



AUDIT, FINANCE & ADMINISTRATION COMMITTEE REPORT 13-006

9:30 a.m.
Monday, June 10, 2013
Council Chambers
Hamilton City Hall
71 Main Street West

Present: Councillors M. Pearson (Chair), R. Powers (Vice Chair),
B. Clark, B. Johnson

**Absent with
Regrets:** Councillor B. Morelli – Sick Leave

THE AUDIT, FINANCE & ADMINISTRATION COMMITTEE PRESENTS REPORT 13-006 AND RESPECTFULLY RECOMMENDS:

1. **Professional and Consultant Services Roster 2011 - 2012
(PW13043/PED13111/FCS13050/CS13032) (City Wide) (Item 5.1)**

That Report PW13043/PED13111/FCS13050/CS13032, respecting Professional and Consultant Services Roster 2011 – 2012, be received.

2. ***Municipal Act* Regulation 284/09 and Public Sector Accounting Board Standards (FCS13045) (City Wide) (Item 5.2)**

That Report FCS13045, respecting the *Municipal Act* Regulation 284/09 and Public Sector Accounting Board Standards, be received.

3. **Employee Attendance Performance Measures Q1 2013 (HUR13007) (City Wide) (Item 5.3)**

That Report HUR13007, respecting Employee Attendance Performance Measures Q1 2013, be received.

4. 2013 First Quarter Non-compliance with the Procurement Policy Report (FCS13015) (City Wide) (Item 5.4)

That Report FCS13015, respecting the 2013 First Quarter Non-compliance with the Procurement Policy Report, be received.

5. 2013 First Quarter Emergency and Non-competitive Procurements Report (FCS13014) (City Wide) (Item 5.5)

That Report FCS13014, respecting the 2013 First Quarter Emergency and Non-competitive Procurements Report, be received.

6. Monthly Status Report of Tenders and Requests for Proposals for April 6, 2013 to May 3, 2013 (FCS13016(c)) (City Wide) (Item 5.6)

That Report FCS13016(c), respecting the Monthly Status Report of Tenders and Requests for Proposals for April 6, 2013 to May 3, 2013, be received.

7. Tax Appeals under Section 357 and 358 of the *Municipal Act* (2001) (FCS13027(b)) (City Wide) (Item 5.7)

(a) That Appendix "A" (attached to Report 13-006), respecting the Tax Appeals processed under Section 357 of the *Municipal Act*, 2001, in the amount of \$44,408, be approved; and,

(b) That Appendix "B" (attached to Report 13-006), respecting the Tax Appeals due to a Gross or Manifest Clerical Error, pursuant to Section 358 of the *Municipal Act*, 2001, in the amount of \$21,181, be approved.

8. 2012 City of Hamilton Financial Report and Audited Financial Statements (FCS13040) (City Wide) (Item 7.1)

That the 2012 City of Hamilton Financial Report and Audited Financial Statements, attached as Appendix "C" to Report 13-006, be approved.

9. Audit Report 2013-01 - Public Health Services - Cold Chain / BIOS Program (AUD13020) (City Wide) (Item 8.1)

(a) That the Management Action Plans, as detailed in the attached Appendix "D" to Report 13-006, be approved; and,

- (b) That the Medical Officer of Health be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix "D" to Report 13-006) implemented.

- 10. Audit Report 2013-03 - Planning & Economic Development - Building Permit Fees (AUD13021) (City Wide) (Item 8.2)**
 - (a) That the Management Action Plans, as detailed in the attached Appendix "E" of Report 13-006, be approved; and,
 - (b) That the General Manager of Planning & Economic Development be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix "E" to Report 13-006) implemented.

- 11. Audit Report 2012-11 - Public Health Services (PHS) - Dental Services - Claims Payment Process (AUD13023) (City Wide) (Item 8.3)**
 - (a) That the Management Action Plans, as detailed in the attached Appendix "F" to Report 13-006, be approved; and,
 - (b) That the Medical Officer of Health be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix "F" to Report 13-006) implemented.

- 12. Grants Sub-Committee Report 13-003 (Item 8.5)**
 - (a) 2013 Community Partnership Program (GRA13003) (City Wide) (Item 4.1)**
 - (i) That a new category, titled "Veterans' Affairs Events", be added to the Community Partnership Program;
 - (ii) That the 2013 Community Partnership Program recommended funding allocation, in the amount of \$3,013,554 (as outlined in the attached Appendix "G" to Report 13-003), be approved;"
 - (iii) That \$180,555 be committed for the groups listed in Appendix "H" to Report 13-003, (attached hereto), which will require no further rating, pending receipt of additional information;"
 - (iv) That, in the case where a successful grant applicant has outstanding arrears with the City of Hamilton, the grant first be applied against the outstanding arrear as of December 31, 2012,

with the remainder to be paid to the organization, in accordance with the Community Partnership Program payment plan;

- (v) That, for 2013, the unallocated balance of \$49,513 in the Special Events category of the Community Partnership Program, be first used toward funding additional programs in that area;
- (vi) That the amount of \$39,541, representing 1.2% of the traditional grant allocation for a contingency budget, be committed for 2013 unexpected Community Partnership Program funding;
- (vii) That funding in excess of the 30% maximum guidelines for the following programs, within the Community Partnership Program, be approved in 2013:
 - 1. Canadian Red Cross – Emergency Community Assistance Program
 - 2. Living Rock – Wellness Works
 - 3. Salvation Army – Grace Haven
 - 4. Hamilton LGBTQ Community Wellness Centre
 - 5. Ancaster Heritage Days
 - 6. Ancaster Heritage Village BIA
 - 7. Volunteer Hamilton
 - 8. Dundas Cactus Parade
 - 9. Flamborough Santa Claus Parade
 - 10. Hamilton Labour & District Council
 - 11. McMaster Children's Centre
 - 12. Conqueror II Drum & Bugle Corps
- (viii) That the 2013 base figures be maintained in 2014 for the following groups:
 - 1. Stoney Creek Flag Day Festival in the amount of \$5,655 plus Police costs of \$4,553 (2011 pro-rated Actual) in the Special Events category;
 - 2. Comunita Racalmuto Parade in the amount of \$3,128 plus Police costs of \$5,623 (2012 pro-rated Actual) in the Special Events category; and,
 - 3. Chamber Music Hamilton Inc in the amount of \$3,120 in the Culture category.

- (ix) That the 2013 Community Partnership Program (CPP) "Possible Funding" for the following applicants be increased as follows (shown on Appendix "H" attached to Report 13-006), for a total amount of \$5,431, to be funded from the 2013 CPP Contingency Category:
1. Bach Elgar Choral Society – Bach Elgar Choir 2013-2014 Concert Season (from \$15,772 to \$18,544 for a difference of \$2,772);
 2. McMaster Museum of Art – Public Programs at the McMaster Museum of Art (from \$3,513 to \$4,131 for a difference of \$618);
 3. Canadian Football Hall of Fame – Educational Programming (from \$4,380 to \$5,150 for a difference of \$770);
 4. Jewish Community Centre of Hamilton and Area – Yom Ha'atzmaut (from \$2,067 to \$2,430 for a difference of \$363);
 5. Caribbean Potpourri Youth Support Program – Caribbean Potpourri Variety Show (from \$3,904 to \$4,590 for a difference of \$686);
- (x) That, as the South Asian Heritage Association – South Asian Heritage Month Celebration, 2013 recommended funding amount was increased from \$3,062 to \$5,000, for a difference of \$1,938 (as shown in Appendix "H" to Report 13-006 (attached hereto), bringing the Culture Category over budget by \$1936, the shortfall of \$1,936 be funded from the 2013 Contingency Category of the Community Partnership Program.
- (xi) That, as the Hamilton All Star Jazz Band 2013 recommended funding amount was increased from \$3,613 to \$4,015, for a difference of \$402, bringing the Culture Category of the Community Partnership Program (CPP) over budget by \$402, the shortfall of \$402 be funded from the Contingency Category of the CPP (as shown in Appendix "G" to Report 13-006 attached hereto).

(b) Festival of Friends 2012 Policing Costs (Item 5.2)

That 1/3 of the outstanding balance (of \$28,299.61) owing to Hamilton Police Service for the Festival of Friends 2012 event policing costs, in an

amount not to exceed \$9,433.20, to be funded from the tax stabilization reserve, be approved.

13. Proposed Fair Wage Policy and Fair Wage Schedule (FCS12083(b))/HUR12015(b)) (City Wide) (Item 8.6)

That the Fair Wage Policy and Fair Wage Schedule, attached as Appendix 'I' to Report 13-006, be approved.

14. Development Charges By-law 12-053 Proposed Settlement of Appeal by OREV Investments Ltd. and 992527 Ontario Limited (LS13022) (Wards 1, 2 and 3) (Item 12.1)

That recommendations (a) through (c) contained in Report LS13022, Development Charges By-law 12-053 Proposed Settlement of Appeal by OREV Investments Ltd. and 992527 Ontario Limited, be approved and remain confidential until Council approval.

FOR THE INFORMATION OF COUNCIL:

(a) Recognition of Hamilton Aboriginal Agencies

The Chair called upon Marilyn Wright, Chair of the City of Hamilton Aboriginal Advisory Committee, to introduce the ceremonial activity.

On June 13, 1996, the Governor General of Canada proclaimed June 21st to be National Aboriginal Day; this day is an opportunity to learn more about Aboriginal people and their contributions to Hamilton and Canada.

Some National Aboriginal Day events that may be of interest are:

- June 21-23 - National Aboriginal Day Festival at Gage Park
- June 21 - Free BBQ at City Hall, compliments of your local Aboriginal Agencies
- June 21 - Education Day/Youth Day, at Gage Park,
- June 21-23, Sunrise Ceremony at 7:00 a.m.
- June 22-23 - Soaring Spirit Festival - Traditional Pow Wow at Gage Park, Aboriginal Idol and live music

On behalf of the City of Hamilton, and in recognition of the contributions of the Hamilton Aboriginal Advisory Committee to our community, Chair Pearson

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presented the Aboriginal Advisory Committee with an Eagle feather, to signify the City's gratitude.

Certificates of Appreciation and offerings of tobacco were provided to the following Aboriginal agencies in recognition of their contributions to the city of Hamilton:

1. Susan Barberstock, Executive Director, Hamilton Regional Indian Centre
2. Janice Lewis-Deeley, Executive Director, Urban Native Homes Inc.
3. Vicki Montour, Native Women's Centre
4. Melanie McAulay, Sacajawea Non-Profit Housing Inc.
5. Constance McKnight, Executive Director, De dwa de dehs nye>s Aboriginal Health Centre
6. Kathleen Lannigan, Métis Nation of Ontario Training Initiative
7. Elize Hartley, President, Métis Women's Circle
8. Monique Lavallee, Executive Director, Niwasa Aboriginal Education Programs
9. Ted Martin, Executive Director, Hamilton Executive Directors' Aboriginal Coalition
10. Shari St. Peter, Executive Director, Niagara Peninsula Aboriginal Area Management Board

(b) CHANGES TO THE AGENDA (Item 1)

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

- (i) Added as Item 4.1 – a Delegation Request from Frank Sondola, respecting an Appeal for a Flat Rate Water Assessment for 118 Steven Street, Hamilton, ON
- (ii) Item 12.1 – Development Charges By-law 12-053 Proposed Settlement of Appeal by OREV Investments Ltd. and 992527 Ontario Limited; the reasons for moving into Closed Session are as follows:

"Pursuant to Section 8.1, Sub-sections (e) and (f) of the City's
Procedural By-law 10-053, and Section 239, Sub-sections (e) and
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(f) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board; and, the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.”

The agenda for the June 10, 2013 Audit, Finance & Administration Committee meeting was approved, as amended.

(c) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(d) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) May 13, 2013 (Item 3.1)

The Minutes of the May 13, 2013 meeting of the Audit, Finance and Administration Committee were approved, as presented.

(e) DELEGATION REQUESTS (Item 4)

(i) Frank Sondola, respecting an Appeal for a Flat Rate Water Assessment for 118 Steven Street, Hamilton, ON (Items 4.1/6.1)

The request to appear before Committee, submitted by Frank Sondola, respecting an Appeal for a Flat Rate Water Assessment for 118 Steven Street, Hamilton, ON, was approved.

The Rules of Order were waived in order to allow the delegation of Frank Sondola, respecting an Appeal for a Flat Rate Water Assessment for 118 Steven Street, Hamilton, ON, to appear before the Audit, Finance & Administration Committee on June 10, 2013.

Mr. Sandola was asked if he would prefer to have his appeal heard in Closed Session; if he would be disclosing personal financial information, or if the matter could be heard in Open Session.

Mr. Sandola advised that Open Session would be fine. Subsequently, Mr. Sandola asked if the matter could be held over to the next meeting.

At the request of the Appellant, the matter was tabled to the July 10, 2013 agenda of the Audit, Finance & Administration Committee.

(f) 2012 City of Hamilton Financial Report and Audited Financial Statements (FCS13040) (City Wide) (Item 7.1)

Lois Ouellette, of KPMG, provided a verbal overview the KPMG Audit Findings Report for the City of Hamilton, year ended December 31, 2012 (attached as Appendix "C" to Report FCS13040.

The presentation from Lois Ouellette, respecting the KPMG Audit Findings Report for the City of Hamilton; year ended December 31, 2012 were received.

(g) Grants Sub-Committee Report 13-003 (Item 8.5)

Councillor Powers put forward the following amending motion:

(i) 2013 Community Partnership Program (GRA13003) (City Wide) (Item 4.1)

WHEREAS the 2013 budget for the Culture Category of the Community Partnership Program (CPP) went over budget, staff had recommended to the Grants Sub-committee a pro-rated amount for the following applicants; resulting in a reduction to the usual annual grant provided;

AND WHEREAS there is funding available in the 2013 CPP contingency category to fund these programs without a reduction to their usual, annual CPP grant,

THEREFORE BE IT RESOLVED THAT:

(a) That the 2013 Community Partnership Program (CPP) "Possible Funding" for the following applicants be increased as follows (shown on Appendix "B", as amended, attached hereto), for a total amount of \$5,431, to be funded from the 2013 CPP Contingency Category:

- (i) Bach Elgar Choral Society – Bach Elgar Choir 2013-2014 Concert Season (from \$15,772 to \$18,544 for a difference of \$2,772);
- (ii) McMaster Museum of Art – Public Programs at the McMaster Museum of Art (from \$3,513 to \$4,131 for a difference of \$618);
- (iii) Canadian Football Hall of Fame – Educational Programming (from \$4,380 to \$5,150 for a difference of \$770);

- (iv) Jewish Community Centre of Hamilton and Area – Yom Ha'atzmaut (from \$2,067 to \$2,430 for a difference of \$363);
 - (v) Caribbean Potpourri Youth Support Program – Caribbean Potpourri Variety Show (from \$3,904 to \$4,590 for a difference of \$686);
 - (vi) Hamilton Children's Choir – Bursary Program (from \$1,262 to \$1,484 for a difference of \$222).
- (b) That, as the South Asian Heritage Association – South Asian Heritage Month Celebration, 2013 recommended funding amount was increased from \$3,062 to \$5,000, for a difference of \$1,938 (as shown in Appendix "B" attached hereto) bringing the Culture Category over budget by \$1936, the shortfall of \$1,936 be funded from the 2013 Contingency Category of the Community Partnership Program.
- (c) That, as the Hamilton All Star Jazz Band (CUL-16) 2013 recommended funding amount was increased from \$3,613 to \$4,015, for a difference of \$402, bringing the Culture Category of the CPP over budget by \$402, the short fall of \$402 be funded from the Contingency Category of the Community Partnership Program (as shown in Appendix "A", as amended, attached hereto).
- (d) That sub-section (b) to Item 1 of the Grants Sub-Committee Report 13-003 be amended by deleting the dollar amount of "**\$3,012,054**" and replacing it with the dollar amount of "**\$3,013,554**"; and, by deleting Appendix "A" to Report 13-003 in its entirety and replacing it with a revised Appendix "A" attached hereto, to read as follows:
- “(b) That the 2013 Community Partnership Program recommended funding allocation, in the amount of **\$3,013,554** (as outlined in the attached Appendix "A" to Report 13-003), be approved;”
- (e) That sub-section (c) to Item 1 of the Grants Sub-Committee Report 13-003 be amended by deleting the dollar amount of "**\$175,124**" and replacing it with the dollar amount of "**\$180,555**"; and, by deleting Appendix "B" to Report 13-003 in its entirety and replacing it with a revised Appendix "B" attached hereto, to read as follows:

1. 2013 Community Partnership Program (GRA13003) (City Wide) (Item 4.1)

“(c) That **\$180,555** be committed for the groups listed in Appendix “B” (attached hereto), which will require no further rating, pending receipt of additional information;”

(f) Whereas, the Flamborough Horticultural Society has contacted staff to withdraw their original request to have their Committed grant, in the amount of \$1,500, held to 2014, and the 2013 CPP base amount of \$1,500 is now reflected in Appendix “A”, as amended, attached hereto;

Therefore be it resolved:

(a) That sub-section (h)(i) to of the Grants Sub-Committee Report 13-003, which reads as follows, be deleted in its entirety:

(h) That the 2013 base figures be maintained in 2014 for the following groups:

“(i) Flamborough Horticultural Society – Trillium Funds in the amount of \$1,500 in the Committed category;”

For disposition of this matter, please refer to Item 12(a) above.

(ii) Festival of Friends 2012 Policing Costs (5.2)

Councillor Powers put forward the following amending motion:

WHEREAS the Festival of Friends is not funded through the Community Partnership Program, but rather through Agencies, Boards and Committee’s (ABCs);

THEREFORE BE IT RESOLVED:

That 1/3 of the outstanding balance (of \$28,299.61) owing to Hamilton Police Service for the Festival of Friends 2012 event policing costs, in an amount not to exceed \$9,433.20, to be funded from the tax stabilization reserve, be approved.

For disposition of this matter, please refer to Item 12(b) above.

(h) Update – Needs Assessment of the Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Community of Hamilton and LGBTQ Space Requirements (FCS11104(e)) (City Wide) (Item 8.4)

Staff was directed to report to the Audit, Finance & Administration Committee every six (6) months with respect to the Lesbian, Gay, Bisexual, Transgender, and Queer community space requirements.

(i) GENERAL INFORMATION/OTHER BUSINESS (Item 11)

(i) Amendments to the Outstanding Business List (Item 11.1)

(a) The following proposed new due dates were approved:

(i) Item "L" – Benefit Payouts
Current Due Date: June 10, 2013
Proposed New Due Date: October 8, 2013

(ii) Item "N" – Open Data
Current Due Date: June 10, 2013
Proposed New Due Date: July 10, 2013

(b) The following Items were considered complete and removed from the Audit, Finance & Administration Committee's Outstanding Business List:

(i) Needs Assessment of the Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Community of Hamilton

(ii) Proposed Fair Wage Policy and Fair Wage Schedule

(j) PRIVATE & CONFIDENTIAL (Item 12)

(i) Development Charges By-law 12-053 Proposed Settlement of Appeal by OREV Investments Ltd. and 992527 Ontario Limited (LS13022) (Wards 1, 2 and 3) (Item 12.1)

As the Audit, Finance & Administration Committee determined that no discussion of Report LS13022 was required in Closed Session, the Committee provided its recommendation in Open Session, shown Item 14 above.

(k) ADJOURNMENT (Item 13)

There being no further business, the Audit, Finance & Administration Committee, adjourned at 11:06 a.m.

Respectfully submitted,

Councillor M. Pearson, Chair
Audit, Finance & Administration Committee

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk

City of Hamilton
 Corporate Services Department
 Taxation Division
 Section "357" Appeals of the Municipal Act, 2001

Appeal No.	Property Address	Roll Number	Explanation	YEAR	Amount
357-12-236	845 North Service Rd	003020326000000	Demolition - of houses	2012	-1,044.69
357-12-239	648 King S W	010103536000000	Demolition of buildings in 2010	2012	-13,805.46
357-12-240	246 James St S	020139058800000	Tax Class Conversion business closed May 31st building now all residential	2012	-2,383.81
357-12-242	30 King St E	020151501600000	Demolition of structure	2012	-3,928.38
357-11-227	440 Barton St E	030215015400000	Tax Class Conversion St Matthews PI -Non profit service organization	2011	-398.93
357-12-225	440 Barton St E	030215015400000	Fire at St Matthews Place April 2012	2011	-1,040.88
357-13-014	440 Barton St E	030215015400000	Tax Class Conversion denied processed on PRAN	2013	0.00
357-12-250	1227-1271 Barton S E	040315003100000	Major Renovations denied property leased out	2012	0.00
357-12-254	640 Queenston Rd	050434001600000	Major Renovations denied property leased out	2012	0.00
357-12-173	760 Rennie St	050501003700000	Demolition of house	2012	-174.72
357-12-213	1020 Beach Blvd	050512065100000	Exempt - City purchase	2012	-52.81
357-12-196	38 Bigwin Rd Unit 8	060581063460000	Tax Class Conversion owner dissolved business retailing remaining inventory	2012	-1,076.60
357-12-197	1275 Upper Gage Ave	060701021600000	Major Renovations hydro reconstruction	2012	-316.69
357-12-231	615 Rymal Rd E	070751069500000	Gross or Manifest Error roll created in error	2012	-940.72
357-12-232	615 Rymal Rd E	070751069520000	Gross or Manifest Error roll created in error	2012	-940.72
357-12-154	42 Phillipo Dr	071132009550000	Exempt Children's Aid Society	2012	-2,890.98
357-12-259	899 Upper Paradise Rd	081031033300000	Demolition of old gas station and store	2012	-14,830.33
357-12-214	79 Kennedy Ave	081101065800000	Demolition of old house new house under construction	2012	-237.56
357-12-199	155 Lowden Ave	140250370000000	Demolition -denied above ground pool not assessed	2012	0.00
357-12-200	159 Central Dr	140320210000000	Demolition of house	2012	0.00
357-12-261	60 Martindale Cres	142805200000000	Major Renovations denied property leased out	2012	0.00
357-12-177	61 Watson's Lane	260260218000000	Gross or Manifest Error incorrect lot size	2012	-273.00
357-12-262	4 Horseshoe Cres	303390405600000	Major Renovations denied property leased out	2012	0.00
357-12-266	3392 Homewood Ave	902510194000000	Demolition of house	2012	-71.50
			Total		-44,407.78

City of Hamilton
 Corporate Services Department
 Taxation Division
 Section "358" Appeals of the Municipal Act, 2001
 Realty Tax Applications for overcharges

B- overcharge (Assessment Roll)
 B1 -overcharged-application denied
 E - Exempt

Appeal No.	Property Address	Roll Number	Reason	Explanation	Year	Amount
358-12-065	61 Watson's Lane	260260218000000	B	incorrect lot size recorded 2.06 acres should be 1.47 acres	2011	-210.62
358-12-066	61 Watson's Lane	260260218000000	B		2010	-144.38
358-12-089	648 King St W	010103536000000	B	retail store demolished in 2010 still on 2011 roll	2011	-13823.27
358-13-018	440 Barton St E	030215015400000	B	non profit organization should be residential tax rate	2012	-6091.03
358-13-015	269 East 34th St	060625056800000	B	property has been 100% residential since 2005 when the business closed	2010	-226.97
358-13-016	269 East 34th St	060625056800000	B		2011	-225.55
358-13-017	804 Garth St	081014090800000	B	fire and explosion destroyed property	2012	-459.15
Total						(21,180.97)



Hamilton

FINANCIAL REPORT

2012

**City of Hamilton
71 Main Street West
Hamilton, Ontario
L8P 4Y5**

City of Hamilton
Financial Report
2012

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Section 1

City of Hamilton Five Year Financial and Statistical Review 2012

City of Hamilton
Five Year Financial and Statistical Review (unaudited)

(All amounts are reported in thousands of dollars except statistical information, ratios and per capita figures)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating Revenue					
Taxation	\$ 739,264	\$ 720,324	\$ 700,257	\$ 675,606	\$ 652,690
Government grants and contributions	349,192	427,098	520,896	376,283	439,005
User charges	280,475	287,057	265,116	254,358	249,152
Development charges and subdivider contributions	44,850	71,270	16,378	23,286	27,987
Donated tangible capital assets	30,460	57,332	41,193	43,645	46,687
Investment and dividend income	45,062	46,933	48,627	51,600	50,990
Net income (loss) from Government Business Enterprises	8,609	9,613	26,533	286	(2,834)
Other	91,277	88,337	91,722	87,446	93,413
	<u>1,589,189</u>	<u>1,707,964</u>	<u>1,710,722</u>	<u>1,512,510</u>	<u>1,557,090</u>
Operating Expenses by Function					
General government	\$ 83,711	\$ 69,535	\$ 69,028	\$ 71,132	\$ 75,869
Protection services	270,154	259,867	243,421	235,325	225,608
Transportation services	275,758	282,336	267,921	330,170	290,701
Environmental services	183,864	194,973	171,122	165,823	167,454
Health services	84,346	79,593	77,118	74,437	68,970
Social and family services	276,630	276,048	294,794	301,016	260,919
Social housing	112,293	117,027	116,178	106,786	104,678
Recreation and cultural services	132,124	134,542	138,777	133,403	129,822
Planning and development	39,469	37,699	38,416	40,605	36,836
	<u>1,458,349</u>	<u>1,451,620</u>	<u>1,416,775</u>	<u>1,458,697</u>	<u>1,360,857</u>
Net Operating Revenue or Annual Surplus from Operations	<u>130,840</u>	<u>256,344</u>	<u>293,947</u>	<u>53,813</u>	<u>196,233</u>

Note: Amounts reported may have been restated from previous amounts presented to conform to 2012 Public Sector Accounting Board (PSAB) standards.

