



City of Hamilton
AUDIT, FINANCE AND ADMINISTRATION COMMITTEE
AGENDA

Meeting #: 20-002
Date: February 6, 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 January 16, 2020
5. **COMMUNICATIONS**
6. **DELEGATION REQUESTS**
7. **CONSENT ITEMS**
8. **PUBLIC HEARINGS / DELEGATIONS**
 - 8.1 Fardad Chadorshabchi, respecting water billing charges (Approved January 16, 2020)
 - 8.1.a Staff Supporting Documentation - Fardad Chadorshabchi Delegation

8.2 Tom Hunter, CEO of CityHousing Hamilton, respecting a request for abatement for a water leak at 25 Towercrest Dr (Approved January 16, 2020)

8.2.a Staff Supporting Documentation - Tom Hunter Delegation

9. STAFF PRESENTATIONS

10. DISCUSSION ITEMS

10.1 Policy 11 Single Source Provider for TYMCO Sweeper DST-4 (PW20006) (City Wide)

10.2 Municipal Property Tax Billing Software (FCS20006) (City Wide)

10.3 Follow Up to Performance Audit Report 2013-13 Employer Paid Parking (Value for Money Audit) (AUD20002) (City Wide)

11. MOTIONS

11.1 Compassionate Grant for Development Charges to Agricultural Societies Without a Farm Business Registration

12. NOTICES OF MOTION

13. GENERAL INFORMATION / OTHER BUSINESS

13.1 Amendments to the Outstanding Business List:

13.1.a Items to be Removed:

Delegation of Authority to Hear Complaints respecting the Payment of Development Charges - Item 7.5

Item 3.1 on the December 5, 2019 Special AF&A Agenda
OBL Item: 19-P

35 Market Street, Dundas (LS19009(c) / PW19020(c) / HSC19054)
Item 14.2 on the December 5, 2019 AF&A Agenda
OBL Item: 19-N

14. PRIVATE AND CONFIDENTIAL

15. ADJOURNMENT



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 20-001

9:30 a.m.

January 16, 2020

Council Chambers

Hamilton City Hall

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

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

- 1. Fraud, Waste, and Whistleblower Update - Q3 2019 (AUD20001) (City Wide) (Item 7.2)**

(Collins/Partridge)

That Report AUD20001, respecting the Fraud, Waste, and Whistleblower Update - Q3 2019, be received.

CARRIED

- 2. 2020 Temporary Borrowing and Interim Tax Levy By-laws (FCS20003) (City Wide) (Item 7.3)**

(Pearson/VanderBeek)

- (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; and,
- (b) That Appendix "B" attached to Report FCS20003, "By-law to Authorize an Interim Tax Levy for 2020", be passed.

Result: Motion CARRIED by a vote of 8 to 0, as follows:

YES - Ward 5 Councillor Chad Collins
YES - Ward 11 Councillor Brenda Johnson
YES - Chair - Ward 1 Councillor Maureen Wilson
YES - Ward 15 Councillor Judi Partridge
YES - Ward 13 Councillor Arlene VanderBeek
YES - Ward 12 Councillor Lloyd Ferguson
YES - Ward 10 Councillor Maria Pearson
YES - Ward 9 Councillor Brad Clark

3. Education Development Charge Update (FCS20010) (City Wide) (Item 7.4)

(Pearson/Partridge)

That Report FCS20010, respecting the Education Development Charge Update, be received.

CARRIED

4. Agreement respecting the Continued Supply of Raw Water to 690 Strathearne Avenue North, Hamilton - Deadline Extension (Added Item 11.1)

(Ferguson/Clark)

- (a) That the deadline for reaching an agreement respecting the continued supply of raw water to 690 Strathearne Avenue North, Hamilton be extended from January 15, 2020 to February 7, 2020; and,
- (b) That, in the event an agreement has not been reached, the deadline for cutting off the water supply to 690 Strathearne Avenue North, Hamilton, be extended from February 1, 2020 to February 28, 2020.

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

YES - Ward 5 Councillor Chad Collins
NOT PRESENT - Ward 11 Councillor Brenda Johnson
YES - Chair - Ward 1 Councillor Maureen Wilson
YES - Ward 15 Councillor Judi Partridge
YES - Ward 13 Councillor Arlene VanderBeek
YES - Ward 12 Councillor Lloyd Ferguson
YES - Ward 10 Councillor Maria Pearson
YES - Ward 9 Councillor Brad Clark

5. HMRF/HWRF Pension Administration Sub-Committee Report 19-001 - December 10, 2019 (Item 10.1)

(Pearson/Ferguson)

(a) 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.

(b) 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.

(c) 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.

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

(i) 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; and

(ii) 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.

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

YES - Ward 5 Councillor Chad Collins
NOT PRESENT - Ward 11 Councillor Brenda Johnson
YES - Chair - Ward 1 Councillor Maureen Wilson
YES - Ward 15 Councillor Judi Partridge
YES - Ward 13 Councillor Arlene VanderBeek
YES - Ward 12 Councillor Lloyd Ferguson
YES - Ward 10 Councillor Maria Pearson
YES - Ward 9 Councillor Brad Clark

6. 2019 City of Hamilton External Audit Plan (FCS20004) (City Wide) (Item 10.2)

(Clark/Ferguson)

That Report FCS20004, respecting the 2019 City of Hamilton External Audit Plan, be received.

CARRIED

7. Use of External Services for Tax Assessment & Appeals (FCS20005) (City Wide) (Item 10.3)

(Ferguson/Pearson)

- (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 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; and,
- (d) That the consulting costs incurred in 2020 be funded from the Tax Stabilization Reserve. (Account number 110046).

Result: Motion CARRIED by a vote of 8 to 0, as follows:

YES - Ward 5 Councillor Chad Collins
YES - Ward 11 Councillor Brenda Johnson
YES - Chair - Ward 1 Councillor Maureen Wilson
YES - Ward 15 Councillor Judi Partridge
YES - Ward 13 Councillor Arlene VanderBeek
YES - Ward 12 Councillor Lloyd Ferguson
YES - Ward 10 Councillor Maria Pearson
YES - Ward 9 Councillor Brad Clark

8. Citizen Committee Report - Hamilton Aboriginal Advisory Committee - Updated Terms of Reference (Item 10.4)

(Partridge/VanderBeek)

That the Hamilton Aboriginal Advisory Committee's Terms of Reference be updated to reflect the Committee's voting and non-voting members.

Result: Motion CARRIED by a vote of 8 to 0, as follows:

YES - Ward 5 Councillor Chad Collins
YES - Ward 11 Councillor Brenda Johnson
YES - Chair - Ward 1 Councillor Maureen Wilson
YES - Ward 15 Councillor Judi Partridge
YES - Ward 13 Councillor Arlene VanderBeek
YES - Ward 12 Councillor Lloyd Ferguson
YES - Ward 10 Councillor Maria Pearson
YES - Ward 9 Councillor Brad Clark

9. 2020 Grant Advances – City Enrichment Fund (GRA20001) (City Wide) (Item 10.5)

(Johnson/Collins)

- (a) That effective January 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.

Result: Motion CARRIED by a vote of 8 to 0, as follows:

- YES - Ward 5 Councillor Chad Collins
- YES - Ward 11 Councillor Brenda Johnson
- YES - Chair - Ward 1 Councillor Maureen Wilson
- YES - Ward 15 Councillor Judi Partridge
- YES - Ward 13 Councillor Arlene VanderBeek
- YES - Ward 12 Councillor Lloyd Ferguson
- YES - Ward 10 Councillor Maria Pearson
- YES - Ward 9 Councillor Brad Clark

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

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

6. DELEGATION REQUESTS (Item 6)

- 6.2 Tom Hunter, CEO of CityHousing Hamilton, respecting a request for abatement for a water leak at 25 Towercrest Dr (For a future meeting)
- 6.3 Rosemary Fisher and Bart Sarsh, ArcelorMittal Long Product Canada (AMLPC), respecting the raw water supply agreement, and seeking an extension of 1 month on the deadlines for finalizing the contract (For today's meeting)

7. CONSENT ITEMS (Item 7) - WITHDRAWN

- 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

(VanderBeek/Pearson)

That the agenda for the January 16, 2020 Audit, Finance and Administration Committee meeting be approved, as amended.

Result: Motion CARRIED by a vote of 8 to 0, as follows:

YES - Ward 5 Councillor Chad Collins
YES - Ward 11 Councillor Brenda Johnson
YES - Chair - Ward 1 Councillor Maureen Wilson
YES - Ward 15 Councillor Judi Partridge
YES - Ward 13 Councillor Arlene VanderBeek
YES - Ward 12 Councillor Lloyd Ferguson
YES - Ward 10 Councillor Maria Pearson
YES - Ward 9 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) December 5, 2019 (Item 4.1)

(Ferguson/Partridge)

That the Minutes of the December 5, 2019 meeting of the Audit, Finance and Administration Committee be approved, as presented.

Result: Motion CARRIED by a vote of 8 to 0, as follows:

YES - Ward 5 Councillor Chad Collins
YES - Ward 11 Councillor Brenda Johnson
YES - Chair - Ward 1 Councillor Maureen Wilson
YES - Ward 15 Councillor Judi Partridge
YES - Ward 13 Councillor Arlene VanderBeek
YES - Ward 12 Councillor Lloyd Ferguson
YES - Ward 10 Councillor Maria Pearson
YES - Ward 9 Councillor Brad Clark

(d) DELEGATION REQUESTS (Item 6)

(Johnson/Collins)

(i) That the following delegations requests be approved for a future meeting:

- (1) Fardad Chadorshabchi, respecting water billing charges (Item 6.1)
- (2) Tom Hunter, CEO of CityHousing Hamilton, respecting a request for abatement for a water leak at 25 Towercrest Drive (Added Item 6.2)

Result: Motion CARRIED by a vote of 8 to 0, as follows:

YES - Ward 5 Councillor Chad Collins
YES - Ward 11 Councillor Brenda Johnson
YES - Chair - Ward 1 Councillor Maureen Wilson
YES - Ward 15 Councillor Judi Partridge
YES - Ward 13 Councillor Arlene VanderBeek
YES - Ward 12 Councillor Lloyd Ferguson
YES - Ward 10 Councillor Maria Pearson
YES - Ward 9 Councillor Brad Clark

(ii) Rosemary Fisher and Bart Sarsh, ArcelorMittal Long Product Canada (AMLPC), respecting the raw water supply agreement, and seeking an extension of 1 month on the deadlines for finalizing the contract (For today's meeting) (Added Item 6.3)

(Partridge/VanderBeek)

That the Delegation Request from Rosemary Fisher and Bart Sarsh, ArcelorMittal Long Product Canada (AMLPC), respecting the raw water supply agreement, and seeking an extension of 1 month on the deadlines for finalizing the contract be approved, for today's meeting.

Result: Motion CARRIED by a vote of 8 to 0, as follows:

YES - Ward 5 Councillor Chad Collins
YES - Ward 11 Councillor Brenda Johnson
YES - Chair - Ward 1 Councillor Maureen Wilson
YES - Ward 15 Councillor Judi Partridge
YES - Ward 13 Councillor Arlene VanderBeek
YES - Ward 12 Councillor Lloyd Ferguson
YES - Ward 10 Councillor Maria Pearson
YES - Ward 9 Councillor Brad Clark

(e) CONSENT ITEMS (Item 7)

(Ferguson/Collins)

That the following Volunteer Advisory Committee Minutes, be received:

- (i) Committee Against Racism - September 24, 2019 (Item 7.1(a))
- (ii) Committee Against Racism - October 22, 2019 (Item 7.1(b))
- (iii) Committee Against Racism - November 12, 2019 (Item 7.1(c))
- (iv) Hamilton Aboriginal Advisory Committee - September 5, 2019 (Item 7.1(d))
- (v) Hamilton Aboriginal Advisory Committee - October 3, 2019 (Item 7.1(e))
- (vi) Hamilton Aboriginal Advisory Committee - December 5, 2019 (Item 7.1(f))
- (vii) Hamilton Mundialization Committee - April 17, 2019 (Item 7.1(g))
- (viii) Hamilton Mundialization Committee - June 19, 2019 (Item 7.1(h))
- (ix) Hamilton Mundialization Committee - September 18, 2019 (Item 7.1(i))
- (x) Hamilton Mundialization Committee - October 16, 2019 (Item 7.1(j))
- (xi) Hamilton Mundialization Committee - November 5, 2019 (Item 7.1(k))
- (xii) Hamilton Status of Women Committee - November 28, 2019 (Item 7.1(l))

CARRIED

(f) PUBLIC HEARINGS / DELEGATIONS (Item 8)

- (i) Rosemary Fisher and Bart Sarsh, ArcelorMittal Long Product Canada (AMLPC), respecting the raw water supply agreement, and seeking an extension of 1 month on the deadlines for finalizing the contract (Added Item 8.1)**

Rosemary Fisher and Bart Sarsh, ArcelorMittal Long Product Canada (AMLPC), addressed the Committee respecting the raw water supply agreement, and seeking an extension of 1 month on the deadlines for finalizing the contract, with the aid of a handout.

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

(VanderBeek/Ferguson)

That the Delegation from Rosemary Fisher, ArcelorMittal Long Product Canada (AMLPC), respecting the raw water supply agreement, and seeking an extension of 1 month on the deadlines for finalizing the contract, be received.

CARRIED

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

(g) PRIVATE AND CONFIDENTIAL (Item 14)

(ii) December 5, 2019 – Closed Session Minutes (Item 14.1)

(Pearson/VanderBeek)

- (a) That the Closed Session Minutes of the December 5, 2019 Audit, Finance and Administration Committee meeting, be approved as presented; and,
- (b) That the Closed Session Minutes of the December 5, 2019 Audit, Finance and Administration Committee meeting, remain confidential.

Result: Motion CARRIED by a vote of 8 to 0, as follows:

YES - Ward 5 Councillor Chad Collins
YES - Ward 11 Councillor Brenda Johnson
YES - Chair - Ward 1 Councillor Maureen Wilson
YES - Ward 15 Councillor Judi Partridge
YES - Ward 13 Councillor Arlene VanderBeek
YES - Ward 12 Councillor Lloyd Ferguson
YES - Ward 10 Councillor Maria Pearson
YES - Ward 9 Councillor Brad Clark

(h) ADJOURNMENT (Item 15)

(Pearson/VanderBeek)

That, there being no further business, the Audit, Finance and Administration Committee, be adjourned at 10:15 a.m.

