



**City of Hamilton**  
**AUDIT, FINANCE AND ADMINISTRATION COMMITTEE**  
**AGENDA**

**Meeting #:** 23-006  
**Date:** April 20, 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

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**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 April 6, 2023

**5. COMMUNICATIONS**

**6. DELEGATION REQUESTS**

**7. DELEGATIONS**

**8. STAFF PRESENTATIONS**

8.1 Tax and Rate Operating Budget Variance Report as at December 31, 2022 – Budget Control Policy Transfers (FCS22042(b)) (City Wide)

**9. CONSENT ITEMS**

**10. DISCUSSION ITEMS**

Members of the public can contact the Clerk's Office to acquire the documents considered at this meeting, in an alternative format.

11. MOTIONS
12. NOTICES OF MOTION
13. GENERAL INFORMATION / OTHER BUSINESS
14. PRIVATE AND CONFIDENTIAL

14.1 Closed Session Minutes - April 6, 2023

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

15. ADJOURNMENT



## **AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 23-005**

**9:30 a.m.  
April 6, 2023  
Council Chambers  
Hamilton City Hall**

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

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### **THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:**

- 1. Accessible Transit Services: DARTS Fleet Management and Vehicle Safety Audit (Report 50695) Management Action Plans (AUD22007(a)) (City Wide) (Item 8.1)**

**(Tadeson/Hwang)**

- (a) That the Management Action Plans, as detailed in Appendix "A" of Report AUD22007(a) be approved; and,
- (b) That the General Manager of Public Works be directed to implement the Management Action Plans (attached as Appendix "A" to Report AUD22007(a) and report back to the Audit, Finance and Administration Committee by October 2023 on the nature and status of actions taken in response to the audit report.

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

YES - 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  
YES - Ward 14 Councillor Mike Spadafora

- 2. Consent Items (Item 9)**

**(Hwang/Tadeson)**

That the following Consent Items be received:

- (a) 2022 Fourth Quarter Emergency and Non-competitive Procurements Report (FCS22046(c)) (City Wide) (Item 9.1)
- (b) 2022 Fourth Quarter Non-compliance with the Procurement Policy Report (FCS22047(c)) (City Wide) (Item 9.2)
- (c) 2022 Fourth Quarter Request for Tenders and Proposals Report (FCS22048(c)) (City Wide) (Item 9.3)

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

YES - 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  
YES - Ward 14 Councillor Mike Spadafora

**3. Indigenous Advisory Committee - Citizen Committee Report, respecting Revised Terms of Reference for the Indigenous Advisory Committee (IAC23001) (Item 10.1)**

**(Hwang/Spadafora)**

That the Indigenous Advisory Committee revised Terms of Reference attached as Appendix "A" to Report IAC23001, be approved.

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

YES - 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  
YES - Ward 14 Councillor Mike Spadafora

**4. Private Water Service Line Leak Wastewater Bill Adjustment Policy (FCS23030) (City Wide) (Outstanding Business List Item) (Item 10.2)**

**(Hwang/M. Wilson)**

That the Private Water Service Line Leak Wastewater Bill Adjustment Policy, effective May 1, 2023, attached as Appendix "A" to Report FCS23030, be approved;

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

- YES - 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
- YES - Ward 14 Councillor Mike Spadafora

**5. HMRF-HWRF Pension Administration Sub-Committee Report 23-001, March 30, 2023 (Added Item 10.3)**

**(A. Wilson/Beattie)**

**(a) Appointment of Chair and Co-Vice-Chairs (Item 1)**

- (i) That Councillor Craig Cassar be appointed Chair of the HMRF-HWRF Pension Administration Sub-Committee for 2022-2026.
- (ii) That Don Skarratt (HMRF) be appointed Co-Vice-Chair of the HMRF-HWRF Pension Administration Sub-Committee.
- (iii) That Robert Slack (HWRF) be appointed Co-Vice-Chair of the HMRF-HWRF Pension Administration Sub-Committee.

**(b) Hamilton Municipal Retirement Fund (HMRF) Valuation at December 31, 2021 (FCS23003) (City Wide) (Item 8.1)**

That Report FCS23003, respecting Hamilton Municipal Retirement Fund (HMRF) Valuation at December 31, 2021, be received.

**(c) Hamilton Wentworth Retirement Fund (HWRF) Valuation at December 31, 2021 (FCS23005) (City Wide) (Item 8.2)**

That Report FCS23004, respecting Hamilton Wentworth Retirement Fund (HWRF) Valuation at December 31, 2021, be received.

**(d) Consent Items (Item 9)**

That the following Consent Items, be received:

- (i) 2021 Hamilton Municipal Retirement Fund Financial Statements (FCS23002) (City Wide) (Item 9.1)
- (ii) 2021 Hamilton Wentworth Retirement Fund Financial Statements (FCS23004) (City Wide) (Item 9.2)

- (iii) Master Trust Pension Investment Performance Report as at December 31, 2021 (FCS21091(a)) (City Wide) (Item 9.3)
  - (iv) Master Trust Pension Investment Performance Report as at June 30, 2022 (FCS23044) (City Wide) (Item 9.4)
  - (v) Master Trust Pension Investment Performance Report as at December 31, 2022 (FCS23044(a)) (City Wide) (Added Item 9.5)
- (e) 2022 Master Trust Pension Statement of Investment Policies and Procedures (FCS23009) (City Wide) (Item 10.1)**
- (i) That Appendix “A” to HMRF-HWRF Pension Administration Sub-Committee Report 23-001, respecting the 2022 City of Hamilton Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures, be approved and replace the previous 2021 City of Hamilton Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures contained in Report FCS21095 and approved by Council on December 15, 2021;
  - (ii) That Appendix “A” to HMRF-HWRF Pension Administration Sub-Committee Report 23-001, respecting the 2022 City of Hamilton Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures, be forwarded to the Hamilton Street Railway Pension Advisory Committee for their information.
- (f) Hamilton Municipal Retirement Fund (HMRF), Hamilton Wentworth Retirement Fund (HWRF) Plan Wind-Up (FCS23006) (City Wide) (Item 10.2)**
- (i) That the General Manager, Finance and Corporate Services Department, or their designate, be authorized to explore the option of winding up the Hamilton Municipal Retirement Fund (HMRF) and Hamilton Wentworth Retirement Fund (HWRF) pension plans, including performing a survivor audit and mortality study and any other studies necessary; and,
  - (ii) That staff report back to the HMRF/HWRF Pension Administration Committee on pricing estimates to purchase annuities from an insurance company that will provide HMRF and HWRF plan members with the same level of benefit that is currently being provided under their respective pension plans.

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

YES - 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
- YES - Ward 14 Councillor Mike Spadafora

**6. Governance Review Sub-Committee Report 23-001, March 27, 2023 (Added Item 10.4)**

**(Hwang/A. Wilson)**

- (a) That the Governance Review Sub-Committee Report 23-001 be received and the recommendation as follows, be approved:

**(i) Appointment of Chair and Vice-Chair**

1. That Councillor Tammy Hwang be appointed Chair of the Governance Review Committee for 2022-2026.
2. That Councillor Cameron Kroetsch be appointed Vice-Chair of the Governance Review Committee for 2022-2026.

**(ii) Feedback from the Advisory Committees on the Code of Conduct for Local Boards (FCS23032) (Item 9.1)**

1. That Report FCS23032, respecting Feedback from the Advisory Committees on the Code of Code of Conduct for Local Boards, be received.
2. That the Integrity Commissioner for the City of Hamilton be invited to appear before the General Issues Committee, preferably before May 1, 2023, to address concerns raised by the Advisory Committees respecting the Code of Conduct for Local Boards and to discuss:

(aa) a process for receiving and integrating feedback from Advisory Committees to Code of Conduct for Local Boards; and

(ab) how training may be conducted in a more cost-effective manner; and

3. That staff be directed to obtain feedback and recommendations from the Advisory Committees who are noted as "received without comment" and "have not met to review" in Appendix B to Report FCS23032, and report back to Governance by the end of May 2023.

**(iii) Procedural Handbook for Citizen Appointees to City of Hamilton Local Boards (FCS23034) (Item 10.1)**

1. That consideration of the Procedural Handbook for Citizen Appointees to City of Hamilton Local Boards be deferred until such time as there has been a report back from City staff to the April 6, 2023 meeting of the Audit, Finance and Administration Committee about how feedback has been incorporated;
2. That staff be directed to obtain feedback and recommendations from the Advisory Committees who are noted as "received without comment" and "have not met to review" in Appendix C to Report FCS23034, and report back to Governance by the end of May 2023.
3. That the Corporate Policy, Hamilton City Council – Appointment of Citizens to the City's Local Boards attached as Appendix 'A' to Governance Review Sub-Committee Report 23-001, be approved.

**(iv) 2024 and 2025 Committee / Council Meeting Calendars (FCS23048) (Item 10.2)**

1. That the 2024 Committee / Council Meeting Calendar, attached as Appendix 'B' to Governance Review Sub-Committee Report 23-001, be approved; and
2. That the 2025 Committee / Council Meeting Calendar, attached as Appendix 'C' to Governance Review Sub-Committee Report 23-001, be approved.

**(v) Amendments to the Procedural By-law 21-021 respecting the Board of Health Standing Committee (FCS23031) (City Wide) (Item 10.3)**

1. That By-law 21-021, A By-Law To Govern The Proceedings of Council and Committees of Council, as Amended, be **amended** to reflect the Board of Health Standing Committee's name change to the **Public Health Committee**, as follows:
  - (aa) the Board of Health Terms of Reference (Appendix 'B' to By-law 21-021, as amended), be **amended**, as follows:
    - (i) Title: Public Health Committee
    - (ii) Composition: The Public Health Committee shall be comprised of all 16 members of Council
    - (iii) *Specific duties shall include:*



- To consider recommendations of any Sub-Committees and/or Task Forces which report directly to the Public Health Committee
- To consider Citizen Committee Report recommendations of any Advisory Committee which reports directly to the Public Health Committee

(ab) Section 5.1 “Standing Committees” be **amended**, as follows:

### 5.1 Standing Committees

The Standing Committees that report directly to Council shall be as follows:

(b) Public Health Committee

(ac) Section 5.2 “Appointment of Committee Chairs and Vice Chairs” be **amended**, as follows:

### 5.2 Appointment of Committee Chairs and Vice Chairs

(2) Despite subsections 5.2(1)(a) and (b):

(a) the Mayor shall stand as Chair for the term of Council for the Public Health Committee; and

(3) The Public Health Committee shall recommend to Council the appointment of a Vice Chair in accordance with 5.2(1). Despite subsection 5.2(1)(a) and (b), the Vice Chair shall stand as Vice Chair for the term of Council for the Public Health Committee.

(ad) Section 5.3 “Standing Committee Membership” be **amended**, as follows:

### 5.3 Standing Committee Membership

(1) General Issues Committee and Public Health Committee shall be comprised of all Members of Council.

- (6) Each Member of Council shall sit on a minimum of 2 Standing Committees, in addition to the Public Health Committee and General Issues Committee.
- (ae) Section 5.6 “Standing Committee Meeting Times” be **amended**, as follows:

**5.6 Standing Committee Meeting Times**

- (1) Unless otherwise decided by Council, scheduled meetings of the Standing Committees will be as follows:
    - (a) (ii) Public Health Committee shall meet at least once per month commencing at 9:30 a.m.;
2. That By-law 21-021, A By-Law To Govern The Proceedings of Council and Committees of Council, as Amended, be **amended** to confirm applicability of the Procedure By-law when Council operates and functions as the Board of Health for the City of Hamilton, as follows:

- (aa) Section 3 “Council Meetings” be **amended** by adding the following new sub-section 3.15 “Board of Health Meetings” and renumbering the remaining sub-sections accordingly:

**3.15 Board of Health Meetings**

Where Council is exercising the jurisdiction of a Board of Health under the Health Protection and Promotion Act, 1990:

- (a) Council shall meet as necessary to complete such business as would normally be completed by a Board of Health and as required pursuant to the Health Protection and Promotion Act, 1990 and its Regulations, any Public Health Standards published by the Minister, and any other applicable law including municipal by-laws and policies governing a Board or Health; and
- (b) the Mayor and Clerk are authorized, upon approval by Council operating as a Board

of Health, to sign any necessary resolutions.

3. That the draft By-law attached as Appendix 'A' to Report FCS23031, respecting amendments to By-law 21-021, A By-Law To Govern The Proceedings of Council and Committees of Council, be enacted by Council.

**(vi) Fixing Long-Term Care Act – Governance Requirements (FCS23033 / HSC23025) (Item 10.4)**

1. That in accordance with the requirements of the *Fixing Long-Term Care Act, 2021* and Ontario Regulation 246/22 (as amended) which requires the municipality to establish a committee of management, and the corresponding qualifications for same, from among members of council for its Long Term Care Homes, that the Emergency and Community Services Committee comprised of members of Council who have completed the required screening measures as mandated in the legislation shall be the Committee of Management for the City of Hamilton's Long Term Care Homes; and
2. That the draft By-law attached as Appendix "D" to Governance Review Sub-Committee Report 23-001, respecting amendments to By-law 21-021, A By-law to Govern the Proceedings of Council and Committees of Council, to establish a Long-Term Care Homes Committee of Management for the City of Hamilton be enacted by Council.

**(vii) Code of Conduct and Conflict of Interest Education and Communications (HUR22011(a)/CM22018(a)) (City Wide) (Outstanding Business List Item) (Item 10.5)**

1. That City of Hamilton employees not be permitted to sell goods and services to the City, or to bid on City contracts unless there are specific circumstances where it can be demonstrated that employee bids are in the best interest of the organization. Circumstances that would give rise to an exemption may include, but are not limited to, contracts tendered during a declared state of emergency or contracts tendered to purchase products whereby the employee is the sole source (no other vendor provides the same or equivalent product).
2. That a review of a potential exemption, as outlined above, would be initiated through the following process:

- (aa) Employees will be required to submit a Code of Conduct Disclosure Form that outlines all perceived and real conflicts of interest.
  - (ab) Disclosure Forms will be reviewed to determine if any conflicts of interest should disqualify the employee from selling goods and services or from participating in the bid process, despite the extenuating circumstances.
  - (ac) Staff involved in reviewing Disclosure Forms and confirming that the extenuating circumstances exist will include Legal, Procurement and Human Resources.
  - (ad) Any employee bids that are approved by Legal, Procurement and Human Resources due to extenuating circumstances, require City Manager approval when the value of the contract exceeds \$25,000.
3. It is further recommended, that notwithstanding any extenuating circumstances, employees would be precluded from consideration for an exemption for the following reasons:
- (aa) Access to confidential or proprietary information that could give them an unfair advantage in the bidding or sale process,
  - (ab) Direct or indirect involvement in the procurement process or the decision-making process by virtue of their position with the City.
4. That the Code of Conduct, Schedule D Outside Activity, attached as Appendix 'E' to Governance Review Sub-Committee Report 23-001, be approved, as amended with the recommendations noted above.
5. That this item be removed from the Governance Review Sub-Committee Outstanding Business List.
- (viii) Integrity Commissioner Contract Extension (FCS22074 (a)) (City Wide) (Outstanding Business List Item) (Item 10.6)**
1. That Council approve the extension to Contract C2-06-19, Provision of Services of an Integrity Commissioner and Lobbyist Registrar for the City of Hamilton from June 1, 2023 until **September 30, 2023** and that the City Clerk be authorized to negotiate, enter into and execute the extension and any ancillary documents required to give effect thereto with Principles Integrity, in a form satisfactory to the City Solicitor;

2. That staff be directed to take the alternative action set out in Report FCS22074 (a)), attached as Appendix F to Governance Review Sub-Committee Report 23-001 to conduct a competitive procurement process to secure the services of an Integrity Commissioner and Lobbyist Registrar in accordance with the City's Procurement Policy By-Law 20-205, as amended, with the addition of the Auditor General as a member of the Selection Committee; and
3. That Appendix G to Governance Review Sub-Committee Report 23-001, be approved.

**(ix) Restructuring the Board of Health Standing Committee (Item 11.1)**

WHEREAS, Council, believes that the current composition of the City's Board of Health Standing Committee (recommendation to change name to "Public Health Committee" as per FCS23031) should be adjusted;

THEREFORE, BE IT RESOLVED:

1. That the composition of the Public Health Committee be approved as follows:
  - (aa) 6 members of Council;
  - (ab) 6 community health professionals (can be from either a regulated profession (i.e. doctor, nurse, social worker) or an unregulated profession (i.e. harm reduction worker, outreach worker, disability justice advocate); and
  - (ac) 1 education representative
2. That By-law No. 21-021, as amended, A By-Law to Govern the Proceedings of Council and Committees of Council (Procedural By-law), be **amended** as follows with the renumbering of the remaining sub-sections accordingly:
  - (aa) the definition of "Selection Committee", be **amended** as follows:

"Selection Committee" means a Committee established by Council, comprised entirely of Members of Council, to interview and report back to Council on the appointment of citizen representatives to agencies, boards and Committees, and reports directly to Council, with the exception of the Hamilton Police Services Board Selection Committee for the recruitment of the one person appointed by resolution

of council to the Hamilton Police Services Board which is comprised of six (6) community representatives and six (6) Council representatives with full voting privileges and with the exception of the Public Health Committee Selection Committee for the recruitment of the 6 community health professionals and the 1 education representative which is comprised of six (6) members of Council and six (6) community representatives with full voting privileges.

(ab) the Public Health Committee Terms of Reference (Appendix 'B' to By-law 21-021, as amended), be **amended**, as follows:

(i) The Public Health Committee shall be comprised of:

1. 6 members of Council;
2. 6 community health professionals (can be from either a regulated profession (i.e. doctor, nurse, social worker) or an unregulated profession (i.e. harm reduction worker, outreach worker, disability justice advocate); and
3. 1 education representative

(ac) Section 5.2 "Appointment of Committee Chairs and Vice Chairs" be **amended**, as follows:

### **5.2 Appointment of Committee Chairs and Vice Chairs**

(2) Despite subsections 5.2(1)(a) and (b):

(a) the Mayor may stand as the Chair of the General Issues Committee for the term of Council or the Chair of the General Issues Committee may be rotated amongst the Deputy Mayors.

