



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

**Meeting #:** 25-007  
**Date:** May 22, 2025  
**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. **CALL TO ORDER**
2. **CEREMONIAL ACTIVITIES**
3. **APPROVAL OF AGENDA**  
(Added Items, if applicable, will be noted with \*)
4. **DECLARATIONS OF INTEREST**
5. **APPROVAL OF MINUTES OF PREVIOUS MEETING**
6. **DELEGATIONS**
7. **ITEMS FOR INFORMATION**
8. **ITEMS FOR CONSIDERATION**

8.1 AUD25005

Accounts Payable Special Investigation #2 (Fraud and Waste Report #71958)

*This Item includes a Presentation.*

8.2 AUD25006

Fraud, Waste, and Whistleblower Semi-Annual Update

8.3 FCS25021

Proposed Write-off for Provincial Offences

8.4 FCS25022

Binbrook Conservation Area Capital Funding Plan

8.5 FCS25028

Review of Community Benefits Charges

8.6 Grants Sub-Committee Minutes GSCC 25-002 (May 14, 2025)

8.7 FCS25033

Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* as it relates to the *Development Charges Act, 1997*

8.8 Amendments to the Outstanding Business List

8.8.a Items Requiring a New Due Date

8.8.a.a Feasibility of Bring Your Own Device Policy

Added March 23, 2023

Current Due Date: March 31, 2025

Proposed New Due Date: July 31, 2025

**9. MOTIONS**

9.1 Ward 13 Community Grants – Hamilton Conservation Authority and Hamilton Public Library, Dundas Branch

9.2 Ward 13 Community Grants - Q1/Q2 2025

**10. NOTICES OF MOTION**

**11. PRIVATE AND CONFIDENTIAL**

**12. ADJOURNMENT**



## **AUDIT, FINANCE AND ADMINISTRATION COMMITTEE**

### **MINUTES AFA 25-006**

9:30 a.m.

May 1, 2025

Council Chambers (Hybrid), City Hall, 2<sup>nd</sup> Floor  
71 Main Street West, Hamilton, Ontario

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

**Absent with  
Regrets:** Councillor M. Spadafora – Personal

#### **1. CALL TO ORDER**

Acting Chair Beattie called the meeting to order at 9:30 a.m.

#### **2. CEREMONIAL ACTIVITIES**

There were no ceremonial activities.

#### **3. APPROVAL OF AGENDA**

**(Tadeson/Kroetsch)**

That the agenda for the May 1, 2025, Audit, Finance and Administration Committee meeting, be approved, as presented.

**CARRIED**

#### **4. DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

#### **5. APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

**(Tadeson/Clark)**

That the following Minutes, be adopted, as presented:

**5.1 April 10, 2025**

**5.2 April 15, 2025 (Special – Development Charges Hearing)**

**5.3 April 23, 2025 (Special – Development Charges Hearing)**

**CARRIED**

**6. DELEGATIONS**

- 6.1 Mike Collins-Williams, West End Homebuilders' Association, respecting Enhancing Support for Growth in the City of Hamilton: Review of Growth Funding Tools and Developer Incentives (Item 8.3) - WITHDRAWN**

The Delegation was withdrawn.

- 6.2 Pam Witt, Stoney Creek Seniors Outreach Services, respecting funding for snowblowers (Item 9.4)**

Pam Witt and Doug Friesen, Stoney Creek Seniors Outreach Services, addressed Committee respecting funding for snowblowers (Item 9.4).

**(Clark/Hwang)**

That the delegation from Pam Witt and Doug Friesen, Stoney Creek Seniors Outreach Services, respecting funding for snowblowers (Item 9.4), be received and referred to the consideration of Support for Equipment Replacement, Seniors Outreach Services (SOS) Stoney Creek (Item 9.4).

**CARRIED**

**7. ITEMS FOR INFORMATION**

- 7.1 AUD25004  
Accounts Payable Special Investigation: CityHousing Hamilton  
Investigation Summary (Fraud and Waste Report #73367)**

Charles Brown, Auditor General, addressed Committee respecting Accounts Payable Special Investigation: CityHousing Hamilton Investigation Summary (Fraud and Waste Report #73367), with the aid of a presentation.

**(Hwang/Tadeson)**

- (a) That the presentation from Charles Brown, Auditor General, respecting Accounts Payable Special Investigation: CityHousing Hamilton Investigation Summary (Fraud and Waste Report #73367), be received; and
- (b) That Report AUD25004, respecting Accounts Payable Special Investigation: CityHousing Hamilton Investigation Summary (Fraud and Waste Report #73367), be received.

**CARRIED**



**(Kroetsch/Hwang)**

That the following Items for Information, be received:

- 7.2 FCS25014**  
**Treasurer's Investment Report 2024 Fiscal Year by Aon (FCS25014)**
- 7.3 FCS25017**  
**Reserve / Revenue Fund Investment Performance Report as of**  
**December 31, 2024**
- 7.4 FCS25018**  
**Hamilton Future Fund Investment Performance Report as of December**  
**31, 2024**
- 7.5 FCS25019**  
**Cemetery Trust Accounts Investment Performance Report as of**  
**December 31, 2024**

**CARRIED**

## **8. ITEMS FOR CONSIDERATION**

- 8.1 FCS25006**  
**2025 Budget Adjustments - REVISED**

**(Hwang/Tadeson)**

That Report FCS25006, dated May 1, 2025, respecting 2025 Budget Adjustments – REVISED, be received and the following recommendations be approved:

- (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 FCS25006, 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 FCS25006, BE APPROVED;
- (c) That, in accordance with the "Budget Control Policy," the 2025 budget transfers from one department / division to another with no impact to the net for tax levy, as outlined in Appendix "C" to Report FCS25006, BE APPROVED;
- (d) That the capital budget amounts requiring a change in funding, as outlined in Appendix "D" to Report FCS25006, BE APPROVED; and

- (e) That the proposed budget appropriations of \$250,000 or greater and reserve contributions to capital projects, as outlined in Appendix “E” to Report FCS25006, BE APPROVED.

**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  
 YES – ACTING CHAIR - Ward 10 Councillor Jeff Beattie  
 YES - Ward 11 Councillor Mark Tadeson  
 YES - Ward 13 Councillor Alex Wilson  
 ABSENT - Ward 14 Councillor Mike Spadafora

## **8.2 AUD25003**

### **Transfer Payments and Grants Audit**

Brigitte Minard, Deputy Auditor General, addressed Committee respecting Transfer Payments and Grants Audit, with the aid of a presentation.

#### **(Hwang/Kroetsch)**

- (a) That the Presentation from Brigitte Minard, Deputy Auditor General, respecting Transfer Payments and Grant Audit, be received; and
- (b) That Report AUD25003, dated May 1, 2025, respecting Transfer Payments and Grants Audit, be received, and the following recommendations be approved:
- (i) That Audit Report titled “Transfer Payment and Grants Audit”, attached as Appendix “A” to Report AUD25003 BE RECEIVED for information;
  - (ii) That the management response, as detailed in Appendix “B” to Report AUD25003 BE APPROVED; and
  - (iii) That the General Manager of Finance and Corporate Services BE DIRECTED to implement the management response (contained in Appendix “B” to Report AUD25003) and report back to Audit, Finance and Administration Committee by December 2025, on the nature and status of actions taken in response to the audit report.

**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  
 YES - Ward 9 Councillor Brad Clark

YES - ACTING CHAIR - Ward 10 Councillor Jeff Beattie  
YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
ABSENT - Ward 14 Councillor Mike Spadafora

**8.3 FCS25026**  
**Review of Development Charges and Developer Incentives**

Lindsay Gillies, Supervisor Development Charges Programs and Policies, and Ailish Brooke, Senior Financial Analyst, addressed Committee respecting Review of Development Charges and Developer Incentives, with the aid of a presentation.

**(M. Wilson/Tadeson)**

- (a) That the Presentation from Lindsay Gillies, Supervisor Development Charges Programs and Policies, and Ailish Brooke, Senior Financial Analyst, respecting Review of Development Charges and Developer Incentives, be received; and
- (b) That Report FCS25026, dated May 1, 2025, respecting Review of Development Charges and Developer Incentives, be received, and the following recommendations be approved:
  - (i) That, as required under Section 10 of the *Development Charges Act*, 1997, as amended, Report FCS25026, Review of Development Charges and Developer Incentives, BE CONSIDERED, as the Development Charges Background Study for the purposes of providing background for amending policy of the existing Development Charges By-Law 24-072, as amended;
  - (ii) That, as required under Section 10(4) of the *Development Charges Act*, 1997, as amended, Report FCS25026, Review of Development Charges and Developer Incentives, BE PUBLISHED to the City of Hamilton website for the public;
  - (iii) That, as required under Section 12(1)(c) of the *Development Charges Act*, 1997, as amended, the draft Development Charges By-Law Amendment, attached as Appendix B to Report FCS25026, BE PUBLISHED to the City of Hamilton website for the public consultation;
  - (iv) That, as required under Section 12(1)(a) of the *Development Charges Act*, 1997, as amended, the June 12, 2025, Audit, Finance and Administration Committee Meeting BE DESIGNATED a Public Meeting to receive feedback on the draft Development Charges By-Law Amendment, attached as Appendix B to Report FCS25026;

- (v) That, in accordance with Section 12(1)(b) of the Development Charges Act, 1997, as amended, the City Clerk BE DIRECTED to provide notice of the Public Meeting; and
- (vi) That staff BE DIRECTED to submit a staff report and, if appropriate, a revised Development Charges By-Law Amendment for Council consideration at the July 1, 2025 meeting of the Audit, Finance & Administration Committee.

**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  
 YES - ACTING CHAIR - Ward 10 Councillor Jeff Beattie  
 YES - Ward 11 Councillor Mark Tadeson  
 YES - Ward 13 Councillor Alex Wilson  
 ABSENT - Ward 14 Councillor Mike Spadafora

**8.3(a) Correspondence respecting Item 8.3 (FCS25026, Review of Development Charges and Development Incentives)**

**(Kroetsch/Hwang)**

That the following correspondence, respecting Report FCS25026, Review of Development Charges and Development Incentives, be received:

**8.3(a)(a) Dana Anderson and Andrew Hannaford, MHBC**

**8.3(a)(b) Sean McGaffey, WND Associates**

**8.3(a)(c) Mike Collins-Williams, West End Home Builders' Association**

**CARRIED**

**8.4 Amendment to the Outstanding Business List**

**(Kroetsch/Hwang)**

That the following Amendment to the Outstanding Business List be approved:

**8.4(a) Items Considered Complete and to be Removed:**

**8.4(a)(a) Enhancing Support for Growth in the City of Hamilton: Review of Growth Funding Tools and Developer Incentives  
 Added April 16, 2025  
 Addressed as Item 8.3 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  
 YES - Ward 9 Councillor Brad Clark  
 YES - Acting Chair - Ward 10 Councillor Jeff Beattie  
 YES - Ward 11 Councillor Mark Tadeson  
 YES - Ward 13 Councillor Alex Wilson  
 ABSENT - Ward 14 Councillor Mike Spadafora

## **9. MOTIONS**

### **9.1 One Year Pilot Funding for Financially Assisted Social Prescribing Project in Ward 4**

#### **(Hwang/Kroetsch)**

WHEREAS, Social Prescribing is a holistic approach to healthcare that brings together social and medical models of health and wellness to individuals and communities, best known for its integration within the National Health System starting in the 1990s in the United Kingdom where it has been proven to result in better health outcomes and reduced emergency room wait times;

WHEREAS, Social Prescribing bridges the gap between clinical care and social care by referring patients to local, non-clinical services that are chosen according to the client's interests, goals, and gifts and could include opportunities for some to reconnect back to ancestral lands, attend cultural or art-focused events that they would otherwise not be able to, and even lead to social connections for those experiencing loneliness;

WHEREAS, acknowledging the social determinants of health and the fact that poverty has a direct correlation to health, Wards 2, 3, and 4 have been identified in the 2010 Code Red Reports and subsequent census datasets as having the highest health needs coupled with the lowest average income per household in Hamilton and thereby individuals living in these wards have life expectancies 10 years less than other Hamilton residents;

WHEREAS, Social Prescribing ensures health equity and, with Financial Assistance, it will continue to remove barriers that clients may experience including economic, geographical, interpersonal, or psychological and it is about providing necessary supports and empowering people to be co-creators in improving their own health and well-being with trusted relationships that already exist within community; and

WHEREAS, since launching in September 2024 with the goal to increase health equity and informed care and services in the Hamilton region by bringing the health and social sectors together, the Canadian Red Cross has convened 29 local community organizations including the Greater Hamilton

Health Network Primary Care Network, YMCA HBB, Wesley, De Dwa Da Dehs Nye Aboriginal Health Centre and many more to form the Social Prescribing Service Coordination Community Collective;  
 THEREFORE, BE IT RESOLVED:

- (a) That a one-time grant be allocated to the Financially Assisted Social Prescribing Project with the Canadian Red Cross that will directly support Ward 4 residents in their health and wellbeing journey in an amount not to exceed \$25,000 funded from the Ward 4 Discretionary Account #3302309400;
- (b) That funds be exempt on a one-time basis and not be counted toward any formula that restricts regular funding from the City including the City Enrichment Fund (e.g. the City's 30% formula); and
- (c) That the Mayor and City Clerk be authorized and directed to execute any required agreement(s) and ancillary documents, with such terms and conditions in a form satisfactory to the City Solicitor.

**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  
 YES - ACTING CHAIR - Ward 10 Councillor Jeff Beattie  
 YES - Ward 11 Councillor Mark Tadeson  
 YES - Ward 13 Councillor Alex Wilson  
 ABSENT - Ward 14 Councillor Mike Spadafora

## **9.2 Supporting Archaeological Costs for the Third Wetland on the Punch Bowl Lands (SC-5)**

**(Clark/Beattie)**

WHEREAS, the Saltfleet Wetland Restoration Project is a major environmental restoration project within the City of Hamilton;

WHEREAS, the wetlands will reduce the impacts of flooding and erosion below the Niagara Escarpment in Stoney Creek and further the long-term vision of the entire Saltfleet Conservation Area, which will provide new natural areas and associated habitats and trails connecting these natural areas;

WHEREAS, the City of Hamilton has demonstrated its partnership and support through the provision of \$2M grant for the purposes of land acquisition for the Saltfleet Conservation Area Wetland Restoration project in 2014 funded through royalties related to the GFL Stoney Creek Landfill Site, participation in the 2018 Environmental Assessment through technical

comment and input and resolution in 2024 confirming municipal partnership to support requirements of an external fund application; and

WHEREAS, Hamilton Conservation Area staff has been directed, by the Hamilton Conservation Area Board of Directors, to enter into a Contribution Agreement and any other ancillary agreement with the City of Hamilton to facilitate further grants for the purpose of supporting archaeological costs for the third wetland on the Punch Bowl lands (SC-5).

THEREFORE, BE IT RESOLVED:

- (a) That a grant for the purpose of supporting archaeological costs for the third wetland on the Punch Bowl lands (SC-5) to the Hamilton Conservation Authority be funded from the GFL Stoney Creek Compensation Royalties Reserve #117036 at an upset limit not to exceed \$1,000,000; and
- (b) That the Mayor and City Clerk be authorized and directed to execute any required agreements and ancillary documents, with such terms and conditions that are satisfactory to the City Solicitor.

**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  
 YES - ACTING CHAIR - Ward 10 Councillor Jeff Beattie  
 YES - Ward 11 Councillor Mark Tadeson  
 YES - Ward 13 Councillor Alex Wilson  
 ABSENT - Ward 14 Councillor Mike Spadafora

### **9.3 Festitalia Transportation**

**(Clark/Beattie)**

WHEREAS, the 50th Anniversary of Festitalia will be celebrated on June 20-22, 2025, with multiple events taking place across the City of Hamilton;

WHEREAS, Festitalia is a longstanding cultural festival that contributes to Hamilton's vibrancy and community spirit;

WHEREAS, transportation can be a barrier for seniors and those with mobility challenges in accessing festival events; and

WHEREAS, providing a complimentary shuttle service will enhance accessibility and community participation, particularly for the senior population;

THEREFORE, BE IT RESOLVED:

- (a) That a one-time exception to the Area Rating Special Capital Re-Investment Discretionary Fund Policy BE APPROVED to allow Ward 6 to provide a grant of up to \$3,300 to Festitalia Corporation, to fund a shuttle service, with the amount to be funded from the Ward 6 Capital Discretionary Account (3302309600);
- (b) That all funds allocated for this initiative be contingent upon the submission of appropriate supporting documentation, including receipts or paid invoices, to the satisfaction of the General Manager of Finance and Corporate Services;
- (c) That any funds allocated and distributed through the Ward 6 Community Grants Program be exempt on a one-time basis and not be counted toward any formula that restricts regular funding from the City including the City Enrichment Fund or the One-Time Enhancement Grant (e.g. the City's 30% formula); and
- (d) That the Mayor and City Clerk be authorized and directed to execute any required agreement(s) and ancillary documents, with such terms and conditions in a form satisfactory to the City Solicitor.

**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  
 YES - ACTING CHAIR - Ward 10 Councillor Jeff Beattie  
 YES - Ward 11 Councillor Mark Tadeson  
 YES - Ward 13 Councillor Alex Wilson  
 ABSENT - Ward 14 Councillor Mike Spadafora

#### **9.4 Support for Equipment Replacement, Seniors Outreach Services (SOS) Stoney Creek**

##### **(Clark/Beattie)**

WHEREAS, Seniors Outreach Services (SOS) is a Stoney Creek based, volunteer-led seniors support organization that enables seniors to remain independent in their homes in our Community for over 35 years;

WHEREAS, SOS provides services that include but are not limited to rides to healthcare appointments and shopping, lawn care and snow removal;

WHEREAS, SOS provides snow clearing for 104 seniors in all parts of Stoney Creek;



WHEREAS, SOS has a complement of 13 snow blowers, all of which are at or nearing the end of their operational life, are prone to breakdowns, and require a high level of maintenance;

WHEREAS, during the major snow event in February 2025, only 2 of the 13 units remained operational, which severely impeded the ability of SOS Volunteers undertake their work;

WHEREAS, after exhaustive research, SOS has identified the TORO 721 R-C snowblower unit as the preferred option for volunteers, due to its proven reliability, lightweight design, long service life, relative affordability and easy access to local parts supply, as compared to other units;

WHEREAS, SOS has confirmed the purchase of 14 snowblower units will allow them to maintain and enhance their snow clearing program for Stoney Creek Seniors, and increase the reach of their program to more clients, and;

WHEREAS, the GFL Stoney Creek Compensation Royalties Reserve #117036 supports community investment within the boundaries of the former City of Stoney Creek, and its intent aligns with supporting Community-Based efforts within the Stoney Creek Community;

THEREFORE, BE IT RESOLVED:

- (a) That the purchase of 14 snowblower units for Seniors Outreach Services be funded from the GFL Stoney Creek Compensation Royalties Reserve #117036 at an upset limit, including contingency and HST, not to exceed \$20,000;
- (b) That any funds allocated to Seniors Outreach Services be exempt on a one-time basis and not be counted toward any formula that restricts regular funding from the City, including the City Enrichment Fund or the One-Time Enhancement Grant (e.g. the City's 30% formula); and
- (c) That the Mayor and City Clerk be authorized and directed to execute any required agreements and ancillary documents, with such terms and conditions that are satisfactory to the City Solicitor.

**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  
YES - ACTING CHAIR - Ward 10 Councillor Jeff Beattie  
YES - Ward 11 Councillor Mark Tadeson  
YES - Ward 13 Councillor Alex Wilson  
ABSENT - Ward 14 Councillor Mike Spadafora

**10. NOTICES OF MOTION**

There were no Notices of Motion.

**11. PRIVATE AND CONFIDENTIAL**

Committee determined that discussion of Item 11.1 was not required in Closed Session; therefore, the matter was addressed in Open Session, as follows:

**11.1 Closed Session Minutes - April 10, 2025**

**(Clark/Hwang)**

That the Closed Session Minutes of the April 10, 2025 Audit, Finance and Administration Committee meeting, be adopted and remain confidential.

**CARRIED**

**12. ADJOURNMENT**

There being no further business, the Audit, Finance and Administration Committee, adjourned at 12:45 p.m.

Respectfully submitted,

Tamara Bates  
Legislative Coordinator  
Office of the City Clerk

Councillor J. Beattie,  
Acting Chair, Audit, Finance and  
Administration Committee



## City of Hamilton Report for Consideration

**To:** Chair and Members  
Audit, Finance and Administration Committee

**Date:** May 22, 2025

**Report No:** AUD25005

**Subject/Title:** Accounts Payable Special Investigation #2  
(Fraud and Waste Report #71958)

**Ward(s) Affected:** City Wide

---

### Recommendations

- 1) That the Management Responses as detailed in Appendix "A" to Report AUD25005 **BE APPROVED**; and
- 2) That the General Manager of Finance and Corporate Services **BE DIRECTED** to implement the management responses (attached as Appendix "A" to Report AUD25005) and report back to the Audit, Finance and Administration Committee by November 2025 on the nature and status of actions taken in response to the special investigation report.

### Key Facts

- A special investigation was conducted to investigate alleged fraudulent payments of over \$274,000 from late 2023 to early 2024.
- One of the City's vendors was victim of a Business Email Compromise Fraud.
- The special investigation found process weaknesses and an instance where standard operating procedures were not adhered to.
- Ultimately the City incurred unrecoverable losses of over \$274,000 due to fraudulent activity.
- The OAG notes that this is second incident of this nature, it is similar to Report AUD24001.
- OAG repeats its recommendations from Report AUD24001, and is making some additional recommendations.

## Financial Considerations

None.

## Background

This matter was initially reported to the Office of the Auditor General in early February 2024.

A police report was filed in mid-February 2024, thus requiring the OAG to inform Council of the matter. Confidential Report AUD24002 (Auditor General Reporting of Serious Matters to Council (Case #71958) went to the Audit, Finance and Administration Committee in late February 2024.