City of Hamilton
Five Year Financial and Statistical Review (unaudited)

(All amounts are reported in thousands of dollars except statistical information, ratios and per capita figures)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Taxation					
Taxation from real property	\$ 914,365	\$ 893,209	\$ 871,170	\$ 843,029	\$ 819,725
Taxation from other governments/payments in lieu of taxes	15,060	15,267	14,835	14,553	12,173
Taxation collected on behalf of school boards	(190,161)	(188,152)	(185,748)	(181,976)	(179,208)
Net taxes available for municipal purposes	<u>739,264</u>	<u>720,324</u>	<u>675,606</u>	<u>675,606</u>	<u>652,690</u>
Tax Levies					
City portion	\$ 711,785	\$ 692,391	\$ 673,013	\$ 649,061	\$ 630,065
School Board portion	186,936	185,066	181,510	177,969	175,978
	<u>898,721</u>	<u>877,457</u>	<u>854,523</u>	<u>827,030</u>	<u>806,043</u>
Tax arrears					
Taxes receivable	\$ 78,078	\$ 78,728	\$ 71,937	\$ 69,028	\$ 58,818
Taxes receivable per capita	146	148	136	131	113
Taxes receivable as a percentage of current years' levies	8.7%	9.0%	8.4%	8.3%	7.3%
Unweighted Taxable Assessment					
Residential	\$ 44,555,379	\$ 41,781,277	\$ 39,268,260	\$ 36,842,873	\$ 34,259,519
Non-Residential	6,668,514	6,277,837	5,760,437	5,263,578	4,930,035
	<u>51,223,893</u>	<u>48,059,114</u>	<u>45,028,697</u>	<u>42,106,451</u>	<u>39,189,554</u>
Weighted Taxable Assessment					
Residential	\$ 47,986,529	\$ 45,123,128	\$ 42,509,064	\$ 39,960,408	\$ 37,243,442
Non-Residential	14,705,148	13,912,554	12,828,948	11,841,894	11,248,116
	<u>62,691,677</u>	<u>59,035,682</u>	<u>55,338,012</u>	<u>51,802,302</u>	<u>48,491,558</u>
Residential vs Non-Residential Percentage of Total Weighted Taxable Assessment					
Residential	77%	76%	77%	77%	77%
Non-Residential	23%	24%	23%	23%	23%
Taxable Assessment Growth (weighted)					
	0.8%	1.1%	1.3%	1.3%	1.0%

Note: Amounts reported may have been restated from previous amounts presented to conform to 2012 Public Sector Accounting Board (PSAB) standards.

City of Hamilton
Five Year Financial and Statistical Review (unaudited)

(All amounts are reported in thousands of dollars except statistical information, ratios and per capita figures)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating Expenses by Object					
Salaries, wages and employee benefits	\$ 648,794	\$ 625,386	\$ 606,815	\$ 643,407	\$ 574,360
Interest on long term liabilities	16,405	16,815	17,871	18,395	18,157
Materials	205,736	234,099	182,656	209,388	213,686
Contracted services	207,003	180,943	197,194	191,500	199,467
Rents and financial expenses	26,345	25,869	19,289	15,467	17,287
External transfers	185,931	199,187	227,269	223,363	188,557
Amortization of tangible capital assets	168,135	169,321	165,681	157,177	149,343
	<u>1,458,349</u>	<u>1,451,620</u>	<u>1,416,775</u>	<u>1,458,697</u>	<u>1,360,857</u>
Operating Expenses as Percentage of Total					
Salaries, wages and employee benefits	44.5%	43.0%	42.8%	44.1%	42.1%
Interest on long term liabilities	1.1%	1.2%	1.3%	1.3%	1.3%
Materials	14.1%	16.1%	12.9%	14.4%	15.7%
Contracted services	14.2%	12.5%	13.9%	13.1%	14.7%
Rents and financial expenses	1.8%	1.8%	1.4%	1.1%	1.3%
External transfers	12.7%	13.7%	16.0%	15.2%	13.9%
Amortization of tangible capital assets	11.6%	11.7%	11.7%	10.8%	11.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>89.0%</u>
Long Term Liabilities					
Long Term Liabilities incurred by the City	\$ 430,905	\$ 368,683	\$ 420,352	\$ 427,358	\$ 408,358
Long Term Debt incurred by the City for which other entities have assumed responsibility	(11,818)	(14,336)	(23,371)	(26,494)	(29,433)
	<u>419,087</u>	<u>354,347</u>	<u>396,981</u>	<u>400,864</u>	<u>378,925</u>
Long Term Liabilities					
Housing operations	\$ 84,449	\$ 84,908	\$ 89,195	\$ 93,279	\$ 74,168
City operations	334,638	269,439	307,786	307,585	304,757
	<u>419,087</u>	<u>354,347</u>	<u>396,981</u>	<u>400,864</u>	<u>378,925</u>
Long term liabilities as a % of Reserves and Capital Surplus	58.60%	52.40%	55.80%	58.10%	48.80%

Note: Amounts reported may have been restated from previous amounts presented to conform to 2012 Public Sector Accounting Board (PSAB) standards.

City of Hamilton
Five Year Financial and Statistical Review (unaudited)

(All amounts are reported in thousands of dollars except statistical information, ratios and per capita figures)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tangible Capital Assets					
General					
Land	\$ 252,555	\$ 235,428	\$ 218,869	\$ 193,416	\$ 170,956
Land improvements	131,206	113,353	110,475	107,154	107,351
Buildings	564,255	473,450	399,349	307,949	269,534
Vehicles	118,460	118,843	129,356	127,272	107,787
Computer hardware and software	5,503	4,335	5,008	4,517	4,724
Other	65,122	66,925	63,075	59,891	51,752
Infrastructure					
Roads	1,201,843	1,196,811	1,212,293	1,244,287	1,268,814
Bridges and structures	169,941	171,716	159,286	160,890	162,798
Water and wastewater facilities	323,503	215,272	160,327	152,553	150,533
Underground and other networks	1,544,543	1,508,056	1,443,408	1,384,228	1,331,191
Net Book Value	<u>4,376,931</u>	<u>4,104,189</u>	<u>3,901,446</u>	<u>3,742,157</u>	<u>3,625,440</u>
Assets under construction	236,220	341,441	283,547	191,478	96,137
	<u>4,613,151</u>	<u>4,445,630</u>	<u>4,184,993</u>	<u>3,933,635</u>	<u>3,721,577</u>
Accumulated Surplus or Municipal Financial Position					
Reserves and reserve funds					
Reserves	\$ 599,756	\$ 583,063	\$ 530,213	\$ 410,630	\$ 437,672
Hamilton Future Fund	76,949	73,506	72,990	73,426	74,928
	<u>676,705</u>	<u>656,569</u>	<u>603,203</u>	<u>484,056</u>	<u>512,600</u>
Capital surplus	\$ 38,296	\$ 19,858	\$ 107,836	\$ 205,492	\$ 264,110
Operating surplus	1,056	1,123	1,054	806	1,038
Investment in Government Business Enterprises	230,610	222,001	212,388	185,810	185,569
Investment in tangible capital assets	4,184,595	4,084,246	3,780,753	3,492,082	3,296,172
Unfunded liabilities - Employee future benefits	(287,476)	(269,461)	(253,988)	(246,298)	(187,677)
Unfunded liabilities - Solid waste landfill sites	(31,967)	(33,357)	(26,611)	(26,952)	(30,584)
	<u>4,811,819</u>	<u>4,680,979</u>	<u>4,424,635</u>	<u>4,094,996</u>	<u>4,041,228</u>

Note: Amounts reported may have been restated from previous amounts presented to conform to 2012 Public Sector Accounting Board (PSAB) standards.

City of Hamilton
Five Year Financial and Statistical Review (unaudited)

(All amounts are reported in thousands of dollars except statistical information, ratios and per capita figures)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Statistical Information					
Population	535,234	531,057	528,502	525,697	519,109
Households	215,733	212,262	209,965	207,667	203,643
Area in hectares	112,775	112,775	112,775	112,775	112,775
Building Permit Values	\$1,499,627,394	\$ 731,019,287	\$1,096,299,091	\$ 637,968,543	\$ 818,462,450
Housing Starts	1,364	956	1,513	742	1,126
New Residential Units - Building Permits	3,302	3,373	5,137	3,008	2,809
Average Monthly Social Assistance Case Load	13,288	13,807	13,330	12,224	10,035
Continuous Full Time Employees	6,392	6,296	6,259	6,183	6,146

Note: Amounts reported may have been restated from previous amounts presented to conform to 2012 Public Sector Accounting Board (PSAB) standards.

Section 2

City of Hamilton Consolidated Financial Statements 2012

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Independent Auditor's Report

<<NOTE: The Independent Auditor's Report will be inserted after the Financial Report is approved by the Audit, Finance and Administration Committee. >>

Independent Auditor's Report

<<NOTE: The Independent Auditor's Report will be inserted after the Financial Report is approved by the Audit, Finance and Administration Committee. >>

City of Hamilton

Consolidated Statement of Financial Position

As at December 31, 2012 (all numbers are in thousands of dollars)

	<u>2012</u>	<u>2011</u> (Note 1)
Financial assets		
Cash and cash equivalents (Note 2)	\$ 66,192	\$ 72,932
Taxes receivable	78,078	78,728
Accounts receivable	104,065	129,495
Other assets	816	665
Long term receivables (Note 3)	49,216	29,991
Portfolio investments (Note 2)	817,134	738,711
Investment in Government Business Enterprises (Note 4)	<u>230,610</u>	<u>222,001</u>
Total financial assets	<u>\$1,346,111</u>	<u>\$1,272,523</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 222,256	\$ 229,701
Deferred revenue - general	37,189	27,705
Deferred revenue - obligatory reserve funds (Note 5)	148,567	125,469
Long term liabilities – Municipal Operations (Note 7)	334,638	269,439
Long term liabilities – Housing Corporation (Note 8)	84,449	84,908
Employee future benefits and other obligations (Note 9)	307,514	288,993
Solid waste landfill liabilities (Note 11)	<u>31,967</u>	<u>33,357</u>
Total liabilities	<u>1,166,580</u>	<u>1,059,572</u>
Net financial assets	<u>\$ 179,531</u>	<u>\$ 212,951</u>
Non-financial assets		
Tangible capital assets (Note 19)	\$4,613,151	\$4,445,630
Inventories	8,682	9,141
Prepaid expenses	<u>10,455</u>	<u>13,257</u>
Total non-financial assets	<u>4,632,288</u>	<u>4,468,028</u>
Accumulated surplus (Note 12)	<u>\$4,811,819</u>	<u>\$4,680,979</u>

Contractual obligations (Note 16)

Contingent liabilities (Note 18)

See accompanying notes to the consolidated financial statements.

City of Hamilton

Consolidated Statement of Operations

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

	Budget <u>2012</u> (unaudited) (Note 21)	Actual <u>2012</u>	Actual <u>2011</u> (Note 1)
Revenue			
Taxation (Note 14)	\$ 738,605	\$ 739,264	\$ 720,324
Government grants and contributions	326,845	349,192	427,098
User charges	281,190	280,475	287,057
Development charges and subdivider contributions	88,424	44,850	71,270
Donated tangible capital assets	57,000	30,460	57,332
Investment and dividend income	26,582	45,062	46,933
Net income from Government Business Enterprises (Note 4)	-	8,609	9,613
Other	102,246	91,277	88,337
Total revenue	<u>1,620,892</u>	<u>1,589,189</u>	<u>1,707,964</u>
Expenses			
General government	\$ 67,318	\$ 83,711	\$ 69,535
Protection services	263,513	270,154	259,867
Transportation services	283,682	275,758	282,336
Environmental services	187,982	183,864	194,973
Health services	84,965	84,346	79,593
Social and family services	277,571	276,630	276,048
Social housing	107,416	112,293	117,027
Recreation and cultural services	138,969	132,124	134,542
Planning and development	41,405	39,469	37,699
Total expenses	<u>1,452,821</u>	<u>1,458,349</u>	<u>1,451,620</u>
Annual Surplus	\$ 168,071	\$ 130,840	\$ 256,344
Accumulated surplus			
Beginning of year,			
As previously reported	\$ 4,680,979	\$ 4,680,979	\$ 4,401,452
Prior period adjustment	-	-	23,183
Accumulated surplus	<u>4,680,979</u>	<u>4,680,979</u>	<u>4,424,635</u>
Beginning of year, as restated	\$ 4,680,979	\$ 4,680,979	\$ 4,424,635
End of year	<u>\$ 4,849,050</u>	<u>\$ 4,811,819</u>	<u>\$ 4,680,979</u>

See accompanying notes to the consolidated financial statements.

City of Hamilton

Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

	Budget <u>2012</u> (unaudited) (Note 21)	Actual <u>2012</u>	Actual <u>2011</u> (Note 1)
Operating activities			
Annual surplus	\$ 168,071	\$ 130,840	\$ 256,344
Purchase of tangible capital assets	(414,859)	(318,031)	(385,394)
Loss on disposition of tangible capital assets	-	12,836	12,768
Amortization of tangible capital assets	170,000	168,134	169,321
Donated tangible capital assets	(57,000)	(30,460)	(57,332)
Decrease in inventories	-	459	398
Decrease (increase) in prepaid expenses	-	2,802	(1,016)
Net decrease in net financial assets	<u>(133,788)</u>	<u>(33,420)</u>	<u>(4,911)</u>
Net financial assets			
Beginning of year,	<u>212,951</u>	<u>212,951</u>	<u>217,862</u>
 End of year	 <u>\$ 79,163</u>	 <u>\$ 179,531</u>	 <u>\$ 212,951</u>

See accompanying notes to the consolidated financial statements.

City of Hamilton

Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

	<u>2012</u>	<u>2011</u> (Note 1)
Operating activities		
Annual surplus	\$ 130,840	\$ 256,344
Decrease (increase) in taxes receivable	650	(6,791)
Decrease (increase) in accounts receivable	25,430	(18,857)
Decrease (increase) in other assets	(151)	50
Increase (decrease) in accounts payable and accrued liabilities	(7,445)	4,767
Increase in deferred revenue - general	9,484	2,375
Increase in deferred revenue – obligatory reserve fund	23,098	11,556
Decrease in inventories	459	398
Decrease (increase) in prepaid expenses	2,802	(1,016)
Non-cash activities		
Amortization of tangible capital assets	168,134	169,321
Donated tangible capital assets	(30,460)	(57,332)
Loss on disposition of tangible capital assets	12,836	12,768
Change in investment in Government Business Enterprises	(8,609)	(9,613)
Change in employee future benefit and other obligations	18,521	16,007
Change in solid waste landfill liabilities	(1,390)	6,746
	344,199	386,723
Investing activities		
(Increase) in portfolio investments	(78,423)	(28,530)
(Increase) in long term receivables	(19,225)	(5,069)
	(97,648)	(33,599)
Financing activities		
Long term debt issued – Municipal Operations	94,739	-
Long term liability – leased capital assets	-	6,635
Debt principal repayment – Municipal Operations	(28,387)	(44,031)
Lease obligation payment – Municipal Operations	(1,153)	(951)
Long term debt issued - Housing Corporations	3,752	-
Debt principal repayment – Housing Corporation	(4,211)	(4,287)
	64,740	(42,634)
Capital activities		
Purchase of tangible capital assets	(318,031)	(385,394)
Net increase (decrease) in cash and cash equivalents	(6,740)	(74,904)
Cash and cash equivalents		
Beginning of year	72,932	147,836
End of year	\$ 66,192	\$ 72,932

See accompanying notes to the consolidated financial statements.

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

1. Significant accounting policies

The Consolidated Financial Statements of the City of Hamilton ("City") are prepared by management in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

The City restated certain financial assets, liabilities, non-financial assets and accumulated surplus as a result of its conversion to International Financial Reporting Standards for Government Business Enterprises, changes to accounting policies for tangible capital assets and various corrections. The City implemented a change in the capitalization policies whereby components of buildings are recorded as tangible capital assets rather than recorded as operating expenses. The effect of the changes is as follows:

	<u>2011</u>
Financial assets	
Taxes Receivable	
Previously reported	\$ 75,943
Prior period adjustment	2,785
Restated	<u>\$ 78,728</u>
Investment in Government Business Enterprises	
Previously reported	\$ 200,866
Prior period adjustment	21,135
Restated	<u>\$ 222,001</u>
Net Financial Assets	
Previously reported	\$ 191,816
Prior period adjustment	21,135
Restated	<u>\$ 212,951</u>
Liabilities	
Accounts payable and accrued liabilities	
Previously reported	\$ 226,916
Prior period adjustment	2,785
Restated	<u>\$ 229,701</u>
Accumulated Surplus	
Previously reported	\$4,659,844
Prior period adjustment	21,135
Restated	<u>\$4,680,979</u>

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

1. Significant accounting policies (continued)

Significant accounting policies adopted by the City are as follows:

(a) Reporting entity

- (i) The consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in accumulated surplus, changes in net financial assets of the reporting entity. The consolidated financial statements include the activities of all committees of Council and the following boards and enterprises which are under the control of and accountable to Council:

Hamilton Police Services Board
Hamilton Tourism Inc. (activities included up to dissolution on July 19, 2012)
The Hamilton Entertainment and Convention Facilities Inc.
The Hamilton Public Library Board
The Hamilton Street Railway Company
City Housing Hamilton Corporation
Hamilton Business Improvement Areas including Ancaster BIA, Barton Street Village BIA, Concession Street BIA, Downtown Hamilton BIA, Dundas BIA, International Village BIA, King Street West BIA, Locke Street BIA, Main Street West Esplanade BIA, Downtown Stoney Creek BIA, Ottawa Street BIA, Waterdown BIA, and Westdale BIA
Flamborough Recreation Sub-Committees

Interdepartmental and organizational transactions and balances are eliminated.

City Housing Hamilton Corporation was incorporated as Hamilton Housing Corporation on January 1, 2001 as a result of the provincial legislation, Social Housing Reform Act 2000, which transferred the operation of various local housing authorities to municipalities. The City of Hamilton assumed social housing responsibilities on December 1, 2001. The share capital of City Housing Hamilton Corporation is 100% owned by the City of Hamilton and a separate Board of Directors has been established to provide oversight responsibilities for the Corporation.

City Housing Hamilton Corporation has been consolidated on a line-by-line basis after conforming with the City's accounting principles after eliminating inter-organizational transactions and balances.

Hamilton Utilities Corporation ("H.U.C.") and Hamilton Renewable Power Inc. ("H.R.P.I.") are subsidiary corporations of the City and are accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises (Note 4). Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the City and inter-organizational transactions and balances are not eliminated.

City of Hamilton trust fund assets that are administered for the benefit of external parties are excluded from the consolidated financial statements. Separate financial statements have been prepared.

Cemetery trust, library trust and general trust funds administered by the City amounting to \$17,501,000 (2011 - \$16,814,000) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations. Homes for the Aged trust funds administered by the City amounting to \$646,000 (2011 - \$637,000) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

Significant accounting policies (continued)

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

(a) Reporting entity (continued)

- (ii) The financial activities of certain entities associated with the City of Hamilton are not consolidated. The City's contributions to these entities are recorded in the Consolidated Statement of Operations. The entities that are not consolidated are as follows:

Hamilton Region Conservation Authority
Disabled and Aged Regional Transit System
The Hamilton Municipal Retirement Fund
The Hamilton-Wentworth Retirement Fund
The Pension Fund of the Employees of the Hamilton Street Railway
The Hamilton and Scourge Foundation Inc.
Township of Glanbrook Non-Profit Housing Corporation

- (iii) The financial activities of programs administered by the City which are fully funded by the Province of Ontario or the Government of Canada on the basis of a March 31st year-end are excluded from these financial statements. The programs, which are not consolidated, are as follows:

Aids Bureau
Asthma Project
Child and Adolescent Services
Community Capacity Building - Choices and Changes Program
Community Mental Health and Addictions
Prenatal Nutrition & Support
Remedial Measures
Young Offenders Assessment

- (iv) The taxation, other revenues, expenses, assets and liabilities with respect to the operations of various school boards are not reflected in the consolidated financial statements.

(b) Basis of accounting

Revenues are recorded on the accrual basis of accounting, whereby revenues are recognized as they are earned and measurable. Expenses are recognized in the period goods and services are acquired and a liability is incurred.

(c) Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating provisions for allowance for doubtful accounts, donated tangible capital assets, solid waste landfill liabilities, and in performing actuarial valuations of employee future benefits.

Where estimation uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, cash held in financial institutions and temporary investments with maturities of 365 days or less.

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

1. Significant accounting policies (continued)

(e) Portfolio investments

Portfolio investments are comprised of fixed income securities primarily federal, provincial and municipal government bonds and federal government treasury bills. Portfolio investments are valued at the lower of cost and fair value.

(f) Deferred revenue – obligatory reserve funds

Receipts which are restricted by legislation of senior governments or by agreement with external parties are in nature restricted revenues and are reported as deferred revenues. When qualifying expenses are incurred, deferred revenues are recognized into revenue in the fiscal period they are expended.

(g) Employee future benefits and other obligations

Employee future benefits and other obligations for retirement, post employment and pension benefits are reported in the Consolidated Statement of Financial Position. The accrued benefit obligations are determined using management's best estimates of expected investment yields, wage and salary escalation, mortality rates, termination and retirement ages. The actuarial gain or loss is amortized over the expected average remaining life expectancy of the members of the employee groups.

(h) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset. Donated or contributed assets are capitalized and recorded at their estimated fair value upon acquisition and recognized in revenue. Leased tangible capital assets are valued at the present value of the future minimum lease payments. Certain tangible capital assets for which historical cost information is not available have been recorded at current replacement cost deflated by a relevant inflation factor.