(ad) Section 5.3 "Standing Committee Membership" be **amended**, as follows:

### **5.3 Standing Committee Membership**

(1) General Issues Committee shall be comprised of all Members of Council.

(2) Public Health Committee shall be comprised of 6 Members of Council, 6

community health professionals (can be from either a regulated profession (i.e. doctor, nurse, social worker) or an unregulated profession (i.e. harm reduction worker, outreach worker, disability justice advocate); and 1 education representative;

- (7) Each Member of Council shall sit on a minimum of 3 Standing Committees, in addition to the General Issues Committee.

3. That the Selection Process for the appointment of the 6 community health professionals and the 1 education representative to the Public Health Committee, be approved, as follows:
- (aa) That the Public Health Committee Selection Committee for the recruitment of the 6 community health professionals (can be from either a regulated profession (i.e. doctor, nurse, social worker) or an unregulated profession (i.e. harm reduction worker, outreach worker, disability justice advocate); and the 1 education representative to the Public Health Committee, be comprised of the six (6) members of Council and six (6) community representatives;
  - (ab) That the Greater Hamilton Health Network (GHHN), GHHN Health Equity Council, Hamilton Trans Health Coalition, Woman Abuse Working Group (WAWG), Refugee Newcomer Health, and the Hamilton Anti-Racism Resource Centre (HARRC) recommend the appointment of the six (6) community representatives on the Public Health Committee Selection Committee for the recruitment 6 community health professionals and the 1 education representative to the Public Health Committee for the 2022-2026 term of Council for Council's consideration;
  - (ac) That the six (6) community representatives appointed to the Public Health Committee Selection Committee for the recruitment of 6 community health professionals and the 1 education representative to the Public Health Committee, be required to complete and adhere to a confidentiality agreement as well as the Code of Conduct for Local Boards.

- (ad) That the Corporate Policy - Hamilton City Council - Appointment of Citizens to the City's Agencies, Boards, Commissions, Advisory (Volunteer) Committees and Sub-Committees, be **amended**, by adding the following new sub-section 16 and renumbering the remaining sub-sections accordingly:

Selection Process for the Appointment of the 6 community health professionals and the 1 education representative to the Public Health Committee

16. Six (6) members of Council and six (6) community representatives are appointed to the Public Health Committee Selection Committee whose mandate will be to:
- (i) Review applications for the appointment of the 6 community health professionals (can be from either a regulated profession (i.e. doctor, nurse, social worker) or an unregulated profession (i.e. harm reduction worker, outreach worker, disability justice advocate); to the Public Health Committee;
  - (ii) Shortlist the applicants with assistance of staff, where appropriate, based on the applicant information provided;
  - (iii) Request that the following Advisory Committees submit confidential interview questions:
    - (a) Hamilton Women and Gender Equity Advisory Committee
    - (b) Indigenous Advisory Committee
    - (c) LGBTQ Advisory Committee
    - (d) Committee Against Racism Advisory Committee
    - (e) Advisory Committee for Persons with Disabilities
  - (iv) Request that the Hamilton District School Board and the Hamilton Catholic District School Board nominate a candidate(s) as the 1 education representative to be appointed to the Public Health Committee for the Public Health Committee Selection Committee consideration;



- (v) Interview applicants and nominated candidates, if necessary, who have met the criteria (below), ensuring that they are not ineligible (below);

Preference will be given to applicants who meet the following criteria:

- a resident of, or owner of a business in, the City at least 18 years of age;
- an owner or tenant of land in the City, or the spouse of such a person;
- not employed by the City of Hamilton;
- interest or background in issues affecting municipal public health programs and services
- interest or skills in planning and policy development leading to a comprehensive municipal public health agenda that meets local community needs experience in organizational activities, such as committees, non-profit groups, voluntary societies, occupational associations skills in leadership and management
- experience in administration and budget development
- demonstrated skills in conflict management, negotiation and mediation
- ability to make a commitment to monthly involvement in Public Health Committee meetings and related committees or other activities
- a youthful perspective, defined as an individual in the 18-30 age range, a desired qualification for at least one public member
- a frontline worker perspective

- (b) That the Revised Appendix C to Report FCS23034, as requested by Committee, be received. (Added Item 10.4(a))

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

YES - 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
- YES - Ward 14 Councillor Mike Spadafora

**7. Grants Sub-Committee Report 23-001, March 31, 2023 (Added Item 10.5)**

**(Kroetsch/A. Wilson)**

**(a) Funding Recommendations for the One-Time Enhancement Grant (GRA22001(b)) (City Wide) (Item 8.1)**

- (i) That, the funding allocation, earmarked for potential matching opportunities in the City Enrichment Fund reserve #112230 be approved to fund the One-Time Enhancement Grant in the amount of \$500,000; and,
- (ii) That, the distribution of funds to recommended organizations as outlined in Appendix "A" to Grants Sub-Committee Report 23-001, be approved.
- (iii) *That any funds allocated and distributed through the One-Time Enhancement Grant Relief Program be exempt on a one-time basis and not be counted toward any formula that restricts regular funding from the City including the City Enrichment Fund (e.g. the City's 30% formula).***

**Result: Main Motion, As Amended Item 2 of the Grants Sub-Committee Report 23-001, CARRIED by a vote of 8 to 0, as follows:**

- YES - 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
- YES - Ward 14 Councillor Mike Spadafora

**(Spadafora/Beattie)**

**(b) Appointment of Committee Chair and Vice-Chair (Item 1.1)**

- (i) That Councillor Nrinder Nann be appointed as Chair of the Grants Sub-Committee for the remainder of the 2022-2026 term.
- (ii) That Councillor Cameron Kroetsch be appointed as Vice-Chair of the Grants Sub-Committee for the remainder of the 2022-2026 term.

**Result: Motion, on the balance of the Grants Sub-Committee Report 23-001, CARRIED by a vote of 8 to 0, as follows:**

- YES - 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
- YES - Ward 14 Councillor Mike Spadafora

**8. Committee Report Referral (FCS23051) (Added Item 14.2)**

**(A. Wilson/M. Tadeson)**

- (a) That Report FCS23051, respecting Committee Report Referral, be received; and
- (b) That Report FCS23051, respecting Committee Report Referral remain confidential.

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

- YES - 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
- YES - Ward 14 Councillor Mike Spadafora

**FOR INFORMATION:**

**(a) CHANGES TO THE AGENDA (Item 2)**

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

**5. COMMUNICATION ITEMS**

**5.2 Sjanita Harrison, respecting Restructuring the Board of Health**

Recommendation: Be received and referred to Item 9 of Governance Review Sub-Committee Report 23-001, March 27, 2023 (Item 10.4 on today's agenda)

**6. DELEGATION REQUESTS**

- 6.1 Mark A. McNeil, Advisory Committee for Persons with Disabilities, respecting Motion to reorganize the Board of Health (for today's meeting)  
***Subsequently WITHDRAWN***

**10. DISCUSSION ITEMS**

- 10.3 HMRF-HWRF Pension Administration Sub-Committee Report 23-001, March 30, 2023
- 10.4 Governance Review Sub-Committee Report 23-001, March 27, 2023
- 10.5 Grants Sub-Committee Report 23-001, March 31, 2023

**11. MOTIONS**

- 11.1 Fair Wage Policy Review

**13. GENERAL INFORMATION/OTHER BUSINESS**

- 13.1 Amendments to the Outstanding Business List
- a. Items Considered Completed and to be Removed
- a. Use of External Services for Tax Assessment & Appeals  
Item on the OBL: 21-Q  
Addressed as Item 10.1 on the March 23, 2023 agenda
- b. Delegated Authority to Staff Relating to Water Service Line Leaks  
Item on OBL: 23-A  
Addressed as Item 10.2 on today's agenda.

**(Hwang/Tadeson)**

That the agenda for the April 6, 2023 Audit, Finance and Administration Committee meeting, be approved, as amended.

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

- YES - 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

YES - Ward 14 Councillor Mike Spadafora

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

There were no declarations of interest.

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

**(i) March 23, 2023 (Item 4.1)**

**(M. Wilson/Tadeson)**

That the Minutes of the March 23, 2023 meeting of the Audit, Finance and Administration Committee, be approved, as presented.

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

YES - Ward 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  
YES - Ward 14 Councillor Mike Spadafora

**(d) COMMUNICATIONS (Item 5)**

**(i) (M. Wilson/Hwang)**

That staff be directed to develop a process through which letters of appreciation are sent to members of volunteer Advisory Committees on their resignation or at the end of their term.

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

YES - 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  
YES - Ward 14 Councillor Mike Spadafora

**(ii) (M. Wilson/Spadafora)**

That Communications Items 5.1 to 5.2, be approved, as presented, as follows:

1. Heather Platt, respecting Resignation from the Hamilton Women and Gender Equity Committee (Item 5.1)

Recommendation: Be received.

2. Sjanita Harrison, respecting Restructuring the Board of Health (Added Item 5.2)

Recommendation: Be received and referred to Item 9 of Governance Review Sub-Committee Report 23-001, March 27, 2023 (Item 10.4 on today's agenda).

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

YES - 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  
ABSENT - Ward 14 Councillor Mike Spadafora

**(e) STAFF PRESENTATIONS / PRESENTATIONS (Item 8)**

- (i) **Accessible Transit Services: DARTS Fleet Management and Vehicle Safety Audit (Report 50695) Management Action Plans (AUD22007(a)) (City Wide) (Item 8.1)**

Charles Brown, Auditor General, addressed Committee respecting the DARTS Fleet Management and Vehicle Safety Audit (Report 50695) Management Action Plans, with the aid of a presentation.

**(Beattie/Spadafora)**

That the presentation from Charles Brown, Auditor General, respecting DARTS Fleet Management and Vehicle Safety Audit (Report 50695) Management Action Plans, be received.

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

YES - 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  
YES - Ward 14 Councillor Mike Spadafora

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

**(f) CONSENT ITEMS (Item 9)**

**(i) Quarterly Emergency and Non-competitive Procurements Report (Item 9.1)**

**(Kroetsch/Tadeson)**

That staff include descriptions of and rationale for purchases identified in the quarterly Emergency and Non-competitive Procurements Report.

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

YES - 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  
YES - Ward 14 Councillor Mike Spadafora

**(g) DISCUSSION ITEMS (Item 10)**

Councillor Kroetsch relinquished the Chair to Councillor Hwang to introduce the following amendment to Item 2 of the Grants Sub-Committee Report 23-001:

**(i) Grants Sub-Committee Report 23-001, March 31, 2023 (Added Item 10.5)**

**2. Funding Recommendations for the One-Time Enhancement Grant (GRA22001(b)) (City Wide) (Item 8.1)**

**(Kroetsch/Tadeson)**

That the recommendations in Report GRA22001(b), be *amended* to add a new subsection (c) as follows:

**(c) *That any funds allocated and distributed through the One-Time Enhancement Grant Relief Program be exempt on a one-time basis and not be counted toward any formula that restricts regular funding from the City including the City Enrichment Fund (e.g. the City's 30% formula).***

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

YES - 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  
YES - Ward 14 Councillor Mike Spadafora

For further disposition of this matter, refer to Item 7.

**(h) MOTIONS (Item 11)**

Councillor Kroetsch relinquished the Chair to Councillor Hwang to introduce the motion.

**(i) Fair Wage Policy Review (Item 11.1)**

**(Kroetsch/Tadeson)**

WHEREAS, the Fair Wage Policy has not been updated recently, especially in light of the serious changes to the industry as a result of the COVID-19 pandemic;

WHEREAS, there are record-level investments in building and a renewed interest in health, hygiene, and safety on job sites; and

WHEREAS, the City and other employers are contending with an underground economy which is destabilizing the associated job markets.

THEREFORE, BE IT RESOLVED:

- (a) That Human Resources and Finance and Corporate Services staff be directed to engage in a review of the Fair Wage Policy and any related schedules through stakeholder meetings for report back to the Audit, Finance and Administration Committee by the end of Q3 2023 with recommendations; based on stakeholder feedback;
- (b) That the following stakeholder groups be included in the consultation: Christian Labour Association Canada; Electrical Construction Association Hamilton; Hamilton Brantford Ontario Building & Construction Trades Council; Golden Horseshoe General Contractors Association; Greater Hamilton & Niagara Construction Association; Hamilton Halton Construction Association; Mechanical Contractors Association Hamilton Niagara; Labourers' International Union of North America; and Merit OpenShop Contributors Association of Ontario;
- (c) That there be two stakeholder meetings, inviting all stakeholders to each, at the beginning of Q3 2023; and
- (d) That members of City Council be permitted to attend as guests to hear stakeholder feedback directly.



At the request of Committee, sub-section (d) was voted on separately.

- (d) That members of City Council be permitted to attend as guests to hear stakeholder feedback directly.

**Result: Motion on sub-section (d) CARRIED by a vote of 5 to 3, as follows:**

NO - Ward 1 Councillor Maureen Wilson  
YES - CHAIR - Ward 2 Councillor Cameron Kroetsch  
YES - Ward 4 Councillor Tammy Hwang  
NO - Ward 9 Councillor Brad Clark  
NO - Ward 10 Councillor Jeff Beattie  
YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
YES - Ward 14 Councillor Mike Spadafora

- (a) That Human Resources and Finance and Corporate Services staff be directed to engage in a review of the Fair Wage Policy and any related schedules through stakeholder meetings for report back to the Audit, Finance and Administration Committee by the end of Q3 2023 with recommendations; based on stakeholder feedback;
- (b) That the following stakeholder groups be included in the consultation: Christian Labour Association Canada; Electrical Construction Association Hamilton; Hamilton Brantford Ontario Building & Construction Trades Council; Golden Horseshoe General Contractors Association; Greater Hamilton & Niagara Construction Association; Hamilton Halton Construction Association; Mechanical Contractors Association Hamilton Niagara; Labourers' International Union of North America; and Merit OpenShop Contributors Association of Ontario;
- (c) That there be two stakeholder meetings, inviting all stakeholders to each, at the beginning of Q3 2023; and

**Result: Motion on sub-sections (a) to (c) CARRIED by a vote of 7 to 1, as follows:**

YES - Ward 1 Councillor Maureen Wilson  
YES - CHAIR - Ward 2 Councillor Cameron Kroetsch  
NO - 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  
YES - Ward 14 Councillor Mike Spadafora

(i) **GENERAL INFORMATION / OTHER BUSINESS (Item 13)**

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

**(A. Wilson/Spadafora)**

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

(a) Items Considered Complete and to be Removed

1. Use of External Services for Tax Assessment & Appeals

Item on OBL: 21-Q

Addressed as Item 10.1 on today's agenda

2. Delegated Authority to Staff Relating to Water Service Line Leaks

Item on OBL: 23-A

Addressed as Item 10.2 on today's agenda.

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

YES - 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

YES - Ward 14 Councillor Mike Spadafora

(j) **PRIVATE AND CONFIDENTIAL (Item 14)**

(i) **Closed Minutes – March 23, 2023 (Item 14.1)**

**(Tadeson/Spadafora)**

(a) That the Closed Session Minutes of the March 23, 2023 Audit, Finance and Administration Committee meeting, be approved as presented; and

(b) That the Closed Session Minutes of the March 23, 2023 Audit, Finance and Administration Committee meeting, remain confidential.

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

YES - 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  
YES - Ward 14 Councillor Mike Spadafora

**(Spadafora/Hwang)**

That the Audit, Finance and Administration Committee move into Closed Session respecting Item 14.2, pursuant to Section 9.3, Sub-section (b) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-section (b) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to personal matters about an identifiable individual, including City or local board employees.

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

YES - 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  
YES - Ward 14 Councillor Mike Spadafora

**(ii) Committee Report Referral (FSC23051) (Added Item 14.2)**

For further disposition of this matter, refer to Item 8.

**(k) ADJOURNMENT (Item 15)**

**(Spadafora/Tadeson)**

That, there being no further business, the Audit, Finance and Administration Committee, be adjourned at 1:18 p.m.

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

YES - 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  
YES - Ward 14 Councillor Mike Spadafora

Respectfully submitted,

Councillor Cameron Kroetsch, Chair  
Audit, Finance and Administration  
Committee

Tamara Bates  
Legislative Coordinator  
Office of the City Clerk



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

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	April 20, 2023
<b>SUBJECT/REPORT NO:</b>	Tax and Rate Operating Budget Variance Report as at December 31, 2022 – Budget Control Policy Transfers (FCS22042(b)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Kayla Petrovsky Fleming (905) 546-2424 Ext. 1310 Duncan Robertson (905) 546-2424 Ext. 4744
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATION(S)**

- (a) That the Tax and Rate Operating Budget Variance Report as at December 31, 2022 attached as Appendices “A” and “B”, respectively, to Report FCS22042(b) be received;
- (b) That, in accordance with the “Budgeted Complement Control Policy”, the 2022 complement transfers from one department / division to another with no impact on the levy, as outlined in Appendix “C” to Report FCS22042(b), be approved;
- (c) That, in accordance with the “Budget Complement Control Policy”, the 2022 extensions of temporary positions with 24-month terms or greater, with no impact on the levy, as outlined in Appendix “D” to Report FCS22042(b), be approved;
- (d) That, subject to finalization of the 2022 audited financial statements, the disposition of the 2022 year-end operating budget surplus be approved as detailed in Table 1.