CARRIED

Respectfully submitted,

Councillor Wilson, Chair
Audit, Finance and Administration
Committee

Loren Kolar
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

Water Billing Delegation to Audit, Finance & Administration Committee

Summary

On August 10, 2018, the current property owner purchased [REDACTED], Hamilton and in accordance with City billing policy, the water bill is in the owner/landlord's name with a North York mailing address for the water account. The owner is disputing water and wastewater/stormwater arrears that have transferred to the subject property's tax roll.

Since March 2018, due to an issue with the property's remote touchpad, the water account was being billed on estimated consumption. It should be noted that the water billings had been paid in full up to the point of ownership change.

Typically, prior to ownership of a property being transferred, the purchaser's real estate lawyer contacts Alectra Utilities (Alectra) to provide the relevant property transfer information and to request a final meter read be completed. Generally, the lawyer will also pay an administration fee of \$15 to Alectra for an Arrears Certificate which advises the buyer of outstanding water and/or wastewater/storm arrears. Where water billings are based on estimated readings, the Arrears Certificate advises "that any unbilled consumption that results from an actual reading obtaining an actual read from the water meter is the sole responsibility of the property owner on title when the actual reading occurs."

By contacting Alectra prior to ownership change, the purchaser becomes aware of any outstanding water and wastewater balances, as well as, outstanding compliance issues regarding the Waterworks Bylaw R84-026, such as the replacement of the remote touchpad. All past outstanding balances and property Waterworks Bylaw compliance issues are transferred with the property and become the responsibility of the buyer.

However, in the case of [REDACTED], Alectra was not contacted by the purchaser's lawyer and in fact, it was the vendor who contacted Alectra with their lawyer subsequently providing written confirmation to Alectra on January 17, 2019 to advise of the change in ownership. On January 4, 2019, \$143.93 related to the billing period up to September 19, 2018 that, in the absence of the current owner being set up as the account holder, was addressed to the previous owner remained unpaid and was transferred to the property tax roll. Note each occurrence of an arrears tax roll transfer carries an administration fee applied by Taxation; 2019 fee was set at \$34.25, current 2020 fee is \$35.30 per occurrence.

Advised of the change in ownership, Alectra immediately transferred the water account to the current property owner and the estimated water billings (based on 2m³/day) from September 19, 2018 to January 19, 2019. The property owner was subsequently advised by mail dated January 21, 2019, that the account was transferred and made aware of the estimated billings with the corresponding need to contact Neptune Technologies to arrange an appointment to repair the touchpad which occurred on March 12, 2019.

With the repair completed, Alectra was able to restore the account back onto metered billings once Hamilton Water provided the completed repair work order. Additionally, Alectra adjusted the estimated billings charged to date to reflect the actual consumption reading – a net credit

8.1(a)

Page 2 of 2

adjustment of \$40.66. As no payment had occurred on the January 19, 2019 billing, a transfer of the arrears to the property tax roll occurred in April 2019. Hence, the credit of \$40.66 was applied to the property tax roll. A Statement of Account has been provided on page 2 that reflects the charges and credits for the subject property from account commencement to the return on metered billings

The net transfer amount of \$760.18 (inclusive of the Taxation administration fee) remains outstanding on the property tax roll and continues to accrue penalty interest applied at a rate of 1.25 percent per month (15 percent per year).

Date	Description	Charges	Credits	Account Balance
	Opening Balance			\$ -
19-Jan-19	Account Set-up Fee	\$ 30.00		\$ 30.00
19-Jan-19	Estimated billing @ 2m3/day Sept 19/18 to Jan 19/19	\$ 770.84		\$ 800.84
13-Feb-19	Estimated billing @ 2m3/day Jan 19/19 to Feb 13/19	\$ 196.20		\$ 997.04
28-Mar-19	Estimated billing @ 2m3/day Mar 28/19 to Apr 29/19	\$ 277.78		\$ 1,274.82
11-Apr-19	Tax Roll Transfer of January unpaid arrears		\$ (800.84)	\$ 473.98
29-Apr-19	Estimated billing @ 2m3/day Feb 13/19 to Mar 28/19	\$ 206.72		\$ 680.70
29-Apr-19	Interest charge	\$ 9.97		\$ 690.67
4-Jul-19	Rebill Sept 19/18 to Mar 11/19 @ actual ADC 0.56m3	\$ 439.10		\$ 1,129.77
4-Jul-19	Rebill Mar 12/19 to Apr 29/19 @ actual ADC 0.56m3	\$ 125.96		\$ 1,255.73
4-Jul-19	Rebill Apr 29/20 to Jun 4/19 @ actual ADC 0.56m3	\$ 97.70		\$ 1,353.43
4-Jul-19	Actual billing Jun 4/19 to Jul 4/19	\$ 67.42		\$ 1,420.85
4-Jul-19	Reversal of estimated billings including interest		\$ (1,461.51)	\$ (40.66)
23-Jul-19	Tax Roll Transfer of net balance re estimates vs actual		\$ 40.66	\$ 0.00



Request for Abatement for Water Leak

February 6, 2020

About CityHousing Hamilton

- CityHousing Hamilton is the Housing Corporation owned and operated by the City of Hamilton
- CityHousing Hamilton consists of almost 7,000 units spread over 1,265 properties with over 13,000 residents
- These units represent an insured asset value of approximately \$1 billion

25 Towercrest Drive, Hamilton



- Previously known as Municipal Non-Profit (Hamilton) Housing Corporation
- Built in 1993
- 64 Unit Family Townhouse Complex
- 2, 3 and 4 bedroom units
- 50% Market rent charge/50% Rent-geared-to-income rent charge
- Rent includes domestic water

High Volume Water Usage – Detection

- November 11, 2019 – CHH Finance staff became aware of high water bills for 25 Towercrest Drive
- November 11, 2019 – Contacted contractor to source the water leak
- November 14, 2019 – Initial inspection, contractor inspected individual units – no leaks detected
- November 18, 2019 – Contractor reviews site drawings and underground water lines

High Volume Water Usage – Detection

- November 21, 2019 - Leak is isolated to unit #48 (vacant unit) the main waterline under the driveway
- November 22, 2019 – contractor hired to repair the broken water line
- December 2019, City Staff contacted regarding this issue



High Volume Water Usage – Detection

- There was no evidence of surface water
- Contractor confirmed that water was seeping down into the crevices of bedrock
- Hamilton Water later confirmed that water did not enter the City's sanitary or storm sewer systems

Water Consumption History

- 25 Towercrest water supply is serviced by a single 6 inch water line
- Typical monthly water billings for this 64 unit townhouse complex averaged approximately 1,200m³ in consumption with total water and wastewater/storm monthly bills of about \$4,300.00
- The period of high water consumption related to the service line from February 2019 to December 2019 amounted to 153,897m³ equating to total water and wastewater/storm charges of \$503,395.81

Water Consumption History

- A review of monthly billing determined:
 - In January 2019 Horizon Utilities issued its monthly bill in the amount of \$4,801.42

norizon UTILITIES Looking beyond.
alectra utilities Discover the possibilities
 Alectra Utilities Corporation
 PO Box 2249, STN LCD 1, Hamilton, ON L8N 3E4
 www.alectrautilities.com
 Questions? See reverse for contact information.

Your Bill
Water & Wastewater/Storm Charges For Dec 14, 2018 To Jan 14, 2019

Water Fixed Charge	13 days @ \$ 9.00	\$117.00
Water Fixed Charge Consumption	18 days @ \$ 8.50	\$153.00
Wastewater/Storm Fixed	564.00 m3 @ \$ 1.55	\$874.20
Wastewater/Storm Fixed Treatment	782.00 m3 @ \$ 1.49	\$1,165.18
Wastewater/Storm Fixed	13 days @ \$ 9.50	\$123.50
Wastewater/Storm Fixed Treatment	18 days @ \$ 9.00	\$162.00
Treatment	564.00 m3 @ \$ 1.68	\$947.52
Treatment	782.00 m3 @ \$ 1.61	\$1,259.02
Total Water & Wastewater/Storm Charges		\$4,801.42
Prior Balance		\$0.00
Total Amount You Owe - Due Feb 21, 2019		\$4,801.42

CITYHOUSING HAMILTON
 Account Number: 301177-064
 Service Address:
 25 TOWERCREST DR
 HAMILTON ON
 Date Your Bill Was Prepared:
 Feb 01, 2019
 Thank You For Your Payment:
 \$4,210.97

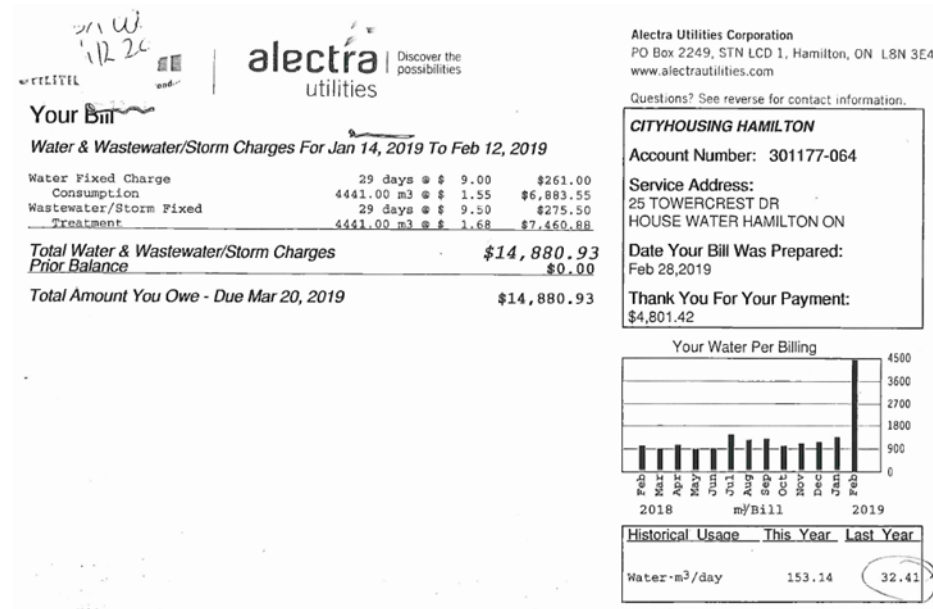
Your Water Per Billing

Month	Water - m³/day	This Year	Last Year
Jan 2018	43.42	43.42	34.37

Historical Usage This Year Last Year
 Water - m³/day 43.42 34.37

Water Consumption History

- In February 2019, as indicated in the chart below, usage increased and the bill in the amount of \$14,880.93 was paid



Water Consumption History

- In March 2019, the provider changed from Horizon Utilities to Alectra Utilities and historical consumption data was no longer available, bill of \$47,201.19 was paid

Account Number
6969502300
Please reference this number when making a payment.

Bill # 695094796685

MNPHHC
C/O CITYHOUSING HAMILTON
55 HESS ST S PO BOX 2500
HAMILTON ON L8N 4E5

Service Location: 25 TOWERCREST DR HOUSE WATER HAMILTON ON L9A 5H9
Premise #: 6436020000

Statement Date	April 12, 2019
Amount Due	\$47,201.19
Due Date	May 01, 2019

A late payment interest charge equal to 19.56% per annum will be applied if payment is received after the due date.

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Multipier	Usage	Adjustment Factor	Adjusted Usage
Water	P70194646	02/11/2019	03/11/2019	28	2654.00	14685.00	Actual	1.00	12022.000 MM3		
Water	P70194646	02/11/2019	03/11/2019	28	7608.00	10039.00	Actual	1.00	2431.000 LM3		

Your Previous Charges

Amount of Last Bill	\$14,880.93
Payment Received March 22, 2019 Thank you	\$14,880.93 CR
Balance Forward	\$0.00

Your Water/Wastewater Charges: Commercial

Water Meter Size - 100 mm	
Water Fixed Charge 28 days @ \$9.00	\$252.00
Consumption 14,453 m3 @ \$1.55	\$22,402.15
Wastewater/Storm Fixed Charge 28 days @ \$9.50	\$266.00
Treatment 14,453 m3 @ \$1.68	\$24,281.04
Total Water and Wastewater/Storm Charges	\$47,201.19
Total Amount Due by May 01, 2019	\$47,201.19

Compare your daily Water Usage

Read Date	Cubic Meters (m3) per day
Mar-19	243.1
Mar-18	0
Mar-17	0
Mar-16	0
Mar-15	0
Mar-14	0
Mar-13	0
Mar-12	0
Mar-11	0
Mar-10	0
Mar-09	0
Mar-08	0
Mar-07	0
Mar-06	0
Mar-05	0
Mar-04	0
Mar-03	0
Mar-02	0
Mar-01	0
Feb-28	0
Feb-27	0
Feb-26	0
Feb-25	0
Feb-24	0
Feb-23	0
Feb-22	0
Feb-21	0
Feb-20	0
Feb-19	0
Feb-18	0
Feb-17	0
Feb-16	0
Feb-15	0
Feb-14	0
Feb-13	0
Feb-12	0
Feb-11	0
Feb-10	0
Feb-09	0
Feb-08	0
Feb-07	0
Feb-06	0
Feb-05	0
Feb-04	0
Feb-03	0
Feb-02	0
Feb-01	0
Jan-31	0
Jan-30	0
Jan-29	0
Jan-28	0
Jan-27	0
Jan-26	0
Jan-25	0
Jan-24	0
Jan-23	0
Jan-22	0
Jan-21	0
Jan-20	0
Jan-19	0
Jan-18	0
Jan-17	0
Jan-16	0
Jan-15	0
Jan-14	0
Jan-13	0
Jan-12	0
Jan-11	0
Jan-10	0
Jan-09	0
Jan-08	0
Jan-07	0
Jan-06	0
Jan-05	0
Jan-04	0
Jan-03	0
Jan-02	0
Jan-01	0
Dec-31	0
Dec-30	0
Dec-29	0
Dec-28	0
Dec-27	0
Dec-26	0
Dec-25	0
Dec-24	0
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Nov-30	0
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Nov-13	0
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Nov-05	0
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Oct-31	0
Oct-30	0
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Sep-05	0
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Sep-03	0
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Sep-01	0
Aug-31	0
Aug-30	0
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Jun-03	0
Jun-02	0
Jun-01	0
May-31	0
May-30	0
May-29	0
May-28	0
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May-23	0
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Mar-31	0
Mar-30	0
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Mar-17	0
Mar-16	0
Mar-15	0
Mar-14	0
Mar-13	0
Mar-12	0
Mar-11	0
Mar-10	0
Mar-09	0
Mar-08	0
Mar-07	0
Mar-06	0
Mar-05	0
Mar-04	0
Mar-03	0
Mar-02	0
Mar-01	0

Water Consumption History

- April to November usage, on statements, appears to be average

horizon alectra utilities

Account Number: 696952300
 Statement Date: May 17, 2019
 Amount Due: \$66,216.80
 Due Date: June 05, 2019

