



City of Hamilton
AUDIT, FINANCE AND ADMINISTRATION COMMITTEE
AGENDA

Meeting #: 24-013
Date: July 11, 2024
Time: 9:30 a.m.
Location: Council Chambers
Hamilton City Hall
71 Main Street West

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

1. **CEREMONIAL ACTIVITIES**
2. **APPROVAL OF AGENDA**
(Added Items, if applicable, will be noted with *)
3. **DECLARATIONS OF INTEREST**
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING**
 - 4.1 June 20, 2024
5. **COMMUNICATIONS**
6. **DELEGATION REQUESTS**
7. **DELEGATIONS**
 - 7.1 Bozica Sajatovic, respecting partial payment of taxes without an extension agreement in tax arrears certificate cancellation (approved June 20, 2024)
8. **STAFF PRESENTATIONS**
9. **CONSENT ITEMS**

9.1 Parkland Dedication Reserve Status Report as of December 31, 2023 (FCS24006)
(City Wide)

10. DISCUSSION ITEMS

10.1 Proposed Amendments to By-law 12-094 – To Transition to the Canadian Overnight Repo Rate Average (CORRA) (FCS11079(b)) (City Wide)

10.2 Extension of Contract C12-13-21 Professional and Consultant Services Roster (FCS24038) (City Wide)

10.3 Grants Sub-Committee Report 24-003 (July 3, 2024)

11. MOTIONS

12. NOTICES OF MOTION

13. GENERAL INFORMATION / OTHER BUSINESS

15. ADJOURNMENT



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 24-012

9:30 a.m.
June 20, 2024
Council Chambers
Hamilton City Hall

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

Also

Present: Councillor N. Nann

Absent with

Regrets: Councillor B. Clark – Personal

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. **Financial Impact of the Losses of Hamilton Renewable Power Inc. on the City of Hamilton (FCS24011) (City Wide) (Outstanding Business List Item) (Item 9.1)**

(Hwang/Tadeson)

That Report FCS24011, respecting Financial Impact of the Losses of Hamilton Renewable Power Inc. on the City of Hamilton, be received.

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
ABSENT - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES – CHAIR - Ward 14 Councillor Mike Spadafora

2. **Request to Single Source Professional Implementation Services for a Point-of-Sale Solution to Replace Legend (Excluding Recreation and Culture) (FCS24037) (City Wide) (Item 10.1)**

(A. Wilson/Hwang)

- (a) That Council approves the single source procurement of professional implementation services for a Microsoft Point of Sale solution, pursuant to Procurement Policy #11 – Non-competitive Procurements and that the General Manager, Corporate Services, or their designate, be authorized to negotiate, enter into and execute a contract and any ancillary documents required to give effect thereto with Visionet Systems Inc., in a form satisfactory to the City Solicitor;
- (b) That the General Manager, Corporate Services, or their designate, be authorized to amend any Contract executed and any ancillary documents as required if the vendor identified in Report FCS24037 undergoes a name change, in a form satisfactory to the City Solicitor; and
- (c) The negotiated contract cost be publicly reported in the applicable quarterly status report for Emergency and Non-competitive Procurements.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
ABSENT - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - CHAIR - Ward 14 Councillor Mike Spadafora

**3. To Exempt Luso Canadian Charitable Society from Municipal Taxation
(Added Item 11.1)**

(Hwang/Kroetsch)

WHEREAS the Luso Canadian Charitable Society is a registered charity within the meaning of the Income Tax Act (Canada);

WHEREAS the Luso Canadian Charitable Society owns the lands municipally known as 922 Main St. East and is in the course of developing a facility to provide not-for-profit day services and residential accommodation for people living with physical or developmental disabilities;

WHEREAS the Luso Canadian Charitable Society applied for special legislation to authorize the City of Hamilton to exempt certain land from taxation for municipal and school purposes; and

WHEREAS, the Luso Canadian Charitable Society Act (Tax Relief), 2024 received Royal Assent on April 25, 2024

THEREFORE, BE IT RESOLVED:

- (a) That the *Luso Canadian Charitable Society Act (Tax Relief), 2024*, S.O. 2024, C.PR8 – Bill PR8, which seeks a municipal tax exemption, be endorsed by the City of Hamilton; and
- (b) That the City Solicitor be authorized and directed to prepare all necessary by-laws, for Council approval, for the purposes of exempting 922 Main St. East from municipal property taxes.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

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

12. NOTICES OF MOTION

12.1 To Exempt Luso Canadian Charitable Society from Municipal Taxation

(A request to waive the rules will be introduced)

(Kroetsch/A. Wilson)

That the agenda for the June 20, 2024 Audit, Finance and Administration Committee meeting, be approved, as amended.

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
ABSENT - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - CHAIR - 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) Approval of Minute of Previous Meetings (Item 4.1)

(Hwang/Beattie)

That the Minutes of June 6, 2024, be approved, as presented.

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
ABSENT - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - CHAIR - Ward 14 Councillor Mike Spadafora

(d) DELEGATION REQUESTS (Item 6)

(i) Bozica Sajatovic, respecting partial payment of taxes without an extension agreement in tax arrears certificate cancellation (for a future meeting) (Item 6.1)

(A. Wilson/Hwang)

That the delegation request from Bozica Sajatovic, respecting partial payment of taxes without an extension agreement in tax arrears certificate cancellation, be approved for a future meeting.

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

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
ABSENT - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - CHAIR - Ward 14 Councillor Mike Spadafora

(e) NOTICES OF MOTION (Item 12)

(i) To Exempt Luso Canadian Charitable Society from Municipal Taxation (Added Item 12.1)

(Hwang/Kroetsch)

That the Rules of Order be waived to allow for the introduction of a motion respecting To Exempt Luso Canadian Charitable Society from Municipal Taxation.

Result: Motion CARRIED by a 2/3rds vote of 7 to 0, as follows:

YES - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
ABSENT - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - CHAIR - Ward 14 Councillor Mike Spadafora

For further disposition of this matter, refer to Item 3.

(f) GENERAL INFORMATION / OTHER BUSINESS (Item 13)

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

(Hwang/A. Wilson)

The following amendments to the Outstanding Business List, were approved:

(1) Items Considered Completed and To Be Removed:

(a) Constituent Relationship Software

Added February 16, 2023

Addressed as Item 10.2 on the June 6, 2024 agenda

(b) Financial Impact of the Hamilton Renewable Power Inc.'s Losses on the City of Hamilton

Added: October 25, 2023

Addressed as Item 9.1 on today's agenda

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
ABSENT - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - CHAIR - Ward 14 Councillor Mike Spadafora

(g) PRIVATE AND CONFIDENTIAL (Item 14)

(i) **Closed Minutes – June 6, 2024 (Item 14.1)**

(Beattie/A. Wilson)

(a) That the Closed Session Minutes of June 6, 2024, be approved, as presented; and

(b) That the Closed Session Minutes of June 6, 2024 remain confidential.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
ABSENT - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - CHAIR - Ward 14 Councillor Mike Spadafora

(h) **ADJOURNMENT (Item 15)**

(Tadeson/Hwang)

That, there being no further business, the Audit, Finance and Administration Committee, be adjourned at 9:56 a.m.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
ABSENT - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - CHAIR - Ward 14 Councillor Mike Spadafora

Respectfully submitted,

Councillor Mike Spadafora, Vice Chair
Audit, Finance and Administration
Committee

Tamara Bates
Legislative Coordinator
Office of the City Clerk

Bates, Tamara

Subject: FW: Webform submission from: Request to Speak to a Committee of Council

Submitted on Sun, 06/09/2024 - 10:50

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee

Taxes I am not sure which committee this is

Will you be delegating in-person or virtually?

In-person

Will you be delegating via a pre-recorded video?

No

Requestor Information

Requestor Information

Bozica Sajatovic

mississauga, Ontario.

Preferred Pronoun

she/her

Reason(s) for delegation request

I would like to discuss why the City of Hamilton is the only city in Ontario that allows partial payment of taxes without an extension agreement in tax arrear certificate cancellation. The city of Hamilton is not helping people since they are not providing equitable treatment as is the case of Barrs vs Queen. In Barrs vs the Queen everyone should have equitable treatment when it comes to interest and penalties in regards to taxes.

Hamilton is the only city in Ontario to my knowledge that does not follow the Municipal Act of 2001. According to the Municipal Act 2001 Municipalities cannot accept a partial payment unless an Extension Agreement is entered into and passed as a bylaw. Subection 347(3) of the Municipal Act , 2001 states: "No part payment shall be accepted on account of taxes in respect of which a tax arrears certificate is registered under this Act except under an extension an extension agreement entered into under section 378."

Also please note that an extension agreement may only be entered agreement may only be entered into within one year of the date that a tax arrears certificate was registered (subsection 378(1)).

My concern is that due to the City of Hamilton allowing partial payment of taxes to cancel a tax arrear certificate without an extension agreement can lead to multiple legal disputes. Due to a partial payment of taxes for tax arrear

cancellation without an extension agreement has resulted in people paying for other peoples taxes and them not having a automatic lien on the property due to a full payment for the cancellation price of the taxes not being made and no extension agreement allows people to sue for their partial payment made without extension agreement after the tax arrear certificate is cancelled and registered with Land Titles.

The issue is the not following of the tax arrear certificate cancellation rules in regards to the Municipal Act causes multiple court houses in Ontario such as Hamilton and Toronto being burdened by the costs of the court fees, and judges fees having to deal with cases where people are sued because someone paid partial payment of taxes on a property without an extension agreement to cancel the tax arrear certificate .

There should be equality in Ontario and Hamilton needs to follow the rules that the other municipalities follow in regards to the cancellation of tax arrear certificates. Till that time, there will be lawsuits taken to courts in Ontario due to a partial payment of taxes without extension agreement due cancel the tax arrear certificate. There has been lawsuits that have resulted due to the City not following the municipal act 2001 in regards to the cancellation of tax arrear certificates and this needs to stop.

