types of grants with different terms and conditions.

Fraud could include misapplying expenditures to incorrect grant funded programs in order to maximize returnable funding.

The nature of development charges and their use create complexity in the timing of revenue recognition.

Our audit approach will consist of performing substantive procedures to address the relevant assertions associated with the significant risk.



Audit risks



Professional Requirements

Fraud risk from management override of controls

Why is it significant?

This is a presumed fraud risk. We have not identified any specific additional risks of management override relating to this audit.



Our audit approach

As the risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions.

Data and analytics tools will be used to perform work in this area.



Audit risks



Other areas of focus

Government Grants

Tangible Capital Assets

Why are we focusing here?

Risk of material misstatement related to the completeness and accuracy of grant revenue

Risk of material misstatement related to the classification, completeness, and accuracy of tangible capital assets



Our audit approach

We will perform a substantive test of timing of revenue recognition

We will perform the following procedures:

- Evaluate the design and implementation of controls over disbursements
- Test the operating effectiveness of the controls
- Substantive test to confirm classification as an asset versus expense



Audit risks



Other areas of focus

Employee Future Benefits

Landfill Liability

Why are we focusing here?

Risk of material misstatement related to the completeness and accuracy of the liability and related expenses

Risk of material misstatement related to the completeness and accuracy of the liability and related expenses



Our audit approach

We will perform the following procedures:

- Substantive test over the liability balance
- Assess the assumptions of the actuary in order to rely on their work

- We will perform a substantive test over the completeness and accuracy of the liability
- Assess the assumptions used in developing the estimated liability



Audit risks



Other areas of focus

Investment and related income

Operating expenditures including payroll

Why are we focusing here?

Risk of material misstatement related to the existence and valuation of investments and accuracy of related income

Risk of material misstatement related to the completeness, existence, and accuracy of expenditures



Our audit approach

We will perform the following procedures:

- Confirm investment and income balances with investment managers
- Assess the valuation of investments

We will perform the following procedures:

- Evaluate the design and implementation of controls over disbursements
- Test the operating effectiveness of the controls
- Substantively test a sample to confirm appropriate classification and treatment of expenses



Materiality

Materiality Benchmark

Total Revenue

\$2,050,067,000

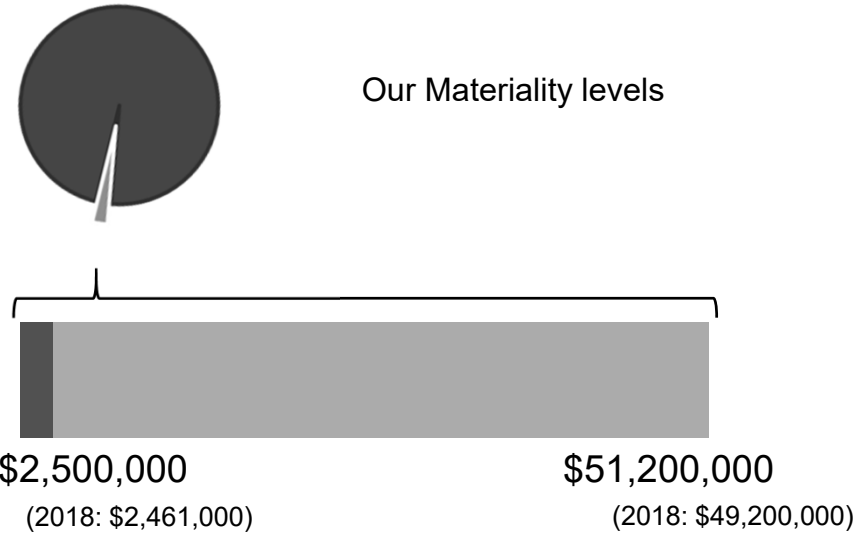
(2018: \$1,969,536,000)

Materiality

\$51,200,000

2.5% of total revenue

(2018: \$49,200,000, 2.5% of total revenue)



Materiality represents the level at which we think misstatements will reasonably influence users of the financial statements. It considers both quantitative and qualitative factors.

To respond to aggregation risk, we design our procedures to detect misstatements at a lower level of materiality.