Service Location: 25 TOWERCREST DR HOUSE WATER HAMILTON ON L5A 5H9

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Multipier	Usage	Adjustment Factor	Adjusted Usage
Water	F191946	05/10/2019	04/22/2019	42	1463.00	3728.00	Actual	1.00	1840.00 H60		
Water	F191946	05/10/2019	04/22/2019	42	1003.00	1387.00	Actual	1.00	384.00 L60		

Your Previous Charges
 Amount of Last Bill: \$47,201.19
 Payment Received May 03, 2019 Thank you: \$47,201.19 CR
 Balance Forward: \$0.00

Your Water/Wastewater Charges: Commercial
 Water Meter Size - 100 mm
 Water Fixed Charge 42 days @ \$9.00: \$378.00
 Consumption 20,290 m³ @ \$1.55: \$31,403.00
 Wastewater/Storm Fixed Charge 42 days @ \$9.50: \$399.00
 Treatment 20,290 m³ @ \$1.68: \$34,036.80
 Total Water and Wastewater/Storm Charges: \$66,216.80

Total Amount Due by June 05, 2019: \$66,216.80

horizon alectra utilities

Account Number: 696952300
 Statement Date: June 24, 2019
 Amount Due: \$43,314.03
 Due Date: July 15, 2019

Service Location: 25 TOWERCREST DR HOUSE WATER HAMILTON ON L5A 5H9

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Multipier	Usage	Adjustment Factor	Adjusted Usage
Water	F191946	04/23/2019	05/18/2019	26	3728.00	4133.00	Actual	1.00	1040.00 H60		
Water	F191946	04/23/2019	05/18/2019	26	1387.00	1673.00	Actual	1.00	286.00 L60		

Your Previous Charges
 Amount of Last Bill: \$66,216.80
 Payment Received June 10, 2019 Thank you: \$66,216.80 CR
 Balance Forward: \$0.00

Your Water/Wastewater Charges: Commercial
 Water Meter Size - 100 mm
 Water Fixed Charge 26 days @ \$9.00: \$234.00
 Consumption 13,261 m³ @ \$1.55: \$20,554.55
 Wastewater/Storm Fixed Charge 26 days @ \$9.50: \$247.00
 Treatment 13,261 m³ @ \$1.68: \$22,278.48
 Total Water and Wastewater/Storm Charges: \$43,314.03

Total Amount Due by July 15, 2019: \$43,314.03

horizon alectra utilities

Account Number: 696952300
 Statement Date: July 11, 2019
 Amount Due: \$91,723.83
 Due Date: July 30, 2019

Service Location: 25 TOWERCREST DR HOUSE WATER HAMILTON ON L5A 5H9

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Multipier	Usage	Adjustment Factor	Adjusted Usage
Water	F191946	05/19/2019	05/18/2019	21	4133.00	5402.00	Actual	1.00	1269.00 H60		
Water	F191946	05/19/2019	05/18/2019	21	1673.00	1954.00	Actual	1.00	281.00 L60		

Your Previous Charges
 Amount of Last Bill: \$43,314.03
 Payment Received: \$0.00
 Balance Forward: \$43,314.03

Your Water/Wastewater Charges: Commercial
 Water Meter Size - 100 mm
 Water Fixed Charge 31 days @ \$9.00: \$279.00
 Consumption 14,910 m³ @ \$1.55: \$22,951.50
 Wastewater/Storm Fixed Charge 31 days @ \$9.50: \$294.50
 Treatment 14,910 m³ @ \$1.68: \$24,860.80
 Total Water and Wastewater/Storm Charges: \$48,409.80

Total Amount Due by July 30, 2019: \$91,723.83

horizon alectra utilities

Account Number: 696952300
 Statement Date: August 07, 2019
 Amount Due: \$110,150.70
 Due Date: August 26, 2019

Service Location: 25 TOWERCREST DR HOUSE WATER HAMILTON ON L5A 5H9

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Multipier	Usage	Adjustment Factor	Adjusted Usage
Water	F191946	05/19/2019	07/20/2019	52	5402.00	6832.00	Actual	1.00	1033.00 H60		
Water	F191946	05/19/2019	07/20/2019	52	2268.00	2558.00	Actual	1.00	290.00 L60		

Your Previous Charges
 Amount of Last Bill: \$91,723.83
 Payment Received July 12, 2019 Thank you: \$43,314.03 CR
 Balance Forward: \$48,409.80

Your Water/Wastewater Charges: Commercial
 Water Meter Size - 100 mm
 Water Fixed Charge 52 days @ \$9.00: \$468.00
 Consumption 18,839 m³ @ \$1.55: \$29,200.45
 Wastewater/Storm Fixed Charge 52 days @ \$9.50: \$370.50
 Treatment 18,839 m³ @ \$1.68: \$31,649.82
 Total Water and Wastewater/Storm Charges: \$91,871.47

Your Other Charges/Credits
 Paratly Adjustment: \$195.43
 Your Total Other Charges/Credits: \$195.43

Total Amount Due by August 26, 2019: \$110,150.70

horizon alectra utilities

Account Number: 696952300
 Statement Date: August 28, 2019
 Amount Due: \$163,159.80
 Due Date: September 16, 2019

Service Location: 25 TOWERCREST DR HOUSE WATER HAMILTON ON L5A 5H9

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Multipier	Usage	Adjustment Factor	Adjusted Usage
Water	F191946	07/21/2019	08/20/2019	31	6832.00	7916.00	Actual	1.00	1043.00 H60		
Water	F191946	07/21/2019	08/20/2019	31	2558.00	2848.00	Actual	1.00	290.00 L60		

Your Previous Charges
 Amount of Last Bill: \$110,150.70
 Payment Received August 08, 2019 Thank you: \$48,409.80 CR
 Balance Forward: \$163,159.80

Your Water/Wastewater Charges: Commercial
 Water Meter Size - 100 mm
 Water Fixed Charge 25 days @ \$9.00: \$225.00
 Consumption 12,680 m³ @ \$1.55: \$19,654.00
 Wastewater/Storm Fixed Charge 25 days @ \$9.50: \$237.50
 Treatment 12,680 m³ @ \$1.68: \$21,302.40
 Total Water and Wastewater/Storm Charges: \$41,418.90

Total Amount Due by September 16, 2019: \$163,159.80

horizon alectra utilities

Account Number: 696952300
 Statement Date: September 27, 2019
 Amount Due: \$58,798.06
 Due Date: October 16, 2019

Service Location: 25 TOWERCREST DR HOUSE WATER HAMILTON ON L5A 5H9

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Multipier	Usage	Adjustment Factor	Adjusted Usage
Water	F191946	08/21/2019	09/20/2019	31	7916.00	8476.00	Actual	1.00	1486.00 H60		
Water	F191946	08/21/2019	09/20/2019	31	2848.00	3138.00	Actual	1.00	290.00 L60		

Your Previous Charges
 Amount of Last Bill: \$163,159.80
 Payment Received September 03, 2019 Thank you: \$110,150.70 CR
 Payment Received September 23, 2019 Thank you: \$56,990.89
 Balance Forward: \$0.01 CR

Your Water/Wastewater Charges: Commercial
 Water Meter Size - 100 mm
 Water Fixed Charge 34 days @ \$9.00: \$306.00
 Consumption 18,009 m³ @ \$1.55: \$27,913.95
 Wastewater/Storm Fixed Charge 34 days @ \$9.50: \$323.00
 Treatment 18,009 m³ @ \$1.68: \$30,255.12
 Total Water and Wastewater/Storm Charges: \$58,798.07

Total Amount Due by October 16, 2019: \$58,798.06

Water Consumption History

- April to November usage, on statements, appears to be average

Account Number
6969502300
Please reference this number when making a payment.

Statement Date: **October 28, 2019**
Amount Due: **\$53,973.24**
Due Date: **November 18, 2019**

Bill # 696424137185

MNPIHC
C/O CITYHOUSING HAMILTON
55 HESS ST S, PO BOX 2500
HAMILTON ON L8N 4E5

Service Location: 25 TOWERCREST DR HOUSE WATER HAMILTON ON L9A 5H9
Premise #: 6436020000

A late payment interest charge equal to 1.5% per month will be applied if payment is received after the due date.

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Multiplier	Usage	Adjustment Factor	Adjusted Usage
Water	P70194646	09242019	10222019	28	54746.00	106789.00	Actual	1.00	14043.000 LMS		
Water	P70194646	09242019	10222019	28	21838.00	30398.00	Actual	1.00	2452.000 LMS		

Your Previous Charges

Amount of Last Bill \$58,798.06
Payment Received October 24, 2019 Thank you \$58,798.06 CR
Balance Forward \$0.00

Your Water/Wastewater Charges: Commercial

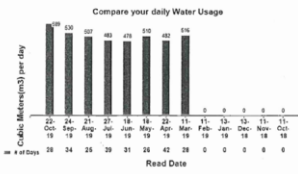
Your next schedule read date is tentatively scheduled for Nov 21, 2019

Water Meter Size - 100 mm
Water Fixed Charge 28 days @ \$9.00 \$252.00
Consumption 16,495 m³ @ \$1.55 \$25,567.25
Wastewater/Storm Fixed Charge 28 days @ \$9.50 \$266.00
Treatment 16,495 m³ @ \$1.68 \$27,711.60
Total Water and Wastewater/Storm Charges \$53,796.85

Your Other Charges/Credits

Penalty Adjustment \$176.39
Your Total Other Charges/Credits \$176.39

Total Amount Due by November 18, 2019 \$53,973.24



Account Number
6969502300
Please reference this number when making a payment.

Statement Date: **November 27, 2019**
Amount Due: **\$61,170.98**
Due Date: **December 16, 2019**

Bill # 696825153128

MNPIHC
C/O CITYHOUSING HAMILTON
55 HESS ST S, PO BOX 2500
HAMILTON ON L8N 4E5

Service Location: 25 TOWERCREST DR HOUSE WATER HAMILTON ON L9A 5H9
Premise #: 6436020000

A late payment interest charge equal to 1.5% per month will be applied if payment is received after the due date.

Service	Meter	From	To	# Days	Previous Reading	Current Reading	Read Type	Multiplier	Usage	Adjustment Factor	Adjusted Usage
Water	P70194646	10222019	11202019	28	106789.00	120219.00	Actual	1.00	16246.000 LMS		
Water	P70194646	10222019	11202019	28	30290.00	32772.00	Actual	1.00	2480.000 LMS		

Your Previous Charges

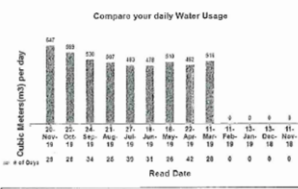
Amount of Last Bill \$53,973.24
Payment Received November 14, 2019 Thank you \$53,972.32 CR
Balance Forward \$0.92

Your Water/Wastewater Charges: Commercial

Your next schedule read date is tentatively scheduled for Dec 20, 2019

Water Meter Size - 100 mm
Water Fixed Charge 29 days @ \$9.00 \$261.00
Consumption 18,772 m³ @ \$1.55 \$29,068.60
Wastewater/Storm Fixed Charge 29 days @ \$9.50 \$275.50
Treatment 18,772 m³ @ \$1.65 \$31,539.96
Total Water and Wastewater/Storm Charges \$61,170.06

Total Amount Due by December 16, 2019 \$61,170.98



Avoid frozen pipes! Shut off and drain all outside taps and pipes in unheated garages. Install insulated pipe sleeves on exposed pipes in unheated areas in your home. www.hamilton.ca/frozempipes

*Electricity rates have changed as of November 1, 2019. Please visit our website for more information.

Review of Internal Controls

- December 2019
 - Alectra Utilities records indicate that Alectra staff telephoned CityHousing Hamilton on two separate occasions regarding the sharp increase in water usage;
 - February 19, 2019 and April 12, 2019

Review of Internal Controls

December 2019

- Alectra Utilities sent written notifications to CityHousing Hamilton on April 12 and June 24, 2019
- It is unknown if Alectra letters were received and/or delivered to the appropriate personnel for follow-up



Review of Internal Controls

- It is acknowledged that following occurred:
 - Utility bills were paid as received
 - There was turnover of CityHousing Hamilton Staff
 - Up until January 2019, CityHousing Hamilton used to receive a monthly automated report from Alectra indicating a year-to-date monthly water usage on each of its accounts via email
 - Whereas billing for 25 Towercrest is drastically higher than normal, CityHousing Hamilton does pay utility bills for our larger building/complexes and these bills can range between \$14,000 to \$18,000 per month

Review of Internal Controls

- During the transition from Horizon Utilities to Alectra Utilities during the months of February and March 2019, all account numbers changed and historical data was not available on utility bills or usage reports, creating an information void
- CityHousing Hamilton worked collaboratively with Alectra throughout 2019 to re-establish the automated monthly usage reporting, but this wasn't resolved at any point in 2019

Follow-up Action Plan

- CityHousing Hamilton is updating its standard operating procedures;
 - Electronic fund transfers - (EFT) payments
 - Reconciliation of utility reports with Alectra
 - Upon receipt of notices, notifications will be sent to appropriate staff with the requirement of staff tracking follow-up action
 - Quarterly review with Finance and Administration staff to review variances
 - Policy will be implemented to reflect these actions

Request for Abatement

- Hamilton Water has reviewed the service line break at 25 Towercrest Drive and has concluded that given the location of the leak and the fact that the leaking water remained underground, it appears that the leaking water ended up in the bedrock and likely did not enter the City's sanitary or storm sewer systems

Request for Abatement

- The wastewater portion associated with the excess water consumption related to the service leak at 25 Towercrest Drive amounts to \$237,812.40
- CityHousing Hamilton is in the process of submitting a claim to its insurance company for the recovery of the excess water bill

THANK YOU

**25 Towercrest Dr Hamilton, CityHousing Hamilton
Water Billing
Delegation to Audit, Finance & Administration Committee**

Summary

City Housing Hamilton (CHH), property owner, of 25 Towercrest Avenue, is requesting a refund to their water wastewater/storm bills caused by a water leak.

High water bills, initially experienced in February 2019, have been determined to be attributable to a break in the property's water service line. Table 1, on page 3, provides details of the past year's water and wastewater/storm billings for this property.

The subject property is a 64-unit townhome complex that is serviced with a single 6-inch water service line and is bulk metered with a 100mm compound water meter located at the property line.

A compound meter is a type of water meter used to accommodate high flow rates, as well as, smaller rates of flow that also need to be accurately measured. Compound meters have two measuring elements (one for low flows and one for high flows) so that two readings are obtained for each billing cycle and commonly referred to as the "high" and "low" sides of the compound meter. In the case of 25 Towercrest Drive most of the property's water consumption is typically measured on the low side with the high side generally registering little consumption.

