



## City of Hamilton

# AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REVISED

**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

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**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
- \*10.7. HMRF - HWRF Pension Administration Sub-Committee Report 21-001 - December 1, 2021
- \*10.8. 2022 Budget Submission - Aboriginal Advisory Committee (HSC21051) (City Wide)
- \*10.9. 2022 Budget Submission - Committee Against Racism (CM21017) (City Wide)

**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**

- \*14.1. Personnel Matter (FCS21118) (City Wide)

Pursuant to Section 9.1, Sub-section (b) of the City's Procedural By-law 21-021 and Section 239(2), Sub-section (b) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to personal matters about an identifiable individual, including City or a local board of employees.

**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>

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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

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

### 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**

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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 upkeep 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**

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- 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

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#### 200.03.13 - Proof of Insurance and Claims Protocol

Last paragraph deleted.

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

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**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**

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**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**

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**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**

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**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:**

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

#### **Standard Watermain Drawings:**

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

#### **Approved Products List Updates**

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<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

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

### 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**

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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

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

## 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**

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**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**

| <b>Contract Reference</b> | <b>Contract Title</b>   | <b>Closing Date (mm/dd/yyyy)</b> | <b>Vendor</b>                 | <b>Term</b>        | <b>Award Amount</b> |
|---------------------------|---|----------------------------------|-------------------------------|--------------------|---------------------|
| 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

| <b>Contract Reference</b> | <b>Contract Title</b>  | <b>Closing Date (mm/dd/yyyy)</b> | <b>Vendor</b>  | <b>Term</b>         | <b>Award Amount</b>              |
|---------------------------|--|----------------------------------|--|---------------------|----------------------------------|
| C15-08-21<br>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)<br><br>Section 1 - 12 Volt Batteries<br><br>Section 2 - High Performance, Deep Cycle, Absorbent Glass Mat, 12 Volt Batteries | 05/27/2021                       | Continental Battery Canada Corp.<br><br>Barton Automotive Parts Company Inc. | 1 year + 4 options  | \$187,509.00<br><br>\$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

| <b>Contract Reference</b> | <b>Contract Title</b>   | <b>Closing Date (mm/dd/yyyy)</b> | <b>Vendor</b>                               | <b>Term</b>        | <b>Award Amount</b> |
|---------------------------|---|----------------------------------|---|--------------------|---------------------|
| 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>BR           | Tender for Bridge 329 Burlington Street over Wilcox Abutment - Rehabilitation   | 06/14/2021                       | Decew Construction Inc.                     | Project Specific   | \$236,375.00        |

### Contracts Awarded

| <b>Contract Reference</b> | <b>Contract Title</b>   | <b>Closing Date (mm/dd/yyyy)</b> | <b>Vendor</b>                        | <b>Term</b>        | <b>Award Amount</b> |
|---------------------------|---|----------------------------------|--------------------------------------|--------------------|---------------------|
| 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

| <b>Contract Reference</b> | <b>Contract Title</b>  | <b>Closing Date (mm/dd/yyyy)</b> | <b>Vendor</b>   | <b>Term</b>      | <b>Award Amount</b>                |
|---------------------------|--|----------------------------------|---|------------------|------------------------------------|
| 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<br><br>Option A - Terryberry Library<br><br>Option B - Westdale Library | 07/08/2021                       | Verly Construction Group Inc.<br><br>Caird-Hall Construction Inc. | Project Specific | \$1,120,200.00<br><br>\$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

| <b>Contract Reference</b> | <b>Contract Title</b>   | <b>Closing Date (mm/dd/yyyy)</b> | <b>Vendor</b>  | <b>Term</b>        | <b>Award Amount</b> |
|---------------------------|---|----------------------------------|--|--------------------|---------------------|
| 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.<br>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

| <b>Contract Reference</b> | <b>Contract Title</b>   | <b>Closing Date (mm/dd/yyyy)</b> | <b>Vendor</b>                              | <b>Term</b>        | <b>Award Amount</b> |
|---------------------------|---|----------------------------------|--|--------------------|---------------------|
| 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

| <b>Contract Reference</b> | <b>Contract Title</b>   | <b>Closing Date (mm/dd/yyyy)</b> | <b>Reason for Cancellation</b>   |
|---------------------------|---|----------------------------------|--|
| 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

| <b>Contract Reference</b> | <b>Contract Title</b>   | <b>Closing Date (mm/dd/yyyy)</b> | <b>Contract Status</b>  |
|---------------------------|---|----------------------------------|-------------------------|
| 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

| <b>City Contract Reference</b> | <b>Contract Title</b>                    | <b>Cooperative Group</b>                    | <b>Effective Date (mm/dd/yyyy)</b> | <b>Vendor</b>           | <b>Term</b>         | <b>Estimated City Spend</b> |
|--------------------------------|--|---|------------------------------------|-------------------------|---------------------|-----------------------------|
| 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

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

### 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**

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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**

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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                               |
|--|------|-------------|---|---|
| <b>Corporate Services</b>                |      |             |   |   |
| 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     |
| <b>Healthy and Safe Communities</b>      |      |             |   |   |
| 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                         |
| <b>Library</b>                           |      |             |   |   |
| 97741                                    | SGLE | \$10,583.25 | Bibliotheca Canada Inc.                   | Library   |
| 97446                                    | SGLE | \$30,000.00 | Impressive Printing                       | Library   |
| <b>Planning and Economic Development</b> |      |             |   |   |
| 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                       |
| <b>Police</b>       |      |              |   |   |
| 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                                    |
| <b>Public Works</b> |      |              |   |   |
| 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 |
|--------|------|--------|------|---------------------|
|--------|------|--------|------|---------------------|

| PO No. | Type | Amount | Name | Department/Division |
|--------|------|--------|------|---------------------|
|--------|------|--------|------|---------------------|





# INFORMATION REPORT

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

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

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







**CITY OF HAMILTON**  
**OFFICE OF THE CITY AUDITOR**

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

### 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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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.

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

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- \$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**

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**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**

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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

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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**