## Analysis

As a result of a Serious Matter reported to the Audit, Finance, and Administration Committee in February 2024 (Confidential Report AUD24002), the Office of the Auditor General (OAG) engaged investigative and forensic accounting specialists, Delta Consulting Group Canada Ltd. (Delta Consulting), to conduct an investigation on behalf of the Office of the Auditor General.

The purpose of this special investigation was to investigate alleged fraudulent payments of over \$274,000 processed by the City's Accounts Payable Section from late 2023 to early 2024. The OAG also requested that Delta Consulting provide the OAG with recommendations based on their investigation findings in order to improve processes.

Due to the materiality of the amount involved, and the fact that the special investigation findings are process focused and are similar in nature to audit recommendations, the OAG has decided to provide a high-level summary of the investigation and share the recommendations and management responses publicly, as an audit report would be shared.

The special investigation found process weaknesses and an instance where standard operating procedures were not adhered to, and ultimately the City incurred losses of over \$274,000 due to fraudulent activity.

A formal report, attached as Appendix "A" to Report AUD25005, summarizes the control weaknesses uncovered in the above investigation and contains the Office of the Auditor General's observations, recommendations and management's responses and planned course of action to those recommendations.

Overall, OAG has made four new recommendations and repeats the previous six recommendations to improve and controls within the Accounts Payable processes, with a focus on vendor information changes. One recommendation was made to improve the City of Hamilton's Fraud Policy and Protocol.

Management responses were received for all ten recommendations. Overall management agrees with all of the recommendations. We are requesting that Council direct staff to

report back on their progress on management response implementation to the Audit, Finance and Administration Committee in November 2025.

## Alternatives

Not applicable.

## Relationship to Council Strategic Priorities

- 3. Responsiveness & Transparency
  - 3.3. Build a high performing public service
  - 3.4. Modernize City systems

## Previous Reports Submitted

- [Report AUD25004, Accounts Payable Special Investigation: CityHousing Hamilton Investigation Summary \(Fraud and Waste Report #73367\)](#)
- Confidential Report AUD24002, Auditor General Reporting of Serious Matters to Council (Case #71958)
- [Report AUD24001, Accounts Payable Special Investigation \(Fraud and Waste Report #65357\)](#)

## Consultation

Appendix “A” to Report AUD25005 includes responses from management responsible for overseeing the Accounts Payable process in the Financial Services Division in the Corporate Services Department.

The Legal and Risk Management Services Divisions in the Corporate Services Department were consulted during this special investigation.

## Appendices and Schedules Attached

Appendix “A” to Report AUD25005 – Accounts Payable Special Investigation #2: Summary, Recommendations, and Management Responses.

**Prepared by:**

- Brigitte Minard, Deputy Auditor General  
Office of the Auditor General
- Charles Brown, Auditor General  
Office of the Auditor General
- Delta Consulting Group Canada Ltd.

**Submitted and recommended by:**

- Charles Brown, CPA, CA  
Auditor General  
Office of the Auditor General



Office of the  
Auditor General  
City of Hamilton

## **Accounts Payable Special Investigation #2 (Fraud and Waste Report #71958) Summary, Recommendations, and Management Responses**



**May 22, 2025**

Charles Brown, Auditor General

Brigitte Minard, Deputy Auditor General

Delta Consulting Group

Management Responses provided by Finance and Corporate Services.

## Contents

|  |    |
|--|----|
| Investigation Summary .....  | 3  |
| 1. Authorized Vendor Personnel for Vendor Information Change ..... | 5  |
| Recommendation 1 .....   | 5  |
| Management Response - Update .....                                 | 5  |
| 2. Vendor Communications on Information Change .....               | 5  |
| Recommendation 2 .....   | 5  |
| Management Response - Update .....                                 | 6  |
| 3. Confirmation Procedures of Vendor Information Change.....       | 6  |
| Recommendation 3 .....   | 6  |
| Management Response - Update .....                                 | 6  |
| 4. Information Required on the EFT Form.....                       | 7  |
| Recommendation 4 .....   | 7  |
| Management Response - Update .....                                 | 7  |
| 5. Review of Information on the Void Cheque.....                   | 7  |
| Recommendation 5 .....   | 7  |
| Management Response - Update .....                                 | 7  |
| 6. Training of Accounts Payable Staff.....                         | 8  |
| Recommendation 6 .....   | 8  |
| Management Response - Update .....                                 | 8  |
| Additional Recommendation 1 .....                                  | 9  |
| Management Response .....  | 9  |
| Additional Recommendation 2.....                                   | 9  |
| Management Response .....  | 9  |
| Additional Recommendation 3.....                                   | 10 |
| Management Response .....  | 10 |
| Additional Recommendation 4 .....                                  | 10 |
| Office of the Auditor General Response.....                        | 10 |

## Investigation Summary

In late November 2023, the City of Hamilton received an email from a person, posing as a vendor, asking to change the vendor's banking information for payments (known as Electronic Fund Transfers, or EFTs). After exchange of emails, and the submission by the imposter of the required forms and documentation, the vendor's banking information was changed.

About a month later, another email request came in from the imposter asking to change the vendor's banking information for payments in January. Again, after some exchange of emails, and submission of the required forms and documentation, the vendor's banking information was changed for a second time.

In early February 2024, the real vendor called the City claiming that they had not received any payments since mid-November 2023.

Ultimately, several payments totalling over \$274,000 had been diverted to a fraudster's two bank accounts.

City of Hamilton Accounts Payable informed the Office of the Auditor General (OAG) of the incident, and the OAG reported the matter to the Hamilton Police Service. A "Serious Matter" Report was then provided to Council in late February 2024 (AUD24002). The OAG engaged Delta Consulting Group Canada Ltd. (Delta Consulting) to complete an investigation on behalf of the Office of the Auditor General.

The investigation found that the vendor did not have any connections with the fraudulent transactions, and in fact had fallen victim to a "Business Email Compromise" scam. An unknown perpetrator was successful in hacking into their computer system, including receiving, sending, and intercepting emails using their email account. This enabled them to pose to the City as a legitimate vendor.

A business email compromise (BEC) scam is a type of cybercrime where attackers gain access to and/or make use of a company's email system. The main components include:

- **Unauthorized access:** Attackers may obtain access to the target's email system, either by stealing login credentials or using other methods.
- **Impersonation:** Once the attacker is inside, they study communication patterns and identify key people.
- **Social Engineering:** The attacker then uses the information obtained to impersonate trusted individuals in the company and send fraudulent emails that seem legitimate.
- **Deceptive Requests:** The fraudulent email contains a request to do something that is "urgent" (e.g. transfer money) or make changes to banking information.



- **Financial Loss:** The target may not detect the scam and may comply with the request. If changes to banking information were made, payment is sent to the attacker's bank account.

Source: ChatGPT, December 18, 2023, search term: "explain business email compromise scam in plain language", edited and summarized by Office of the Auditor General for initial use in Report AUD24001.

The investigation included the use of Norwich Orders, which is a court order that compels a third party to produce evidence in its possession – in this case the banks that were in receipt of funds allegedly procured by fraud. This allowed deposit and banking transaction and ownership details to be obtained. The funds were traced to multiple bank accounts, including one in another city, and we continued to follow the money until the funds were found to be dissipated. A Mareva Injunction was also used so that any funds that were located could be frozen. However, the investigation found that the funds were quickly depleted out of the relevant bank accounts.

Ultimately, the City made payments totalling \$274,243.48 to two illegitimate vendor bank accounts in the November 27, 2023 to January 29, 2024 period. The vendor did not notice that payments were not being made which exacerbated the fraud. The Accounts Payable department had three specific opportunities to detect the business e-mail compromise that resulted in the loss to the City, including the two vendor bank account change requests and a return of \$84,150 from one of the bank accounts which was replenished to another newly opened bank account.

Ultimately no funds were recovered despite the combined efforts of the OAG, our investigator Delta Consulting, and City Hamilton Legal Services. Any recoveries are expected to be nominal, as the fraudsters' bank accounts have minimal remaining account balances.

We found no evidence of any involvement in the fraud by City of Hamilton employees. However, City employees made mistakes, overlooked red flags, and did not follow due diligence procedures emphasized in fraud-related training provided a few months prior to the fraudulent transactions.

The investigation was completed and based on information that was collected we believe the fraud was carried out by a person or persons in the United States, using bank accounts in Canada of so-called dupes, or accounts opened with synthetic identities that were created using manipulated identity documents obtained through identity theft. Stolen identity information is bought and sold on the dark web.

The Hamilton Police Service were provided with our investigation report for use in their investigation, and the OAG, with the assistance of Delta Consulting, set out to identify how procedures could be improved to prevent future occurrences, and to minimize such risk. This report summarizes our findings and conclusions.

This is the second such incident that the OAG has investigated. The previous investigation summary (Report AUD24001) included six recommendations. These recommendations are again repeated here because they are again relevant to this investigation, along with four additional recommendations. Management agreed with the previous recommendations. The observations and corresponding recommendations are included below:

## Previous Recommendations

### 1. Authorized Vendor Personnel for Vendor Information Change

#### Recommendation 1

That the City's Accounts Payable department keep an updated profile of vendor information, including authorized signatories and vendor contact information. Only the vendor's authorized signatory should be permitted to initiate a vendor information change.

#### Management Response - Update

**Agree.**

The medium-term enterprise resource planning (ERP) system implemented in Q2 2025 includes a workflow approval for all new vendor requests. Furthermore, the system includes a 2-level workflow approval for all new bank records and bank changes. In addition, banking change procedures include the requirement for documented approvals, including the signature of an officer of the vendor who has the authority to bind the organization. Furthermore, these procedures include the additional step of direct contact with the vendor, using suitable contact information. Additionally, verification questions to those confirming bank details will be asked. This further validates that the information provided is correct and not from a single source.

**Expected Completion: Completed.**

### 2. Vendor Communications on Information Change

#### Recommendation 2

That Accounts Payable staff use only contact information on the City's vendor profile or vendor invoices (independent of the completed EFT Form) to communicate and confirm vendor information changes. Additionally, we recommend that Accounts Payable staff

avoid replying directly to the email request but rather initiate a new email communication with the vendor using the contact information on file.

## Management Response - Update

### Agree.

Accounts Payable staff have been trained to verify requestor information. Staff are trained and are required to use appropriate vendor contact information. Staff have been trained which source(s) of contact information is appropriate, including the exclusion of the vendor phone number on the EFT change form.

Staff will be trained to initiate a new email communication with vendor using the appropriate contact information when actioning any vendor information changes. Furthermore, all bank changes still require a verbal confirmation using the procedures put in place.

**Expected Completion: Q2 2025.**

## 3. Confirmation Procedures of Vendor Information Change

### Recommendation 3

That Accounts Payable staff confirm the identity of the requestor before proceeding with any vendor information change – only an authorized signatory should be permitted to initiate vendor information changes. For example, Accounts Payable staff may ask questions to have the vendor's authorized signatory verify vendor profile information on file, such as its old bank account number, prior vendor payment history or prior invoices.

## Management Response - Update

### Agree.

Accounts Payable staff have been trained to verify requestor information by verbally contacting vendor using appropriate vendor contact information, excluding the EFT change form. Vendor contact information will include documentation executed by an officer who has authority to bind the company.

Under the newly implemented medium-term (ERP) solution the Accounts Payable department has built in a two-level approval process which includes one supervisor or delegate approving. All bank requests and changes require two levels of approval by trained staff. Accounts payable staff use a standard form with verification questions to ask vendor when requests for bank changes come through. Approvers verify processes were followed and information changed was accurately updated and documented.

Accounts Payable does not hold a signatory listing for vendors. To mitigate risks to the City, all bank changes require the EFT change request form to be signed by an officer who has binding authority. Verbal verification is done to ensure information is correct and not completed by a single source.

**Expected Completion: Completed.**

#### **4. Information Required on the EFT Form**

##### **Recommendation 4**

That the EFT Form be amended to include the vendor's old bank account information and/or last payment information to deter a scammer from submitting the request without the required information.

##### **Management Response - Update**

**Agree.**

The EFT change form has been updated. Vendor is required to verify old banking information and/or prior payment history as well as additional information.

**Expected Completion: Completed.**

#### **5. Review of Information on the Void Cheque**

##### **Recommendation 5**

That Accounts Payable staff familiarize themselves with a standard void cheque and independently verify banking information such as transit branch number and address of the branch, and ensure it is consistent with other vendor information in the circumstances (for example, locations of operations etc.).

##### **Management Response - Update**

**Agree.**

Accounts Payable staff are required to verify transit branch number and address of branch are consistent with vendor location of operations. Staff are required to verbally confirm bank changes with vendor using appropriate contact information.

Under the newly implemented medium-term ERP solution, Accounts Payable has built in a two-level approval process which includes a supervisor or delegate approving. All

bank requests and changes require two levels of approval by trained staff. Prior to making any bank changes, Accounts payable staff ask vendor verification questions. Approvers will verify processes were followed and information changed was accurately updated and documented.

**Expected Completion: Completed.**

## **6. Training of Accounts Payable Staff**

### **Recommendation 6**

That all Accounts Payable staff dealing with vendor information change and payments processing receive training on risks related to business email compromise and the need to independently verify vendor information change or requested payments to avoid further losses to the City.

### **Management Response - Update**

**Agree.**

Accounts Payable procedural training took place in 2023 on vendor file changes. Additional fraud prevention training was also conducted with Accounts Payable staff and was extended to city wide employees. Training session topics included impacts of fraud, fraud detection and fraud prevention. This additional training also took place in 2023.

Accounts Payable staff were recently trained on vendor file changes and vendor payment process as part of our newly implemented medium term ERP solution.

The Accounts Payable Manager will ensure regular training is provided to staff annually. New staff will be trained prior to making any vendor changes. Training will include review of procedures, risks of business email compromise and potential red flags to watch for.

**Expected Completion: Completed.**

## Additional Recommendations

### Additional Recommendation 1

We recommend that all Accounts Payable staff dealing with vendor information change and payments processing receive additional periodic training on risks related to business email compromise and "red flags".

#### Management Response

**Agree.**

The Manager of Accounts Payable will continue to keep staff informed of business email compromise and "red flags" related to vendor information change and payment processing. Training will be provided to all Accounts Payable staff who are involved in these processes annually with formal sign off or tracking of attendance. Training will be conducted more frequently if changes in the market occur, or procedures change.

**Expected Completion: Completed.**

### Additional Recommendation 2

We recommend that all vendor bank account changes require a detailed review by a Supervisor with adequate training to detect red flags and anomalies in possible business email compromises and to ensure the vendor been appropriately contacted to confirm the request. We further recommend that the review be appropriately documented prior to updating vendor records.

#### Management Response

**Agree.**

Under the newly implemented medium-term ERP solution the Accounts Payable department has built in a two-level approval process which includes a supervisor or delegate approving. All bank changes require two levels of approval by separately trained staff. Accounts payable staff will appropriately document all verification questions asked during verbal phone call with vendor. A standard form has been created for Accounts Payable staff to follow. The approvers will ensure form has been completed and appropriate actions taken.

**Expected Completion: Completed.**

### Additional Recommendation 3

We recommend that the City develop a process to verify appropriate vendor contacts with City departments to ensure that Accounts Payable staff contact appropriate vendor personnel in relation to vendor change requests.

### Management Response

**Agree.**

EFT change form is to be signed by vendor officer that has authority to bind the company. Accounts Payable staff have been directed and trained to confirm contact information from appropriate source(s), excluding the EFT change form. If Accounts Payable staff are unable to verify appropriate vendor contact, they are to reach out to City client area for assistance in contacting appropriate vendor contact information.

**Expected Completion: Completed.**

### Additional Recommendation 4

We recommend that the City review the current Fraud Policy and Protocol and update the policy based on lessons learned subsequent to June 2019 in relation to investigative and recovery-related procedures and protocols.

### Office of the Auditor General Response

**Agree.**

The Fraud Policy and Protocol has been revised by the OAG and is on the May 22, 2025, Audit, Finance and Administration Committee agenda for review and approval of Committee and Council. The corporate-wide Policy Review Group was consulted and feedback obtained during the revision process.

**Expected Completion: Completed.**



## Office of the Auditor General

City of Hamilton

**Charles Brown** CPA, CA  
Auditor General

**Brigitte Minard** CPA, CA, CIA, CGAP, CFE  
Deputy Auditor General

**Phone:** 905-546-2424 ext. 2257  
**Email:** [auditorgeneral@hamilton.ca](mailto:auditorgeneral@hamilton.ca)  
**Website:** [hamilton.ca/audit](http://hamilton.ca/audit)



### **SPEAK UP – Reporting Fraud and Waste**

**Online:** [hamilton.ca/fraud](http://hamilton.ca/fraud)  
**Phone:** 1-888-390-0393  
**Mail:** PO Box 91880, West Vancouver, BC V7V 4S4  
**Email:** [cityofhamilton@integritycounts.ca](mailto:cityofhamilton@integritycounts.ca)  
**Fax:** 1-844-785-0699

Copies of our audit reports are available at: [hamilton.ca/audit](http://hamilton.ca/audit)  
Alternate report formats available upon request.





Office of the  
Auditor General  
City of Hamilton

## **Accounts Payable Special Investigation #2:**

### **Investigation Summary (Fraud and Waste Report #71958)**

Charles Brown, Auditor General  
Ken Froese, Delta Consulting Group



Audit, Finance and Administration Committee - May 22, 2025

- Gained an understanding of the incident involving alleged fraudulent payments of over \$274,000 over a period of approx. 2 months.
- Gained an understanding of operational processes regarding Accounts Payable.
- Procured Delta Consulting Group Canada Ltd. to complete the investigation on our behalf, while providing investigation support and maintaining oversight of the investigation process to ensure quality and value were received.



- In November 2023, the City received an email from a person, posing as a vendor, to change a vendor's bank account details that were used for electronic funds transfer. The banking changes were processed, diverting any future payments to the fraudster's account.
- A second email was received from the same person in late December 2023/early January 2024, posing as a vendor, to change (again) the vendor's bank account details use for electronic funds transfer. The banking changes were processed diverting any future payments to the fraudster's account.
- In February 2024, the real vendor called the City, claiming they had not received any payments since mid-November 2023.



- The incident was reported to the Auditor General who informed Council in a confidential “Serious Matters Report”. OAG reported it to Hamilton Police Service.
- With the assistance of Delta Group and the City’s Legal Services, funds were traced to multiple bank accounts through Norwich Orders – a court order that compels a third party to produce relevant documents – in this case bank account information.
- The investigation included the use of Norwich Orders, which is a court order that compels a third party to produce evidence in its possession – in this case the banks that were in receipt of funds allegedly procured by fraud. This allowed deposit and banking transaction and ownership details to be obtained.



- The investigation found that the vendor did not have any connections with the fraudulent transactions, and in fact had fallen victim to a “Business Email Compromise” scam. An unknown perpetrator was successful in hacking into their computer system and manipulating their emails.
- The Accounts Payable department had three specific opportunities to detect the business e-mail compromise that resulted in the loss to the City, including two vendor bank account change requests and a return of \$84,150 from one of the bank accounts which was replenished to another newly opened bank account.
- We found no evidence of any involvement in the fraud by City of Hamilton employees. Rather, City employees made mistakes, overlooked red flags, and did not follow due diligence procedures emphasized in fraud-related training provided a few months prior to the fraudulent transactions.



- No funds were recovered despite the combined efforts of the OAG, our investigator Delta Consulting, and City Hamilton Legal Services.
- The \$274,000 of funds were quickly transferred out of the relevant bank accounts.
- Based on information that was collected we believe the fraud was carried out by a person or persons in the United States, using bank accounts in Canada of so-called dupes, or accounts opened with synthetic identities that were created using manipulated identity documents obtained through identity theft.
- The OAG provided its information and reports to Hamilton Police to further their investigation.



# Ken Froese, Senior Managing Director

## Delta Consulting Group Canada Ltd.





## Delta Consulting - Investigation Summary

---

- Delta Consulting Background
- Investigation Mandate from OAG: investigate alleged fraudulent payments of over \$274,000.
  - Review of documentation, interviews with relevant staff and vendors, obtaining Norwich Orders, Mareva Injunction.
  - What happened, what was recovered.
  - Investigation findings and recommendations.
    - What internal control issues may have contributed to the issue.
    - What the current risk environment is for these type of issues.



- 1) We recommend that the City's Accounts Payable department keep an updated profile of vendor information, including authorized signatories and vendor contact information. Only the vendor's authorized signatory should be permitted to initiate a vendor information change.
- 2) That Accounts Payable staff use only contact information on the City's vendor profile or vendor invoices (independent of the completed EFT Form) to communicate and confirm vendor information changes. Additionally, we recommend that Accounts Payable staff avoid replying directly to the email request but rather initiate a new email communication with the vendor using the contact information on file.
- 3) That Accounts Payable staff confirm the identity of the requestor before proceeding with any vendor information change – only an authorized signatory should be permitted to initiate vendor information changes. For example, Accounts Payable staff may ask questions to have the vendor's authorized signatory verify vendor profile information on file, such as its old bank account number, prior vendor payment history or prior invoices.



- 4) That the EFT Form be amended to include the vendor's old bank account information and/or last payment information to deter a scammer from submitting the request without the required information.
- 5) That Accounts Payable staff familiarize themselves with a standard void cheque and independently verify banking information such as transit branch number and address of the branch, and ensure it is consistent with other vendor information in the circumstances (for example, locations of operations etc.).
- 6) That all Accounts Payable staff dealing with vendor information change and payments processing receive training on risks related to business email compromise and the need to independently verify vendor information change or requested payments to avoid further losses to the City.