Amortization for road linear assets is calculated on a consumption basis using road deterioration curves. The City's open landfill site is amortized based on units of production (capacity used during the year). All other tangible capital assets are amortized on a straight-line basis over their estimated useful lives. One half of the annual amortization is recorded as amortization expense in the year of acquisition or construction and in the year of disposal. Estimated useful lives range from 3 years to 100 years as follows:

General - Land improvements	20 to 75 years
General - Buildings	20 to 50 years
General - Vehicles	4 to 20 years
General – Computer hardware and software	3 to 5 years
General – Other – Machinery and equipment	3 to 100 years
Infrastructure – Roads	10 to 50 years
Infrastructure – Bridges and other structures	40 to 75 years
Infrastructure – Water and wastewater facilities	20 to 40 years
Infrastructure – Water, wastewater, stormwater linear network	18 to 100 years

The City has leased tangible capital assets which are amortized over the term of the lease, ranging from 5 to 50 years. The cost, accumulated amortization, net book value and amortization expense have been reported in these consolidated financial statements.

(i) Inventories

Inventories held for consumption or use are valued at the lower of cost and net realizable value.

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

1. Significant accounting policies (continued)

(j) Government transfers

Government transfers are recognized in the financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

(k) Long term receivables

Long term receivables are valued at cost. Recoverability is assessed annually and a valuation allowance is recorded when recoverability has been impaired. Long term receivables are written off when they are no longer recoverable. Recoveries of long term receivables previously written off are recognized in the year received. Interest revenue is recognized as it is earned. Long term receivables with significant concessionary terms are reported as an expense on the Consolidated Statement of Operations. Long term receivables are reported in Note 3.

2. Cash and portfolio investments

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents are comprised of:		
Cash on hand	\$ 183	\$ 198
Cash held in banks	60,027	66,795
Temporary investments	5,982	5,939
	<u>\$ 66,192</u>	<u>\$ 72,932</u>
Portfolio investments are comprised of:		
Unrestricted investments	\$ 591,618	\$ 539,736
Designated investments (obligatory reserve funds)	148,567	125,469
Designated investments (Hamilton Future Fund)	76,949	73,506
	<u>\$ 817,134</u>	<u>\$ 738,711</u>

Portfolio investments have a market value of \$838,555,000 (2011 - \$752,789,000) and include City debentures - unrestricted investments of \$14,988,000 (2011 - \$16,795,000).

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

3. Long term receivables

The City has long-term receivables in the amount of \$49,216,000 (2011 - \$29,991,000). The long term receivables are comprised of:

	<u>2012</u>	<u>2011</u>
Development charge deferral agreements	\$ 20,104	\$ 11,375
Mortgages receivable:		
Downtown convert to rent program	12,568	6,306
Hamilton Renewable Power Inc.	3,966	4,677
Sheraton Hotel loan	1,380	1,451
Other City loan programs	6,781	1,131
Loans to other agencies and organizations	8,459	9,094
Less: Provision for loans with concessionary terms	(4,042)	(4,043)
	<u>\$ 49,216</u>	<u>\$ 29,991</u>

Development charge deferral agreements and mortgage receivables are loans which are secured by property, with interest rates varying from 0% to 6.75% and terms of one year to thirty years.

Loans to other agencies and organizations consist of loans to the Hamilton Conservation Authority, Canadian Football Hall of Fame, Wentworth Minor Football Association, Catholic Children's Aid Society, Winona Peach Festival, Redeemer University College, the Bob Kemp Hospice, Hamilton CarShare and the Good Sheppard, with interest rates varying from 0% to 5.18% for terms of one year to thirty years.

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

4. Investment in Government Business Enterprises

Hamilton Utilities Corporation and Hamilton Renewable Power Inc. are subsidiary corporations of the City and are accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises.

In compliance with provincial legislation enacted to restructure the electrical industry in Ontario, the Hamilton Utilities Corporation ("H.U.C.") was incorporated on June 1, 2000. All of the assets and liabilities of the predecessor hydro-electric systems were transferred to H.U.C. During 2004 Hamilton Hydro Energy Inc. was established with the City's acceptance of a dividend in kind in the form of one common share from H.U.C. Effective June 1, 2005, the articles of incorporation reflected the amendment of a name change to Hamilton Renewable Power Inc. ("H.R.P.I.").

The amounts related to government business enterprises as reported in the Consolidated Statement of Operations for 2012 and 2011 is as reported by the Hamilton Utilities Corporation and Hamilton Renewable Power Inc.

	<u>2012</u>	<u>2011</u>
Net income from H.U.C.	\$ 8,837	\$ 9,713
Net loss from H.R.P.I.	<u>(228)</u>	<u>(100)</u>
Net income from Government Business Enterprises	<u>\$ 8,609</u>	<u>\$ 9,613</u>

The City's investment in Government Business Enterprises is reported in the Consolidated Statement of Financial Position as:

	<u>2012</u>	<u>2011</u>
Investment in H.U.C.	\$ 230,837	\$ 222,000
Investment in H.R.P.I.	<u>(227)</u>	<u>1</u>
	<u>\$ 230,610</u>	<u>\$ 222,001</u>

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

4. Investment in Government Business Enterprises (continued)

The following table provides condensed supplementary financial information for Hamilton Utilities Corporation reported by H.U.C. at December 31, 2012 and December 31, 2011 respectively.

	<u>2012</u>	<u>2011</u>
Financial Position		
Current assets	\$ 182,428	\$ 142,216
Capital assets	384,181	355,792
Intangible assets	12,865	3,711
Goodwill	18,923	18,923
Future payments in lieu of taxes	<u>16,324</u>	<u>16,426</u>
Total assets	<u>614,721</u>	<u>537,068</u>
Current liabilities (including current portion of long term debt)	97,333	202,718
Non-current liabilities	<u>237,073</u>	<u>65,852</u>
Total liabilities	<u>334,406</u>	<u>268,570</u>
Minority Interest	49,478	46,498
Net assets	<u>\$ 230,837</u>	<u>\$ 222,000</u>
Results of operations		
Revenues	\$ 575,218	\$ 535,435
Operating expenses	(531,711)	(502,217)
Financing expenses	(8,506)	(9,566)
Investing expenses	(1,442)	(1,646)
Other income	1,011	587
Equity earnings from operations	<u>34,570</u>	<u>22,593</u>
Payment in lieu of taxes	(7,352)	(4,869)
Income from discontinued operations	(33)	4,937
Minority Interest	<u>(5,523)</u>	<u>(3,599)</u>
Net Income before dividends	21,662	19,062
Dividends paid	(11,802)	(7,300)
Other comprehensive income	(1,084)	(1,566)
Refundable dividend tax on hand	61	(483)
Net income	<u>\$ 8,837</u>	<u>\$ 9,713</u>

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

4. Investment in Government Business Enterprises (continued)

The following table provides condensed supplementary financial information for Hamilton Renewable Power Inc. reported at December 31, 2012 and December 31, 2011 respectively.

	<u>2012</u>	<u>2011</u>
Financial Position		
Current assets	\$ 1,285	\$ 1,472
Capital assets	9,833	10,228
Other assets	32	32
	<hr/>	<hr/>
Total assets	11,150	11,732
	<hr/>	<hr/>
Current liabilities (including current portion of long term debt)	1,322	1,274
Future payment in lieu of taxes	551	491
Long term debt	3,504	3,966
	<hr/>	<hr/>
Total liabilities	5,377	5,731
	<hr/>	<hr/>
Shareholder's equity	6,000	6,000
Net assets	\$ (227)	\$ 1
	<hr/>	<hr/>
Results of operations		
Revenues	\$ 3,671	\$ 4,058
Expenses	(3,272)	(3,422)
Dividends paid	(627)	(736)
Net loss	\$ (228)	\$ (100)
	<hr/>	<hr/>

Hamilton Utilities Corporation's non-current liabilities includes long term debt of senior unsecured debentures of \$149,181,000 bearing interest at 3.03%, due July 25, 2022.

Hamilton Utilities Corporation's non-current liabilities includes long term debt of senior unsecured debentures of \$39,647,000 bearing interest at 4.77%, due July 21, 2020.

The notes to Hamilton Utilities Corporation's consolidated financial statements and Hamilton Renewable Power Inc.'s consolidated financial statements include commitments and contingencies that are disclosed in the City's notes to the consolidated financial statements as contractual obligations (Note 16) and contingent liabilities (Note 18).

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

4. Investment in Government Business Enterprises (continued)

The following summarizes the City's related party transactions with Hamilton Utilities Corporation and Hamilton Renewable Power Inc. for the year.

All transactions are in the normal course of operations, other than dividend revenue, and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

	<u>2012</u>	<u>2011</u>
Revenue		
Dividend revenue from H.U.C.	\$ 11,802	\$ 7,300
Property and other taxes received by the City from H.U.C.	528	516
Sale of Methane to H.R.P.I.	886	901
Expenditures		
Hydro purchased by the City from H.U.C.	29,664	31,085
Water and sewer billing contracted service with H.U.C.	3,891	3,798
Thermal and Electrical Energy purchased from H.U.C.	1,950	2,044
Thermal Energy purchased from H.R.P.I.	401	426
Assets		
Accounts receivable from H.U.C.	-	70
Water user charges receivable from H.U.C.	10,085	11,194
Accounts receivable from H.R.P.I.	532	336
Long term receivable from H.R.P.I.	3,966	4,677
Liabilities		
Accounts Payable – H.U.C.	221	441

5. Deferred revenue - obligatory reserve funds

	<u>2012</u>	<u>2011</u>
Development charge reserve funds (Note 6)	\$ 52,748	\$ 37,954
Subdivider contributions	51	50
Recreational land dedicated under the Planning Act	15,916	10,392
Gasoline tax revenue: Provincial	25,707	24,505
Federal	20,113	22,417
Building Permit Revenue	13,254	9,842
Other (Pan Am Games)	20,778	20,309
	<u>\$ 148,567</u>	<u>\$ 125,469</u>

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

6. Continuity of deferred revenue

	<u>2012</u>	<u>2011</u>
Balance at the beginning of the year	\$ 153,174	\$ 139,243
Development charge reserve funds	14,794	(29,471)
Subdivider contributions	1	1
Recreational land dedicated under the Planning Act	5,524	338
Gasoline tax revenue: Provincial	1,202	4,002
Federal	(2,304)	13,911
Building Permit Revenue	3,412	2,466
Other (Pan Am Games)	469	20,309
Deferred General	9,484	2,375
Balance at the end of the year	<u>\$ 185,756</u>	<u>\$ 153,174</u>

7. Long term liabilities – municipal operations

- (a) The long term liabilities – municipal operations consists of long term debt for serial debentures and loans that mature in the years 2013 to 2027 with interest rates varying between 1.61% and 6.75% and obligations for leased tangible capital assets with payments from 2013 to 2051 at a discount rate of 5%. The balance of long term liabilities consists of the following:

	<u>2012</u>	<u>2011</u>
Long term debt incurred by the City	\$ 338,539	\$ 274,704
Long term debt incurred by the City for which other entities have assumed responsibility	(11,818)	(14,336)
Net long term debt	<u>\$ 326,721</u>	<u>\$ 260,368</u>
Long term liabilities for leased tangible capital assets incurred by the City	<u>7,917</u>	<u>9,071</u>
Net long term liabilities	<u>\$ 334,638</u>	<u>\$ 269,439</u>

- (b) In addition to long term liabilities incurred for City purposes, the City assumed the responsibility for the charges on long term debt originally incurred by local municipalities with respect to functions which are now a City responsibility.

The City also incurs long term debt on behalf of school boards and other non-consolidated boards. The responsibility for raising the amounts required to service this debt lies with these respective bodies. The City is contingently liable for the long term debt with respect to the tile drainage and shoreline property assistance loans for debentures for which the responsibility for repayment of principal and interest has been assumed by school boards and non-consolidated boards. The total amount of this contingent liability outstanding at December 31, 2012 is \$11,818,000 (2011 - \$14,336,000).

The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

7. Long term liabilities – municipal operations (continued)

- (c) Of the \$326,721,000 long term debt (2011 - \$260,368,000) certain principal payments do not represent a burden on general City revenue, as they are to be recovered in future years from other sources.

The total long term debt is to be recovered from the following:

	<u>2012</u>	<u>2011</u>
General revenues	\$ 272,160	\$ 257,444
Reserves and reserve funds	-	1,891
Wastewater user charges	54,557	1,026
Non-consolidated entities	4	7
	<u>\$ 326,721</u>	<u>\$ 260,368</u>

- (d) The total City principal repayments of long term debt in each of the next five years and thereafter are due as follows:

	General Revenues	Wastewater User Charges	Non- consolidated Entities	Total 2012
2013	\$ 29,024	\$ 3,739	\$ 1	\$ 32,764
2014	30,026	3,742	1	33,769
2015	31,076	3,746	1	34,823
2016	32,190	3,750	1	35,941
2017	29,899	3,754	-	33,653
2018 and thereafter	119,945	35,826	-	155,771
Total	<u>\$ 272,160</u>	<u>\$ 54,557</u>	<u>\$ 4</u>	<u>\$ 326,721</u>

- (e) The total City principal repayments of leased tangible capital assets in each of the next five years and thereafter are due as follows:

	<u>2012</u>
2013	\$ 1,153
2014	1,153
2015	1,153
2016	547
2017	344
2018 and thereafter	3,567
Total	<u>\$ 7,917</u>

- (f) Total charges for the year for long term debt are as follows:

	<u>2012</u>	<u>2011</u>
Principal repayments	\$ 28,387	\$ 44,031
Interest expense	12,589	12,623
	<u>\$ 40,976</u>	<u>\$ 56,654</u>

City of Hamilton

Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

7. Long term liabilities – municipal operations (continued)

(g) Total charges for the year for leased tangible capital assets are as follows:

	<u>2012</u>	<u>2011</u>
Principal repayments	\$ 1,153	\$ 951
Interest expense	154	497
	\$ 1,307	\$ 1,448

8. Long term liabilities – housing corporation

(a) The balance of long term liabilities – housing corporation reported on the Consolidated Statement of Financial Position represents capital assets of the CityHousing Hamilton Corporation that are financed by mortgages. The mortgages mature in the years 2013 to 2027 with interest rates varying between 1.65% and 8.00%. The mortgage obligations for CityHousing Hamilton are \$84,449,000 (2011 - \$84,908,000).

(b) The principal repayments of these mortgages in each of the next five years and thereafter are as follows:

	<u>2012</u>
2013	\$ 6,970
2014	29,598
2015	7,954
2016	9,875
2017	11,527
2018 and thereafter	18,525
	\$ 84,449

(c) Total charges for the year for long term liabilities - housing corporations are as follows:

	<u>2012</u>	<u>2011</u>
Principal repayments	\$ 4,211	\$ 4,287
Interest expense	3,862	3,694
	\$ 8,073	\$ 7,981

(d) Other long term liabilities incurred by the City's housing corporation, representing capital assets financed by debentures issued by the Ontario Housing Corporation of \$31,391,000 (2011 - \$34,628,000), are not included in the Consolidated Statement of Financial Position. The Social Housing Reform Act, 2000 transferred the ownership and responsibility for the administration of Province of Ontario public housing to the City of Hamilton as a local housing corporation. The transfer, effective January 1, 2001, included land and buildings at no cost. The servicing of long term debt remains the obligation of the Province of Ontario.

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

9. Employee future benefits and other obligations

The City provides certain employee benefits that require funding in future periods. An estimate of these liabilities has been recorded in the Consolidated Statement of Financial Position. These amounts are summarized as follows:

	<u>2012</u>	<u>2011</u>
Accrued Benefit Obligation		
Sick leave benefit plan	\$ 49,486	\$ 47,722
Long term disability	16,755	15,148
Workplace safety and insurance board liabilities (WSIB)	69,009	62,904
Retirement benefits	126,049	124,834
Vacation benefits	24,366	24,161
Pension benefit plans (Note 9f)	<u>91,252</u>	<u>110,049</u>
	376,917	384,818
Net unamortized actuarial loss	<u>(69,403)</u>	<u>(95,825)</u>
Accrued Liability	<u>\$ 307,514</u>	<u>\$ 288,993</u>

The City has established reserves for some of these liabilities totalling \$64,995,000 (2011 - \$62,550,000) as described in the following notes

The continuity of employee future benefits and other obligations are summarized as follows:

	<u>2012</u>	<u>2011</u>
Liability for Employee Future Benefits and Other Obligations		
balance at beginning of the year	\$ 288,993	\$ 272,986
Change in pension valuation allowance	-	280
Benefit expense	21,599	20,937
Interest expense	13,231	12,042
Amortization of actuarial loss on accrued benefit obligations	8,346	8,509
Amortization of actuarial loss (gain) on earnings on pension assets	1,107	(452)
Benefit payments	<u>(25,762)</u>	<u>(25,309)</u>
Liability for Employee Future Benefits and Other Obligations		
balance at end of the year	<u>\$ 307,514</u>	<u>\$ 288,993</u>

City of Hamilton

Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

9. Employee future benefits and other obligations (continued)

The expenses related to these employee benefits and other obligations are reported in the Consolidated Statement of Operations. These expenses are summarized as follows:

	<u>2012</u>	<u>2011</u>
Change in pension valuation allowance	\$ -	\$ 280
Benefit expense	21,599	20,937
Interest expense	13,231	12,042
Amortization of net actuarial loss	8,346	8,509
	<u>\$ 43,176</u>	<u>\$ 41,768</u>

Actuarial valuations are performed on post employment, retirement benefits and pension benefits to provide estimates of the accrued benefit obligations. These estimates are based on a number of assumptions about future events including interest rates, inflation rates, salary and wage increases, medical and dental cost increases and mortality. The assumptions are determined at the time of the actuarial valuations and are reviewed annually. Consequently, different assumptions may be used as follows:

	Discount	Return	Inflation	Payroll	Dental	Life
	Rate	on Assets	Rate	Increases	Increases	Expectancy (Years)
Vested sick leave	4.5%	NA	2.0%	4.0%	NA	9.4
Long term disability	4.0%	NA	2.0%	3.0%	NA	8.0
Workplace safety and insurance	4.5%	NA	2.5%	4.0%	NA	8.0
Retirement Benefits Health and Dental	4.5%	NA	2.0%	4.0%	3.5% (1)	13.3 to 14.1
Pensions Benefits (non-OMERS)	4.5%	5.5%	2.0%	NA (2)	NA	7.5 to 10.0

Notes: (1) Medical costs are assumed to increase at a rate of 6% in 2012, with future annual increases grading down linearly by 0.5% to an ultimate rate of 3.5%.

(2) There is no estimate for future salary and wage increases in the non-OMERS pension plans as the active employees have been transferred to OMERS.

(a) Liability for sick leave benefit plans

The City provides a sick leave benefit plan for certain employee groups. Under the sick leave benefit plan of the City, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the City's employment. An actuarial valuation as at December 31, 2012 has estimated the accrued benefit obligation at \$49,486,000 (2011 - \$47,722,000). Changes in valuation assumptions have resulted in an increase in the liability to \$49,486,000 from the expected liability of \$39,185,000. The actuarial loss as at December 31, 2012 of \$10,301,000 is being amortized over 9.4 years, which is the expected average remaining life expectancy of the members of the employee groups. Reserves established to provide for this liability are included on the Consolidated Statement of Financial Position in the amount of \$9,109,000 (2011 - \$9,179,000).

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

9. Employee future benefits and other obligations (continued)

(b) Liability for long term disability

The City provides benefits in the event of total disability for certain employee groups. An actuarial valuation of the City's self insured long term disability program as at December 31, 2012 has estimated the accrued benefit obligation at \$16,755,000 (2011 - \$15,148,000). Changes in valuation assumptions have resulted in a decrease in the liability to \$16,755,000 from the expected liability of \$18,374,000. The actuarial gain as at December 31, 2012 of \$1,619,000 is being amortized over 8.0 years, which is the expected average remaining life expectancy of the members of the employee groups. Reserves established to provide for this liability are included on the Consolidated Statement of Financial Position in the amount of \$14,848,000 (2011 - \$14,575,000).

(c) Liability for workplace safety and insurance

The City is liable for compensation related to workplace injuries as stipulated by the Workplace Safety & Insurance Act. An actuarial valuation as at December 31, 2012 estimated the accrued benefit obligation for workplace safety & insurance existing claims and future pension awards at \$69,009,000 (2011 - \$62,904,000). Changes in valuation assumptions have resulted in an increase in the liability to \$69,009,000 from the expected liability of \$63,116,000. The actuarial loss of \$5,893,000 is being amortized over 8.0 years, which is the expected average remaining life expectancy of the plan members in various groups. Reserves established to provide for this liability are included on the Consolidated Statement of Financial Position in the amount of \$39,697,000 (2011 - \$37,488,000).

(d) Liability for retirement benefits

The City provides certain health, dental and life insurance benefits between the time an employee retires under the Ontario Municipal Employees Retirement System (OMERS) or the normal retirement age and up to the age of 65 years. An actuarial valuation at December 31, 2012 estimated the accrued benefit obligation at \$126,049,000 (2011 - \$124,834,000). The cost of a plan amendment and changes in valuation assumptions have resulted in an increase in the liability to \$126,049,000 from the expected liability of \$89,623,000. The actuarial loss of \$36,426,000 is being amortized over 13.3 to 14.1 years, which is the expected average remaining life expectancy of the plan members in various groups.

(e) Liability for vacation benefits

The City is liable for vacation days earned by its employees as at December 31 but not taken until a later date. The liability as at December 31, 2012 has been estimated at \$24,366,000 (2011 - \$24,161,000). Reserves established to provide for this liability are included on the Consolidated Statement of Financial Position in the amount of \$1,341,000 (2011 - \$1,308,000).

(f) Liability for pensions plans

The City provides pension plans other than the Ontario Municipal Employees Retirement System (OMERS) as described in Note 10. The actuarial valuations at December 31, 2012 estimated the combined accrued benefit obligation of the pension plans at \$91,252,000 (2011 - \$110,049,000). Changes in valuation resulted in an increase in the liability to \$91,252,000 from an expected liability of \$72,850,000. The actuarial loss of \$18,402,000 is being amortized over 7.5 to 10.0 years, which is the expected average remaining life expectancy of the plan members. The unamortized actuarial loss in the period amounted to \$16,969,000 (2011 - \$14,442,000).

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

10. Pension agreements

(a) Ontario Municipal Employees Retirement System

The City makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of approximately 6,730 members of City staff and councillors. The plan is a defined benefit, which specifies the amount of the retirement benefit to be received by the employees, based on the length of credited service and average earnings.

The latest actuarial valuation as at December 31, 2012 indicates a "going concern" Actuarial Deficit based on the plan's current member and employer contribution rates. Contributions were made in the 2012 calendar year at rates ranging from 8.3% to 13.9% depending on the member's designated retirement age and level of earnings. As a result \$44,460,000 (2011 - \$39,362,000) was contributed to OMERS for current service.

(b) Other pension plans

Approximately 467 employees of the City are members of three defined benefit pension plans and will be future beneficiaries under their terms and conditions. Actuarial valuations of the pension plans for funding purposes are required under the Pension Benefits Act every three years. The actuarial valuations of the pension plans for accounting purposes provide different results than the valuations for funding purposes. For funding purposes, one of the pension plans is in a net asset position and two of the pension plans are in a net liability position.

