



City of Hamilton

AUDIT, FINANCE AND ADMINISTRATION COMMITTEE ADDENDUM

Meeting #: 20-009

Date: October 22, 2020

Time: 9:30 a.m.

Location: Due to the COVID-19 and the Closure of City Hall

All electronic meetings can be viewed at:

City's Website:

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

City's YouTube Channel:

<https://www.youtube.com/user/InsideCityofHamilton> or Cable 14

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

4. COMMUNICATIONS

- *4.1. Correspondence from June Roberts, respecting an Extension of Benefits for City of Hamilton Retirees who turn 65 in 2021.

Recommendation: Be received.

- *4.1.a. Additional Correspondence from June Roberts, respecting an Extension of Benefits for City of Hamilton Retirees who turn 65 in 2021.

Recommendation: Be received.

5. DELEGATION REQUESTS

- *5.1. Kenneth Ukrainec, on behalf of Network Sewer and Watermain Ltd., respecting the Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS20084) (For today's meeting)

*5.2. Jason Snyder, GardaWorld, respecting the City's decision to exclude Garda Canada Security Corp from being able to bid on work for the City (For today's meeting)

*5.2.a. Staff Supporting Documentation respecting Jason Snyder, GardaWorld, respecting the City's decision to exclude Garda Canada Security Corp from being able to bid on work for the City

7. PUBLIC HEARINGS / WRITTEN DELEGATIONS / VIRTUAL DELEGATIONS

7.1. Kevin Rachman, SmartCentres REIT, respecting an Extension to Development Charges Credit (approved October 8, 2020)

*7.1.a. Staff Supporting Documentation regarding Kevin Rachman, SmartCentres REIT, respecting an Extension to Development Charges Credit

From: june rob <>

Sent: October 13, 2020 3:34 PM

To: Pauls, Esther <Esther.Pauls@hamilton.ca>; Office of the Mayor <mayor@hamilton.ca>; MROO Membership Updates <>

Subject: Extension of Benefits for City of Hamilton Retirees who turn 65 in 2021

Dear Councillor Esther Pauls and Mayor Fred:

My name is June Roberts, **Personal Information** Ward 7 Resident and past City of Hamilton Employee 2017 for 41.5 years with the Public Works and Waste Depts.

I just left you a message, but think it would be better to write my concerns to you, so you can bring it forward to the HR Committee.

Due to Covid 19, City of Hamilton Retirees were not able to use their medical benefits due to dentists, dental hygienists, doctors, chiropractors etc. being closed. The City of Hamilton still had to pay Manulife benefits on our behalf knowing that we were unable to get appointments due to everything being closed due to covid.

When a retiree turns 65, there is no more benefits, unlike other organizations. I will be 65 years old in June of 2021 and am asking that you look into extending the benefits that our City paid for the retirees for the last 7 mos. And we were unable to us them.


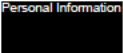
Today I have spoken to Manulife about this and they said to bring it forward to benefits dept. for the City. I have just spoken to Manjeep in Benefits and she said there was no request for this.

I would now request for you, on behalf of the retirees and myself that an additional 7 mos be added on to our benefits, especially dental. I was finally able to see my dentist last week. I am still unable to get an appoint with my doctor during this pandemic.

Please let me know whether you think you can help or what my next steps should be.

Thanks

June Roberts

From: 
To: [McRae, Angela](#)
Subject: RE: Extension of Benefits for City of Hamilton Retirees who turn 65 in 2021
Date: October 16, 2020 11:49:43 AM
Attachments: 

Dear Angela, thanks for the reply.

Please mention that the City should apply for a rebate from Manulife for all the premiums they have paid and employees and retirees were not able to use during the Covid pandemic lock down. When I spoke to Manulife about giving a rebate to the City, the gal I spoke to said the City didn't ask for one.

That is one way to help with our budget. Let Mayor Fred know this.

