



City of Hamilton
AUDIT, FINANCE AND ADMINISTRATION COMMITTEE
AGENDA

Meeting #: 23-004
Date: March 23, 2023
Time: 9:30 a.m.
Location: Council Chambers
Hamilton City Hall
71 Main Street West

Tamara Bates, Legislative Coordinator (905) 546-2424 ext. 4102

1. **CEREMONIAL ACTIVITIES**
2. **APPROVAL OF AGENDA**
(Added Items, if applicable, will be noted with *)
3. **DECLARATIONS OF INTEREST**
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING**
 - 4.1 February 16, 2023
5. **COMMUNICATIONS**
6. **DELEGATION REQUESTS**
7. **DELEGATIONS**
8. **STAFF PRESENTATIONS / PRESENTATIONS**
 - 8.1 Advisory Committee for Immigrants and Refugees - Annual Report
 - 8.2 Fraud and Waste Hotline Pilot Program Evaluation (AUD23005)
9. **CONSENT ITEMS**

9.1 Various Advisory Committee Minutes

- a. Committee Against Racism - January 10, 2023 - WITHDRAWN
- b. Committee Against Racism - February 6, 2023
- c. Hamilton Women and Gender Equity Committee - January 26, 2023 - WITHDRAWN

9.2 Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS23015) (City Wide)

9.3 Report of the 2022 Remuneration and Expenses as Required under Section 284 of the Municipal Act (FCS23018) (City Wide)

9.4 Annual Assessment Appeals as of December 31, 2022 (FCS23022) (City Wide)

9.5 Annual Tax Arrears as of December 31, 2022 (FCS23023) (City Wide)

9.6 COVID-19 Policy 10 Emergency Procurements Report (FCS23024) (City Wide)

9.7 Annual Occupational Injury & Illness Claims Report 2022 (HUR23003) (City Wide)

9.8 Annual Employee Attendance Report 2022(HUR23005) (City Wide)

10. DISCUSSION ITEMS

10.1 Use of External Services for Tax Assessment & Appeals (FCS20005(b)/LS21047(a)) (Outstanding Business List Item) (City Wide)

10.2 Request to Extend Banking Services Agreement (FCS23036) (City Wide)

10.3 Accounts Receivable Write-Offs for 2022 (FCS23017) (City Wide)

11. MOTIONS

11.1 Feasibility of a Bring Your Own Device Policy

12. NOTICES OF MOTION

13. GENERAL INFORMATION / OTHER BUSINESS

13.1 Amendment to the Outstanding Business List

- a. Items Considered Completed and to be Removed

- a. Use of External Services for Tax Assessment & Appeals

Item on OBL: 210Q

Addressed as Item 10.1 on today's agenda

14. PRIVATE AND CONFIDENTIAL

- 14.1 City Auditor Reporting of Serious Matters to Council (Case #63146) (AUD23006)
(City Wide)

Discussion of Item 14.1, pursuant to Section 9.3, Sub-section (a) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-section (a) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to the security of the property of the City or a local board.

15. ADJOURNMENT



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 23-003

**9:30 a.m.
February 16, 2023
Council Chambers
Hamilton City Hall**

Present: Councillors C. Kroetsch (Chair), T. Hwang (Vice-Chair), J. Beattie, B. Clark, M. Tadeson, and A. Wilson

Absent with Regrets: Councillor M. Wilson– Personal

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. Fraud and Waste Annual Report (AUD23003) (City Wide) (Item 8.1)

(Beattie/Hwang)

- (a) That the Fraud and Waste Hotline pilot program be extended through to July 31, 2023 using the existing Council-approved funding allotment (Report AUD18007); and
- (b) That Appendices “A” and “B” to Report AUD23003 be received.

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES - CHAIR Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson

2. Consent Items (Item 9)

(Tadeson/Hwang)

That the following reports be received:

- (a) Report FCS22050(a)/PW22047(a), respecting Update on Procurement of Liquid Chlorine in Railway Tank Cars for the Woodward Water and Wastewater Treatment Plants (City Wide) (Item 9.1); and

- (b) Report FCS23016, respecting 2020 and 2021 Audited Financial Statements for City of Hamilton Business Improvement Areas (BIAs) (City Wide) (Item 9.2);

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

ABSENT - Ward 1 - Councillor Maureen Wilson
YES - CHAIR Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson

3. Committee Against Racism Citizen Committee Report, respecting Citizen Candidates for the Hamilton Police Services Selection Committee (Added Item 10.2)

(Hwang/A. Wilson)

That the appointments of the Community Representatives listed in the Citizen Committee Report respecting Citizen Candidates for the Hamilton Police Services Board Selection Committee be referred to the February 22, 2023 Council meeting for consideration.

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES - CHAIR Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

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

5. COMMUNICATIONS

- 5.2 Gabriel Nicholson, respecting motion 11.2 Council Access to and Copies of Confidential Records
Recommendation: Be received and referred to Item 11.2, Council Access to and Copies of Confidential Records.

8. STAFF PRESENTATIONS / PRESENTATIONS

8.2 Committee Against Racism - Annual Report (no copy)

9. CONSENT ITEMS

9.4 Committee Against Racism Minutes – January 10, 2023

10. DISCUSSION ITEMS

10.2 Committee Against Racism Citizen Committee Report, respecting Citizen Candidates for the Hamilton Police Services Selection Committee
Refer to Item 14.1 for Confidential Appendix A to Committee Against Racism Citizen Committee Report, respecting Citizen Candidates for the Hamilton Police Services Board Selection Committee.

14. PRIVATE AND CONFIDENTIAL

14.1 Confidential Appendix A - Committee Against Racism - Citizen Committee Report, respecting Citizen Candidates for the Hamilton Police Services Selection Committee

(Hwang/Tadeson)

That the agenda for the February 16, 2023 Audit, Finance and Administration Committee meeting be approved, as amended.

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES - CHAIR - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

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

(i) February 2, 2023 (Item 4.1)

(Hwang/A. Wilson)

That the Minutes of the February 2, 2023 meeting of the Audit, Finance and Administration Committee be approved, as presented.

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES – CHAIR - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson

(d) STAFF PRESENTATIONS / PRESENTATIONS (Item 8)

(i) Fraud and Waste Annual Report (AUD23003) (City Wide) (Item 8.1)

Charles Brown, City Auditor, addressed Committee respecting the Fraud and Waste Annual Report, with the aid of a presentation.

(Hwang/Beattie)

That the presentation from Charles Brown, City Auditor, respecting the Fraud and Waste Annual Report, be received.

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES - CHAIR - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson

For further disposition of this matter, refer to Item 1.

(ii) Committee Against Racism - Annual Report (Added Item 8.2)

Taimur Qasim, Co-Chair, Committee Against Racism, addressed the Committee respecting the Committee Against Racism Annual Report.

(Tadeson/A. Wilson)

That the presentation from Taimur Qasim, Co-Chair, Committee Against Racism, respecting the Committee Against Racism Annual Report, be received.

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

ABSENT - Ward 1 Councillor Maureen Wilson

YES - CHAIR - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson

(e) CONSENT ITEMS (Item 9)

(i) Advisory Committee Minutes

(Hwang/Tadeson)

That the following Advisory Committee Minutes, be received:

1. Hamilton Women and Gender Committee - December 23, 2022 (Item 9.3)
2. Committee Against Racism - January 10, 2023 (Added Item 9.4)

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES - CHAIR - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson

(f) DISCUSSION ITEMS (Item 10)

(i) Hamilton Women and Gender Equity Committee, Citizen Committee Report, respecting Applying a gender lens to the City of Hamilton for the Operational Budget (Item 10.1)

(A. Wilson/Tadeson)

That the Hamilton Women and Gender Equity Committee, Citizen Committee Report, respecting Applying a gender lens to the City of Hamilton Budget, be received and referred to staff for report back to the Audit, Finance and Administration Committee in advance of the 2024 budget process on how a gender-based lens can be applied through a municipal budgeting process.

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES - CHAIR Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie

YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson

(g) MOTIONS (Item 11)

(i) Constituent Management Software (Item 11.1)

(Clark/Beattie)

WHEREAS, Councillors and their staff are currently not provided with supported database software that helps track actionable items based on contact with constituents;

WHEREAS, Information Technology staff must be directed by Council to explore database software options that can be supported;

THEREFORE, BE IT RESOLVED:

That Information Technology staff be directed to explore user friendly database software options and report back to the Audit, Finance and Administration Committee with those options, complete with any costs associated with adopting such software for use by Councillors and their administrative staff.

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES - CHAIR Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson

Councillor Kroetsch relinquished the Chair to Councillor Hwang to introduce the following Motion and Notice of Motion:

(ii) Council Access to and Copies of Confidential Records (Item 11.2)

(Kroetsch/A. Wilson)

That the motion respecting Council Access to and Copies of Confidential Records be referred to staff for report back to the Governance Review Sub-Committee at a future meeting.

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

YES - Ward 1 Councillor Maureen Wilson
YES - CHAIR Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang

ABSENT - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson

(h) NOTICES OF MOTION (Item 12)

(i) Feasibility of a Bring Your Own Device Policy (Item 12.1)

Councillor Kroetsch introduced the following Notice of Motion:

WHEREAS, the Council-approved *City of Hamilton E-mail, Internet, and Computer Acceptable Use Policy* and *IT Security Policy* strictly prohibit the use of personal devices in any form to conduct City of Hamilton business;

WHEREAS, the ability to use a range of technology, including software, to accommodate social media and graphic design would enable Councillors and their staff to optimize their office work;

THEREFORE, BE IT RESOLVED:

That Information Technology staff investigate the feasibility of implementing a bring-your-own-device policy that would allow Councillors and their staff to use personal computers, mobile phones and other personal devices to conduct City of Hamilton business and report back to the Audit, Finance and Administration Committee on the following:

- (a) the risks, operational impacts, and cost implications of implementing a bring-your-own-device policy;
- (b) the possible implementation of a pilot for a bring-your-own-device policy, that shall be limited to Councillors and their administrative staff; and
- (c) an investigation of other direct paths to allow Councillors and their staff to use a range of personal technology to meet their individual needs.

Councillor Kroetsch assumed the Chair.

(i) GENERAL INFORMATION / OTHER BUSINESS (Item 15)

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

(Tadeson/Hwang)

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

- (a) Items Requiring a New Due Date

1. Transportation Operations Inventory Audit, Fraud and Waste Investigation, and Follow Up to Audit Report 2013-17 - Public Works - Traffic Inventory
Item on OBL: 22-G
Current Due Date: May 2023
Proposed New Due Date: September 21, 2023

(b) Items Considered Complete and to be Removed

1. Procurement of Liquid Chlorine in Railway Tank Cars for the Woodward Water and Wastewater Treatment Plants
Item on OBL: 22-F
Addressed as Item 9.1 on today's agenda

(j) ADJOURNMENT (Item 15)

(Hwang/Tadeson)

That, there being no further business, the Audit, Finance and Administration Committee, be adjourned at 11:41 a.m.

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES - CHAIR Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson

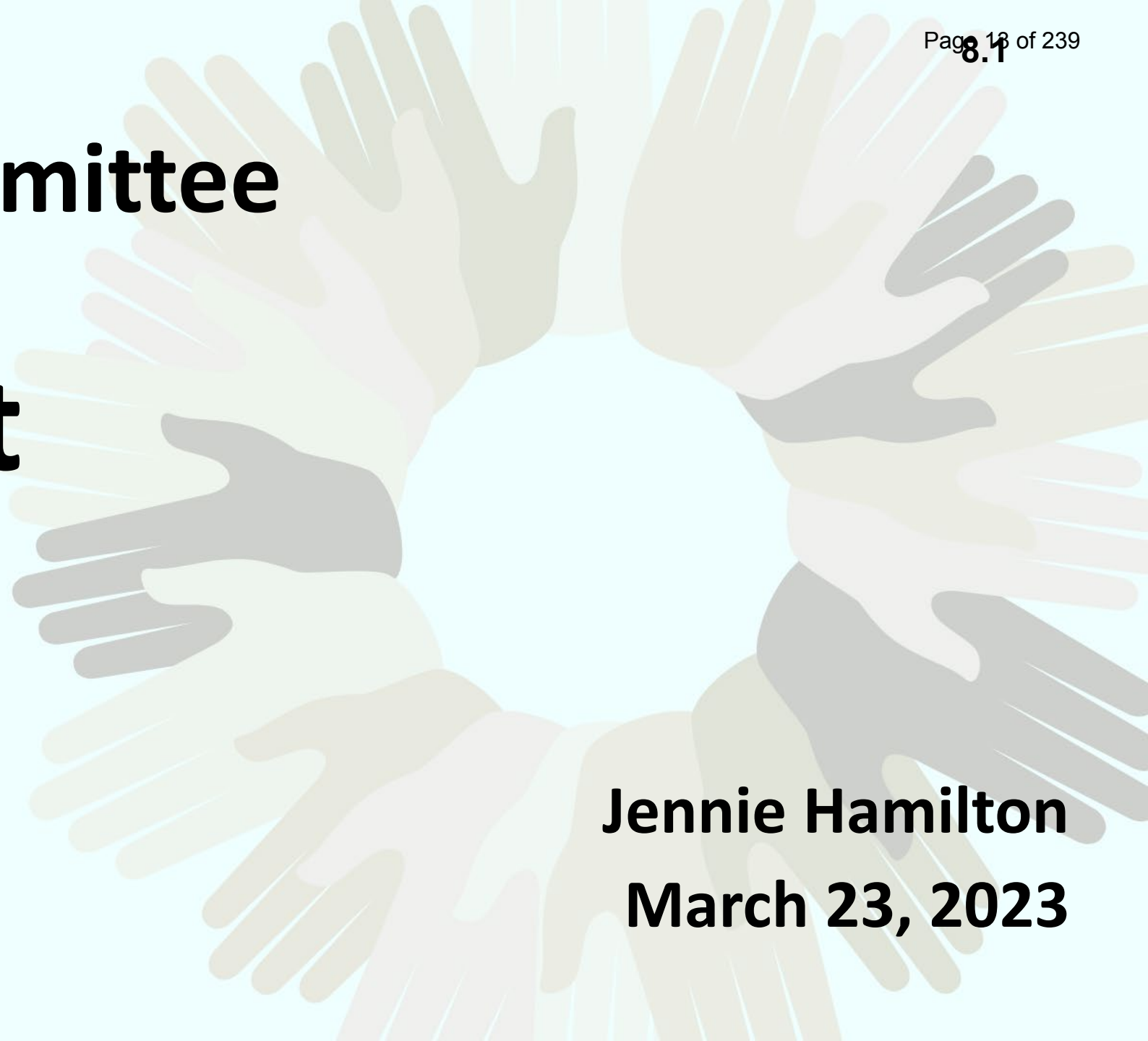
Respectfully submitted,

Councillor Cameron Kroetsch, Chair
Audit, Finance and Administration
Committee

Tamara Bates
Legislative Coordinator
Office of the City Clerk

Advisory Committee for Immigrant and Refugees

**Jennie Hamilton
March 23, 2023**



Immigrant and Refugees

Mandate

To make recommendations regarding policies, procedures and guidelines that address the needs and concerns of people who are immigrants or refugees.



Immigrant and Refugees

- Reports to Audit, Finance and Administration Committee
- Jennie Hamilton (Chair), Eisham Abdulkarim (Vice), Dorar Abuzaid (Recording Secretary)
- There are currently 6 committee members
- Lina El Khalil – City Liaison and Coordinator
- Councillor Maureen Wilson – Advisor

Immigrant and Refugees

2022

- Identified Financial Education for Immigrants as priority for the committee
- The Elections Committee approached seeking volunteers for a working group before the election to help reach the immigrant communities to encourage voting.
- Attended HIPC meetings
- The committee met 8 times in 2022. 4 of the meetings did not meet quorum

Immigrant and Refugees

Challenges

- Reaching quorum during meetings – Committee was unable to fulfill the plans laid out in the beginning of the year.
- Training on being a member of an advisory committee

Immigrant and Refugees

Action Plan

- Recruitment
- Training for Committee Members



Immigrant and Refugees

QUESTIONS?



Immigrant and Refugees

Thank you.





Hamilton

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

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 23, 2023
SUBJECT/REPORT NO:	Fraud and Waste Hotline Pilot Program: Evaluation (AUD23005) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brigitte Minard CPA, CA, CIA, CGAP (905) 546-2424 Ext. 3107 Charles Brown CPA, CA (905) 546-2424 Ext. 4469 Cindy Purnomo Stuive (905) 546-2424 Ext. 2257
SUBMITTED BY:	Charles Brown, CPA, CA City Auditor Office of the City Auditor
SIGNATURE:	

RECOMMENDATION

- (a) That the Fraud and Waste Hotline Pilot Program be made permanent.
- (b) That effective July 1, 2023, the Fraud and Waste Hotline be funded via the operating levy through the Office of the City Auditor's operating budget, first by exhausting any remaining funding that was previously approved by Council.
- (c) That Council approve the single source procurement, pursuant to Procurement Policy #11 – Non-competitive Procurements, for the Fraud and Waste Hotline Intake Services, Case Management Software, and Support until July 31, 2028 and that the City Manager be authorized to negotiate, enter into and execute a Contract and any ancillary documents required to give effect thereto with Whistleblower Security Inc., in a form satisfactory to the City Solicitor.

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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: Fraud and Waste Hotline Pilot Program: Evaluation (AUD23005) (City Wide)

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- (d) That the name of the Office of the City Auditor be amended to the Office of the Auditor General in all corporate systems, on the City's website, and within any City Policy that references that Office, including but not limited to the Fraud Policy and Protocol, the Code of Conduct for Employees and Schedule F of the Code of Conduct for Employees "Interacting with the Office of the City Auditor" so that the independent and objective nature of the work being performed is recognized, acknowledged, and more easily understood by the public and staff.
- (e) That the position City Auditor be known as the Auditor General and this be updated in all corporate systems, on the City's website, and within any City Policy that references that Office, including but not limited to the Fraud Policy and Protocol, the Code of Conduct for Employees and Schedule F of the Code of Conduct for Employees "Interacting with the Office of the City Auditor".
- (f) That the revised Audit Charter (Appendix "A" to Report AUD23005) be approved.
- (g) That Legal Services be directed to prepare a by-law to amend the City's Procedural By-law 21-021, as amended, to replace Schedule F1, with the revised Audit Charter, attached as Appendix "A" to Report AUD23005 and to update references made to the City Auditor and the Office of the City Auditor within the Procedural By-law 21-021 to Auditor General and the Office of the Auditor General and that notice of the proposed amendment be given pursuant to the City's Public Notice Policy By-law 07-351.
- (h) That a by-law to amend the City Auditor By-law 19-180, to reflect the change from Office of the City Auditor to Office of the Auditor General and City Auditor to Auditor General attached as Appendix "B" to Report AUD23005, be enacted by Council.
- (i) That a by-law to amend the Whistleblower By-law 19-181, to reflect the change from Office of the City Auditor to Office of the Auditor General and City Auditor to Auditor General and to extend protections from reprisals to include employees who are witnesses in whistleblower investigations attached as Appendix "C" to Report AUD23005, be enacted by Council.

EXECUTIVE SUMMARY

About the Fraud and Waste Hotline

The City of Hamilton currently provides a convenient, confidential and anonymous way for members of the public, its employees and contractors/vendors to report suspicions or proof of wrongdoing, defined as any kind of activity that could be deemed illegal,

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SUBJECT: Fraud and Waste Hotline Pilot Program: Evaluation (AUD23005) (City Wide)
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dishonest, wasteful or a deliberate violation of a City of Hamilton policy as part of the Fraud and Waste Hotline Pilot Program.

The Fraud and Waste Hotline is managed by the Office of the City Auditor, an independent and objective office that is accountable to Council via the Audit, Finance, and Administration Committee. The Office will review and assess each report and, if necessary, launch an investigation. An appropriate, objective and impartial assessment is conducted, regardless of the alleged wrongdoer's position, title, and length of service or the relationship with the City of any party who might be involved in such an assessment and investigation.

The Hotline empowers all members of the public and City of Hamilton employees to report concerns and thereby enable the City of Hamilton to operate with a high level of honesty and integrity. It is important to remember that reports of fraud, waste/misconduct and wrongdoing to the Hotline should be made in good faith.

In its 2022 biennial global study on occupational fraud, the Association of Certified Fraud Examiners reports that frauds are more likely to be detected when a Fraud and Waste hotline is in place. Having a Fraud and Waste Hotline enables the City of Hamilton to augment fraud detection and improve the chance of early discovery of wrongdoing and mitigation of impact.

This report requests that the hotline be made permanent, and further recommends that the OCA be known as the Office of the Auditor General to make it easier to understand the independent and objective nature of the office and the work, and also in recognition and acknowledgement of the practical reality that the Office no longer functions as a hybrid model (internal audit and auditor general). This will necessitate changes to the Audit Charter to amend the name and references of the Office to Auditor General, and to remove services applicable to the internal audit function. It will also require similar revision to the Whistleblower By-Law No.19-181, Auditor General By-Law No.19-180, and Procedural By-Law 21-021.

In addition to revising the Whistleblower By-Law No.19-181 for the change in name to Auditor General, it is proposed that the Whistleblower protections in the By-Law be enhanced. Currently, it includes employees that bring forward complaints of serious wrongdoing. Our considerable experience with investigations since the hotline was introduced has demonstrated a need for having the same provisions for employees that are cooperating witnesses to our investigations, so that they may be similarly protected from reprisal for providing evidence to investigators.

This report also requests the ability to negotiate a single source contract for intake and case management services with our current service provider.

Alternatives for Consideration – See Page 26**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: Costs of ongoing long-term operation of the Fraud and Waste Hotline are expected to be similar to the costs during the pilot program (\$12,500 annually for 2019-2022), however inflationary increases are a possibility due to the fact that the original contract was signed in 2019.

Staffing: None.

Legal: Legal was consulted and provided assistance on the required revisions to By-Laws and will assist with the contract for hotline services

HISTORICAL BACKGROUND

On June 27, 2018, Council approved the City Auditor's recommendation to implement a Fraud and Waste Hotline with intake performed by an independent third party as part of a three-year pilot project. The City's Fraud and Waste Hotline went live in July 2019. Since then Council has granted two extensions: one through to May 9, 2023, and the second through to July 31, 2023 using existing funding so that this annual report and a hotline evaluation report could be presented to Council and to allow time to either complete a negotiation with the existing vendor or undertake a new competitive procurement if the hotline is made permanent, or wind up operations if the pilot concludes and the hotline is not made permanent. This time extension was able to be accommodated within the original hotline budget that was approved by Council. The contract with the third-party vendor (Whistleblower Security Inc.) that provides intake services and case management software and support began in early May 2019, as some setup, preparation and training time was required in advance of the July 2019 hotline launch, and currently expires on July 31, 2023. Whistleblower Security Inc. was the successful proponent from a competitive Request for Proposal (RFP) process that was held in early 2019.

This report summarizes and evaluates the accomplishments of the Fraud and Waste Pilot Program from July 2019 to June 2022, and OCA is requesting that the Fraud and Waste Hotline be made a permanent component of the Office of the City Auditor's service offering and approval to enter negotiations to single source with the existing service provider is being requested.

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SUBJECT: Fraud and Waste Hotline Pilot Program: Evaluation (AUD23005) (City Wide)

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POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Whistleblower By-law No. 19-181

To Appoint the City Auditor as an Auditor General under Section 223.19 of the *Municipal Act, 2001* By-law No. 19-180

Procurement Policy By-law No. 20-205 as amended, Policy #11 Non-competitive Procurements, Section 4.11:

(2) Council must approve any requests for negotiations for:

- (a) a single source as set out in subsection (1)(b) of this Policy #11, where the cumulative value of the Policy 11 exceeds a multi-year value of the proposed procurement is \$250,000 or greater. For greater clarity, the total cumulative value of a Policy 11 shall not exceed \$250,000 in any given year or multiple consecutive years; or
- (b) an extension as set out in subsection (1)(c) of this Policy #11, where the extension exceeds 18 months from the expiry of the Contract with a vendor.

It is expected that a longer-term contract for hotline services would be under \$250,000 but would be an extension that exceeds 18 months from the expiry of the contract with the vendor, thus Council approval to negotiate is being requested in this report.

Procedural By-law 21-021, as amended

Public Notice Policy By-law 07-351

RELEVANT CONSULTATION

The OCA consulted with the following areas while writing this report:

Financial Services Division: Procurement Section, with respect to adherence to the Procurement Policy.

Financial Planning, Administration and Policy Division: Finance and Administration Section

Legal Services Division with respect to By-Law amendments

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The Fraud and Waste Pilot Program has completed three complete years of operation as at June 30, 2022. The most recent Fraud and Waste Annual Report was presented in February 2023.

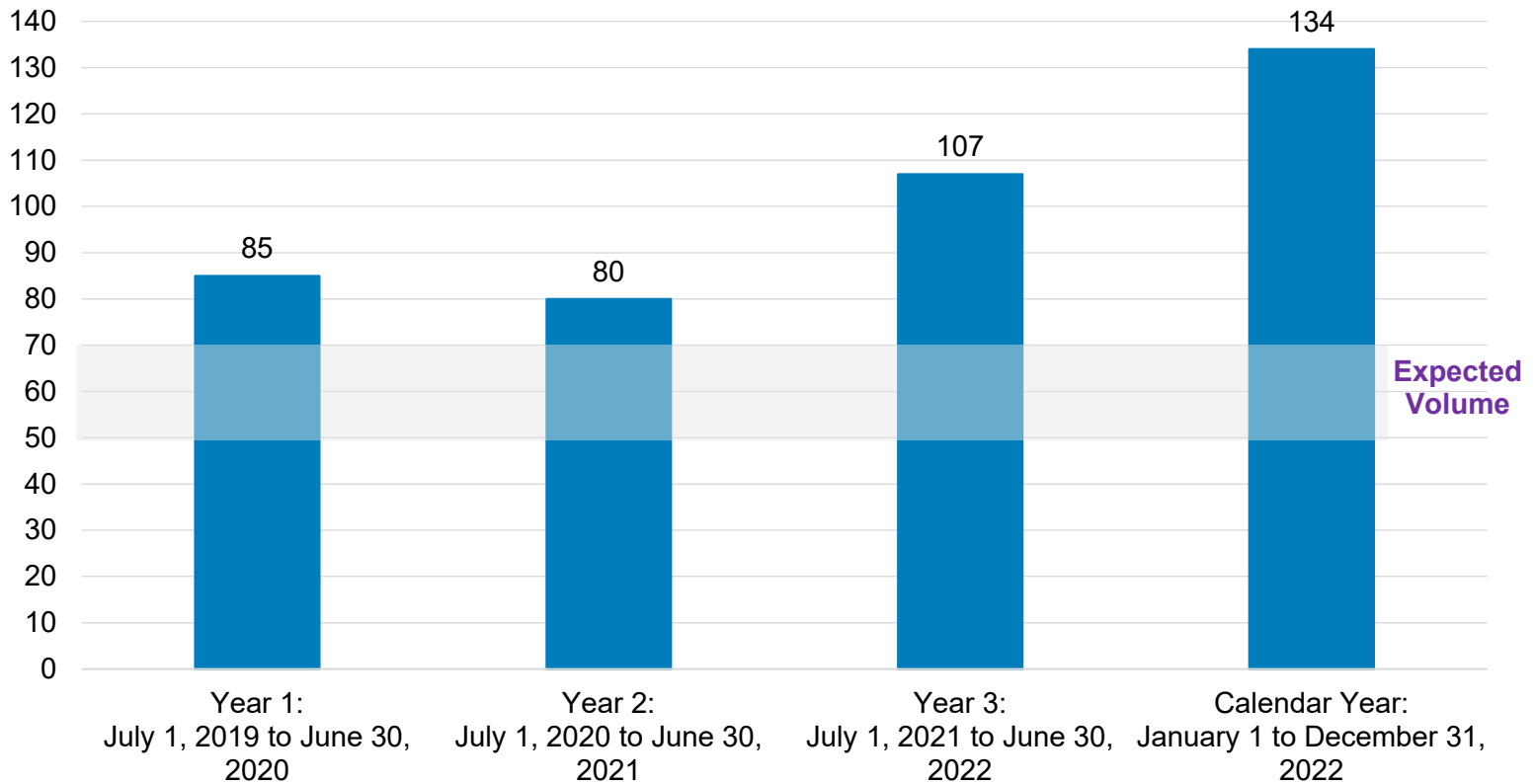
Overall, many positive results have been achieved with the hotline, and all of its intended goals and expected outcomes have been surpassed. Three Fraud and Waste Annual Reports have been issued by the Office of the City Auditor summarizing the annual achievements of this service area.

Hotline Report Volume

The volume of reports has been consistently high, exceeding original expectations in every year. When Council directed the implementation of the Fraud and Waste Hotline Pilot Program, the OCA researched other jurisdictions and expected that the annual report volume would likely be in the 50-70 report range if the hotline launch was successful.

The volume of hotline reports received for each reporting period have surpassed these expectations, and have continued to grow as noted in the graph below.

Number of Reports by Period July 1, 2019 to December 31, 2022



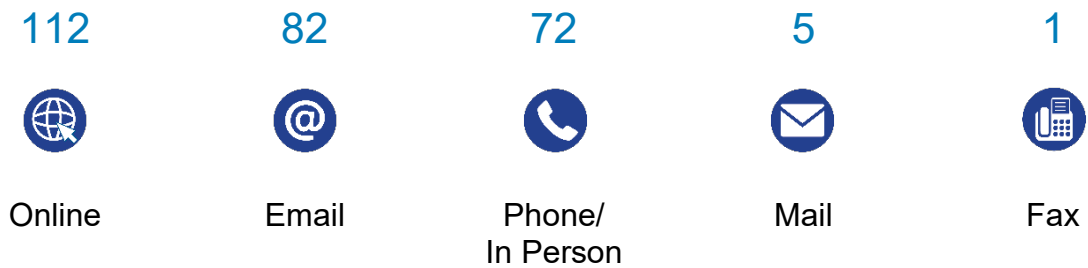
The total number of reports received in the first 36 months of the Fraud and Waste Hotline being operational (July 2019-June 2022) was 272. The method of communication most often used (see below) was online reporting which had 112 reports. This is the most convenient method for most reporters, and it allows for ongoing communication with the reporter, regardless of whether the reporter wishes to remain anonymous.

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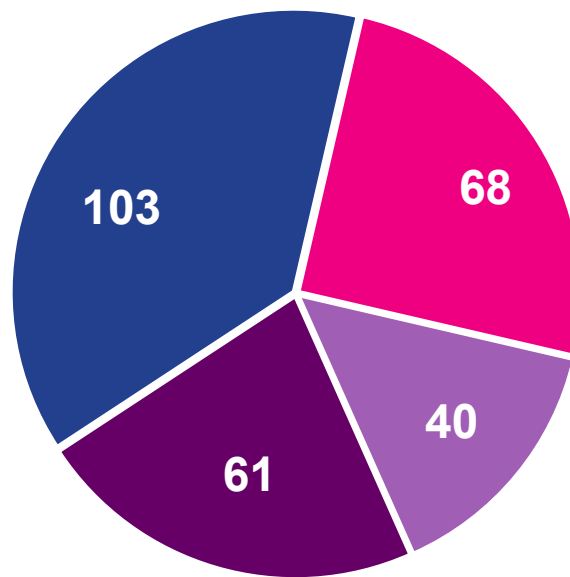
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Number of Reports by Source July 1, 2019 to June 30, 2022



Report Types July 1, 2019 to June 30, 2022



- Referral – Response Required - 103
 - Investigations Launched - 68
 - Referral – No Action Required - 61
 - No Response Required, Not Enough Information, and/or Out of Jurisdiction - 40
- Total Reports - 272**

Investigation Type July 1, 2019 to June 30, 2022

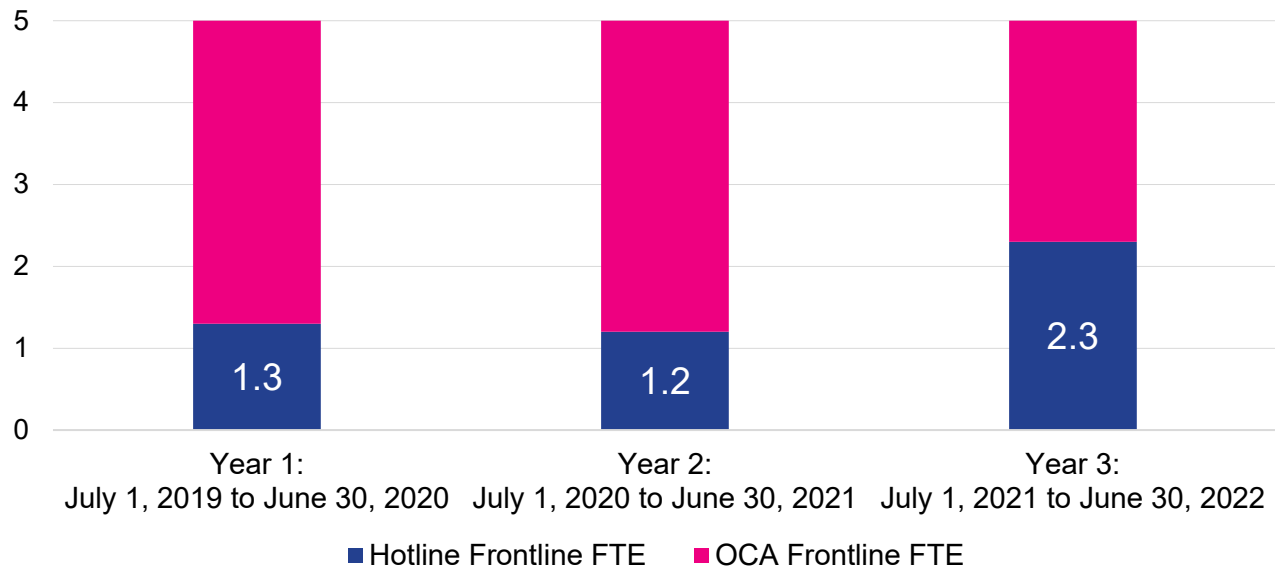


Staffing Impacts

With a total of 272 reports being assessed by the Office of the City Auditor in the 3-year period between July 1, 2019 to June 30, 2022, this has created a significant amount of unanticipated workload. There are currently no staff dedicated solely to the Fraud and Waste Hotline Pilot Program. Rather existing staff are used to complete assessments and investigations, with some usage of external specialty expertise for investigations that require additional support, expertise or urgent attention.

In total, over 8,700 hours were spent on Fraud and Waste Hotline administration, assessment, investigations and reporting during this 3-year period. For the most recent reporting period, this is approximately equivalent to 2.3 frontline audit FTEs annually (excluding management's time spent on hotline matters). There are five frontline employees in the OCA. Another way of looking at the resource requirements, the effort is similar to having completed 10 to 12 audits of significant scope and complexity during the three-year pilot. In addition, it is estimated that management spends between 30-50% of their time on Fraud and Waste matters, depending on the active number of files at any given point in time. Also, the time spent continues to grow. For example, compared to the prior year, the most recent year shows time spent by OCA staff has risen by more than 90%. Please see the graph below.

Work Volume July 1, 2019 to June 30, 2022



Breakdown of Reports (Complaints Received)

From July 2019 to June 2022, a total of 272 reports were received and assessed.

Of the 272 reports received, 187 reports were received via the third-party hotline operation. Another 85 reports were received directly by the Office of the City Auditor and were entered as a proxy into the case management system that is provided as part of the IntegrityCounts service contract. Of the 85 proxy reports received directly by the OCA, 38 were made by City Staff, and 24 were received from City Management. Nineteen items were received directly from residents, three were received directly from a Councillor's Office and one was received directly from the media.

For reports received regarding Ontario Works (OW) and Housing Services social services matters, these were referred to OW and Housing Services for assessment and investigation. The investigations were handled by OW/Housing Services, not the OCA. The substantiation status is reported to the OCA for tracking of aggregate statistics. The OCA reserves the right to investigate any matter which is not found to be satisfactorily investigated.

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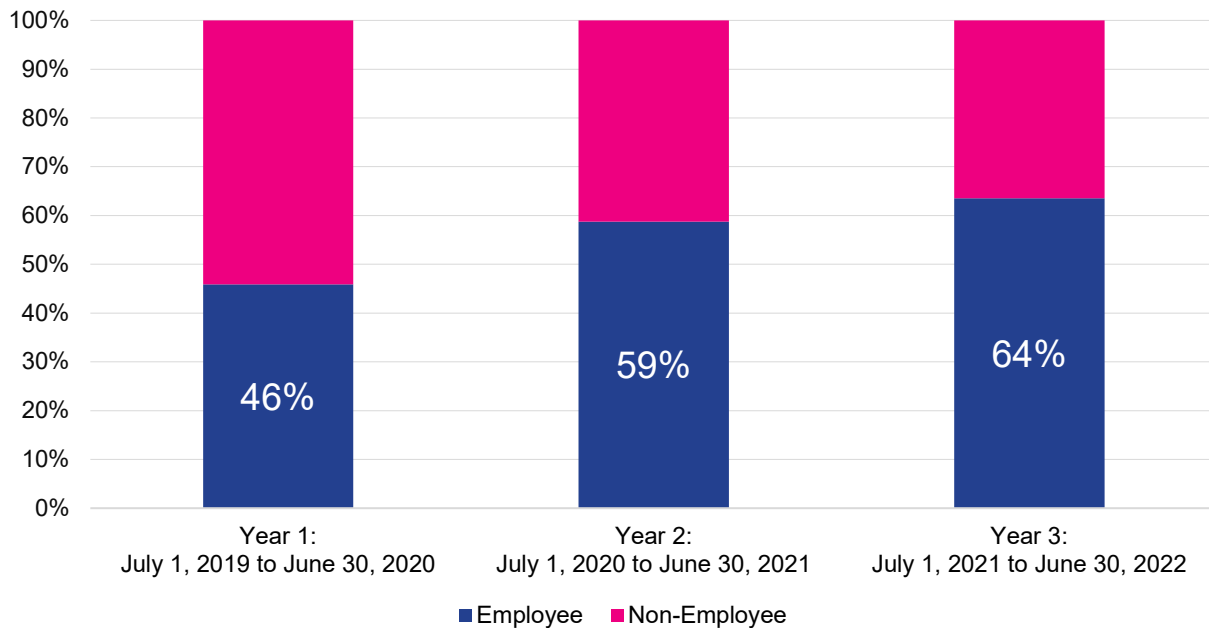
Employee Reports

Overall, 57% of these 272 reports were reported by City of Hamilton employees (154) and 43% were made by citizens. The percentage of reports received from employees has been increasing each year since the launch of the Hotline (see graph below).

Eighty-six of the 154 employee reports were made anonymously (56%). The remaining 68 reports (44%) were employees that identified themselves. Many of these 68 reports where the employee identified themselves were employees working in HR, Finance, Procurement, and Management where they had an awareness of the Fraud Policy and Protocol and of their responsibility to report matters to the Office of the City Auditor as part of their job duties.

The Office of the City Auditor continues to encourage employees and management to submit reports and thanks all those that submitted reports for this reporting period, and for their cooperation during report assessments and investigations.

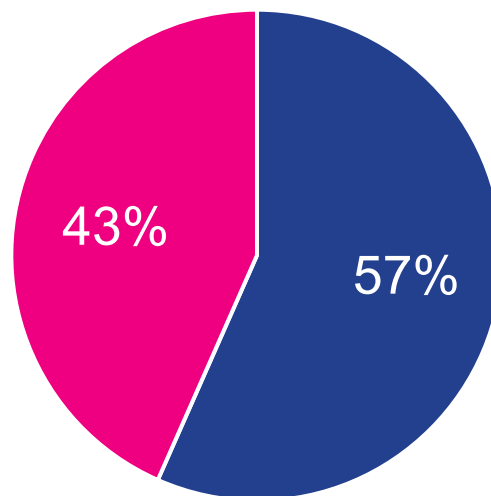
Employee Reports July 1, 2019 to June 30, 2022



Reports from the Public

All reports received from the public were assessed and investigated as appropriate. The Office of the City Auditor continues to encourage members of the public to submit reports and thanks all those that submitted reports for this reporting period and for providing additional information as requested.

Employee Reports July 1, 2019 to June 30, 2022



- Self-Identified as an Employee 154 (57%)
- Non-Employee (Public) 118 (43%)

Anonymous Reports

When a report is made anonymously, it cannot qualify as a whistleblower disclosure per the Whistleblower By-law, although it may meet the definition of serious wrongdoing. The majority of the employee reports (56%) received by the Office of the City Auditor are anonymous and therefore do not qualify as a whistleblower matter. Overall, fifty-six percent (56%) of the 272 reports received for the three-year reporting period were anonymous.

It should be noted that anonymous reports are able to be effectively assessed and investigated if the Reporter provides a sufficient level of information. The OCA is able to

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communicate with an anonymous reporter in the case management system if the Reporter has chosen to enable this feature. City of Hamilton employees continue to prefer making anonymous reports to the Hotline. While anonymity is not necessarily a constraint to the Office of the City Auditor investigations, the ability to dialogue with a Reporter through the IntegrityCounts online messaging system has proven effective in assisting with investigations.

Without the Fraud and Waste Hotline, receiving these anonymous reports via email, online, telephone and fax would not be possible.

Whistleblower Disclosures



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

For the three-year period between July 2019 to July 2022 there were nine qualifying Whistleblower disclosures.

Report Categories

A wide variety of reports were received by the Office of the City Auditor for the three-years covered in this reporting period. The top most common report categories were the following:

Top Report Categories Period Summary: July 1, 2019 to June 30, 2022

Multiple Categories Applicable	52
Social Services - Fraud/Wrongdoing	40
Time Theft and/or Misconduct	33
Out of Jurisdiction	22
Service Complaint/Concern	21
Conflict of Interest	14
Improper Financial Reporting/Budgeting	14
Theft/Misappropriation	12
Misuse of City Resources	10
Waste/Mismanagement	10
Fraud/Wrongdoing	6
Employee Benefits Fraud	5
Contractor/Vendor Wrongdoing	4
Phishing/Identity Theft	2
Public Safety	2
Reprisal	1
Other Various Categories	24
Total Reports	272

Having the top report category be “Multiple Categories Applicable” is indicative of the growth in complexity of the reports we receive, many of which contain multiple allegations that need to be assessed and investigated (if applicable).

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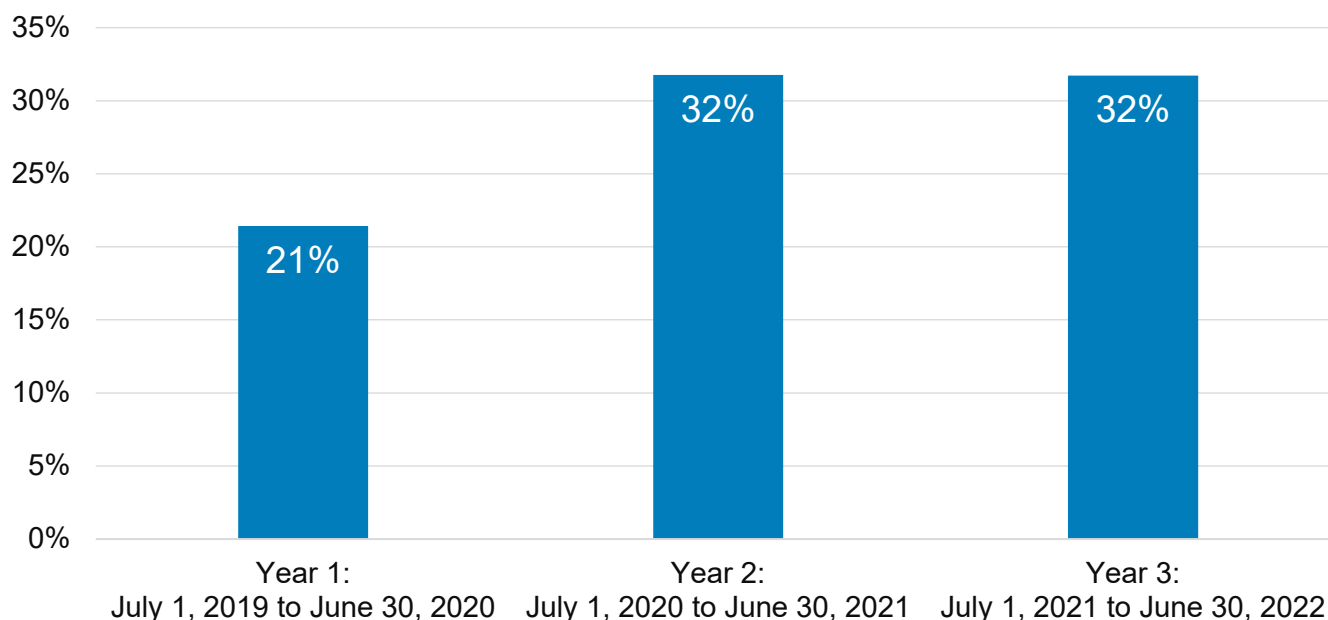
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Substantiation

One way of summarizing outcomes is to report on the volume of reports that were substantiated, that is the number of reports where the allegation(s) were found to have merit and were able to be proven by a preponderance of evidence.

Of the reports received from July 2019 to June 2022 (plus any carryforward reports from prior years) the following is a summary of substantiation status. A substantiation result is not applicable (N/A) if a report was out of jurisdiction, the assessment result was that no action was to be taken, or if the report was to be referred elsewhere without report back.