We will report to the Audit Committee:



Corrected audit misstatements



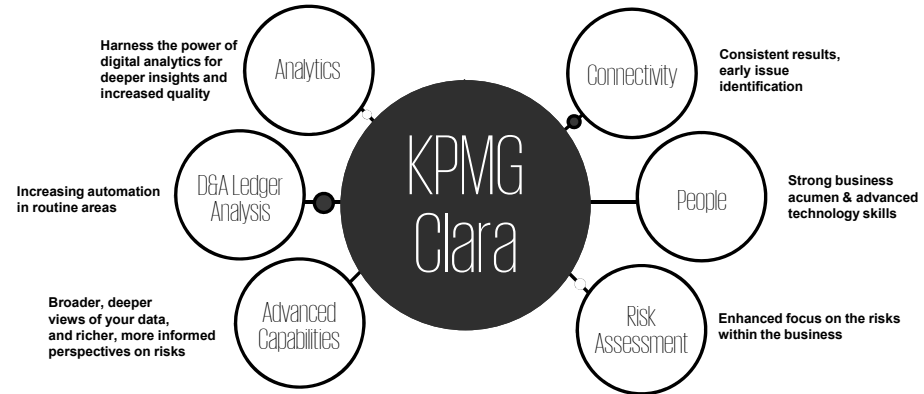
Uncorrected audit misstatements



The audit of today, tomorrow & the future

As part of KPMG’s technology leadership, our audit practice has developed technologies and alliances to continuously enhance our capabilities and deliver an exceptional audit experience.

Technology empowers us with the ability to perform deep analysis over your financial information, focusing our effort and interactions on the areas of greatest risk and minimizing disruption to your business.



Technology we use today

Tool	Benefit to audit
KPMG Clara Collaboration	KCCC is our secure audit platform and a one-stop shop through which we plan, execute and manage the audit, providing you with real-time access to the process at every step, including exchange of information and access to the real-time reporting you need in one central location.
Journal Entry Analysis	Our journal entry tool assists in the performance of detailed journal entry testing based on engagement-specific risk identification and circumstances. Our tool provides auto-generated journal entry population statistics and focusses our audit effort on journal entries that are riskier in nature.
Data & Analytics Routines	We will utilize data & analytics to substantively test the entire population of depreciation expense. In addition, we will substantively test development charges using data & analytics tools to identify outliers and investigate further.





The audit of today, tomorrow & the future

Technology under development	
Tools	Benefit to audit
Dynamic Risk Assessment	Dynamic Risk Assessment (DRA) gives us a more sophisticated, forward-looking and multi-dimensional approach to assessing audit risk. Using network theory, DRA considers not just the traditional, two-dimensional view of severity and likelihood but also how interconnected the risks are, how fast they may emerge and how systemic they are. It will provide a holistic enterprise-wide assessment of your risks, ensuring we have identified the relevant risk exposures that need to be incorporated into our audit approach.
Optical Contract Reader & Analysis Tool	Our Optical Contract Reader & Analysis Tool provides us with capabilities to improve the effectiveness and efficiency of the contract review process. This works by automating the ingestion of contracts and related source documents and extracting and summarizing key terms for the audit engagement team's consideration, in turn providing increased coverage of the population and resulting in greater audit quality. The tool can also be used to read unstructured source documents in PDF format, extracting certain data such as invoice date, invoice number, account number, order number and total amount. This data is then compiled and compared to structured data from the general ledger. Time savings generated from this intelligent automation solution will allow our team to focus their efforts on areas of greater risk.
Robotic Process Automation (RPA)	This application of cognitive computing technology allows our team to configure computer software—or a “robot”—to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses, and communicating with other digital systems.



Key deliverables and milestones

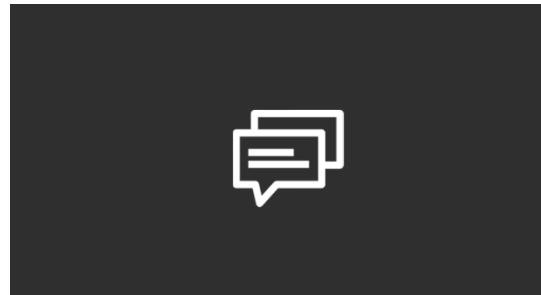


November - January

Planning year-end 2019 audit and delivering the Audit Planning Report

Year-end fieldwork

March-April



June

2019 Audit Report



Current developments and audit trends

Please visit KPMG's [Audit Committee Institute \(ACI\) / Current Developments](#) page for current developments in IFRS, Canadian securities matters, and Canadian auditing other professional standards. The following is a summary of the current developments that are relevant to the City:

