



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

**Meeting #:** 24-019  
**Date:** October 17, 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

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1. **CEREMONIAL ACTIVITIES**
2. **APPROVAL OF AGENDA**  
(Added Items, if applicable, will be noted with \*)
3. **DECLARATIONS OF INTEREST**
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING**
  - 4.1 October 3, 2024
  - 4.2 October 4, 2024 (Special - Development Charges Hearing)
5. **COMMUNICATIONS**
6. **DELEGATION REQUESTS**
7. **DELEGATIONS**
8. **STAFF PRESENTATIONS**
9. **CONSENT ITEMS**
10. **DISCUSSION ITEMS**

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

10.1 2024 Mid-Year Budget Adjustments (FCS24047) (City Wide)

10.2 Growth Funding Tools: Reserve Fund Policy Updates (FCS24042) (City Wide)

10.3 Community Benefits Charges By-Law Amendment (FCS24016)

**11. MOTIONS**

**12. NOTICES OF MOTION**

**13. GENERAL INFORMATION / OTHER BUSINESS**

**14. PRIVATE AND CONFIDENTIAL**

**15. ADJOURNMENT**



## **AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 24-017**

**9:30 a.m.**

**October 3, 2024**

**Council Chambers**

**Hamilton City Hall**

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

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

**1. Proposed Federal Development Charges Freeze Impact (FCS24029) (City Wide) (Item 9.1)**

**(M. Wilson/Spadafora)**

That Report FCS24029, respecting Proposed Federal Development Charges Freeze Impact, be received.

**Result: Motion, CARRIED by a vote of 7 to 1, as follows:**

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

**2. 2024-2034 Canada Community-Building Fund (CCBF) Agreement (FCS24027) (City Wide) (Item 10.1)**

**(A. Wilson/Spadafora)**

(a) That the Mayor and City Clerk be authorized to sign the renewed Municipal Funding Agreement (MFA) attached as Appendix "A" to Report FCS24027 between the City of Hamilton and the Association of Municipalities of Ontario (AMO) for the administration and transfer of the Canada Community-Building Fund (CCBF), together with all necessary associated documents, in a form satisfactory to the City Solicitor and with content acceptable to the General Manager, Finance and Corporate Services;

- (b) That the By-law to Authorize the signing of the Municipal Funding Agreement (MFA) for the transfer and administration of the Canada Community-Building Fund (CCBF) between the Association of Municipalities of Ontario (AMO) and the City of Hamilton, attached as Appendix "B" to Report FCS24027, be passed;
- (c) That a certified copy of the by-law authorizing the signing of the renewed Municipal Funding Agreement (MFA) be forwarded to the Association of Municipalities of Ontario (AMO); and
- (d) That the 2024-2034 Canada Community-Building Fund (CCBF) continue to be allocated to the Canada Community-Building Fund (CCBF) Reserve 112213 and utilized as per the annual capital financing strategy approved by Council.

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

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

**FOR INFORMATION:**

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

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

**(Clark/Beattie)**

That the agenda for the October 3, 2024 Audit, Finance and Administration Committee meeting, be approved, as presented.

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

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

There were no declarations of interest.

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

**(i) Approval of Minutes of Previous Meeting (Items 4.1)**

**(M. Wilson/Tadeson)**

That the Minutes of September 19, 2024 be approved, as presented.

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

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

**(Tadeson/Beattie)**

That, there being no further business, the Audit, Finance and Administration Committee, be adjourned at 10:19 a.m.

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

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

Respectfully submitted,

Councillor Tammy Hwang, Chair  
Audit, Finance and Administration  
Committee

Tamara Bates  
Legislative Coordinator  
Office of the City Clerk





## **AUDIT, FINANCE & ADMINISTRATION COMMITTEE DEVELOPMENT CHARGES HEARING**

### **MINUTES 24-018**

**1:00 p.m.**

**October 4, 2024**

**Room 264, 2<sup>nd</sup> Floor (Hybrid)  
Hamilton City Hall**

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**Present:** Councillors T. Hwang (Chair), B. Clark, C. Kroetsch (virtually),  
M. Tadeson, A. Wilson (virtually) and M. Wilson

**Absent with**

**Regrets:** Councillors J. Beattie – City Business and M. Spadafora – Personal

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The hearing was called to order.

#### **FOR INFORMATION:**

##### **(a) APPROVAL OF AGENDA (Item 1)**

There were no changes to the agenda.

**(Clark/Tadeson)**

That the agenda for the October 4, 2024 Audit, Finance and Administration  
Committee Development Charges Hearing, be approved, as presented.

**CARRIED**

##### **(b) DECLARATIONS OF INTEREST (Item 2)**

There were no declarations of interest.

**(c) DEVELOPMENT CHARGES HEARING (Item 3)**

**(i) Development Charges Complaint – 586 Tradewind Drive (Item 3.1)**

The parties presented their opening statements.

The parties presented their closing statements.

**(Tadeson/M. Wilson)**

That the Audit, Finance and Administration Committee retire to deliberate at 1:56 p.m.

**CARRIED**

**(Tadeson/M. Wilson)**

That the Audit, Finance and Administration Committee reconvene the hearing at 2:14 p.m.

**CARRIED**

The Audit, Finance and Administration Committee reconvened the hearing following private deliberations at 2:14 p.m.

Having heard and considered the evidence and submissions of the parties, respecting Development Charges Complaint – 586 Tradewind Drive, the Audit, Finance and Administration Committee's decision is that the Complaint as presented to Tribunal does not fall within any of the three categories in Section 20 (1) of the *Development Charges Act*, and therefore this Development Charges Complaint has been DISMISSED. This decision is effective today. A final written decision including a summary of the evidence and submissions, as well as the Tribunal's reasons will be forwarded to the parties shortly.

For further information respecting the outcome of this matter, refer to the Notice of Decision.

**(d) ADJOURNMENT (Item 5)**

**(Clark/Tadeson)**

There being no further business, the Audit, Finance and Administration Committee Development Charges Hearing, adjourned at 2:15 p.m.

**CARRIED**

Respectfully submitted,



**Audit, Finance and Administration Committee  
Development Charges Hearing  
Minutes 24-018**

**October 4, 2024  
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Councillor Tammy Hwang, Chair  
Audit, Finance and Administration  
Committee

Tamara Bates  
Legislative Coordinator  
Office of the City Clerk





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

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	October 17, 2024
<b>SUBJECT/REPORT NO:</b>	2024 Mid-Year Budget Adjustments (FCS24047) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Duncan Robertson (905) 546-2424 Ext. 1310
<b>SUBMITTED BY:</b>	Kirk Weaver Acting Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATION(S)**

- (a) That, in accordance with the “Budgeted Complement Control Policy”, the extensions of temporary positions with 24-month terms or greater, with no impact to the net for tax levy, as outlined in Appendix “A” to Report FCS24047, be approved;
- (b) That, in accordance with the “Budgeted Complement Control Policy”, the staff complement transfers from one department / division to another or a change in complement type, with no impact to the net for tax levy, as outlined in Appendix “B” to Report FCS24047, be approved;
- (c) That the proposed budget appropriations of \$250,000 or greater and reserve contributions to capital projects, as outlined in Appendix “C” to Report FCS24047, be approved.
- (e) That the proposed financing plan amendments resulting from Provincial approval of the City of Hamilton’s Building Faster Fund Investment Plan and Housing-Enabling Water Systems Fund application, outlined in Appendix “D” to Report FCS24047, be approved.

**SUBJECT: 2024 Mid-Year Budget Adjustments (FCS24047) (City Wide) –  
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## **EXECUTIVE SUMMARY**

The 2024 Mid-Year Budget Adjustments Report recommends routine budget adjustments that would be performed quarterly during a typical year of operations. The cybersecurity incident has disrupted the budget performance reporting schedule in 2024 and the opportunities for staff to recommend budget adjustments permitted through the Budget Control, Budgeted Complement Control, Capital Closing, Capital Budget Appropriation and Work-in-Progress Transfer and General Reserve Policies.

In accordance with the “Budget Control Policy” and “Budgeted Complement Control Policy”, staff recommend six temporary contract extensions and five complement transfers for Council’s consideration through Appendices “A” and “B” to Report FCS24047 respectively.

Additionally, there is a single capital budget appropriation that requires Council’s approval in accordance with the Capital Budget Appropriation Policy (greater than \$250 thousand), detailed in Appendix “C” to Report FCS24047, and several recommended financing plan adjustments to capital projects resulting from Provincial approval of the City’s Building Faster Fund Investment Plan and Housing-Enabling Water Systems Fund application, which are detailed in Appendix “D” to Report FCS24047.

**Alternatives for Consideration – Not Applicable**

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** Financial impacts of the recommendations are detailed in Appendices “A” through “D” to Report FCS24047. In accordance with financial policies, all recommended mid-year budget adjustments have no impact to the net for tax levy.

**Staffing:** Staffing implications of Report FCS24047 are detailed in Appendices “A” and “B”, which outline extensions of temporary positions and staff complement transfers from one department / division to another or a change in complement type with no impact to the net for tax levy.

**Legal:** N/A

## **HISTORICAL BACKGROUND**

During the course of normal operations, staff provides Council with three budget variance reports during the fiscal year, as well as three capital project status and closing reports. Through these reports, staff have the opportunity to recommend budget amendments in accordance with financial policies.

**SUBJECT: 2024 Mid-Year Budget Adjustments (FCS24047) (City Wide) –  
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**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

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

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

The City’s Capital Projects Budget Appropriation and Work-in-Progress Transfer Policy states that approval authority for the appropriation of funds coincide with the City’s Procurement Policy:

1. Council must approve appropriations of \$250,000 or greater
2. City Manager or designate must approve appropriations greater than \$100,000 and less than \$250,000
3. General Managers or delegated staff be authorized to approve appropriations up to \$100,000

**RELEVANT CONSULTATION**

Staff in all City of Hamilton departments were consulted to form the recommendations in Report FCS24047.