Substantiation Rate by Period July 1, 2019 to June 30, 2022



The City of Hamilton's substantiation rate was 21% for the first year and remained consistent at 32% thereafter. For comparison, the City of Toronto's Auditor General and City of Ottawa's Auditor General for the three most recently published reporting periods are shown below.

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City	Reporting Period		
City of Hamilton: Office of the City Auditor	32% (2021-22)	32% (2020-21)	21% (2019-20)
City of Toronto: Auditor General	10% (2022)	17% (2021)	9% (2020)
Ottawa: Office of the Auditor General	26% (2021)	33% (2020)	46% (2019)

Note: All three cities listed above are designated as Auditor General's per the Municipal Act, branding varies across the municipalities.

As can be seen, the substantiation rate can vary annually for any City that operates a Fraud and Waste Hotline. It can also be seen that Hamilton has achieved a reasonable level of substantiation.

Loss or Waste/ Mismanagement Substantiated

It is often challenging to measure or quantify a precise cost of fraud and waste in all cases. However, where possible, the OCA will estimate losses due to fraud or waste.

Below is a summary of confirmed loss or waste substantiated by the Office of the City Auditor during the three years of the Fraud and Waste Pilot Program.

Reporting Period	Fraud	Waste/ Mismanagement	Unable to Determine Category	Total
2021-22	\$8,600	\$709,400	\$0	\$718,000
2020-21	\$2,000	\$233,000	\$0	\$235,000
2019-20	\$100,000	\$45,000	\$57,000	\$202,000
Total	\$110,600	\$987,400	\$57,000*	\$1,155,000

*Note: In Report AUD23003, this amount was incorrectly reported as \$59,000 due to a typographical error in a prior year report. The cumulative total was also slightly impacted by this. The correct totals are noted above. Both totals round to \$1.16M, overall impact is minimal.

Recoveries and Impact

Reporting Period	Recoveries
2021-22	\$7,300
2020-21	\$5,000
2019-20	\$21,000
Total	\$33,300

In some cases, an investigation resulted in the recovery of losses due to fraud. Of the \$110,600 in fraud losses that were quantified, recoveries amounted to \$33,300. The OCA notes that recoveries will vary from year to year, are not predictable and would typically be a small percentage of total fraud and waste that is quantified each year.

Disciplinary Action

The Office of the City Auditor is not responsible for disciplinary actions (including terminations). Investigation results are shared with Management and Human Resources. The Office of the City Auditor is informed of terminations and disciplinary actions, and this information is tracked and compiled for reporting purposes. The number of disciplinary and other actions will vary from year to year. While the number is not controlled by the OCA, it is reported for information purposes in our annual reports. The following shows the disciplinary actions taken as a result of cases pursued.

Reporting Period	Terminations	Discipline & Other Actions
2021-22	2	4
2020-21	7	6
2019-20	5	5
Total	14	15

Note: Numbers from previously annual reports may not total due to ongoing data cleaning and continuous quality work that is performed by the OCA.

Benefits of the Hotline

In order to understand the benefits of the hotline, it is important to understand the environment in the years prior to launch. Previously the City had no formal mechanism to intake allegations, or even manage and administer the cases that were received. Reports were being made directly to our Office, however the volume of complaints was very low (from 2-5 annually depending on the year). At one point, a campaign was conducted to publicize the City's Whistleblower Policy to employees, to increase reporting but it resulted in no change to the level of intake. Anecdotal information and the City's first employee survey suggested employees were not comfortable bringing forward complaints. In addition, there was no mechanism for members of the public to engage with the Auditor's Office and submit complaints.

The objective of the hotline was to provide convenience and confidentiality to employees, and build trust so that more cases would be brought forward. Our expectation, based on research, was that volume would increase to approximately 50-70 cases per year. In addition, we wanted to provide a mechanism for public engagement regarding citizen concerns, using a tool that would be accessible, and at reasonable cost to the City. We also wanted the complaints to lead to relevant investigations of important issues that would result in corrective actions and positive change.

The hotline has exceeded all our expectations including the fact that we have had a substantial volume of use by both employees and citizens. The first year saw a level of cases that was above the estimated benchmark of 50-70 at 85 reports. From there it has grown even more, and far in excess of the original benchmark by reaching an annual rate of 134 cases. Employees are clearly more comfortable reporting concerns, and the public has been successfully engaged with 118 reports coming from citizens over the three-year period. The hotline tool offers convenience (24/7/365) and accessibility through a number of channels. Through our current vendor, Whistleblower Security Inc., trained Canadian agents are available to take calls in English and French, and can further service another 150 languages in addition to supporting hearing or speech accessibility needs. The intake website provided by the vendor also accommodates over 25 languages, and provides multi-lingual and accessible report intake services to those with hearing or speech accessibility needs.

The cost of the hotline has been modest at \$12,500 per year, and the resulting investigations have had a very respectable substantiation rate of 32%. Complaints investigated have led to important improvements in the oversight of vehicle safety at DARTS, the security of cash handling, and in processes for managing City inventories. Overall, original funding of \$94,500 (\$30,000 for three years, plus \$4,500 in set up costs) was approved by Council for a three-year pilot program. Council has approved

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the extension for a fourth year, and even with the extension, about \$30,000 in funding remains, as the hotline has been consistently under budget. Even with the fourth year added, the hotline remains about 31% under the original Council-approved amount.

In addition to meeting its intended goals, the hotline has provided valuable insights that have helped in deciding where and when to deploy or undertake a full audit, and in identifying systemic issues or patterns of activity that need to be addressed. For example, through repeated investigations we concluded there was a need for the City to address potential conflicts of interest with greater effectiveness through a more robust process.

Hotline Cases Driving Audits/Leading to Systemic Insights and Improvement

Throughout the pilot program, we made it a practice to initiate spontaneous system or process audits in response to issues that could have systemic repercussions. In that regard OCA launched audits and/or reviews and ultimately issued the following reports:

- Control Weaknesses Respecting Case 2019-26707 (Report AUD20004)
- Special Audit Respecting Case 2019-013 (Report AUD20005)
- Audit Report 2020-04 – Transportation Operations Inventory Audit, Fraud & Waste Investigation, and Follow Up to Audit Report 2013-17 – Public Works – Traffic Inventory (Report AUD20008)
- Road Maintenance Small Tools and Equipment Inventory Audit and Follow up to Audit Report AUD11006 (Report AUD21010)
- IT Asset Management Review (AUD22006)
- Roads Value for Money Audit - Roads Quality Assurance Supplementary Audit Report (Report AUD21006(a))
- Accessible Transit Service: DARTS Fleet Management and Vehicle Safety Audit (Report #50695) (Report AUD22007)
- Hamilton Municipal Cemeteries Trust Funds (Report AUD23001)

OCA audits initiated by the hotline have resulted in 176 recommendations with an acceptance rate of 99%. We also note that during the pilot program, as the pilot program wraps up, we are now seeing fewer cases of fraud relating to the City-Wide Cash Handling Policy. This is indicative of the hotline being an effective fraud deterrent.

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Other Important Benefits

Other important contributions stemming from the use of a hotline is in how it influences and improves the ethical climate of the organization.

Global Research Study Findings

In its 2022 biennial global study on occupational fraud (*Occupational Fraud 2022: A Report to the Nations*), the Association of Certified Fraud Examiners reports that frauds are more likely to be detected when a Fraud and Waste hotline is in place. In fact, these studies have consistently found tips to be the most common detection method in uncovering fraud and abuse. Per the ACFE report, 42% of frauds were detected by tips, which is 3x as many cases as the next more common method. The report also noted that organizations with hotlines detect fraud more quickly and have lower losses than organizations without hotline. Having a Fraud and Waste Hotline therefore enables the City of Hamilton to augment fraud detection processes and improves the chance of early discovery of wrongdoing.

The ACFE report also notes that the most common occupational fraud schemes in government and public administration are cases involving corruption, and that overall the percentage of cases involving corruption is on the rise. Corruption is defined as a scheme in which an employee misuses their influence in a business transaction in a way that violates their duty to the employer in order to gain a direct or indirect benefit. Corruption includes: conflicts of interest, bribery, illegal gratuities, and economic extortion.

Some of the major findings of this report are as follows:

- The most common method of detection is by tip (42%) of cases were uncovered by tips in the ACFE Report.
- The percent of tips has consistently been increasing in the past 10 years, with 58% of tips made through hotlines.
- More than half of all tips came from employees, but close to a third came from outside parties.
- The report concludes that designated reporting mechanisms (e.g. hotlines) should target both staff and external (e.g. the public and vendors for the City of Hamilton).
- Tips were 3x more likely to be utilized (42%) than the next closest method, internal audit (16%). Overall, having both a hotline and a strong audit function

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(Office of the City Auditor) are critical to the City’s mitigation of fraud-related risks. *“Maintaining a hotline or reporting mechanism increases the chances of earlier fraud detection and reduces losses.”*

- Per the Report, Fraud losses were 2x higher at organizations without hotlines.
- Reporters’ preferred methods of reporting are diverse and evolving – so multiple channels for reporting (e.g. online, email, telephone, mail) should be maintained.
- Local governments suffered higher median losses (\$125,000 USD, more than twice as much) than state/provincial-level entities.
- Corruption is the most common type of occupational fraud schemes in government, more than double the next most common (billing schemes).
- Background checks (e.g. employment history, criminal checks, reference checks, education verification, credit checks) are an important internal control as they can prevent organizations from hiring individuals with known histories of misconduct.

Reinforcing Ethics at the City of Hamilton

One of the City of Hamilton’s corporate values is “Steadfast Integrity”. Therefore, making the Fraud and Waste Hotline permanent would enable Council to demonstrate their commitment to this corporate value and signal its importance to staff.

Based on provisional 2022 numbers provided by Human Resources to the OCA, the Code of Conduct sign-off rate has been stagnated between 2019 to 2022 and is estimated to have ranged between 70.6% and 73.3%. It should be noted, that per HR, the data is an estimate and it does not take into account staff that may be on leaves of absence (illness, parental leave, etc.) or that some of the employees hold two or more positions, which may also have an impact on the data. However, the OCA does note that there is room for improvement and an overall ongoing need to continually focus on ethics, including Code of Conduct awareness in the organization. By making the hotline permanent, it would enable this focus to continue on in the organization.

The OCA also reviewed results of the City of Hamilton’s employee survey, the Our People Survey (OPS) that was first conducted in 2017 and repeated in 2021. The OPS contained questions relating to ethics, that were rolled up to provide an overall index score for the organization. Of the five survey index scores listed below, “Overall Ethics and Integrity” had the lowest score in the 2021 OPS.

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Source: Appendix A to Report CM22001, Page 12 of 42

Year-Over-Year Analyses (2021 to 2017)

While only a portion of the results from the 2017 OPS can be compared to the 2021 OPS due to changes in the number of questions and overall length of the survey. HR was able to provide the OCA with the following year over year analysis.

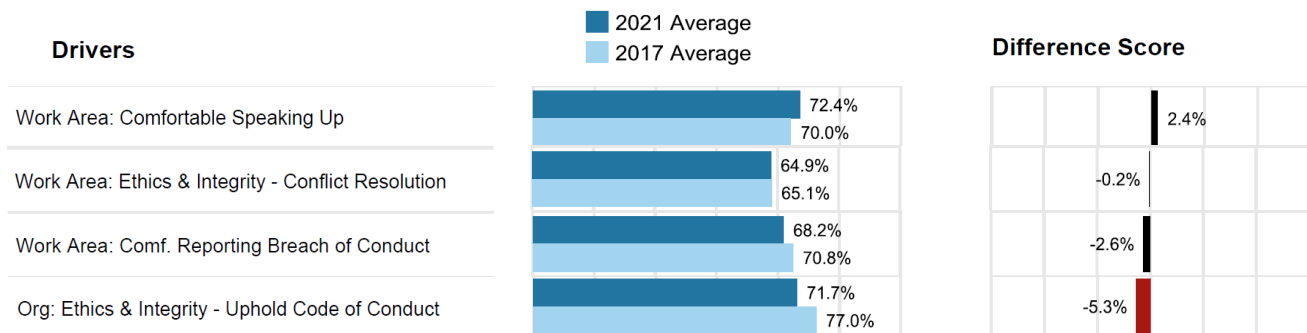
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Year-Over-Year Analyses (2021 to 2017)



How to Interpret Year-Over-Year Difference Scores (as provided by HR to the OCA)

These scores are calculated by subtracting the adjusted averages obtained from your organization's previous survey from your current driver averages. A positive difference indicates that your current average is higher than that obtained from the previous survey. Conversely, a negative difference indicates that your current average is lower. Colour coding is used throughout the benchmarking section. Green indicates that your difference score is more than 5% higher than the benchmark comparison being used. Black indicates that your difference score is within a +/-5% boundary of the benchmark. Finally, red indicates that your difference score is more than 5% lower than the benchmark comparison.

Source: Appendix A to Report CM22001, Page 18 of 42

The OCA notes that **between 2017 and 2021 employees are 2.4% more comfortable speaking up**. During this period the Fraud and Waste Hotline was launched. This was the one positive change noted in the survey's ethics results.

The remaining three drivers all decreased between 2017 and 2021, with a 5.3% decrease in "Uphold Code of Conduct". This is concerning to the OCA and therefore it is important that employees and residents continue to be provided with a confidential and/or anonymous method to report fraud, waste and misconduct given the decreasing survey results relating to upholding the Code of Conduct for Employees.

Conclusion

In conclusion, OCA believes the hotline has exceeded all the goals set for it and has provided conspicuous benefit to the management of fraud and waste risks in the City. It has proven to be a valuable tool in support of ethical decision making, has resulted in actionable improvements to City processes, and has reached a level of engagement with employees and the public that will help build trust and confidence in the future.

OCA recommends that the hotline move out of its current pilot phase and be made permanent.

Procurement of Hotline Services for the Future

The OCA is requesting the ability to negotiate a single source contract for intake and case management services with our current service provider (Whistleblower Security Inc.), as this is both an IT software package for case management, in addition to the live in-bound call centre service, online/mail/fax intake and support services that are provided. It took a significant amount of OCA staff time (2 months of OCA team effort) to set up the Fraud and Waste Hotline provider to be operational, and it would be inefficient to have to go through this process again, particularly given the current vacancies in the OCA and the high volume of fraud and waste reports that the OCA continues to receive. Approval to negotiate a five-year contract term is being requested, as this would provide stability and certainty for hotline operations for the near future.

When the RFP was completed in 2019 to procure this service, the market for Canadian-based ethics reporting hotline and case management systems (with support) was quite small. Only three proposals were received in response to the RFP, one of which was disqualified for being non-compliant with the City's RFP requirements. The unsuccessful, compliant proposal that was not awarded the contract had a cost-per-point that was more than double that of Whistleblower Security Inc.

The OCA completed an environmental scan in Q1 2023 for ethics reporting hotline and case management systems (with support). The current marketplace for Canadian-based ethics reporting hotline and case management systems remains a niche market that is quite small.

Re-branding As Office of the Auditor General and Amendments to By-Laws

While the OCA was completing its evaluation of the Fraud and Waste hotline, careful consideration was given to how the Office is perceived. The position of City Auditor (previously known as Director, Audit Services until mid-2019) has been designated as an Auditor General under the Municipal Act since 2012.

The OCA provides independent and objective advice to Council, reporting functionally to the A,F&A Committee and administratively to the City Manager. Originally, the model adopted and approved by Council was a “hybrid” model. This meant the Office of the City Auditor would be constituted as a combined internal auditor function and auditor general function. In doing so, the Office, in theory, would be able to undertake consulting and risk assessment assignments in its role as internal audit, in addition to value for money audits and investigations it conducts as an auditor general. For the last few years the demands placed on the Office as a result of investigative work, and the need to carefully avoid conflicts of interest associated with performing a consulting role have meant that, in practice, it has only been able to function as an auditor general. Based on feedback received by our Office, we also believe that now would be an ideal time to acknowledge the true nature of the work, and to re-brand. We therefore recommend that the OCA be re-named as the Office of the Auditor General so that it is easier for the public to understand our independence and our role. We also recommend that the position of City Auditor be known as Auditor General, and this be applied to the rest of the office and corporate systems as applicable.

There is no cost associated with this recommended re-branding, our logo can be updated in-house by Creative Design Services along with our webpages by Digital Communications (www.hamilton.ca/audit and www.hamilton.ca/fraud) and the next time we print Fraud and Waste promotional materials, this new name and logo would be utilized.

Renaming of the Office will necessitate changes to the Council-approved Audit Charter in order to amend references regarding the Office of the City Auditor to Auditor General, and to remove services applicable to the internal audit function. It will also require similar revision to the Whistleblower By-Law No.19-181, Auditor General By-Law No.19-180, and Procedural By-Law 21-021.

In addition to revising the Whistleblower By-Law No.19-181 for the change in name to Auditor General, it is proposed that the Whistleblower protections in the By-Law be enhanced. Currently, it includes employees that bring forward complaints of serious wrongdoing. Our considerable experience with investigations since the hotline was introduced has demonstrated a need for having the same provisions for employees that

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are cooperating witnesses to our investigations, so that they may be similarly protected from reprisal for providing evidence to investigators.

ALTERNATIVES FOR CONSIDERATION

1) Cease Operations of Fraud and Waste Hotline on June 30, 2023

One option is to end the Fraud and Waste Pilot Program on June 30, 2023. This would mean that there would no longer be a confidential and/or anonymous with 24/7 availability option for residents, City of Hamilton employees and business owners to report matters of Fraud and Waste to the Office of the City Auditor. This is less than ideal from a customer service and community engagement perspective.

Reports could still be made directly to the Office of the City Auditor via email, telephone, or online webform from the City's website. However, telephone calls would not be able to be received outside of standard business hours for the City of Hamilton (8:30 a.m. to 4:30 p.m., Monday to Friday, and excluding statutory holidays).

It is expected that with this option, the volume of reports would decrease.

With this option, more audits could be completed within the existing OCA staffing complement of 7.0 FTEs.

The overall impact of this option is that serious issues would no longer be reported, and it is expected that significant amounts of Fraud and/or Waste would remain undetected. Furthermore, areas that need to be audited would remain undetected and unknown due to the significantly lower volume of reports that would be received.

The anticipated cost savings to the organization would be approximately \$12,500 annually. The resourcing issue in the OCA would remain unknown as report would still be directly received by the OCA and volume could potentially be significant (42 reports were directly received by the OCA in the most recently issued Fraud and Waste Report).

This option is not recommended.

2) Make the Pilot Program Permanent with additional FTE resources

A second option is to make the Fraud and Waste Pilot Program a permanent service offering for the Office of the City Auditor, and to add additional FTE resources.

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Reports would still be able to be made confidentially and anonymously with 24/7 availability option by residents, City of Hamilton employees and business owners to report matters of Fraud and Waste to the Office of the City Auditor.

The annual, ongoing costs associated with each additional FTE at the Senior Auditor level is estimated to currently be \$156,000 annually for salary, benefits, equipment, software, training and professional membership/dues.

The overall impact is that reports received would continue to be assessed and investigated by the OCA, and the backlog of audits due to the anticipated ongoing high volume of reports would be reduced.

This option is not recommended, as the OCA currently has two vacancies and a request for an additional FTE is anticipated to be submitted at a later date with a request to refer it to the 2024 Operating Budget process.

3) Extend the Pilot Program and Fund from Reserves

A third option is to extend the pilot program to be 6 years in length (through to June 30, 2025) and for Council to then make a decision regarding the future of the program. Additional funding from reserves would be required and would likely be in the \$15,000-\$25,000 range annually.

Reports would still be able to be made confidentially and anonymously with 24/7 availability option by residents, City of Hamilton employees and business owners to report matters of Fraud and Waste to the Office of the City Auditor.

The overall impact is that reports received would continue to be assessed and investigated by the OCA, but there would continue to be a backlog of audits due to the anticipated ongoing high volume of reports.

There would be no anticipated cost savings or cost pressures to the organization on an annual basis for this option. Annual funding would continue to be from reserves (currently funded by the Tax Stabilization Reserve) through to 2025, which is not sustainable in the longer term. The resourcing issue in the OCA would remain unaddressed.

This option is not recommended.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

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

Our People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report AUD23005– Audit Charter: Office of the Auditor General

Appendix “B” to Report AUD23005 – By-law to amend the City Auditor By-law

Appendix “C” to Report AUD23005 – By-law to amending the Whistleblower By-law

[Fraud and Waste Annual Report 2019-2020 \(Appendix A to Report AUD20007\)](#)

[Fraud and Waste Annual Report 2020-2021 \(Appendix A to Report AUD21011\)](#)

[Fraud and Waste Annual Report 2021-2022 \(Appendix A to Report AUD23003\)](#)

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.

CITY OF HAMILTON OFFICE OF THE AUDITOR GENERAL CHARTER

INTRODUCTION

The Office of the Auditor General provides independent, objective audit, assurance and special investigative services designed to add value and improve the City of Hamilton's operations. The Office of the Auditor General (OAG) brings a systematic, disciplined approach to evaluating and improving the effectiveness of the City's risk management, control and governance processes.

The OAG assists City Council in holding itself and its administrators accountable for the quality of stewardship over public funds and for the achievement of value for money in City operations.

SCOPE

The Office of the Auditor General completes the following types of work:

- Compliance Auditing
- Value for Money Auditing
- Special Investigations (Fraud and Waste, Whistleblower)

Audit, Assurance and Special Investigations

Audit and Assurance work includes the examination and evaluation of the adequacy and effectiveness of the City's governance, risk management process, systems of internal control and the quality of performance in carrying out assigned responsibilities to achieve the organization's goals and objectives. This includes both compliance and value for money audits. The City's processes should function in a manner that ensures:

- Risks are appropriately identified and managed.
- Significant financial, managerial, and operating information is accurate, reliable and timely.
- Actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently and are adequately protected.
- Programs, plans and objectives are achieved.

CITY OF HAMILTON OFFICE OF THE AUDITOR GENERAL CHARTER

- Significant legislative and regulatory issues impacting the City are recognized and addressed properly.
- Quality and continuous improvement are fostered in the organization's internal control processes.

In addition to audits, special investigations may be undertaken by the OAG pursuant to Council having given that authority under the Whistleblower By-law (19-181) and the City of Hamilton's Fraud Policy and Protocol. These include reviews or investigations of matters of alleged or suspected wrongdoing, per the Whistleblower By-law or fraud, waste or other similar activities reported by employees or residents through the Fraud and Waste Hotline or other mechanisms.

The Auditor General has been appointed by By-law 19-180 (Auditor General By-law) as an Auditor General under Section 223.19 of the *Municipal Act, 2001*, with the responsibilities, including the powers, duties and protections, under Sections 223.19 to 223.23 of the *Municipal Act, 2001*. These responsibilities apply to the extent authorized by these sections of the *Municipal Act, 2001*. The powers and protections provided to the Auditor General (by appointment as an Auditor General) strengthens the position of independence and institutional authority of the Auditor General while providing information to Council for its oversight role.

AUTHORITY

The Office of the Auditor General is granted full, free and unrestricted access to any and all records, property and personnel relevant to any function under review. Access to personal information is provided for under the *Municipal Freedom of Information and Protection of Privacy Act* (in particular, Subsections 31(c) and 32(d)).

The OAG has the authority to conduct audits and reviews of all City departments, Members of Council, agencies, boards and commissions, as well as other entities the City is related to or has an interest in.

All employees will assist the OAG in fulfilling its objectives, in a timely manner.

As an Auditor General, the OAG has the responsibilities, including the powers, duties and protections, under Sections 223.19 to 223.23 of the *Municipal Act, 2001* for:

- City Departments;
- Members of Council;

CITY OF HAMILTON OFFICE OF THE AUDITOR GENERAL CHARTER

- Local boards (not including the Board of Health, the Hamilton Public Library Board, the Police Services Board or other local boards in accordance with the current definition of "local board" under Section 223.1 of the *Municipal Act, 2001*);
- Municipally-controlled corporations (a corporation that has 50 per cent or more of its issued and outstanding shares vested in the City or that has the appointment of a majority of its board of directors made or approved by the City, not including a corporation established in accordance with Section 203 of the *Municipal Act, 2001*); and
- Grant recipients (as currently defined under Section 223.1 of the *Municipal Act, 2001* as "a person or entity that receives a grant directly or indirectly from the municipality, a local board or a municipally-controlled corporation");

These responsibilities under Section 223.19 to 223.23 of the *Municipal Act, 2001* include the powers to access information and to examine persons under Section 33 of the *Public Inquiries Act, 2009*; the duty to preserve secrecy with respect to all matters that come to its knowledge in the course of performing its functions; and the protection of not being a competent or compellable witness in a civil proceeding.

The relevant excerpts from the *Municipal Act* (accessed on March 1, 2023 at <https://www.ontario.ca/laws/statute/01m25#BK272>) are included below for reference:

Auditor General

223.19 (1) Without limiting sections 9, 10 and 11, those sections authorize the municipality to appoint an Auditor General who reports to council and is responsible for assisting the council in holding itself and its administrators accountable for the quality of stewardship over public funds and for achievement of value for money in municipal operations. 2006, c. 32, Sched. A, s. 98.

Same

(1.1) The Auditor General shall perform his or her responsibilities under this Part in an independent manner. 2009, c. 33, Sched. 21, s. 6 (11).

Exceptions

(2) Despite subsection (1), the responsibilities of the Auditor General shall not include the matters described in clauses 296 (1) (a) and (b) for which the municipal auditor is responsible. 2006, c. 32, Sched. A, s. 98.

Powers and duties

(3) Subject to this Part, in carrying out his or her responsibilities, the Auditor General may exercise the powers and shall perform the duties as may be assigned to him or her by the municipality in respect of the municipality, its

CITY OF HAMILTON OFFICE OF THE AUDITOR GENERAL CHARTER

local boards and such municipally-controlled corporations and grant recipients as the municipality may specify. 2006, c. 32, Sched. A, s. 98.

Grant recipients

(4) The authority of the Auditor General to exercise powers and perform duties under this Part in relation to a grant recipient applies only in respect of grants received by the grant recipient directly or indirectly from the municipality, a local board or a municipally-controlled corporation after the date on which this section comes into force. 2006, c. 32, Sched. A, s. 98.

Delegation

(5) The Auditor General may delegate in writing to any person, other than a member of council, any of the Auditor General's powers and duties under this Part. 2006, c. 32, Sched. A, s. 98.

Same

(6) The Auditor General may continue to exercise the delegated powers and duties, despite the delegation. 2006, c. 32, Sched. A, s. 98.

Status

(7) The Auditor General is not required to be a municipal employee. 2006, c. 32, Sched. A, s. 98.

Duty to furnish information

223.20 (1) The municipality, its local boards and the municipally-controlled corporations and grant recipients referred to in subsection 223.19 (3) shall give the Auditor General such information regarding their powers, duties, activities, organization, financial transactions and methods of business as the Auditor General believes to be necessary to perform his or her duties under this Part. 2006, c. 32, Sched. A, s. 98.

Access to records

(2) The Auditor General is entitled to have free access to all books, accounts, financial records, electronic data processing records, reports, files and all other papers, things or property belonging to or used by the municipality, the local board, the municipally-controlled corporation or the grant recipient, as the case may be, that the Auditor General believes to be necessary to perform his or her duties under this Part. 2006, c. 32, Sched. A, s. 98.

No waiver of privilege

(3) A disclosure to the Auditor General under subsection (1) or (2) does not constitute a waiver of solicitor-client privilege, litigation privilege or settlement privilege. 2006, c. 32, Sched. A, s. 98.

CITY OF HAMILTON OFFICE OF THE AUDITOR GENERAL CHARTER

Powers re examination

223.21 (1) The Auditor General may examine any person on oath on any matter pertinent to an audit or examination under this Part. 2006, c. 32, Sched. A, s. 98.

Application of Public Inquiries Act, 2009

(2) Section 33 of the *Public Inquiries Act, 2009* applies to an examination by the Auditor General. 2009, c. 33, Sched. 6, s. 72 (3).

Duty of confidentiality

223.22 (1) The Auditor General and every person acting under the instructions of the Auditor General shall preserve secrecy with respect to all matters that come to his or her knowledge in the course of his or her duties under this Part. 2006, c. 32, Sched. A, s. 98.

Same

(2) Subject to subsection (3), the persons required to preserve secrecy under subsection (1) shall not communicate information to another person in respect of any matter described in subsection (1) except as may be required,

- (a) in connection with the administration of this Part, including reports made by the Auditor General, or with any proceedings under this Part; or
- (b) under the *Criminal Code* (Canada). 2006, c. 32, Sched. A, s. 98.

Same

(3) A person required to preserve secrecy under subsection (1) shall not disclose any information or document disclosed to the Auditor General under section 223.20 that is subject to solicitor-client privilege, litigation privilege or settlement privilege unless the person has the consent of each holder of the privilege. 2006, c. 32, Sched. A, s. 98.

Section prevails

(4) This section prevails over the *Municipal Freedom of Information and Protection of Privacy Act*. 2006, c. 32, Sched. A, s. 98.

Testimony

223.23 Neither the Auditor General nor any person acting under the instructions of the Auditor General is a competent or compellable witness in a civil proceeding in connection with anything done under this Part. 2006, c. 32, Sched. A, s. 98.

CITY OF HAMILTON OFFICE OF THE AUDITOR GENERAL CHARTER

INDEPENDENCE

Independence is an essential component to maintaining public trust and preserving objectivity and integrity associated with the audit function.

To provide for the independence of Office of the Auditor General, its personnel report to the Auditor General, who reports functionally to the Audit, Finance and Administration Committee of Council and administratively to the City Manager. Audit and other reports (such as the Fraud and Waste Annual Report and Serious Matter Reporting) are sent directly to the Audit, Finance and Administration Committee for discussion and approval and then to Council. These reporting relationships help ensure independence, promote comprehensive audit objectivity and coverage, and assure adequate consideration of audit recommendations.

All OAG activities shall remain free of influence by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of an independent and objective attitude necessary in rendering reports. The Auditor General has the authority to revise and extend the scope of any audit or investigation in the course of their examination.

The OAG shall have no direct operational responsibility or authority over any of the activities it reviews. Accordingly, it shall not develop nor install systems or procedures, prepare records or engage in any other activity which would normally be audited or investigated.

RESPONSIBILITIES

The Auditor General and the staff of the OAG have the responsibility to:

- Review operations within the City at appropriate intervals to determine whether planning, organizing, directing and controlling are in accordance with management instructions, policies and procedures and in a manner that is consistent with both City objectives and high standards of administrative practice.
- Determine the adequacy and effectiveness of the systems of internal accounting, financial and operating controls.
- Review the reliability, utility and integrity of financial information and the means used to identify, measure, classify and report such information.
- Review the established systems to ensure compliance with those policies, plans, procedures, laws and regulations which would have a significant impact on operations and reports and determine whether the organization is in compliance.

CITY OF HAMILTON OFFICE OF THE AUDITOR GENERAL CHARTER

- Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
- Carry out value for money (VFM) / performance audits to determine the efficiency and effectiveness of services and evaluate attainment of corporate objectives and value to residents.
- Report to those members of management who should be informed or who should take corrective action, the results of audit examinations, the audit opinions formed, and the recommendations made.
- Evaluate any plans or actions taken to correct reported conditions and provide timely follow-up to ensure satisfactory disposition of audit findings in the manner and timeframe committed to by management in the original audit report. If the corrective action is considered unsatisfactory, hold further discussions to achieve acceptable disposition.
- Develop a flexible multi-year work plan, including any risks or control concerns identified by management or other audits as well as appropriate special tasks or projects requested by management.
- Undertake assessments, investigations, or refer issues to other appropriate parties as a result of disclosures under a Whistleblower By-law or the Fraud and Waste Hotline.
- Maintain a professional audit staff with sufficient knowledge, skills and experience and engage external subject matter experts as required for audits and investigations.

AUDIT PLANNING

Each term of Council, the Auditor General shall prepare a multi-year work plan, setting out the proposed work for the term.

For the projects, the following sources are considered:

- Prioritization of the audit universe using a risk-based methodology;
- Requests from Members of Council, senior management and staff;
- Any audits planned for the past term but delayed or not completed;
- Any conditions, concerns, or risks discovered or communicated throughout past years; and

CITY OF HAMILTON OFFICE OF THE AUDITOR GENERAL CHARTER

- Input from members of the public, via the Fraud and Waste Hotline and resident complaints or suggestions.
- Areas likely to provide significant payback in terms of increased revenues, reduced costs, operational efficiencies and quality of services.

The multi-year work plan will be presented to the Audit, Finance and Administration Committee for approval. Any changes to the work plan requested by Council or individual Members of Council will require a majority of at least two-thirds the total members of Council present and not prohibited by statute from voting for the Auditor General to consider.

REPORTING

A written report is prepared and issued by the Auditor General following the conclusion of each audit or assurance project. The report will include management's responses to the report findings and recommendations. Management's response will include a statement of general agreement or disagreement with the stated findings and recommendations as well as a timeframe for anticipated completion of action to be taken and an explanation for any recommendation not addressed.

The OAG is responsible for appropriate follow up on audit findings and recommendations. All significant findings will remain open until the Auditor General has determined management has appropriately taken action to resolve the finding. Follow up audits will be completed as OAG capacity permits.

By-law 19-181 (Whistleblower By-law), Section 19 – Responsibility of the Auditor General requires a semi-annual report for, in the aggregate, on the number, nature and outcome of disclosures of serious wrongdoing made under this By-law. A Fraud, Waste, and Whistleblower Semi-Annual Update report is submitted to the Audit, Finance and Administration Committee and captures at a high level the special investigations activity undertaken by the OAG. This is in addition to the Fraud and Waste Annual Report.

The OAG does not perform consulting and risk assessment work, as this would compromise the independence of the OAG.

All reports are generally presented to the Audit, Finance and Administration Committee. Reports may be presented to the General Issues Committee, if appropriate.

CITY OF HAMILTON OFFICE OF THE AUDITOR GENERAL CHARTER

PROFESSIONAL STANDARDS

Under the Auditor General's authority granted in this Office of the Auditor General Charter, all OAG activity will be guided by the following professional standards and/or legislative requirements:

- Municipal Act, Sections 223.19-223.23 (Auditor General), as applicable.
- City of Hamilton Whistleblower By-law (19-181).
- Government Auditing Standards (commonly referred to as generally accepted government auditing standards or GAGAS, or the "Yellow Book"), issued by the U.S. Government Accountability Office for audit and assurance work.
- Certified Fraud Examiners Code of Professional Standards issued by the Association of Certified Fraud Examiners for Fraud, Waste and Whistleblower assessments and investigations.

OAG professional staff are also bound by the standards and ethics of their respective professional organizations, which include the Chartered Professional Accountants of Canada (CPA), Institute of Internal Auditors (IIA), and Association of Certified Fraud Examiners (ACFE).

Authority: Item TBD, Audit, Finance &
Administration Committee Report 20-
TBD (AUD23005)
CM: TBD
Ward: City Wide

Bill No. TBD

CITY OF HAMILTON

BY-LAW NO. 23-

To Amend By-law No. 19-180, the City Auditor By-law

WHEREAS Council enacted a City Auditor By-law being City of Hamilton By-law No. 19-180;

AND WHEREAS it is necessary to amend By-law 19-180.

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

1. That By-law No. 19-180 be amended by repealing every reference to "Office of the City Auditor" and replacing such references with "Office of the Auditor General".
2. That By-law No. 19-180 be amended by repealing every reference to "City Auditor" and replacing such references with "Auditor General".
3. That By-law No. 19-180 be amended by deleting section 3 and renumbering the remaining sections accordingly.
4. This By-law comes into force on the day it is passed.

PASSED this _____ day of _____, 2023.

A. Horvath
Mayor

A. Holland
City Clerk

Authority: Item TBD, Audit, Finance &
Administration Committee Report 20-
TBD (AUD23005)
CM: TBD
Ward: City Wide

Bill No. TBD

CITY OF HAMILTON

BY-LAW NO. 23-

To Amend By-law No. 19-181, the Whistleblower By-law

WHEREAS Council enacted a Whistleblower By-law being City of Hamilton By-law No. 19-181;

AND WHEREAS it is necessary to amend By-law 19-181.

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

1. That By-law No. 19-181 be amended by repealing every reference to "Office of the City Auditor" and replacing such references with "Office of the Auditor General".
2. That By-law No. 19-181 be amended by repealing every reference to "City Auditor" and replacing such references with "Auditor General".
3. That By-law 19-181 be amended by repealing the first WHEREAS clause and replacing it with the following:

WHEREAS Council of the City of Hamilton desires to put into place a mechanism whereby, under appropriate circumstances, (i) employees who disclose serious wrongdoing regarding City operations; and (ii) employees who disclose information as cooperating witnesses in whistleblower investigations, are protected from reprisal and whereby, under appropriate circumstances, investigations or alternative actions are undertaken in response to such disclosures;

4. That By-law 19-181 be amended by repealing subsection 1(b) and replacing it as follows:
 - (b) the protection from reprisals of (i) employees for making disclosures of serious wrongdoing when such disclosures are qualifying disclosures; and (ii) employees who disclose information as cooperating witnesses in whistleblower investigations when the employee has had no direct or indirect involvement in the serious wrongdoing under investigation, including prescribing the conduct of employees with supervisory or management responsibilities and members of Council with respect to the provision of protection from reprisals; and

5. That By-law 19-181 be amended by repealing the definition of reprisal and replacing it with the following:

"reprisal" means any of the following measures taken against (i) an employee because the employee has made a qualifying disclosure; or (ii) an employee who discloses information as a cooperating witness in whistleblower investigations when the employee has had no direct or indirect involvement in the serious wrongdoing under investigation:

- (a) the dismissal, suspension, demotion, discipline, harassment of an employee;
- (b) the denial of a benefit of employment to an employee;
- (c) any other disadvantaging of an employee;
- (d) or the threat to take any of the measure in paragraphs (a) to (c) inclusive;

6. The By-law comes into force on the day it is passed.

PASSED this _____ day of _____, 2023.

A. Horvath
Mayor

A. Holland
City Clerk



Hamilton

Office of the City Auditor

FRAUD AND WASTE

HOTLINE EVALUATION REPORT

July 1, 2019 to June 30, 2022

Charles Brown CPA, CA
City Auditor
March 23, 2023

Background: Before the Hotline

- No tool to administer case management and operate intake.
- Complaints made directly to our Office (email, phone call, “brown envelope”).
- Very low volume of reports (2-5 per year).
- Campaign was undertaken to publicize the Whistleblower Policy however very little change.
- Anecdotal information and City employee survey suggested employees not comfortable sharing concerns.
- No channel for complaints by members of the public.

Timeline: Fraud and Waste Hotline Pilot Program

- In 2018 Hamilton City Council approved a 3-year pilot program for a 3rd party hotline service - total budget \$94,500.
- Competitive RFP process was held in early 2019 for Fraud and Waste Hotline Intake Services (including live inbound call centre), Case Management Software, and Support.
- Vendor contract began in May 2019 to enable hotline setup and customization.
- Hotline went “live” to City staff, residents and vendors in July 2019.
- In 2022 Council granted extensions to pilot program to July 2023.

What is a Fraud and Waste Hotline?

The general public, City staff, and those doing business with the City can report **suspected fraud, waste or wrongdoing involving City resources**.

Confidential and anonymous service

Independently operated by a third party

Accessible by phone or online

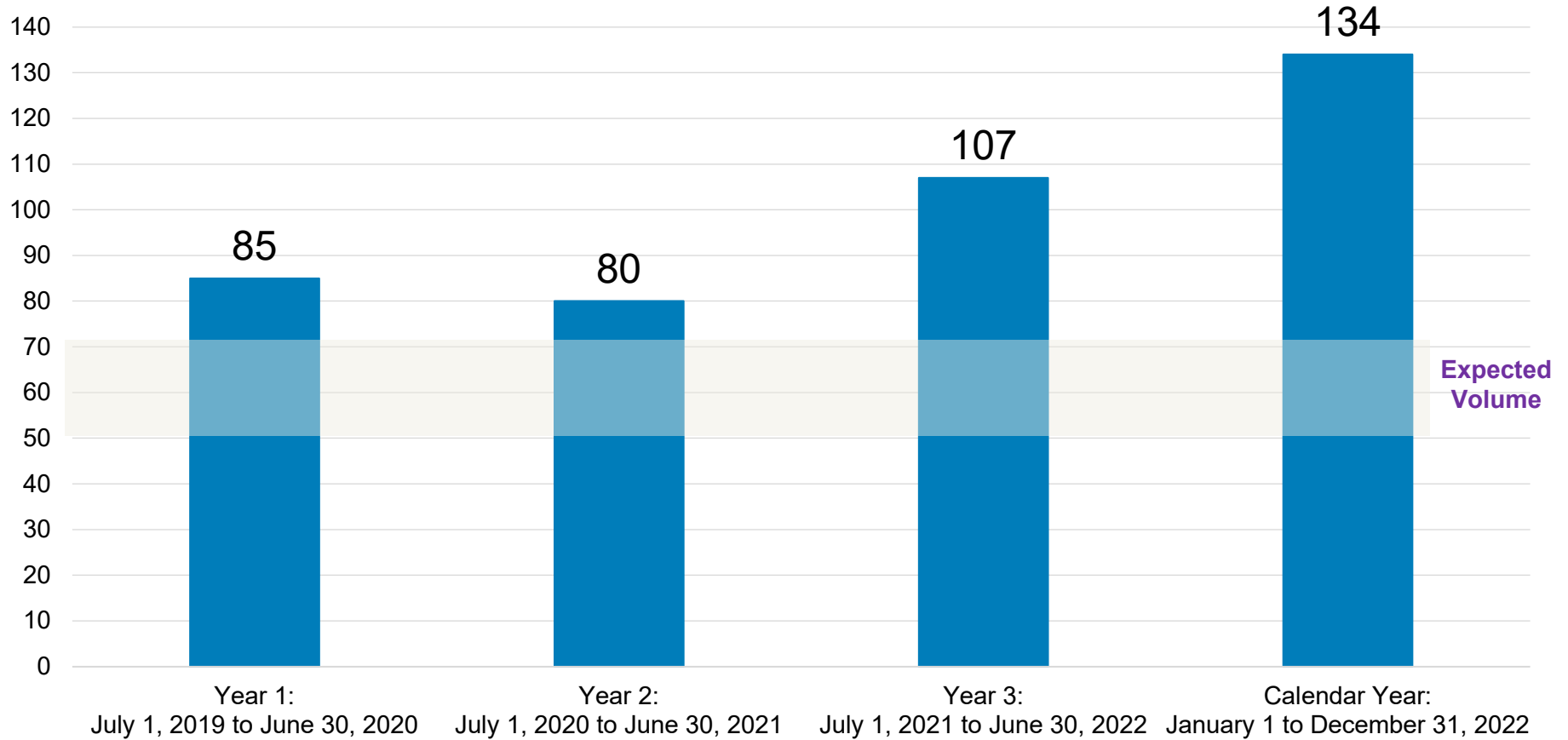
Available 24 hours a day 7 days a week

Hotline Goals and Accomplishments

- Our goals for the hotline: provide convenience and confidentiality to employees to report concerns; build trust so that more cases would be reported; introduce a mechanism for public engagement that was accessible, at reasonable cost; deliver relevant investigations of important issues that would result in positive change.
- These expectations have all been met or surpassed.
- The volume of reports has been consistently high, and continues to grow, exceeding original expectations every year.
- Many positive results have been achieved with the hotline including investigations of important concerns and identification of systemic issues.
- Three Fraud and Waste Annual Reports have been issued by the Office of the City Auditor summarizing the annual achievements of this service area.

