



City of Hamilton
AUDIT, FINANCE AND ADMINISTRATION COMMITTEE
AGENDA

Meeting #: 21-021
Date: December 9, 2021
Time: 9:30 a.m.
Location: Due to the COVID-19 and the Closure of City Hall (CC)

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

1. **APPOINTMENT OF COMMITTEE CHAIR AND VICE-CHAIR FOR 2022**
2. **APPROVAL OF AGENDA**
(Added Items, if applicable, will be noted with *)
3. **DECLARATIONS OF INTEREST**
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING**
 - 4.1. November 18, 2021
5. **COMMUNICATIONS**
6. **DELEGATION REQUESTS**
7. **CONSENT ITEMS**
 - 7.1. Committee Against Racism - November 23, 2021 - No Quorum Notes

- 7.2. Standards & Approved Products Committee Report (PW21071) (City Wide)
- 7.3. Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS21101) (City Wide)
- 7.4. 2021 Third Quarter Request for Tenders and Proposals Report (FCS21008(b)) (City Wide)
- 7.5. 2021 Third Quarter Emergency and Non-competitive Procurements Report (FCS21009(b)) (City Wide)
- 7.6. 2021 Third Quarter Non-compliance with the Procurement Policy Report (FCS21010(b)) (City Wide)

8. PRESENTATIONS

- 8.1. Hamilton Waterfront Trust - 2020 Annual Briefing by Werner Plessl, Executive Director (No Copy)
- 8.2. Hamilton Future Fund Audit (AUD21013) (City Wide)

9. PUBLIC HEARINGS / DELEGATIONS

10. DISCUSSION ITEMS

- 10.1. Investing in City Roads and Sidewalks Infrastructure with Canada Community - Building Funds (PW21073) (City Wide) (Outstanding Business List Item)
- 10.2. 2022 Budget Submissions Volunteer Advisory Committee (HUR21016) (City Wide)
- 10.3. 2022 Temporary Borrowing and Interim Tax By-laws (FCS21112) (City Wide) - Revised
- 10.4. Use of External Services for Tax Assessment & Appeals (FCS20005(a)) (LS21047) (City Wide) (Outstanding Business List Item)
- 10.5. Information Regarding Calculation of Audit Fee for Fair Wage Compliant FW26-2017 (FCS21117) (City Wide) (Outstanding Business List Item)
- 10.6. Grants Sub-Committee Report 21-002 - December 1, 2021

11. MOTIONS

- 11.1. Write Off of Penalties, Interest and Related Fees for Property Taxes and Interest Free Loan Agreement on Compassionate Grounds for the YFC/Youth Unlimited Waterdown, 273 Parkside Drive, Waterdown (Roll No. 2518.303.410.28600.0000)

12. NOTICES OF MOTION
13. GENERAL INFORMATION / OTHER BUSINESS
14. PRIVATE AND CONFIDENTIAL
15. ADJOURNMENT



Hamilton

NOTES

ADVISORY COMMITTEE AGAINST RACISM

Tuesday, November 23, 2021

6:30 p.m. – 8:30 p.m.

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

All electronic meetings can be viewed at:

City's YouTube Channel

<https://www.youtube.com/user/InsideCityofHamilton>

Present: Marlene Dei-Amoah, Taimur Qasim, Gerry Smith, Annie Law

Absent with

Regrets: Simone McWatt, Phillip Jeffrey, Shamini Jacobs, Councillor Nann, Tyrone Childs, Leslyn Gombakomba

Also, Present: Sunil Angrish, Community Inclusion & Equity, Facilitator
Taline Morris, Admin. Assistant

Pursuant to Section 5.4(4) of the City of Hamilton's Procedural By-law 21-021 at 7:00 p.m. the Staff Liaison to the Committee advised those in attendance that quorum had not been achieved within 30 minutes after the time set for the Advisory Committee Against Racism, therefore, the Staff Liaison to the Committee noted the names of those in attendance and the meeting stood adjourned.

Respectfully submitted,

Sunil Angrish, Community Inclusion & Equity,
Facilitator



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 9, 2021
SUBJECT/REPORT NO:	Standards & Approved Products Committee Report (PW21071) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Claudio Leon (905) 546-2424 Ext. 2971
SUBMITTED BY:	Edward Soldo, Chief Road Official Public Works Department
SIGNATURE:	
SUBMITTED BY:	Nick Winters Director, Hamilton Water Division (Acting) Public Works Department
SIGNATURE:	

COUNCIL DIRECTION

In accordance with By-law 20-205, Procurement Policy, Policy #14: Standardization, Report PW21071 addresses the requirement of the Standards and Approved Products Committee to prepare an annual Information Report outlining the rationale for any standardization of goods added to the City's Approved Products Listing, the number of goods standardized and any standardized good resulting in a single source purchase. Report PW21071 is for the period of December 2020 to October 2021.

INFORMATION

The Standards and Approved Products Committee provides a platform for cross-departmental participation in the review and updating of construction specifications and materials standards. The Committee is made up of representatives from Hamilton Water, Engineering Services (Asset Management, Design and Construction), Transportation, Operations and Maintenance, and Landscape Architectural Services

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**SUBJECT: Standards and Approved Products Committee Update
(PW21071) (City Wide) - Page 2 of 3**

from Public Works, and also the Growth Management Division from Planning and Economic Development and the Procurement Section.

The Committee focuses on the review of new product approval applications, and the review and upkeeping of the City's Construction and Materials Specifications Manual to ensure specifications are consistent with current industry standards and regulations.

The manual is available for download from the City of Hamilton's (City) website free of charge and is widely used by consultants and internal staff in the design and construction of road, watermain, sewer, street lighting and traffic signals construction projects within the City's Right-of-Way, as well as parks construction projects.

Revision number 13 to the Construction and Material Specifications Manual was issued on February 9, 2021. A summary of the changes are provided in Appendix "A" to Report PW21071.

The Committee continues to meet on a monthly basis to review and update the Approved Products List as needed.

The City's Approved Products List is published on The Road Authority website. The list is used by Contractors, Developers and City Staff for selecting products to be used on City Projects. When approved products are specified within a tender document issued by the City, it is done so in accordance with any applicable trade agreements that apply to municipal procurement.

Sixteen product approval applications have been received from seven applicants since October 2020.

Nine products have been approved since October 2020. None have resulted in the requirement for single source purchasing.

List of recently approved products:

- International Valve – Vent-Tech Sewer Air Valves for sewer forcemains – Models SWG, SXG, SDG, SZG.
- Wapro – WaStop In-Line Sewer Check Valve.
- Soleno – Galvanized Corrugated Steel Pipe (GCSP) for culvert installations.
- EJ Canada ULC – Optimized Maintenance Hole Frame & Cover - Model No. MC401010406 (an alternative to OPSD 401.010).
- Atlantic Industries - Hi-Flo Spiral Rib Pipe - Aluminized Type II and Polymer Laminated for culvert installations.
- Armtec - FloCore Spiral Rib Pipe – Aluminized Type II and Polymer Laminated for culvert installations.

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**SUBJECT: Standards and Approved Products Committee Update
(PW21071) (City Wide) - Page 3 of 3**

- NAPCO C900 RJIB Certa-Lok PVC DR18 Pressure Pipe – 150mm to 300mm diameter watermain pipe.
- Galaxy Plastics – Tigre Fittings – Injection Moulded PVC Sewer Fittings.
- Galaxy Plastics - Fabricated PVC Plastic Sewer Main (PSM) Fittings.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PW21071: Construction and Materials Specifications
Manual – Revision Summary

Construction and Materials Specifications Manual Revision 13 Summaries

These summaries are for information purposes and highlight major or substantial changes only.

Summary of Changes to Form 200 – General Conditions

200.03.13 - Proof of Insurance and Claims Protocol

Last paragraph deleted.

Summary of Changes to Form 400 - Specification for the Installation of Watermains

General – All references made to the application of corrosion protection (primer, mastic and tape) to restraints has been revised to include protection of bolts.

400.04 - Approved Watermain Materials

Second paragraph added.

“Pipe material used for repairs or minor modifications shall be the same material as the watermain being worked on.”

400.18.05 - Jointing Flange Pipe

The use of Red Rubber Gaskets is not permitted in the Drinking Water System.

The following paragraph has been deleted:

Gaskets shall be red rubber full faced 3mm thick in accordance with dimensions given in the latest edition of ASME B16.21 for Non Metallic Gaskets for Pipe Flanges.

Replaced with the following:

“All gaskets shall be NSF/ANSI 61 compliant”

400.21 - Backflow Preventers

This section has been revised per the following:

.21 BACKFLOW PREVENTERS

Backflow preventers used for watermain commissioning purposes or on temporary bypass systems shall be CSA-Certified reduced principal (RP)

backflow preventers and shall be supplied by the City in accordance with Form 400 - Appendix A, Section 2.1.

Backflow preventers shall be field tested by the Contractor in accordance with the MECP Watermain Disinfection Procedure.

400.23.01 - Reference to OPSD 1104.02 removed and replaced with WM-207.06.

Fifth paragraph added:

Couplings used to extend copper water services shall be protected with an approved corrosion protection tape system (primer, mastic and tape).

Summary of Changes to Form 400 Appendix A- Procedure for the Disinfection, Testing and Connection of Watermains

Section 1.2 -Definitions for Category 1 and Category 2 watermain breaks – Removed.

Section 1.6 -Intentionally Deleted. The Forms listed below have been removed from the specifications as they are for internal use only:

- Watermain Commissioning Form – Swabbing and Hydrostatic Testing Record
- Watermain Commissioning Form – Disinfection and Chlorine Residual Sample Record
- Record of Watermain Break Form

Section 2 - Revised - Removed reference to the Forms listed above.

Section 2.1 -Revised to add the paragraphs below to address the backflow prevention requirements per the Ministry of the Environment, Conservations and Parks (MECP) Watermain Disinfection Procedure:

The backflow preventer shall be field tested by the Contractor, by a qualified person who holds a valid backflow prevention tester's licence, in accordance with the MECP Watermain Disinfection Procedure and CSA Standards B64.10 and B64.10.1

For the purposes of CSA Standard B64.10, a backflow prevention tester's licence shall be an Ontario Water Works Association (OWWA) Certified Cross Connection Control Specialist Certificate or a MECP-approved equivalent. In addition to the list of professionals in Table 1 of Figure E.1. of CSA Standard B64.10, a Certified Operator or a Water Quality Analyst with a backflow prevention tester's licence shall also be authorized to test, install, relocate, repair or replace backflow preventers used in the installation and commissioning of new watermains.

If a backflow preventer is relocated within the same day, testing is only required for the first installation of the day provided that the backflow

preventer is relocated by a Certified Operator who will guard against damage during transit and re-installation.

The Contractor shall provide a copy of all backflow preventer testing documentation to the City Inspector, and shall include test results, the backflow prevention tester's name, licence number and signature.

Section 5 - Revised - Removed reference to the Forms formerly listed under section 1.6.

Summary of Changes to Form 500 – Specification for Sewer Pipe Materials and CCTV Inspection

500.06 - CCTV Sewer Inspection - Revised.

Summary:

- Added reference to PACP/MACP/LACP inspection protocols according CSA (Canadian Standards Association) and NASSCO (National Association of Sewer Service Companies)
- Guidance added relating to video formatting and key field requirements to be made as part of a video information screen, such as 'From' and 'To' Manhole ID's, Contract #, Contractor, Street Name, Date/Time, etc.
- Further guidance to CCTV operators on what the City expects as value added features of the inspection, such as performing an internal scan of the start, finish and any uncharted manhole(s).
- General data requirements to normalize key inspection details such as Compkeys, video format, NASSCO database formatting, video and inspection report naming conventions
- Updated submittal requirements regarding digital submissions, including portable hard drives, organization of data, and labelling information.

Summary of Changes to Form 800 – Specification for Hot-Mix Asphalt

800.02.01.07- JMF Adjustments - Added

.02.01.07 JMF Adjustments

1151.04.02.04 of OPSS.MUNI 1151 is amended by the addition of the following:

The Contractor shall be permitted to adjust the JMF to more closely reflect the mix being produced. The number of field adjustments to the JMF shall be limited to three for each mix design submitted, one prior to the start of production and a maximum of two during production. Field adjustments to the JMF shall be limited in scope such that:

- a) *The net impact of all field adjustments to the JMF does not exceed any of the maximum field adjustments to the JMF in Table 8 of OPSS.MUNI 1151 in comparison to the original JMF submitted*
- b) *Does not drop below the Minimum Asphalt Cement content in Table 800-1.*

JMF adjustments shall not be accepted once placement of the specific mix type has been completed.

Standard Road Drawings:

- **RD-100.03** - Utility Keyhole Excavation and Reinstatement - New Drawing
- **RD-120** - Typical Transit Shelter Pad – Revised - Removed grounding

Standard Watermain Drawings:

- **WM-201.05** – Check Valve and Chamber, 150mm to 300mm Dia. Watermain – New drawing

Approved Products List Updates

<https://www.roadauthority.com/mpl/mpl.asp?MPIShortName=Hamilton+MPL>

Products Removed:


- Mueller Catch Basins, Maintenance Holes and Valve Chambers Frames & Cover (Dec. 2020)
- Fernco EZ Tap Sewer Lateral Saddles (Dec. 2020)

New Approved Products:

- Soleno Galvanized CSP – Culverts Pipe (Dec. 2020)
- Wapro – Wastop Sewer Outfall Backwater Valve (Dec. 2020)



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 09, 2021
SUBJECT/REPORT NO:	Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS21101) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Patricia Vasquez (905) 546-2424 Ext. 5972
SUBMITTED BY:	Rick Male Director, Financial Services and Taxation & Corporate Controller Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

Section 4.4 of the Fair Wage Policy and Fair Wage Schedule, approved by Council on June 12, 2019, requires the Manager of Procurement co-ordinate the preparation of an annual report for the appropriate Standing Committee of Council regarding complaints investigated and resulting audits performed pursuant to the Fair Wage Policy and Fair Wage Schedule.

INFORMATION

This report provides an update on the status of active and completed Fair Wage complaint investigations between July 1, 2020 to October 31, 2021.

The complaints referenced in this report were governed under the requirements of the Fair Wage Policy and Schedule approved by Council on March 9, 2016. The requirements of the Policy at that time affected construction contracts over \$500,000 and required all contractors and sub-contractors providing construction and construction

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**SUBJECT: Fair Wage Policy and Fair Wage Schedule Complaints Annual Report
(FCS21101) (City Wide) - Page 2 of 2**

maintenance work to provide wages and benefits to their employees in accordance with the Policy.

FW26-2017 (Network Sewer and Watermain Ltd.)

Complaint was investigated and the audit found the contractor to be non-compliant with the requirements of the Fair Wage Policy and Schedule. The audit determined that the amounts paid to employees (required vacation pay, hourly wage and/or employer paid benefits) did not meet the requirements of the Fair Wage Policy and Schedule. Staff has received confirmation that the contractor has paid their employees the shortfall amounts however, the Audit, Finance and Administration Committee directed staff to report back on the reasonableness of the cost of the audit. Staff has provided their recommendations to Council under Report FCS21117 and, at the time of this Report, staff is waiting for further direction from Council with respect to the fees of the audit.

FW29-2019 (Contractor: Newman Bros. Limited; Sub-contractor: Ark Tech Electrical Contractors)

Complaint was received in 2019 and initial audit found the sub-contractor to be non-compliant with the requirements of the Fair Wage Policy and Schedule. The audit determined that the amounts paid to employees (required vacation pay, hourly wage and/or employer paid benefits) did not meet the requirements of the Fair Wage Policy and Schedule. The sub-contractor is required to pay their employee the shortfall amounts.

At the time of this Report, the City of Hamilton (City) continues to wait for the contractor to confirm the audit results and confirmation has not yet been provided to the City regarding the payment of the shortfall owed to the employees. The contractor is required to pay the audit costs associated with the investigation of the complaint.

FW31-2019 (Contractor: Magil Construction Ontario Inc.; Sub-contractor: Accel Electrical Contractors Ltd.)

Complaint is still under investigation as of October 31, 2021.

The three complaints, and associated audit results have been summarized and provided in Appendix 'A' to Report FCS21101.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS21101 – Fair Wage Policy and Fair Wage Schedule Complaints – July 1, 2020 to October 31, 2021

PV/dw

Fair Wage Policy and Fair Wage Schedule Complaints Annual Report
July 1, 2020 – October 31, 2021

Complaint investigated and found non-compliant with the requirements of the Fair Wage Policy:

Fair Wage Complaint Number	Contract Number and Title	Contract Award Amount	Contractor	Complaint Against	Audit Fee to be Collected from the Contractor (excludes HST)	Value of Fair Wage Shortfall	Sanctions Imposed (if any)
FW26-2017	C15-56-16 (HSW) – Upper Sherman Road Reconstruction	\$3,990,560.04	Network Sewer and Watermain Ltd.	Contractor: Network Sewer and Watermain Ltd.	\$8,555.96 recommended as per Report FCS	\$349.62	
FW29-2019	C13-13-17– Tender for Demolition of Existing and Construction of New Gage Park Tropical Greenhouse	\$4,664,830.00	Newman Bros. Limited	Subcontractor: Ark Tech Electrical Contractors	\$7,493.75 fee amount as at the time of this Report	\$196.75	

Complaints under investigation as of October 31, 2021:

Fair Wage Complaint Number	Contract Number and Title	Contract Award Amount	Contractor	Complaint Against
FW31-2019	C13-15-17 - Prequalified Contractors Required for the Construction of a new Hamilton Police Services Investigative Services Division Facility (ISD Facility)	\$20,935,017.00	Magil Construction Ontario Inc.	Subcontractor: Accel Electrical Contractors Ltd.



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 09, 2021
SUBJECT/REPORT NO:	2021 Third Quarter Request for Tenders and Proposals Report (FCS21008(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Patricia Vasquez (905) 546-2424 Ext. 5972
SUBMITTED BY:	Rick Male Director, Financial Services and Taxation & Corporate Controller Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

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

INFORMATION

This Report provides an update on the status of active Request for Tenders and Request for Proposals and Cooperative Procurements for the third quarter of 2021.

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

Appendix “A” to Report FCS21008(b) details all Request for Tenders and Request for Proposals documents issued by the City or entered into by the City through a cooperative procurement. Award information is current as of October 8, 2021.