**SUBJECT: Tax and Rate Operating Budget Variance Report as at  
December 31, 2022 – Budget Control Policy Transfers (FCS22042(b))  
(City Wide) – Page 2 of 20**

Table 1

DISPOSITION / RECONCILIATION OF YEAR-END SURPLUS/(DEFICIT)	\$	\$
<b>Corporate Surplus from Tax Supported Operations</b>		<b>\$ 22,938,340</b>
<b>Disposition to/from Self-Supporting Programs &amp; Agencies</b>		<b>\$ (3,159,224)</b>
Less: Police (Transfer to Police Reserve)	\$ (1,020,546)	
Less: Library (Transfer to Library Reserve)	\$ (2,139,741)	
Add: Farmers Market (Transfer from COVID-19 Emergency Reserve)	\$ 1,063	
<b>Balance of Corporate Surplus</b>		<b>\$ 19,779,116</b>
Less: Transfer to Flamborough Capital Reserve		\$ (262,944)
Less: Transfer to fund Mission Services one-time capital (Council Aug 2022; HSC20020(f))		\$ (3,040,000)
Less: Transfer to Hamilton Entertainment Facilities (HEF) Capital Project Reserve		\$ (544,658)
Less: Transfer to fund shortfall in Development Charge Exemptions		\$ (7,708,933)
Less: Transfer to fund Cold Alert Response		\$ (109,000)
Less: Transfer of Hamilton Utilities Corporation (HUC) dividends surplus to the Housing Project ID #6732341301 (Council Aug 2019; HSC19048)		\$ (2,792,304)
Less: Transfer remaining balance to Tax Stabilization Reserve		\$ (5,321,277)
<b>Balance of Tax Supported Operations</b>		<b>\$ (0)</b>
<b>Corporate Surplus from Rate Supported Operations</b>		<b>\$ 1,173,485</b>
Less: Transfer Rate Supported Waster Surplus to fund Development Charge Exemptions		\$ (770,107)
Less: Transfer Rate Supported Wastewater/Stormwater Surplus to fund Development Charge Exemptions		\$ (403,378)
<b>Balance of Rate Supported Operations</b>		<b>\$ 0</b>

## EXECUTIVE SUMMARY

Staff has committed to provide Council with three variance reports for the Tax Supported and Rate Supported Operating Budgets during the fiscal year (Spring / Fall / Year-End). This is the final submission for 2022 based on the operating results as of December 31, 2022 (unaudited). Appendix "A" to Report FCS22042(b) summarizes the Tax Supported Operating Budget year-end variances by department and division while Appendix "B" to Report FCS22042(b) summarizes the year-end variances of the Rate Supported Operating Budget by program.

Tax Supported operations ended the year with a surplus of \$22.9 M, taking into consideration all confirmed funding from senior levels of government to address financial pressures from the COVID-19 pandemic response. The City of Hamilton has reported \$72.4 M in pressures related to COVID-19 response and recovery efforts for 2022, with \$55.1 M in confirmed transfers from senior levels of government, leaving an unfunded pressure of \$17.3 M as outlined in Appendix "F" to Report FCS22042(b). Rate Supported operations ended the year with a surplus of \$1.2 M driven by an increase in revenues in the residential sector.

In addressing the financial pressures related to pandemic response and recovery, the City leveraged the following confirmed funding sources:

**SUBJECT: Tax and Rate Operating Budget Variance Report as at  
December 31, 2022 – Budget Control Policy Transfers (FCS22042(b))  
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- Social Services Relief Fund – Phase 4 carry-over of \$481 K;
- Social Services Relief Fund – Phase 5 allocation of \$6.1 M;
- Ministry of Health – one-time funding approvals of \$18.7 M;
- Other Ministry Funding - \$15.5 M;
- Safe Restart Agreement – Transit Phase 3 eligible funding of \$8.1 M versus the carry-over of \$10.1 M;
- COVID-19 Recovery Funding for Municipalities Program carry-over of \$6.3 M.

The Tax Supported Operating Budget surplus of \$22.9 M is broken down by surpluses of \$3.2 M for Boards and Agencies, \$10.7 M for Capital Financing and \$9.0 M for City Departments and other Tax Supported Programs. For the Rate Supported Operating Budget, the surplus is related to favourable variances from revenue of \$2.0 M, partially offset by an unfavourable variance in operating expenditures of \$0.8 M.

Additional details are presented in the Analysis and Rationale for Recommendation(s) section beginning on page 7 of Report FCS22042(b).

The year-end consolidated operating budget surplus of \$24.1 M is summarized in Table 2 and the disposition is detailed in Recommendation (d) (Table 1) of Report FCS22042(b).

**Table 2**

<b>CONSOLIDATED CORPORATE SURPLUS/(DEFICIT)</b>	<b>\$</b>
<b>Tax Supported Programs</b>	
Police	\$ 1,020,546
Library	\$ 2,139,741
Capital Financing	\$ 10,748,933
Other Tax Supported Programs	\$ 9,029,119
<b>Total Tax Supported Surplus</b>	<b>\$ 22,938,340</b>
<b>Rate Supported Programs</b>	<b>\$ 1,173,485</b>
<b>Consolidated Corporate Surplus/ (Deficit)</b>	<b>\$ 24,111,824</b>

The City of Hamilton has policies, obligations, future requirements and past practices that guide decisions around the disposition of the year-end operating budget surplus. The proposed disposition of the 2022 surplus is highlighted below.

### **Tax Supported Operating Budget Variance**

- Year-end variances for Police and Library to be allocated to their own reserves as per their policies.
- Farmers' Market – Staff recommends the \$1,063 in unfunded COVID-19 related costs be funded from the COVID-19 Emergency Reserve (Reserve #110053).

**SUBJECT: Tax and Rate Operating Budget Variance Report as at  
December 31, 2022 – Budget Control Policy Transfers (FCS22042(b))  
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- Cold Alert Response – Per the motion at Emergency & Community Services Committee at its meeting on December 1, 2022, that up to a maximum of \$125,000 for the Cold Alert response between December 2022 to March 2023 be funded from any available 2022 Housing Services Division or Healthy & Safe Communities Departmental surplus or through the Tax Stabilization Reserve should a surplus not be realized. Staff is recommending the anticipated costs of \$109,000 be funded from the 2022 operating budget surplus.
- Mission Services – Per Report HSC20020(f), staff was directed to advocate for additional transitional COVID-19 funding resources to support ongoing housing and homelessness systems responses, address budgetary shortfalls and mitigate impacts on the City. A response from the Federal Minister of Housing and Diversity and Inclusion and the Provincial Minister of Municipal Affairs and Housing has not yet been received as requested in Adaptation and Transformation of Services for People Experiencing Homelessness Update 6 (Report HSC20020(f)). In the report, staff was authorized, in 2022, to implement a one-time grant to a maximum amount of \$3.04 M to Mission Services for capital improvements to a new men’s emergency shelter. Staff is recommending that funds be set aside in the tax stabilization reserve from the 2022 operating surplus to fund in 2023 as the grant was not provided in 2022.
- Hamilton Utilities Corporation (HUC) Dividends – Council, through Report HSC19048, approved that any future year-end Alectra / Hamilton Utilities Corporation Dividend surpluses be used to reduce the reliance on debt financing for Council approved Housing projects. While the HUC dividend surplus of \$2.8 M would be earmarked to reduce future reliance on the tax levy to fund debt repayments related to the National Housing Co-Investment Funding received from the Canada Mortgage and Housing Corporation, staff is recommending it be used for City Housing Hamilton (CHH) Vacant Unit Repair Program. Council at its meeting March 29, 2023, approved CHH Shareholder Corporation Report 23-001, requesting funding of up to \$5.7 M for a CHH Vacant Unit Repair Program of 476 units. Consequently, the HUC dividend surplus of \$2.8 M will be transferred to Housing Project ID #6732341301 and used towards this program with the balance of the funding to be determined.
- Development Charge (DC) Exemptions – Staff recommends that \$7.1 M be transferred to fund the 2022 shortfall in budgeted discretionary tax supported development charge exemptions. Total Development Charge Exemptions (Project ID #2052180510), including both Rate and Tax Supported statutory and discretionary exemptions, were \$50.6 M in 2022 as outlined in Appendix “F” to Report FCS22042(b). The total budget for 2022 was \$19.1 M, leaving a funding shortfall of \$31.5 M. The recommended transfer of \$7.7 M funds a portion of the 2022 shortfall in tax supported discretionary exemptions. The funding shortfall in discretionary exemptions was driven by development related exemptions in a variety of sectors. Staff will incorporate a funding strategy for the remaining DC exemption shortfall in the 2024 Tax Supported Capital Budget and Financing Plan.

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

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

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



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- Slot Revenues – Slot revenue surplus of \$263 K to be transferred to the Flamborough Capital Reserve Fund, per Council approval of Report FCS12031 on April 25, 2012.
- Hamilton Entertainment Facilities (HEF) – \$545 K of the HEF surplus is recommended to be transferred to the Hamilton Entertainment Facilities Capital Projects Reserve (Reserve #100025). The amount of \$545 K funds the existing deficit in the HEF Capital Reserve.
- Tax Stabilization Reserve #110046 – The remainder of the tax supported operating budget surplus of \$5.3 M is proposed to be transferred to the Tax Stabilization Reserve.

### **Rate Supported Operating Budget Variance**

- The Rate Supported Operating Budget surplus of \$1.2 M is made up of a surplus in wastewater / stormwater of \$0.4 M and a surplus of \$0.8 M in water. Staff recommends the \$1.2 M be transferred to partially fund the 2022 shortfall in discretionary rate supported DC exemptions (Project ID #2052180510). Total DC exemptions, including both Rate and Tax Supported statutory and discretionary exemptions, were \$50.6 M in 2022 as outlined in Appendix “F” to Report FCS22042(b). The total budget for 2022 was \$19.1 M, leaving a funding shortfall of \$31.5 M. Combined with the recommended transfer of \$7.7 M from the tax supported operating surplus, this additional \$1.2 M transfer from rate supported operations will assist in funding a portion of the 2022 shortfall in rate discretionary exemptions. Staff will incorporate a funding strategy for the remaining DC exemption shortfall in the 2024 Rate Supported Budget and Financing Plan.

### **2022 Budget Transfers and Extensions**

In accordance with the “Budget Control Policy” and “Budgeted Complement Control Policy”, staff is submitting seven recommended items. The complement transfers, identified in Appendix “C” to Report FCS22042(b), moves budgeted complement from one department / division to another to accurately reflect where the staff complement is allocated within the department / division for the purpose of delivering programs and services at desired levels, without impacting the tax levy or rate.

Staff is also recommending two items where temporary positions with 24-month terms or greater are being extended as identified in Appendix “D” to Report FCS22042(b) with no impact on the levy.

### **Alternatives for Consideration – See Page 20**

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December 31, 2022 – Budget Control Policy Transfers (FCS22042(b))  
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**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The financial information is provided in the Analysis and Rationale for Recommendation(s) section of Report FCS22042(b) beginning on page 7.

Staffing: Staffing implications of Report FCS22042(b) are detailed in Appendices “C” and “D”, which outline the 2022 staff complement transfers from one department / division to another with no impact on the levy and extensions of temporary positions.

Legal: Not Applicable

**HISTORICAL BACKGROUND**

The Audit, Finance and Administration Committee received Report FCS22042(a), “Tax and Rate Operating Budget Variance Report as at August 31, 2022”, on December 1, 2022 which provided information on the Safe Restart Agreement Funds and other government funding announcements to support COVID-19 pandemic response and recovery efforts.

In Report FCS22042(a), City staff projected an unfunded pressure of \$36.2 M related to the pandemic and an anticipated overall deficit of \$16.4 M for tax supported operations. At that time, rate supported operations were also forecasted to be in a deficit of \$158 K.

There have been various other funding announcements, outside of the Social Services Relief Fund and Safe Restart Agreements, to assist municipalities in the delivery of critical programs and services throughout the pandemic. This includes funding from the Ministry of Health for the COVID-19 response and vaccination programs, mental health and addictions funding, enhancements to the Reaching Home Initiative, the CMHC Rapid Housing Initiative, the ICIP – COVID-19 Resilience Infrastructure Stream, as well as, funding for other emergency response and essential services such as paramedics, long-term care and children services. However, most of this funding was for fiscal years 2020 and 2021 with the ability to carryover unused amounts to 2022.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Budget Control Policy (Appendix 1 to FCS12010, CBP – 2). The purpose of this Policy is to ensure that City staff have appropriate authority to manage budget resources to ensure programs and services are delivered in an effective and efficient manner. Council also requires assurance that budget resources are used for the purpose intended through the approval of the annual budget.

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December 31, 2022 – Budget Control Policy Transfers (FCS22042(b))  
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Budget Complement Control Policy (Appendix “A” to FCS16024, CBP – 1). The purpose of this Policy is to ensure that the City’s staff complement is managed in an effective and efficient manner. The Policy provides guidance on transferring complement, increasing or decreasing complement and changing complement type.

**RELEVANT CONSULTATION**

Staff in all City of Hamilton departments and boards provided the information in Report FCS22042(b).

**ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)**

The following provides an overview of the more significant issues affecting the 2022 Tax and Rate Operating Budget Surpluses. Appendix “A” to Report FCS22042(b) summarizes the Tax Supported Operating Budget year-end variances by department and division and Appendix “B” to Report FCS22042(b) summarizes the Rate Supported Operating Budget results by program.

Table 3 provides a summary of the departmental results as at December 31, 2022. The Tax Operating Budget surplus(unaudited) is at \$22.9 M or approximately 2.3% of the net levy.

**Table 3**

	2022 Approved Budget	2022 Year-End Actuals	2022 Variance (Actuals vs Budget)	
			\$	%
<b>TAX SUPPORTED</b>				
Planning & Economic Development	31,621	26,553	5,068	16.0%
Healthy and Safe Communities	268,137	272,746	(4,609)	(1.7)%
Public Works	278,499	283,312	(4,813)	(1.7)%
Legislative	5,283	4,891	393	7.4%
City Manager	13,649	12,892	757	5.5%
Corporate Services	39,667	35,655	4,012	10.1%
Corporate Financials / Non Program Revenues	(30,506)	(37,247)	6,741	22.1%
Hamilton Entertainment Facilities	2,338	960	1,377	58.9%
<b>TOTAL CITY EXPENDITURES</b>	<b>608,689</b>	<b>599,762</b>	<b>8,927</b>	<b>1.5%</b>
Hamilton Police Services	182,369	181,348	1,021	0.6%
Library	32,710	30,570	2,140	6.5%
Other Boards & Agencies	16,654	16,553	101	0.6%
City Enrichment Fund	6,088	6,088	0	0.0%
<b>TOTAL BOARDS &amp; AGENCIES</b>	<b>237,821</b>	<b>234,559</b>	<b>3,261</b>	<b>1.4%</b>
<b>CAPITAL FINANCING</b>	<b>147,028</b>	<b>136,278</b>	<b>10,750</b>	<b>7.3%</b>
<b>TOTAL OTHER NON-DEPARTMENTAL</b>	<b>384,849</b>	<b>370,838</b>	<b>14,011</b>	<b>3.6%</b>
<b>TOTAL TAX SUPPORTED</b>	<b>993,538</b>	<b>970,600</b>	<b>22,938</b>	<b>2.3%</b>

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Since the onset of the COVID-19 pandemic, there have been numerous announcements from the Federal and Provincial governments regarding funding opportunities to address financial pressures for individuals and organizations. Appendix “E” to Report FCS22042(b) provides a summary of all the net financial pressures from COVID-19 for 2022 and all funding from senior levels of government that were applied to offset the pressures. For 2022, \$55.1 M in COVID-19 related funding was applied (see Appendix “E” for further details). This includes the remaining \$6.3 M funding as part of the COVID-19 Recovery Funding for Municipalities Program (CRFMP) was fully utilized.

**Safe Restart Agreement – Transit**

Safe Restart Agreement Transit Phase 3 funding was confirmed in a letter from the MTO on March 3, 2021 for the period between April 1, 2021 and December 31, 2021 for a total allocation to the City of \$16.8 M. The City will be required to return any unused funding, including interest, at the end of the eligibility period. The Province may also, at its sole discretion and on a case-by-case basis, grant extensions to the Phase 3 eligibility period for costs incurred after December 31, 2021 to December 31, 2022 of which \$10.1 M funding remained at the end of 2021.

As at December 31, 2022, \$8.1 M was required from the Safe Restart – Transit funding to cover COVID-19 related costs incurred during the year, leaving \$2.0 M in funding remaining at the end of 2022. These funds have not been authorized by the MTO to be carried forward into 2023 as of the writing of Report FCS22042(b) (see Appendix “E” for further details).

**Safe Restart Agreement – Municipal and COVID-19 Recovery Funding for Municipalities Program**

In addition to the Safe Restart Agreement, in March 2021, the Province of Ontario announced a \$500 M funding commitment to municipalities under the COVID-19 Recovery Funding for the Municipalities Program (CRFMP). The City of Hamilton’s share under this program of \$18.7 M is available to address general municipal COVID-19 costs and pressures in 2021 and 2022. At the end of 2021, the amount of CRFMP funding available for carry forward to 2022 was \$6.3 M.

As at December 31, 2022, the remaining \$6.3 M in CRFMP funding was utilized to reduce COVID-19 related pressures. As the SRA funding was fully utilized in 2021, \$17.3 M in pressures remain unfunded in 2022 (see Appendix “E” for further details).

**Social Services Relief Fund**

On March 10, 2021, the City received a letter from the Ministry of Municipal Affairs and Housing announcing Phase 3 of the SSRF and the City’s allocation of \$12.3 M for the period of March 1, 2021 up to December 31, 2021.

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Another letter was received by the City on August 16, 2021 from the Ministry of Municipal Affairs and Housing (MMAH) detailing the fourth and final Phase of the province's SSRF and through Canada-Ontario Community Housing Initiative (COCHI). Under Phase 4 of the SSRF program, the City of Hamilton has received an allocation of \$13.8 M for the 2021 – 2022 fiscal year.