Taxpayers pay for the courts and judges fees and this could cost the government over \$100000 in judges salary to pay for lawsuit when the City of Hamilton does not follow the rules all other municipalities follow in regards to the cancellation of Tax arrear certificates.

This needs to be finally be dealt with the city of hamilton councillors and the city of Hamilton needs to be follow the same rules as other municipalities.

Will you be requesting funds from the City?

No

Will you be submitting a formal presentation?

Yes



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	July 11, 2024
SUBJECT/REPORT NO:	Parkland Dedication Reserve Status Report as of December 31, 2023 (FCS24006) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ailish Brooke (905) 546-2424 Ext. 6875
SUBMITTED BY:	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

Not Applicable

INFORMATION

Executive Summary

Report FCS24006 summarizes the changes in the Parkland Dedication Reserve for the year ended December 31, 2023 and serves as the “Special account, report” as required by the *Planning Act, 1990*, as amended (“the Act”). The Special Account report of the Parkland Dedication special account activity is required to be provided to Council and made available to the public.

As of December 31, 2023, the balance of the Parkland Dedication special account was \$105.7 M, which represents an increase of \$17.5 M through 2023 from the beginning balance of \$88.2 M due to collections exceeding direct capital expenditures. The stated balance excludes a potential liability for over-dedication of land by developers. The over-dedication is estimated at \$15.3 M dependent on future buildout density and the ability to develop the subject lands. After considering the potential liability, the available funds in the Parkland Dedication special account on December 31, 2023 was \$90.3 M.

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**SUBJECT: Parkland Dedication Reserve Status Report as of December 31, 2023
(FCS24006) (City Wide) – Page 2 of 6**

Analysis

Legislated Requirements

The Parkland Dedication Cash-in-Lieu Reserve (104090) is the special account required by the Act. Parkland Dedication fees are collected and held in reserve under Sections 42, 51.1 and 53 of the Act and are to be “spent for the acquisition of land to be used for park or other public recreational purposes, including the erection, improvement or repair of buildings and the acquisition of machinery for park or other public recreational purposes.” The City’s current Parkland Dedication By-Law (By-Law 22-218) took effect on August 12, 2022.

The requirements of Regulation 509/20 to the Act dictate that the “Special account, report” include the following information for the preceding year:

- (a) Statements of the opening and closing balances of the special account and of the transactions relating to the account;
- (b) Statements identifying,
 - (i) land or machinery acquired during the year with funds from the special account,
 - (ii) buildings erected, improved or repaired during the year with funds from the special account,
 - (iii) details of the amounts spent, and
 - (iv) for each asset mentioned in subparagraphs i and ii, the manner in which any capital cost not funded from the special account was or will be funded
- (c) The amount of money borrowed from the special account and the purpose for which it was borrowed;
- (d) The amount of interest accrued on any money borrowed from the special account.

Special Account Report

The unaudited Parkland Dedication special account balance was \$105.7 M at December 31, 2023, as outlined in Table 1 with comparison to special account activity in 2022.

**SUBJECT: Parkland Dedication Reserve Status Report as of December 31, 2023
(FCS24006) (City Wide) – Page 3 of 6**

**Table 1
Parkland Dedication Reserve
For the year ended December 31, 2023
With Prior Year Comparison**

	2023	2022
Beginning Balance	\$88,238,681	\$70,101,713
Revenues:		
Interest Earned	3,316,510	1,783,021
Dedication Fee (Note 1)	18,703,713	21,336,462
Confidential Proceeds from Land Sale	621,890	17,000
Confidential Land Purchase Recovery	38,438	38,438
Property Purchases Repayment (Notes 2,3)	<u>98,465</u>	<u>98,465</u>
Total Revenues	\$22,779,015	\$23,273,386
Land Expenditures:		
Confidential Land Purchase	800,000	4,236,417
Cherry Beach Park	-	900,000
Fruitland/Winona Community Park	3,800,000	-
North Wentworth Park	200,000	-
Brightside Park	<u>500,000</u>	<u>-</u>
Total Expenditures	5,300,000	5,136,417
Ending Balance	<u>\$105,717,696</u>	<u>\$88,238,681</u>

Notes to Table 1:

- (1) On November 28, 2022, the Province passed the More Homes Built Faster Act, 2022 which has reduced collections and land dedications under Section 42, 51.1 and 53 of the Act.
- (2) The outstanding principal for Council authorized borrowings from this reserve as at December 31, 2023 is \$361,971.
- (3) This repayment includes \$17,066.43 interest. Cumulative interest for funds borrowed from this account is \$1,514,385.73.

Table 2 shows that the stated year-end balance excludes a potential liability for over-dedication of land by developers for 27 subdivisions. The over-dedication is currently estimated at \$15.3 M dependent on future buildout density and the ability to develop the subject lands. After considering the potential liability and the committed expenditures, the available funds in the Parkland Dedication Reserve at December 31, 2023 at \$90.4 M.

**SUBJECT: Parkland Dedication Reserve Status Report as of December 31, 2023
(FCS24006) (City Wide) – Page 4 of 6**

**Table 2
Parkland Dedication Reserve – Available Balance
As at December 31, 2023
With Prior Year Comparison**

	Dec. 31, 2023	Dec. 31, 2022
Stated Balance	\$105,717,696	\$88,238,681
Less: Over-Dedication		
Potential liability resulting from over-dedication of land (23 fully registered subdivisions)	12,116,791	11,653,165
Potential Liability resulting from over-dedication of land (four registered and ongoing subdivisions)*	3,168,572	4,973,558
Available Balance	<u>\$90,432,333</u>	<u>\$71,611,958</u>

Note to Table 2: * These agreements have been partly registered. The parkland dedication amount for the entire subdivision is not finalized until all phases have been registered. At this time, the City will refund any remaining over-dedication.

Over time, as the actual buildout density of the subdivisions becomes clearer and subject lands are developed, the potential liability associated with over-dedication is gradually adjusted and may be mitigated or refunded. Recognition of the potential over-dedication liability ensures that the Parkland Dedication special account balance is accurately reflected, aligning with the evolving land use and development patterns.

As per the requirements of Section 7(3)(iv) of Regulation 509/20 of the Act, municipalities are required to show which projects have been funded from the Parkland Dedication special account, as well as, the manner in which any capital costs not funded from the special account have or will be funded. Table 3 shows the life-to-date funding for each project which received funding from the Parkland Dedication special account in 2023.

**SUBJECT: Parkland Dedication Reserve Status Report as of December 31, 2023
(FCS24006) (City Wide) – Page 5 of 6**

**Table 3
Life-to-Date and Future Funding Transferred to Capital Projects Utilizing
Parkland Dedication Reserve Funds
As at December 31, 2023**

Confidential Land Purchase		
	Life to Date Funding	Future Funding
Parkland Dedication Reserve	\$800,000	-
Total	\$800,000	-
Fruitland/ Winona Community Park 4402356501		
	Life to Date Funding	Future Funding
Parkland Dedication Reserve	\$3,800,000	-
Total	\$3,800,000	-
North Wentworth Park 4402356102		
	Life to Date Funding	Future Funding
Parkland Dedication Reserve	\$200,000	-
Total	\$200,000	-
Brightside Park (Previously known as Stadium Precinct Park) 4401456401		
	Life to Date Funding	Future Funding
Parkland Dedication Reserve	\$7,600,000	-
Rental Fees and Proceeds from Sale of Land	596,149	-
Contribution from Hamilton Future Fund	2,000,000	-
Contribution from Other Reserves	6,151,480	-
Contribution from Tax Levy	1,266,995	-
Development Charges	400,000	-
Total	\$18,014,624	-

Council has the discretion to approve expenditures from the Parkland Dedication special account through Council reports, motions and the annual Tax Supported Capital Budget. The 2024 Tax Supported Capital Budget, approved on February 15, 2024, forecasted \$302 M from 2025-2033 to support the funding of Parkland acquisition.

**SUBJECT: Parkland Dedication Reserve Status Report as of December 31, 2023
(FCS24006) (City Wide) – Page 6 of 6**

Each calendar year, municipalities are required to spend or allocate a minimum of 60 percent of the funds in the Parkland Dedication special account at the beginning of the year. The balance of the special account on January 01, 2024 was \$105.7 M; \$317.3 M has been spent and / or allocated in the 10-year capital forecast, which exceeds the 60 percent allocation requirement. Table 4 details the expenditures that have been committed to from the Parkland Dedication special account.

**Table 4
Parkland Dedication Commitments
2024**

Beginning Balance		\$105,717,696
Commitments		
Potential Liability for Over-Dedication of Land	15,285,363	
Parkland Acquisition (2025-2033)		
4402456105	<u>302,023,934</u>	
Total Commitments		317,309,297
Available Balance		<u>(\$211,591,691)</u>
Percentage of Beginning Balance Allocated		300%

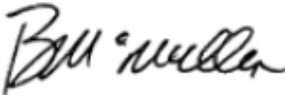
The Parkland Dedication Reserve forecast balance for future years will be presented as part of the Annual Reserve Report to the Audit, Finance and Administration Committee in 2024 via Report FCS24005. Report FCS24006 is presented to satisfy statutory requirements for reporting historical use of the Parkland Dedication special account.

APPENDICES AND SCHEDULES ATTACHED

None



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

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	July 11, 2024
SUBJECT/REPORT NO:	Proposed Amendments to By-law 12-094 – To Transition to the Canadian Overnight Repo Rate Average (CORRA) (FCS11079(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Rosaria Morelli (905) 546-2424 Ext. 1390 Gerry Boychuk (905) 546-4321
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services
SIGNATURE:	

RECOMMENDATION

That the draft By-law “To Amend By-law No. 12-094, being a By-law to authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000”, attached as Appendix “A” to Report FCS11079(b), which has been prepared in a form satisfactory to the City Solicitor, be approved and enacted by Council.