- 1) We recommend that all Accounts Payable staff dealing with vendor information change and payments processing receive additional periodic training on risks related to business email compromise and “red flags”.
- 2) We recommend that all vendor bank account changes require a detailed review by a Supervisor with adequate training to detect red flags and anomalies in possible business email compromises and to ensure the vendor been appropriately contacted to confirm the request. We further recommend that the review be appropriately documented prior to updating vendor records.
- 3) We recommend that the City develop a process to verify appropriate vendor contacts with City departments to ensure that Accounts Payable staff contact appropriate vendor personnel in relation to vendor change requests.
- 4) We recommend that the City review the current Fraud Policy and Protocol and update the policy based on lessons learned subsequent to June 2019 in relation to investigative and recovery-related procedures and protocols.



- Six recommendations were previously made to the Financial Services Division. We repeat these recommendations and make an additional three recommendations.
  - Management agreed with all recommendations.
- Management is currently working on implementing their management responses.
- OAG is recommending that Council directs the General Manager to report back with a status update by November 2025.



- One recommendation was made to the OAG to update the Fraud Policy and Protocol.
- OAG agreed with the recommendation. The Policy update is an agenda item today.





THANK YOU



## City of Hamilton Report for Consideration

**To:** Chair and Members  
Audit, Finance and Administration Committee

**Date:** May 22, 2025

**Report No:** AUD25006

**Subject/Title:** Fraud, Waste, and Whistleblower Semi-Annual Update

**Ward(s) Affected:** (City Wide)

---

### Recommendations

- 1) That Appendix "A" respecting revisions to the Fraud Policy and Protocol (to be known as the Fraud and Waste Policy and Protocol) **BE APPROVED**.

### Key Facts

- The Whistleblower By-law, No. 19-181 requires semi-annual reporting of whistleblower activity by the Office of the Auditor General (OAG).
- This report fulfils the reporting obligation for the second half of 2024 (July to December).
- Additionally, the Fraud Policy and Protocol has not been revised since the launch of the Fraud and Waste Hotline in 2019.
- Report AUD25005 included a recommendation that the Fraud Policy and Protocol be updated to reflect current practices including the use court orders, injunctions, and recovery of funds.
- The OAG has revised the document, the Fraud and Waste Policy and Protocol and recommends that Council approve the revisions.

## **Financial Considerations**

Not applicable.

## **Background**

### **Council Direction**

### **Whistleblower By-law**

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

The fifth Fraud and Waste Annual Report (AUD24006) was presented to the Audit, Finance and Administration Committee on November 21, 2024. Report AUD24006 fulfilled the semi-annual reporting requirement for January to June 2024, as it contained the information required by the Whistleblower By-law.

### **Fraud Policy and Protocol**

The Fraud Policy and Protocol was first approved by City Council in April 2003. In 2019, some minor administrative changes were made by the Auditor General and HR advised that Council approval was not required because the updates were minor and administrative.

The Fraud and Waste Hotline was made permanent by City Council in early 2023, and the OAG's investigative techniques have become increasingly more sophisticated, and the Fraud Policy and Protocol needs to be revised to reflect current assessment investigative practices. The revisions proposed in this report require Council approval because they are substantial. The proposed document is included as Appendix "A" to Report AUD25006, with side-by-side analysis against the current Fraud Policy and Protocol is included as Appendix "B" to Report AUD25006.

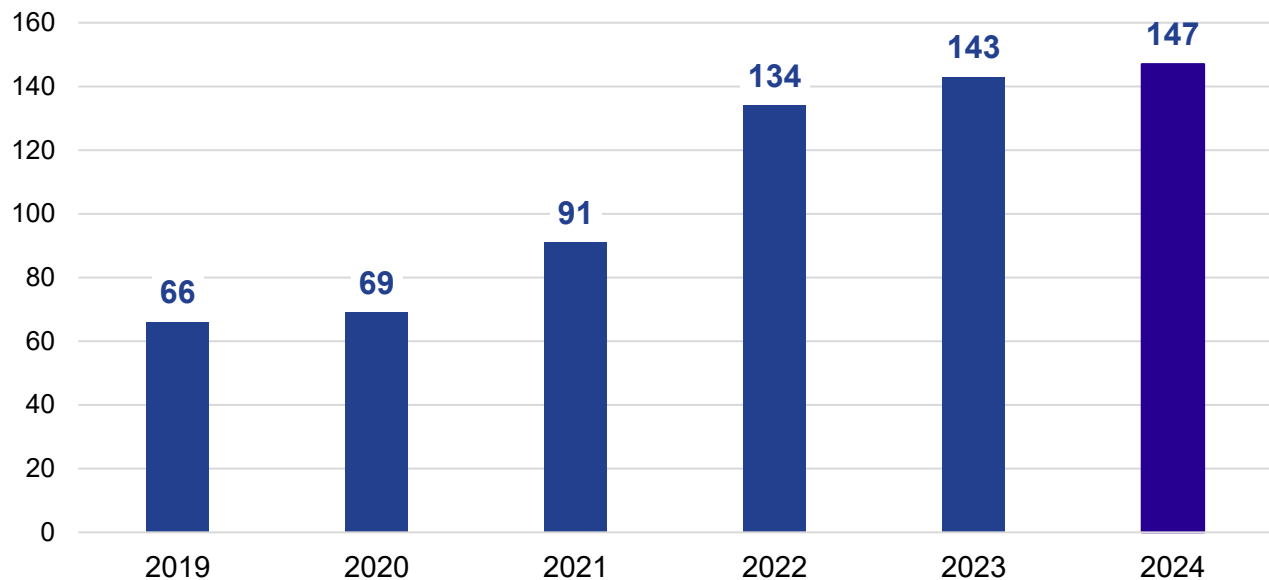
## **Analysis**

This Report contains information about the number, nature and outcome of Whistleblower disclosures relating to By-law 19-181, along with information about Fraud and Waste reports received from July to December 2024, along with historical information.



## Fraud and Waste Report Volume Since Hotline

### Fraud and Waste Report Volume



## Semi-Annual Summary (July 2024 to December 2024)

### Report Type

The following table shows Fraud and Waste reporting activity for the second half of 2024 and the disposition of each report, including the number that resulted in an investigation being undertaken.

| Report Type   | Volume    |
|---|-----------|
| Referral - Response Required                                    | 27        |
| Referral - No Action Required                                   | 5         |
| Investigations Launched   | 8         |
| No Response Required/Not Enough Information/Out of Jurisdiction | 30        |
| Assessment In Progress  | 8         |
| <b>Total Reports (July 2024 to December 2024)</b>               | <b>78</b> |

## Report Category

A wide variety of reports were received by the Office of the Auditor General for the six-months July 2024 to December 2024. The most common report categories were the following:

| Report Category                                   | Volume    |
|---|-----------|
| Multiple Categories Applicable                    | 19        |
| Social Services – Fraud/Wrongdoing                | 16        |
| Time Theft and/or Misconduct                      | 10        |
| Out of Jurisdiction                               | 9         |
| Other Various Category                            | 7         |
| Service Complaint/Concern                         | 6         |
| Conflict of Interest                              | 3         |
| Improper Financial Reporting/Budgeting            | 3         |
| Waste/Mismanagement                               | 3         |
| Fraud   | 1         |
| Misuse of Asset                                   | 1         |
| <b>Total Reports (July 2024 to December 2024)</b> | <b>78</b> |

## Investigations Launched – Types

The following table shows a breakdown of the subject matter of the investigation for those launched for reports received from July 2024 to December 2024.

| Types of Investigations Launched   | Volume   |
|--|----------|
|  Fraud  | 1        |
|  Waste/Mismanagement  | 3        |
|   Combined Fraud and Waste/Mismanagement | 3        |
| In Progress (Type to be determined)  | 1        |
| <b>Total Investigations (July 2024 to December 2024)</b>   | <b>8</b> |

Each investigation is unique and has a customized approach. The length of time to complete an investigation varies depending on the number of allegations, the scope of the investigation, and the complexity of the matter being investigated.

In the second half of 2024, one investigation is in the early stages of investigation and the type is not yet finalized. It should be noted that the definition of fraud is narrower than waste/mismanagement. Fraud encompasses any array of irregularities and illegal acts characterized by intentional deception (forgery, alteration of documents, misrepresentation of information, misappropriation, unauthorized use, disappearance, destruction of assets, authorizing payment for goods/services not received, improper handling of money, false claims, violations of Code of Conduct).

Waste involves taxpayers not receiving reasonable value for money in connection with any government funded activities, due to mismanagement or an inappropriate or careless act or omission by those with control over or access to government resources. Importantly, waste goes beyond fraud and doesn't necessarily involve a violation of law.

Waste relates primarily to poor management, imprudent expenditure, inadequate oversight or abuse of policy and includes incurring unnecessary costs or risks due to ineffective practices, systems or controls.

### Whistleblower By-law Disclosures

The following table lists the number of Hotline reports that involve reporting by a qualifying Whistleblower. The comparative data is for the time period since the Fraud and Waste Hotline launched in July 2019.



#### Qualifying Whistleblower By-law Disclosures

| Year | Period: July to December | Period: January to June       |
|------|--------------------------|-------------------------------|
| 2024 | 2                        | 4                             |
| 2023 | 0                        | 1                             |
| 2022 | 3                        | 2                             |
| 2021 | 1                        | 2                             |
| 2020 | 1                        | 0                             |
| 2019 | 2                        | Hotline Launched July 1, 2019 |

Under By-law 19-181 (Whistleblower By-law), Section 6 – Requirements with Respect to a Qualifying Disclosure, the employee making the disclosure of serious wrongdoing identified themselves and their position with the City; the employee making the disclosure of serious wrongdoing has reasonable grounds to believe there has been

serious wrongdoing by one or more employees; the employee making the disclosure of serious wrongdoing does so in good faith; the employee's disclosure of serious wrongdoing was made to the Auditor General.

In the six-month period from July 2024 to December 2024, two reports were determined to be a qualifying disclosure per the Whistleblower By-law, as assessed by the Office of the Auditor General. There is also one report where assessment is in progress, if it is found to be a qualifying disclosure it will be reported in future periods.

For the first report, the category is Conflict of Interest. The outcome is not yet available as the investigation is in progress.

For the second report, the category is Multiple Categories Applicable (Conflict of Interest, Employee Misconduct, Procurement Irregularities). The outcome is not yet available as the matter is in progress.

## Employees

### Reports Self-Identified as Employee

| Period                                     | % Self-Identified as Employee |
|--|-------------------------------|
| July 1, 2024 to December 31, 2024*         | 51%                           |
| July 1, 2023 to June 30, 2024 <sup>0</sup> | 46%                           |
| July 1, 2022 to June 30, 2023              | 48%                           |
| July 1, 2021 to June 30, 2021              | 64%                           |
| July 1, 2020 to June 30, 2021              | 59%                           |
| July 1, 2019 to June 30, 2020              | 46%                           |

\*Note: The upcoming Annual Fraud and Waste Report will include the % Self-Identified as Employee for the period July 1, 2024 to June 30, 2025.

The Office of the Auditor General continues to encourage employees and management to submit reports and thanks all those that submitted reports for this reporting period, and for their cooperation during report assessments and investigations. Additional information about anonymous reports and reports submitted by management will be included in the annual report.

## Serious Matters Reporting

All items qualifying as a "Serious Matter" per the "Auditor General Reporting of Serious Matters to Council Policy" for the reporting period have been previously reported to

Council. As at December 31, 2024, there were fifteen items that qualified under this Policy since it was approved by Council in July 2020.

### Serious Matters Reported to Council

| Year         | Report Volume |
|--------------|---------------|
| 2024         | 4             |
| 2023         | 4             |
| 2022         | 3             |
| 2021         | 2             |
| 2020*        | 2             |
| <b>Total</b> | <b>15</b>     |

\*Note: Auditor General Reporting of Serious Matters to Council Policy launched in 2020.

### Annual Report

A more detailed annual report containing additional analysis, case samples and outcomes will be completed after the twelve-month period of July 2024 to June 2025 has ended. The Fraud and Waste Annual Report is expected be submitted to the Audit, Finance, and Administration Committee in Q4 of 2025.

### Policy Implications and Legislated Requirements

Whistleblower By-law No. 19-181

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

### Alternatives

Not applicable.

### Relationship to Council Strategic Priorities

3. Responsiveness & Transparency
  - 3.2. Get more people involved in decision making and problem solving
  - 3.3. Build a high performing public service

## Previous Reports Submitted

[Report AUD24006 Fraud and Waste Annual Report](#)

## Consultation

Human Resources and Legal and Risk Management Services were consulted as required during the assessment and investigation of Fraud and Waste Hotline reports.

Management was informed of reports relating to their area of responsibility.

Regarding Appendix A, the proposed revisions to the Fraud (and Waste) Policy and Protocol, the corporate-wide Policy Review Group chaired by Human Resources reviewed the proposed revisions and provided feedback to the OAG. This included staff from Legal Services and representatives from each Department.

## How to Submit a Report



The Fraud and Waste Hotline is available for the public, employees, and vendors that do business with the City of Hamilton.

The Fraud and Waste Hotline accepts reports through the following methods:

- **Online:** [www.hamilton.ca/fraud](http://www.hamilton.ca/fraud) A "Submit Report" button links to the third-party vendor page
- **Email:** [cityofhamilton@integritycounts.ca](mailto:cityofhamilton@integritycounts.ca)
- **Phone:** 1-888-390-0393
- **Mail:** PO Box 91880, West Vancouver, BC V7V 4S4
- **Fax:** 1-844-785-0699

If any reports are received directly by the Office of the Auditor General by telephone, email, fax, mail, or the web-based suggestions form ([www.hamilton.ca/audit](http://www.hamilton.ca/audit)) these complaints are entered directly into the Hotline case management system and assessed similar to any other report.

## **Appendices and Schedules Attached**

Appendix A – Proposed Fraud and Waste Policy and Protocol

Appendix B – Side by Side Text Comparison – Fraud (and Waste) Policy and Protocol

**Prepared by:**

Brigitte Minard, Deputy Auditor General  
Office of the Auditor General

Cindy Purnomo Stuive, Audit and Investigations Analyst  
Office of the Auditor General

Charles Brown, Auditor General  
Office of the Auditor General

**Submitted and  
recommended by:**

Charles Brown, CPA, CA  
Auditor General  
Office of the Auditor General

|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 1 of 13            |  | Initial Approval: 2003-04-10 |

## ***FRAUD AND WASTE POLICY AND PROTOCOL***

### **POLICY STATEMENT**

This Policy and Protocol addresses specific guidelines and responsibilities regarding appropriate actions for detecting, reporting and investigating fraud, waste, dishonesty or other similar irregularities.

The City of Hamilton is committed to protecting its revenue, property, information and other assets from any attempt, by any party, to gain improper financial or other benefits by deceit or wrongdoing. It is also committed to protecting the City against wasteful and ineffective practices, recognizing all employees have a role to play in exercising stewardship over public assets.

The City of Hamilton will identify and promptly investigate any possibility of fraudulent or related dishonest activities against the City of Hamilton and, when appropriate, pursue legal remedies available under the law.

The City of Hamilton will take appropriate disciplinary and legal actions against employees and/or entities including the possibility of termination of employment or contract, restitution, and forwarding information to the appropriate authorities for criminal prosecution, as appropriate.

This Policy and Protocol will attempt to clarify acts that are considered to be fraudulent, dishonest, or wasteful conduct, and describe the steps to be taken when fraud, waste or other related irregularities are suspected or have occurred, including those that may violate the City's Code of Conduct ("fraud and waste").

The Office of the Auditor General (OAG) is available and receptive to receiving relevant information on a confidential basis to the extent allowed by law. Individuals have the right to contact the OAG directly and discreetly, whenever waste, a dishonest, or fraudulent activity is suspected. This includes making a complaint via the City of Hamilton's Fraud and Waste Hotline.



|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 2 of 13            |  | Initial Approval: 2003-04-10 |

|                      |  |
|----------------------|--|
| <b>PURPOSE</b>       | <p>The purpose of the Fraud and Waste Policy and Protocol is to set out the terms, principles and processes that guide employee conduct and management action.</p> <p>The Policy also explains the options for employees to report instances of fraud and waste.</p>   |
| <b>APPLICABILITY</b> | <p>This Policy and Protocol applies to Council members, all employees of the City of Hamilton, of local boards, agencies and commissions over which Council has authority to require general procedures to be followed, including but not limited to permanent, temporary and contract employees, volunteers, students and interns (collectively called “Employees”).</p> <p>The following are examples (and not an exhaustive list) of fraudulent or dishonest acts that are intended to be within the application of this policy and protocol:</p> <ul style="list-style-type: none"> <li>• Misapplication, misappropriation, or misuse of City assets.</li> <li>• Impropriety with respect to the reporting of financial or other information.</li> <li>• Forgery or alteration of documents.</li> <li>• Acceptance of gifts or favours from existing or potential suppliers, vendors or funding recipients.</li> <li>• Wrongful destruction or disappearance of records or assets.</li> <li>• Undisclosed/inappropriate conflicts of interest.</li> <li>• Dishonesty in the conduct of City business.</li> <li>• Wrongful tampering or interference with City systems, programs, or devices.</li> <li>• Inappropriate disclosure of information or intentionally gaining unauthorized access to information.</li> <li>• Personal benefits being obtained from proprietary knowledge, information, technology or from influence.</li> <li>• Breaches of trust.</li> </ul> |

|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 3 of 13            |  | Initial Approval: 2003-04-10 |

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>False claims for expense reimbursement or hours worked/time reporting.</li> <li>False claims for employer provided extended health and dental benefits.</li> <li>Related violations of Code of Conduct, Federal, or Provincial Law.</li> <li>Any other similarly fraudulent or dishonest act or irregularity.</li> </ul> <p>The following are not within the application of this policy and protocol:</p> <ul style="list-style-type: none"> <li>Harassment</li> <li>Discrimination</li> <li>Lack of employee performance</li> <li>Contravention of the Occupational Health and Safety Act</li> <li>Break-ins</li> <li>Vandalism</li> </ul>  |
| <b>DEFINITIONS</b><br><br><b>Fraud</b> | <p>The following terms referenced in this Policy are defined as:</p> <p>For the purposes of this Policy and Protocol, fraud encompasses any array of irregularities and illegal acts characterized by intentional deception to wrongfully obtain unauthorized benefits. Dishonest or fraudulent activities include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>Forgery or wrongful alteration of documents.</li> <li>Misrepresentation of information.</li> <li>Misappropriation or diversion of funds or other assets.</li> <li>Falsified claims for benefits or reimbursement.</li> <li>Breach of trust with respect to duties.</li> </ul> |
| <b>Waste (Mismanagement)</b>           | <p>Waste involves taxpayers not receiving reasonable value for money in connection with any government funded activities, due to mismanagement or an inappropriate or careless act or omission by those with control over or access to government resources.</p>  |

|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 4 of 13            |  | Initial Approval: 2003-04-10 |

|                               |  |
|-------------------------------|--|
|                               | <p>Importantly, waste goes beyond fraud and doesn't necessarily involve a violation of law. Waste relates primarily to poor management, imprudent expenditure, inadequate oversight or abuse of policy and includes incurring unnecessary costs or risks due to ineffective practices, systems or controls. Some examples of waste may include:</p> <ul style="list-style-type: none"> <li>• Neglect of legal, legislative, administrative or contract requirements.</li> <li>• Inefficient or poorly executed procedures.</li> <li>• Inadequate administrative or cost controls.</li> <li>• Ineffective policies, processes, resource deployment, or management oversight.</li> <li>• Acceptance of poor quality goods or services.</li> <li>• Poorly managed threats that could pose a danger to public safety or compromise the security of the City's technologies, systems or processes.</li> </ul> |
| <b>Vexatious</b>              | Without reasonable or probable cause or excuse; harassing; annoying, dishonestly presented; instituted maliciously or on the basis of improper motives; intended to harass or annoy.   |
| <b>Frivolous</b>              | Characterized by a lack of seriousness or sense; of little or no weight, worth or importance, not worthy of serious notice; not reasonably purposeful.   |
| <b>Respondent</b>             | A respondent is the person(s) that allegations have been made against in a fraud and/or waste report.  |
| <b>Witness</b>                | A witness is a person who is a source of information for a preliminary assessment and/or investigation.  |
| <b>TERMS &amp; CONDITIONS</b> | <ol style="list-style-type: none"> <li>1. Employees of the City of Hamilton are trusted to act with honesty and integrity. Employees must not engage in fraudulent, illegal, dishonest, or wasteful activities.</li> <li>2. Employees of the City of Hamilton have an obligation to report if they have reasonable grounds to believe that instances of fraudulent, illegal, dishonest, or wasteful activities are occurring or have previously occurred.</li> </ol>   |

|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 5 of 13            |  | Initial Approval: 2003-04-10 |

|   |  |
|---|--|
|   | <ol style="list-style-type: none"> <li>3. Employees are expected not to make frivolous and/or vexatious reports of fraudulent, illegal, dishonest, or wasteful activities.</li> <li>4. Employees have an obligation to cooperate with the OAG in all preliminary assessments, and investigations, as required per Schedule F of the Code of Conduct for Employees.</li> <li>5. Employees have an obligation to report if they have reasonable grounds to believe that an employee has concealed, withheld, and/or misrepresented facts or information to Council.</li> <li>6. All participants in a fraud and/or waste preliminary assessment and/or investigation will keep the details and results of the investigation confidential. However, the Auditor General, in consultation with Legal Services and Risk Management and the Hamilton Police Service (if appropriate), may disclose particulars of the investigation with potential witnesses/personnel if such disclosure would further the investigation.</li> </ol>  |
| <b>PRELIMINARY ASSESSMENT AND INVESTIGATION</b> | <p>With all complaints (reports), the OAG will carry out a preliminary assessment. Preliminary assessments and investigations require the full co-operation of the departmental personnel (employees and management).</p> <p>After this preliminary assessment of a report and its allegation(s) is completed, a determination of whether the suspected fraud and/or waste warrants additional investigation will be made by the OAG. The OAG will make the final determination of whether or not an investigation is required. There are four possible report outcomes:</p> <ol style="list-style-type: none"> <li>1. Investigation Launched by the OAG.</li> <li>2. Referral with Response Required.<br/>The OAG requests that Management or Human Resources undertake an investigation and report back to the OAG.</li> <li>3. Referral – No Response Required.<br/>The OAG may also refer the report to an outside agency if the report does not pertain to City operations or to City management if the report does not pertain to fraud and/or waste.</li> </ol> |

|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 6 of 13            |  | Initial Approval: 2003-04-10 |

4. No Response Required/Out of Jurisdiction/Not Enough Information.

The OAG may also close reports that do not require a response by the OAG because the report does not contain sufficient information or the report is out of jurisdiction.