Standard	Summary and implications
– PS 3450 Financial Instruments	<p>A standard has been issued, establishing a standard on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has recently been deterred and it is now effective for fiscal periods beginning on or after April 1, 2021 (the City's December 31, 2022 year-end).</p> <p>Implications: This standard will require the City to identify any contracts that have embedded derivatives and recognize these on the consolidated statement of financial position at fair value. Portfolio investments in equity instruments that are quoted in an active market are required to be recorded at fair value. Changes in fair value will be reported in a new financial statement – statement of re-measurement gains and losses. This standard sets out a number of disclosures in the financial statements designed to give the user an understanding of the significance of financial instruments to the City. These disclosures include classes of financial instruments and qualitative and quantitative risk disclosures describing the nature and extent of risk by type. The risks to be considered include credit, currency, interest rate, liquidity, and market risk.</p>
– PS 3280 Asset Retirement Obligations	<p>New standard released in April 2018 which provides guidance on recognition, measurement, presentation and disclosure of obligations associated with the retirement of tangible capital assets. Applies to TCA in or no longer in productive use.</p> <ul style="list-style-type: none"> - If the asset is in use, the carrying value of the TCA is increased by the asset retirement cost, which is then expensed in a rational and systematic manner. - If the asset is not in use, asset retirement costs are expensed. Standard includes the removal of asbestos. <p>Liability is recognized when there is a legal obligation to incur retirement costs.</p> <p>This new Section PS 3280 is effective for fiscal years beginning on or after April 1, 2021 (the City's December 31, 2022 year end) with early adoption permitted.</p>

Appendices



[Appendix 1: Audit quality and risk management](#)



[Appendix 2: KPMG's audit approach and methodology](#)



[Appendix 3: Lean in Audit™](#)



[Appendix 4: Required Communications](#)



Appendix 1: Audit quality and risk management



KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards. Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarises the six key elements of our quality control systems. Visit our [Audit Quality Resources](#) page for more information including access to our audit quality report, *Audit quality: Our hands-on process*.

Other controls include:

- Before the firm issues its audit report, Engagement Quality Control
- Reviewer reviews the appropriateness of key elements of publicly listed client audits.
- Technical department and specialist resources provide real-time support to audit teams in the field.

We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.

We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.

We do not offer services that would impair our independence.



All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.

The processes we employ to help retain and develop people include:

- Assignment based on skills and experience;
- Rotation of partners;
- Performance evaluation;
- Development and training; and
Appropriate supervision and coaching.

We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.

Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.



Appendix 2: KPMG's audit approach and methodology

This year we will expand our use of technology in our audit through our new smart audit platform, KPMG Clara.

Collaboration in the audit

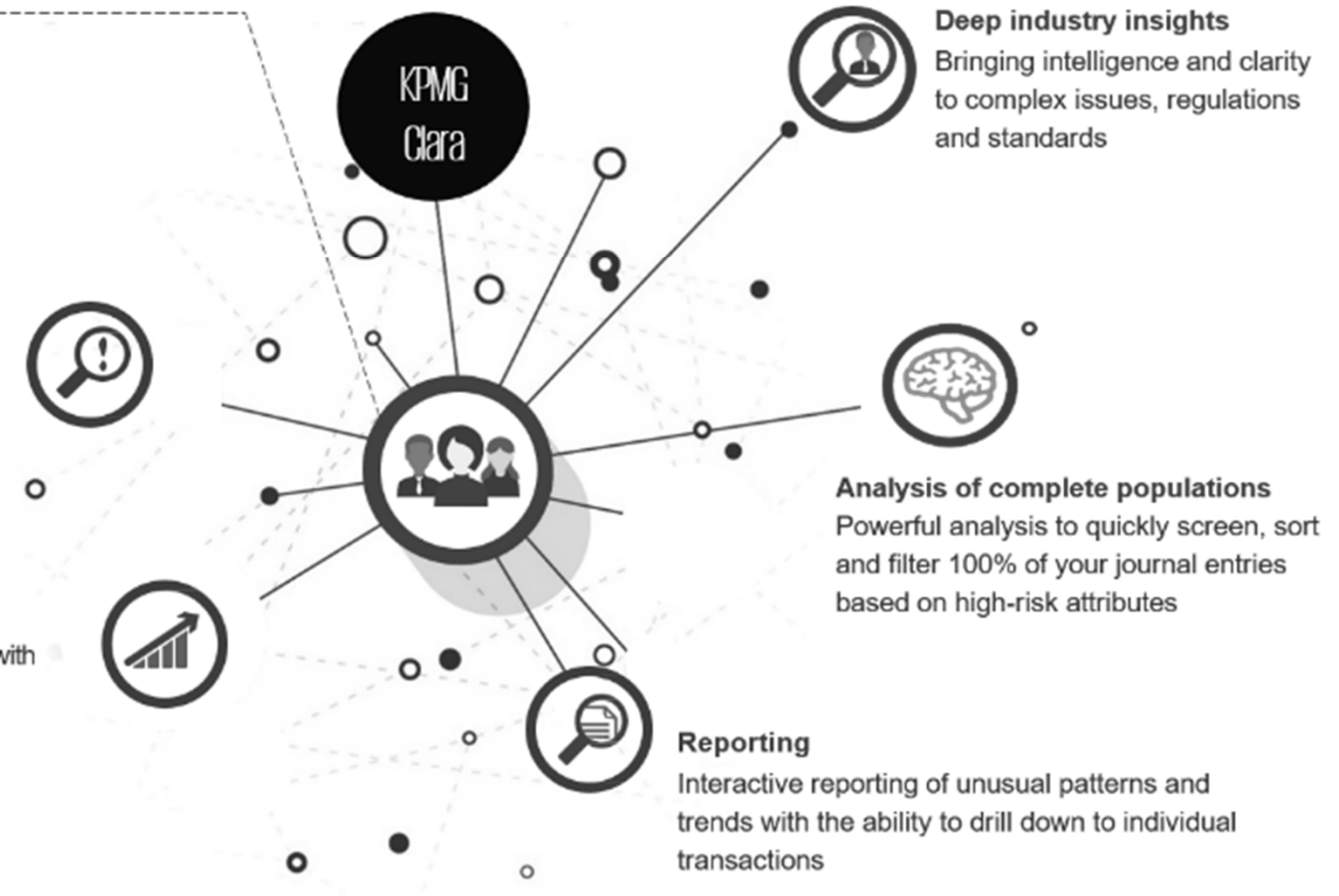
A dedicated KPMG Audit home page gives you real-time access to information, insights and alerts from your engagement team