EXECUTIVE SUMMARY

Amendments to By-Law 12-094, being a By-law “To authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000”, passed by Council on April 25, 2012, are being recommended to reflect the amended Credit Facility Agreement dated February 28, 2024 and the amended Swap Transaction dated April 17, 2024, both updated due to mandatory Canadian regulatory requirements.

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: Proposed Amendments to By-law 12-094 – To Transition to the Canadian Overnight Repo Rate Average (CORRA) (FCS11079(b)) (City Wide) – Page 2 of 7

The By-law Amendment is attached as Appendix “A” to Report FCS11079(b). A version of By-law 12-094 which includes the proposed amendment shown in tracked changes is attached as Appendix “B” to Report FCS11079(b).

The amended Credit Facility Agreement and the amended Swap Transaction both reflect the outstanding loan’s new primary reference rate, the Canadian Overnight Repo Rate Average (“CORRA”), replacing the loan’s previous primary reference rate, Canadian Dollar Offered Rate (“CDOR”).

The mandatory change to CORRA from CDOR is a regulatory requirement further to the announcement on May 16, 2022 by Refinitiv Benchmark Services (UK) Limited that CDOR, the benchmark reference rate for Bankers’ Acceptances borrowings and other short-term lending products, will be discontinued as of June 28, 2024 and will be replaced with CORRA as the primary reference rate.

The Office of the Superintendent of Financial Institutions (“OSFI”), an independent agency of the Government of Canada which regulates financial institutions, requires banks and other financial institutions to transition CDOR to CORRA for loans, deposits and derivative contracts prior to June 28, 2024 (see the OSFI Letter entitled OSFI update on Canadian Dollar Offered Rate transition, dated October 24, 2023, attached as Appendix “C” to Report FCS11079(b)).

The effect of both the amended Credit Facility Agreement dated February 28, 2024 and the amended Swap Transaction dated April 17, 2024 does not change the total borrowing costs originally contracted in 2012 for the outstanding loan. The City will continue to pay a fixed rate of 3.16% on the outstanding borrowing until its maturity on May 10, 2027. A schedule of the remaining principal and interest payments for the outstanding loan, as of May 8, 2024, is attached as Appendix “D” to Report FCS11079(b).

Staff undertook and completed the regulatory requirement to amend both the Credit Facility Agreement and the Swap Transaction to reflect the change to CORRA after considering four possible alternatives, as follows, details of which are given on Page 5 of Report FCS11079(b). From the perspective of total borrowing costs, none of the four alternatives are favourable for the City.

- i) Close out both the outstanding loan and the Swap Transaction.
- ii) Close out the Swap Transaction but retain the outstanding loan.
- iii) Close out both the outstanding loan and the Swap Transaction. Refinance by undertaking new borrowing with a serial debenture at current market rates.

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SUBJECT: Proposed Amendments to By-law 12-094 – To Transition to the Canadian Overnight Repo Rate Average (CORRA) (FCS11079(b)) (City Wide) – Page 3 of 7

- iv) Close out both the outstanding loan and the Swap Transaction. Refinance by undertaking new borrowing with a new variable interest rate loan and a new swap transaction at current market rates.

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Not Applicable.

Staffing: Not Applicable.

Legal: Legal Services has prepared the necessary by-law amendment to reflect the changes to By-law 12-094 recommended in Report FCS11079(b).

HISTORICAL BACKGROUND

Two variable interest rate bank loans, one for \$38 M with a term of 15 years (“\$38 M loan”) and another for \$14.74 M for a term of 5 years (“\$14.74 M loan”) were undertaken in 2012 pursuant to the authority set out in By-law 12-094 with the Royal Bank of Canada by way of Bankers’ Acceptances and based on the CDOR, the primary reference rate for Canadian Bankers’ Acceptances.

A Canadian Bankers’ Acceptance is a particular money market instrument, a short-term promissory note issued by a borrower (usually a corporation) and stamped by an accepting or lending bank, whereupon the accepting bank guarantees and becomes fully liable for the payment of principal and interest of the note.

In addition, pursuant to the authority set out in By-law 12-094, in order to provide for the reduction of interest rate risk given the variable interest rate based on CDOR, the \$38 M loan and the \$14.74 M loan were each separately overlaid with an interest rate exchange agreement (a “swap transaction”), a type of derivative contract.

For the \$38 M loan, a 15-year swap transaction was entered into that converted the variable interest rate based on CDOR to a fixed interest rate of 3.16%. Similarly, for the \$14.74 M loan, a five-year swap transaction was entered into that converted the variable interest rate based on CDOR to a fixed interest rate of 2.13%.

The \$14.74 M loan expired and was paid in full in 2017.

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SUBJECT: Proposed Amendments to By-law 12-094 – To Transition to the Canadian Overnight Repo Rate Average (CORRA) (FCS11079(b)) (City Wide) – Page 4 of 7

The \$38 M loan, together with the accompanying swap transaction, remain outstanding and both will expire on May 10, 2027. As of May 8, 2024, the outstanding principal balance of the \$38 M loan is \$10,137,000. Appendix “D” attached to Report FCS11079(b) shows the remaining scheduled principal and interest payments as of May 8, 2024.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The mandatory change to CORRA from CDOR is a regulatory requirement. As announced on May 16, 2022 by Refinitiv Benchmark Services (UK) Limited, the CDOR, being the benchmark reference rate for Bankers’ Acceptance borrowings and other short-term lending products, will be discontinued as of June 28, 2024 and can be replaced with CORRA as the primary reference rate.

OSFI requires banks and other financial institutions to transition CDOR to CORRA for loans, deposits and derivative contracts prior to June 28, 2024 (see the OSFI Letter entitled OSFI update on Canadian Dollar Offered Rate transition, dated October 24, 2023, attached as Appendix “C” to Report FCS11079(b)).

RELEVANT CONSULTATION

Legal Services has prepared a by-law amendment to reflect the changes to By-law 12-094 recommended in Report FCS11079(b).

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Further to the announced change from CDOR to CORRA, OSFI requires banks and other financial institutions to transition CDOR to CORRA for loans, deposits and derivative contracts prior to June 28, 2024.

Accordingly, as requested by the Royal Bank of Canada, the City undertook and completed the transition to CORRA on May 8, 2024. An amended Credit Facility Agreement dated February 28, 2024 was executed which updated the outstanding \$38 M loan based on Bankers Acceptances and CDOR to a variable rate bank loan based on CORRA, effective on May 8, 2024.

Additionally, the overlaying swap transaction to the \$38 M loan was amended to CORRA, effective on May 8, 2024, to maintain a match with the changes made to the loan. An amended swap transaction dated April 17, 2024 was executed and the resulting fixed rate was maintained at 3.16%.

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The effect of the both the amended Credit Facility Agreement dated February 28, 2024 and the amended Swap Transaction dated April 17, 2024 does not change the total borrowing costs originally contracted in 2012 for the outstanding loan over the remaining term of the loan. The City will continue to pay a fixed rate of 3.16% on the outstanding borrowing until its maturity on May 10, 2027.

It is recommended that the language contained in By-Law 12-094 be amended to reflect the language contained in the updated Credit Facility Agreement for the outstanding \$38 M loan now based on CORRA and to reflect the language contained in the amended swap transaction now also based on CORRA.

ALTERNATIVES FOR CONSIDERATION

In considering the alternatives to the transition of both the \$38 M loan and accompanying swap transaction to CORRA, we compared the alternatives to the status quo situation as of the close on May 8, 2024 (the most recent scheduled payment date on the \$38 M loan).

For the status quo situation, the outstanding principal balance is \$7,604,000, the fixed interest rate is 3.16% and the total interest cost over the remaining term is \$481,170.26. We also note that the market value of the swap transaction is \$220,000 in the City's favour as of May 8, 2024.

There are four alternatives to the status quo situation for consideration as follows and summarized in Table 1, Borrowing Costs for Alternatives:

Table 1 – Borrowing Costs for Alternatives

	Alternatives for outstanding \$38 M loan and swap contract				
	Status Quo	Alternative I	Alternative II	Alternative III	Alternative IV
Description	Retain loan and swap	Payout loan and close swap	Payout loan and close swap; Refinance with serial bond	Retain loan but close swap	Payout loan and close swap; Refinance with new variable rate loan + swap
Fixed interest rate *	3.16%		4.66%	variable interest rate	5.15%
Total Principal Repayment (\$)	\$ 7,604,000.00	\$ 7,604,000.00	\$ 7,604,000.00	\$ 7,604,000.00	\$ 7,604,000.00
Total Interest Borrowing Cost (\$)	\$ 481,170.26		\$ 709,573.86	variable interest rate	\$ 784,185.70
Total Interest Earned (\$)**		\$ 834,434.50			
Funds from closing the swap		\$ (220,000.00)	\$ (220,000.00)	\$ (220,000.00)	\$ (220,000.00)
Total Borrowing Cost for City (\$)	\$ 8,085,170.26	\$ 8,218,434.50	\$ 8,093,573.86	unknown because rate is variable	\$ 8,168,185.70
Net \$ comparison to Status Quo		\$ (133,264.24)	\$ (8,403.60)	unknown because rate is variable	\$ (83,015.45)
\$ Favorable to City ?		No	No	No	No
* rates for Alternatives are indicative as of May 2024					
** bank account earns 5.48%					

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SUBJECT: Proposed Amendments to By-law 12-094 – To Transition to the Canadian Overnight Repo Rate Average (CORRA) (FCS11079(b)) (City Wide) – Page 6 of 7

Alternative I: Close out both the \$38 M loan and the swap transaction.

The opportunity cost of deploying the funds that would be used to pay out in full the loan in the bank account is \$834,434.50 (assuming no change in the interest rate earned in the City's bank account) whereas the interest cost (based on 3.16%) on the outstanding principal balance of \$7.6 M is \$481,170.26, a difference of \$353,264.24. After accounting for the \$220,000 cash from paying out the swap transaction, the net result would be an additional interest cost of \$133,264.24 compared with the status quo.

