



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	January 19, 2015
SUBJECT/REPORT NO:	2015 Advance Payments to External Boards and Agencies (FCS15007) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Mike Zegarac General Manager Finance & Corporate Services Department
SIGNATURE:	

RECOMMENDATION

- (a) That, effective January 1, 2015, an advancement of funds be provided to the external Boards and Agencies in the specified amount and on the specific dates as shown on the attached Appendix "A" to Report FCS15007;
- (b) That any outstanding arrears due to the City of Hamilton by any external Board or Agency (as shown on the attached Appendix "A" to Report FCS15007) be first applied against the approved grant funding, including advances, until the debt is satisfied, prior to that Agency or Board receiving the balance of any approved payment.
- (c) That staff be authorized to make advance payments each year in accordance with the schedule, outlined in Appendix "A" to Report FCS15007, based on the Council approved budget amounts for the previous year; provided that, any outstanding arrears due to the City of Hamilton be first off-set against the advance payment until the debt is fully satisfied, prior to that entity receiving any advance payment.

EXECUTIVE SUMMARY

Report FCS15007 requests Council approval to provide interim funding for the external boards and agencies that are listed in Appendix "A" to Report FCS15007 in advance of the 2015 budget approval. The 2015 advance payments are based upon the 2014 approved funding levels and closely represent the 2014 payment schedule. Pending the timing of the Council approval of the 2015 budget, the remaining payments to the listed external boards and agencies would be adjusted to ensure that payments for the year

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do not exceed approved levels for 2015. The advancement of funds does not guarantee the level of 2015 City of Hamilton funding. Those agencies that are provided with monthly payments will continue to receive monthly advances, for the amounts shown on Appendix “A” to Report FCS15007, until budget approval.

For the Boards and Agencies listed in this report (attached as Appendix “A” to Report FCS15007), the City follows a policy which ensures that the payments are not made until outstanding arrears owing to the City of Hamilton are paid off first.

Municipal Property Assessment Corporation (MPAC) is within the Boards and Agencies group, but invoices the City as outlined in legislation. Therefore, this agency is not included in an advancement request.

The final recommendation to this report, “2015 Advance Payments to External Boards and Agencies FCS15007”, requests Council to authorize staff to calculate and provide these advance payments each year on a go forward basis.

In 2014, Council approved the report City Enrichment Fund – Implementation (FCS14024)(b). As part of the implementation of this report, funding for the following external bodies was transferred from the Boards and Agencies group to the City Enrichment Fund; as a result, advance payment of the funding for those agencies was requested separately via report “2015 Advance Payments to External Cultural Agencies (FCS14085)”.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)

Financial: There are no financial implications associated with providing advance payments to the listed external boards and agencies (attached as Appendix “A” to Report FCS15007). Pending Council approval of the 2015 funding levels, the remaining payments to these organizations would be adjusted to ensure that the payment amount does not exceed the approved funding level.

The advance payment amounts identified (attached as Appendix “A” to Report FCS15007) represent the total amounts that would be paid to the various boards and agencies at the approved 2014 funding levels up to April 30, 2015 – the date before which the 2015 budget is expected to be approved.

Staffing: None.

Legal: None.

HISTORICAL BACKGROUND

City funding for the external agencies included in the Boards and Agencies group falls into three categories:

- Conservation Authorities, where the City funding obligation is set out under the Provincial rules and guidelines;
- Long Term Agreements – with the Royal Botanical Gardens and Westfield Village where the City has agreed to stable funding on an ongoing basis;
- Discretionary funding – Hamilton Beach Rescue Unit is the only external agency in this category.

In each of these cases, the City has a long-standing practice of making periodic payments, based on a pre-determined schedule. Several of these scheduled payments end before the date of Council approval of the budget for the year; hence City practice has been to seek specific Council approval, each year, for authorization to make payments in accordance with the schedule.

As a measure of expediency and efficiency, it is requested that Council approve a policy that authorizes staff to make advance payments, each year, in accordance with the schedule outlined in Appendix “A” to Report FCS15007, based on the Council approved budget amounts for the previous year; provided that, any outstanding arrears, due to the City of Hamilton, be first off-set against the advance payment until the debt is fully satisfied, prior to that entity receiving any advance payment.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

This report seeks to establish a policy to authorize staff to make payments each year prior to the approval of the City budget for that year based on past practice and in accordance with the schedule outlined in Appendix “A” to Report FCS15007.

The Conservation Authorities have a legislated right to levy a recovery from the City based on the prescribed formula or contractual arrangements and they have a right to claim payment ahead of the approval of the City budget.

RELEVANT CONSULTATION

None.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The recommendations are intended to continue the past practice of advancing payment to the entities listed in Appendix “A” to Report FCS15007. Recommendation (c) to Report FCS15007 also seeks to establish a Council approved policy that would authorize staff to make such advances without seeking Council approval each year.

ALTERNATIVES FOR CONSIDERATION

None

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS15007 – Boards and Agencies Requiring Advance Payments in 2015.