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**SUBJECT: 2021 Third Quarter Request for Tenders and Proposals Report
(FCS21008(b)) (City Wide) - Page 2 of 2**

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS21008(b) – 2021 Third Quarter Request for Tenders and Proposals Report

PV/dw

CITY OF HAMILTON
 Summary of Tenders and Proposals Issued – July 1, 2021 – September 30, 2021

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C11-20-21	Proposal for Professional Engineering Consultant Services Required for the Installation of Permanent Emergency Standby Power for the Grafton (HSS01) and Centennial (HSS02) Stormwater Stations	04/29/2021	R.V. Anderson Associates Ltd.	Project Specific	\$396,265.00
C12-03-21	Proposal for Electrical Services for Various City of Hamilton Departments	05/04/2021	Ark Tech Contracting Ltd.	1 year + 4 options	\$1,087,065.00
C11-18-21	Proposal for Professional Engineering Consultant Services Required for the Woodward Wastewater Treatment Plant Primary Digester Cleanout and Upgrades	05/06/2021	R.V. Anderson Associates Ltd.	Project Specific	\$601,385.00
C18-09-21	Proposal for Construction Manager Required for 104-106 Bay Street North – Passive House Project	05/06/2021	Schilthuis Construction Inc.	Project Specific	\$2,288,092.06
C13-20-21	Tender for Removal and Replacement of Damaged and End of Life Roofing on the Spring Valley Arena located at 29 Orchard Drive, Ancaster	05/20/2021	Haggart Avenue Roofing Ltd.	Project Specific	\$441,669.00
C1-02-21	Proposal for Governance and Operational Review of the Hamilton Farmers' Market	05/25/2021	Optimus SBR Inc.	Project Specific	\$74,550.00

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C15-08-21 TR	Tender for New Traffic Control Infrastructure and Bump Outs	05/25/2021	Associated Paving and Materials Ltd.	Project Specific	\$525,342.19
C11-17-21	Proposal for Prime Consultant Services for Detailed Design, Tender, Construction Administration and Warranty Inspection of Sam Lawrence Park: Multi-use Trail Linkages	05/26/2021	The MBTW Group	Project Specific	\$141,930.00
C12-04-21	Tender for Supply and Delivery of Various Batteries for the City's Fleet Services and Transit (HSR)	05/27/2021	Continental Battery Canada Corp. Barton Automotive Parts Company Inc.	1 year + 4 options	\$187,509.00
	Section 1 - 12 Volt Batteries				\$189,620.25
C12-10-21	Proposal for Supply, Delivery, Installation and Service of Tires	05/28/2021	Kal Tire Ltd.	3 years + 4 options	\$13,331,073.10
C13-06-21	Tender for Prequalified General Contractor Required for the Headworks Biofilter Upgrades at the Woodward Avenue Wastewater Treatment Plant	05/28/2021	BGL Contractors Corp.	Project Specific	\$233,400.00
C11-32-21	Tender for Supply and Delivery of Medium and Large Backhoe Loaders	06/02/2021	Toromont Industries Ltd.	Project Specific	\$1,053,968.00

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C8-01-21	Proposal for Service Required for Bed Bug Identification and Treatment for the Hamilton Public Library	06/03/2021	Nimby Wildlife and Pest Control Inc.	1 year + 4 options	\$573,519.00
C11-39-21	Proposal for Prime Consultant Services for Hamilton Police Service Facilities Renovation Project	06/03/2021	Stantec Consulting Ltd.	Project Specific	\$157,344.00
C13-32-21	Tender for General Contractor for Roof and Skylight Replacement at the Hamilton Farmer's Market	06/03/2021	Verly Construction Group Inc.	Project Specific	\$1,269,000.00
C13-33-21	Tender for TSSA-licensed Liquid Fuel Contractors for Liquid Fuel Tank System Removal and Replacement – Dundas Public Works Yard	06/04/2021	Cannington Construction Ltd.	Project Specific	\$299,377.75
C13-40-21	Tender for Electrical Upgrades at 308 Rymal Road Yard (Bernie Court Yard)	06/07/2021	Neptune Security Services Inc.	Project Specific	\$160,000.00
C11-36-21	Tender for Property Maintenance Services required at Various City of Hamilton Landfills	06/11/2021	Griffin Landscape Management Solutions Inc.	1 year + 2 options	\$574,115.74
C5-06-21	Proposal for Paramedic Service Uniforms	06/14/2021	Outdoor Outfits Ltd.	1 year + 4 options	\$2,147,986.25
	Section 2 to 6				
	Section 7		Martin and Levesque Inc.		\$314,315.00
C15-58-21 BR	Tender for Bridge 329 Burlington Street over Wilcox Abutment - Rehabilitation	06/14/2021	Decew Construction Inc.	Project Specific	\$236,375.00

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C15-19-21 HW	Tender for McQuesten Neighbourhood Reconstruction	06/16/2021	Coco Paving Inc.	Project Specific	\$3,778,000.00
C13-37-21	Tender for Prequalified General Contractors for Interior Renovations for New Carlisle Library at 277 Carlisle Road	06/21/2021	Bestco Construction (2005) Ltd.	Project Specific	\$1,053,678.00
C15-61-21 H	Tender for Ellingwood Avenue and Oakland Drive - Road Resurfacing	06/21/2021	Rankin Construction Inc.	Project Specific	\$525,342.19
C13-30-21	Tender for Scheduled and Unscheduled Sewer Main and Sewer Lateral Repairs	06/24/2021	Navacon Construction Inc.	1 year + 4 options	\$14,935,750.00
C11-35-21	Tender for Flushing and Video Inspection Services for Leachate Collection Systems at Various Landfill Sites	06/28/2021	1519753 Ontario Ltd.	1 year + 2 options	\$177,120.45
C11-38-21	Tender for Supply, Installation and Maintenance of Large Caliper Trees at the Lincoln Alexander Parkway Interchanges	06/29/2021	Rodsan Landscaping and Services Ltd.	3 years	\$505,026.90
C15-63-21 H	Tender for Ancaster Heights Resurfacing	06/29/2021	Associated Paving and Materials Ltd.	Project Specific	\$1,272,866.08
C18-06-21	Tender for Removal and Replacement of Asphalt Shingled Roofs, Fascia Trim, Eavestroughs and Downspouts at 25 Towercrest Drive	06/29/2021	Sunrise Roofing Contractors Inc.	Project Specific	\$364,986.00

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C18-24-21	Tender for Contractor for Boilers and Associated Equipment Replacement at 226 Rebecca Street, Hamilton for CityHousing Hamilton	06/29/2021	Glenn Richardson Plumbing and Heating Ltd.	Project Specific	\$319,000.00
C18-13-21	Tender for General or Electrical Contractor for LED Lighting Retrofits at 185 and 206 Jackson Street East in Hamilton, Owned by CityHousing Hamilton	07/06/2021	Energy Network Services Inc.	Project Specific	\$92,390.44
C18-29-21	Tender for Site Remediation at 253 King William Street, Hamilton for CityHousing Hamilton	07/06/2021	Budget Environmental Disposal Inc.	Project Specific	\$405,899.50
C13-39-21	Tender for Contractors Required for HVAC Replacement at Terryberry, and Westdale Library Option A - Terryberry Library Option B - Westdale Library	07/08/2021	Verly Construction Group Inc. Caird-Hall Construction Inc.	Project Specific	\$1,120,200.00 \$356,000.00
C11-29-21	Tender for Prequalified Contractor Required for Outstation Arc Flash Studies	07/13/2021	AC Tesla PES Inc.	Project Specific	\$309,432.00

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C5-10-21	Tender for Supply and Delivery of TENA Incontinence Products to Long Term Care Facilities	07/14/2021	Cardinal Health Canada Inc.	1 year + 4 options	\$1,388,777.15
C15-16-21 P	Tender for Valley Park Skatepark (Prequalified General Contractors Only)	07/16/2021	Pine Valley Corp.	Project Specific	\$1,539,899.00
C13-35-21	Tender for Scenic Reservoir Expansion Joint Repairs	07/19/2021	Brook Restoration Ltd.	Project Specific	\$945,100.00
C13-41-21	Tender for Contractor Required for Demolition of Vincent Massey School, 155 Macassa Avenue, Hamilton, Ontario	07/19/2021	MAXX North America Group Inc.	Project Specific	\$483,699.00
C15-29-21 BR	Tender for Old Guelph Road - Culvert and Slope Stabilization	07/19/2021	Dufferin Construction Co. A division of CRH Canada Group Inc.	Project Specific	\$384,834.00
C15-31-21 P	Tender for Gage Park Walkway Improvements	07/20/2021	Mianco Group Inc.	Project Specific	\$678,624.67
C15-66-21 H	Tender for Albright Road - Road Reconstruction	07/22/2021	Rankin Construction Inc.	Project Specific	\$191,605.00
C13-42-21	Tender for Contractor Required for the Removal of Existing Playground, Supply and Installation of a New Playground at Beulah Park	07/23/2021	Three Seasons Landscape Group	Project Specific	\$208,076.18
C13-46-21	Tender for Environmental Control Units Upgrade at the Hamilton Central Public Library IT Room	07/30/2021	Superior Boiler Works and Welding Ltd.	Project Specific	\$396,985.00

Contracts Awarded

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Vendor	Term	Award Amount
C5-13-21	Tender for Supply, Delivery, Repair and Installation of Medical Supplies and Home Care Products and Equipment for Social Assistance Participants and Low Income Program	08/03/2021	Westmount Medical Pharmacy Inc.	1 year + 4 options	\$587,272.31
C18-20-21	Tender for Contractor for Replacement of Electrical Switchgear at 801 Upper Gage Avenue, Hamilton for CityHousing Hamilton	08/04/2021	SGS Electrical Inc.	Project Specific	\$279,130.00
C13-51-21	Tender for General Contractor for Roof Replacement and General Building Repairs at Bill Friday Lawfield Arena	08/10/2021	Proteck Roofing and Sheet Metal Inc.	Project Specific	\$648,680.00
C18-17-21	Tender for Contractor Required for Window Replacement at 772 Upper Paradise Road, Hamilton for CityHousing Hamilton	08/10/2021	1370629 Ontario Ltd. o/a JASS Construction	Project Specific	\$305,000.00
C15-68-21 M	Tender for Sealing of Cracks in Surface Course Asphalt	08/16/2021	Upper Canada Road Services Inc.	Project Specific	\$100,000.00
C15-14-21 P	Tender for Gatesbury Park Redevelopment	08/17/2021	Oakridge Group Inc.	Project Specific	\$528,872.50
C15-64-21 H	Tender for Turnbull Road and Studholme Road Retaining Walls	08/18/2021	Neptune Security Services Inc.	Project Specific	\$235,125.00
C15-15-21 P	Tender for Beasley Park Skate Bowl Reconstruction	08/25/2021	Pine Valley Corporation	Project Specific	\$301,400.00
C11-42-21	Tender for Supply and Delivery of Traffic Cable and Wire	09/02/2021	Gerrie Electric Wholesale Ltd.	1 year + 1 option	\$153,291.00

Contracts Cancelled

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Reason for Cancellation
C5-01-21	Tender for Appliance Repair for Social Assistance Recipients and CityHousing Hamilton Residential Units	04/22/2021	This Request for Tenders was cancelled as no bids were received. A new Request for Tenders will not be issued.
C13-44-21	Tender for General Contractors Required for Brock Road Yard Building – Interior Renovations	08/16/2021	The Request for Tenders was cancelled as all bids received were over budget.
C11-41-21	Tender for Supply and Delivery of 16 Foot Tandem Axle Shoring Trailers	08/20/2021	The Request for Tenders was cancelled as the only bid received was over budget. A new Request for Tenders was issued on October 5, 2021 under C12-10-21.
C5-12-21	Proposal for Physiotherapy Services at Macassa Lodge and Wentworth Lodge	08/24/2021	The Request for Proposals was cancelled due to a change in terms of refence. A new Request for Proposals with revised terms of reference will be issued.

Contracts Pending Award

Contract Reference	Contract Title	Closing Date (mm/dd/yyyy)	Contract Status
C11-40-21	Proposal for Design Visioning and Visual Analysis for Albion Falls South Access and Viewing Platform Project	08/16/2021	Closed and Under Review
C11-53-21	Tender for Winter Sidewalk and Transit Stop Maintenance Operations required within the City of Hamilton	09/07/2021	Closed and Under Review
C12-08-21	Proposal for Provision of Janitorial Cleaning Services	09/20/2021	Closed and Under Review
C11-22-21	Proposal for Consulting Services for the creation of an AMR and/or AMI (Automatic Meter Reading / Advanced Metering Infrastructure) Project	09/24/2021	Closed and Under Review
C13-54-21	Tender for General Contractors Required for Waterdown Library Reading Terrace Roof Replacement	09/30/2021	Closed and Under Review
C15-57-21 BR	Tender for Bridge 282 - Longwood Road over Highway 403 - Rehabilitation	09/30/2021	Closed and Under Review

Cooperative Procurements

City Contract Reference	Contract Title	Cooperative Group	Effective Date (mm/dd/yyyy)	Vendor	Term	Estimated City Spend
C17-13-21	Networking Products and Related Services	Ontario Education Collaborative Marketplace	09/21/2021	Long View Systems Corp.	2 years + 2 options	\$730,000.00
C17-05-21	Clothing for City of Hamilton Employees	Ontario Education Collaborative Marketplace	10/01/2021	Staples Professional	2 years + 2 options	\$130,000.00



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 09, 2021
SUBJECT/REPORT NO:	2021 Third Quarter Emergency and Non-competitive Procurements Report (FCS21009(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Patricia Vasquez (905) 546-2424 Ext. 5972
SUBMITTED BY:	Rick Male Director, Financial Services and Taxation and Corporate Controller Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

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

INFORMATION

This Report is issued quarterly in accordance with the Procurement Policy. The report details the procurement of goods and/or services during emergency situations and those detailed in Section 4.11 – Non-Competitive Procurements for the third quarter of 2021.

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

Committee and Council are advised that procurements made under a Policy 10 due to COVID-19 have not been reported in this quarterly report. All COVID-19 related procurements will be reported separately by staff.

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: 2021 Third Quarter Emergency and Non-competitive Procurements
Report (FCS21009(b)) (City Wide) - Page 2 of 3**

During the third quarter of 2021, there were 65 purchases totalling \$4,099,449.18, which were processed using an approved Policy 10 or 11. These are summarized in Appendix "A" to Report FCS21009(b).

The breakdown are as follows:

- 6 purchases totalling \$513,894.85 were issued under Policy 10, as "Emergency" purchases, whereby goods and services were acquired by the most expedient and economical means. The following purchases represent the largest dollar amount in this category:
 - Purchase Order 97925 for \$213,019.63 was issued to Coco Paving Inc. for traffic control accommodations and complete emergency bridge deck repairs at Bridge 451 Highway 5E due to the east bound lane of the bridge no longer able to safely withstand vehicular traffic due to a large pothole that largely extended into the concrete deck.
 - Purchase Order 97754 for \$130,646.96 was issued to Moffatt Equipment for the emergency supply and installation of two odour control units installed at vent locations along the sanitary trunk sewer on Highway 56 at Greenmount Road due to adverse odour complaints in the area.
- 18 purchases totalling \$491,118.69 represent short-term "Extensions" of current contracts which have expired, and unforeseeable circumstances have caused a delay in awarding a new contract. The following purchases represent the largest dollar amounts in this category:
 - Purchase Order 94070 for \$101,300.40 was issued to Sunshine Building Maintenance Inc. for the supply and delivery of corporate janitorial services. Procurement has been working with all stakeholders throughout the City to revise and update a new Request for Proposals ("RFP") document and ensure the new terms are compliant with the procurement process and health and safety standards. This extension was required to provide sufficient time to complete the procurement process and award a new contract.
- 48 purchases totalling \$3,125,877.43 were identified as "Single Source" purchases whereby a particular vendor was recommended because it was more cost-effective or beneficial to the City. The following purchases represent the largest dollar amounts in this category:
 - Purchase Order 97791 for \$249,000.00 was issued to GM BluePlan Engineering Ltd. for consulting services to develop the strategic approach and direction for the Flooding and Drainage Master Servicing Study. The study as been on hold as a result of negotiating several issues related to scope disagreement

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SUBJECT: 2021 Third Quarter Emergency and Non-competitive Procurements Report (FCS21009(b)) (City Wide) - Page 3 of 3

management. As a result of the delay and in order complete the work in a short time frame, it was decided that it would provide significant value in reducing background review time and would ensure consistent strategy to have GM BluePlan Engineering Ltd. complete work since they participated in the peer review study in February 2020.

- Purchase Order 97726 for \$226,434.00 was issued to Top-Line Roofing and Sheet Metal Inc. for the complete roof replacement of the administrative and workshop areas of the Woodward Avenue Water and Wastewater Treatment Plant's Maintenance Building due to an active leak urgent in nature. Top-Line Roofing and Sheet Metal Inc. has completed multiple roofing repairs and has intimate knowledge of the existing roofing system.
- Purchase Order 97789 for \$159,250.00 was issued to GM BluePlan Engineering Ltd. for engineering services to define strategies and technology requirements to further implement recommendations from the Project Management Office (PMO) Optimization Study. GM BluePlan Engineering Ltd. originally completed the PMO study in 2015 therefore they have the background knowledge and staff experience needed to provide the required update to the 2021 report in the most cost-effective manner.
- Purchase Order 97497 for \$147,911.00 was issued to Streetlight Data Inc. to provide City-wide transportation system data access, advanced analytics and forecasting cloud-based software. Historically, data used for predicting and analysing transportation planning, engineering and roadway safety activities were collected manually and mostly for as needed site-specific applications which is an overly onerous task. As a result, staff investigated industry availability of “big data”/comprehensive transportation capabilities through reviewing a variety of vendors who offer the service. Streetlight Data Inc. provided greater and more accurate accessibility to the data and historical information which are proprietary to this vendor.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS21009(b) – Third Quarter Emergency and Non-Competitive Procurements Report.