Alternative II: Close out the swap transaction but retain the \$38 M loan.

Retaining only the \$38 M loan (without the swap) would result in interest rate risk because the interest rate is variable. This is neither a prudent nor a recommended alternative.

Alternative III: Close out both \$38 M loan and swap transaction. Refinance the projects by undertaking new borrowing with a serial debenture at current market rates.

Projects financed with new debt at the current indicative market rate of 4.66% for a serial debenture would result in interest costs of \$709,573.86 compared with the status quo interest costs of \$481,170. After accounting for the \$220,000 from closing out the swap, the net result is an additional interest cost of \$8,404 compared with the status quo.

Alternative IV: Close out both the \$38 M loan and swap transaction. Refinance the projects by undertaking new borrowing with new variable interest rate loan and new swap transaction at current market rates.

Projects financed with new debt at current market rates of 5.15% for a new CORRA / swap structure would result in interest costs of \$784,186, compared with the status quo interest costs of \$481,170. After accounting for the \$220,000 from closing out the swap, the net result is an additional interest cost of \$83,016 compared with the status quo.

In conclusion, from the perspective of total borrowing costs, none of the four alternatives are favourable for the City. Therefore, staff undertook and completed the regulatory requirement to amend both the Credit Facility Agreement and the Swap Transaction to reflect the change to CORRA.

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SUBJECT: Proposed Amendments to By-law 12-094 – To Transition to the Canadian Overnight Repo Rate Average (CORRA) (FCS11079(b)) (City Wide) – Page 7 of 7

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS11079(b) – Proposed Amendments to By-law 12-094

Appendix “B” to Report FCS11079(b) – By-law 12-094 with proposed amendments included as tracked changes

Appendix “C” to Report FCS11079(b) – Letter from The Office of the Superintendent of Financial Institutions (OSFI) Canada, OSFI update on Canadian Dollar Offered Rate transition, dated October 24, 2023

Appendix “D” to Report FCS11079(b) – \$38 M Loan Payment Schedule as of May 8, 2024

RM/GB/dt

Authority: Item ____, Audit, Finance &
Administration Committee
Report: 24-013 FCS11079(b)
CM: July 12, 2024

Bill No. 24-__

CITY OF HAMILTON

BY LAW NO. 24-

To Amend By-law 12-094, being a By-law to authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000

WHEREAS pursuant to By-law 12-094, being a By-law to authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000 (the "By-law"), Council for the City of Hamilton authorized the borrowing of (a) \$38,000,000 for the capital works outlines in Schedule "A" of the By-law and (b) \$14,740,000 for the capital works set forth in Schedule "B" of the By-law, which loans would be authorized by Bankers' Acceptances on the terms and conditions as set forth in the By-law;

AND WHEREAS the loan for the original principal amount of \$14,740,000 has been repaid in full;

AND WHEREAS the loan for the original principal amount of \$38,000,000 (the "City Loan") will be repaid in full in 2027 and has an outstanding principal amount of \$10,137,000 as of May 8, 2024;

AND WHEREAS the Office of the Superintendent of Financial Institutions announced its expectation that all federally regulated financial institutions such as the Royal Bank of Canada transition all loan agreements based on CDOR by June 28, 2024 and, as such, the Royal Bank has transitioned the vast majority of Bankers' Acceptances financial products, including the City Loan, to alternative interest rate structures;

AND WHEREAS the City Loan's new primary reference rate, being the Canadian Overnight Repo Rate Average ("CORRA"), replaces the City Loan's previous primary reference rate, Canadian Dollar Offered Rate ("CDOR").

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

1. That By-law 12-094 be amended by deleting paragraph 7 and replacing it with the following:
 7. That paragraphs 1-6 of this By-law take effect on the day of passing, being April 25, 2012.
2. That By-law 12-094 be amended by adding paragraph 8 as follows:
 8. Notwithstanding the terms and conditions set forth in paragraph 1-7 of By-law 12-094, effective as at May 8, 2024, the outstanding City Loan based on Bankers Acceptances and CDOR shall be updated to a variable interest rate bank loan based on CORRA pursuant to the Credit Facility Agreement dated February 28, 2024.
3. That By-law 12-094 be amended by adding paragraph 9 as follows:
 9. Notwithstanding the terms and conditions set forth in paragraphs 1-7 of By-law 12-094, effective May 8, 2024, the City Loan shall be amended to CORRA with a resulting fixed rate maintained at 3.16% pursuant to the Interest Rate Exchange Agreement dated April 17, 2024.
4. That By-law 12-094 be amended by adding paragraph 10 as follows:
 10. Section 8 and Section 9 of this By-law shall take effect on May 8, 2024.

PASSED this ____ day of _____, 2024.

A. Horwath, Mayor

J. Pilon, Acting City Clerk

Authority: Item: 8, Audit, Finance &
Administration Committee
Report: 12-001 (FCS11079(a))
CM: January 25, 2012

Bill No. 094

CITY OF HAMILTON

BY-LAW NO. 12-094

To authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000

WHEREAS City of Hamilton (the "City") authorized the capital works described in "Schedule "A" and now intends to raise the money required to pay part of the cost of the works by borrowing \$38,000,000 by way of bank loan repayable over a term of 15 years;

AND WHEREAS before authorizing the works described in Schedule "A" Council had its Treasurer update its most recent annual debt and financial obligation limit received from the Ministry of Municipal Affairs and Housing in accordance with the applicable regulation and, the Treasurer determined that the estimated annual amount payable in respect of such works would not cause the City to exceed the updated limit and that the approval of such works by the Ontario Municipal Board was not required;

AND WHEREAS pursuant to By-laws No. 01-242 and No. 01-244, the City authorized the issue of debentures in the principal amount of \$4,523,530 and \$30,000,000, respectively, for the works described therein, of which \$1,931,500 and \$12,808,692, respectively, was authorized to be financed by the issue of refunding debentures over a further term not to exceed five years; and instead of issuing debentures under By-laws No. 01-242 and No. 01-244, debentures were issued under consolidating By-law No. 01-245, which debentures matured on October 25, 2011; and instead of issuing refunding debentures in aggregate principal amount of \$14,740,000, the City intends to borrow \$14,740,000 by way of bank loan repayable over a term of five years for the capital works set forth in Schedule "B";

WHEREAS the City has entered into a Credit Facility Agreement dated March 14, 2012 (the "Credit Facility Agreement") with the Royal Bank of Canada (the "Bank") which provides in part for a 15 year term variable interest rate loan facility of \$38,000,000 and a 5 year variable interest rate loan facility of \$14,740,000, such loans to be evidenced by bankers' acceptances;

AND WHEREAS the City has entered into a Bankers' Acceptance Service Agreement dated March 15, 2012 with the Bank and to facilitate the issuance, endorsement,

To authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000

Page 2 of 3

substitution and replacement of bankers' acceptances from time to time the Bank has requested the City's authorization;

WHEREAS the City has entered into the Master Agreement dated April 18, 2012 (the "Master Agreement"), comprising the International Swaps and Derivatives Association, Inc.'s 2002 Master Agreement and Schedule thereto, which enables the City to enter into interest rate swaps to reduce the interest rate risk and to specify and fix the amount of interest on variable interest rate bank loans.

WHEREAS pursuant to By-law 12-094, being a By-law to authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000 (the "By-law"), Council for the City of Hamilton authorized the borrowing of (a) \$38,000,000 for the capital works outlines in Schedule "A" of the By-law and (b) \$14,740,000 for the capital works set forth in Schedule "B" of the By-law, which loans would be authorized by Bankers' Acceptances on the terms and conditions as set forth in the By-law;

AND WHEREAS the loan for the original principal amount of \$14,740,000 has been repaid in full;

AND WHEREAS the loan for the original principal amount of \$38,000,000 (the "City Loan") will be repaid in full in 2027 and has an outstanding principal amount of \$10,137,000 as of May 8, 2024;

AND WHEREAS the Office of the Superintendent of Financial Institutions announced its expectation that all federally regulated financial institutions such as Royal Bank of Canada transition all loan agreements based on CDOR by June 28, 2024 and as such the Royal Bank has transitioned the vast majority of Bankers' Acceptances financial products, including the City Loan, to alternative interest rate structures;

AND WHEREAS the City Loan's new primary reference rate, being the Canadian Overnight Repo Rate Average ("CORRA"), replaces the City Loan's previous primary reference rate, Canadian Dollar Offered Rate ("CDOR");

THE COUNCIL OF CITY OF HAMILTON ENACTS AS FOLLOWS:

1. The City is authorized to borrow by way of variable interest rate bank loans evidenced by Bankers' Acceptances (a) \$38,000,000 repayable in equal principal amounts of \$2,533,000 in each of the years 2013 to 2026, inclusive, with a final payment of \$2,538,000 in 2027, for the capital works set out in Schedule "A" and (b) \$14,740,000 repayable in equal principal amounts of \$2,948,000 in each of the years 2013 to 2017, inclusive, for the capital works set out in Schedule "B".
2. The bankers' acceptances shall bear interest on the unpaid balance of the principal amount payable monthly at the 1 month floating bankers' acceptance rate plus stamping fees of 0.61% per annum for the 15 year \$38,000,000 loan and 0.29%

per annum for the 5 year \$14,740,000 loan.