Number of Reports by Period

July 1, 2019 to December 31, 2022

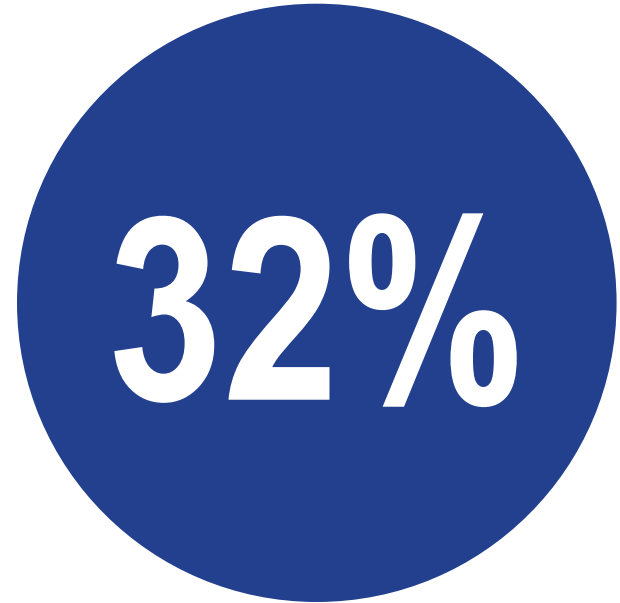


Pilot Program Statistics



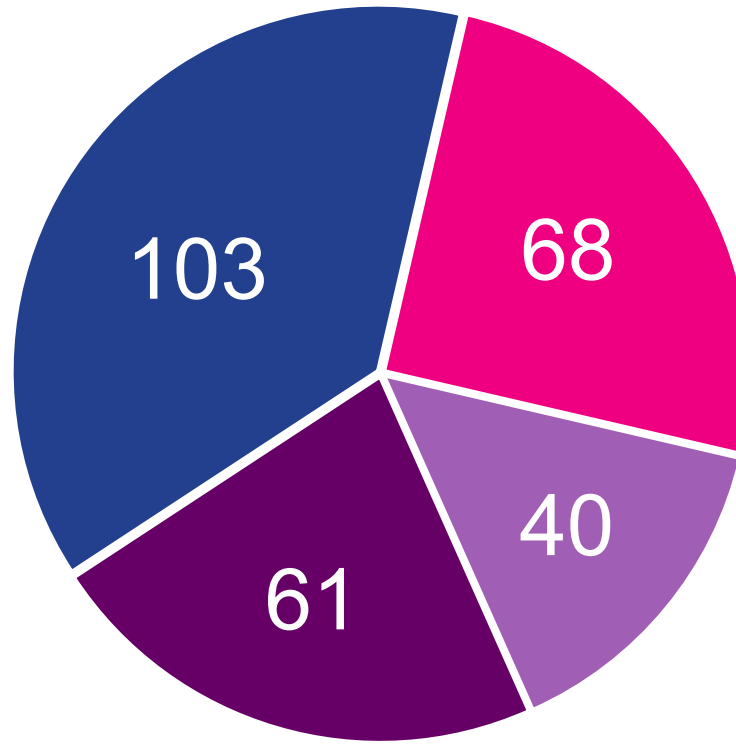
Reports

Received between
July 1, 2019 and June 30, 2022



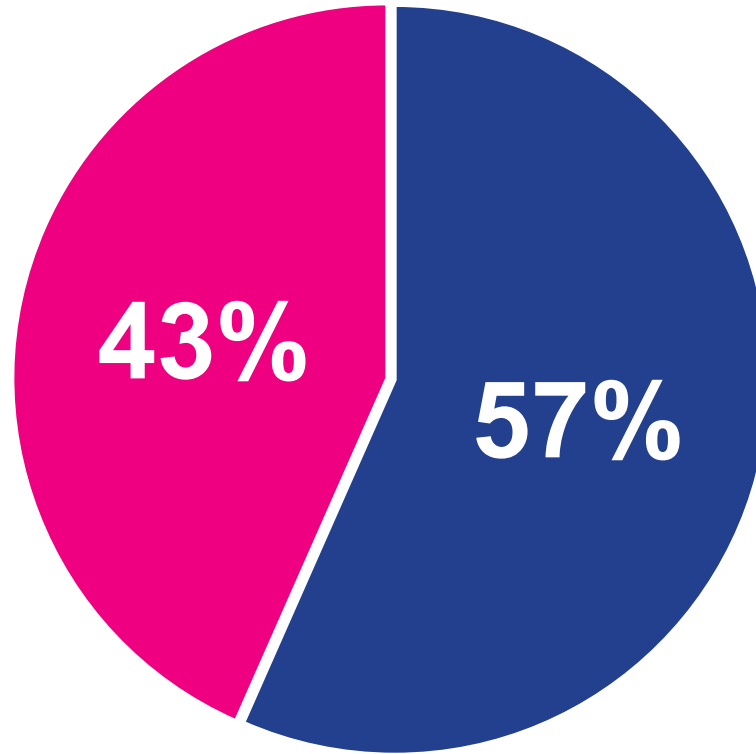
Most Recent Substantiation Rate

What We Did With The Reports



- Referral – Response Required (103)
- Investigations Launched (68)
- Referral – No Action Required (61)
- No Response Required, Not Enough Information, and/or Out of Jurisdiction (40) 8

Statistics - Employee Reports



- Non-Employee (Public) 118 (43%)
- Self-Identified as an Employee 154 (57%)

Hotline Cases Driving Audits/Leading to Systemic Insights and Improvement

- Control Weaknesses Respecting Case 2019-26707 (Report AUD20004)
- Special Audit Respecting Case 2019-013 (Report AUD20005)
- Audit Report 2020-04 – Transportation Operations Inventory Audit, Fraud & Waste Investigation, and Follow Up to Audit Report 2013-17 – Public Works – Traffic Inventory (Report AUD20008)
- Road Maintenance Small Tools and Equipment Inventory Audit and Follow up to Audit Report AUD11006 (Report AUD21010)
- IT Asset Management Review (AUD22006)
- Roads Value for Money Audit - Roads Quality Assurance Supplementary Audit Report (Report AUD21006(a))
- Accessible Transit Service: DARTS Fleet Management and Vehicle Safety Audit (Report #50695) (Report AUD22007)
- Hamilton Municipal Cemeteries Trust Funds (Report AUD23001)

Outcomes from Audits Initiated from the Hotline



Recommendations Made

OCA audits initiated by the hotline have resulted in 176 recommendations



Acceptance Rate of Recommendations

Outcomes Identified

14

Terminations

15

Other Actions Taken (includes discipline, employee resignations, retirements, process improvements implemented, letters of counsel issued, etc.)

\$1.16M

Loss or
Waste/Mismanagement
Substantiated
July 2019-June 2022

\$33.3K

Losses recovered by
City of Hamilton

Contribution of the Hotline to Corporate Ethics

- One of the City of Hamilton's corporate values is "Steadfast Integrity".
- Making the Fraud and Waste Hotline permanent enables Council to demonstrate commitment to this corporate value and signal its importance to staff.
- Between the 2017 and 2021 OPS employees are 2.4% more comfortable speaking up. During this period the Fraud and Waste Hotline was launched.
- This was one positive change noted in the survey's ethics results. However there is still work to do.
- Of the five survey index scores calculated, "Overall Ethics and Integrity" had the lowest score in the 2021 Our People Survey (OPS).
- There was a 5.3 percentage point decrease in the driver "Uphold Code of Conduct". (Fewer employees agreed with the statement "I have not felt pressure to compromise ethics and values").

What the Research Says

- Frauds are more likely to be detected when a hotline is in place.
- Tips are by far the most useful method of fraud discovery (3 times more often than the next closest method).
- Fraud losses were 2x higher at organizations without hotlines.
- Reporters' preferred methods of reporting are diverse and evolving.
- Multiple channels for reporting (e.g. online, email, telephone, mail) should be maintained.
- Overall, having both a hotline and a strong audit function (Office of the City Auditor) are critical to the City's mitigation of fraud-related risks.

Source: ACFE, *Occupational Fraud 2022: A Report to the Nations*

- Pilot has run significantly under budget due to very competitive pricing.
- Funds will remain even after an extra year of pilot has been completed (4 years instead of 3 completed).
- With the extra year of the pilot, still projected to be under budget by about \$30K (31%) as at July 31, 2023.
- Current annual cost is reasonable at \$12,500 per year (service includes 24/7/365 live intake as well as case management software and support).

Staffing Impacts of Hotline

- With a total of 272 reports being assessed this has created a significant amount of unanticipated workload.
- For the most recent reporting period, this is approximately equivalent to 2.3 frontline audit FTEs annually.
- There are no staff dedicated solely to the Fraud and Waste Hotline Pilot Program.
- Audit Management spends between 30-50% of their time on Fraud and Waste matters.
- This effort is similar to having completed 10 to 12 audits of significant scope and complexity during the three-year pilot.

Procurement of Future Services

- OCA is requesting the ability to negotiate a single sourcing for continuation of the hotline service with the current provider.
- If within the range of the current pricing (allowing for appropriate inflation) it would still be reasonable and competitive.
- In 2019 we received only 2 compliant bids and the winning proponent had a cost per point that was less than half the other proponent. The current market remains a niche market.
- Maintains continuity and avoids potentially 2 months of configuration, setup, training and associated cost of 5-10K with a different vendor.

Recommendation to Re-Name Office as Auditor General

- The position of City Auditor has been designated as an Auditor General under the *Municipal Act* since 2012 when the model adopted was a “hybrid” of internal audit and auditor general.
- In practice, the Office has been operating the last few years as an auditor general only.
- Acknowledges the reality that the Office has shifted entirely to auditor general work.
- Based on feedback received by our Office, now would be an ideal time to re-name as Office of the Auditor General so that it is easier for the public to understand our independence and our role.
- There is minimal cost associated with this, our logo can be updated in-house along with our webpages (www.hamilton.ca/audit and www.hamilton.ca/fraud) and the next printing).

Impact of Proposed Change to Auditor General

- The change of name to Auditor General will require revision to the Whistleblower By-Law No.19-181, Auditor General By-Law No.19-180, and Procedural By-Law 21-021
- It will also necessitate changes to the Council-approved Audit Charter to amend the name and references from City Auditor to Auditor General, and to remove services that are applicable to the internal audit function no longer being performed (risk assessment and consulting services)
- In addition to revising the Whistleblower By-Law 19-181 for the name change, OCA proposes an enhancement toward making the By-Law more effective in offering whistleblower protection to employees
- Currently, the Whistleblower By-Law covers employees that bring forward complaints of serious wrongdoing. Our considerable experience with investigations since the hotline was introduced has demonstrated a need for having the same provisions for employees that are cooperating witnesses to our investigations, so that they may be similarly protected from reprisal for providing evidence to investigators.

Closing Remarks: City Auditor Reflections

The Fraud and Waste Hotline provides benefits that cannot always be quantified:

- Deters fraud, waste, and wrongdoing
- Strengthens internal controls and mitigation of risks
- Improves policies and standard operating procedures
- Building a culture of accountability
- Better value in service delivery
- Hotline report data can be used to identify trends and inform future audits for the Office of the City Auditor work plan

Summary of Recommendations

- Make the Fraud and Waste Hotline Permanent and fund through operating levy
- Approval for the OCA to single source and negotiate with existing vendor for a five-year contract.
- Approve re-naming to Office of the Auditor General and have all corporate systems reflect this change.
- Approve updating of Audit Charter and audit-related By-Laws to reflect re-branding, the current service offering as an Auditor General, and the proposed enhancement to the Whistleblower By-Law to include cooperating witnesses.



confidential
anonymous

SPEAK UP

Report any wrongdoing



Hamilton
Office of the City Auditor

Use the Fraud and Waste Hotline

www.hamilton.ca/Fraud

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



Online

hamilton.ca/fraud



Email

cityofhamilton@integritycounts.ca



Phone

1-888-390-0393



Mail

PO Box 91880, West Vancouver, BC V7V 4S4



Fax

1-844-785-0699



QUESTIONS?



Hamilton

MINUTES 23-001

Committee Against Racism (CAR)

Tuesday, January 10, 2023

5:30 pm

WebEx

Present: T. Qasim, T.Childs, P.Jeffrey, and M. Dei-Amoah

Regrets: S. McWatt

Also

Present: A. Majani, Staff Liaison
L. Kolar, Legislative Coordinator, Office of the City Clerk

1. CEREMONIAL ACTIVITIES

(i) Call to Order (Item 1.1)

T. Qasim called the meeting to order, welcomed and took roll call.

(ii) Land Acknowledgement (Item 1.2)

P. Jeffrey read the Land Acknowledgement.

2. APPROVAL OF AGENDA

The chair advised the committee of the following additions:

5. COMMUNICATIONS

5.1 Audit, Finance and Administration Committee Report 22-016, Item 5 (b), as Amended by Council, September 28, 2022 respecting Confidential Interview Questions for the Hamilton Police Services Board Selection Committee.

14. PRIVATE AND CONFIDENTIAL

14.1 Confidential Interview Questions for Hamilton Police Services Board Selection Committee (no copy)

9.1(a)

(P. Jeffrey/T. Childs)

That the agenda of April 26, 2021 be approved, as amended.

CARRIED

3. DECLARATIONS OF INTEREST

None

4. APPROVAL OF MINUTES OF PREVIOUS MEETING.

(i) December 20, 2022 (Item 4.1)

(P. Jeffrey/M. Dei-Amoah)

That the Minutes of February 22, 2022 be approved, as presented.

CARRIED

5. COMMUNICATIONS

(i) Audit, Finance and Administration Committee Report 22-016, Item 5 (b), as Amended by Council, September 28, 2022 respecting Confidential Interview Questions for the Hamilton Police Services Board Selection Committee (Item 5.1)

(M. Dei-Amoah/T. Childs)

That the Audit, Finance and Administration Committee Report 22-016, Item 5 (b), as Amended by Council, September 28, 2022 respecting Confidential Interview Questions for the Hamilton Police Services Board Selection Committee, be received.

CARRIED

6. DISCUSSION ITEMS (Item 10)

(i) Work Plan Update (Item 10.1)

(M. Dei-Amoah/T. Childs)

That the Work Plan Update be deferred to the next meeting.

CARRIED

(ii) Black History Month (Item 10.2)

(a) Black History Month Scholarships (Item 10.2(a))

(M. Dei-Amoah/T. Childs)

That the discussion around Black History Month Scholarships, be deferred to the next meeting.

CARRIED

9.1(a)

- (b) Black History Month Sponsorships and Ads (Item 10.2(b))

(M. Dei-Amoah/T. Childs)

That the higher level discussion around Sponsorships and Ads, be deferred to the next meeting.

CARRIED

1. **John C. Holland Awards (Item 10.2(b)(a))**

(Dei-Amoah/P. Jeffrey)

That the Committee Against Racism approve the sponsorship of a Youth Table, in the amount of \$800 from the 2022 approved budget, for the upcoming John C. Holland Awards.

CARRIED

2. **Black History Month Committee – Bus Ads (Item 10.2(b)(b))**

(Dei-Amoah/P. Jeffrey)

That a maximum of \$1500 from the 2022 approved budget, be donated to the upcoming Black History Month kick-off event for refreshments in lieu of a donation towards Bus Ads.

CARRIED**7. PRIVATE AND CONFIDENTIAL (Item 14)**

Pursuant to Section 9.1, Sub-section (i) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-section (i) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the City or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

- (i) **Confidential Interview Questions for Police Services Board Selection Committee (Item 14.1)**

(M. Dei-Amoah/T. Childs)

That staff be directed to forward the confidential interview questions from the Committee Against Racism to the Police Services Board, and that the questions remain confidential.

CARRIED

9.1(a)

8. ADJOURNMENT (Item 15)

(T. Childs/P. Jeffrey)

That the Committee adjourn its meeting at 8:34 p.m.

CARRIED

T. Qasim, Chair
Committee Against Racism



MINUTES 23-002
Committee Against Racism
Monday, Feb 6, 2023
7:00 pm
WebEx

Present: T. Qasim, T.Childs, P.Jeffrey, and M. Dei-Amoah

Also

Present: A. Majani, Staff Liaison,
L. George, Hamilton Area Anti-Racism Coalition

1. CEREMONIAL ACTIVITIES

(i) Call to Order (Item 1.1)

T. Qasim called the meeting to order, welcomed and took roll call.

(ii) Land Acknowledgement (Item 1.2)

P. Jeffrey read the Land Acknowledgement.

2. APPROVAL OF AGENDA

The chair advised the committee of the following additions:

10. DISCUSSION ITEMS

10.2 Committee Against Racism Annual Report to Audit & Finance Committee

10.3 Next Meeting Date for the Committee Against Racism

(P. Jeffrey/T. Childs)

That the agenda of February 21, 2023, be approved, as amended.

CARRIED

3. DECLARATIONS OF INTEREST

None

9.1(b)

9.1(b)**4. APPROVAL OF MINUTES OF PREVIOUS MEETING.****(i) January 10, 2023 (Item 4.1)****(P. Jeffrey/M. Dei-Amoah)**

That the approval of the Minutes of January 10, 2023 be deferred to the next meeting.

CARRIED**5. DISCUSSION ITEMS (Item 10)****(i) Citizen Candidates for the Hamilton Police Services Selection Committee (Item 10.1)****(M. Dei-Amoah/T. Childs)**

That the list of Citizen Candidates recommended by the Committee Against Racism, and the Hamilton Area Anti-Racism Coalition, be approved and referred to Council for their consideration

CARRIED**(ii) CAR Annual Report to Audit and Finance Committee (Item 10.2)****(M. Dei-Amoah/P.Jeffrey)**

That the Chair, Taimur Qasim, along with Marlene Dei-Amoah attend the February 16th meeting to present on the activities of the committee in the past year.

CARRIED**(iii) Next Meeting Date for the Committee Against Racism (Item 10.3)****(M. Dei-Amoah/P.Jeffrey)**

That the Committee Against Racism meet on their regularly scheduled meeting time on February 28,2023

CARRIED**6. PRIVATE AND CONFIDENTIAL (Item 14)****(i) Closed Session Minutes of the Committee Against Racism – January 10, 2023 (Item 14.1)****(M. Dei-Amoah/T. Childs)**

That the approval of the closed session minutes of the Committee Against Racism January 10, 2023, meeting be deferred to the February 28, 2023 meeting.

CARRIED

9.1(b)

7. ADJOURNMENT (Item 15)

(T. Childs/P. Jeffrey)

That the Committee adjourn its meeting at 8:30 p.m.

CARRIED

T. Qasim, Chair
Committee Against Racism

9.1(c)

Hamilton**Minutes 23-001****Hamilton Women and Gender Equity Committee****Thursday, January 26, 2023****6:00 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>
Virtual Meeting**

Present: Deanna Allain, Gagan Batra, Melanie Cummings, Anna Davey, Autumn Getty, Adriana Harris, Jan Lukas, Pascale Marchand, Kathleen Shannon, and Yulena Wan

Regrets: Michelle Hutton, Heather Platt, Stephanie Scardellato and Julie Turner

Also

Present: Morgan Stahl, Director of Government Relations and Community Engagement
Loren Kolar, Legislative Coordinator

1. CEREMONIAL ACTIVITIES**(i) Land Acknowledgement**

D. Allain provided the Land Acknowledgement.

2. APPROVAL OF THE AGENDA (ITEM 2)

9.1(c)

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

10. DISCUSSION ITEMS

10.4 Citizen Committee Report respecting Gender Lens Budgeting

(Batra/Harris)

That the agenda for the January 26, 2023 meeting of the Hamilton Women and Gender Equity Committee, be approved, as amended.

CARRIED**3. DECLARATION OF INTEREST (Item 3)**

None.

4. APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)**(i) December 22, 2022 (Item 4.1)****(Batra/Harris)**

That the Hamilton Women and Gender Equity Committee approve the Minutes of December 22, 2022, as presented.

CARRIED**5. COMMUNICATIONS (Item 5)**

(i) Audit, Finance and Administration Committee Report 22-016, Item 5 (b), as Amended by Council, September 28, 2022 respecting Confidential Interview Questions for the Hamilton

9.1(c)**Police Services Board Selection Committee (Item 5.1)****(Getty/Harris)**

That the Audit, Finance and Administration Committee Report 22-016, Item 5 (b), as Amended by Council, September 28, 2022 respecting Confidential Interview Questions for the Hamilton Police Services Board Selection Committee, be received.

6. DISCUSSION ITEMS (Item 10)**(i) Review of the Citizen Committee Report regarding feedback on the Procedural Handbook (Item 10.1)**

The Committee provided the following feedback:

The City of Hamilton Women and Gender Equity Advisory Committee recommends that Council, with the support of staff, consider the following items of feedback respecting the Procedural Handbook, and ensure that commitments listed by the city and staff are upheld.

The document's table of contents and references to by-laws and other pieces of legislation should include hyperlinks for ease of access in electronic format. Additionally, the document should be available in a plain language format, recognizing that the format and legalese creates a barrier to engagement and ensuring all committee members understand their roles and commitments.

9.1(c)

Should council members or staff require additional information related to any of the mentioned feedback, the committee is prepared to provide additional reports or attend meetings to respond to questions.

The following items of feedback were identified by members of the Women and Gender Equity Advisory Committee through working group sessions:

- Page 10: regarding the appointment and recruitment process, there should be a commitment by the City of Hamilton to provide recruitment information to community partners and organizations, with particular focus on encouraging members of marginalized communities to apply, in line with a focus on equity, diversity, and inclusion in the recruitment process.
- Page 12: regarding member training, it is imperative that the City Clerk ensure existing and new members of the committee receive training, as new members to this committee beginning early 2022 did not receive most of the listed training, or materials related to it. In the sharing of training information and reference documents, it should be readily available and easily accessible for both committee members and the general public to access, including having such information available on the City of Hamilton website along with up-to-date committee information. The City Clerk should have a commitment and procedure to monitor their fulfilment of training and reference documents provided. Committee members feel that training and orientation has been minimal and insufficient, causing confusion and limiting

9.1(c)

engagement and the development of action items in formal meetings. Providing additional training in procedure, meeting format, and how to prepare documents such as Citizen Committee Reports or Meeting Minutes would be helpful to effective operation and success.

- Page 14: regarding council representatives on advisory committees, there should be a commitment of attendance, or otherwise a process to allow committees to request another council representative if attendance becomes a challenge. The Women and Gender Equity Advisory Committee has only had a council representative attend one meeting since the beginning of its current term.
- Page 21: regarding consultation on staff reports, this is a practice that has not taken place during this term of the committee. Staff should be committed to utilizing advisory committees for feedback on reports on a frequent and consistent basis, and members of council should be encouraged to directly request staff consult with advisory committees to ensure this takes place. In the absence of this practice, citizen advisory committees often lack notice and necessary time to review documents and generate reports and feedback before items are reviewed by members of council. Again, there should be a commitment by staff to regularly and consistently consult with advisory committees, and a procedure to ensure the commitment is maintained.
- Page 23: regarding calls to vote, there is no mention of an option to abstain from votes and how they would be recorded. If there is no abstention option for members, it should be

9.1(c)

clearly stated along with reasoning in this handbook.

- Page 33, regarding public notice of citizen member vacancies, these again should be shared with community organizations with a focus on equity, diversity, and inclusion.

(Harris/Gagan)

- (a) That the feedback from the Hamilton Women and Gender Equity Committee, respecting the Procedural Handbook, be referred to the Clerks Office; and
- (b) That the Citizen Committee Report regarding Feedback on the Procedural Handbook, be approved.

CARRIED

9.1(c)**(ii) Review of the Citizen Committee Report regarding Feedback on the Code of Conduct (Item 10.2)**

The Committee provided the following feedback:

- Page 41: regarding the statement, "This Code of Conduct is to be given broad, liberal interpretation in accordance with applicable legislation and the definitions set out herein. Commentary in this Code is illustrative and not exhaustive.", the committee feels that the Code of Conduct should be explained more thoroughly and in plain language to prevent interpretation which extends beyond the understanding of the public and volunteer advisory committee members.
- Page 43: regarding confidential information, more information is needed to establish exactly what is considered to be confidential, how members can be aware of what the board of city is prevented from disclosing, and how the rule differentiates between items discussed in a closed meeting and information that is already publicly available. There should be a clear system to label and identify confidential information to local boards. Information related to confidentiality for members of council is much clearer in their code of conduct compared to this proposed code for volunteers.
- Page 44: regarding member conduct, more clarity is needed to provide committee members with information on how the City of Hamilton can require decorum "at all times". For instance, if political protest is a charter protected right, but is not considered conducting oneself with decorum, more clarity is needed to confirm if a volunteer

9.1(c)

advisory committee member may face consequences or penalties.

- Page 44-45: regarding media communications, the committee was previously told that the chair could not speak to media without approval from the committee they report to, which does not appear to be the case in the code of conduct. There is no information on the ability of the Chair to speak to media and what, if any, approval is required, or what limitations, if any, exist as part of such media communication. The commentary also identified that the rules of decorum apply to social media, and recommend that members “should consider articulating and posting their own policy of addressing how frequently they will monitor the site for the purpose of identifying and removing disparaging, abusive or hateful comments.” It is in the opinion of the advisory committee that the City of Hamilton should not be applying rules of decorum to volunteer committee members on their personal social media accounts, or outside of their duties as committee members, as it may infringe on their rights to expression and political protest. Further, it is unreasonable to apply responsibility for filtering hateful and abusive comments on the posts of volunteer advisory committee members. The City of Hamilton should not expect anyone to read through abusive and hateful comments on personal social media as part of code of conduct, and especially should not do so without providing support and resources for the additional harm such exposure to hate and abuse can cause.
- Page 45: regarding the expectation that members “adhere to and encourage public respect for the

9.1(c)

Local Board, the municipality and its by-laws, policies and procedures”, the committee feels the Code of Conduct must provide clearer definitions or respect and what is considered disrespectful. Further to this, more clarity is needed to ensure members understand whether their rights to expression and political protest will be restricted or prohibited when agreeing to volunteer on a citizen advisory committee.

- Page 45: regarding the workplace harassment and violence policies in place for staff, members of this advisory committee have not received copies of such policies, and these policies, in addition to the code of conduct, must be easily and readily available to members so they can comply.
- Page 46: regarding the advice to consult the integrity commissioner if members seek clarification, there should be direction or information on who or how to contact the integrity commissioner included in the code of conduct.
- Page 46: the formatting of “Part 2” to include additional context for previously mentioned rules and the addition of new rules makes this part of the document particularly difficult to read and follow, and revision may be needed.
- Page 47: regarding the consequences of failure to adhere to code of conduct, and in addition to the aforementioned feedback on this item, “reprimand” must be clearly defined, and this section must clearly identify what reprimand and remedial actions will look like for volunteer citizen committee members.
- Page 49: the numbering of the items on this page include two separate items numbered as 4, rather than a continued sequential order. More clarify is

9.1(c)

needed on the operating procedure regarding any requirements for approval that are needed before a chair can speak to media on behalf of the committee, and what restrictions might be in place for such engagement.

- Page 53: regarding the note at the bottom of the page, the Chair or Vice-Chair and the Secretary have never signed the meeting minutes in practice on this committee, and more clarification is needed on if digital signatures would be acceptable if this is now going to be required, considering the hybrid operation of most committees.

(Harris/Marchand)

- (a) That the feedback from the Hamilton Women and Gender Equity Committee, respecting the Feedback on the Code of Conduct, be referred to the Clerks Office; and
- (b) That the Citizen Committee Report regarding Feedback on the Code of Conduct, be approved.

CARRIED**(iii) Women of Distinction Awards, March 2, 2023 – discussion & table purchase (Item 10.3)****(Marchand/Shannon)**

That the HWGEC committee approve the purchase of 2 tables, to a maximum amount of \$3000, with \$1500 from the Operating Budget and \$1500 from the Reserve Fund for the 2023 Women of Distinction Awards.

CARRIED

9.1(c)**(Cummings/Getty)**

That the remaining funds from the WWGEC 2022 budget be allocated to the 2023 Reserve for the committee, to the maximum amount.

CARRIED**(iv) Citizen Committee Report respecting Gender Lens Budgeting (Added Item 10.4)****(Lukas/Getty)**

- (a) That the City of Hamilton consider applying a gender lens to the City of Hamilton for the 2023 Operational Budget, with implementation in the 2024 Operational Budget;
- (b) That the City of Hamilton continue to promote gender equity in society through the operational budget, in support of the City of Hamilton's 2016-2025 Strategic Plan, including economic prosperity and growth, healthy and safe communities, clean and green, built environment and infrastructure, and culture and diversity;
- (c) Consider gender and diversity in taxation and resource allocation decisions; and
- (d) That the Citizen Committee Report be approved, and referred to the Audit, Finance and Administration Committee for consideration.

CARRIED**7. PRIVATE AND CONFIDENTIAL (Item 14)**

9.1(c)**(Davey/Getty)**

That the Hamilton Women and Gender Equity Committee move into Closed Session respecting Item 14.1, Pursuant to Section 9.1, Sub-section (i) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-section (i) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the City or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

9.1(c)**(i) Confidential Interview Questions for Police Services Board Selection Committee****(Getty/Harris)**

That staff be directed to forward the confidential interview questions from the Hamilton Women and Gender Equity Committee to the Police Services Board, and that the questions remain confidential.

8. ADJOURNMENT (Item 15)**(Marchand/Wan)**


That the Hamilton Women and Gender Equity Committee be adjourned at 7:34pm.

**CARRIED
Respectfully,**

**Deanna Allain, Chair
Women and Gender Equity
Advisory Committee**



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 23, 2023
SUBJECT/REPORT NO:	Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS23015) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Patricia Vasquez (905) 546-2424 Ext. 5972
SUBMITTED BY:	Shelley Hesmer Acting Director, Financial Services and Taxation Corporate Services
SIGNATURE:	

COUNCIL DIRECTION

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

INFORMATION

This report provides an update on the status of active and completed Fair Wage complaint investigations between November 1, 2021 to January 31, 2023. During this period, the City received no new complaints and one Fair Wage complaint remained under investigation.

The complaint referenced in this report is 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 maintenance work to provide wages and benefits to their employees in accordance with the Policy.

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: Fair Wage Policy and Fair Wage Schedule Complaints Annual Report
(FCS23015) (City Wide) - Page 2 of 2**

As of January 31, 2023, the following complaint is ongoing:

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

City staff is aware that there have been several delays hindering this audit's completion. The City of Hamilton's external auditor, KPMG, has cited that there were delays as a result of pandemic restrictions and the inability of their staff to attend the subcontractor's site in person to review financial records. In addition to this, KPMG has indicated that it was particularly difficult to verify the benefits paid to each of the employees who worked on the project. The information provided to the auditor was extremely high level and required the auditor to make multiple attempts to attain and clarify the information.

As of the date of this Report, the audit has been completed and is currently being reviewed for comment by the Contractor and Subcontractor. Details regarding any non-compliance will be brought forward to Committee and Council in the next annual Fair Wage Compliance report.

This complaint has been summarized and provided in Appendix 'A' to Report FCS23015.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS23015 – Fair Wage Policy and Fair Wage Schedule Complaints – November 1, 2021 to January 31, 2023

PV/dw

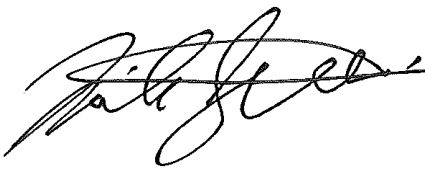
**Fair Wage Policy and Fair Wage Schedule Complaints Annual Report
November 1, 2021 – January 31, 2023**

Complaints under investigation as of January 31, 2023:

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



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 23, 2023
SUBJECT/REPORT NO:	Report of the 2022 Remuneration and Expenses as Required under Section 284 of the Municipal Act (FCS23018) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Bev Neill (905) 546-2424 Ext. 6274
SUBMITTED BY:	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
SIGNATURE:	

INFORMATION

Under the *Municipal Act, 2001*, the Treasurer must submit to Council before the 31st of March each year, an itemized statement of the remuneration and expenses paid to each Member of Council and citizen appointees to various local boards in the preceding year.

Appendix "A" of Report FCS23018 provides the remuneration paid to the Mayor and Members of Council in respect to services as a member of Council or any other body, including a local board, to which the member has been appointed by Council or on which the member holds office by virtue of being a member of Council.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS23018 – 2022 Remuneration Summary
Appendix "B" to Report FCS23018 – Expense Details of Council

EXPENSE DETAILS OF COUNCIL - 2022

Mayor Fred Eisenberger

2022	Total Expense	# of Attendees	ProRated Expense
Meeting Expense - Whippies - Mar 24/22	\$ 30.68	2	\$ 15.34
Meeting Expense - The Hamilton Club - Mar 11/22	546.69	12	45.56
Meeting Expense - La Luna - May 17/22	76.05	2	38.03
Award of Merit Reception - The Hamilton Club - Jun 22/22	36.16	1	36.16
Meeting Expense - Bedrock Bistro - July 20/22	37.09	2	18.55
Meeting Expense - The French - Aug 5/22	96.39	2	48.20
Meeting Expense - The Ship - Aug 23/22	53.90	2	26.95
Meeting Expense - The Hamilton Club - Sep 28/22	27.12	1	27.12
Racalmuto Delegation Luncheon - The Hamilton Club - Sep 29/22	2,200.11	22	100.01
Meeting Expense - East Side Marios- Oct 6/22	105.68	4	26.42
Meeting Expense - The Hamilton Club - Oct 12/22	54.00	1	54.00
Meeting Expense - Bread Bar James - Oct 24/22	76.62	2	38.31
Meeting Expense - The Hamilton Club - Oct 25/22	128.67	2	64.34
Meeting Expense - The Hamilton Club - Oct 28/22	54.24	12	4.52
Meeting Expense - Bread Bar James - Oct 31/22	53.94	2	26.97
Birmingham Commonwealth Games			
Birmingham, England			
July 25-31, 2022			
Transportation - Air and Train	2,490.03		2,490.03
Accommodation	2,352.91		2,352.91
Per Diem	591.19		591.19
Parking	174.00		174.00
AMO - AGM Annual Conference			
Ottawa, ON			
Aug 14-17, 2022			
Registration	943.55		943.55
Transportation - Air	695.51		695.51
Transportation - Cab	39.35		39.35
Per Diem and Meal	194.24		194.24
Parking	130.56		130.56
Commonwealth Games Bid			
New York, USA			
Oct 19-20,, 2022			
Transportation - Air	636.61		636.61
Transportation - Cab	74.94		74.94
Accommodation	632.05		632.05
Per Diem	82.80		82.80
Fuel charges	2,504.22		2,504.22
TOTAL		\$ 15,119.30	\$ 12,112.44

Councillors Powers- Ward 5

2022	Total Expense	# of Attendees	ProRated Expense
AMO - AGM Annual Conference			
Ottawa, ON			
Aug 14-17, 2022			
Registration	\$ 835.07		\$ 835.07
Accommodation	578.38		578.38
Transportation - Auto	686.84		686.84
Per Diem	225.00		225.00
Parking	108.48		108.48
TOTAL	\$ 2,433.77		\$ 2,433.77

Councillor Jackson - Ward 6

2022	Total Expense	# of Attendees	ProRated Expense
Meeting Expense - Donut Diner-Jan 10/22	\$ 10.24	2.00	\$ 5.12
YWCA Virtual Event - Dinner-Mar 03/22	300.00	2.00	150.00
Meeting Expense - Donut Diner-Mar 29/22	30.00	2.00	15.00
Meeting Expense - Donut Diner- Apr 14/22	19.96	2.00	9.98
Meeting Expense - Honest Lawyer-Apr 14/22	34.60	2.00	17.30
Meeting Expense - Valentinos-May 3/22	57.59	2.00	28.80
Meeting Expense -Local Eatery-Jun 3/22	48.77	2.00	24.39
TOTAL	\$ 501.16		\$ 250.58

Councillor Pearson - Ward 10

2022	Total Expense	# of Attendees	ProRated Expense
Mileage January - September, 2022	\$ 154.94		\$ 154.94
Stoney Creek Chamber of Commerce Luncheon Oct 11/22	65.54		65.54
TOTAL	\$ 220.48		\$ 220.48

Councillor Johnson - Ward 11

2022	Total Expense	# of Attendees	ProRated Expense
Mileage January - November, 2022	\$ 2,326.54		\$ 2,326.54
Country Music Assoc. Awards Conf.			
London, ON			
June 4-6, 2022			
Transportation - Auto	185.44		185.44
Accommodation	406.62		406.62
Meal	46.68		46.68
Per Diem	150.00		150.00
International Children's Games			
London, England			
Registration	1,084.89		1,084.89
Transportation - Auto	90.89		90.89
Transportation - Air & Bus	6,162.88		6,162.88
Accommodation	664.24		664.24
Parking	112.93		112.93
Per Diem	896.00		896.00

TOTAL	\$ 12,127.11	\$ 12,127.11
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* **Councillor Tadeson - Ward 11**

2022	<u>Total Expense</u>	<u># of Attendees</u>	<u>ProRated Expense</u>
Mileage December 2022	\$ 243.49		\$ 243.49
TOTAL	\$ 243.49		\$ 243.49

Councillor Ferguson - Ward 12

2022	<u>Total Expense</u>	<u># of Attendees</u>	<u>ProRated Expense</u>
Mileage February - September, 2022	\$ 157.38		\$ 157.38
Hamilton Golf & Country Club - Dec 15/21	480.82	5.00	96.16
Hamilton Golf & Country Club - July 22/22	148.14	5.00	29.63
AMO Conference Ottawa, ON Aug 15-17, 2022			
Registration Fee	1,000.05		1,000.05
Accommodation	579.37		579.37
Per Diem & Meal	174.63		174.63
Parking	96.00		96.00
TOTAL	\$ 2,636.39		\$ 2,133.22

Councillor Partridge - Ward 15

2022	<u>Total Expense</u>	<u># of Attendees</u>	<u>ProRated Expense</u>
Meeting - Radius Restaurant - Feb 17/22	\$ 103.06	3.00	\$ 34.36
Meeting - The Olive Board - Jul 14/22	113.90	4.00	28.48
TOTAL	\$ 216.96		\$ 62.84

* Term started in November

City of Hamilton

2022 REMUNERATION SUMMARY

	Remuneration		Expenses		Total
Members of Council	\$	1,737,360.24	\$	29,583.93	\$ 1,766,944.17
Conservation Authorities		18,945.80		822.24	19,768.04
Hamilton Police Services Board		40,269.06		1,175.47	41,444.53
Hamilton Public Library Board		-		-	-
Committee of Adjustment/Land Division Committee		29,250.00		8,538.67	37,788.67
Trade License Board		4,200.00		-	4,200.00
Hamilton Utilities Corporation		271,225.00		814.00	272,039.00
Association of Municipalities of Ontario		92.00		1,189.33	1,281.33
CityHousing Hamilton Corporation		-		-	-
Hamilton Farmer's Market		-		-	-
Alectra		118,083.34		-	118,083.34
Royal Botanical Gardens		-		-	-
Total	\$	2,219,425.44	\$	42,123.64	\$ 2,261,549.08

City of Hamilton

(a) Remuneration paid pursuant to Section 284 of the Municipal Act and By-law 01-023. Expenses paid pursuant to Section 283 (1), (2) and (3) of the Municipal Act.

<u>Council Member</u>	<u>Remuneration</u>	<u>Expenses</u>	
		<u>Council Representation (AMO, FCM etc.)</u>	<u>Other (Mileage, Community Events etc.)</u>
F. Eisenberger	\$ 174,760.74	\$ 2,003.21	\$ 10,109.23
* A. Horwath	23,297.14	-	-
* J. Beattie	11,571.20	-	-
* C. Cassar	11,571.20	-	-
B. Clark	103,710.40	-	-
** J. Danko	102,107.46	-	-
J. Farr	83,361.04	-	-
L. Ferguson	92,139.20	1,850.05	283.17
* M. Francis	11,571.20	-	-
* ** T. Hwang	7,980.14	-	-
T. Jackson	103,710.40	-	250.58
B. Johnson	92,139.20	-	12,127.11
* C. Kroetsch	11,571.20	-	-
* T. McMeekin	11,571.20	-	-
S. Merulla	92,139.20	-	-
N. Nann	103,710.40	-	-
J. Partridge	92,139.20	-	62.84
E. Pauls	103,710.40	-	-
M. Pearson	92,139.20	-	220.48
R. Powers	92,139.20	2,433.77	-
* M. Spadafora	11,571.20	-	-
* M. Tadeson	11,571.20	-	243.49

City of Hamilton

<u>Council Member</u>	<u>Remuneration</u>	<u>Expenses</u>	
		<u>Council Representation (AMO, FCM etc.)</u>	<u>Other (Mileage, Community Events etc.)</u>
A. VanderBeek	92,139.20	-	-
T. Whitehead	89,757.72	-	-
* A. Wilson	11,571.20	-	-
M. Wilson	103,710.40	-	-
Total	\$ 1,737,360.24	\$ 6,287.03	\$ 23,296.90

* Term started in November

** 2022 Salary adjustment processed in 2023

City of Hamilton

(b) Conservation Authorities

Remuneration and expenses paid pursuant to Section 284 of the Municipal Act. The Conservation Authority pays the expenses below directly to the appointees.

Hamilton Conservation Authority

<u>Appointee</u>	<u>Remuneration</u>		<u>Expenses</u>	
D. Bowman	\$	1,650.00	\$	123.20
B. Clark		-		-
J. Cimba		1,275.00		221.76
L. Ferguson		-		-
T. Jackson		-		-
C. Janzen		825.00		80.64
S. Moccio		4,166.60		141.12
E. Pauls		-		-
M. Topalovic		900.00		53.76
Total	\$	8,816.60	\$	620.48

Grand River Conservation Authority

<u>Appointee</u>	<u>Remuneration</u>		<u>Expenses</u>	
M. Adili	\$	972.19	\$	-
A. Wilson		156.71		-
Total	\$	1,128.90	\$	-

Halton Region Conservation Authority

<u>Appointee</u>	<u>Remuneration</u>		<u>Expenses</u>	
J. Di Maio	\$	675.00	\$	-
Z. Jawed		150.00		-
J. Partridge		-		-
Total	\$	825.00	\$	-

Niagara Peninsula Conservation Authority

<u>Appointee</u>	<u>Remuneration</u>		<u>Expenses</u>	
S. Beattie	\$	1,141.50	\$	165.40
B. Clark		532.70		-
B. Johnson		-		-
B. Wright		837.10		36.36
Total	\$	2,511.30	\$	201.76

Niagara Escarpment Commission

<u>Appointee</u>	<u>Remuneration</u>		<u>Expenses</u>	
B. Clark	\$	5,664.00	\$	-
Total	\$	5,664.00	\$	-

City of Hamilton

(c) Hamilton Police Services Board

Remuneration and expenses paid pursuant to Section 284 of the Municipal Act and By-law 01-039.

<u>Appointee</u>		<u>Remuneration</u>		<u>Expenses ***</u>
A. Horwath	\$	-	\$	-
E. Pauls		-		-
C. Kroetsch		-		-
M. Athulathmudali		9,132.24		-
P. Mandy		12,872.34		1,175.47
R. Elms		9,132.24		-
A. Bennink		9,132.24		-
Total	\$	40,269.06	\$	1,175.47

*** Expenditures authorized by the Hamilton Police Services Board and funded from the Police Services Board budget.

(d) Hamilton Public Library Board

Remuneration and expenses paid pursuant to Section 284 of the Municipal Act and By-laws 1-74 and 01-038.

<u>Appointee</u>		<u>Remuneration</u>		<u>Expenses</u>
G. Batra	\$	-	\$	-
E. Bowen		-		-
R. Coruzzi		-		-
M. Francis		-		-
J. Kirkpatrick		-		-
C. Klassen		-		-
S. Laurie		-		-
N. Nann		-		-
J. Partridge		-		-
M. Pearson		-		-
L. Serviss		-		-
L. Spence-Smith		-		-
N. Van Velzen		-		-
Total	\$	-	\$	-

(e) Committee of Adjustment/Land Division Committee

Remuneration and expenses paid pursuant to Section 284 (1) of the Municipal Act and By-laws 01-049 and R98-030.

<u>Appointee</u>		<u>Remuneration</u>		<u>Expenses</u>
M. Dudzic	\$	3,650.00	\$	336.33
L. Gaddy		2,400.00		806.77
N. Mleczko		4,050.00		740.97
D. Serwatak		4,050.00		2,864.61
D. Smith		3,550.00		1,604.99
M. Smith		3,400.00		771.07
B. Charters		3,550.00		-
M. Switzer		3,150.00		1,413.93
T. Lofchik		1,450.00		-
Total	\$	29,250.00	\$	8,538.67

City of Hamilton

(f) Trade License Board

<u>Appointee</u>		<u>Remuneration</u>		<u>Expenses</u>
R. Lalli	\$	1,400.00	\$	-
M. Marsalla		350.00		-
B. Nuttall		1,575.00		-
G. Penko		350.00		-
M. Reiley		525.00		-
Total	\$	4,200.00	\$	-

(g) Hamilton Enterprises Holding Corporation

<u>Board Member</u>		<u>Remuneration</u>		<u>Expenses</u>
C. Wessel	\$	31,613.00	\$	128.00
E. DiDonato		29,888.00		21.00
G. McCamus		36,050.00		-
J. Kamula		37,038.00		-
L. Tugman		50,311.00		665.00
S. Merulla		15,933.00		-
T.Thoma		27,175.00		-
Total	\$	228,008.00	\$	814.00

Hamilton Utilities Corporation

<u>Board Member</u>		<u>Remuneration</u>		<u>Expenses</u>
E. DiDonato	\$	3,488.00	\$	-
C. Wessel		6,975.00		-
L. Tugman		13,250.00		-
S. Merulla		4,392.00		-
J. Kamula		8,525.00		-
G. McCamus		6,587.00		-
Total	\$	43,217.00	\$	-

(h) Association of Municipalities of Ontario

<u>Appointee</u>		<u>Remuneration</u>		<u>Expenses</u>
L. Ferguson (ROMA)	\$	92.00	\$	1,189.33
Total	\$	92.00	\$	1,189.33

City of Hamilton

(i) CityHousing Hamilton Corporation

<u>Appointee</u>		<u>Remuneration</u>		<u>Expenses</u>
J. Aird	\$	-	\$	-
N. But		-		-
T. Hwang		-		-
T. Jackson		-		-
C. Kroetsch		-		-
A. Harris		-		-
N. Nann		-		-
P. Reid		-		-
C. Collins		-		-
J. Farr		-		-
M. Wilson		-		-
F. Eisenberger		-		-
A. Wilson		-		-
Total	\$	-	\$	-

(j) Hamilton Farmer's Market

<u>Appointee</u>		<u>Remuneration</u>		<u>Expenses</u>
E. Pauls	\$	-	\$	-
E. Marsden		-		-
A. Miller		-		-
C. Masoudi		-		-
B. Linares		-		-
Total	\$	-	\$	-

(k) Alectra Utilities


<u>Appointee</u>		<u>Remuneration</u>		<u>Expenses</u>
S. Donnelly	\$	69,916.67	\$	-
F. Eisenberger		43,125.00		-
A. Horwath		5,041.67		-
Total	\$	118,083.34	\$	-

(l) Royal Botanical Gardens

<u>Appointee</u>		<u>Remuneration</u>		<u>Expenses</u>
	\$	-	\$	-
Total	\$	-	\$	-



INFORMATION REPORT

TO:	Chair and Members Audit, Finance & Administration Committee
COMMITTEE DATE:	March 23, 2023
SUBJECT/REPORT NO:	Annual Assessment Appeals as of December 31, 2022 (FCS23022) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Maria Di Santo (905) 546-2424 Ext. 5254 David Janaszek (905) 546-2424 Ext. 4546
SUBMITTED BY:	Shelley Hesmer Acting Director, Financial Services and Taxation and Corporate Controller Corporate Services Department
SIGNATURE:	

INFORMATION

Introduction

This staff report is intended to keep Council apprised of the trends in assessment growth and offsetting assessment appeals over the last five years for the City of Hamilton (City). Both assessment growth and appeals vary significantly year over year. The 2022 taxation year saw the most favourable net benefit (municipal property tax revenue due to assessment growth compared to municipal property tax loss due to assessment appeals) over the last five years.