Issue identification

Continuous updates on audit progress, risks and findings before issues become events

Data-driven risk assessment

Automated identification of transactions with unexpected or unusual account combinations — helping focus on higher risk transactions and outliers





Appendix 3: Lean in Audit™

An innovative approach leading to enhanced value and quality

Our innovative audit approach, Lean in Audit, further improves audit value and productivity to help deliver real insight to you. Lean in Audit is process oriented, directly engaging organizational stakeholders and employing hands-on tools, such as walkthroughs and flowcharts of actual financial processes.

By embedding Lean techniques into our core audit delivery process, our teams are able to enhance their understanding of the business processes and control environment within your organization – allowing us to provide actionable quality and productivity improvement observations.

Any insights gathered through the course of the audit will be available to both engagement teams and management. For example, we may identify control gaps and potential process improvement areas, while management has the opportunity to apply such insights to streamline processes, inform business decisions, improve compliance, lower costs, increase productivity, strengthen customer service and satisfaction and drive overall performance.

How it works

Lean in Audit employs three key Lean techniques:



1. Lean training

Provide basic Lean training and equip our teams with a new Lean mindset to improve quality, value and productivity.



2. Interactive workshops

Perform interactive workshops to conduct walkthroughs of selected financial processes providing end-to-end transparency and understanding of process and control quality and effectiveness.



3. Insight reporting

Quick and pragmatic insight report including immediate quick win actions and prioritized opportunities to realize benefit.



Appendix 4: Required communications



In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit. These include:



Engagement letter

The objectives of the audit, our responsibilities in carrying out our audit, management's responsibilities, as well as our fees are set out in the engagement letter and any subsequent amendment letters as provided by management.



Management representation letter

We will obtain from management certain representations at the completion of the annual audit. In accordance with professional standards, copies of the representation letter will be provided to the Finance and Administration Committee.



Audit planning report

This report.



Audit findings report

At the completion of our audit, we will provide our audit findings to the Finance and Administration Committee.



Required inquiries

Professional standards require that during the planning of our audit we obtain your views on risk of fraud and other matters. We make similar inquiries of management as part of our planning process; responses to these will assist us in planning our overall audit strategy and audit approach accordingly.



Annual independence letter

At the completion of our audit, we will provide our independence letter to the Finance and Administration Committee.