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

Due to the disruption of regular budget performance reporting in 2024 because of the cybersecurity incident, Corporate Services staff consulted with all City departments to develop the recommendations in Report FCS24047 and capture mid-year budget amendments required to carry out operations in a consolidated report for Council’s consideration.

Corporate Services staff reviewed all submissions for consistency and adherence to applicable financial policies. The recommendations in Report FCS24047 do not have an impact on the City’s net for tax levy.

**ALTERNATIVES FOR CONSIDERATION**

N/A

**SUBJECT: 2024 Mid-Year Budget Adjustments (FCS24047) (City Wide) –  
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**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report FCS24047 – Temporary Complement Extension Schedule

Appendix “B” to Report FCS24047 – Budgeted Complement Amendment Schedule

Appendix “C” to Report FCS24047 – Capital Projects Budget Appropriations of \$250,000 or greater and Capital Project Reserve Funding Requiring Council Approval

Appendix “D” to Report FCS24047 – Capital Projects Requiring a Change in Funding Source

# CITY OF HAMILTON

## TEMPORARY COMPLEMENT EXTENSION SCHEDULE

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

ITEM #	TRANSFER FROM				TRANSFER TO			
	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>
1	Public Works	Hamilton Water	Sr. Project Manager - Hamilton Water	1.00	Public Works	Hamilton Water	Sr. Project Manager - Hamilton Water	1.00
	<b>Explanation:</b> Temporary position (PID #9034) is expiring, requesting approval for additional 24 months extension. The additional costs will be absorbed in the Operating budget with gapping. No impact on water/wastewater/storm rates.							
2	Public Works	Hamilton Water	Compliance & Regulations Technologist	1.00	Public Works	Hamilton Water	Compliance & Regulations Technologist	1.00
	<b>Explanation:</b> Temporary position (PID #11798) is expiring, requesting approval for additional 24 months extension. The additional costs will be absorbed in the Operating budget with gapping. No impact on water/wastewater/storm rates.							
3	Public Works	Hamilton Water	Technologist - Plant Capital Co-op	2.00	Public Works	Hamilton Water	Technologist - Plant Capital Co-op	2.00
	<b>Explanation:</b> Temporary positions (PID 11641/11642) are expiring, requesting approval for additional 24 months extensions. The additional costs will be absorbed in the Operating budget with gapping. No impact on water/wastewater/storm rates.							
4	Public Works	Hamilton Water	Technologist Wastewater Capital Delivery Co-op	2.00	Public Works	Hamilton Water	Technologist Wastewater Capital Delivery Co-op	2.00
	<b>Explanation:</b> Temporary positions (PIDs 3436/3427) are expiring, requesting approval for additional 24 months extensions. The additional costs will be absorbed in the Operating budget with gapping. No impact on water/wastewater/storm rates.							

# CITY OF HAMILTON

## TEMPORARY COMPLEMENT EXTENSION SCHEDULE

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

ITEM #	TRANSFER FROM				TRANSFER TO			
	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>
5	Planning and Economic Development	PED General Manager	Director and Senior Advisor Strategic Growth (P#12973)	1.00	Planning and Economic Development	PED General Manager	Director and Senior Advisor Strategic Growth (P#12973)	
	Explanation: Contract extension for temporary staff requested for additional 12 months from Dec 31, 2025 to December 31, 2026. to complete work related to the City's corporate strategic growth initiatives, including work related to the 2024 DC By-law update.							
6	Planning and Economic Development	Growth Management	Growth Management Administrator	1.00	Planning and Economic Development	Growth Management	Growth Management Administrator	
	Explanation: Contract extension for temporary staff requested for additional 24 months from Sep 1, 2024 to Sep 1, 2026. to continue to have a centralized point of contact for inquiries from the general public or Council with respect to issues or concerns related to construction in the City.							



# CITY OF HAMILTON

**Amendments to budgeted complement per the Budgeted Complement Control Policy including transfers, position conversions and pay grade adjustments**

ITEM #	TRANSFER FROM				TRANSFER TO			
	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>
1	Public Works	Hamilton Water	Community Program Analyst Co-op	0.65	Public Works	Hamilton Water	Community Outreach Educator	0.65
	<b>Explanation:</b> To approve the conversion of Temporary Part-time Community Program Analyst Co-op position (CUPE 5167 Grade J) to a Permanent Part-time Community Outreach Educator position (CUPE 5167 Grade J). The additional costs will be absorbed within the current operating budget with no impact on water/wastewater/storm rates.							
2	Public Works	Engineering Services	Survey Assistant	1.00	Public Works	Engineering Services	Survey Technician	1.00
	<b>Explanation:</b> Converting a CUPE 5167 Grade H Survey Assistant to a Grade M Survey Technician. The demands of the Capital program, as well as other City of Hamilton internal clients, have made a seventh Survey Technician invaluable to providing service. The primary role of the assistant has historically been operation of equipment. Advancements in technology have resulted in the fully remote operation of the equipment, making the Assistant role redundant.							
3	Public Works	Transportation	Concrete Finisher	1.00	Public Works	Transportation	SPM Roadway Maintenance	1.00
	<b>Explanation:</b> To approve the conversion of a Concrete Finisher (CUPE 5167, Grade E) to a Sr. Project Manager - Roadway Maintenance (NU Grade 6). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							
4	Planning and Economic Development	Transportation Planning and Parking	Customer Service Rep	1.00	Planning and Economic Development	Transportation Planning and Parking	Project Mgr Community Mobility&Parking	1.00
	<b>Explanation:</b> To approve conversion of a Customer Service Rep position (CUPE 5167 grade G) to Project Manager Community Mobility and Parking position (CUPE 1041 grade 5) within the Transportation Planning and Parking Division. The pay scales are not equivalent and the estimated financial impact of approximately \$35K will be absorbed in the divisional operating budget with no impact on the net levy.							



# CITY OF HAMILTON

## CAPITAL PROJECTS BUDGET APPROPRIATIONS OF \$250,000 OR GREATER

### AND CAPITAL PROJECT RESERVE FUNDING REQUIRING COUNCIL APPROVAL

Appropriated/ Transferred From	Description	Appropriated/ Transferred To	Description	Amount (\$)	Comments
<b>Public Works (Tax Supported Budget)</b>					
<b>Corporate Facilities and Energy Management</b>					
7100041706	Recreation Centre Retrofits Program	7101754805	Sir Wilfrid Laurier Gymnasium Addition	<b>530,671</b>	Appropriation to cover the following additional work on the Sir Wilfrid Laurier Gym Expansion project: - Pool Mechanical System Replacement: complete replacement during project to avoid reopening delays - Additional Plumbing Work: to address deficiencies in existing infrastructure and reduce risk of failure on older infrastructure.
<b>Subtotal Corporate Facilities and Energy Management</b>				<b>530,671</b>	
<b>Subtotal Public Works (Tax Supported Budget)</b>				<b>530,671</b>	
<b>Total</b>				<b>530,671</b>	



## CITY OF HAMILTON

### CAPITAL PROJECTS REQUIRING A CHANGE IN FUNDING SOURCE

Project ID	Description	Original Funding Source	Revised Funding Source	Amount (\$)	Comments
<b>Public Works (Tax Supported Budget)</b>					
<b>Engineering Services</b>					
4031218526	Bridge 451 - Dundas St. East, 120m e/o Mill St S	Federal Gas Tax Revenue (42020)	Building Faster Fund Revenue (43575)	3,598,000	As approved through Report FCS24039, \$3.797 million in grant funding received through the Building Faster Fund will be applied to this project.
		Current Contribution (49300)	Building Faster Fund Revenue (43575)	99,000	As approved through Report FCS24039, \$3.797 million in grant funding received through the Building Faster Fund will be applied to this project.
		Reserve Contribution (49412)	Building Faster Fund Revenue (43575)	100,000	As approved through Report FCS24039, \$3.797 million in grant funding received through the Building Faster Fund will be applied to this project.
4032311019	Upper Wentworth - LINC to Mohawk	Federal Gas Tax Revenue (42020)	Building Faster Fund Revenue (43575)	4,825,000	As approved through Report FCS24039, \$4.856 million in grant funding received through the Building Faster Fund will be applied to this project.
		Current Contribution (49300)	Building Faster Fund Revenue (43575)	31,000	As approved through Report FCS24039, \$4.856 million in grant funding received through the Building Faster Fund will be applied to this project.
4032310235	SS0001 - Mountain Park Ave (Phase 02 Project)	Federal Gas Tax Revenue (42020)	Building Faster Fund Revenue (43575)	1,915,000	As approved through Report FCS24039, \$2.070 million in grant funding received through the Building Faster Fund will be applied to this project.
		Current Contribution (49300)	Building Faster Fund Revenue (43575)	155,000	As approved through Report FCS24039, \$2.070 million in grant funding received through the Building Faster Fund will be applied to this project.