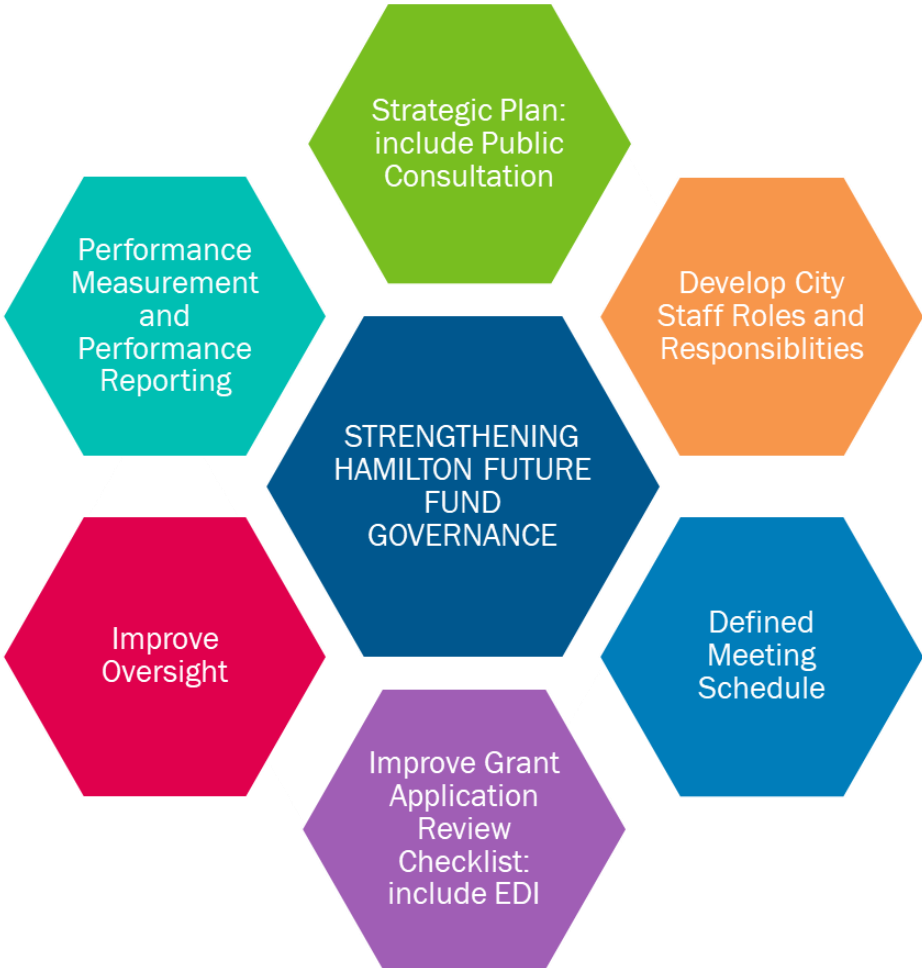
The Council-approved Office of the City Auditor Work Plan 2019-2022 (Report AUD19007) included a compliance and value-for-money audit of the Hamilton Future Fund (HFF).

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.



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## Audit Scope

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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.

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## Detailed Findings

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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.

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## Detailed Findings

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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.

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## Detailed Findings

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### 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.

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## Detailed Findings

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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

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## Detailed Findings

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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.

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## Detailed Findings

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### 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

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## Detailed Findings

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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.



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## Detailed Findings

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### 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.

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## Detailed Findings

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### 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.

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## Detailed Findings

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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

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## Detailed Findings

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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.

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## Recommendations

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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.

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## Conclusion

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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.

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**Office of the  
City Auditor**

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**Charles Brown, CPA, CA**  
City Auditor

**Brigitte Minard, CPA, CA, CIA, CGAP**  
Deputy City Auditor

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Hamilton

Office of the City Auditor

# Hamilton Future Fund Audit

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# Recommendations and Management Response

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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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## Introduction

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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.

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## Recommendation 1

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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.

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## Recommendation 2

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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.

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## Recommendation 3

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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.

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## Recommendation 4

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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.

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## Recommendation 5

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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.

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## Recommendation 6

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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.



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**Recommendation 7**

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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.

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**Recommendation 8**

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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.

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**Recommendation 9**

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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.

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**Recommendation 10**

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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.

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**Management  
Response**

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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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**Office of the  
City Auditor**

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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.

**Fund  
B  
\$37M**

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**

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

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

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**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**

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**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**

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- (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**

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**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, 3<sup>rd</sup> 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**

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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**

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**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<br>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<br>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.   |
| <b>WARD TOTAL</b> |   |  |                    | <b>\$2,000</b>                                 |                      |   |
| 2                 | Streets within Corktown Neighbourhood south of Arkledun Avenue - Road resurfacing | Freeman Place, James Mountain Road to Mountwood Avenue - Road resurfacing<br>Rockwood Place, Mountwood Avenue to John Street South- Road resurfacing, Water services<br>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<br>James Street South, James Mountain Road to Freeman Place - Road reconstruction, Water services<br>Mountwood Avenue, Freeman Place to St. Joseph's Drive - Road resurfacing, Water services<br>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.   |
| <b>WARD TOTAL</b> |   |  |                    | <b>\$2,000</b>                                 |                      |   |
| 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  |
| <b>WARD TOTAL</b> |   |  |                    | <b>\$2,000</b>                                 |                      |   |
| 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.   |
| <b>WARD TOTAL</b> |   |  |                    | <b>\$2,000</b>                                 |                      |   |
| 5                 | Streets within Battlefield Neighbourhood  | Avalon Avenue, Lake Avenue to west end - Road resurfacing<br>Brandow Court, Second Street North to north end - Road resurfacing<br>Charles Street, Lake Avenue to west end (north of Randall Avenue) - Road resurfacing<br>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.  |
| <b>WARD TOTAL</b> |   |  |                    | <b>\$2,000</b>                                 |                      | 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<br>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.   |
| <b>WARD TOTAL</b> |   |  |                    | <b>\$2,000</b>                                 |                      |   |

| 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.<br>Road resurfacing.<br>Tender in 2023 with consultant support; Consultant #9, Tender #12.<br>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.<br>Road resurfacing.<br>Tender in 2022 with consultant support; Consultant #1, Tender #2.<br>Mapping and road cores required.  |
| <b>WARD TOTAL</b> |  |  |   | <b>\$2,000</b>                                 |                      | 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.<br>Tender in 2023 with consultant support; Consultant #10, Tender #13.<br>Survey and baseplans required.   |
| <b>WARD TOTAL</b> |  |  |   | <b>\$2,000</b>                                 |                      |  |
| 9                 | Gatestone Drive  | Shadyglen Drive  | Isaac Brock Drive                           | \$900  | 2022                 | Road resurfacing. Consideration for installation of enhanced crosswalk/pedestrian crossover.<br>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.<br>Tender in 2023 with consultant support; Consultant #11, Tender #14, timing pending completion of Mud St resurfacing, and in coordination with Gatestone Dr resurfacing. |
| <b>WARD TOTAL</b> |  |  |   | <b>\$2,000</b>                                 |                      | 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.<br>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.<br>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.<br>Tender in 2023 with consultant support; Consultant #12, Tender #15, delivered in coordinaton with Millen resurfacing.<br>Pending surplus funding from Millen Rd and Maple Dr.   |
| <b>WARD TOTAL</b> |  |  |   | <b>\$2,000</b>                                 |                      | 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.<br>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.<br>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.<br>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.<br>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.<br>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.<br>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.<br>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.<br>Delivered in 2022-2023 with staff support.    |
| 11                | Additional project selection pending surplus from Ward 11 projects                                    |  |                                  | \$470  |                      | Pending surplus for project selection   |
| <b>WARD TOTAL</b> |   |  |                                  | <b>\$2,000</b>                                 |                      |   |
| 12                | Golfdale Place  | Golf Links Road  | end                              | \$190  | 2022                 | Road resurfacing.<br>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.<br>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.<br>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.<br>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.<br>Tender in 2022 with consultant support; Consultant # 2, Tender #3, coordinated with Golfdale Place, Terrance Park Drive, Crestview Avenue, Church Street.  |
| <b>WARD TOTAL</b> |   |  |                                  | <b>\$2,000</b>                                 |                      |   |
| 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.<br>Tender in 2022 with staff support.                 |
| <b>WARD TOTAL</b> |   |  |                                  | <b>\$2,000</b>                                 |                      | 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<br>Harvard Place, west end to Falkirk Drive - Road resurfacing<br>Marcel Place, west end to Courtland Drive - Road resurfacing<br>Maynard Street, west end to McIntosh Avenue - Road resurfacing<br>McIntosh Avenue, south end to Stone Church Road - Road resurfacing<br>Roland Road, Regent Avenue to 100 metres southerly - Road resurfacing | various                          | \$2,000  | 2022                 | Road resurfacing.<br>Tender in 2022 with staff support; Tender #4.  |
| <b>WARD TOTAL</b> |   |  |                                  | <b>\$2,000</b>                                 |                      |   |
| 15                | Hamilton Street   | Dundas Street  | Silver Court                     | \$300  | 2022                 | Road resurfacing.<br>Tender in 2022 with staff support; Tender #5.  |
| 15                | Howard Boulevard / Thomson Drive  | Mays Crescent  | Main Street / Snake Road         | \$1,500  | 2022                 | Road resurfacing.<br>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   |
| <b>WARD TOTAL</b> |   |  |                                  | <b>\$2,000</b>                                 |                      |   |
| <b>TOTAL</b>      |   |  |                                  | <b>\$30,000</b>                                |                      |   |