It should be noted, that although most of the appeals processed in 2022 would have commenced well before the City started taking a more active role in appeals, favourable outcomes of the City's recent active participation have been realized in 2022. Actual municipal tax revenue losses due to appeals would have been significantly higher, had the City not initiated its program to actively participation in appeals. Staff report "Use of External Services for Tax Assessment & Appeals (FCS20005(b)) / (LS21047(a))" highlights the success seen in mitigating municipal tax loss revenues through the City's active participation in appeals.

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**SUBJECT: Annual Assessment Appeals as of December 31, 2022 (FCS23022)
(City Wide) - Page 2 of 7**

Assessment Base Growth

Assessment growth is the change in the assessment base due to the addition of new developments, as well as changes in the assessment of existing properties.

Table 1 below shows the positive gains over the last five years due to supplementary/omitted billing revenues. Under the *Assessment and Municipal Acts*, assessments and property taxes can be retroactively billed after the final roll is returned for the current year (referred to as supplementary taxes) and the prior two years (referred to as omitted taxes).

Table 1
Five Year Analysis of Supplementary / Omitted Tax Revenues

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Supplementary/Omitted Revenues	\$14,059,800	\$10,831,700	\$13,093,600	\$10,525,700	\$10,394,300
Loss due to Appeals	(\$6,503,100)	(\$15,831,800)	(\$8,460,200)	(\$5,462,200)	(\$3,888,500)
Net – Supplementary Revenues less Appeals	\$7,556,700	(\$5,000,100)	\$4,633,400	\$5,063,500	\$6,505,800

The five-year average for supplementary/omitted municipal property tax revenue is approximately \$11.8 million. This revenue is contingent on the volume of new development, the type of development, the length of construction, and ultimately the Municipal Property Assessment Corporation (MPAC)'s ability to timely reflect the new development on the assessment roll. As shown above, the 2022 supplementary/omitted revenues of \$14.1 million was the highest over the last five years. The on-going postponement of the Province-wide general reassessment may have had some positive impact, allowing MPAC staff more time to concentrate on growth. The Province has not yet announced when the general reassessment will take place. The City typically experiences a reduction in supplementary/omitted revenue the year prior to the reassessment, when MPAC resources are focussed on reassessing properties.

In addition to the higher supplementary/omitted revenues, further benefiting the 2022 results were lower losses due to appeals. This resulted in the most favourable overall net benefit experienced over the last five years, being an overall net gain of \$7.6M.

Assessment Base Erosion

Assessment base erosion is the depletion of the assessment base due to assessment appeals, requests for reconsideration and *Municipal Act* tax applications.

**SUBJECT: Annual Assessment Appeals as of December 31, 2022 (FCS23022)
(City Wide) - Page 3 of 7**

The figures reflected in Table 2 are municipal property tax revenue losses resulting from the following processes: Assessment Review Board (ARB) appeals, MPAC Request for Reconsideration (RfR), Post Roll Amended Notices (PRAN) and *Municipal Act* tax applications (under section 357/358 of the *Municipal Act*).

Table 2
5 Year Analysis of Appeals/Tax Reduction by Property Type

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Loss due to Appeals	-\$6,503,100	-\$15,831,800	-\$8,460,200 ²	-\$5,462,200	-\$3,888,500 ¹
Taxes Lost by Property Type					
Commercial	-\$4,180,700 64.3%	-\$9,893,400 62.5%	-\$2,593,800 30.7%	-\$3,384,600 62.0%	-\$1,573,200 ¹ 40.5%
Taxable to Exempt	-\$84,000 1.3%	-\$321,400 2.0%	-\$586,800 6.9%	-\$164,000 3.0%	-\$41,600 1.1%
Farm/Managed Forest	-\$212,500 3.3%	-\$490,500 3.1%	-\$526,600 6.2%	-\$247,400 4.5%	-\$266,400 6.9%
Industrial	-\$1,245,900 19.1%	-\$3,605,000 22.8%	-\$1,898,900 22.4%	-\$560,400 10.3%	-\$1,019,000 26.2%
Residential	-\$780,000 12.0%	-\$1,521,500 9.6%	-\$2,854,100 ² 33.7%	-\$1,105,800 20.2%	-\$988,400 25.4%

¹ inclusive of \$550,000 benefit due to the settlement of the City's appeal of Flamboro Downs

² inclusive of \$1.1M loss due to retirement of roll number for large residential development (this amount was offset through Supplementary/Omitted tax revenue).

Appeals on a property's value is a constant risk to the City's assessment base. As such, through the budget process, the City recognizes that assessments will be challenged and lost. The expected loss of property tax revenue due to the reduction of assessment values is budgeted annually (2022 budget = \$7.5 million), with additional allowances set aside for more significant, multi-year appeals. The five-year average municipal property tax revenue loss due to the combined impacts of Assessment Review Board (ARB) appeals, MPAC Request for Reconsideration (RfR), Post Roll Amended Notices (PRAN) and *Municipal Act* tax applications (under section 357/358 of the *Municipal Act*) equates to approximately \$7.9 million, or 0.8% of the 2022 Municipal tax levy. This 5-year average municipal property tax revenue loss considers the higher-than-normal amount of appeals processed in 2021 and is exclusive of the anomalies noted in Table 2 (being the Flamboro Downs positive settlement processed in 2018 and the retirement of the roll for the large development fully offset by supplementary/omitted tax revenue in 2020).

As can be seen from Table 2, the actual loss in Municipal property tax dollars can vary widely from year to year and by property class. As such, it is difficult to predict annual

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**SUBJECT: Annual Assessment Appeals as of December 31, 2022 (FCS23022)
(City Wide) - Page 4 of 7**

losses, as the loss would depend on when the appeal/request for reconsideration is ultimately resolved. As appeals are typically filed for the same property every tax year, an increase in the municipal property tax revenue loss is typically experienced in the year in which significant multi-year appeals are settled.

Like previous years, the commercial property class continues to experience the greatest amount of municipal tax losses, followed by the industrial class. These property classes tend to have high assessed values and most commonly file assessment appeals. These are the property classes where staff is mostly concentrating on when deciding on which appeals to actively participate in, as they would result in the greatest potential municipal property tax losses.

The top ten most significant ARB appeals resolved in 2022 include: Fortinos, Mall Rd (for taxation years 2013-2021); Stackpole International (for taxation years 2017-2022); Fortinos, Country Fair Plaza, Wilson St (for taxation years 2011-2021); Stone Church Square shopping centre (for taxation years 2017-2021); Iron Workers Local Union, Osprey Dr (for taxation years 2017-2022); Winners, Rymal Rd E (for taxation years 2017-2022); Fortinos, Dundurn St (for taxation years 2017-2022); Fortinos, Main St W (for taxation years 2009-2012 and 2021); FedNav Ltd, tenant of the Hamilton-Oshawa Port Authority (for taxation years 2019-2021) and Rygiel Supports for Community Living (for taxation years 2019-2022). All the above appeals commenced prior to the City's active participation in assessment appeals. Just these ten appeals alone (both due to the assessed value and/or the number of years that were settled) account for almost 40% of the total \$6.5 million municipal tax loss experienced in 2022.

Municipal Act Appeals (Section 357 and 358):

In 2022, staff held seven virtual meetings, resulting in the processing of 140 tax applications under section 357/358 of the *Municipal Act*. These applications resulted in a total loss of \$422,800, of which \$320,600 was the municipal portion. This \$320,600 reduction in municipal taxes is included in the 2022 appeal loss of \$6.5 million in Table 2 of this Report. It is important to note that some of the assessment reductions under section 357/358 of the *Municipal Act* may in turn lead to assessment growth. Where a property's assessment is reduced due to a fire or demolition, assessment subsequently may increase due to a renovation or new development ultimately leading to an increase in property taxes. Some of these losses also pertain to City acquired properties changing from taxable to exempt.

In 2021 and 2022, 35 Municipal Act Appeal applications were received citing covid under "Damaged by Demolition or otherwise - 357(1) (d) (ii)". Consistent with the documentation received by MPAC and the Province, all these applications were denied by the City. The rationale is that damage due to covid is not physical, which is the intent of the relevant section of the Municipal Act. Some of the applications denied proceeded

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**SUBJECT: Annual Assessment Appeals as of December 31, 2022 (FCS23022)
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to appeal the City's decision to the ARB, to which the City actively participated on. These appeals were subsequently withdrawn in 2022, resulting in no loss to the City.

Apportionments (Section 356):

Current assessment, and therefore the resulting property taxes levied, may not recognize that a property has been subject to a land severance. The apportionment of land taxes levied for a particular year(s) may need to be apportioned amongst newly created parcels of land. Section 356 of the *Municipal Act, (2001)* permits such an apportionment. When original blocks of land are severed into newly created lots, there is no overall financial impact or property tax loss to the City, as taxes owing against the original parcel of land are transferred to the new parcels. MPAC produces severance information forms for the assessment originally levied on the original parcels of land and identifies the split of assessment amongst the newly created lots.

In 2022, staff held four virtual meetings for the approval of tax apportionments, resulting in the processing of 60 tax apportionments into 261 newly created rolls (inclusive of the originating roll). Although there is no financial impact to the City, following this process, property taxes often increase for the newly created parcels resulting from an increase in the property's assessment due to new construction or development that has occurred.

Portions of properties that become public roadways are processed under the apportionment process as Land, not Assessed. These have a minimum dollar impact. Apportionments processed as Land not Assessed in 2022 resulted in a minimal \$15,500 municipal tax loss.

Current State of Assessment Appeals at the City

Assessment appeals are not unique to the City of Hamilton. The issue of the loss of commercial and industrial assessments is province-wide. As the Municipal Property Assessment Corporation (MPAC) is responsible for the property assessment, municipal property tax revenues hinge on how well their assessment holds up when challenged by taxpayers and highly trained assessment consultants. It is a common practice for assessment consultants to automatically file appeals on business properties, regardless of the assessment returned by MPAC. As the assessment of business properties is complex, with multiple variables, assessment consultants simply need to prove the inaccuracy of one of these variables which, in most cases, may ultimately warrant some type of reduction in the assessed value.

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**SUBJECT: Annual Assessment Appeals as of December 31, 2022 (FCS23022)
(City Wide) - Page 6 of 7**

Table 3 below shows the number of properties with outstanding ARB appeals by CVA (Current Value Assessment) Cycle:

Table 3

Outstanding appeals by Assessment Value and Number

	2022-2017 Assessment Cycle (2016 CVA)	2016 – 2013 Assessment Cycle (2012 CVA)	2012 – 2009 Assessment Cycle (2008 CVA)	2008 – 2006 Assessment Cycle (2005 CVA)
CVA under Appeal	3,633,576,013	0	0	0
# of properties by taxation year ¹	187	0	0	0

¹ a property will be identified multiple times if the appeal extends multiple taxation years

Table 3 highlights the number of current outstanding appeals for properties within the City of Hamilton, a significant reduction from prior years. The assessment values in Table 3 are the cumulative property values under appeal. Since the same property can be appealed every year, it also includes the assessed value of the same property for every year an appeal is filed (i.e. 4 times in the 4-year assessment cycle). For the first time, all appeals in prior Assessment Cycles have been resolved, leaving only appeals for the current (2016) Assessment Cycle to resolve.

Due to the Province postponing the reassessment, current property values are still based on a valuation date of January 1, 2016. This has facilitated settled appeals carrying the settled (mainly lower) value onward to future years and therefore, for the most part, subsequent appeals are not filed. This will change once the next reassessment occurs, as it is expected most large non-residential properties will file an appeal, regardless of the outcome of the appeal on the 2016 value. To date, the Province has not announced when the next reassessment will occur or the valuation date in which properties will be valued.

Proactive Assessment Base Management Program

As approved by Council, the City is more actively participating in appeals. This unfortunately does not mitigate appeals already settled or commenced, however early results of the City's active participation have been favourable and would suggest to significantly assist in mitigating future impacts. Although the City commenced a more active role in the appeal process in early 2021, it was not until 2022 when appropriate resources were assigned to be able to fully participate in the appeal process.

The roster of assessment professionals, as per approved recommendations in the staff report "Use of External Services for Tax Assessment & Appeals (FCS20005)", was established in June 2021, with the first assignment issued in late 2021. This roster is used to supplement existing Taxation staffing resources and provide the required expert

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**SUBJECT: Annual Assessment Appeals as of December 31, 2022 (FCS23022)
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reports where the City does not have the expertise to do so. The Roster term expires in May 2024.

As identified in staff report "Use of External Services for Tax Assessment & Appeals (FCS20005(b)) / (LS21047(a))" the active participation in assessment appeals was very successful in 2022, resulted in the mitigation of \$8.9M (or 91%) of the potential municipal tax loss being sought by appellants.

Actively participating in appeals is just one component of protecting and growing the assessment base. Once fully developed, the Proactive Assessment Base Management Program will also include, but is not limited to, the following activities:

- Work with MPAC on proactively managing assessment base
- Analysis of the assessment roll with specific attention to exempt properties, annual changes, under-assessed properties, and property tax classifications
- Review of supplementary and omitted assessment
- Study of assessment to sale ratio
- Analysis of vacant land value and property tax classification to zoning
- Tracking of building permits, draft plans of subdivision, condo plans and severances
- Review of City-owned properties
- Initiate appeals to the ARB for issues that cannot be addressed by other means


APPENDICES AND SCHEDULES ATTACHED

N/A

MD/DJ/dw



INFORMATION REPORT

TO:	Chair and Members Audit, Finance & Administration Committee
COMMITTEE DATE:	March 23, 2023
SUBJECT/REPORT NO:	Annual Tax Arrears as of December 31, 2022 (FCS23023) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Maria Di Santo (905) 546-2424 Ext. 5254 Rob Divinski (905) 546-2424 Ext. 6196
SUBMITTED BY:	Shelley Hesmer Acting Director, Financial Services and Taxation and Corporate Controller Corporate Services Department
SIGNATURE:	

INFORMATION

Property taxation is the main source of revenue for municipalities to fund their operations. The City of Hamilton (City) must ensure that this primary source of revenue is protected and monitored closely. This Report focusses on the level of annual property tax arrears over the last five years and the resulting collection efforts employed by Taxation staff.

Total tax arrears as of December 31, 2022 equated to \$72.2M. Although this is an increase compared to 2021, it is still significantly lower than years 2018-2020. A higher volume of property sales in 2021 (which assists in clearing property tax arrears, if any) would have contributed to 2021 having the lowest total tax arrears within the five-year period. With property sales reverting to pre-pandemic levels in 2022, this may have been one contributing factor for the slight increase in total arrears. Another factor contributing to the 2022 overall increase in total arrears would be the higher increase in taxes levied. When taking this into account, the resulting 2022 arrears as a percentage of the current taxes levied was the most favourable over the last five years.

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Table 1 is an analysis of the tax arrears from 2018 to 2022.

Table 1

5 Year Analysis of Tax Arrears

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Total Arrears ¹	\$72,228,534	\$71,970,200	\$75,636,548	\$77,609,940	\$73,737,453
Increase/(Decrease) Over Previous Year	\$258,334	(\$3,666,338)	(\$1,973,932)	\$3,872,487	\$4,945,411
Percentage Increase/(Decrease)	0.36%	(4.85%)	(2.54%)	5.25%	7.19%
Current Taxes Levied ² Plus Additions to Tax Roll	\$1,216,245,788	\$1,171,479,507	\$1,148,205,282	\$1,109,605,356	\$1,077,755,612
Increase/(Decrease) Over Previous Year	\$44,766,281	\$23,274,255	\$38,599,926	\$31,849,744	\$28,141,186
Percentage Increase/(Decrease)	3.82%	2.03%	3.48%	2.96%	2.68%
% of Total Arrears to Current Taxes Levied	5.94%	6.14%	6.59%	6.99%	6.84%
Municipal Benchmarking Network Canada (MBNC) – Current Year's Tax Arrears as a % of Current Year Levy					
Hamilton	TBD	3.5%	3.6%	3.9%	4.1%
Municipal Average ³	TBD	2.5%	3.2%	2.6%	2.5%
Municipal Benchmarking Network Canada (MBNC) – Prior Year's Tax Arrears as a % of Current Year Levy					
Hamilton	TBD	2.5%	2.7%	2.7%	2.6%
Municipal Average ³	TBD	1.8%	2.0%	1.7%	1.6%

Total Arrears¹ is inclusive of current and prior years, penalty and interest charges and charges added to the tax roll (i.e. water arrears, property standards charges, etc.). Exclusive of supplementary/omitted billings levied but not due as of December 31st of each respective year.

Current Taxes Levied² is exclusive of supplementary/omitted billings levied but not due as of December 31st of each respective year.

Municipal Average³ of comparator Municipalities across Canada. Average will be impacted by the number of participants in each year.

As identified in Table 1 above, 2022 saw a slight increase in total arrears of approximately \$258,000, compared to 2021. However, the percentage of total arrears to current taxes levied shows a positive, decreasing trend, with 5.94% in 2022 being the lowest in the last five years.

When looking at the results of the Municipal Benchmarking Network Canada (MBNC), although the City of Hamilton continues to be above the average of the comparator municipalities (average varies depending on annual participants each year), Hamilton's results show a positive, declining trend.

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It should be noted that the total arrears on the tax roll are not exclusively for property taxes, but also includes penalty and interest charges, as well as other charges added to the tax roll (i.e. water arrears charges, property standards charges, development charges, Provincial Offences Act charges, etc.). Where allowable under the *Municipal Act*, charges are added to the tax roll and collected in the same manner as property taxes. Although this practice simply transfers the arrears to the tax roll, it is an efficient and effective method of collecting non-property tax arrears.

Table 2 identifies the total amount of charges added to the tax roll on an annual basis. This amount has increased each year, except for 2020, which was primarily due to the waiving of fees as approved by Council in response to the pandemic (Property Tax Assistance Measures (FCS20038)). The waiving of fees was only applicable to 2020, and as such, once the waiving period expired, charges added to the tax roll continued to increase.

Table 2

5 Year Analysis of Charges added to Tax Roll

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Charges added to Tax Roll	\$7,728,180	\$7,658,050	\$6,154,450	\$6,653,770	\$5,226,180
\$ Increase/ (Decrease) Over Previous Year	\$70,130	\$1,503,590	(\$499,320)	\$1,427,590	\$1,079,590
% Increase/ (Decrease) Over Previous Year	1%	24%	-8%	27%	26%

Water arrears charges continue to be the most significant charge added to the tax roll. Over the last five years (2018-2022), water arrears attribute to an average of 70% of the total annual charges added to the tax roll.

One factor which impacted the amount of charges added to the tax roll in 2022 was the increase in the threshold for water arrears transfers. The dollar threshold to transfer water arrears charges to the tax roll was increased in 2022 from \$100 to \$125. This was the main contributing factor in lower volumes of water arrears transfers to the tax roll from an average of 450 a week in 2021, to an average of 380 a week in 2022.

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Breakdown of Tax Receivable by Property Class

Table 3 provides a breakdown of the annual Taxes Receivable by major property class and the respective share to the overall total Taxes Receivable. The second portion of Table 3 identifies the number of properties with a balance owing at the end of the year, by major property class, and the respective share to the overall total number of properties with a balance owing at year-end.

Table 3

5 Year Analysis of Tax Receivable by Major Property Class

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Taxes Receivable ¹	\$88,632,117	\$84,394,273	\$87,610,501	\$88,844,463	\$83,598,660
Vacant Land	\$6,291,421 7.10%	\$4,559,714 5.40%	\$3,851,997 4.40%	\$3,376,527 3.80%	\$2,944,401 3.52%
Farm/Managed Forest	\$2,479,096 2.80%	\$2,226,561 2.64%	\$2,300,603 2.63%	\$2,402,659 2.70%	\$1,590,046 1.90%
Residential	\$51,229,644 57.80%	\$46,195,729 54.74%	\$51,386,229 58.65%	\$53,397,051 60.10%	\$50,275,034 60.14%
Commercial	\$13,649,000 15.40%	\$15,709,208 18.61%	\$15,765,595 18.00%	\$15,233,912 17.15%	\$16,311,790 19.51%
Industrial	\$14,703,236 16.59%	\$15,518,357 18.39%	\$14,253,920 16.27%	\$14,306,901 16.10%	\$12,435,451 14.88%
Other	\$279,720 0.31%	\$184,704 0.22%	\$52,160 0.06%	\$127,414 0.14%	\$41,939 0.05%
# of Properties	22,188	19,605	18,868	21,968	19,288
Vacant Land	674 3.04%	533 2.72%	491 2.60%	525 2.39%	565 2.93%
Farm/Managed Forest	432 1.95%	461 2.35%	390 2.07%	487 2.22%	392 2.03%
Residential	19,866 89.53%	17,452 89.02%	16,814 89.11%	19,618 89.30%	17,191 89.13%
Commercial	878 3.96%	879 4.48%	870 4.61%	996 4.53%	802 4.16%
Industrial	311 1.40%	256 1.31%	287 1.52%	325 1.48%	333 1.73%
Other	27 0.12%	24 0.12%	16 0.08%	17 0.08%	5 0.03%

Tax Receivable¹ is inclusive of supplementary/omitted billings levied but not due as of December 31st of each respective year and exclusive of credit balances or balances under \$5 as of December 31st of each respective year.

As shown in Table 3 above, Taxes Receivable of \$88.6M in 2022 is an increase of \$4.2M when compared to 2021. The amount of Taxes Receivable in 2022 is comparable to 2019 and 2020. Since Taxes Receivable include billings levied but not yet due, the final (and largest) supplementary billing of \$9.3M issued in late 2022, and

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not due until January 2023, would have contributed to this increase. Comparatively, the final supplementary billing issued in late 2021 was significantly smaller at \$5.8M.

The breakdown of Taxes Receivable by property class is consistent year over year, with the Residential property class accounting for anywhere from 55% to 60% of the total Taxes Receivable, followed by the Commercial and Industrial property classes, each generally ranging from 15% to 19%.

With respect to the number of properties with a balance owing as of December 31, although the number of properties continue to increase, the Residential property class consistently represents approximately 89% of the total number properties, while the Commercial property class approximately 4% to 5% and the Industrial class approximately 1.5%. It should be noted that Table 3 identifies all properties with a tax receivable greater than \$5.00, therefore it is not an indication of the severity of the receivable. Some of the properties identified may be due to an unpaid charge added to the tax roll, unpaid penalty and interest as a result of a late payment or simply one missed instalment. For example, of the 22,188 properties with a balance at the end of 2022:

- 7,435, or 34% of these properties have a balance owing between \$5 and \$99.99;
- 1,839, or 8% of these properties have a balance owing between \$100 and \$249.99;
- 1,735, or 8% of these properties have a balance owing between \$250 and \$499.99;
- 819, or 4% of these properties have a balance owing between \$500 and \$749.99;
- 759, or 3% of these properties have a balance owing between \$750 and \$999.99;

As such, approximately 57% of the 22,188 properties had a balance owing (not necessarily past due) of under \$1,000.

Breakdown of Property Tax Arrears by Ward

To get a better indication of the severity of arrears, one must look at properties in 3 or more years in arrears. Table 4 is a breakdown of the number and percentage of properties by Ward that are in 3+ years arrears.

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Table 4

Property Breakdown of Arrears per Ward

Ward	# of properties in 3yrs+ arrears ¹ (% of total ward)					
	January, 2023	January, 2022	January, 2021	January, 2020	January, 2019	
1	76(0.71%)	65 (0.61%)	90 (0.85%)	97 (0.94%)	84 (0.82%)	
2	101(1.13%)	101 (1.13%)	117 (1.13%)	125 (1.44%)	102 (1.19%)	
3	198(1.44%)	221 (1.60%)	259 (1.89%)	290 (2.14%)	265 (1.96%)	
4	136(0.91%)	138 (0.94%)	162 (1.10%)	176 (1.20%)	190 (1.29%)	
5	72(0.58%)	77 (0.63%)	95 (0.78%)	104 (0.87%)	93 (0.78%)	
6	88(0.69%)	80 (0.64%)	99 (0.79%)	119 (0.95%)	112 (0.89%)	
7	74(0.52%)	82 (0.58%)	105 (0.75%)	134 (0.96%)	121 (0.87%)	
8	79(0.69%)	74 (0.65%)	93 (0.82%)	83 (0.74%)	89 (0.79%)	
9	99(0.81%)	98 (0.81%)	116 (0.98%)	101 (0.88%)	91 (0.85%)	
10	107(0.67%)	89 (0.57%)	112 (0.72%)	130 (0.87%)	145 (0.98%)	
11	67(0.60%)	72 (0.66%)	92 (0.87%)	108 (1.09%)	93 (0.89%)	
12	124(0.73%)	122 (0.72%)	150 (0.89%)	160 (0.96%)	153 (0.95%)	
13	81(.65%)	80 (0.64%)	98 (0.79%)	112 (0.90%)	99 (0.79%)	
14	56(0.54%)	57 (0.57%)	70 (0.71%)	82 (0.83%)	66 (0.67%)	
15	88(.73%)	71 (0.60%)	106 (0.91%)	134 (1.23%)	112 (1.05%)	
TOTAL	1,446 (0.76%)	1,427 (0.76%)	1,764 (0.94%)	1,955 (1.06%)	1,815 (1.00%)	

of properties in 3yrs+ arrears¹ is exclusive of supplementary/omitted billings completed in the second half of the year which may include billing for prior 2 years. Inclusive of properties with tax lien registered on title.

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For comparison purposes, Table 4a identifies the average household income and owner versus renter split, as per the 2016 Census. Updated 2021 Census information was not available as of the writing of this report.

Table 4a

Ward	2016 Census ¹	
	Average Household Income	Owner/ Renter split in %
1	\$75,762	48%/52%
2	\$51,190	24%/76%
3	\$54,269	47%/53%
4	\$66,128	70%/30%
5	\$66,755	51%/49%
6	\$85,514	71%/29%
7	\$76,818	68%/32%
8	\$85,828	73%/27%
9	\$108,602	88%/12%
10	\$106,049	90%/10%
11	\$105,468	94%/6%
12	\$150,262	93%/7%
13	\$113,930	81%/19%
14	\$95,966	77%/23%
15	\$136,351	88%/12%
TOTAL	\$87,775	68%/32%

2016 Census¹ - Source: 2016 Statistics Canada semi-custom table by City of Hamilton (New) Ward Boundaries

Table 4 shows that although all Wards have properties in significant arrears, the number of properties in significant arrears as of January 2023 have only slightly increased from 2022 and overall are lower than 2021 and prior. Total properties in three years arrears has increased slightly from 1,427 properties in 2022 to 1,446 properties in 2023. This is still a significant decrease from the three years prior to 2022 where there were between approximately 1,760 to 1,950 properties. The number of properties in arrears per Ward have remained consistent compared to the year prior, with some experiencing minor decreases, while others seeing minor increases. The average percentage of properties in 3+ years arrears has remained unchanged over the previous year, at roughly 0.76%.

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This is the lowest percentage since we have been reporting these figures, which averaged 1.00% in 2019.

Like prior years, Ward 3 continues to have the highest percentage of properties in 3+ years arrears at 1.44%, however, this percentage has decreased from 1.60% in 2022, and is at it's lowest in the five-year span. Wards 7 and 14 have the lowest percentage of arrears at 0.52% and 0.54% respectively. Over the five-year period:

- The overall Ward percentage of properties in 3+ years arrears is at its lowest percentage since we started tracking the numbers in 2019
- All Wards have seen a reduction in the percentage of properties in arrears as compared to 2019. Ward 3 having the greatest reduction of -0.52% from 2019 to 2023
- Others Wards with significant decreases are Ward 4 (-0.38%); Ward 7 (-0.35%); and Wards 10 (-.31%) and 15 (-0.32%)
- Ward 4 has seen a consistent yearly reduction since 2019, from a high of 1.29% in 2019, to a current percentage of 0.91% in 2023

As of January 2023, the percentage of properties in 3+ years arrears by Ward ranged between 0.52% and 1.44%. This is an improvement from January 2022 where the average ranged between 0.57% and 1.60% of the total number of properties in each Ward.

Of the 1,446 properties identified in Table 4 above, approximately 200 properties have a lien already registered on title, with the remainder being at risk of a lien being registered in 2023, should the arrears not be adequately addressed. Approximately 89% of these properties are Residential or Residential with a Commercial component.

As far as demographics are concerned, staff do not have a "profile" of a taxpayer in arrears. Based on discussions with taxpayers, the reasons for being in arrears vary, however some common reasons include:

- Estate issues whereby the family is in the process of dealing with the estate or it is currently occupied by a surviving family member that is simply not addressing the property taxes or not expediting the settling of the estate promptly.
- Rental properties (i.e. single-family homes/condos not owner-occupied) where the property owner is assuming the tenant is paying the property taxes.
- Charges added to the tax roll (i.e. water arrears, property standards charges, provincial offences fines, development charges, etc.).
- Taxpayers in financial hardship (i.e. due to job loss, divorce, illness or the death of one of the owners or family, etc.). These cases are referred to the Compassionate Appeal process, requiring taxpayers to apply annually by the

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application deadline and provide the required financial records and/or attending physician's statement.

- Taxpayers making incorrect/misinformed assumptions (i.e. assuming they are paying their property taxes through their mortgage, assuming they are in good standing on their monthly pre-authorized payment plan, assuming another family member/partner is paying the property taxes, etc.).
- Opting to pay just the minimum required to discharge the lien or to avoid the City registering a lien. As such, these taxpayers are always in arrears and continue to incur significant penalties and interest charges monthly.
- Remnant parcels, non-buildable lots, vacant properties.
- Pending assessment appeal (i.e. choosing not to fully pay the taxes levied by assuming a successful outcome to their appeal that will eventually clear the arrears once processed).
- Opting to enter into a 2-year extension agreement once they are registered.

Residential Tax Assistance Programs

There is a limited number of programs to assist taxpayers falling into arrears due to lower ability to pay. For the most part, the onus is on the taxpayer to contact the City to discuss options and available programs. Information is available on the City's website, as well as included in the tax information brochure mailed out with both the Interim and Final tax bills. The programs available to residential property owners include:

Seniors (65+) Tax Rebate – the 2022 rebate was \$210, requiring income of \$38,160 or lower and an assessed residential property value of \$498,200 or lower. Prior year taxes must be paid in full. In 2022 there were approximately 2,850 seniors that received the rebate. The deadline to apply for the 2022 rebate is February 28, 2023.

Deferral of Tax Increase for Low-Income Senior or Low-Income Persons with Disability – the deferral requires an income of \$38,160 or lower and prior year taxes paid/deferred in full. In 2022, 9 applications were approved to defer the property tax increase, while 2 paid off prior year deferrals. As of December 31, 2022, there were 36 taxpayers with a deferral. Some taxpayers apply every year to defer the annual increase, while others have only applied once or applied periodically. Repayment of the deferral typically occurs on the sale of the property. The deadline to apply for deferral of the 2022 tax increase is February 28, 2023.

Full Deferral for Low-Income Senior or Low-Income Persons with Disability – the program allows for the deferral of the full property taxes, however requires an income of \$38,160 or lower and prior year taxes paid/deferred in full. In 2022 14 applicants deferred their 2022 property taxes, two of which had not deferred in prior years. In 2022, 2 applicants repaid their full deferral amount, while 8 applicants who have deferred taxes from prior years, elected not to apply for 2022. As of December 31, 2022, there

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are 22 taxpayers with a full deferral. The deadline to defer the 2022 full taxes was September 30, 2022.

Compassionate Appeals for Extreme Poverty or Sickness – hearings for relief of 2021 property taxes are held throughout 2022 (once all applications were received by the due date of February 28, 2022). In 2022, the City received 15 applications (significantly lower than the 25 applications received the year prior). Of the 15 applications received, only three were awarded relief (ranging from 48% to 100% relief of their 2021 total property taxes), with the remaining (12 applications) being dismissed or withdrawn, either due to failure to appear, withdrawn by the appellant or the income was too high to qualify.

Penalty and Interest Analysis

Table 5 identifies the penalty and interest charges applied to the tax roll accounts for amounts not paid by the due dates. In adherence to By-law 13-136 “A By-law to Set Penalty and Interest Rates”, taxpayers are charged a penalty of 1.25% on the first day of default, then the interest of 1.25% per month (15% per year) thereafter, to all property taxes (inclusive of other charges added to the tax roll) past due, until paid in full. Penalty and interest charges are added on the first of the month, for the full month. The penalty and interest rate charged is the maximum allowable under the *Municipal Act* and is consistent with what most Ontario Municipalities charge. The high interest rate acts as a deterrent for most taxpayers to avoid paying late or accumulating arrears, however, some taxpayers continue to pay late or allow the arrears to grow, regardless of the penalty and interest charges incurred.

As identified in Table 5 below, over the last five years, penalty and interest revenue has averaged approximately \$11.7M per year. The 2022 penalty and interest charges of \$11.9M is comparable to prior years and only marginally lower than the previous year. The reduction experience in 2020 was primarily due to the Council-approved waiving of penalty and interest charges as per staff report Property Tax Assistance and Other Measures (FCS20038).

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Table 5

5 Year Analysis of Penalty and Interest Charges

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
P&I charges added to the Tax Roll ¹	\$11,933,392	\$12,030,300	\$11,459,885	\$12,012,070	\$11,290,901
\$ Increase/(Decrease) over Previous Year	(\$96,908)	\$570,416	(\$552,185)	\$721,169	(\$77,656)
%Increase/(Decrease) over Previous Year	(0.81%)	4.98%	(4.60%)	6.39%	(0.68%)

P&I charges added to the Tax Roll¹ is net of adjustments (i.e. write-off of current year penalty and interest due to misapplied payment, reduction of taxes due to successful appeal, etc.)

Although there was a reduction in 2020, primarily due to the waiving of penalty and interest charges in response to the pandemic, significant revenue continues to be generated through penalty and interest charges for late payments. This is a cost borne exclusively by taxpayers who do not pay by the due dates. The City's collection efforts ultimately have an impact on this revenue. The more aggressive the City's collection efforts are, the lower the penalty and interest revenue.

Tax Collection Efforts

The following identifies the steps taken by Taxation staff to ensure the protection and collection of property tax arrears, while adhering to requirements under the *Municipal Act, 2001*. There are several steps taken to ensure the City's taxes receivable are protected and ultimately collected:

- Arrears are indicated on both tax billings (Interim tax bill mailed out in early February and Final tax bill mailed out in early June)
- Setting the penalty and interest rate at the maximum allowable under the *Municipal Act* (1.25% per month / 15% per year) – this rate is identified on all tax bills and reminder notices, so taxpayers are aware of the cost of falling into arrears
- From 2015 - 2019, the City issued four reminder notices per year (in March, May, July and October, being the months following each instalment due date). Staff report "Strategies to Reduce Property Tax Arrears (FCS19077)" approved by Council recommended increasing the frequency from the existing four reminder notices per year to seven reminder notices per year effective January 1, 2020. The additional three mailings are in August, November and December.

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- An annual letter is sent in January to all properties in 3+ years in arrears, advising the taxpayer a lien will be registered should the arrears not be dealt with. Taxpayers are made aware that should a lien be registered, any interested parties registered on title, such as a mortgage company, will be notified of the arrears.
- For taxpayers who ignore the 3+ years in arrears letters, liens are registered on title and notices are sent to anyone with an interest on title, including mortgage holders. The approved user fee to cover the City's costs for the registration of delinquent accounts is also added to the tax roll account. Tax staff monitor all properties in 3+ years in arrears, registering liens in order of largest arrears. Due to the pandemic, there was a freeze in registrations for a large part of 2020. Staff resumed registration of liens in September 2020. In 2021 and 2022, registration volumes returned to pre-covid levels. In 2022, 360 liens were registered.
- On average, the City runs two tax sales per year. This is the last step in the collection of property tax arrears. For the most part, arrears are settled before the tax sale, by either the property owner or their mortgage company. For properties that do go to tax sale, the arrears are paid by the proceeds of the successful bidder. Due to the pandemic, no tax sales were held in 2020 or 2021. Tax sales resumed in the fall of 2022.

When analysing arrears and arriving at an acceptable level of collection, the level of arrears compared to the assessed value of the property will be considered to minimize all risk of eventually collecting the arrears, should the City need to proceed to tax sale. For the most part, a property's assessed value far exceeds their property tax arrears.

Table 6 identifies the number of reminder notices mailed out in March, May, July and October and commencing in 2020 also in August, November and December, as well as, the number of properties with a balance owing as of December 31st.

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Table 6**5 Year Analysis of Reminder Notices issued**

	2022	2021	2020	2019	2018
# of March Reminders	20,960	18,956	19,342	18,995	18,409
# of May Reminders	24,361	22,599	29,614	21,610	21,514
# of July Reminders	23,542	22,438	26,707	21,111	20,516
# of Aug Reminders	16,453	15,345	16,062	N/A	N/A
# of Oct Reminders	26,243	25,499	25,518	22,978	23,298
# of Nov Reminders	18,224	17,255	17,363	N/A	N/A
# of Dec Reminders	14,170	13,138	13,617	N/A	N/A
# of Properties billed ¹	185,057	183,685	180,917	178,841	177,258
# of Properties with balance at year-end	22,188	19,604	18,868	21,968	19,288
% of Properties in Arrears	11.99%	10.67%	10.43%	12.28%	10.88%

of Properties billed¹ in the June final property tax billing for each respective taxation year.

As Table 6 illustrates above, the number of reminder notices issued is consistent year over year, except for the May and July reminders in 2020, where some taxpayers took advantage of the waiving of penalty and interest and did not pay by the due date. Reminder notices are mailed to all taxpayers with a balance of \$50 or greater. The number of reminder notices did appear to increase in 2022, however, there are no significant concerns currently. The timing of when reminder notices are run compared to the timing of when charges are added to the tax roll (i.e. water arrears, property standards) may contribute to the number of notices being mailed out.

There is typically an increase in reminder notices mailed out in May and October, due to taxpayers forgetting the second instalment of their Interim or Final property tax bill. A newspaper ad is also published in the local paper to remind taxpayers of the upcoming instalment due date. Regardless of this collection effort, some taxpayers will continue to misplace or lose their tax bills, sell/purchase property and pay on their previous roll number in error, or simply ignore the reminder notices until they risk being registered with a tax lien.

As shown in Table 6, by the end of 2022, approximately 12% of the total number of properties billed had not paid their property taxes in full, an increase from 2021 and 2020, however comparable to 2019. The timing and volume of the final supplementary/omitted tax billing typically completed in the last quarter of each year, would have an impact on the annual figures being reported.

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Tax Registration

Table 7 on the following page identifies the number of properties issued a 3+ years arrears letter each year, compared to how many had a tax lien registered. The annual 3+ years in arrears letter (typically mailed out mid to late January each year), elicits several responses ranging from promises to pay, payment arrangements, payment of the minimum amount required to avoid a lien being registered (third year in arrears) and payment in full. Unfortunately, some taxpayers simply ignore the City's letter.

Taxation staff sort and monitor these arrears into different categories (i.e. properties with payment arrangements, properties that will pay in full, properties that can only settle the third year, properties that have not contacted the City, etc.). Staff then begin to register liens on those who have ignored collection efforts, starting with the properties with the largest arrears. Staff also monitor arrears of taxpayers who have failed on their payment arrangement and move them into the registration process. It has been the practice of Taxation staff to show compassion for taxpayers in financial difficulty and will work with the taxpayer to allow them some time, within reason, to sort out their financial affairs.

The tax registration and sale of properties are regulated under Part XI of the *Municipal Act, 2001*. Once a property is eligible to be registered, an extensive title check is required to determine who is registered on the title. Once the lien is registered, Taxation staff must send notices within 60 days to all parties registered on title. The full cost of this process is added to the tax roll account, as per the annual Council approved user fee by-law. In many cases, Mortgage companies will act to protect their interest and work with the taxpayer on the arrears or use their Power of Sale legislation.

If the tax arrears are not addressed on receiving the Notice of Registration, then Final Notices must be sent after 280 days of registering a lien. A tax sale cannot take place before one year (365 days) has passed since the registration of the lien.

In 2020, there was a freeze in registrations under Ontario Regulation 73/20. All deadlines pertaining to the *Municipal Act* and Municipal Tax Sale rules were suspended from March 16, 2020, to September 11, 2020. Taxation staff resumed registering liens once the 180-day suspension period expired.

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Table 7

5 Year Analysis of Tax Registration / 3+ years in Arrears Letters issued

	2022	2021	2020	2019	2018
3+ years in Arrears letters ¹	957	1,172	1,275	1,181	1,203
Increase / (Decrease) over Prior Year	(215)	(103)	94	(22)	85
Properties Registered with Tax Lien	360	415	210	452	360
% in Arrears for 3+ years Registered with Tax Lien	37.6%	35.4%	16.5%	38.3%	29.9%

3+ years in Arrears letters¹ mailed out in January of each respective year. Properties in receipt of a letter exclude properties that recently were issued a supplementary/omitted tax bill (which may include billing for prior 2 years), properties with a tax lien already registered on title, properties on the arrears pre-authorized payment plan, properties with arrears less than \$250 and properties on an approved payment plan which will clear their 3rd year arrears amount prior to the end of Q3 in the current year.

As reflected in Table 7 above, over the last five years, Taxation staff typically register approximately 350 to 450 liens per year. Due to the pandemic, the registration of 210 liens in 2020 was the City's lowest over the last five years. This was due to the freeze in registering liens under Ontario Regulation 73/20. The 957 letters mailed out in 2022 was the lowest over the five-year period, however staff still registered 360 liens. The percentage of liens registered when compare to the number of 3+ years arrears letters that were issued, (37.6% in 2022) was one of the highest over the last five years.

Although the *Municipal Act* was amended in 2017 to allow the registration of liens for properties in 2+ years arrears, staff are not recommending doing so at this time. Doing so would increase the number of properties that could potentially be registered by over 2.5 times. Based on existing resources, Taxation staff will continue to register at three years in arrears. As the City has priority lien status and ultimately can collect the property taxes levied, any proposed change to the status quo would need to balance the expected resulting reduction in total tax arrears with the added costs for additional staff resources required, potential loss of penalty and interest revenue and impacts to taxpayers in financial difficulty.

Tax Sale of Properties

The tax sale of a property is the final step of the process and one with serious consequences. When a property goes to tax sale, several of the properties generally get rectified by the owners and pulled from the tax sale. Every effort possible is made to allow property owners to keep their properties by settling the arrears themselves. For many of the properties that go to tax sale, properties may also have large property

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standard charges and/or water arrears added to the tax roll, as well as Federal and/or Provincial liens. The City must also deal with estate issues where no will exists. A further issue is where slivers of properties have been created and have been over-valued, and where the only means to rectify the problem is through the tax sale process.

Of the properties that end up going through to the final bidding process of a tax sale, there are three potential results:

1. They sell for at least the minimum bid (taxes owing including all charges and fees added to the tax roll) and the City recovers all that is owed. Excess funds are paid into Court.
2. They do not sell (no acceptable bids are received) and the property is not vested to the City due to liability concerns. These properties are then dealt with by the City's process for potentially contaminated properties or re-evaluated by the Municipal Property Assessment Corporation (MPAC) to a reasonable value for unbuildable land and left in the current owner's name.
3. They do not sell (no acceptable bids are received) and the property is vested to the City. City Real Estate staff would then attempt to sell the properties vested, at which time a report goes to Council to write-off any difference between what it sold for and the property taxes owing.

Table 8 confirms that most property tax arrears are eventually settled, with relatively very few properties required to proceed to tax sale. As shown below, no tax sales were held in 2020 or 2021 due to the pandemic. Tax sales resumed in the Fall of 2022.

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Table 8

5 Year Analysis of Tax Sales

	2022	2021	2020	2019	2018
Letters sent advising of impending tax sale	19	0	0	40	37
Properties advertised for tax sale	8	0	0	20	18
% to Tax Sale	42.1%	N/A	N/A	50.0%	48.6%
Rectified by Taxpayer	5	0	0	16	14
%Rectified	62.5%	N/A	N/A	80.0%	77.8%
Sold at Tax Sale	2	0	0	4	4
% Sold at Tax Sale	25%	N/A	N/A	20.0%	22.2%
No Bids Received	1	0	0	0	0
% with No Bids	12.5%	N/A	N/A	0.0%	0.0%
Sold at a later date by Real Estate	0	0	0	0	0

As shown in Table 8 above, most arrears are rectified by the taxpayer even after the property is advertised for tax sale. The figures for 2022 are only based on one tax sale whereas 2018 and 2019 include two tax sales each. The number of properties that eventually go to tax sale ranges from just 3 to 4 properties per year over the 3 years where the City held tax sales. Considering the total number of properties levied property taxes (ranging from approximately 177k in 2018 to 185k in 2022), this represents only 0.002%.