## CITY OF HAMILTON CAPITAL PROJECTS REQUIRING A CHANGE IN FUNDING SOURCE

Project ID	Description	Original Funding Source	Revised Funding Source	Amount (\$)	Comments
4242009701	A/R - Eastmount Neighbourhood	Federal Gas Tax Revenue (42020)	Building Faster Fund Revenue (43575)	2,180,000	As approved through Report FCS24039, \$2.314 million in grant funding received through the Building Faster Fund will be applied to this project.
		Current Contribution (49300)	Building Faster Fund Revenue (43575)	120,000	As approved through Report FCS24039, \$2.314 million in grant funding received through the Building Faster Fund will be applied to this project.
		Reserve Contribution (49412)	Building Faster Fund Revenue (43575)	14,390	As approved through Report FCS24039, \$2.314 million in grant funding received through the Building Faster Fund will be applied to this project.
4662320019	Traffic Cabinet & Controller Replacement Program	Current Contribution (49300)	Federal Gas Tax Revenue (42020)	1,000,000	To reallocate CCBF / Federal Gas Tax funding from projects that had a change in funding source approved in report FCS24039.
7202441001	Ancaster Old Town Hall Exterior Restoration	Current Contribution (49300)	Federal Gas Tax Revenue (42020)	1,000,000	To reallocate CCBF / Federal Gas Tax funding from projects that had a change in funding source approved in report FCS24039.
7100041706	Program-Recreation Centre Retrofits	Current Contribution (49300)	Federal Gas Tax Revenue (42020)	1,177,390	To reallocate CCBF / Federal Gas Tax funding from projects that had a change in funding source approved in report FCS24039.
5120051501	Waste Collection Fleet Replacement	Current Contribution (49300)	Federal Gas Tax Revenue (42020)	7,315,610	To reallocate CCBF / Federal Gas Tax funding from projects that had a change in funding source approved in report FCS24039.
7100054216	Program-Roof Management	Current Contribution (49300)	Federal Gas Tax Revenue (42020)	2,025,000	To reallocate CCBF / Federal Gas Tax funding from projects that had a change in funding source approved in report FCS24039.
<b>Subtotal Engineering Services</b>				<b>25,555,390</b>	

## CITY OF HAMILTON CAPITAL PROJECTS REQUIRING A CHANGE IN FUNDING SOURCE


Project ID	Description	Original Funding Source	Revised Funding Source	Amount (\$)	Comments
<b>Subtotal Public Works (Tax Supported Budget)</b>				<b>25,555,390</b>	
<b>Public Works (Rate Supported Budget)</b>					
<b>Waterworks</b>					
5142096850	Locke St Trunk Watermain - Main to Barton (W-19)	Development Charges (48475 & 48476)	Federal Grant (42001)	1,560,375	Project was awarded grand funding through the Housing-Enabling Water Systems Fund.
5142396851	Locke St Trunk Watermain - York - Locke to Cannon @ Caroline (W-19) -	Development Charges Debt (49004 & 49005)	Federal Grant (42001)	1,801,275	Project was awarded grand funding through the Housing-Enabling Water Systems Fund.
5142363277	Hwy 5 and 6 MTO Interchange Strategic Upsizing of Existing Watermains	Debenture Proceeds (49002)	Building Faster Fund Revenue (43575)	1,050,000	As approved through Report FCS24039, \$1.050 million in grant funding received through the Building Faster Fund will be applied to this project.
5141269250	HVAC system Upgrades at New Environmental Laboratory and Administration Building	Current Contribution (49300)	Debenture Proceeds (49002)	4,550,000	As debenture proceeds are no longer being applied to projects 5162418420 & 5142363277, \$4.550 million in debt can be applied to this project. As a result \$4.55M will be returned to the Waterworks Capital Reserve (#108105) to fund the development charge exemption phase-in strategy approved through the 2024 budget.
<b>Subtotal Waterworks</b>				<b>8,961,650</b>	
<b>Wastewater</b>					
5162418420	Size upgrade to sanitary sewer at Dundas St. East	Debenture Proceeds (49002)	Building Faster Fund Revenue (43575)	3,500,000	As approved through Report FCS24039, \$3.500 million in grant funding received through the Building Faster Fund will be applied to this project.
<b>Subtotal Wastewater</b>				<b>3,500,000</b>	
<b>Subtotal Public Works (Rate Supported Budget)</b>				<b>12,461,650</b>	
<b>Total Revised Funding</b>				<b>38,017,040</b>	







**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
**Financial Services and Taxation Division**

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	October 17, 2024
<b>SUBJECT/REPORT NO:</b>	Growth Funding Tools: Reserve Fund Policy Updates (FCS24042) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Ailish Brooke (905) 546-2424 Ext. 6875
<b>SUBMITTED BY:</b>	Kirk Weaver Acting Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATIONS**

- (a) That the Development Charges Reserve Fund Policy, attached as Appendix “A” to Report FCS24042, be adopted;
- (b) That the Community Benefits Charges Reserve Fund Policy, attached as Appendix “B” to Report FCS24042, be adopted;
- (c) That the Development Charges – Community Benefits Charges Transition Reserve Fund Policy, attached as Appendix “C” to Report FCS24042, be adopted; and,
- (d) That the Parkland Dedication Reserve Fund Policy, attached as Appendix “D” to Report FCS24042, be adopted.

**SUBJECT: Growth Funding Tools: Reserve Policy Updates (FCS24042)  
(City Wide) – Page 2 of 7**

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**EXECUTIVE SUMMARY**

The purpose of Report FCS24042 is to recommend updates to the obligatory reserve fund policies for the City's growth funding tools: Development Charges ("DC"), Community Benefits Charges ("CBC") and Parkland Dedication fees ("PL"). These financial tools play a crucial role in ensuring that the City has the necessary resources to build complete communities and finance growth-related infrastructure.

Report FCS24042 addresses the policies for the Development Charges Reserve Funds ("DC Reserve Funds"), the Community Benefits Charges Reserve Fund and Development Charges – Community Benefits Charges Transition Reserve (collectively "CBC Reserve Funds") and the Parkland Dedication Reserve Fund ("PL Reserve Fund"). These obligatory reserve fund policies have been revised to align with current legislation, municipal best practices and to provide clearer guidance on the use and limitations of each reserve fund. Additionally, the proposed updates to the growth funding tool reserve fund policies will enhance consistency in utilization between growth funding tools.

**DC Reserve Funds Policy Update Summary:** The DC Reserve Funds Policy has been updated to align with legislative requirements and restrictions. Essential changes include stating that internal borrowing from DC Reserve funds for non-DC purposes is not permitted and that projects are to be funded on a proportional basis as expenses are incurred. Staff is recommending that the DC Reserve Funds Policy attached as Appendix "A" be adopted.

**CBC Reserve Fund Policies Update Summary:** The CBC Reserve Fund Policies have been updated to enhance clarity and ensure legislative compliance. Key revisions from the previously approved policies include specifying that the CBC Reserve Funds do not permit borrowing or deficit positions and that projects are to be funded on a proportional basis as expenses are incurred. Staff is recommending that the CBC Reserve Funds Policies attached as Appendix "B" and "C" be adopted.

**PL Reserve Fund Policy Update Summary:** Historically, the PL Reserve Fund has been managed in accordance with the City's overarching Reserve Policy, with no specific policy established. The recommended policy introduces a customized framework to formalize the PL Reserve Fund's use and ensure compliance with legislation. Staff is recommending that the PL Reserve Fund Policy attached as Appendix "D" be adopted.

**Alternatives for Consideration – Not Applicable**

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**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: None.

Staffing: None.

Legal: Policies have been drafted in accordance with applicable legislation at the time of writing. The policies highlight that should a conflict arise between a policy and legislation, that the legislation takes precedence.

**HISTORICAL BACKGROUND**

**Development Charges**

DCs are a development fee applied to development or redevelopment calculated in accordance with the *Development Charges Act, 1997* (“DC Act”) and the City of Hamilton DC By-Law, 2024 (By-Law 24-072). DCs are a growth funding tool to support the capital costs of growth across a range of services.

The current DC Reserves Policy for Reserves 110300 - 110399 was adopted through the approval of the recommendations to staff Report FCS13035 on May 15, 2013. The requirements of the DC Act supersede any City of Hamilton policy and by-law.

**Community Benefits Charges**

CBCs are a development fee applied at building permit issuance to development or redevelopment where the proposed building will contain five or more stories and 10 or more residential units. CBCs are equivalent to four percent of the land value, subject to Section 37 and Ontario Regulation 509/20 of the *Planning Act, 1990* (“Planning Act”) and the City of Hamilton Community Benefits Charges By-Law (By-Law 22-158). The City of Hamilton began collecting CBCs on September 18, 2022. CBCs are used to fund eligible capital projects identified through the CBC Strategy or subsequent review.

The current CBC Reserve Fund Policies for Reserves 110500 and 110501 were adopted through the approval of the recommendations to staff Report FCS22015(b) on June 22, 2022. The requirements of the *Planning Act* supersede any City of Hamilton policy or by-law.

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### Parkland Dedication

PL is a development fee applied to development or redevelopment in the form of land conveyed to the City or cash-in-lieu for the purposes of parks or other public recreational purposes. PL is subject to Sections 42, 51.1, 53 and Ontario Regulation 509/20 of the *Planning Act* and the City of Hamilton Parkland Dedication By-Law (By-Law 22-218). PL funds are used for the purposes of parks or other public recreational purposes in accordance with the Parks Master Plan or other Council approval.

The PL Reserve Fund has historically been managed under the City's general Reserve Policy, without a specific policy for the Reserve Fund. The requirements of the *Planning Act* supersede any City of Hamilton policy or by-law.

### **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The DC Reserve Funds, CBC Reserve Funds and PL Reserve Fund are obligatory reserve funds established in accordance with governing legislation. The recommended DC, CBC and PL Reserve Fund Policies are also subject to the City's overarching Reserve Policy.

### Development Charges

DCs are regulated under the DC Act and the City of Hamilton Development Charges By-Law, 2024 (By-Law 24-072). Sections 33 through 37 and Section 43 of the DC Act outline the requirements for DC Reserve Funds. The DC Act specifically requires that:

- Reserve funds be established for each service to which the DC relates;
- DCs collected are held in the respective service's Reserve Fund to which the DC relates;
- DCs collected are spent only on eligible capital costs related to growth;
- At least 60 percent of the funds held in the Reserve Funds at the beginning of the year for prescribed services are spent or allocated;
- DCs are not utilized for interim financing of non-DC eligible capital expenditures; and,
- An annual Treasurer's Statement be provided to report on the activities of the Reserve Funds.

The policy attached as Appendix "A" conforms to all requirements of the DC Act.