**CITY OF HAMILTON**  
**CITY MANAGER'S OFFICE**  
**Human Resources Division**

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

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

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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.

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

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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**

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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 Budget Submissions Volunteer Advisory Committee  
(HUR21016) (City Wide) - Page 4 of 4**

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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        |
| <b>SUB TOTAL</b>   | <b>\$1,500.00</b> |

**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        |
| <b>SUB TOTAL</b>   | <b>\$2,000.00</b> |

|                    |                   |
|--------------------|-------------------|
| <b>TOTAL COSTS</b> | <b>\$3,500.00</b> |
|--------------------|-------------------|

|   |        |
|---|--------|
| Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances) | \$ n/a |
|---|--------|

|   |                   |
|---|-------------------|
| <b>TOTAL 2022 BUDGET REQUEST (net of reserve funding)</b>             | <b>\$3,500.00</b> |
| <b>PREVIOUS YEAR (2021) APPROVED BUDGET (2021 Request \$ 3500.00)</b> | <b>\$3,500.00</b> |

**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 #:** \_\_\_\_\_



|   |                   |
|---|-------------------|
| <b>TOTAL 2022 BUDGET REQUEST (net of reserve funding)</b>             | <b>\$3,500.00</b> |
| <b>PREVIOUS YEAR (2021) APPROVED BUDGET (2021 Request \$ 3500.00)</b> | <b>\$3,500.00</b> |

**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        |
| <b>SUB TOTAL</b>   | <b>\$1,500.00</b> |

**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        |
| <b>SUB TOTAL</b>  | <b>\$4,390.00</b> |

|                    |                  |
|--------------------|------------------|
| <b>TOTAL COSTS</b> | <b>\$5890.00</b> |
|--------------------|------------------|

|  |               |
|--|---------------|
| <b>Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances)</b> | <b>\$ n/a</b> |
|--|---------------|

|  |                   |
|--|-------------------|
| <b>TOTAL 2022 BUDGET REQUEST (net of reserve funding)</b>            | <b>\$ 5890.00</b> |
| <b>PREVIOUS YEAR (2021) APPROVED BUDGET (2021 Request \$5890.00)</b> | <b>\$ 5890.00</b> |

**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:**

|                          |  |
|--------------------------|--|
| <b>Deanna Allain</b>     |  |
| <b>Stephanie Bertolo</b> |  |
| <b>Anna Davey</b>        |  |
| <b>Autumn Getty</b>      |  |
| <b>Jan Lukas</b>         |  |
| <b>Yulena Wan</b>        |  |
|                          |  |
|                          |  |

**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) <b>Community Engagement &amp; Participation</b>   | X | 2) <b>Economic Prosperity &amp; Growth</b> | X |
| 3) <b>Healthy &amp; Safe Communities</b>   | X | 4) <b>Clean &amp; Green</b>                | X |
| 5) <b>Built Environment &amp; Infrastructure</b>   | X | 6) <b>Culture &amp; Diversity</b>          | X |
| 7) <b>Our People &amp; Performance</b>   | X |  |   |

**ALIGNMENT WITH CORPORATE GOALS:**

**PART C: Budget Request**

**INCIDENTAL COSTS:**

|   |                  |
|---|------------------|
| Monthly meeting expenses (photocopying, refreshments, advertising, postage, etc.) | \$1000.00        |
| <b>SUB TOTAL</b>  | <b>\$1000.00</b> |

**SPECIAL EVENT/PROJECT COSTS:**

|   |                  |
|---|------------------|
| Initiatives to be determined by the Committee | \$2500.00        |
| <b>SUB TOTAL</b>                              | <b>\$2500.00</b> |

|                    |                   |
|--------------------|-------------------|
| <b>TOTAL COSTS</b> | <b>\$3,500.00</b> |
|--------------------|-------------------|

|   |                   |
|---|-------------------|
| <b>Funding from Advisory Committee Reserve to support the Elect More Women Conference</b> | <b>\$5,000.00</b> |
|---|-------------------|

|  |                   |
|--|-------------------|
| <b>TOTAL 2022 BUDGET REQUEST (net of reserve funding)</b>          | <b>\$3,500.00</b> |
| <b>PREVIOUS YEAR (2021) APPROVED BUDGET (2021 Request \$3,500)</b> | <b>\$3,500.00</b> |

**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

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**Signature:** 

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**Date:** Nov 22 2021

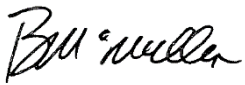
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**Telephone #:**

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

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

### 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.

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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**

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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**

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**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

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F. Eisenberger  
Mayor

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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**

| <b>COLUMN 1</b>  | <b>COLUMN 2</b>   |
|--|-------------------|
| <b>Class</b>   | <b>Class Code</b> |
| 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

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F. Eisenberger  
Mayor

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A. Holland  
City Clerk





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

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

**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;

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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**

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- (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**

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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**

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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**

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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**

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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**

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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**

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

### 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**

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“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**

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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**

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**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**

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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**

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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  
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**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                              |
| <b>Total</b>                   |                                   |                        | <b>\$1,623,201.00</b>       | <b>\$135,266.75</b>                   | <b>\$676,333.75</b>                      |











Hamilton

**HMRF/HWRF PENSION ADMINISTRATION SUB-COMMITTEE  
REPORT 21-001**

1:30 p.m.