The actuarial valuation of the Hamilton Wentworth Retirement Fund ("HWRF") pension plan as at December 31, 2012 is based on a number of assumptions about future events including mortality, inflation rates, and interest rates. The unamortized actuarial gains and losses on plan assets and the accrued benefit obligation are being amortized over eight and a half years representing the expected average remaining life expectancy of the plan members. The accrued pension liability reported in the Consolidated Statement of Financial Position is comprised as follows:

	<u>2012</u>	<u>2011</u>
Accrued pension benefit obligation - HWRF	\$ 79,463	\$ 83,872
Pension plan assets:		
Marketable securities	(59,865)	(59,371)
	19,598	24,501
Unamortized actuarial loss	(3,974)	(7,407)
Accrued pension liability - HWRF	\$ 15,624	\$ 17,094

10. Pension agreements (continued)

(b) Other pension plans (continued)

The actuarial gain or loss on pension fund assets and the actuarial gain or loss on accrued pension benefit obligation are comprised as follows:

City of Hamilton

Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

	<u>2012</u>	<u>2011</u>
Expected pension fund assets at end of year	\$ 57,046	\$ 62,698
Actual pension fund assets at end of year	<u>59,865</u>	<u>59,371</u>
Actuarial gain (loss) on pension fund assets	<u>\$ 2,819</u>	<u>\$ (3,327)</u>
Expected accrued pension benefit obligation at end of year	\$ 79,627	\$ 83,121
Actual accrued pension benefit obligation at end of year	<u>79,463</u>	<u>83,872</u>
Actuarial (gain) loss on accrued pension benefit obligation – HWRF	<u>\$ 164</u>	<u>\$ (751)</u>

The expenses related to the HWRF pension plan are comprised as follows:

	<u>2012</u>	<u>2011</u>
Amortization of net actuarial loss on accrued pension benefit obligation	\$ 56	\$ (32)
Amortization of net actuarial gain on pension plan assets	<u>395</u>	<u>3</u>
Net Amortization	<u>451</u>	<u>(29)</u>
Interest on average accrued pension benefit obligation	\$ 3,598	\$ 3,750
Expected return on average pension plan assets	<u>(3,116)</u>	<u>(3,411)</u>
Net Interest	<u>482</u>	<u>339</u>
Total expenses	<u>\$ 933</u>	<u>\$ 310</u>

Payments of \$3,069,000 (2011 - \$2,457,000) have been applied to reduce the HWRF pension plan deficit as actuarially determined for funding purposes. The pension deficit for the HWRF pension plan as at December 31, 2012 will be funded by the City with payments as follows:

2013	\$ 1,705
2014	1,705
2015	1,705
2016	535
2017	535
2018 and thereafter	<u>2,139</u>
Total	<u>\$ 8,324</u>

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

10. Pension agreements (continued)

(b) Other pension plans (continued)

The actuarial valuation of the Hamilton Municipal Retirement Fund ("HMRF") pension plan as at December 31, 2012 is based on a number of assumptions about future events including mortality, inflation rates, salary and wage increases and interest rates. The unamortized actuarial gains and losses on plan assets and accrued benefit obligation are being amortized over eleven years representing the expected average remaining life expectancy of the plan members. The accrued pension liability reported in the Consolidated Statement of Financial Position is comprised as follows:

	<u>2012</u>	<u>2011</u>
Accrued pension benefit obligation - HMRF	\$ 82,411	\$ 88,701
Pension plan assets:		
Marketable securities	<u>(78,259)</u>	<u>(78,088)</u>
	4,152	10,613
Unamortized actuarial loss	<u>(3,261)</u>	<u>(10,525)</u>
Accrued pension liability - HMRF	<u>\$ 891</u>	<u>\$ 88</u>

The actuarial gain or loss on pension fund assets and the actuarial loss on accrued pension benefit obligation are comprised as follows:

	<u>2012</u>	<u>2011</u>
Expected pension fund assets at end of year	\$ 74,489	\$ 82,465
Actual pension fund assets at end of year	<u>78,259</u>	<u>78,088</u>
Actuarial gain (loss) on pension fund assets - HMRF	<u>\$ 3,770</u>	<u>\$ (4,377)</u>
Expected accrued pension benefit obligation at end of year	\$ 84,838	\$ 88,701
Actual accrued pension benefit obligation at end of year	<u>82,411</u>	<u>88,701</u>
Actuarial (gain) loss on accrued pension benefit obligation – HMRF	<u>\$ 2,427</u>	<u>\$ -</u>

The expenses related to the HMRF pension plan are comprised as follows:

	<u>2012</u>	<u>2011</u>
Change in pension valuation allowance	\$ -	\$ (68)
Amortization of net actuarial loss on accrued pension benefit obligation	481	481
Amortization of net actuarial gain on pension plan assets	<u>588</u>	<u>190</u>
Net Amortization	<u>1,069</u>	<u>671</u>
	<u>2012</u>	<u>2011</u>
Interest on average accrued pension benefit obligation	\$ 3,819	\$ 3,986
Expected return on average pension plan assets	<u>(4,084)</u>	<u>(4,500)</u>
Net Interest	<u>(265)</u>	<u>(514)</u>
Total expenses	<u>\$ 804</u>	<u>\$ 89</u>

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

10. Pension agreements (continued)

(b) Other pension plans (continued)

The actuarial valuation of the HSR pension plan as at December 31, 2012 is based on a number of assumptions about future events including mortality, inflation rates, salary and wage increases and interest rates. The unamortized actuarial gains and losses on plan assets and accrued benefit obligation are being amortized over eleven years representing the expected average remaining life expectancy of the plan members. The accrued pension liability reported in the Consolidated Statement of Financial Position is comprised as follows:

	<u>2012</u>	<u>2011</u>
Accrued pension benefit obligation	\$ 230,409	\$ 230,619
Pension plan assets:		
Marketable securities	<u>(162,908)</u>	<u>(155,685)</u>
	67,501	74,934
Unamortized actuarial loss	<u>(11,167)</u>	<u>(20,511)</u>
Accrued pension liability - HSR	<u>\$ 56,334</u>	<u>\$ 54,423</u>

The actuarial gain or loss on pension fund assets and the actuarial gain or loss on accrued pension benefit obligation are comprised as follows:

	<u>2012</u>	<u>2011</u>
Expected pension fund assets at end of year	\$ 155,319	\$ 164,256
Actual pension fund assets at end of year	<u>162,908</u>	<u>155,685</u>
Actuarial gain (loss) on pension fund assets	<u>\$ 7,589</u>	<u>\$ (8,571)</u>
Expected accrued pension benefit obligation at end of year	\$ 230,611	\$ 233,203
Actual accrued pension benefit obligation at end of year	<u>230,409</u>	<u>230,619</u>
Actuarial (gain) loss on accrued pension benefit obligation – HSR	<u>\$ 202</u>	<u>\$ 2,584</u>

The expenses related to the HSR pension plan are comprised as follows:

	<u>2012</u>	<u>2011</u>
Amortization of net actuarial loss on accrued pension benefit obligation	1,429	1,661
Amortization of net actuarial gain (loss) on pension plan assets	<u>125</u>	<u>(644)</u>
Net Amortization	1,554	1,017
Interest on average accrued pension benefit obligation	\$ 10,149	\$ 10,227
Expected return on average pension plan assets	<u>(8,324)</u>	<u>(8,751)</u>
Net Interest	<u>1,825</u>	<u>1,476</u>
Total expenses	<u>\$ 3,379</u>	<u>\$ 2,493</u>

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

10. Pension agreements (continued)

(b) Other pension plans (continued)

Payments of \$1,468,000 (2011 – \$1,413,000) have been applied to reduce the HSR pension plan deficit as actuarially determined for funding purposes. The pension deficit for the HSR pension plan as at December 31, 2012 will be funded by the City with payments as follows:

2013	\$ 1,524
2014	1,524
2015	1,524
2016	1,352
2017	1,352
2018 and thereafter	10,129
Total	<u>\$ 17,405</u>

11. Solid waste landfill liabilities

The City owns and operates one open landfill site and it owns and maintains twelve (12) closed landfill sites. The active landfill site in the Glanbrook community was opened in 1980 covering 220 hectares with a capacity of 13,258,000 cubic metres of waste. As at December 31, 2012 the remaining capacity of the site is estimated at 7,023,000 cubic metres, representing 53% of the total capacity. In 2012 approximately 43% of waste generated was diverted from landfills (2011 – 43%). The open landfill site is estimated to reach its capacity and close in 2036.

The closure costs for the open Glanbrook landfill site and post closure care costs for the closed sites were based upon 2013 capital budget estimates, adjusted by 3% inflation, unexpended capital projects that were in progress in 2012 and estimates of operational support costs. These costs were then discounted back to December 31, 2012 using a discount factor of 5%. Post closure care for the Glanbrook site is estimated to be required for 25 years from the date of site closure. Studies continue to be undertaken to assess the liability associated with the City's closed landfill sites and the estimates will be updated as new information arises.

Estimated expenses for closure and post-closure care are \$49,113,000 (2011 - \$50,230,000). The expenses remaining to be recognized are \$17,146,000 (2011 - \$16,873,000). The liability of \$31,967,000 (2011 - \$33,357,000) for closure of the operational site and post closure care of the closed sites has been reported on the Consolidated Statement of Financial Position. A reserve of \$853,000 (2011 - \$666,000) was established to finance the future cost for closed landfill sites.

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

12. Accumulated Surplus

The accumulated surplus balance is comprised of balances in reserves and discretionary reserve funds, operating surplus, capital surplus, unfunded liabilities to be recovered in the future investment in government business enterprises and investment in tangible capital assets.

	<u>2012</u>	<u>2011</u>
Reserves and discretionary reserve funds set aside for specific purposes by Council are comprised of the following:		
Working funds	\$ 61,370	\$ 54,915
Contingencies	847	1,297
Replacement of equipment	62,025	54,271
Sick leave (Note 9)	9,109	9,179
Workplace Safety and Insurance Board (WSIB)(Note 9)	39,697	37,488
Pension Plans	4,935	4,955
Operating programs	84,827	81,056
Tangible capital assets	<u>336,946</u>	<u>339,902</u>
Total reserves	599,756	583,063
Hamilton Future Fund (Note 13)	<u>76,949</u>	<u>73,506</u>
Total reserves and discretionary reserve funds	<u>\$ 676,705</u>	<u>\$ 656,569</u>
Operating surplus		
Flamborough recreation sub-committees	\$ 253	\$ 235
Business improvement areas	361	361
Housing Operations	442	527
Total operating surplus	<u>\$ 1,056</u>	<u>\$ 1,123</u>
Capital surplus		
Municipal Operations	\$ 24,191	\$ (249)
Housing Operations	14,105	20,107
Total capital surplus	<u>\$ 38,296</u>	<u>\$ 19,858</u>
Unfunded liabilities		
Employee benefit obligations (Note 9)	\$ (287,476)	\$ (269,461)
Solid Waste Landfill Liabilities	(31,967)	(33,357)
Total unfunded liabilities	<u>\$ (319,443)</u>	<u>\$ (302,818)</u>
Investment in Government Business Enterprises (Note 4)	<u>\$ 230,610</u>	<u>\$ 222,001</u>
Investment in tangible capital assets	<u>\$4,184,595</u>	<u>\$4,084,246</u>
Accumulated surplus	<u>\$4,811,819</u>	<u>\$4,680,979</u>

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

13. Hamilton Future Fund

The Hamilton Future Fund was established by the Council of the City of Hamilton in 2002 from the proceeds from Hamilton Utilities Corporation of the net assets owed to the City upon restructuring of the electrical industry. The Hamilton Future Fund is used to create and protect a permanent legacy for current and future generations of Hamiltonians to enjoy economic prosperity and improved quality of life.

The continuity of the Hamilton Future Fund is as follows:

	<u>2012</u>	<u>2011</u>
Balance at the beginning of the year	\$ 73,506	\$ 72,990
Revenues		
Investment Income	<u>3,044</u>	<u>3,196</u>
Operating Expenses		
Career Development & Placement	-	(8)
Repayment of Waste Management Projects	<u>6,855</u>	<u>6,605</u>
Net income	<u>\$ 6,855</u>	<u>\$ 6,597</u>
Tangible capital assets		
Waste Management Projects	(1,387)	(1,276)
Roads and Bridges	(1,731)	(1,906)
2015 Pan Am Games	(3,221)	(1,004)
Career Development Resource Centre	(2)	(159)
Housing Partnership Fund	-	(132)
Urban Development Bank	-	(165)
West Harbour Initiatives	-	(4,427)
Other	<u>(115)</u>	<u>(208)</u>
	<u>\$ (6,456)</u>	<u>\$ (9,277)</u>
Balance at the end of the year	<u>\$ 76,949</u>	<u>\$ 73,506</u>

14. Taxation

	Budget 2012 (unaudited)	Actual <u>2012</u>	Actual <u>2011</u>
Taxation from real property	\$ 910,273	\$ 914,365	\$ 893,209
Taxation from other governments payments in lieu of taxes	<u>15,268</u>	<u>15,060</u>	<u>15,267</u>
	925,541	929,425	908,476
Less: Taxation collected on behalf of school boards	<u>(186,936)</u>	<u>(190,161)</u>	<u>(188,152)</u>
Net taxes available for municipal purposes	<u>\$ 738,605</u>	<u>\$ 739,264</u>	<u>\$ 720,324</u>

The City is required to levy and collect taxes on behalf of the school boards. These taxes are recorded as revenue at the amounts levied. The taxes levied over (under) the amounts requisitioned are recorded as accounts payable (receivable).

City of Hamilton Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

15. Government transfers

(a) Government transfers - grants, subsidies and contributions

The City receives grants, subsidies and contributions from provincial and federal governments for general purposes, to finance specific program expenditures and to finance capital expenditures. Under the accrual basis of accounting these cash payments are recorded as grant revenues on the Consolidated Statement of Operations to the extent that the cash received is required to meet expenditures under the program. Any amount that is paid in excess of the program requirements is recorded as Deferred Revenue - General on the Consolidated Statement of Financial Position. Any amounts owed by the other governments are recorded as Accounts Receivable on the Consolidated Statement of Financial Position. Amounts received for payments-in-lieu of taxes are not reported as government transfers.

During 2012 the City received payments from the provincial and federal governments in the amount of \$377,676,000 (2011 - \$458,737,000) as follows:

	<u>2012</u>	<u>2011</u>
Government of the Province of Ontario	\$ 292,405	\$ 351,294
Government of Canada	<u>85,271</u>	<u>107,443</u>
Total	<u>\$ 377,676</u>	<u>\$ 458,737</u>

(b) Government transfers - payments for social assistance entitlements, housing subsidies and grants

The City makes discretionary and non-discretionary disbursements to individuals, institutions and agencies. These payments are recorded as expenditures in the Consolidated Statement of Operations to the extent that the payments meet the accrual basis of accounting. Amounts paid for Canada Pension Plan and investments in government debentures are not reported as government transfers. During 2012, the City issued payments as government transfers in the amount of \$211,142,000 (2011 - \$231,697,000) as follows:

	<u>2012</u>	<u>2011</u>
Payments for social assistance entitlements	\$ 136,331	\$ 142,611
Payments for housing subsidies	57,459	57,950
Grants to agencies and institutions	<u>17,352</u>	<u>31,136</u>
Total	<u>\$ 211,142</u>	<u>\$ 231,697</u>

City of Hamilton**Consolidated Statement of Cash Flow**

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

16. Contractual obligations

- (a) The City has outstanding contractual obligations of approximately \$336,929,000 at December 31, 2012 for capital works (2011 - \$247,167,000). City Council has authorized the financing of these obligations.
- (b) The City has agreements with the Ontario Realty Corporation, an agency of the Provincial Government of Ontario, for various capital projects. The outstanding future obligations at December 31, 2012 amounting to \$4,354,000 (2011 - \$4,525,000) are not reflected in the Consolidated Financial Statements. Payments made to the Ontario Realty Corporation amounting to \$171,000 in 2012 (2011 - \$124,000) are reported in the Consolidated Statement of Operations.
- (c) The City is legislated under the Development Charges Act to fund Government of Ontario ("GO") Transit's Growth and Capital Expansion Plan for 2005 to 2014. The obligation at December 31, 2012 of \$3,460,000 (2011 - \$3,460,000) is reported in the Consolidated Statement of Financial Position. Payments are collected through development charges and remitted to Metrolinx, an agency of the Government of the Province of Ontario. Payments made to Metrolinx in the amount of \$371,000 in 2012 (2011 - \$308,000) are reported in the Consolidated Statement of Operations.
- (d) The City has an agreement with a developer to design and install services in the Dundas and Waterdown community of the City of Hamilton. The City is committed to repaying the developer \$8,688,000 plus interest on the outstanding balance. Payments under the terms of the agreement are due by 2017 with an option to extend the term until 2022. The outstanding future obligation at December 31, 2012 amounting to \$8,524,000 (2011 - \$8,688,000) is not reflected in the Consolidated Financial Statements. Payments are collected by a special area charge and remitted to the developer. Payments made to the developer amounting to \$585,000 in 2012 (2011 - \$160,000) are reported in the Consolidated Statement of Operations.
- (e) The City has an agreement with BFI for the transfer, hauling and disposal of the City's solid waste. The term of the agreement is ten years and two months for the period of January 1, 2010 to February 29, 2020. The contract fees amounting to \$6,537,000 for 2012 (2011 - \$6,540,000) are reported in the Consolidated Statement of Operations.
- (f) The City has an agreement with GFL Environmental East Corp for the provision of curbside/roadside and automated recycling cart collection. The term of the agreement is five years for the period of March 31, 2008 to March 31, 2013. The contract fees amounting to \$7,989,000 for 2012 (2011 - \$7,739,000) are reported in the Consolidated Statement of Operations.
- (g) The City has an agreement with GFL Environmental East Corp for the provision of curbside/roadside collection of green cart, leaf and yard, bulk and bin waste. The term of the agreement is seven years from April 3, 2006 to March 31, 2013. The contract fees amounting to \$9,880,000 for 2012 (2011 - \$9,586,000) are reported in the Consolidated Statement of Operations.
- (h) The City has lease agreements with Disabled and Aged Regional Transit System (D.A.R.T.S.) for the delivery of specialized transportation services. The term of the existing agreement is five years for the period of July 1, 2012 to June 30, 2017 with an option to renew for a further term up to five years. The annual contract fees amounting to \$11,379,000 (2011 - \$10,919,000) are reported in the Consolidated Statement of Operations.
- (i) The City has lease agreements with Tradeport International Corporation for the management and operation of the City's airport. The term of the agreement is forty years for the period July 1, 1996 to June 30, 2036. Under the terms of the agreement, Tradeport is responsible for capital management and all operating costs. Revenue in the amount of \$283,000 (2011 - \$175,000) is reported on the Consolidated Statement of Operations.

City of Hamilton

Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

16. Contractual obligations (continued)

- (j) The City has executed lease agreements for administrative office space and radio communication equipment and infrastructure requiring annual payments in future years as they become due and payable in the amount of \$39,812,000 (2011 - \$46,186,000). The minimum lease payments for these leases over the next five years and thereafter are:

2013	\$ 6,899
2014	5,805
2015	5,490
2016	4,430
2017	4,457
2018 and thereafter	12,731
Total	<u>\$ 39,812</u>

- (k) The City has a credit agreement dated March 14, 2012 with a Canadian chartered bank to borrow up to \$117,740,000 in the form of unsecured lines of credit. At year-end, no amounts were drawn on the letters of credit (2011 - Nil).

- (l) Hamilton Utilities Corporation (H.U.C.) has a credit agreement dated June 30, 2010 with a Canadian chartered bank to borrow up to \$100,000,000 to finance general corporate requirements, working capital requirements, and prudential obligations. Borrowings may be in the form of Bankers' Acceptances ("BAs"), prime rate loans, letters of credit, and/or current account overdrafts. The Amended Credit Facility matures on June 30, 2013. Interest rates payable on the Amended Credit Facility are based on a margin above prime or the BA rate, as the case may be, determined by reference to the Corporation's debt rating. A standby fee is paid on any unutilized portion of the Amended Credit Facility. At year end, no amounts were drawn on these letters of credit (2011 - Nil). The Corporation has issued a \$9,100,000 letter of credit in favour of the Independent Electricity System Operator ("IESO") as security for Horizon Utilities purchase of electricity through the IESO. At year-end, no amounts were drawn on the letters of credit.

17. Public liability insurance

The City has undertaken a portion of the risk for public liability, as a means of achieving cost effective risk management. As a result, the City is self-insured for public liability claims up to \$250,000 for any individual claim or for any number of claims arising out of a single occurrence. Outside insurance coverage is in place for claims in excess of \$250,000 to a maximum of \$50,000,000 per claim or occurrence.

The City has reported liabilities for insurance claims on the Consolidated Statement of Financial position in the amount of \$ 21,623,000 (2011 - \$20,666,000). Claim expenses for the year in the amount of \$10,216,000 (2011 - \$7,993,000) are reported as expenses in the Consolidated Statement of Operations.

City of Hamilton

Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

18. Contingent liabilities

- (a) The City is contingently liable for the repayment of principal and interest on long term debt issued on behalf of school boards and other unconsolidated boards (Note 7(b)). The responsibility for raising the amounts required to service this debt lies with these respective bodies. The total amount of this contingent liability outstanding at December 31, 2012 is \$11,818,000 (2011 - \$14,336,000).
- (b) Certain property owners in the City of Hamilton have been successful in appealing their tax assessments with the result that previous years' taxes will eventually be refunded. Based on the results of these appeals it is likely that additional taxes for years up to 2012 will also be subject to appeal and it is further likely that these taxes will be refunded. An estimate cannot be made of this contingent liability and the City has recorded no provision for refund of property taxes for 2012 (2011 - Nil). The amount of any additional loss will be recorded in the year in which the settlement occurs.
- (c) The City has outstanding contractual obligations with its unionized employee groups as of December 31, 2012. An estimated liability has been recorded on the Consolidated Statement of Financial Position to fund these settlements. Subsequent to December 31, 2012, there were settlements with two of the unionized employee groups.

19. Tangible Capital Assets

Details of the tangible capital assets are included in the Schedule of Tangible Capital Assets (page 2-36 and 2-37). The City has tangible capital assets valued at cost in the amount of \$7,037,017,000 (2011 - \$6,747,186,000) and a net book value of \$4,613,151,000 (2011 - \$4,445,630,000). The net book value of the tangible capital assets valued as at December 31, 2012 is as follows:

	<u>2012</u>	<u>2011</u>
General		
Land	\$ 252,555	\$ 235,428
Land improvements	131,206	113,353
Buildings	564,255	473,450
Vehicles	118,460	118,843
Computer hardware and software	5,503	4,335
Other	65,122	66,925
Infrastructure		
Roads	1,201,843	1,196,811
Bridges and structures	169,941	171,716
Water and wastewater facilities	323,503	215,272
Underground and other networks	<u>1,544,543</u>	<u>1,508,056</u>
Net Book Value	4,376,931	4,104,189
Assets under construction	236,220	341,441
Balance at the end of the year	<u>\$4,613,151</u>	<u>\$4,445,630</u>

Included are leased tangible capital assets with a net book value of \$7,917,000 (2011 - \$9,071,000). In addition, the City has works of arts and historical treasures including sculptures, fine art, murals, cemetery crosses, cenotaphs, cannons and artillery that are preserved by the City but are not recorded as tangible capital assets.

City of Hamilton

Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

20. Reporting by Business Segment

The Consolidated Financial Statements provide a summary of the revenues and expenses for all of the services provided to the residents and businesses in the City of Hamilton as defined in the reporting entity (Note 1).

Revenues and expenses are reported by the following functions and services:

- General government: Office of the Mayor and council, corporate administration including fleet and facilities
- Protection services: police, fire, conservation authorities
- Transportation services: roads, winter maintenance, traffic, parking, transit
- Environmental services: water, wastewater, storm water, waste management collection, diversion & disposal
- Health services: public health, cemeteries and emergency medical services/ambulance
- Social and family services: general assistance, hostels, homes for the aged, services to aged persons, child care services
- Social housing: public housing, non-profit housing, rent supplement programs
- Recreation and cultural services: parks, recreation programs, recreation facilities, golf courses, marinas, museums, libraries, tourism and HECFI.
- Planning and development: planning, zoning, commercial and industrial development and residential development

Financial information about the City's business segments is included in the Schedule of Operations for Business Segments (pages 2-38 and 2-39).

21. Budget figures

The 2012 operating budget and capital financing for the housing corporation was approved by the CityHousing Hamilton Board at a meeting on December 14, 2011. The 2012 operating budget and capital financing for municipal operations was approved by City Council at a meeting on April 11, 2012.