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### Community Benefits Charges

CBCs are regulated under Section 37 and Ontario Regulation 509/20 of the *Planning Act* and the City of Hamilton Community Benefits Charges By-Law (By-Law 22-158). The *Planning Act* specifically requires that:

- CBCs collected are held in a special account;
- At least 60 percent of the funds held in the special account at the beginning of the year are spent or allocated; and
- An annual report be provided to report on the activities of the special account.

The policies attached as Appendix “B” and “C” to Report FCS24042 conform to all requirements of the *Planning Act*.

### Parkland Dedication

PL is regulated under Sections 42, 51.1, 53 and Ontario Regulation 509/20 of the *Planning Act* and the City of Hamilton Parkland Dedication By-Law (By-Law 22-128). The *Planning Act* specifically requires that:

- PL fees collected are held in a special account;
- At least 60 percent of the funds held in the special account at the beginning of the year are spent or allocated; and,
- An annual report be provided to report on the activities of the special account.

The policy attached as Appendix “D” to Report FCS24042 conforms to all requirements of the *Planning Act*.

## RELEVANT CONSULTATION

Legal and Risk Management Services, Corporate Services Department  
Watson & Associates Economists Limited

## ANALYSIS AND RATIONALE FOR RECOMMENDATIONS

The DC, CBC and PL Reserve Funds are classified as obligatory reserve funds. Obligatory reserve funds are those that are mandated and regulated by legislation for specific purposes. To ensure proper financial oversight, they require individual policies that are both clear and compliant. Staff has conducted a thorough review of each reserve fund policy related to the growth funding tools and have identified necessary amendments in line with legislative requirements and municipal best practices.

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### Development Charges

Watson & Associates Economists Limited was engaged by the City to prepare the 2024 DC Background Study. A DC Reserve Policy Review was a part of this engagement. Watson & Associates Economists Limited conducted a municipal best practices review and that review has been used to inform the updates to the City's DC Reserve Funds Policy.

The current DC Reserve Funds Policy was adopted in 2013. Since that time, the DC Act has undergone numerous changes. The DC Reserve Funds Policy has been revised to align with legislative requirements and restrictions of the DC Act (Appendix "A"). Significant updates from the previously approved policy include:

- Formalizing transparency requirements established by the DC Act for the financial activities of the DC Reserve Funds and requiring that the policy be made publicly available through the City of Hamilton website;
- The General Manager, Finance and Corporate Services, is only permitted to approve changes in funding from debt to reserve but not reserve to debt;
- Aligning the capital project funding approach with municipal best practices to distribute funds to capital projects on a proportional basis as expenses are incurred;
- Prohibiting internal borrowing from the DC Reserve Funds for non-DC purposes in accordance with requirements of the DC Act;
- Clarifying responsibility and methodology for oversight and updating the DC Reserve Funds policy; and,
- Additional minor clarifications.

Staff is recommending that the DC Reserve Funds Policy attached as Appendix "A" to Report FCS24042 is adopted.

### Community Benefits Charges

The current CBC Reserve Funds Policies were adopted in 2022. The CBC Reserve Fund Policies have been revised to enhance clarity and ensure continued compliance with the *Planning Act* (Appendices "B" and "C" to Report FCS24042). Significant updates from the previously approved policies include:

- Aligning the capital project funding approach with municipal best practices to distribute funds to capital projects on a proportional basis as expenses are incurred;
- Prohibiting internal borrowing from the CBC Reserve Funds in accordance with municipal best practices;
- Specifying that the CBC Reserve Funds are not permitted to enter deficit positions;

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- Clarifying responsibility and methodology for oversight and updating the CBC Reserve Funds policy; and
- Additional minor clarifications.

The above noted revisions aim to promote transparent and responsible financial management of the CBC Reserve Funds. Staff is recommending that the CBC Reserve Funds Policies attached as Appendix “B” and “C” to Report FCS24042 be adopted.

#### Parkland Dedication

The PL Reserve Fund has traditionally been managed under the City's general Reserve Policy, lacking a specific policy. The proposed policy (Appendix “D” to Report FCS24042) introduces a framework to formalize the use of the Reserve Fund and ensure legislative compliance. The proposed policy ensures clarity on the following:

- In accordance with municipal best practices, eligible capital projects are to be funded on a proportional basis as expenses are incurred;
- Internal borrowing from the PL Reserve Fund for other purposes is not permitted;
- Prohibits the PL Reserve Fund from entering a deficit position;
- Creates accountability for the oversight and update of the PL Reserve Fund Policy; and
- Ensures only obligatory PL fees are held within the PL Reserve Fund.

Staff is recommending that the PL Reserve Fund Policy attached as Appendix “D” to Report FCS24042 be adopted.

#### **ALTERNATIVES FOR CONSIDERATION**

Not Applicable

#### **APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report FCS24042 – Development Charges Reserve Fund Policy

Appendix “B” to Report FCS24042 – Community Benefits Charges Reserve Fund Policy

Appendix “C” to Report FCS24042 – Development Charges – Community Benefits Charges Transition Reserve Fund Policy

Appendix “D” to Report FCS24042 – Parkland Dedication Reserve Fund Policy

AB/dt





**DCPP-DC-001**  
**DEVELOPMENT CHARGES RESERVE FUNDS POLICY**

**Approval:** Pending

Audit Finance & Administration Committee Staff Report FCS24042

<b>RESERVE DETAILS</b>	
<b>Reserve Name</b>	Development Charges Reserve Funds ("DC Reserve Funds")
<b>Reserve Numbers</b>	110300 - 110399
<b>RESERVE POLICY</b>	
<b>Policy Statement</b>	<p>The objective of the DC Reserve Funds Policy is to establish guidelines for use and ensure adequate financial oversight for the obligatory DC Reserve Funds.</p> <p>This Policy is prepared in accordance with the requirements of the <i>Development Charges Act, 1997</i> ("DC Act").</p>
<b>Scope</b>	<p>This Policy applies to the obligatory DC Reserve Funds (110300-110399).</p> <p>This Policy is applicable to all members of Council and Staff responsible for the allocation of funds to and from the DC Reserve Funds.</p> <p>This Policy replaces any existing DC Reserve Funds Policy.</p>
<b>Purpose</b>	The purpose of the DC Reserve Funds is to hold and distribute funds collected in accordance with the DC By-Law. These funds are to be distributed exclusively for financing eligible growth-related capital projects as approved by Council.
<b>Transparency</b>	<p>The DC Reserve Funds Policy is to be made available to the public.</p> <p>Reserve expenditures and revenues are expected to be fully disclosed. The disclosure will be facilitated through:</p> <ul style="list-style-type: none"> <li>• Annual Development Charges Treasurer's Statement</li> <li>• Annual Reserve Report</li> <li>• Annual Financial Information Return</li> </ul>

<b>Related Legislation and Principles</b>	<p>DCs and the DC Reserve Funds are governed by the following legislation and principles:</p> <p><b>DC Act</b></p> <ul style="list-style-type: none"> <li>• Requires that a Reserve Fund for each DC service be established.</li> <li>• Requires that DCs collected are held within the DC Reserve Fund to which the charge relates.</li> <li>• Permits funds held in each Reserve Fund to be loaned internally for DC purposes and requires that these loans be repaid with interest.</li> <li>• Requires that at least 60 percent of the funds held in the Reserve Funds for prescribed services at the beginning of the year be spent or allocated.</li> <li>• Requires that a Treasurer’s statement be prepared annually on the activities of the Reserve Funds.</li> </ul> <p><b>Canadian Public Sector Accounting Standards</b></p> <ul style="list-style-type: none"> <li>• Developed by the Public Sector Accounting Board to establish standards for public sector accounting.</li> </ul> <p><b><i>Municipal Act</i></b></p> <p>Establishes authority and responsibilities related to budgeting, reserve funds and debentures.</p> <p><b>City of Hamilton DC By-Law</b></p> <ul style="list-style-type: none"> <li>• Outlines the specific rules and procedures for the collection of DCs for the City of Hamilton.</li> </ul> <p>Requirements under the DC Act and Canadian Public Sector Accounting Standards take precedence over the City of Hamilton’s DC By-Law should a conflict arise.</p> <p>Related City of Hamilton Policies</p> <ul style="list-style-type: none"> <li>• Appropriation and Work-In-Progress Transfer Policy</li> <li>• Debt Management Policy</li> </ul>
<b>Definitions</b>	<p><b>“Actual cash balance”</b> refers to a reserve fund balance adjusted for non-cash amounts.</p> <p><b>“DC”</b> refers to Development Charges.</p> <p><b>“DC Reserve Funds”</b> refers to the Development Charges Reserve Funds (110300-110399).</p>