June Roberts, Retired Public Works employee for 41.5 years...

Sent from [Mail](#) for Windows 10

Request to Speak to Committee of Council

Submitted on Friday, October 16, 2020 - 4:53 pm

==Committee Requested==

Committee: Audit, Finance & Administration Committee

==Requestor Information==

Name of Individual: Kenneth Ukrainec

Name of Organization: Network Sewer and Watermain Ltd.

Contact Number: Office:

Email Address:

Mailing Address:

Reason(s) for delegation request:

- A Fair Wage Policy audit was completed by KPMG on Network Sewer and Watermain Ltd. ("Network"), on 5 separate occasions the audit has produced a different final figure.

- For detailed reasons that will be submitted in writing, Network believes that the final figure amounts found by the audit are within a de minimis range that should not be penalized for non-compliance with the Fair Wage Policy. In the alternative, if the City of Hamilton continues to determine that Network's audit falls within a non-compliance standard requiring penalty, then Network requests that the penalty be reduced in a manner that accords with the minor scope of the alleged accounting discrepancies.

- In addition to the above, Network previously attempted to dispute the final figures provided by the audit and was not provided procedural fairness pursuant to Fair Wage Policy clause 12.

- As discussed previously, Network will provide a brief written submission to the Clerk of Hamilton. Network requests that this written submission be provided to the Audit, Finance and Administration Committee prior to Network's 5 minute oral delegation.

Will you be requesting funds from the City? No

Will you be submitting a formal presentation? No

Hamilton City Hall
Audit, Finance and Administration Committee
71 Main Street West
Hamilton, Ontario
L8P 4Y5

October 20, 2020

RE: Fair Wage Complaint # (FW26-2017)

Mr. Chair and members of the Audit, Finance & Administration Committee,

Network Sewer and Watermain Ltd. appreciates your time in considering this delegation, and requests that you kindly consider the two attached appendices regarding the audit for Fair Wage Complaint # (FW26-2017).

I intend to provide a 5 minute oral delegation following your review of this written submission, upon which time I will welcome your questions. Please note if the council elects to permit Network a proper appeal pursuant to Section 12 of the Fair Wage Policy, then I will forego my 5 minute oral delegation.

Many thanks for your consideration,

Kenneth Ukrainec
Counsel
Network Sewer & Watermain Ltd.
LSO # 78516L
Cell #

APPENDIX “A” - TIMELINE

- ❖ **March 29, 2017 to December 2, 2017**
Work on site for contract *C15-56-16 (HSW) – Upper Sherman Road Reconstruction*, commenced March 19, 2017, completed December 2, 2017.
- ❖ **February 21, 2018**
 - Network formally notified of audit.
- ❖ **February 22, 2018 to August 20, 2019**
 - Preliminary considerations and then audit commences.
- ❖ **August 21, 2019**
 - Letter from City informing Network that final conclusion of the audit resulted in \$20,247.95 of unpaid wages.
- ❖ **August 30, 2019**
 - Letter from Networks counsel in response to August 21, 2019 letter, specifically stating that
 - The audit miscalculated wages by failing to properly classify students; and
 - The audit significantly miscalculated overtime, as it did not take note of the Employment Standards Act exception for road workers, pursuant to O Reg 285/01.
- ❖ **January 29, 2020**
 - Letter from City informing that revised audit now determines Network only owes \$593.60.
- ❖ **February 5, 2020**
 - Letter from Network counsel in response to January 29, 2020 letter.
- ❖ **February 27, 2020**
 - Meeting between Network and relevant City officials. Parties discuss disputed calculations, and Network makes clear that certain staff members changed job titles during project, resulting in differing wage rates which the City’s auditor should have considered.
- ❖ **March 18, 2020**
 - Network provides the City with the relevant date for each employee’s changed job title.
- ❖ **July 13, 2020**
 - Email from city informing that revised audit now determines Network only owes \$349.62.
- ❖ **July 22, 2020**
 - The City requests a response from Network in regard to the revised audit figure, Network’s counsel provides a letter in opposition, stating the following:
 - Network’s alleged miscalculations were clearly inadvertent and modest enough so as to be within a de minimis range, thereby Network requests to pay the employees and have the City waive any further penalties; and
 - In the event that the City does not wish to waive further penalties, then Network requests a meeting with the City’s Manager of Procurement.