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CITY OF HAMILTON
FINANCE AND CORPORATE SERVICES DEPARTMENT
Financial Services and Taxation Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	January 16, 2020
SUBJECT/REPORT NO:	Use of External Services for Tax Assessment & Appeals (FCS20005) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Maria Di Santo (905) 546-2424 Ext. 5254 David Janaszek (905) 546-2424 Ext. 4546
SUBMITTED BY:	Rick Male Director, Financial Services and Taxation and Corporate Controller Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That staff be directed to proceed with a modified Request for Proposals, in adherence to By-law 17-064, Procurement Policy #5.4, for consultancy firms specializing in Tax Assessment and Appeals;
- (b) That the General Manager of the Corporate Services or designate be authorized to negotiate and execute all agreements and any ancillary documents required in a form satisfactory to the City of Hamilton (City);
- (c) That staff report back on actual consulting costs incurred in 2020, to determine if a sustainable funding source is required for 2021 and future;
- (d) That the consulting costs incurred in 2020 be funded from the Tax Stabilization Reserve. (Account number 110046).

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**SUBJECT: Use of External Services for Tax Assessment & Appeals (FCS20005)
(City Wide) - Page 2 of 6**

EXECUTIVE SUMMARY

The purpose of this Report is to request Council's approval to proceed with a modified Request for Proposals (RFP) for consultancy firms specializing in tax assessment and appeals functions. The recommended modified RFP would be in adherence to By-law 17-064 "A By-law to Adopt and Maintain a Procurement Policy for the City of Hamilton", specifically Policy #5.4 - Request for Proposals.

The proposed modified RFP is an efficient way to secure qualified tax assessment and appeals consultants that can be utilized to complete work related to such functions as:

- Identification of assessment at risk
- Participation in the appeal process (with varying degrees of involvement, depending on the appeal)
- Review and analysis of assessment roll to identify properties with incorrect values and/or incorrect property tax class classifications
- Monitoring development to ensure that the Municipal Property Assessment Corporation (MPAC) promptly and accurately makes the addition to the assessment roll
- Assessment and taxation estimates for development proposals

The intent is that the use of these consultants, when required, would be to complement Taxation staff's existing role. Due to on-going staff vacancies, increasing development activity and the continued challenges to MPAC's values, these firms would allow for additional resources when needed. The extent to which these consulting firms would be engaged would depend on staff's current workload, the potential for significant revenue loss or gain, and the number of appeals the City wishes to be an active participant.

The modified RFP being proposed would be issued similar to the Request for Rostered Candidates for Consulting and Professional Services, in that multiple consulting firms would be pre-qualified based on their technical expertise and proposed hourly rates to complete the work. In situations where existing Taxation complement requires additional resources in the areas of tax assessment and appeals, consulting assignments can then be assigned directly to pre-qualified firms on a rotational or "best fit" basis. For larger, more complex appeals, an informal request for quotation of the pre-qualified firms may be required.

**SUBJECT: Use of External Services for Tax Assessment & Appeals (FCS20005)
(City Wide) - Page 3 of 6**

As some of these functions have a limited window of opportunity (i.e. strict deadlines under the new Assessment Review Board (ARB) rules if the City wishes to be an active participant in an appeal, time limitations in capturing new or additional assessment or corrections through the issuance of supplementary and omitted assessments as per the *Assessment Act*, etc.), the ability to assign specific tax assessment and appeals tasks to pre-qualified firms, when existing staff resources are not sufficient, would assist in mitigating potential revenue losses and/or enhance revenue growth. As identified in staff Report FCS19030 “Annual Assessment Appeals as of December 31, 2018”, the five-year average municipal tax revenue loss due to the combined impacts of ARB appeals, requests for reconsideration and municipal tax applications equates to approximately \$8.1 million per year. The report also identified 2016 Current Value Assessment under appeal totalling \$8,943,989,251 solely for the 2017 and 2018 taxation years.

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Staff will report back on 2020 actual consulting costs incurred to determine if a sustainable funding source is required for future years.

Staffing: The use of consulting firms qualified in tax assessment and appeals functions will be used to complement existing staff resources within the Taxation Section. The establishment of a shortlist of consultants will also reduce the administrative burden on staff since individual RFP’s would not be required to complete each sub-project. Dependent on the number or complexity of appeals in which the City chooses to be an active participant, additional Legal resources would be required.

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

HISTORICAL BACKGROUND

Property taxation is the City’s main source of revenue to fund its operations. As a property’s assessed value and tax classification are important factors used in the calculation of property taxes, protecting and growing the assessment base is of upmost importance. As reported annually by means of the Annual Assessment Appeals Report, challenges to assessed value continue to exist and ultimately result in a negative impact on the Municipality’s property tax revenues. Any reduction in a property’s assessment or classification (primarily a class change to a lower taxed property class) will have a direct impact to property tax revenues.