<b>Usage and Limitations</b>	<p><b>Compliance</b></p> <ul style="list-style-type: none"> <li>The City of Hamilton must comply with all requirements under the DC Act, Canadian Public Sector Accounting Standards, and any other applicable legislation.</li> </ul> <p><b>Project Funding</b></p> <ul style="list-style-type: none"> <li>Funds held in the DC Reserve Funds are to be used exclusively to fund eligible capital projects identified through the DC Background Study or subsequent review.             <ul style="list-style-type: none"> <li>Projects identified in the DC Background Study must be funded in accordance with the growth share identified in the study, subject to changes to project scope.</li> <li>Eligible capital projects not identified through the DC Background Study must have sufficient rationale to be funded through DCs.</li> </ul> </li> <li>With the approval of the General Manager of Finance &amp; Corporate Services, funding may be changed from debt funding to DC reserve funding.</li> <li>Appropriations of funding must conform to the Capital Projects' Budget Appropriation and Work-in Progress Transfer Policy.</li> <li>Funds are to be transferred from the DC reserve funds to capital projects as expenses are incurred on a proportional basis. i.e., eligible growth share % * total expenses to date.</li> <li>All budgeted financing from the DC Reserve Funds must be approved by Council.</li> </ul> <p><b>Internal Borrowing</b></p> <ul style="list-style-type: none"> <li>Internal borrowing from DC Reserve Funds for non-DC purposes is prohibited.</li> <li>Internal borrowing among DC Reserve Funds is permitted either by allowing service specific DC reserve funds to go into a deficit where others remain in surpluses whereby interest is addressed via the City's annual interest allocation or through a formalized internal loan agreement where borrowed funds are repaid with interest according to the City's Debt Management Policy</li> </ul>
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	<p><b>External Borrowing (Debt Issuances)</b></p> <ul style="list-style-type: none"> <li>External borrowing from DC Reserve Funds is permitted subject to Council authorization.</li> </ul> <p><b>Deficits</b></p> <ul style="list-style-type: none"> <li>At no time shall the actual or forecasted consolidated DC Reserve Fund balance (110300-110399 inclusive) be permitted to enter a deficit balance.</li> <li>DC Reserve Funds for an individual service are permitted to enter deficit positions such that the deficit is forecasted to be resolved within a 10-year period.</li> </ul> <p><b>Reserve Period</b></p> <ul style="list-style-type: none"> <li>The DC Reserve Funds are expected to remain open indefinitely as they are a tool to fund the long-term growth within the City.</li> </ul>
<p><b>Source of Funding</b></p>	<p>The sources of funding for the DC Reserve Funds are:</p> <ul style="list-style-type: none"> <li>Development Charges: charges applied to development and redevelopment in accordance with the DC Act and the City of Hamilton DC By-Law.</li> <li>Developer Contributions: charges applied to development, redevelopment or existing land uses to connect to growth related infrastructure subject to cost recovery by-laws or a condition of a development agreement where the original funding source had been DCs.</li> <li>Exemptions funding: distributions from the City of Hamilton's tax and rate budgets to offset the cost of the DC exemptions provided by Council through the City of Hamilton's DC By-Law and as required by the DC Act.</li> <li>Cash Balance Interest: accrued on the actual cash balance in the Reserve Funds and distributed annually.</li> <li>Non-Cash Balance Interest: accrued on DC Deferral Agreements and Legislated Instalment payment plans in accordance with the terms of the agreement / plan and distributed annually or at expiration of agreement / plan.</li> </ul> <p>There are no alternative funding sources available and no other funds are permitted to be held in the DC Reserve Funds.</p>

<b>Target Balance</b>	<p>DC Reserve Fund balances are primarily driven by development activity and planned capital expenditures. Since hard infrastructure is required to be in place before a development can proceed, debt or deficit balances related to individual services are common.</p> <p>Accordingly, there is no target balance for any individual service DC Reserve Fund; however, there are limitations around deficits as described in the Usage and Limitations Section of this Policy. DC Reserve Fund balances and forecasted balances are reviewed annually during the budget process.</p>
<b>Policy Owner</b>	Director, Financial Planning, Administration and Policy, Corporate Services Department
<b>Administration</b>	<p><b>Responsible Department</b></p> <ul style="list-style-type: none"> <li>Development Charges, Programs and Policies Team of the Budgets and Fiscal Policy Section, within the Financial Planning, Administration and Policy Division of the Corporate Services Department is responsible for the administration of the DC Reserve Funds Policy.</li> </ul> <p><b>Policy Updates</b></p> <ul style="list-style-type: none"> <li>The DC Reserve Funds Policy may be updated when legislated changes to the DC Act or Council adopted changes to the DC By-Law affect any component of the policy; or when municipal best practices are identified as conflicting with the policy.</li> </ul> <p><b>Policy Review Frequency</b></p> <ul style="list-style-type: none"> <li>If no legislative or Council adopted changes occur, the Policy is to be reviewed, at a minimum, during the completion of each DC Background Study.</li> </ul> <p><b>Policy Update Process</b></p> <ul style="list-style-type: none"> <li>Amendments to the DC Reserve Funds Policy must be presented to Council for approval.</li> </ul>
<b>Version History</b>	(1) 15-May-2013: Adoption of Development Charges Reserves Policy (FCS-DC1)





**DCPP-CBC-001**  
**COMMUNITY BENEFITS CHARGES RESERVE FUND POLICY**

**Approval:** Pending

Audit Finance & Administration Committee Staff Report FCS24042

<b>RESERVE DETAILS</b>	
<b>Reserve Name</b>	Community Benefits Charges Reserve Fund ("CBC Reserve Fund")
<b>Reserve Number</b>	110500
<b>RESERVE POLICY</b>	
<b>Policy Statement</b>	<p>The objective of the CBC Reserve Fund Policy is to establish guidelines for use and ensure adequate financial oversight for the obligatory CBC Reserve Fund.</p> <p>This Policy is prepared in accordance with the requirements of the <i>Planning Act, 1990</i> ("Planning Act").</p>
<b>Scope</b>	<p>This Policy applies to the obligatory CBC Reserve Fund (110500) which was established by Council through the adoption of the recommendations to Report FCS22015(b) on June 22, 2022.</p> <p>This Policy is applicable to all members of Council and Staff responsible for the allocation of funds to and from the CBC Reserve Fund.</p> <p>This Policy replaces any existing CBC Reserve Fund Policy.</p>
<b>Purpose</b>	The purpose of the CBC Reserve Fund is to hold and distribute funds collected in accordance with the CBC By-Law. These funds are to be distributed exclusively for financing eligible growth-related capital projects as approved by Council.
<b>Transparency</b>	<p>The CBC Reserve Fund Policy is to be made available to the public.</p> <p>Reserve expenditures and revenues are expected to be fully disclosed. The disclosure will be facilitated through:</p> <ul style="list-style-type: none"> <li>• Annual Special Account Report as required by the Planning Act.</li> <li>• Annual Reserve Report</li> </ul>



<b>Related Legislation and Principles</b>	<p>CBCs and the CBC Reserve Fund are subject to the following legislation and principles:</p> <p><b>Planning Act</b></p> <ul style="list-style-type: none"> <li>• Enables a municipality to establish a By-Law for CBCs and to collect fees in accordance with the By-Law and the Act.</li> <li>• Establishes an upper limit for the calculation of CBCs and various exemptions.</li> <li>• Requires that CBCs collected must be held in a special account that bears interest. The CBC Reserve Fund in conjunction with the Development Charges-Community Benefits Charges Transition Reserve Fund (110501) has been designated as this special account.</li> <li>• Requires that at least 60 percent of the funds held in the special account at the beginning of the year be spent or allocated.</li> <li>• Requires that a special account report be prepared annually on the activities of the special account.</li> </ul> <p><b>Canadian Public Sector Accounting Standards</b></p> <ul style="list-style-type: none"> <li>• Developed by the Public Sector Accounting Board to establish standards for public sector accounting.</li> </ul> <p><b><i>Municipal Act</i></b> Establishes authority and responsibilities related to budgeting, reserve funds and debentures.</p> <p><b>City of Hamilton CBC By-Law</b></p> <ul style="list-style-type: none"> <li>• Outlines the specific regulations and procedures for the collection and use of CBCs for the City of Hamilton.</li> </ul> <p>Requirements under the Planning Act and Canadian Public Sector Accounting Standards take precedence over the City of Hamilton's CBC By-Law should a conflict arise.</p> <p>Related City of Hamilton Policies</p> <ul style="list-style-type: none"> <li>• Appropriation and Work-In-Progress Transfer Policy</li> <li>• Debt Management Policy</li> </ul>
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<b>Definitions</b>	<p><b>"CBC"</b> refers to Community Benefits Charges.</p> <p><b>"CBC Reserve Fund"</b> refers to the Community Benefits Charges Reserve Fund (110500).</p>
<b>Usage and Limitations</b>	<p><b>Compliance</b></p> <ul style="list-style-type: none"> <li>The City of Hamilton must comply with all requirements under the Planning Act, Canadian Public Sector Accounting Standards and any other applicable legislation.</li> </ul> <p><b>Project Funding</b></p> <ul style="list-style-type: none"> <li>Funds held in the CBC Reserve Fund are to be used exclusively to fund eligible capital projects identified through the CBC Strategy or subsequent review.</li> <li>Funds are to be transferred from the CBC Reserve Fund to capital projects as expenses are incurred on a proportional basis. i.e., eligible growth share % * total expenses to date.</li> <li>Appropriations of funding must conform to the Capital Projects' Budget Appropriation and Work-in Progress Transfer Policy.</li> <li>All budgeted financing from the CBC Reserve Fund must be approved by Council.</li> </ul> <p><b>Internal Borrowing</b></p> <ul style="list-style-type: none"> <li>Internal borrowing from the CBC Reserve Fund is prohibited.</li> </ul> <p><b>External Borrowing</b></p> <ul style="list-style-type: none"> <li>External borrowing related to the CBC Reserve Fund is prohibited.</li> </ul> <p><b>Deficits</b></p> <ul style="list-style-type: none"> <li>The CBC Reserve Fund is not permitted to enter a deficit position.</li> </ul> <p><b>Reserve Period</b></p> <ul style="list-style-type: none"> <li>The CBC Reserve Fund is expected to remain open indefinitely as it is a tool to fund the long-term growth withing the City.</li> </ul>