As reflected in Table 1 on page 3, typical monthly water billings for the subject property have averaged approximately 1,200m³ in consumption with total water and wastewater/storm monthly bills of about \$4,300. The period of high consumption related to the service line leak of February 12, 2019 to December 20, 2019 amounted to 153,897m³ equating to total water and wastewater/storm charges of \$503,395.81 (exceeding \$40 K per month). It should be noted that service line leaks are not addressed by current water bill adjustment policies such as the City's Water Leak Adjustment Policy.

On behalf of the City, Alectra Utilities administers the High Water Read Notification Program which provides notification to account holders who experience higher than average historical water consumption. This timely notification provides customers the opportunity to identify and repair any leaks or identify usage that would affect the amount of water consumed. The notification, which includes leak detection information, is mailed out to customers if usage increases by 175% over the previous year (150% during November to April).

Alectra's actions included the following:

- On February 19, 2019, Alectra staff left a phone message for the property owner, CHH, regarding the sharp increase in water usage as reflected in the reading and billing of February 12, 2019.
- On April 12, 2019, a second call was made by Alectra to CHH staff regarding the increasing water consumption charges on the account.
- In April and June 2019, high water notification letters were issued by Alectra to CHH.

8.2(a)

CHH had the water service line repaired in December 2019.

Hamilton Water has reviewed the service line break at the subject property and has concluded that given the location of the leak and the fact that the leaking water remained underground, it appears that the leaking water ended up in the bedrock and likely did not enter the City's sanitary or storm sewer systems. The wastewater portion associated with the excess water consumption related to the service line leak at 25 Towercrest Drive amounts to \$237,812.40.

Significant service line breaks have occurred over the past decade and examples include:

- In 2010, Confederation Park (owned by the City and operated by the Hamilton Conservation Authority) experienced a service line leak amounting to approximately \$55 K over a 120-day period. No adjustment was provided to the account.
- In 2012, a condo complex consisting of 122 units experienced a service line leak of nearly \$60 K over 59 days. Upon validation from Hamilton Water that the leaking water most likely did not enter the City's sanitary system, an adjustment relieving the wastewater portion associated with the excess water consumption was approved by Council.
- In 2018, a condo complex consisting of 12 units experienced a service line leak of approximately \$26 K over 90 days. Upon validation from Hamilton Water that the leaking water most likely did not enter the City's sanitary system, an adjustment relieving the wastewater portion associated with the excess water consumption was approved by Council.

8.2(a)

TABLE 1
25 Towercrest Dr Water & Wastewater/Storm Billings

Read Date	Account #	Meter #	Amount (\$)	Usage(m3)	Service	Estimated	Read From	Read To	Daily (m3)	Days
12/20/19	6969502300	P70194646		1,091	Water - LS	N	32,772	33,863	36.367	30
12/20/19	6969502300	P70194646	\$3,179.35	786	Water - HS	N	125,079	125,865	26.2	30
12/20/19	6969502300		\$3,438.36	1,877	Wstwtr				62.567	30
11/20/19	6969502300	P70194646		2,482	Water - LS	N	30,290	32,772	85.586	29
11/20/19	6969502300	P70194646	\$29,357.60	16,290	Water - HS	N	108,789	125,079	561.724	29
11/20/19	6969502300		\$31,812.46	18,772	Wstwtr				647.31	29
10/22/19	6969502300	P70194646		2,452	Water - LS	N	27,838	30,290	87.571	28
10/22/19	6969502300	P70194646	\$25,819.25	14,043	Water - HS	N	94,746	108,789	501.536	28
10/22/19	6969502300		\$27,977.60	16,495	Wstwtr				589.107	28
9/24/19	6969502300	P70194646		3,023	Water - LS	N	24,815	27,838	88.912	34
9/24/19	6969502300	P70194646	\$28,219.95	14,986	Water - HS	N	79,760	94,746	440.765	34
9/24/19	6969502300		\$30,578.12	18,009	Wstwtr				529.677	34
8/21/19	6969502300	P70194646		2,257	Water - LS	N	22,558	24,815	90.28	25
8/21/19	6969502300	P70194646	\$19,879.00	10,423	Water - HS	N	69,337	79,760	416.92	25
8/21/19	6969502300		\$21,539.90	12,680	Wstwtr				507.2	25
7/27/19	6969502300	P70194646		3,504	Water - LS	N	19,054	22,558	89.846	39
7/27/19	6969502300	P70194646	\$29,551.45	15,335	Water - HS	N	54,002	69,337	393.205	39
7/27/19	6969502300		\$32,020.02	18,839	Wstwtr				483.051	39
6/18/19	6969502300	P70194646		2,741	Water - LS	N	16,313	19,054	88.419	31
6/18/19	6969502300	P70194646	\$23,234.50	12,069	Water - HS	N	41,933	54,002	389.323	31
6/18/19	6969502300		\$25,175.30	14,810	Wstwtr				477.742	31
5/18/19	6969502300	P70194646		2,456	Water - LS	N	13,857	16,313	94.462	26
5/18/19	6969502300	P70194646	\$20,788.55	10,805	Water - HS	N	31,128	41,933	415.577	26
5/18/19	6969502300		\$22,525.48	13,261	Wstwtr				510.039	26
4/22/19	6969502300	P70194646		3,818	Water - LS	N	10,039	13,857	90.905	42
4/22/19	6969502300	P70194646	\$31,781.00	16,442	Water - HS	N	14,686	31,128	391.476	42
4/22/19	6969502300		\$34,435.80	20,260	Wstwtr				482.381	42
3/11/19	6969502300	P70194646		2,431	Water - LS	N	7,608	10,039	86.821	28
3/11/19	6969502300	P70194646	\$22,654.15	12,022	Water - HS	N	2,664	14,686	429.357	28
3/11/19	6969502300		\$24,547.04	14,453	Wstwtr				516.178	28
2/12/19	301177-64	P70194646		1,901	Water - LS	N	5,707	7,608	65.552	29
2/12/19	301177-64	P70194646	\$7,144.55	2,540	Water - HS	N	124	2,664	87.586	29
2/12/19	301177-64		\$7,736.38	4,441	Wstwtr				153.138	29
1/14/19	301177-64	P70194646		1,320	Water - LS	N	4,387	5,707	42.581	31
1/14/19	301177-64	P70194646	\$2,309.38	26	Water - HS	N	98	124	0.839	31
1/14/19	301177-64		\$2,492.04	1,346	Wstwtr				43.419	31
12/14/18	301177-64	P70194646		1,156	Water - LS	N	3,231	4,387	36.125	32
12/14/18	301177-64	P70194646	\$2,026.82	20	Water - HS	N	78	98	0.625	32
12/14/18	301177-64		\$2,184.15	1,176	Wstwtr				36.75	32
11/12/18	301177-64	P70194646		1,077	Water - LS	N	2,154	3,231	34.742	31
11/12/18	301177-64	P70194646	\$1,908.08	21	Water - HS	N	57	78	0.677	31
11/12/18	301177-64		\$2,056.01	1,098	Wstwtr				35.419	31



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Transportation Operations and Maintenance Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	February 6, 2020
SUBJECT/REPORT NO:	Policy 11 Single Source Provider for TYMCO Sweeper DST-4 (PW20006) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Terry McCleary (905) 546-2424 Ext. 7046 Bob Paul (905) 546-2424 Ext. 7641
SUBMITTED BY:	Edward Soldo Director, Transportation Operations & Maintenance Public Works Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That pursuant to the City's Procurement Policy By-Law 17-064 (Policy #11 – Non-Competitive Procurements) a single source purchase of a TYMCO Sweeper DST-4 for use on bike lanes and other smaller City streets at the approximate cost of \$310,000 be awarded to The Equipment Specialists Inc. and funded from Project ID's 4031821350 and 4031921350;
- (b) That pursuant to the City's Procurement Policy By-Law 17-064 (Policy #14 – Standardization) the DST-4 Sweeper, as manufactured by TYMCO and supplied by The Equipment Specialist Inc., be added to the standardization list of Fleet Equipment and Parts; and
- (c) That the General Manager of Public Works be authorized to negotiate, enter into and execute all required documentation to give effect thereto with The Equipment Specialists Inc. in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

The City currently has 18 TYMCO Sweeper DST-6's (DST-6) in its fleet that were purchased in support of the Clean Air Hamilton Report 2005-2006 progress report. The

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**SUBJECT: Policy 11 Single Source Provider for TYMCO Sweeper DST-4
(PW20006) (City Wide) – Page 2 of 4**

DST-6 units are dedicated for sweeping Burlington Street, other industrial areas and various streets across the City. As per Procurement Policy #14 – Standardization, the DST-6 units have been previously approved by Council as a standard piece of equipment.

The DST-4 is the second highest rated Environmental Technology Verification (ETV) certified sweeper available in the market. The DST-4 uses the same filtering system, filters and subsequent parts currently utilized on the DST-6 however, the DST-4 runs on a smaller chassis making the unit more efficient and manoeuvrable in tight spaces. The DST-6 is the larger of the two units but has had issues on some of the tighter segregated bike lanes throughout the City of Hamilton.

The Public Works – Transportation Operations & Maintenance Division recommends the purchase of a DST-4 sweeper for the following reasons:

- a. Lower maintenance and operating costs;
- b. Decreased fuel consumption;
- c. Enhanced operator performance;
- d. Overall enhanced safety features;
- e. Increased visibility; and
- f. Lower decibel readings for operating noise in cab ergonomics.

To enhance our service delivery and further reduce airborne pollutants as per the Reduction of Airborne Particulates in Hamilton (B0H18018) (City Wide) Board of Health Information Report the ETV certified DST-4 single sourced from Equipment Specialist Inc. is recommended to ensure improved air quality for City residents, and to enhance our service levels in maintaining segregated bike lanes.

Staff is also recommending that the DST-4 unit be added to the standardization list of Fleet Equipment and Parts, as amended, for the future purchase of any additional units for similar reasons set out in this report.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Sufficient capital funds are available in Project ID 4031821350 (\$150,000) and Project ID 4031921350 (\$160,000).

Staffing: N/A

Legal: N/A

**SUBJECT: Policy 11 Single Source Provider for TYMCO Sweeper DST-4
(PW20006) (City Wide) – Page 3 of 4**

HISTORICAL BACKGROUND

Prior to 2006 City street sweeping was completed by mechanical sweepers which did not remove harmful particulate matter left on City roads only to become airborne pollutants. In 2006 and 2007, the Public Works Department worked in partnership with the City of Toronto to rigorously evaluate street sweepers from a scientific perspective for the purpose of capturing fine particulate matter PM10 and PM2.5 known to be a major health hazard. These particulates down to 0.3 microns are fine dust particles which can get into lungs and cause health and/or breathing problems.

As a result of this study and as approved by Council in 2006, Public Works staff replaced all but one (1) sweeper with the recommended TYMCO Sweeper DST-6 regenerative air street sweeper along with implementing other improvements to our street sweeping processes. These enhancements increased sweeper operations on the road by 33% which significantly lowered the amount of airborne particulate circulating within the industrial core of the City.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

As per the Procurement Policy – Section 4.11 – Policy #11 – Policy for Negotiations requires that Council approval be obtained for any Single Source of \$250,000 or greater.

In accordance with Procurement Policy – Section 4.14 – Policy #14 Standardization, if approved by Council, the DST-4 would be added to Fleet Services Section's list of approved standardization products, services, manufacturers and suppliers.

RELEVANT CONSULTATION

The following key stakeholders have been consulted with respect to the development and content of this report:

- Public Works: Energy, Fleet and Facilities: Roadway Maintenance Equipment Committee;
- Corporate Services: Procurement and Finance;
- Public Health Services: based on report (B0H18018) that Roadway Maintenance supports; and
- TYMCO.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The Fleet Planning section along with the Roadway Maintenance section have investigated street sweepers in the marketplace and arranged for demonstrations with

**SUBJECT: Policy 11 Single Source Provider for TYMCO Sweeper DST-4
(PW20006) (City Wide) – Page 4 of 4**

several sweepers of various sizes and configurations. The findings indicated that none of the sweepers met the efficiency standard of removing 90% of PM10 and PM2.5 particulates known to be a health hazard.

The TYMCO sweeper units DST-6 and DST-4 have proven their performance in controlling particulate matter PM10 and PM2.5 and are certified by ETV Canada with a surface removal efficiency of greater than 90%. This aligns with the Standardization of Fleet Equipment and Parts report (PW09074(d)).

Since the acquisition of the DST-6 units in 2006 the City has been satisfied with the relationship and operations of the DST-6 units. The recommended purchase of the DST-4 unit for maintaining segregated bike lanes would not require additional training as City staff are currently familiar with the operation and maintenance of the larger DST-6 units. This would ensure the City's fleet remain entirely from TYMCO an ETV validated manufacturer.

The Equipment Specialist Inc. is the only authorized distributor of TYMCO Dustless Regenerative Air Street Sweepers in the Province of Ontario.

ALTERNATIVES FOR CONSIDERATION

Issue Request for Proposal based on required performance criteria. Note: there are currently no sweepers in the marketplace that meet the ETV Canada certification or that align with the rationalization for which the TYMCO DST-6 was approved by Council on March 28, 2017 in the Standardization of Fleet Equipment and Parts (PW09074(d)).

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Clean and Green

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

Healthy and Safe Communities

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

Built Environment and Infrastructure

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

Our People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

N/A



CITY OF HAMILTON
FINANCE AND CORPORATE SERVICE DEPARTMENT
Financial Services and Taxation Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	February 6, 2020
SUBJECT/REPORT NO:	Municipal Property Tax Billing Software (FCS20006) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Maria Di Santo (905) 546-2424 Ext. 5254
SUBMITTED BY:	Rick Male Director, Financial Services and Taxation and Corporate Controller Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That Council approve the Taxation Section's participation in the Early Adopters Program for Realty Tax Billing and Collections Solution and that the General Manager, Corporate Services Department be authorized to negotiate, enter into and execute any required documents and any ancillary documents required to give effect thereto with Tempest Development Group (a division of CentralSquare Technologies), in a form satisfactory to the City Solicitor; and
- (b) That staff report back to Committee and Council the results of this program along with recommendations on how best to proceed with respect to the Property Tax Billing Software.