The first tax sale post pandemic, held in the Fall of 2022, saw 3 out of an original 19 properties proceed to tax sale. The City received successful bids on 2 of the 3 properties. Staff will evaluate options on how to proceed with the one property that did not receive any successful bids, which includes vesting to the City for possible sale by Real Estate staff to recover all or most of the arrears, attempt a second tax sale and/or possible write-off.

APPENDICES AND SCHEDULES ATTACHED

None

MD/RD/dw


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INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 23, 2023
SUBJECT/REPORT NO:	COVID-19 Policy 10 Emergency Procurements Report (FCS23024) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Patricia Vasquez (905) 546-2424 Ext. 5972 Maryanne Morris (905) 546-2424 Ext. 4346
SUBMITTED BY:	Mike Zegarac General Manager Finance and Corporate Services Department
SIGNATURE:	

INFORMATION

In accordance with the City of Hamilton ("City") Procurement Policy, Policy #10 – Emergency Procurements, the purpose of this report is to provide an information update on purchase orders issued for emergency procurements of goods and services that were processed by the Procurement Section on behalf of City divisions as well as the Central Supply Depot in response to the COVID-19 Pandemic emergency. This report only summarizes purchase orders processed by Procurement and is not an exhaustive list of City wide COVID-19 related purchases.

The Procurement Policy defines an Emergency as:

“a situation, or the threat of an impending situation, which may affect the environment, life, safety, health and/or welfare of the general public, or the property of the residents of the City, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level.”

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Procurement Policy #10 also states where, in the opinion of the General Manager of a City Department, an emergency exists or where the Emergency Operations Centre (EOC) has been activated or an emergency situation has been declared, staff has the authority to procure goods and services by the most expedient and economical means possible to deal with the emergency.

In March 2020, the EOC was activated in response to the COVID-19 Pandemic and Policy #10 – Emergency Procurements was invoked to allow the Procurement Section to process emergency purchase orders as quickly as possible in response to intense global competition and supply chain constraints particularly affecting personal protective equipment (PPE) and cleaning supplies. As directed by the EOC, City staff also established a centralized supply depot to maintain products deemed essential/critical (disinfectant/cleaning supplies and PPE) to ensure timely access and continuity of internal supply lines to all City departments. Throughout the Emergency, Procurement staff was tasked with procuring goods and services for both the Central Supply Depot as well as for specific City divisions and first responders, including but not limited to Hamilton Fire, Hamilton Police Service, Hamilton Emergency Services, and the City's Long Term Care Homes.

Since March 2020 to December 31, 2022, the Procurement Section has processed a total of 229 purchase orders relating to the COVID-19 Pandemic totalling \$16,803,840.91 and \$35,637.20 (USD) as follows:

Category	# of Purchases	Total Value of Purchases
Cleaning Services	16	\$882,514.24
Cleaning Supplies and Sanitizer	36	\$708,432.32
Gloves	30	\$702,193.50
Gowns	15	\$1,005,850.90
Laundry Services	5	\$169,000.00
Masks and Shields	72	\$3,951,248.20 \$35,000.00 (USD)
Medical Equipment	14	\$516,035.23 \$637.20 (USD)
Other Goods and Services	24	\$1,296,052.32
Shelters and Associated Costs	17	\$7,572,514.20

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All purchases have been summarized in Appendix “A” to Report FCS23024.

Committee and Council are advised that, although staff may continue to procure goods and services in response to COVID-19, staff has transitioned back to securing these goods and services via the appropriate approval authorities provided for under the Procurement Policy. Therefore, should any goods or services related to COVID-19 be procured under Policy #10 – Emergency Procurements, these purchase orders shall be reported via the Emergency and Non-competitive Procurements Reports submitted quarterly to the Audit, Finance and Administration Committee and Council.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS23024 – COVID-19 Policy 10 Emergency Procurements Report

PO No.	Amount	Supplier	Description	Department/Division
Cleaning Services				
95007	\$5,000.00	Super Shine Janitorial Services Ltd.	Janitorial Services	Housing Services
94318	\$10,000.00	Paul's Restorations Inc.	Cleaning Services	Police
94859	\$12,901.73	Integricon Property Restoration & Construction Group Inc.	Cleaning Services/Remediation	Energy, Fleet and Facilities Management
94495	\$17,000.00	Super Shine Janitorial Services Ltd.	Janitorial Services	Housing Services
94510	\$20,000.00	Super Shine Janitorial Services Ltd.	Janitorial Services	Housing Services
96222	\$20,000.00	Paul's Restorations Inc.	Cleaning Services	Police
94064	\$35,000.00	North American Transit Supply Corp.	DARTS Paratransit Vehicles Treatment	Transit
96076	\$42,000.00	2738195 Ontario Inc. o/a Integricon Hamilton	Cleaning Services	Energy, Fleet and Facilities Management
95080	\$45,000.00	Super Shine Janitorial Services Ltd.	Janitorial Services	Housing Services
94639	\$54,000.00	ServiceMaster of Canada	Cleaning Services	Housing Services
94353	\$60,000.00	Sunshine Building Maintenance Inc.	Cleaning Services	Police
94611	\$70,000.00	ServiceMaster of Canada	Housekeeping/Sanitation Services	Housing Services
95713	\$81,051.50	First General Services o/a 880430 Ontario Inc.	Cleaning Services	Energy, Fleet and Facilities Management
96255	\$90,000.00	Sunshine Building Maintenance Inc.	Cleaning Services	Police
95096	\$154,401.01	Good Shepherd Centre	Cleaning Services and Products, PPE Supplies	Housing Services
93969	\$166,160.00	North American Transit Supply Corp.	Cleaning Services	Transit
Cleaning Supplies and Sanitizer				
94219	\$71.55	The Cleaning House	Disinfecting Supplies	Lodges
94894	\$100.00	Outdoor Outfits Ltd.	Hand Sanitizers	Central Stores
97847	\$250.00	Outdoor Outfits Ltd.	Hand Sanitizers	Central Stores
95263	\$266.00	Uline Canada Corp.	Cleaning Supplies	Central Stores
95384	\$360.00	Uline Canada Corp.	Janitorial Products	Central Stores
100288	\$436.80	Bio Nuclear Diagnostics Inc.	Hand Sanitizers	City Clerks
94298	\$505.00	Universal Field Supplies	Disinfecting Supplies	Central Stores
94456	\$771.90	Mister Chemical Ltd.	Wipes	Central Stores
95121	\$1,767.60	Mister Chemical Ltd.	Hand Sanitizers	Central Stores
94736	\$2,375.00	First General Services o/a 880430 Ontario Inc.	Disinfecting Supplies	Central Stores
100320	\$2,808.00	Bio Nuclear Diagnostics Inc.	Hand Sanitizers	Lodges, Central Stores
94444	\$3,148.60	Mister Chemical Ltd.	Hand Sanitizers, Towels	Lodges, Central Stores
96447	\$3,190.00	Magnus Chemicals Ltd.	Sanitation Dispensing Station, Artwork	Vaccine Clinic
94877	\$4,400.00	Sasa Manufacturing & Importing Ltd.	Hand Sanitizers	Transportation Operations & Maintenance
100963	\$4,680.00	Bio Nuclear Diagnostics Inc.	Hand Sanitizers	Central Stores
99956	\$4,781.40	Bio Nuclear Diagnostics Inc.	Hand Sanitizers	City Clerks
98554	\$6,451.20	Bio Nuclear Diagnostics Inc.	Hand Sanitizers	Hamilton Paramedic Services, Mobile Vaccine Clinics

PO No.	Amount	Supplier	Description	Department/Division
93986	\$8,690.00	Maxill Inc.	Hand Sanitizers	Central Stores
94732	\$8,800.00	First General Services o/a 880430 Ontario Inc.	Disinfecting Supplies	Transit, Transportation Operations & Maintenance
95186	\$8,800.00	First General Services o/a 880430 Ontario Inc.	Disinfecting Supplies	Central Stores
94166	\$11,370.00	A.M.G. Medical Inc.	Disinfecting Supplies	Central Stores
94626	\$15,795.00	Outdoor Outfits Ltd.	Hand Sanitizers	Central Stores
94694	\$23,692.50	Outdoor Outfits Ltd.	Hand Sanitizers	Central Stores
94287	\$24,207.80	Maxill Inc.	Disinfecting Supplies	Central Stores
95411	\$26,088.48	Ren's Pets Depot	Wipes	Central Stores
98716	\$28,987.20	Ren's Pets Depot	Wipes	Central Stores
95943	\$29,045.62	First General Services o/a 880430 Ontario Inc.	Disinfecting Supplies	Energy, Fleet and Facilities Management
94789	\$30,436.56	Ren's Pets Depot	Wipes	Central Stores
94648	\$32,907.24	Magnus Chemicals Ltd.	Disinfecting Supplies	Medical Officer of Health
93936	\$38,539.40	Bio Nuclear Diagnostics Inc.	Hand Sanitizers	Central Stores
95898	\$43,368.00	Universal Field Supplies	Wipes	Central Stores
96792	\$43,480.80	Ren's Pets Depot	Wipes	Central Stores
94285	\$51,578.80	Mister Chemical Ltd.	Wipes, Hand Sanitizers	Lodges
94872	\$60,873.12	Ren's Pets Depot	Wipes	Central Stores
94695	\$66,000.00	Outdoor Outfits Ltd.	Hand Sanitizers	Central Stores
94865	\$119,408.75	Corporate Express Canada Inc o/a Staples Advantage Canada	Hand Sanitizers	Central Stores
Gloves				
98416	\$995.00	Bio Nuclear Diagnostics Inc.	Gloves	Hamilton Paramedic Service, Central Stores
94293	\$1,120.00	Outdoor Outfits Ltd.	Gloves	Police
99122	\$1,194.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
94822	\$1,395.00	Allied Medical Instruments Inc.	Gloves	Hamilton Paramedic Services
94257	\$1,638.00	Universal Field Supplies	Gloves	Central Stores
101057	\$1,990.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
99568	\$3,470.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
95887	\$3,942.00	Bio Nuclear Diagnostics Inc.	Gloves	Hamilton Paramedic Services, Central Stores
100542	\$3,960.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
96888	\$4,360.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
97631	\$4,380.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
97668	\$4,380.00	Bio Nuclear Diagnostics Inc.	Gloves	Police
94819	\$6,562.50	Cardinal Health Canada Inc.	Gloves	Hamilton Paramedic Services
94870	\$9,320.00	Cardinal Health Canada Inc.	Gloves	Central Stores
95747	\$9,786.50	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
100638	\$9,950.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
95937	\$10,542.50	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores

PO No.	Amount	Supplier	Description	Department/Division
95412	\$10,731.00	Bio Nuclear Diagnostics Inc.	Gloves	Hamilton Water, Central Stores
95869	\$12,045.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
100079	\$16,752.00	Bio Nuclear Diagnostics Inc.	Gloves, Masks	Central Stores
100489	\$20,900.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
96008	\$23,995.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
98936	\$24,480.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
96754	\$26,680.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
100287	\$29,136.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
97829	\$29,850.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
95309	\$35,600.00	Bio Nuclear Diagnostics Inc.	Gloves	Lodges
94415	\$93,540.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
96881	\$108,398.00	Maxill Inc.	Gloves	Central Stores
94357	\$191,101.00	Bio Nuclear Diagnostics Inc.	Gloves	Central Stores
Gowns				
94528	\$891.00	Outdoor Outfits Ltd.	Gowns	Medical Officer of Health
100077	\$1,043.40	Cardinal Health Canada Inc.	Gowns	Central Stores
94684	\$1,485.00	Outdoor Outfits Ltd.	Gowns	Children's & Community Services
100370	\$1,565.10	Cardinal Health Canada Inc.	Gowns	Central Stores
100636	\$1,565.10	Cardinal Health Canada Inc.	Gowns	Central Stores
101058	\$1,600.00	Cardinal Health Canada Inc.	Gowns	Central Stores
98692	\$2,086.80	Cardinal Health Canada Inc.	Gowns	Central Stores
94134	\$3,950.00	Bio Nuclear Diagnostics Inc.	Gowns	Lodges
94787	\$22,200.00	Cardinal Health Canada Inc.	Gowns	Environmental Services
94355	\$23,840.00	Bio Nuclear Diagnostics Inc.	Gowns	Medical Officer of Health
94256	\$79,000.00	Bio Nuclear Diagnostics Inc.	Gowns	Lodges
94779	\$111,000.00	Cardinal Health Canada Inc.	Gowns	Central Stores
96751	\$170,940.00	Cardinal Health Canada Inc.	Gowns	Central Stores
94177	\$199,355.50	Outdoor Outfits Ltd.	Gowns	Hamilton Fire Department, Hamilton Paramedic Services
94116	\$385,329.00	Knix Wear Inc.	Gowns	Medical Officer of Health
Laundry Services				
94724	\$4,000.00	Hamilton Cleaners	Laundry Services	Housing Services
94471	\$6,000.00	Hamilton Cleaners	Laundry Services	Housing Services
94044	\$9,000.00	Mohawk Medbuy Corp.	Linens, Towels, Bags, Stands, Laundry Services	Hamilton Paramedic Services
95459	\$35,000.00	Hamilton Cleaners	Laundry Services	Housing Services
94645	\$115,000.00	Hamilton Cleaners	Gown Laundry Services	Medical Officer of Health
Masks and Shields				
97170	\$130.00	Oliberte Ltd.	Masks	Central Stores
96282	\$200.00	Byonic Ltd.	Face Shields	Recreation

PO No.	Amount	Supplier	Description	Department/Division
96170	\$332.00	Adverttech Group Ltd.	Face Shields	Children's & Community Services
97026	\$440.00	Oliberte Ltd.	Masks	Central Stores
97485	\$440.00	Oliberte Ltd.	Masks	Central Stores
96022	\$1,269.00	Canada Rubber Group Inc.	Face Shields	Lodge, Central Stores
95838	\$1,692.00	Canada Rubber Group Inc.	Face Shields	Lodges
94676	\$1,875.00	Oliberte Ltd.	Masks	Hamilton Paramedic Services, Medical Officer of Health
98434	\$2,156.00	Oliberte Ltd.	Masks	Central Stores
98693	\$2,354.00	Lawlor & Co. (Hamilton) Ltd.	Masks	Central Stores
96827	\$2,400.00	Trademark Industries Inc.	Masks	Lodges
94624	\$2,500.00	Oliberte Ltd.	Masks	Medical Officer of Health
98783	\$2,792.00	Bio Nuclear Diagnostics Inc.	Masks	Central Stores
96283	\$2,800.00	Byonic Ltd.	Face Shields	Central Stores
97695	\$2,800.00	Oliberte Ltd.	Masks	Central Stores
96908	\$2,895.00	Noble Linen Inc.	Masks	Lodges
95083	\$3,000.00	AGO Industries Inc.	Face Coverings	Environmental Services
95767	\$3,000.00	AGO Industries Inc.	Face Coverings	Environmental Services, Transportation Operations & Maintenance
99740	\$3,000.00	Bio Nuclear Diagnostics Inc.	Masks	Central Stores
95179	\$3,750.00	AGO Industries Inc.	Face Coverings	Environmental Services, Transportation Operations & Maintenance
98639	\$4,500.00	Bio Nuclear Diagnostics Inc.	Masks	Lodges, Central Stores
99957	\$4,500.00	Bio Nuclear Diagnostics Inc.	Masks	Lodges, Central Stores
98742	\$4,592.00	Lawlor & Co. (Hamilton) Ltd.	Masks	Central Stores
94602	\$4,600.00 (USD)	Ironmark Inc.	Masks	Central Stores
94713	\$4,600.00 (USD)	Ironmark Inc.	Masks	Environmental Services, Central Stores
96169	\$4,995.00	Noble Linen Inc.	Masks	Lodges
94692	\$5,000.00	Byonic Ltd.	Face Shields	Central Stores
94788	\$5,000.00	Byonic Ltd.	Face Shields	Central Stores
100947	\$6,000.00	Oliberte Ltd.	Masks	Central Stores
100321	\$6,550.00	Lawlor & Co. (Hamilton) Ltd.	Masks	Central Stores
100329	\$9,000.00	Bio Nuclear Diagnostics Inc.	Masks	Central Stores
100709	\$9,000.00	Bio Nuclear Diagnostics Inc.	Masks	Central Stores
101170	\$9,000.00	Bio Nuclear Diagnostics Inc.	Masks	Central Stores
94544	\$10,500.00	AGO Industries Inc.	Face Coverings	Environmental Services, Transportation Operations & Maintenance
95951	\$11,910.00	FDK Supply Canada Inc.	Masks, Fluid Resistant	Central Stores


PO No.	Amount	Supplier	Description	Department/Division
94151	\$12,000.00	Inksmith Ltd.	Face Shields	Hamilton Fire Department, Hamilton Paramedic Services
95188	\$12,000.00 (USD)	Ironmark Inc.	Masks	Central Stores
94770	\$13,800.00 (USD)	Ironmark Inc.	Masks	Central Stores
93976	\$14,700.00	Bio Nuclear Diagnostics Inc.	Masks with Shields	Central Stores
94089	\$14,700.00	Bio Nuclear Diagnostics Inc.	Masks with Shields	Lodges
94265	\$15,000.00	Estimating Services Inc.	Face Shields	Hamilton Fire Department, Police
98934	\$17,150.00	Oliberte Ltd.	Masks	Central Stores
98743	\$17,476.00	Lawlor & Co. (Hamilton) Ltd.	Masks	Central Stores
98681	\$18,000.00	Bio Nuclear Diagnostics Inc.	Masks	Lodges
94777	\$18,300.00	Bio Nuclear Diagnostics Inc.	Masks with Shields	Lodges
94782	\$25,000.00	Oliberte Ltd.	Masks	Medical Officer of Health
94904	\$25,000.00	Oliberte Ltd.	Masks	Central Stores
94538	\$25,200.00	Acklands-Grainger Inc.	Particulate Filters	Hamilton Paramedic Services
94345	\$26,750.00	Canada Rubber Group Inc.	Face Shields	Lodges
96749	\$28,375.00	Frontline Outfitters	Masks	Central Stores
97792	\$29,900.00	FDK Supply Canada Inc.	Masks	Central Stores
94316	\$30,000.00	Trademark Industries Inc.	Masks	Police
98680	\$31,016.20	Lawlor & Co. (Hamilton) Ltd.	Masks	Lodges
94603	\$35,000.00	AGO Industries Inc.	Masks	Central Stores
95362	\$36,600.00	Bio Nuclear Diagnostics Inc.	Masks with Shields	Lodges
94128	\$36,750.00	Mister Chemical Ltd.	Masks	Central Stores
96261	\$39,700.00	FDK Supply Canada Inc.	Masks	Central Stores
94152	\$49,490.00	Lawlor & Co. (Hamilton) Ltd.	Masks	Hamilton Fire Department, Hamilton Paramedic Services, Police
94217	\$56,045.00	Knix Wear Inc.	Masks	Hamilton Fire Department, Police
97887	\$59,800.00	FDK Supply Canada Inc.	Masks	Central Stores
98620	\$65,436.00	Lawlor & Co. (Hamilton) Ltd.	Masks	Lodges
98637	\$65,436.00	Lawlor & Co. (Hamilton) Ltd.	Masks	Lodges
96643	\$84,000.00	Oliberte Ltd.	Masks	Central Stores
94156	\$87,442.00	A.J. Stone Company Ltd.	Masks	Hamilton Fire Department
98645	\$95,200.00	Bio Nuclear Diagnostics Inc.	Masks	Central Stores
94140	\$97,000.00	Trademark Industries Inc.	Masks	Central Stores
94192	\$168,000.00	Bio Nuclear Diagnostics Inc.	Masks	Central Stores
94195	\$194,000.00	Trademark Industries Inc.	Masks	Hamilton Fire Department, Hamilton Paramedic Services, Lodges, Police
94334	\$194,000.00	Trademark Industries Inc.	Masks	Hamilton Fire Department, Hamilton Paramedic Services, Lodges, Police

PO No.	Amount	Supplier	Description	Department/Division
96168	\$195,750.00	Outdoor Outfits Ltd.	Masks with Shields	Lodges
94354	\$721,660.00	Bio Nuclear Diagnostics Inc.	Masks, Gowns	Hamilton Paramedic Services, Lodges
94897	\$1,191,000.00	FDK Supply Canada Inc.	Masks	Central Stores
Medical Equipment				
101171	\$637.20 (USD)	Extra Packaging, LLC	Body Bags	Central Stores
96889	\$824.25	Nu-Life Medical & Surgical Supplies Inc.	Syringes	Hamilton Paramedic Services
94233	\$1,001.88	Ferno Canada Inc.	Body Bags	Lodges
94150	\$1,104.00	Outdoor Outfits Ltd.	Thermometers	Lodges
95759	\$1,400.00	Trevor Owen Ltd.	Body Bags	Central Stores
95427	\$1,875.00	A.M.G. Medical Inc.	Thermometers	Hamilton Paramedic Services
94234	\$1,926.50	Outdoor Outfits Ltd.	Thermometers, Goggles	Children's & Community Services, Lodges
95631	\$3,750.00	A.M.G. Medical Inc.	Thermometers	Hamilton Paramedic Services
94308	\$4,400.00	A.M.G. Medical Inc.	Thermometers	Hamilton Fire Department, Hamilton Paramedic Services, Lodges
94196	\$5,520.00	Outdoor Outfits Ltd.	Thermometers	Hamilton Fire Department, Hamilton Paramedic Services
94255	\$9,833.60	Cardinal Health Canada Inc.	Thermometers	Lodges
94388	\$34,200.00	Outdoor Outfits Ltd.	Thermometers	Children's & Community Services, Lodges
98723	\$120,000.00	Bio Nuclear Diagnostics Inc.	Test Kits	Human Resources
98679	\$330,200.00	Bio Nuclear Diagnostics Inc.	Test Kits	Hamilton Fire Department, Hamilton Paramedic Services, Human Resources, Medical Officer of Health, Police
Other Goods and Services				
94925	\$30.00	Uline Canada Corp.	Plastic Bags	Human Resources
94967	\$122.00	Uline Canada Corp.	Resealable Bags	Central Stores
96113	\$425.00	Uline Canada Corp.	Industrial Pallet Truck	Environmental Services
95154	\$1,937.50	Uline Canada Corp.	Batteries	Central Stores
94163	\$4,350.00	Uline Canada Corp.	Clothing Racks	Human Resources
94663	\$9,660.00	U-Need Storage Corp.	Rental of Sea-Can Storage Containers	Energy, Fleet and Facilities Management
94418	\$13,240.00	Hospitality Furnishings Canada Inc.	Overbed Tables	Lodges
94912	\$14,225.00	Flow-Rite Inc.	Racking System	Energy, Fleet and Facilities Management
94436	\$16,625.00	Brooks Signs (1985) Ltd.	Table Top Barriers	Lodges
96553	\$16,999.90	Enterprise Rent-A-Car Canada Ltd.	Rental of 16 ft Box Truck with Lift Gate	Central Stores
94305	\$17,225.00	Streetseen Media	Decals	Transit
94385	\$21,800.00	Hospitality Furnishings Canada Inc.	Overbed Tables	Lodges

PO No.	Amount	Supplier	Description	Department/Division
94501	\$24,200.00	Archmill House Inc.	Driver Shields	Transit
96547	\$25,000.00	Verto Inc.	Patient Technology Software	Medical Officer of Health
94889	\$28,167.00	Streetseen Media	Decals	Transit
94781	\$28,237.50	Creative Visual Solutions Inc.	Flooring non-slipover laminate	Energy, Fleet and Facilities Management
94271	\$50,000.00	Strada Sign Supply Inc.	Signs	Transportation Operations and Maintenance
95854	\$52,717.00	Dynamic Air Shelters Ltd.	Dynamic Air Shelter/Tent/Building with Doors	Hamilton Paramedic Services
94896	\$100,000.00	Swiaty Investments Inc. o/a Minuteman Press Stoney Creek	Signs, Decals	Communications & Strategic Initiatives
95954	\$115,752.86	Bowers Medical Supply Div. of Radion Laboratories	Dispensers, Standard Door Hangers	Lodges
95102	\$180,050.00	2738195 Ontario Inc. o/a Integricon Hamilton	Portable Toilets	Energy, Fleet and Facilities Management
94248	\$150,000.00	Hamilton Arena Partners	Operational Funding for Arenas	Recreation
96117	\$200,000.00	Hamilton Arena Partners	Operational Funding for Arenas	Recreation
94575	\$225,288.56	Archmill House Inc.	Driver Shields	Transit
Shelters and Associated Costs				
94843	\$6,500.00	Joel Bartlett Architect Inc.	Redesign Emergency Shelter Beds	Housing Services
94445	\$10,000.00	Wesley Urban Ministries Inc.	Food Services for Isolation Centre	Housing Services
94513	\$10,416.00	Canadian Red Cross Society	Cots, Blankets, Kits	Housing Services
96114	\$95,805.75	YWCA Hamilton	Food Services for Hamilton Plaza Women's Shelter	Housing Services
94561	\$114,375.00	Carmen's Group	Food Services for First Ontario Centre Temporary Shelter	Housing Services
94541	\$120,000.00	Northland Properties Corp.	Security Services	Housing Services
94941	\$131,607.47	Good Shepherd Centre	Additional Staff Wages	Housing Services
94494	\$170,800.00	YMCA of Hamilton/Burlington/Brantford	Food, Staffing, and Cleaning Supplies for Isolation Centre	Housing Services
94540	\$180,000.00	Northland Properties Corp.	Emergency Shelter Overflow	Housing Services
94560	\$210,000.00	Hamilton Plaza Hotel	Hotel Rooms for Emergency Shelter Overflow	Housing Services
94405	\$300,334.00	Wesley Urban Ministries Inc.	Healthcare, Meals, Harm Reduction Services	Housing Services
95259	\$350,000.00	Global Spectrum Facility Management	Shelter Services	Housing Services
94559	\$400,000.00	Admiral Inn	Hotel Rooms for Emergency Shelter Overflow	Housing Services
94948	\$460,000.00	Carmen's Group	Food Services for First Ontario Centre Temporary Shelter	Housing Services
94774	\$600,000.00	Global Spectrum Facility Management	Occupancy Costs for First Ontario Centre	Housing Services
94543	\$812,675.98	Good Shepherd Centre	Shelter Services	Housing Services
95258	\$3,600,000.00	Sunray Group of Hotels Inc.	Hotel Rooms for Emergency Shelter Overflow	Housing Services



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 23, 2023
SUBJECT/REPORT NO:	Annual Occupational Injury & Illness Claims Report 2022 (HUR23003) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Yakov Sluchenkov (905) 546-2424 Ext. 2655 David Lindeman (905) 546-2424 Ext. 5657
SUBMITTED BY:	Lora Fontana Executive Director Human Resources
SIGNATURE:	

COUNCIL DIRECTION

Human Resources staff reports on the City's Workplace Safety and Insurance Board (WSIB) experience to the Audit Finance and Administration Committee on an annual basis. At the direction of Council, this report is to include an annual information update on the experience of the City, including identifying the City's lost-time injury rate, areas experiencing higher numbers of incidents, as well as providing strategies to reduce incidents in those areas. Council also asked that severity rates be included in the data. This report provides an overview of that information for the period of January to December 2022, with relevant comparisons from 2018 through 2022.

INFORMATION

The City experienced an increase in work-related lost time incidents in 2022 and decreases in Total Days Lost, the Lost-time Injury rate and total Workplace Safety & Insurance Board (WSIB) costs.

- New Lost-Time incidents increased from 378 in 2021 to 389 in 2022. 78 of the incidents in 2022 were related to COVID-19 compared to 62 in 2021
- Total days lost decreased from 14,055 in 2021 to 13,124 in 2022.
- Lost-time injury rate decreased from 6.03 to 6.01.
- Total WSIB costs decreased from \$10,409,980 to \$10,022,612.

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**SUBJECT: Annual Occupational Injury & Illness Claims Report 2022
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Human Resources continues to collaborate with the operating departments to ensure that optimal and advanced interventions and measures are incorporated with respect to the overall health, safety and wellness of employees. These have included advanced tools, equipment, education and preventive measures which, over time, have proven to be successful, as demonstrated through the overall decreases in lost time injury rates, total days lost and ultimately, total WSIB related costs. Save and except the COVID related incidents, the lost time incidents also experienced a decline in 2022.

The following tables and graphs provide an overview of the City's WSIB claims experience over the past 5 years. The count of Lost Time Injuries includes claims that appear in this report include claims that have been approved by the Workplace Safety & Insurance Board (WSIB) or approval is still pending. It does not include claims that were denied by the WSIB or were abandoned by the employee. It also does not include Hamilton Police Services or Hamilton Public Library claims.

Table 1: Lost Time Injuries, Shifts Lost and Costs 2018 – 2022

Year	Average Eligible Employee Headcount	WSIB Shifts Lost	New Lost Time Injuries	Total WSIB Costs
2018	8,302	10,361	388	\$8,731,432
2019	8,304	13,072	381	\$9,927,740
2020	8,183	12,907	321	\$9,354,472
2021	8,380	14,055	378	\$10,409,980
2022	8,433	13,124	389*	\$10,022,612

* Note: 78 of the claims in 2022 were related to COVID-19 (compared to 62 in 2021)

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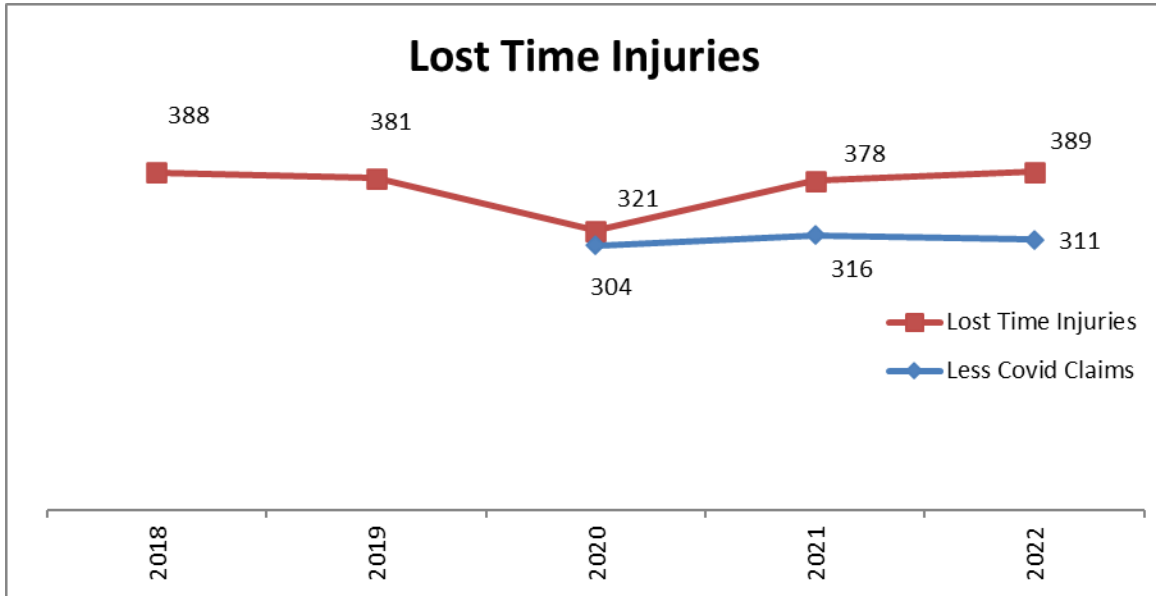
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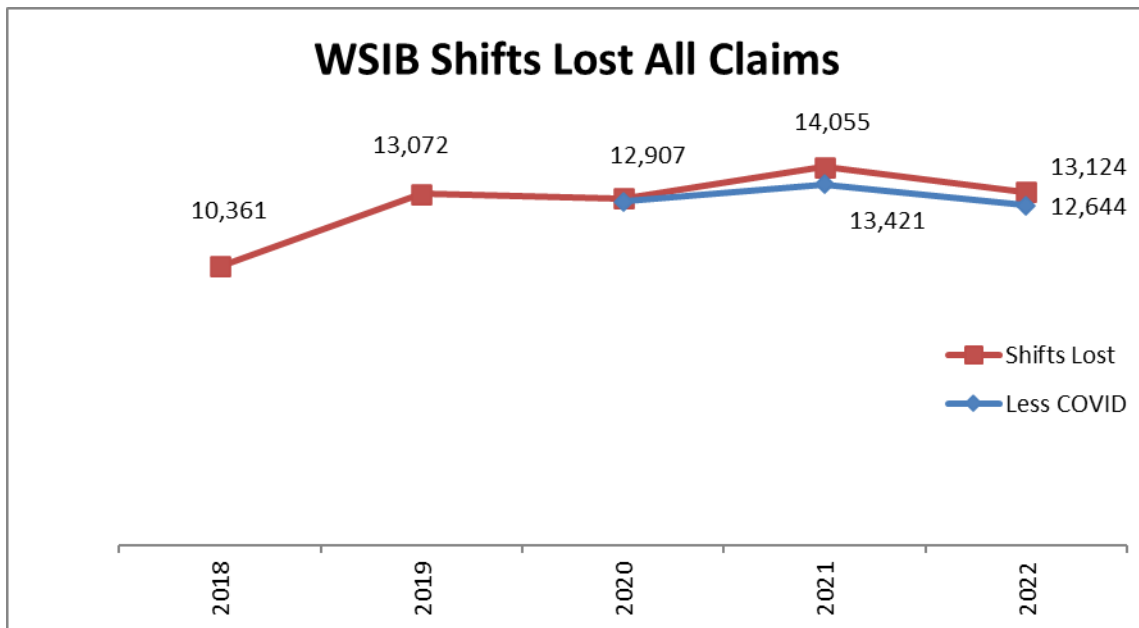
Graph 1: Lost Time Injuries 2018 to 2022

The number of Lost Time claims increased to 389 in 2022 from 378 in 2021 (+2.9%).



Graph 2: WSIB Shifts Lost 2018 to 2022

The number of days (shifts) lost to WSIB absences decreased in 2022 compared to 2021.



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Graph 3: WSIB Costs 2018 to 2022

The costs related to all WSIB claims decreased in 2022 compared to 2021. These costs include employee benefits, healthcare, and administration fees applied by the WSIB.

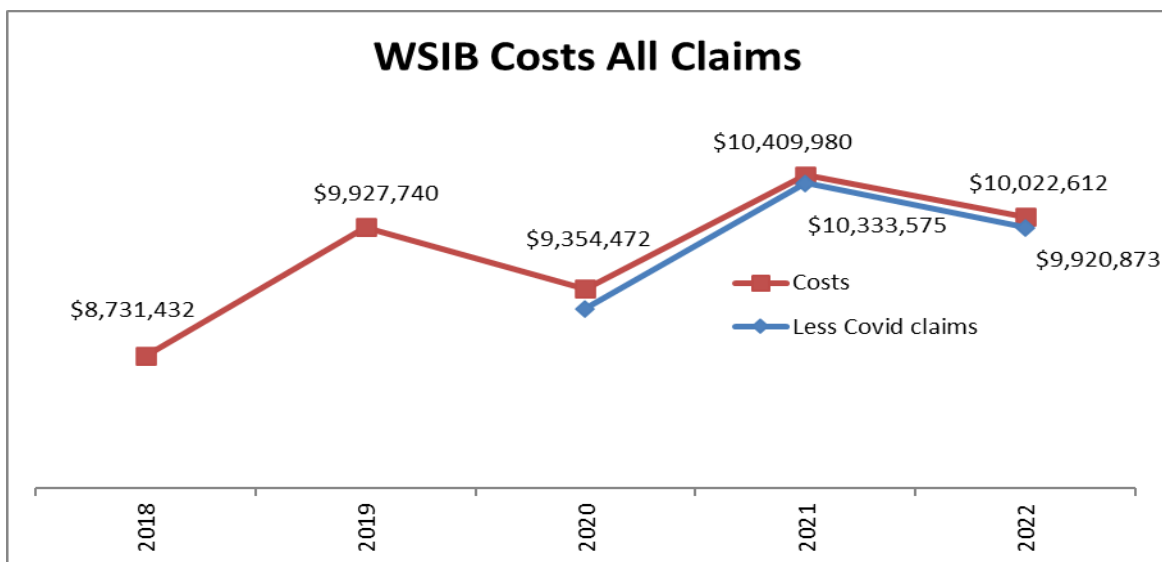


Table 2 below, provides lost time injury data expressed as a Lost Time Injury Rate per 100 employees i.e. ($\#$ of lost time injuries/(total hours worked/2,000) \times 100) and considers all hours worked by our employees and divides the total by 2,000 hours to approximate a full-time equivalent (or “FTE”) employee count. This calculation accounts for differences in hours worked amongst employees (including part-time vs full-time employees) to get a more accurate indicator of the total hours worked and exposure to risk instead using a straight headcount. The table also provides an indication of the severity of injuries by looking at the average days lost per claim. (Lost Time Injury Rates and Severity calculations are also provided by department in Table 5).

Table 2: Lost Time Injury Rates and Average Days Lost 2018 - 2022

Year	Lost Time Injury Rate	Average of Days Lost per Injury*
2018	6.35	24.22
2019	6.15	26.14
2020	5.34	17.21
2021	6.03	17.37
2022	6.01	9.02

*Calculated as of February 10, 2023. These amounts will go up as several claims are still open and the employees have not returned to work.

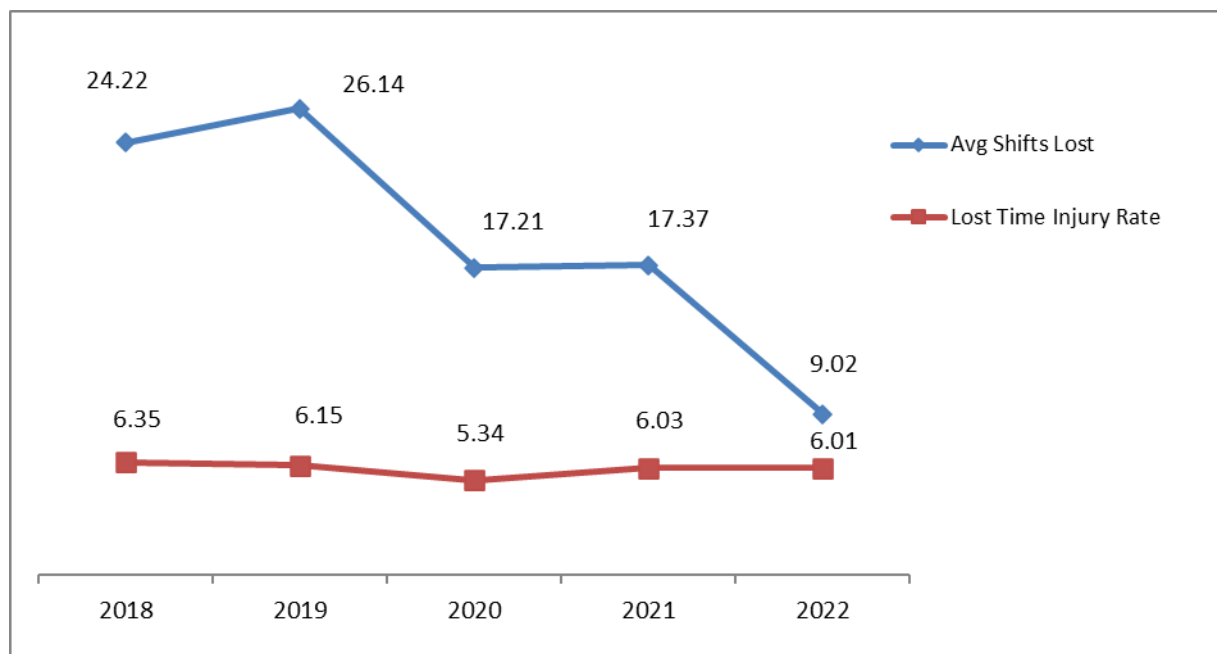
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**SUBJECT: Annual Occupational Injury & Illness Claims Report 2022
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Graph 4: 5 year trend of Lost Time Injury Rate and Average Days Lost (severity)



Some claims included in Average Shifts Lost line in Graph 4 are still open, and shifts lost associated with those claims will add to average shifts lost over time. Some serious injuries will result in lost time that will impact results over the course of multiple years.

Table 3: Lost Time Injury Types 2022

Injury Type	Lost Time Injuries	% of Total Injuries
Musculoskeletal Disorder	116	29.82%
Occupational Exposure - Chemical/Biological	81	20.82%
Slip or Trip	62	15.94%
Mental Health	28	7.20%
Struck Against	19	4.88%
Violence	16	4.11%
Motor Vehicle Accident	15	3.86%
Struck By	12	3.08%
Fall or Jump	10	2.57%

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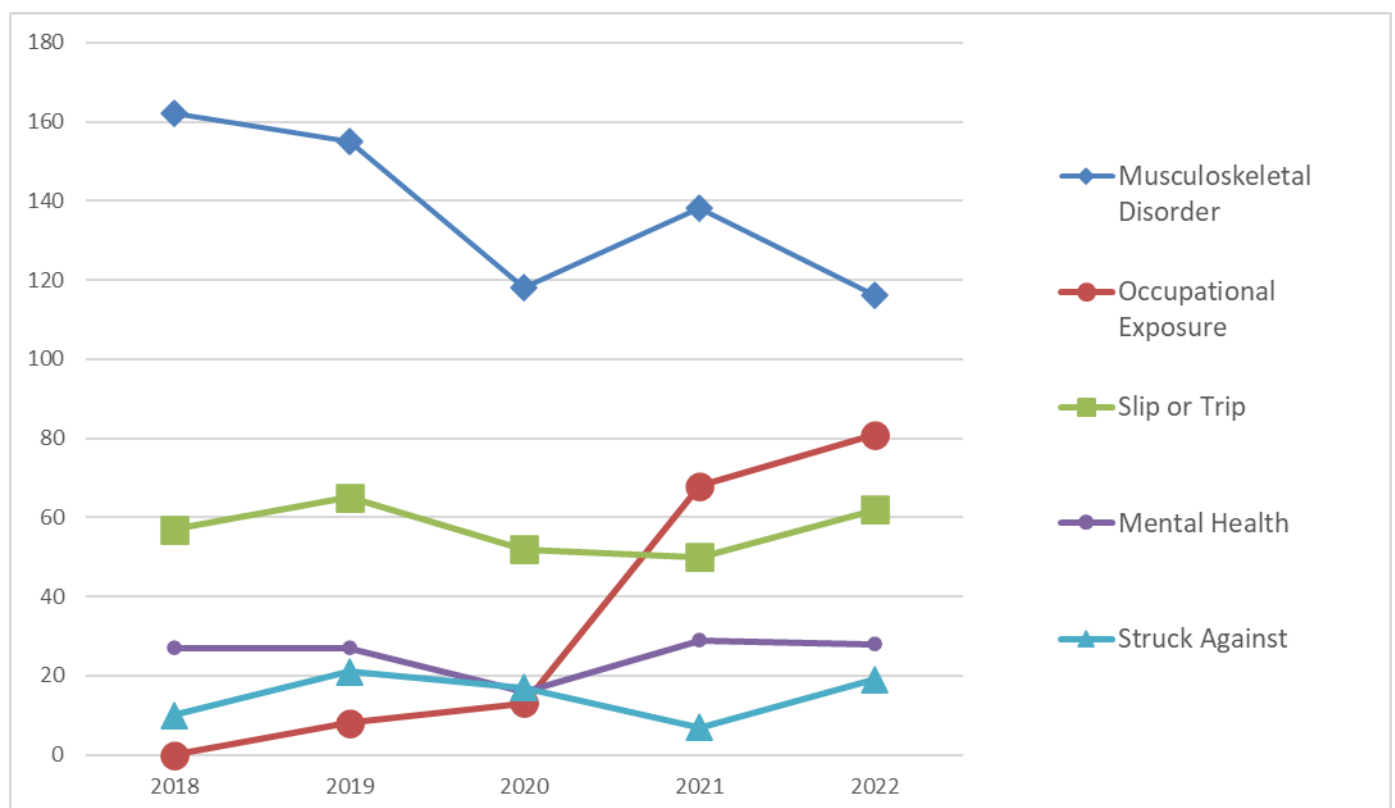
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**SUBJECT: Annual Occupational Injury & Illness Claims Report 2022
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Injury Type	Lost Time Injuries	% of Total Injuries
Caught In/On/Between Objects	9	2.31%
Other	9	2.31%
Animal/Insect	4	1.03%
Environmental	3	0.77%
Fire/Explosion/Electrical	2	0.51%
Occupational Disease	2	0.51%
Sharps – Medical	1	0.26%
	389	100%

Graph 5: 5 year Trends for the Top 5 Injury Types



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Table 4: Breakdown of Injury Type Totals for the 5-year Period 2018-2022

Top 10 Injury Types by Total Incident Count	
Musculoskeletal Disorder	646
Slip or Trip	278
Occupational Exposure - Chemical/Biological	149
Mental Health	118
Other	110
Struck By	92
Violence	82
Motor Vehicle Accident	68
Struck Against	73
Fall or Jump	56

Top 10 Injury Types by Total Days Lost	
Mental Health	10,513
Musculoskeletal Disorder	6,891
Violence	4,508
Slip or Trip	3,726
Motor Vehicle Accident	2,015
Struck Against	1,286
Occupational Exposure - Chemical/Biological	1158
Struck By	898
Other	746
Fall or Jump	724

Top 10 Injury Types by Average Days Lost per Incident	
Mental Health	89
Violence	55
Motor Vehicle Accident	30
Struck Against	18
Occupational Disease	13
Fall or Jump	13
Slip or Trip	13
Musculoskeletal Disorder	11
Fire/Explosion/Electrical	9
Occupational Exposure - Chemical/Biological	8

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The above tables show that Musculoskeletal Disorders remain the leading type of injury experienced by our employees followed by Slips and Falls. Much of our injury prevention work has focused on reducing the risks associated with ergonomic hazards and poor body mechanics. As noted in Graph 5, Lost-time incidents of Musculoskeletal Disorders declined in 2022 and are down significantly from 2018 levels.