Under the COCHI program, the government has also approved the release of up to an additional \$21 M. This funding will support community housing providers across Ontario, including the state of repair of the legacy social housing stock. Under COCHI, the City of Hamilton has received an additional funding allocation in the amount of \$1.0 M to the City of Hamilton for the 2021 - 2022 fiscal year.

Another letter was received by the City on April 7, 2022 from the Ministry of Municipal Affairs and Housing (MMAH) outlining a fifth and final Phase of the province's SSRF. Under this fifth phase, the City of Hamilton has received an allocation of \$6.1 M for the 2022 – 2023 fiscal year.

Combining Phase 5 funding of \$6.1 M with eligible carryover amounts from Phase 4 funding of \$0.5 M, a total of \$6.6 M was available for 2022. As at December 31, 2022, this amount has been fully leveraged (see Appendix "E" for further details).

**Other funding from senior levels of government**

Funding from the Ministry of Health and other provincial ministries of \$34.2 M was utilized in 2022 for COVID-19 pressures and recovery efforts.

**Tax Supported Operating Budget**

Appendix "A" to Report FCS22042(b) summarizes the Tax Supported Operating Budget variances by department and division.

Corporate-wide gapping is detailed in Table 4 and totalled \$14.2 M in 2022, in comparison to the Council approved target of \$5.1 M, resulting in a surplus of \$9.1 M.

**Table 4**

<b>NET GAPPING BY DEPARTMENT</b>	<b>GAPPING TARGET (\$000's)</b>	<b>2022 ACTUAL GAPPING (\$000's)</b>	<b>VARIANCE (\$000's)</b>
Planning & Economic Development	\$ 866	\$ 5,591	\$ 4,725
Healthy and Safe Communities	\$ 1,050	\$ 1,642	\$ 592
Public Works	\$ 2,247	\$ 2,700	\$ 453
Legislative	\$ 85	\$ (295)	\$ (380)
City Manager	\$ 229	\$ 787	\$ 558
Corporate Services	\$ 643	\$ 3,792	\$ 3,149
<b>Consolidated Corporate Savings</b>	<b>\$ 5,120</b>	<b>\$ 14,217</b>	<b>\$ 9,097</b>

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Each department's gapping variance (target versus projection) is detailed in the following sections, along with other departmental highlights.

### **Planning and Economic Development Department**

Planning and Economic Development reported a favourable variance of \$5.1 M.

The Transportation Planning and Parking Division had a surplus of \$2.1 M. This was mainly attributable to favourable revenues of \$1.1 M, gapping of \$0.3 M, unspent grant funding of \$0.3 M and a previous bike share operator settlement of \$0.1 M. This was partially offset by increased financial costs of \$0.2 M (processing fee costs, credit card charges, etc.).

The Growth Management Division had a surplus of \$0.7 M as a result of additional revenues (airport and grading and peer review). A \$1.3 M surplus mainly attributable to favourable gapping was transferred to Development fees stabilization reserve.

The Licensing and By-Law Services Division had a surplus of \$0.7 M. The favourable variance is due to gapping (\$0.9 M), savings related to office relocation (\$0.3 M), partially offset by unrealized revenues (\$0.5 M) and higher than expected vehicle expenses (\$99 K).

A favourable variance of \$0.7 M in the Planning Division is driven by gapping savings of \$1.5 M. These savings were partly offset by a \$0.8 M surplus transfer to Development Fees Stabilization Reserve.

Tourism and Culture had a surplus of \$1.0 M as a result of gapping savings and savings in contractual costs and repairs and maintenance, as well as, some additional revenues realized in the film sector compared to budget.

The remaining divisions had a combined deficit of \$22 K. This was the result of gapping savings offset by decreased zoning revenues in the Building Division.

CRFMP funding of \$2.3 M was applied to the Planning and Economic Development Department to offset COVID-19 related pressures. \$1.6 M of the funding applied was in the Transportation, Planning and Parking Division. \$544 K in unfunded pressures remain in the department at the end of 2022, predominately in the Licensing and By-Law Services Division (\$532 K).

The Planning and Economic Development departmental gapping target, included in the explanations above, is \$0.9 M for the year of 2022. As at December 31, 2022, the actual year-end net gapping amount is \$5.6 M, resulting in favourable gapping of \$4.7 M.

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**Healthy and Safe Communities Department**

Overall, the Healthy and Safe Communities Department experienced a deficit of \$4.6 M. This is primarily driven by unfunded COVID-19 related expenditures in Housing Services of \$14.5 M. Appendix “E” to Report FCS22042(b) reflects all funding from senior levels of government of \$41.9 M that was applied to offset COVID-19 related pressures occurred in the Department in 2022.

The Children’s Services and Neighbourhood Development Division had a surplus of \$2.9 M mostly due to gapping savings of \$477 K and maximization of funding available allowed by the Ministry of Education of \$2.3 M.

The Ontario Works Division had a surplus of \$2.0 M. The surplus is due to gapping, lower than budgeted building operational costs and contractual services.

Housing Services had a deficit of \$11.8 M. There was a surplus resulting from the Social Housing prior year reconciliations for revenue rents and provincial funding received for portable housing benefits in addition to maximizing other available provincial subsidies totalling \$2.7 M. This was offset by COVID-19 related pressures that were incurred throughout 2022. Funding from senior levels government, as reported in Appendix “E” to Report FCS22042(b) of \$6.6 M was required to offset the COVID-19 pandemic response required by the Division. However, given the cost of running these emergency services, these allocations are insufficient to cover the demands of the program leaving an unfunded balance of \$14.5 M for 2022.

The Long Term Care Division had a favourable variance of \$375 K mostly due to staffing shortages across the industry (\$447 K), increased level of care funding (\$46 K) and cost savings in various operating costs (\$113 K). This is offset partially by staffing costs of unbudgeted positions, work accommodation, overtime, sick pay, employee ancillary costs and revenue adjustments for a combined total of \$231 K.

Recreation had a surplus of \$3.1 M. The operational and maintenance cost savings due to closures (\$2.1 M net of foregone revenues) and savings in employee related costs, as well as, higher than budgeted revenues for the year.

The Hamilton Fire Department had a deficit of \$997 K due to overtime and vehicle fuel costs of \$1.3 M. This was partially offset by a favourable variance due to user fees.

Hamilton Paramedic Service experienced a deficit of \$411 K due to higher than expected costs for ancillary employee related costs. This was partially offset by higher than expected revenues for user fees and other operating savings.

Public Health Services had a surplus of \$0.2 M as a result of savings in gapping as a result of staff being deployed to other areas due to COVID-19.

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The Healthy and Safe Communities departmental gapping target is \$1.0 M for the 2022 year. The actual year-end gapping amount is \$1.6 M, resulting in a surplus of \$0.6 M.

### **Public Works Department**

Overall, the Public Works (PW) Department had a deficit of \$4.8 M, attributable to unfavourable variances across several divisions.

The PW - General Administration Division had \$1.5 M deficit. This was mainly due to unfunded positions in Corporate Asset Management that is to be covered by overall gapping dollars. This was partially offset by recoveries from capital for Enterprise Asset Management (EAM) employee related costs.

Engineering Services had a surplus of \$0.4 M due to Road Cut Administrative Program fees and Permit Revenues along with other user fee revenues collected for various Corridor Management activities administered by this Division.

Energy, Fleet and Facilities (EFF) Division had a deficit of \$1.1 M for the year. The deficit is due to \$0.8 M in snow removal charges for winter events and winterizing costs at Tim Hortons Field, unbudgeted security expenditures of \$0.3 M, in addition to unfavourable gapping.

Environmental Services ended the year with a surplus of \$0.2 M mainly due to gapping savings as a result of difficulties in hiring seasonal employees, as well as, periodic vacancies throughout the year. This was partially offset by increased cost for contractual services (repairs) that were paused during COVID-19. The division experienced \$119 K in COVID-19 related pressures that remain unfunded for 2022.

Waste Management had a deficit of \$0.2 M. There is a deficit of \$960 K in contracted services for waste collection due to the difference between the budgeted and actual escalation factor (\$0.9 M). The main driver for the increase in escalation factor is higher than expected natural gas prices. There is also negative gapping (\$0.7 M), fleet maintenance expenditures (\$0.7 M) and increased fuel commodity rates (\$0.3 M) contributing to the divisional deficit. The deficit was partially offset by increased Transfer Station and Commodity Recycling Revenues (TS / CRC) from increased tonnage and visits (\$1.5 M) in addition to savings in the Materials Recycling Facility (MRF) contract (\$0.5 M).

Transit had a deficit of \$1.7 M for the year. COVID-19 impacts that are fully funded from Safe Restart Funds include unfavourable variances in fare revenue of \$13.5 M and fleet maintenance of \$1.7 M, as well as, favourable variances in the DARTS contract of \$6.8 M and PRESTO contract of \$540 K. In addition, the negative impact of rising fuel prices of \$2.7 M, less fuel consumption of \$230 K, is offset by other net favourable variances.

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Transportation Operations and Maintenance had a deficit of \$858 K. The deficit is driven by \$3.3 M in costs associated with the Winter Season Roads Program due to heavier than typical winter season requiring additional in-house and contracted equipment / labour. This was partially offset by favourable gapping of \$2.3 M and a positive variance in the Summer Season Roads Program.

The Public Works departmental gapping target, included in the explanations above, was \$2.2 M for the 2022 year. The actual year-end gapping amount is \$2.7 M, resulting in an annual surplus of \$0.5 M.

### **Legislative**

The overall departmental surplus for 2022 was \$393 K. This was the result of savings in conference, membership fees, communication and employee contractual costs across several divisions. In addition, unspent ward office and volunteer committee budgets further drove a favourable variance.

The Legislative departmental gapping target was \$84 K for the year of 2022. The actual year-end gapping amount is -\$295 K, resulting in a deficit of \$380 K.

### **City Manager's Office**

The City Manager's Office had a favourable variance of \$0.8 M. Most of this surplus was in the Human Resources Division of \$960 K. The main drivers of the favourable variance were gapping and savings in corporate leadership training due to COVID-19 restrictions, offset by higher than budgeted legal fees.

The Digital Innovation Office had a deficit of \$206 K due to lower than expected revenues realized.

The remaining divisions had a combined surplus of \$34 K as a result of favourable gapping in addition to savings in contractual costs in the Government and Community Relations division.

The City Manager's Office departmental gapping target, included in the explanations above, was \$0.2 M for the 2022 year. The actual year-end gapping amount is \$0.8 M, resulting in a surplus of \$0.6 M.

### **Corporate Services Department**

Corporate Services finished 2022 with a positive variance of \$4.0 M. This was mainly the result of favourable variances of \$1.1 M in Financial Services, Taxation and Corporate Controller Division, \$1.7 M in the Information Technology Division and \$0.9 M in Customer Service, POA and Financial Integration Division.

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The variance in Financial Services, Taxation and Corporate Controller Division was due to gapping (\$754 K) and favourable fees collections of \$195 K (tax certificates and tax transfer fees).

The variance in Information Technology division is mainly a result of gapping (\$1.1 M), savings in computer software and hardware (\$928 K), partially offset by a \$511 K deficit in contract recoveries from Motorola Trunk Radio. The variance in Customer Service, POA and Financial Integration Division is primarily due to employee related savings from gapping (\$0.9 M).

The remaining divisions had a combined surplus of \$404 K attributable to gapping savings.

CRFMP funding of \$144 K was applied to the Department, however, \$3.1 K remains as an unfunded pressure in the Corporate Services – Administration Division.

The Corporate Services departmental gapping target, included in the explanations above, was \$0.6 M for the 2022 year. The actual year-end gapping amount is \$3.8 M, resulting in a surplus of \$3.2 M.

### **Corporate Financials / Non-Program Revenues**

Corporate Financials / Non-Program Revenues show a \$6.7 M combined favourable variance for the 2022 year. Contributing factors are identified as follows:

- Non-Program Revenues: Shared revenues from the Ontario Lottery and Gaming Corporation were higher than anticipated after reopening of casinos and racetrack slots after COVID-19 closure, resulting in a surplus of \$263 K.
- Non-Program Revenues: Dividends from Hamilton Utilities Corporation and Alectra Dividends net of administration costs were higher than anticipated resulting in a surplus of \$2.8 M.
- Non-Program Revenues: Tax remissions and write-offs resulted in a \$5.3 M surplus based on appeals processed.
- Non-Program Revenues: Supplementary taxes exceeded budget by \$3.9 M based on Assessment Roll update by MPAC.
- Corporate Pensions, Benefits and Contingency: \$3.5 M deficit due to higher costs relating to insurance (\$3.0 M) and severance (\$378 K).
- Corporate Initiatives: \$1.4 M deficit from excess Workers Safety and Insurance Benefits of (\$1.2 M) and favourable variance in other programs of \$200 K.

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- Non-Program Revenues: POA revenues were lower than expected (\$1.5 M) due to 2022 court closures as a result of COVID-19.

#### Hamilton Entertainment Facilities (HEF)

HEF had a favourable variance of \$1.4 M for 2022 mainly due to net revenues received from HUPEG for April to December 2022 after deducting facilities recovery costs and net loss guarantee.

#### Capital Financing

Capital financing had an overall positive variance of \$10.7 M as a result of timing differences in cash flow assumptions for completion of capital projects and related delays in the issuance of debt.

#### Boards and Agencies

Boards and Agencies had a surplus of \$3.3 M.

The main surplus is attributable to Library. Library had a favourable variance of \$2.1 M as a result of staffing secondments to assist with vaccine rollout / pandemic response, in addition to vacancies going unfilled (gapping) due to COVID-19 closures and service restrictions at the beginning of 2022.

Hamilton Police Service had a surplus of \$1.0 M. The Hamilton Police Board will be presenting its year-end 2022 operating budget variance report in May or June 2023. The Hamilton Farmers' Market had an unfavourable variance of \$1 K due to COVID-19 related expenditures. The deficit is recommended to be funded from the COVID-19 Emergency Reserve.

The Library and Police surplus is recommended to be transferred to their own reserves.

MPAC had a surplus of \$135 K based on actual levy confirmed.

Hamilton Conservation Authority had a deficit of \$33 K as a result of an excess payment made in error that will be corrected in 2023 via a reduction in 2023 levy payments.

CRFMP funding of \$222 K was applied to Boards and Agencies, however, \$54 K remains an unfunded pressure.

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**Disposition of Tax Supported Operating Budget Surplus**

The City of Hamilton has policies, obligations, future requirements and past practice that guide decisions around the disposition of the year-end operating budget surplus. As outlined in Recommendation (b) of Report FCS22042(b), staff recommends that the Tax Supported Operating Budget Surplus of \$22.9 M be distributed to various reserves as per the following paragraphs.

This proposed disposition of the 2022 surplus is highlighted below:

- Year-end variances for Police and Library to be allocated to their own reserves as per their policies.
- Farmers' Market – Staff recommends the \$1,063 in unfunded COVID-19 related costs be funded from the COVID-19 Emergency Reserve (Reserve #110053).
- Cold Alert Response – Per the motion at Emergency and Community Services Committee at its meeting on December 1, 2022 that up to a maximum of \$125,000 for the Cold Alert response between December 2022 to March 2023 be funded from any available 2022 Housing Services Division or Healthy and Safe Communities Departmental Surplus or through the Tax Stabilization Reserve should a surplus not be realized. Staff is recommending \$109,000 be funded from the 2022 operating budget surplus.
- Mission Services – Per Report HSC20020(f) – A response from the Federal Minister of Housing and Diversity and Inclusion and the Provincial Minister of Municipal Affairs and Housing to advocate for additional transitional COVID-19 funding resources to support ongoing housing and homelessness systems responses, address budgetary shortfalls and mitigate impacts on the City has not yet been received as requested in Adaptation and Transformation of Services for People Experiencing Homelessness Update 6 (Report HSC20020(f)). In the Report, staff was authorized in 2022 to implement a one-time grant to a maximum amount of \$3.04 M to Mission Services for capital improvements to a new men's emergency shelter. Staff is recommending that funds are set aside in the tax stabilization reserve from the 2022 operating surplus to fund in 2023 as the grant was not provided in 2022.

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- Hamilton Utilities Corporation (HUC) Dividends – Council, through Report HSC19048, approved that any future year-end Alectra / Hamilton Utilities Corporation Dividend surpluses be used to reduce the reliance on debt financing for Council approved Housing projects. While the HUC dividend surplus of \$2.8 M would be earmarked to reduce future reliance on the tax levy to fund debt repayments related to the National Housing Co-Investment Funding received from the Canada Mortgage and Housing Corporation, staff is recommending it be used for City Housing Hamilton (CHH) Vacant Unit Repair Program. Council at its meeting March 29, 2023, approved CHH Shareholder Corporation Report 23-001, requesting funding of up to \$5.7 M for a CHH Vacant Unit Repair Program of 476 units. Consequently, the HUC dividend surplus of \$2.8 M will be transferred to Housing Project ID #6732341301 and used towards this program with the balance of the funding to be determined.
- Development Charge Exemptions – Staff recommends \$7.1 M be transferred to fund the 2022 shortfall in discretionary tax supported development charge exemptions. Total Development Charge Exemptions (Project ID #2052180510), including both Rate and Tax Supported statutory and discretionary exemptions, were \$50.6 M in 2022 as outlined in Appendix “F” to Report FCS22042(b). The total budget for 2022 was \$19.1 M, leaving a funding shortfall of \$31.5 M. The recommended transfer of \$7.7 M funds a portion of the 2022 shortfall in tax supported discretionary exemptions. The funding shortfall in discretionary exemptions was primarily driven by non-residential development including industrial rate reductions and agricultural use.
- Slot Revenues – Slot revenue surplus of \$263 K to be transferred to the Flamborough Capital Reserve Fund, per Council approval of Report FCS12031 on April 25, 2012.
- Hamilton Entertainment Facilities – HEF Program surplus of \$545 K to be funded from the Hamilton Entertainment Facilities Capital Projects Reserve (Reserve #100025). The amount of \$545 K funds the existing deficit in the HEF Capital Reserve.
- Tax Stabilization Reserve #110046 – The remainder of the tax supported operating budget surplus of \$5.3 M is to be transferred to the Tax Stabilization Reserve.