PV/dw

2021 Third Quarter Emergency and Non-Competitive Procurements Report

PO No.	Type	Amount	Name	Department/Division
Corporate Services				
No PO	EXTN	\$31,441.79	Imagewear a Division of Mark's Commercial	Procurement
No PO	EXTN	\$0.00	723318 Ontario Inc. o/a Athens Printing	Clerks
No PO	EXTN	\$0.00	1215553 Ontario Ltd. o/a Allegra	Clerks
No PO	EXTN	\$0.00	DirectWorx	Clerks
No PO	EXTN	\$0.00	Stirling Print Solutions	Clerks
No PO	EXTN	\$0.00	Swiaty Investments Inc.	Clerks
No PO	EXTN	\$0.00	Wilcox Door Service Inc.	Procurement
97547	SGLE	\$40,000.00	Agree Inc.	Procurement
97632	SGLE	\$54,125.00	Ernst and Young LLP	Financial Planning, Administration and Policy
Healthy and Safe Communities				
97940	SGLE	\$3,100.00	Del Management Solutions Inc.	Housing Services
96904	SGLE	\$5,000.00	Bienenstock Natural Playgrounds Inc.	Children's Services and Neighbourhood Development
97813	EXTN	\$18,000.00	Super Shine Janitorial Services Ltd.	Recreation
97644	SGLE	\$35,000.00	Mohawk Medbuy Corp.	Hamilton Fire Department
97746	SGLE	\$39,999.00	Stericycle ULC	Medical Officer of Health
97714	SGLE	\$60,000.00	Mijava Corporation of Canada	Lodges
97486	SGLE	\$75,000.00	Bay Area Health Trust	Medical Officer of Health
97712	SGLE	\$75,000.00	Scarsin Corp.	Medical Officer of Health
Library				
97741	SGLE	\$10,583.25	Bibliotheca Canada Inc.	Library
97446	SGLE	\$30,000.00	Impressive Printing	Library
Planning and Economic Development				
97817	SGLE	\$15,000.00	The Brampton Board of Trade	Economic Development
97826	SGLE	\$50,000.00	Harper's Property Maintenance	Licensing and By-law Services
97827	EXTN	\$50,000.00	All Season Landscaping and Maintenance	Transportation Planning and Parking
97828	EXTN	\$50,000.00	Power Property Contracting Inc.	Licensing and By-law Services

2021 Third Quarter Emergency and Non-Competitive Procurements Report

PO No.	Type	Amount	Name	Department/Division
85830	SGLE	\$117,215.00	ATA Architects Inc.	Tourism and Culture
Police				
96917	EXTN	\$3,000.00	Servicemaster Contract Services	Police
94627	EXTN	\$11,654.50	Super Shine Janitorial Services Ltd.	Police
97743	SGLE	\$18,885.00	Real Time Networks Inc.	Police
97495	SGLE	\$21,635.11	Dell Canada Inc.	Police
97626	SGLE	\$28,860.00	Enforcement Technology Group Inc.	Police
97496	SGLE	\$35,000.00	Telecom Computer	Police
97687	SGLE	\$38,446.12	Barton Automotive Parts Company Inc.	Police
94070	EXTN	\$101,300.40	Sunshine Building Maintenance Inc.	Police
Public Works				
97886	EXTN	\$4,260.00	Northern Painters	Environmental Services
94413	SGLE	\$7,000.00	Turf Alliance Inc. Dba Turf Consultants	Energy, Fleet and Facilities Management
97423	SGLE	\$17,927.80	Perkinelmer Health Sciences Canada Inc.	Hamilton Water
97639	EMER	\$18,917.75	Binbrook Plumbing and Heating (1997) Ltd.	Energy, Fleet and Facilities Management
96595	SGLE	\$20,000.00	Denco Restoration Contractors Inc.	Energy, Fleet and Facilities Management
97543	SGLE	\$20,750.00	Iris R&D Group Inc.	Transportation Operations and Maintenance
97501	SGLE	\$24,800.00	The Mask Corp.	Environmental Services
97513	EMER	\$27,142.51	Wm Groves Ltd.	Hamilton Water
88667	SGLE	\$35,000.00	Kompan Playscapes Inc.	Environmental Services
97704	SGLE	\$35,000.00	Eco-Counter Inc.	Transportation Operations and Maintenance
97734	SGLE	\$38,000.00	Lanhack Consultants Inc.	Energy, Fleet and Facilities Management
88463	SGLE	\$41,706.00	R V Anderson Associates Ltd.	Hamilton Water
88275	SGLE	\$45,000.00	A.B.C. Recreation Ltd.	Environmental Services
88277	SGLE	\$45,000.00	Henderson Recreation	Environmental Services
90440	EXTN	\$45,000.00	Benson Tire Inc.	Energy, Fleet and Facilities Management
97881	EMER	\$49,908.00	Morrison Hershfield Ltd.	Engineering Services

2021 Third Quarter Emergency and Non-Competitive Procurements Report

PO No.	Type	Amount	Name	Department/Division
97524	EXTN	\$50,000.00	Westwood Painting Services Inc.	Energy, Fleet and Facilities Management
97525	EXTN	\$50,000.00	Northern Painters	Energy, Fleet and Facilities Management
97857	SGLE	\$56,000.00	Hamilton Region Conservation Authority	Hamilton Water
88278	SGLE	\$60,000.00	Kayscott Holdings Ltd.	Environmental Services
97905	SGLE	\$65,000.00	Stinson Equipment Ltd.	Transportation Operations and Maintenance
93394	SGLE	\$73,840.00	R V Anderson Associates Ltd.	Hamilton Water
97867	EMER	\$74,260.00	Moffatt Equipment	Hamilton Water
97583	EXTN	\$76,462.00	Maclean Media Systems Inc.	Energy, Fleet and Facilities Management
97725	SGLE	\$77,300.00	Natural Resources Solutions Inc.	Hamilton Water
97611	SGLE	\$79,000.00	Classic Displays	Environmental Services
88543	SGLE	\$80,000.00	A.B.C. Recreation Ltd.	Environmental Services
88665	SGLE	\$80,000.00	Openspace Solutions Inc.	Environmental Services
97428	SGLE	\$88,400.00	Gm Blueplan Engineering Ltd.	Public Works Admin
97542	SGLE	\$100,000.00	The Get Go Inc.	Transportation Operations and Maintenance
97578	SGLE	\$100,000.00	Electromega Ltd	Transportation Operations and Maintenance
97575	SGLE	\$130,000.00	Innovative Traffic Solutions Inc.	Transportation Operations and Maintenance
97754	EMER	\$130,646.96	Moffatt Equipment	Hamilton Water
97487	SGLE	\$130,710.15	Milman and Associates Ltd.	Energy, Fleet and Facilities Management
88276	SGLE	\$140,000.00	Playpower LT Canada Inc.	Environmental Services
97497	SGLE	\$147,911.00	Streetlight Data Inc.	Transportation Operations and Maintenance
97789	SGLE	\$159,250.00	GM BluePlan Engineering Ltd.	Hamilton Water
97925	EMER	\$213,019.63	Coco Paving Inc.	Engineering Services
97726	SGLE	\$226,434.00	Top-Line Roofing And Sheet Metal Inc.	Hamilton Water
97791	SGLE	\$249,000.00	GM BluePlan Engineering Ltd.	Hamilton Water

PO No.	Type	Amount	Name	Department/Division
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PO No.	Type	Amount	Name	Department/Division
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INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 09, 2021
SUBJECT/REPORT NO:	2021 Third Quarter Non-Compliance with the Procurement Policy Report (FCS21010(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Patricia Vasquez (905) 546-2424 Ext. 5972
SUBMITTED BY:	Rick Male Director, Financial Services & Corporate Controller Corporate Services
SIGNATURE:	

COUNCIL DIRECTION

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

INFORMATION

This Report is issued quarterly in accordance with the Procurement Policy. This report details the use of all Procurement Policy Non-Compliance Forms for the third quarter of 2021.

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

During the third quarter of 2021, there were six (6) instances relating to the use of Policy 19, totalling \$135,367.14. The instances are summarized in Appendix "A" to Report FCS21010(b).

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**SUBJECT: 2021 Third Quarter Non-compliance with the Procurement Policy
Report (FCS21010(b)) (City Wide) - Page 2 of 2**

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS21010(b) – 2021 Third Quarter Non-compliance with the Procurement Policy Report


PV/dw

2021 Third Quarter Non-Compliance with the Procurement Policy Report

PO No.	Amount	Name	Division
Healthy and Safe Communities			
97747	\$26,390.70	Valsoft Corp Inc.	Paramedic Services
97645	\$50,000.00	Mohawk Medbuy Corp.	Paramedic Services
Library			
No PO	\$14,464.44	Canon Canada Inc.	Hamilton Public Library
Planning and Economic Development			
No PO	\$18,700.00	Hamilton Region Emergency Veterinary	Licensing and By-law Services
Police			
97894	\$10,052.00	Graphic Associates	Hamilton Police
Public Works			
No PO	\$15,760.00	KQM Manufacturing Incorporated o/a TM Steel Fabrication & Installation	Energy, Fleet and Facility Management



CITY OF HAMILTON
OFFICE OF THE CITY AUDITOR

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 9, 2021
SUBJECT/REPORT NO:	Hamilton Future Fund Audit (AUD21013) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Jane Schope, CPA, CMA (905) 546-2424 Ext. 3830 Brigitte Minard, CPA, CA, CIA, CGAP (905) 546-2424 Ext. 3107
SUBMITTED BY:	Charles Brown, CPA, CA City Auditor Office of the City Auditor
SIGNATURE:	

RECOMMENDATION

- (a) That Appendices “A” and “B” to Report AUD21013, respecting the Hamilton Future Fund Audit be received;
- (b) That the Management Response, as detailed in Appendix “B” of Report AUD21013 be approved; and,
- (c) That the General Manager of Corporate Services be directed to formulate comprehensive management action plans and submit these to the Office of the City Auditor by June 2022.

EXECUTIVE SUMMARY

The Hamilton Future Fund (HFF) was established in 2002 when Hamilton Hydro was sold for \$137M. Two reserve funds were created:

- \$100M invested to provide income which will be used to fund various projects and initiatives (Fund A); and

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SUBJECT: Hamilton Future Fund Audit (AUD21013) (City Wide) - Page 2 of 4

- \$37M to provide funding for various City and community organizations and initiatives (Fund B).

The mission of the HFF is to create a permanent legacy for current and future generations of Hamiltonians to enjoy economic prosperity and improved quality of life. As a result, the HFF awards loans and grants to fund various capital projects to benefit the citizens of Hamilton. Oversight of the HFF is provided by a Board of Governors comprised of both City Councillors and citizen members.

The overall objective of the audit was to perform an assessment of the effectiveness of the HFF, including:

- Fund governance and oversight;
- Adequacy of the processes to manage grants and loans;
- Sufficiency and transparency of reporting of the fund financial position, including investments to the Board of Governors and GIC; and
- Adequacy of performance measures including the outcomes achieved from the HFF grants and loans.

Our audit focused on ensuring these components were in place, and on identifying opportunities for improvement. The focus of the audit was on 2018 and 2019 financial information, with historical data and records reviewed as required. A total of 10 recommendations were made.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: None.

Staffing: Development of job duties for the HFF Fund Administrator need to be assigned.

Legal: There is a need for Legal Services to draft an updated Fund B grant agreement.

SUBJECT: Hamilton Future Fund Audit (AUD21013) (City Wide) - Page 3 of 4

HISTORICAL BACKGROUND

The Office of the City Auditor Work Plan 2019 to 2022 (AUD19007) included the completion of a compliance and value for money audit of the Hamilton Future Fund. The results of this audit are attached as Appendices “A” and “B” to Report AUD21013.

Initial work on the audit of the Hamilton Future Fund commenced in 2019; but was delayed due to staffing vacancies and redeployments during the COVID-19 pandemic.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

None.

RELEVANT CONSULTATION

Appendix “B” to Report AUD21013 includes responses from management responsible for overseeing the Hamilton Future Fund within the City’s Corporate Services Department.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The overall objective of the audit was to perform an assessment of the effectiveness of the HFF, including the governance, oversight and management processes.

The Office of the City Auditor (OCA) interviewed staff, reviewed financial information and other documents, researched best practices for grant programs and reserve funds, and reviewed a sample of grant applications and awards for Fund B.

Appendix “A” to Report AUD21013 contains a formal Audit Report containing the audit observations. The OCA made ten recommendations to strengthen program governance and controls. These recommendations can be found in Appendix “B” to Report AUD21013.

The Office of the City Auditor (OCA) reviewed the HFF’s fund governance and oversight including the processes to manage grants and loans, and the adequacy of performance measures.

SUBJECT: Hamilton Future Fund Audit (AUD21013) (City Wide) - Page 4 of 4

The OCA has brought forward ten recommendations to strengthen fund governance, including:

- Development of a strategic plan for the use of funds, which incorporates public consultation;
- Formalization of the roles of City employees to support the HFF, including a fund administrator;
- Improvements in the processes for grant awards; and
- Monitoring of performance measures for projects receiving funding.

Management agreed with all 10 recommendations. Management has committed to providing a comprehensive management action plan to the OCA by June 2022. The OCA will review these responses, and once satisfied that they adequately address the audit recommendations, they will be submitted to the Audit, Finance and Administration Committee for approval and to direct Management to implement these action plans.

ALTERNATIVES FOR CONSIDERATION

Not applicable.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

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

Economic Prosperity and Growth

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

Our People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report AUD21013 – Hamilton Future Fund Audit

Appendix “B” to Report AUD21013 – Recommendations and Management Response



Hamilton

Office of the City Auditor

Hamilton Future Fund Audit



December 9, 2021

Office of the City Auditor

Jane Schope, Senior Auditor

Brigitte Minard, Deputy City Auditor

Charles Brown, City Auditor

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**Executive
Summary**

The Council-approved Office of the City Auditor Work Plan 2019-2022 (Report AUD19007) included a compliance and value-for-money audit of the Hamilton Future Fund (HFF).

The Office of the City Auditor (OCA) reviewed the HFF’s fund governance and oversight including the processes to manage grants and loans, and the adequacy of performance measures. The OCA has brought forward ten recommendations to strengthen fund governance, including:

- Development of a strategic plan for the use of funds, which incorporates public consultation;
- Formalization of the roles of City employees to support the HFF, including a fund administrator;
- Improvements in the processes for grant awards; and
- Monitoring of performance measures for projects receiving funding.

Management agreed with all 10 of the recommendations. Comprehensive management action plans are to be provided to the OCA by June 2022.

Strengthening Hamilton Future Fund Governance



Introduction and Background

The HFF was established in 2002 when Hamilton Hydro was sold for \$137M. Two reserve funds were created:

- \$100M invested to provide income which will be used to fund various projects and initiatives (Fund A); and
- \$37M to provide funding for various City and community organizations and initiatives (Fund B).

The mission of the HFF is to create a permanent legacy for current and future generations of Hamiltonians to enjoy economic prosperity and improved quality of life. Fund A projects have included, for example, grants for major capital projects for the 2015 Pan-Am Games, and construction of affordable rental housing as part of the Poverty Reduction Investment. Fund B grants were awarded, for example, for the capital improvement or construction of sports facilities and for the construction of a common area in a residential hospice.

The Board of Governors was established to provide oversight to the HFF. The Board is composed of the Mayor, four City Councillors and 13 citizen members.

The Board of Governors is a sub-committee of the General Issues Committee (GIC) of City Council; and makes recommendations regarding the use of the HFF reserves.

According to reports prepared by Finance; the preliminary reserve balance (as of December 31, 2019) in the HFF was about \$49M in Fund A, and about \$1.8M in Fund B. The preliminary reserve balances reflect the activity in the HFF since inception; which includes loans and grants awarded, investment income and loan repayments.

Fund A
\$100M

Investments in various capital projects that provide permanent community benefit and improve the economic prosperity of citizens of Hamilton.

Fund B
\$37M

Grants for capital projects for various City and community organizations and initiatives.

Audit Objective

The overall objective of the audit was to perform an assessment of the effectiveness of the HFF, including:

- Fund governance and oversight;
- Adequacy of the processes to manage grants and loans;
- Sufficiency and transparency of reporting of the fund financial position, including investments to the Board of Governors and GIC; and
- Adequacy of performance measures including the outcomes achieved from the HFF grants and loans.

Audit Scope

The audit scope included governance, oversight and management processes. The focus of the audit was on 2018 and 2019 financial information, with historical data and records reviewed as required.

The OCA notes that the most recent final year end reporting is the year ended December 31, 2018. The OCA also reviewed preliminary year end reporting for the year ended December 31, 2019. Year-end reporting for December 31, 2020 was not available at the time of audit fieldwork and report writing.

What We Did

- 1) Gained an understanding of HFF governance, oversight and management processes.
- 2) Assessed processes and controls in place for fund governance, oversight and management. HFF financial information and reporting was reviewed for 2018 and 2019. Fund B grants were reviewed for the most recent applications made in 2018/2019.

How We Did It

- Researched best practices for grant programs and reserve funds;
- Interviewed relevant staff;
- Reviewed governance over the HFF programs, including relevant processes, procedures, and administrative practices;
- Examined financial reports and supporting documentation;
- Reviewed a sample of grant applications and awards for Fund B; and
- Compared HFF governance and administrative practices to those of other City of Hamilton programs such as the City Enrichment Fund.

Detailed Findings

The HFF is a reserve fund created in 2002 from the sale of Hamilton Hydro for \$137M. The funds are to be used for various capital projects for both the City of Hamilton and community organizations.

HFF program management includes the process of:

- Determining the strategic direction for use of funds;
- Review of applications and requests for funding, including the evaluation and awarding of loans and grants for capital projects;
- Contract management of loans and grants through the review of progress reporting during and upon completion of projects;
- Investment and financial reporting of the reserve balances; and
- Performance measures to determine if value-for-money was achieved for the funded projects.

Accountability Framework Needs Improvement

A formalized accountability framework for the management of the HFF provides rigour and transparency to the processes for the Board of Governors, City staff, and grant/loan recipients.

Formalized processes and procedures ensure that HFF grants and loans are managed in accordance with sound governance principles in order to ensure that program objectives are achieved.

HFF has some aspects of an accountability framework including:

- Mission statement and guiding principles to assist in fund management and the use of funds;
- A Board of Governors with defined roles, responsibilities and accountabilities to provide oversight to the HFF;
- GIC and Council provides additional oversight by approving the recommendations made by the Board of Governors for the use of funds;
- Investment of unused funds is managed internally by the City's Chief Investment Officer;
- Processes are in place for grant applications, selection and awards; and
- Regular reporting to the Board of Governors of the financial status of the HFF, including the investment returns of uncommitted funds.

Detailed Findings

Oversight of the HFF, however, could be improved:

- Overall strategy as to the use and nature of fund investments could be improved;
- HFF has no terms of reference, even though this was requested by the General Issues Committee;
- There is no Fund Administrator (City staff) assigned to ensure that all requirements of the HFF applications, contracts and financial reporting were met;
- Roles, responsibilities and accountabilities of City staff are not clearly defined as to how they support the HFF;
- Board of Governors does not have a regular meeting schedule, and does not open funding applications on a defined schedule;
- Community consultation for input on HFF project funding has not occurred, as per the HFF's guiding principles;
- Management of grants needs to be formalized, including the clarity and consistency of scoring of applications for approval; and
- Reporting of performance measures and successes of the HFF grant and loan recipients could be improved.

Overall Strategic Direction of the Funds Needs Strengthening

A strategic plan for the use of the HFF reserve helps ensure fund transparency, sufficiency and that the mission and guiding principles are achieved. A plan for the use of the HFF can help ensure the most effective use of taxpayer funds that benefits the community. A reserve strategy for the HFF can outline how the funds will be used, for example, over the next five to ten years.

The plan for the HFF should also be in alignment with the strategic plan for the City of Hamilton and the results of public consultations on the best use of funds. HFF investments could incorporate and contribute to the strategic priorities for the City; for example, Economic Prosperity and Growth, Healthy and Safe Communities, Built Environment and Infrastructure, and Culture and Diversity.

Currently, there is no comprehensive plan in place that outlines how the City will use the HFF reserve, for example, over the next five to ten years. Also, the guiding principles for the HFF could be better defined to help determine the most effective use of funds.

Detailed Findings

Hamilton Future Fund Mission and Guiding Principles

The HFF has an established mission statement and guiding principles that were developed when the fund was established in 2002. The mission of the HFF is to create a permanent legacy for current and future generations of Hamiltonians to enjoy economic prosperity and improved quality of life.

Guiding principles of the HFF include:

- Investments provide permanent community benefit;
- Investments improve the economic prosperity of Hamiltonians;
- Fund should be self-sustaining;
- Investments should achieve specific, measurable results;
- Fund management should include a clear accountability framework; and
- Fund management should be transparent and include community consultation.

Roles, Responsibilities and Accountabilities of Board of Governors and City Staff

The role of the Board of Governors was established by the Committee of the Whole in 2002 (now GIC) to:

- recommend to Council future uses of \$100M fund that will be invested over the next five years;
- develop performance criteria and future investment priorities and make recommendations to Council;
- obtain public input on future directions and priorities;
- track HFF performance and ensuring project benefits are completed and benefits materialize; and
- issue an annual report on the operation of HFF (revenues, expenditures, projects initiated/completed, and investment performance).