3. The City is authorized to exchange the variable interest rate payable monthly on the bankers' acceptances for a specific and fixed amount payable semi-annually, and to that end to enter into a 15 year interest rate swap in respect of the \$38,000,000 bank loan and a 5 year interest rate swap in respect of the \$14,740,000 bank loan, which swaps shall be entered into with the Bank pursuant to the Master Agreement.
4. To facilitate the issuance, endorsement, substitution and replacement of bankers' acceptances with interest coupons attached, if applicable) in each case for acceptance by the Bank (collectively in this section the "Bankers' Acceptances") (1) any individual officer as designated by the Bank from time to time as a securities officer of the Bank be and hereby is appointed an authorized signatory of the City for the purposes of the issuance, endorsement (if applicable), substitution and replacement of Bankers' Acceptances and any interest coupons that may relate thereto; (2) each such Bank securities officer so appointed as authorized signatory of the City be and hereby is authorized to make use of a mechanical or other device for the purpose of affixing a facsimile of his/her signature as drawer and endorser (if applicable) to any Bankers' Acceptances and any replacements and substitutions thereof; and (3) the Bank be and is hereby authorized and directed to honour, pay and charge to the account of the City all Bankers' Acceptances (and interest coupons if applicable) bearing

To authorize the borrowing of monies by way of bank loans in the principal amounts of \$38,000,000 and \$14,740,000

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facsimile signatures of persons having authority to sign Bankers' Acceptances (and interest coupons if applicable) pursuant to the Credit Facility Agreement and such Bankers' Acceptances (and interest coupons if applicable) shall be binding on the City to the same extent as they would have been had they been manually signed and (4) the General Manager, Finance & Corporate Services is authorized and directed to execute and deliver any and all documents, in a form satisfactory to the City Solicitor, the officers executing the same deem necessary and/or desirable to give full effect to the foregoing.

5. For the payment of the principal of and interest on the sums borrowed as and when the same respectively become due and payable there shall be levied and raised in each year of the currency of the debt by a special rate sufficient therefor over and above all other rates on the rateable property in the City, at the same time and in the same manner as other rates, the sums of principal and interest falling due in such year, provided that no greater rate shall be levied in any year for such purpose than is required after taking into account moneys available for such purpose from any other source.
6. Schedules "A" and "B" attached hereto are hereby declared to be and to form part of this By-law.
7. This By-law takes effect on the day of passing. That paragraphs 1-6 of this By-law take effect on the day of passing, being April 25, 2012.
8. Notwithstanding the terms and conditions set forth in paragraph 1-7 of By-law 12-094, effective as at May 8, 2024, the outstanding City Loan based on Bankers Acceptances and CDOR shall be updated to a variable interest rate bank loan based on CORRA pursuant to the Credit Facility Agreement dated February 28, 2024.
9. Notwithstanding the terms and conditions set forth in paragraphs 1-7 of By-law 12-094, effective May 8, 2024, the City Loan shall be amended to CORRA with a resulting fixed rate maintained at 3.16% pursuant to the Interest Rate Exchange Agreement dated April 17, 2024.
- 7.10. Section 8 and Section 9 of this By-law shall take effect on May 8, 2024.

PASSED this 25th-day of April, 2012.



R. Bratina
Mayor



R. Caterini
City Clerk

CITY OF HAMILTON
Schedule "A" to By-law No. 12-094

Project ID	Project	Budget Approval	Debentures Authorized	Debentures		Amount to be		Term
				Issued to date	Outstanding Authorization	borrowed by way of bank loan		
		Year	\$	\$	\$	\$	Years	
	Wastewater Program							
	Red Hill CSO Tank Installation		10,999,204.97	0.00	10,999,204.97	10,999,204.97		15
	Wastewater Treatment Plant - General Improvements		2,136,133.81	0.00	<u>2,136,133.81</u>	<u>2,000,795.03</u>		15
	Total Rate Supported				13,135,338.78	13,000,000.00		
	DC Funded Projects							
	Multi-agency Training Facility (Fire, EMS, Police)					10,400,000.00		15
4030819102	StoneChurch - U James to Garth					1,635,000.00		15
4030880855	Dartnall - Rymal to Dickenson					3,053,568.97		15
4030880861	Wilson and Shaver Roundabout					501,065.09		15
4030980984	Rymal - U Centennial to Dartnall					768,721.96		15
4031080010	Binbrook - Royal Winter to RR56					836,252.55		15
4031080095	Mid Arterial - Mtn Brow - Dundas					942,493.89		15
4031180195	Green Mountain - First to Centennial					870,000.00		15
4030980986	Trinity Church Corridor					<u>5,992,897.54</u>		15
	Total DC Supported					25,000,000.00		
	Total Debt Issue					<u><u>38,000,000.00</u></u>		

Appendix "B" to Report FCS11079(b)

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CITY OF HAMILTON
Schedule "B" to By-law No. 12-094

Project	Debentures Authorized	Debentures Issued under Consolidating By-Law No. 01-245 & previous By-laws	Refunding Debentures Authorized To be Issued	Amount to be borrowed by bank loan under this By-law	Term
	\$	\$	\$	\$	Years
	By By-law No. 01-242				
Renovations-Macassa and Wentworth Lodges	4,561,191	4,523,530	1,931,350	1,931,350	5
	By By-law No. 01-244				
HA-1999 ROAD RECONSTRUCTION PROGRAM	6,519,000	6,519,000	2,783,329	2,783,329	5
HA- CITY PLACES-DOWNTOWN CAPITAL CONTRIBUTION	1,500,000	1,500,000	640,435	640,435	5
HA. CORPRATE FINANCIAL INFORMATION SYSTEM	1,981,000	1,981,000	845,801	845,801	5
HA- DOWNTOWN HAMILTON IMPROVEMENT PLAN - PHASE II	1,532,000	1,532,000	654,098	654,098	5
HA- CHEDOKE TWIN PAD ARENA REMEDIAL & OPERATIONAL IMPROVEMENTS	250,000	250,000	106,740	106,740	5
HA-CUP-REPAIRS TO MAIN HEATING BOILERS	100,000	100,000	42,696	42,696	5
HA-RISK MANAGEMENT-VARIOUS FACILITIES	110,000	110,000	46,966	46,966	5
HA- WESTDALE BRANCH LIBRARY RENOVATIONS	400,000	400,000	85,392	85,392	5
HA- BARTON BRANCH LIBRARY RENOVATIONS	457,000	457,000	195,119	195,119	5
HA-1997 ROAD RECONSTRUCTION PROGRAM	7,371,000	7,371,000	1,085,494	1,085,494	5
HA- DOWNTOWN PHASE OP FERGUSON AVE MASTER PLAN	780,000	780,000	317,229	317,229	5
HA. HAMILTON HARBOUR WATERFRONT TRAIL-PHASE I	1,000,000	1,000,000	426,957	426,957	5
HA-1996 ROAD RECONSTRUCTION PROGRAM	4,524,000	4,524,000	251,222	251,222	5
HA-TB MCQUESTON PARK	7,353,000	1,030,000	439,766	439,766	5
HA-STEAM MUSEUM PUMP HOUSE RESTORATION	550,000	521,200	222,530	222,530	5
SC - RECONSTRUCTION Of HOMESIDE AVE	390,000	360,000	166,512	166,512	5
SC-RECONSTRUCTION OF ROYCE AVE	320,000	320,000	136,626	136,626	5
SC-RECONSTRUCTION OF MARGARET AVE	660,000	660,000	281,791	281,791	5
SC - RECONSTRUCTION OF DEWITT ROAO ESCARPMENT ACCESS	530,000	530,000	226,286	226,286	5
SC - RECONSTRUCTION OF CHERRYW000 DRIVE AND PIOTT COURT	436,000	436,000	186,152	186,152	5
SC - RECONSTRUCTION OF BLENHEIM AVENUE	150,000	150,000	64,043	64,043	5
SC - RECONSTRUCTION OF CHESTER ROAD	170,000	170,000	72,582	72,582	5
SC.RECONSTRUCTION OF WARWICK ROAD	175,000	179,000	74,717	74,717	5
SC-RECONSTRUCTION OF NORWICH ROAD	165,000	165,000	70,447	70,447	5
SC - RECONSTRUCTION OF DEERHURST ROAD	480,000	485,000	196,399	196,399	5
SC - RECONSTRUCTION OF LAKEVIEW DRIVE/NORTH SERVICE ROAD	275,000	275,000	117,413	117,413	5
SC - RECONSTRUCTION OF TRINITY CHURCH ROAD	1,050,000	1,000,000	448,304	448,304	5
SC-RECONSTRUCTION OF GLOVER ROAD	70,000	70,000	29,886	29,886	5
SC- RECONSTRUCTION OF BATTLEFIELD DRIVE/ALBA TO KING	450,000	450,000	192,130	192,130	5
SC . RECONSTRUCTION OF UPPER WALKER/ALBA TO DOUGLAS	300,000	306,005	128,086	128,086	5
SC .RECONSTRUCTION OF MOUNTAIN AVENUE SOUTH/MAPLE TO TREVOR	175,000	175,005	74,717	74,717	5
SC-RECONSTRUCTION OF TOWN SQUARE	150,000	150,000	64,044	64,044	5
RENNIE STREET LANDFILL REMEDIATION	9,900,000	5,000,000	2,134,783	2,134,783	5
TOTAL	54,834,191	43,479,740	14,740,042	14,740,042	



Letter

Title	OSFI update on Canadian Dollar Offered Rate transition
Date	October 24, 2023
Sector	Banks Trust and Loan Companies Foreign Bank Branches Life Insurance and Fraternal Companies Property and Casualty Companies

To: Federally Regulated Financial Institutions (FRFIs) and Federally Regulated Private Pension Plans (FRPPs)

After June 28, 2024, the administrator of the Canadian Dollar Offered Rate (CDOR), Refinitiv Benchmark Services (UK) Limited (RBSL), will [cease \(PDF, 126 KB\)](#) the publication of all three of CDOR's remaining tenors. This change will impact the structure of Canadian financial markets, including the Canadian corporate and commercial loan markets. As noted in our May 16, 2022 [Industry Letter](#), we expect federally regulated financial institutions (FRFIs) and federally regulated private pension plans (FRPPs) will have transitioned all loan agreements referencing CDOR by June 28, 2024 and make every effort to ensure a seamless transition to new reference rates, prior to the respective cessation dates.