<b>Source of Funding</b>	<p>The sources of funding for the CBC Reserve Fund are:</p> <ul style="list-style-type: none"> <li>• Community Benefits Charge: charge applied to development or redevelopment where the proposed building will contain 5 or more stories and 10 or more residential units. CBCs are equivalent to 4 percent of the land value, calculated in accordance with Section 37 and Ontario Regulation 509/20 of the Planning Act and the City of Hamilton CBC By-Law.</li> <li>• Interest: accrued on the balance in the reserve fund as legislatively permitted and distributed annually.</li> </ul> <p>There are no alternative funding sources available, and no other funds are permitted to be held in the CBC Reserve Fund.</p>
<b>Target Balance</b>	<p>CBC Reserve Fund balances are primarily driven by development activity and planned capital expenditures. The long-term target balance is nil as all funds shall be allocated to eligible growth projects. The target minimum balance for the CBC Reserve Fund in a given year is equivalent to the forecasted expenditures for the following year; after considering approved, but not yet transferred funds.</p> <p>There is no maximum balance for the CBC Reserve Fund. Deficits are not permitted as outlined in the Usage and Limitations Section of this Policy.</p>
<b>Policy Owner</b>	<p>Director, Financial Planning, Administration and Policy, Corporate Services Department</p>
<b>Administration</b>	<p><b>Responsible Department</b></p> <ul style="list-style-type: none"> <li>• Development Charges, Programs and Policies, Financial Planning, Administration and Policy, Corporate Services Department is responsible for the administration of the CBC Reserve Fund Policy.</li> </ul> <p><b>Policy Updates</b></p> <ul style="list-style-type: none"> <li>• The CBC Reserve Fund Policy may be updated when legislated changes to the Planning Act or Council adopted changes to the CBC By-Law affect any component of the policy; or when municipal best practices are identified as conflicting with the policy.</li> </ul>



	<p><b>Policy Review Frequency</b></p> <ul style="list-style-type: none"> <li>If no legislative or Council adopted changes occur, the Policy is to be reviewed, at a minimum, during the completion of each CBC Strategy Review.</li> </ul> <p><b>Policy Update Process</b></p> <ul style="list-style-type: none"> <li>Amendments to the CBC Reserve Fund Policy must be presented to Council for approval.</li> </ul>
<b>Version History</b>	(1) 22-Jun-2022: Initial adoption of DC-CBC Transition Reserve Fund Policy





**DCPP-CBC-002**  
**DEVELOPMENT CHARGES - COMMUNITY BENEFITS CHARGES TRANSITION**  
**RESERVE FUND POLICY**

**Approval:** Pending  
Audit Finance & Administration Committee Staff Report FCS24042

<b>RESERVE DETAILS</b>	
<b>Reserve Name</b>	Development Charges - Community Benefits Charges Transition Reserve Fund ("DC-CBC Transition Reserve Fund")
<b>Reserve Number</b>	110501
<b>RESERVE POLICY</b>	
<b>Policy Statement</b>	<p>The objective of the DC-CBC Transition Reserve Fund Policy is to establish guidelines for use and ensure adequate financial oversight for the obligatory DC-CBC Transition Reserve Fund.</p> <p>This Policy is prepared in accordance with the requirements of the <i>Planning Act, 1990</i> ("Planning Act").</p>
<b>Scope</b>	<p>This Policy applies to the obligatory DC-CBC Transition Reserve Fund (110501) which was established by Council through the adoption of the recommendations to Report FCS22015(b) on June 22, 2022.</p> <p>This Policy is applicable to all members of Council and Staff responsible for the allocation of funds to and from the DC-CBC Transition Reserve Fund.</p> <p>This Policy replaces any existing DC-CBC Transition Reserve Fund Policy.</p>
<b>Purpose</b>	The purpose of the DC-CBC Transition Reserve Fund is to hold and distribute funds transferred from the Airport and Parking DC Reserve Funds. These funds are to be distributed exclusively for financing eligible growth-related capital projects as approved by Council.
<b>Transparency</b>	<p>The DC-CBC Transition Reserve Fund Policy is to be made available to the public.</p> <p>Reserve expenditures and revenues are expected to be fully disclosed. The disclosure will be facilitated through:</p>



	<ul style="list-style-type: none"> <li>• Annual Special Account Report as required by the Planning Act.</li> <li>• Annual Reserve Report</li> </ul>
<b>Related Legislation and Principles</b>	<p>CBCs and the DC-CBC Transition Reserve Fund are subject to the following legislation and principles:</p> <p><b>Planning Act</b></p> <ul style="list-style-type: none"> <li>• Enables a municipality to establish a By-Law for CBCs and to collect fees in accordance with the By-Law and the Act.</li> <li>• Establishes an upper limit for the calculation of CBCs and various exemptions.</li> <li>• Requires that CBCs collected must be held in a special account that bears interest. The DC-CBC Transition Reserve Fund in conjunction with the Community Benefits Charges Reserve Fund (110500) has been designated as this special account.</li> <li>• Requires that at least 60 percent of the funds held in the special account at the beginning of the year be spent or allocated.</li> <li>• Requires that a special account report be prepared annually on the activities of the special account.</li> </ul> <p><b>Canadian Public Sector Accounting Standards</b></p> <ul style="list-style-type: none"> <li>• Developed by the Public Sector Accounting Board to establish standards for public sector accounting.</li> </ul> <p><b>Municipal Act</b></p> <ul style="list-style-type: none"> <li>• Establishes authority and responsibilities related to budgeting, reserve funds and debentures.</li> </ul> <p><b>City of Hamilton CBC By-Law</b></p> <ul style="list-style-type: none"> <li>• Outlines the specific regulations and procedures for the collection and use of CBCs for the City of Hamilton.</li> </ul> <p>Requirements under the Planning Act and Canadian Public Sector Accounting Standards take precedence over the City of Hamilton's CBC By-Law should a conflict arise.</p> <p>Related City of Hamilton Policies</p> <ul style="list-style-type: none"> <li>• Appropriation and Work-In-Progress Transfer Policy</li> </ul>



	<ul style="list-style-type: none"> <li>Debt Management Policy</li> </ul>
<b>Definitions</b>	<p><b>"CBC"</b> refers to Community Benefits Charges.</p> <p><b>"DC"</b> refers to Development Charges.</p> <p><b>"DC-CBC Transition Reserve Fund"</b> refers to the Community Benefits Charges Reserve Fund (110501).</p>
<b>Usage and Limitations</b>	<p><b>Compliance</b></p> <ul style="list-style-type: none"> <li>The City of Hamilton must comply with all requirements under the Planning Act, Canadian Public Sector Accounting Standards and any other applicable legislation.</li> </ul> <p><b>Project Funding</b></p> <ul style="list-style-type: none"> <li>Funds held in the DC-CBC Transition Reserve Fund are to be used exclusively to fund eligible capital projects related to Airport and Parking services.</li> <li>Funds are to be transferred from the DC-CBC Transition Reserve Funds to capital projects as expenses are incurred on a proportional basis. i.e., eligible growth share % * total expenses to date.</li> <li>Appropriations of funding must conform to the City of Hamilton's Capital Projects' Budget Appropriation and Work-in Progress Transfer Policy.</li> <li>All budgeted financing from the DC-CBC Transition Reserve Fund must be approved by Council.</li> </ul> <p><b>External Borrowing</b></p> <ul style="list-style-type: none"> <li>External borrowing related to the DC-CBC Transition Reserve Fund is prohibited.</li> </ul> <p><b>Internal Borrowing</b></p> <ul style="list-style-type: none"> <li>Internal borrowing from the DC-CBC Transition Reserve Fund is prohibited.</li> </ul> <p><b>Deficits</b></p> <ul style="list-style-type: none"> <li>The DC-CBC Transition Reserve Fund is not permitted to enter a deficit position.</li> </ul> <p><b>Reserve Period</b></p>



	<ul style="list-style-type: none"> <li>The DC-CBC Transition Reserve Fund is anticipated to close once all DC Deferrals related to Airport and Parking components are repaid and the Reserve Fund has reached a zero balance.</li> </ul>
<b>Source of Funding</b>	<p>The sources of funding for the DC-CBC Transition Reserve Fund are:</p> <ul style="list-style-type: none"> <li>Transfer from Airport and Parking DC Reserves: As of September 18, 2022, legislative changes to the Development Charges Act, 1997 prohibited collection of DCs for Airport and Parking Services. Funds within these DC reserves were transferred to the DC-CBC Transition Reserve Fund in accordance with Council adoption of the recommendations to Report FCS22015(b).</li> <li>Ongoing Transfers related to Airport and Parking DCs: The City of Hamilton has a Discretionary DC Deferral program for industrial, non-industrial and high-density residential developments and a Legislated Instalment program for rental and institutional developments (established under Section 26.1 of the <i>Development Charges Act, 1997</i>). Deferrals and Instalment Plans with rates prior to September 18, 2022 include charges for airport and parking DC services which continue to accrue interest. Annual transfers related to deferral interest will continue until all such DC deferrals are repaid.</li> <li>Interest: accrued on the balance in the reserve fund as legislatively permitted and distributed annually.</li> </ul> <p>There are no alternative funding sources available, and no other funds are permitted to be held in the DC-CBC Transition Reserve Fund.</p>
<b>Target Balance</b>	<p>DC-CBC Reserve Fund balances are primarily driven by development activity and planned capital expenditures. The long-term target balance is nil as all funds shall be allocated to eligible growth projects.</p> <p>There is no maximum balance for the CBC Reserve Fund. Deficits are not permitted as outlined in the Usage and Limitations Section of this Policy.</p>





<b>Policy Owner</b>	Director, Financial Planning, Administration and Policy, Corporate Services Department
<b>Administration</b>	<p><b>Responsible Department</b></p> <ul style="list-style-type: none"> <li>Development Charges, Programs and Policies, Financial Planning, Administration and Policy, Corporate Services Department is responsible for the administration of the DC-CBC Transition Reserve Fund Policy.</li> </ul> <p><b>Policy Updates</b></p> <ul style="list-style-type: none"> <li>The DC-CBC Transition Reserve Fund Policy may be updated when legislated changes to the Planning Act or Council adopted changes to the CBC By-Law affect any component of the policy; or when municipal best practices are identified as conflicting with this Policy.</li> </ul> <p><b>Policy Review Frequency</b></p> <ul style="list-style-type: none"> <li>If no legislative or Council adopted changes occur, the Policy is to be reviewed, at a minimum during the completion of each CBC Strategy review.</li> </ul> <p><b>Policy Update Process</b></p> <ul style="list-style-type: none"> <li>Amendments to the DC-CBC Transition Reserve Fund Policy must be presented to Council for approval.</li> </ul>
<b>Version History</b>	(1) 22-Jun-2022: Initial adoption of DC-CBC Transition Reserve Fund Policy