There can be circumstances in which the Auditor General or another party has suspicions that a complaint is vexatious. In situations where there are reasonable and probable grounds to suspect a vexatious allegation, the investigation of the original complaint will usually be suspended until the matter is resolved.

The OAG will make the final determination of whether or not a complaint is found to be partially or fully frivolous and/or vexatious. This information may impact OAG's disposition of the complaint and/or investigation.

If required, the following actions may be undertaken by the OAG during investigations:

- OAG will perform work in-house whenever possible. If there are capacity constraints or a need for specialty expertise, the OAG will engage external experts as required. Investigators hired by the Auditor General do so under the same authorities and obligations, whilst acting on instructions from the OAG.
- Where a complaint proceeds beyond the preliminary assessment phase, to an investigation by the OAG, due process requires that the investigator attempt to interview and/or obtain statement(s) from the respondent.
- Investigation reports, and the particulars therein, are considered to be confidential advice to management.
- Respondents are advised of the results of an investigation through a summary report of its findings and conclusions.
- The OAG will typically discuss as part of the investigation report, findings and recommendations for improvement and/or prevention of future similar occurrences with management and appropriate administrators.
- The OAG does not have any role in advising on matters of discipline. Accordingly, OAG will defer to management, and

|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 7 of 13            |  | Initial Approval: 2003-04-10 |

|  |  |
|--|--|
|  | <p>the advice of the Executive Director of Human Resources (or their designated representative), if a case involves the culpability of any staff members, regarding any determination on disciplinary actions that should be undertaken.</p> <ul style="list-style-type: none"> <li>• The OAG will notify the Executive Director of Human Resources and the City Manager of investigation results.</li> <li>• The OAG will notify the Audit, Finance and Administration Committee, as required per the Auditor General Reporting of Serious Matters to Council Policy.</li> <li>• If illegal activity appears to have occurred, the Auditor General, in consultation with Legal Services and Risk Management as needed, will report the particulars, including any findings, to the Hamilton Police Service.</li> <li>• OAG will contact Risk Management and advise them of the matter so they can work with management to co-ordinate the notification of insurers and the filing of insurance claims.</li> <li>• The Auditor General will report to the external auditors of the City all information relating to investigations of actual frauds. For greater transparency to the public, an annual Fraud and Waste report will be issued to share information about investigation results occurring during the year.</li> </ul> <p>It should be noted that there is a high degree of variability in fraud and waste reports, and the above steps may not all be applicable to a given report. The Auditor General reserves the right to adapt the approach taken for managing and escalating any individual case, based on professional judgement.</p> <p>Completion timelines for preliminary assessments and investigations vary depending on the nature and complexity of a report, and management response time.</p> |
| <b>ACCOUNTING FOR LOSS, RESTITUTION AND RECOVERY</b> | <p>The department incurring the loss from a dishonest or fraudulent act will normally suffer the loss until the monies can be recovered through insurance, recovery or restitution. Finance will set up a receivable for the amount owed to the City. At fiscal year end, the department account will be credited with any amounts collected.</p>  |

|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 8 of 13            |  | Initial Approval: 2003-04-10 |

|  |  |
|--|--|
|  | <p>The OAG, working in concert with Legal Services, will do whatever possible to ensure lost funds are traced and made recoverable, through the investigation process. However, direction on recovery efforts through legal means should come from the accountable program area department, in coordination with the General Manager of Corporate Services as appropriate.</p>   |
| <b>COST OF PRELIMINARY ASSESSMENT, INVESTIGATION, AND RECOVERING FUNDS</b> | <p>If the incident is an insured loss, then the investigation costs may be covered under the City's self insurance.</p> <p>Otherwise, there is no special fund to cover the costs of recovery and expenses such as hiring special investigators will be allocated by the OAG to departments. Costs are to be allocated by departments from existing operating budgets.</p>   |
| <b>RESPONSIBILITIES</b>  | <p>The following positions and/or departments are responsible for fulfilling the responsibilities detailed in this Policy and Protocol as follows:</p> <p><b><u>Office of the Auditor General Responsibility</u></b></p> <ul style="list-style-type: none"> <li>• The OAG is responsible for completing preliminary assessments for all received reports that pertain to fraud and waste.</li> <li>• The OAG is responsible for completing fraud and waste investigations as it determines to be necessary and for reviewing the investigation findings for investigations that have been referred to Human Resources and/or Management.</li> <li>• The OAG has full and unrestricted access to all necessary City records and personnel. Upon completion of the investigation, including all legal and personnel actions, any records, documents and other evidentiary material will be returned by the Auditor General to the appropriate department(s).</li> <li>• For investigations undertaken by the OAG, a confidential investigation report to management and/or findings memo will be prepared and provided to senior leadership and/or Human Resources as appropriate.</li> <li>• A summary of the investigation's findings will be provided to the respondents in the investigation. For confidentiality</li> </ul> |



|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 9 of 13            |  | Initial Approval: 2003-04-10 |

reasons, respondents are not entitled to receive a copy of the OAG's confidential investigation report to management and/or findings memo, including advice regarding systemic improvements needed and lessons learned from the investigation incident.

### **Management Responsibility**

Each General Manager/Executive Director is responsible for instituting, documenting, and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, waste and other irregularities.

Management should be familiar with the types of improprieties that might occur in their area and be alert to any indication that improper activity, waste, misappropriation, or dishonest activity is or was in existence in his or her operational area.

Upon notification from an employee of suspected fraud or waste or if management has reason to suspect that a fraud or waste has occurred, they will contact their immediate supervisor and the department head. The department head will contact the Auditor General at the earliest convenience and Human Resources (if the situation involves staff members). The department head will also immediately contact the Hamilton Police Service if he/she feels the situation warrants such action (for example, obvious theft has taken place, security is at risk, or immediate recovery is possible).

After informing the Auditor General of the matter, management will not attempt to conduct individual investigations, interviews, or interrogations.

Management will support and co-operate with the OAG, other involved departments, and law enforcement agencies in the detection, reporting and investigation of criminal acts, including prosecution of offenders.

Responsibilities of the manager in handling dishonest or fraudulent activities include the following:

- Do not contact the suspected individual to determine facts or demand restitution.



|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 10 of 13           |  | Initial Approval: 2003-04-10 |

- Do not discuss the case, facts, suspicions, or allegations with anyone outside the City, unless specifically directed to do so by Legal Services and Risk Management or OAG.
- Do not discuss the case with anyone inside the City other than employees who have a need to know, such as the Auditor General, Legal Services and Risk Management and/or Human Resources.
- Direct all inquiries from the suspected individual/company or their/its representative/attorney to Legal Services and Risk Management.
- Direct all inquiries from the media to City Manager's Office. A proper response to such an inquiry might be, "I'm not at liberty to discuss this matter. Let me refer you to the City Manager". The City Manager, in consultation with Communications, will determine the appropriate media messages and identify an appropriate City spokesperson, as required.
- Management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
- Management is responsible for taking appropriate corrective and disciplinary action after consulting with Human Resources.
- For employee misconduct not covered by this Policy and Protocol, Human Resources and Management are responsible for the provision of investigative services.

### **Employee Responsibilities**

When suspected fraudulent or waste incidents or practices are observed by or made known to an employee, the following will be done:

- The incident or practice must be reported to their supervisor for reporting to the proper management official. When the employee believes the supervisor may be involved in the inappropriate activity, the employee will make the report

|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 11 of 13           |  | Initial Approval: 2003-04-10 |

directly to a higher level of management and/or the Auditor General.

- If the employee is not comfortable reporting the matter to their supervisor, they can contact the OAG directly at [auditorgeneral@hamilton.ca](mailto:auditorgeneral@hamilton.ca), or use the Fraud and Waste Hotline at [www.hamilton.ca/fraud](http://www.hamilton.ca/fraud). The applicability of the Whistleblower By-law will be assessed by the OAG.
- The reporting employee will refrain from the further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone other than their supervisor, the General Manager/Executive Director, the Auditor General, Risk Management and/or law enforcement personnel.

#### **Human Resources**

- It is the responsibility of Human Resources to provide advice and assistance to management with respect to employment status pending the outcome of an investigation and on any discipline related to its findings.
- Human Resources is responsible for representing the City at tribunals, boards and commissions for the purpose of resolving grievances and for assisting management in the defense and settling of claims.
- For employee misconduct not covered by this Policy and Protocol, Human Resources and Management is responsible for the provision of investigative services.
- Human Resources will determine if any employees need to be placed on a leave of absence during a preliminary assessment or investigation, after consulting with Management.

#### **Legal Services**

- It is the responsibility of Legal Services to provide legal advice to management in matters pertaining to an investigation.
- Legal Services will, on an as-needed basis, meet with parties affected by the alleged fraud, waste, or misconduct,

|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 12 of 13           |  | Initial Approval: 2003-04-10 |

|                          |   |
|--------------------------|---|
|                          | <p>and will assist management in arranging for the defense of any claims against the City, and for the settling of them.</p> <ul style="list-style-type: none"> <li>Legal Services will provide advice to the OAG as requested by the Auditor General, however the OAG will retain its own independent legal advice as determined necessary by the Auditor General.</li> </ul> <p><b>Council</b></p> <p>When suspected fraudulent or waste incidents or practices are observed by or made known to a Council member, the following should be done:</p> <ul style="list-style-type: none"> <li>The incident or practice should be reported to the Auditor General.</li> <li>Council Members can contact the OAG directly at <a href="mailto:auditorgeneral@hamilton.ca">auditorgeneral@hamilton.ca</a>, or use the Fraud and Waste Hotline at <a href="http://www.hamilton.ca/fraud">www.hamilton.ca/fraud</a>. The applicability of the Whistleblower By-law will be assessed by the OAG.</li> <li>The Council Member should maintain confidentiality of the incident.</li> </ul> |
| <b>COMPLIANCE</b>        | <p>Employees are expected to be aware of and act in compliance with the Fraud and Waste Policy and Protocol.</p> <p>Where there is serious wrongdoing as defined in the Whistleblower By-law that By-law applies.</p> <p>Failure to comply with this Policy and related Schedules may result in appropriate disciplinary measures, up to and including termination of employment.</p>   |
| <b>RELATED DOCUMENTS</b> | <ul style="list-style-type: none"> <li>Auditor General Reporting of Serious Matters to Council Policy</li> <li>Whistleblower By-law</li> <li>Auditor General By-law</li> </ul> <p>This Policy and Protocol is designed to augment any other corporate policies containing related information. It does not replace or preclude them. To the extent that this Policy and Protocol may conflict with any other corporate policies containing</p>  |

|                         |  |                              |
|-------------------------|--|------------------------------|
| <b>Corporate Policy</b> | <br><b>Hamilton</b> | Content Updated: 2025-04-07  |
| Work Environment        |  | Supersedes Policy: N/A       |
| Policy No: COH-FRAUD    |  |                              |
| Page 13 of 13           |  | Initial Approval: 2003-04-10 |

|                |  |
|----------------|--|
|                | related information, this Policy and Protocol will take precedence to the extent only of such conflict.  |
| <b>HISTORY</b> | <p>This policy was initially approved by the Audit Sub-Committee on April 10, 2003, as the Fraud Policy and Protocol.</p> <p>Administrative revisions of the Fraud Policy and Protocol were approved by the Auditor General on June 20, 2019, in consultation with Human Resources.</p> <p>The policy was renamed the Fraud and Waste Policy and Protocol by Council in MM/YY.</p> |

Side by Side Text Comparison – Fraud (and Waste) Policy and Protocol  
Policy No. COH-Fraud – 2025 Proposed Changes

| Section          | Current Text  | Proposed Text  | Rationale   |
|------------------|---|--|---|
| Title            | Fraud Policy and Protocol.  | Fraud and Waste Policy and Protocol.   | Council made the Fraud and Waste Hotline permanent in 2023, this change reflects that decision.                           |
| Policy Statement | <p>This Policy and Protocol addresses specific guidelines and responsibilities regarding appropriate actions for detecting, reporting and investigating fraud or other similar irregularities.</p> <p>The City of Hamilton will identify and promptly investigate any possibility of fraudulent or related dishonest activities against the City of Hamilton and, when appropriate, pursue legal remedies available under the law.</p> <p>The City of Hamilton will take appropriate disciplinary and legal actions against employees and/or entities including the possibility of termination of employment or contract, restitution, and forwarding information to the appropriate authorities for criminal prosecution, as appropriate.</p> <p>This Policy and Protocol will attempt to clarify acts that are considered to be fraudulent, and describe the steps to be taken when fraud or other related irregularities are suspected or have occurred. This statement also includes the procedures to follow in accounting for missing funds, restitution, and recoveries.</p> | <p>This Policy and Protocol addresses specific guidelines and responsibilities regarding appropriate actions for detecting, reporting and investigating fraud, waste, dishonesty or other similar irregularities.</p> <p>The City of Hamilton is committed to protecting its revenue, property, information and other assets from any attempt, by any party, to gain improper financial or other benefits by deceit or wrongdoing. It is also committed to protecting the City against wasteful and ineffective practices, recognizing all employees have a role to play in exercising stewardship over public assets.</p> <p>The City of Hamilton will identify and promptly investigate any possibility of fraudulent or related dishonest activities against the City of Hamilton and, when appropriate, pursue legal remedies available under the law.</p> <p>The City of Hamilton will take appropriate disciplinary and legal actions against employees and/or entities including the possibility of termination of employment or contract, restitution, and forwarding information to the appropriate authorities for criminal prosecution, as appropriate.</p> | Moves text from 2019’s “Purpose” section to this section to for consistency with other City of Hamilton policy documents. |

| Section       | Current Text  | Proposed Text   | Rationale  |
|---------------|---|---|--|
|               |   | <p>This Policy and Protocol will attempt to clarify acts that are considered to be fraudulent, dishonest, or wasteful conduct, and describe the steps to be taken when fraud, waste or other related irregularities are suspected or have occurred, including those that may violate the City’s Code of Conduct (“fraud and waste”).</p> <p>The Office of the Auditor General (OAG) is available and receptive to receiving relevant information on a confidential basis to the extent allowed by law. Individuals have the right to contact the OAG directly and discreetly, whenever waste, a dishonest, or fraudulent activity is suspected. This includes making a complaint via the City of Hamilton’s Fraud and Waste Hotline</p> | <p>Additional content added to reflect expanded scope to both fraud and waste and to reference the Code of Conduct for Employees</p> <p>Content added to reflect OAG’s “Duty of Confidentiality” under the <i>Municipal Act</i>.</p> |
| Purpose       | The City of Hamilton is committed to protecting its revenue, property, information and other assets from any attempt, either by members of the public, contractors, vendors, agents or its own employees, to gain financial or other benefits by deceit. It is also designed to protect its staff from false allegations. | <p>The purpose of the Fraud and Waste Policy and Protocol is to set out the terms, principles and processes that guide employee conduct and management action.</p> <p>The Policy also explains the options for employees to report instances of fraud and waste.</p>  | 2019 content moved to “Policy Statement” section and purpose added.  |
| Applicability | This Policy and Protocol applies to Council members, all employees of the City of Hamilton, and to employees of local boards, agencies and commissions over which Council has authority to require general procedures to be followed  | This Policy and Protocol applies to Council members, all employees of the City of Hamilton, of local boards, agencies and commissions over which Council has authority to require general procedures to be followed, including but not limited to permanent, temporary and  | Definition of “employee” revised to be consistent with the City of Hamilton Code of Conduct for Employees.   |

| Section | Current Text | Proposed Text   | Rationale  |
|---------|--------------|---|--|
|         |              | <p>contract employees, volunteers, students and interns (collectively called “Employees”).</p> <p>The following are examples (and not an exhaustive list) of fraudulent or dishonest acts that are intended to be within the application of this policy and protocol:</p> <ul style="list-style-type: none"><li>• Misapplication, misappropriation, or misuse of City assets.</li><li>• Impropriety with respect to the reporting of financial or other information.</li><li>• Forgery or alteration of documents.</li><li>• Acceptance of gifts or favours from existing or potential suppliers, vendors or funding recipients.</li><li>• Wrongful destruction or disappearance of records or assets.</li><li>• Undisclosed/inappropriate conflicts of interest.</li><li>• Dishonesty in the conduct of City business.</li><li>• Wrongful tampering or interference with City systems, programs, or devices.</li><li>• Inappropriate disclosure of information or intentionally gaining unauthorized access to information.</li><li>• Personal benefits being obtained from proprietary knowledge, information, technology or from influence.</li><li>• Breaches of trust.</li></ul> | <p>Examples provided for clarity and ease of understanding, taken from 2019 “Definitions” section and further expanded upon by the OAG for ease of understanding</p> |

| Section            | Current Text  | Proposed Text  | Rationale  |
|--------------------|---|--|--|
|                    |   | <ul style="list-style-type: none"><li>False claims for expense reimbursement or hours worked/time reporting.</li><li>False claims for employer provided extended health and dental benefits.</li><li>Related violations of Code of Conduct, Federal, or Provincial Law.</li><li>Any other similarly fraudulent or dishonest act or irregularity.</li></ul> <p>The following are not within the application of this policy and protocol:</p> <ul style="list-style-type: none"><li>Harassment</li><li>Discrimination</li><li>Lack of employee performance</li><li>Contravention of the Occupational Health and Safety Act</li><li>Break-ins</li><li>Vandalism</li></ul> | Examples provided of what is not applicable.                   |
| <b>DEFINITIONS</b> |   |  |  |
| <b>Fraud</b>       | For the purposes of this Policy and Protocol, fraud encompasses any array of irregularities and illegal acts characterized by intentional deception. Dishonest or | For the purposes of this Policy and Protocol, fraud encompasses any array of irregularities and illegal acts characterized by intentional deception to wrongfully obtain   | Simpler, more concise definition that is easier to understand. |



| Section | Current Text   | Proposed Text   | Rationale |
|---------|--|---|-----------|
|         | <p>fraudulent activities include, but are not limited to, the following:</p> <ul style="list-style-type: none"><li>• Forgery or alteration of documents (cheques, promissory notes, time sheets, independent contractor agreements, purchase orders, etc.).</li><li>• Misrepresentation of information by an individual</li><li>• Misrepresentation of information on documents.</li><li>• Misappropriation of funds, securities, supplies, or any other asset.</li><li>• Unauthorized use, disappearance, or destruction of City property, equipment, materials or records.</li><li>• Improprieties in the handling or reporting of money transactions.</li><li>• Authorization or receipt of payments for goods not received or services not performed.</li><li>• Authorization or receipt of payment for hours not worked.</li><li>• Any claim for reimbursement of expenses that are not made for the exclusive benefit of the City.</li><li>• Any apparent violation of Federal, Provincial or local laws related to dishonest activities or fraud</li><li>• Any similar or related activity.</li></ul> | <p>unauthorized benefits. Dishonest or fraudulent activities include, but are not limited to, the following:</p> <ul style="list-style-type: none"><li>• Forgery or wrongful alteration of documents.</li><li>• Misrepresentation of information.</li><li>• Misappropriation or diversion of funds or other assets.</li><li>• Falsified claims for benefits or reimbursement.</li><li>• Breach of trust with respect to duties.</li></ul> |           |

| Section                          | Current Text | Proposed Text  | Rationale   |
|----------------------------------|--------------|--|---|
| <b>Waste<br/>(Mismanagement)</b> | NEW          | <p>Waste involves taxpayers not receiving reasonable value for money in connection with any government funded activities, due to mismanagement or an inappropriate or careless act or omission by those with control over or access to government resources.</p> <p>Importantly, waste goes beyond fraud and doesn't necessarily involve a violation of law. Waste relates primarily to poor management, imprudent expenditure, inadequate oversight or abuse of policy and includes incurring unnecessary costs or risks due to ineffective practices, systems or controls. Some examples of waste may include:</p> <ul style="list-style-type: none"><li>• Neglect of legal, legislative, administrative or contract requirements.</li><li>• Inefficient or poorly executed procedures.</li><li>• Inadequate administrative or cost controls.</li><li>• Ineffective policies, processes, resource deployment, or management oversight.</li><li>• Acceptance of poor quality goods or services.</li><li>• Poorly managed threats that could pose a danger to public safety or compromise the security of the City's technologies, systems or processes.</li></ul> | New definition to reflect implementation of Fraud and Waste Hotline.              |
| <b>Vexatious</b>                 | NEW          | Without reasonable or probable cause or excuse; harassing; annoying, dishonestly presented; instituted maliciously or on the basis of improper motives; intended to harass or annoy.   | New definition to reflect current OAG practice in assessments and investigations. |

| Section            | Current Text | Proposed Text  | Rationale   |
|--------------------|--------------|--|---|
| Frivolous          | NEW          | Characterized by a lack of seriousness or sense; of little or no weight, worth or importance, not worthy of serious notice; not reasonably purposeful.   | New definition to reflect current OAG practice in assessments and investigations. |
| Respondent         | NEW          | A respondent is the person(s) that allegations have been made against in a fraud and/or waste report.  | New definition to reflect current OAG practice in assessments and investigations. |
| Witness            | NEW          | A witness is a person who is a source of information for a preliminary assessment and/or investigation.  | New definition to reflect current OAG practice in assessments and investigations. |
| Terms & Conditions | NEW          | <ol style="list-style-type: none"> <li>1. Employees of the City of Hamilton are trusted to act with honesty and integrity. Employees must not engage in fraudulent, illegal, dishonest, or wasteful activities.</li> <li>2. Employees of the City of Hamilton have an obligation to report if they have reasonable grounds to believe that instances of fraudulent, illegal, dishonest, or wasteful activities are occurring or have previously occurred.</li> <li>3. Employees are expected not to make frivolous and/or vexatious reports of fraudulent, illegal, dishonest, or wasteful activities.</li> <li>4. Employees have an obligation to cooperate with the OAG in all preliminary assessments, and investigations, as required per Schedule F of the Code of Conduct for Employees.</li> <li>5. Employees have an obligation to report if they have reasonable grounds to believe that an employee has</li> </ol> | New section that outlines employee obligations.                                   |