The tables also illustrate that other types of claims, although they occur less frequently compared to Musculoskeletal Disorders and Slips and Falls, are often result in longer periods away from work and a slower return to work. These types of injuries include Mental Health claims, incidents of Violence, and Motor Vehicle Accidents. The prevention of injuries in these areas also remains a priority.

Workplace COVID-19 Claims (WSIB)

In 2022, 78 COVID-19 Lost Time claims were approved by the WSIB or approval is still pending. These claims occurred in the following departments:

72	Long-term Care
1	Public Works
1	Hamilton Fire Department
4	Hamilton Paramedic Services

Overall Lost Time Injuries by Department 2018 to 2022

The table below include departmental statistics related to lost time injury counts and rates and shifts lost for new claims.

Table 5: Overall Lost Time Injuries 2018 to 2022

	Lost Time Injuries				
	2018	2019	2020	2021	2022
City Housing Hamilton	4	10	3	4	6
City Manager's Office	0	0	1	1	0
Healthy and Safe Communities	221	228	184	236	241
Corporate Services	2	2	2	2	0
Planning & Economic Development	10	9	11	9	13
Public Works	151	132	120	126	129
Corporation Total	388	381	321	378	389

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	Lost Time Injury Rate				
	2018	2019	2020	2021	2022
City Housing Hamilton	3.22	7.77	2.24	2.96	4.35
City Manager's Office	0.00	0.00	0.86	0.89	0
Healthy and Safe Communities	8.64	8.81	7.38	8.72	8.67
Corporate Services	0.47	0.47	0.46	0.46	0
Planning & Economic Development	1.74	1.50	2.05	1.68	2.29
Public Works	6.65	5.73	5.33	5.48	5.44
Corporation Total	6.35	6.15	5.34	6.03	6.01

	Shifts Lost, New Lost Time Injuries				
	2018	2019	2020	2021	2022
City Housing Hamilton	23	98	8	21	39
City Manager's Office	0	0	1	25	0
Healthy and Safe Communities	1,177	1,406	939	1,526	1,184
Corporate Services	6	147	10	3	0
Planning & Economic Development	119	57	124	64	123
Public Works	1,278	1,245	1,210	1,129	1,060
Corporation Total	2,603	2,953	2,292	2,768	2,406

	Average Days lost per new injury*				
	2018	2019	2020	2021	2022
City Housing Hamilton	5.50	11.20	4.00	5.25	6.50
City Manager's Office	0	0	0	25.00	0
Healthy and Safe Communities	27.07	27.56	11.07	14.77	6.75
Corporate Services	3.00	73.50	5.00	5.50	0
Planning & Economic Development	14.75	15.70	14.83	14.22	9.77
Public Works	21.13	24.92	27.33	22.86	13.30
Corporation Total	24.22	26.14	17.21	17.37	9.02

*Calculated as of February 21, 2022. These amounts will go up as some claims are still open and the employees have not returned to work.

**SUBJECT: Annual Occupational Injury & Illness Claims Report 2022
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Operational Areas of Focus

As per previous Council direction, this report provides updates from specific operational areas that account for a larger proportion of lost time injuries and illnesses. The updates include strategies and initiatives established to address lost time occupational injuries and illnesses.

Hamilton Fire Department

Graph 6: Hamilton Fire Department Overall Lost Time 2018 to 2022

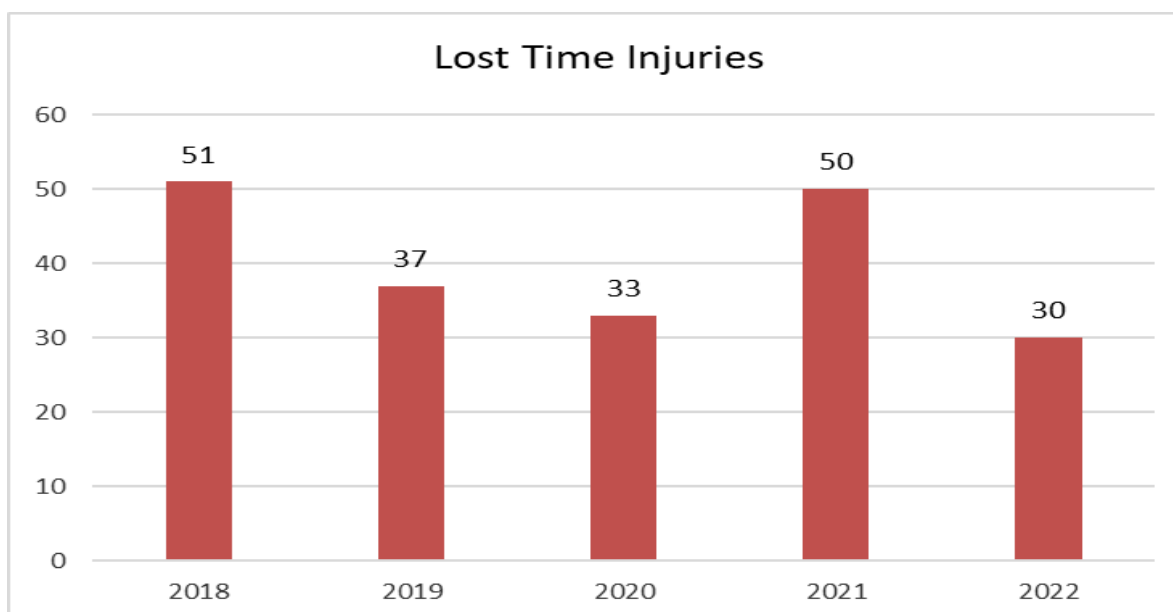


Table 6: Lost Time Injury Types 2022 – Hamilton Fire

Musculoskeletal Disorder	13
Slip or Trip	7
Mental Health	3
Fire/Explosion/Electrical	2
Other	1
Struck Against	1
Struck By	1
Animal/Insect	1
Occupational Exposure - Chemical/Biological	1*

*Claim related to COVID-19

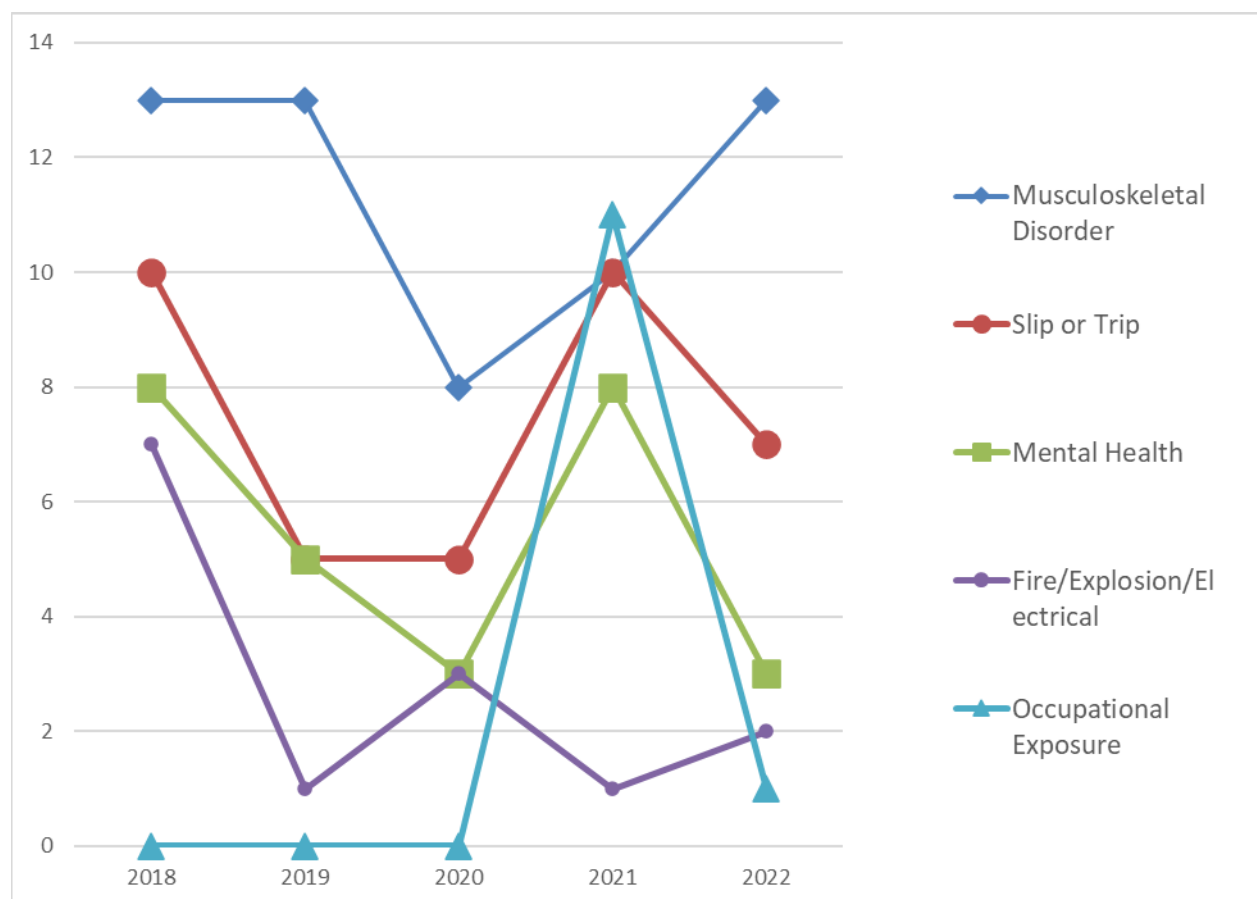
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Graph 7: 5 year Trends for the Top 5 Injury Types – Hamilton Fire



The Fire Department saw a significant 40% reduction in total lost time accidents from 50 in 2021 to 30 in 2022. This is the lowest number of lost time accidents in the past 5 years. Although staff maintained a focus on training and accident prevention reviews, the continued increase in structure fire responses in 2022 has become the root cause for the main area of increase - Musculoskeletal Disorder injuries which increased from 10 to 13.

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Long-term Care Homes

Graph 8: Long-term Care Homes Overall Lost Time 2018 to 2022

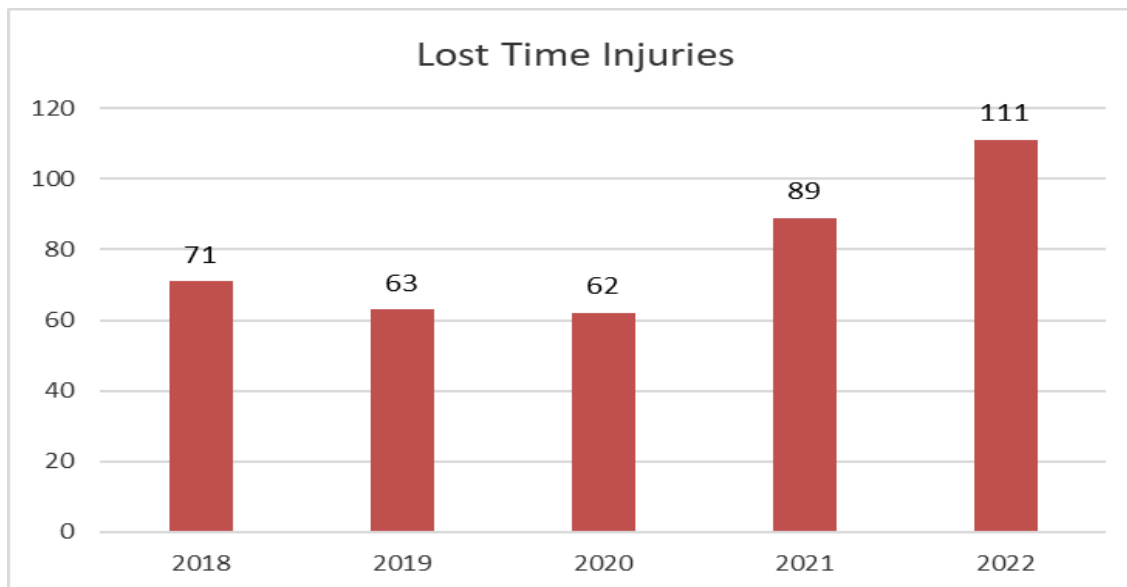


Table 8: Lost Time Injury Types 2022 – Long-term Care

Occupational Exposure - Chemical/Biological	72*
Musculoskeletal Disorder	21
Violence	4
Struck Against	4
Caught In/On/Between Objects	3
Struck By	2
Slip or Trip	2
Fall or Jump	1
Occupational Disease	1
Other	1

* all 72 claims related to COVID-19

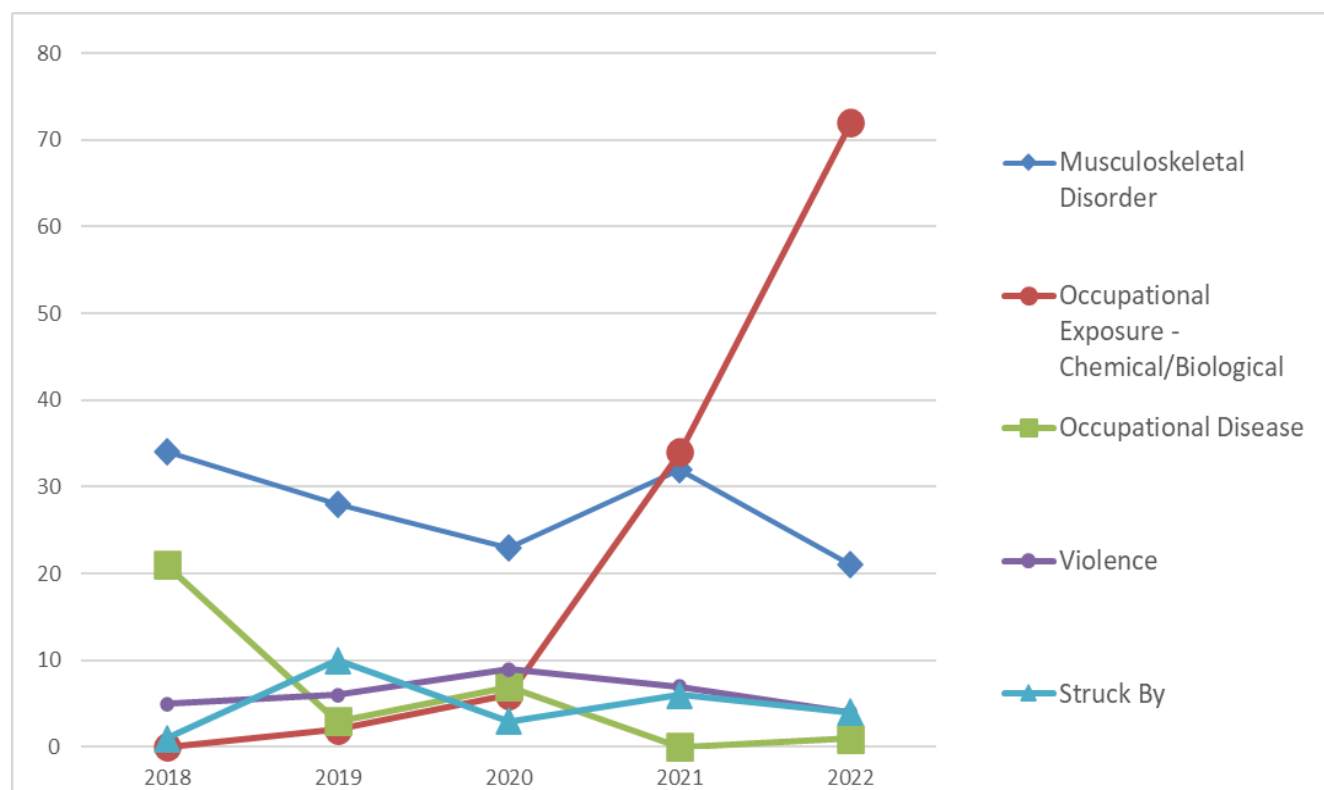
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Graph 9: 5 year Trends for the Top 5 Injury Types – LTC



Due to the number of confirmed COVID-19 declared outbreaks at our long-term care facilities, the lodges experienced a sharp increase of work-related occupational exposure illnesses.

To increase protection against the spread of COVID-19 and other infectious diseases, a new air purifying system was installed. High efficiency particulate air (HEPA) purifiers were introduced and strategically placed in areas with a high number of staff and in places where removal of mandatory masks is allowed (e.g. staff break/lunch room, Rapid Antigen Testing clinic, Adult Day Program, staffing office, training room). Hand hygiene and personal protective equipment audits were conducted regularly to ensure procedures were followed. Daily rapid antigen testing of all employees continued.

To address musculoskeletal injuries, Proper Lifting Techniques training was provided to staff who perform lifting tasks (e.g. nursing staff, personal support workers). Additional patient transfer equipment (lifts and slings) were added to reduce musculoskeletal disorder incidents. The Resident Lift and Transfer policy has been reviewed and changes made to better outline the required assistance to be provided by staff with less opportunity for discretion in decision making for personal support workers which is in keeping with their scope of practice. Preventative maintenance was improved on all the medication and treatment carts to ensure they move freely, and the forces needed to

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move them throughout the facilities are reduced. New laundry carts have been ordered that are lighter and require less force to push.

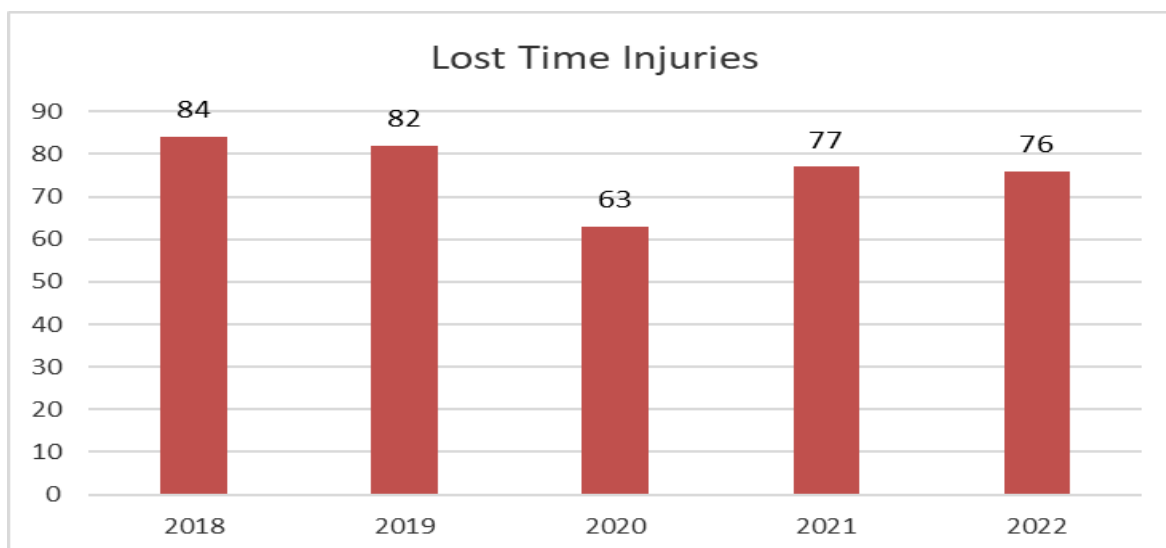
To assist in preventing violence related incidents, management improved the tracking of violence events and responding to incidents. Incidents are reviewed and followed up on by Nurse Leaders. Staff are provided with mandatory training on dementia and responsive behaviours to create safer interactions with residents. Behavioural Support Ontario resources were available on-site to assess individual residents to identify triggers and develop care plans used by employees to help them better manage their response to behaviours from residents. Before accepting residents with high risk responsive behaviours to our wait list or empty beds, there is a thorough review by the Director of Nursing, Administrator and Medical Director. If the Lodges do not have the resources or skills to safely manage the resident's behavioural health needs, a refusal letter is provided to the candidate and Home and Community Care Support Services.

Wellness initiatives have continued in our Homes, such as a 30-day wellness challenge, a 30-day 10,000 daily step challenge, monthly updates to the Wellness Board, as well as other activities to engage employees and support employee mental health and well-being.

New roles created in response to the pandemic (screening and rapid testing) have been maintained and continue to provide an opportunity for modified duties for returning injured and ill staff to work sooner as they transitioned back to their original positions.

Hamilton Street Railway (HSR)

Graph 10: Hamilton Street Railway (HSR) Overall Lost Time 2018 to 2022



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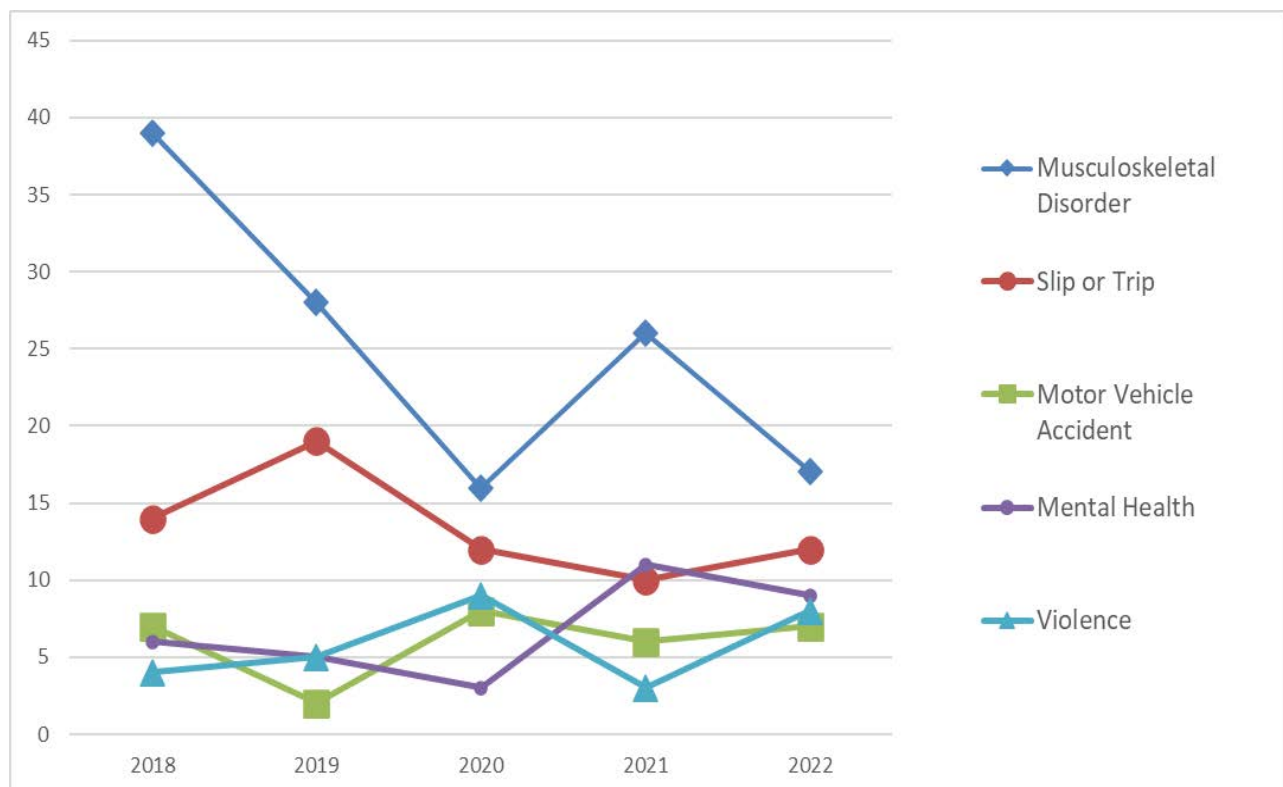
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**SUBJECT: Annual Occupational Injury & Illness Claims Report 2022
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Table 9: Lost Time Injury Types 2022 - HSR

Musculoskeletal Disorder	17
Slip or Trip	12
Mental Health	9
Violence	8
Struck Against	7
Motor Vehicle Accident	7
Other	5
Struck By	3
Fall or Jump	2
Occupational Exposure - Chemical/Biological	2
Animal/Insect	2
Caught In/On/Between Objects	1
Environmental	1

Graph 11: 5 year Trends for the Top 5 Injury Types Incidents - HSR



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Overall, there has been a significant decline in musculoskeletal injuries over the past 5 years which has been a focus of health and safety activities.

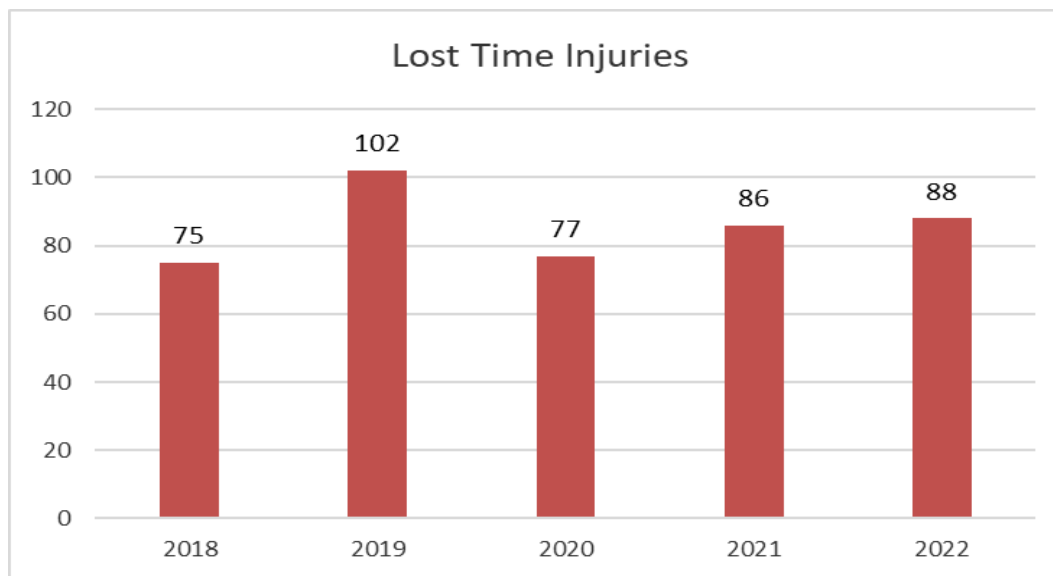
HSR management, Human Resources, front-line staff and their representatives are collaborating to address workplace ergonomic hazards, mental health issues and incidents of violence through the joint health and safety committee and other forums.

Mitigation strategies identified from a recent vibration study conducted on the HSR Bus Fleet include a continued focus on ergonomics (i.e. proper seating postures and seat adjustments), important role of stretch and rest breaks throughout the shift and lifestyle and wellness choices that will encourage staff to focus on their overall physical and mental health.

HSR Management has revamped their Assaults Procedure for responding to on-duty Operator assaults by improving the immediate response to incidents and follow up through debriefs and implementation of go-forward strategies to prevent similar incidents.

Hamilton Paramedic Services (HPS)

Graph 12: Hamilton Paramedic Services (HPS) Overall Lost Time 2018 to 2022



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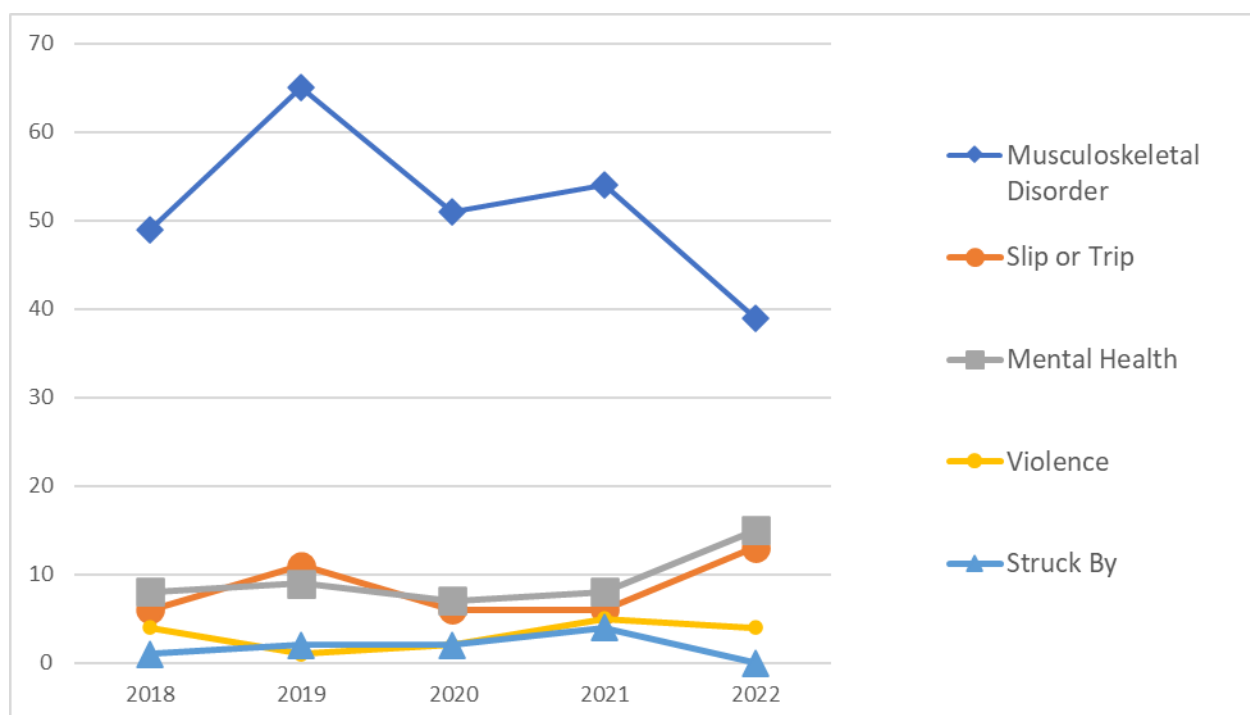
**SUBJECT: Annual Occupational Injury & Illness Claims Report 2022
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Table 10: Lost Time Injury Types 2022 - HPS

Musculoskeletal Disorder	39
Mental Health	15
Slip or Trip	13
Occupational Exposure - Chemical/Biological	6*
Violence	4
Motor Vehicle Accident	4
Fall or Jump	2
Caught In/On/Between Objects	2
Struck Against	1
Sharps - Medical	1
Occupational Disease	1

* 4 claims related to COVID-19

Graph 13: 5 year Trends for the Top 5 Injury Types Incidents - HPS



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- In 2022 HPS implemented the Auto Pulse which is an automated chest compression device that has reduced musculoskeletal injuries and strain related to prolonged resuscitation events
- In 2022 HPS has secured and trained staff on new lifting equipment to further reduce musculoskeletal injuries. New equipment includes:
 - The Doty belt – assists staff with difficult and awkward lifts
 - The Elk lifting device – automated lifting device to reduce strains and sprains from manual lifts further reducing any harm to the patient
 - New and improved Stryker Stretcher –8% lighter in weight, proven to reduce workplace injuries, accessible battery location under the cot, versatility of head and foot end of cot to retract or extend, ergonomically designed transport handle
- Continue efforts with the Joint Occupational Health and Safety Committee to improve communication to all staff on education and preventative measures for the following:
 - Trips, slips and falls in slippery conditions
 - Proper mask wearing and importance of Personal Protective Equipment
 - Bed Bug precautions and considerations
 - Hazard flag reporting, Occupational health and safety concern form reporting (including near misses)
- In the fall of 2022, the Professional Development team brought in a specialist for a refresher workshop on workplace violence and personal safety skills. The program taught practical skills to successfully handle confrontations with violent people. Participants were also re-introduced to a court defensible method to articulate and explain their actions in these situations.
- The HPS Peer Support team, made up of front-line staff and Supervisors, has developed a robust program that includes a full day of education for new recruits. They have improved access to key resources, tools to assist all staff as they navigate through the mental health continuum, and a peer support Connect app that will connect staff confidentially with peer support team members.

The work that the Peer Support Team offers is key to the health and wellbeing of all employees with HPS and will continue to assist and navigate staff and reduce mental health injuries in the workplace.

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Corporate Health and Safety Activities

- The Health, Safety and Wellness team provided support in developing and revising the workplace health and safety precautions for our COVID-19 pandemic emergency response. Precautions included rapid antigen testing of employees who did not disclose full-vaccination status (distributing test kits, collecting test results and responding to issues of non-compliance) and daily health screening (maintaining screening tool, tracking close contacts and clearing employees to return to work)
- The team worked with the Security Office on improving safety and security of staff related to thefts, workplace break-ins and aggressive behaviours by individuals in or about the workplace.
- 431 employees were trained in the Workplace Hazardous Materials Information System (WHMIS) training program in 2022. The program includes hazard classification system for workplace chemical safety symbols, labelling and information sheets in our workplaces.
- 41 people leaders completed online mandatory manager health and safety awareness training for supervisors; 258 front-line staff completed the mandatory online training for workers. The training ensures staff are aware of their rights and duties under the *Occupational Health & Safety Act*
- Fifteen training sessions on non-violent crisis intervention techniques were held for staff across the organization with 236 employees trained.
- Created a new *Disconnecting from Work Policy* to set out expectations for employees and people leaders for work communications generated outside of normal working hours and provide employees with opportunities to disconnect from after-hours work communications.
- Created a new *Electronic Monitoring of Employees Policy* to set out details on how the City uses electronic technology to monitor employee activities and their use of City resources, what information is collected and how that information is used.
- Mental Health@Work Certificate Training for Leaders is delivered to staff through Queen's University and Mourneau Shepell. Over the course of three modules, participants explore the business case for mental health in the workplace while improving their understanding of relevant legal, ethical and business concerns. In 2022, 142 leaders were trained and to date, 580 people leaders were certified through the program


APPENDICES AND SCHEDULES ATTACHED

Not Applicable



Hamilton

INFORMATION REPORT

TO:	Chair & Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 23, 2023
SUBJECT/REPORT NO:	Annual Employee Attendance Report 2022 (HUR23005) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Yakov Sluchenkov 905-546-2424 Ext. 2655 Heather McNicol 905-546-2424 Ext. 2635
SUBMITTED BY:	Lora Fontana Executive Director Human Resources
SIGNATURE:	

Council Direction:

On an annual basis, Human Resources staff report employee attendance performance measures to the Audit Finance and Administration Committee. This report provides an overview of illness and non-occupational injury data for the period of January to December 2022, with relevant comparisons from 2018 through 2022. Also included in this report is an overview of COVID-19-related absence data.

Information:

Included in this report is Short-Term Disability (STD), Work Accommodation and Long-Term Disability (LTD) data for the entire City, excluding Police and Library. In addition, the report provides a summary of Work Accommodation outcomes demonstrating the support provided to assist employees in staying at work or returning to work following an illness or non-occupational injury.

Due to the ongoing impact of the COVID-19 pandemic, this report also includes an analysis of COVID-19-related absences for full-time, and part-time staff. Also provided is a summary of Human Resources measures implemented to manage absences and support employees during the COVID-19 pandemic.

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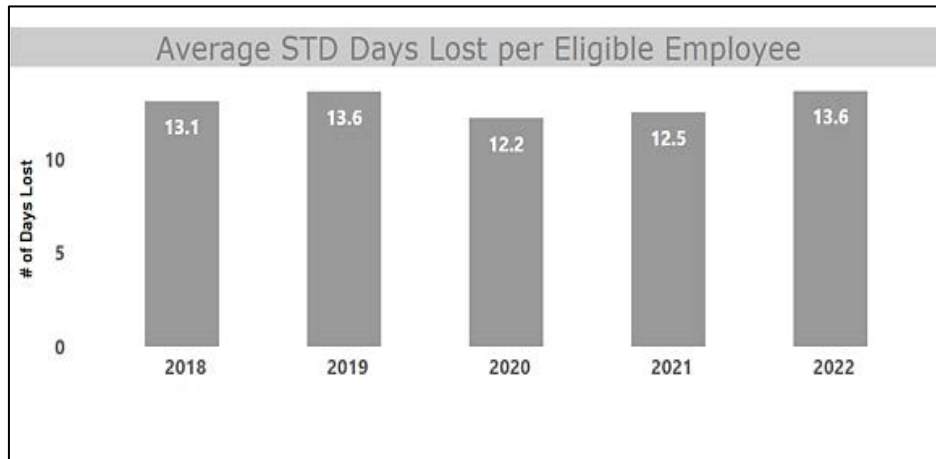
**SUBJECT: Annual Employee Attendance Report 2022
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Executive Summary:

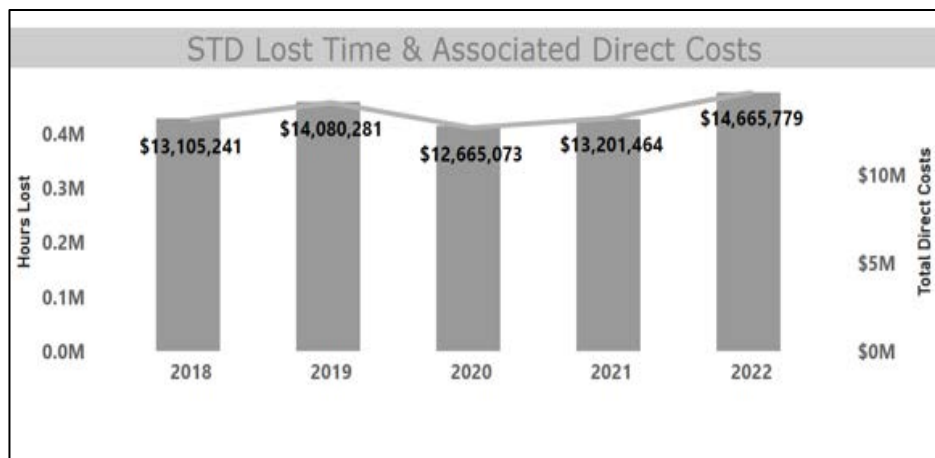
The following information summarizes key metrics used by the City in reporting absence-related data, including time lost due to STD and LTD, and Work Accommodation statistics, as well as the impact of COVID-19 on attendance. Further detailed in this report are the approaches taken to support employees in the return to work and accommodation process.

Graph 1: Average STD Days Lost per Eligible Employee



The average number of STD days lost per eligible employee in 2022 was 13.6 days which matches levels seen in 2019, prior to the COVID-19 pandemic. This data excludes absences related to COVID-19, which are addressed later in the report (Graphs 5 & 6).

Graph 2 – STD Lost Time & Associated Direct Costs



The total direct cost of STD absences in 2022, excluding COVID-19 related absences, was \$14,665,779.

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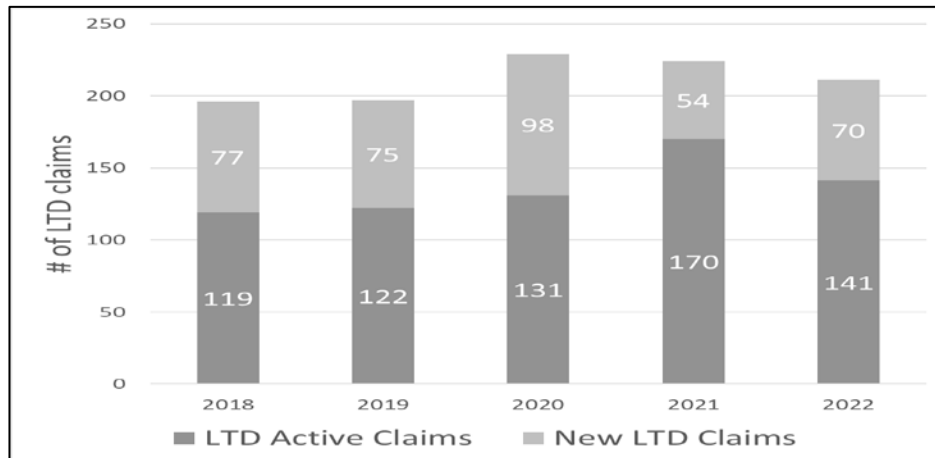
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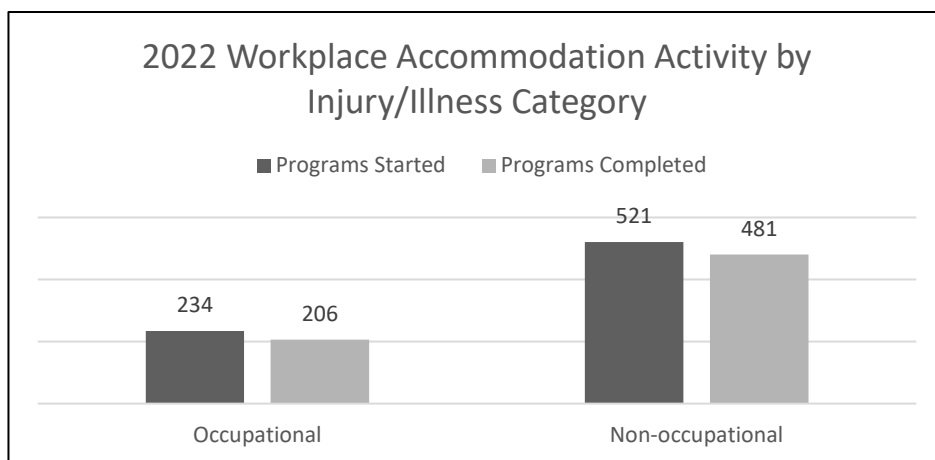
The total direct cost of STD absences increased by 11.1% from \$13,201,464 in 2021 to \$14,665,799 in 2022. The cost increase is due to the rise in average lost days per employee in 2022 and increases in employee wages during the same period.

Graph 3: LTD Active Claims and New Claims Received by Year



As Graph 3 illustrates, 70 new LTD claims were received by Manulife in 2022, which represents an increase of 16 claims over 2021. However, when looking at the overall trend, there is a decrease in the total number of active and new claims managed by Manulife in 2022 compared to the total number in 2020, and 2021.

Graph 4: Workplace Accommodation Activity



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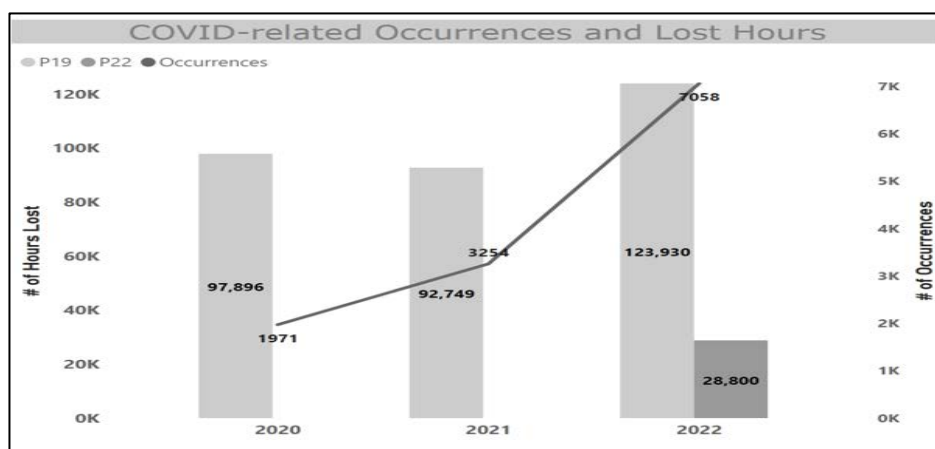
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The Return to Work Services team (RTW Services) in Human Resources received a total of 755 requests for accommodation by employees needing assistance in staying at work or returning to work representing an 8.5% increase compared to the 696 cases managed in 2021. This data includes both occupational and non-occupational accommodation cases.

**Graph 5: Paid COVID-19-related Occurrences and Lost Hours
(Full-time/Part-time Employees)**



In 2022, there were 7058 absence occurrences classified as P19 (see page 6 for definition); an increase of 116.9% over 2021. In addition, paid lost hours coded as P19 increased to 123,930; an increase of 33.6% over 2021. The increase in P19 classified absence occurrences and lost hours was due to the arrival of the Omicron variant in November 2021, which led to a significant increase in COVID-19 absences managed by Human Resources in 2022.

In August 2022, the City ended the P19 absence coding and implemented P22, a new COVID-19 paid leave provision which provided all City staff with a maximum of three paid days for absences related to COVID-19. This change represented a capping of the amount of paid time employees could claim related to COVID-19 before commencing income replacement benefits, if eligible.

The P22 provision was also created to provide equivalent entitlement as the three Infectious Disease Emergency Leave days extended to March 31, 2023 under the Employment Standards Act by the Provincial Government. In 2022, between the period of August 1 to December 31, 2022, employees incurred 28,800 lost hours due to P22 COVID-19-related absences.