The budget figures conform to the accounting standards adopted in CICA Public Sector Accounting Handbook section PS1200 Financial Statement Presentation. As such, the budget figures presented in the consolidated financial statements differ from the presentation approved by City Council. A summary reconciliation follows:

City of Hamilton

Consolidated Statement of Cash Flow

For the year ended December 31, 2012 (all numbers are in thousands of dollars)

21. Budget figures (continued)

	<u>2012</u>
Revenue	
Council Approved Gross Revenue Operating Budget - Municipal	1,422,327
Council Approved Gross Revenue Capital Budget - Municipal	<u>430,252</u>
	1,852,579
Board Approved Gross Revenue Operating Budget - Housing Corporation	58,442
Board Approved Gross Revenue Capital Budget - Housing Corporation	<u>7,963</u>
	66,405
Adjustments to Revenues	
Less: Transfers from reserves and reserve funds Operating Budget Municipal Operations	(38,436)
Less: Transfers from reserves and reserve funds Capital Budget Municipal Operations	(162,574)
Less: Transfers from current fund to capital fund - Municipal Operations	(111,261)
Less: Transfers from current fund to capital fund - Housing Corporations	(7,963)
Less: Long term debt financing Capital Budget	(24,779)
Add: Donated tangible capital assets	57,000
Less: Reclassification - Municipal Operations	(149)
Add: Reserve & reserve funds	13,600
Less: Elimination for consolidation of Housing Corporation	<u>(23,530)</u>
	(298,092)
Consolidated	<u><u>1,620,892</u></u>
Expenses	
Council Approved Gross Expenditure Operating Budget - Municipal	1,422,327
Council Approved Gross Expenditure Capital Budget - Municipal	<u>430,252</u>
	1,852,579
Board Approved Gross Expenditure Operating Budget - Housing Corporation	58,442
Board Approved Gross Expenditure Capital Budget - Housing Corporation	<u>7,963</u>
	66,405
Adjustments to Expenditures	
Less: Debt principal repayment - Municipal Operations	(28,387)
Less: Debt principal repayment - Housing Corporation	(4,211)
Less: Transfers to reserves and reserve funds - Municipal Operations	(61,606)
Less: Transfers to capital from current funds - Municipal Operations	(111,261)
Less: Tangible capital assets - Municipal Operations	(406,896)
Less: Tangible capital assets - Housing Corporation	(7,963)
Less: Reclassification - Municipal Operations	(906)
Add: Change in employee future benefits and other obligations	18,014
Less: Change in solid waste landfill liability	(1,390)
Add: Amortization expense for tangible capital assets	170,000
Less: Elimination for consolidation of Housing Corporation	<u>(31,557)</u>
	(466,163)
Consolidated	<u><u>1,452,821</u></u>

City of Hamilton
Notes to Consolidated Financial Statements

As at December 31, 2012 (all numbers in columns are in thousands of dollars)

2012 Schedule of Tangible Capital Assets

	General						Infrastructure				Assets Under Construction	TOTAL
	Land	Land Improvements	Buildings	Vehicles	Computer	Other	Roads	Bridges & Other Structures	W/WW Facilities	W/WW/SW Linear Network		
Cost												
Balance, Jan 1, 2012	\$ 235,428	\$ 216,962	\$ 923,138	\$ 246,356	\$ 8,363	\$ 95,493	\$ 2,021,274	\$ 213,975	\$ 502,395	\$ 1,942,361	\$ 341,441	\$ 6,747,186
Additions, Betterments & Transfers in 2012	18,226	25,760	115,686	21,146	3,719	6,367	59,182	903	121,675	43,755	175,636	592,055
Disposals & Writedowns in 2012	(1,437)	155	(12,728)	(4,984)	(2,455)	(4,043)	(12,125)	(184)	(11,319)	(2,707)	(6,833)	(58,660)
Donations & Contributions in 2012	338	20	-	-	-	-	11,472	-	602	18,028	-	30,460
WIP Transfers to Service in 2012	-	-	-	-	-	-	-	-	-	-	(274,024)	(274,024)
Balance, Dec 31, 2012	\$ 252,555	\$ 242,897	\$ 1,026,096	\$ 262,518	\$ 9,627	\$ 97,817	\$ 2,079,803	\$ 214,694	\$ 613,353	\$ 2,001,437	\$ 236,220	\$ 7,037,017
Accumulated Amortization												
Balance, Jan 1, 2012	\$ -	\$ 103,609	\$ 449,688	\$ 127,513	\$ 4,028	\$ 28,568	\$ 824,463	\$ 42,259	\$ 287,123	\$ 434,305	\$ -	\$ 2,301,556
Amortization in 2012	-	7,780	22,515	21,398	2,552	8,170	64,157	2,839	13,427	25,296	-	168,134
Acc'd Amortization Transfers in 2012	-	214	-	-	-	-	-	(214)	-	-	-	-
Amortization on Disposals in 2012	-	88	(10,362)	(4,853)	(2,456)	(4,043)	(10,660)	(131)	(10,700)	(2,707)	-	(45,824)
Balance, Dec 31, 2012	\$ -	\$ 111,691	\$ 461,841	\$ 144,058	\$ 4,124	\$ 32,695	\$ 877,960	\$ 44,753	\$ 289,850	\$ 456,894	\$ -	\$ 2,423,866
Net Book Value Dec 31, 2012	\$ 252,555	\$ 131,206	\$ 564,255	\$ 118,460	\$ 5,503	\$ 65,122	\$ 1,201,843	\$ 169,941	\$ 323,503	\$ 1,544,543	\$ 236,220	\$ 4,613,151
Assets Under Construction	\$ -	\$ 16,546	\$ 39,377	\$ 88	\$ 3,106	\$ 28,932	\$ 11,103	\$ 540	\$ 101,621	\$ 34,907	\$ 236,220	
Total	\$ 252,555	\$ 147,752	\$ 603,632	\$ 118,548	\$ 8,609	\$ 94,054	\$ 1,212,946	\$ 170,481	\$ 425,124	\$ 1,579,450		\$ 4,613,151

City of Hamilton
Notes to Consolidated Financial Statements

As at December 31, 2012 (all numbers in columns are in thousands of dollars)

2011 Schedule of Tangible Capital Assets

	General						Infrastructure				Assets Under Construction	TOTAL	
	Land	Land Improvements	Buildings	Vehicles	Computer	Other	Roads	Bridges & Other Structures	W/WW Facilities	W/WW/SW Linear Network			
Cost													
Balance, Dec 31, 2010	\$ 218,869	\$ 208,264	\$ 836,370	\$ 243,719	\$ 9,365	\$ 92,250	\$ 1,969,904	\$ 198,807	\$ 438,428	\$ 1,856,500	\$ 283,547	\$ 6,356,023	
Additions & Betterments in 2011	14,154	11,129	101,547	11,923	1,842	11,412	43,710	14,109	66,133	49,723	259,887	585,569	
Disposals & Writedowns in 2011	(409)	(2,431)	(14,779)	(9,286)	(2,844)	(8,169)	(6,714)	(12)	(2,166)	(2,935)	(1,818)	(51,563)	
Donations & Transfers in 2011	2,814	-	-	-	-	-	14,374	1,071	-	39,073	-	57,332	
WIP Transfers to Service in 2011	-	-	-	-	-	-	-	-	-	-	(200,175)	(200,175)	
Balance, Dec 31, 2011	\$ 235,428	\$ 216,962	\$ 923,138	\$ 246,356	\$ 8,363	\$ 95,493	\$ 2,021,274	\$ 213,975	\$ 502,395	\$ 1,942,361	\$ 341,441	\$ 6,747,186	
Accumulated Amortization													
Balance, Dec 31, 2010	\$ -	\$ 97,789	\$ 437,021	\$ 114,363	\$ 4,357	\$ 29,175	\$ 757,611	\$ 39,521	\$ 278,101	\$ 413,092	\$ -	\$ 2,171,030	
Amortization in 2011	-	7,198	19,718	21,758	2,515	7,562	72,512	2,749	11,161	24,148	-	169,321	
Amortization on Disposals in 2011	-	(1,378)	(7,051)	(8,608)	(2,844)	(8,169)	(5,660)	(11)	(2,139)	(2,935)	-	(38,795)	
Balance, Dec 31, 2011	\$ -	\$ 103,609	\$ 449,688	\$ 127,513	\$ 4,028	\$ 28,568	\$ 824,463	\$ 42,259	\$ 287,123	\$ 434,305	\$ -	\$ 2,301,556	
Net Book Value Dec 31, 2011	\$ 235,428	\$ 113,353	\$ 473,450	\$ 118,843	\$ 4,335	\$ 66,925	\$ 1,196,811	\$ 171,716	\$ 215,272	\$ 1,508,056	\$ 341,441	\$ 4,445,630	
Assets Under Construction	\$ -	\$ 16,614	\$ 67,856	\$ -	\$ 2,299	\$ 22,142	\$ 15,898	\$ 2,425	\$ 192,694	\$ 21,513	\$ 341,441		
Total	\$ 235,428	\$ 129,967	\$ 541,306	\$ 118,843	\$ 6,634	\$ 89,067	\$ 1,212,709	\$ 174,141	\$ 407,966	\$ 1,529,569		\$ 4,445,630	

City of Hamilton
Notes to Consolidated Financial Statements

As at December 31, 2012 (all numbers in columns are in thousands of dollars)

2012 Schedule of Operations for Business Segments

	General Government	Protection Services	Transportation services	Environmental services	Health services	Social and family services	Social housing	Recreation and cultural services	Planning and development	TOTAL 2012
Revenue										
Taxation	\$ 739,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 739,264
Government grants and contributions	515	4,948	44,064	18,802	49,279	196,608	30,036	4,328	612	349,192
User charges	3,416	6,547	50,163	171,539	3,144	12,190	402	23,338	9,736	280,475
Development charges and subdivider contributions	1,560	(907)	5,399	37,668	6	(4)	(43)	1,172	(1)	44,850
Donations of tangible capital assets	-	-	11,472	18,630	-	-	-	358	-	30,460
Investment income	31,646	790	3,037	5,615	(127)	457	957	1,257	1,430	45,062
Income from Government Business Enterprises	8,609	-	-	-	-	-	-	-	-	8,609
Other	19,693	19,569	9,741	1,080	231	15	38,077	860	2,011	91,277
Total	\$ 804,703	\$ 30,947	\$ 123,876	\$ 253,334	\$ 52,533	\$ 209,266	\$ 69,429	\$ 31,313	\$ 13,788	\$ 1,589,189
Expenses										
Salaries and benefits	\$ 49,079	\$ 233,751	\$ 88,743	\$ 35,217	\$ 65,287	\$ 73,538	\$ 10,038	\$ 68,033	\$ 25,108	\$ 648,794
Interest on long term debt	109	856	7,618	2,519	1	849	3,671	629	153	16,405
Materials supplies services	47,278	15,395	40,290	25,197	7,763	8,870	30,546	24,493	5,904	205,736
Contracted services	10,559	2,768	37,626	63,210	3,580	55,103	22,903	8,193	3,061	207,003
Rents and financial expenses	1,803	2,072	4,112	6,926	1,623	2,416	1,206	4,732	1,455	26,345
External transfers	88	6,881	-	-	190	133,027	39,589	5,274	882	185,931
Amortization	6,628	6,153	84,118	43,857	1,837	1,830	4,340	16,561	2,811	168,135
Interfunctional transfers	(31,833)	2,278	13,251	6,938	4,065	997	-	4,209	95	-
Total	\$ 83,711	\$ 270,154	\$ 275,758	\$ 183,864	\$ 84,346	\$ 276,630	\$ 112,293	\$ 132,124	\$ 39,469	\$ 1,458,349
Annual Surplus (Deficit)	\$ 720,992	\$ (239,207)	\$ (151,882)	\$ 69,470	\$ (31,813)	\$ (67,364)	\$ (42,864)	\$ (100,811)	\$ (25,681)	\$ 130,840

City of Hamilton
Notes to Consolidated Financial Statements

As at December 31, 2012 (all numbers in columns are in thousands of dollars)

2011 Schedule of Operations for Business Segments

	General Government	Protection Services	Transportation services	Environmental services	Health services	Social and family services	Social housing	Recreation and cultural services	Planning and development	TOTAL 2011
Revenue										
Taxation	\$ 720,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 720,324
Government grants and contributions	8,970	7,953	26,223	82,918	47,728	196,839	36,874	18,808	785	427,098
User charges	7,867	7,134	52,962	169,008	3,176	12,003	348	25,091	9,468	287,057
Development charges and subdivider contributions	-	365	21,630	44,268	8	(2)	(26)	4,234	793	71,270
Donations of tangible capital assets	-	-	15,445	39,311	-	-	-	2,576	-	57,332
Investment income	32,403	650	4,270	5,575	(80)	423	953	1,473	1,266	46,933
Income from Government Business Enterprises	9,613	-	-	-	-	-	-	-	-	9,613
Other	18,601	17,847	8,939	1,109	146	25	34,737	4,951	1,982	88,337
Total	\$ 797,778	\$ 33,949	\$ 129,469	\$ 342,189	\$ 50,978	\$ 209,288	\$ 72,886	\$ 57,133	\$ 14,294	\$ 1,707,964
Expenses										
Salaries and benefits	\$ 43,306	\$ 225,845	\$ 86,684	\$ 37,209	\$ 61,333	\$ 69,547	\$ 10,306	\$ 67,099	\$ 24,057	\$ 625,386
Interest on long term debt	504	735	8,395	1,456	1	993	3,731	787	213	16,815
Materials supplies services	38,813	15,551	47,141	43,938	7,541	8,802	41,303	25,181	5,829	234,099
Contracted services	10,949	2,063	31,239	62,581	3,165	54,090	4,606	9,154	3,096	180,943
Rents and financial expenses	3,988	1,880	3,377	3,112	1,545	342	4,726	6,806	93	25,869
External transfers	20	5,786	-	-	51	139,307	48,268	5,121	634	199,187
Amortization	5,996	5,587	91,941	40,617	1,724	1,731	4,059	14,844	2,822	169,321
Interfunctional transfers	(34,041)	2,420	13,559	6,060	4,233	1,236	28	5,550	955	-
Total	\$ 69,535	\$ 259,867	\$ 282,336	\$ 194,973	\$ 79,593	\$ 276,048	\$ 117,027	\$ 134,542	\$ 37,699	\$ 1,451,620
Annual Surplus (Deficit)	\$ 728,243	\$ (225,918)	\$ (152,867)	\$ 147,216	\$ (28,615)	\$ (66,760)	\$ (44,141)	\$ (77,409)	\$ (23,405)	\$ 256,344

Section 3

City of Hamilton Financial Statements for the Trust Funds Cemetery, Library and General Trusts December 31, 2012

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Independent Auditor's Report

<<NOTE: The Independent Auditor's Report will be inserted after the Financial Report is approved by the Audit, Finance and Administration Committee. >>

Independent Auditor's Report

<<NOTE: The Independent Auditor's Report will be inserted after the Financial Report is approved by the Audit, Finance and Administration Committee. >>

City of Hamilton Trust Funds – Consolidated

As at December 31, 2012

Statement of Financial Position

As at December 31, 2012

	<u>2012</u>	<u>2011</u>
Financial Assets		
Cash	\$ 1,865,292	\$ 2,863,600
Accrued interest receivable	879,062	714,772
Investments (Note 2)	12,310,488	10,890,984
Deposits Hamilton Community Foundation (Note 3)	1,312,470	1,312,470
Due From City of Hamilton - Cemetery	686,024	614,108
Due From City of Hamilton - Library Trust Funds	366,669	365,643
Due From City of Hamilton - Other Trust Funds	80,841	52,604
	\$ 17,500,846	\$ 16,814,181
Liabilities		
Deposits	200,479	181,698
	\$ 17,300,367	\$ 16,632,483

Statement of Operations

Year ended December 31, 2012

Revenues		
Cemetery lots and interments	\$ 592,651	\$ 602,087
Investment income	694,347	572,213
Other revenue	82,701	24,159
	\$ 1,369,699	\$ 1,198,459
Expenses		
Other	\$ 41,136	\$ 105,741
Transfer to other trust funds	660,679	656,580
	\$ 701,815	\$ 762,321
Annual surplus	\$ 667,884	\$ 436,138
Accumulated surplus at the beginning of the year	16,632,483	16,196,345
Accumulated surplus at the end of the year	\$ 17,300,367	\$ 16,632,483

See accompanying notes to the financial statements

City of Hamilton
Trust Funds
Notes To The Financial Statements

As at December 31, 2012

1. Significant accounting policies

The financial statements of the City of Hamilton Trust Funds are the representation of management prepared in accordance Canadian public sector accounting standards. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Consolidation

These statements reflect the revenues, expenditures, assets and liabilities of the following trust funds:

Fieldcote Farmer (Ancaster)
Dundas Knowles Bequest
Hamilton F. Waldon Dundurn Castle
Dundas Ellen Grafton
Ancaster Parks Fund
Ancaster Fieldcote Livingstone-Clarke
Ancaster Fieldcote Shaver
Hamilton Balfour Estate Chedoke
Cemetery Trust Funds
Municipal Election Surplus
Ontario Home Renewal Program ("OHRP")
Library - M. Waldon Thompson Bequest
Library - Central Library Special Gift Fund
Library - Permanent Endowment Fund
Library - Keetha McLaren Memorial Fund
Library - F. Waldon Library Bequest
Library - Dundas Fundraising
Library - Waterdown Fundraising

(b) Basis of Accounting

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting.
 - (ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable.
 - (iii) Revenues on the cemetery lots are recognized upon transfer of title of the deed.
-

City of Hamilton
Trust Funds
Notes To The Financial Statements

As at December 31, 2012

2. Investments

The total investments recorded at the lower of cost or market value in the Statement of Financial Position are \$12,310,488 (2011 - \$10,890,984). These investments have a market value of \$13,530,237 (2011 - \$12,129,027) at the end of the year.

3. Deposits – Hamilton Community Foundation

The library trust funds have funds invested with the Hamilton Community Foundation. These investments are recorded on the Statement of Financial Position at cost plus accumulated accrued interest.

4. Accumulated Surplus

	<u>2012</u>	<u>2011</u>
The accumulated surplus consists of:		
Cemeteries	<u>\$ 13,700,325</u>	<u>\$ 13,242,919</u>
Library		
M. Walden Thompson Estate	20,114	19,673
Special Gift Fund Central	2,085,199	1,955,114
Permanent Endowment Fund	621,505	587,449
Keetha McLaren Memorial Fund	30,890	28,064
F. Walden Library Bequest	63,098	62,317
Waterdown Library Fundraising	<u>42,457</u>	<u>41,431</u>
	<u>\$ 2,863,263</u>	<u>\$ 2,694,048</u>
Other		
Fieldcote Farmer (Ancaster)	359,742	344,086
Knowles Bequest (Dundas)	264,915	262,413
F. Walden Dundurn Castle (Hamilton)	5,605	5,470
Ellen Grafton (Dundas)	7,248	7,153
Fieldcote Livingstone-Clarke (Ancaster)	5,155	5,155
Fieldcote Shaver (Ancaster)	5,155	5,155
Municipal Election (Hamilton)	5,499	5,366
Balfour Estate Chedoke (Hamilton)	<u>83,460</u>	<u>60,718</u>
	<u>\$ 736,779</u>	<u>\$ 695,516</u>
	<u>\$ 17,300,367</u>	<u>\$ 16,632,483</u>

City of Hamilton
Trust Funds – Cemetery

As at December 31, 2012

Statement of Financial Position

As at December 31, 2012

	<u>2012</u>	<u>2011</u>
Financial Assets		
Cash	\$ 1,257,326	\$ 2,272,894
Due From City of Hamilton	686,024	614,108
Investments	<u>11,957,454</u>	<u>10,537,615</u>
Total Financial Assets	<u>\$ 13,900,804</u>	<u>\$ 13,424,617</u>
Liabilities		
Deposits	<u>\$ 200,479</u>	<u>\$ 181,698</u>
Accumulated surplus	<u>\$ 13,700,325</u>	<u>\$ 13,242,919</u>

Statement of Operations

Year ended December 31, 2012

Revenues		
Cemetery lots and interments	\$ 592,651	\$ 602,087
Investment income	<u>536,681</u>	<u>518,931</u>
Total revenue	<u>\$ 1,129,332</u>	<u>\$ 1,121,018</u>
Expenses		
Other	\$ 11,247	\$ 9,185
Transfer to other trust funds	<u>660,679</u>	<u>643,187</u>
Total expenses	<u>\$ 671,926</u>	<u>\$ 652,372</u>
Annual surplus	<u>\$ 457,406</u>	<u>\$ 468,646</u>
Accumulated surplus at the beginning of the year	<u>13,242,919</u>	<u>12,774,273</u>
Accumulated surplus at the end of the year	<u>\$ 13,700,325</u>	<u>\$ 13,242,919</u>

See accompanying notes to the financial statements

City of Hamilton
Trust Funds – Library

As at December 31, 2012

Statement of Financial Position

As at December 31, 2012

	<u>2012</u>	<u>2011</u>
Financial Assets		
Cash	\$ 305,062	\$ 301,163
Accrued interest receivable	879,062	714,772
Deposits Hamilton Community Foundation	1,312,470	1,312,470
Due From City of Hamilton	<u>366,669</u>	<u>365,643</u>
Total Financial Assets	<u>\$ 2,863,263</u>	<u>\$ 2,694,048</u>
Accumulated surplus	<u>\$ 2,863,263</u>	<u>\$ 2,694,048</u>

Statement of Operations

Year ended December 31, 2012

Revenues		
Investment income (loss)	\$ 66,666	\$ (3,850)
Other revenue	<u>129,963</u>	<u>35,926</u>
Total revenue	<u>\$ 196,629</u>	<u>\$ 32,076</u>
Expenses		
Other	<u>\$ 27,414</u>	<u>\$ 31,118</u>
Total expenses	<u>\$ 27,414</u>	<u>\$ 31,118</u>
Annual surplus	<u>\$ 169,215</u>	<u>\$ 958</u>
Accumulated surplus at the beginning of the year	<u>2,694,048</u>	<u>2,693,090</u>
Accumulated surplus at the end of the year	<u>\$ 2,863,263</u>	<u>\$ 2,694,048</u>

City of Hamilton
Trust Funds – Other

As at December 31, 2012

Statement of Financial Position

As at December 31, 2012

	<u>2012</u>	<u>2011</u>
Financial Assets		
Cash	\$ 302,904	\$ 289,543
Investments	353,034	353,369
Due From City of Hamilton	80,841	52,604
Total Financial Assets	\$ 736,779	\$ 695,516
Accumulated surplus	\$ 736,779	\$ 695,516

Statement of Operations

Year ended December 31, 2012

Revenues		
Investment income	\$ 22,738	\$ 21,206
Other revenue	21,000	24,159
Total revenue	\$ 43,738	\$ 45,365
Expenses		
Transfer to other trust funds	\$ -	\$ 13,393
Other	2,475	65,438
Total expenses	\$ 2,475	\$ 78,831
Annual surplus (deficit)	\$ 41,263	\$ (33,466)
Accumulated surplus at the beginning of the year	695,516	728,982
Accumulated surplus at the end of the year	\$ 736,779	\$ 695,516

See accompanying notes to the financial statements

Section 4

City of Hamilton Financial Statements for the Trust Funds – Homes for the Aged December 31, 2012

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Independent Auditor's Report

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Independent Auditor's Report

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City of Hamilton Trust Funds – Homes for the Aged

As at December 31, 2012

Statement of Financial Position

As at December 31, 2012

	Macassa Lodge Resident Trusts	Wentworth Lodge Resident Trusts	Macassa Lodge Other Trusts	Wentworth Lodge Other Trusts	Total 2012	Total 2011
Financial assets						
Cash	\$ 39,870	\$ 32,924	\$ 69,314	\$ 503,637	\$ 645,745	\$ 637,359
Liabilities						
Due to City of Hamilton	\$ -	\$ -	\$ -	\$ 271	\$ 271	\$ 2,016
Accumulated surplus	\$ 39,870	\$ 32,924	\$ 69,314	\$ 503,366	\$ 645,474	\$ 635,343

Statement of Operations

Year ended December 31, 2012

	Macassa Lodge Resident Trusts	Wentworth Lodge Resident Trusts	Macassa Lodge Other Trusts	Wentworth Lodge Other Trusts	Total 2012	Total 2011
Revenue						
Residents' deposits	\$ 127,480	\$ 138,758	\$ 6,802	\$ 28,803	\$ 301,843	\$ 303,813
Investment income	-	-	858	6,648	7,506	7,479
Donations	-	-	2,221	3,844	6,065	1,325
	<u>127,480</u>	<u>138,758</u>	<u>9,881</u>	<u>39,295</u>	<u>315,414</u>	<u>312,617</u>
Expenses						
Maintenance payments	16,013	31,082	-	-	47,095	53,442
Residents' charges	102,142	95,806	5,385	26,218	229,551	246,712
Payments to estates	9,697	4,270	-	-	13,967	46,973
Payments on discharge	-	-	-	-	-	415
Program purchases	-	-	-	14,670	14,670	26,542
	<u>127,852</u>	<u>131,158</u>	<u>5,385</u>	<u>40,888</u>	<u>305,283</u>	<u>374,084</u>
Annual surplus (deficit)	(372)	7,600	4,496	(1,593)	10,131	(61,467)
Accumulated surplus at the beginning of the year	<u>40,242</u>	<u>25,324</u>	<u>64,818</u>	<u>504,959</u>	<u>635,343</u>	<u>696,810</u>
Accumulated surplus at the end of the year	<u>\$ 39,870</u>	<u>\$ 32,924</u>	<u>\$ 69,314</u>	<u>\$ 503,366</u>	<u>\$ 645,474</u>	<u>\$ 635,343</u>

See accompanying notes to the financial statements.