| Section   | Current Text  | Proposed Text  | Rationale  |
|---|---|--|--|
|   |   | <p>concealed, withheld, and/or misrepresented facts or information to Council.</p> <p>6. All participants in a fraud and/or waste preliminary assessment and/or investigation will keep the details and results of the investigation confidential. However, the Auditor General, in consultation with Legal Services and Risk Management and the Hamilton Police Service (if appropriate), may disclose particulars of the investigation with potential witnesses/personnel if such disclosure would further the investigation.</p>  |  |
| <b>Investigation Preliminary Assessment &amp; Investigation</b> | <p>The Office of the City Auditor will carry out an initial review. After this review is completed, a determination of whether the suspected fraud warrants additional investigation by the City Auditor will be made. As warranted, the City Auditor will inform Risk Management of a pending investigation.</p> <p>A prompt investigation will be conducted to include detailed analyses of available records. The audit investigation requires the full co-operation of the departmental personnel. The Office of the City Auditor will proceed as follows, if evidence is uncovered showing possible dishonest or fraudulent activities:</p> <ul style="list-style-type: none"> <li>Office of the City Auditor will discuss the findings and recommendations for prevention of future similar occurrences with management and appropriate administrators. Management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.</li> </ul> | <p>With all complaints (reports), the OAG will carry out a preliminary assessment. Preliminary assessments and investigations require the full co-operation of the departmental personnel (employees and management).</p> <p>After this preliminary assessment of a report and its allegation(s) is completed, a determination of whether the suspected fraud and/or waste warrants additional investigation will be made by the OAG. The OAG will make the final determination of whether or not an investigation is required. There are four possible report outcomes:</p> <ol style="list-style-type: none"> <li>Investigation Launched by the OAG.</li> <li>Referral with Response Required.<br/>The OAG requests that Management or Human Resources undertake an investigation and report back to the OAG.</li> <li>Referral – No Response Required.<br/>The OAG may also refer the report to an outside agency if the report does not pertain to City</li> </ol> | <p>Reflects Council-approved name change to OAG.</p> <p>Additional details added to reflect current preliminary assessment and investigative practices, and to provide further information to Council, employees and the public.</p> |

| Section | Current Text  | Proposed Text   | Rationale |
|---------|---|---|-----------|
|         | <ul style="list-style-type: none"> <li>Office of the City Auditor will advise management, if the case involves staff members, to meet with the Executive Director of Human Resources (or his/her designated representative) to determine if disciplinary actions should be taken.</li> <li>Office of the City Auditor will notify the City Manager.</li> <li>Office of the City Auditor will notify the Audit, Finance and Administration Committee, as appropriate.</li> <li>If illegal activity appears to have occurred, the City Auditor, in consultation with Legal Services and Risk Management, will report the particulars, including any findings, to the Hamilton Police Service.</li> <li>Office of the City Auditor will contact Risk Management to co-ordinate the notification of insurers and the filing of insurance claims.</li> <li>The City Auditor will report to the external auditors of the City all information relating to investigations of actual frauds.</li> </ul> <p>Office of the City Auditor is available and receptive to receiving relevant information on a confidential basis to the extent allowed by law. Individuals have the right to contact Office of the City Auditor directly whenever a dishonest or fraudulent activity is suspected. This includes making a complaint via the City of Hamilton’s Fraud and Waste Hotline.</p> | <p>operations or to City management if the report does not pertain to fraud and/or waste.</p> <p>4. No Response Required/Out of Jurisdiction/Not Enough Information.<br/> The OAG may also close reports that do not require a response by the OAG because the report does not contain sufficient information or the report is out of jurisdiction.</p> <p>There can be circumstances in which the Auditor General or another party has suspicions that a complaint is vexatious. In situations where there are reasonable and probable grounds to suspect a vexatious allegation, the investigation of the original complaint will usually be suspended until the matter is resolved.</p> <p>The OAG will make the final determination of whether or not a complaint is found to be partially or fully frivolous and/or vexatious. This information may impact OAG’s disposition of the complaint and/or investigation.</p> <p>If required, the following actions may be undertaken by the OAG during investigations:</p> <ul style="list-style-type: none"> <li>OAG will perform work in-house whenever possible. If there are capacity constraints or a need for specialty expertise, the OAG will engage external experts as required. Investigators hired by the Auditor General do so under the same authorities and obligations, whilst acting on instructions from the OAG.</li> <li>Where a complaint proceeds beyond the preliminary assessment phase, to an investigation by the OAG,</li> </ul> |           |

| Section | Current Text | Proposed Text  | Rationale |
|---------|--------------|--|-----------|
|         |              | <p>due process requires that the investigator attempt to interview and/or obtain statement(s) from the respondent.</p> <ul style="list-style-type: none"><li>• Investigation reports, and the particulars therein, are considered to be confidential advice to management.</li><li>• Respondents are advised of the results of an investigation through a summary report of its findings and conclusions.</li><li>• The OAG will typically discuss as part of the investigation report, findings and recommendations for improvement and/or prevention of future similar occurrences with management and appropriate administrators.</li><li>• The OAG does not have any role in advising on matters of discipline. Accordingly, OAG will defer to management, and the advice of the Executive Director of Human Resources (or their designated representative), if a case involves the culpability of any staff members, regarding any determination on disciplinary actions that should be undertaken.</li><li>• The OAG will notify the Executive Director of Human Resources and the City Manager of investigation results.</li><li>• The OAG will notify the Audit, Finance and Administration Committee, as required per the Auditor General Reporting of Serious Matters to Council Policy.</li><li>• If illegal activity appears to have occurred, the Auditor General, in consultation with Legal Services and Risk Management as needed, will report the</li></ul> |           |

| Section                                       | Current Text   | Proposed Text  | Rationale  |
|---|--|--|--|
|   |  | <p>particulars, including any findings, to the Hamilton Police Service.</p> <ul style="list-style-type: none"><li>• OAG will contact Risk Management and advise them of the matter so they can work with management to co-ordinate the notification of insurers and the filing of insurance claims.</li><li>• The Auditor General will report to the external auditors of the City all information relating to investigations of actual frauds. For greater transparency to the public, an annual Fraud and Waste report will be issued to share information about investigation results occurring during the year.</li></ul> <p>It should be noted that there is a high degree of variability in fraud and waste reports, and the above steps may not all be applicable to a given report. The Auditor General reserves the right to adapt the approach taken for managing and escalating any individual case, based on professional judgement.</p> <p>Completion timelines for preliminary assessments and investigations vary depending on the nature and complexity of a report, and management response time.</p> |  |
| ACCOUNTING FOR LOSS, RESTITUTION AND RECOVERY | The department incurring the loss from a dishonest or fraudulent act will normally suffer the loss until the monies can be recovered through insurance or restitution. Finance will set up a receivable for the amount owed to the City. At fiscal year end, the department account will be credited with any amounts collected. | <p>The department incurring the loss from a dishonest or fraudulent act will normally suffer the loss until the monies can be recovered through insurance, recovery or restitution. Finance will set up a receivable for the amount owed to the City. At fiscal year end, the department account will be credited with any amounts collected.</p> <p>The OAG, working in concert with Legal Services, will do whatever possible to ensure lost funds are traced and</p>  | Additional details added to reflect current practices. |

| Section   | Current Text   | Proposed Text   | Rationale  |
|---|--|---|--|
|   |  | made recoverable, through the investigation process. However, direction on recovery efforts through legal means should come from the accountable program area department, in coordination with the General Manager of Corporate Services as appropriate.  |  |
| <b>COST OF RECOVERING FUNDS</b><br><b>COST OF PRELIMINARY ASSESSMENT, INVESTIGATION, AND RECOVERING FUNDS</b> | If the incident is an insured loss, then the investigation costs may be covered under the City’s self insurance. Otherwise, there is no special fund to cover the costs of recovery and expenses such as hiring special investigators will be allocated from existing operating budgets. | If the incident is an insured loss, then the investigation costs may be covered under the City’s self insurance.<br><br>Otherwise, there is no special fund to cover the costs of recovery and expenses such as hiring special investigators will be allocated by the OAG to departments. Costs are to be allocated by departments from existing operating budgets.   | Additional details added to reflect current practices. |
| <b>RESPONSIBILITIES</b><br><br><b>Office of the Auditor General Responsibility</b>                            | NEW  | <b><u>Office of the Auditor General Responsibility</u></b> <ul style="list-style-type: none"> <li>• The OAG is responsible for completing preliminary assessments for all received reports that pertain to fraud and waste.</li> <li>• The OAG is responsible for completing fraud and waste investigations as it determines to be necessary and for reviewing the investigation findings for investigations that have been referred to Human Resources and/or Management.</li> <li>• The OAG has full and unrestricted access to all necessary City records and personnel. Upon</li> </ul> | Added to further clarify the OAG’s responsibilities.   |



| Section                   | Current Text   | Proposed Text  | Rationale  |
|---------------------------|--|--|--|
|                           |  | <p>completion of the investigation, including all legal and personnel actions, any records, documents and other evidentiary material will be returned by the Auditor General to the appropriate department(s).</p> <ul style="list-style-type: none"> <li>For investigations undertaken by the OAG, a confidential investigation report to management and/or findings memo will be prepared and provided to senior leadership and/or Human Resources as appropriate.</li> <li>A summary of the investigation’s findings will be provided to the respondents in the investigation. For confidentiality reasons, respondents are not entitled to receive a copy of the OAG’s confidential investigation report to management and/or findings memo, including advice regarding systemic improvements needed and lessons learned from the investigation incident.</li> </ul> |  |
| Management Responsibility | <p><b><u>Management Responsibility</u></b></p> <p>Each General Manager/Executive Director is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations and other irregularities.</p> <p>Management should be familiar with the types of improprieties that might occur in their area and be alert to any indication that improper activity, misappropriation, or dishonest activity is or was in existence in his or her operational area.</p> | <p><b><u>Management Responsibility</u></b></p> <p>Each General Manager/Executive Director is responsible for instituting, documenting, and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, waste and other irregularities.</p> <p>Management should be familiar with the types of improprieties that might occur in their area and be alert to any indication that improper activity, waste, misappropriation, or dishonest activity is or was in existence in his or her operational area.</p>   | Modernization of language, addition of “waste” consistent with Fraud and Waste Hotline. Clarifies that Human Resources and Management is responsible for non-fraud and waste investigative services. |

| Section | Current Text   | Proposed Text   | Rationale |
|---------|--|---|-----------|
|         | <p>Upon notification from an employee of suspected fraud or if management has reason to suspect that a fraud has occurred, he/she will contact their immediate supervisor and the department head. The department head will contact the City Auditor at the earliest convenience and Human Resources (if the situation involves staff members). The department head will also immediately contact the Hamilton Police Service if he/she feels the situation warrants such action (for example, obvious theft has taken place, security is at risk, or immediate recovery is possible).</p> <p>After informing the City Auditor of the matter, management will not attempt to conduct individual investigations, interviews, or interrogations.</p> <p>Management will support and co-operate with the Office of the City Auditor, other involved departments, and law enforcement agencies in the detection, reporting and investigation of criminal acts, including prosecution of offenders.</p> <p>The Office of the City Auditor will have full and unrestricted access to all necessary City records and personnel. Upon completion of the investigation, including all legal and personnel actions, any records, documents and other evidentiary material will be returned by the City Auditor to the appropriate department(s).</p> <p>All furniture and contents, including employee desks and computers, are open to inspection when there is reasonable suspicion of a dishonest or fraudulent activity which makes such inspection appropriate. There is no</p> | <p>Upon notification from an employee of suspected fraud or waste or if management has reason to suspect that a fraud or waste has occurred, they will contact their immediate supervisor and the department head. The department head will contact the Auditor General at the earliest convenience and Human Resources (if the situation involves staff members). The department head will also immediately contact the Hamilton Police Service if he/she feels the situation warrants such action (for example, obvious theft has taken place, security is at risk, or immediate recovery is possible).</p> <p>After informing the Auditor General of the matter, management will not attempt to conduct individual investigations, interviews, or interrogations.</p> <p>Management will support and co-operate with the OAG, other involved departments, and law enforcement agencies in the detection, reporting and investigation of criminal acts, including prosecution of offenders.</p> <p>Responsibilities of the manager in handling dishonest or fraudulent activities include the following:</p> <ul style="list-style-type: none"> <li>• Do not contact the suspected individual to determine facts or demand restitution.</li> <li>• Do not discuss the case, facts, suspicions, or allegations with anyone outside the City, unless specifically directed to do so by Legal Services and Risk Management or OAG.</li> <li>• Do not discuss the case with anyone inside the City other than employees who have a need to know,</li> </ul> |           |

| Section | Current Text   | Proposed Text  | Rationale |
|---------|--|--|-----------|
|         | <p>assumption of privacy in such cases. Every effort will be made to effect recovery of City losses.</p> <p>Great care must be taken in the dealing with suspected dishonest or fraudulent activities to avoid the following:</p> <ul style="list-style-type: none"> <li>• Incorrect accusations;</li> <li>• Alerting suspected individuals/companies that an investigation is underway;</li> <li>• Treating employees/third parties unfairly; or</li> <li>• Making statements that could lead to claims of false accusations or other offences. Employees who knowingly or negligently make false accusations may be subject to disciplinary action.</li> </ul> <p>All participants in a fraud investigation will keep the details and results of the investigation confidential. However, the City Auditor, in consultation with Legal Services and Risk Management and the Hamilton Police Service (if appropriate), may disclose particulars of the investigation with potential witnesses/personnel if such disclosure would further the investigation.</p> <p>Responsibilities of the manager in handling dishonest or fraudulent activities include the following:</p> <ul style="list-style-type: none"> <li>• Do not contact the suspected individual to determine facts or demand restitution.</li> <li>• Do not discuss the case, facts, suspicions, or allegations with anyone outside the City, unless specifically directed to do so by Legal Services and Risk Management or Office of the City Auditor.</li> </ul> | <p>such as the Auditor General, Legal Services and Risk Management and/or Human Resources.</p> <ul style="list-style-type: none"> <li>• Direct all inquiries from the suspected individual/company or their/its representative/attorney to Legal Services and Risk Management.</li> <li>• Direct all inquiries from the media to City Manager's Office. A proper response to such an inquiry might be, "I'm not at liberty to discuss this matter. Let me refer you to the City Manager". The City Manager, in consultation with Communications, will determine the appropriate media messages and identify an appropriate City spokesperson, as required.</li> <li>• Management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.</li> <li>• Management is responsible for taking appropriate corrective and disciplinary action after consulting with Human Resources.</li> <li>• For employee misconduct not covered by this Policy and Protocol, Human Resources and Management is responsible for the provision of investigative services.</li> </ul> |           |

| Section                          | Current Text   | Proposed Text   | Rationale   |
|----------------------------------|--|---|---|
|                                  | <ul style="list-style-type: none"> <li>Do not discuss the case with anyone inside the City other than employees who have a need to know, such as the City Auditor, Legal Services and Risk Management and/or Human Resources.</li> <li>Direct all inquiries from the suspected individual/company or his/her/its representative/attorney to Legal Services and Risk Management.</li> <li>Direct all inquiries from the media to City Manager’s Office. A proper response to such an inquiry might be, “I’m not at liberty to discuss this matter. Let me refer you to the City Manager”. The City Manager, in consultation with Communications, will determine the appropriate media messages and identify an appropriate City spokesperson, as required.</li> <li>Take appropriate corrective and disciplinary action after consulting with Human Resources.</li> </ul> |   |   |
| <b>Employee Responsibilities</b> | <p><b><u>Employee Responsibilities</u></b></p> <p>When suspected fraudulent incidents or practices are observed by or made known to an employee, the following will be done:</p> <ul style="list-style-type: none"> <li>The incident or practice must be reported to his/her supervisor for reporting to the proper management official. When the employee believes the supervisor may be involved in the inappropriate activity, the employee will make the report directly to a higher level of management and/or the City Auditor.</li> </ul>   | <p><b><u>Employee Responsibilities</u></b></p> <p>When suspected fraudulent or waste incidents or practices are observed by or made known to an employee, the following will be done:</p> <ul style="list-style-type: none"> <li>The incident or practice must be reported to their supervisor for reporting to the proper management official. When the employee believes the supervisor may be involved in the inappropriate activity, the employee will make the report directly to a higher level of management and/or the Auditor General.</li> <li>If the employee is not comfortable reporting the matter to their supervisor, they can contact the OAG</li> </ul> | <p>Updated to include “waste” in addition to fraud, adds contact details for OAG and Fraud and Waste Hotline.</p> |

| Section         | Current Text  | Proposed Text   | Rationale   |
|-----------------|---|---|---|
|                 | The reporting employee will refrain from the further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone other than his/her supervisor, the General Manager/Executive Director, the City Auditor, Risk Management and/or law enforcement personnel. | <p>directly at <a href="mailto:auditorgeneral@hamilton.ca">auditorgeneral@hamilton.ca</a>, or use the Fraud and Waste Hotline at <a href="http://www.hamilton.ca/fraud">www.hamilton.ca/fraud</a>. The applicability of the Whistleblower By-law will be assessed by the OAG.</p> <ul style="list-style-type: none"><li>• The reporting employee will refrain from the further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone other than their supervisor, the General Manager/Executive Director, the Auditor General, Risk Management and/or law enforcement personnel.</li></ul>  |   |
| Human Resources | NEW   | <p><b>Human Resources</b></p> <ul style="list-style-type: none"><li>• It is the responsibility of Human Resources to provide advice and assistance to management with respect to employment status pending the outcome of an investigation and on any discipline related to its findings.</li><li>• Human Resources is responsible for representing the City at tribunals, boards and commissions for the purpose of resolving grievances and for assisting management in the defense and settling of claims.</li><li>• For employee misconduct not covered by this Policy and Protocol, Human Resources and Management is responsible for the provision of investigative services.</li><li>• Human Resources will determine if any employees need to be placed on a leave of absence during a preliminary assessment or investigation, after consulting with Management.</li></ul> | Added to clarify Human Resources' responsibilities. |

| Section        | Current Text | Proposed Text  | Rationale  |
|----------------|--------------|--|--|
| Legal Services | NEW          | <p><b>Legal Services</b></p> <ul style="list-style-type: none"> <li>It is the responsibility of Legal Services to provide legal advice to management in matters pertaining to an investigation.</li> <li>Legal Services will, on an as-needed basis, meet with parties affected by the alleged fraud, waste, or misconduct, and will assist management in arranging for the defense of any claims against the City, and for the settling of them.</li> </ul> <p>Legal Services will provide advice to the OAG as requested by the Auditor General, however the OAG will retain its own independent legal advice as determined necessary by the Auditor General.</p>                              | Added to clarify Legal Services’ responsibilities. |
| Council        | NEW          | <p><b>Council</b></p> <p>When suspected fraudulent or waste incidents or practices are observed by or made known to a Council member, the following should be done:</p> <ul style="list-style-type: none"> <li>The incident or practice should be reported to the Auditor General.</li> <li>Council Members can contact the OAG directly at <a href="mailto:auditorgeneral@hamilton.ca">auditorgeneral@hamilton.ca</a>, or use the Fraud and Waste Hotline at <a href="http://www.hamilton.ca/fraud">www.hamilton.ca/fraud</a>. The applicability of the Whistleblower By-law will be assessed by the OAG.</li> </ul> <p>The Council Member should maintain confidentiality of the incident.</p> | Added to clarify Council’s responsibilities.       |

| Section                  | Current Text   | Proposed Text   | Rationale  |
|--------------------------|--|---|--|
| <b>COMPLIANCE</b>        | Failure of staff to comply with this Fraud Policy and Protocol could result in disciplinary action.  | <p>Employees are expected to be aware of and act in compliance with the Fraud and Waste Policy and Protocol.</p> <p>Where there is serious wrongdoing as defined in the Whistleblower By-law that By-law applies.</p> <p>Failure to comply with this Policy and related Schedules may result in appropriate disciplinary measures, up to and including termination of employment.</p>   | Expanded to include waste, reference Whistleblower By-law, and add consequences consistent with the Code of Conduct for Employees. |
| <b>RELATED DOCUMENTS</b> | This Policy and Protocol is designed to augment any other corporate policies containing related information. It does not replace or preclude them. To the extent that this Policy and Protocol may conflict with any other corporate policies containing related information, this Policy and Protocol will take precedence to the extent only of such conflict. | <ul style="list-style-type: none"> <li>• Auditor General Reporting of Serious Matters to Council Policy.</li> <li>• Whistleblower By-law.</li> <li>• Auditor General By-law.</li> </ul> <p>This Policy and Protocol is designed to augment any other corporate policies containing related information. It does not replace or preclude them. To the extent that this Policy and Protocol may conflict with any other corporate policies containing related information, this Policy and Protocol will take precedence to the extent only of such conflict.</p> | Relevant policies and By-laws added.   |
| <b>HISTORY</b>           | <p>This policy was initially approved by the Audit Sub-Committee on April 10, 2003.</p> <p>Administrative revisions approved by the City Auditor on June 20, 2019 in consultation with Human Resources.</p>  | <p>This policy was initially approved by the Audit Sub-Committee on April 10, 2003, as the Fraud Policy and Protocol.</p> <p>Administrative revisions of the Fraud Policy and Protocol were approved by the Auditor General on June 20, 2019, in consultation with Human Resources.</p> <p>The policy was revised and renamed the Fraud and Waste Policy and Protocol by Council in MM/YY.</p>  | Information relevant to this update added.   |



## City of Hamilton Report for Consideration

**To:** Chair and Members  
Audit, Finance and Administration Committee  
**Date:** May 22, 2025  
**Report No:** FCS25021  
**Subject/Title:** Proposed Write-off for Provincial Offences  
**Ward(s) Affected:** City Wide

---

### Recommendations

- (a) That staff **BE AUTHORIZED AND DIRECTED** to write-off the following outstanding Provincial Offences fines deemed uncollectible, in the total amount of \$2,665,794.51:
- (i) \$2,160,261 in uncollectible fines with a default date of December 31, 2017, and prior;
  - (ii) \$1,422.08 in underpayments from April 1, 2023, through March 31, 2025;
  - (iii) \$504,111.43 in fines held by persons deceased in 2023 and 2024.