APPENDIX "A" - TIMELINE

❖ August 12, 2020

- The City's Manager of Procurement sends an email to Network, instructing that Network's July 22, 2020 letter was unilaterally elevated to a higher level of appeal, and the GM of Corporate Services and the GM of Public Works have unilaterally determined that the audit was correct and that Network is in a state of non-compliance. The letter did not provide specific details.

❖ August 20, 2020

- City sends out letter discussing actions moving forward, specifically stating (underlining added for emphasis):
 - *"the City will be requesting payment from Network for the minimum cost of the investigation in the amount of \$5000.00 (plus applicable tax)."*

❖ September 9 to October 7, 2020

- Letters back and forth between parties confirming whether payments have been made to date.
- All payment acknowledgement forms submitted to City, City responses in return, forms resolved.

❖ October 7, 2020

- City provides invoice for audit, amounting to \$9,197.26.

APPENDIX “B” - DELEGATION SUBMISSIONS

1. Section 12 Fair Wage Policy: Procedural Fairness

- 1.1. In the final decision made by the City of Hamilton (“City”) in its June 2020 email, Network Sewer and Watermain Ltd. (“Network”) was not provided with procedural fairness, pursuant to Section 12 of the Fair Wage Policy (“FWP”).
- 1.2. Specifically, counsel for Network requested a meeting with the Manager of Procurement in accordance with Section 12.1. Instead of attending said meeting, Network received an email from the Manager of Procurement, stating that she unilaterally elevated Network’s appeal to the GM of Corporate Services and the GM of Public Works. The particulars of the elevated decision were not provided to Network, though the revised final audit figure was confirmed.
- 1.3. **For ease of reference, the August 12, 2020 letter is hereby attached as “Exhibit A”.**
- 1.4. This lack of procedural fairness has limited the transparency that Network should have been provided in the appeals process. At this time Network requests, pursuant to Section 12 of the FWP, that it be granted a proper meeting with the City to address the remaining issues at hand, including those discussed in this letter. If the council decides such a meeting should be granted to Network, then I will forego my oral delegation at this time.

2. Audit Requiring Further Revision, Diminished Reliability

- 2.1. The multiple revisions to the audit have only occurred because Network has successfully challenged the audit’s significant miscalculations, which has led to a more than 99% reduction to the final audit figure. In addition to the continual revisions over the past 2.5 years, Network has once again found the most recent figure provided by the City to be in error.
- 2.2. Specifically, the total hourly wages for “Mr. DF” in the weeks prior to his holiday payments appear overvalued by the City’s auditor in TAB 3. When manually applying Mr. DF’s weekly totals for the 4 week period prior to the 2 holidays in question (TAB 1), then the total figures result in a lower combined total of \$341.40, not the \$520.66 prescribed by the City’s auditor in TAB 3. When taking into account the relevant overpayments to “Mr. DF”, this number is reduced to a significantly lower outstanding total of \$87.74. It is relevant to note that Network has recently paid “Mr. DF” the previously calculated \$267.00, as per the City’s direction provided on October 3, 2020.
- 2.3. Due to the constantly changing revisions, Network is justified in questioning the reliability of the audit’s final figures. The fact that this audit continues to require revisions seriously undermines the credibility of any of the numbers provided.
- 2.4. If the City believes that the TAB 3 calculations provided by the City’s auditor are correct, then it should only be fair for Network to be provided with some type of reasoning to justify this conclusion.