EXECUTIVE SUMMARY

Property taxation is a municipality's main source of revenue to fund its operations. The City of Hamilton (City) has used Vailtech as its Property Tax Billing Software for over 20

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SUBJECT: Municipal Property Tax Billing Software (FCS20006) (City Wide) - Page 2 of 6

years. Implemented in 1999, although version updates were released from time to time (either generally to all users, or municipality-specific), no significant system enhancements have been implemented. In 2018, the City, upgraded to the web-based version of Vailtech, however, the upgrade did not provide for any enhanced features. Staff continue to rely heavily on internally created Access databases for extraction, manipulation, reporting, analysis and loading of large volumes of data.

With approximately 180,000 City of Hamilton tax roll accounts and a 2019 final billing totalling over \$1.1B (inclusive of BIA levies and local charges), a robust and secure property tax billing software solution is essential in safeguarding the City's main revenue source. With the intent of finding a more advanced and efficient software solution, City staff issued a Request for Information (RFI) in August 2019. Tempest Development Group (a division of CentralSquare Technologies) ("CentralSquare") responded to the RFI, providing information on their new software solution they are currently developing, with an expected launch date of January 2021. CentralSquare is currently working with Chatham-Kent under a recently awarded contract for a new Municipal Property Tax Software and the City of Windsor who is participating in the Early Adopter Program.

In November 2019, CentralSquare provided City staff with a demonstration of their product (currently still in the development stages). Based on the demonstration, staff is recommending participating in the Early Adopter Program (similar to Windsor) as it will allow the City to have some input into the final product, while not committing the City in any way. The time commitment to participate in the Early Adopter Program is not significant and can be accommodated within the existing complement.

Upon completion of the City's participation in the Early Adopter Program, staff is proposing that a report be brought back to Committee and Council with the results of the program and recommendations on how best to proceed with respect to the Property Tax Billing Software.

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Participating in the Early Adopter Program does not commit the City in any way. The ultimate awarding of a contract for a property tax billing solution will be in accordance with the Procurement Policy and facilitated either through the issuance of a competitive bid process or by seeking Council approval. A capital budget would also need to be submitted for Council approval.

Staffing: Participating in the Early Adopter Program requires a commitment of two staff members (one from Information Technology (IT) and one from

SUBJECT: Municipal Property Tax Billing Software (FCS20006) (City Wide) - Page 3 of 6

Taxation) for approximately 1 hour per week, which can be accommodated within the existing staffing complement.

Legal: Legal and Risk Management Services will be requested to support as required in the development of any required contract and/or agreements for the participation in the Early Adopter Program.

HISTORICAL BACKGROUND

In 1998, the City of Hamilton issued a Request for Proposals (RFP) for the implementation of a new municipal property taxation system (C19-2-98). Vailtech was the successful bidder and was awarded the contract in 1999. To date, the City continues to use Vailtech as the Municipal Property Tax Billing Software.

During this time, Vailtech has not introduced significant system enhancements. From the early stages of implementing Vailtech, it was determined that additional software solutions needed to be introduced and used to supplement Vailtech. As such, numerous Access databases with various tables and queries were developed by internal IT staff. These tables and queries, created in Microsoft Access 2002, were external solutions for functions not available within Vailtech. Over the years, the number of Access databases and related tables and queries grew, whereby eventually every major Taxation function within Vailtech has a related external component. These Access Databases are now an integral part of most billing-related functions, requiring on-going internal IT support.

In late 2014/early 2015 staff commenced discussions with respect to upgrading to the web-version of Vailtech. Work on the upgrade commenced in 2016, with the final go live date of October, 2018. Although extensive testing of all functions was completed at several stages of the implementation, staff continued to work with Vailtech to correct issues well after the go-live date. The extensive testing was for existing functions, as the web-version did not provide for any enhanced functions. At the end of the day, the web-based version of Vailtech provides for the same features and functions as the previous version.

In 2019, the City of Hamilton issued an RFI for a Realty Tax Billing & Collections Solution (C2-05-19) in accordance with the City's Procurement Policy. The submission from CentralSquare included general information regarding their company and previous experience as well as a high-level description of a project and implementation plan for various system integrations. Further to reviewing the RFI submission, staff invited CentralSquare to an interview to gain a better understanding of the development and implementation of the Early Adopter Program.

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SUBJECT: Municipal Property Tax Billing Software (FCS20006) (City Wide) - Page 4 of 6

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Any property tax billing solution would need to adhere to Provincial legislation and City of Hamilton policies, primarily but not limited to the *Municipal Act, 2001*, *Assessment Act* and *Education Act*, as well as municipal by-laws, which stipulate the means utilized in the billing and collection of property taxes.

RELEVANT CONSULTATION

IT staff have actively participated in all discussions pertaining to software solutions / improvements. Procurement staff assisted in the issuance of the RFI and were consulting in the writing of the staff report.

Taxation and Procurement staff have consulted with other Ontario municipalities to determine the software used for Municipal Property Tax Billing and Collections. The result of this consultation has identified a limited number of applications available in the Ontario market. Although Vailtech is used by many Ontario municipalities (i.e. Ottawa, London, Guelph), other municipalities have elected for in-house solutions (i.e. Mississauga, Toronto), while other municipalities utilize other commonly used solutions Amanda (Burlington, Oakville), Vadim (Lincoln, Brockville), Diamond (Cornwall, Pembroke). It should be noted that the Amanda taxation application is no longer being supported after 2020, while Vadim and Diamond fall under the Tempest solution.

In its consultation, staff has determined that many other municipalities are in a similar situation with respect to the age of their Municipal Property Tax Billing Software and will also be in the market for an improved solution.

ANALYSIS AND RATIONALE FOR RECOMMENDATIONS

A more advanced solution is required to more efficiently and effectively bill property taxes. The ideal solution would allow for all functions incorporated within the application, eliminating the need for secondary applications to be maintained. The current software requires a significant amount of staff manipulation which is not only inefficient but is also subject to loss of integrity and increases the risk of errors. Large volumes of data are extracted from Vailtech via Microsoft Access to then be manipulated in Excel and then reloaded into Vailtech.

A more robust and advanced solution is required to eliminate the multitude of existing Access databases and the required staff manipulation in alternate applications (Access, Word, Excel).

SUBJECT: Municipal Property Tax Billing Software (FCS20006) (City Wide) - Page 5 of 6

ALTERNATIVES FOR CONSIDERATION

The City can continue to maintain the current taxation system. This alternative would require continued dedicated IT staff resources to assist in maintaining and improving the various Access databases. This would require the continued use of Access 2002, as most previously created queries are not supported in newer versions of Access. With the large volume of property tax accounts (approximately 180,000), to continue with the existing taxation system is not recommended by staff, as this alternative provides for the least amount of efficiencies and the highest risk of errors.

A second alternative would be to work with Vailtech to enhance features to allow for the current external functions (provided for currently with the use of Access) to be accommodated within the application. This alternative would first require Vailtech to be able to accommodate all the required functions within their application and secondly would require extensive resources from both Vailtech and the City of Hamilton. It is not known if Vailtech would have the required resources to accommodate this alternative within a reasonable timeframe.

A third alternative would be to issue a competitive procurement process to select a new Municipal Property Tax Billing Software. Staff is not recommending this alternative at this time.

The due diligence that Taxation and Procurement staff have conducted to date indicates that the market for this type of software is limited to only a few vendors who are able to provide this type of software, albeit a robust and advanced software solution that the City needs. As indicated earlier in this report, since many other municipalities are in a similar situation with respect to the age of their Municipal Property Tax Billing Software, staff feel the City would be in a better position to consider issuing a competitive procurement once participation in the Early Adopter Program is completed. The participation will allow staff to gain an appreciation and the experience of working in a complex tax billing software and may also provide the vendor market the time to mature and potentially offer a more viable robust solution.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

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

Economic Prosperity and Growth

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

**SUBJECT: Municipal Property Tax Billing Software (FCS20006) (City Wide) - Page
6 of 6**

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



New Recommendations by the Office of the City Auditor

The Office of the City Auditor has three additional observations and recommendations to further clarify existing employer-provided parking policies, procedures and practices, making the annual eligibility analysis more robust and consistent across the organization.

New Recommendation #1

Observation:

During the follow up audit fieldwork, it was noted that there were several areas of the Employer-Provided Parking Policy that require clarity to improve the process of administering employer-provided parking.

Recommendation:

That the Employer-Provided Parking Policy be updated by the Policy Review Group. The areas found to require updating are:

- a) Update the Employer-Provided Parking Policy to include exemption categories related to collective agreements, grievance settlements, and permits issued to disabled employees.
- b) Incorporate a working instruction in the parking procedure outlining the minimum, key expectations for each department (and elected officials) regarding the annual eligibility review process, documentation and retention. The Policy Review Group should consult with the Public Works and Healthy and Safe Communities Departments for good practices already in place.
- c) Investigate whether the current policy's business case requirements should be amended to reflect current practices. If not, additional guidance should be provided to departments to enable compliance with the policy.
- d) Take additional measures to ensure trips are reported accurately. Such measures may include adopting the term "trip days" and reminding management to ensure an employee's trip count is reported accurately when approving employee expense reports.
- e) Provide clarification in the policy whether grandfathered employees retain their parking privileges throughout their career with the City, with various office move location scenarios considered.
- f) Amend the parking policy requiring departments to cancel employer-provided parking when an employee leaves for a longer-term absence and reinstate parking upon their return to encourage cost-saving practices.

- g) Expand the definition of the downtown core in the Employer-Provided Parking Policy to First Place and the Hamilton GO Centre. These two locations should be considered part of the downtown core as free parking is not readily available in these areas. The policy should be updated to include these locations to avoid confusion and inconsistency with actual practices.
- h) That the policy be revised to require that management carry out a break-even analysis to assess whether employees operating out of two work locations spend enough time at their downtown location to warrant providing monthly parking as opposed to reimbursing daily parking costs. This analysis may be incorporated into the annual parking eligibility review.

Management Response

Agreed. The Policy Review Group will review these items further, consult with user groups and amend the policy and procedure documents where necessary.

Anticipated completion date: Q1 2020.

New Recommendation #2

Observation:

An employee may be awarded employer-provided parking as a result of a grievance settlement. In some cases, neither Labour Relations nor departmental management communicated grievance-related parking exemption settlements to HR Records. As a result, the annual query produced by Payroll may not be accurate if PeopleSoft HRMS does not contain a complete list of employees exempt from the parking trip requirements.

Recommendation:

That Labour Relations forward grievance settlements pertaining to employer-provided parking to HR Records to update PeopleSoft HRMS. The Policy Review Group should reflect this direction in the Employer-Provided Parking Policy or Procedure.

Management Responses

Labour Relations – Agreed. Direction has been given to the Labour Relations Analysts to email parking-related grievance settlements to the appropriate HR Records contact when they arise.

Anticipated completion date: Completed.

Policy Review Group – Agreed. The Policy Review Group will amend the procedure to capture this process.

Anticipated completion date: Q1 2020.

New Recommendation #3**Observation:**

The same number of employees have employer-paid parking at the end of 2018 when compared to the original audit. The total dollar amount of employer-paid parking in 2018 was higher than in 2012. No long-term, sustainable savings have been achieved by the organization. Costs were about \$43,000 higher in 2018 compared to 2012.

Recommendation:

That the City Manager direct the Senior Leadership Team to actively reduce employer paid parking costs by a targeted percentage.

Management Response

Agreed, with Alternative Action Plan. The provision of parking is sometimes a recruitment tool and despite an increase in the number of city employees between 2012 and 2018, the number receiving paid parking has remained the same. The Senior Leadership Team will continue to review parking on an annual basis to ensure compliance with the policy. In addition, a number of factors will lead to its decrease over time including the retirement of grandfathered employees and policies will be reviewed and adapted when applying a climate change and financial sustainability lens.

Anticipated completion date: Ongoing.



CITY OF HAMILTON

**CITY MANAGER'S OFFICE
 Audit Services Division**

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: September 9, 2013	
SUBJECT/REPORT NO: Performance Audit Report 2013-13 - Employer Paid Parking (Value for Money Audit) (AUD13024) (City Wide)	
SUBMITTED BY: Ann Pekaruk Director, Audit Services City Manager's Office	PREPARED BY: Ann Pekaruk 905-546-2424 x4469
SIGNATURE:	

RECOMMENDATION

- (a) That recommendations #1 – 5, as attached in Report AUD13024, respecting the Employer Paid Parking Performance Audit, be approved; and
- (b) That the Senior Management Team (SMT) be directed to provide to the Audit, Finance and Administration Committee by the 2013 calendar year end the management action plans for addressing the implementation of the Audit report recommendations.

SUBJECT: Performance Audit Report 2013-13 - Employer Paid Parking (Value for Money Audit) (AUD13024) (City Wide) - Page 2 of 5

EXECUTIVE SUMMARY

The 2013 Performance Audit work plan approved by Council included an audit pertaining to Employer Paid Parking. All "downtown core" employees who were provided employer paid parking in the 2012 calendar year were reviewed against established policies and procedures to determine the number of employees no longer eligible for paid parking. The related gross cost savings that may be realized on a go-forward basis were calculated. Recommendations were made to identify opportunities for gross cost savings and efficiencies within the annual process to evaluate continued eligibility for employer paid parking.

The results of this audit are presented in a formal Performance Audit Report (2013-13) containing observations and five recommendations. SMT will be directed to supply action plans to the five recommendations in the Performance Audit Report 2013-13 attached as Appendix "A" to Report AUD13024 to the Audit, Finance and Administration Committee by the 2013 calendar year end.

Alternatives for Consideration – See page 4.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial: The recommendations in this report may result in total potential gross savings of \$183,984.09 if the City no longer bears the parking costs for employees identified as not meeting the eligibility criteria for employer paid parking. These gross savings may be reduced by additional costs associated with implementing the recommendations and management's action plans. These costs cannot be estimated at this time.

Staffing: None.

Legal: None.

HISTORICAL BACKGROUND (Chronology of events)

This audit was scheduled as part of the 2013 Performance Audit work plan approved by Council. The audit fieldwork was completed in June 2013. The results of this audit are attached as Appendix "A" of Report AUD13024.

The Audit, Finance and Administration Committee receives and approves value for money audit reports as part of its responsibilities for the oversight of governance.

SUBJECT: Performance Audit Report 2013-13 - Employer Paid Parking (Value for Money Audit) (AUD13024) (City Wide) - Page 3 of 5

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS

- Employee Parking Policy (Downtown) – Policy HR-12-09
- Employer Paid Parking Procedure for Confirming Continued Eligibility – dated September 29, 2011

RELEVANT CONSULTATION

Appendix "A" to Report AUD13024 includes management's and Mayor's/Councillors' reasons for extending parking privileges to employees who are no longer eligible to receive employer paid parking under the current policy and procedure. Responses were obtained from the following individuals or their designates:

- Mayor's and Councillors' Offices
- City Manager
- General Manager Community and Emergency Services
- General Manager Planning and Economic Development
- General Manager Public Works
- Acting General Manager Finance and Corporate Services
- Medical Officer of Health

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

Employees located in the downtown core who choose to drive to work are required to obtain their own parking. A policy and procedure exist which outline the circumstances under which the City will pay or provide for an employee's parking.