**DCPP-PL-001**  
**PARKLAND DEDICATION CASH-IN-LIEU RESERVE FUND POLICY**

**Approval:** Pending  
Audit Finance & Administration Committee Staff Report FCS24042

<b>RESERVE DETAILS</b>	
<b>Reserve Name</b>	Parkland Dedication Cash-In-Lieu Reserve Fund ("PL Reserve Fund")
<b>Reserve Number</b>	104090
<b>RESERVE POLICY</b>	
<b>Policy Statement</b>	<p>The objective of the PL Reserve Fund Policy is to establish guidelines for use and ensure adequate financial oversight for the obligatory PL Reserve Fund.</p> <p>This Policy is prepared in accordance with the requirements of the <i>Planning Act, 1990</i> ("Planning Act").</p>
<b>Scope</b>	<p>This Policy applies to the obligatory PL Reserve Fund (104090).</p> <p>This Policy is applicable to all members of Council and Staff responsible for the allocation of funds to and from the PL Reserve Fund.</p> <p>This Policy replaces any existing PL Reserve Fund Policy.</p>
<b>Purpose</b>	<p>The purpose of the PL Reserve Fund is to hold and distribute funds collected in accordance with the Parkland Dedication By-Law. These funds are to be distributed exclusively for financing eligible parkland acquisitions and capital expenditures as approved by Council.</p>
<b>Transparency</b>	<p>The PL Reserve Fund Policy is to be made available to the public.</p> <p>Reserve expenditures and revenues are expected to be disclosed, except in the case of details for confidential transactions. The disclosure will be facilitated through:</p> <ul style="list-style-type: none"> <li>• Annual Special Account Report as required by the Planning Act.</li> <li>• Annual Reserve Report.</li> </ul>
<b>Related Legislation and Principles</b>	<p>PL and the PL Reserve Fund are subject to the following legislation and principles:</p>



	<p><b>Planning Act</b></p> <ul style="list-style-type: none"> <li>• Enables a municipality to establish a By-Law for PL and to collect fees in accordance with the By-Law and the Act.</li> <li>• Establishes an upper limit for the calculation of PL and various exemptions.</li> <li>• Requires that PL collected must be held in a special account that bears interest. The PL Reserve Fund has been designated as this special account.</li> <li>• Requires that at least 60 percent of the funds held in the special account at the beginning of the year be spent or allocated.</li> <li>• Requires that a special account report be prepared annually on the activities of the special account.</li> </ul> <p><b>Canadian Public Sector Accounting Standards</b></p> <ul style="list-style-type: none"> <li>• Developed by the Public Sector Accounting Board to establish standards for public sector accounting.</li> </ul> <p><b>Municipal Act</b> Establishes authority and responsibilities related to budgeting, reserve funds and debentures.</p> <p><b>City of Hamilton PL By-Law</b></p> <ul style="list-style-type: none"> <li>• Outlines the specific regulations and procedures for the collection and use of PL Dedication fees for the City of Hamilton.</li> </ul> <p>Requirements under the Planning Act and Canadian Public Sector Accounting Standards take precedence over the City of Hamilton's PL By-Law should a conflict arise.</p> <p>Related City of Hamilton Policies</p> <ul style="list-style-type: none"> <li>• Appropriation and Work-In-Progress Transfer Policy</li> <li>• Debt Management Policy</li> </ul>
<b>Definitions</b>	<p><b>"PL"</b> refers to Parkland Dedication.</p> <p><b>"PL Reserve Fund"</b> refers to the Parkland Dedication Cash-In-Lieu Reserve Fund (104090).</p>
<b>Usage and Limitations</b>	<p><b>Compliance</b></p> <ul style="list-style-type: none"> <li>• The City of Hamilton must comply with all requirements under the Planning Act, Canadian Public Sector Accounting Standards and any other applicable legislation.</li> </ul>



	<p><b>Project Funding</b></p> <ul style="list-style-type: none"> <li>Funds held in the PL Reserve Fund are to be used exclusively for the purposes of parks or other public recreational purposes in accordance with the Parks Master Plan or other Council approval.</li> <li>Funds are to be transferred from the PL Reserve Fund to capital projects as expenses are incurred on a proportional basis. i.e., eligible growth share % * total expenses to date.</li> <li>Appropriations of funding must conform to the City of Hamilton's Capital Projects' Budget Appropriation and Work-in Progress Transfer Policy.</li> <li>All budgeted financing from the PL Reserve Fund must be approved by Council.</li> </ul> <p><b>Internal Borrowing</b></p> <ul style="list-style-type: none"> <li>Internal borrowing from the PL Reserve Fund is prohibited.</li> </ul> <p><b>External Borrowing</b></p> <ul style="list-style-type: none"> <li>External borrowing related to the PL Reserve Fund is prohibited.</li> </ul> <p><b>Deficits</b></p> <ul style="list-style-type: none"> <li>The PL Reserve Fund is not permitted to enter a deficit position.</li> </ul> <p><b>Reserve Period</b></p> <ul style="list-style-type: none"> <li>The PL Reserve Fund is expected to remain open indefinitely.</li> </ul>
<p><b>Source of Funding</b></p>	<p>The sources of funding for the PL Reserve Fund are:</p> <ul style="list-style-type: none"> <li>PL Cash-In-Lieu charges: fee collected in-lieu of land dedication. PL is calculated in accordance with Sections 42, 51.1, 53 and Ontario Regulation 509/20 and Ontario Regulation 509/20 of the Planning Act and the City of Hamilton PL By-Law.</li> <li>Proceeds from Sale of Land: if the City is conveyed land to satisfy the park land requirements of the Planning Act, then later sells that land, the proceeds shall be allocated to the PL Reserve Fund in accordance with subsection 42 (15) of the Planning Act.</li> <li>Interest: accrued on the balance in the reserve fund as legislatively permitted and distributed annually.</li> </ul>



	There are no alternative funding sources available, and no other funds are permitted to be held in the PL Reserve Fund.
<b>Target Balance</b>	<p>PL Reserve Fund balances are primarily driven by development activity and planned capital expenditures. The long-term target balance is nil as all funds shall be allocated to eligible growth projects. The target minimum balance for the PL Reserve Fund in a given year is equivalent to the forecasted expenditures for the following year; after considering approved, but not yet transferred funds.</p> <p>There is no maximum balance for the PL Reserve Fund. Deficits are not permitted as outlined in the Usage and Limitations Section of this Policy.</p>
<b>Policy Owner</b>	Director, Financial Planning, Administration and Policy, Corporate Services Department
<b>Administration</b>	<p><b>Responsible Department</b></p> <ul style="list-style-type: none"> <li>Development Charges, Programs and Policies, Financial Planning, Administration and Policy, Corporate Services Department is responsible for the administration of the PL Reserve Fund Policy.</li> </ul> <p><b>Policy Updates</b></p> <ul style="list-style-type: none"> <li>The PL Reserve Fund Policy may be updated when legislated changes to the Planning Act or Council adopted changes to the PL By-Law affect any component of the policy; or when municipal best practices are identified as conflicting with the policy.</li> </ul> <p><b>Policy Review Frequency</b></p> <ul style="list-style-type: none"> <li>If no legislative or Council adopted changes occur, the Policy is to be reviewed annually, at a minimum, during the completion of each PL By-Law review.</li> </ul> <p><b>Policy Update Process</b></p> <ul style="list-style-type: none"> <li>Amendments to the PL Reserve Fund Policy must be presented to Council for approval.</li> </ul>

**Appendix “A” to Report FCS24016**

**Page 1 of 3**

**Authority:** Item ,  
Report (FCS24016)  
CM:  
Ward: City Wide

**Bill No.**

**CITY OF HAMILTON**

**BY-LAW NO.**

**Being a By-law to amend By-law 22-158  
"City of Hamilton Community Benefits Charges By-law, 2022"  
To Revise Definitions and Policy Regarding  
Calculation of Community Benefits Charges**

**WHEREAS** the Council of the City of Hamilton has adopted the Community Benefits Charges By-law 22-158;

**WHEREAS** the Council of the City of Hamilton has given notice and held a Public Meeting on \_\_\_\_\_, \_\_\_\_\_ regarding its proposals for this Community Benefits Charges By-law amendment;

**WHEREAS** the Council of the City of Hamilton, through its Audit, Finance and Administration Committee, has received written submissions and heard all persons who applied to be heard no matter in object to, or in support of, the said By-law amendment.

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

1. Section 1 of By-law 22-158 is hereby amended by removing Definitions (b) and (n) without replacement.
2. Section 1 of By-law 22-158 is hereby amended by replacing Definition (g) with the following:  
    **“Building Permit”** means a building permit issued pursuant to the *Building Code Act* in relation to a building or structure;
3. Section 11 of By-law 22-158 is hereby amended by replacing the section with the following:

**Appendix “A” to Report FCS24016****Page 2 of 3**

11. (a) Where there is Development or Redevelopment other than that described in subsection 12(b) and which requires one or more of the approvals set out in subsection 12(a), on land to which this By-law applies, the Community Benefits Charges payable pursuant to this By-law shall be four (4) percent of the value of the land being developed as of the Valuation Date.
  - (b) Land referred to in subsections 11(a) and 11(c) means the entire Parcel or Parcels on which the Development or Redevelopment is occurring regardless of whether the Development or Redevelopment is only on a part of the Parcel or Parcels or is a phase of a Development or Redevelopment.
  - (c) If a Development or Redevelopment consists of two or more above grade Buildings that will not be constructed concurrently, will be subject to separate building permits and are anticipated to be completed at different times, each phase of the Development or Redevelopment is deemed to be a separate Development or Redevelopment for the purposes of this By-law. For the purposes of this subsection an above grade shared podium structure which contains no residential units will not be considered part of a Building.
  - (d) The Community Benefits Charges for the Development or Redevelopment and any applicable exemptions or reductions will be calculated in accordance with Section 37(32) of the *Planning Act, 1990*.
  - (e) The amount of any credit pursuant to the calculation in accordance with Section 37(32) of the *Planning Act, 1990*, shall not exceed, in total, the amount of the Community Benefits Charges otherwise payable with respect to the Development or Redevelopment pursuant to this By-law. If the aforesaid calculation is zero or a negative value no CBC is payable, and no credit or refund will be payable.
4. Section 13 of By-law 22-158 is hereby amended by removing without replacement.
  5. Section 6 and Section 14 and the associated Schedule “A” of By-law 22-158 are hereby amended by removing without replacement.