3. Grossly Disproportionate and Inequitable Penalties

- 3.1. When considering the alleged minor accounting discrepancies, which Network continues to dispute, it is submitted that the penalties being imposed in these circumstances be considered grossly disproportionate and inequitable.

APPENDIX “B” - DELEGATION SUBMISSIONS

- 3.2. In determining whether the penalties imposed are grossly disproportionate and inequitable, Network submits that the counsel consider Network’s overall intent to comply with the FWP, the scale of the alleged infraction, and the audit’s diminished reliability.
- 3.3. Intent
- 3.3.1. Network submits that the councillors should consider Network’s intent to comply with the FWP when determining whether Network should be subject to penalty.
- 3.3.2. To date, the City’s auditor has been proven to have miscalculated Network’s final amount owing on three separate occasions, and Network continues to dispute the most recent final figure. If anything, the continual accounting errors shown by the City’s auditor go to show how minor accounting discrepancies can arise, despite a party’s best efforts and proper intentions. As a result, in this instance it is unreasonable to penalize Network.
- 3.3.3. As an additional consideration, the councillors should contrast the alleged minor accounting discrepancies with Network’s overall intention to pay its employees at a rate well above the standards set by the FWP. As can be seen in the audit, Network has exceeded the FWP wage rate standards by more than \$46,000.00 during the project in question. If Network was at all intent on avoiding compliance with the FWP, then they would not have consistently volunteered to exceed the FWP’s standards by such a significant margin.
- 3.4. Scale
1. According to Network’s most recent calculations, the audit’s final figure accounts for approximately 0.039% of the total wages paid to employees over the course of the project. This minor figure should be considered modest enough so as to be de minimis in nature, and thereby should not result in Network being subject to the significant penalty commonly imposed with by the FWP.
- 3.5. Consistently Unreliable Audit
2. As described in paragraph 2 above, the audit’s final figures have suffered continual and ongoing miscalculations. As a result, it is very reasonable for Network to call into question how any future revised figures provided from this audit can be relied upon when considering whether to impose a penalty on Network.

4. Audit Cost Raised Without Explanation

- 4.1. The City provided a letter to Network on August 20, 2020, which states the following (underlining added for emphasis):

“... the City will be requesting payment from Network for the minimum cost of the investigation in the amount of \$5,000.00 (plus applicable tax).”

- 4.2. **For ease of reference, the August 20, 2020 letter is hereby attached as “Exhibit B”.**
- 4.3. To date, Network has not been provided with an explanation as to why the invoice provided by the City on October 7, 2020 is for \$9,197.26, almost double the cost declared only a month and a half prior. Additionally, Network takes issue with the possibility that they are being charged for the audit’s revised results. It is important to note that the revised audits only occurred because

APPENDIX "B" - DELEGATION SUBMISSIONS

Network successfully disputed the significant miscalculations. Network hereby submits that this unexplained increase be deemed inequitable.

- 4.4. Upon recent review of the Audit, Finance and Administration Committee Agenda for October 22, 2020, Network has noted on page 15 that the City is only requesting the minimum \$5000.00. As a result, Network is seeking clarification on the City's position.

5. Conclusion

- 5.1. In consideration of the circumstances prescribed above, Network requests that the City declare the following:
 - 5.1.1. Network should only be subject to pay for the alleged outstanding amounts owed to the employees in question; and
 - 5.1.2. That any further penalty typically imposed pursuant to the FWP be waived for Network in this instance.

EXHIBIT "A"

Gabriela Medeiros

From: Iacoe, Tina <Tina.Iacoe@hamilton.ca>
Sent: Wednesday, August 12, 2020 3:31 PM
To: Don Medeiros
Cc: Gabriela Medeiros; Sandra Sousa; Vasquez, Patricia; Male, Rick; McKinnon, Dan; Zegarac, Mike
Subject: RE: City of Hamilton FW26-2017 (C15-56-16 Upper Sherman Road Reconstruction)
Attachments: Network Sewer and Watermain - Fair Wage Audit

Good afternoon Don.