### Key Facts

- In accordance with the Provincial Offences Administration (POA) Write-off Procedure and the Memorandum of Understanding with the Ministry of the Attorney General (MAG), POA is requesting that 13,360 records amounting to \$2,665,794.51 be written off.
- POA did not write off any fines for the year ending December 31, 2023, due to the cybersecurity incident; MAG was informed and approved this change in 2024.
- Fines are written off based on the age of the accounts receivable, ability to collect, underpayments incurred, and any fines held by deceased persons.
- If a fine is written off, it does not absolve a convicted offender from the requirement to pay the fine as debts to the Crown are not forgiven.



## Financial Considerations

Provincial Offences revenue is recognized on a cash basis, meaning it is recorded only when payment is received, not when the offence occurs. While the current write-offs have no immediate financial impact under this method, they do represent a lost opportunity for future revenue collection. It is important to note that the debt to the Crown is never forgiven — if an individual chooses to pay their fine after it has been written off, the account can simply be reactivated in the system to accept payment.

## Background

Staff was directed to include, in future Provincial Offences Administration Annual Reports, information on how the City is collecting on accounts receivable and an explanation of the City's three-tiered collection process.

Due to the overlap of information contained in the Annual Report and Write-off Report, Appendix "A" was created to provide an overview of POA activities for 2024.

## Analysis

Staff anticipates the amount of the write-offs to be \$2,160,261 in uncollectible fines with a default date of December 31, 2017, and prior, and underpayments (pay less than is due) of \$1,422.08 from April 1, 2023, through March 31, 2025. An example of an underpayment would be the fee associated with the Fail to Respond docket; the \$5 fee is added to the balance, however, in the meantime, the fine was paid. There is an additional amount of \$504,111.43 representing persons that were deceased in 2023 and 2024 that held unpaid fines. The total amount of \$2,665,794.51 includes the Victim Fine Surcharge which is payable to the Province of Ontario.

POA is requesting that 13,360 records amounting to \$2,665,794.51 be written off for years 2023 and 2024. After write-off, the remaining outstanding accounts receivables balance will be \$75,895,897.40.

The recommendation follows existing corporate, provincial policies, procedures and standard accounting practices respecting the write-off of uncollectible monies. Fines are written off based on the age of the accounts receivable and ability to collect. Files which are seven years or older are identified for write-off consideration.

If authorized by Council, staff will advise the Ministry of the Attorney General of this recommendation and request that they be authorized to purge these records from the Ministry database, Integrated Court Offences Network (ICON).

## Proposed Write-off for Provincial Offences (FCS25021) (City Wide)

Page 3 of 4

| <b>Write-Off History</b> |            |                |                                 |
|--------------------------|------------|----------------|---------------------------------|
|                          | # of Files | \$ Written Off | Year End<br>Outstanding Balance |
| 2020                     | 6,068      | \$1,626,850    | \$68,854,632                    |
| 2021                     | 8,815      | \$2,889,903    | \$69,938,054                    |
| 2022                     | 5,258      | \$1,162,409    | \$70,149,851                    |
| 2023                     | 0          | 0              | \$75,124,522                    |
| 2024                     | 13,360     | \$2,665,795    | \$75,895,897                    |

Note: 2024 write-off includes years 2023 and 2024

Internal stakeholders consulted include staff in the departments of Corporate Services and Planning and Economic Development. All internal stakeholders consulted agree with the recommendations. Please note that Red Light Camera and Automated Speed Enforcement certificates are not subject to write-off.

## Alternatives

The Ministry of the Attorney General has issued a directive to all POA offices in the Province to establish and maintain write-off policies and procedures. Given the Council approved write-off procedure, there are no alternatives for consideration.

## Relationship to Council Strategic Priorities

Report FCS25021 enforces and supports the following:

3. Responsiveness & Transparency
  - 3.1 Prioritize customer service and proactive communication.

## Previous Reports Submitted

[2022 Provincial Offences Administration Annual Report \(FCS23057\) \(City Wide\)](#)

Audit, Finance and Administration Committee, May 18, 2023

## Consultation

Maja Walters, Manager, Finance and Administration, Corporate Services  
 Bob Nuttall, Manager, Building Inspections, Planning and Economic Development  
 Kelly Beaton, Manager, Animal Services, Planning and Economic Development  
 Gillian Barkovich, Manager, Policy and Programs, Planning and Economic Development

## **Appendices and Schedules Attached**

Appendix "A" to Report FCS25021 – Yearly Overview

**Prepared by:**

Francesca Angheloni, Manager, Provincial Offences  
Customer Service, POA & Financial Integration  
Corporate Services Department

Adam Pitre, Coordinator, Enforcement & Support  
Customer Service, POA & Financial Integration  
Corporate Services Department

**Submitted and  
recommended by:**

Cindy Mercanti, Director, Customer Service, POA & Financial  
Integration, Corporate Services Department

## Yearly Overview

### Provincial Offences Administration (POA) Snapshot

The following provides a snapshot of POA performance for 2024.

#### 2024

| Revenue<br>(Net Provincial Transfers) | Outstanding Accounts<br>Receivable | Contribution to Net Levy |
|---------------------------------------|------------------------------------|--------------------------|
| \$12.7 M                              | \$78.6 M                           | \$1 M                    |

| Trials Scheduled | Early Resolution Meetings<br>Scheduled | Charges Filed |
|------------------|--|---------------|
| 3,630            | *18,689                                | 72,752        |

\*Early Resolution Meetings scheduled has approximately doubled in volume from 2023.

### Charges Filed

#### Total Charges Filed

| 2021   | 2022   | 2023   | 2024   |
|--------|--------|--------|--------|
| 86,780 | 86,357 | 85,196 | 72,752 |

## Charges Filed by Agency (Part I's and Part III's)

### Hamilton Police: Number of Charges Filed, Part I's

| <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|-------------|-------------|-------------|-------------|
| 53,910      | 43,819      | 31,919      | 25,674      |

### OPP: Number of Charges Filed, Part I's

| <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|-------------|-------------|-------------|-------------|
| 3,985       | 3,017       | 3,615       | 3,665       |

### Red Light Camera: Number of Charges Filed, Part I's

| <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|-------------|-------------|-------------|-------------|
| 17,653      | 19,131      | 21,761      | 17,521      |

### Automated Speed Enforcement: Number of Charges Filed, Part I's

| <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|-------------|-------------|-------------|-------------|
| 7,160       | 16,292      | 22,358      | 20,100      |

### Other Enforcement Agencies: Number of Charges Filed, Part I's

| <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|-------------|-------------|-------------|-------------|
| 437         | 713         | 967         | 863         |

### Municipal Law Enforcement: Number of Charges Filed, Part I's

Note: Part I's only (volume moved to APS in 2018)

| <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|-------------|-------------|-------------|-------------|
| 884         | 76          | 9           | 57          |

### All Agencies: Number of Charges Filed, Part III's

| <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|-------------|-------------|-------------|-------------|
| 2,751       | 3,309       | 4,567       | 4,872       |

The proportion of charges filed by Hamilton Police Service has decreased by 52% since 2021. With the introduction of Automated Enforcement (Red Light Cameras and Automated Speed Enforcement), the proportion of Automated Enforcement charges has increased by 52% since 2021. OPP charges have demonstrated a consistent trend since 2021. Charges filed by other enforcement agencies such as Ministry of the Environment, Ministry of Labour, etc. have increased from 2021 to 2024. In 2018, Municipal Law Enforcement (MLE) charges commenced its transition to the Administrative Penalty System (APS) Office. Part III's continue to be processed within POA. There is an upward trend in Part III's filed by all agencies.

## Collections

As a first step, customers who have defaulted on fines will receive a notice informing them of their options to resolve the fine. Options include applying for an extension to pay their fine or setting up a pre-authorized payment agreement.

If there is no response, eligible fines may lead to license suspension or plate denial. A final notice will then be sent to the customer, outlining additional collection actions that may be taken and the options available for addressing the fine. If there is still no response, the fines may be sent to a 1st then 2nd stage external collection agency, added to the customer's municipal tax roll, or filed for civil enforcement with the Superior Court of Justice, depending on a review of their eligibility.

In 2024, the cybersecurity incident resulted in a delay of our collection efforts which has since been addressed.

## Accounts Receivable (AR) Breakdown

Active accounts receivable (pre-conviction) represents charges filed that are pending a conviction status.

Active accounts receivable (conviction) represents charges that have received a conviction and have been directed to make payment.

Aged accounts receivable (defaulted) represents charges that have not been paid by the required payment date and have transitioned into the collections process.

| <b>Accounts Receivable Category</b>                        | <b>Amount</b>       | <b>Charges</b> |
|--|---------------------|----------------|
| <b>Active Accounts Receivable (Pre-conviction)</b>         | \$5,172,488         | 29,148         |
| <b>Active Accounts Receivable (Convicted)</b>              | \$9,186,042         | 7,054          |
| <b>Aged Accounts Receivable (Defaulted) Post Write-off</b> | \$61,537,367        | 85,230         |
| <b>Total</b>   | <b>\$75,895,897</b> | <b>121,432</b> |

Hamilton Police Service (HPS) accounts for 71% of all of accounts receivable (pre-conviction, convicted and defaulted).



## City of Hamilton Report for Consideration

**To:** Chair and Members  
Audit, Finance, and Administration Committee

**Date:** May 22, 2025

**Report No:** FCS25022

**Subject/Title:** Binbrook Conservation Area Capital Funding Plan

**Ward(s) Affected:** City Wide

---

### Recommendations

1. That the Niagara Peninsula Conservation Authority's special benefitting capital levy request related to the new washroom facility (Comfort Station) at Binbrook Conservation Area (Binbrook CA) of up to \$500 K be funded from the Unallocated Capital Levy Reserve (108020) and repaid from the operating budget over five years at an interest rate of 3.02% for an annual payment of \$109,234.64 as outlined in Appendix "B" of Report FCS25022, **BE APPROVED**; and
2. That the Niagara Peninsula Conservation Authority submit financial documentation to the Director of Financial Planning, Administration and Policy for the release of funds for the capital projects of up to \$500 K, **BE APPROVED**.

### Key Facts

- Binbrook Conservation Authority (Binbrook CA) has an unfunded capital pressure in the amount of \$500 K relating to a new washroom facility (Comfort Station).
- In line with the *Conservation Authorities Act*, City staff is recommending providing the Niagara Peninsula Conservation Authority (NPCA) with the required funding from a City reserve and to have the NPCA repay the reserve from future tax operating budgets.
- The purpose of Report FCS25022 is to outline the project the NPCA is seeking funds for and to receive approval for the release of capital project funds of up to \$500 K, as well as, to outline the repayment terms over the five-year recommended period.

## Financial Considerations

Total project costs are estimated at \$500 K and are recommended to be internally financed from the Unallocated Capital Levy Reserve (108020) over a five-year period requiring annual tax operating budget of about \$109,000. The repayment schedule is attached as Appendix “B” to Report FCS25022.

Two NPCA FTE's will support this project over a two-year duration. These positions are in-kind contributions from existing staff to support the project and are not funded from the project costs of \$500 K.

## Background

On October 18, 2024, the NPCA's 2025 Operating and Capital Budgets were presented to the Board of Directors. The report was then presented to the City of Hamilton's General Issues Committee on January 28, 2025.

A critical project that represented an unfunded capital pressure for 2025 amounted to \$500 K. The project relates to the Binbrook CA's Comfort Station Upgrade. The capital project was noted as a critical unfunded capital pressure for 2025.

Given that this capital project represents a significant financial impact on the special levy, NPCA staff engaged the City of Hamilton to explore an alternative funding source. This project involves the construction of a new washroom facility to complement the existing one in the main day-use area at the Binbrook CA. Due to a substantial increase in day-use visitation and the ongoing growth of Binbrook, which now has a population exceeding 10,000 with hundreds of homes still being built, there is a need for additional washrooms to accommodate the influx of visitors.

The new washroom facility will feature six family-friendly unisex washrooms, with two of them being fully AODA compliant. It will be located adjacent to the splash pad maintenance building, catering to day-use guests on the east side of the conservation area.

This project offers numerous benefits that collectively enhance customer service. By providing additional restroom amenities, the NPCA demonstrates commitment to visitor comfort and satisfaction, thereby improving the overall park experience. Additionally, the initiative promotes health and safety by ensuring access to clean and hygienic restroom facilities, which supports the well-being of park visitors and reduces the risk of health issues related to sanitation.

The NPCA is seeking \$500 K in funding to begin construction of the new washroom facility in the fall of 2025, scheduled to be completed before May 2026. This tight schedule impairs NPCA's ability to postpone this project to the 2026 budget cycle.



## Analysis

An unfunded pressure of \$500 K relating to a new washroom facility (comfort station) for Binbrook CA has been identified as an urgent need.

This project includes a new washroom facility to complement the existing washroom facility in the main day use area at Binbrook Conservation Area. The new washroom facility will be located adjacent to the splash pad maintenance building to support day-use guests using the east side of the conservation area. The design and permit Phase 1 of the project had a total of \$159,915 approved in 2023 and 2024 to support Phase 1. Phase 1 has been completed and this project is now shovel ready and has a total estimated construction cost of \$650,000.

The project also links the new septic system that was completed in 2022 by now supporting an additional washroom facility. The septic system project was financed in a similar manner through Report FCS20096. Binbrook CA continues to see a substantial increase in day-use visitors and needs an additional washroom facility to support the increase. By deferring the project, there will be a decrease in customer satisfaction at NPCA's leading revenue generating park.

The project offers numerous benefits that collectively result in an enhancement of customer service. By offering additional restroom amenities, it showcases a dedication to ensuring visitor comfort and satisfaction, ultimately elevating the overall park experience. Moreover, the initiative enhances health and safety by providing access to clean and hygienic restroom facilities, thereby promoting the well-being and safety of park visitors and reducing the likelihood of health issues related to sanitation. The introduction of this new washroom facility at Binbrook CA will enable the park to accommodate a larger number of visitors, leading to increased revenue from entrance fees, concessions and other park services.

Given the project's location in the main day-use area, the construction window is extremely narrow. To open the new washroom building by spring 2026, construction must commence in fall 2025 and be completed before May 2026.

In the last several years, NPCA's ability to undertake both operating special projects and capital investments have been significantly impacted by a lack of financial resources. The following issues contributed in part:

- NPCA needs to make significant investments in infrastructural upgrades and staffing resources to safely serve our communities. An Asset Management Plan and Financing Strategy is currently being completed and will provide further refinement to the Asset State-of Good Repair Gap and funding requirements.
- Staff anticipates significant planning and growth pressures in the coming years in NPCA's jurisdiction requiring NPCA to proactively invest in science and information to support decision making.

- Completion of NPCA 10-Year Strategic Plan has identified several gaps and priorities that NPCA must address in the coming years.
- *Conservation Authorities Act* amendments and associated regulations requires several priorities to be completed. This includes a significant number of investments in updating conservation areas management plans, shoreline and coastal resilience technical updates and flood and erosion hazard mitigation projects.

The *Conservation Authority Act* outlines the power of the authority to determine the proportion of total benefit for capital projects afforded to the benefitting municipality. The City of Hamilton has several options to fund the costs of projects that include:

- Provide the NPCA with the required funding from a City reserve and repay the reserve from future tax operating budgets.
- The City could loan the NPCA the funds with a repayment plan. The NPCA would repay the City, but also fund that repayment through their levy to the City.
- The City could provide the NPCA the required funding and then secure debt (loan or debenture issue) to fund the project over a number of years. The financing cost of the debt would be added to the City's tax operating budget.

City staff is recommending (i) above. This is the most efficient option available while still ensuring transparency in reporting.

The City is obligated to fund the levy request submitted by the NPCA for capital projects as the benefitting municipality. Appendix "A" to Report FCS25022 details the full request of the \$500 K for the Binbrook Comfort Station. Staff is recommending that the City provide the funds up to \$500 K from the tax operating budget and fund it from the Unallocated Capital Levy Reserve (108020) and then pay back the reserve over five years through the tax operating budget. The annual repayment with interest at a rate of 3.02% is \$109,239.64. As per the City's reserve policy, the interest rate used is the City cost of borrowing. This method of funding is the most efficient and supports transparency in reporting the annual impact of the NPCA levy.

The recommendation would approve an upset limit of \$500 K requiring the NPCA and City staff to seek approval from their Board and Council to exceed the project cost. Appendix "B" to Report FCS25002 highlights the proposed repayment schedule.

The NPCA has agreed to fund these projects and submit requests for reimbursement of actual costs, along with supporting documentation satisfactory to the Director of Financial Planning Administration and Policy.

## Alternatives

As indicated, the *Conservation Authority Act* requires that the benefitting municipality levy for capital projects that are deemed by the Conservation Authority to directly benefit that municipality. The City of Hamilton has several alternatives to fund the cost of the NPCA Binbrook Conservation Area Comfort Station.

**Alternative 1:**

- The City could loan the NPCA the funds with a repayment plan. The NPCA would repay the City, but also fund that repayment through their levy to the City.

**Alternative 2:**

- The City could provide the NPCA the required funding and then secure debt (bank loan, Infrastructure Ontario (IO) loan or, possibly, debenture issue) and fund the project over a number of years through the repayment of the debt. The financing cost of the debt would be added to the City's Tax Supported Operating Budget.

**Relationship to Council Strategic Priorities**

The recommendations in Report FCS25022 align with the Council Priority of Safe & Thriving Neighbourhoods by providing vibrant parks, recreation and public space to citizens.

The City of Hamilton's 2023 Parks Master Plan outlines the overarching goals of enhancing park amenities, including washrooms, to improve visitor experience and accessibility. The new Binbrook Comfort Station project directly supports these goals by providing additional, accessible restroom facilities.

The forthcoming washroom facility will feature accessible restrooms, fostering a more inclusive and accommodating environment for individuals with disabilities. This promotes diversity and equality within the park.

**Consultation**

City staff has been corresponding with NPCA staff regularly with respect to financing options, project costs and disbursement of funds.

**Appendices and Schedules Attached**

Appendix "A" to Report FCS25022 – 2025 Binbrook Comfort Station Business Case  
Appendix "B" to Report FCS25022 – Binbrook Capital Financing Plan

**Prepared by:** Kayla Petrovsky Fleming, Supervisor  
Financial Planning, Administration & Policy, Corporate Services

**Submitted and recommended by:** Kirk Weaver, Acting Director  
Financial Planning, Administration & Policy, Corporate Services

## Capital Projects

|            |   |      |      |
|------------|---|------|------|
| Project    | CAS-080 2025 - Binbrook Comfort Station |      |      |
| Department | BINBROOK CA                             |      |      |
| Version    | Dept Submission V1                      | Year | 2025 |

## Project description

Provide a clear and detailed description of the project, why the project needs to be done now & consequences of deferral. Include historical cost and typical asset life cycle. Indicate if the project is linked to any other current or future project(s) (capital or operating) & any impact to related project(s) if this project is approved or deferred. Include scope and anticipated outcomes (measurable deliverables), estimated IT & labour/FTE needs, strategic alignment with stakeholders & partners

This project includes a new washroom facility to compliment the existing washroom facility in the main day use area at Binbrook Conservation Area. The new washroom facility will be located adjacent the splash pad maintenance building to support day use guests using the east side of the conservation area. The design and permit phase 1 of the project had a total of \$159,915 approved in 2023 and 2024 to support the phase 1. Phase 1 has been completed and this project is now shovel ready and has a total estimated construction cost of \$650,000. The project supports the recommendation in the Binbrook CA Master Plan that describes upgrading or expanding the current washroom facility. The project also links the new septic system that was completed in 2022 by now supporting an additional washroom facility. 2 NPCA FTE's will support this project over a two-year duration. Binbrook CA continues to see a substantial increase in day use visitors and needs an additional washroom facility to support the increase. By deferring the project there will be a decrease in customer satisfaction at NPCA's leading revenue generating park.

## NEEDS ANALYSIS &amp; BENEFITS

Indicate project benefits, i.e. improving health & safety, customer service, increased ROI, heritage, educational, etc.

The project offers numerous benefits that collectively result in an enhancement of customer service. By offering additional restroom amenities, it showcases a dedication to ensuring visitor comfort and satisfaction, ultimately elevating the overall park experience. Moreover, the initiative enhances health and safety by providing access to clean and hygienic restroom facilities, thereby promoting the well-being and safety of park visitors and reducing the likelihood of health issues related to sanitation. The forthcoming washroom facility will feature accessible restrooms, fostering a more inclusive and accommodating environment for individuals with disabilities. This promotes diversity and equality within the park. The introduction of this new washroom facility at Binbrook CA will enable the park to accommodate a larger number of visitors, leading to increased revenue from entrance fees, concessions, and other park services.

## RISKS &amp; MITIGATION STRATEGY

Indicate project risks and proposed mitigation, including risk assessments if the project is deferred (low/medium/high) and any risks during or post implementation, include direct costs of not proceeding as well as any performance or service related risks.

In the event of project deferral, the NPCA has the capability to accommodate an upsurge in guests by introducing portable washrooms during peak seasons, resulting in an annual operating expense increase of \$20,000 for Binbrook CA. However, it's important to note that there is a potential risk of reduced customer satisfaction if the project is deferred.

