



KPMG LLP
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Mike Zegarac
General Manager Finance & Corporate Services
City of Hamilton
71 Main Street West
Hamilton Ontario
L8P 4Y5

July 19, 2017

Dear Mr. Zegarac

KPMG's term of audit services is expiring with the completion of the 2016 audits. In the past five years, KPMG has enjoyed serving the City of Hamilton and its related organizations. We have developed mutually good working relationships with senior management of the City as well as with many of the councilors and staff.

KPMG has a long-standing history in Hamilton and the surrounding communities. With our staff of over 100, our Hamilton office serves the geographic area from Brantford to Milton to Fort Erie. We have one of the largest audit, advisory and tax practices in the area. Our professionals are made up of advisers who understand the challenges and opportunities facing organizations, businesses and individuals locally and regionally, across the country and around the world.

We have remained committed to the City of Hamilton and as a sign of our commitment, we have chosen to continue to have our offices located in the City's centre. We think of ourselves as Hamilton's accounting and auditing firm.

We would like to continue our audit relationship with the City but we understand that the Municipal Act requires a reappointment every five years. We are offering a fee of \$215,000 annually for the 2017 to 2021 audits as outlined in the attached fee schedule. Our hourly rates for audit services in addition to the audits in the fee schedule are set out below. A reappointment would save considerable time and effort on the part of your finance team going through an RFP process.



Staff Level	Rate
Audit Partner	\$310
Audit Senior Manager	225
Audit Manager	145
Audit Senior Accountant	125
Audit Staff Level 2	110
Audit Staff Level 1	70
Audit Information Technology Manager	220
Tax Partner	440
Tax Manager	280
Tax Senior Accountant	150

Please consider our offer and call if you have any questions or require any clarifications.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Ouellette', with a stylized flourish at the end.

Lois Ouellette
Lead Audit Engagement Partner
KPMG LLP
(905) 687-3276

**City of Hamilton and Hamilton Utilities Corporation
Proposal for External Audit Services for 2017 to 2021**

Entity	Fee
City of Hamilton Consolidated Operations	\$ 87,340
Hamilton Public Library	7,090
CityHousing Hamilton	15,900
City of Hamilton Homes for the Aged Trust Funds	540
City of Hamilton Trust Funds for Cemeteries, Libraries & General Trusts	1,070
Hamilton Wentworth Retirement Fund (HWRF) Pension Plan	7,090
Hamilton Municipal Retirement Fund (HMRF) Pension Plan	6,870
Hamilton Street Railway (HSR) Employees Pension Plan	6,870
Ancaster Business Improvement Area	2,260
Barton Village Business Improvement Area	2,040
Concession Street Business Improvement Area	2,040
Downtown Hamilton Business Improvement Area	2,260
Downtown Stoney Creek Business Improvement Area	2,040
Dundas Business Improvement Area	2,900
International Village Business Improvement Area	3,110
King Street West Business Improvement Area	1,720
Main West Business Improvement Area	3,030
Locke Street Business Improvement Area	2,040
Ottawa Street Business Improvement Area	2,040
Waterdown Business Improvement Area	2,040
Westdale Business Improvement Area	2,040
Ministry of the Attorney General - Provincial Offences Administration	3,760
Ministry of the Health Long Term Care (LTC) - Homes for the Aged - Macassa Lodge	1,930
Ministry of the Health LTC-Homes for the Aged - Wentworth Lodge	1,930
Ministry of Health - Adult Day Program	1,610
Ministry of Health - General Programs (Dec 31st Year End)	4,190
Ministry of Health – Healthy Babies Healthy Children Programs	1,610
Ministry of Health – Community Mental Health Programs	1,610
Ministry of Health - Anonymous Testing Programs	1,610
Ministry of Health – IDU Outreach Program	1,290
Public Health Agency of Canada - Canada Prenatal Nutrition Program	2,000
Ministry of Child & Youth Services - Child and Adolescent Services Young Offenders Assessment	1,610
Ministry of Child & Youth Services - Choices and Changes Program	1,830
Ministry of Community and Social Services Child & Adolescent Services	1,610
Ministry of Education Child Care	3,000
Federal Government Program - Homelessness Partnering Strategy	3,440
Mohawk 4Ice Centre	3,330
Hamilton Renewable Power Incorporated	3,440
Hamilton Farmers Market	8,900
CANUSA Games (October 31st year end)	3,970
SECTION A CONTRACT PRICE	\$ 215,000