The Board of Governors meets according to the discretion of the Chair. There is no defined schedule for meetings. The last meeting was held in January 2020. There is also no fund administrator (City staff) assigned to provide oversight and support to the HFF. Finance staff, however, have reported regularly to the Board of Governors on the HFF Reserve Balances for both Funds A and B. A Legislative Coordinator from the Office of the City Clerk has supported the Board of Governors' meetings; and by receiving and organizing grant information for Fund B.

Detailed Findings

In addition, the City's Chief Investment Officer has the responsibility to invest the unused funds and to report on the investment results annually. The HFF investment performance is reported as part of the City of Hamilton's Annual Reserve Fund Report and uses a similar investment strategy. In the creation of the HFF, Council directed staff to provide Council and the Board with regular reports on the status of the HFF reserve and projects funded from the HFF (FCS02107). However no formal reports of status and activity have been tabled since the 2018 calendar year. In the past, regular reporting meant at least annually. While preliminary HFF reserve balances were reported for the year-ended 2019, full reports have not been issued for the year-ended 2020 or 2021.

Fund A

HFF Reserve Fund A of \$100M was to be invested and protected for a five-year period from inception of the HFF in 2002 to provide investment income as a permanent source of funding. It was anticipated that funds would be used for projects that would otherwise be unaffordable if funded from City's Capital Levy. After the five-year initial investment period and growth of the HFF; the funds could be used for capital projects. After the five-year period a community consultation was recommended to obtain input before any further spending allocations were made.

Significant uses of Fund A since inception include:

- Reduction of property taxes from the transfer of \$13.8M investment interest from 2003 to 2008;
- Loans to the City of Hamilton from 2005 to 2017 for about \$98M (approved through a By-law) to fund various capital projects;
- Grants for the Poverty Reduction Investment for construction of affordable rental housing for a total of \$20M paid from 2017 to 2021;
- Grants for \$55.2M in 2009 for capital projects related to the 2015 Pan-Am Games; and
- Loans to external organizations for capital projects for the McMaster Health Campus (\$10M), Good Shepherd Centre (\$5M), and Bob Kemp Hospice (forgivable loan for \$1.5M).

The reduction in property taxes, grants and loans from the HFF were approved by Council.

Fund A investments, however, were not protected during the first five-year period, as was required when the fund was established. Funds were to be invested and allowed to grow for sustainability over the five-year period. Some of the funds were used during the first five years to reduce taxes, and on loans to the City for capital projects. The loans to the City were promissory notes to be repaid to the

Detailed Findings

HFF with interest. These loans were an alternative to taking on external debt to finance capital projects; and the principal and interest is repaid annually.

Subsequent major expenditures from the fund as noted above, were for capital projects that would provide permanent community benefit and could improve the economic prosperity of Hamilton residents; and would be in alignment with the guiding principles. However, community consultations regarding the use of funds have not been undertaken. Community consultation can help determine the funding priorities of future capital projects, such as investments in, for example, affordable housing, reducing homelessness, transportation, and climate change.

Based on past Fund A investments, funds have mainly been used for internal City projects, rather than for capital projects for external organizations. Community consultation could also help determine the mix of fund investments that would be allocated to both external organizations and the City of Hamilton programs.

Community engagement and input is an important part of achieving the 2018 to 2022 Term of Council priorities (particularly the priority of Trust and Confidence in City Government), and therefore the HFF should ensure public input into the allocation of HFF community investments.

According to management reports, the preliminary projected reserve balance of Fund A as of December 31, 2019 was about \$49M. The \$49M does not include the value of loans payable back into the fund, which will accrue over the coming years. It is expected the fund will gradually replenish itself from:

- repayment of loans with principal and interest; and
- investment income.

According to Finance's estimates as of December 31, 2019, the fund is expected to grow to \$99.7M by 2028 due to investment income and loan repayments. However, the projected growth of Fund A is based on an assumption that no new grants or loans are withdrawn after 2021.

Detailed Findings

Fund B

Fund B, which was \$37M at inception of HFF, was to be used to provide funding for various capital projects both within City programs and for external organizations. The funds are grants which are awarded as part of an application process.

Spending portfolios for Fund B were established in 2002 as key areas of focus for funding of various City and community organizations and initiatives. The spending portfolios included three investment categories:

- Enhancing Hamilton's Economy;
- Enhancing Hamilton's Social Fabric; and
- Enhancing Hamilton's Community Life.

Investment in downtown Hamilton was also considered a high priority; with a recommended \$16M to be set aside for downtown investment. Grants are awarded by the Board of Governors and receive final approval from GIC and Council. The Board of Governors is responsible for ensuring that the Fund B grant awards adhere to the guiding principles and the investment categories. The grant application process, however, is not opened on a defined schedule such as on an annual basis.

According to management reports, the estimated uncommitted balance in Fund B was about \$1.8M at the end of 2019.

Fund B Grants Processes

The process of reviewing applications and awarding grants is managed by the Board of Governors. Fund B grants were last awarded in mid-2019; based on the application process which was open from late 2018 to early 2019. There were 34 applications for funding with seven grants awarded for about \$1.3M.

Prior to this, grant applications were open in late 2017; with grants awarded in early 2018. There were 38 applications for funding; with nine grants awarded for about \$1.5M. Grant recipients and amounts awarded are posted on the City of Hamilton website.

Formalized processes and procedures ensure that grants are identified, awarded and managed in accordance with sound governance principles, ensuring that program objectives are achieved.

Grants program management includes the process from the initial application for funding, evaluation and awarding of the grant, progress monitoring, and final

Detailed Findings

reporting upon completion of the project. Since the terms of the funding and the project are laid out in an agreement signed by both the City of Hamilton and the grant recipient, contract management practices can be applied to ensure accountability and transparency for the use of grant funding.

In our audit we found there were no formal policies or procedures regarding the awarding of grants from Fund B. There were, however, informal procedures and/or a methodology used by the Board of Governors to award grants.

We found some elements of an accountability framework for Fund B grants that were in place, as follows:

- Grant applications were formally reviewed and approved by the Board of Governors;
- Standardized forms and requirements were developed and used for grant applications;
- Grant applicants were required to state how the project aligned with program objectives and provide outcome measures specific to their project;
- Grant applicants were required to provide a project budget and financial information;
- Grant recipients entered into a standard agreement with the City of Hamilton outlining the nature of the grant, payment, and conditions for funding; and
- Progress reports were required to be provided six months after receipt of funding.

However, there were limited formalized guidelines and procedures for the management of the Fund B grants in the following areas:

- Clarity and consistency in the scoring of grant applications for approval;
- Compliance with the grant agreement, including adherence to planned expenditures and project outcomes; and
- Clarity around the City's ability to exercise the right to audit grant recipients.

In addition, HFF grants program records are not centralized; but are maintained in different City departments. The Legislative Coordinator receives and maintains grant applications and progress reports, which are forwarded to the Board of Governors for review. After approval of the grants by Council; Finance maintains the signed grant agreements and arranges for the authorization and payment of funds to grant recipients. The Board of Governors retains their documentation for the review and evaluation of grant applications. Overall, there is no centralized staff review of the grant documentation for compliance with the applications and processes in order to assist the Board of Governors.

Detailed Findings

Review and Approval of Grant Funding Requests

The standardized application for proposed projects includes:

- Alignment with the objectives and principles of the HFF;
- Overview of the capital project to be provided, including goals and objectives;
- Project budget, including financial statements and other sources of funding; and
- Performance measures to demonstrate the achievement of program goals.

Grant applications are reviewed at an HFF Board meeting. A checklist is used to assist Board members in the objective and consistent selection of grants applicants. The checklist aligns with the key requirements for projects outlined in the application form. Those grants which do not meet the minimum requirements of the application are rejected. Applications meeting the minimum requirements can also be ranked from A to D; but this does not involve scoring each category in the checklist. The ranking is an approximation that may be used to assist Board members in prioritizing applications; but is not required. In addition, the checklists are not maintained to help support the decisions to approve or deny applicants.

All grant applications are reviewed and discussed at the Board meeting. The Board then makes the decision to approve or deny the grant; or obtain further information from applicants. General reasons were provided by the Board as to why the applicants were approved or denied. There was no discussion of the ranking of each project according to the checklist.

While the application reviews are transparent, and discussed publicly, the checklist used by Board members to determine the grant recipients needs a more formal scoring and ranking of the key elements of the application form to help ensure fairness and transparency of the process and remove potential bias for certain projects. The Board has recently formed a working group to improve and enhance the grant selection criteria and scoring. In addition, projects that can enhance equity, diversity and inclusion in Hamilton could be added in the future as part of the selection criteria. Equity, diversity and inclusion is an especially important consideration given the capital nature of the grants, which can provide permanent benefits to the community.

Furthermore, the Board has had recent discussions that it would be useful for City staff to offer HFF information sessions to assist potential grant applicants to understand the requirements of the process; and therefore, make a stronger application. These sessions would assist new organizations or individuals, who may have limited understanding of the grants process to make a more competitive application.

Detailed Findings

Contract Management of Grants Programs

Contract management of approved grants programs helps ensure that funding is used by recipients in accordance with their agreements. Without formalized processes for the contract management of HFF grants, the Board assumes the risk that projects will not be successful and will not provide value-for-money.

Project objectives and expected outcomes are outlined in the grant applications. In addition, the agreement with the recipient forms the basis for contract management of the grant. The grant agreement briefly states the project for which the funds were approved.

The grant application includes language that a follow-up report should be provided after six months as to the status of the project. However, the grant agreement with the City does not require grant recipients to provide progress reporting after the funds are received. A final report at the completion of the project is also not required, although some smaller projects may be completed within six months.

Progress and/or final reports for funded projects are critical to enable effective contract management for HFF projects, as they should contain the following important information (per HFF Grant Application):

- Reporting timeline to meet the funding request;
- Specific performance criteria;
- Clearly articulated and expected outcomes;
- Indicators for measuring the achievement of expected outcomes; and
- Regular reporting to HFF Board on the achievement of outcomes.

The Legislative Coordinator sends a reminder letter to grant recipients if a progress report has not been received within the first six months. There is no City staff administrator to follow-up on the status of the projects and review the submission, including the use of funds. As a result, some projects may not report out on a timely basis, and the Board is uncertain as to whether the funds were spent for the intended purpose, and whether the project progressed in a timely fashion.

The progress reports are presented at the subsequent Board meeting for review. The Board, however, does not have a defined meeting schedule, so the progress of grant recipients would have not been reviewed since the last meeting in January 2020.

It is also important to note that funds are paid out to grant recipients in one installment, regardless of the length of the project. The City may want to consider payment in installments based on progress reporting for longer term projects, given the size and timing of some of the grants. For example, \$250K was awarded toward the construction of a new hospice; which is a long-term project.

Detailed Findings

Program successes and outcomes should be tracked and reported by the HFF Board to the GIC to demonstrate the value of the grant program and the contributions made to the residents of Hamilton. Reporting on outcome measures, however, is not currently required as part of the grant agreement. It is therefore challenging to know the positive impact of HFF funding to Hamilton residents.

Grant recipients, according to their contract, are also required to return surplus funds either not required for their project or due to the dissolution of the organization. Unused funds must be returned within two years from the date of payment. Given the infrequent or inconsistent review of progress reports, including financial information; the requirement to return unused funds may not be monitored on a timely basis. In addition, there are also no guidelines around the right to audit clause in the contract; both to ensure that funds were utilized as intended, and the anticipated outcomes per the grant application were achieved.

Performance Reporting of Program Successes Needs Improvement

Regular performance reporting of HFF successes and challenges is important to ensure both that program goals are achieved and for the accountability of fund recipients.

According to the HFF guiding principles, "investments should achieve specific, measurable results." In addition, investments are to "provide permanent community benefit" and "improve the economic prosperity of Hamiltonians." In addition, the Board of Governors is accountable for tracking and developing performance measures both on an overall program basis and on an individual project basis.

The responsibilities of the HFF Board include:

- developing performance criteria and future investment priorities and making recommendations to Council;
- obtaining public input on future directions and priorities;
- tracking HFF performance and ensuring project benefits are completed and benefits materialize; and
- issuing an annual report on the operation of HFF (revenues, expenditures, projects initiated/completed, and investment performance).

Performance measures of activities by program, for example, such as number of roads repaired, number of individuals who benefited from hospice services, and number of meals served to at-risk youth; can demonstrate the impact of the HFF in the community. Performance reporting of funded projects can also be utilized

Detailed Findings

as feedback into determining the future strategic direction and priorities of the fund based on results achieved.

The HFF Board of Governors has not provided comprehensive performance reporting on the successes and challenges of the funded projects to GIC and Council and has not issued an annual report. Overall performance criteria and future fund investment priorities have not been developed. All projects receiving funding, however, have been approved by both GIC and Council. It is an important principle of public accountability that the expenditure of government funds be shown to have public benefit, with demonstrable outcomes.

Fund A projects, such as, for example, the McMaster Medical Campus, Poverty Reduction Investment, and capital investments in roads may have outcome reporting that is not centrally received by the HFF Board of Governors, and therefore not reported to GIC, because there is no requirement to do so.

Fund B grant recipients, however, are required to provide progress reports on their projects' status to the Board of Governors, per the grant application. The progress reports content requirements include indicators for measuring the achievement of expected outcomes, however, the submission of this information is not required according to the grant contract.

Progress reports should be required and reviewed upon receipt for performance measures aligned to project objectives in the application. Progress and final reports that are received (voluntary submissions) are included as part of the Board of Governors meeting but are not summarized and forwarded to GIC and Council.

The Board of Governors reviews and approves an annual statement on the financial activity of the HFF from Finance, and an annual review of the Investment returns and activity from the Chief Investment Officer.

As there is no fund administrator and the Board meets infrequently, there has been limited work done in developing and/or reporting on performance measures for the HFF, other than the review of progress reports submitted for Fund B.

As a result, performance measures and reporting are not adequate to determine if program goals and value-for-money was achieved for the funded projects.

Recommendations

Please refer to Appendix "B" to Report AUD21013 for a list of Recommendations and the related Management Response that will strengthen governance and oversight of the Hamilton Future Fund.

Conclusion

The OCA has identified several opportunities for strengthening the oversight of the HFF. Strengthening the accountability framework of the HFF provides rigour and transparency to the management of funds to ensure that program objectives are achieved, therefore reducing financial and reputational risk to City.

The OCA would like to thank employees and management Corporate Services Division for their assistance in this project. We look forward to receiving the comprehensive management action plans and the improved oversight of the Hamilton Future Fund.

**Office of the
City Auditor**

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Hamilton

Office of the City Auditor

Hamilton Future Fund Audit

Recommendations and Management Response

December 9, 2021

Office of the City Auditor

Jane Schope, Senior Auditor

Brigitte Minard, Deputy City Auditor

Charles Brown, City Auditor

Introduction

The following ten recommendations will improve oversight and governance of the Hamilton Future Fund.

Please note that Management has provided one, short management response, and will be submitting a comprehensive management action plan to the Office of the City Auditor (OCA) by June 2022. The OCA will review these responses, and once satisfied that they adequately address the audit recommendations, they will be submitted to the Audit, Finance and Administration Committee for approval and for direction to be provided to Management to implement their action plans.

Recommendation 1

That a terms of reference and a reserve strategy for the HFF be developed in order to ensure fund transparency, sufficiency and that the mission and guiding principles are achieved. A reserve strategy for the HFF can outline how the funds will be used in alignment with the City's strategic plan.

Recommendation 2

That Management (in consultation with the HFF Board of Governors), consider conducting public consultations regarding the development of a fund strategy that includes ensuring future approve projects are in alignment with the City's strategic plan.

Recommendation 3

That the roles, responsibilities and accountabilities of City staff who support the HFF be formalized, including the assignment of fund administrator duties so that HFF administrative matters are adequately managed on an ongoing basis.

Recommendation 4

That there be a defined meeting schedule for the Board of Governors, including a specified number of meetings per year, to provide adequate and timely oversight to the HFF activities.

Recommendation 5

That the existing Fund B checklist be revised to become an evaluation form that includes scoring of grants in each application category/criteria. Consistent evaluation practices will enhance the objectivity and transparency when evaluating the following:

- The grant application's alignment with the objectives of the program; and
- Justification of the selection of the grant recipients based on the merit of the proposal.

Recommendation 6

That the Board consider revising the grant application form and scoring checklist/evaluation to include criteria on how the project contributes to equity, diversity and inclusion in Hamilton.

Recommendation 7

That the processes for contract management of grants be formalized and strengthened, with attention to the following areas:

- Development of a standard format or template for progress and final reporting of grant activities including project expenditures and outcomes;
- Requiring that progress and final reports on expenditures and project outcomes be submitted at regular intervals as part of the grant agreements;
- City staff (Fund Administrator) be required to follow-up on the receipt and completeness of progress and final reports including the use of funds and outcome measures;
- Consideration be given to the payment of funds in installments according to the length and progress of the project;
- Develop guidelines around the right to audit grant recipients if required according to the monitoring of progress reporting and use of funds; and
- Consult with Legal Services, as appropriate.

Recommendation 8

That the Hamilton Future Fund Administrator develop performance measures and reporting to demonstrate the achievement of program goals and value-for-money for funded projects, both internal and external to the City.

Recommendation 9

That performance reporting be used to develop future evaluation criteria and HFF investment priorities that are in alignment with the objectives and guiding principles of the HFF.

Recommendation 10

That management follow the direction of Council and provide regular reporting (i.e. at least annually) on the reserve and projects funded from the HFF.

Management Response

Management is agreeable with all 10 of the OCA's recommendations.

Management will work towards thorough Management Action Plans intended to strengthen the oversight of the Hamilton Future Fund, including providing rigour and transparency to the management of funds to ensure that program objectives are achieved, therefore reducing financial and reputational risk to City.

Management will provide thorough Management Action Plans to the OCA, so that the OCA can review and report to Committee and Council.

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Hamilton

Office of the City Auditor



HAMILTON

FUTURE FUND

AUDIT

Charles Brown CPA, CA
City Auditor

To perform an assessment of the effectiveness of the Hamilton Future Fund, including:

- Fund governance and oversight
- Adequacy of the processes to manage grants and loans
- Sufficiency and transparency of reporting of the fund financial position, including investments, to the Board of Governors and GIC
- Adequacy of performance measures including the outcomes achieved from the HFF grants and loans

Introduction and Background

The HFF is a reserve fund created in 2002 from the sale of Hamilton Hydro for \$137M. The funds are to be used for various capital projects for both the City of Hamilton and community organizations.

**Fund
A
\$100M**

Investments in various capital projects that provide permanent community benefit and improve the economic prosperity of citizens of Hamilton.

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Grants for capital projects for various City and community organizations and initiatives.

HFF program management includes the process of:

- Determining the strategic direction for use of funds;
- Review of applications and requests for funding, including the evaluation and awarding of loans and grants for capital projects;
- Contract management of loans and grants through the review of progress reporting during and upon completion of projects;
- Investment and financial reporting of the reserve balances; and
- Performance measures to determine if value-for-money was achieved for the funded projects.