City of Hamilton
Trust Funds – Homes for the Aged
Notes to the Financial Statements

As at December 31, 2012

1. Purpose of Trust Funds

The various Trust Funds administered by the City of Hamilton are established for the following purposes:

Macassa and Wentworth Lodge Resident Trusts

These Trust Funds are established for residents to receive their funds and to pay for their various charges including monthly maintenance payments.

Macassa and Wentworth Lodge Other Trusts

These Trust Funds are established for the receipts of funds from donations and fund raising activities. The funds are to be used for the benefit of lodge residents over and above normal capital and operating expenses of the lodges.

2. Significant accounting policies

The financial statements of the Trust Funds of The City of Hamilton are the representation of management prepared in accordance with Canadian public sector accounting standards.

Basis of accounting

Sources of financing and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable.

**CITY OF HAMILTON
INTERNAL AUDIT REPORT 2013-01
PUBLIC HEALTH SERVICES (PHS) – COLD CHAIN / BIOS PROGRAM**

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
1.	<p><u>Physical Security – Access Via Proximity Card</u></p> <p>Vaccines received from the Ontario Government Pharmaceutical and Medical Supply Service (OGPMSS) are stored in locked refrigerators in a secure room (lab). Access to the lab is restricted through the use of proximity cards.</p> <p>As at January 30, 2013, proximity card reports provided by Facilities showed 399 individuals with access to the lab. The access list includes cleaners, custodians, contractors, building security and City employees who no longer work in Public Health Services. Although the vaccine refrigerators are locked, access to the refrigerator keys is not controlled.</p> <p>Having the vaccine supply accessible to a large number of individuals presents the potential risk of improper handling, waste and misappropriation.</p>	<p>That management arrange for employees' proximity cards to be programed to restrict access to the vaccine room to only staff whose regular job duties require such access. The proximity card reports should be requested from Facilities and reviewed by management on an annual basis.</p> <p>That the refrigerator keys be kept secure at all times.</p>	<p>Agreed. This work has already been completed. Access restricted to those deemed by managers as requiring access to vaccines (i.e. regular business; after hours on-call). Expected implementation: completed but will review access on an annual basis.</p> <p>Agreed. We will look at the best place to secure the keys in consultation with program staff and on-call staff. Expected implementation: Q2 2013.</p>

PHS – COLD CHAIN / BIOS PROGRAM
MARCH 2013

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
2.	<p><u>Vaccine Wastage Rates</u></p> <p>The Ministry of Health and Long-Term Care issues program and topic specific protocols to guide public health units in meeting the <i>Ontario Public Health Standards</i>. The <i>Vaccine Storage and Handling Protocol, 2010</i> stipulates that:</p> <ul style="list-style-type: none"> • Wastage rates should not exceed five percent for any one product; and • If wastage exceeds this level, inventory control measures should be taken to reduce it. <p>Public Health Services reports the wastage rates for human papillomavirus and influenza vaccines that are stored and administered by the City on a semi-annual basis. However, Public Health Services does not evaluate wastage rates for vaccines provided to all health care providers by the City.</p> <p>Based on calculations performed by Internal Audit, wastage rates for 14 of 29 vaccines types distributed during the 2012 calendar year exceeded the Ministry's five per cent threshold.</p> <p>Public Health Services is responsible to meet <i>Protocol</i> requirements by ensuring wastage does not exceed the threshold which may reduce vaccine costs, mitigate the risk of shortages and allow a more robust inventory management process.</p>	<p>That management calculate wastage rates on a product basis for all vaccines distributed to all health care providers. Measures should be taken to reduce wastage rates to at least the Ministry's five percent threshold.</p>	<p>Agreed. Management will create a report that looks at vaccine wastage on an annual basis by products distributed and returned (for various reasons). Any products that exceed Ministry recommendations for wastage (i.e. 5% for single dose vials; 20% for multi-dose) will be investigated further to identify issues and create a follow-up plan. Expected implementation: Q1 2014 (for 2013 wastage) and annually thereafter.</p>

PHS – COLD CHAIN / BIOS PROGRAM
MARCH 2013

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
3.	<p><u>Non-compliance with the Protocol</u></p> <p>In addition to vaccine wastage rates outlined above, Public Health Services is not in compliance with other provisions stipulated in the <i>Vaccine Storage and Handling Protocol, 2010</i>. For example:</p> <p>a) A time lag exists between when Public Health Services receives waste vaccine and when the returns are actually entered into the Biological Inventory Ordering System (BIOS). In excess of two months may pass before waste is returned to OGPMS.</p> <p>b) Vaccine inventory is counted each month as opposed to before the weekly order is placed.</p> <p>c) The standard level of vaccine inventory held by the City is based upon staff experience. Public Health Services does not formally plan or forecast vaccine supplies for the coming year.</p> <p>d) Public Health Services does not calculate each health care provider's one-month supply in order to monitor vaccine requests.</p>	<p>That management address the non-compliant <i>Protocol</i> provisions. If requirements cannot be addressed due to capacity or efficiency constraints, management should seek advice or amnesty from the Ministry. Communication with the Ministry should be documented and retained.</p>	<p>a) Agreed. Steps have already been taken to ensure that returns are entered into BIOS more frequently. This has included consultation with the Ministry to determine a more efficient process. Expected implementation: Q3 2013.</p> <p>b) Agreed. Inventory counts will be done prior to each vaccine order. Expected implementation: Q1 2014.</p> <p>c) Agreed. Management is committed to consulting with other health units to see how they meet this provision and with the PHS Surveillance Unit to determine how this may be done. Expected implementation: Q1 2014.</p> <p>d) Agreed. Management is committed to consulting with other health units to see how they meet this provision and with the PHS Surveillance Unit to determine how this may be done. Expected implementation: Q1 2014.</p>

PHS – COLD CHAIN / BIOS PROGRAM
MARCH 2013

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
3.	<p><u>Non-compliance with the Protocol (Cont'd)</u> e) The vaccine refrigerator at the Dundas site is not equipped with lockable doors.</p> <p>As a public health unit, the City is responsible for complying with requirements set out in the <i>Vaccine Storage and Handling Protocol, 2010</i>.</p>		e) Agreed. This issue will be corrected in May of 2013 during annual refrigerator maintenance.
4.	<p><u>Inventory Count Adjustments</u> Vaccines received from OGPMS and stored in the refrigerator are counted on a monthly basis. Inventory quantities recorded in BIOS are compared to the physical counts. Unexplained differences between recorded and counted inventory are adjusted through the shrinkage account in BIOS.</p> <p>Vaccine inventory count results and adjustment explanations are not documented by staff or reviewed and approved by management. Management oversight over inventory adjustments is an important control in order to:</p> <ul style="list-style-type: none"> • Compensate for lack of segregation of duties between vaccine custodianship, record keeping and reconciliation functions; • Control and monitor the number and dollar value of adjustments posted to the inventory shrinkage account; and • Ensure items are investigated, explained and resolved appropriately in a timely manner. 	That staff summarize the vaccine inventory count results, including quantities recorded, quantities counted, differences calculated and explained and any corrective action taken. Management should review and approve inventory count adjustments and sign off on the inventory count documentation.	Agreed. Management is committed to having a monthly report as recommended with management reviewing and addressing any issues with adjustments. Expected implementation: Q2 2013.

PHS – COLD CHAIN / BIOS PROGRAM
MARCH 2013

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
5.	<p><u>Measures to Maintain Stable Temperatures</u></p> <p>Temperature fluctuations in the refrigerated storage units are the main threat to vaccine potency. Vaccines may become ineffective if stored at suboptimal temperatures for defined periods of time. Not only does this represent waste of product and tax dollars but administering ineffective vaccine may increase the risk of illness and disease and can result in diminished trust in the health care system.</p> <p>Refrigerator maintenance, monitored temperature alarms, backup power, alternate storage locations and documented emergency procedures are controls implemented by Public Health Services to prevent and mitigate the risk of temperature fluctuations at City vaccine storage facilities. Deficiencies that place the effectiveness of management's controls at risk were identified as:</p> <p>a) Refrigerator maintenance services are performed by contracted technicians on an annual basis. A review of the 2012 refrigeration maintenance inspection checklists indicated that not all maintenance services appeared to be performed on the vaccine refrigerators. A Public Health Services staff member did not sign off on the maintenance checklists to verify that all work was performed.</p>	<p>That a Public Health Services staff member sign the maintenance checklist after verifying that technicians have completed all services.</p>	<p>a) Agreed. All maintenance checklists will be brought to the manager for review and signature.</p>

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MARCH 2013

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
5.	<p><u>Measures to Maintain Stable Temperatures (Cont'd)</u></p> <p>b) The leased building where the refrigerators are located is outfitted with a backup generator in the event of a power outage. Management does not obtain reports from the property manager to corroborate that the generator is maintained and tested on a periodic basis. There have been instances of the backup generator not working during power outages at this location.</p> <p>c) Public Health Services entered into an agreement with McMaster University Medical Centre (MUMC) in May 2004 to store vaccine at their facility in the event that stable temperatures could not be maintained at City vaccine storage premises. The terms within the agreement should be updated to reflect current capacity and insurance requirements.</p> <p>d) Procedures for emergencies during and after business hours are documented in Public Health Services' policies and procedures manual. However, these documents are in draft form, have not been formally approved by the Associate Medical Officer of Health and are not posted in vaccine storage facilities. In addition, the procedures do not include periodic controlled emergency scenarios to test staff preparedness and the integrity of the contingency plan.</p>	<p>That management obtain and review generator maintenance reports from the property manager on a periodic basis.</p> <p>That management update the storage agreement with MUMC.</p> <p>That management finalize the policies and procedure manual and conduct periodic emergency scenarios to test all aspects of the contingency plan.</p>	<p>b) Agreed. We will consult with the Emergency Response Planner within PHS to determine how to request, receive and action any issues with this report. Expected implementation: Q3 2013.</p> <p>c) Agreed. This recommendation was already identified during the 2013 operational planning process. Expected implementation: Q4 2013.</p> <p>d) Agreed. Five out of six policies have been updated and signed off. An emergency test scenario has been drafted to test the policy for the evacuation of vaccine after-hours. Expected implementation for both components: Q2 2013.</p>

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#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
6.	<p><u>Cold Chain Inspections</u></p> <p>Public Health Services is responsible for ensuring health care providers who receive vaccine in Hamilton are maintaining the cold chain. The cold chain includes all materials, equipment and procedures used to maintain vaccines in the required temperature range until they are administered to individuals. In order to fulfill this mandate, Public Health Services:</p> <ul style="list-style-type: none"> • Investigates cold chain incidents reported by health care providers or identified by City staff; • Inspects each health care provider's site on an annual basis; and • Provides on-site orientation and assists setting up new facilities. <p>Internal Audit identified the following areas that may be improved in order to strengthen Public Health Services' inspection processes.</p> <p>a) A formal cold chain inspection is not carried out in a timely manner after a new facility receives its first vaccine order. Additional follow up should be performed to ensure inexperienced health care providers understand and implement cold chain procedures.</p>	<p>That Public Health staff perform a formal cold chain inspection of new facilities within one month of releasing vaccines.</p>	<p>a) Agreed in principle. We will ensure the policy reflects a two month requirement (rather than one month) for an inspection to be completed, given the number of new facilities and new fridges that require service (i.e. new pharmacies for influenza vaccine). Expected implementation: Q2 2013.</p>

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#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
6.	<p><u>Cold Chain Inspections (Cont'd)</u></p> <p>b) Files maintained by Public Health Services do not always contain sufficient documentation to verify that corrective action was implemented by the health care provider and corroborated by Public Health Services' staff. In addition, Public Health Services' staff members do not ensure vaccines identified as waste during cold chain investigations and inspections are returned by the health care provider.</p> <p>c) Eleven health care providers were assessed fail or conditional ratings on their 2012 annual cold chain inspections. Re-inspections were performed for only three of these facilities. Staff members did not document why re-inspections were not carried out. There are no approved guidelines to help staff decide when a re-inspection is warranted to ensure consistency across all health care providers.</p> <p>d) There are no formal guidelines or processes in place to identify, track or action problematic health care providers who incur high numbers of cold chain incidents or large losses for wasted vaccines. Without punitive measures, there are no incentives for health care providers to improve their cold chain processes.</p>	<p>That Public Health Services' staff carry out follow up activities to ensure corrective action was taken and the return of waste vaccines was completed. Notes or other documentation should be placed in the health care provider's file to indicate follow up activities were performed.</p> <p>That Public Health Services' staff document and justify why a re-inspection is not carried out. Management should create a guideline to promote consistent treatment by all inspectors.</p> <p>That management create formal guidelines and processes to identify, track and action challenging health care providers, where appropriate.</p>	<p>b) Agreed. We will meet with staff to discuss solutions to ensure that corrective actions and return of waste have been completed. Expected implementation: Q3 2013.</p> <p>c) Agreed. This policy has been updated and clearly outlines the requirements for a re-inspection for conditional and failed inspections and the requirements for documentation should they not be completed. Expected implementation: Q2 2013.</p> <p>d) Agreed in principle. Management is committed to ensuring that health care providers are accountable for vaccine wastage. We will consult with other health unit colleagues and with the Ministry of Health. Expected implementation: Q2 2014.</p>

**CITY OF HAMILTON
INTERNAL AUDIT REPORT 2013-03
PLANNING & ECONOMIC DEVELOPMENT (P&ED) – BUILDING PERMIT FEES**

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
1.	<p><u>Reporting on Fees and Costs</u> The Ontario Building Code regulations require the issuance, within three months, of a report indicating the amount of building permit fees collected during the previous 12 month period and the corresponding expenses.</p> <p>The building fees collected during the 12 month period of 2011 (January to December), the related costs and the status of the Building Permit Revenue Stabilization Reserve were not reported to Council until June 5, 2012. As a result, the reporting was not in compliance with the Ontario Building Code.</p>	<p>That the building permit fees, the associated costs and the status of the Building Permit Revenue Stabilization Reserve for a 12 month period be reported to Council within the three subsequent months, as per the Ontario Building Code.</p>	<p>Agreed in principle. However, the Building Division is restrained by the schedule of a Council driven budget approval. Attempts are being made to get the budget numbers earlier in order to complete this report within the first three months. If we are unable to get this information earlier, the Ministry may possibly be approached.</p>

P&ED – BUILDING PERMIT FEES
March 2013

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
2.	<p><u>Building Permit Revenue Stabilization Reserve</u> As approved by Council, the Building Permit Revenue Stabilization Reserve is not to exceed 1.5 times (150%) the yearly operating budget of the Building Services Division. The Reserve is used during economic downturns when permit fee revenue is lower than projected and to fund one-time expenditures that will increase productivity and improve service levels. If the Reserve exceeds 150%, the City is required to undertake a review of the permit fee structure to either reduce the permit fees or provide refunds to permit applicants.</p> <p>The Reserve has been increasing dollar and percentage wise steadily over the past few years. In 2010, it was 97% of the operating budget; in 2011, it was 126%; and in 2012, using unaudited final numbers, it is expected to be 163%. The 2012 Reserve has amounted to approximately \$12.2 million and is estimated to exceed the 150% cap by \$1 million.</p>	<p>That management prepare a report to Council outlining ways to reduce the excess in the Building Permit Revenue Stabilization Reserve to the level approved by Council.</p>	<p>Disagreed. Our action plan is to increase the value of the reserve. At the present time, there are municipalities that have a 200% limit or some that have no cap at all.</p> <p>F&A have been directed to do a report on all reserves. The Building Division is slated for 2014 and will be working with F&A to come up with options.</p>

P&ED – BUILDING PERMIT FEES
March 2013

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
3.	<p><u>Protection of Cardholder Data</u> The City must demonstrate compliance with Payment Card Industry (PCI) Data Security Standards (DSS) which address the handling of credit cardholder information. The Moneris point of sale administrator card, which can be used to generate reports that contain the Primary Account Number (PAN) and other cardholder data (i.e. cardholder name and expiry date), is stored in the cash box in an unlocked cabinet behind the front desk. The card can be accessed by unauthorized staff in Building Services.</p>	<p>That the Moneris POS administrator card be stored in a more restricted location to limit the ability to access sensitive information from point-of-sales (POS) terminals.</p>	<p>Agreed. The Building Division staff does not use this card it is used by Finance and Administration (F&A) staff. Therefore, the card has been given to F&A for their safe keeping. The Building Division has only kept a backup card which is kept locked in the Manager's office.</p>

P&ED – BUILDING PERMIT FEES
March 2013

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
4.	<p><u>Written Procedures</u> Building Services has not developed written formal procedures to guide their staff in performing the various duties associated with building fee applications, the collection of permit fees and the issuance of refunds.</p> <p>When written procedures do not exist, employees currently carrying out the process rely on personal understanding and experience which could result in incorrect, incomplete or inconsistent application. It would also be problematic and inefficient for a successor to commence his/her duties within a short period of time.</p>	<p>That procedures pertaining to the various duties carried out by Building Services' staff in processing building permit fees be written and distributed to appropriate staff.</p>	<p>Agreed. The Building Division is presently undertaking a total review of all existing policies and procedures as well as determining which procedures need to be written. Procedures for building permit fees have been added to the action plan to complete by Q4 2013.</p>

**CITY OF HAMILTON
INTERNAL AUDIT REPORT 2013-03
PLANNING & ECONOMIC DEVELOPMENT (P&ED) – BUILDING PERMIT FEES**

ADDENDUM

The following items were noted during the course of the audit. Although they do not present internal control deficiencies, they are indicated in this Addendum so management is aware of the issues and can address them appropriately.

Building Permit Fees Charged

1. Of the seven sampled building fee applications dated by the builder in December, 2012 but processed through the Point of Sale (POS) register in January, 2013, three did not have a received date stamp, as required. Management stated that due to a marked increase in December applications as a result of an announced January, 2013 fee increase, the processing of these applications through the POS was delayed until January, 2013. However, without the date being stamped on the application, there is no way to confirm the actual submission date or if the correct fee was charged in the case of a fee increase.

It is recommended:

That all building permit applications be date stamped when received.

Management Response:

Agreed. We will ensure that staff is given updated training to ensure that they are using the date stamp machine. On February 20th, 2013 an e-mail was sent to staff attaching a copy of the procedure dated June 5th, 2012 and reminding them that applications should not leave the front counter unless they are stamped. Further, the stamp must be applied to all applications with NO EXCEPTIONS.

Refunds

2. The Chief Building Official shall determine the amount of fees, if any, to be refunded to the permit holder upon written request of the permit holder. The refund is usually the original building permit fee less costs already incurred by staff. The letter is provided to the permit holder explaining the amount of the refund.

Seven refunds were reviewed. Complete documentation supporting the building permit fee refunds was not included in the cheque requisition packages. Two packages did not include the letter from the permit holder requesting a refund and three of the packages did not contain the letter explaining the amount of the refund. The missing documentation makes it difficult to validate the refund.

It is recommended:

That all building permit fee refunds be supported by a letter requesting the refund and an explanation for the amount of the refund.

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March 2013
ADDENDUM

Management Response:

Agreed. A procedure rectifying the identified concerns will be developed for the refunding of fees. Included in this procedure will be the requirement for a letter requesting the refund. In the interim however, in staff meetings, staff have been reminded that a letter is required and complete notes should be made as to why the refund is being given and the basis for the amount of the refund.