### **Rate Supported Operating Budget**

For 2022, the Rate supported operating budget had a favourable variance of \$1.2 M due to unfavourable operating expenditures of \$3.9 M, offset by favourable Capital Financing of \$3.1 M and a favourable revenue variance of \$2 M.

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## Revenues

As of December 31, 2022, total rate revenues are \$2.0 M (0.8 %) favourable to budget. An overall favourable variance of \$2.0 M is mainly due to a surplus in the residential sector of \$3.1 M offset by a shortfall of \$2.3 M in the Industrial, Commercial and Institutional (ICI) sector. Staff continues to monitor consumption patterns and post-pandemic related impacts, as well as, changes in water consumption trends as some customers' consumption has not returned to pre-pandemic levels as anticipated, particularly in the ICI sector.

In 2022, to better understand recent declined consumption of large industrial and institutional customers, staff conducted a survey of the top water users. There was a response rate of 24%. A common theme among the response was that steps have been taken to reduce the use of excess water, whether that be through process audits, regular reviews of water usage, leak detection programs, plumbing repairs, retro-fitting, etc. Forecasted over the next five years, five companies surveyed expect their consumption to decrease. Again, the reductions are attributed to the review of processes, new initiative and water conservation projects. The forecasted deficit has been addressed in the 2023 Rate Budget.

As of December 31, 2022, there is a surplus \$0.4 M in Sewer Surcharge Agreements, \$0.4 M from hauled water and sewage, as well as, \$1.0 M from Halton and Haldimand, whose residential customer base continues to increase resulting in a continued trend of favourable revenues. Partially offsetting the surplus is a deficit of \$0.4 M in Overstrength Agreements.

Non-rate related revenues ended the year with an unfavourable variance of \$0.3 M mainly due decreased demand for new construction permits.

## Expenditures

Overall program spending for 2022 is projected to have an unfavourable variance of \$874 K. The driving factors behind this are shown in Table 5.

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Table 5

<b>City of Hamilton - Rate Budget Operating Expenditures Variance Drivers</b>	
<b>Expenditure Types</b>	<b>Variance (\$000's)</b>
Materials and Supplies	(3,683)
Capital Financing	3,119
Buildings and Grounds	(1,022)
Employee Related Costs	291
Contractual and Consulting	243
Agencies & Support Payments	178
<b>Total Operating Expenditures</b>	<b>(874)</b>

Note: () Denotes unfavourable variance

Material and Supplies ended 2022 with an unfavourable variance of (\$3.7 M). This is largely attributed to the significant price increases realized within the chemical supply market, mainly due to liquid chlorine. The increased costs in fluid and chemicals and new contracts have been adjusted in the 2023 Rate Budget process.

Capital Financing had a favourable variance of \$3.1 M mainly due to timing in the issuance of debt. This positive variance is partially offset by the higher than anticipated reserve transfers of \$275 K.

Building and Ground had an unfavourable variance of (\$1 M) mainly due to increased hydro costs due to the temporary closure of the Kenilworth Reservoir.

Employee related costs had a favourable variance of \$291 K mainly due to net gapping savings realized from staff vacancies.

Contractual and Consulting expenditures had a favourable variance of \$243 K due to savings in Outreach and Education Program due to decreased spending resulting from COVID-19.

Agencies and Support Payments had a favourable variance of \$178 K mainly due to the Protective Plumbing Program (3P). Less adverse weather in early 2022 has resulted in lower than expected uptake in the 3P program.

Appendix "B" to Report FCS22042(b) summarizes the Rate Budget results by program.

### **Disposition of Rate Supported Operating Budget Surplus**

The City of Hamilton has policies, obligations, future requirements and past practice that guide decisions around the disposition of the year-end operating budget surplus.

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

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

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

**SUBJECT: Tax and Rate Operating Budget Variance Report as at  
December 31, 2022 – Budget Control Policy Transfers (FCS22042(b))  
(City Wide) – Page 20 of 20**

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Staff recommends that the Rate Supported Operating Budget Net Surplus of \$1.2 M be transferred as follows:

- Surplus of \$0.8 M from water operations to be transferred to fund development charge exemptions (Project ID #2052180510)
- Surplus in wastewater / storm operations of \$0.4 M to be transferred to fund development charge exemptions (Project ID #2052180510)

### **ALTERNATIVES FOR CONSIDERATION**

Table 1 in the Recommendation(s) section of Report FCS22042(b) identifies the recommended disposition of the surplus / deficit. Council may provide alternative direction to staff for the disposition of the surplus / deficit.

### **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

#### **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 FCS22042(b) – City of Hamilton Tax Operating Budget Variance Report as at December 31, 2022

Appendix “B” to Report FCS22042(b) – City of Hamilton 2022 Combined Water, Wastewater and Storm Operating Budget Macro as at December 31, 2022

Appendix “C” to Report FCS22042(b) – City of Hamilton Budget Amendment Staff Complement Change

Appendix “D” to Report FCS22042(b) – City of Hamilton Budgeted Complement Temporary Extension Schedule

Appendix “E” to Report FCS22042(b) – City of Hamilton COVID-19 Pressures and Funding Sources– December 31, 2022

Appendix “F” to Report FCS22042(b) – City of Hamilton 2022 Development Charges Exemption Summary

KP/DR/dt



**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022**  
**(\$ 000's)**

	2022 Approved Budget	2022 Actuals December	2022 Actuals vs Approved Budget		Comments/Explanations
			\$	%	
<b>PLANNING &amp; ECONOMIC DEVELOPMENT</b>					
General Manager	1,055	833	222	21.0%	Favourable variances of: \$152 K Net gapping due to Senior Advisor Strategic Growth being funded from capital \$38 K savings in Meeting Expenses \$23 K savings in Conferences, Training, Employee recognition
Transportation, Planning and Parking	2,874	759	2,114	73.6%	Favourable variances of: \$1.1 M additional revenues; \$330 K gapping; \$325 K unspent grants; \$100 K settlement with previous bike share operator; \$133 K contractual savings (mostly due to reduced Imperial Parking staffing); \$78 K other employee related; \$74 K building & ground (mostly from hydro at Ellen Fairclough Building); \$48 K internal recoveries (mostly due to unspent traffic services recoveries); \$65 K materials & supplies (mostly due to unspent ticket stock budget);  Partially offset by: (\$171 K) increased financial costs (credit card charges, processing fees, etc.)
Building	607	1,012	(404)	(66.6)%	\$(275) K Zoning revenues budgeted in Building but transferred and received in Planning, the budget was restated to Planning \$(139) K Property work maintenance unrecovered by fees \$873K surplus in Building Enterprise was transferred to Building fees reserve.
Economic Development	5,667	5,506	161	2.8%	\$161 K divisional surplus mainly attributed to gapping savings in Municipal Land Development Office \$92 K and Commercial District and Small Business of \$66 K \$430 K of the surplus in Urban Renewal transferred to Downtown Hamilton Residential Loan Program Reserve 108036, per report PED12220/FCS12090, approved by council on Nov 28, 2012. \$115 K surplus in Economic Development Investment Fund program transferred to Economic Development Investment Fund reserve per PED07306, approved at COW Dec 10, 2007, item 7.5.
Growth Management	461	(213)	675	146.3%	Favourable variances of: \$462 K additional Airport revenues; \$126 K additional Grading and Peer Review revenues; \$100 K savings in Cost allocations; \$54 K savings in Material and Supply,  Partially offset by: \$(46) K pressure in Contractual \$1.3 M was transferred to Development fees stabilization reserve, \$1.1 M representing gapping savings and \$185 K excess revenues and other savings
Licensing & By-Law Services	6,942	6,250	692	10.0%	Favourable variances of: \$867 K gapping; \$325 K savings in office rent due to move from leased to owned building in 2022; \$49 K other employee related costs; \$45 K reduced transfer to capital;  Partially offset by: (\$509 K) pressures from unrealized net revenues totalling (Rental Housing portion totalling \$334 K); (\$99 K) increased vehicle expenses; (\$71 K) contractual
Planning	4,298	3,648	650	15.1%	Favourable variances of: \$1.5 M net gapping savings \$100 K savings in Conferences, Training, Travel and Professional membership  Partially offset by: \$(832) K transferred to Development Fees stabilization reserve \$(70) K Facilities allocations \$(30) K additional Affordable housing grants
Tourism & Culture	9,717	8,758	959	9.9%	Favourable variances of: \$368 K Gapping; \$275 K Contractual budget not spent; \$153 K Materials & supplies; \$70 K Other employee related (mostly training); \$99 K Increased revenues (mainly in film); \$66 K Reserve funding for Canada Day; \$36 K lower building repairs & maintenance costs  Partially offset by: (\$125 K) unrealized capital recoveries
<b>TOTAL PLANNING &amp; ECONOMIC DEVELOPMENT</b>	<b>31,621</b>	<b>26,553</b>	<b>5,068</b>	<b>16.0%</b>	

- ( ) Denotes unfavourable variance.

- Variances include eligible COVID related funding (Safe Restart or Other Streams identified in Appendix "D" to Report FCS22042)

**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022**  
**(\$ 000's)**

	2022 Approved Budget	2022 Actuals December	2022 Actuals vs Approved Budget		Comments/Explanations
			\$	%	
<b>HEALTHY AND SAFE COMMUNITIES</b>					
HSC Administration	3,067	3,036	31	1.0%	Favourable variance due to gapping vacancies, step differentials, ancillary cost and savings due to work from home.
Children's and Community Services	10,946	8,072	2,874	26.3%	Favourable variance due to maximizing \$2.3 M in funding flexibility allowed by Ministry of Education, Net Gapping of \$477 K and in-year budget adjustments (Snow Angels & Building Safer Communities) \$244 K, offset by pressures in Indigenous Strategy, (\$200 K).
Ontario Works	12,840	10,851	1,989	15.5%	Favourable variance mainly due to gapping resulting from availability of staff to fill vacancies \$1.4 M, Operational savings of \$477 K due to programs being slow to return to pre COVID levels.
Housing Services	53,937	65,771	(11,834)	(21.9)%	Unfavourable variance is due to unfunded COVID costs of (\$14.5 M) offset by favourable variance due to Social Housing Provider reconciliation recoveries \$1.3 M, underspending in levy rent supplements and portable housing benefits \$578 K, unspent Roxborough operating subsidy due to delay in completing the project, \$400 K, operating savings for bus pass and transportation costs, \$269 K and maximizing available provincial subsidies of \$157 K.
Long Term Care	11,771	11,396	375	3.2%	Favourable variance mostly due to staffing industry shortages and step differentials \$447 K, increased level of care funding net of supply inflationary increases \$46 K, and cost savings in various operating costs \$113 K. Offset partially by (\$231 K) made up of a combination of other revenue adjustments, lost revenue for Adult Day Program due to COVID and Bad Debt write off.
Recreation	36,271	33,154	3,117	8.6%	Favourable variance due to savings from Covid Closures of \$2.1 M, (which is a net of lost Revenue (\$2.9 M) offset by savings from program closures of \$5.0 M. The remaining balance of \$1.1 M is made up of a combination of higher than expected revenues in Golf, Sports Facilities and operational cost savings such as Vehicle costs, publications and brochures to name a few.
Hamilton Fire Department	96,124	97,122	(997)	(1.0)%	Unfavourable variance due to overtime (\$1.1 M) and vehicle fuel costs (\$196 K). Offset by a favourable variance of \$336 K made up of a combination of operating costs savings and general revenues from MTO Billings & false alarms.
Hamilton Paramedic Service	29,113	29,524	(411)	(1.4)%	Unfavourable variance due to ancillary employee related costs (\$413 K) (i.e. Encampment response, other short notice issues, OT, vacation, stat pay) and significantly higher fuel costs (\$239 K). Offset with a favourable variance in revenues from special events and preceptors of \$190 K and \$51 K and various operating cost savings.
Public Health Services	14,068	13,820	248	1.8%	Favourable variance due to staff being redeployed and funded from COVID.
<b>TOTAL HEALTHY AND SAFE COMMUNITIES</b>	<b>268,137</b>	<b>272,746</b>	<b>(4,609)</b>	<b>(1.7)%</b>	
<b>PUBLIC WORKS</b>					
PW-General Administration	655	2,176	(1,521)	(232.0)%	The General Administration division finished 2022 with an unfavourable variance of (\$1.5 M) mainly due to:  Favourable variances of: • \$781 K in recoveries from capital for EAM project employee related costs  Unfavourable variances of: • (\$1.73 M) in unfunded positions in Corporate Asset Management to be covered by overall gapping dollars. • (\$237 K) in audits performed by Internal Audit • (\$225 K) in unrealized gapping target • (\$79 K) in computer maintenance contracts
Energy Fleet and Facilities	14,274	15,379	(1,106)	(7.7)%	The Energy, Fleet & Facilities Management division finished 2022 with an unfavourable variance of (\$1.1 M) mainly due to:  Favourable variances of: • \$192 K in unbudgeted interest on HCE loan • \$113 K net in miscellaneous accounts across numerous DeptIDs • \$106 K in reallocation of wages to COVID warehouse  Offset by unfavourable variances of: • (\$388 K) in Snow Removal & other non-recovered expenses for Winter major events at Stadium (identified in PED18234(g) & PED22141 Council Reports). • (\$386 K) in unrealized Recovery from Capital due to Maternity leaves, retirements, & non-recoverable expenses • (\$360 K) in winterizing costs at Tim Horton's Field • (\$282 K) in unbudgeted security expense for leased building • (\$102 K) in inventory write-off of Fleet Tires
Engineering Services	0	(399)	399	100%	The Engineering Services division finished 2022 with a favourable variance of \$399 K mainly due to:  Favorable variances of: • \$399 K in Road Cut Administrative Program fees and Permit Revenues and other user fee revenues collected for various Corridor Management activities administered by this section.

- ( ) Denotes unfavourable variance.

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**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022**  
**(\$ 000's)**

	2022 Approved Budget	2022 Actuals December	2022 Actuals vs Approved Budget		Comments/Explanations
			\$	%	
Environmental Services	46,183	46,020	163	0.4%	<p>The Environmental Services division finished 2022 with a favourable variance of \$163 K mainly due to:</p> <p>Favourable variances of:</p> <ul style="list-style-type: none"> <li>\$1.4 M in net gapping savings from difficulty hiring students and seasonal employees (\$77 K COVID-19 savings due to staff redeployment), periodic vacancies throughout the year and step differential also contribute to the overall gapping savings.</li> <li>\$445 K in net Cemetery sales</li> <li>\$226 K in utilities (lower than anticipated consumption offset by increased utility costs)</li> </ul> <p>Offset by unfavourable variances of:</p> <ul style="list-style-type: none"> <li>(\$796 K) overall Environmental Services net increased cost for contractual services in part due to increase in Park's maintenance &amp; inspection as a result of pause in infrastructure maintenance during COVID which led to increase in repairs.</li> <li>(\$349 K) operating to capital financial support.</li> <li>(\$197 K) increased costs for diesel and unleaded fuel largely due to rising fuel costs.</li> <li>(\$196 K) (COVID-19) incremental costs for cleaning, PPE and other COVID related expenses to maintain normal operations.</li> <li>(\$119 K) increased consulting services as a result of additional consulting cost for soil management legislative requirements.</li> <li>(\$116 K) in additional costs relating to the use of several extended use vehicles &amp; equipment rentals for Environmental Services.</li> <li>(\$112 K) increase in financial fees incurred primarily due to increased credit card charges, legal, survey, licensing and real estate fees.</li> </ul>
Waste Management	46,369	46,558	(189)	(0.4)%	<p>The Waste Management division finished 2022 with an unfavourable variance of (\$189 K) mainly due to:</p> <p>Favourable variances of:</p> <ul style="list-style-type: none"> <li>\$1.47 M in recycling commodity revenues from increased market rates for commodities like Fibers, Aluminum and Plastic.</li> <li>\$928 K in Transfer Stn/Community Recycling Ctr revenue from increased tonnage and visits at the 3 locations.</li> <li>\$501 K in the Materials Recycling Facility (MRF) contract from lower tonnage volumes compared to budget, offset by increased escalation cost compared to budget (2% budget versus 4.65% actual).</li> <li>\$282 K in recovery from Waste Recycling Reserve to fund Director and Administration per report #PW21017.</li> <li>\$265 K in the Household Special Waste program from contracts with Producers of hazardous waste products which contributes to lower fixed costs to run the current program.</li> <li>\$126 K in capital recoveries.</li> <li>\$113 K in revenues received from sale of compost (\$76 K), utility recovery from CCF operator (\$26 K) and other miscellaneous revenues that are greater than budgeted.</li> </ul> <p>Offset by unfavourable variances of:</p> <ul style="list-style-type: none"> <li>(\$960 K) in waste collection program from higher than budgeted escalation factor as it relates to higher than expected natural gas prices (2% budget versus 6.48%).</li> <li>(\$701 K) in net negative gapping from temporary unbudgeted positions partially offset by savings from staff seconded to MLE (\$28 K) relating to COVID-19.</li> <li>(\$490 K) in Waste Collections fleet and fleet maintenance costs from extended use of vehicles not included in the budget. Of this, one vehicle is due to COVID-19 with an annual cost of (\$3 K).</li> <li>(\$364 K) in building repairs from insurance risk claim denial for security and electrical at the MRF facilities.</li> <li>(\$342 K) in unrealized third party recycling revenues.</li> <li>(\$329 K) in Fuel due to increased fuel commodity rates.</li> <li>(\$261 K) in reduced recovery from Hamilton Renewal Power Inc. due reduced flow of methane gas at the Glanbrook landfill resulting in reduced revenues.</li> <li>(\$260 K) in the Transfer Stn/Community Recycling Ctr operations from higher than forecasted volumes coupled with increased escalation factor from higher diesel fuel prices (2% budget versus 4.5% actual).</li> <li>(\$228 K) in security costs from break-ins &amp; vandalism at 2 transfer stations.</li> </ul>
Transit	86,785	88,485	(1,701)	(2.0)%	<p>The Transit division finished 2022 with an unfavourable variance of (\$1.7 M) mainly due to:</p> <p>Favourable variances of:</p> <ul style="list-style-type: none"> <li>\$8.1 M in Safe Restart funding (COVID-19).</li> <li>\$7.4 M comprised of \$6.8M DARTS contract from fewer trips versus budget (COVID-19); and \$540K in the PRESTO commissions due to lower ridership (COVID-19).</li> <li>\$1.1M in Taxi Contract (COVID-19).</li> <li>\$637 K in Financial (Other Fees and Services, BRINKS pick-ups)</li> <li>\$459 K in Rebuilt Components, Fluids &amp; Lubricants and Tires and Tubes in Fleet Maintenance.</li> <li>\$385 K in Contractual (Advertising &amp; Promotion, Lease and Service Contracts)</li> <li>\$355 K in Materials and Supplies (Printing and Reproduction, NGV Station Maintenance, Tickets &amp; Transfer Expense, Repairs Equipment)</li> <li>\$174 K in heat, hydro, water and sewer and telephone)</li> </ul> <p>Offset by unfavourable variances of:</p> <ul style="list-style-type: none"> <li>(\$13.5 M) in Fare Revenue from decreased ridership &amp; revenue (COVID-19). Ridership achieved 67.2% of 2022 budget.</li> <li>(2.8 M) in Vehicle Parts comprised of (\$1.7 M) due to continued delays experienced in replacing fleet; therefore the need to continue employing older fleet increasing impact on maintenance costs (COVID-19) and (\$1.1 M) due to higher costs and supply chain issues.</li> <li>(\$2.7 M) in fuel costs, comprised of \$230K favourable consumption variance to the end of March (COVID-19) and (\$2.9 M) unfavourable due primarily to higher than budgeted fuel prices.</li> <li>(\$1.1 M) in employee related costs comprised of (\$817K) from COVID related absences needing backfill via OT replacement (COVID-19) and (\$250 K) driven by other Sick and OT costs.</li> <li>(\$433 K) in Taxi Scrip and Charter revenue from lower utilization of programs (COVID-19).</li> <li>(278 K) in PPE, Passenger Protection, MicroTransit, Return to Ridership promotions</li> </ul>