Key Findings and Observations - Overall

- Overall strategy as to the use and nature of fund investments could be improved
- HFF has no terms of reference, even though this was requested by the General Issues Committee
- There is no Fund Administrator (City staff) assigned to ensure that all requirements of the HFF applications, contracts and financial reporting are met
- Roles, responsibilities and accountabilities of City staff are not clearly defined as to how they support the HFF
- Board of Governors does not have a regular meeting schedule, or open funding applications on a defined schedule
- Community consultation for input on HFF project funding has not occurred, as per the HFF's guiding principles
- Management of grants needs to be formalized, including the clarity and consistency of scoring of applications for approval
- Reporting of performance measures and successes of the HFF grant and loan recipients could be improved

Key Findings and Observations – Future Plans

- Need for comprehensive plan that outlines how the City will use the HFF reserve, for example, over the next five to ten years.
- Formal reports of status and activity have not been tabled since the 2018 calendar year. In the past, regular reporting meant at least annually
- Based on past Fund A investments, funds have mainly been used for internal City projects, rather than for capital projects for external organizations
- Projected reserve balance of Fund A as of December 31, 2019 was \$49M (does not include the value of loans payable back into the fund) It is expected the fund will gradually replenish itself. Fund is expected to grow to \$99.7M by 2028 from investment income/loan repayments.
- Balance in Fund B was about \$1.8M at the end of 2019.

Key Findings and Observations - Grants

- Limited formalized guidelines and procedures for the management of the Fund B grants in some areas – scoring, compliance, adherence to planned expenditures and outcomes, clarity around the City’s right to audit grant recipients
- HFF grants program records are not centralized; but are maintained in different City departments
- No centralized staff review of the grant documentation for compliance with the applications and processes in order to assist the Board of Governors.
- Application reviews are transparent, and discussed publicly; checklist used by Board members to determine the grant recipients needs a more formal scoring and ranking of the key elements of the application

Key Findings and Observations – Performance Reporting

- Program successes and outcomes should be tracked and reported by the HFF Board to the GIC to demonstrate the value of the grant program and the contributions made to the residents of Hamilton. Reporting on outcome measures, however, is not currently required
- Given the infrequent or inconsistent review of progress reports, including financial information; the requirement to return unused funds may not be monitored on a timely basis.
- Need comprehensive performance reporting on the successes and challenges of the funded projects to GIC and Council and has not issued an annual report
- No City staff administrator to follow-up on the status of the projects and review the submission, including the use of funds. As a result, some projects may not report out on a timely basis

Ten recommendations made to strengthen fund governance, including:

- Development of a strategic plan for the use of funds, which incorporates public consultation
- Formalization of the roles of City employees to support the HFF, including a fund administrator
- Improvements in the processes for grant awards
- Monitoring of performance measures (outcomes) for projects receiving funding

Strengthening Hamilton Future Fund Governance



Management agreed with all 10 of the recommendations.

Comprehensive management action plans are to be provided to the OCA by June 2022.



Hamilton

THANK YOU



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Engineering Services Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 9, 2021
SUBJECT/REPORT NO:	Investing in CityRoads and Sidewalks Infrastructure with Canada Community - Building Funds (PW21073) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Erika Waite (905) 546-2424 Ext. 6397 Greg Wuisman (905) 546-2424 Ext. 2431
SUBMITTED BY:	Edward Soldo Chief Road Official Public Works Department
SIGNATURE:	

RECOMMENDATION

- (a) That the Canada Community Building Fund investment of \$30 M be allocated to the list of projects in Appendix "A" to Report PW21073;
- (b) That three Public Works temporary full time equivalents be hired for up to 24 months at an estimated cost of \$850,000 and funded from Unallocated Capital Levy Reserve 108020 to deliver the Canada Community-Building Fund projects;
- (c) That the Procurement Policy 4.9 Consulting and Professional Services requirements be waived to allow for the direct award of Roster Assignments above the \$150,000 threshold for consultancy work pertaining to the Canada Community-Building Fund projects;
- (d) That the matter respecting Investing in CityRoads and Sidewalks Infrastructure with Canada Community-Building Funds be identified as complete and removed from the Audit, Finance and Administration Committee Outstanding Business List.

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OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: Investing in City Roads and Sidewalks Infrastructure with Canada Community- Building Funds (PW21073) (City Wide) - Page 2 of 7

EXECUTIVE SUMMARY

At the July 5, 2021 General Issues Committee, Council provided staff with direction through resolution of the motion titled “Investing in City Roads and Sidewalks Infrastructure with Canada Community-Building Funds (CCBF) to deliver roads and sidewalk infrastructure projects utilizing \$30 M of the \$32.7 M one-time additional funding transfer, allocated equally amongst each of the 15 City of Hamilton’s (City) wards (\$ 2M per ward), and expedite the use of funds with a procurement process to limit exposure to rising (inflationary) prices.

Pursuant to Council’s direction, Public Works staff have developed a plan to expedite the delivery of road and sidewalk infrastructure projects. A multiphase delivery approach has commenced to ensure inclusive communication and consultation, and to ensure funding is applied to projects that are most suitable for expedited improvements in order to achieve maximum return on investment while ensuring alignment with Council approved plans and policies (Complete Streets, Cycling Master Plan and Vision Zero).

Consultation with Councillors was undertaken to discuss preliminary recommendations for candidate projects, improvement scope options, timing and cost estimates. Based on the consultation, a capital project list (Appendix “A” to Report PW21073) has been developed and is presented for Council approval.

Upon approval of the project list, any changes to scope, schedule and cost that are identified in the design and implementation phase will be communicated to Councillors. In the event of significant changes to a selected project, through consultation with Councillors, and alternate project(s) will be selected for Council approval as expeditiously as possible.

The proposed implementation of the capital project list will be expediated through the use of consultant resources facilitated through the City’s Professional and Consultant Services Roster C12-06-18 and C12-13-21 and through the approval of three Public Works temporary full-time equivalents for a 24-month timeframe to manage the external resources and contract administration.

The implementation plan will utilise groupings of similar type projects, geographic proximity, and timing of contract tendering to obtain preferred pricing using the existing procurement process.

Alternatives for Consideration – Not Applicable

SUBJECT: Investing in City Roads and Sidewalks Infrastructure with Canada Community- Building Funds (PW21073) (City Wide) - Page 3 of 7

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Based on the July 5, 2021 General Issues Committee motion to invest \$30 M in City Roads and Sidewalks infrastructure with the Canada Community-Building Funds, the one-time funding will be allocated equally amongst each of the 15 City wards (\$2 M per ward). The investment in infrastructure is expected to have a positive benefit to the lifecycle activities of these assets.

The cost of employing three temporary full time equivalent Project Managers over a 24-month period to support the delivery of the program is estimated at an upper limit of \$850,000 inclusive of benefits and cost of living increases.

Staffing costs are not eligible to be funded by the CCBF. The temporary positions will be funded by the Unallocated Capital Levy Reserve #108020.

Staffing: Additional staffing will consist of three temporary full time equivalents CUPE Local 1041 Senior Project Manager positions specifically two Engineering Design Project Managers and one Construction Project Manager to support the creation and delivery of the projects.

The Construction Project Manager will provide construction administration and contract management through the direction of in-house staff and consultants to ensure that projects are constructed and delivered in accordance with City, Provincial and Federal regulations or guidelines.

The two Engineering Design Project Managers will provide design services from preliminary engineering to final detailed design and tendering as well as project management services including the management of consultants, recommending and implementing standards for work performed by consultants on Design projects.

Legal: N/A

HISTORICAL BACKGROUND

Council resolved, at the General Issues Committee Meeting on July 5, 2021, through the motion titled “Investing in City Roads and Sidewalks Infrastructure with Canada Community-Building Funds”, in accordance with The Canada Community-Building Fund as an Act, for which the City of Hamilton was allocated and additional \$32.7 M, to;

- (a) That \$30 M of the estimated \$32.7 M of the one-time funding under Bill C-25, be invested in sidewalk and road repairs (minor maintenance);

SUBJECT: Investing in City Roads and Sidewalks Infrastructure with Canada Community- Building Funds (PW21073) (City Wide) - Page 4 of 7

- (b) That the funds be allocated equally amongst 15 wards (\$2 M per ward); and,
- (c) That staff report back to the Audit, Finance and Administration Committee with a procurement process that expedites the use of the funds to limit exposure to rising (inflationary) prices.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Works will comply with existing policy and legislated requirements as per the Federal Gas Tax Agreement, Section 3.3 Contracts: The Recipient will award and manage all Contracts in accordance with its relevant policies and procedures and, if applicable, in accordance with the Agreement on Internal Trade and applicable international trade agreements, and all other applicable laws.

The Recipient will ensure any of its Contracts for the supply of services or materials to implement its responsibilities under this Agreement will be awarded in a way that is transparent, competitive, consistent with value for money principles and pursuant to its adopted procurement policy.

By-Law 20-205 City Procurement Policy; in particular Policy #4.9 - Consulting and Professional Services and Policy 4.5.3 Request for Tenders.

RELEVANT CONSULTATION

The following groups have been consulted:

Council members
 Corporate Services, Financial Planning, Administration & Policy, and Procurement
 Engineering Services
 Environmental Services
 Transportation Operations & Maintenance
 Planning & Economic Development

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Pursuant to Council's direction through resolution of the motion titled "Investing in City Roads and Sidewalks Infrastructure with Canada Community-Building Funds" at the July 5, 2021 General Issues Committee, the following processes were developed to address project expediency.

**SUBJECT: Investing in City Roads and Sidewalks Infrastructure with Canada
Community- Building Funds (PW21073) (City Wide) - Page 5 of 7**

Project Review and Coordination

Consultation with Councillors was undertaken to discuss preliminary recommendations for candidate projects, improvement scope options, timing and cost estimates.

A review of coordination requirements of other impacted infrastructure within the limits of each project candidate was undertaken, including alignment with Council approved plans and policies (Complete Streets, Cycling Master Plan and Vision Zero).

To ensure that candidate projects are correctly scoped for above and below ground needs staff have performed a cursory review of subsurface infrastructure for each project candidate utilizing available existing information. The risk of subsurface infrastructure lifecycle failure remains; however, staff have utilized best available information and subject matter opinion to minimise risks as much as possible.

Necessary repair, rehabilitation and/or replacement activities of impacted subsurface infrastructure may require schedule, scope and cost adjustments, or may take place prior to project delivery. Considerations for such activities where the information is known at this time have been included within the project programming for this initiative.

A review of planned works related to development, 3rd party utility and planned capital have also taken place. A review of coordination requirements of other impacted infrastructure within the limits of each project candidate was undertaken, including optimization of coordination opportunities within Public Works Divisions and Planning & Economic Development.

In the event of a conflict that may result in the phasing / scheduling of works to be completed over multiple years staff will confirm with individual councillors as information becomes available.

Based on the project review and coordination with Councillors, recommendations for candidate projects, improvement scope options, timing and cost estimates were developed and are identified on the capital project list (Appendix "A" to Report PW21073).

Project Delivery

Projects will be delivered either through the capital cycle by Engineering Services or Transportation Operations and Maintenance divisions.

Projects with limited to no additional engineering design works may be brought forward quickly making it possible to successfully complete works within 2022. Upon approval of the project list, best efforts will be made to tender the projects with limited design

**SUBJECT: Investing in City Roads and Sidewalks Infrastructure with Canada
Community- Building Funds (PW21073) (City Wide) - Page 6 of 7**

requirements by the second quarter of 2022 for 2022 construction.

Projects identified as requiring enhancements or more substantive engineering design efforts will continue to be addressed as expeditiously as possible through existing resources, in consideration of the regular approved capital projects and will be tendered at the earliest possible time.

This program will add an additional number of projects that will exceed the typical annual deliverable in the capital cycle. Staff are proposing to acquire additional consultancy support for technical, design and contract administration services via the City's Professional and Consultant Services Rosters, contract C12-06-18 (contract expires on December 31, 2021 and contract C12-13-21 commences January 1, 2022).

Should Council approve the recommendation to waive the requirements in Procurement Policy 4.9 and allow the direct award of Roster Assignments above the \$150,000 threshold, staff will continue to follow the guidelines in the administration of any roster assignments and will ensure that work is distributed as fairly as possible within a particular category. Utilizing vendors on the City's Roster also eliminates any further procurement process and allows staff the ability to immediately engage consulting firms to expedite the technical and design work necessary to complete the work within the tight completion timeline.

In addition, approval of three temporary staff for 24 months is required to facilitate the design, tendering and construction of the projects and project management of consultants. This will help mitigate the delivery pressures of the program and the funding agreement allows for this support.

All contracts with vendors for the completion of the roads and sidewalk infrastructure projects under the Canada Community-Building Funds program shall be competitively procured in accordance with the City's Procurement Policy.

Cost Effectiveness

The proposed capital project list (Appendix "A" to Report PW21073) will be organized into optimized contract groupings in order to create competitive contract packages for the construction industry. Compilation of competitive contract packaging and strategic timing of the procurement process may further contribute to achieving the desired cost savings.

ALTERNATIVES FOR CONSIDERATION – Not applicable

**SUBJECT: Investing in City Roads and Sidewalks Infrastructure with Canada
Community- Building Funds (PW21073) (City Wide) - Page 7 of 7**

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

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.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PW21073 - Capital Project List

Capital Project List

WARD	STREET	FROM	TO	CCBF FUNDING REQUIRED (represented in \$1,000)	TARGET DELIVERY YEAR	COMMENTS
1	Morden Street	Locke Street North	Pearl Street North	\$500	2023+	Road and sidewalk reconstruction, watermain and lead service replacement. Total project value of \$650,000 to be funding with \$500,000 CCBF and \$135,000 Ward 1 Discretionary Account. Tender in 2023 with consultant support; Consultant #3, Tender #6. Survey and baseplans required.
1	Strathcona Bike Boulevard Pilot	Breadalbane Street, Main Street West to Jones Street - Resurfacing where required, bike boulevard installation Jones Street, Dundurn Street North to west end - Resurfacing where required, bike boulevard installation	various	\$775	2022	Road resurfacing of Breadalbane St and Jones St, and bike boulevard installation. Tender in 2022 with consultant support; Consultant #4, Tender #7, coordinated with Kirkendall Bike Boulevard.
1	Kirkendale Bike Boulevard Pilot	Pearl Street, Tuckett Street to Pine Street - Resurfacing where required, bike boulevard installation Kent Street, Aberdeen Avenue to Amelia Street - Resurfacing where required, bike boulevard installation	various	\$725	2022	Road resurfacing of Pearl St (Tuckett St to Pine St), Kent St (Aberdeen Ave to Amelia St), coordination of sidewalk repairs, and bike boulevard installation. Tender in 2022 with consultant support; Consultant #4, Tender #7, coordinated with Strathcona Bike Boulevard.
WARD TOTAL				\$2,000		
2	Streets within Corktown Neighbourhood south of Arkledun Avenue - Road resurfacing	Freeman Place, James Mountain Road to Mountwood Avenue - Road resurfacing Rockwood Place, Mountwood Avenue to John Street South- Road resurfacing, Water services Kingsway Drive, John Street South to Arkledun Avenue - Road resurfacing	various	\$400	2023	Road resurfacing; water service replacements to be funding through rates, allocating surplus from previously complete Ward 2 projects. Tender in 2023 with consultant support; Consultant #5, Tender #8, coordinated with all Corktown Neighbourhood streets. Survey and baseplans required.
2	Streets within Corktown Neighbourhood south of Arkledun - Road reconstruction	John Street South, south end to Arkledun Avenue - Road reconstruction, Water services James Street South, James Mountain Road to Freeman Place - Road reconstruction, Water services Mountwood Avenue, Freeman Place to St. Joseph's Drive - Road resurfacing, Water services Louisa Av, Mountwood Avenue to John Street South - Road resurfacing, Water services	Various	\$1,600	2023	Road reconstruction; water service replacements to be funding through rates, allocating surplus from previously complete Ward 2 projects. Tender in 2023 with consultant support; Consultant #5, Tender #8, coordinated with all Corktown Neighbourhood streets. Survey and baseplans required.
WARD TOTAL				\$2,000		
3	Sherman Avenue 2-way conversion	Wilson Street	Burlington Street	\$1,950	2023+	Future project, later than 2022 delivery as feasible, and in coordination with other impact projects in the vicinity such as Barton St reconstruction, Birch Ave reconstruction and LRT implementation. Functional design, resurfacing, cycling lanes and 2-way conversion. Tender in 2023 or later with consultant support; Consultant #6, Tender #9. Survey and baseplans required.
3	Barton St Boulevards and Depaving	Various locations		\$50	2022	Boulevard improvements and depaving along Barton St corridor in Ward 3
WARD TOTAL				\$2,000		
4	Sidewalk deficiencies	Various locations		\$270	2022	Address sidewalk deficiencies through minor maintenance activities at various locations within Ward 4
4	Fairfield Avenue	Barton Street	Britannia Avenue	\$1,730	2023	Watermain and service replacement, road reconstruction. Tender in 2023 with consultant support; Consultant #7, Tender #10. Survey and baseplans required.
WARD TOTAL				\$2,000		
5	Streets within Battlefield Neighbourhood	Avalon Avenue, Lake Avenue to west end - Road resurfacing Brandow Court, Second Street North to north end - Road resurfacing Charles Street, Lake Avenue to west end (north of Randall Avenue) - Road resurfacing Randall Avenue, Lake Avenue to west end - Road resurfacing	various	\$2,130	2023	Road resurfacing similar to previous projects delivered within Ward 5, culvert replacement where required. Detailed cost estimate to be confirmed. Tender in 2023 with consultant support; Consultant #8, Tender #11. Survey and baseplans required.
WARD TOTAL				\$2,000		Actual required amount for \$130,000 of total \$2,130,000 estimate to be determined pending surplus or other available capital funding in future
6	Carson Drive and Landron Avenue	Carson Drive - Upper Ottawa Street to approximately 30 metres west of Kingsberry Street Landron Avenue - Carson Drive to Upper Kenilworth Avenue	various	\$1,200	2022	Road resurfacing. Tender in 2022 with staff support; Tender #1, coordinated with Carson Dr and Landron Ave.
6	East 43rd Street	Fennell Avenue	Queensdale Avenue	\$800	2022	Road resurfacing. Tender in 2022 with staff support; Tender #1, coordinated with Carson Dr and Landron Ave.
WARD TOTAL				\$2,000		