**CITY OF HAMILTON
INTERNAL AUDIT REPORT 2012-11
PUBLIC HEALTH SERVICES – DENTAL SERVICES – CLAIMS PAYMENT PROCESS**

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
1.	<p><u>Procedures</u></p> <p>There are several aspects of claims payments for which no written procedures are in place. These include:</p> <ul style="list-style-type: none"> • the entering of claims payments into the Oral Health Information Support System (OHISS); • the monthly cheque requisition process; • the claims adjustment procedures. <p>In addition, there are situations in which written procedures exist but they are out-of-date and do not reflect the current practice. Among these procedures are:</p> <ul style="list-style-type: none"> • the Returned Cheque procedure states an e-mail confirmation is received from Accounts Payable (AP) to confirm cancelled or redeposited returned cheques. This does not occur. • the Dental Clerks fill out a "New Vendor/Update Vendor Form" and send it to AP in order to receive a vendor number for a new service provider. The procedure, as written, makes no reference to this form. <p>When there are no written procedures or the procedures do not reflect the actual process, the employees currently carrying out the particular process rely on personal understanding and experience, which could result in incorrect, incomplete and inconsistent application. It would also be problematic and inefficient for any successors to commence their duties within a short period.</p>	<p>That management develop (where the procedure does not exist) or update (where the procedure is not current practice) the procedures as noted. They should be approved and implemented, as written. Management should review them annually and provide evidence of such review (sign-off).</p>	<p>Agreed. Management will complete written procedures to outline the current process. A form will also be developed to indicate that the procedures have been reviewed and updated annually. Estimated date of completion: August 31, 2013.</p>

**PUBLIC HEALTH SERVICES
DENTAL SERVICES – CLAIMS PAYMENT PROCESS
DECEMBER 2012**

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
2.	<p><u>Payment of Invalid Claims</u></p> <p>OHISS does not automatically validate claim payment entries for discretionary programs (Low Income, Ontario Disability Support Program and Ontario Works). Dental Claims Payment Clerks (Dental Clerks) visually review the client claim history to ensure the claim is valid within the fee guide limits. A random sample of 40 claims identified six claims that were paid with discrepancies from the fee guide limits. Another test of the same sample of claims provided two instances in which the claims were paid without the necessary criteria on the provider claim form, as stated in the fee guide.</p> <p>Even though Public Health Dentist may authorize payment of claims when there are variations from the fee guide, there were no documented approvals or explanations for the inconsistencies noted above.</p> <p>There is a risk that the City could be paying for invalid claims if variations from the fee guide are not appropriately authorized.</p>	<p>That the Dental Clerks obtain authorization from the Public Health Dentist before paying a claim with any variation from the fee guide. The Public Health Dentist should enter a case note in OHISS and initial the claim form as evidence of authorization.</p>	<p>Agreed. The Public Health Dentist will initial any claims that indicate a variation in fees paid and make notes in the OHISS database and on a separate tracking sheet outside of OHISS. Estimated date of completion: Immediately.</p>

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DENTAL SERVICES – CLAIMS PAYMENT PROCESS
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#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
3.	<p><u>Payment of Invalid Claims (Cont'd.)</u> Dental Service Provider Claim Forms are sorted by program and the date processed by each Dental Clerk. These forms are given to the Public Health Dentist for review after being processed in OHISS. There is no evidence in OHISS or on the claim form that a review has been performed by the Public Health Dentist.</p> <p>Situations can arise in which claims have been entered with errors which have not been subsequently identified, resulting in overpayments.</p>	<p>That the Public Health Dentist initial claim forms to provide evidence of regular review. A minimum number of claims per month from each program should be considered with a focus on the discretionary programs. The Public Health Dentist should provide feedback to staff on errors found and arrange additional training, as needed.</p>	<p>Agreed. This process has been initiated. In order to focus on discretionary programs, the Public Health Dentist will review 10 claims/week/staff member with an emphasis on the OW Adult, ODSP and Low Income claims since they do not have built in checks and balances. (CINOT, HSO, OWC have checks and balances in place). Staff will receive feedback on their errors. Estimated date of completion: Immediately.</p>

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DENTAL SERVICES – CLAIMS PAYMENT PROCESS

DECEMBER 2012

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
4.	<p><u>OHISS Duplication</u></p> <p>Claims are verified in OHISS using three criteria:</p> <ol style="list-style-type: none"> i. Claims within the fee guide limit; ii. Dental service provider name; and iii. Dental service provider address. <p>OHISS treats each provider profile and address as a separate individual entry and therefore, if a service provider or address is entered more than once, the same claim can be processed numerous times. For example, if the dental provider has six duplicate addresses in OHISS, the same claim can be processed against each address. A review of 30 providers identified that two had duplicate profiles and six had duplicate/multiple addresses. However, no duplicate payments were found.</p> <p>Duplicate providers and/or addresses may result in the OHISS validation process not being run against the complete client history. Therefore, treatments which would not normally fall within fee guide limits may not be identified by the validation process, resulting in the City paying invalid claims.</p>	<p>That the Public Health Dentist review the drop down list of service providers associated with the Hamilton Public Health Unit in OHISS and deactivate any duplications.</p> <p>That Dental Clerks maintain a list of providers with duplicate profiles or addresses noted when paying claims. This list should be saved on the network. The Public Health Dentist should clear this list, removing all duplicate addresses from the system and the listing at the beginning of each month, after claims are completed through the cheque run.</p>	<p>Agreed in principle, not practical for implementation. Management agrees with this in principle but it is not possible to do or maintain. Anyone in the province can add the same address of a service provider any number of times. Once the address is in OHISS, it cannot be deleted. It can ONLY be deactivated if there is NO open claim in the province for this provider at that particular address. Even if the address is deactivated, there is nothing preventing another agency from re-adding the address again. Cheque runs are run at different frequencies across the province so it would be very difficult to time any de-activations of addresses.</p> <p>Alternative implemented. Staff will develop a listing and attempts will be made to deactivate duplicate addresses. Staff have been directed to select the first address when a provider has multiple entries listed. Estimated date of completion: Immediately.</p>

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#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
5.	<p><u>Cheque Requisition Process</u></p> <p>During the month end process, Dental Clerks compare the total payments to dentists in the OHISS system to the Excel spreadsheet totals which are uploaded by Accounts Payable (AP) into the PeopleSoft system to generate the monthly cheques. Before cheques are run, AP will save a summary of the total amount of cheques that will be printed. Dental Clerks are required to ensure the totals match the OHISS system. Once the totals match, the Dental Clerks inform the Public Health Dentist who emails AP to proceed with printing the cheques.</p> <p>During the October 2012 cheque run, one entire cheque file was not saved to the network and therefore, it was not uploaded. This was not caught by the checking of the Dental Clerks and only identified when a service provider inquired about a claim payment.</p>	<p>That a month end checklist be compiled for staff to sign off, indicating visual checks have been performed and all the necessary files have been saved on the network for upload. The completed checklist should be reviewed and signed off by the Public Health Dentist before confirming the cheque files are ready for upload.</p>	<p>Agreed. A form and procedure will be developed to indicate a month end check list of all major steps for each program and staff will initial each step. The Public Health Dentist will sign the final step of cheque release. Expected date of completion: May 31, 2013.</p>

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#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
6.	<p><u>Duplication of the Reconciliation Process</u></p> <p>With every cheque run, Dental Clerks are reconciling between the Budget Fee for Service Report (summary of all claim payments and adjustments) and the Cheque Requisition Report (amounts payable to the dental service providers) before cheque files are saved on the network to be uploaded by AP. The Financial Assistant (FA) is completing a similar reconciliation after the cheques have been processed to reconcile with the same purpose the Budget Fee For Service Report to the PeopleSoft general ledger.</p> <p>Time and resources are being used inefficiently in the cheque run reconciliation process due to apparent duplication of effort.</p>	<p>That Dental Clerks forward their reconciliations to the FA with details of any differences. (e.g. returned cheques with the cheque number, provider, client and original claim number, any adjustments with supporting documentation). The FA should use the Dental Clerks' reconciliations to reduce duplications.</p>	<p>Agreed. The Dental Clerks will forward their reconciliations to F&A to avoid duplicated efforts. The Dental Clerks will provide the FA with the following information for each program required to be reconciled: OHISS Cheque Register, OHISS Budget Report, OHISS Report Totals, Manual Cheque Register, OHISS Service Activity Report, Register of Form H reports (scanned and saved on N:drive with other dental reports). Anticipated date of completion: May 31, 2013.</p>
7.	<p><u>Claim Adjustments</u></p> <p>Claim adjustments arise when claims processed in previous months are adjusted in the current month. An "Adjustment Made in OHISS Before/After Cheque Run" form (Form H) is to be completed by the Dental Clerks and approved by the Public Health Dentist before any claim adjustments are made in OHISS. Twenty-five of 26 claim adjustments tested did not have a corresponding completed and approved form.</p> <p>Without adequate records and approvals for claim adjustments, Dental Clerks can encounter confusion and inefficiencies in their monthly reconciliation process as they search for adjustments to explain differences between the Budget Fee for Service Report and the Cheque Requisition Report from OHISS.</p>	<p>That the "Adjustments Made in OHISS Before / After Cheque Run" adjustment form (Form H) be completed and approved for all adjustments. The forms should be filed by month in the binder and split into two sections - adjustments made in OHISS before the cheque run and adjustments made in OHISS after the cheque run – both to be used when reconciling.</p>	<p>Agreed. Form H has been developed and implemented for adjustments before/after cheque runs. The forms will be filed by month and split into two sections as indicated. The adjustments are recorded on the N:drive for F&A to review. Anticipated completion date: May 31, 2013.</p>

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#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
8.	<p><u>Returned Cheques</u></p> <p>Adjustments for cheques returned by dental service providers are not consistently being made in OHISS, creating discrepancies between the PeopleSoft general ledger and OHISS. The following issues were noted:</p> <ul style="list-style-type: none"> • Fourteen of 27 sampled cheques received from dental service providers were not adjusted in OHISS records. • No "Adjustments Made in OHISS Before / After Cheque Run" forms (Form H) had been completed for returned cheques requiring adjustment in OHISS. • Eighteen of 27 cheques returned were not scanned to the shared network drive, as practice requires. 	<p>That management implement a returned cheque register as was originally recommended in a 2005 audit report. This register should provide for staff sign-off when the adjustment for the returned cheque is made in OHISS and when the returned cheque is sent to AP. The Public Health Dentist should initial the returned cheque register monthly as evidence of review.</p> <p>That "Adjustments Made in OHISS Before / After Cheque Run" forms (Form H) be completed for all returned cheques requiring adjustment in OHISS.</p> <p>That all returned cheques be scanned to the network and saved by month. The cheque register listing the returned cheques should also be saved by month.</p>	<p>Agreed. A returned cheque register has been developed. Staff will sign off the register when the adjustment is made in OHISS and when the cheque is returned to AP. The Public Health Dentist will review and initial this register at the end of each month. Anticipated completion date: Immediately.</p> <p>Agreed. Effective immediately, form H will completed for all returned cheques requiring adjustments in OHISS.</p> <p>Agreed. All returned cheques are currently scanned to the network and saved by month. The returned cheque registry is also being saved by the month. Anticipated completion date: Immediately.</p>

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DENTAL SERVICES – CLAIMS PAYMENT PROCESS

DECEMBER 2012

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
8.	<p><u>Returned Cheques (Cont'd.)</u></p> <ul style="list-style-type: none"> The FA does not receive a list of returned cheques from the Dental Clerks, making reconciliation of the PeopleSoft general ledger more difficult and time consuming. <p>Without proper tracking of returned cheques and the lack of communication between the Dental Clerks and the FA, there is an increased risk of misappropriation. Improper tracking along with inconsistent adjusting processes create inefficiencies in the reconciliation process.</p>	<p>That the returned cheque register be made available to the FA for reconciliation purposes.</p>	<p>Agreed. The Dental Clerk will provide a Returned Cheque Register to F&A that includes the following: name of client, name of dentist payment issued to, date issued, cheque number, amount of cheque, invoice number, account, dept. ID, specific dental program (OW Adult, ODSP), date sent to AP for cancellation.</p> <p>The returned cheques register is available to F&A and saved on the N:drive. Anticipated completion date: May 31, 2013.</p>
9.	<p><u>Cheque Run Review</u></p> <p>Information Services (IS) is in the process of implementing software to be run by Dental staff which will perform automatic edits of the OHISS cheque file. This will identify errors in vendor information in the Excel spreadsheet before the cheque file is sent for upload. Currently, files with errors must be corrected and rerun by Dental Clerks, delaying the cheque run process.</p> <p>Dental Clerks not providing complete and accurate files to AP result in inefficient use of time and resources for the cheque run process.</p>	<p>That the Public Health Dentist ensure the IS software for automatic edits of the OHISS cheque file is implemented and used in the monthly cheque run process.</p>	<p>Agreed. This has been developed and implemented and is being used in the monthly cheque run process. The software is updated each time there is a change in the fee guide for any program. Completed: April 1, 2013.</p>

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DECEMBER 2012**

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
10.	<p><u>Adding a Service Provider/Changing Provider Address</u></p> <p>When adding a new service provider, the Dental Clerks fill out a "New Vendor/Update Vendor Form" and forward it to AP in order to receive back a vendor number. The Dental Clerks then complete another form "New Dentist or Hygienist" (Form A) and provide it to the Public Health Dentist to approve and input the new service provider information into OHISS. Due to the order in which the tasks above are carried out, AP is issuing a vendor number for a service provider (an important step in the claim payment process) before any due diligence checks can be performed and the provider is approved by the Public Health Dentist.</p> <p>Further, in order to change service providers' addresses on OHISS, Dental Clerks fill out "Changes to Dentist or Hygienist/Correct Address/New Address Forms" and submit them to the Public Health Dentist to approve and make changes in OHISS.</p>	<p>That the Public Health Dentist authorize all "New Vendor/Update Vendor Forms" after conducting due diligence checks on the providers but prior to the forms being sent to AP for the assignment of vendor numbers. AP should not issue any vendor numbers for forms not bearing the original signature of the Public Health Dentist. Subsequently, vendor numbers should only be sent back to the Public Health Dentist for input into OHISS.</p> <p>That the use of Form A be discontinued.</p>	<p><u>Dental Services</u> Agreed. The Public Health Dentist does conduct due diligence checks for new vendors. Management will implement an appropriate sequence of authorization using the "New Vendor/Update Vendor Form" to indicate that the due diligence check has happened prior to the vendor number request.</p> <p><u>Accounts Payable</u> Agreed. AP staff will be advised immediately not to add or revise vendors unless the original signature of the Public Health Dentist/designate is on the form.</p> <p>Agreed. Form A will be discontinued.</p>

**PUBLIC HEALTH SERVICES
DENTAL SERVICES – CLAIMS PAYMENT PROCESS
DECEMBER 2012**

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
10.	<p><u>Adding a Service Provider/Changing Provider Address (Cont'd)</u></p> <p>In the audit testing of the above forms, several instances of electronic signatures and/or completion dates were noted as the basis of authorizations.</p> <p>Dental Clerks with the ability to request new vendor numbers from AP, add unauthorized new vendors to the OHISS system and make address changes to existing service provider profiles demonstrate a poor segregation of duties and increase the risk of unapproved vendors/addresses being added to the system to be paid.</p>	<p>That all forms requiring approval bear the original signature of the Public Health Dentist.</p>	<p>Agreed. The "New Vendor/Update Vendor Form" will be signed by the Public Health Dentist and faxed to AP. AP will reply by email with the vendor number. The "New Vendor/Update Vendor Form" and the e-mail from AP with the vendor number will be maintained as records in a binder. Anticipated completion date: Completed April 30, 2013.</p>

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2012-11
PUBLIC HEALTH SERVICES – DENTAL SERVICES – CLAIMS PAYMENT PROCESS
ADDENDUM

The following item was noted during the course of the audit. Although it does not present an internal control deficiency, it is indicated in this Addendum so management is aware of the issue, risk or inefficiency and can address it appropriately.

Incomplete Claims

1. Claims from previous months remain in OHISS as processed but not completed. In OHISS, if a claim status is "processed", it has been entered and waiting to be included in the cheque run. If a claim status is "completed", the amount has been included in the OHISS cheque run and has been sent for payment through the PeopleSoft system. In the testing, there were ten claims still showing as processed in OHISS from previous months although payment had been made with manual cheques. This was due to an error on a cheque run where these claim payments were omitted in the monthly OHISS cheque run. Other reasons amounts may remain in OHISS as "processed" but are actually "completed" include: claims from prior months entered under the incorrect fee guide but subsequently re-entered and paid under the correct fee guide with no adjustment for prior entry, zero dollar claims for treatments that are not valid for payment or historical health unit data entered for ministry purposes with no amount payable.

It is recommended:

That all fee guides be routinely reviewed for claims that remain in OHISS as "processed" from prior months. Adjustments, corrections or a cheque run in OHISS should be used to clear any amounts from the system, as warranted.

Management Response:

Agreed in principle, partial implementation not practical. OHISS limits the repeat of cheque runs. Once a cheque run has been completed, the cheque run cannot be repeated to convert any "processed" claims to "completed" claims.

There are two reasons for claims that remain as "processed".

- i. Manual cheques will remain in OHISS as "processed" as OHISS will not allow conversion of these to "completed".***
- ii. Many of the claims in the "processed" state are claims that are not part of the cheque runs. These are claims of treatment rendered in the clinics and for which no cheques are issued. The value amounts are 'zeroed out' and are used for data purposes only. For these claims, staff will do a cheque run quarterly to turn these claims from "processed" to "completed".***

Charles Spettigue Jr., Barrister

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May 30, 2013

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk
City of Hamilton, City Hall
71 Main Street West, 1st Floor
Hamilton Ont
L8P 4Y5

RE: Mr. Abdul Wahid Mehrpoor, Taxi Cab Driver – Licence No. 12 261502 2M

Dear Ms. Paparella;

I have yours dated May 23, 2013 at hand. I must say both Mr. Mehrpoor and I are particularly chagrined by the contents thereof.

The Tribunal clearly had no difficulty scheduling a Hearing date prior to the conclusion of the criminal allegations. The Tribunal set that date without input from myself or Mr. Mehrpoor. Mr. Mehrpoor exercised his various Charter and Administrative Law Rights and insisted that he be allowed to properly prepare including obtaining Transcripts.

As a result I requested an adjournment and expressly explained that I could be available during July, August and September.

The Tribunal, however, has suspended Mr. Mehrpoors Licence without any factual basis, and has now stated that it will not hear the matter until the conclusion of the criminal proceedings. This bars Mr. Mehrpoor from participating in his chosen profession for approximately 2 years without the benefit of a Hearing and without any factual basis for same. I note that the City's Disclosure, made to date, has not revealed any evidence of danger or risk to the Public. None of the alleged allegations involved Mr. Mehrpoors status as a Cab Driver. As I explained in my earlier communications, the Releasing Justice was highly critical of the shabby way in which the City of Hamilton investigated this matter through Hamilton Police Services.

Mr. Mehrpoor requires the Tribunal to immediately schedule a Hearing for August or September 2013. I look forward to hearing from you with respect to the selection of an appropriate date. In the event that the Tribunal discovers any real evidence, I would appreciate receiving a copy of it in advance.

Yours Truly
Charles Spettigue



APPLICANT	Program	Page No.	2012 Grant Paid	2013 Applicant Requested	2013 Recomd	2013 Possible funding
CULTURE:						
Bach Elgar Choral Society	Bach Elgar Choir 2013 - 2014 Concert Season	NYF CUL-	\$ 18,544	\$ 26,500	\$	18,544
McMaster Museum of Art	Public Programs @ The MMA	CUL-40	\$ 4,131	\$ 10,000	\$	4,131
Canadian Football Hall of Fame	Educational Programming	CUL-41	\$ 5,150	\$ 5,150	\$	5,150
Jewish Community Centre of Hamilton and Area	Yom Ha'atzmaut	CUL-42	\$ 2,430	\$ 3,000	\$	2,430
South Asian Heritage Association	South Asian Heritage Month Celebration	CUL-43	\$ 3,600	\$ 25,000	\$	5,000
Caribbean Potpourri Youth Support Programme	Caribbean Potpourri Variety Show	CUL-44	\$ 4,590	\$ 7,000	\$	4,590
Hamilton Children's Choir	Bursary Program	CUL-45	\$ 1,484	\$ 2,500	\$	1,484
Subtotal Culture:			\$ 39,929	\$ 79,150	\$ -	\$ 41,329
Hamilton Folk Arts Heritage Council	It's Your Festival	SE-28	-	96,000	\$	53,040
	5th Annual Hamilton Firefighters Chili & Music					
Hamilton Professional Firefighters Association	Fest	SE-29	2,737	9,025	\$	10,000
India Canada Society	Gandhi Peace Festival	SE-30	3,615	5,000	\$	5,536
Locke Street Merchants' Association	Locke Street Festival	SE-31	6,567	12,000	\$	7,207
Concession Street BIA	Corn fest / Fall fest	SE-32	1,264	3,000	\$	1,404
Concession Street BIA	Streetfest	SE-33	6,000	6,000	\$	8,008
Binbrook Agricultural Society	Binbrook Fair	SE-34	2,500	2,500	\$	5,800
Hamilton Santa Claus Parade Committee	Santa Claus Parade	SE-35	22,300	-	\$	46,231
The Create Joy Foundation	A Mid Summer's Dream	SE-78	new	9,990	\$	2,000
Subtotal Special Events:			44,983	143,515	-	139,226
Total Tabled Grants:			84,912	222,665	-	180,555



Hamilton

City of Hamilton

Fair Wage Policy and Fair Wage Schedule

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1. POLICY STATEMENT

Every Contractor and Sub-Contractor shall compensate their Employees in accordance with the Fair Wage Policy and Fair Wage Schedule on all Construction Contracts with the City. The compensation requirements as set out in the Fair Wage Policy and Fair Wage Schedule are minimum requirements.

2. INTERPRETATION

In this Fair Wage Policy and Fair Wage Schedule:

- (a) a word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa;
- (b) the provisions shall be read with changes of gender or number as the context may require;
- (c) a reference to any Act, by-law, rule, procedure or regulation shall be deemed to include a reference to any substitution or amendment thereof;
- (d) any reference to an officer of the City shall be construed to mean the person holding that office, the designate or delegate of that person.

3. DEFINITIONS

Capitalized words and phrases used in this Fair Wage Policy and Fair Wage Schedule shall have the following meanings, unless expressly stated otherwise.

“Benefits” includes employer contributions to such items as a pension plan, Registered Retirement Savings Plan (RRSP), medical plan bonus, retention pay or the like and vacation;

“City Council” means the Council of the City of Hamilton;

“City” means the City of Hamilton, its officers, officials, employees and agents;

“Construction Contract” means any construction work awarded to a Contractor of a minimum of \$500,000.00 excluding residential sectors;

“Contractor” means any person having a Construction Contract with the City but does not include any person that only supplies materials for the Construction Contract;

“Employees” mean those persons employed by the Contractor or Sub-Contractor who perform work identified in the Fair Wage Schedule, for a Construction Contract with the City;

“Fair Wage Policy” means the Fair Wage Policy approved by Council, as amended from time to time;

“Fair Wage Schedule” means the Fair Wage Schedule approved by Council, as amended from time to time. The Fair Wage Schedule stipulates the Total Hourly Compensation for Employees;

“Hours of Work” means the regular hours of work per day and week and shall include a provision for the payment of overtime beyond such regular hours, as per the *Employment Standards Act, 2000, S.O. 2000, c.41*;

“Sub-Contractor” means any person performing work on a City Construction Contract for a Contractor, or an agreement with another Sub-Contractor, but does not include any person that only supplies materials for the Construction Contract;

“Total Hourly Compensation” means the aggregate amount of Wages and Benefits as stated in the Fair Wage Schedule;

“Wages” means the Employees basic hourly rate, which is paid as earned at the time of undertaking the work.

4. CITY RESPONSIBILITIES

- 4.1 The Director of Financial Services shall periodically review the Fair Wage Policy and recommend to the appropriate standing committee of Council any required amendments to the Fair Wage Policy.
- 4.2 The Director of Employee & Labour Relations will prepare and review the Fair Wage Schedule from time to time and recommend to the appropriate Standing Committee of Council those amendments to the Fair Wage Schedule.
- 4.3 The Procurement Manager shall reference the Fair Wage Policy and Fair Wage Schedule in all City Construction Contracts. The City’s Procurement website will post the *Fair Wage Policy and Fair Wage Schedule* and *Fair Wage Complaint Form* at hamilton.ca/procurement.
- 4.4 The Procurement Manager will co-ordinate the preparation of an annual report for the appropriate Standing Committee of Council regarding complaints investigated and resulting audits performed pursuant to the Fair Wage Policy and Fair Wage Schedule.
- 4.5 The City shall address a written objection to the administration of the Fair Wage Policy and Fair Wage Schedule.

- 4.6 The City is not in any way liable, obligated or responsible to any Employee, Sub-Contractor, Contractor or any other person for the payment of any monies not paid by a Contractor or Sub-Contractor in accordance with the Fair Wage Policy and Fair Wage Schedule, and the City assumes no responsibility to such Employee, Sub-Contractor, Contractor or any other person for the administration and enforcement of the Fair Wage Policy and Fair Wage Schedule.

5. AD HOC FAIR WAGE COMMITTEE

- 5.1 The City shall participate in an ad hoc Fair Wage Committee to discuss issues, and provide a forum for consultation regarding issues related to the Fair Wage Policy and Fair Wage Schedule.
- 5.2 The Committee shall meet on an as required basis.
- 5.3 The Committee, as determined by the City, shall be comprised, as a minimum, of the following members:
- a. Director of Financial Services or designate,
 - b. Director of Employee & Labour Relations or designate,
 - c. A representative from:
Hamilton & District Heavy Construction Association,
Hamilton-Brantford Ontario, Building and Construction Trades Council,
Labourers' International Union of North America,
Christian Labour Association of Canada, and
Merit OpenShop Contractors Association of Ontario.

6. CONTRACTOR AND SUB-CONTRACTOR RESPONSIBILITIES

- 6.1 A Contractor shall ultimately be responsible for any violations or non-compliance of Sub-Contractors on its City Construction Contracts.
- 6.2 A Contractor is fully responsible for ensuring that all Sub-Contractors comply with the Fair Wage Policy and Fair Wage Schedule.
- 6.3 The Contractor or Sub-Contractor shall not be responsible for any increase to the Fair Wage Schedule which occurs after the closing of the Request for Tenders or Request for Proposals for the City Construction Contract awarded to the Contractor.
- 6.4 At the commencement of the work, the Contractor shall post a copy of the Fair Wage Policy and Fair Wage Schedule in a prominent location at the City Construction Contract site to enable Employees of the Contractor and Sub-Contractor to review. Alternate methods shall be agreed in writing by the Procurement Manager.

- 6.5 After substantial performance (as defined in the Construction Lien Act, R.S.O. 1990, c. C.30) of the Construction Contract and prior to release of the holdback, for all Construction Contracts with the City, the Contractor shall provide to the City, in a form acceptable to the City, a statutory declaration confirming that the Contractor and its Sub-Contractors complied with the Fair Wage Policy and Fair Wage Schedule. The City reserves the right to not release part or all of the holdback on a Construction Contract until such Contractor's sworn statement of compliance is received and deemed to be satisfactory by the City.