I am in receipt of your lawyer's letter to Patricia Vasquez regarding the City's most recent correspondence on the Fair Wage Audit of Contract C15-56-16.

As per the Fair Wage Policy, I have escalated your request for an appeal on this compliant to the applicable General Managers. Both Mike Zegarac, GM of Corporate Service's and Dan McKinnon, GM of Public Works, have made the final decision regarding the outcome of this Fair Wage complaint process and both agree with the findings of the City's auditor. Therefore Network Water and Sewer has been found to be non-compliant with the City's Fair Wage Policy.

For your information, staff are required to present an annual report to the Audit, Finance and Administration Committee of Council regarding complaints investigated and resulting audits performed pursuant to the Fair Wage Policy and Fair Wage Schedule. It is my expectation that this report will be brought to Committee during the fourth quarter of 2020. Should you choose delegate to the Committee regarding this compliant and your appeal, I would recommend that you contact the City Clerk's office for assistance to do so.

Patricia will be in touch with Network should we need anything further to close out this file. Thank you.

Tina Iacoe CPPO, CPPB
Manager of Procurement
City of Hamilton
9th Floor, 120 King Street West
Hamilton, ON L8P 4V2
905-546-2424, ext 2796

EXHIBIT "B"

Gabriela Medeiros

From: Vasquez, Patricia <Patricia.Vasquez@hamilton.ca>
Sent: Thursday, August 20, 2020 11:32 AM
To: Don Medeiros
Subject: FW 26-2017 (Upper Sherman Road Reconstruction)
Attachments: Non-Compliance Letter - Network.pdf

Importance: High

Good afternoon,

Please refer to the attached letter which outlines the non-compliance and actions moving forward regarding the Fair Wage review on Contract C15-56-16 – Upper Sherman Road Reconstruction.

Please contact me if you have any questions.

Regards,

Patricia Vasquez
Senior Procurement Specialist
Corporate Services Department
Procurement Section
City of Hamilton

120 King Street West, Suite 900
Hamilton, Ontario L8P 4V2
Tel: (905) 546-2424 Ext. 5972
Email: Patricia.Vasquez@hamilton.ca



Patricia Vasquez
Senior Procurement Specialist
City of Hamilton
Procurement Section
Financial Services Division
Phone: (905) 546-2424, Ext. 5972
Email: Patricia.Vasquez@hamilton.ca

August 20, 2020

Network Sewer and Watermain Ltd.
510 Collier MacMillan Drive
Cambridge, ON N1R 6R5
Attn: Don Medeiros, President

Sent by email: DMedeiros@nswltd.ca

Subject: Fair Wage Complaint No. FW 26-2017
Contract No. C15-56-16
Upper Sherman Road Reconstruction

Dear Mr. Medeiros,

Upon completion of the audit on Network Sewer and Watermain Ltd. ("Network"), Network has been deemed to be non-compliant with the City of Hamilton's Fair Wage Policy and Schedule per the following:

- Employees received a compensation package less than the Total Hourly Compensation as set out in the Fair Wage Schedule while working on contract C15-56-16, as noted in the audit results.

In accordance with the Fair Wage Policy Section 10 - Consequences of Non-compliance, the City is proceeding as follows:

1. Per 10.1, (a), the City is requesting completed and signed 'Receipt of Payment Acknowledgement' forms by each employee listed in the audit results and proof of payment (i.e. copy of issued cheques) to be provided by **September 3, 2020**. The completed forms and proof of payment must be directly emailed to patricia.vasquez@hamilton.ca.
2. Per 10.1, (c), the City will be requesting payment from Network for the minimum cost of the investigation in the amount of \$5,000.00 (plus applicable tax). The City will be issuing an invoice for this cost to be mailed to Network.