WARD	STREET	FROM	TO	CCBF FUNDING REQUIRED (represented in \$1,000)	TARGET DELIVERY YEAR	COMMENTS
7	Upper Wentworth Street	Lincoln Alexander Parkway	Mohawk Road	\$1,640	2023	Funding greater than \$2M CCBF to be funded through previously proposed capital project budget. Road resurfacing. Tender in 2023 with consultant support; Consultant #9, Tender #12. Survey and baseplans required.
7	Upper Wentworth Street	Mohawk Road	Fennell Avenue	\$1,250	2022	Funding greater than \$2M CCBF to be funded through previously proposed capital project budget. Road resurfacing. Tender in 2022 with consultant support; Consultant #1, Tender #2. Mapping and road cores required.
WARD TOTAL				\$2,000		Actual required amount for \$890,000 of total \$2,890,000 estimate to be funded by previously proposed capital funding
8	Roads Minor Maintenance	Preventative Maintenance, primarily on arterials/major roads	various	\$100	2022-2023	Funding for roads minor maintenance to be utilized in the event of surplus funding from Limeridge Rd project
8	Limeridge Road	Garth Street	West 5th Street	\$1,900	2023	Road resurfacing and localized reconstruction, cycling facility installation with possible cycling extension to Upper James Street. Tender in 2023 with consultant support; Consultant #10, Tender #13. Survey and baseplans required.
WARD TOTAL				\$2,000		
9	Gatestone Drive	Shadyglen Drive	Isaac Brock Drive	\$900	2022	Road resurfacing. Consideration for installation of enhanced crosswalk/pedestrian crossover. Tender in 2022 with consultant support; Consultant #11, Tender #14, timing pending completion of Mud St resurfacing, and in coordination with Highland Rd resurfacing.
9	Highland Road	Fifth Road East	Eighth Road	\$1,600	2023	Road resurfacing, culvert repair/replacement, ditching where required. Funding pending surplus from Gatestone Dr and Eighth Rd. Tender in 2023 with consultant support; Consultant #11, Tender #14, timing pending completion of Mud St resurfacing, and in coordination with Gatestone Dr resurfacing.
WARD TOTAL				\$2,000		Actual required amount for \$500,000 of total \$2,500,000 estimate to be determined pending surplus or other available capital funding in future
10	Millen Road	Maple Drive	Highway 8	\$1,100	2023	Road resurfacing. Tender in 2023 with consultant support; Consultant #12, Tender #15, delivered in coordinaton with Maple Ave resurfacing.
10	Maple Avenue	Millen Road	Approximately 30 metres east of Jenny Court	\$700	2023	Road resurfacing. Tender in 2023 with consultant support; Consultant #12, Tender #15, delivered in coordinaton with Millen resurfacing.
10	Spartan Avenue	Highway 8	McIntosh Drive	\$400	2023	Road resurfacing. Tender in 2023 with consultant support; Consultant #12, Tender #15, delivered in coordinaton with Millen resurfacing. Pending surplus funding from Millen Rd and Maple Dr.
WARD TOTAL				\$2,000		Actual required amount for \$200,000 of total \$2,200,000 estimate to be determined pending surplus or other available capital funding in future
11	Sidewalks on Homestead Drive and street lighting upgrades	Provident Way	Upper James Street	\$575	2022/23	Sidewalk construction connecting missing links and replacement of existing sidewalks in poor condition, street light upgrades. Delivered in 2022-2023 with staff support.
11	Barlow Road - Rural road surface treatment	Sinclairville Road	end	\$90	2022/23	Replace culverts where required in 2022, pulverize and double surface treatment in 2022-2023. Delivered in 2022-2023 with staff support.
11	Gyatt Road - Rural road pulverize and double surface treatment	Regional Road 56	Fletcher Road	\$260	2022/23	Replace culverts where required in 2022, pulverize and double surface treatment in 2022-2023. Delivered in 2022-2023 with staff support.
11	Leeming Road - Rural road pulverize and double surface treatment	Highway 6	end	\$125	2022/23	Replace culverts where required in 2022, pulverize and double surface treatment in 2022-2023. Delivered in 2022-2023 with staff support.
11	Trimble Road - Rural road pulverize and double surface treatment	Kirk Road	Road bridge	\$125	2022/23	Replace culverts where required in 2022, pulverize and double surface treatment in 2022-2023. Delivered in 2022-2023 with staff support.
11	Trimble Road - Rural road pulverize and double surface treatment	Hall Road	Haldibrook Road	\$145	2022/23	Replace culverts where required in 2022, pulverize and double surface treatment in 2022-2023. Delivered in 2022-2023 with staff support.

WARD	STREET	FROM	TO	CCBF FUNDING REQUIRED (represented in \$1,000)	TARGET DELIVERY YEAR	COMMENTS
11	Woodburn Road - Rural road surface treatment	Bell Road	Hall Road, south intersection	\$75	2022/23	Replace culverts where required in 2022, pulverize and double surface treatment in 2022-2023. Delivered in 2022-2023 with staff support.
11	Glover Road - Rural road bonded wearing course	Twenty Road East	Dickenson Road East	\$135	2022/23	Replace culverts where required in 2022, rural road bonded wearing course pulverize and double surface treatment in 2022-2023. Delivered in 2022-2023 with staff support.
11	Additional project selection pending surplus from Ward 11 projects			\$470		Pending surplus for project selection
WARD TOTAL				\$2,000		
12	Golfdale Place	Golf Links Road	end	\$190	2022	Road resurfacing. Tender in 2022 with consultant support; Consultant # 2, Tender #3, coordinated with Terrance Park Drive, Crestview Avenue, Church Street, Academy Street.
12	Terrence Park Drive	40m west of Chatterson Drive	Templar Drive	\$190	2022	Road resurfacing. Tender in 2022 with consultant support; Consultant # 2, Tender #3, coordinated with Golfdale Place, Crestview Avenue, Church Street, Academy Street.
12	Crestview Avenue	Brookview Court	to west end at guard rail	\$130	2022	Road resurfacing. Tender in 2022 with consultant support; Consultant # 2, Tender #3, coordinated with Golfdale Place, Terrance Park Drive, Church Street, Academy Street.
12	Jerseyville Road	Fiddler's Green Road	Wilson Street	\$800	2021	Road resurfacing complete, delivered in 2021 with staff support under existing contract.
12	Church Street	Wilson Street East	Lodor Street	\$345	2022	Road resurfacing. Tender in 2022 with consultant support; Consultant # 2, Tender #3, coordinated with Golfdale Place, Terrance Park Drive, Crestview Avenue, Academy Street.
12	Academy Street	Wilson Street East	Rousseaux Street	\$345	2022	Road resurfacing. Tender in 2022 with consultant support; Consultant # 2, Tender #3, coordinated with Golfdale Place, Terrance Park Drive, Crestview Avenue, Church Street.
WARD TOTAL				\$2,000		
13	Carey Street	South end of street	Concession 5 West	\$500	2023+	Funding pending surplus from Sydenham Hill Cycling Facility
13	Sydenham Hill Cycling Facility	Livingstone Drive	100m south of Glendrummond Drive	\$1,700	2022	Cycling facility installation, road resurfacing/repair where required, ditching/culvert/catchbasin repair where required. Tender in 2022 with staff support.
WARD TOTAL				\$2,000		Actual required amount for \$200,000 of total \$2,200,000 estimate to be determined pending surplus or other available capital funding in future
14	Streets within Falkirk East Neighbourhood	Falkirk Drive, Courtland Avenue to Maynard Street - Road resurfacing Harvard Place, west end to Falkirk Drive - Road resurfacing Marcel Place, west end to Courtland Drive - Road resurfacing Maynard Street, west end to McIntosh Avenue - Road resurfacing McIntosh Avenue, south end to Stone Church Road - Road resurfacing Roland Road, Regent Avenue to 100 metres southerly - Road resurfacing	various	\$2,000	2022	Road resurfacing. Tender in 2022 with staff support; Tender #4.
WARD TOTAL				\$2,000		
15	Hamilton Street	Dundas Street	Silver Court	\$300	2022	Road resurfacing. Tender in 2022 with staff support; Tender #5.
15	Howard Boulevard / Thomson Drive	Mays Crescent	Main Street / Snake Road	\$1,500	2022	Road resurfacing. Tender in 2022 with staff support; Tender #5.
15	Additional project selection pending surplus from Hamilton Street, Howard Boulevard and Thomson Drive			\$200		Pending surplus for project selection
WARD TOTAL				\$2,000		
TOTAL				\$30,000		



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Human Resources Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 9, 2021
SUBJECT/REPORT NO:	2022 Budget Submissions Volunteer Advisory Committee (HUR21016) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Jessica Bowen (905) 546-2424 Ext. 5164
SUBMITTED BY:	Lora Fontana Executive Director Human Resources
SIGNATURE:	

RECOMMENDATIONS

- (a) That the Volunteer Advisory Committee 2022 budget base submissions be approved as follows and referred to the 2022 budget process:
- (i) Advisory Committee on Immigrant & Refugees in the amount of \$3,500.00, attached as Appendix "A" to Report HUR21016;
 - (ii) Hamilton Mundialization Committee in the amount of \$5,890.00, attached as Appendix "B" to Report HUR21016.
 - (iii) Hamilton Women and Gender Equity Committee in the amount of \$3,500.00, attached as Appendix "C" to Report HUR21016 and \$5,000.00 is requested from the Committee's 2021 reserve fund to support the 2021 Elect More Women Conference and other related initiatives that arise in 2022 that are not yet planned.

EXECUTIVE SUMMARY

In accordance with the process for submission of budgets for the Volunteer Advisory Committees, the Human Resources Volunteer Advisory Committee Budgets for 2022 in the amount of \$17,890.00 which is comprised of \$12,890.00 as the 2022 base budget and \$5000.00 which is requested from individual Advisory Committee reserves are being submitted with the recommendation that they be approved. One (1) committee has requested to draw funds from its Advisory Committee Reserve to support ongoing

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**SUBJECT: 2022 Budget Submissions Volunteer Advisory Committee
(HUR21016) (City Wide) - Page 2 of 4**

initiatives in 2022. The total request from individual advisory committee reserves is \$5,000.00.

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The base budget requested for 2022 for the three (3) advisory committees is the same as the budget requested and approved for 2021. One (1) committee has requested to draw \$5,000.00 from their Advisory Committee Reserve to support additional events in 2022.

Staffing: Not Applicable

Legal: Not Applicable

HISTORICAL BACKGROUND

At their October and November 2021 meetings, the Human Resources Volunteer Advisory Committees gave consideration to their budget needs for 2022. Their base budget submissions are attached as Appendices “A” to “C” to Report HUR21016 as approved.

The budget includes both incidental costs to support the Committees, as well as additional costs for specific events, programs and initiatives. The following is a summary of the request and detailed requests are attached as Appendices “A” to “C” to Report HUR21016.

Committee Name	2021 Approved	2022 Base Request	Request from Reserve	Total 2022 Request
Advisory Committee on Immigrant & Refugees (Appendix A to Report HUR21016)	\$3,500.00	\$3,500.00	-	\$3,500.00
Hamilton Mundialization Committee (Includes Kids for Kaga) (Appendix B to Report HUR21016)	\$5,890.00	\$5,890.00	-	\$5,890.00
Hamilton Women and Gender Equity Committee (Appendix C to Report HUR21016)	\$3,500.00	\$3,500.00	\$5000.00	\$8,500.00

In accordance with the volunteer committee budget process, the budgets are

**SUBJECT: 2022 Budget Submissions Volunteer Advisory Committee
(HUR21016) (City Wide) - Page 3 of 4**

recommended for approval.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The Volunteer Advisory Committees are able to put surplus funds from each year into a reserve, for future purposes and request the use of those funds, in future years, for specific activities. This provides the Committee with an opportunity to plan ahead to undertake specific projects or initiatives, in future years, while minimizing increases in their budgets. Some of the committees have not yet determined all of their activities for 2021. Should additional funding for any of the Advisory Committees be required in 2022 and be available in the volunteer advisory committee reserves, requests for reserve funding will be made at the appropriate time.

RELEVANT CONSULTATION

The Volunteer Advisory Committees discussed their 2022 budget needs at their October and November 2021 Committee meetings.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

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

ALTERNATIVES FOR CONSIDERATION

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

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement & Participation

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

Economic Prosperity and Growth

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

Healthy and Safe Communities

OUR Vision: To be the best place to raise a child and age successfully.
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**SUBJECT: 2022 Budget Submissions Volunteer Advisory Committee
(HUR21016) (City Wide) - Page 4 of 4**

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

Clean and Green

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

Built Environment and Infrastructure

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

Culture and Diversity

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

Our People and Performance

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

APPENDICES ATTACHED

Appendix "A" to Report HUR21016 - Advisory Committee on Immigrant & Refugees

Appendix "B" to Report HUR21016 - Hamilton Mundialization Committee

Appendix "C" to Report HUR21016 - Hamilton Women and Gender Equity Committee

CITY OF HAMILTON

2022

ADVISORY COMMITTEES


BUDGET SUBMISSION FORM

Advisory Committee for Immigrants & Refugees

A

PART A: General Information

ADVISORY COMMITTEE MEMBERS:

Name	
Aref Alshaihahmed	
Leslyn Gombakomba	
Dina Honig	
Rami Safi	
Eisham Abdulkarim	
Dorar Abuzaid	
Khursheed Ahmed	
Ammira Ali	
Jennie Hamilton	

MANDATE:

Makes recommendations to City Council and staff about policies, procedures and guidelines that address the needs of immigrants and refugees.

PART B: Strategic Planning

STRATEGIC OBJECTIVES:

1. Review and comment on pertinent reports, proposed legislation and studies that affect immigrants and refugees.
2. Be consulted by City of Hamilton staff and Council on the review, development and implementation of City policies, procedures, programs and services that affect, directly or indirectly, immigrants and refugees.
3. Facilitate, organize and promote open lines of communication with the school boards, police services, City of Hamilton, (e.g. Public Health Services, Healthy and Safe Communities, etc.) and other relevant organizations to provide advice and recommendations about the service needs of newcomers, immigrants and refugees.
4. Make presentations, host workshops and/or open houses to educate service providers, police, Ontario Works, school boards, settlement agencies, employment agencies, professional regulating bodies and other relevant services and programs about immigrant and refugee issues.
5. Develop relationships with the Access to Fair Trades Office and training institutions to gain a better understanding of their processes and find some common ground that will



assist newcomers and immigrants in their pursuit of timely certification and upgrading.
6. Complement and collaborate with the work of the City of Hamilton's Volunteer Advisory Committees.

ALIGNMENT WITH CORPORATE GOALS:

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

PART C: Budget Request

INCIDENTAL COSTS:

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

SPECIAL EVENT/PROJECT COSTS:

2022 initiatives as determined by the committee such as hosting the annual Newcomer Open House and preparing and disseminating the Newcomer Guide to Hamilton.	\$2,000.00
SUB TOTAL	\$2,000.00

TOTAL COSTS	\$3,500.00
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Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances)	\$ n/a
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TOTAL 2022 BUDGET REQUEST (net of reserve funding)	\$3,500.00
PREVIOUS YEAR (2021) APPROVED BUDGET (2021 Request \$ 3500.00)	\$3,500.00

CERTIFICATION:

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

Representative's Name: _____

Signature: _____

Date: _____

Telephone #: _____



TOTAL 2022 BUDGET REQUEST (net of reserve funding)	\$3,500.00
PREVIOUS YEAR (2021) APPROVED BUDGET (2021 Request \$ 3500.00)	\$3,500.00

CERTIFICATION:

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

Representative's Name: Rami Sahi

Signature: [Signature]

Date: Nov 22 2021

Telephone #: _____

[Signature]

CITY OF HAMILTON

2022

ADVISORY COMMITTEES

DRAFT BUDGET SUBMISSION FORM

Hamilton Mundialization Committee

PART A: General Information

ADVISORY COMMITTEE MEMBERS:

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

MANDATE:

To facilitate and support peace initiatives and the twinning relationships between Hamilton and its ten twin-cities around the world. To assist Council in implementing its Mundialization resolution.

To complement and affirm the objectives of the "Strengthening Hamilton Community Initiative" of the City.

To support any and all relationships with the City of Hamilton's Twin Cities

PART B: Strategic Planning

STRATEGIC OBJECTIVES:

To carry out the mandate of the committee with activities such as:

- Ongoing Kaga/Hamilton events commemorating the 50 year plus relationship between Kaga and Hamilton (Dundas)
- Anniversary twinning events or other twinning events as identified
- Racalmuto Regional events
- World Citizenship award
- Photo Contest
- Hiroshima- Nagasaki Vigil

Ongoing review of Mundialization relationships and processes thereof. The benefit of participation is the enhancement of relationships between the citizens of our twin communities both locally and internationally and the citizens of the City of Hamilton.

ALIGNMENT WITH CORPORATE GOALS:

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

PART C: Budget Request

INCIDENTAL COSTS:

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

SPECIAL EVENT/PROJECT COSTS:

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

TOTAL COSTS	\$5890.00
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Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances)	\$ n/a
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TOTAL 2022 BUDGET REQUEST (net of reserve funding)	\$ 5890.00
PREVIOUS YEAR (2021) APPROVED BUDGET (2021 Request \$5890.00)	\$ 5890.00

CERTIFICATION:

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

Representative's Name: Anthony Macaluso

Signature: 

Date: Nov 16, 2021

CITY OF HAMILTON

2022

ADVISORY COMMITTEES

BUDGET SUBMISSION FORM

Women and Gender Equity Committee

PART A: General Information

ADVISORY COMMITTEE MEMBERS:

Deanna Allain	
Stephanie Bertolo	
Anna Davey	
Autumn Getty	
Jan Lukas	
Yulena Wan	

MANDATE:

The Women and Gender Equity Committee for the City of Hamilton acts as an Advisory Committee on matters pertaining to gender inequities faced by women, trans, and non-binary individuals. It achieves this mandate by providing Council input on matters of municipal concern and evaluating the City on its related efforts.

PART B: Strategic Planning

STRATEGIC OBJECTIVES:

- Define, investigate, study and make recommendations on issues of gender equity of the City of Hamilton and other matters of social or municipal concern including matters referred to this Committee by City Council, staff and City of Hamilton Committees.
- Inform citizens of the City of Hamilton on issues affecting women, trans, and non-binary individuals.
- Actively supporting the public participation of women, trans, and non-binary individuals in all aspects of civil life
- Advise citizens of the City of Hamilton of decisions made by City Council which may impact on women, trans, and non-binary individuals including matters of social concern and those referred to City Council by this Committee.

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

ALIGNMENT WITH CORPORATE GOALS:

PART C: Budget Request

INCIDENTAL COSTS:

Monthly meeting expenses (photocopying, refreshments, advertising, postage, etc.)	\$1000.00
SUB TOTAL	\$1000.00

SPECIAL EVENT/PROJECT COSTS:

Initiatives to be determined by the Committee	\$2500.00
SUB TOTAL	\$2500.00

TOTAL COSTS	\$3,500.00
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Funding from Advisory Committee Reserve to support the Elect More Women Conference	\$5,000.00
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TOTAL 2022 BUDGET REQUEST (net of reserve funding)	\$3,500.00
PREVIOUS YEAR (2021) APPROVED BUDGET (2021 Request \$3,500)	\$3,500.00

CERTIFICATION:

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

Representative's Name: Stephanie Bertolo

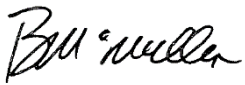
Signature: 

Date: Nov 22 2021

Telephone #:



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

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 9, 2021
SUBJECT/REPORT NO:	2022 Temporary Borrowing and Interim Tax By-laws (FCS21112) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Gloria Rojas (905) 546-2424 Ext. 6247
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That Appendix "A" attached to Report FCS21112, "By-law to Authorize the Temporary Borrowing of Monies to Meet Current Expenditures Pending Receipt of Current Revenues for 2022", be passed;
- (b) That Appendix "B" attached to Report FCS21112, "By-law to Authorize an Interim Tax Levy for 2022", be passed.