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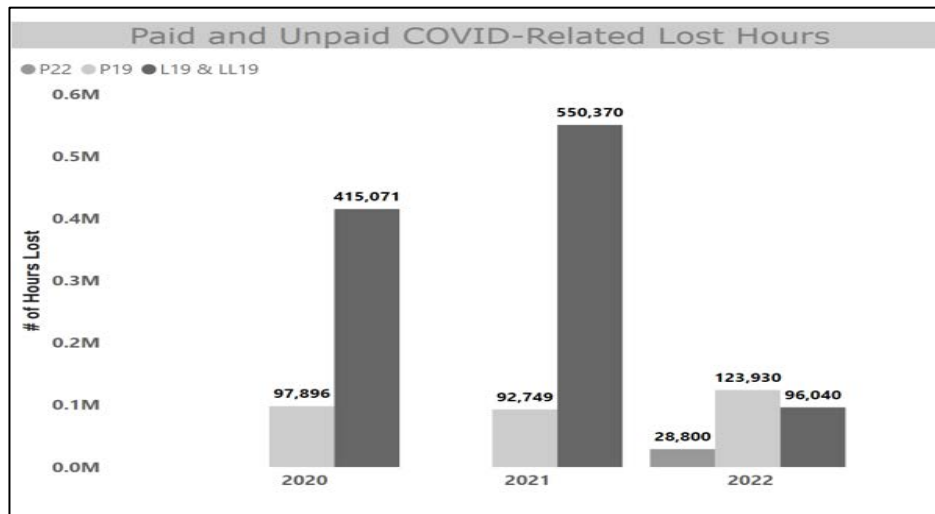
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Graph 6: Paid and Unpaid COVID-19-related Lost Hours (Full-time/Part-time Staff)



In 2022, City employees incurred a total of 248,770 lost hours for both paid and non-paid COVID-19-related absences. The lost hours for COVID-19-related absences for full-time and part-time employees are categorized as follows:

- 123,930 hours lost due to paid absences related to COVID-19 (P19 Coding)
- 28,800 hours lost due to paid absences related to COVID-9 (P22 Coding)
- 96,040 hours lost due to non-paid absences related to COVID-19 (L&LL19 Coding)

The combined cost of P19 and P22 paid absences related to COVID-19 in 2022 was \$5,793,129 for full-time and part-time employees.

Background

The City of Hamilton proactively manages absences caused by illnesses and non-occupational injuries through programs, policies and collective agreement provisions that: control employee absences; identify employees whose attendance needs improving; support employees in improving attendance; and by identifying stay at work and early and safe return to work opportunities through a robust accommodation process.

Definitions

Income Protection Plan (IPP) - Provides eligible employees with an income if they cannot perform their normal duties due to illness or non-occupational injury during both the STD and LTD period.

Eligible Employee - A full-time employee who meets the conditions of their collective agreement or employment contract eligibility for payment through the IPP as a result of illness or non-occupational injury.

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STD Absences – absences arising from illness or non-occupational injury of less than 1 day up to 130 days which do not include COVID-19-related absences.

COVID-19 Absence Codes – In response to COVID-19 new absence types were identified, and codes created to manage and track COVID-19 absences.

- P19 – **Paid leave** due to the following COVID-19-related absence types:
 - COVID-19 - Positive
 - COVID-19 - Isolation recommended by Public Health
 - COVID-19 - Isolation pending COVID-19 testing results
 - COVID-19 - Employee Immunocompromised
 - COVID-19 - Employee age 70 years or older
 - COVID-19 - Temporary operational closure (Facilities or Programs) resulting in paid leave of absence for staff

- P22 – **Paid leave** (maximum three days) due to the following COVID-19 related absence types:
 - Under medical investigation, supervision or treatment for COVID-19
 - Have contracted COVID-19 or have mental health reasons related to COVID-19
 - Left work to get a COVID-19 vaccination
 - Experiencing a side effect from the COVID-19 vaccination
 - In quarantine or isolation related to COVID-19
 - Providing care or support to specific individuals related to COVID-19

- COVID-19 - **Non-paid** leave codes:
 - L19 – Unpaid leave of absence less than 30 days
 - LL19 – Unpaid leave of absence greater than 30 days

LTD Absences – illnesses or non-occupational injuries that extend beyond a 6-month qualifying period (i.e. 130 days), when an employee continues to be totally disabled beyond their STD absence. LTD absences are currently managed by a third-party (Manulife).

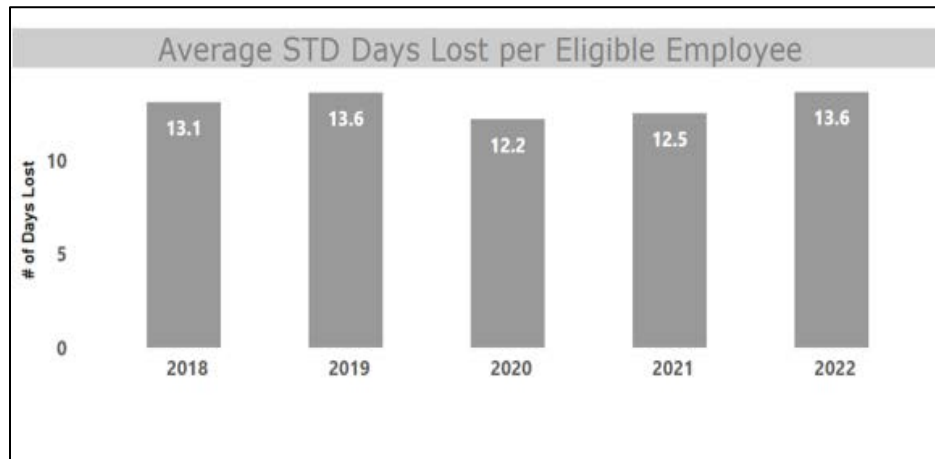
Lost Days - Standardized as a 7-hour shift

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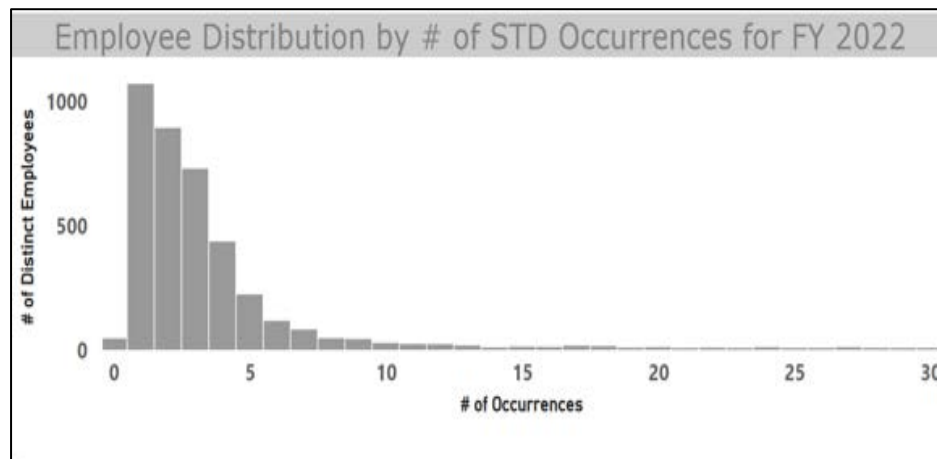
1.0 Short-Term Disability Absence Summary (excluding Police & Library)

Graph 7: Average STD Days Lost per Eligible Employee



The average number of STD days lost per eligible employee in 2022 was 13.6 days which matches levels seen in 2019, prior to the COVID-19 pandemic. This data excludes absences related to COVID-19.

Graph 8: Employee Distribution by Number of STD Occurrences for 2022



As illustrated above in Graph 8, most employees incurred three or fewer absence occurrences in 2022. This trend is likely explained by collective agreement provisions that incorporate a reduction in compensation on the fourth and subsequent occurrences in a calendar year.

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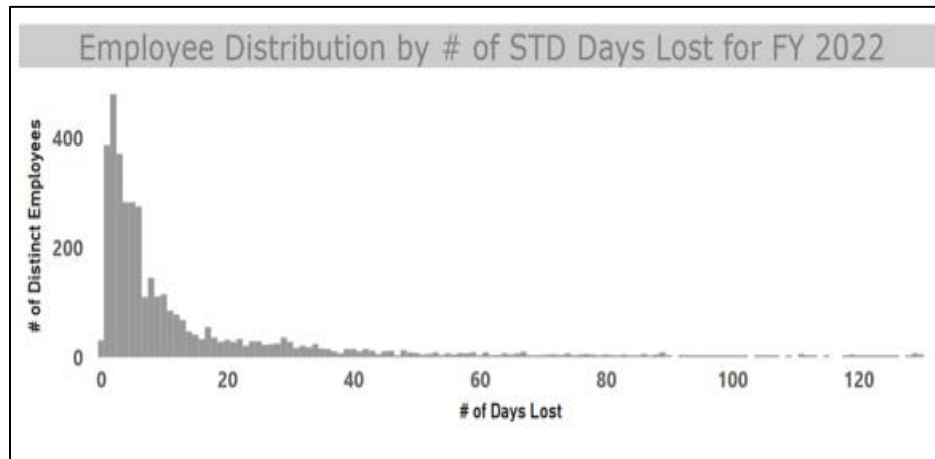
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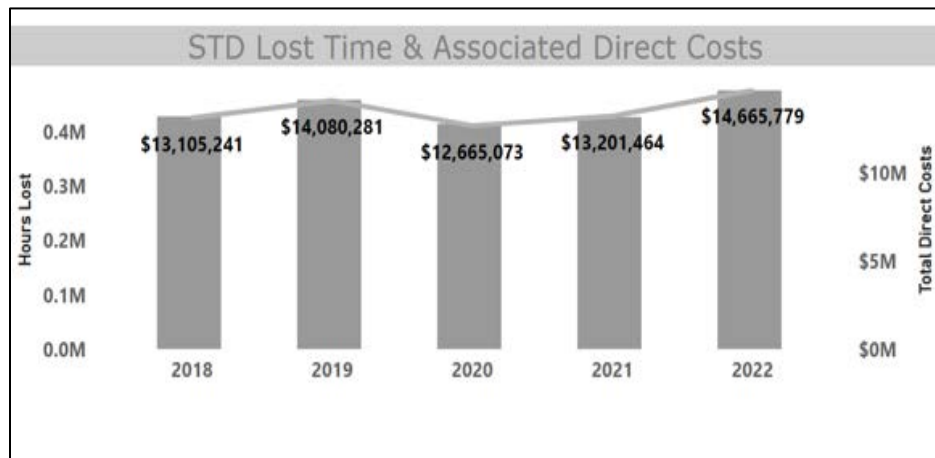
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Graph 9: Employee Distribution by Number of STD Days Lost for 2022



Graph 9 illustrates that most STD absences are between one to seven days in duration. This outcome is expected, in part, due to the influence of two factors: the requirement to provide a doctor's note on the fourth day of absence and the requirement to provide a completed STD claim form on the sixth or eighth day of absence, as per collective agreement requirements.

Graph 10: STD Lost Time & Associated Direct Costs



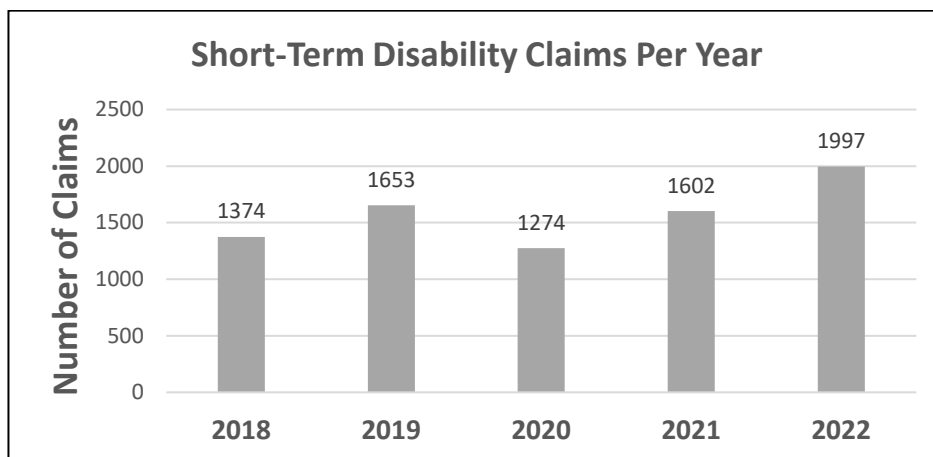
As Graph 10 illustrates, the total direct cost of STD absences increased by 11.1% from \$13,201,464 in 2021 to \$14,665,779 in 2022. This increase is attributed to the increase in employee wages (as a result of progression through wage grids and cost of living increases) and due to the increased number of average lost days per employee in 2022. The above data is presented as hours lost instead of days lost to account for variable shift lengths by employee groups.

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Graph 11: Short-Term Disability Claims Per Year



Graph 11: Employees whose absences are greater than six or eight working days, based upon their collective agreement provisions, are required to file a claim form with RTW Services in order to substantiate their absence/and provide accommodation information. RTW Services managed 1997 STD claims in 2022. This is an increase of 24.7% over cases received in 2021.

2.0 Long-Term Disability (LTD)

LTD absences are illness or non-occupational injuries that extend beyond 130 days and are managed by a third-party (Manulife).

Table 1: Long-Term Disability Claims Data 2018 to 2022

	2018	2019	2020	2021	2022
New LTD Claims	77	75	98	54	70
LTD Active Claims at the end of Q4 by Year	196	197	229	224	211
Incident rate for new claims per 1000 employees	13.93	14.70	20.63	11.47	14.87
LTD Costs (monthly benefit payments, ASO fees, legal fees, vacation payouts and severances)	\$6,561,209	\$7,203,994	\$8,381,638	\$7,944,549	\$8,778,436

Table 1 shows 70 new LTD claims were received by Manulife in 2022, representing an increase of 16 claims or 29.6% when compared to 2021, which is trending above 2021 but

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below 2020 volumes. Claim resolutions for 2022 were the highest in the 3-year reporting period of 2020 to 2022 (84 claims resolved) with 51.2% resulting in a claim closure due to a return to work.

The incident rate for new claims increased from 11.47 in 2021 to 14.87 per 1000 insured employees in 2022. The increase in incident rate could be attributed to the overall increase in absences during the Short-Term Disability period leading to more claims filed with Manulife.

Table 2: LTD Most Frequent Claim Types 2020-2022

Claim Type	2020			2021			2022				
	MH	MSK	CAN	MH	MSK	CAN	MH	MSK	CAN		
City of Hamilton	36%	27%	13%	40%	24%	13%	40%	23%	14%		
Industry Comparator	39%	27%	11%	38%	27%	11%	42%	26%	10%		
MH = Mental Health			MSK = Musculoskeletal			CAN = Cancer			*Claim type for new claims received in year		

Mental health continues to be the most frequent diagnostic category representing 40% of all claims received by Manulife in 2022. This percentage is slightly below the industry comparison group at 42%.

3.0 Workplace Accommodation

Table 3: Overview of Work Accommodation Activity 2018 to 2022

	2018	2019	2020	2021	2022
Return to Work Full Duties Own Position	457	495	459	498	606
Permanent Accommodation Own Position	2	3	7	1	3
Permanent Accommodation New Position	10	6	3	3	14
Accommodation No Longer Available/Not Suitable	8	10	16	6	9
Recurrence/Employee is Totally Disabled	32	43	42	59	63
Other – e.g. retired, maternity leave, resigned	25	31	22	37	56
Total Cases Closed	534	588	549	601	751

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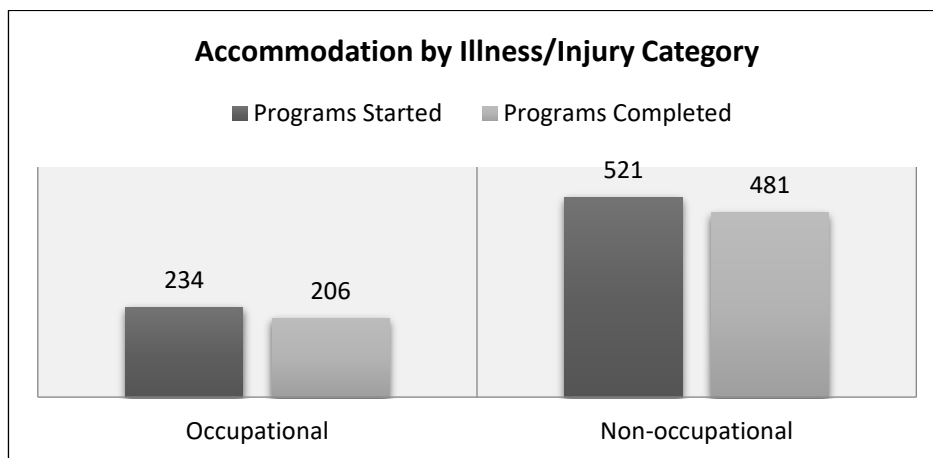
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(HUR23005) (City Wide)**

RTW Services assisted 606 employees in successfully returning to full-time hours and regular duties through the accommodation process in 2022. When adjusted to remove those employees who classify as totally disabled, and those who retired or resigned their employment, this represents a 96% success rate in finding suitable accommodations for eligible employees.

Graph 12: Workplace Accommodation Activity for 2022



In 2022, the RTW Services team received 755 new requests for accommodation by employees requiring assistance in returning to work or staying at work, which is an increase of 8.5% from 696 cases in 2021. The accommodation data includes both occupational and non-occupational cases.

Table 4: Waiting Permanent Accommodation Placement at End of Q4 2018 to 2022

	2018	2019	2020	2021	2022
Awaiting Permanent Accommodation	17	9	14	20	15

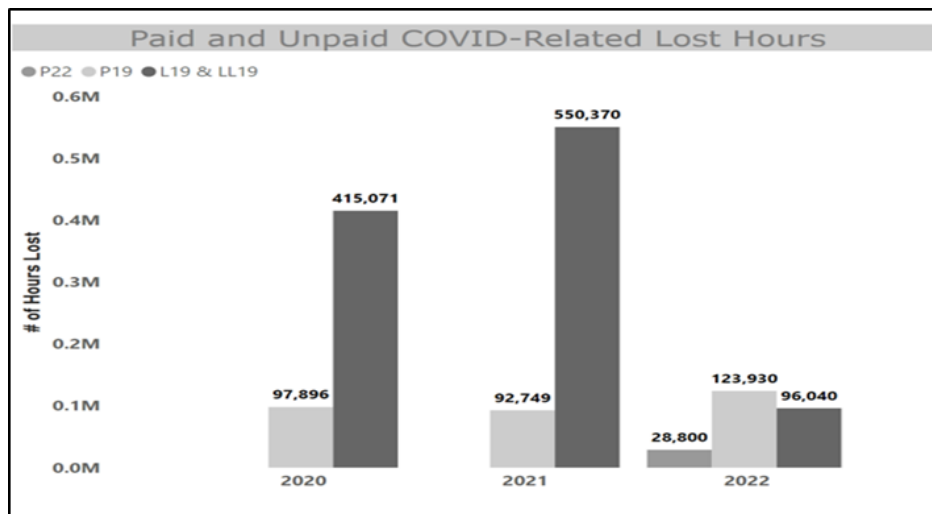
The number of employees waiting for permanent, suitable accommodated work remained low at the end of Q4 2022 (N=15). The success in finding permanent accommodations is the result of Human Resources working with all stakeholders, including management and union representatives, to find suitable employment for employees with permanent injuries or illnesses.

4.0 COVID-19 Absence Summary for City of Hamilton (excluding Police and Library)

COVID-19 Absences

In 2022, City employees incurred 248,468 lost hours due to paid and non-paid COVID-19 absences. The total lost hours incurred in 2022 is a significant reduction when compared to the total number of lost hours in 2021 (64.1% reduction). However, when breaking down the hours further, the reduction is seen only in non-paid lost hours. The reduction in non-paid lost hours is likely due to less operational closures of City facilities due pandemic restrictions and fewer requests for unpaid leaves by employees to accommodate school closures which occurred in 2020 and 2021.

**Graph 13: Paid and Unpaid COVID-19-Related Lost Hours
(Full-time/Part-time Status)**



The lost hours for COVID-19 absences are categorized as follows:

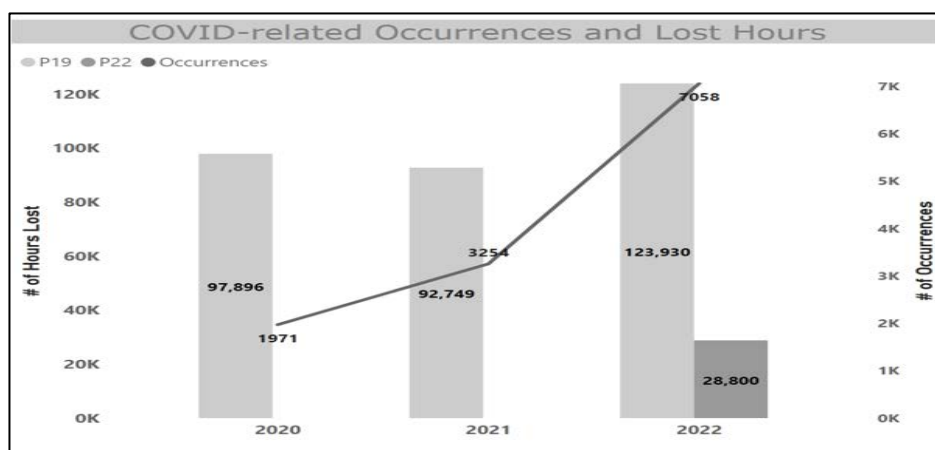
- 123,930 hours lost due to paid absences related to COVID-19 (P19 Coding)
- 28,800 hours lost due to paid absences related to COVID-9 (P22 Coding)
- 96,040 hours lost due to non-paid absences related to COVID-19 (L&LL19 Coding)

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**Graph 14: Paid COVID-19-related Occurrences and Lost Hours
(Full-time/Part-time Status)**



Graph 14 shows the number of P19 classified paid COVID-19 occurrences increased by approximately 65% in 2022. This trend is attributed to arrival of the Omicron variant in November 2021, which led to a significant increase in COVID-19 absences managed by Human Resources during 2022. The new Omicron variant was more transmissible and led to wide-spread community infections.

4.0 Initiatives to Manage and Support Employee Attendance related to COVID-19

Health, Safety & Wellness Initiatives

Human Resource's Occupational Health Nurse, working closely with other Health, Safety and Wellness and RTW Services staff, continued to play an integral role in managing COVID-19 absences in 2022. The combined supports across Human Resources were necessary to manage the steadily increasing volume of absences incurred over the course of the pandemic.

Table 5: Breakdown of COVID-19 Cases Managed by Human Resources

Case Type	2021 - Total Number of Cases	2022 - Total Number of Cases
Positive Results	419	2038*
Negative Results	2388	1556
Isolation	468	1824
Symptomatic/III Household Member	453	1014

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Case Type	2021 - Total Number of Cases	2022 - Total Number of Cases
Surveillance Testing	12447	203
Paramedic Administered PCR Testing for Fire/EMS/LTC/PH Staff	1680	1314
Vaccine Verification Records Entered	7918	4561
Rapid Testing Results	6606	14467

* Confirmed positive via PCR for Long-Term Care and Paramedics only, self-reported positive rapid tests for all other staff

Using active screening (via the COVID-19 Self-Assessment Screening Tool), COVID-19 cases were diverted to resources that assisted in preventing potentially infectious individuals from attending at work. Furthermore, Human Resources staff were able to advise employees when they were able to return to work from illness or isolation (based upon best practice, Public Health guidelines, and direction from the province).

Human Resources COVID-19-Related Strategies

The Occupational Health Nurse and the Health, Safety and Wellness team (in addition to other Human Resources staff), implemented a variety of strategies to reduce the transmission of the COVID-19 virus in the workplace. For brevity, they are presented in bulleted form:

COVID-19 Policy/Procedures/Reporting:

- Created and/or reviewed policies and procedures related to COVID-19 including the application of the COVID-19 Mandatory Vaccine Verification Policy
 - To date, approximately 8141 employees have provided proof of being fully vaccinated, representing approximately 95% of the active employee population
- COVID-19 Rapid Antigen Testing program for staff who did not disclose full vaccination implemented in October 2021 and continued through to August 12, 2022
 - Through the Rapid Antigen Testing Program 14467 Rapid Test results were submitted, each of which was reviewed by staff
- Continued to update workplace COVID-19 Health Self-Assessment Tool questions (both electronic and hard copy) in accordance with Ministry and Public Health guidelines, and provided direction and guidance to employees in navigating the screening tool

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**SUBJECT: Annual Employee Attendance Report 2022
(HUR23005) (City Wide)**

- Page 15 of 16

- Monitored and reviewed Provincial legislation and documents regarding managing COVID-19 in the workplace and implemented required measures and best practice recommendations.

Departmental Leadership Support:

- Provided education and support for staff with anxiety related to COVID-19
- Provided guidance and one-on-one coaching regarding Personal Protective Equipment (PPE) provisions with staff who have concerns over level of PPE provided, especially given the return to office planning in 2022
- Responded to management questions specific to COVID-19 control measures in their workplace operations
- Answered questions from union leaders, management and staff related to COVID-19 concerns and workplace protocols
- Provided recommendations or guidance to RTW Services regarding accommodation of immunocompromised staff
- Provided direction on the attendance coding of COVID-19 related absences

General Employee Support:

- Answered inquiries regarding COVID-19 symptoms, ill family members, exposures to COVID-19 and advised next steps based on the City's Screening Tool
 - A total of 6427 individual employee inquiries to Occupational Health were answered
- Followed up with employees who failed the City's Screening tool to ensure they followed the correct process
 - 5930 contacts were initiated with employees who failed the screening tool in 2022
- Provided clearance for employees to return to work after COVID-19 testing or completing their required isolation period
- Followed up with employees to ensure a timely return to work when their absence was longer than anticipated
- Provided education on Public Health requirements to staff
- Provided resources to manage anxiety related to COVID-19 concerns
- Updated supervisors and managers with respect to confidentiality of personal health information

First Responders/Long-term Care COVID-19 Testing:

- Collaborated with external Consulting Physician and Paramedics to expedite COVID-19 testing for First Responders and Long-term Care employees
- Arranged for COVID-19 testing for these groups to be conducted by community Paramedics and reviewed results
- Contacted employees with test results and advised on next steps to return to work

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(HUR23005) (City Wide)****- Page 16 of 16**

Medical Surveillance During Outbreaks in Long-Term Care:

- Based on Ontario directives, Lodges staff and anyone entering the facility required testing
- Arranged for PCR testing of Long-Term Care Staff
- Reviewed and recorded test results for Lodges employees
- Notified Lodges staff of positive results and next steps

RTW Services Absence Management Initiatives – COVID-19:

RTW Services worked in partnership with Health, Safety and Wellness and other Human Resources stakeholders to support employees with COVID-19 related absences in addition to the normal activities undertaken by the department. The following additional steps were taken to support departments and employees manage COVID-19 absences and accommodation requests:

- Identified and placed full-time employees on a paid leave (P19/P22) so that Income Protection Plan (IPP) non-paid days were not incurred
- Provided paid leave (P19/P22) for part-time employees who would not otherwise qualify for IPP benefits for COVID-19-related absences
- Explored accommodations for employees with underlying medical conditions
- Engaged Occupational Consulting Physicians to provide expert advice on return to work and accommodation requirements related to COVID-19
- Provided employees with EFAP resources to address COVID-19 related concerns

APPENDICES AND SCHEDULES ATTACHED

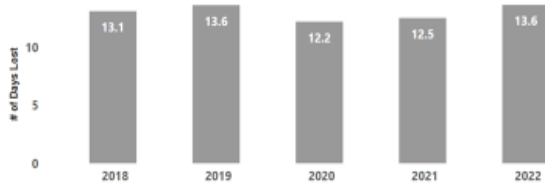
Appendix “A” to Report HUR23005 – Absence Summary by Departments



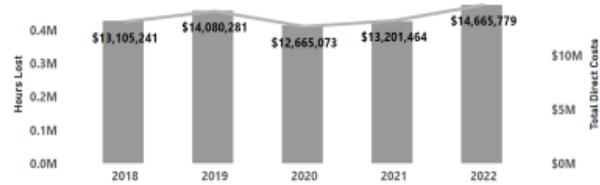
Absence Summary Less Fire Department

Department:
 Division:
 Section:
 Year:

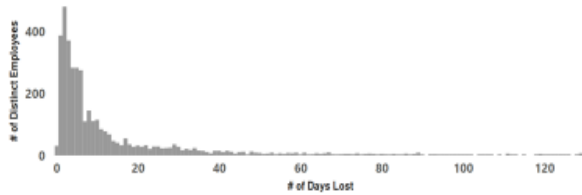
Average STD Days Lost per Eligible Employee



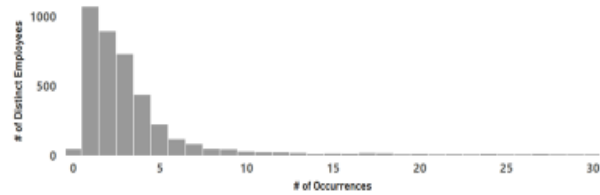
STD Lost Time & Associated Direct Costs



Employee Distribution by # of STD Days Lost for FY 2022



Employee Distribution by # of STD Occurrences for FY 2022



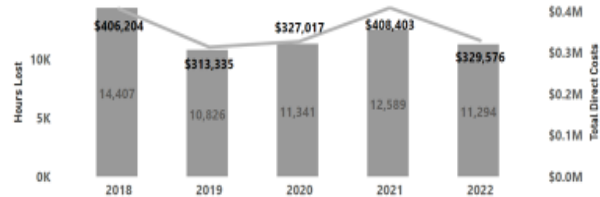
Absence Summary

Department:
 Division:
 Section:
 Year:

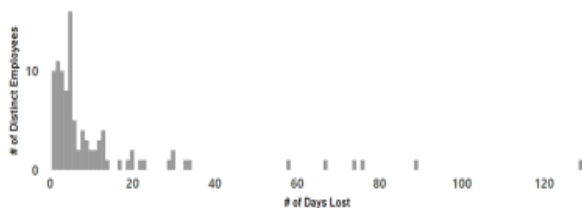
Average STD Days Lost per Eligible Employee



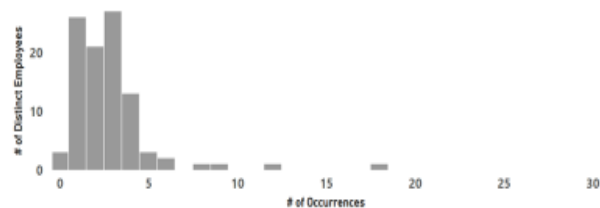
STD Lost Time & Associated Direct Costs



Employee Distribution by # of STD Days Lost for FY 2022



Employee Distribution by # of STD Occurrences for FY 2022

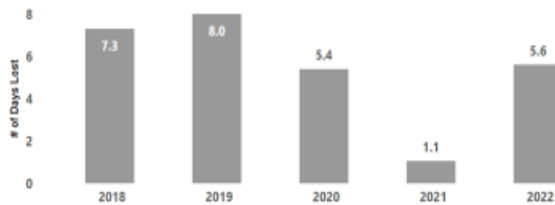




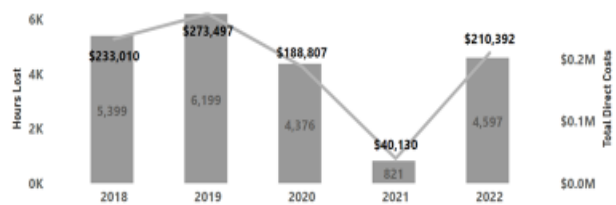
Absence Summary

Department:
 Division:
 Section:
 Year:

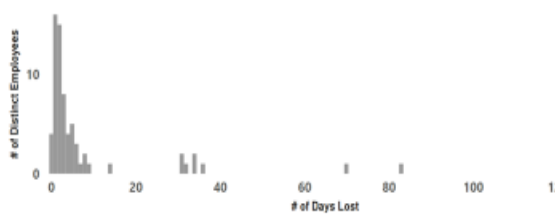
Average STD Days Lost per Eligible Employee



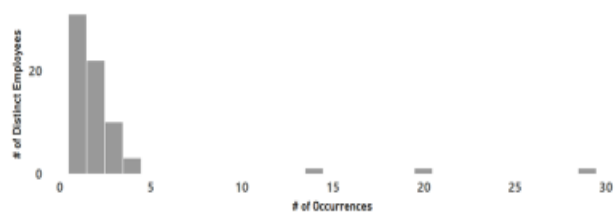
STD Lost Time & Associated Direct Costs



Employee Distribution by # of STD Days Lost for FY 2022



Employee Distribution by # of STD Occurrences for FY 2022



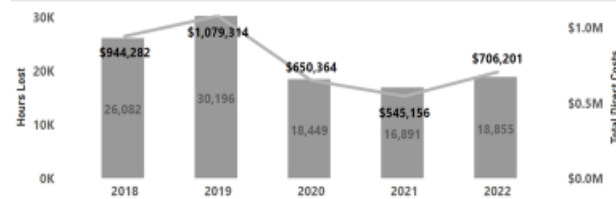
Absence Summary

Department:
 Division:
 Section:
 Year:

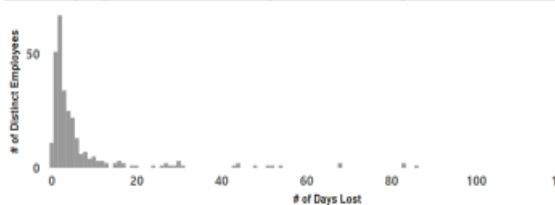
Average STD Days Lost per Eligible Employee



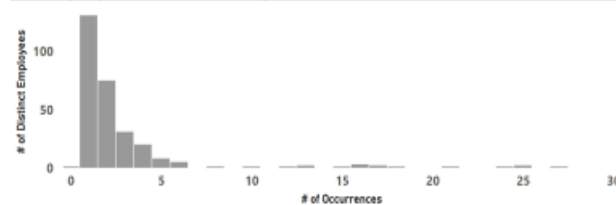
STD Lost Time & Associated Direct Costs



Employee Distribution by # of STD Days Lost for FY 2022



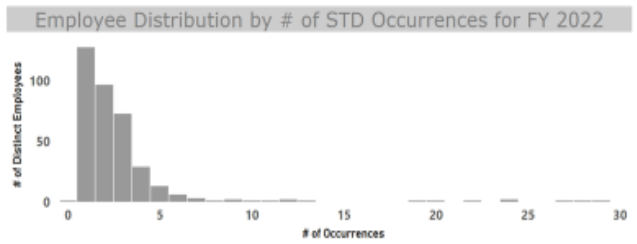
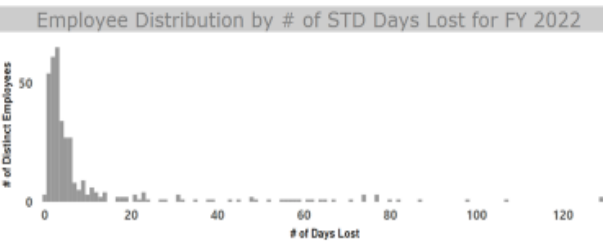
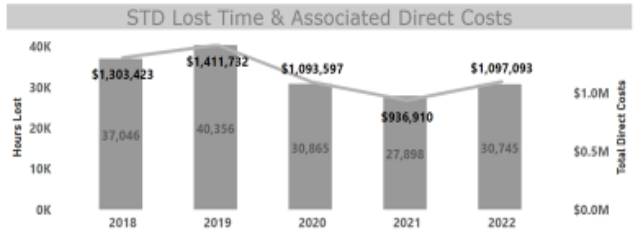
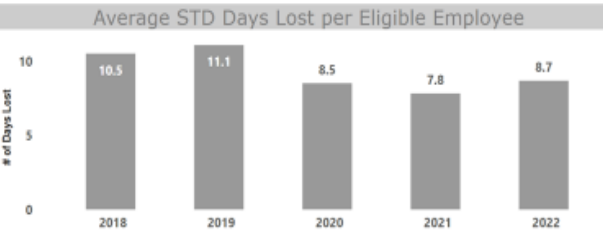
Employee Distribution by # of STD Occurrences for FY 2022





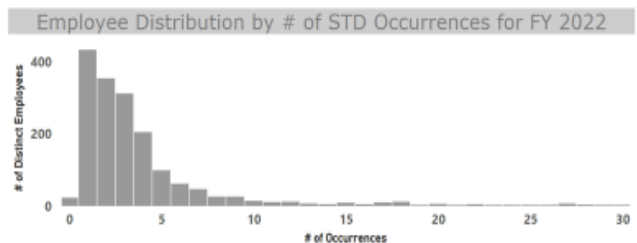
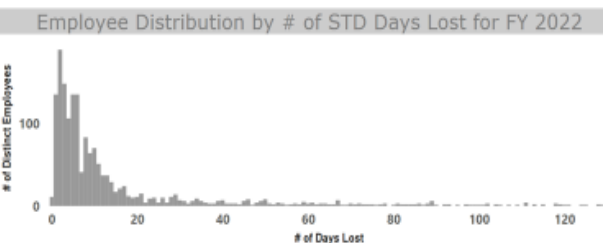
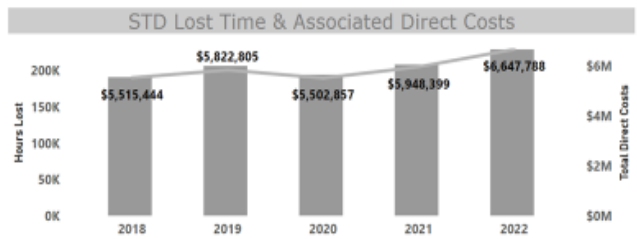
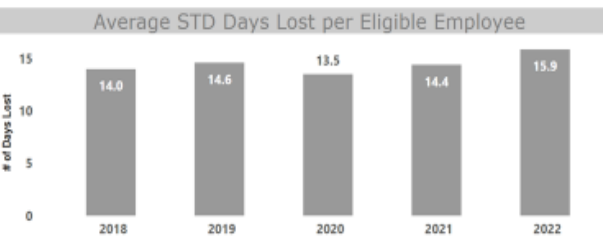
Absence Summary

Department:
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 Year:



Absence Summary

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 Division:
 Section:
 Year:

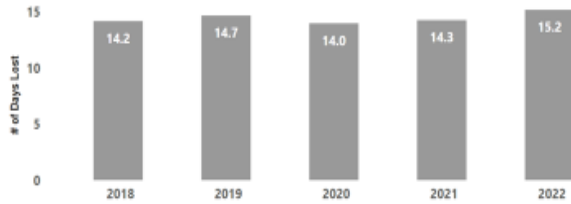




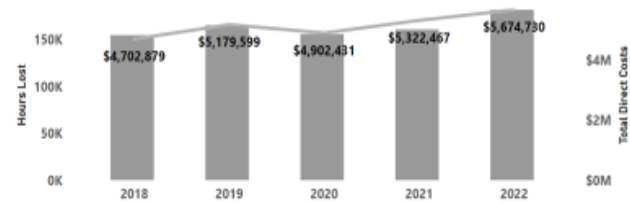
Absence Summary Less Fire Department

Department:
 Division:
 Section:
 Year:

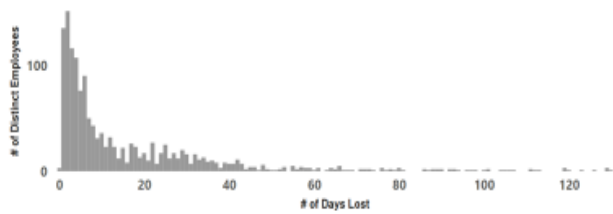
Average STD Days Lost per Eligible Employee



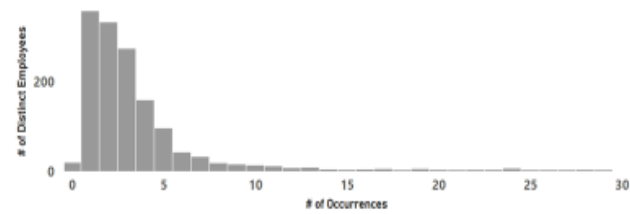
STD Lost Time & Associated Direct Costs



Employee Distribution by # of STD Days Lost for FY 2022



Employee Distribution by # of STD Occurrences for FY 2022



Drill through Divisional Absence Summary

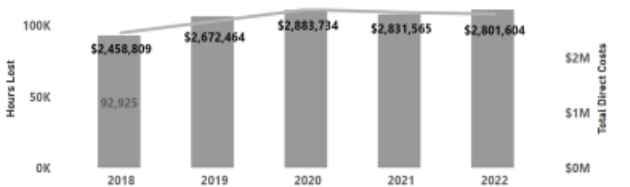
Divisional Absence Summary

Department Description: PublicWorks
 Division Description: Transit
 Section Description: All

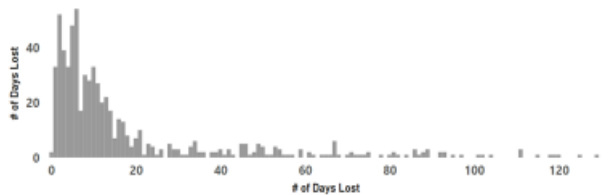
Average STD Days Lost per Eligible Employee



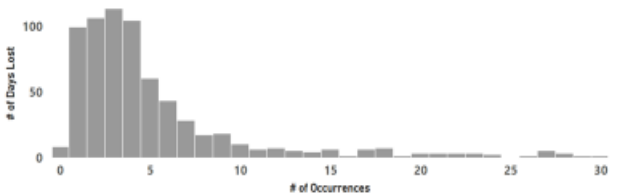
STD Lost Time & Associated Direct Costs



Employee Distribution by # of STD Days Lost for FY 2022



Employee Distribution by # of STD Occurrences for FY 2022





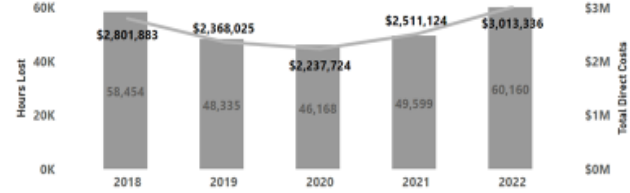
Absence Summary Fire Department

Department:
 Division:
 Section:
 Year:

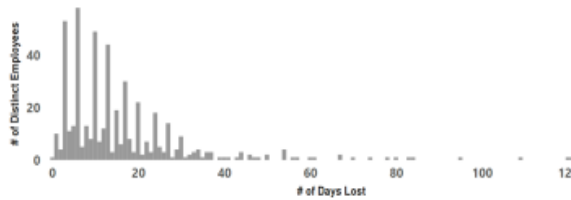
Average STD Days Lost per Eligible Employee



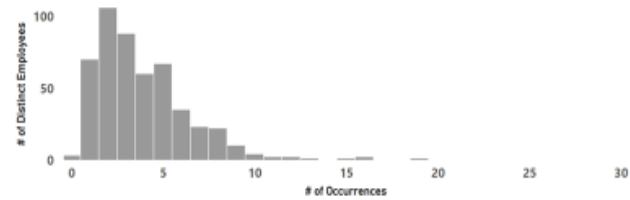
STD Lost Time & Associated Direct Costs



Employee Distribution by # of STD Days Lost for FY 2022



Employee Distribution by # of STD Occurrences for FY 2022



Drill through Divisional Absence Summary

Divisional Absence Summary

Department Description
Healthy&SafeCommunities

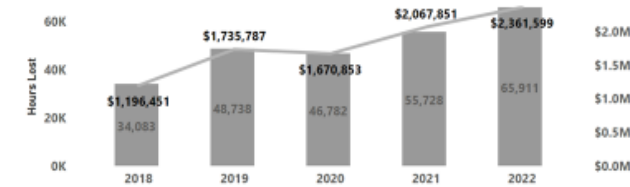
Division Description
HamiltonParamedicServices

Section Description
All

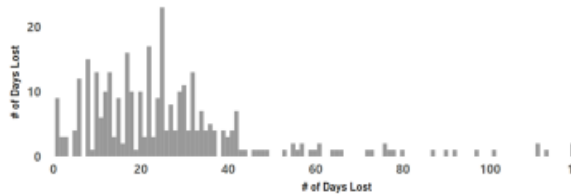
Average STD Days Lost per Eligible Employee



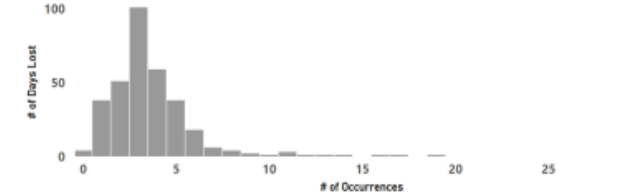
STD Lost Time & Associated Direct Costs



Employee Distribution by # of STD Days Lost for FY 2022



Employee Distribution by # of STD Occurrences for FY 2022





Drill through Divisional Absence Summary

Divisional Absence Summary

Department Description
Healthy&SafeCommunities

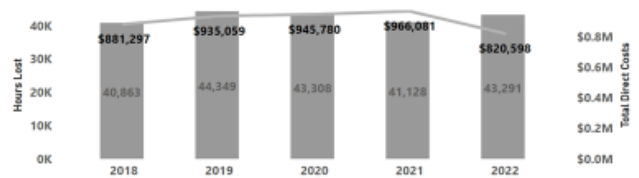
Division Description
Lodges

Section Description
All

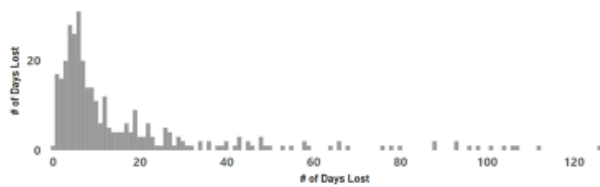
Average STD Days Lost per Eligible Employee