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**SUBJECT: Use of External Services for Tax Assessment & Appeals (FCS20005)
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As legislation permits the challenge of a property's assessment, and as there are several highly trained appraisal consultants, it is inevitable that adjustments will be made to property values that inevitably reduce the City's property tax revenues, regardless of the City's participation. A more active role by the City will not eliminate losses, however would assist in mitigating such losses.

Assessment appeals for large commercial and industrial properties continue to be a concern. Recognizing the need for the City to be a more active participant in the appeal process, as well as being more proactive in ensuring favourable assessment growth, the Taxation Section was restructured in late 2017 to accommodate more resources to these functions. Unfortunately, attracting qualified candidates with the required skill set has been difficult. One of the two Tax Assessment and Appeals Advisor positions has been vacant for over a year. The vacancy has been posted multiple times, with the hopes that it will be filled by early 2020.

Due to significant backlog as a result of the prolonged vacancy, the intent of the proposed Roster would be to complement existing staff functions and be an additional resource, when required.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

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

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

RELEVANT CONSULTATION

Financial Services, Procurement Section and Legal and Risk Management Services staff were consulted on and support the recommendations in this Report.

ANALYSIS AND RATIONALE FOR RECOMMENDATIONS

The use of a Roster for prequalified consulting firms would be used to complement existing staff resources within the Taxation Section, with the goal of maximizing municipal property tax revenue through assessment growth, while mitigating loss of

**SUBJECT: Use of External Services for Tax Assessment & Appeals (FCS20005)
(City Wide) - Page 5 of 6**

municipal tax revenue and protection of the assessment base through involvement in the appeal process.

The ARB introduced new Rules of Practice and Procedure which came into effect on April 1, 2017. The changes impact all parties in the process, including Municipalities, and were introduced to streamline the property tax appeal process and promote fairness and efficiency. The new rules will help to ensure that appeals, both old and new, will commence within the current four-year cycle and be completed on a timely basis. Under the new rules, a commencement date is assigned to each appeal. This commencement date is when work is expected to begin as the appeal proceeds through the schedule of events, spanning up to two years. This is a robust and rigid schedule that must be complied with and, as such, requires adequate resources, should the City wish to be an active participant in an appeal. More recently, the ARB has made changes to expediate appeals filed prior to 2017 by adapting a new shortened 18-week timeline for the Schedule of Events to ensure the appeals are dealt with by 2021, being the first year of the upcoming four-year assessment cycle. The ARB will also be implementing additional changes beginning in 2021 for the next assessment cycle, including a reduction to the appeal timelines from 66-104 weeks to 40 weeks. It is expected that these changes would make it even more difficult for staff to become involved, considering the limited resources that currently exist.

Taxation staff also work closely with the City's Planning & Economic Development Department and MPAC to ensure developments are picked up through MPAC's supplementary/omitted assessment process or updated for inclusion on the assessment roll for the following tax year. Taxation staff's role is to ensure that large developments are picked up as quickly as possible, while also looking for areas where the tax classifications and values for new developments may be incorrect. Due to ongoing vacancies, the extent of staff's involvement has been limited.

Although the City cannot actively participate in all appeals, nor does the City's active participation guarantee that the City will not experience Municipal tax revenue losses, by actively participating in more significant, higher risk appeals, the City is in a better position to mitigate losses. One such example is the City's active participation in the Flamboro Downs appeal, which resulted in a \$550,000 Municipal property tax benefit to the City. The City has also filed an appeal as a result of MPAC's significant reduction to Stelco's assessed value for the 2018 taxation year. MPAC's reduction to Stelco's 2018 assessed value translated into Municipal tax revenue losses of over \$2 million.

ALTERNATIVES FOR CONSIDERATION

An alternative to the recommended approach would be the status quo, whereby the City's involvement in analysing the assessment roll for errors and omissions be limited

**SUBJECT: Use of External Services for Tax Assessment & Appeals (FCS20005)
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to what existing resources can accommodate, which tend to be more reactive than proactive. The City's involvement as an active participant to an appeal would also be reserved for unique appeals (i.e. Flamboro Downs, Stelco).

Not proactively monitoring the assessment roll places a lot of reliance on MPAC to promptly and accurately captured growth and be able to defend their values when challenged. For larger properties, the awarding of a 5% to 10% reduction in assessed value can translate into significant tax revenue losses. For example, a 5% to 10% reduction in Limeridge Mall's assessment equates to an annual loss of approximately \$400,000 to \$800,000 in municipal property tax revenue.