EXECUTIVE SUMMARY

Both the Interim Tax Levy and Temporary Borrowing By-laws ensure that the City has access to a continuing cash flow to fund operations until a final 2022 budget has been approved.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

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

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

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: 2022 Temporary Borrowing and Interim Tax By-laws (FCS21112)
(City Wide) – Page 2 of 3**

Staffing: N/A

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

HISTORICAL BACKGROUND

Appendix “A” to Report FCS21112 is a Temporary Borrowing By-law allowing the City to ensure that it has access to adequate cash flow to meet operating commitments. The allowable percentages to borrow as set out in Section 407 of the *Municipal Act, 2001* are 50% of estimated revenues prior to September 30 and 25% afterwards. It is important to note that actual borrowings under this provision have historically been very limited in both magnitude and duration. The most recent case of the City taking advantage of this provision was in late 1998 and 1999 under the Current Value Assessment conversion, when the Province was adjusting the rules and regulations for taxation of commercial and industrial properties, which held up final tax bills to August and September, respectively.

Appendix “B” to Report FCS21112 is an Interim Tax Levy By-law. In the course of its operations, before a final budget has been approved, the City incurs expenses on a regular basis. These expenses, including such items as employee wages, material expenditures and School Board tax payments, would require significant temporary borrowing without the ability to levy taxes in advance of the final tax bills being issued. Section 317 of the *Municipal Act, 2001* permits the levy of up to 50% of the prior year’s taxes (annualized for adjustments such as supplementary taxes or tax appeals). The Interim Tax Levy By-law provides the formal mechanism whereby Council can affect this pre-levy. The due dates of the instalments for the 2022 Interim Levy are proposed to be February 28, 2022 and April 29, 2022.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Report FCS21112 complies with provisions within Sections 317 and 407 of the *Municipal Act, 2001*.

RELEVANT CONSULTATION

Corporate Services Department – Legal and Risk Management Services Division was consulted to confirm adherence to the *Municipal Act*. The Financial Services and Taxation Division has also been consulted as they are responsible for the tax billing and collection.

**SUBJECT: 2022 Temporary Borrowing and Interim Tax By-laws (FCS21112)
(City Wide) – Page 3 of 3**

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

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

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

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

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS21112 – 2022 Temporary Borrowing By-law

Appendix “B” to Report FCS21112 – 2022 Interim Tax Levy By-law

GR/dt

Authority:

Bill No.

CITY OF HAMILTON**BY-LAW NO.****To Authorize the Temporary Borrowing of Monies to Meet Current Expenditures Pending Receipt of Current Revenues for 2022**

WHEREAS the Council for the City of Hamilton deems it necessary to pass and enact a by-law to authorize the temporary borrowing of monies by the City to meet current budget expenditures for the year 2022 pending receipt of current revenues; and,

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

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

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

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

1. (a) The City of Hamilton is hereby authorized to borrow from a Bank or person by way of Promissory Notes or Bankers Acceptances from time to time a sum or sums of monies not exceeding at any one time the amounts specified in subsection 407(2) of the *Municipal Act, 2001* to pay off temporary bank overdrafts for the current expenditures of the City for the year 2022, including amounts for sinking funds, principal and interest falling due within such fiscal year and the sums required by law to provide for the purposes of the City.
- (b) The amount of monies that may be borrowed at any one time for the purposes of subsection 407(1) of the *Municipal Act, 2001*, together with the total of any similar borrowings that have not been repaid, shall not, except with the approval of the Ontario Municipal Board, exceed the prescribed percentages of the total of the estimated revenues of the City as set forth in the estimates adopted for the year, which percentages are set out in section 407 of the *Municipal Act, 2001* as it may be amended from time to time.

Appendix "A" to Report FCS21112
Page 2 of 2

2. (a) Until estimates of revenue of the City for the 2022 year are adopted, borrowing shall be limited to the estimated revenues of the City as set forth in estimates adopted for the next preceding year.

(b) The total estimated revenues of the City, including the amounts levied for Education purposes, adopted for the year 2022 are One Billion, Nine Hundred Million Dollars (\$1,900,000,000).
3. All sums borrowed pursuant to the authority of this By-law, together with any and all similar borrowings in the current year and in previous years that have not been repaid shall, together with interest thereon, be a charge upon the whole of the revenues of the City for the current year and for all preceding years, as and when such revenues are collected or received.
4. The Treasurer shall, and is hereby authorized and directed to, apply in payment of all sums borrowed pursuant to this By-law, together with interest thereon, all of the monies thereafter collected or received for the current and preceding years, either on account or realized in respect of taxes levied for the current year and preceding years or from any other sources which may lawfully be applied for such purpose.
5. That the Mayor and failing such person, the Deputy Mayor of the City Council and failing such person, the City Manager, together with the Treasurer or any one of the Temporary Acting Treasurers be authorized and directed to sign and execute the aforesaid Promissory Notes and Bankers Acceptances, hypothecations, agreements and such other documents, writings and papers which shall give effect to the foregoing.
6. This By-law shall come into force and effect on the 1st day of January 2022 and shall remain in force and effect until December 31, 2022.

PASSED this _____ day of _____, 2021

F. Eisenberger
Mayor

A. Holland
City Clerk

**Appendix "B" to Report FCS21112
Page 1 of 3**

Authority:

Bill No.

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

To Authorize an Interim Tax Levy for 2022

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

WHEREAS Section 317 of the *Municipal Act, 2001*, also authorizes a Municipal Council, by by-law, to adjust the interim taxes on a property if the Council is of the opinion that the Interim Levy on a property is too high or too low in relation to its estimate of the total taxes which will be levied on the property in 2022.

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

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

Appendix “B” to Report FCS21112
Page 2 of 3

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

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

Fifty percent of the interim levy, rounded, shall become due and payable on the 28th day of February 2022 or 21 days after an interim tax bill is mailed out, whichever is later, and the balance of the interim levy shall become due and payable on the 29th day of April, 2022, and non-payment of the amounts due on the dates stated, in accordance with this section, shall constitute default.

Appendix “B” to Report FCS21112
Page 3 of 3

3. That when payment of any instalment or any part of any instalment of taxes levied by this by-law is in default, penalties and where applicable interest, shall be imposed respectively in accordance with City of Hamilton policies.
4. Section 342(1) (b) of the *Municipal Act, 2001* allows for alternative instalment due dates to spread the payment of taxes more evenly over the year. Therefore, notwithstanding the payable dates provided for in section 2, the interim tax levy for those on a 12-month pre-authorized automatic withdrawal payment plan shall be paid in 6 equal instalments due and payable on or after the first or fifteenth day of each month January to June, inclusive. For those on the 10-month pre-authorized automatic withdrawal payment plan, the interim levy shall be paid in 5 equal instalments due and payable on or after the first day of each month February to June, inclusive. The pre-authorized payment plans shall be penalty and interest free for as long as the taxpayer is in good standing with the terms of the plan agreements.
5. The interim tax levy rates shall also apply to any property added to the assessment roll after this by-law is enacted.
6. This by-law shall come into force and effect on the 1st day of January 2022.

PASSED this _____ day of _____, 2021

F. Eisenberger
Mayor

A. Holland
City Clerk



CITY OF HAMILTON
FINANCE AND CORPORATE SERVICES DEPARTMENT
Financial Services and Taxation Division
and
Legal and Risk Management Services

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 09, 2021
SUBJECT/REPORT NO:	Use of External Services for Tax Assessment & Appeals (FCS20005(a)) (LS21047) (Outstanding Business List Item) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Michael Kovacevic (905) 546-2424 Ext. 4641 Maria Di Santo (905) 546-2424 Ext. 5254
SUBMITTED BY:	Stephen Spracklin City Solicitor, Legal and Risk Management Services Corporate Services Department
SIGNATURE:	
SUBMITTED BY:	Rick Male Director, Financial Services and Taxation and Corporate Controller Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the cost to hire one temporary solicitor and one temporary legal support staff for the City's active participation in assessment appeals be funded from the Tax Stabilization Reserve (Account number 110046) up to April 30, 2023;

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

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Use of External Services for Tax Assessment & Appeals (FCS20005(a))
(LS21047) (Outstanding Business List Item) (City Wide) - Page 2 of 7**

- (b) That the use of external legal counsel, if required, to supplement internal legal resources to actively participate in assessment appeals, be funded from the Tax Stabilization Reserve (Account number 110046) up to April 30, 2023;
- (c) That the cost of Assessment & Appraisal consultants from Roster for Consultancy Services for the Provision of Assessment Based Management, Property Assessment & Taxation Appeals, Appraisal & Expert Witnesses (C2-01-21) continue to be funded from the Tax Stabilization Reserve (Account number 110046) up to April 30, 2023;
- (d) That the licensing cost to obtain an Appeals Management System, to be used by both Taxation and Legal staff to efficiently manage and track all active appeals, be funded from the Tax Stabilization Reserve (Account number 110046) up to April 30, 2023; and
- (e) That staff report back on actual consulting, legal and software licensing costs incurred up to April 30, 2023, to determine if a sustainable funding source is required for 2023 and future.

EXECUTIVE SUMMARY

Staff report "Use of External Services for Tax Assessment & Appeals (FCS20005)" approved by Council in January 2020 gave authority to establish a roster for the use of external Assessment & Appraisal Services. These external services complement internal Taxation resources in order to be able to more actively participate in assessment appeals. The report required staff to report back on actual costs incurred in 2020, in order to determine a sustainable funding source for 2021 and future.

Due to workloads and other priorities as a result of COVID-19, the set up the roster was delayed and not established until June 2021. As such, use of the roster only commenced in the last quarter of 2021. The number of appeals meeting Council's approved criteria for actively participating in appeals ("Criteria for Participation in Assessment Appeals" (FCS20063(a))), has also highlighted the fact that existing Legal resources are not adequate. Legal resources are an integral part of any appeal, and as such, lack of adequate legal resources jeopardizes the City's ability to meet Council's approved criteria for active participation in appeals. To date, the City currently has 29 appeals which will require active participation. Without adequate Legal resources, the City can not participate in this number of appeals.

Although staff report "Use of External Services for Tax Assessment & Appeals (FCS20005)" did identify that the current internal Legal resources may not be sufficient for the expected increase in workload as a result of the City's greater participation, it

**SUBJECT: Use of External Services for Tax Assessment & Appeals (FCS20005(a))
(LS21047) (Outstanding Business List Item) (City Wide) - Page 3 of 7**

was not until staff started reviewing Statement of Issues and formulating the list of appeals that met the criteria, that it becomes more apparent the need for additional Legal resources. With the large volume of appeals, an Assessment Management System is also warranted to effectively track, manage and determine appropriate resources for each appeal, in order to ensure the City adheres to all of the Assessment Review Board (ARB) deadlines. As there are strict deadlines under the ARB rules, requiring adherence to ARB established dates within set Schedule of Events, the need for additional Legal resources and an Assessment Management tool is immediate. The use of the Tax Stabilization Reserve would facilitate this, allowing time for the determination of a sustainable funding source for the 2023 operating budget.

Alternatives for Consideration – N/A

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Staff will report back in early 2023 on total costs incurred and funded from the tax stabilization reserve, as part of the Annual Assessment and Appeals report. It should be noted that appeals are typically not commenced and settled in one year. Depending on the nature of the appeal and the volume of appeals before the ARB, it is not uncommon that an appeal may be open for multiple years. As such, the actual costs incurred may not be an accurate reflection of the true annual costs expected to be incurred but should be sufficient to determine an appropriate and sustainable funding source as part of the 2023 operating budget.

Staffing: The Roster for Consultancy Services for the Provision of Assessment Based Management, Property Assessment & Taxation Appeals, Appraisal & Expert Witnesses (C2-01-21) will be used to complement existing staff resources within the Taxation Section. With respect to the required Legal resources, the addition of 2 temporary FTEs is being recommended in order to assist Taxation with the expected volume of appeals. Depending on how many active appeals the City will be actively participating on in any given time, there may be a need to supplement with additional external legal counsel from time to time.

Legal: As the criteria was approved in December 2020, Taxation staff have been applying the criteria to all Statement of Issues received as of January 1, 2021. To date, the City has 29 appeals that meet the Council approved criteria and the number of appeals that the City will participate in will only increase. Prior to December 2020 City Legal staff's involvement in assessment appeals amounted to acting on two appeals over a twelve-

**SUBJECT: Use of External Services for Tax Assessment & Appeals (FCS20005(a))
(LS21047) (Outstanding Business List Item) (City Wide) - Page 4 of 7**

year period and providing sporadic advice to Finance staff. Assessment appeals require a significant investment of legal staff time. Before the appeals are heard, a large number of documentary and procedural tasks need to be performed including but not limited to: (a) review of statements of issues; (b) preparation of responses to statements of issues; (c) review of disclosure of documents, (d) requests for further disclosure, (e) procedural motions for matters in dispute; (f) mandatory settlement meetings; (g) review of expert reports; and (h) extensive consultation with Taxation staff and retained experts, all within a strict timeline (schedule of events) mandated by the ARB. In addition, the ARB is somewhat inflexible in respect of requests to alter its schedule of events for any particular appeal. The ARB hearing process is more like a Court litigation process as opposed to an OLT hearing process. The legal staff time involved for each assessment appeal amounts to at least two to three weeks of staff time. Furthermore, assessment appeals are rarely resolved within their year of appeal and are carried forward. Accordingly, if 29 appeals are currently being dealt with for 2021, there will likely be an equivalent amount for 2022, with most of the 2021 appeals being unresolved. Assessment appeals require a significant investment of staff time.

The Legal Division currently only has one lawyer with experience in assessment appeals who is being assisted by a law clerk. He is currently responsible for providing legal services to Finance, Development Planning, Housing and Urban Renewal and was over capacity with work prior to the December 2020 approval by Council of FCS20063(a) Criteria for Participation in Assessment Appeals (FCS20063(a)). The law clerk assisting Legal Counsel also provides assistance to three other lawyers for various client departments including Planning and Finance. Legal's involvement in the ARB appeals has resulted in matters for other clients being delayed and has negatively impacted the level of service that needs to be provided to them.

HISTORICAL BACKGROUND

As reported annually by means of the Annual Assessment Appeals Report, challenges to MPAC's assessed values continue to exist and ultimately result in a negative impact on the Municipality's property tax revenues.

In recognition of the continued negative impact on municipal property tax revenues, City Council approved staff report "Use of External Services for Tax Assessment & Appeals (FCS20005)" in January 2020. This report gave approval for the establishment of a

**SUBJECT: Use of External Services for Tax Assessment & Appeals (FCS20005(a))
(LS21047) (Outstanding Business List Item) (City Wide) - Page 5 of 7**

Roster for Assessment, Appeals and Appraisal consultants to complement existing Taxation resources. Due to staff vacancies, increasing development activity and the continued challenges to MPAC's values, these firms would allow for additional resources when needed. The extent to which these consulting firms would be engaged would depend on staff's current workload, the potential for significant revenue loss or gain, the complexity of the appeal and the number of appeals the City is an active participant.

Subsequent to this, staff report "Criteria for Participation in Assessment Appeals (FCS20063(a))" was approved by Council in December 2020, laying out the framework of how and when the City will actively participate in Assessment Appeals. Due to the high volume of appeals, it would not be financially prudent to participate in all appeals, however the Council approved criteria ensured that the City participates in ones with the highest risk of municipal tax revenue loss.

Unfortunately, due to disruptions brought on by the still ongoing pandemic and other competing priorities, the Roster for Consultancy Services for the Provision of Assessment Based Management, Property Assessment & Taxation Appeals, Appraisal & Expert Witnesses (C2-01-21) was not finalized until June 2021. In total there were four firms who submitted a response for the Assessment Appeals Services (all of which were qualified to be included in the roster) and six firms for the Appraisal and Expert Witness Services (all but one was qualified to be included in the roster). The Roster is for a term of three years (June 1, 2021 to May 31, 2024). The first assignment from the Roster was awarded in September 2021.

The original staff report "Use of External Services for Tax Assessment & Appeals (FCS20005)" as approved by Council in January 2020, recommended the use of the Tax Stabilization Reserve and that staff "report back on actual consulting costs incurred in 2020, to determine if a sustainable funding source is required for 2021 and future". The intent being that a full year of active participation in appeals would give a clearer indication of the consulting costs the City would expect to incur on an annual basis to assist in determining an adequate level of funding and an appropriate funding source. Due to delays in establishing the roster, no costs were incurred in 2020 and as such a Motion was approved by Council in November 2020 to revise the original recommendation to instead read that staff "report back on actual consulting costs incurred in 2021, to determine if a sustainable funding source is required for 2022 and future".

Although the establishment of the Roster allows Taxation to supplement internal resources, Legal resources continue to be a challenge. Legal resources are an integral part of any appeal, and as such lack of adequate legal resources jeopardizes the City's ability to meet Council's approved criteria for active participation in appeals. As the

**SUBJECT: Use of External Services for Tax Assessment & Appeals (FCS20005(a))
(LS21047) (Outstanding Business List Item) (City Wide) - Page 6 of 7**

criteria was approved in December 2020, Taxation staff have been applying the criteria as of January 1, 2021 to all Statement of Issues received. To date, the City has 29 appeals that meet the Council approved criteria and the number of appeals that the City will participate in will only increase. Prior to December 2020 City Legal staff's involvement in assessment appeals amounted to acting on two appeals over a twelve-year period and providing sporadic advice to Taxation staff. The Legal Division only has one lawyer with experience in assessment appeals who is being assisted by a law clerk. He is currently responsible for providing legal services to Finance, Development Planning, Housing and Urban Renewal and was over capacity with work prior to the December 2020 approval by Council of FCS20063(a) Criteria for Participation in Assessment Appeals (FCS20063(a)). The law clerk assisting Legal Counsel also provides assistance to three other lawyers for various client departments including Planning and Finance. Legal's involvement in the ARB appeals has resulted in other matters for other clients being delayed and has negatively impacted the level of service that should be provided.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Use of the Tax Stabilization reserve to fund the resources required, until such time as a sustainable funding source can be determined in the 2023 operating budget process is being recommended. Under the Budgeted Complement Control Policy, General Managers are authorized to hire temporary resources up to 24 months without Council approval. However, as these additional costs may result in a deficit in the Corporate Services Department, use of the Tax Stabilization Reserve is being recommended and Council approval is required to use reserves.

RELEVANT CONSULTATION

Financial Services & Taxation and Legal & Risk Management Services staff worked in partnership with staff in Procurement (to establish the Roster) and Budgets & Financial Policy to address the required resources and funding.

ANALYSIS AND RATIONALE FOR RECOMMENDATIONS

City staff started tracking Statement of Issues in January 2021 shortly after the criteria for participation was approved by Council. Ten months into the year, staff already have a list of 29 appeals that meet the Council approved criteria. It is expected that by the end of 2021, this list can grow to 35 to 40 appeals. Current internal Legal resources are not adequate to address this level of appeals. The approval of additional internal Legal resources, coupled with the ability supplement with external Legal counsel, when required, is essential in ensuring Council's direction. An Assessment Management tool

**SUBJECT: Use of External Services for Tax Assessment & Appeals (FCS20005(a))
(LS21047) (Outstanding Business List Item) (City Wide) - Page 7 of 7**

will also be essential to efficiently manage and track the growing number of appeals and ensuring the City adheres to the ARB strict deadlines.