After careful analysis, Audit Services identified 220 "downtown core" employees who received employer paid parking in the 2012 calendar year, did not meet the trip requirements outlined in the parking policy and procedure, and continued to receive parking benefits through April 2013. Annual gross savings of \$183,239.51 may be achieved on a go-forward basis if the City no longer bore the parking costs for these employees. Management and Mayor's/Councillors' Offices believe that 181 of these employees should continue to receive employer paid parking even though the eligibility criteria outlined in the parking policy and procedure were not met. Management's reasons to extend parking privileges to these employees have been summarized in Audit Report 2013-13 (attached as Appendix "A" to Report AUD13024).

SUBJECT: Performance Audit Report 2013-13 - Employer Paid Parking (Value for Money Audit) (AUD13024) (City Wide) - Page 4 of 5

An additional \$744.58 of paid parking was provided to employees whose work locations did not meet the definition of "downtown" core, bringing the total potential gross cost savings to \$183,984.09. These gross cost savings may be reduced by costs associated with implementing the recommendations and actions decided by management. The netting effect or offset to gross cost savings cannot be determined at this time.

A formal Performance Audit Report (2013-13) containing background information, audit objectives, scope, audit methodology, findings and recommendations was issued. Five recommendations were included in Audit Report 2013-13 (attached as Appendix "A" to Report AUD13024). The recommendations made are as follows:

- Indicate in PeopleSoft those employees who are eligible to receive paid parking and are exempt from the trips requirements outlined in the parking procedure.
- Develop a process for departments to communicate personnel changes that affect employer paid parking to ensure the population in PeopleSoft remains accurate and complete.
- Create a PeopleSoft query that captures all pertinent information required for departmental staff to carry out the parking eligibility analysis.
- Include employees' work locations into the PeopleSoft query and factor into the parking eligibility analysis on a go-forward basis.
- Direct SMT to address those employees who are provided paid parking but do not meet the eligibility or exclusion criteria outlined in the parking policy and procedure.

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

1. Do nothing. Continue to provide employer paid parking to the identified employees even though they do not meet the eligibility criteria outlined in the parking policy and procedure.
2. Develop a new policy with new guidelines and criteria and include specific rules for maintaining eligibility or policy exceptions. All employees would need to comply with the new policy in order to retain employer paid parking.
3. Do not provide any employer paid parking except under contractual or legal obligations.

SMT should take the above alternatives into consideration and rationalize their inclusion or exclusion from the management action plans.

SUBJECT: Performance Audit Report 2013-13 - Employer Paid Parking (Value for Money Audit) (AUD13024) (City Wide) - Page 5 of 5

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES / SCHEDULES

Appendix "A" to Report AUD13024

APPENDIX "A"
CITY OF HAMILTON
PERFORMANCE AUDIT REPORT 2013-13
EMPLOYER PAID PARKING

INTRODUCTION

Employees located in the downtown core who choose to drive to work are required to obtain and pay for their own parking. A policy and procedure exist which outline the circumstances under which the City will pay or provide for an employee's parking.

The *Employee Parking Policy (Downtown) HR-12-09* approved by the Senior Management Team (SMT) on February 10, 2011 provides "clear criteria of when an employee qualifies and needs to apply for employer paid parking". The City provides paid monthly parking to:

- Employees in the downtown core who had employer paid parking effective March 9, 2005 (grandfathered);
- Employees who qualify for paid parking as outlined in their collective agreement;
- Elected officials;
- Employees who negotiated paid parking as part of their employment offer or contract; and
- Employees who are required to use their personal vehicles for City business three times per week or more of their scheduled work week.

The following chart was compiled from the PeopleSoft Human Resources Management System (HRMS) and provides an approximation of the number of employees and the expense borne by each department for employer paid parking (excluding HECFI and Hamilton Police Service).

Department	Quantity (Employees)	Annual Expense (\$)
Mayor's and Councillors' Offices	30	\$ 28,070
City Manager's Office	29	25,406
Community Services	207	150,818
Planning & Economic Development	142	135,551
Public Works	129	104,180
Corporate Services	93	89,608
Public Health	74	70,740
Total	704	\$604,373

An employee who uses his/her personal vehicle for City business and does not qualify for employer paid parking is reimbursed for parking costs on a per trip basis in accordance with travel and mileage policies.

The *Employer Paid Parking Procedure for Confirming Continued Eligibility* approved by SMT on September 29, 2011 pertains to employees who qualified for paid parking by virtue of using their personal vehicles for City business at least three times per week. This procedure outlines the processes for:

- Employees to report business trips; and
- Management to evaluate continued eligibility for employer paid parking.

Employees are expected to report business trips on a monthly basis using mileage claim forms. The Accounts Payable department receives approved forms and records the number of trips in PeopleSoft HRMS. Managers are expected to review the PeopleSoft *Trip Accumulator Report* on an annual basis to assess employees' continued eligibility for paid parking. Employees must use their vehicles for City business a minimum of 126 times per year (or 10 times per month where pro-rating is required) to retain employer paid parking.

Cost savings may be realized if parking is no longer provided to or paid for employees who do not meet the eligibility requirements outlined in the parking policy and procedure.

AUDIT OBJECTIVES AND SCOPE

The purpose of this audit was to perform the trip analysis outlined in the parking procedure, identify employees who are no longer eligible to receive employer paid parking as they do not meet the requirements as set out and/or the reason for paying parking cannot be verified and calculate the related cost savings on a go-forward basis.

The cost of parking provided to or paid for employees on a monthly basis is considered a benefit for tax purposes. The audit included all employees who received a parking benefit in the period of January 1 to December 31, 2012. All City departments, except HECFI and the Hamilton Police Service, were incorporated in the analysis.

METHODOLOGY

The work performed by Audit Services involved:

A. Compiling the following data from PeopleSoft HRMS:

- Employee name, identification number and department;
- Total parking benefit received in the 2012 calendar year (exclusive of year end taxable benefit adjustments);
- Number of months during which a parking benefit was received;
- Number of trips reported for the 2012 calendar year as of April 12, 2013; and
- Employees who received a parking benefit through April 2013 (to identify potential gross cost savings on a go-forward basis).

B. Identifying and eliminating in the data collected in step A. above the following employees (in the order presented) who are eligible to receive paid parking and are exempt from the trip requirements as outlined in the parking policy and procedure:

- **Grandfathered employees** – per listings obtained from Parking Services which includes those who parked in both municipal and independent lots;

(Note – Other sources exist which claim to identify grandfathered employees. As no two sources were identical to each other, Audit Services chose to use Parking Services' lists as it can be reasoned that Parking Services would be the prime source of information directly related to their operations.)

- **Elected officials** – per the City of Hamilton website;
- Ontario Nurses' Association Local 50 Health Unit members with paid parking in March 2013 when their **collective agreement** was ratified – per the seniority listing and parking benefit records in PeopleSoft HRMS;
- Employees with **employment offers** specifying paid parking – per departmental management and Mayor's/Councillors' Offices comments which Audit Services corroborated with personnel files maintained by Human Resources; and
- Employees with **grievance settlements** specifying paid parking – per departmental management comments which Audit Services corroborated with documentation maintained by Labour Relations.

C. Determining the number of trips required for employees to remain eligible for paid parking and assessing whether this standard was met for the 2012 calendar year.

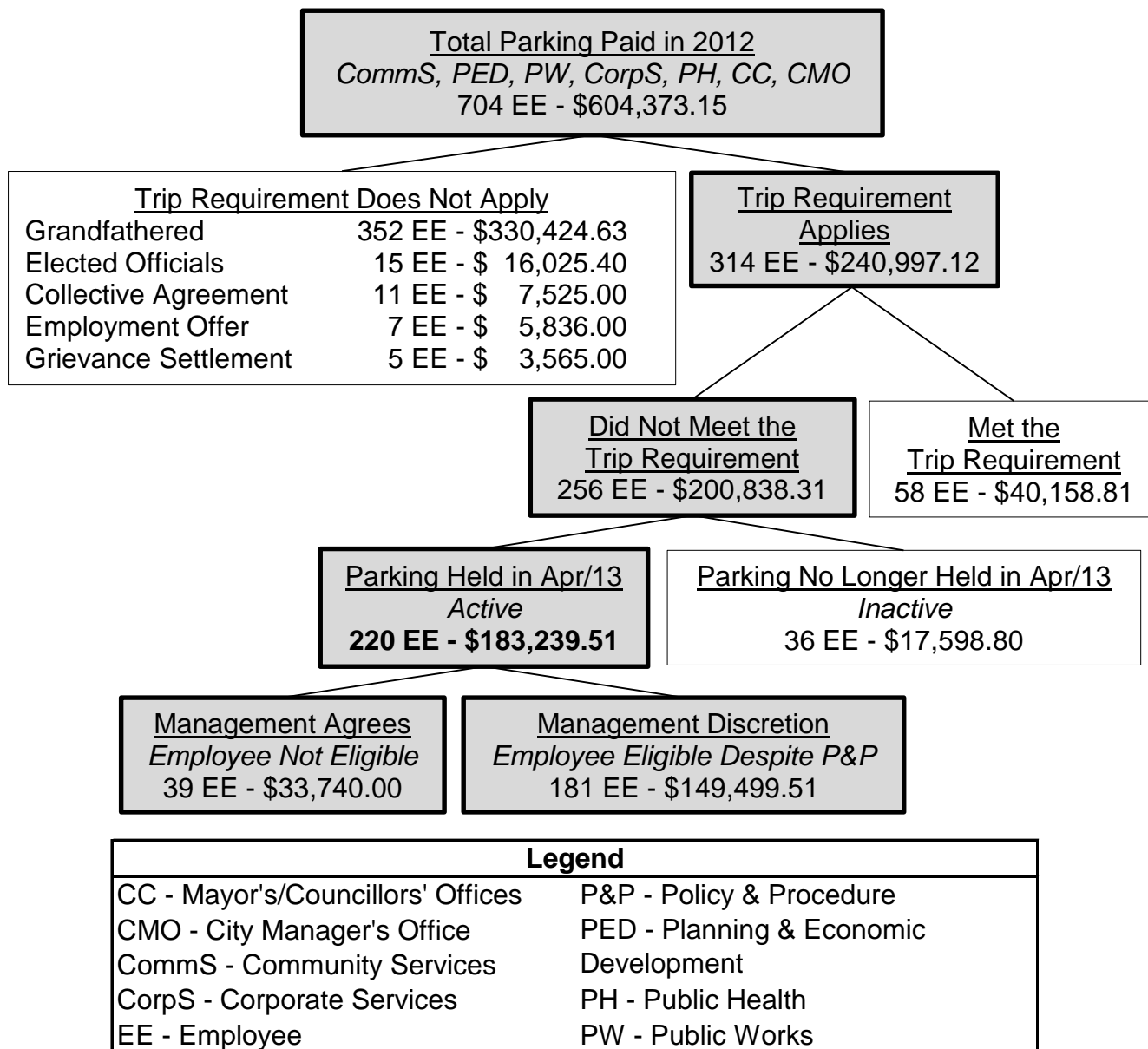
D. Sending a list of ineligible employees to departmental management and Mayor's/Councillors' Offices requesting comments as to those employees who should continue to receive parking due to a situation that Audit Services may not have been aware. Their reasons to extend parking privileges are included in the report that follows.

E. Creating flow chart diagrams to pictorially depict audit findings.

Audit Services conducted this audit in conformity with the *International Standards for the Professional Practice of Internal Auditing*. Those standards require that Audit Services plan and perform the audit to obtain sufficient, appropriate evidence to support the findings and conclusions based on the audit objectives. Audit Services believes that the work performed provides a reasonable basis for the audit findings and conclusions.

FINDINGS

The following flow chart summarizes the results of the employer paid parking eligibility analysis performed by Audit Services.



During the 2012 calendar year 704 employees (excludes Hamilton Police Service and HECFI) received employer paid or provided parking amounting to \$604,373.15. After careful analysis, Audit Services determined 220 of these employees did not meet the trip requirements outlined in the parking procedure and continued to receive employer paid parking through to April 2013. Gross annual savings of \$183,239.51 in parking fees borne by the City may be achieved on a go-forward basis if these employees were no longer provided paid parking.

Management agreed with Audit Services that 39 employees are no longer eligible for paid parking. However, management and the Mayor's/Councillors' Offices believe that the remaining 181 employees should receive employer paid parking even though the eligibility criteria outlined in the parking policy and procedure were not met. The following chart summarizes the reasons provided by management and Mayor's/Councillors' Offices as to why these employees should continue to receive paid parking even though the comments could not be verified in many cases.