7. COMPLIANCE

A Contractor or Sub-Contractors shall be in compliance with the Fair Wage Policy and Fair Wage Schedule when the Employee receives a minimum compensation package that includes Wages and Benefits, which aggregate amount is not less than the Total Hourly Compensation as set out in the Fair Wage Schedule.

8. RECORDS

- 8.1 a. The Contractor and Sub-Contractor shall keep records of the names, addresses, Wages, Benefits, vacation paid or provided, and hours worked for all of its Employees to demonstrate compliance with the Fair Wage Policy and Fair Wage Schedule.
- b. The Contractor and Sub-Contractor shall make these records available for inspection upon request by the City.
- 8.2 In any agreement with a Sub-Contractor, the Contractor shall require the Sub-Contractor to:
- a. provide written acknowledgment that the Fair Wage Policy and Fair Wage Schedule applies;
- b. keep records of the names, addresses, Wages, Benefits, vacation paid or provided, and hours worked for all of its Employees to demonstrate compliance with the Fair Wage Policy and Fair Wage Schedule; and
- c. make these records available for inspection upon request by the City.
- 8.3 If a Contractor or Sub-Contractor enters into a contract for service with a self-employed independent contractor to perform work identified in the Fair Wage Schedule, the Contractor or Sub-Contractor shall keep the following records to demonstrate that the self-employed independent contractor is not an Employee of the Contractor or Sub-Contractor:
- a. duties and responsibilities of both parties;
- b. self-employed independent contractor invoices;

- c. self-employed independent contractor HST registration number;
- d. self-employed independent contractor Workplace Safety and Insurance Board and insurance certificates; and
- e. self-employed independent contractor trade certificates or licences which relate to the Construction Contract.

Should there be concerns regarding the self-employed independent contractor's degree of dependency from the Contractor or Sub-Contractor, further records shall be made available to demonstrate that an employer-employee relationship does not exist between the Contractor or Sub-Contractor and a self-employed independent contractor. The guideline issued by Canada Revenue Agency RC4110 "Employee or Self-Employed" may be used to assist in making a final determination.

9. INSPECTION AND AUDITS

The City retains the right to inspect and audit the records of the Contractor or Sub-Contractor (as referred to in Section 8. Records) at any time during the period of the Construction Contract and at any time thereafter as deemed by the City.

10. CONSEQUENCES OF NON-COMPLIANCE

10.1 Upon determining that a Contractor or Sub-Contractor is non-compliant with the Fair Wage Policy and Fair Wage Schedule, the Procurement Manager:

- a. shall advise the Contractor, in writing, that it has been determined that the Contractor or Sub-Contractor is non-compliant and that the Contractor or Sub-Contractor is required to rectify the non-compliance(s) and provide written proof of the same, in a form satisfactory to the City, within ten business days;

and

- b. may withhold making payment, progress payment or release of holdback to the Contractor in an amount which is equal to the shortfall in Wages or Benefits, or may take any other remedies that are otherwise available at law or in equity.

and

- c. shall impose upon the Contractor a minimum cost of \$5,000.00 for the City inspection, audit or other action as deemed necessary by the City, and may deduct such costs from any payment or payments (as appropriate) owed by the City to the Contractor, or may take any other remedies that are otherwise available at law or in equity. In addition, the Contractor shall be responsible for all the City's costs beyond the minimum cost of \$5,000.00, which will be payable immediately upon request.

10.2 Where a Contractor or Sub-Contractor has been determined to be non-compliant with the Fair Wage Policy and Fair Wage Schedule for the first time in a five year period, the Procurement Manager may require the Contractor to pay for and submit a licensed Public Accountant assurance report, acceptable to the City, which verifies compliance with the Fair Wage Policy and Fair Wage Schedule on the next three City Construction Contracts to which the Contractor is awarded. Such assurance report shall provide sufficient information and detail to demonstrate compliance with the Fair Wage Policy and Fair Wage Schedule and shall be submitted after substantial performance (as defined in the *Construction Lien Act*, R.S.O. 1990, c. C.30) of the Construction Contract and prior to the release of the holdback. The City reserves the right to not release part or all of the holdback on a Construction Contract until such assurance report is received and deemed to be satisfactory by the City.

The City reserves the right to treat a first non-compliance as a second or subsequent non-compliance.

10.3 Where a Contractor or Sub-Contractor has been determined to be non-compliant with the Fair Wage Policy and Fair Wage Schedule for a second or subsequent time within a five year period from the date of the first determination of non-compliance by the Procurement Manager. The City, as approved by City Council, may refuse to accept any bid, quotation or proposal from such Contractor or Sub-Contractor on any City contracts, for a period of two years from the date of City Council approval, save and except any Construction Contract the Contractor may currently have with the City.

10.4 If the Contractor or Sub-Contractor fails to keep accurate records, the Contractor or Sub-Contractor will pay a licensed Public Accountant to provide an assurance report, acceptable to the City, which clearly demonstrates compliance with the Fair Wage Policy and Fair Wage Schedule.

11. COMPLAINTS

11.1 Any person may submit a complaint to the City, alleging non-compliance with the Fair Wage Policy and Fair Wage Schedule, by any Contractor or Sub-Contractor performing construction work on a City Construction Contract. All complaints must be submitted in writing. The *Fair Wage Complaint Form* may be completed for this purpose.

11.2 The complaint may be initiated at any time during the Construction Contract but shall be received by the City no later than 21 calendar days following substantial performance of the related Construction Contract.

11.3 Upon receipt of a complaint, the Procurement Manager will conduct an initial review of the complaint submitted and advise the initiator of the complaint of the investigation fee and what the likely cost of the investigation will be. The minimum cost of an investigation will be \$5,000.00. The City, at its discretion, may waive the cost of an investigation if an Employee is the initiator of the complaint.

- 11.4 The initiator shall confirm to the City whether or not they would like to proceed with the complaint.
- 11.5 The City shall take such action as it deems is necessary to determine whether the Contractor or Sub-Contractor involved or named in the complaint is compliant with the Fair Wage Policy and Fair Wage Schedule. Any action deemed necessary by the City shall be responded to within 30 calendar days of receipt of a completed *Fair Wage Complaint Form* submitted to the Procurement Manager.
- 11.6 The Procurement Manager shall inform the initiator and any Contractor or Sub-Contractor involved or named in the complaint, of the City's determination of the Contractor's or Sub-Contractor's compliance or non-compliance with the Fair Wage Policy and Fair Wage Schedule.
- 11.7 Whenever a complaint is initiated by a person other than an individual Employee of the Contractor or Sub-Contractor involved or named in the complaint, and said Contractor or Sub-Contractor is found to be compliant with the Fair Wage Policy and Fair Wage Schedule, with respect to the complaint, the costs associated with the inspections, audits or other action deemed necessary regarding the investigation of the complaint will be borne solely by the initiator.
- 11.8 The City shall make every effort to safeguard the confidentiality of each initiator's identity. However, this information is subject to the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56. For greater certainty and direction regarding how such issues of confidentiality will be handled and may affect an initiator's rights, the initiator should reference the City's policies related to Freedom of Information on the City's website under the Office of the City Clerk at hamilton.ca.

12. APPEALS PROCESS

- 12.1 The City recognizes that mistakes and misunderstandings may occur; Contractors, Sub-Contractors or complainants may feel aggrieved and may seek to dispute the outcome of a Fair Wage complaint process. If anyone wishes to appeal the outcome of a Fair Wage complaint, they shall write to the Procurement Manager within five business days of being notified of the Fair Wage complaint outcome and provide a detailed statement outlining the grounds of the appeal and request a meeting with the Procurement Manager.
- 12.2 If no resolution satisfactory to both parties has been achieved, the Contractor, Sub-Contractor or complainant will have three business days from the date of the meeting with the Procurement Manager to make a formal written request with the Procurement Manager to meet with the General Manager of the Client Department issuing the Construction Contract and the General Manager of Finance and Corporate Services regarding their complaint. The General Managers will make the final decision regarding the outcome of the Fair Wage complaint process.

Fair Wage Schedule

Road Work:

Work performed	Total Hourly Compensation
Shovels, backhoes, draglines, gradalls, clams (on site), Grader "A", fine grade bulldozer, Pitman type cranes, self-erecting tower cranes	\$39.54
Clams (yard operation), mechanics, welders	\$38.58
Hydra-lift truck mounted hydraulic cranes	\$38.34
Curb machine, self-propelled power drills, hydraulic, etc. bulldozer operators, all front end loader operators, scrapers (self-propelled), dozer 815 type, off highway vehicles and concrete paver, pulverizer and asphalt planer	\$38.18
Mixer man on asphalt plant	\$38.10
Engineers on boilers (with papers), asphalt spreader (self-propelled), asphalt roller	\$38.04
Farm and industrial type tractor operators with excavating attachments, grader operator B', snippers, hydro axe and tree farmer, feller buncher, hydro shear, trenching machines, caisson boring machines under 25 H.P., lubrication unit operator, skid steer loaders, Kabota skid steer loaders, Kabota bobcat type excavators and those less than 65 H.P. and similar types, skidder type equipment with hydraulic and cable attachments	\$37.86
Boiler fireman (without papers), burnerman on asphalt plant	\$37.38
Roller Operator (asphalt) 'B', mobile sweeper	\$37.02
Farm and industrial type tractor, (towed and self-propelled compaction units), grade rollerman, including self-propelled rubber tired rollers, hydro-vac truck	\$36.72

Road Work, Open Cut Work for Sewer and Watermain Construction:

Work performed	Total Hourly Compensation
Engineers operating Cranes with a manufacturer's rating of 70 tons capacity and over, self-erecting tower cranes.	\$36.44
Engineers operating crawler cranes, mobile cranes, piledrivers, caisson boring machines and working foreman.	\$35.33
Engineers operating crawler backhoes, gradalls, Pitman type cranes, graders, mechanics and welders, articulating Hydraulic Crane (Knuckleboom). Asphalt plant operator. Self-propelled hydraulic drills.	\$34.09
Engineers operating bulldozers, frontend loaders, industrial tractors with backhoe and all other attachments, crawler tractors, crawler tractor and scraper, self-propelled scrapers, sideboom, Concrete Paver, Asphalt Planer, asphalt spreaders, curb machines, asphalt roller. Dozer 815 type and boom trucks. Dump truck drivers. Float, Flatbed Drivers, Off highway vehicles.	\$33.72
Engineers operating bobcat, skid steer, all frontend loader with all attachments, Kubota type backhoe with all attachments, trenchers, hydro-vac truck.	\$31.91
Engineers operating self-propelled roller, packer - rubber tired, sheepsfoot on grade or backfill, farm tractor, pump 6" and over.	\$29.40

Open Cut Work for Sewer and Watermain Construction:

Work performed	Total Hourly Compensation
Engineer operating cranes, self-erecting tower cranes, caisson boring machines 25 H.P. and over, sidebooms cranes, clams, backhoes, derricks, pile-drivers, gradalls, mobile and similar equipment, Pitman type cranes. Grader operator 'A' and fine grade bulldozer operator.	\$41.65
Heavy duty field mechanics and equipment repair welders.	\$40.35
Hydra-Lift truck mounted hydraulic cranes.	\$40.30
Operators of bulldozers, tractors, scrapers, emcos, grader "B", all front-end loaders and similar equipment, farm and industrial tractors with excavating attachments, trenching machines, caisson boring machines under 25 h.p., snippers, hydro axe and tree farmer, feller buncher, hydro shear, lubrication unit operator, skid steer loaders, Kabota skid steer loaders, Kabota Bobcat type excavators and those less than 65 h.p. and similar types, skidder type equipment with hydraulic and cable attachments, curb machines and self-propelled power drills, hydraulic, etc., off highway vehicles.	\$40.23
Service men on shovels, compressors, pumps, self propelled rollers, boom truck drivers, operators of 5 or more heaters.	\$38.85
Oilers, greasers, mechanics helpers hydro-vac truck - 3rd year.	\$38.35
Oilers, greasers, mechanics helpers hydro-vac truck - 2nd year.	\$37.11
Oilers, greasers, mechanics helpers hydro-vac truck - 1st year.	\$35.87

Labourers - Sewer Watermain, Roads Building Paving, Parking Lots, Bridge Rehab:

Work performed	Total Hourly Compensation
Labourer	\$35.24
Skilled Labourer	\$35.77
Crawler Type Drillman, Powderman	\$38.50
Catch Basin Constructors	\$36.52
Asphalt Raker, Pipelayers, Trenchless Tech. Carpenters, Cement Finishers	\$37.16
Man Hole Valve Chamber Constructors	\$36.95
Rodman Reinforcing Installers, Curb-setters, Bricksetters, Stonepaving	\$36.21
Working Foreman	\$38.69
Watchman Six Shifts Per Week, (10) hours per shift (Weekly)	\$18.93
Traffic Control Person	\$32.29

Labourers - Bridge Building, Underpasses, Overpasses, Pedestrian retaining walls connected with dams etc.:

Work performed	Total Hourly Compensation
Labourer	\$36.03
Skilled Labourer	\$36.58
Powderman, Crawler Type Driller	\$38.87
Carpenters	\$37.97
Rodman	\$37.32
Concrete Finisher	\$37.72
Piling Driving (All types Operation)	\$36.70
Working Foreman	\$39.49
Watchman Six Shifts Per Week, (10) hours per shift (Weekly)	\$18.93
Traffic Control Person	\$31.68

Labourers - Mining and Tunneling Operation:

Work performed	Total Hourly Compensation
Labourer	\$36.48
Underground Labourer, Pipelayer, Reinforced Concrete Worker, Skilled	\$37.20
Concrete Leader	\$37.51
Pumpman (3" Disc. and Under), Deck Man, Pit Bottom Man, Signal Man	\$36.83
Pile Driving all types and all Operations related thereto	\$37.63
Mucker and Miner Helper, Grout Machine Man, Diamond Drill, Welder	\$37.82
Shield Driver and Mole Driver, Lead Miner	\$38.13
Powderman	\$38.19
Fence Erector	\$38.07
Working Foreman	\$38.50
Watchman and Dryman	\$35.84

Building and Construction Work:

Work performed	Total Hourly Compensation
Engineers operating: cranes with a manufacturers rating of 200 ton capacity and over.	\$43.20
Engineers operating: cranes with a manufacturers rating of 100 to 199 ton capacity, skyway, climbing, G.C.I. hammerhead and kangaroo type cranes.	\$42.63
Engineers operating: all conventional and "hydraulic" type cranes, save and except those set' out in Article 1.1 above, 15 ton capacity and over boom truck, clams, shovels, gradalls, backhoes, draglines, piledrivers, all power derricks, gantry cranes, caisson boring machines (over 25 HP), and similar drill rigs, mine hoists, and all similar equipment working on land or water, overhead cranes, chimney hoists, multiple drum hoists, single drum hoists (over 12 stories), single drum hoists of manual friction and brake type, and all similar equipment, dredges - suction and dipper, hydraulic jacking equipment on vertical slip forms, hydraulic jacking poles, creter cranes, and hydraulic skoopers. heavy duty mechanics, qualified welders and 2nd Class Stationary Engineers and self-propelled hydraulic drills. Self-erecting cranes 15 ton capacity and over. Carry Deck cranes 15 ton capacity and over.	\$41.71
Pitman type cranes of 10 ton capacity and over. Self-erecting cranes 10 ton capacity and over. Carry Deck cranes 10 ton capacity and over.	\$41.12
Operators of: air tuggers used for installation of vessels, tanks, machinery, and for steel erection; side booms on land or water; man and material hoist and single drum hoists 12 stories and under not of a manual friction and brake type; elevators, monorails, bullmoose type equipment of 5 ton capacity or over, air compressor feeding low pressure into air locks, tunnel mole. 3rd Class Stationary Engineer. Self-erecting cranes less than 10 ton capacity. Carry Deck cranes less than 10 ton capacity.	\$40.52
Operators of: bulldozers (including 815 type), tractors, scrapers, graders, emcos, overhead and front-end loaders, side loaders, industrial tractors with excavating attachments, trenching machines, and all similar equipment, mobile concrete pumps, Pitman type cranes under 10 ton capacity, mobile pressure grease units, mucking machines, hydraulically operated utility pole hole digger, and Dinky locomotive type engines. 4th Class Stationary Engineers. Kubota Type Backhoe and Skid Steer Loader.	\$40.32
Operators of: batching and crushing plants, 6" discharge pumps and over, wellpoint systems and all similar systems, concrete mixers of 1 cubic yard and over, gas, diesel, or steam driven generators over 50 HP (portable), fork lifts over 8' lifting height, air tuggers except those in Group 1.3, caisson boring machines (25 HP and under), drill rigs, post hole diggers, portable air compressors 150 CFM and over, and concrete pumps. Signalman.	\$37.42
Operators of: boom trucks, "A" Frames, driver mounted compaction units, bullmoose type equipment under 5 ton capacity, fork lifts 8' and under in lifting height and conveyors. Firemen. Permanent automatically controlled elevators on Commercial and Institutional buildings.	\$36.18

Building and Construction Work: (continued)

Work performed	Total Hourly Compensation
Operators of: Pumps under 6" discharge where three (3) or more pumps are employed on the same job site, hydraulic jacking equipment for underground operations, portable air compressors under 150 CFM where attendant is required, and driver mounted power sweepers. Attendants for forced air, gas, or oil burning temporary heating units of 500,000 BTU's or over per hour, or, five (5) or more on the same job site, oilers, oiler-drivers, and mechanics helpers.	\$34.71
2nd Year	\$32.53
1st Year	\$29.88
Engineers operating: draglines, cranes including but not limited to Self-erecting Cranes and Carry Deck Cranes. Heavy Duty Mechanics.	\$40.10
Engineers operating: shovels, backhoes, hoptoes, gradalls and similar equipment, whip hammer, power mounted drill.	\$39.31
Welders.	\$39.72
Operators of: bulldozers (including 815 type), tractors, scrapers, emcos, graders, overhead loaders, front-end loaders, industrial tractors with excavating attachments, compressor operators. Kubota Type Backhoe and Skid Steer Loader.	\$38.48
Mechanic's helpers and Servicemen.	\$36.23
Oiler-Grademen and Oiler-Drivers.	\$35.66
Compactors.	\$35.77

Tunnel Work:

Work performed	Total Hourly Compensation
Engineer operating all hoists hoisting materials out of shafts, tuggers, and derricks with lifting capacity over 2000 lbs, self-erecting tower cranes, compressor house set up man, self propelled power drills, hydraulic etc.	\$41.60
Heavy duty field mechanics.	\$40.61
Engineer operating shaft hoist, tuggers and derricks, 2000 lbs or less, compressor operators 500 CFM or over, hydro-vac truck.	\$40.49

Marble, Tile, Terrazzo, Cement Masons, Resilient Floor Layers and Their Helpers:

Work performed	Total Hourly Compensation
Marble Mason	\$43.03
Terrazzo Tile Mechanic	\$42.83
Base Machine Operator	\$41.49
Terrazzo Helper	\$41.19
Marble Tile Helper	\$41.09

Bricklayers, Masons, and Plasterers:

Work performed	Total Hourly Compensation
Bricklayers, Masons, and Plasterers	\$41.27
Apprentice 1	\$20.63
Apprentice 2	\$26.82
Apprentice 3	\$33.01
Apprentice 4	\$37.14

Glaziers:

Work performed	Total Hourly Compensation
Journeyman Glazier Metal Mechanic with Certificate of Qualifications	\$37.98
Apprentice 1	\$19.00
Apprentice 2	\$20.89
Apprentice 3	\$22.79
Apprentice 4	\$24.69
Apprentice 5	\$26.59
Apprentice 6	\$28.48
Apprentice 7	\$30.38
Apprentice 8	\$32.29

Elevator Constructors:

Work performed	Total Hourly Compensation
Elevator Mechanic	\$53.68
Probationary Helper I	\$29.52
Probationary Helper II	\$32.20
Helper I	\$37.57
Helper II	\$40.26
Improver Helper	\$42.94
Adjuster	\$60.39
Mechanic in charge (4-9) people	\$60.39
Mechanic in charge (10-19) people	\$61.73
Mechanic in charge (20+) people	\$62.81

Heat and Frost Insulators (Asbestos):

Work performed	Total Hourly Compensation
Mechanic	\$43.92
Fourth Year Apprentice	\$34.41
Third Year Apprentice	\$29.39
Second Year Apprentice	\$24.28
First Year Apprentice	\$19.27
Probationary	\$23.10
Conditional	\$26.18
Asbestos Remover Level One	\$22.02
Asbestos Remover Level Two	\$24.78
Asbestos Remover Level Three	\$23.46

Millwrights:

Work performed	Total Hourly Compensation
Journeyman	\$43.91
Foreperson	\$49.49
Sub-foreperson	\$47.01
Apprentice (0-1999hrs)	\$26.35
Apprentice (2000-3999hrs)	\$30.74
Apprentice (4000-5999hrs)	\$35.13
Apprentice (6000-8000hrs)	\$39.52

Plumbers, Welders and Pipefitters:

Work performed	Total Hourly Compensation
Journeyman	\$44.64
Apprentice 1	\$17.19
Apprentice 2	\$21.65
Apprentice 3	\$26.34
Apprentice 4	\$30.80
Apprentice 5	\$35.27
Foreman	\$49.10

Electrical:

Work performed	Total Hourly Compensation
Journeyman Electrician	\$44.21
Foreman	\$49.65
Apprentice 1	\$14.46
Apprentice 2	\$19.47
Apprentice 3	\$24.39
Apprentice 4	\$29.36

Apprentice 5	\$34.30
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Painters – Industrial:

Work performed	Total Hourly Compensation
Journeyman Painter	\$38.23
5401 - 6000 hours worked	\$28.67
4501 - 5400 hours worked	\$26.76
3501 - 4500 hours worked	\$22.94
1801 - 3600 hours worked	\$21.03
1001 - 1800 hours worked	\$19.12
451 - 1000 hours worked	\$14.88
1 - 450 hours worked	\$14.88
Apprentice Helper (Unless Minimum Wage is Greater than \$11.00)	\$11.16

Painters – Commercial:

Work performed	Total Hourly Compensation
Journeyman Painter	\$33.93
5401 - 6000 hours worked	\$25.44
4501 - 5400 hours worked	\$23.75
3501 - 4500 hours worked	\$20.36
1801 - 3600 hours worked	\$18.66
1001 - 1800 hours worked	\$16.96
451 - 1000 hours worked	\$14.88
1 - 450 hours worked	\$14.88
Apprentice Helper (Unless Minimum Wage is Greater than \$11.00)	\$11.16

Roofers:

Work performed	Total Hourly Compensation
Foreman	\$42.79
Journeyman	\$42.30
Material Handler	\$40.08
Third Year Apprentice	\$33.31
Second Year Apprentice	\$29.95
First Year Apprentice	\$25.43
Pre-apprentice	\$20.97

Sheet Metal:

Work performed	Total Hourly Compensation
Foreman (3 - 15 men)	\$46.80
Foreman (16 - 25 men)	\$47.11
Foreman (Over 25 men)	\$47.23
Journeyman	\$41.22
First Year Apprentice	\$15.72
Second Year Apprentice	\$20.94
Third Year Apprentice	\$26.11
Fourth Year Apprentice	\$30.86
Fifth Year Apprentice	\$36.03
Sheeter / Decker	\$41.22
Sheeter / Decker Assistant	\$37.99
Material Handler	\$33.16
Probationary Employee	\$19.53

Drywall Finishers:

Work performed	Total Hourly Compensation
Journeyman (Drywall Finishers)	\$41.75
3601 - 5400 hours worked	\$31.31
2401 - 3600 hours worked	\$27.14
1201 - 2400 hours worked	\$22.96
1 - 1200 hours worked	\$14.88