As no funds have been used from the Tax Stabilization Reserve to date, it is expected that staff will soon be required to start accessing the services of external resources (to supplement both Taxation and Legal internal resources). As such, it is necessary to extend the use of the Tax Stabilization Reserve until April 30, 2023, thereby allowing for a full year to determine an appropriate funding source for 2023 and future. At that time, staff will be in a better position to establish an appropriate budget and sustainable funding source for 2023 and future. Staff will also continue to update Council via the Annual Assessment and Appeals report, providing the opportunity for modifications to the City's participation, should Council support these costs and possibly increase participation further or scale back the City's participation should the additional costs exceed the benefits.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

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

Our People and Performance

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


APPENDICES AND SCHEDULES ATTACHED

None

MK/MD/dw



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Services and Taxation Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 09, 2021
SUBJECT/REPORT NO:	Information Regarding Calculation of Audit Fee for Fair Wage Compliant FW26-2017 FCS21117 (City Wide) – Outstanding List
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Tina Iacoe (905) 546-2424 Ext. 2796
SUBMITTED BY:	Rick Male Director, Financial Services and Taxation and Corporate Controller Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That Network Sewer and Watermain Ltd. be charged \$8,555.96 for the costs associated with FW26-2017 Fair Wage audit;
- (b) That the item respecting the delegation by Kenneth Ukrainec, on behalf of Network Sewer and Watermain Ltd., respecting the Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS20084) be considered complete and removed from the Audit, Finance & Administration Committee's Outstanding Business List.

EXECUTIVE SUMMARY

At its meeting of October 22, 2020, the Audit, Finance and Administration Committee ("AFA") approved the following motion:

SUBJECT: Information Regarding Calculation of Audit Fee for Fair Wage Compliant FW26-2017 FCS21117 (City Wide) - Page 2 of 7

“That Procurement staff be directed to investigate whether the Audit Fee to be charged to Network Sewer and Watermain Ltd., is reasonable and report back to the Audit, Finance and Administration Committee.”

The purpose of this Report is to comply with the direction given by AFA and recommend that the initial Audit Fee of \$9197.26 charged to Network Sewer and Watermain Ltd (Network”) be reduced to \$8,555.96.

Alternatives for Consideration – page 7

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: None

Staffing: None

Legal: None

HISTORICAL BACKGROUND

Request for Tenders C15-56-16 for the reconstruction of Upper Sherman Road Reconstruction was awarded to Network Sewer and Watermain Ltd. (“Network”) in February 2017. The scope of work included the supply and installation of sewer, watermains, water valves, roadway, curb and sidewalk reconstruction and the contract award to Network was in the amount \$3,990,560.04.

In late 2017, complaint FW26-2017 was lodged against Network on Contract C15-56-16. The complaint submitted for this Contract was a bit unusual in terms of the size of the request. Fair Wage complaints received prior to this had been for specific employees working in one trade for a contractor or sub-contractor. However, complaint FW26-2017 identified all employees that had been working in four sections of the Fair Wage Policy and Fair Wage Schedule (“FW Policy”):

- Road Work;
- Road Work, Open Cut Work for Sewer and Watermain Construction;
- Open Cut Work for Sewer and Watermain Construction;
- Labourers - Sewer Watermain, Roads Building Paving, Parking Lots, Bridge Rehab.

City of Hamilton’s (City) Procurement staff sought verification of the size of request with the initiator, indicating that if the complaint was found to be unsubstantiated the initiator would be responsible for all costs of the audit and that considering the size of the audit,

SUBJECT: Information Regarding Calculation of Audit Fee for Fair Wage Compliant FW26-2017 FCS21117 (City Wide) - Page 3 of 7

the cost was expected to be significant. The initiator confirmed their complaint to be correct.

28 Network employees were identified and included in the audit. The audit took a significant amount of time to complete and KPMG, the City's external auditor, was requested to review their findings in light of disputes raised by Network with new or corrected information. The confidential Appendix attached to this Report gives a succinct list of events with respect to the audit and the costs associated.

At its meeting of October 22, 2020, the Audit, Finance and Administration Committee ("AFA") received a delegation from, Kenneth Ukrainec, on behalf of Network respecting the Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS20084) (Added Item 7.2). Mr. Ukrainec addressed the procedural process of the complaint process of the City's Fair Wage Policy (FW Policy) and requested:

"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 FW Policy be waived for Network in this instance."

Following to the delegation, AFA approved the following motion:

"That Procurement staff be directed to investigate whether the Audit Fee to be charged to Network Sewer and Watermain Ltd., is reasonable and report back to the Audit, Finance and Administration Committee."

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Fair Wage Policy and Fair Wage Schedule

RELEVANT CONSULTATION

The Manager of Procurement consulted with the following municipalities with respect to their current or impending fair wage policy: City of Oshawa, the City of Brampton, the City of Greater Sudbury, City of Sarnia.

**SUBJECT: Information Regarding Calculation of Audit Fee for Fair Wage
Compliant FW26-2017 FCS21117 (City Wide) - Page 4 of 7**

ANALYSIS AND RATIONALE FOR RECOMMENDATION**Fair Wage Policies Throughout Ontario**

Hamilton is one of seven known municipalities in Ontario that currently have a Fair Wage Policy: City of Toronto, City of Thunder Bay, City of Greater Sudbury, City of Oshawa and more recently the City of Vaughan and the City of Sarnia.

With the exception of the City of Toronto, all of the policies are similar (“Similar Policies”) in that complaint processes are driven by an initiator submitting a complaint to the municipality regarding a contractor or sub-contractor. All of the Similar Policies include a fee to be paid, either upon receipt of the complaint or after determination of compliance/non-compliance and depending on the outcome of the audit, all Similar Policies require either the initiator or the contractor to pay a fee. With the exception of the City of Thunder Bay, all the Similar Policies indicate that should the contractor be found to be in non-compliance, the contractor shall be responsible for payment of all costs including those beyond the minimum cost of the fee.

Cost in Excess of \$5,000 for the Audit

Procurement staff recognize that the audit on Contract C15-56-16 was significant in terms of size (28 employees). KPMG’s initial estimated cost to complete the audit was \$6,000 and based on the number of employees and corresponding hours to complete the work. However, the actual cost of KPMG’s services was \$9,197.26, which was directly impacted by the additional hours required to complete the initial audit than originally expected as well as two revisions requiring recalculations of information.

KPMG indicated that key contributing factors impacting “the time related to this audit was the number of employees and how poor Network’s record keeping was.” KPMG confirmed that time sheets and payroll information did not agree with the hours submitted for the audit for all employees. Discrepancies by employee required considerable back and forth correspondence between KPMG and Network and it took Network the “summer of 2018” to reconcile the information. These actions by Network made it necessary for KPMG staff to re-audit many employees.

Element of Fairness

When determining the reasonableness of who should bear the cost of a fair wage audit, there are three parties to which the element of fairness needs to be applied.

**SUBJECT: Information Regarding Calculation of Audit Fee for Fair Wage
Compliant FW26-2017 FCS21117 (City Wide) - Page 5 of 7**

The Contractor

The contractor bears the costs of the audit when the complaint is found to be non-compliant.

Network was found to have underpaid its employees \$349.62 on completion of a contract valued at \$3,990,560.04. While the amount of the underpayment may seem trivial in comparison to the overall value of the contract (\$349.62 versus \$3,990,560.04) and the cost of the audit may seem unreasonable in comparison to the dollar value of the non-compliance (\$9,197.26 versus \$349.62) it does not negate the fact that Network was found non-compliant with the FW Policy.

All of the fair wage policies previously mentioned are definitive with respect to compliance and non-compliance. There is no threshold of an allowable acceptance of error or an allowable measured degree of compliance for the contractor to come within in order to be “considered” compliant. Furthermore, there is no consideration given in any of the policies for the dollar value or size of the project to be audited and the amount of compliance to be achieved. The contractor is either complaint or non-compliant.

The Initiator

The initiator bears the costs of the audit when the complaint is found to be compliant. Whether knowingly or unknowingly, the contractor has some degree of control over how easily and straightforward the audit is carried out. It is the contractor who provides the information to the external auditor. The accuracy of that information and the speed with which it is provided to the auditor is what drives much of the cost of the audit.

A contractor who is unprepared and unwilling to cooperate with the auditor can directly affect the time and resources the auditor needs to expend. Procurement staff are aware of and have experienced contractors that, when faced with a fair wage audit, have acted uncooperative, provided inaccurate and disorganized files, were evasive by being continuously unavailable to meet with the auditor and at times acted bullish with auditing staff.

This “control” over the process allows a disadvantage to the initiator by allowing the contractor to drive up the costs of the audit as a direct result of the contractor’s negligence or uncooperativeness. The initiator has no control over how the contractor and sub-contractor participate in the audit.

Hypothetically, should Network have been found to be compliant, the initiator would have been responsible to pay the estimated cost of \$6,000 plus the additional \$3,197.26. This would be unfair to the initiator since they were initially advised that the

**SUBJECT: Information Regarding Calculation of Audit Fee for Fair Wage
Compliant FW26-2017 FCS21117 (City Wide) - Page 6 of 7**

estimated cost was \$6,000 however that cost increased significantly due to Network's poor record keeping.

The City

With the exception of City Procurement staff who administer the FW Policy and where the minimum fee is waived because the complaint is submitted by an employee of the contractor or sub-contractor, the City is not responsible for any costs incurred as a result of a fair wage audit.

Should Council agree to Network's request to allow Network to only pay for the outstanding amounts owed to the employees in question, it would be unfair to charge the initiator the balance of the costs since the initiator's complaint was valid. Alternatively, it would be also unfair to require the City to pay the differential amount seeing as the City has no responsibility or control on what or how contractors and sub-contractors:

- 1) pay their employees;
- 2) keep their payroll records organized and provide correct information to the auditor; and
- 3) cooperate with the audit.

Staff Recommendation

Although the disparity in the dollar value of the project completed and the amount the employees were short paid is rather great, staff is not recommending any change to the FW Policy in light of FW26-2017. Staff is however, recommending that Network be responsible for all the costs associated with the audit, save and except those costs associated with the recalculation of the proper ESA threshold for overtime in the first audit revision. KPMG has confirmed that the cost to perform the recalculation was \$641.30. Since this recalculation was not a result of Network's actions or inactions, staff is recommending that Network be responsible to pay \$8,555.96 (\$9,197.26 - \$641.30 = \$8,555.96).

Maintaining the requirements of the FW Policy with contractors and sub-contractors being either in compliance or not allows the simplest and easiest method to administer the FW Policy and, for all three parties involved, the clearest to understand. Contractors know they have to comply with the FW Policy and will have to pay a fee should they be non-compliant; initiators know that they will have to pay the fee should their complaint be frivolous; and the City does not have to pay or be responsible for either the contractor's or initiator's actions as a result.

**SUBJECT: Information Regarding Calculation of Audit Fee for Fair Wage
Compliant FW26-2017 FCS21117 (City Wide) - Page 7 of 7**

ALTERNATIVES FOR CONSIDERATION

Council may wish to grant Network's request and allow Network to only pay the outstanding amounts owed to their employees and waive the requirement for Network to pay the costs of the audit. This alternative is not recommended as another party, either the initiator or the City, would be responsible to pay the costs of the audit to KPMG.

The FW Policy does not indicate a cost-sharing model or indicate that the initiator would be responsible for any of the fees should the contractor be non-compliant. Therefore, charging the initiator would be against the FW Policy as currently written.

Furthermore, the FW Policy does not allow the contractor to come within for a measured degree of compliance and charging some or all of the costs to City taxpayers as a result of the contractor's or sub-contractor's non-compliance would be unreasonable.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement & Participation

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

Our People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS21117 - Summary of Fair Wage Complaint FW26-2017

TI/dw

Summary of Fair Wage Complaint FW26-2017

Contract C15-56-16 (HSW) – Upper Sherman Road Reconstruction, awarded to Network in the amount of \$3,990,560.04.

Audit #1

Audit takes into account 28 employees of Network. KPMG finds Network in non-compliance with a discrepancy of \$20,247.95.

Network disputes the results of Audit #1 on two accounts.

1# Dispute: Network indicates that the audit miscalculated wages by failing to properly classify students.

KPMG Response: The List of Employees provided by Network and the classification of each employee did not identify the employee in question as a Student. Furthermore, the employee was identified as a Student during any fieldwork and subsequent follow-up by KPMG.

2# Dispute: Network claims that 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.

KPMG Response: audits are carried out in accordance with the ESA as dictated by the Policy. The ESA identifies the OT limit is 44. However, the City agreed that the proper ESA threshold for OT applicable to Network Sewer is 55 hours/week.

Audit #2 (December 20, 2019)

Updated audit takes into account the treatment of employee as a Student and the revision of the overtime analysis to account for the special rules and exemptions for road construction workers under the ESA. KPMG finds Network in non-compliance with a discrepancy of \$593.60

Network Disputes Audit #2

Network disputes results of the audit. Given modest amount, Network is prepared to make appropriate payment of wage on the condition the City will waive any other consequences of the audit result. If not, Network will appeal audit and wants to arrange a meeting with Manager of Procurement.

Appendix 'A' to Report FCS21XXX
Page 2 of 3

Manager of Procurement met with Network on February 27, 2020 to discuss their second dispute. At this meeting, Network claims that the audit results did not take into account the change in positions for four employees. City agrees to request KPMG to review payroll records again based on Network's claims.

KPMG Response: audit procedures captured all of the information supplied by the company's payroll administrator/accountant including a detailed listing of all employees and what their positions were while working on the Upper Sherman project. Payroll records and supporting documentation of Network Sewer were disorganized and inconsistent. KPMG confirms that the change in positions was not noted or identified by Network during the Fair Wage audit. Network clarified that this was an oversight on their part and that only each employee's main title/role was provided when they originally sourced the payroll records for our team.

Audit #3 (July 13, 2020)

KMPG finds Network in non-compliance with a discrepancy of \$349.62

The updated audit takes into account the changes resulting from Network's clarification that 3 employees had changed position part way through the project which resulted in a change in hourly rate at the date of position change.

Network Disputes Audit #3

Network disputes results of the audit. Given modest amount, Network is prepared to make appropriate payment of wage on the condition the City will waive any other consequences of the audit result. If not, Network will appeal audit and wants to arrange a meeting with Manager of Procurement.

Manager of Procurement escalates the dispute to the applicable General Managers, Mike Zegarac and Dan McKinnon.

Both GM's agree to deny the meeting. Network is advised of this on August 12, 2020. The following is an excerpt from the email:

"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

Appendix 'A' to Report FCS21XXX

Page 3 of 3

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."



Hamilton

GRANTS SUB-COMMITTEE REPORT 21-002

9:30 a.m.

December 1, 2021

Due to COVID-19 and the closure of City Hall, this meeting was held virtually.

Present: Councillors B. Johnson (Chair), L. Ferguson, S. Merulla,
T. Jackson, A. VanderBeek

Absent: Councillor N. Nann – Other City Business

THE GRANTS SUB-COMMITTEE PRESENTS REPORT 21-002 AND RESPECTFULLY RECOMMENDS:

1. **2022 City Enrichment Fund Advance Payments (GRA21004) (City Wide)
(Item 6.1)**
 - (a) That staff be authorized and directed to provide advance monthly payments to 2022 City Enrichment Fund applicants, as shown in Appendix “A” to Report 21-002, based upon 2021 funding levels, prior to final approval of the 2022 City Enrichment Fund budget; and,
 - (b) That any outstanding arrears due to the City of Hamilton, by any of the organizations listed in Appendix “A” to Report 21-002, be paid in full utilizing the approved advance funding, prior to the organization receiving any City Enrichment Fund payments.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

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

The December 1, 2021 agenda for the Grants Sub-Committee was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) June 8, 2021 (Item 3.1)

The Minutes of the June 8, 2021 Grants Sub-Committee meeting were approved, as presented.

(d) ADJOURNMENT (Item 10)

There being no further business, the Grants Sub-Committee adjourned at 9:33 a.m.

Respectfully submitted,

Councillor B. Johnson
Chair, Grants Sub-Committee

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk

City Enrichment Fund
Requiring Advance Payments in 2022

Agency	Advance Payment Schedule for 2022	#of Payments (advance)	2021 Approved Annual Budget	2022 Advance Payment Amount (Monthly)	2022 Advance Payment Amount (5 Payments)
Art Gallery of Hamilton	1st of each month	5	\$1,000,000.00	\$83,333.33	\$416,666.67
Theatre Aquarius	1st of each month	5	\$265,302.00	\$22,108.50	\$110,542.50
Hamilton Philhamonic Orchestra	1st of each month	5	\$175,099.00	\$14,591.58	\$72,957.92
Brott Music Festival	1st of each month	5	\$182,800.00	\$15,233.33	\$76,166.67
Total			\$1,623,201.00	\$135,266.75	\$676,333.75

CITY OF HAMILTON MOTION

Audit, Finance and Administration Committee: December 9, 2021

MOVED BY COUNCILLOR A. VANDERBEEK.....

SECONDED BY COUNCILLOR.....

Write Off of Penalties, Interest and Related Fees for Property Taxes and Interest Free Loan Agreement on Compassionate Grounds for the YFC/Youth Unlimited Waterdown, 273 Parkside Drive, Waterdown (Roll No. 2518.303.410.28600.0000)

WHEREAS, YFC Southwestern Ontario, also known as Youth for Christ (YFC) Youth Unlimited Waterdown, is a Registered Charity;

WHEREAS, the YFC/Youth Unlimited Waterdown provides programming for youth aged 10 to 19 years of age;

WHEREAS, YFC/Youth Unlimited Waterdown purchased the property located at 273 Parkside Dr, Waterdown in 2012, demolishing the existing residential structure to make room for the newly built youth centre which was completed in 2014;

WHEREAS, the property taxes at 273 Parkside Drive, Waterdown, once the former residential structure was demolished equated to, on average, approximately \$2,500 per year and continued as such even after the construction of the new facility;

WHEREAS, the Municipal Property Assessment Corporation (MPAC) did not add the value of the new facility to the roll until November 2020, thus triggering the City of Hamilton to issue tax bills for the omitted assessment for taxation years 2018 to 2020, the maximum allowable under the *Municipal Act*,

WHEREAS, the tax bills for omitted assessment for taxation years 2018 to 2020 totalling approximately \$48K, combined with the 2021 taxes of approximately \$17K per year, has put YFC/Youth Unlimited Waterdown in a difficult financial situation; and

WHEREAS, YFC/Youth Unlimited Waterdown successfully challenged their assessment increase, resulting in a slight reduction to the assessed value, however still resulting in total outstanding taxes of \$64,884.85 inclusive of penalty, interest and related fees and \$58,467.21 excluding penalty, interest and related fee as on November 22, 2021;

THEREFORE, BE IT RESOLVED:

- (a) That the General Manager, Finance and Corporate Services, be authorized to write off penalties, interest and related fees for property taxes for YFC/Youth Unlimited Waterdown due up to the date of the loan execution estimated at \$7,148.48 to operating Dept ID 252013;

- (b) That the General Manager, Finance and Corporate Services, be authorized and directed to enter into an interest free loan agreement with the YFC/Youth Unlimited Waterdown on compassionate grounds not to exceed \$58,467.12 to be repaid within 5 years at \$11,693.14 annually, together with a General Security Agreement, both in a form satisfactory to the City Solicitor and General Manager, Finance and Corporate Services; and
- (c) That should property taxes levied to YFC/Youth Unlimited for the property located at 273 Parkside Drive, Waterdown (Roll No. 2518.303.410.28600.0000) during the loan period for 2022 to 2026 not remain current, then the loan will be cancelled and the outstanding balance of this loan will be transferred to the property tax roll.