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.

Our People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

None

MD/rw/dw



Hamilton

CITIZEN COMMITTEE REPORT

To:	Chair and Members Audit, Finance & Administration Committee	
From:	Marilyn Wright Aboriginal Advisory Committee	<i>Marilyn Wright</i> (to be signed by the Chair)
Date:	December 5, 2019	
Re:	City of Hamilton Aboriginal Advisory Committee's Terms of Reference	

Recommendation:

That the Aboriginal Advisory Committee's Terms of Reference are updated to reflect the Committee's voting and non-voting members.

Background:

The Aboriginal Advisory Committee (the Committee) underwent recruitment for the new term, as other Volunteer Advisory Committees did in later 2018 and early 2019. However, the Aboriginal Advisory Committee engaged in a recruitment process whereby leadership from the community were asked to partake in the recruitment process and provide recommendations to Council for the appointment of members. This recruitment process was undertaken as a result of a report approved by Council in July 2015 (CM15007).

During the recruitment process, it was identified that the Aboriginal Advisory Committee had sitting members who did not identify as Indigenous. It was expressed by members of the community, and the leadership appointed for the selection process, that the Committee should only be comprised of Indigenous members who represented the wider Hamilton Indigenous communities. However, the sitting Committee identified that the non-Indigenous members had become integral to the Committee and supported the Committee through initiating new projects and their active participation. The Committee took into consideration both their experiences with the non-Indigenous members and the feedback from the wider community.

ABORIGINAL ADVISORY COMMITTEE: Terms of Reference (City Wide) - Page 2 of 2

As a result, the Committee has considered changes to its composition. The composition of the new Committee includes 7 - 9 appointees from the Hamilton Aboriginal Community who have expressed their interest and how they would support the fulfillment of the Committee's mandate. As well the Aboriginal Advisory Committee now has allocated seats for up to two non-voting allies. The Committee has defined an "ally" as an individual supporting the mandate and work of the Committee and the community. The non-voting allies have expressed interest and have submitted the same paperwork as the Indigenous candidates. These participants are generally non-Aboriginal candidates. The selection process is led by leaders of the Aboriginal community who will make recommendations for appointments to the Committee.

Analysis/Rationale:

Keeping at the forefront the needs and wishes of the community but also taking into consideration reconciliation.



Hamilton

CITY OF HAMILTON

Vision

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

ABORIGINAL ADVISORY COMMITTEE

Terms of Reference

Preamble: This document uses the format and content typically used by the City of Hamilton for its advisory committees, but this Committee's work should be understood to have vital cultural traditions and teachings at its core. These may not be obvious in this document, but they are part of this Committee's approach and philosophy and how it pursues an effective path and a meaningful future through its work. The Committee respects a whole-world view that recognizes each individual's interconnectedness and also their contributions to the collective wellbeing of the whole. Balance, harmony, peace and justice are valued concepts within this philosophy.

COMMITTEE MANDATE

The Aboriginal Advisory Committee assists the City of Hamilton to honour and engage its Aboriginal citizens in the pursuit of the City's vision by providing advice and/or recommendations, through the appropriate Standing Committee of Council, that enhance the wellbeing of Aboriginal people and/or resolve municipal issues.

The Committee envisions a future where Hamilton is an inclusive and culturally-aware community, where issues of importance to its Aboriginal peoples are addressed proactively, effectively and respectfully on the municipal agenda.

COMMITTEE 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 coordinated 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; and,
- to offer input, advice and recommendations, through the appropriate Standing Committee of Council, informed by stakeholder consultation, to support the City in determining effective municipal strategies and/or policies on issues of importance to Aboriginal peoples.

COMMITTEE VALUES

In fulfilling our mandate, members of the Committee uphold the following values of collective and individual importance: trust, respect, unity, truthfulness, inclusiveness, pride and empowerment. In our collective work with the City and with Aboriginal stakeholders, members of the Committee seek relationships that are sustained by mutual respect and flexibility and that lead to constructive solutions, productive outcomes and improved opportunities for Aboriginal peoples. We value increased visibility and recognition of the importance of Aboriginal peoples and cultures, as a means to eliminating stereotypes.

SELECTION PROCESS

The selection process for the Aboriginal Advisory Committee be revised to include the following: that the local Hamilton Aboriginal Community leadership, recommend to Council the appointment of residents from the Hamilton Aboriginal community and its allies, to sit on the Hamilton Aboriginal Advisory Committee.