In July, the Canadian Alternative Reference Rate working group (CARR) [introduced](#) a "no new CDOR or Bankers' Acceptance (BA) loan" milestone date of November 1, 2023 to facilitate a tapered transition of the loan market by reducing the stock of loans that need to be remediated ahead of CDOR's cessation. Similar milestones for the loan market were introduced in LIBOR jurisdictions. This milestone does not include draws on existing CDOR or BA loan facilities that have not yet matured, or that have been extended or been subject to material amendments prior to November 1. Given the importance of a smooth transition of the loan market, we support the CARR's 'no new CDOR or BA loan' milestone. In line with CARR's expectations, FRFIs and FRPPs should be actively transitioning their loans and funding to a variety of other interest rates, for example, CORRA and Term CORRA.

Additionally, OSFI is reviewing the treatments of BAs in the Capital Adequacy Requirements and the Liquidity Adequacy Requirements guidelines, including NSFR, to align with the treatment of similar financial instruments such as bearer deposit notes. With the banks no longer providing their CDOR survey submissions to Refinitiv Benchmark Services (UK) Ltd after June 28, 2024, the need for OSFI's Guideline E-20: CDOR Benchmark-Setting Submissions is also under review.

For FRFIs with material exposure to CDOR, OSFI continues to consider CDOR transition efforts and project delivery within its supervisory risk assessments and will take supervisory actions, as appropriate, based on its evaluation of transition preparedness.


If you have any questions, please contact [Adam Dolson](#), Director, Capital and Liquidity Standards Division, Risk Advisory Hub.

\$38 M Loan Principal and Interest Payment Schedule as of May 8, 2024

Period Start Date	Period End Date	Payment Due Date	Interest Payment	Principal Payment	O/S Principal Balance from Period Start Date to Period End Date	O/S Principal Balance at close of Period End Date
08 Nov 2023	08 May 2024	08 May 2024	\$159,725.79	\$2,533,000	\$10,137,000	\$7,604,000
08 May 2024	08 Nov 2024	08 Nov 2024	\$121,130.68	\$0	\$7,604,000	\$7,604,000
08 Nov 2024	08 May 2025	08 May 2025	\$119,155.72	\$2,533,000	\$7,604,000	\$5,071,000
08 May 2025	10 Nov 2025	10 Nov 2025	\$81,658.38	\$0	\$5,071,000	\$5,071,000
10 Nov 2025	08 May 2026	08 May 2026	\$78,585.22	\$2,533,000	\$5,071,000	\$2,538,000
08 May 2026	09 Nov 2026	09 Nov 2026	\$40,649.72	\$0	\$2,538,000	\$2,538,000
09 Nov 2026	10 May 2027	10 May 2027	\$39,990.54	\$2,538,000	\$2,538,000	\$0



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Procurement Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	July 11, 2024
SUBJECT/REPORT NO:	Extension of Contract C12-13-21 Professional and Consultant Services Roster (FCS24038) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Tina Iacoe (905) 546-2424 Ext. 2797
SUBMITTED BY:	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That Council approve a six-month extension of Contract C12-13-21, Professional and Consultant Services Roster, ending June 30, 2025, with the option to further extend an additional six months, ending December 31, 2025 at the discretion of the City Manager, the General Manager, Public Works Department and the General Manager, Planning and Economic Development Department;
- (b) That the Director of Procurement be authorized to negotiate a 2% increase in hourly rates and enter into and execute any amending agreement or documents required to give effect thereto with Rostered Candidates, in a form satisfactory to the City Solicitor; and
- (c) That any cost increase associated with amendments to the existing agreements be included in the 2025 budget..

EXECUTIVE SUMMARY

Every three years, the City of Hamilton (City) issues and awards a Professional and Consultant Services Roster (Roster) through a formal Request for Rostered Candidates procurement process. The first Roster was awarded in 2001 and since then, the City has consistently utilized a Roster for consultancy work. The current Roster is used and administered by staff within the Public Works Department, Planning and Economic

SUBJECT: Extension of Contract C12-13-21 Professional and Consultant Services Roster (FCS24038) (City Wide) – Page 2 of 7

Department and the City Manager's Office and continues to be seen as a valuable tool for undertaking consultancy work in both an efficient and effective manner for many City projects.

The current Roster expires on December 31, 2024. Since November of 2023, Roster Captains and Procurement staff have been working on a new Request for Roster Candidates (RFRC) document with the expectation that the document is to be issued in July 2024, to establish the new roster cycle for January 1, 2025.

Unfortunately, due to the cyber incident, staff was unable to finalize the Request for Roster Candidates (RFRC) procurement document in order to meet the identified schedule for issuance and award of the Contract. The City continues to make steady progress in recovering from the cyber incident. As a result, staff is able to resume working towards finalizing the necessary documents. Additionally, with competing priorities and backlog of work, it will be challenging for staff to complete the preparation of the Request for Roster Candidates (RFRC) documents this year without setting aside other City work or awarding the Roster late, well into 2025.

The purpose of Report FCS24038 is to request Council approval to extend Contract C12-13-21 Professional and Consultant Services Roster (Contract) for six months, with the option to extend another six months until December 31, 2025. Staff is also recommending that the Director of Procurement be authorized to negotiate a 2% increase with Roster Candidates and execute any amending agreement or documents to give effect thereto, satisfactory to the City Solicitor.

The proposed extension will allow staff the additional time to balance workloads and ensure a quality procurement document for bidding while maintaining continuity of consultancy required services by Roster Candidates.

Alternatives for Consideration – See Page 8

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: It is expected that additional costs incurred as a result of the 2% increase in Roster hourly rates will be reflected in the 2025 capital budget process.

Using the total costs reported for Roster assignments for 2022 (as reported in Report PW23045 / PED23130 / FCS23079), staff estimates the increased costs attributable to the 2% increase at \$380,000. This estimate will be contingent on the number of Roster assignments issued and completed in 2025.

Staffing: N/A

SUBJECT: Extension of Contract C12-13-21 Professional and Consultant Services Roster (FCS24038) (City Wide) – Page 3 of 7

Legal: Legal Services staff may be requested to assist in preparing any formal amendments or documentation to finalize the extension and proposed 2% increase in rates.

HISTORICAL BACKGROUND

Every three years, the City of Hamilton issues and awards a Professional and Consultant Services Roster (Roster) through a formal Request for Roster Candidates (RFRC) process in accordance with the City of Hamilton's By-Law 20-205, as amended, specifically Procurement Policy #5.4 Request for Proposals and #9 Consulting and Professional Services. The Roster is utilized by multiple divisions within the City's Public Works Department, Planning and Economic Development Department and City Manager's Office, as well as, other internal teams including the Hamilton Police Service and CityHousing Hamilton.

The Roster is seen as a valuable tool for undertaking consultancy work in both an efficient and effective manner. Without the Roster, staff would be required to issue multiple procurement processes requiring a greater amount of staffing resources. It is because of the great value to the City that both the Procurement Division and the Roster Committee commit a great deal of time and effort to uphold not only the integrity of the Request for Roster Candidates (RFRC) process but ensure that the administration of the Roster is carried out in compliance with the Procurement Policy.

As per Report PW23045 / PED23130 / FCS23079, the current Roster includes 42 different categories of consultancy disciplines and engages 92 different Roster Candidates firms (successful professional consultants) who perform services in accordance with the Request for Roster Candidates (RFRC). Report PW23045 / PED23130 / FCS23079 also identified that the total annual cost of Roster assignments in 2020, 2021 and 2022 was approximately \$18 M, \$23 M and \$19M, respectively.

Roster Procurement Process Timeline

The procurement process for the Request for Roster Candidates (RFRC) takes well over a year to prepare, issue and award. The development and refinement of the Request for Roster Candidates (RFRC) documents takes considerable staff time and effort before they can be released publicly. In principle, issuing a Request for Roster Candidates (RFRC) with 42 different categories requires almost the same amount of time and effort as issuing 42 separate requests for proposal documents.

Staff begin working on the Request for Roster Candidates (RFRC) the year prior to issuance. For the new Roster (set to begin January 1, 2025), in order to improve the process for staff to give sufficient time to review the proposals, the goal was to issue the Request for Roster Candidates (RFRC) in July 2024, with the intent of finalizing the evaluations and perform the required due diligence for award well before December to allow for a smooth transition of the Contract. This accelerated schedule required all Roster Captains and Procurement staff to work together to achieve this goal.

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

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SUBJECT: Extension of Contract C12-13-21 Professional and Consultant Services Roster (FCS24038) (City Wide) – Page 4 of 7

The proposed timeline to complete the Request for Roster Candidates (RFRC) procurement process for 2024 was originally as follows:

Request for Roster Candidates (RFRC) Process Description	Timeline to Complete
All terms of reference, evaluation criteria, and costing mechanisms to be finalized and submitted to Procurement	Work begins in November and continues to April 30
Senior Procurement Specialist compiles all roster information into one procurement document; inputs all informational and pricing schedules into the bidsandtenders online platform	12 weeks (May to July)
RFRC document to be issued	6 – 8 weeks (July to mid / late August)
RFRC closes; all submissions to every category reviewed and read at a high level to ensure compliancy	2 to 3 weeks
First vendor dispute period	2 weeks
Submissions distributed for evaluations	8 weeks
bidsandtenders website is updated and remaining proponents advised (successful or not successful)	1 week
Second vendor dispute period	2 weeks to 4 weeks
Roster is awarded and Roster Candidates required to submit their insurance, WSIB and other requirements	2 weeks to 8 weeks
Schedule to Complete RFRC Procurement Process	35 weeks to 46 weeks (approx. 8 to 10.5 months)

It is worth noting that many Roster Captains manage multiple Roster categories and, therefore, are required not only to finalize one, but sometimes up to eight different categories. It is also worth noting that Roster Captains rely on the previous cycle's review and notes for improvement in order to ensure that past errors are not repeated and lessons are learned to make the documents clearer and easier for bidding.