Wednesday, December 1, 2021

Virtual Meeting

Hamilton City Hall

71 Main Street West

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

**Regrets:** HWRF Member: H. Hicks and J. Garchinski (Co-Vice Chair)

**THE HMRF/HWRF PENSION ADMINISTRATION SUB-COMMITTEE PRESENTS  
REPORT 21-001 AND RESPECTFULLY RECOMMENDS:**

**1. CONSENT ITEMS (Item 7)**

That the following Consent Items, be received:

- (a) 2020 Hamilton-Wentworth Retirement Fund Financial Statements (FCS21098) (City Wide) (Item 7.1)
- (b) 2020 Hamilton Municipal Retirement Fund Financial Statements (FCS21099) (City Wide) (Item 7.2)
- (c) Master Trust Pension Investment Performance Report as at December 31, 2020 (FCS20075(a)) (City Wide) (Item 7.3)
- (d) Master Trust Pension Investment Performance Report as at June 30, 2021 (FCS21091) (City Wide) (Item 7.4)

**2. 2021 Master Trust Pension Statement of Investment Policies and Procedures (FCS21095) (City Wide) (Item 10.1)**

- (a) That Appendix "A" attached to HMRF/HWRF Pension Administration Sub-Committee Report 21-001 respecting the 2021 City of Hamilton Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures be approved and replace the previous 2020 City of Hamilton

Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures contained in Report FCS20074 and approved by Council on December 16, 2020; and,

- (b) That Appendix “A” attached to HMRF/HWRF Pension Administration Sub-Committee Report 21-001 respecting the 2021 City of Hamilton Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures be forwarded to the Hamilton Street Railway Pension Advisory Committee for their information.

**3. Outsourced Chief Investment Officer (FCS21116) (City Wide) (Added Item 10.2)**

- (a) That Council, as the Administrator of the City Hamilton Defined Benefit Pension Plans Master Trust, authorizes:
  - (i) the General Manager, Finance and Corporate Services, to negotiate any agreements for contractual or consulting services to develop the selection process to hire an Outsourced Chief Investment Officer (OCIO) in a form satisfactory to the City Solicitor which may include sole sourcing or single sourcing to the applicable service provider;
  - (ii) the General Manager, Finance and Corporate Services, to negotiate any agreements for the selection and hiring of an Outsourced Chief Investment Officer (OCIO) in a form satisfactory to the City Solicitor; and,
  - (iii) the General Manager, Finance and Corporate Services, to make any changes to applicable pension plan agreements, by-laws and policies in a form satisfactory to the City Solicitor; and,
- (b) That staff of the Corporate Services, Financial Planning and Administration Policy, inform the HMRF/ HWRF Pension Administration Sub-Committee and Hamilton Street Railway Pension Advisory Committee through a Communication Update or Information Report of the successful Outsourced Chief Investment Officer (OCIO) after awarding of the contract.

**FOR INFORMATION:**

**(a) APPROVAL OF AGENDA (Item 2)**

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

**10. DISCUSSION ITEMS (Item 10)**

10.2 Outsourced Chief Investment Officer (FCS21116) (City Wide)

The agenda for the December 1, 2021 meeting of the HMRP/HWRF Pension Administration Sub-committee was approved, as amended.

**(b) DECLARATIONS OF INTEREST (Item 3)**

There were no declarations of interest.

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

**(i) November 24, 2020 (Item 4.1)**

The November 24, 2020 Minutes of the HMRP / HWRF Pension Administration Sub-Committee meeting were approved, as presented.

**(d) ADJOURNMENT (Item 15)**

There being no further business, the HMRP/HWRF Pension Administration Sub-Committee adjourned at 1:55 p.m.

Respectfully submitted,

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

Angela McRae  
Legislative Coordinator  
Office of the City Clerk



# Statement of Investment Policies and Procedures

City of Hamilton Defined Benefit Pension Plans Master Trust

December 2021

**APPROVED** on this                      day of December, 2021

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## Section 1—Overview

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### 1.01 Purpose of Statement

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

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

### 1.02 Background of the Master Trust

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

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

### 1.03 Objective of the Plan

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

### 1.04 Investment and Risk Philosophy

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

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

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

### 1.05 Administration

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

## Section 2—Asset Mix and Diversification Policy

### 2.01 Master Trust Return Expectations

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

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

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

### 2.02 Expected Volatility

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

### 2.03 Asset Mix

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

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



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

The Plan’s target asset allocation<sup>1</sup> for each investment category listed in subsection 76(12) of the Regulation 909 to the Pension Benefits Act (Ontario) is as follows:

**PfAD Table**

| <b>Investment Category under subsection 76(12) of Regulation 909</b>                            | <b>Target Asset Allocation<sup>1</sup></b> | <b>Accessed through mutual or pooled or segregated funds</b> |
|---|--|--|
| 1. Insured Contracts  | 0.0%                                       | -  |
| 2. Mutual or pooled funds or segregated funds   | N/A  | -  |
| 3. Demand deposits and cash on hand   | 0.0%                                       | -  |
| 4. Short-term notes and treasury bills  | 0.0%                                       | -  |
| 5. Term Deposits and guaranteed investment certificates   | 0.0%                                       | -  |
| 6. Mortgage Loans   | 0.0%                                       | -  |
| 7. Real Estate  | 0.0%                                       | -  |
| 8. Real Estate Debentures   | 0.0%                                       | -  |
| 9. Resource properties  | 0.0%                                       | -  |
| 10. Venture Capital   | 0.0%                                       | -  |
| 11. Corporations referred to in subsection 11(2) of Schedule III to the federal investment regs | 0.0%                                       | -  |
| 12. Employer issued securities  | 0.0%                                       | -  |
| 13. Canadian stocks other than investments referred to in 1 to 12 above                         | 28.0%                                      | Yes  |
| 14. Non-Canadian stocks other than investments referred to in 1 to 12 above                     | 28.0%                                      | Yes  |
| 15. Canadian bonds and debentures other than investments referred to in 1 to 12 above           | 44.0%                                      | Yes  |
| 16. Non-Canadian bonds and debentures other than investments referred to in 1 to 12 above       | 0.0%                                       | -  |
| 17. Investments other than investments referred to in 1 to 16 above                             | 0.0%                                       | -  |

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

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

(b) Return-Seeking Assets: These assets generally will consist of all non-fixed income investments, such as equities and alternatives, with a main focus on price appreciation with generally higher expected long-term returns.

(c) Liability-Hedging Assets: These assets generally will be fixed-income investments, such as bonds, with similar duration characteristics as the pension liabilities (i.e., these assets generally behave like pension liabilities). Since these assets focus mainly on current income, their expected long-term returns will generally be lower than return-seeking assets.

(d) Sub-Allocations and Rebalancing Ranges: The sub-allocations and rebalancing ranges within the return-seeking portfolio will be reviewed from time to time as the total

<sup>1</sup> The target asset allocation indicated in the PfAD table is based on the glidepath positioning as of June 30, 2020.

return-seeking allocation changes due to the Dynamic Investment Policy Schedule below. The rebalancing ranges for the total return-seeking assets and liability-hedging assets (fixed income) are also determined by the Dynamic Investment Policy Schedule below.

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

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

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

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

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

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

<sup>1</sup> Funded ratio defined on a Wind-up basis.