If the above requested actions are not completed, the City reserves the right to exercise item 10.2 or 10.3 as per Section 10 - Consequences of Non-compliance.

If you have any questions or concerns regarding any of the above, please contact me via email at Patricia.Vasquez@hamilton.ca.

Sincerely,

Patricia Vasquez,
Senior Procurement Specialist

Encl. Receipt of Payment Acknowledgement Form

Receipt of Payment Acknowledgement Form

I, _____(Individual's Name), confirm that I have received the following payment(s) from Network Sewer and Watermain Ltd., which represent(s) the shortfall in payment(s) previously received while working on the City of Hamilton **Contract No. C15-56-16 for the Upper Sherman Road Reconstruction.**

Regular Pay: \$

Over Time Pay: \$ _____

Total received: \$

Signed: _____

(Individual's Signature)

Dated : _____

Form: Request to Speak to Committee of Council

Submitted on Monday, October 19, 2020 - 9:34 am

==Committee Requested==

Committee: General Issues Committee

==Requestor Information==

Name of Individual: Jason Snyder (Branch Manager, Hamilton)

Name of Organization: GardaWorld

Contact Number:

Email Address: jason.snyder@garda.com

Mailing Address:

GardaWorld

54 Centennial Parkway North,

Hamilton, Ontario

L8E 1H6

Reason(s) for delegation request: The city has decided to exclude Garda Canada Security Corp from being able to bid on work for the city for the second time. The first time we spoke with council on 18 September 2019 who wisely agreed we should not be excluded from the cities bidding process however the city has again decided to exclude us.

Will you be requesting funds from the City? No

Will you be submitting a formal presentation? No

Garda Canada Security Corp Request to Delegate to Audit, Finance and Administration Committee meeting, October 22, 2020

- Staff wish to provide Audit, Finance and Administration Committee (AF&A) information regarding a delegation request by Garda Canada Security Corp. (“Garda”) and a brief update to the Request for Proposals procurement process for C3-04-20 Parking Enforcement Services.
- Report LS20025 / FCS20083 was an in-camera report presented and approved at the Procurement Sub-Committee meeting of October 1, 2020. The Procurement Sub-Committee Report was then brought forward to AF&A at its meeting of October 8, 2020, and the recommendations in the October 8, 2020 AF&A Report were ratified by Council at its meeting of October 14, 2020.
- Report LS20025 / FCS20083 and the recommendations (in-camera and in public) from both the Procurement Sub-Committee and AF&A can be found in eSCRIBE:
 - Procurement Sub-Committee meeting #20-002; October 1, 2020
 - 13. Private and Confidential, 13.1 Commercial Relationship Between City of Hamilton and Garda Canada Security Corporation also known as GardaWorld Canada Security Corporation also known as GardaWorld Corporation (LS20025) / (FCS20083) (City Wide)
 - AF&A meeting #20-008; October 8, 2020
 - 9.1 Discussion Item, Procurement Sub-Committee Report 20-002 – October 1, 2020
 - 13. Private and Confidential, 13.1 Appendix “A” to Procurement Sub-Committee Report 20-002
- Staff carried out the in-camera direction given by AF&A and on October 20, 2020 the Manager of Procurement advised Garda of the outcome.
- For Committee’s information, prior to submitting reports such as LS20025 / FCS20083 to Committee for consideration, the Manager of Procurement forwards a letter to the proponent giving advance notice of the Report, providing the basis of the Report and the applicable Committee and meeting information. The letter also advises the proponent that, should the proponent choose, they may speak to the committee regarding the report.
- The letter regarding LS20025 / FCS20083 was sent to the proponent on September 14, 2020 via email and courier; both were confirmed received.
- No communication was received by Procurement, Clerks or Legal staff in response to Procurement’s letter of September 14, 2020. No delegation request was made by the proponent to the Procurement Sub-Committee on October 1, 2020.
- As of October 22, 2020, staff have continued to review the compliant bids received for the Request for Proposals procurement process for C3-04-20 Parking Enforcement Services.