Reason Provided by Management and Council	Quantity (Employees)	Parking Cost (\$)
1 Trips not claimed <i>Employees were unaware of the requirement to report trips or did not have time to complete the paper work.</i>	45	\$ 43,239.36
2 Grandfathered – not verifiable <i>Employees do not appear on the grandfathered listings provided by Parking Services.</i>	39	30,201.80
3 Limited on-site parking available <i>A limited number of parking spots are available at buildings leased by the City. Parking is allocated to employees who travel frequently from the office to carry out their job duties. Although parking costs are sunk (cannot change as the cost is part of the building lease amount), it is Audit Services' position that these employees should still abide by the criteria outlined in the parking policy and procedure and report their business trips.</i>	38	30,080.60
4 Relocation – free parking at former locale <i>Employees were relocated downtown from sites where free parking was provided due to capacity constraints OR Incentives of employer paid parking were offered as a result of site consolidation efforts (to realize significant rent savings).</i>	18	11,000.80
5 Negotiated outside offer – not verifiable <i>Paid parking was verbally negotiated and approved but not specified in the employee's employment offer or contract. Audit Services cannot verify as no documentation exists.</i>	8	7,535.00
6 Trips will increase <i>Employees will incur more trips in the 2013 calendar year.</i>	6	4,798.75
7 Trips not claimed – trips will increase <i>Employees were unaware of the requirement to report trips. Employees will incur more trips in the 2013 calendar year.</i>	5	4,235.00

Reason Provided by Management and Council	Quantity (Employees)	Parking Cost (\$)
8 Part of employment contract – not verifiable <i>The employee's personnel file does not contain an employment offer or contract that provides paid parking. Audit Services cannot verify as no documentation exists.</i>	4	3,010.00
9 Provided as compensation outside offer <i>Parking parallels market conditions and compensation of other staff. Audit Services cannot verify as terms are not specified in the employee's employment offer or contract.</i>	2	2,810.20
10 No explanation provided <i>Management did not provide a clear explanation as to why the employee should continue to receive paid parking.</i>	4	2,648.00
11 Maternity leave – trips will increase <i>Employees were on maternity leave for all or part of the 2012 calendar year. Employees will incur more trips upon their return in the 2013 calendar year.</i>	3	2,460.00
12 Entitled – employment contract misinterpreted <i>The intent was to provide employees with paid parking although this was not precisely stated in the employees' employment contracts.</i>	2	1,715.00
13 Access to vehicle required at all times <i>Per management the variable nature of the employees' positions require immediate access to a vehicle at all times.</i>	2	1,710.00
14 Actual trips close enough to actual <i>Employees claimed 113 and 122 trips, respectively, for the 2012 calendar year. 126 trips were required to remain eligible for employer paid parking.</i>	2	1,690.00
15 Grievance settlement – not verifiable <i>Labour Relations does not have record of the employee receiving parking as a result of a grievance settlement. Audit Services cannot verify as no documentation exists.</i>	1	935.00
16 Used by site staff on rotational basis <i>The employee allocated parking does not drive. The parking spot is used by other staff on a rotational basis to run errands for the site.</i>	1	855.00
17 Secondment – free parking at former locale <i>Employee seconded to position in the downtown core. Free parking was provided at former work site.</i>	1	575.00
Total	181	\$149,499.51

The overall intent of the *Employee Parking Policy (Downtown)* is to provide paid parking to eligible employees who work in the downtown core. The policy defines the downtown core as the area within the perimeter of Queen Street, York Boulevard / Wilson Street, Wellington Street and Hunter Street. From a randomly selected sample of 43 employees Audit Services identified three employees who received paid parking and whose work locations were outside the confines of the downtown core. Additional gross cost savings of \$744.58 may have been realized in the 2012 calendar year if management cancelled paid parking upon employees' relocation outside of the downtown core.

RECOMMENDATIONS

Audit Services manually compiled data from PeopleSoft HRMS, Parking Services, Human Resources and Labour Relations to perform the parking eligibility analysis. Departmental staff may have difficulty performing the same analysis due to restricted access to PeopleSoft HRMS data, employee personnel files, grievance settlements and grandfathered employee listings. However, the implementation of the following four recommendations would result in records which would be more comprehensive and provide for more efficient analysis.

- 1. That Payroll label employees in PeopleSoft HRMS who are eligible to receive paid parking and are exempt from the trip requirements outlined in the parking procedure.***
- 2. That, once exempt employees are coded in PeopleSoft HRMS, that Payroll develop a process for departments to communicate changes to Payroll that affect employer paid parking to ensure the population remains accurate and complete.***
- 3. That Payroll develop a PeopleSoft HRMS query capturing all pertinent information required to carry out the parking eligibility analysis. This query should be made available to departmental staff in order to perform the analysis on a go-forward basis.***
- 4. That Payroll include the employee's work location into the PeopleSoft HRMS query outlined in Recommendation #3. The employee's work location should be factored into the parking eligibility analysis on a go-forward basis.***

Audit Services' findings were based on the existing parking policy and procedure approved by SMT. Management and Mayor's/Councillors' Offices exercised their discretion to provide paid parking for the above employees irrespective of the eligibility requirements outlined in the policy and procedure. Many of such decisions were based on achieving considerable net operational savings, using available parking that would otherwise be idle, exercising judgment around vague policy and procedure terms and maximizing productive time to provide service as opposed to completing paperwork for job duties with a high volume of trips.

- 5. That SMT be directed to address those employees who do not meet the eligibility criteria outlined in the parking policy and procedure (or do not fall under verifiable exclusions). SMT should prepare management action plans by the 2013 calendar year end outlining how and when these issues will be resolved.***

CONCLUSION

Audit Services identified 220 employees who received employer paid parking in the 2012 calendar year, did not meet the trip requirements outlined in the parking policy and procedure, and continued to receive parking benefits through April 2013. Annual gross savings of \$183,239.51 may be achieved on a go-forward basis if the City no longer bears these parking costs. An additional \$744.58 of paid parking was provided to employees whose work locations did not meet the definition of "downtown" core, bringing the potential gross savings to **\$183,984.09**.

The following chart provides a summary of the number of employees and total potential gross savings by department (excluding HECFI and Hamilton Police Service).

Department	Quantity (Employees)	Potential Savings (\$)
Community Services	96	\$ 73,577.00
Planning & Economic Development	41	34,195.00
Public Works	45	37,744.55
Corporate Services	15	14,705.36
Public Health	11	11,992.60
Mayor's and Councillors' Offices	6	5,135.00
City Manager's Office	6	5,890.00
Did Not Meet Trip Requirements and Continued to Receive Parking Through to April 2013	220	\$183,239.51
Work Location Outside of the "Downtown" Core and Continued to Receive Parking Through to December 2012	3	744.58
Total	223	\$183,984.09

However, caution should be taken with the above total potential cost savings due to reductions which the following items may influence:

- Costs associated with implementing the recommendations and management's plans which cannot be determined at this time;
- Fluctuations to the number of employees who receive employer paid or provided parking;
- Reimbursement of per trip parking costs for employees who are no longer eligible to receive paid monthly parking; and
- Circumstances where management has used their discretion to provide paid parking outside of the policy and procedure that are deemed appropriate and reasonable.



Hamilton

CITY OF HAMILTON
 City Manager's Office

TO:	Chair and Members Audit, Finance & Administration Committee
COMMITTEE DATE:	April 14, 2014
SUBJECT/REPORT NO:	Employer Paid Parking Value for Money Audit Management Action Plan (CM14002) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Beth Goodger 905-546-2424 ext. 5639 Lisa Zinkewich 905- 546-2424 ext. 2297
SUBMITTED BY:	Chris Murray City Manager
SIGNATURE:	

RECOMMENDATION

- (a) That the Management Action Plan in response to Performance Audit Report – Employer Paid Parking, as detailed in Appendix “A” of Report CM14002, be approved.
- (b) That the item respecting item “P” be considered complete and removed from the Audit, Finance & Administration Committee’s Outstanding Business List.

EXECUTIVE SUMMARY

The 2013 Performance Audit work plan approved by Council included an audit pertaining to Employer Paid Parking. The results of this audit were presented to the Audit, Finance & Administration Committee on September 9, 2013 as Performance Audit Report 2013-13 - Employer Paid Parking (Value for Money Audit) (AUD13024). Report CM14002 has been prepared in response to the Audit report recommendations that were approved by Council on September 11, 2013 as Item 18 of Finance and Administration Committee Report 13-009.

The Audit Report had five recommendations and Senior Management Team (SMT) was directed to provide a Management Action Plan to the Audit, Finance and Administration Committee to address the implementation of these recommendations.

**SUBJECT: Employer Paid Parking Value for Money Audit Management Action
Plan (CM14002) (Outstanding Business List Item) (City Wide)
- Page 2 of 5**

A Management Action Plan has been prepared and is attached as Appendix "A" to Report CM14002. All of the Audit Report recommendations have been completed. The Management Action Plan is also recommending that the Employer Paid Parking Policy be reviewed.

Alternatives for Consideration – See Page 4 or Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)

Financial:

As a result of AUD13024 and subsequent actions taken by Senior Management Team, a total of \$73,354.56 has been saved in parking permit costs as a result of 84 parking privileges being revoked (based on 2012 data) in total. Detailed savings can be found in Table 1 on page 6 in Appendix "A" to Report CM14002.

In addition, as part of the Audit, it was identified that numerous employees that were receiving paid parking were not submitting mileage claims, hence not supporting their paid parking eligibility. In response to the Audit and in accordance with the Policy, these staff will be required to submit mileage in order to continue to be eligible for paid parking. As a result of the enforcement around the requirements of the Policy, there is potential for an increase in mileage costs to the City. This matter will be reviewed in the context of the recommended policy review to ensure that mileage costs are not adversely impacted.

Staffing:

The current Employer Paid Parking Policy is time consuming to monitor. The review of the Policy will consider how this process can be made more efficient, effective and consistent to ensure minimal administration time is spent on the administration of the policy.

Legal:

N/A

HISTORICAL BACKGROUND (Chronology of events)

The 2013 Performance Audit work plan approved by Council included an audit pertaining to Employer Paid Parking. The results of this audit were presented to the Audit, Finance & Administration Committee on September 9th, 2013 as Performance Audit Report 2013-13 – Employer Paid Parking (Value for Money Audit) (AUD13024).

The audit had five recommendations. Four recommendations were put forth as part of AUD13024 that were process related. The intent of these recommendations was to ensure that in the future, personnel records would be more comprehensive and provide

**SUBJECT: Employer Paid Parking Value for Money Audit Management Action
Plan (CM14002) (Outstanding Business List Item) (City Wide)
- Page 3 of 5**

for more efficient analysis. The fifth recommendation required SMT to address those employees identified as part of AUD13024, who were identified as employees not eligible (ENE) for employee parking.

Following the approval of AUD13024 by Council on September 11th, 2014, SMT began preparing a Management Action Plan in response to the Audit recommendations. This Management Action Plan is being presented to Audit, Finance & Administration Committee as Appendix "A" to Report CM14002.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Employer provided parking is typically a taxable benefit for an employee. The Employer Paid Parking Policy helps to define exceptions to the taxability of Parking. The Revenue Canada Agency requirements for an exception are:

- Parking is provided to the employee for business purposes
- The employee regularly uses their own vehicle for their duties. Regularly is an average of three or more days per week.

Both requirements above must be met for an exception and must continue to be addressed within the policy.

The policy is being recommended to undergo a policy review. The review will address complexity issues surrounding the current policy identified by SMT as part of this process, in addition to the issues noted as part of AUD13024. The Policy Review Group will review the current City of Hamilton HR-12-09 Employee Parking Policy (Downtown) in Q1 – Q3 2014 and report back to Council with recommendations for approval of a revised Policy.

RELEVANT CONSULTATION

Relevant consultation has taken place between members of the Senior Management Team (SMT) and impacted staff, Purchasing and Payroll.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

(Include Performance Measurement/Benchmarking Data if applicable)

The Performance Audit Report 2013-13 – Employer Paid Parking (Value for Money Audit) (AUD13024) recommended improvements to how policy eligibility is tracked, utilizing PeopleSoft HRMS. It also requested SMT review eligibility of employees that were not meeting the parking policy requirements as a potential cost saving measure.

The Management Action Plan Recommendations are provided in Appendix "A" to Report CM14002 and are summarized as follows:

**SUBJECT: Employer Paid Parking Value for Money Audit Management Action
Plan (CM14002) (Outstanding Business List Item) (City Wide)
- Page 4 of 5**

- Updates to PeopleSoft HRMS to better track and communicate changes to employer paid parking, through coding, process development and reporting (addresses Audit Recommendations 1 through 4)
- Annual review of employees not meeting the Employer Paid Parking Policy eligibility criteria and appropriate documentation noted in regards to any exemptions (addresses Audit Recommendation 5)
- Review of the Employer Paid Parking Policies and Procedures to improve the effectiveness of the current policy and incorporate any new processes and process gaps identified in the development of the Management Action Plan (addresses Audit Recommendation 5)

The Audit did not consider the effectiveness of the current Employer Paid Parking Policy, however as part of the process SMT highlighted that the current policy does not effectively address situations that do not precisely comply with the policy, but where there are clear requirements for the employee to use their vehicle to perform City business. SMT also believes that the current policy also encourages inefficient work activity as coordinated appointments are considered to be one trip. As part of the review, it was also found that the policy and procedures do not address any changes in employment conditions and how these are documented or tracked. For these reasons, in addition to the issues noted as part of the audit, a review of the policy should be undertaken.

ALTERNATIVES FOR CONSIDERATION

(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for each alternative)

Not Applicable

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

Strategic Priority #3

Leadership & Governance

**SUBJECT: Employer Paid Parking Value for Money Audit Management Action
Plan (CM14002) (Outstanding Business List Item) (City Wide)
- Page 5 of 5**

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to report CM14002

APPENDIX "A"
Management Action Plan to address the Employer Paid Parking (Value for Money Audit) – AUD13024

INTRODUCTION

The 2013 Performance Audit work plan approved by Council included an audit pertaining to Employer Paid Parking. The results of this audit were presented to the Audit, Finance & Administration Committee on September 9th, 2013 as Performance Audit Report 2013 -13 – Employer Paid Parking (Value for Money Audit) (AUD13024).

Following the approval of AUD13024 by Council on September 11th, 2013, SMT began preparing a Management Action Plan to outline how and when the issues identified within AUD13024 would be resolved. This Management Action Plan is being presented on April 14th, 2014 to the Audit, Finance & Administration Committee as Appendix "A" to Report CM14002.

Report CM14002 speaks directly to actions taken with respect to the data contained within AUD13024 only, which references 2012 calendar year data. As such, Table 1 of Appendix "A" to Report CM14002 also only reflects actions taken in regards to 2012 calendar year data and identified employees not eligible (ENE) for paid parking as part of AUD13024. Implementation of these changes took place Q4 2013 through Q1 2014 and will be maintained through PeopleSoft by Human Resources and Finance Payroll staff.

Given the fluidity of staffing at the City of Hamilton, the number of staff with employer paid parking on any one day can change. As part of the Management Action Plan, Senior Management Team (SMT) commits to undertaking an annual review to ensure compliance with the policy. This review has been undertaken by SMT, for 2013 data, utilizing the revised query developed in response to recommendation #3 noted below.

AUD13024 FINDINGS

The Employer Paid Parking (Value for Money Audit) (AUD13024), identified that 220 City of Hamilton employees (excluding Hamilton Police Services) continue to receive employer paid or are provided parking, even though the eligibility criteria outlined in the current City of Hamilton HR-12-09 Employee Parking Policy (Downtown) is not being met. Should parking privileges be withdrawn from these employees, Report AUD13024 estimates that a total potential gross savings of \$183,239.51 could be achieved.

As a result of the findings of AUD13024, management had already agreed that 36 employees are no longer eligible for paid parking for a gross savings of \$30,875.00. Parking privileges for these employees have already been

withdrawn. Further review identified that 3 employees previously identified as not being eligible have since met the parking policy requirements or are awaiting the results of the policy review. Subsequent actions taken by Senior Management Team resulted in a total of \$73,354.56 savings in parking permit costs as a result of an additional 48 parking privileges being revoked. Table 1 on pg. 6 of Appendix "A" to Report CM14002, highlights these results, all based on the 2012 data used as part of AUD13024.