Once all the terms of reference, evaluation criteria and costing mechanisms are submitted to Procurement, Procurement staff can only then start compiling and building the Request for Roster Candidates (RFRC) document and the accompanying electronic bidding costing sheets. This process is complex and requires a high degree of coordination and acute accuracy in order to mitigate necessary changes to the Request for Roster Candidates (RFRC) after issuance through addenda. It is for these reasons that all staff begin preparations on the new Request for Roster Candidates (RFRC) many months in advance of the Request for Roster Candidates (RFRC)'s issuance.

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SUBJECT: Extension of Contract C12-13-21 Professional and Consultant Services Roster (FCS24038) (City Wide) – Page 5 of 7

Once the Request for Roster Candidates (RFRC) procurement closes, Procurement staff completes the due diligence required. In fact, all Procurement staff are involved in some respect to the administration of the Request for Roster Candidates (RFRC) process. Procurement staff is required to review each submission received (the City received 410 submissions to the current Request for Roster Candidates procurement process) to ensure compliancy and address all qualifications or caveats that might be cause to reject the submission and then allow for a 10 business day vendor dispute period. Once this due diligence is complete, only then can the submissions be distributed to the evaluation teams for scoring.

Each Roster Captain chairs an evaluation team and every evaluation meeting is facilitated by a Procurement Specialist. Evaluation teams have two months to complete their evaluations and meet to arrive at consensus scores. Procurement staff then perform further due diligence, present the list of successful Rostered Candidates to the Director of Procurement and the applicable General Manager for approval, and then, update the bids and tenders accordingly. Once the website has been updated, a second vendor dispute period is held to allow proponents to address any of their complaints.

Once the Roster is confirmed and approved, Procurement staff issues the formal award letters and begins the process of collecting Roster Candidates' information, including certificates of insurance, WSIB clearance certificates, statement of acknowledgements regarding the City's AODA Customer Service Standard Handbook, data license agreements and electronic funds transfer information. It is only after these documents are received that Roster Assignments can be assigned.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The Request for Roster Candidates (RFRC) is issued in accordance with By-law 20-205 as amended, City Procurement Policy, specifically:

- Policy #5.4 – Request for Proposals
- Policy #9 – Consulting and Professional Services
- Policy #18 – Vendor Complaint Resolution

RELEVANT CONSULTATION

The Roster Executive (staff representation from Public Works, Planning and Economic Development divisions and the City Manager's Office) was consulted and contributed to the preparation of Report FCS24038. Members of the Roster Executive and Roster Committee all fully support the recommendations presented to Committee and Council.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

In order to meet the scheduled timelines as set out in the Request for Roster Candidates (RFRC) Process Chart within Report FCS24038, staff began working on the Request for

SUBJECT: Extension of Contract C12-13-21 Professional and Consultant Services Roster (FCS24038) (City Wide) – Page 6 of 7

Roster Candidates (RFRC) in November 2023, with critical completion dates for staff to finalize the category-specific requirements during the period of February to April 2024.

As a result of the cyber incident, staff were unable to finalize the Request for Roster Candidates (RFRC) document in order to meet the identified schedule for issuance and award of the Contract. The City continues to make steady progress in recovering from the cyber incident. As a result, staff is able to resume working towards finalizing the necessary documents. Additionally, with competing priorities and backlog of work, it will be challenging for staff to complete the preparation of the Request for Roster Candidates (RFRC) documents this year without setting aside other City work or awarding the Roster late, well into 2025.

Staff is requesting Council's approval to extend Contract C12-13-21 for a six-month period to June 30, 2025, with the option to extend another six months, if required, until December 31, 2025. If approved, the option to extend will be at the discretion of the City Manager, the General Manager, Public Works and the General Manager, Planning and Economic Development. The proposed extension will allow staff the additional time to balance current workloads and ensure a quality procurement document for bidding while maintaining continuity of consultancy required services by Roster Candidates. Staff will continue its efforts to complete the Request for Roster Candidates (RFRC) document and work to achieve issuance of the Request for Roster Candidates (RFRC) by Q2, 2025. However, should it not be possible to complete the Request for Roster Candidates (RFRC) procurement process within the six-month initial time frame, staff will request the applicable senior leaders to approve an additional six-month extension.

Staff is also recommending that the Director of Procurement be directed to negotiate with Roster Candidates an increase of no more than 2% on their hourly rates and no increase on any additional fees or charges. This is consistent with the extension that was granted through Report FCS20054 when Council approved an extension to Roster contract C12-06-18 for one year to accommodate for COVID-19 impacts. Staff feel that a 2% increase is still reasonable and was successful in this previous instance. Further, consultants benefit from the additional year to provide services to the City without having to spend time and money on preparing new Request for Proposals.

Process for Extending the Contract

Should Council approve the recommendations within Report FCS24038, Procurement staff will immediately engage the Roster Candidates and advise them that the City wishes to extend the Contract. Since the Request for Roster Candidates (RFRC) did not include an option to extend the Contract beyond the three-year term, the City cannot require a Roster Candidate to agree to the extension. Therefore, the Roster Candidate will have full discretion and they can either agree to the extension and the terms or end the contract on December 31, 2024.

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**SUBJECT: Extension of Contract C12-13-21 Professional and Consultant Services
Roster (FCS24038) (City Wide) – Page 7 of 7**

ALTERNATIVES FOR CONSIDERATION

Council may choose to not approve the recommendations in Report FCS24038 and direct staff to continue to work on completing the new 2025 - 2027 Request for Roster Candidates (RFRC).

If this alternative is chosen, staff will need to set aside priority work that has been delayed due to cyber incident impacts and dedicate significant time and effort to complete the Request for Roster Candidates (RFRC) for issuance sometime in Q4 of 2024. This amended timeline will result in a delay in the award of the new Roster and halt the award of any new Roster assignments and consultancy work until Q2 of 2025.

This alternative does not deliver on Council priority projects and does not consider the significant impacts of the cyber incident. Therefore, this alternative is not recommended. Furthermore, not extending the Contract will result in consultancy assignments not being awarded until a new Roster is awarded. This may create undue delays in consultancy work being performed throughout the City or, alternatively, create a significant number of Policy 11 requests to single source consultancy work.

Financial: No impact. Staff would complete the Request for Roster Candidates (RFRC) for bidding and the new contract would start in Q2 of 2025.

Staffing: This alternative would redirect staff efforts to delivering this Request for Roster Candidates (RFRC) with a delay of at least three months to the Request for Roster Candidates (RFRC) Procurement Process timeframes previously identified in Report FCS24038. Staff would be redirected away from other deliverables to make this deadline. Additionally, staff may be required to work overtime, thus resulting in an increase in staffing costs.

Legal: N/A

APPENDICES AND SCHEDULES ATTACHED

N/A



GRANTS SUB-COMMITTEE REPORT 24-003

9:30 a.m.

July 3, 2024

Council Chambers, City Hall, 2nd Floor
71 Main Street West, Hamilton, Ontario

Present: Councillors N. Nann (Chair), C. Kroetsch (Vice-Chair)
Councillors T. Jackson, and M. Wilson

Absent: Councillors M. Francis and M. Tadeson - Personal

THE GRANTS SUB-COMMITTEE PRESENTS REPORT 24-003 AND RESPECTFULLY RECOMMENDS:

1. **City Enrichment Fund – Digital Pilot Program (GRA24003) (City Wide) (Item 5.1)**
 - (a) That the two-year Digital Pilot Program of the City Enrichment Fund, launched in 2022, with the objective to support organizations, events and activities that increase efforts to achieve digital equity, promote digital inclusion and spur greater adoption of broadband amongst underserved populations, be established within the City Enrichment Fund as a permanent component of the program;
 - (b) That funding for this initiative be referred to the 2025 budget cycle in the amount of \$100,000; and,
 - (c) That the item respecting the City Enrichment Fund - Digital Pilot Program be removed from the outstanding business list.

2. **City Enrichment Fund 2025 Program Updates and Improvements (GRA24004) (City Wide) (Item 7.1)**
 - (a) That a multi-year funding process, which focuses on returning programs, be established within the City Enrichment Fund as a 3-year pilot, with the ability to evaluate the success of this process thereafter;
 - (b) That the City Enrichment Fund adopt a sector based funding approach that supports funding models that are responsive to the unique needs of each program area, beginning with the 2025 funding cycle;

- (c) That the Director of Government Relations and Community Engagement (or their delegate or as may be appointed by the City Manager to administer the City Enrichment Fund) be delegated the authority to create and amend all City Enrichment Fund forms, guidelines and policies program areas, including but not limited to, development and amendment of application forms, declarations, reporting requirements, auditing practices, determining eligibility criteria and funding streams, and shall report changes annually to the Grants Sub-Committee;
- (d) That the Director be delegated the authority to execute any and all agreements, including any amendments and/or ancillary documents on behalf of the City in relation to the approved grants under the City Enrichment Fund, provided the documents comply with: all City policies and procedures, approved budgets and is a form satisfactory to the City Solicitor, and;
- (e) That Item (c) on the Grants Sub-Committee Outstanding Business List respecting” That staff be directed to review the (CEF) fund’s current overall funding guidelines, program stream guidelines, related funding caps and report back to the Grants Sub-Committee with recommendations to ensure the fund is evolving with the needs of community” in advance of the 2025 intake” be identified as completed and removed from the outstanding business list.