Mountain Plaza Mall, 651 – 677 Upper James Street Development Charges Demolition Credit Extension Delegation to Audit, Finance & Administration Committee

Development Charges (DC) Demolition Credits

The City has a five-year limit on DC demolition credits. This five-year limit serves a couple of purposes. First, it recognizes that when preparing the DC Background Study, the City must assess the available capacity within the system (in particular, water, wastewater and stormwater) and make existing capacity available to new development. If the redevelopment of a demolished property doesn't occur within five years, its capacity will have been absorbed back into the system for the purposes of calculations in the DC Background Study. The five-year limit on DC demolition credits has been contained in the DC By-laws since 2004.

Development Charges (DC) Demolition Credit Extensions

Precedent exists for extending DC demolition credits to a maximum of 10 years for a large-scale mall redevelopment through the approval of Report FCS16084 which extended the DC demolition credits for the Centre on Barton redevelopment and through the approval of Report FCS17008 which extended the DC demolition credits for Mountain Plaza Mall.

If approved by Council, the request at AF&A on October 22, 2020 by Mountain Plaza Mall would set precedent for a DC demolition credit extension to exist for more than 10 years after the related demolition permit.

Education DCs

The City is responsible for collecting Education DCs on behalf of the School Boards. The City does not have the authority to extend credits for Education DCs.

Development History

2009-2010	Demolition of former enclosed mall occurred for a combined total of 256,957.79 square feet demolished
2009-2012	Building Permits issued for six of the seven planned buildings utilizing 209,709.17 square feet of the DC demolition credits from the available 256,957.79 square feet
January 12, 2015	The unused DC demolition credits of 47,248.61 square feet expired
April 22, 2015	A five-year extension is requested on the expired DC demolition credits in anticipation of constructing the final seventh building
June 8, 2015	Council approves a two-year extension of the demolition credits (to January 12, 2017) through Report FCS15041

December 12, 2016	A request to extend the remaining demolition credits by an additional three years is received
March 8, 2017	Council approves a final three-year extension of the remaining 47,248.61 square feet (non-industrial class) demolition credits, to January 12, 2020, through Report FCS17008
2017	2,467.22 square feet of available demolition credits are utilized through two building permits (Taco Bell & Penguin Pick-up)
January 12, 2020	Expiry of remaining 44,781.40 square feet of non-industrial DC demolition credits

Value of unused Demolition Credits

As at January 12, 2020 there were 44,781.40 square feet of unused DC demolition credits which expired.

The value of those credits as of October 2020 is \$840,099.06 (44,781.40 square feet x \$18.76 per square foot).

If Council chooses to extend the DC demolition credits, the cost needs to be covered from other sources since the capacity would have been absorbed back into the calculation of DCs through the latest DC Background Study. Since an extension outside of the five-years contained in the DC by-law means that the DC reserves would not receive collections that would otherwise have been collected, the DC reserves need to be made whole through other funding source. Historically, the related service reserves and a tax reserve have provided the funding source for such extensions.

Service	Value	Sample funding source
Water Services	\$106,579.73	Reserve 108015 (Water)
Wastewater Services	\$212,263.84	Reserve 108005 (Sanitary)
Storm Services**	\$ -	Reserve 108010 (Storm)
Tax Services	\$521,255.50	Reserve 110046 (Tax Stabilization)
Total	\$840,099.06	

*** Note that since the development was a non-residential development in the City's Combined Sewer System there is no storm component applicable under DC by-law 19-142*

Property Taxes

The estimated municipal property taxes on the vacant land awaiting development totals \$13.5 K annually in 2020 dollars.

The estimated municipal property taxes if the vacant land had been developed into 45 K square feet of retail space is \$266.4 K annually in 2020 dollars. The increase in annual municipal property taxes would have been estimated at \$252.9 K in 2020 dollars.