AUD13024 RECOMMENDATIONS & MANAGEMENT ACTION PLAN RESPONSES

The audit had five recommendations. Four recommendations were put forth as part of AUD13024 that were process related. The intent of these recommendations was to ensure that in the future, personnel records would be more comprehensive and provide for more efficient analysis. The fifth recommendation required SMT to address those employees identified as part of AUD13024, who were identified as employees not eligible (ENE) for employee parking. Each recommendation is noted below with the related Management Action Plan Response.

1. That Payroll label employees in PeopleSoft HRMS who are eligible to receive paid parking and are exempt from the trip requirements outlined in the parking procedure.

Management Action

Complete.

As of April 2014, all employees who receive employer paid parking (regardless of location and reason for exemption) are now labelled in PeopleSoft HRMS, linking parking eligibility and exemptions directly to employment records. This has eliminated the need for secondary lists that previously existed to capture exemptions related to staff not working in the downtown core or secondary lists for record keeping for which exemptions also applied.

The exemptions labelled in PeopleSoft HRMS are based on the policy and are as follows:

1. Grandfathered
2. Elected Officials
3. Collective Agreement
4. Employment Offer
5. Grievance Settlement
6. General Manager Discretion

All employees identified as part of AUD13024 as exempt from the trip requirements outlined in City of Hamilton HR-12-09 Employee Parking Policy

(Downtown), that have maintained parking privileges, have been identified in PeopleSoft by Payroll based on the appropriate exemption label.

2. That, once exempt employees are coded in PeopleSoft HRMS, that Payroll develop a process for departments to communicate changes to Payroll that affect employer paid parking to ensure the population remains accurate and complete.

Management Action

Complete.

The HR Records Co-Ordinator sets up all new hires and makes changes to employee records, including changes in parking eligibility.

As a result of AUD13024 and this Management Action Plan, the HR Records Co-ordinator has been instructed to update the employee's PeopleSoft data, if an exemption was noted in accordance with one of the 6 categories identified in the above response to recommendation #1.

An email was sent from Payroll to Human Resources, HR Records Co-ordinator on October 11, 2013 outlining the process required to be undertaken to ensure the Employer Paid Parking list remains accurate and complete.

3. That Payroll develop a PeopleSoft HRMS query capturing all pertinent information required to carry out the parking eligibility analysis. This query should be made available to departmental staff in order to perform the analysis on a go-forward basis.

Management Action

Complete.

Payroll had already developed queries which were required to calculate the taxable benefit for employees. Using this as a basis, a revised query has been developed to include all pertinent information for Management to undertake a parking eligibility analysis on an annual basis.

Each year, during Q1, Payroll will circulate the query for the previous calendar year to SMT for their annual review to ensure employees who receive employer-paid parking continue to meet the eligibility standards set out in the policy. This review has been undertaken by SMT, for 2013 data, utilizing the revised query developed in response to this recommendation.

4. That Payroll include the employee's work location into the PeopleSoft HRMS query outlined in Recommendation #3. The employee's work location should be factored into the parking eligibility analysis on a go-forward basis.

Management Action

Complete.

The employee work location has been included in the query that was developed for Recommendations #3, to provide a comprehensive report for the annual eligibility analysis.

5. That SMT be directed to address those employees who do not meet the eligibility criteria outlined in the parking policy and procedure (or do not fall under verifiable exclusions). SMT should prepare management action plans by the 2013 calendar year end outlining how and when these issues will be resolved.

Management Action

Complete.

Following Council approval of the recommendations set out in AUD13024 the Senior Management Team reviewed the respective results for their Departments. Of the 220 employees identified as not meeting trip requirements, 36 employees had their parking privileges revoked.

The subsequent SMT review undertaken in formulating this Management Action Plan revoked an additional 48 parking permits for a total savings of \$73,354.56. Table 1 – Departmental Summary (column 5) on page 6 of Appendix "A" identifies the breakdown by Department. Remaining employees identified as Employee Not Eligible as part of the AUD13024 have been noted as exempt in accordance with one of the 6 categories identified in the above response to recommendation #1, where Management has confirmed they are exempt from the policy.

Employer Paid Parking Policy Review

A review of the City of Hamilton HR-12-09 Employee Parking Policy (Downtown) by the Human Resources Policy Review Group is recommended to be undertaken during Q1-Q3 2014. The review will address a number of areas for improvement to the current policy and procedures that were identified as part of discussions that took place with Management and highlighted in AUD13024. Some preliminary research and consultation is already underway in this regard. The review will also address issues noted as part of AUD13024 including:

- How to reflect circumstances not currently covered in the Policy, including when Management and Mayor's/Councillors' Offices exercise their discretion to provide paid parking for employees irrespective of the eligibility requirements outlined in the policy and procedure.
- Updating procedures to reflect the process changes made in PeopleSoft HRMS
- Updating procedures and processes to notify when an employee's circumstances change (e.g. move to another job, retire, etc.)
- Revenue Canada Agency Requirements
- Ensuring effectiveness of the policy for employees that are required to use their vehicle for City business, while meeting Canada Revenue Agency requirements and the intention of the policy.

Recommended changes will be brought forward for Council approval when this work has been completed.

Table 1 – Departmental Summary of AUD13014 results and Management Action Plan

Management Action Plan by Department in response to AUD13024	Employees Did Not Meet Trip Requirements	Potential Savings (\$)	Agreed Employee Not Eligible (ENE) as part of Audit - 39	Additional Revoked Parking Privileges as a result of Management Action Plan as it relates to AUD13024 only	Total Revoked by Department	Total Savings Achieved (\$) as a result of AUD13024
Community Services	96	73,577.00	18 (2)*	23	41	34,004.20
Planning & Economic Development	41	34,195.00	4	16	20	17,038.00
Public Works	45	37,744.55	11	1	12	10,285.00
Corporate Services	15	14,705.36	2 (1)*	5	7	7,975.36
Public Health	11	11,992.60	1	2	3	3,297.00
Mayor's and Councillors' Offices	6	5,135.00	0	0	0	0
City Manager's Office	6	5,890.00	0	1	1	755.00
TOTAL	220	\$183,984.09	36 (3)*	48	84	73,354.56

Summary is based on AUD13024 which references 2012 calendar year data and actions taken by SMT Q4 2013 - Q1 2014 in regards to the numbers identified in AUD13024 only. Subsequent review has resulted in additional changes not captured as part of this report.

* Further review identified as having met trip requirements or are awaiting the results of the policy review (NOT included in savings achieved)



INFORMATION REPORT

TO:	Chair and Members Audit, Finance & Administration Committee
COMMITTEE DATE:	June 8, 2015
SUBJECT/REPORT NO:	Compliance follow-up to the Performance Audit Report – Employer Provided Parking Policy (CM14002(a)) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Lisa Zinkewich, Program Manager, 905-546-2424 ext. 2297 Aine Leadbetter, Planning and Policy Specialist, 905-546-2424 ext. 6667
SUBMITTED BY: SIGNATURE:	Paul Johnson Director, Corporate Initiatives

Council Direction:

Report CM14002, which was in response to the Performance Audit Report 2013-13 - Employer Paid Parking (Value for Money Audit) (AUD13024), was approved by Council on April 23, 2014. As part of that approval, Council requested that “the City Manager and Senior Management Team be directed to report back to the Audit, Finance & Administration Committee, respecting compliance with the Employer Paid Parking Policy and its associated costs, by April 2015”. Due to the annual parking renewal process, which is effective through the last day of March each year, this report is coming forward now to address this outstanding business list item.

Information:

SMT continues to review eligibility under the Employer Provided Parking Policy and where necessary is taking action in accordance with the Policy. This includes revoking passes where required and providing passes when eligibility requirements are met.

It is important to note that new hires, collective agreements, disabilities, changes in work responsibilities etc. all impact the number of employees eligible for employer paid parking under the policy. In addition, annual increases in parking lot costs, impact the total cost of employer provided parking.

SUBJECT: Compliance follow-up to the Performance Audit Report – Employer Provided Parking Policy (CM14002(a)) (City Wide) (Outstanding Business List Item) - Page 2 of 2

The total cost for Employer Provided Parking in 2014 was \$656,737.71. This cost was slightly higher than the total cost in 2013. In addition to the factors listed above that impact costs some of the 2014 increase is due to the consolidation of office space and the move of employees to central downtown locations in Public Health Services. It is important to note that 51% of the total cost is related to employees with "grandfathered" status in regards to the Policy (\$333,566.26). A recent review of those listed as "grandfathered" indicates that 90% would not meet the criteria for Employer Provided Parking under the current Policy. As these employees retire, leave the organization or move to other jobs within the City and no longer require Employer Provided Parking the total cost will decrease significantly (assuming the overall numbers of staff receiving Employer Provided Parking is similar to current levels and the Policy itself does not change significantly in terms of eligibility).

EMPLOYER PAID PARKING COMPARISON

2012 VERSUS 2018

Refer to Revised Appendix "E" to Report AUD20002 Page 2 for the definition of terms.

TOTAL PAID PARKING PROVIDED BY CITY (excludes HECFI and Hamilton Police Service)

2012 Cost \$604,000 **704** Employees

2018 Cost \$647,000 **704** Employees

EXCLUDED FROM TRIP REQUIREMENT POLICY - 2012

352 Grandfathered Employees \$330,000
15 Elected Officials \$16,000
11 Collective Agreement \$8,000
7 Employment Offer \$6,000
5 Grievance Settlement \$4,000

ALL OTHER EMPLOYEES - 2012

314 Employees \$241,000
NA* General Manager Discretion \$NA

DID NOT MEET TRIP REQUIREMENT - 2012

256 Employees \$200,000

MET TRIP REQUIREMENT - 2012

58 Employees \$40,000

PARKING ACTIVE - 2012

220 Employees \$185,000

PARKING INACTIVE - 2012

36 Employees \$18,000

AUDIT RESULTS - 2013

39 Not Eligible for Parking \$34,000
181 Management Discretion \$149,000

EXCLUDED FROM TRIP REQUIREMENT POLICY - 2018

219 Grandfathered Employees \$245,000
14 Elected Officials \$18,000
99 Collective Agreement \$75,000
53 Employment Offer \$56,000
5 Grievance Settlement \$6,000

ALL OTHER EMPLOYEES - 2018

275 Employees \$211,000
39 General Manager Discretion \$36,000

DID NOT MEET TRIP REQUIREMENT - 2018

136 Employees \$114,000

MET TRIP REQUIREMENT - 2018

139 Employees \$97,000^

PARKING ACTIVE - 2018

108 Employees \$100,000

PARKING INACTIVE - 2018

28 Employees \$14,000

CAPTURED IN ANNUAL ELIGIBILITY REVIEW - 2018

108 Employees \$100,000
39 General Manager Discretion \$36,000

*NA - Not Applicable

^There were an additional four GM discretion employees that also met the trip requirement

EMPLOYER PAID PARKING COMPARISON

2012 VERSUS 2018

Definition of Terms

EXCLUDED FROM TRIP REQUIREMENT POLICY

- The number and associated costs of employees who are excluded from the trip requirement policy, shown by category.
- Number of Grandfathered employees decreased in 2018 but was offset by an increase in employees receiving parking from a Collective Agreement (up by 88 employees) and Employment Officer (up by 46 employees).

DID NOT MEET TRIP REQUIREMENT

- Employees who did not meet the minimum trip requirements per the policy.

MET TRIP REQUIREMENT

- Employees who met the minimum trip requirements per the policy.

ANNUAL ELIGIBILITY REVIEW

- Employees who did not meet the trip requirements and continue to receive paid parking.
- The numbers are broken down into two categories: employees who did not meet trips requirements and staff who receive parking based on General Manager's (GM) discretion.
- This is a new requirement stemming from the original audit. Management reviewed the parking eligibility status for these employees in early 2019. The results of management's review were not summarized or captured as part of this Follow Up Audit.

TOTAL PAID PARKING PROVIDED BY CITY

- Comparing 2018 and 2012, the number of employees remained the same.
- Costs have risen in 2018 (likely due to rising parking costs).

ALL OTHER EMPLOYEES

- Employees who receive paid parking, after the exclusions from the trip requirement policy.
- Staff are broken into two categories: staff who are given parking per their GM's discretion, and staff who qualify for the minimum trip requirement policy.
- GM discretion is a new item since the original audit in 2012. This is comprised of Public Works (about \$5,000) and Healthy and Safe Communities (HSC) (about \$30,000).

PARKING ACTIVE

- Employees who did not meet the minimum number of trips required to maintain paid parking by the City of Hamilton and continue to receive paid parking.

PARKING INACTIVE

- Employees who did not meet the trip requirements and no longer receive paid parking.

Note:

General Manager (GM) discretion in HSC are employees the department considers to be grandfathered but were not captured in the 2005 Corporate Master Exemption list. The previous and current GMs honored the grandfathered status of these employees to avoid potential grievances should the parking be revoked. The GM has committed to working with HR to find a more appropriate parking status for these employees.

CITY OF HAMILTON MOTION

Audit, Finance & Administration Committee: February 6, 2020

MOVED BY COUNCILLOR L. FERGUSON.....

SECONDED BY COUNCILLOR.....

Compassionate Grant for Development Charges to Agricultural Societies Without a Farm Business Registration

WHEREAS the City of Hamilton Development Charges By-law 19-142 was effective on June 13, 2019;

WHEREAS Development Charges By-law 19-142 approved development charge exemptions for development of properties with Agricultural Use with a farm business registration number;

WHEREAS the City of Hamilton's three agricultural societies, owners of property used for agricultural purposes but not eligible for a farm business registration number, are as follows:

Ancaster Agricultural Society, 630 Trinity Road South, Jerseyville, Ontario, L0R 1R0;

Binbrook Agricultural Society, 2600 Regional Road #56, Binbrook, Ontario, L0R 1C0; and,

Rockton Agricultural Society, 812 Old Highway 8, Rockton, ON L0R 1X0;

WHEREAS the Agriculture & Rural Affairs Advisory Committee at its meeting of November 25, 2019 approved minutes in support of all Agricultural Societies in Hamilton (Rockton, Binbrook and Ancaster) being exempted from Development Charges;

THEREFORE BE IT RESOLVED:

- (a) That the General Manager of Finance and Corporate Services be authorized to develop a compassionate grant agreement for agricultural societies for development charges in a form satisfactory to the City Solicitor with any DC exemptions being funded from unallocated capital levy reserve (#108020); and,
- (b) That the City's Agricultural DC compassionate grant agreement contain terms and conditions that:
 - (i) Require the applicant to register the compassionate grant against the property and repay the City of Hamilton should the applicant sell or transfer any portion of the property; and,
 - (ii) Provide the General Manager of Finance and Corporate Services with the authority to sign the Agreement.