3. City Enrichment Fund – Appeals Process (GRA24002(a)) (City Wide) (Item 7.2)

- (a) That, the 2024 City Enrichment Fund Bridge Funding Process (as outlined in the attached Appendix “A” to Grants Sub-Committee Report 24-003), be approved;
- (b) That, the 2024 City Enrichment Fund Appeals Process (as outlined in the attached Appendix “B” to Grants Sub-Committee Report 24-003), be approved, and that staff be directed to report back on the permanency of an appeals process to the Grants Sub-Committee in advance of the 2025 recommendations;
- (c) That the Director of Government Relations and Community Engagement ((or their delegate or as appointed by the City Manager) (the “Director”) be delegated the authority to approve and execute any and all agreements, amendments and/or ancillary documents on behalf of the City in relation to the one-time 2024 Bridge funding process outlined in Appendix “A” attached to Grants Sub-Committee Report 24-003, and one-time 2024 Appeal funding process outlined in Appendix “B” attached to Grants Sub-Committee Report 24-003, provided the documents comply with: all City policies and procedures, and is in a form satisfactory to the City Solicitor;

- (d) That, the City Enrichment Fund Bridge Funding Process be funded one-time from the City Enrichment Fund Reserve #112230, and where additional funds are required from first from the Tax Stabilization Reserve 110046, up to a total combined maximum of \$418,016, be approved; and,
- (e) That, the City Enrichment Fund Appeals Process be funded one-time from the Tax Stabilization Reserve (110046), up to a total maximum of \$50,000, be approved.

FOR INFORMATION:

(a) APPROVAL OF AGENDA (Item 1)

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

4. COMMUNICATIONS

- 4.1 Correspondence from Josefa Radman, respecting the City Enrichment Fund

Recommendation: Be received.

The agenda for the July 3, 2024 Grants Sub-Committee meeting, was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

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

(i) May 13, 2024 (Item 3.1)

The Minutes of the May 13, 2023 Grants Sub-Committee meeting, were approved, as presented.

(d) COMMUNICATIONS (Item 4)

(i) Correspondence from Josefa Radman, respecting the City Enrichment Fund (Added Item 4.1)

The correspondence from Josefa Radman, respecting the City Enrichment Fund, was received.

(e) STAFF PRESENTATIONS (Item 5)

**(i) City Enrichment Fund – Digital Pilot Program (GRA24003) (City Wide)
(Item 5.1)**

Jessica Chase, Acting Director of Communications, Strategic Initiatives, Government Relations and Community Engagement; provided an overview and introduced Jasleen Aurora, Senior Project Manager, Digital Innovation and Strategic Partnerships; who provided the presentation to Committee respecting Report GRA24002, the 2024 City Enrichment Funding Recommendations.

The staff presentation respecting Report GRA24003, City Enrichment Fund – Digital Pilot Program, was received.

For disposition of this matter, refer to Item 1.

(f) ADJOURNMENT (Item 11)

There being no further business, the Grants Sub-Committee adjourned at 10:10 a.m.

Respectfully submitted,

Councillor Nrinder Nann
Chair, Grants Sub-Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk

2024 City Enrichment Fund Bridge Funding Process

Objective: To provide returning City Enrichment Fund (CEF) applicants with an opportunity to receive one-time Bridge funding during a transitional year for the City Enrichment Fund. This is not intended as a multi-year commitment, nor a commitment to offer this process in future years.

Eligibility: To be eligible to apply for one-time Bridge funding, 2024 City Enrichment Fund applicants must meet all the following eligibility requirements. Those applications who do not meet these requirements may consider applying to the Appeals process as an alternative:

- Applicants must have received a funding recommendation as part of the 2024 CEF program.
- Applicants must have received an "A" rating as part of the adjudication process, those with a "B", "C", or "D" rating, DNQ, or applications that were "Withdrawn" are not eligible to apply.
- Applicants must be returning to the program, defined as the following:
 - **Returning Applicants:**
 - Organizations that applied for and received funding for the same program in the same CEF program area and stream in the immediate previous year.
 - Community Services: Includes applicants transitioning from the "Emerging Community Needs" stream to the first year in the stream of impact.
 - Funding must have been granted through program recommendations, not through motion, or other appeals methodology.
- Applicants must have received less funding in 2024 than the total amount received in 2023 through the annual CEF recommendations and appeals funding.
- Receiving Appeals funding in 2023 does not immediately qualify applicants for Bridge Funding in 2024, unless all other criteria are met.

- Applicants are only able to apply either to the Appeals funding process or the Bridge funding process but not both.
- Applicants must submit a brief application requesting and outlining the challenges faced due to the 2024 recommendations.

Implementation and Process:

1. Intake Period:

On July 25, 2024 an application form, through the grant portal, and Bridge funding information will be shared with all CEF applicants. The deadline to complete the form will be August 22, 2024. A reminder will be sent to applicants one week prior to August 22nd Bridge funding deadline.

2. Application Form Contents:

The Application form will require applicants to confirm that they meet the eligibility criteria (verified by CEF staff) and briefly describe the impact due to receiving less funding in 2024, compared to 2023 post-appeals allocations.

3. Rolling Review:

Bridge Funding applications will be reviewed on a rolling basis, with applicants receiving results in the order in which the completed applications are received.

4. Grant Approval:

The Director of Government Relations & Community Engagement will approve Bridge funding. Applicants must submit a form prior to the deadline, meet all of the criteria, and have enumerated an impact of reduced funding. Bridge funding amounts will be based on the following formulas:

A Rated Returning Applicants	100% of the difference between 2024 Recommended Grant, and 2023 Total CEF Funding (Recommendation + Appeal)
B, C, D Rated Applications, DNQ Applications, Withdrawn Applications, New Applicants of any Rating	No Funding Recommendations will be made.

Example: In 2023, applicant X received \$10,000 in CEF funding , and an appeals amount of \$5000, to a total 2023 funding amount of \$15,000. Applicant X applied again in the same program area and stream for the same program as last year, this year applicant X received an A Rating through adjudication, and a funding recommendation of \$10,300. If a Bridge funding application is

submitted and approved, Applicant X would be eligible for \$4,700 in Bridge funding.

(2023 Funding Recommendation + 2023 Appeals Funding Amount)
– 2024 Funding Recommendation = Bridge Funding Maximum.

5. Funding Agreements:

Funding agreements will be issued to applicants who are approved by the Director of Government Relations & Community Engagement.

6. Reporting:

A communication update will be sent to Council in mid-September outlining all Bridge requests received, and those approved by the Director of Government Relations & Community Engagement.

7. Accountability:

Recipients of Bridge Funding are required to report back on this funding, as part of their 2024 CEF Final Report. All policies around use of funds, payment schedule and requirements of the broader CEF program continue to be applicable.

2025 City Enrichment Fund Administrative Updates

The City Enrichment Fund (CEF) program is operated with a continuous improvement lens. Each year staff assess CEF to apply administrative improvements across all areas of the program. The following table outline the incoming CEF program updates to better serve applicants, staff, and reflect the community/tech/expectations.

Update	Rational and Impact
<p>New application intake period.</p> <p>October 1- November 15</p>	<p>To accommodate community engagement, the 2024 intake period was moved to Nov.1-Dec 15. Staff received unexpected positive feedback about the pushed intake period from many applicants.</p> <p>A Oct.1 – Nov. 15 intake period accommodates applicants during the demanding September and December months and shortens the overall CEF timeline.</p> <p>Agriculture applicants commented that a moved intake period would interfere less with harvest season, and for many arts and cultural organizations a later intake period is preferred, avoiding the busy September schedules.</p> <p><i>Status: In progress</i></p>
<p>CEF Funding Agreement</p>	<p>Modernizing the CEF Funding Agreement to better outline the roles and responsibilities of both the City of Hamilton and grant recipient, to reduce risk, and improve clarity of obligations for both parties. Phase 1 included extensive revisions to the funding agreement through the City Solicitors office. Phase 2 will be continued improvement of these agreements including signatures from Director of Government Relations & Community Engagement on behalf of the City, and varied levels of agreement dependent on applicant funding levels.</p> <p><i>Status: Phase 1 Complete; Phase 2 In progress</i></p>
<p>Grant Portal</p>	<p>The grant portal currently consists of a single online submission form that was designed with generalized language and included questions not applicable to each program area.</p> <p>Following a successful pilot period, the grant portal is being updated to offer submission options specific to each program area, using accessible language and prompts.</p> <p><i>Status: In progress</i></p>
<p>Guidelines and Handbooks Information</p>	<p>Update guidelines and handbooks to provide clearer and consistent language overall including:</p> <ul style="list-style-type: none"> • Provide additional definitions within the glossary, including clarification of new vs returning applicants, resident of Hamilton

	<p>and others where applicable</p> <ul style="list-style-type: none"> • Provide clearer policy language – particularly on number of applications per program an applicant is eligible to submit. <p><i>Status: In progress</i></p>
<p>IDEA Inclusion, Diversity, Equity, Accessibility data questions updates</p>	<p>Current IDEA data collection pre-dates City’s IDEA as terminology City wide. Working with internal performance and evaluation specialists to ensure data is both comparable to previous years, and collects more nuanced information regarding who is reflected on the governing bodies of grantees, who they serve, and who is present within their audiences/clients.</p> <p><i>Status: In progress</i></p>
<p>Budget Form and applicant program</p>	<p>Improve user friendliness of budget form and update question language to seek clarity on applicants’ ability to scale programs depending on grant levels received.</p> <p><i>Status: In progress</i></p>
<p>Program Area Updates</p>	<ul style="list-style-type: none"> • Digital, updated to Digital Equity - <ul style="list-style-type: none"> ○ Updates to Digital Program if approved as permanent component of CEF, including potentially revised streams for one-time versus ongoing projects. • Communities Culture and Heritage <ul style="list-style-type: none"> ○ Events & Established Activities – Small Requests- increase maximum request from \$5,000 to \$15,000 <ul style="list-style-type: none"> ▪ Enable events which are performing poorly in Events & Established Activities -Large to be more successful in smaller request category, many applicants apply within the large category due to funding maximums, not understanding that differing set of criteria. ○ New Projects- Lower request from \$35,000 to \$15,000 <ul style="list-style-type: none"> ▪ Set expectations for groups approaching CEF for the first time to have reasonable requests for new events or projects. This lower request amount will then provide a straightforward path as they become eligible to apply from New Projects to Events & Established Activities -Small ○ One application per organization to CCH-New Projects and E&EA- Large <ul style="list-style-type: none"> ▪ To manage increasing requests to the Communities, Culture & Heritage Stream <p><i>Status: In progress</i></p>