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

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

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

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

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

#### **2.04 Management Structure**

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

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

#### **2.05 Environmental, Social and Governance (ESG) Issues**

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

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

## Section 3—Permitted and Prohibited Investments

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### 3.01 General Guidelines

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

### 3.02 Permitted Investments

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

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

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

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

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

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

(d) **Derivatives**

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

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

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

### 3.03 Minimum Quality Requirements

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

- (b) **Split Ratings**  
In cases where the Recognized Bond Rating Agencies do not agree on the credit rating, the bond will be classified according to the following methodology:
- (i) If two agencies rate a security, use the lower of the two ratings;
  - (ii) If three agencies rate a security, use the most common; and if four agencies rate a security, use the lowest most common; and
  - (iii) If three agencies rate a security and all three agencies disagree, use the middle rating; if four agencies rate a security and all four agencies disagree, use the lowest middle rating.
- (c) **Downgrades in Credit Quality**  
Each Investment Manager will take the following steps in the event of a downgrade in the credit rating of a portfolio asset by a Recognized Rating Agency to below the purchase standards set out in Section 3.03 (a) Quality Standards:
- (i) The Chief Investments Officer will be notified of the downgrade by telephone at the earliest possible opportunity;
  - (ii) Within ten business days of the downgrade, the Investment Manager will advise the Chief Investments Officer in writing of the course of action taken or to be taken by the Investment Manager, and its rationale; and
  - (iii) Immediately upon downgrade, the Investment Manager will place the asset on a Watch List subject to monthly review by the Investment Manager with the Chief Investments Officer until such time as the security matures, is sold or until it is upgraded to a level consistent with the purchase quality standards as expressed in the above guidelines.
- (d) **Rating Agencies**  
For the purposes of this Policy, the following rating agencies shall be considered to be 'Recognized Bond Rating Agencies':
- (i) Dominion Bond Rating Service Limited;
  - (ii) Standard and Poor's;
  - (iii) Moody's Investors Services Inc.; and
  - (iv) Fitch Ratings
- (e) **Private Placement Bonds**  
Private placement bonds are permitted subject to **all** of the following conditions:
- (i) The issues acquired must be 'A' or equivalent rated;
  - (ii) The total investment in such issues must **not** exceed 10% of the market value of the Investment Manager(s) bond portfolio;



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

### 3.04 Maximum Quantity Restrictions

#### (a) Total Fund Level

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

#### (b) Individual Investment Manager Level

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

##### (i) *Equities*

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

##### (ii) *Bonds and Short Term*

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

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

**(iii) Other**

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

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

### **3.05 Prior Permission Required**

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

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

### **3.06 Prohibited Investments**

The Investment Managers shall not:

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

### **3.07 Securities Lending**

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

For securities held in segregated accounts, such loans must be secured by cash and/or readily marketable government bonds, treasury bills and/or letters of credit, discount notes and bankers' acceptances of chartered banks. For loaned securities, the security held or collateral must have an aggregate market value which shall never be less than the percentage of the aggregate market value of the loaned securities which is the highest of: (i) the minimum percentage required by any applicable legislation, regulatory authority or prevailing market practice; or (ii) 105%. The aggregate market value of the loaned securities and of the collateral shall be monitored and calculated by the Custodian daily.

The terms and conditions of any securities lending program will be set out in a contract with the custodian. The custodian shall, at all times, ensure that the Chief Investments Officer has a current list of those institutions that are approved to borrow the Fund's investments.

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

### **3.08 Borrowing**

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

### **3.09 Conflicts between the Policy and Pooled Fund Investment Policies**

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

## Section 4—Monitoring and Control

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### 4.01 Delegation of Responsibilities

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

**(a) Chief Investments Officer**

The Chief Investments Officer has been delegated the following responsibilities:

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

**(b) Investment Managers**

The Investment Managers have been delegated the following responsibilities:

- (i) invest the assets of the Master Trust in accordance with this Policy;
- (ii) meet with the Chief Investments Officer as required and provide written reports regarding the Investment Manager’s past performance, their future strategies and other issues as requested;

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

**(c) Custodian/Trustee**

The custodian/trustee will:

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

**(d) Investment Consultant**

The investment consultant has been delegated the following responsibilities:

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

**(e) Actuary**

The actuary has been delegated the following responsibilities:

- (i) perform actuarial valuations of the Plan as required; and
- (ii) advise the Chief Investments Officer and the Investment Consultant on any matters relating to Plan design, membership and contributions, and actuarial valuations.

**4.02 Performance Measurement**

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

- (a) **Active and Index Canadian Equity Managers**  
 Investment results of the active and index Canadian Equity Managers are to be tested regularly against a Benchmark Portfolio comprising:

| Benchmark               | %   |
|-------------------------|-----|
| S&P/TSX Composite Index | 100 |

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

| Benchmark              | %   |
|------------------------|-----|
| MSCI World Index (C\$) | 100 |

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

| Benchmark                   | %   |
|-----------------------------|-----|
| FTSE Canada Long Bond Index | 100 |

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

| Benchmark                          | %   |
|------------------------------------|-----|
| FTSE Canada Real Return Bond Index | 100 |

**4.03 Compliance Reporting by Investment Manager**

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

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

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

**4.04 Standard of Professional Conduct**

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

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

## Section 5—Administration

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### 5.01 Conflicts of Interest

#### (a) Responsibilities

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

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

#### (b) Disclosure

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

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

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

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

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



## 5.02 Related Party Transactions

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

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

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

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

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

The following investments are exempt from the related party rules:

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

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

A “related party” is defined to mean the Administrator of the Plans, including any officer, director or employee of the Administrator. It also includes, the Investment Managers and their employees, a union representing employees of the employer, a member of the Master Trust, a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, and any other person constituting a “related party” under the *Pension Benefits Act* (Ontario). Related party does not include government or a government agency, or a bank, trust company or other financial institution that holds the assets of the Master Trust.

### **5.03 Selecting Investment Managers**

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

### **5.04 Directed Brokerage Commissions**

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

### **5.05 Monitoring of Asset Mix**

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

## **5.06 Monitoring of Investment Managers**

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

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

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

## **5.07 Dismissal of an Investment Manager**

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

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

## **5.08 Voting Rights**

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

## **5.09 Valuation of Investments Not Regularly Traded**

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

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

### 5.10 Policy Review

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

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

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

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

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### Overview

#### 1.01 Purpose of Statement

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

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

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

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

#### 1.02 Background of the Plan

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

#### 1.03 Plan Profile

*a) Contributions*

There are no active members in the Plan.

*b) Benefits*

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

*c) Liabilities*

As of the most recent actuarial valuation of the Plan as at December 31, 2019 there were no active members, 3 deferred members and 174 retirees and beneficiaries.

As of December 31, 2019, the going-concern liability of the plan was \$68,912,831, including a Provision for Adverse Deviation (PfAD) of \$3,700,990, compared to the actuarial value of assets of \$71,445,290. On a solvency basis, the liability was \$57,859,942, while the assets (at market) were \$71,295,290 (net of a provision for

plan windup expenses of \$150,000). On a windup basis, the liability was \$72,819,924.