## Binbrook Conservation Area Capital Funding Plan

Project 4402156801

Borrower City of Hamilton Reserve 108020

Purpose NPCA Binbrook Conservation Area Improvements (FCS25022)

Principal Amount \$ 500,000.00

Annual Interest Rate 3.02 %

Loan Term (Year) 5

Debenture Date (mm/dd/yyyy) 10/01/2025

Maturity Date (mm/dd/yyyy) 10/01/2030

Payment Frequency Annual

Loan Type Serial

| <u>Payment Date</u> | <u>Total Payment</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Principal Balance</u> |
|---------------------|----------------------|-------------------------|------------------------|--------------------------|
| 10/01/2026          | \$ 109,239.64        | \$ 94,139.64            | \$ 15,100.00           | \$ 405,860.36            |
| 10/01/2027          | \$ 109,239.64        | \$ 96,982.66            | \$ 12,256.98           | \$ 308,877.70            |
| 10/01/2028          | \$ 109,239.64        | \$ 99,911.53            | \$ 9,328.11            | \$ 208,966.17            |
| 10/01/2029          | \$ 109,239.64        | \$ 102,928.86           | \$ 6,310.78            | \$ 106,037.31            |
| 10/01/2030          | \$ 109,239.64        | \$ 106,037.31           | \$ 3,202.33            | \$ 00.00                 |
|                     | <b>\$ 546,198.19</b> | <b>\$ 500,000.00</b>    | <b>\$ 46,198.19</b>    |                          |

**Appendix "A" to Report FCS25028**  
**Page 1 of 1**

**Authority:** Item \_\_\_\_, Audit, Finance and  
Administration Committee  
Report (FCS25028)  
CM:  
Ward: City Wide

**Bill No.**

**CITY OF HAMILTON**  
**BY-LAW NO. 25-XXX**

**Being a By-law to repeal By-laws 22-158 and 25-014**  
**"City of Hamilton Community Benefits Charges By-law, 2022"**

**WHEREAS** the Council of the City of Hamilton has adopted the Community Benefits  
Charges By-law 22-158, as amended by By-law 25-014;

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

1. By-Law 22-158 and By-law 25-014, are hereby repealed in their entirety.
2. This By-law shall come into force and take effect at 12:01 a.m. on June 1, 2025.

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

---

A. Horwath  
Mayor

---

M. Trennum  
City Clerk



## City of Hamilton Report for Consideration

|                          |  |
|--------------------------|--|
| <b>To:</b>               | Chair and Members<br>Audit, Finance & Administration Committee |
| <b>Date:</b>             | May 22, 2025   |
| <b>Report No:</b>        | FCS25028   |
| <b>Subject/Title:</b>    | Review of Community Benefits Charges                           |
| <b>Ward(s) Affected:</b> | City Wide  |

---

### Recommendations

- (a) That the repeal of Community Benefits Charges By-Law 22-158, Appendix “A” to Report FCS25028, **BE PASSED AND ENACTED** effective June 1, 2025; and
- (b) That staff **BE DIRECTED** to report back to the Audit, Finance & Administration Committee whether to introduce a new Community Benefits Charges Study and By-Law in conjunction with the next Development Charges Background Study Process required to enact a new Development Charges By-Law.

### Key Facts

- Report FCS25028 responds to the Council-approved motion from April 16, 2025, that directed staff to explore the potential discontinuation of the City of Hamilton’s Community Benefits Charges By-law 22-158.
- Staff is recommending Council repeal the City of Hamilton’s Community Benefits Charges By-Law 22-158 effective June 1, 2025 and reconsider future re-introduction of Community Benefits Charges in conjunction with the next Development Charges Background Study process required to enact a new Development Charges By-Law.

### Financial Considerations

Repealing the Community Benefits Charges (“CBC”) By-law 22-158 (“CBC By-Law”) would eliminate the City’s authority to collect CBCs. The financial impact would be minimal, as CBC collections, to date, have been minimal (as summarized in Table 1).

Additionally, sufficient funds remain in the CBC reserve accounts (110500 and 110501) to support projects that have already been budgeted (as summarized in Table 2).

## Background

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's CBC By-Law.

CBCs are one of the growth-funding tools available to the City, alongside Development Charges ("DC") and Parkland Dedication fees. These charges help ensure that municipalities have the necessary tools 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 eligible capital projects such as parking and airport services, cultural initiatives, eligible studies and landfill expansions.

CBCs are not associated with the Community Benefits Protocol Sub-Committee or Community Benefits Agreement for social value outcomes.

At its meeting of April 16, 2025 Council approved the following motion:

(a) That Finance staff be directed to report back to the May 1, 2025 Audit, Finance & Administration Committee on the following:

- (i) A draft by-law with a financing strategy and accompanying background study providing staff recommendations for the City of Hamilton Development Charges By-Law 24-072 and/or 11-174 to support development through mechanisms such as:
  - Deferral of the collection of Development Charges from building permit to occupancy;
  - Deferral of the 2025 Development Charges indexing;
  - Exemption of Development Charges for 2- and 3-bedroom housing development units
  - Implementing a pause of the phase-out of the Downtown CIPA partial exemption;
  - Implementing a pause of the phase-out of the industrial rate reduction for non-manufacturing developments;
  - Extending the transition period by an additional 6 months to a total of 12 months;
- (ii) An assessment of the risks associated with each amendment;
- (iii) Estimated financial impacts associated with each amendment;



- (iv) With updated residential and non-residential building starts forecasted based on the current market conditions and financial impacts to the City and the local economy associated with declining housing starts and associated lower expected levels of permit activity;
  - (v) Projected impact on Development Charges revenues and Community Benefits Charges municipal revenue for 2025 and 2026;
- (b) That Finance staff be directed to report back to the Audit, Finance & Administration Committee exploring the option to discontinue the City of Hamilton's Community Benefits Charges By-law 22-158 inclusive of an assessment of the required process, risks and financial impacts;
- (c) That the Mayor be requested to advocate to the Province for changes to the Development Charges Act to allow for a more streamlined process to make administrative changes to Development Charges By-laws to better respond to changing economic conditions;
- (d) That staff be directed to report back through annual Housing Secretariat reporting on outcomes.

Report FCS25028 is presented to respond to section (b) of the Council direction. [Staff Report FCS25026: Review of Development Charges & Developer Incentives](#) was presented at the May 01, 2025 meeting of the Audit, Finance & Administration Committee in relation to DCs as per section (a) of the Council direction.

## Analysis

Staff recommends the repeal of the City's CBC By-Law considering its limited financial impact and Council's interest in providing support to the community during the ongoing period of economic uncertainty. Annual CBC collections have declined significantly, with only one collection recorded in 2024 and none in the first quarter of 2025, largely due to a slowdown in development and the narrow applicability of CBCs. Despite reduced collections, sufficient funds remain in CBC Reserve Funds 110500 and 110501 to fully support all budgeted and forecasted projects through 2034, as detailed in Tables 1 and 2.

## Legislative Requirements

The *Planning Act* does not establish any specific requirements or procedures for the repeal of a CBC By-law; therefore, repeal is at the discretion of Council.

## By-Law

The CBC By-law is set to expire on June 22, 2027. In accordance with the *Planning Act*, staff had intended to seek Council direction in the third quarter of 2025 to initiate the procurement process for the development of a new CBC Strategy and By-law. However, repealing the existing By-law would allow this work to be deferred. Instead, staff would report back during the next DC Background Study Process with an analysis of the implications of the repeal and seek Council's direction on whether to proceed with the development of a new CBC Strategy and By-law to take effect in the future.

It should be noted that Council is under no obligation to adopt a new CBC By-law at any time. Staff is recommending that re-introduction of CBCs be considered in conjunction with the next DC Background Study process to align the timing of both growth funding tools and realize process efficiencies. The next DC Background Study must be completed by mid-2034 but it is anticipated that an update will occur earlier, once the 2051 Masterplans are complete.

## Annual Collections

CBC collections declined significantly in 2024, primarily due to a widespread slowdown in development activity and the limited applicability of the charges, as CBCs are only applicable to buildings which contain five or more stories and 10 or more residential units. Table 1 outlines the annual volume and dollar value of CBC collections, along with available data for 2025.

**Table 1**  
**Historical Community Benefits Charges Collections**

| Year                          | Number of Collections | Annual Collections (\$) |
|-------------------------------|-----------------------|-------------------------|
| <b>2022</b><br>Partial Year   | 2                     | 179,200                 |
| <b>2023</b>                   | 9                     | 2,793,756               |
| <b>2024*</b>                  | 1                     | 79,113                  |
| <b>2025*</b><br>First Quarter | 0                     | 0                       |

\* 2024 and 2025 Collections are based on preliminary unaudited data.

The Community Benefits Charges Reserve Status Report as of December 31, 2024 will be presented to the Audit, Finance & Administration Committee in late 2025.

## Review of Community Benefits Charges (FCS25028) (City Wide)

Page 5 of 7

**Budgeted Expenditures**

Sufficient funding exists in CBC Reserve Funds 110500 and 110501 to fund the projects which have been allocated funding through the budget process with no further collections required. As of December 31, 2023, the balance of CBC Reserve Funds 110500 and 110501 was \$17.8 M. Table 2 details the expenditures that have been adopted or included in the capital forecast, to date, from the CBC Reserve Funds.

**Table 2**  
**Community Benefits Charges Approved Expenditures**

| <b>Project</b>   | <b>Amount (\$)</b> |
|--|--------------------|
| Children's Museum Expansion – Phase 2<br>7202041204                        | 428,249            |
| Comprehensive Zoning By-Law<br>8101655600                                  | 597,558            |
| Digital Open Data Infrastructure<br>3381858503                             | 3,909              |
| IT Strategy<br>3502257200  | 24,330             |
| Heritage Designation Study<br>8121255620                                   | 46,019             |
| Digital Office: Smart City and Digital Transformation Program<br>338195901 | 5,830              |
| 2025 CBC Study*<br>3622480002  | 275,000            |
| 2030 CBC Study<br>3622480001   | 315,000            |
| Information Security Program<br>3502257203                                 | 16,489             |
| City Wide Employment Survey<br>8141655600                                  | 402,924            |
| Downtown & Waterfront Parking<br>4902845001                                | 9,909,559          |
| Parking Payment Equipment<br>4901751700                                    | 19,461             |
| West Harbour Parking Garage<br>4412406103                                  | 1,917,241          |
| Transfer Station/ CRC Expansion & Capital Replacement<br>5121594511        | 3,355,276          |
| <b>TOTAL</b>   | <b>17,316,845</b>  |

\* If the recommendations to Report FCS25028 are approved by Council, the 2025 CBC Study Project will be recommended for cancellation through a future Capital Project Closing Report.

## Alternatives

Not Applicable

## Relationship to Council Strategic Priorities

Report FCS25028 is being presented to the Audit, Finance & Administration Committee by staff as directed through Item 10.1 of the April 16, 2025 meeting of Council in order to support the following Council priorities:

- Council Priority 1: Sustainable Economic & Ecological Development, and;
- Council Priority 3: Responsiveness & Transparency.

## Previous Reports Submitted

- Audit, Finance and Administration Committee, May 1, 2025:  
[FCS25026: Review of Development Charges & Developer Incentives](#)
- Audit, Finance and Administration Committee, January 16, 2025:  
[FCS24016\(a\): Community Benefits Charges By-Law Amendment](#)
- Community Benefits Protocol Sub-Committee, December 16, 2024:  
[HSC24042/ FCS24069: Community Benefits and Social Value Procurement](#)
- Audit, Finance and Administration Committee, October 17, 2024:  
[FCS24016: Community Benefits Charges By-Law Amendment](#)
- Audit, Finance and Administration Committee, October 17, 2024:  
[FCS24042: Growth Funding Tools: Reserve Fund Policy Updates](#)
- Audit, Finance and Administration Committee, September 05, 2024:  
[FCS24007: Community Benefits Charges Reserve Status Report as of December 31, 2023](#)
- Audit, Finance and Administration Committee, June 15, 2023:  
[FCS23054: Community Benefits Charges Reserve Status Report as of December 31, 2022](#)
- Audit, Finance and Administration Committee, June 16, 2022:  
[FCS22015\(b\): Community Benefits Charge Strategy](#)
- Audit, Finance and Administration Committee, April 12, 2022:  
[FCS22015\(a\): Community Benefits Charges – Engagement and Draft Strategy](#)
- Audit, Finance and Administration Committee, February 28, 2022:  
[FCS22015: Community Benefits Charges](#)

## Consultation

Legal Services, Corporate Services  
Watson & Associates Economists Ltd.

**Appendices and Schedules Attached**

Appendix "A" to Report FCS25028 – Draft By-Law to Repeal Community Benefits  
Charges By-Law 22-158

**Prepared by:** Ailish Brooke, Senior Financial Analyst  
Development Charges, Programs & Policies, Financial  
Planning, Administration & Policy Division, Corporate  
Services

**Submitted and  
recommended by:** Kirk Weaver, Acting Director  
Financial Planning, Administration & Policy Division,  
Corporate Services



## **GRANTS SUB-COMMITTEE MINUTES - GSC 25-002**

9:30 a.m.

May 14, 2025

Council Chambers (Hybrid), City Hall, 2<sup>nd</sup> Floor  
71 Main Street West, Hamilton, Ontario

---

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

**Absent:** Councillor M. Tadeson - Personal

---

### **AUDIT, FINANCE AND ADMINISTRATION**

#### **1. CALL TO ORDER**

Committee Chair N. Nann called the meeting to order at 9:30 a.m.

#### **2. CEREMONIAL ACTIVITIES**

There were no ceremonial activities.

#### **3. APPROVAL OF AGENDA**

**(Kroetsch/M. Wilson)**

That the agenda for the May 14, 2025 Grants Sub-Committee meeting, be  
approved, as presented.

**CARRIED**

#### **4. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **5. APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

##### **5.1 January 27, 2025**

**(Kroetsch/Francis)**

That the minutes of the January 27, 2025 Grants Sub-Committee, be  
adopted, as presented.

**CARRIED**

#### **6. DELEGATIONS**

There were no Delegations.

## **7. ITEMS FOR INFORMATION**

There were no Items for Information.

## **8. ITEMS FOR CONSIDERATION**

### **8.1 GRA25003 2025 City Enrichment Fund Recommendations (City Wide)**

Heather Anderson, Director Communications & Community Engagement provided opening remarks and introduced Andrea Carvalho, Advisor City Enrichment Fund and Rebecca Frerotte, Grants and Strategic Partnerships Coordinator who addressed the Committee with a presentation respecting Report GRA25003, the 2025 City Enrichment Fund Recommendations (City Wide).

#### **(Kroetsch/Nann)**

That Report GRA25003, dated May 14, 2025, respecting the 2025 City Enrichment Fund Recommendations (City Wide), and the accompanying presentation be received, and the following recommendations be approved:

- (a) That, the 2025 City Enrichment Fund recommended funding allocation, in the amount of \$7,944,520 (as outlined in the attached Appendix "A" to Report GRA25003), BE APPROVED; including a one-time use of \$175,000 from the City of Hamilton's Municipal Accommodation Tax Reserve 108072 to support City Enrichment Fund Arts Program Area, Arts Festivals and Arts Capacity Building streams; and including a one-time use of \$26,251 from the City Enrichment Fund Reserve #112230 for the returning program MYF-CS-D7 Wesley Youth Housing;
- (b) That, staff BE DIRECTED to assign payments to the applicants' legal names, as listed in Confidential Appendix "B" to Report GRA25003, Legal Names of Individual Applicants;
- (c) That, the following grants BE APPROVED, and funding be withheld, pending the submission of additional information, by July 20, 2025:
  - (i) AGR - A5                      Stoney Creek BIA
  - (ii) AGR - A15                    Wentworth District Women's Institute
  - (iii) AGR - A11                   Westdale Village BIA
  - (iv) MYF - ART - A6              Grit Lit
  - (v) ART - A26                      Red Beti Theatre
  - (vi) MYF- ART - B1               Centre Francais
  - (vii) ART - B2                      Festival of Friends

|         |                |                                     |
|---------|----------------|-------------------------------------|
| (viii)  | ART - B3       | Greater Hamilton Arts and Events    |
| (ix)    | CCH - A17      | Canpak Association of Hamilton      |
| (x)     | CCH - A55      | Winona Peach Festival               |
| (xi)    | CCH - A57      | Stoney Creek BIA                    |
| (xii)   | CCH - A60      | Locke Street BIA                    |
| (xiii)  | CCH - A65      | Westdale Village BIA                |
| (xiv)   | CCH - B3       | Stoney Creek BIA                    |
| (xv)    | CCH - B9       | Ottawa Street BIA                   |
| (xvi)   | CS - H6        | Abrar Mental Health                 |
| (xvii)  | CCH - A14      | Binbrook Minor Baseball Association |
| (xviii) | SAL - D12      | Ottawa Street BIA                   |
| (xix)   | MYF - ENV - A1 | Hamilton Harbour Restoration        |
| (xx)    | CS             | All Community Service (CS)          |

recommendations pending the successful submission of 2024 Final Reports. The CS deadline is April 30th annually and follows the submission of this report.

- (d) That, Appendix “D” to GRA25003, Payment Plan BE APPROVED, and;
- (e) That Confidential Appendix “B” to Report GRA25003, Legal Names of Individual Applicants BE RECEIVED and remain confidential.

**Result: MOTION, CARRIED by a vote of 5 to 0, as follows:**

|        |   |         |                             |
|--------|---|---------|-----------------------------|
| Yes    | - | Ward 1  | Councillor Maureen Wilson   |
| Yes    | - | Ward 2  | Councillor Cameron Kroetsch |
| Yes    | - | Ward 3  | Councillor Nrinder Nann     |
| Yes    | - | Ward 5  | Councillor Matt Francis     |
| Yes    | - | Ward 6  | Councillor Tom Jackson      |
| Absent | - | Ward 11 | Councillor Mark Tadeson     |

## **8.2 GRA24002(b) City Enrichment Fund – Appeals Process (City Wide)**

### **(Kroetsch/M. Wilson)**

That Report GRA24002(b), dated May 14, 2025, respecting City Enrichment Fund – Appeals Process (City Wide), be received, and the following recommendations be approved:

- (a) That the City Enrichment Fund appeals process (as outlined in the attached Appendix “A” attached to Report GRA25002(b)) BE APPROVED, and made a permanent part of the City Enrichment Fund Program, to BE FUNDED one-time from the City Enrichment Fund Reserve #112230, up to a maximum of \$50,000;



- (b) That the Director of Communications and 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 of Hamilton in relation to appeal funding process outlined in Appendix "A" attached to Report GRA24002(b), provided the documents comply with all City policies and procedures, and is in a form satisfactory to the City Solicitor;
- (c) That annualized funding for the City Enrichment Fund appeals process BE CONSIDERED as part of the 2026 budget process in the amount of \$50,000; and,
- (d) That the Outstanding Business List Item respecting the City Enrichment Fund "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", be considered complete and BE REMOVED.

**Result: MOTION, CARRIED by a vote of 5 to 0, as follows:**

|        |   |         |                             |
|--------|---|---------|-----------------------------|
| Yes    | - | Ward 1  | Councillor Maureen Wilson   |
| Yes    | - | Ward 2  | Councillor Cameron Kroetsch |
| Yes    | - | Ward 3  | Councillor Nrinder Nann     |
| Yes    | - | Ward 5  | Councillor Matt Francis     |
| Yes    | - | Ward 6  | Councillor Tom Jackson      |
| Absent | - | Ward 11 | Councillor Mark Tadeson     |

## **9. MOTIONS**

There were no Motions.

## **10. NOTICES OF MOTION**

There were no Notices of Motion.

## **11. PRIVATE & CONFIDENTIAL**

Committee determined that discussion of Item 11.1 was not required in Closed Session. Please refer to Item 8.1 for disposition of this matter.

## **12. ADJOURNMENT**

There being no further business, the Grants Sub-Committee adjourned at 10:08 a.m.

Respectfully submitted,

---

Angela McRae  
Legislative Coordinator

---

Councillor Nrinder Nann  
Chair, Grants Sub-Committee



## City of Hamilton Report for Consideration

**To:** Chair and Members  
Audit, Finance & Administration Committee

**Date:** May 22, 2025

**Report No:** FCS25033

**Subject/Title:** Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* as it relates to the *Development Charges Act, 1997*

**Ward(s) Affected:** City Wide

---

### Recommendations

- (a) That if the Province undertakes consultation as it relates to the proposed *Development Charges Act* changes, the General Manager, Finance and Corporate Services **BE AUTHORIZED** to make submissions on Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* and any associated regulations and **BE DIRECTED** to provide a copy of the submissions to Council for endorsement.

### Key Facts

- The purpose of Report FCS25033 is to provide an overview of the proposed changes to the *Development Charges Act, 1997* that would occur if Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* is enacted and to direct staff to provide submissions to the Province to be considered for endorsement by the Audit, Finance and Administration Committee.
- Prior to the release of Bill 17, through Report FCS25026, the City of Hamilton initiated the DC By-law amendment process and is currently engaged in public consultations to amend Development Charges By-law, 24-072, as amended.
- Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* will have direct implications to the amendments considered by Council.

## Financial Considerations

There are no financial implications related to the receipt of Report FCS25033. Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* ("Bill 17") would impact the City's ability to collect Development Charges (DC). A full overview of the financial implications of Bill 17, if enacted, and impacts on the City of Hamilton's financing strategy, will be included in the 2026 Budget Outlook Report.

As required by the *Development Charges Act, 1997, as amended* ("DC Act"), any legislatively required exemptions or reductions in DCs cannot be made up through higher DCs for other development types and, therefore, must be funded through other sources such as the property tax levy or user rates.

## Background

Development Charges ("DC") are a development fee collected by the City of Hamilton to help fund the capital costs associated with new growth. These charges contribute to the expansion of infrastructure services such as roads, water and wastewater systems, parks and emergency services which are required to support growth. DCs are typically payable at the time of building permit issuance and are calculated in accordance with the DC Act and the City of Hamilton Development Charges By-law, 24-072, as amended ("DC By-law").