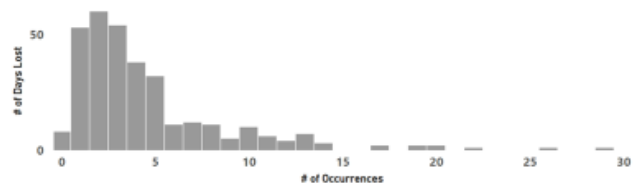
STD Lost Time & Associated Direct Costs



Employee Distribution by # of STD Days Lost for FY 2022



Employee Distribution by # of STD Occurrences for FY 2022



Drill through Divisional Absence Summary

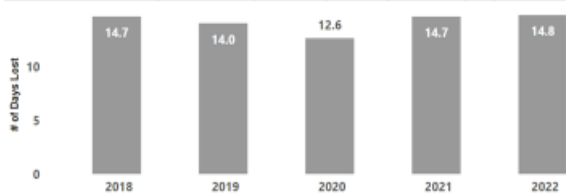
Divisional Absence Summary

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PublicWorks

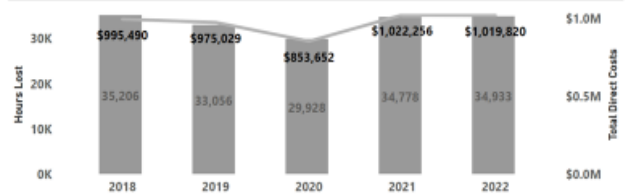
Division Description
TransportationOps&Mtnce

Section Description
All

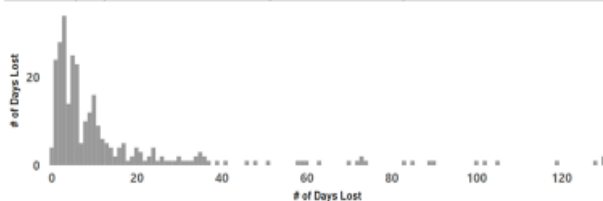
Average STD Days Lost per Eligible Employee



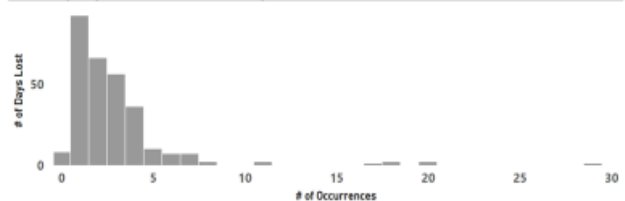
STD Lost Time & Associated Direct Costs



Employee Distribution by # of STD Days Lost for FY 2022



Employee Distribution by # of STD Occurrences for FY 2022





Drill through Divisional Absence Summary

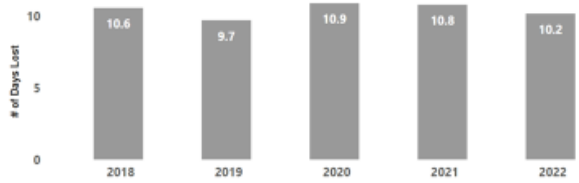
Divisional Absence Summary

Department Description
Healthy&SafeCommunities

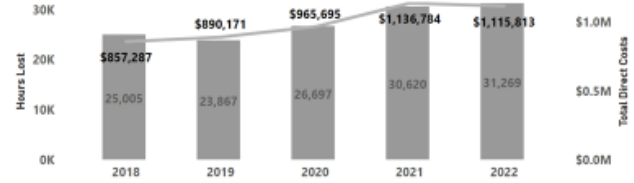
Division Description
MedicalOfficerofHealth

Section Description
All

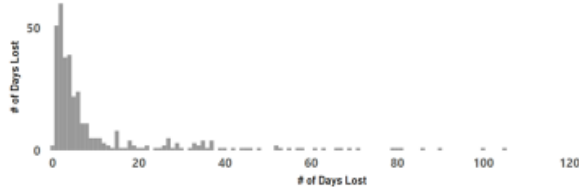
Average STD Days Lost per Eligible Employee



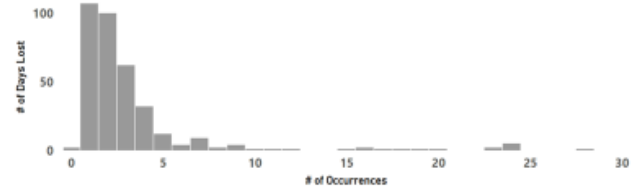
STD Lost Time & Associated Direct Costs



Employee Distribution by # of STD Days Lost for FY 2022



Employee Distribution by # of STD Occurrences for FY 2022



COVID-Related Lost Hours & Occurrences

Department

All

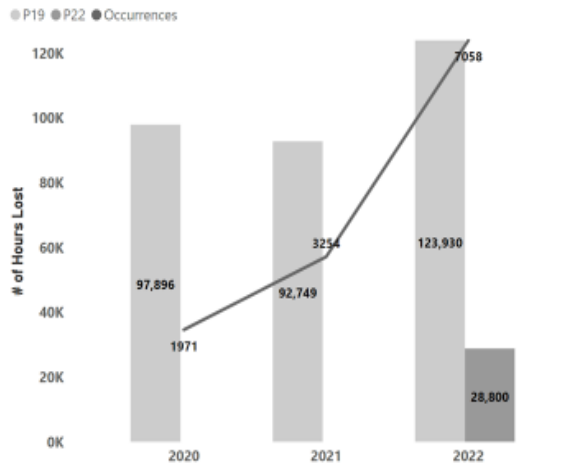
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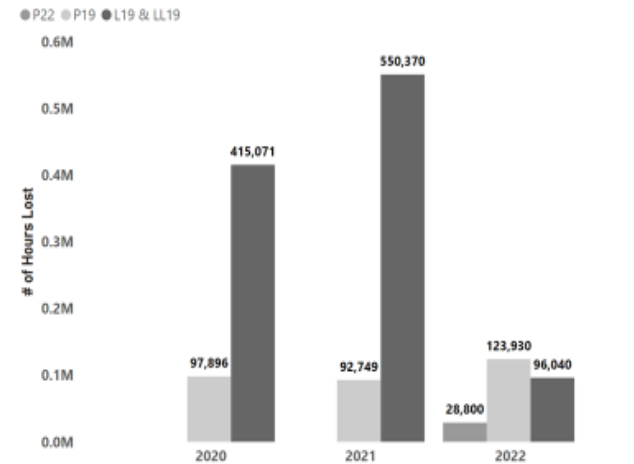
Section

All

COVID-related Occurrences and Lost Hours





Paid and Unpaid COVID-Related Lost Hours





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

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 23, 2023
SUBJECT/REPORT NO:	Use of External Services for Tax Assessment & Appeals (FCS20005(b)/LS21047(a)) (Outstanding Business List Item) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Maria Di Santo (905) 546-2424 Ext. 5254 Susan Nicholson (905) 546-2424 Ext. 4707
SUBMITTED BY:	Shelley Hesmer Acting Director, Financial Services and Taxation and Corporate Controller Corporate Services Department
SIGNATURE:	
SUBMITTED BY:	Lisa Shields City Solicitor, Legal and Risk Management Services Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That costs for the use of external legal counsel, if required, to supplement internal legal resources and use of Assessment & Appraisal consultants / Expert Witnesses to actively participate in Assessment Appeals be funded from the existing Appeals operating budget (52108-252013);

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

- (b) That staff report on the financial impacts of the City of Hamilton's active participation in Assessment Appeals through the Annual Assessment Appeals Report; and;
- (c) That as a result of this report, the item representing Use of External Services for Tax Assessment & Appeals will be considered complete and removed from the Audit, Finance and Administration Committee outstanding business list.

EXECUTIVE SUMMARY

As reported annually by means of the Annual Assessment Appeals Report, challenges to the Municipal Property Assessment Corporation's (MPAC) assessed values continue to exist and ultimately result in significant negative impacts on a municipality's assessment base and resulting property tax revenues. The City of Hamilton (City) loses millions of dollars annually to Assessment Appeals. In recognition of this, staff report "Criteria for Participation in Assessment Appeals (FCS20063(a))" was approved by Council in December 2020, laying out the framework on how and when the City will actively participate in Assessment Appeals.

In order to actively participate in Assessment Appeals, a further staff report "Use of External Services for Tax Assessment & Appeals (FCS20005(a)/LS21047)", was approved by Council in December 2021, and gave authority to temporarily fund the following from the Tax Stabilization Reserve (Account number 110046) up to April 30, 2023:

- Hiring of one temporary solicitor and one temporary legal support;
- Use of external legal counsel, if required, to supplement internal legal resources;
- 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); and
- 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.

The intent of this staff report is to provide Council with information on the outcome of the City's active participation in Assessment Appeals and, due to its success, recommend that this participation become permanent. In doing so, a sustainable funding source is required. The funding requirement being proposed is nominal in comparison to the financial success of this program. Mitigating the municipal tax losses from one large appeal more than offsets the annual costs.

As identified in Appendix "A" to Report Use of External Services for Tax Assessment & Appeals (FCS20005(b)/LS21047(a)), the City's active participation in Assessment

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Appeals has been very successful. In 2022, the City participated in 66 Assessment Act and Municipal Act appeals, of which 33 appeals were closed in 2022, while 33 remain open.

In 2022, 33 appeals were filed with a total estimated potential municipal property tax loss of \$9.8 M. The results from the appeals are as follows:

- 6 appeals resulted in a municipal tax loss being settled totalling \$808,000.
- 1 appeal resulted in a municipal tax increase being settled totalling \$5,000.
- 26 appeals resulted in no municipal tax loss.
- Total external costs incurred totaled \$109,000.
- Net of the external costs, \$8.9M (or 91%) of the total estimated potential municipal tax loss was mitigated.

The financial benefits identified above are understated for appeals in which the City is not able to quantify the municipal tax loss mitigated due to the appeal being withdrawn prior to the issuance of the Statement of Issues, which identifies the assessment reduction being sought by the appellant. In addition, these figures do not include further mitigation for the 2023 taxation year (assessment value settled for 2022 carried to 2023). As such, the \$8.9M in mitigated municipal tax loss for 2022 is the minimum amount achieved.

Furthermore, actively participating in appeals also helps preserve the City's assessment base and thereby mitigates potential tax shifts to the Residential property class. The majority of the properties in which the City is actively participating in, have large assessed values and are in the Commercial and/or Industrial property classes. Reductions in the non-residential assessment base shifts the tax burden onto the Residential property class. Actively participating in Assessment appeals helps preserve the non-residential assessment base, which in turn mitigates this potential tax shift.

In total, \$254,000 was funded from the Tax Stabilization Reserve in 2022 for external costs. Of this amount, \$109,000 was incurred to support the 33 appeals that closed in 2022, while the remaining \$145,000 (exclusive of \$3,000 incurred in 2021) was incurred on appeals that are still open. The total external cost of \$254,000 is a small fraction of the total municipal tax loss that was, and is expected to be, mitigated. This was possible due to the hiring of one temporary solicitor and one temporary support staff which minimized the amount of external legal counsel required. The use of external legal counsel was primarily used early in the past year, prior to the hiring of the temporary solicitor and support staff. Approximately 73% of the total \$254,000 external costs incurred were for Assessment and Appraisal Services/Expert Witnesses. There are currently 33 open Assessment Appeals, and these represent a minimum total estimated potential municipal tax loss of \$17.4M, to be settled some time in 2023 or

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

future. This estimated potential municipal tax loss will increase once the assessment reduction being sought is identified for ones yet to be determined, when the additional assessment year (2023) under appeal is captured and as additional appeals meeting the City's criteria for participation are put forward. In order to mitigate as much of this potential municipal tax loss as possible, it is imperative that the City continue its active participation in Assessment Appeals, thereby requiring a sustainable funding source to support the program. With the upcoming (yet to be announced) reassessment, the amount of appeals and potential municipal tax loss will grow substantially. Favourably positioning the City as an active participant in appeals will be beneficial in future appeals.

Alternatives for Consideration – Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: External costs incurred in 2022 to actively participate in appeals totalled \$254,000. Based on this, and the expected increase in the number and/or complexity of Assessment Appeals, it is estimated that annual external costs will be approximately \$300,000 (depending on the number of and complexity of appeals). It is recommended that this be funded from the existing \$7.5M operating budget for appeals.

Staffing: Legal resources are an integral part of any appeal. If the City wishes to continue to actively participate in appeals, Taxation's access to dedicated, internal legal resources is essential to address the large volume of Assessment Appeals. This is supported through a business case put forward as part of the 2023 operating budget submission, which recommends that the existing temporary solicitor and temporary support staff be made permanent (annualized budget of \$315,376; 2 Full Time Employees "FTE" s).

Legal: The City has participated in 66 appeals in 2022 (half of which remain open) and this figure is expected to grow. Prior to 2021, City Legal staff's involvement in Assessment Appeals amounted to acting on only two appeals over a twelve-year period and providing sporadic advice to Taxation staff. Assessment Appeals require a significant investment of legal staff time. Before the appeals are heard, many 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;

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

- (d) Requests for further disclosure;
- (e) Procedural motions for matters in dispute;
- (f) Mandatory settlement meetings and potential full hearings if settlement not reached;
- (g) Review of expert reports; and
- (h) Extensive consultation with Taxation staff and retained experts.

All the above needs to be completed within a strict timeline (schedule of events) mandated by the Assessment Review Board (ARB). In addition, the ARB is somewhat inflexible in respect of requests to alter its schedule of events for any appeal. The ARB hearing process is more like a Court litigation process as opposed to an Ontario Land Tribunal hearing process.

HISTORICAL BACKGROUND

Appeals on a property's value is a constant risk to the City's assessment base. In order to mitigate the erosion of the assessment base and resulting municipal tax loss, it is imperative that the City be an active participant in Assessment Appeals. However, due to the high volume of appeals, it would not be financially prudent to participate in all appeals. As such, the Council approved criteria ensure that the City participates in appeals with the highest risk of municipal tax revenue loss.

In order to assist internal resources, a Roster for Consultancy Services for the Provision of Assessment Based Management, Property Assessment & Taxation Appeals, Appraisal & Expert Witnesses (C2-01-21) was established in June 2021 for a three-year term. Use of the Roster affords City staff with access to required external resources to supplement the City's participation in appeals. Once the term of the existing Roster expires (May 31, 2024), staff will evaluate the continued use of a Roster for access to the required consultants and appraisers.

Due to the significant amount of legal resources required to actively participate in Assessment Appeals, it was determined at the early stages of this program, that two temporary FTEs would be hired to more efficiently handle the appeals and reduce the amount of external legal counsel required.

The intent of reporting back to Council after a full year of active participation in appeals was to allow enough time to measure the success of the program before recommending its continuation. It also allowed staff to obtain a better indication of the annual costs the City would expect to incur should the program be made permanent. Continuing to actively participate in Assessment Appeals would require adequate resources,

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

recommended via this staff report and the business case included in the 2023 operating budget submission.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Council approved By-law 13-064 “Delegation of Authority to the Treasurer and Deputy Treasurers for Assessment Appeals”.

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

The results of the 2022 active participation in appeals clearly shows that actively participating in appeals makes a difference. The City’s involvement in just one year, successfully mitigated \$8.9M (or 91%) of the total estimated potential municipal tax loss, even when considering the external costs. If the City wishes to continue to mitigate the annual municipal tax losses experienced each year and continued erosion of the assessment base as a result of assessment appeals, it is imperative that the active participation in appeals program be made permanent. Approving a sustainable funding source for this program will allow the City to continue to actively participate in the current 33 open appeals and new appeals as they are filed.

Staff will continue to update Council via the Annual Assessment and Appeals Report, providing the opportunity for modifications to the City’s participation, should Council at any time wish to increase participation further or scale back the City’s participation should the additional costs exceed the benefits.

ALTERNATIVES FOR CONSIDERATION

The City can cease to actively participate in appeals and require MPAC to defend their assessed values. This would result in no added costs, however would result in the City continuing to experience significant municipal property tax losses due to appeals. It would also result in the City no longer continuing with the current 33 open appeals, thereby jeopardizing our ability to mitigate the current potential municipal tax loss of \$17.4M.

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

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

Appendix “A” to Report FCS20005(b)/LS21047(a) - 2022 Assessment & Municipal Act Appeals Property Listing”

Appendix "A" to Report Use of External Services for Tax Assessment & Appeals (FCS20005(b)) (LS21047(a))

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2022 Assessment & Municipal Act Appeals Property Listing

CLOSED APPEALS - 2022

Property Address		Property Type	Appeal Status	Taxation Years Under Appeal	Total Estimated Potential Municipal Tax Loss ²	Actual Total Municipal Tax Loss	External Costs	Total Municipal Tax Loss Mitigated (net of external costs)	
								\$	%
1151-1171 Upper James St	Assessment Act	Commercial	Settlement	2021	\$58,300	\$7,400	\$420	\$50,480	86.6%
0 Warrington	Assessment Act	Commercial	Withdrawn	2020	withdrawn before SOI	\$0	\$3,700		
2100 Rymal Rd E	Assessment Act	Commercial	Dismissed	2017-2022	\$837,500	\$0	\$5,500	\$832,000	99.3%
119 Osler Rd E	Assessment Act	Commercial	Withdrawn	2019-2022	\$192,400	\$0	\$0	\$192,400	100.0%
617-659 Parkdale Ave	Assessment Act	Commercial/Industrial	Withdrawn	2017-2022	\$341,500	\$0	\$6,950	\$334,550	98.0%
237-379 Burlington St E	Assessment Act	Commercial/Industrial	Withdrawn	2017-2022	\$183,200	\$0	\$2,460	\$180,740	98.7%
515 Victoria Ave N	Assessment Act	Commercial	Withdrawn	2017-2022	\$105,200	\$0	\$1,410	\$103,790	98.7%
333 Burlington St E	Assessment Act	Industrial	Withdrawn	2017-2022	\$159,000	\$0	\$2,130	\$156,870	98.7%
400 Burlington St	Assessment Act	Commercial/Industrial	Withdrawn	2017-2022	withdrawn before SOI	\$0	\$0		
669 Nebo Rd	Assessment Act	Industrial	Withdrawn	2019-2022	\$589,400	\$0	\$0	\$589,400	100.0%
9300 Airport Rd	Assessment Act	Commercial	Withdrawn	2017-2022	\$269,000	\$0	\$0	\$269,000	100.0%
199 Eastport Blvd	Assessment Act	Commercial	Withdrawn	2022	withdrawn before SOI	\$0	\$0		
1308 Rymal Rd E	Assessment Act	Commercial/Industrial	Withdrawn	2022	withdrawn before SOI	\$0	\$0		
68 George St	Assessment Act	Commercial	Withdrawn	2021-2022	\$236,100	\$0	\$3,600	\$232,500	98.5%
501-565 Sanatorium Rd	Assessment Act	Commercial	Settlement	2017-2022	\$973,500	\$48,060	\$7,690	\$917,750	94.3%
565 Sanatorium Rd	Assessment Act	Commercial	Withdrawn	2019-2022	\$122,500	\$0	\$4,040	\$118,460	96.7%
2501- 2537 Regional Road 56	Assessment Act	Commercial	Withdrawn	2022	\$38,900	\$0	\$0	\$38,900	100.0%
144 Queen St	Assessment Act	Commercial	Withdrawn	2022	withdrawn before SOI	\$0	\$0		
1520 Stone Church Rd E	Assessment Act	Commercial	Withdrawn	2022	withdrawn before SOI	\$0	\$0		
130 Mud St E	Assessment Act	Commercial	Settlement	2017-2022	\$1,135,300	\$411,930	\$0	\$723,370	63.7%
1770-1810 Sone Church Rd E ¹	Assessment Act	Commercial	Settlement	2021-2022	\$76,700	-\$5,070	\$2,750	\$79,020	103.0%
1565 Upper James St	Assessment Act	Commercial	Settlement	2017-2022	\$407,900	\$46,370	\$5,020	\$356,510	87.4%
286 Sanford Ave N	Assessment Act	Commercial	Settlement	2019-2022	\$333,900	\$36,600	\$10,400	\$286,900	85.9%
0 Industrial Dr	Assessment Act	Commercial/Industrial	Settlement	2021-2022	\$398,400	\$257,750	\$23,140	\$117,510	29.5%
502 - 544 Centennial Pkwy N	Assessment Act	Commercial	Withdrawn	2022	\$18,000	\$0	\$0	\$18,000	100.0%
50 Levitt Blvd E	Assessment Act	Industrial	Withdrawn	2021-2022	\$3,354,500	\$0	\$20,330	\$3,334,170	99.4%
43-51 King St E	Municipal Act	Commercial	Dismissed	2020-2021	unknown	\$0	\$8,110		
565 Sanatorium Road	Municipal Act	Commercial	Withdrawn	2020	unknown	\$0	\$0		
1227 Barton St E	Municipal Act	Commercial	Withdrawn	2020	unknown	\$0	\$1,320		
75 Centennial Pkwy N	Municipal Act	Commercial	Withdrawn	2020	unknown	\$0	(included above)		
1224 Upper James	Municipal Act	Commercial	Withdrawn	2020	unknown	\$0	(included above)		
1248 Mohawk Rd	Municipal Act	Residential (Retirement home)	Withdrawn	2020	unknown	\$0	(included above)		
999 Upper Wentworth St	Municipal Act	Commercial	Withdrawn	2020	unknown	\$0	(included above)		
Total - 2022 Closed					\$9,831,200	\$803,040	\$108,970	\$8,919,190	90.7%

Appendix "A" to Report Use of External Services for Tax Assessment & Appeals (FCS20005(b)) (LS21047(a))

OPEN APPEALS - 2022


Property Address	Assessment Act	Property Type	Appeal Status	Taxation Years Under Appeal	Total Estimated Potential Municipal Tax Loss ²	Actual Total Municipal Tax Loss	External Costs	Total Municipal Tax Loss Mitigated (net of external costs)	
								\$	%
52-76 Dundas St E	Assessment Act	Commercial	Open	2020-2022	\$529,000	TBD	TBD	TBD	TBD
675 Upper James St	Assessment Act	Commercial	Open	2017-2022	\$439,100	TBD	TBD	TBD	TBD
14 Martindale Cres ¹	Assessment Act	Commercial	Open	2017-2022	\$147,800	TBD	TBD	TBD	TBD
999 Upper Wentworth St	Assessment Act	Commercial	Open	2020-2022	\$8,963,300	TBD	TBD	TBD	TBD
2126 Rymal Rd E	Assessment Act	Commercial	Open	2022	\$132,800	TBD	TBD	TBD	TBD
40 Bay St S	Assessment Act	Commercial	Open	2021-2022	\$398,400	TBD	TBD	TBD	TBD
130-150 King St E	Assessment Act	Commercial/Multi-Res	Open	2017-2022	\$1,597,300	TBD	TBD	TBD	TBD
640 Mohawk Rd W	Assessment Act	Commercial	Open	2017-2022	\$449,700	TBD	TBD	TBD	TBD
80-90 Dundas St E	Assessment Act	Commercial	Open	2020-2022	\$368,100	TBD	TBD	TBD	TBD
1 King St W	Assessment Act	Commercial	Open	2021-2022	\$399,800	TBD	TBD	TBD	TBD
158-166 Upper Mount Albion Rd	Assessment Act	Commercial	Open	2021-2022	\$368,800	TBD	TBD	TBD	TBD
116 King St W	Assessment Act	Commercial	Open	2021-2022	\$295,300	TBD	TBD	TBD	TBD
75 Centennial Pky N	Assessment Act	Commercial	Open	2021-2022	\$1,899,400	TBD	TBD	TBD	TBD
1020 Osprey Dr ¹	Assessment Act	Commercial	Open	2021-2022	\$343,700	TBD	TBD	TBD	TBD
505 Woodward Ave ¹	Assessment Act	Commercial/Industrial	Open	2017-2022	\$503,300	TBD	TBD	TBD	TBD
54 Hess St	Assessment Act	Commercial/Residential	Open	2021-2022	\$7,400	TBD	TBD	TBD	TBD
35-73 Wilson St W	Assessment Act	Commercial	Open	2022	\$14,300	TBD	TBD	TBD	TBD
54 Wilson St W	Assessment Act	Commercial	Open	2022	\$51,800	TBD	TBD	TBD	TBD
65 Mall Rd	Assessment Act	Commercial	Open	2022	\$59,400	TBD	TBD	TBD	TBD
210 Centennial Pky N	Assessment Act	Commercial	Open	2017-2022	\$462,700	TBD	TBD	TBD	TBD
60 Caledon Ave	Assessment Act	Commercial (vacant land)	Open	2020-2022	TBD	TBD	TBD	TBD	TBD
83-85 Emerald St	Assessment Act	Residential (Retirement home)	Open	2022	TBD	TBD	TBD	TBD	TBD
1227-1271 Barton St E	Assessment Act	Commercial	Open	2021-2022	TBD	TBD	TBD	TBD	TBD
1 Redfern Ave	Assessment Act	Residential (Condo Dev.)	Open	2021	TBD	TBD	TBD	TBD	TBD
50 Aeropark Blvd	Assessment Act	Commercial	Open	2022	TBD	TBD	TBD	TBD	TBD
Portia Dr	Assessment Act	Commercial	Open	2022	TBD	TBD	TBD	TBD	TBD
205 Coreslab Dr	Assessment Act	Commercial/Industrial	Open	2022	TBD	TBD	TBD	TBD	TBD
1917 King St E	Municipal Act	Commercial	Open	not received	TBD	TBD	TBD	TBD	TBD
191 King St W	Municipal Act	Commercial	Open	not received	TBD	TBD	TBD	TBD	TBD
81 Hopkins Court	Municipal Act	Residential	Open	not received	TBD	TBD	TBD	TBD	TBD
60 Caledon Ave	Municipal Act	Commercial (vacant land)	Open	not received	TBD	TBD	TBD	TBD	TBD
83-85 Emerald St	Municipal Act	Residential (Retirement home)	Open	2021	TBD	TBD	TBD	TBD	TBD
565 Sanatorium Road	Municipal Act	Commercial	Open	not received	TBD	TBD	TBD	TBD	TBD
Total - 2022 Open					\$17,431,400	TBD	TBD	TBD	TBD

¹ The City is seeking an increase to the value returned by MPAC

² Annual impact calculated based on original Statement of Issues (SOI) received, multiplied by number of years under appeal



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Services and Taxation Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 23, 2023
SUBJECT/REPORT NO:	Request to Extend Banking Services Agreement (FCS23036) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Nikki Freeman (905) 546-2424 Ext. 3020 Tina Iacoe (905) 546-2424 Ext. 2796
SUBMITTED BY:	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) Pursuant to Procurement Policy #11 – Non-competitive Procurements, that the General Manager, Finance and Corporate Services Department, or their designate, be authorized and directed to negotiate an extension to Contract C12-01-11 for Professional Banking Services for the City of Hamilton (City) for a period of no less than three years with the Royal Bank of Canada (RBC); and
- (b) That staff be directed to report back with the results of the negotiations of the extension with RBC to the Audit, Finance and Administration Committee for approval.

EXECUTIVE SUMMARY

The purpose of this Report is to seek Council's approval to direct the General Manager of Corporate Services, or his designate, to negotiate an extension to Contract C12-01-11, Professional Banking Services for the City of Hamilton (City) with the City's current provider of these services, RBC. This contract extension is necessary to ensure that RBC continues to provide banking services to the City while City staff, in parallel, develop and issue a formal competitive procurement process for banking services targeted for release in 2025.

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SUBJECT: Request to Extend Banking Services Agreement (FCS23036) (City Wide) - Page 2 of 5

Alternatives for Consideration – Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The annual compensation and cash management fees for the period of October 1, 2021 – September 30, 2022 is \$140,400 (excluding reloadable payment cards) based on a flat fee schedule.

Staffing: Major stakeholders across City departments will support the RFP process and implementation.

Legal: Contract with the bank would have to be reviewed and approved by the City Solicitor.

HISTORICAL BACKGROUND

RBC has been providing banking services for the City of Hamilton since 2001. The initial contract was approved by Council in May 2001 through Report FCS01047 and was subsequently extended an additional four years by Council in June 2006 through Report FCS06065. In March 2010, Council approved Report FCS10018 directing staff to issue a request for proposals for banking services for a term of ten (10) years.

In early 2011, Request for Proposal (RFP) C12-01-11 for Professional Banking Services for the City of Hamilton was issued and closed on March 8, 2011 with the City receiving two proposals from RBC and Scotiabank. In accordance with the Procurement Policy, both proposals were evaluated, and a preferred proponent was selected by staff. On October 11, 2011, Report FCS11084 was approved by Council, awarding the ten-year contract for banking services (C12-01-11) to RBC.

Contract C12-01-11 was set to expire on October 10, 2021 however, prior to its expiry, Council approved Report FCS21027, directing staff to negotiate an additional one-year term with an option to extend an additional one-year term for the provision of banking services through a Policy #11 Non-Competitive Procurement. Contract C12-01-11 is now due to expire on September 30, 2023. During this time, City staff was looking to issue an RFP for banking services, however, due to staffing vacancies in Accounting Services, there were not sufficient resources to conduct an open and competitive RFP.

As per the City of Hamilton's Procurement Policy and associated By-Law 20-205 as amended, Procurement Policy #4 – "Determining the Procurement Policy, Section 4.5(5) staff is required to seek Council direction on the type of procurement process to be followed for the acquisition of the Good and/or Service where there is an incumbent vendor on a City Corporate contract which is of a highly sensitive nature, due to the risk associated with financial loss, confidentiality or the handling of sensitive information.

SUBJECT: Request to Extend Banking Services Agreement (FCS23036) (City Wide) - Page 3 of 5

The issuance of an RFP for banking services and the potential changing of banking institutions will have a significant impact on City operations, affecting all departments and physical locations. Since the bank is intricately tied to the financial controls of the City especially as it relates to cash handling, deposits, investments and disbursements, staff require no less than three years in order to develop and award a new contract and potentially transition banking services to a new provider. In order to facilitate the formal RFP process and award a new contract, staff require an extension to the current banking services contract with RBC.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

This Report is in accordance with the City of Hamilton's Procurement Policy and associated By-Law 20-205 as amended, whereby:

- Procurement Policy #5 – Determining the Procurement Policy, Section 4.5(5) staff is required to seek Council direction on the type of procurement process to be followed for the acquisition of the Good and/or Service where there is an incumbent vendor on a City Corporate contract which is of a highly sensitive nature, due to the risk associated with financial loss, confidentiality or the handling of sensitive information.
- Procurement Policy #11 – Non-Competitive Procurements, Section 4. 55 requires Council must approve any requests for negotiations for:
 - 2(a) a single source as set out in subsection (1)(b) of this Policy #11, where the cumulative value of the Policy 11 exceeds a multi-year value of the proposed procurement is \$250,000 or greater. For greater clarity, the total cumulative value of a Policy 11 shall not exceed \$250,000 in any given year or multiple consecutive years; or
 - 2(b) an extension as set out in subsection (1)(c) of this Policy #11, where the extension exceeds 18 months from the expiry of the Contract with a vendor.”

RELEVANT CONSULTATION

City staff has consulted with eight Ontario municipalities with respect to their banking services contract to determine how they procure banking services and if they have recently, or will soon, issue a competitive process for services. Of those contacted, the information received varied, with some municipalities recently completing an RFP, to one looking to issue a RFP in the next four to five years and one municipality deeming banking services an exemption to their municipal procurement policy.

SUBJECT: Request to Extend Banking Services Agreement (FCS23036) (City Wide) - Page 4 of 5

In addition to gathering this procurement information, seven of the municipalities contacted also have Ontario Works clients, of which six utilize RBC and one utilizes the Bank of Nova Scotia.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

RBC currently provides a variety of services to our taxpayers, Ontario Works clients, and vendors who chose to do business with the City. These services include assistance to Ontario Works clients, including reloadable payment cards.

RBC provides multiple services to the City to ensure cash control and enable service to our clients. This includes fraud prevention mechanisms, electronic funds transfer, wire and Interac payments used in specific circumstances, as well as, direct bank deposits for Ontario Works clients and City staff payroll. RBC Express (online) has been an effective tool to monitor bank accounts for fraud and unusual activity. Reports generated from the system are used in our monthly bank reconciliation process.

City staff is satisfied with the services provided by RBC to date however, staff also recognizes the importance of formally procuring for these services and the need to be as fair and transparent as possible.

The issuance of an RFP for banking services and the potential changing of a banking service provider will have a significant impact on City operations and will affect all departments and physical locations. Some software had to be interfaced with the banks and, in some cases, the City is utilizing bank supplied software and reporting. Since the bank is intricately tied to the financial controls of the City especially as it relates to cash handling, deposits, investments and disbursements, staff require no less than three years in order to develop and award a new contract and potentially transition banking services to a new vendor.

Should a new banking service provider be awarded the new contract, City staff must work closely with the provider to establish new bank accounts, banking procedures, create new banking reports, establish on-line banking processes, order new cheques and have the bank test them, make changes with the armoured car service, train staff on new processes and systems, ensure all old banking details given out to customers is updated, and old deposit books are collected and new ones are delivered.

The minimum three-year extension to Contract C12-01-11 with RBC will allow staff to conduct the following activities:

- Preparation and release of RFP
- Evaluation of submissions
- Negotiation, review and awarding of the contract

SUBJECT: Request to Extend Banking Services Agreement (FCS23036) (City Wide) - Page 5 of 5

- Transition planning, implementation and validation

The potential transition to a different banking service provider will incorporate the following activities:

- Replacement of all integrated reports, which would include design, implementation, testing and deployment.
- Replacement of existing bank accounts, cheques and testing of cheque requirements.
- Running RBC bank accounts and new bank accounts in parallel for minimum of 6 months to facilitate change over.
- Replacement of existing banking procedures (City Wide).
- Reconfiguration of existing financial reports.
- Communication to all customers and vendors with existing banking information.

ALTERNATIVES FOR CONSIDERATION

Council may direct staff to negotiate a long-term contract extension with RBC, thereby alleviating the need for an open procurement process for a period of three to ten years. Although this alternative would be viewed as a significant single source of services to a vendor, it would be favourable in terms of saving staffing resources that would be required for the RFP and any transition of services. This alternative would also alleviate any potential service disruptions or impacts on City operations, departments, as well as, taxpayers, Ontario Works clients, and vendors who chose to do business with the City.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

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

Our People and Performance


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

APPENDICES AND SCHEDULES ATTACHED

N/A.



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Services and Taxation Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 23, 2023
SUBJECT/REPORT NO:	Accounts Receivable Write-Offs for 2022 (FCS23017) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Bev Neill (905) 546-2424 Ext. 6274
SUBMITTED BY:	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the Schedule of General Accounts Receivable Write-Offs less than \$1,000 in the amount of \$4,941.56 attached as Appendix "A" to Report FCS23017, be received for information;
- (b) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectable General Accounts Receivable over \$1,000 in the amount of \$86,105.77 attached as Appendix "B" to Report FCS23017.
- (c) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectible Hamilton Farmer's Market Accounts Receivables in the amount of \$55,127.28 attached as Appendix "C" to Report FCS23017.
- (d) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectible Lodges Accounts Receivables in the amount of \$17,867.05 attached as Appendix "D" to Report FCS23017.

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: Accounts Receivable Write-Offs for 2022 (FCS23017) (City Wide) -
Page 2 of 5**

EXECUTIVE SUMMARY

In accordance with Council Policy:

All avenues of collection regarding the receivables being recommended for write-off have been exhausted. Collection procedures are described in the Analysis and Rational for Recommendation Section of this report.

A listing of uncollectible General Accounts Receivable accounts totalling \$4,941.56 and valued at less than \$1,000 each have been written-off since the last report in March 2022 and is attached as Appendix "A" to Report FCS23017. These amounts have been allowed for in the 2022 year-end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2023 actual expenditures.

A listing of uncollectible General Accounts Receivable accounts totalling \$86,105.77 and valued at over \$1,000 each is attached as Appendix "B" to Report FCS23017 for Council approval. Upon approval, the Accounts Receivable Section will remove the accounts from the Aged Trial Balance and prepare the necessary accounting entries. These amounts have been allowed for in the 2022 year-end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2023 actual expenditures.

A listing of uncollectible Hamilton Farmer's Market Accounts Receivable accounts totalling \$55,127.28 and valued at over \$1,000 each is attached as Appendix "C" to Report FCS23017 for Council approval. Upon approval, the Accounts Receivable Section will remove the accounts from the Aged Trial Balance and prepare the necessary accounting entries. These amounts have been allowed for in the 2022 year-end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2023 actual expenditures.

A listing of uncollectible Lodges Accounts Receivable accounts totalling \$17,867.05 is attached as Appendix "D" to Report FCS23017 for Council approval. Upon approval, the Accounts Receivable Section will remove the accounts from the Aged Trial Balance and prepare the necessary accounting entries. These amounts have been allowed for in the 2022 year-end allowance for doubtful accounts. Therefore, the write-offs of these receivables will not be reflected in the 2023 actual expenditures

**SUBJECT: Accounts Receivable Write-Offs for 2022 (FCS23017) (City Wide) -
Page 3 of 5**

Alternatives for Consideration – See Page 4

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The Accounts Receivables write-offs have been allowed for in the 2022 year-end allowance for doubtful accounts. Therefore, the write-off of these receivables will not be reflected in the 2023 actual expenditures.

Staffing: None

Legal: None

HISTORICAL BACKGROUND

This report is being brought forward in accordance with the Accounts Receivable Write-Off Policy, approved by City of Hamilton (City) Council on February 9, 2005, Council Report #05-003, Item 4.

The Write-Off Policy sets the following authorization levels for account write-offs:

- Up to \$500 Director, Financial Services or designate
- Between \$500 and \$1,000 General Manager, Finance and Corporate Services or designate
- Greater than \$1,000 City Council Approval

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Accounts Receivable Write-Off Policy.

RELEVANT CONSULTATION

Originating departments have been advised of the accounts that will be written-off as they pertain to their department's operations.

- The Hamilton Farmer's Market Administration provided the write-off items that pertain to their operations.
- The Lodges Administration provided the write-off items that pertain to their operations.

**SUBJECT: Accounts Receivable Write-Offs for 2022 (FCS23017) (City Wide) -
Page 4 of 5**

ANALYSIS AND RATIONALE FOR RECOMMENDATIONS

All avenues of collection regarding the receivables being recommended for write-off have been exhausted.

Collection procedures include, but are not limited to:

- Mailing written non-payment reminders, such as, statements, demand letters, etc.
- Verbal request by telephone or, in person, where applicable
- Negotiating revised payment terms
- Cross-referencing against the Accounts Payable System
- Drawing on securities held, such as, Letter of Credit, Bonds, etc., if applicable
- Recovery through the tax system by transferring uncollectible items as permitted in our By-Laws
- Legal action
- Use of a Collection Agency

Finance charges at a rate of 2% above prime are automatically added to a customer's account on items outstanding after 45 days. Many customers refuse to pay the additional charges and the City has little recourse for the collection of these fees. Collection Agencies do not assist with the collection of late fees or finance charges. The standard Accounts Receivable practice is that these fees are written off if not paid within a year. Traditionally, the City does not pay finance charges, except for Utility companies. Processes have been implemented to avoid late fee charges on utility bills received by the City.

ALTERNATIVES FOR CONSIDERATION

Accounts that are written-off will be removed from the active listing. If future information is received that would aid in the collection of these written-off amounts, active collection would be resumed.

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**SUBJECT: Accounts Receivable Write-Offs for 2022 (FCS23017) (City Wide) -
Page 5 of 5**

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS23017 - Write-off of General Accounts Receivable 2022
Less than \$1,000.

Appendix "B" to Report FCS23017 - Write-off of General Accounts Receivable 2022
Over \$1,000.

Appendix "C" to Report FCS23017 – Write-off of Hamilton Farmer’s Market Accounts
Receivable 2022

Appendix "D" to Report FCS23017 – Write-off of Lodges Accounts Receivable 2022

Hamilton Accounts Receivables Less than \$1,000 For 2022

Appendix A

Customer ID	Customer Name	Amount	Description
101131	St. Joseph's Healthcare Hamilton	389.41	Finance charges
102010	Super 8 Motel (Upper James)	46.63	Finance charges
102056	Hamilton Health Sciences Corporation	203.81	Finance charges
106388	Cogeco Connexion Inc.	786.21	Finance charges
106921	Rogers Communications Canada Inc.	246.12	Finance charges
107900	Canadian National Railway	70.11	Finance charges
108017	CityHousing Hamilton	21.81	Finance charges
108124	Don Anderson Haulage	116.89	Finance charges
108404	Aecon Group Inc	79.52	Finance charges
109001	Trustees of Hamilton Waterfront	234.42	Finance charges
113189	CUPE National	381.34	Finance charges
115776	Hydro One Networks	604.70	Finance charges
116636	Solar Sunbelt General Partnership	29.71	Finance charges
116954	Humber College	21.98	Finance charges
118459	Imagineer's Early Learning Centre	36.65	Finance charges
118585	JML Enterprises	44.08	Finance charges
118741	Shoeless Joe's	62.49	Finance charges
118988	CLV Group	86.11	Finance charges
119027	McMaster Student Union Child Care	62.73	Finance charges
120395	2425567 Ont. Ltd.	38.71	Finance charges
120410	Silver City Ancaster	35.16	Finance charges
120444	Prospect Real Estate Holdings Inc.	29.45	Finance charges
120507	2235204 Ontario Ltd.	45.59	Finance charges
117255	28 Lister Chophouse & Grill	588.37	Exhausted collections
116992	1340649 Ontario Ltd.	587.81	Exhausted collections
119808	Euro Auto Recyclers	91.75	Exhausted collections
		<u>\$ 4,941.56</u>	

Hamilton Accounts Receivables Over \$1,000 for 2022

Appendix B

Customer ID	Customer Name	Amount	Description
116252	Infrastructure Ontario	\$ 2,743.94	Finance charges
116968	Global Spectrum Facility Management	7,177.87	Finance charges
101579	Union Gas	1,612.72	Finance charges
100596	Envirosystems	1,646.08	Finance charges
100159	Bell Canada	2,546.59	Finance charges
119290	Urban Express	3,879.98	Exhausted collections
117442	28 Lister Restaurants Inc.	47,795.89	Exhausted collections
113418	1140402 Ont. Inc - Emerald Lodge	1,057.59	Bankrupt
115775	Country Style Food Services Inc.	1,440.65	Exhausted collections
120111	Oriux	9,823.08	Exhausted collections
120266	Solution Technique Inc.	6,381.38	Exhausted collections
		<u><u>\$ 86,105.77</u></u>	

Hamilton Farmer's Market Accounts Receivables for 2022

Appendix C

Customer ID	Customer Name	Amount	Description
107462	Leslie's Deli	\$ 9,645.77	Exhausted collections
114410	Market Café	5,831.92	Exhausted collections
104250	Multi Traditional Bakery	7,003.59	Exhausted collections
119841	Saltick Inc.	9,750.16	Exhausted collections
107368	Sensational Samosa	3,822.49	Exhausted collections
119102	Venti Café Co. Ltd.	19,073.35	Exhausted collections
		<u>\$ 55,127.28</u>	

Lodges Accounts Receivables for 2022

Appendix D

Customer ID	Name	Amount	Description
467	*	\$ 164.01	Accommodation
749	*	237.80	Personal Trust
711	*	24.56	Accommodation
846	*	10.00	Personal Trust
783	*	37.70	Personal Trust
948	*	310.90	Accommodation
1221	*	86.25	Personal Trust
825	*	15.00	Personal Trust
712	*	9,816.60	Accommodation (\$9,679.00) & Personal Trust (\$138.00)
718	*	1,157.66	Accommodation (\$1,131.00) & Personal Trust (\$27.00)
323	*	6,006.57	Accommodation
		<u>\$ 17,867.05</u>	

* Individual's identifiable information left off at request of Council

CITY OF HAMILTON M O T I O N

Audit, Finance and Administration Committee: March 23, 2023

MOVED BY COUNCILLOR C. KROETSCH

MOVED BY COUNCILLOR

Feasibility of a Bring Your Own Device Policy

WHEREAS, the Council-approved *City of Hamilton E-mail, Internet, and Computer Acceptable Use Policy* and *IT Security Policy* strictly prohibit the use of personal devices in any form to conduct City of Hamilton business;

WHEREAS, the ability to use a range of technology, including software, to accommodate social media and graphic design would enable Councillors and their staff to optimize their office work;

THEREFORE, BE IT RESOLVED:

That Information Technology staff investigate the feasibility of implementing a bring-your-own-device policy that would allow Councillors and their staff to use personal computers, mobile phones and other personal devices to conduct City of Hamilton business and report back to the Audit, Finance and Administration Committee on the following:

- (a) the risks, operational impacts, and cost implications of implementing a bring-your-own-device policy;
- (b) the possible implementation of a pilot for a bring-your-own-device policy, that shall be limited to Councillors and their administrative staff; and
- (c) an investigation of other direct paths to allow Councillors and their staff to use a range of personal technology to meet their individual needs.