#### **1.04 Objective of the Plan**

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

#### **1.05 Investment and Risk Philosophy**

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

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

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

#### **1.06 Administration**

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

#### **1.07 Pooling of Assets**

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

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

#### **1.08 Master Trust SIPP**

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

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

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### Overview

#### 1.01 Purpose of Statement

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

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

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

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

#### 1.02 Background of the Plan

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

#### 1.03 Plan Profile

##### a) Contributions

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

##### b) Benefits

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

In the event that pensions accrued under the prior plan exceed the pension accrued under the current plan for service prior to July 1, 1980, then the pension is increased accordingly. Pensions are subject to annual indexing equal to the indexing provided

to retirees under the OMERS plan (100% of inflation to a maximum of 6% per annum).

**c) Liabilities**

As of the most recent actuarial valuation of the Plan as at January 1, 2020, there were 315 active members, 29 deferred members and 610 retirees and beneficiaries. The average age of the active members was approximately 54.3 years with average pensionable earnings of \$70,474.

As of January 1, 2020, the going-concern liability of the plan was \$228,695,400, including a Provision for Adverse Deviation (PfAD) of \$17,103,300, compared to the actuarial value of assets of \$211,167,500. On a solvency basis, the liability was \$216,314,100 while the assets (at market) were \$210,967,500 (net of a provision for plan windup expenses of \$200,000). On a windup basis the liability was \$315,487,000.

The going-concern deficit is being eliminated through a series of special payments. No special payments are required for the solvency deficit since the solvency ratio exceeds .85.

**1.04 Objective of the Plan**

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

**1.05 Investment and Risk Philosophy**

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

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

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

**1.06 Administration**

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

**1.07 Pooling of Assets**

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

Up to 2 % of Plan assets may be invested outside of the City of Hamilton Defined Benefit Plans Master Trust for operating expenses and liquidity purposes, in accordance with the



parameters set out in Section 3.02 (a), (c) and (e) of the City of Hamilton Defined Benefit Plans Master Trust SIPP. The provisions of the City of Hamilton Defined Benefit Plans Master Trust SIPP apply to the investment of these assets.

**1.08 Master Trust SIPP**

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

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

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### Overview

#### 1.01 Purpose of Statement

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

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

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

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

#### 1.02 Background of the Plan

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

#### 1.03 Plan Profile

##### a) Contributions

Under the terms of the Plan text:

For normal retirement age 60 class:

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

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

##### b) Benefits

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

OMERS plan, which is currently equal to 100% of the increase in the Consumer Price Index to a maximum of 6.0% per annum.

**c) Liabilities**

As of the most recent actuarial valuation of the Plan as at December 31, 2019, there were no active members, no deferred members and 140 retirees and beneficiaries.

As of December 31, 2019, the going-concern liability of the plan was \$52,830,000, including a Provision for Adverse Deviation (PfAD) of \$4,304,000, compared to the actuarial value of assets of \$54,821,000. On a solvency basis, the liabilities were \$50,907,000 while the assets were \$54,751,000 (net of a provision for plan windup expenses of \$70,000). On a windup basis the liability was \$64,241,000.

**1.04 Objective of the Plan**

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

**1.05 Investment and Risk Philosophy**

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

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

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

**1.06 Administration**

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

**1.07 Pooling of Assets**

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

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

**1.08 Master Trust SIPP**

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

## Appendix D – Compliance Reports

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

**Compliance Report for the Quarter Ended \_\_\_\_\_  
 (date)**

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

\* If policy not complied with, comment on specifics

**COMPLETED BY:** \_\_\_\_\_ **SIGNED BY:** \_\_\_\_\_

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

**Compliance Report for the Quarter Ended \_\_\_\_\_  
 (date)**

|  |   | <b>GUIDELINES</b> | <b>POLICY<br/>COMPLIED<br/>WITH<br/><br/>YES/NO *</b> |
|--|---|-------------------|---|
| <b>ASSET MIX (at Market Value)</b>       |   | %                 |   |
| <b>EQUITIES</b>                          |   |                   |   |
|  | U.S.  |                   |   |
|  | EAFE  |                   |   |
|  | TOTAL FOREIGN   |                   |   |
| <b>CASH</b>                              | SHORT-TERM & CASH   |                   |   |
| <b>CONSTRAINTS</b>                       |   |                   |   |
| <b>GENERAL</b>                           | Investment Policy Section 3.01 – General Guidelines                                       |                   |   |
| <b>EQUITIES</b>                          | Investment Policy Section 3.02 (a) – Canadian and Foreign Equities                        |                   |   |
| <b>CASH</b>                              | Investment Policy Section 3.02 (c) – Cash and Short Term Investments                      |                   |   |
| <b>DERIVATIVES</b>                       | Investment Policy Section 3.02 (d) – Derivatives  |                   |   |
| <b>OTHER INVESTMENTS</b>                 | Investment Policy Section 3.02 (e) – Other Investments                                    |                   |   |
| <b>INDEX</b>                             | Investment Policy Section 3.02 (f) – Index Mandates                                       |                   |   |
| <b>QUALITY REQUIREMENTS</b>              | Investment Policy Section 3.03 – Minimum Quality Requirements                             |                   |   |
| <b>QUANTITY RESTRICTIONS</b>             | Investment Policy Section 3.04 – Maximum Quantity Restrictions                            |                   |   |
| <b>PRIOR PERMISSION</b>                  | Investment Policy Section 3.05 – Prior Permission Required                                |                   |   |
| <b>PROHIBITED INVESTMENTS</b>            | Investment Policy Section 3.06 – Prohibited Investments                                   |                   |   |
| <b>SECURITIES LENDING</b>                | Investment Policy Section 3.07 – Securities Lending                                       |                   |   |
| <b>BORROWING</b>                         | Investment Policy Section 3.08 – Borrowing  |                   |   |
| <b>RESPONSIBILITIES</b>                  | Investment Policy Section 4.01 (b) – Delegation of Responsibilities – Investment Managers |                   |   |
| <b>STANDARDS OF PROFESSIONAL CONDUCT</b> | Investment Policy Section 4.04 - Standards of Professional Conduct                        |                   |   |
| <b>CONFLICTS OF INTEREST</b>             | Investment Policy Section 5.01 - Conflicts of Interest                                    |                   |   |
| <b>VOTING RIGHTS</b>                     | Investment Policy Section 5.08 - Voting Rights  |                   |   |