COMPOSITION

The Advisory Committee will be comprised of seven (7) to nine (9) citizen appointees from the Hamilton Aboriginal community and up to two (2) allies.

For the purposes of the committee, an ally is defined as an individual from the wider Hamilton community who demonstrates support for the mandate of the committee and the work of the Hamilton Aboriginal community.

The Terms of Reference for the Hamilton Aboriginal Advisory Committee were approved by Council on September 22, 2014. The Selection Process and Composition sections were amended on July 10, 2015; and further amended on September 5, 2019.



CITY OF HAMILTON
CITY MANAGERS OFFICE
Strategic Partnerships & Communications

TO:	Chair and Members Audit, Finance & Administration Committee
COMMITTEE DATE:	January 16, 2020
SUBJECT/REPORT NO:	2020 Grant Advances – City Enrichment Fund (GRA20001) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Monique Garwood (905) 546-2424 Ext. 3991
SUBMITTED BY:	John Hertel, Director, Strategic Partnerships & Communications City Manager's Office
SIGNATURE:	

RECOMMENDATION

- (a) That effective Jan 1, 2020, an advance of funds be provided to the organizations specified in the attached Appendix “A” to Report GRA20001, and;
- (b) That any outstanding arrears due to the City of Hamilton by the organizations (as shown in the attached Appendix “A” to Report GRA20001) be first applied against the approved grant funding, including advances until the debt is satisfied, prior to that organization receiving the balance of any approved payment.

EXECUTIVE SUMMARY

In 2015, Council approved the launch of the new City Enrichment Fund. Organizations that were previously funded through Boards & Agencies were transitioned over to the new program. Some of these Boards & Agencies organizations and the 91st Highlanders Athletic Association were historically provided advances. In order to avoid undue hardship to their operations, it was felt that the advances should continue.

For the organizations listed in the report (attached as Appendix “A” to Report GRA20001), the City follows a policy which ensures that grant payments are not made until outstanding arrears owing to the City of Hamilton are paid off.

Alternatives for Consideration – Not Applicable

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SUBJECT: 2020 Grant Advances – City Enrichment Fund (GRA20001) (City Wide)
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FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Based on Council approval of the 2020 funding levels, the remaining payments to these organizations would be adjusted to ensure that total payment amounts do not exceed the 2020 Council approved funding level, which is expected by June 2020.

Staffing:

Legal:

HISTORICAL BACKGROUND

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The City has been supporting various Boards and Agencies and the 91st Highlanders Athletic Association with operational funding in the past. Since these organizations depend on the City to fund their operational expenditures, past practice has been to provide regular on-going payments pending the approval of the City Budget for each year. The proposed payment schedule closely follows that of 2019.

RELEVANT CONSULTATION

ANALYSIS AND RATIONALE FOR RECOMMENDATION

To be consistent with prior years, staff is seeking Council Approval to continue funding as of January 2020, for those organizations that receive funding (attached as Appendix “A” to Report GRA20001) on a monthly basis, pending approval of the 2020 budget. The funding is based on the previous year’s budget and is adjusted if necessary, when the current year’s budget receives Council Approval.

ALTERNATIVES FOR CONSIDERATION

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.

Culture and Diversity

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

APPENDICES AND SCHEDULES ATTACHED

SUBJECT: 2020 Grant Advances – City Enrichment Fund (GRA20001) (City Wide)
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Appendix “A” to GRA20001 – 2020 Advance, City Enrichment Fund

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City Enrichment Fund Requiring Advance Payments in 2020

Agency	Advance Payment Schedule for 2020	#of Payments (advance)	2019 Approved Annual Budget	2020 Advance Payment Amount (Monthly)	2020 Advance Payment Amount (5 Payments)
Art Gallery of Hamilton	1st of each month	5	\$1,000,000.00	\$83,333.33	\$416,666.67
Theatre Aquarius	1st of each month	5	\$260,100.00	\$21,675.00	\$108,375.00
Festival of Friends (Hamilton-Wentworth)	1st of each month	5	\$90,000.00	\$7,500.00	\$37,500.00
Hamilton Philhamonic Orchestra	1st of each month	5	\$171,666.00	\$14,305.50	\$71,527.50
Brott Music Festival	1st of each month	5	\$182,800.00	\$15,233.33	\$76,166.67
91st Highlanders Athletic Assoc	1st of each month	5	\$23,535.00	\$1,961.25	\$9,806.25
Total			\$1,728,101.00	\$144,008.42	\$720,042.08