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**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022**  
**(\$ 000's)**

	2022 Approved Budget	2022 Actuals December	2022 Actuals vs Approved Budget		Comments/Explanations
			\$	%	
Transportation Operations & Maintenance	84,233	85,092	(858)	(1.0)%	Overall TOM division finished 2022 with an unfavourable variance of (\$858 K) mainly due to:  Favourable variances of: • \$2.3 M in net gapping due staff vacancies attributed to normal staff turnover (retirements, job transfers, seasonal hiring, difficulties recruiting etc.) • \$398 K in the Summer Season Roads Programs attributed to savings in contractual, materials and vehicle expenses  Offset by unfavourable variances of: • (\$3.3 M) in the Winter Season Roads Program due to heavier than typical winter season requiring additional in house and contracted equipment, material usage, and overtime to meet the level of service.
<b>TOTAL PUBLIC WORKS</b>	<b>278,499</b>	<b>283,312</b>	<b>(4,813)</b>	<b>(1.7)%</b>	
<b>LEGISLATIVE</b>					
Legislative General	(363)	(288)	(76)	20.8%	Savings in IC contract costs, contingency, emp costs, and conferences, offset by gapping target, membership fees and communication costs
Mayors Office	1,211	1,138	73	6.0%	Savings in consulting & contractual budgets offset by employee related contractual costs.
Volunteer Committee	121	85	36	29.6%	
Ward Budgets	4,314	3,955	359	8.3%	Savings in Ward operating budgets, contractual and consulting budgets, contingency, and conferences, offset by gapping target, membership fees, communication and employee contractual costs.
<b>TOTAL LEGISLATIVE</b>	<b>5,283</b>	<b>4,891</b>	<b>393</b>	<b>7.4%</b>	
<b>CITY MANAGER</b>					
Office of the City Auditor	1,201	1,180	21	1.8%	Gapping due to temporary vacancies offset by external investigation costs.
CMO - Admin	233	304	(70)	(30.2)%	Temporary staffing costs to support Council transition and City Manager's Office.
Communications and Strategic Initiatives	2,516	2,546	(30)	(1.2)%	Media Room upgrade costs, employee contractual obligations, offset by gapping due to temporary vacancies.
Digital and Innovation Office	243	480	(237)	(97.4)%	Corporate partnership revenue recorded in other City departments. Target exceeded with revenues recorded in other City Departments.
Government & Community Relations	868	755	113	13.0%	Gapping; savings in contractual costs; offset by membership fees for Ontario Big City Mayors and Chief Administrative Officers Strategy Corp Contributions.
Human Resources	8,587	7,627	960	11.2%	Gapping; savings in corporate training, mediation/arbitration expenses, and contractual costs; offset by deficit in legal fees due to COVID related policies.
<b>TOTAL CITY MANAGER</b>	<b>13,649</b>	<b>12,892</b>	<b>757</b>	<b>5.5%</b>	
<b>CORPORATE SERVICES</b>					
City Clerk's Office	3,213	3,336	(123)	(3.8)%	Unfavourable variances of: (\$164 K) Employee related costs net of gapping target; (\$78 K) Facilities costs; (\$73 K) Printing and Postage cost net of recoveries  Partially offset by: \$176 K increased revenue in Death registrations and Marriage Licenses; \$10 K Hamilton Renewable Power Recovery; \$6 K Miscellaneous operating savings
Customer Service, POA and Fin'l Integration	6,003	5,129	875	14.6%	Favourable variances of: \$944 K Employee related costs net of gapping target; \$46 K Computer Software savings; \$12 K Leases and Services; \$3 K Facilities savings  Partially offset by: (\$132 K) Internal Debt repayment
Financial Serv, Taxation and Corp Controller	4,283	3,223	1,060	24.7%	Favourable variances of: \$754 K Employee related costs net of gapping target; \$195 K Tax fees; \$59 K HST and CPP refund; \$29 K Facilities; \$28 K Rebates on Purchases; \$17 K Printing and Postage  Partially offset by: (\$29 K) Auction Services for used equipment

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**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022**  
**(\$ 000's)**

	2022 Approved Budget	2022 Actuals December	2022 Actuals vs Approved Budget		Comments/Explanations
			\$	%	
Legal Services and Risk Management	4,010	3,780	230	5.7%	Favourable variances of: \$338 K Employee related costs net of gapping target; \$16 K Computer costs;  Partially offset : (\$94 K) Administration Fees; (\$26 K) Outside Council fees and Witness Fees
Corporate Services - Administration	332	288	44	13.3%	\$30 K Consulting and Contractual Service savings; \$20 K Training savings; partially offset by negative gapping
Financial Planning, Admin & Policy	5,370	5,116	254	4.7%	Favourable variances of: \$397 K Employee related costs net of gapping target; \$35 K Operational savings; \$17 K Professional Services  Partially offset by : (\$90 K) 0.25% Administration cost collected on DC Deferral agreements; (\$17 K) Subdivision Agreement Finance Processing User Fees; (\$64 K) Net Investment costs; (\$22 K) Facilities costs
Information Technology	16,457	14,783	1,674	10.2%	Favourable variances of: \$1.1 M Employee related costs net of gapping target \$824 K Computer Software; \$228 K License and Service Fee savings; \$104 K Computer Hardware; \$42 K Radio Service and Equipment; \$23 K Miscellaneous operating savings  Partially offset by: (\$511 K) Motorola Reserve Recovery savings; (\$104 K) Consulting Services
<b>TOTAL CORPORATE SERVICES</b>	<b>39,667</b>	<b>35,655</b>	<b>4,012</b>	<b>10.1%</b>	
<b>CORPORATE FINANCIALS</b>					
Corporate Pensions, Benefits & Contingency	4,205	7,751	(3,547)	(84.3)%	Higher Costs related to Insurance (\$3.0 M), Severance (\$378 K), Utilities (\$292 K), offset by higher interest earned (\$299 K) and GST Rebates (\$193 K).
Corporate Initiatives	15,745	17,152	(1,406)	(8.9)%	Higher WSIB Costs (\$1.2 M) offset by lower payouts for Retiree Benefits (\$535 K) and Sick Pay (\$436 K).
<b>TOTAL CORPORATE FINANCIALS</b>	<b>19,950</b>	<b>24,903</b>	<b>(4,953)</b>	<b>(24.8)%</b>	
<b>HAMILTON ENTERTAINMENT FACILITIES</b>					
Operating	2,338	960	1,377	58.9%	HEF had a favourable variance of \$1.4 M for 2022 mainly due to net revenues received from HUPEG for April to December 2022 after deducting facilities recovery costs and net loss guarantee.
<b>TOTAL HAMILTON ENTERTAINMENT FACILITIES</b>	<b>2,338</b>	<b>960</b>	<b>1,377</b>	<b>58.9%</b>	
<b>TOTAL CITY EXPENDITURES</b>	<b>659,145</b>	<b>661,912</b>	<b>(2,767)</b>	<b>(0.4)%</b>	
<b>CAPITAL FINANCING</b>					
Debt-Healthy and Safe Communities	2,309	2,216	93	4.0%	
Debt-Planning & Economic Development	1,169	26	1,143	97.8%	
Debt-Public Works	35,897	21,925	13,971	38.9%	
Debt-Corporate Financials	92,885	97,344	(4,459)	(4.8)%	
Infrastructure Renewal Levy	13,429	13,429	0	0.0%	
<b>TOTAL CAPITAL FINANCING</b>	<b>145,688</b>	<b>134,939</b>	<b>10,749</b>	<b>7.4%</b>	Capital financing had an overall positive variance of \$10.7 M as a result of timing differences in cash flow assumptions in the Capital Budget.
<b>BOARDS &amp; AGENCIES</b>					
<b>Police Services</b>					
Operating	182,369	181,348	1,021	0.6%	The Hamilton Police Board will be presenting its year-end 2022 operating budget variance report in May or June 2023.
Capital Financing	1,174	1,174	0	0.0%	
<b>Total Police Services</b>	<b>183,543</b>	<b>182,522</b>	<b>1,021</b>	<b>0.6%</b>	

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**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022**  
**(\$ 000's)**

	2022 Approved Budget	2022 Actuals December	2022 Actuals vs Approved Budget		Comments/Explanations
			\$	%	
<b>Other Boards &amp; Agencies</b>					
Library	32,710	30,570	2,140	6.5%	Gapping savings as a result of vacancies early in 2022 due to transition from reduced COVID-19 hours to standard operational hours. Also staff secondments to assist with vaccine rollouts at the beginning of the year contributed to additional gapping savings.
Conservation Authorities	8,651	8,684	(33)	(0.4)%	As a result of an excess payment made in 2022. The \$33K overpayment will be collected via a reduction in 2023 levy payments.
Hamilton Beach Rescue Unit	133	133	0	0.0%	
Royal Botanical Gardens	647	647	0	0.0%	
MPAC	6,980	6,845	135	1.9%	Based on actual levy confirmed by MPAC.
Farmers Market	242	243	(1)	(0.4)%	Gapping savings offset by increased security and building and grounds costs.
<b>Total Other Boards &amp; Agencies</b>	<b>49,363</b>	<b>47,123</b>	<b>2,241</b>	<b>4.5%</b>	
<b>Capital Financing - Other Boards &amp; Agencies</b>	<b>166</b>	<b>165</b>	<b>1</b>	<b>0.6%</b>	
<b>City Enrichment Fund</b>	<b>6,088</b>	<b>6,088</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL BOARDS &amp; AGENCIES</b>	<b>239,160</b>	<b>235,897</b>	<b>3,262</b>	<b>1.4%</b>	
<b>TOTAL EXPENDITURES</b>	<b>1,043,994</b>	<b>1,032,750</b>	<b>11,244</b>	<b>1.1%</b>	
<b>NON PROGRAM REVENUES</b>					
Slot Revenues	(5,200)	(5,463)	263	(5.1)%	The opening of the casinos and racetrack slots later in 2022 (previously closed due to COVID-19) attributed to the rebounding of revenues over previous estimates
Investment Income	(4,800)	(4,800)	0	0.0%	
Hydro Dividend and Other Interest	(6,566)	(9,359)	2,792	(42.5)%	Higher than budgeted Dividend received
Tax Remissions and Write Offs	9,750	4,482	5,268	54.0%	Based on appeals processed
Payment In Lieu	(17,108)	(17,585)	476	0.0%	
Penalties and Interest	(11,400)	(11,872)	472	(4.1)%	Higher Interest and Penalties Received
Right of Way	(3,229)	(3,230)	0	0.0%	
Senior Tax Credit	530	524	6	1.2%	
Supplementary Taxes	(10,130)	(13,999)	3,869	(38.2)%	Based on Assessment Roll Update by MPAC
POA Revenues	(2,302)	(849)	(1,454)	0.0%	Lower than anticipated revenue due to trial rescheduling caused by COVID-19. Rescheduling forfeited or delayed fine revenue from judgements.
<b>TOTAL NON PROGRAM REVENUES</b>	<b>(50,456)</b>	<b>(62,151)</b>	<b>11,694</b>	<b>0.0%</b>	
<b>TOTAL LEVY REQUIREMENT</b>	<b>993,538</b>	<b>970,599</b>	<b>22,938</b>	<b>2.3%</b>	

- ( ) Denotes unfavourable variance.

- Variances include eligible COVID related funding (Safe Restart or Other Streams identified in Appendix "D" to Report FCS22042

**CITY OF HAMILTON**  
**2022 COMBINED WATER, WASTEWATER AND STORM OPERATING BUDGET MACRO**  
**as at December 31st, 2022**

	2022 Council Approved Budget	2022 Actuals as of Dec.31st	2022 Variance \$	2022 Variance %
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**OPERATING EXPENDITURES:**

Divisional Administration & Support	10,837,691	11,223,073	(385,382)	(3.6%)
Woodward Upgrades	1,764,829	1,918,968	(154,139)	(8.7%)
Customer Service & Community Outreach	6,175,547	5,827,880	347,667	5.6%
Compliance & Regulations	7,242,170	7,255,684	(13,514)	(0.2%)
Water Distribution & Wastewater Collection	24,011,409	23,324,913	686,496	2.9%
Plant Operations	29,909,180	34,486,870	(4,577,690)	(15.3%)
Plant Maintenance	11,708,771	11,571,808	136,963	1.2%
Capital Planning & Delivery	4,927,514	5,160,644	(233,130)	(4.7%)
Watershed Management	1,282,313	1,153,414	128,899	10.1%
Wastewater Abatement Program	1,142,450	1,407,699	(265,249)	(23.2%)
Alectra Utilities Service Contract	5,826,240	5,925,035	(98,795)	(1.7%)
Utilities Arrears Program	500,320	278,427	221,893	44.4%
Sewer Lateral Management Program	300,000	271,895	28,105	9.4%
Hamilton Harbour Remedial Action Plan	578,964	410,056	168,908	29.2%
Protective Plumbing Program (3P)	752,870	667,655	85,215	11.3%
Financial Charges	86,020	288,821	(202,801)	(235.8%)
<b>Sub-total</b>	<b>107,046,288</b>	<b>111,172,841</b>	<b>(4,126,553)</b>	<b>(3.9%)</b>
Capital and Reserve Recoveries	(8,635,161)	(8,768,379)	133,218	(1.5%)
<b>Operating Expenditures Sub-Total</b>	<b>98,411,127</b>	<b>102,404,462</b>	<b>(3,993,334)</b>	<b>(4.1%)</b>

**Capital and Reserve Impacts on Operating**

**Contributions to Capital**

Water Quality Initiatives	39,539,500	38,859,500	680,000	1.7%
Wastewater	73,784,138	74,124,138	(340,000)	(0.5%)
Stormwater	11,765,000	12,615,000	(850,000)	(7.2%)
<b>Sub-Total Contributions to Capital</b>	<b>125,088,638</b>	<b>125,598,638</b>	<b>(510,000)</b>	<b>(0.4%)</b>

**Contributions for DC Exemptions**

Water Quality Initiatives	2,520,000	3,325,756	(805,756)	(32.0%)
Wastewater	4,590,000	3,643,881	946,119	20.6%
Stormwater	1,890,000	2,030,363	(140,363)	(7.4%)
<b>Sub-Total Contributions for DC Exemptions</b>	<b>9,000,000</b>	<b>9,000,000</b>	<b>(0)</b>	<b>(0.0%)</b>

**Capital Debt Charges**

Water Quality Initiatives	11,068,076	8,105,562	2,962,514	26.8%
Wastewater	12,881,726	7,905,706	4,976,020	38.6%
Stormwater	3,584,490	2,958,214	626,276	17.5%
DC Debt Charges Recoveries	(5,185,120)	(523,692)	(4,661,428)	89.9%
<b>Sub-Total Debt Charges</b>	<b>22,349,172</b>	<b>18,445,790</b>	<b>3,903,382</b>	<b>17.5%</b>

<b>Sub-Total Capital Financing</b>	<b>156,437,810</b>	<b>153,044,428</b>	<b>3,393,382</b>	<b>2.2%</b>
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<b>Reserve Transfers</b>	<b>3,001,973</b>	<b>3,276,668</b>	<b>(274,695)</b>	<b>(9.2%)</b>
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<b>Sub-Total Capital and Reserve Impacts on Operating</b>	<b>159,439,783</b>	<b>156,321,096</b>	<b>3,118,687</b>	<b>2.0%</b>
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<b>TOTAL OPERATING EXPENDITURES</b>	<b>257,850,910</b>	<b>258,725,558</b>	<b>(874,648)</b>	<b>(0.3%)</b>
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**CITY OF HAMILTON**  
**2022 COMBINED WATER, WASTEWATER AND STORM OPERATING BUDGET MACRO**  
as at December 31st, 2022