\* If policy not complied with, comment on specifics

**COMPLETED BY:** \_\_\_\_\_ **SIGNED BY:** \_\_\_\_\_

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

**Compliance Report for the Quarter Ended \_\_\_\_\_  
 (date)**

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

\* If policy not complied with, comment on specifics

**COMPLETED BY:** \_\_\_\_\_ **SIGNED BY:** \_\_\_\_\_

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

**Compliance Report for the Quarter Ended \_\_\_\_\_  
 (date)**

|  |   | GUIDELINES | POLICY<br>COMPLIED<br>WITH<br><br>YES/NO * |
|--|---|------------|--|
| <b>ASSET MIX (at Market Value)</b>       |   | %          |  |
| <b>EQUITIES</b>                          | CANADIAN  |            |  |
|  | U.S.  |            |  |
|  | EAFE  |            |  |
|  | TOTAL FOREIGN   |            |  |
| <b>CASH</b>                              | SHORT-TERM & CASH   |            |  |
| <b>CONSTRAINTS</b>                       |   |            |  |
| <b>GENERAL</b>                           | Investment Policy Section 3.01 – General Guidelines                                       |            |  |
| <b>EQUITIES</b>                          | Investment Policy Section 3.02 (a) – Canadian and Foreign Equities                        |            |  |
| <b>CASH</b>                              | Investment Policy Section 3.02 (c) – Cash and Short Term Investments                      |            |  |
| <b>DERIVATIVES</b>                       | Investment Policy Section 3.02 (d) – Derivatives  |            |  |
| <b>OTHER INVESTMENTS</b>                 | Investment Policy Section 3.02 (e) – Other Investments                                    |            |  |
| <b>INDEX</b>                             | Investment Policy Section 3.02 (f) – Index Mandates                                       |            |  |
| <b>QUALITY REQUIREMENTS</b>              | Investment Policy Section 3.03 – Minimum Quality Requirements                             |            |  |
| <b>QUANTITY RESTRICTIONS</b>             | Investment Policy Section 3.04 – Maximum Quantity Restrictions                            |            |  |
| <b>PRIOR PERMISSION</b>                  | Investment Policy Section 3.05 – Prior Permission Required                                |            |  |
| <b>PROHIBITED INVESTMENTS</b>            | Investment Policy Section 3.06 – Prohibited Investments                                   |            |  |
| <b>SECURITIES LENDING</b>                | Investment Policy Section 3.07 – Securities Lending                                       |            |  |
| <b>BORROWING</b>                         | Investment Policy Section 3.08 – Borrowing  |            |  |
| <b>RESPONSIBILITIES</b>                  | Investment Policy Section 4.01 (b) – Delegation of Responsibilities – Investment Managers |            |  |
| <b>STANDARDS OF PROFESSIONAL CONDUCT</b> | Investment Policy Section 4.04 - Standards of Professional Conduct                        |            |  |
| <b>CONFLICTS OF INTEREST</b>             | Investment Policy Section 5.01 - Conflicts of Interest                                    |            |  |
| <b>VOTING RIGHTS</b>                     | Investment Policy Section 5.08 - Voting Rights  |            |  |

\* If policy not complied with, comment on specifics

**COMPLETED BY:** \_\_\_\_\_ **SIGNED BY:** \_\_\_\_\_





**CITY OF HAMILTON**  
**HEALTHY AND SAFE COMMUNITIES DEPARTMENT**  
**General Manager's Office**

|                           |   |
|---------------------------|---|
| <b>TO:</b>                | Chair and Members<br>Audit, Finance and Administration Committee              |
| <b>COMMITTEE DATE:</b>    | December 9, 2021  |
| <b>SUBJECT/REPORT NO:</b> | 2022 Budget Submission - Aboriginal Advisory Committee (HSC21051) (City Wide) |
| <b>WARD(S) AFFECTED:</b>  | City Wide   |
| <b>PREPARED BY:</b>       | Shelly Hill (905) 546-2424 Extension 4081                                     |
| <b>SUBMITTED BY:</b>      | Grace Mater<br>General Manager,<br>Healthy and Safe Communities Department    |
| <b>SIGNATURE:</b>         |   |

### RECOMMENDATION

That the Aboriginal Advisory Committee 2022 base budget submission attached as Appendix "A" to Report HSC21051 in the amount of \$3,552, be approved and referred to the 2022 budget process for consideration.

### EXECUTIVE SUMMARY

In accordance with the process for submission of budgets for the Volunteer Advisory Committees, the Aboriginal Advisory Committee Budget for 2022 in the amount of \$3,552 is being submit with the recommendation that it be approved. This base budget request is the same amount as the 2021 approved budget.

### Alternatives for Consideration – Not Applicable

### FINANCIAL – STAFFING – LEGAL IMPLICATIONS

**Financial:** The base budget requested for 2022 is in keeping with the approved 2021 budget for the committee. No additional funds are being requested.

**Staffing:** N/A

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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 Budget Submission - Aboriginal Advisory Committee (HSC21051)  
(City Wide) - Page 2 of 3**

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Legal: N/A

**HISTORICAL BACKGROUND**

At its December 2, 2021 meeting, the Aboriginal Advisory Committee gave consideration to its budget needs for 2022. Their budget submission is attached as Appendix "A" to Report HSC21051.

The budget includes both incidental costs to support the Committee, as well as additional costs for specific events, programs and initiatives.

**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. The committee has not yet determined all of its activities for 2022. Should additional funding for the Aboriginal Advisory Committee be required, requests for reserve funding will be made at the appropriate time.

**RELEVANT CONSULTATION**

The Aboriginal Advisory Committee discussed its 2022 budget needs at its December 2, 2021 Committee meeting.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

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

**ALTERNATIVES FOR CONSIDERATION**

None

**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

**SUBJECT: 2022 Budget Submission - Aboriginal Advisory Committee (HSC21051)  
(City Wide) - Page 3 of 3**

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**Healthy and Safe Communities**

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

**Clean and Green**

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

**Built Environment and Infrastructure**

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

**Culture and Diversity**

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

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report HSC21051 - Aboriginal Advisory Committee Budget Submission



# **CITY OF HAMILTON**

**2022**

**ADVISORY COMMITTEES**

**BUDGET SUBMISSION FORM**

**ABORIGINAL ADVISORY COMMITTEE**

**PART A: General Information****ADVISORY COMMITTEE MEMBERS:**

|                                  |  |
|----------------------------------|--|
| <b>Connie Bellamy</b>            |  |
| <b>Scott Cruickshank</b>         |  |
| <b>Allan Loft</b>                |  |
| <b>Patty Lawlor (non-voting)</b> |  |
| <b>Marilyn Wright</b>            |  |
| <b>Councillor Nann (Liason)</b>  |  |
|                                  |  |
|                                  |  |

**MANDATE:**

The Aboriginal Advisory Committee (AAC) is a volunteer advisory committee to the City of Hamilton. The AAC assists the City to honour and engage its Aboriginal citizens in the pursuit of the City's vision by providing advice and/or recommendations, through the appropriate Standing Committee of Council, that enhance the wellbeing of Aboriginal people and/or resolve municipal issues.