In the last five years, the Province has enacted various pieces of legislation amending the DC Act (including Bill 108, *More Homes, More Choice Act, 2019*; Bill 138, *Plan to Build Ontario Together Act, 2019*; Bill 197, *COVID-19 Economic Recovery Act, 2020*; Bill 109, *More Homes for Everyone Act, 2022*; Bill 23, *More Homes, Built Faster Act, 2022*; Bill 134, *Affordable Homes and Good Jobs Act, 2023*; and Bill 185, *Cutting Red Tape to Build More Homes Act, 2024*) with the intent of facilitating the construction of 1.5 million new homes in Ontario by 2031. The objective of increasing housing availability is shared by the City.

These legislative changes have rapidly altered the regulatory landscape of DCs and generally decreased the ability of municipalities to fund growth-related costs while increasing the administrative burden of collecting DCs. Bill 17 represents another significant modification to the DC Act. These significant and frequent changes have increased the complexity of applying and interpreting the DC Act.

On April 16, 2025, Council directed staff to begin the process of amending the DC By-law and to prepare draft amendments. On May 1, 2025 [Report FCS25026: Review of Development Charges and Developer Incentives](#) was presented to the Audit, Finance and Administration Committee, and subsequently approved by Council, to initiate the legislatively required 60-day notice period prior to the passage of a DC By-law Amendment. The proposed amendments are the subject of ongoing public consultation and remain open to refinement from further Council and public consultation before a final By-law Amendment is recommended for adoption.

On May 12, 2025, the Minister of Municipal Affairs and Housing introduced Bill 17, which proposes to amend eight pieces of legislation which directly impact municipalities. Schedule 4 to Bill 17 pertains to proposed amendments of the DC Act.

## Analysis

The purpose of Report FCS25033 is to provide an overview of the proposed changes to the DC Act through Bill 17 for information (see Appendix “A” to Report FCS25033). The proposed changes include:

- Exemption for Long-Term Care Homes
- Regulation-Making Authority to Impose Limits on Eligible Capital Costs
- Simplified DC By-law Amendment Process
- Deferral of DCs for Residential Developments to Occupancy
- Removal of Interest on Instalments
- Permit Early Payment for Institutional, Rental Housing and Residential Developments
- Mandate Lowest DC Rate for Lock-In Developments
- Regulation-Making Authority to Combine DC Services for Credit Purposes
- Regulation-Making Authority to Determine What Constitutes a Local Service

### Exemption for Long-Term Care Homes

Bill 17 proposes to amend the DC Act by introducing an exemption from DCs for long-term care homes. Specifically, the new Section 4.4 would exempt any part of a building or structure intended for use as a long-term care home, as defined under the *Fixing Long-Term Care Home Act, 2021*. This exemption would apply to all DCs payable after the legislation comes into force, as well as the waiving of any existing instalment plans already in place. The City would be required to fund the exemption through other sources including property tax and rate payers.

### Regulation-Making Authority to Impose Limits on Eligible Capital Costs

Bill 17 proposes changes to subsection 5(3) of the DC Act, to give the Province regulation-making authority to set limits on eligible capital costs. This means the Province could introduce new rules restricting what costs can be included in DC calculations including the project amount, for example, limits on land value. The City would be required to fund any non-growth eligible capital costs arising from these restrictions through property taxes or user rates. The impact to the City can only be assessed once the regulation details are released.

### Simplified DC By-law Amendment Process

Bill 17 extends the use of the simplified process for amending a DC by-law beyond extending the by-law’s expiry date to include where the change is limited to removing or changing indexing provisions or reducing DC rates for certain development types. Based on the Technical Briefing of Bill 17 released by the Province, the amendments currently under consideration by Council in accordance with [Report FCS25026: Review of Development Charges and Developer Incentives](#), would no longer require an update to the DC Background Study, public consultation or an appeal process. The announcement of Bill 17 has not altered the City’s current consultation plan.

## **Deferral of DCs for Residential Developments to Occupancy**

Bill 17 proposes to delay the payment of DCs for non-rental residential developments to the point of occupancy, rather than at building permit issuance. This proposed legislation would require that the deferral apply without interest but will allow the City to require financial security to guarantee payment. The City will need to develop a policy and program to manage and monitor these deferrals. Staff will assess and report back on whether additional resources are needed.

## **Interest on Instalments**

Bill 17 proposes to remove the City's authority to charge interest on DC instalments, paid commencing at occupancy, for institutional and rental housing developments. This amendment would impact the City's ability to recover interest on deferred payments under Section 26.1 of the DC Act. The City will need to amend its Development Charges Legislated Instalment Interest Policy, as approved through [Report FCS23087: Development Charges Interest Policy Update](#) to reflect this change.

## **Permit Early Payment for Institutional, Rental Housing and Residential Developments**

Bill 17 proposes to amend the DC Act to permit early payment of DCs for institutional, rental housing and residential developments without requiring an agreement under Section 27 of the DC Act. Specifically, a new subsection would clarify that a developer required to pay a DC by instalments for an institutional or rental housing development, or at occupancy for a residential development, may instead choose to pay the DC earlier without the need for an early payment agreement.

This amendment would reduce the City's administrative burden by eliminating the requirement to execute and manage early payment agreements. However, it would also remove the City's ability to monitor compliance with rental housing developments for the purpose of validating eligibility for the rental housing discount.

## **Mandate Lowest DC Rate for Lock-In Developments**

Bill 17 proposes to amend the DC Act to require that in cases where DC rates are locked-in through a site-plan application or zoning by-law amendment, the amount payable must be the lesser of: (1) the locked-in DC rate plus any accrued interest, or (2) the prevailing DC rate at the time of payment. This change will require the City to calculate and compare both rates in applicable cases, increasing administrative effort to ensure the correct, lower rate is applied.

## **Regulation-Making Authority to Combine DC Services for Credit Purposes**

Bill 17 proposes to amend the DC Act to provide the Province with regulation-making authority to prescribe the combination of DC service categories for the purpose of issuing DC credits. For example, this could allow credits earned from works related to Roads to be applied toward Transit DCs. The City does not currently utilize credit agreements as defined in the DC Act and, therefore, there would be no immediate impact to the City.

## **Regulation-Making Authority to Determine What Constitutes a Local Service**

Bill 17 proposes to amend the DC Act to provide the Province with regulation-making authority to prescribe which services are to be considered “local services.” Once enacted, the City would be required to comply with any such regulations, which may impact how certain infrastructure or service costs are allocated between development charges and direct developer responsibilities.

In addition to the above changes as proposed through Bill 17, the Province released a Technical Briefing on May 12, 2025. This briefing indicated further changes that the Province intends to move forward with. The additional proposed changes include:

- Enabling the use of the Non-residential Building Construction Price Index (BCPI) for London
- Prescribing methodologies for calculating the benefit of new infrastructure to existing development (Benefit to Existing)
- Increasing the requirement to annually allocate 60% of the service specific balance in DC reserves from select services to all services

Staff will continue to monitor for further announcements and report back to the Audit, Finance and Administration Committee as applicable.

## **Alternatives**

Not Applicable

## **Relationship to Council Strategic Priorities**

Report FCS25033 is being presented to the Audit, Finance & Administration Committee by staff in order to support Council Priority 3: Responsiveness & Transparency.

## **Previous Reports Submitted**

- Audit, Finance and Administration Committee, May 01, 2025: [FCS25026: Review of Development Charges and Developer Incentives](#)
- Audit, Finance and Administration Committee, October 19, 2023: [FCS23087: Development Charges Interest Policy Update](#)

## **Consultation**

City of Hamilton staff from Legal Services, Corporate Services were consulted in the preparation of Report FCS25033.

## **Appendices and Schedules Attached**

Appendix “A” to Report FCS25033 – Summary of Changes Proposed to the *Development Charges Act, 1997* through Schedule X to the *Protect Ontario by Building Faster and Smarter Act, 2025* (Bill 17)

Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* as it relates to the  
*Development Charges Act, 1997* (FCS25033) (City Wide)

Page 6 of 6

---

|  |   |
|--|---|
| <b>Prepared by:</b>                      | Ailish Brooke, Senior Financial Analyst<br>Development Charges, Programs & Policies, Financial<br>Planning, Administration & Policy Division, Corporate<br>Services |
| <b>Submitted and<br/>recommended by:</b> | Kirk Weaver, Acting Director<br>Financial Planning, Administration & Policy Division<br>Corporate Services  |



**Proposed *Protect Ontario by Building Faster and Smarter Act, 2025***  
**Bill 17 Overview of Changes**  
**Schedule 4 – *Development Charges Act***

| Proposed Amendment  | Explanation of Proposed Amendment  | Implications of Proposed Amendment  |
|---|--|---|
| <b>Exemption for Long-Term Care Homes</b><br>(Subsection 1) | <p>Proposes the exemption of Development Charges (“DC”) for Long-Term Care Homes. This exemption would come into force the date the Bill 17, <i>Protect Ontario by Building Faster and Smarter Act, 2025</i> (“Bill 17”) receives royal assent.</p> <p>This amendment would take effect the day Bill 17 receives Royal Assent.</p> | <p>The City will be required to exempt DCs for Long-Term Care Homes, including future instalments payable under Section 26.1.</p> <p>Legislatively required exemptions or reductions in DCs cannot be made up through higher DCs for other development types and therefore must be funded through other sources such as the property tax levy or user rates.</p> <p>This amendment appears to support the development of long-term care homes through reduced costs to the development community.</p> |

**Appendix “A” to Report FCS25033****Page 2 of 7**

| <b>Proposed Amendment</b>   | <b>Explanation of Proposed Amendment</b>  | <b>Implications of Proposed Amendment</b>   |
|---|---|---|
| <b>Regulation-Making Authority to Impose Limits on Eligible Capital Costs</b><br>(Subsection 2) | <p>Proposes regulation-making authority for the Province to determine additional limits and restrictions to DC eligible capital costs.</p> <p>This amendment would take effect the day Bill 17 receives Royal Assent.</p> | <p>This amendment affects the determination of DC rates through the DC Background Study process and, therefore, is expected to impact the City the next time a full DC Background Study is undertaken.</p> <p>The City will be required to adhere to any future regulations enacted in relation to eligible capital costs. For example, this could include restrictions on the land value which is permitted to be funded through DCs.</p> <p>Any funding shortfall, as a result of legislatively imposed restrictions, must be funded through other sources such as the property tax levy or user rates.</p> <p>This amendment does not appear to directly support the development of housing in the short-term.</p> |

**Appendix “A” to Report FCS25033****Page 3 of 7**

| <b>Proposed Amendment</b>                                       | <b>Explanation of Proposed Amendment</b>   | <b>Implications of Proposed Amendment</b>  |
|---|--|--|
| <b>Simplified DC By-law Amendment Process</b><br>(Subsection 3) | <p>Proposes a simplified amendment process for DC by-laws where the intent is to repeal a requirement for indexing and / or to add a provision for a DC not to be indexed or to decrease the amount of a DC that would be payable for certain types of development.</p> <p>The simplified amendment process waives the typical requirements associated with the passage of an amendment to a DC by-law, including the requirements for an updated DC Background Study, public consultation and the opportunity for appeal of the amendment.</p> <p>This amendment would take effect the day Bill 17 receives Royal Assent.</p> | <p>The City is currently undergoing a process to amend the DC By-law. Once in Bill 17 is force, this change would remove many of the legislative requirements currently being undertaken in order to pass the type of amendments being considered.</p> <p>There are no financial implications of the proposed amendment.</p> <p>This amendment appears to support the development of housing by permitting municipalities to expedite by-law amendments to support the development of housing.</p> |

**Appendix “A” to Report FCS25033****Page 4 of 7**

| <b>Proposed Amendment</b>   | <b>Explanation of Proposed Amendment</b>   | <b>Implications of Proposed Amendment</b>  |
|---|--|--|
| <b>Deferral of DCs for Residential Developments to Occupancy</b><br>(Subsection 4(1)(3)(5)) | <p>Proposes deferral of the payment of DCs without interest associated with non-rental residential developments to occupancy.</p> <p>The deferral would allow the City to request a financial instrument as security for the amount of the DCs deferred. The Province may prescribe what municipalities must accept.</p> <p>This amendment would take effect on a date to be proclaimed.</p> | <p>The City will be required to develop a policy and program to execute and monitor the deferrals of all residential developments. The City would receive payment without interest at the time of occupancy regardless of whether the development obtained occupancy within months or years.</p> <p>Additional resourcing may be required across Corporate Services (Legal &amp; Finance Divisions) and Planning &amp; Economic Development (Building Division) in order to support the increased administrative process.</p> <p>This amendment appears to support the development of housing by providing cash flow support to the development community.</p> |

## Appendix “A” to Report FCS25033

Page 5 of 7

| Proposed Amendment   | Explanation of Proposed Amendment   | Implications of Proposed Amendment  |
|--|---|---|
| <b>Removal of Interest on Instalments</b><br>(Subsection 4(5)) | <p>Proposes the repeal of the City’s authority to collect interest on legislated instalments for institutional and rental housing developments.</p> <p>This amendment would take effect on a date to be proclaimed.</p> | <p>The City currently applies interest on legislated instalment payment of DCs for institutional developments and rental housing developments in accordance with Sections 26.1 and 26.3 of the DC Act. As of the date Bill 17 comes into force, the City will no longer be permitted to collect interest which will have significant implications on collections from institutional and rental housing developments.</p> <p>The City will be required to amend the Development Charges Legislated Instalment Interest Policy as approved through <a href="#">Report FCS23087: Development Charges Interest Policy Update</a>.</p> <p>This amendment appears to support the development of institutional and rental housing developments through reduced costs to the development community.</p> |

**Appendix “A” to Report FCS25033****Page 6 of 7**

| <b>Proposed Amendment</b>   | <b>Explanation of Proposed Amendment</b>   | <b>Implications of Proposed Amendment</b>   |
|---|--|---|
| <b>Permit Early Payment for Institutional, Rental Housing and Residential Developments</b><br>(Subsection 4(8)) | <p>Proposes addition of a new subsection to permit early payment of DCs which would otherwise be payable through instalments in the case of institutional and rental housing developments or at occupancy in the case of residential developments.</p> <p>This amendment would take effect on a date to be proclaimed.</p>   | <p>This amendment reduces the City’s administrative burden by eliminating the need for early payment agreements for institutional and rental housing developments.</p> <p>This change eliminates the City’s ability to monitor compliance with rental housing developments, which may affect the City’s ability to confirm eligibility for the rental housing discount.</p> <p>This amendment appears to support the development of institutional, rental housing and residential developments by providing flexibility to the development community.</p> |
| <b>Mandate Lowest DC Rate for Lock-In Developments</b><br>(Subsection 5)  | <p>Proposes addition to require that in cases where DC rates are locked-in by site-plan or zoning by-law amendment the DC will be determined as the lower of (1) the locked-in rates plus accrued interest and (2) the current rates.</p> <p>This amendment would take effect on the date Bill 17 receives Royal Assent.</p> | <p>The City will be required to prepare two DC estimates in cases where DC rates are locked-in by site-plan application or zoning by-law amendment to determine the lower rate which will be applicable.</p> <p>This amendment appears to support the development of housing by providing confidence to the development community that the lowest DC rate will be applicable.</p>   |

**Appendix “A” to Report FCS25033****Page 7 of 7**

| <b>Proposed Amendment</b>   | <b>Explanation of Proposed Amendment</b>   | <b>Implications of Proposed Amendment</b>   |
|---|--|---|
| <b>Regulation-Making Authority to Combine DC Services for Credit Purposes</b><br>(Subsections 7 and 9(4))   | <p>Proposes regulation-making authority for the Province to combine DC categories for the purposes of providing DC credits. For example, works completed in relation to Roads could theoretically be applied to Transit DCs.</p> <p>This amendment would take effect on the date Bill 17 receives Royal Assent. It is unclear whether historical agreements would be affected.</p> | <p>The City does not currently utilize credit agreements as defined in the DC Act and, therefore, there would be no immediate impact to the City.</p> <p>This amendment appears to support the development of housing by providing flexibility to the development community.</p>  |
| <b>Regulation-Making Authority to Determine What Constitutes a Local Service</b><br>(Subsection 8 and 9(2)) | <p>Proposes regulation-making authority for the Province to identify which services constitute as local services.</p> <p>This amendment would take effect on the date Bill 17 receives Royal Assent.</p>   | <p>The Local Service Policy affects the determination of DC rates through the DC Background Study process and, therefore, this amendment is expected to impact the City the next time a full DC Background Study is undertaken unless the Province directs changes to take immediate effect (not announced).</p> <p>The City will be required to adhere to any future regulations enacted in relation to the classification of local services.</p> <p>This amendment does not appear to support the development of housing in the short-term.</p> |

# CITY OF HAMILTON M O T I O N

**Audit, Finance and Administration Committee: May 22, 2025**

**MOVED BY COUNCILLOR A. WILSON .....**

**SECONDED BY COUNCILLOR .....**

## **Ward 13 Community Grants – Hamilton Conservation Authority and Hamilton Public Library, Dundas Branch**

WHEREAS, the Ward 13 Community Grants program exists to financially support community projects which substantially improve the communities of Ward 13 in areas relating to social services, biodiversity and climate action, community development, the arts, and recreation;

WHEREAS, the Hamilton Public Library, Dundas Branch, has partnered with Ward 13 community organizations to coordinate and host a community planting on site;

WHEREAS, the Hamilton Conservation Authority has committed to partnering with Ward 13 community groups and residents to improve their ability to combat invasive species in West Flamborough;

THEREFORE, BE IT RESOLVED:

- (a) That reimbursement to Hamilton Public Library (Dundas Branch) for costs incurred in partnering with local residents and community members in activating and programming a new garden space at the rear of the Library be funded from the Ward 13 Non-Property Tax Revenue Account #3301609613 at an upset limit, including contingency, not to exceed \$5,000;
- (b) That a grant to the Hamilton Conservation Authority to enhance the 2025 and 2026 Water Quality and Habitat Improvement Program (WQHIP) to allow for an increased intake to meet the demand from Ward 13 residents in participating be funded from the Ward 13 Non-Property Tax Revenue Account #3301609613 at an upset limit, including contingency, not to exceed \$15,000;
- (c) That any funds allocated and distributed through the Ward 13 Community Grants Program be exempt on a one-time basis and not be counted toward any formula that restricts regular funding from the City including the City Enrichment Fund or the One-Time Enhancement Grant (e.g. the City's 30% formula); and
- (d) That the Mayor and City Clerk be authorized and directed to execute any required agreement(s) and ancillary documents, with such terms and conditions in a form satisfactory to the City Solicitor.



# CITY OF HAMILTON M O T I O N

**Audit, Finance and Administration Committee: May 22, 2025**

**MOVED BY COUNCILLOR A. WILSON .....**

**SECONDED BY COUNCILLOR .....**

## **Ward 13 Community Grants – Q1/Q2 2025**

WHEREAS, the Ward 13 Community Grants program closed for Q1/Q2 on May 9, 2025 with a total of 10 applications;

WHEREAS, City staff in Financial Planning, Administration and Policy, and Community Engagement - Grants reviewed the recommendations from the Ward 13 Community Grants program and found that nine (9) applications were eligible and approved for Q1/Q2 2025; and

WHEREAS, the following \$ 21,481.344 constitutes the complete issuance of community grants for Q1/Q2 2025;

THEREFORE, BE IT RESOLVED:

- (a) That a grant to Dundas 55+ Group, for costs associated with their Sustainable Infrastructure Development Project, be funded from the Ward 13 Non-Property Tax Revenue Account 3301609613 at an upset limit, including contingency, not to exceed \$1710.00;
- (b) That a grant to Dundas Driving Park Garden Rock Stars, for costs associated with maintenance of their community garden project be funded from the Ward 13 Non-Property Tax Revenue Account 3301609613 at an upset limit, including contingency, not to exceed \$1076.00;
- (c) That a grant to UTM Hamilton Ignite, for costs associated with their Skills and Leadership Development Program be funded from the Ward 13 Non-Property Tax Revenue Account 3301609613 at an upset limit, including contingency, not to exceed \$1000.00;
- (d) That a grant to the Hamilton Naturalists' Club, acting as fundholder for community initiatives for native plant restoration, for costs associated with native plant restoration in Johnson Tew Park, be funded from the Ward 13 Non-Property Tax Revenue Account 3301609613 at an upset limit, including contingency, not to exceed \$2475.00;
- (e) That Dundas Valley School of Art, for costs associated with their Community Youth Art Exhibition, be funded from the Ward 13 Non-Property Tax Revenue

Account 3301609613 at an upset limit, including contingency, not to exceed \$3346.50;

- (f) That The Salvation Army Hamilton and Dundas Community and Family Services, for costs associated with their Café 55+ initiative be funded from the Ward 13 Non-Property Tax Revenue Account 3301609613 at an upset limit, including contingency, not to exceed \$5000;
- (g) That Action Thirteen, for costs associated with their EcoArt Hub Project, be funded from the Ward 13 Non-Property Tax Revenue Account 3301609613 at an upset limit, including contingency, not to exceed \$900;
- (h) That Flamborough Information and Community Services, for costs associated with their Community Information and Involvement Project 2025, be funded from the Ward 13 Non-Property Tax Revenue Account 3301609613 at an upset limit, including contingency, not to exceed \$4973.84;
- (i) That the Dundas Rock Garden, for costs associated with the maintenance of the Children's Garden, be funded from the Ward 13 Non-Property Tax Revenue Account 3301609613 at an upset limit, including contingency, not to exceed \$1000;
- (j) That any funds allocated and distributed through the Ward 13 Community Grants Program be exempt on a one-time basis and not be counted toward any formula that restricts regular funding from the City including the City Enrichment Fund or the One-Time Enhancement Grant (e.g. the City's 30% formula); and
- (k) That the Mayor and City Clerk be authorized and directed to execute any required agreement(s) and ancillary documents, with such terms and conditions in a form satisfactory to the City Solicitor.