	2022 Council Approved Budget	2022 Actuals as of Dec.31st	2022 Variance \$	2022 Variance %
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**REVENUES:**

**Rate Revenue**

Residential	113,919,774	116,972,362	3,052,588	2.7%
Industrial/Commercial/Institutional/Multi-res	123,323,962	121,038,444	(2,285,518)	(1.9%)
Haldimand	2,834,077	3,685,503	851,426	30.0%
Halton	282,410	394,542	112,132	39.7%
Raw Water	105,000	181,758	76,758	73.1%
Non-Metered	825,000	958,505	133,505	16.2%
Private Fire Lines	1,980,000	1,899,036	(80,964)	(4.1%)
Hauler / 3rd Party Sales	1,820,000	2,258,482	438,482	24.1%
Overstrength Agreements	3,306,825	2,895,131	(411,694)	(12.4%)
Sewer Surcharge Agreements	6,511,190	6,960,781	449,591	6.9%
<b>Sub-Total Utility Rates</b>	<b>254,908,238</b>	<b>257,244,545</b>	<b>2,336,307</b>	<b>0.9%</b>

**Non-Rate Revenue**

Local Improvement Recoveries	275,850	143,176	(132,674)	(48.1%)
Permits / Leases / Agreements	1,107,652	715,069	(392,583)	(35.4%)
Investment Income	450,000	450,000	-	0.0%
General Fees and Recoveries	1,109,170	1,346,252	237,082	21.4%
<b>Sub-Total Non-Rate Revenue</b>	<b>2,942,672</b>	<b>2,654,498</b>	<b>(288,174)</b>	<b>(9.8%)</b>

<b>TOTAL REVENUES</b>	<b>257,850,910</b>	<b>259,899,042</b>	<b>2,048,132</b>	<b>0.8%</b>
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**NET SURPLUS / (DEFICIT)**

	0	1,173,485	1,173,485
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## CITY OF HAMILTON BUDGET AMENDMENT SCHEDULE

### STAFF COMPLEMENT CHANGE

#### Complement Transfer to another division or department <sup>(1,2)</sup>

ITEM #	TRANSFER FROM				TRANSFER TO			
	Department	Division	Position Title (2)	FTE	Department	Division	Position Title (2)	FTE
1	Corporate Services	Customer Service and POA	Knowledge Mgmt Administrator	1.00	Corporate Services	Customer Service and POA	CRM Solutions Analyst	1.00
	<b>Explanation:</b> The duties of Knowledge Mgmt Administrator are no longer required or have been incorporated into the new tasks within the CRM Solutions Analyst role or the Knowledge Management Liaison role. Position is moving from union grade I to non-union grade 5, difference in compensation will be funded through gapping							
2	Public Works	Transportation, Operations & Maintenance	Traffic Ops Coord	0.45	City Manager	Communications	Communications Officer	1.00
		Transportation, Operations & Maintenance	Applications Analyst	0.55				
<b>Explanation:</b> To transfer 1 FTE from Public Works, Transportation, Operations & Maintenance Division in Deptid 466005 (0.45 FTE, CUPE 5167 Grade P and 0.55 FTE, Non Union Grade 5) to support a full time Communications Officer in Deptid 310031 to support the Public Works Department.								
3	Public Works	Transportation, Operations & Maintenance	Roadway Safety Techl Coop	1.00	Public Works	Transportation, Operations & Maintenance	Lighting & Electcl Infra Coord	1.00
	<b>Explanation:</b> To approve the conversion of a Roadway Safety Techl Coop (Job Grade L) to a Lighting & Electcl Infra Coord (Job Grade I). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							
4	Public Works	Waste Management	Waste Investigator	1.00	Public Works	Waste Management	Manager, Waste Policy & Planning	1.00
	<b>Explanation:</b> To convert Waste Investigator (CUPE 5167, Grade I) in the Waste Collections Section to a Manager, Waste Policy & Planning (Non Union, Grade 8), to make the manager permanent.							
5	Public Works	Transit	Project Manager	0.88	Public Works	Transit	Transit Technologist III	1.00
		Transit	Ticket Deliverer	0.12				
<b>Explanation:</b> To create a needed full-time position. No levy impact as the funds are allocated through the .88 Project Manager.								
6	Public Works	Hamilton Water	Water Info. Systems Support Technr	1.00	Public Works	Hamilton Water	Application Analyst - Water Info. Systems	1.00
	<b>Explanation:</b> To approve the conversion of a Water Info. Systems Support Technologist (CUPE 5167 Job Grade K) to a Application Analyst - Water Info. Systems (CUPE 5167 Job Grade P). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							
7	Planning & Economic Development	Planning	Planning Tech II-Zoning By-Law	1.00	Healthy & Safe Communities	Housing Sustainability Investment Roadmap Division	Director Secretariat	1.00
	<b>Explanation:</b> To approve the conversion and transfer of a Planning Tech II (Union Grade 1) to a Director Housing Secretariat (non-union grade 10) with pay differential to be absorbed within previously approved Human Services Integration project id #6502141100 and no impact to the 2023 tax levy. As per Council report HSC22042, August 11th, 2022, re: Housing Sustainability and Investment Plan and the forthcoming Committee report HSC23028, April 19th, 2023 re: Housing Sustainability and Investment Roadmap, several positions are required to coordinate and deliver the Housing Sustainability Investment Roadmap. This position is a key position to leading and coordinating this effort. In order to be able to attract and retain the appropriate level of experience and knowledge a full time position is required. Planning and Economic Development have supported and agreed to the transfer of a vacant full-time staff complement to HSC in order to meet this objective.							

**Note** - Complement transfers include the transfer of corresponding budget.

(1) - All other budgeted complement changes that require Council approval per Budgeted Complement Control Policy must be done through either separate report or the budget process (i.e. Increasing/decreasing budgeted complement).

(2) - If a position is changing, the impact of the change is within 1 pay band unless specified.



## CITY OF HAMILTON BUDGETED COMPLEMENT TEMPORARY EXTENSION SCHEDULE

### TEMPORARY POSITION EXTENSIONS

Extensions to temporary positions with terms of 24 months or greater as per the Budgeted Complement Control Policy

ITEM #	TRANSFER FROM				TRANSFER TO			
	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>
1	City Manager	Human Resources	Return to Work Specialist	1.0	City Manager	Human Resources	Return to Work Specialist	1.0
<b>Explanation:</b> The temporary Return to Work Specialist position requires and extension for 18 months - period July 2023 to December 2024 to assist with the large volume of requests for support being received.								
2	Planning & Economic Development	PED General Manager Office	Director and Senior Advisor Strategic Growth (P 12973)	1.0	Planning & Economic Developm	PED General Manager Office	Director and Senior Advisor Strategic Growth (P 12973)	1.0
<b>Explanation:</b> Contract extension for temporary staff requested for additional 24 months - period December 1st, 2023 to December 31st, 2025. To complete work related to the City's corporate strategic growth initiatives, including work related to the 2024 DC By-law update								



City of Hamilton  
 COVID-19 Pressures and Funding Sources  
 December 31, 2022

Department/Division	Net COVID Related Pressures	COVID Funding Sources						Total Unfunded Pressure
		Social Services Relief Fund	Ministry of Health Funding	Safe Restart Agreement - Transit	Other	Safe Restart Municipal (SRA) Funding	COVID-19 Recovery Funding for Municipalities Program (CRFMP)	
<b>Planning &amp; Economic Development</b>								
Transportation, Planning & Parking	1,614,847						(1,635,942)	(21,095)
Licensing & By-Law Services	1,181,684						(649,345)	532,339
Tourism & Culture	33,377						-	33,377
<b>Subtotal Planning &amp; Economic Development</b>	<b>2,829,908</b>	-	-	-	-	-	<b>(2,285,288)</b>	<b>544,620</b>
<b>Healthy and Safe Communities</b>								
HSC Administration	20,687						(20,687)	-
Children and Community Services	4,415						-	4,415
Housing Services	21,082,748	(6,562,266)			(18,445)		-	14,502,036
Hamilton Fire Department	1,175,040						(1,175,040)	-
Long-Term Care	5,285,750				(5,279,490)		-	6,260
Ontario Works	30,062				(15,031)		-	15,031
Hamilton Paramedic Service	3,960,702		(3,960,702)				-	-
Public Health Services	24,887,267		(14,727,344)		(10,159,923)		-	-
<b>Subtotal Healthy and Safe Communities</b>	<b>56,446,671</b>	<b>(6,562,266)</b>	<b>(18,688,046)</b>	-	<b>(15,472,889)</b>	-	<b>(1,195,727)</b>	<b>14,527,742</b>
<b>Public Works</b>								
Energy Fleet and Facilities	49,572						(49,572)	-
Engineering Services	6,221						(6,221)	-
Environmental Services	118,750						-	118,750
Transit	8,103,135			(8,103,135)			-	-
Transportation Operations & Maintenance	42,051						(42,051)	-
<b>Subtotal Public Works</b>	<b>8,319,729</b>	-	-	<b>(8,103,135)</b>	-	-	<b>(97,844)</b>	<b>118,750</b>
<b>City Manager's Office</b>								
CMO Admin	112,542						(112,542)	-
<b>Subtotal City Manager's Office</b>	<b>112,542</b>	-	-	-	-	-	<b>(112,542)</b>	-
<b>Corporate Services</b>								
City Clerk's Office	39,206						(39,206)	-
Customer Service, POA and Financial Integration	35,968						(35,968)	-
Financial Services, Taxation and Corporate Controller	521						(521)	-
Legal Services and Risk Management	2,949						(2,949)	-
Corporate Services - Administration	3,071						-	3,071
Financial Planning, Administration & Policy	1,213						(1,213)	-
Information Technology	63,761						(63,761)	-
<b>Subtotal Corporate Services</b>	<b>146,689</b>	-	-	-	-	-	<b>(143,618)</b>	<b>3,071</b>
<b>Legislative</b>								
General	1,733						(1,733)	-
<b>Subtotal Legislative</b>	<b>1,733</b>	-	-	-	-	-	<b>(1,733)</b>	-
<b>Corporate Financials</b>								
COVID19-Emergency Event	2,906,551						(1,904,437)	1,002,114
COVID19- EOC Event	352,920						(352,920)	(0)
<b>Subtotal Corporate Financials</b>	<b>3,259,471</b>	-	-	-	-	-	<b>(2,257,357)</b>	<b>1,002,114</b>
<b>Non Program Revenues</b>								
Non Program Revenues - POA Levy Contribution	1,043,500							1,043,500
<b>Subtotal Non-Program Revenues</b>	<b>1,043,500</b>	-	-	-	-	-	-	<b>1,043,500</b>
<b>Boards &amp; Agencies</b>								
Hamilton Police Service	151,871						(151,871)	-
Hamilton Farmer's Market	123,884						(70,000)	53,884
<b>Subtotal Boards &amp; Agencies</b>	<b>275,755</b>	-	-	-	-	-	<b>(221,871)</b>	<b>53,884</b>
<b>TOTAL TAX SUPPORTED OPERATING BUDGET</b>	<b>72,435,998</b>	<b>(6,562,266)</b>	<b>(18,688,046)</b>	<b>(8,103,135)</b>	<b>(15,472,889)</b>	-	<b>(6,315,980)</b>	<b>17,293,682</b>



**One Year History**

	<b>2022</b>
<b>DC Exemptions By Area</b>	
Hamilton	\$ 31,772,965
Stoney Creek	4,615,771
Flamborough	5,461,637
Ancaster	654,523
Glanbrook	7,586,188
Dundas	494,120
<b>Total Exemptions By Area</b>	<b>\$ 50,585,204</b>

<b>DC Act Statutory Exemptions</b>	
Residential Intensification	\$ 9,887,618
50% Industrial Expansion - Attached	3,004,353
Rental	332,903
Non-Profit Housing	121,272
<b>Subtotal DC Act Statutory Exemptions</b>	<b>\$ 13,346,146</b>
<b>Council Authorized</b>	
<b>Residential Exemptions</b>	
Affordable Housing	\$ 130,961
Farm Help Houses <sup>[2]</sup>	-
Student Residence <sup>[2]</sup>	-
Redevelopment for residential facility	-
Laneway House / Garden Suite <sup>[2]</sup>	-
<b>Non-Residential Exemptions</b>	
Industrial rate reduced from max	11,174,297
Stepped non-industrial rates	90,221
Non-industrial expansion	7,569
Academic <sup>[2]</sup>	-
Public Hospital <sup>[2]</sup>	-
Agricultural Use	4,364,227
Place of Worship	9,261
Parking Structure <sup>[2]</sup>	-
Covered Sports Field <sup>[2]</sup>	-
50% Industrial Expansion - Detached	155,202
<b>Residential &amp; Non-residential Exemptions</b>	
Downtown Hamilton CIPA	12,896,610
Downtown Public Art	-
Heritage Building	-
Transition Policy	1,001,083
Council Granted	-
ERASE <sup>[1]</sup>	-
University	7,590,069
<b>Subtotal Council Authorized Exemptions</b>	<b>\$ 37,239,058</b>
<b>Total Exemptions By Development Type</b>	<b>\$ 50,585,204</b>

<b>Funding Source</b>	
<b>Rates</b>	<b>Tax</b>
6,268,727	7,077,419
11,621,171	25,617,887
17,889,899	32,695,306
9,000,000	10,130,961
8,889,899	22,564,345

<b>DC Exemption Funding</b>	
Exemptions funded from Rates Budget	\$ 9,000,000
Exemptions funded from Tax Budget <sup>[3]</sup>	10,130,961
<b>Total DC Exemption Funding</b>	<b>\$ 19,130,961</b>
<b>Net total unfunded Exemptions</b>	<b>\$ 31,454,243</b>

Unfunded Statutory  
 Unfunded Discretionary

6,268,727      7,077,419  
 2,621,171      15,486,926

- Notes:**
- [1] ERASE used to be grouped with other exemptions, now funding recovered through the future ERASE grant/future taxes.
  - [2] These exemptions are no longer in effect.
  - [3] Exemptions funded from Tax Budget includes exemptions funded from affordable housing funds.





# TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022



FCS22042(b)

*Audit, Finance, and Administration Committee*

TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022  
**Agenda**

1. Summary of Tax and Rate Operating Budget Variances (Unaudited)
2. Recommendations
  - a) Surplus Disposition
  - b) Complement and Budget Control Policy



## TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

### Themes - Summary

1. Pandemic Recovery
2. Tight Labour Market
3. Development Charge Exemptions
4. Other

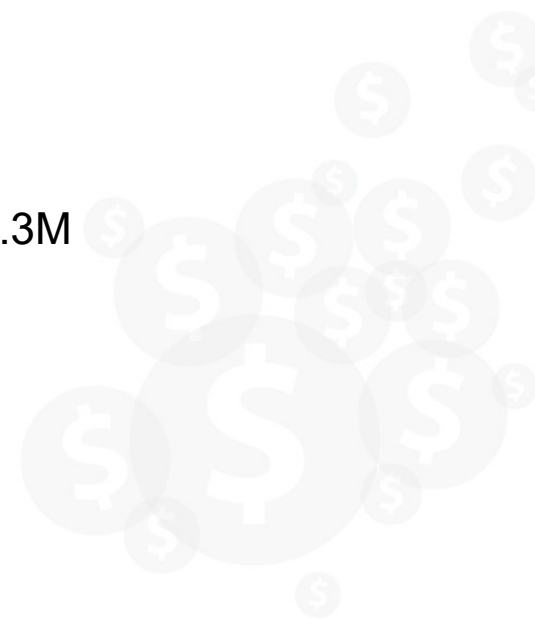


# TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

## Themes - Detail

### 1. Pandemic Recovery

- Recovery net expenditures of \$62.6M
- Recovery net revenue impacts of \$9.8M
- Funding from senior levels of government \$55.1M
- Total unfunded pressure (absorbed by City of Hamilton) of \$17.3M



# TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

## Themes - Detail

### 2. Tight Labour Market

- Net Gapping Surplus of \$9.1M
- 7.0% of positions were vacant as of December 31, 2022



## TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

### Themes - Detail

#### 3. Development Charge Exemptions

- Total value tax and rate in 2022 of \$50.6M
- Total budgeted DC exemptions tax and rate in 2022 of \$19.1M
- Total unfavourable variance \$31.5M
- Total DC liability carried forward from 2021 \$91M



## TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

### Themes - Detail

#### 4. Other:

- Inflation (fuel, materials)
- Capital Financing surplus of \$10.7M
- Alectra dividends surplus of \$2.8M
- Tax write-offs surplus of \$5.3M
- Supplementary tax surplus of \$3.9M
- Reserve Funds:
  - COVID-19 Emergency Reserve – did not require contribution of \$17.3M
  - Development Fee Reserve – revenue surplus of \$2.0M transferred to reserve
  - Building Permit Fee Reserve – revenue surplus of \$0.9M transferred to reserve

# Tax Supported Operating Budget Variance





TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022  
**2022 Year-End Variance**

<b>CONSOLIDATED CORPORATE SURPLUS/ (DEFICIT)</b>	<b>\$</b>
<b>Tax Supported Programs</b>	
Police	\$ 1,020,546
Library	\$ 2,139,741
Capital Financing	\$ 10,748,933
Other Tax Supported Programs	\$ 9,029,119
<b>Total Tax Supported Surplus</b>	<b>\$ 22,938,340</b>
<b>Rate Supported Programs</b>	<b>\$ 1,173,485</b>
<b>Consolidated Corporate Surplus/ (Deficit)</b>	<b>\$ 24,111,824</b>

## TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

# Departmental 2022 Year-End Variance

	2022 Approved Budget	2022 Year-End Actuals	2022 Variance (Actuals vs Budget)	
			\$	%
<b><u>TAX SUPPORTED</u></b>				
Planning & Economic Development	31,621	26,553	5,068	16.0%
Healthy and Safe Communities	268,137	272,746	(4,609)	(1.7)%
Public Works	278,499	283,312	(4,813)	(1.7)%
Legislative	5,283	4,891	393	7.4%
City Manager	13,649	12,892	757	5.5%
Corporate Services	39,667	35,655	4,012	10.1%
Corporate Financials / Non Program Revenues	(30,506)	(37,247)	6,741	22.1%
Hamilton Entertainment Facilities	2,338	960	1,377	58.9%
<b>TOTAL CITY EXPENDITURES</b>	<b>608,689</b>	<b>599,762</b>	<b>8,927</b>	<b>1.5%</b>
Hamilton Police Services	182,369	181,348	1,021	0.6%
Library	32,710	30,570	2,140	6.5%
Other Boards & Agencies	16,654	16,553	101	0.6%
City Enrichment Fund	6,088	6,088	0	0.0%
<b>TOTAL BOARDS &amp; AGENCIES</b>	<b>237,821</b>	<b>234,559</b>	<b>3,261</b>	<b>1.4%</b>
<b>CAPITAL FINANCING</b>	<b>147,028</b>	<b>136,278</b>	<b>10,750</b>	<b>7.3%</b>
<b>TOTAL OTHER NON-DEPARTMENTAL</b>	<b>384,849</b>	<b>370,838</b>	<b>14,011</b>	<b>3.6%</b>
<b>TOTAL TAX SUPPORTED</b>	<b>993,538</b>	<b>970,600</b>	<b>22,938</b>	<b>2.3%</b>
<b>RATE SUPPORTED</b>	<b>0</b>	<b>(1,173)</b>	<b>1,173</b>	<b>100.0%</b>
<b>TOTAL</b>	<b>993,538</b>	<b>969,427</b>	<b>24,111</b>	<b>2.4%</b>

TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022  
**Changes Between Aug 31<sup>st</sup> and Dec 31<sup>st</sup> – Tax Supported**

- Aug 31<sup>st</sup> Budget variance report forecasted a deficit of \$16.4M vs. the \$22.9M Year-End Surplus
- Driven by unknown items at the time; largely as a result of pandemic response:
  - Ministry of Health confirmed additional COVID-19 funding for Public Health **\$9.3M**
  - Ministry of Health confirmed COVID-19 funding for Paramedic Services **\$3.4M**
  - Timing of Housing Services funding commitments **\$9.3M**
  - Recreation program cost savings and higher revenues **\$2.9M**
  - Favourable tax write-offs and supplementary tax revenues **\$9.2M**
  - Favourable Alectra dividends **\$2.8M**

TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022  
**Gapping (\$000's)**

<b>Net Gapping by Department</b>	<b>Gapping Target (\$000's)</b>	<b>Actual Gapping (\$000's)</b>	<b>Variance (\$000's)</b>
Planning & Economic Development	\$ 866	\$ 5,591	\$ 4,725
Healthy and Safe Communities	\$ 1,050	\$ 1,642	\$ 592
Public Works	\$ 2,247	\$ 2,700	\$ 453
Legislative	\$ 85	\$ (295)	\$ (380)
City Manager	\$ 229	\$ 787	\$ 558
Corporate Services	\$ 643	\$ 3,792	\$ 3,149
<b>Consolidated Corporate Savings</b>	<b>\$ 5,120</b>	<b>\$ 14,217</b>	<b>\$ 9,097</b>

## TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

# Departmental Drivers

### Planning and Economic Development:

- Net departmental surplus **\$5.1M**:
  - Gapping surplus \$4.7M
  - Development fee revenues \$2.0M (transferred to reserve)
  - Building Permit Fees \$0.9M (transferred to reserve)
  - Office relocation of Licensing and By-Law Services savings \$0.3M
  - COVID-19 financial pressures of \$2.8M, largely attributed to forgone parking revenues, were mostly offset by a \$2.3M transfer from the COVID-19 Recovery Funding for Municipalities Program. Unfunded pressures of \$0.5M covered from departmental surplus

## TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

# Departmental Drivers

### Healthy and Safe Communities:

- Net departmental deficit (**\$4.6M**):
  - Emergency supports in affordable housing and homeless serving system in response to the pandemic resulted in a deficit of (\$14.5M). The total financial pressure in 2022 was \$21.1M with Social Services Relief Funding of \$6.6M
  - Program closures in Recreation Services resulted in net savings of \$2.1M and golf operations surplus of \$0.6M
  - A surplus of \$2.3M in funding for Children's Services from the Ministry of Education
  - Net gapping surplus of \$0.6M
  - Public Health and Hamilton Paramedic Service COVID-19 response and vaccine costs totaling \$28.9M supported from Ministry of Health one-time funding
  - Hamilton Fire Department and Long-Term Care COVID-19 response expenses of \$6.5M were also supported from funding transfers from senior levels of government

## TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

# Departmental Drivers

### Public Works:

- Net departmental deficit (**\$4.8M**):
  - A (\$3.3M) deficit in the Winter Season Roads Program
  - Transit Services incurred a (\$2.7M) deficit in fuel resulting from price increases that are ineligible for Safe Restart Agreement funding
  - (\$1.7M) of the total deficit relates to the unfunded Corporate Asset Management Office
  - A (\$0.8M) deficit related to snow removal and winterizing costs in Facilities
  - A \$1.5M surplus in recycling commodity revenues and a \$0.9M surplus in Transfer Station and Community Recycling Centre revenues
  - Gapping surplus \$0.5M

TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022  
**Departmental Drivers**

**Corporate Services:**

- Net departmental surplus **\$4.0M:**
  - Gapping surplus \$3.2M
  - Savings in computer software, licensing and hardware of \$1.2M
  - Additional Tax Certificates and Transfer Fees revenues of \$0.2M

**City Manager's Office:**

- Net departmental surplus **\$0.8M:**
  - Gapping surplus \$0.6M
  - Savings in contractual costs of \$0.1M





## TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

# Departmental Drivers

### Corporate Financials / Non Program Revenues:

- Net surplus **\$6.7M**:
  - Surplus on tax write-offs based on appeals \$5.3M
  - Supplementary taxes exceeded budget by \$3.9M
  - Dividends from Alectra were higher than anticipated resulting in a surplus of \$2.8M
  - Shared revenues from the Ontario Lottery and Gaming Corporation were higher than anticipated resulting in \$263K surplus
  - POA revenues lower than expected due to 2022 court closures resulting in a (\$1.5M) deficit
  - (\$3.0M) deficit in insurance premiums

TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022  
**2022 COVID-19 Financial Pressures**

Department/Division	Net Financial Impact (\$000's)	2022 Funding from Senior Levels of Government (\$)					City of Hamilton (\$)	Total Unfunded Pressure
		Social Services Relief Fund	Ministry of Health Funding	Safe Restart Agreement - Transit	Other	COVID-19 Recovery Funding for Municipalities Program (CRFMP)		
Planning & Economic Development	2,829,908	-	-	-	-	(2,285,288)	544,620	
Healthy and Safe Communities	56,446,671	(6,562,266)	(18,688,046)	-	(15,472,889)	(1,195,727)	14,527,742	
Public Works	8,319,729	-	-	(8,103,135)	-	(97,844)	118,750	
City Manager's Office	112,542	-	-	-	-	(112,542)	-	
Corporate Services	146,689	-	-	-	-	(143,618)	3,071	
Legislative	1,733	-	-	-	-	(1,733)	-	
Corporate Financials	3,259,471	-	-	-	-	(2,257,357)	1,002,114	
Non-Program Revenues	1,043,500	-	-	-	-	-	1,043,500	
Boards & Agencies	275,755	-	-	-	-	(221,871)	53,884	
<b>TOTAL</b>	<b>72,435,998</b>	<b>(6,562,266)</b>	<b>(18,688,046)</b>	<b>(8,103,135)</b>	<b>(15,472,889)</b>	<b>(6,315,980)</b>	<b>17,293,682</b>	

# Rate Supported Operating Budget Variance



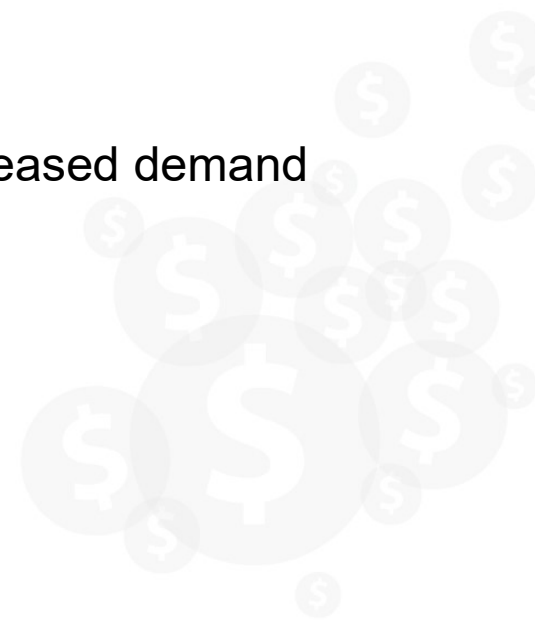
TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022  
**2022 Rate Operating Budget Year-End Variance (\$000's)**

	2022 Approved Budget	2022 Projected to Year-End	2022 Projected Year-End Variance	
			\$	%
TOTAL EXPENDITURES	257,851	258,726	(875)	(0.3%)
TOTAL REVENUES	(257,851)	(259,899)	2,048	(0.8%)
NET	-	(1,173)	1,173	0.5%

## TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

# Rate Revenues

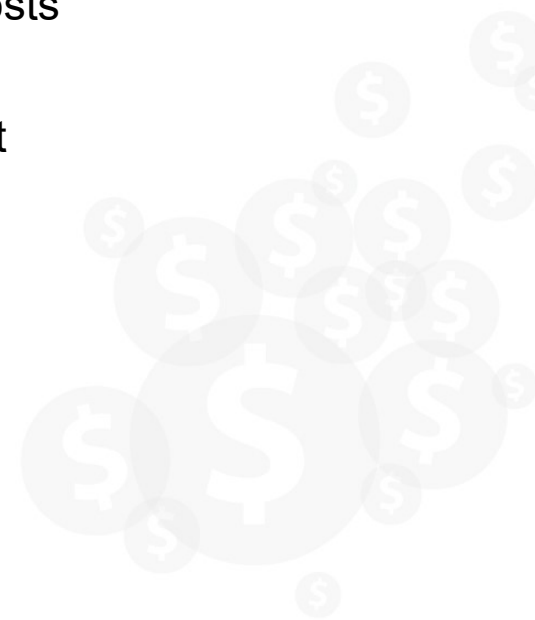
- Surplus in total rate revenues **\$2.0M:**
  - Residential surplus \$3.1M
  - Haldimand water billings ended 2022 with a surplus \$0.9M
  - Total deficit in ICI revenues of (\$2.3M)
  - Non-rate revenue had a deficit of (\$0.3M) mainly due decreased demand for new construction permits.



## TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

# Rate Expenditures

- Overall program spending and capital financing for 2022 had a deficit **(\$0.8M)**:
  - Materials and supplies deficit of (\$3.7M) largely attributed to the significant price increases realized within the chemical supply market
  - Building & Ground – deficit of (\$1.0M) mainly due to increased hydro costs
  - Employee related costs had a deficit of (\$0.3M)
  - Capital Financing surplus of \$3.1M due to timing in the issuance of debt

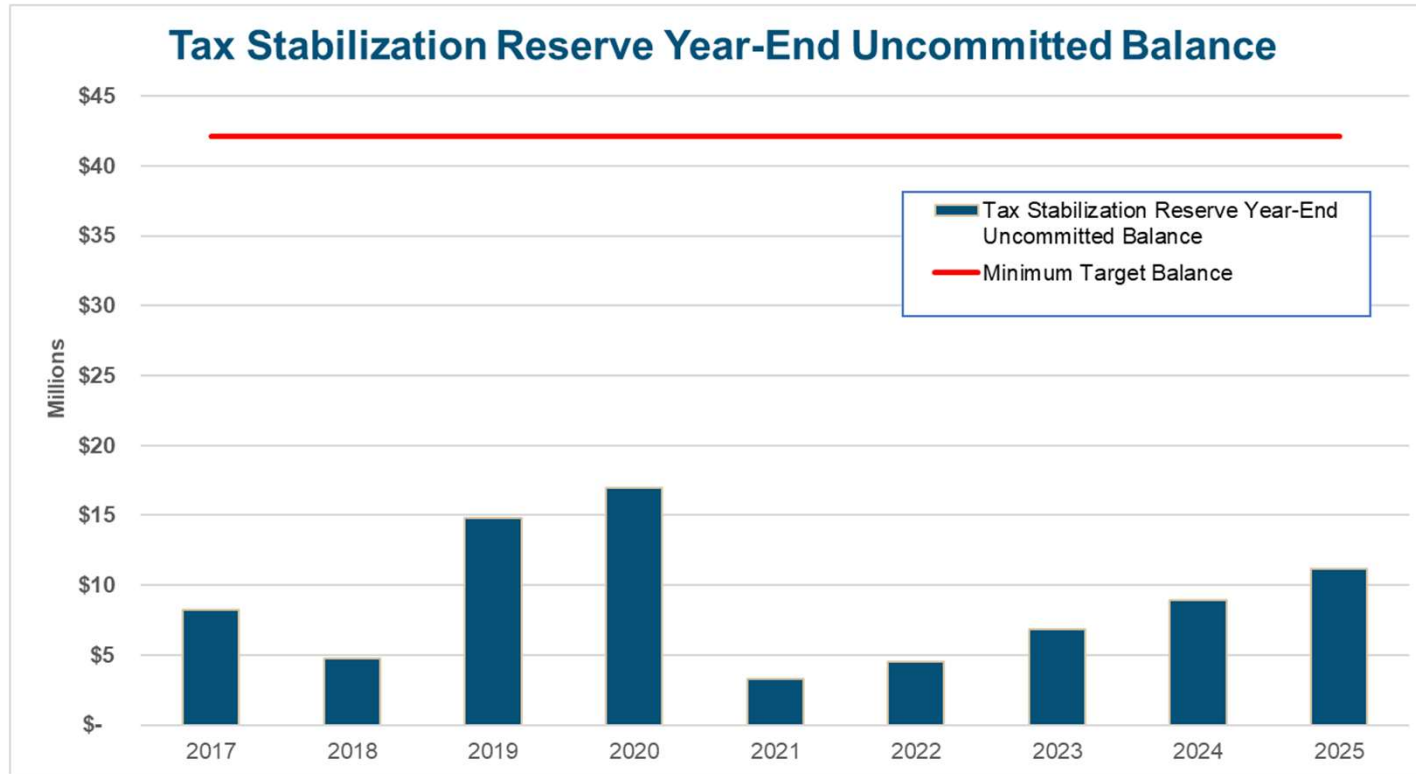


# Recommendations



# TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

## Tax Stabilization Reserve



Note: includes recommended transfer to reserve through 2022 surplus disposition



## TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

# Development Charge Exemptions

- Total shortfall in Development Charge Exemptions budget of **\$31.5M**:
  - DC Act Statutory Exemptions \$13.3M
  - Council Authorized:
    - Non-Residential Exemptions (Industrial and Agricultural Use) \$15.6M
    - Downtown Hamilton CIPA \$12.9M
    - University \$7.6M
    - Transition Policy \$1.0M
    - Other 0.2M
  - DC Exemptions Budget (Tax and Rate) \$19.1M



TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022  
**Boards & Agencies Surplus Recommendation**

DISPOSITION / RECONCILIATION OF YEAR-END SURPLUS/ (DEFICIT)		
<b>Corporate Surplus from Tax Supported Operations</b>		<b>\$ 22,938,340</b>
<b>Disposition to/from Self-Supporting Programs &amp; Agencies</b>		<b>\$ (3,159,224)</b>
Less: Police (Transfer to Police Reserve)	\$ (1,020,546)	
Less: Library (Transfer to Library Reserve)	\$ (2,139,741)	
Add: Farmers Market (Transfer from COVID-19 Emergency Reserve)	\$ 1,063	
<b>Balance of Corporate Surplus</b>		<b>\$ 19,779,116</b>

## TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022

# Corporate Surplus Recommendation

<b>Balance of Corporate Surplus</b>		<b>\$ 19,779,116</b>
Less: Transfer to Flamborough Capital Reserve		\$ (262,944)
Less: Transfer to fund Mission Services one-time capital (Council Aug 2022; HSC20020(f))		\$ (3,040,000)
Less: Transfer to Hamilton Entertainment Facilities (HEF) Capital Project Reserve		\$ (544,658)
Less: Transfer to fund shortfall in Development Charge Exemptions		\$ (7,708,933)
Less: Transfer to fund Cold Alert Response		\$ (109,000)
Less: Transfer of Alectra dividends surplus to CityHousing Hamilton Vacant Unit Repair Program (Council Aug. 2019 HSC19048)		\$ (2,792,304)
Less: Transfer remaining balance to Tax Stabilization Reserve		\$ (5,321,277)
<b>Balance of Tax Supported Operations</b>		<b>\$ (0)</b>

TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022  
**Rate Recommendation**

<b>Corporate Surplus from Rate Supported Operations</b>	<b>\$ 1,173,485</b>
Less: Transfer Rate Supported Water Surplus to fund Development Charge Exemptions	\$ (770,107)
Less: Transfer Rate Supported Wastewater/Stormwater Surplus to fund Development Charge Exemptions	\$ (403,378)
<b>Balance of Rate Supported Operations</b>	<b>\$ 0</b>

TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022  
**Alternatives**

**Surplus Disposition Alternatives:**

- Transfer entire surplus to fund DC exemptions
- Fund previously approved housing investments



TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022  
Other Recommendations

- Staff complement transfers (Appendix “C”)
- Temporary contract extensions (Appendix “D”)



# THANK YOU