**PART B: Strategic Planning****STRATEGIC OBJECTIVES:**

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

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

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

**ALIGNMENT WITH CORPORATE GOALS:**

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

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

|  |                   |
|--|-------------------|
| Monthly meeting expenses (photocopying, refreshments, advertising, signage, postage, etc.) | 1000.00           |
| <b>SUB TOTAL</b>   | <b>\$1,000.00</b> |

**SPECIAL EVENT/PROJECT COSTS:**

|  |                   |
|--|-------------------|
| To include:<br><ul style="list-style-type: none"> <li>- National Indigenous Peoples Day <ul style="list-style-type: none"> <li>o Banner Display</li> </ul> </li> <li>- Support and participation in events co-hosted with the Indigenous Relations - Urban Indigenous Strategy</li> <li>- Support for community engagement activities</li> </ul> | 2552.00           |
| <b>SUB TOTAL</b>   | <b>\$2,552.00</b> |

|                    |                   |
|--------------------|-------------------|
| <b>TOTAL COSTS</b> | <b>\$3,552.00</b> |
|--------------------|-------------------|

|  |              |
|--|--------------|
| <b>Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances)</b> | <b>\$N/A</b> |
|--|--------------|

|  |                   |
|--|-------------------|
| <b>TOTAL 2022 BUDGET REQUEST (net of reserve funding)</b>            | <b>\$3,552.00</b> |
| <b>PREVIOUS YEAR (2021) APPROVED BUDGET (2021 Request \$3552.00)</b> | <b>\$3,552.00</b> |

**CERTIFICATION:**

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

**Representative's Name:** **Marilyn Wright**

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**Signature:**

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**Date:**

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**Telephone #:**

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**CITY OF HAMILTON**  
**CITY MANAGER'S OFFICE**  
 Government Relations & Community Engagement

Hamilton

|                           |  |
|---------------------------|--|
| <b>TO:</b>                | Chair and Members<br>Audit, Finance & Administration Committee                                 |
| <b>COMMITTEE DATE:</b>    | December 9, 2021   |
| <b>SUBJECT/REPORT NO:</b> | 2022 Budget Submission – Committee Against Racism (CM21017) (City Wide)                        |
| <b>WARD(S) AFFECTED:</b>  | City Wide  |
| <b>PREPARED BY:</b>       | Sunil Angrish, Project Manager,<br>Community Inclusion & Equity<br>(905) 546-2424              |
| <b>SUBMITTED BY:</b>      | Morgan Stahl<br>Director, Government Relations & Community Engagement<br>City Manager's Office |
| <b>SIGNATURE:</b>         |              |

## RECOMMENDATIONS

(a) That the Committee Against Racism Advisory Committee 2022 base budget in the amount of \$8,900, be approved and referred to the 2022 budget process for consideration.

## EXECUTIVE SUMMARY

In accordance with the process for submission of budgets for the Volunteer Advisory Committees, the Committee Against Racism Volunteer Advisory Committee Budget for 2022 in the total amount of \$8,900 is being submitted with the recommendation that they be approved.

Alternatives for Consideration – See Page 3

## FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The base budget requested for 2022 for the advisory committee is the same as the budget requested and approved for 2021.

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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 Budget Submission – Committee Against Racism (CM21017)  
(City Wide)**

**Page 2 of 3**

Staffing: Not Applicable

Legal: Not Applicable

**HISTORICAL BACKGROUND**

The Committee Against Racism Volunteer Advisory Committee was unable to consider their budget needs for 2022 due to lack of quorum at their November 2021 meeting. It was recommended by the Clerk's Office to provide a budget request on their behalf to ensure they can continue their activities in 2022. 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.

| <b>Committee Name</b>                       | <b>2021 Approved</b> | <b>2022 Base Request</b> | <b>Request from Reserve</b> | <b>Total 2022 Request</b> |
|---|----------------------|--------------------------|-----------------------------|---------------------------|
| Committee Against Racism Advisory Committee | \$8,900              | \$8,900                  | \$0                         | \$8,900                   |

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

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The Volunteer Advisory Committees are able to put surplus funds from each year into a reserve, for future purposes and request the use of those funds, in future years, for specific activities. This provides the Committee with an opportunity to plan ahead to undertake specific projects or initiatives, in future years, while minimizing increases in their budgets. The committee has not yet determined all of their activities for 2022. Should additional funding for either 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 Committee Against Racism Volunteer Advisory Committee was unable to discuss their 2022 budget needs at their November 2021 Committee meeting due to lack of quorum. It was recommended by the Clerk's Office that the Staff Liaison submit a budget on their behalf based on their previously approved 2021 budget. The Advisory Committee has been informed of this decision and no objection was received.

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**SUBJECT: 2022 Budget Submission – Committee Against Racism (CM21017)  
(City Wide)****Page 3 of 3**

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**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.

**Healthy and Safe Communities**

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

**Culture and Diversity**

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity is 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 CM21017 – Committee Against Racism Budget Submission



# **CITY OF HAMILTON**

**2022**

**ADVISORY COMMITTEES**

**BUDGET SUBMISSION FORM**

**COMMITTEE AGAINST RACISM**

## PART A: General Information

### ADVISORY COMMITTEE MEMBERS:

|                          |                                |
|--------------------------|--------------------------------|
| <b>Annie Law</b>         | <b>Gerry Smith</b>             |
| <b>Tyrone Childs</b>     | <b>Councillor Nrinder Nann</b> |
| <b>Marlene Dei-Amoah</b> |                                |
| <b>Leslyn Gombakomba</b> |                                |
| <b>Shamini Jacob</b>     |                                |
| <b>Phillip Jeffrey</b>   |                                |
| <b>Taimur Qasim</b>      |                                |
| <b>Simone McWatt</b>     |                                |

### MANDATE:

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

## PART B: Strategic Planning

### STRATEGIC OBJECTIVES:

1. Make recommendations and give advice to the City of Hamilton's staff and Council on issues relating to racism, equity, diversity and inclusion as well as issues relating to anti-racism.
2. Encourage every person, regardless of their race, ancestry, place of origin, colour, ethnic origin, citizenship, religion, creed or any other grounds based on the Ontario Human Rights Code (OHRC), to participate in programs and services for the improvement of community relations and the fulfilment of Human Rights.
3. Work actively with institutions and all other relevant organizations, including educational institutions, Police Services, Emergency Services, public, private, voluntary sector and all levels of government to advise, consult, advocate and to promote proactive measures pertaining to racism and its impacts.
4. Consult with individuals and/or groups with respect to complaints regarding racism and to make referrals within the community for complainants.
5. Initiate and facilitate discussions between individuals and/or groups to address issues and concerns of racism and/or while promoting respect and understanding in the community.

**ALIGNMENT WITH CORPORATE GOALS:**

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

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

|   |               |
|---|---------------|
| Monthly meeting expenses (photocopying, refreshments, advertising, postage, etc.) |               |
| <b>SUB TOTAL</b>  | <b>\$ 900</b> |

**SPECIAL EVENT/PROJECT COSTS:**

|   |                |
|---|----------------|
| Initiatives by the Committee, including the following:<br>1) Days of recognition such as, Lincoln Alexander Day, Black History Month, Emancipation Day, and other days related to the mandate of anti-racism<br>2) Supporting City of Hamilton initiatives related to anti-racism<br>3) Support of anti-racism related community events |                |
| <b>SUB TOTAL</b>  | <b>\$ 8000</b> |

|                    |                |
|--------------------|----------------|
| <b>TOTAL COSTS</b> | <b>\$ 8900</b> |
|--------------------|----------------|

|  |  |
|--|--|
| <b>Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances)</b> |  |
|--|--|

|  |                |
|--|----------------|
| <b>TOTAL 2022 BUDGET REQUEST (net of reserve funding)</b>          | <b>\$ 8900</b> |
| <b>PREVIOUS YEAR (2021) APPROVED BUDGET (2021 Request \$ 8900)</b> | <b>\$ 8900</b> |

**CERTIFICATION:**

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

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

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**Signature:**

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**Date: Dec 8, 2021**

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**Telephone #:**

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# 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.