**Appendix “A” to Report FCS24016**

**Page 3 of 3**

6. The City Clerk is hereby authorized and directed to consolidate this and any other duly enacted amendments to By-law 22-158 into the main body of the said By-law, and to make any necessary and incidental changes to numbering and nomenclature thereof arising from the said consolidation.
7. This By-law shall come into force and take effect at 12:01 a.m. on the date following enactment.

**PASSED** this \_\_\_\_\_ , \_\_\_\_\_

---

A. Horwath  
Mayor


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M. Trennum  
City Clerk





**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
**Financial Services and Taxation Division**

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	October 17, 2024
<b>SUBJECT/REPORT NO:</b>	Community Benefits Charges By-Law Amendment (FCS24016)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Ailish Brooke (905) 546-6875 Ext.6875
<b>SUBMITTED BY:</b>	Kirk Weaver Acting Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

### RECOMMENDATIONS

- (a) That the draft Community Benefit Charges By-Law Amendment, attached as Appendix "A" to Report FCS24016, be released for public consultation;
- (b) That the January 16, 2025, Audit, Finance & Administration Committee Meeting be designated a Public Meeting to receive feedback on the draft Community Benefits Charges By-Law Amendment, attached as Appendix "A" to Report FCS24016;
- (c) That the City Clerk be directed to provide notice of the Public Meeting in the Hamilton Spectator at least 30 days in advance of the Public Meeting; and
- (d) That Staff be directed to submit a staff report and, if appropriate, a revised Community Benefits Charges By-Law Amendment for Council consideration after the designated Public Meeting.

**SUBJECT: Community Benefits Charges By-Law Amendment (FCS24016)  
(City Wide) – Page 2 of 5**

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**EXECUTIVE SUMMARY**

Community Benefits Charges (CBCs) are a one-time development fee applied at building permit issuance to development or redevelopment where the building will contain five or more stories and 10 or more residential units. CBCs are equivalent to four percent of the land value, calculated in accordance with Section 37 of the *Planning Act, 1990* (Planning Act), Ontario Regulation 509/20 and the City of Hamilton Community Benefits Charges By-Law 22-158 (CBC By-Law).

CBCs are one of the growth-funding tools available to the City, alongside Development Charges (DCs) and Parkland Dedication fees. These charges help ensure that municipalities have the necessary tools and resources to build complete communities and finance growth-related infrastructure. CBCs are a relatively new growth-funding tool, introduced in 2020 and adopted by the City in 2022. CBCs are permitted to be used to fund a portion of the growth related share of capital projects such as:

- Parking and airport services
- Eligible studies
- Parkland acquisition
- Municipal administration building expansions
- Cultural initiatives
- Public realm improvements
- Landfill expansions

Staff has identified the need to amend the CBC By-law to align with changes to the *Planning Act* which were made through the *More Homes Built Faster Act, 2022* (Bill 23). As part of this review, staff further identified some housekeeping updates, including the removal of outdated sections and the clarification of language. The draft CBC By-Law Amendment (Appendix “A”) would amend the CBC By-law in the following ways:

- Calculation of Community Benefits Charge
  - Section 11, which outlines the way CBCs are calculated, is amended to refer to the *Planning Act*.
- Affordable Housing Developments
  - The definition of Affordable Housing Project is removed.
  - Section 13, which outlines the exemption for Affordable Housing Projects, is removed since the exemption is now legislated and enacted through the Planning and DC Acts.
- Building Permit Definition
  - The definition of Building Permit is amended to align with the Development Charges By-law (24-072).

**SUBJECT: Community Benefits Charges By-Law Amendment (FCS24016)  
(City Wide) – Page 3 of 5**

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- Downtown Community Improvement Area (CIPA) Partial Exemption
  - The definition of Downtown CIPA is removed.
  - The partial exemption applied to development in the Downtown CIPA expired on June 12, 2024. Reference to the exemption through Sections 6 and 14 is removed.

The *Planning Act* does not mandate a specific approach for amending the CBC By-law. However, to ensure the process remains transparent and accountable, the recommendations to Report FCS24016 are structured to align this proposed CBC By-law amendment process with the process used for DC By-law amendments. Specifically, releasing a staff report indicating intent to amend, ensuring a minimum 60-day consultation period and establishment of a Public Meeting. Staff is recommending that the draft CBC By-law Amendment (Appendix “A” to Report FCS24016) be released for public consultation and that the associated public consultation activities be initiated, including a Public Meeting to be held at the January 16, 2025 meeting of the Audit, Finance & Administration Committee.

**Alternatives for Consideration – Not Applicable**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: None.

Staffing: None.

Legal: Approval of the recommendations would initiate the process to better align the CBC By-law with the applicable legislation.

**HISTORICAL BACKGROUND**

July 21, 2020	The <i>COVID-19 Economic Recovery Act, 2020</i> (Bill 197) received Royal Assent. This Act amended Section 37 of the <i>Planning Act</i> and established that any municipality in Ontario can create and collect a CBC from new or redeveloped buildings where the building contains five or more stories and 10 or more residential units.
June 22, 2022	Council adopted the CBC By-Law.
September 18, 2022	The CBC By-Law came into force.

**SUBJECT: Community Benefits Charges By-Law Amendment (FCS24016)  
(City Wide) – Page 4 of 5**

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November 28, 2022	The <i>More Homes Built Faster Act, 2022</i> (Bill 23) received Royal Assent which amended and added to Section 37 of the <i>Planning Act</i> to implement a maximum CBC based on floor area and authorized an exemption for Affordable Housing Developments to come into force on a date to be proclaimed.
June 1, 2024	The exemption of CBCs, DCs and Parkland Dedication fees for Affordable Housing Developments was proclaimed.
June 12, 2024	The partial exemption of CBCs in the Downtown CIPA as required by Section 14 of the CBC By-law expired.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The intent of the recommendations to Report FCS24016 are to align the City's CBC By-law with the *Planning Act* following the legislative changes introduced by the Province.

## **RELEVANT CONSULTATION**

Communications, City Manager's Office  
Housing Secretariat Division, Healthy and Safe Communities Department  
Legal and Risk Management Services Division, Corporate Services Department  
Office of the City Clerk, Corporate Services Department  
Real Estate Services, Planning & Economic Development Department

## **ANALYSIS AND RATIONALE FOR RECOMMENDATIONS**

### **Calculation of Community Benefits Charge**

Section 11 of the CBC By-Law outlines the methodology for determining the amount of CBCs applicable to a development. The *More Homes Built Faster Act, 2022* (Bill 23), which came into force on November 28, 2022, amended Section 37 of the *Planning Act* to specify using a floor area ratio in conjunction with the four percent of land value to determine the applicable CBC. As the *Planning Act* supersedes the CBC By-law, it represents the current process for calculating CBCs. Staff proposes amending the CBC By-law to reference the *Planning Act* directly to avoid conflicting policies.

**SUBJECT: Community Benefits Charges By-Law Amendment (FCS24016)  
(City Wide) – Page 5 of 5**

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### Affordable Housing Developments

On June 1, 2024, the legislated exemption for Affordable Housing Developments through the Planning and DC Acts took effect. Staff is recommending that the definition of Affordable Housing Project referenced in the CBC By-law be removed. Additionally, staff is recommending that CBC By-law be amended to remove Section 13, which outlines a discretionary exemption for Affordable Housing Projects. With the provincial legislation now in effect providing for a mandatory exemption, the discretionary exemption is no longer needed.

### Building Permit Definition

The 2024 DC By-law (By-law: 24-072), effective June 1, 2024, includes the City's most current language to define a Building Permit. Staff is recommending a minor update to align the definition of Building Permit in the CBC By-law with the DC By-law. The current definition of a Building Permit in the CBC By-law is "a building permit issued pursuant to the *Building Code Act*;" the proposed amendment seeks to refine this definition to "a building permit issued pursuant to the *Building Code Act* in relation to a building or structure" to the definition.

### Downtown Community Improvement Area (CIPA) Partial Exemption

Sections 6 and 14 of the CBC By-law included a 40% partial exemption for CBCs in the Downtown CIPA. This partial exemption expired on June 12, 2024. Council has not provided direction to review the exemptions provided through the CBC By-law and, therefore, staff has not provided recommendation to alter this exemption nor other exemptions contained in the CBC By-law as part of this CBC By-law Amendment. It should be noted that consideration of reinstating the Downtown CIPA partial exemption would be inequitable for development applications (Site Plan and/or Building Permit) received between June 12, 2024 and enactment of the CBC By-law Amendment as such developments would be ineligible for the exemption. With the exemption expired and no longer applicable, staff is recommending that the definition of Downtown CIPA and Sections 6 and 14 of the CBC By-law be removed.

## ALTERNATIVES FOR CONSIDERATION

Not Applicable

## APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS24016 – Draft Community Benefit Charges By-law Amendment