

Morin, Lois

---

4.4(e)

**From:** Shekar Chandrashekar <shekarfamily@hotmail.com>  
**Sent:** April-27-18 10:37 AM  
**To:** Morin, Lois  
**Cc:** ctwolan@hpa.on.ca  
**Subject:** Legal Opinion obtained  
**Attachments:** 27 APRIL 2018 FOR HPSB LEGAL OPINIONS.pdf

Ms.Morin

Please see attached document .I appeal you to put it in May 10,2018 HPSB meeting .

Respectfully submitted by a private citizen

shekar

Shekar Chandrashekar  
39 Haddon Ave. South  
Hamilton ON L8S 1X5  
E-mail: [shekarfamily@hotmail.com](mailto:shekarfamily@hotmail.com)  
Tel: (905)525-3082  
Date: April 317, 2018

To  
Mr. Chairman and Members of Hamilton Police Services Board

Attention: Ms. Morin

Subject: Legal Opinion on S.39 as it relates to Hamilton Police Services Budget

---

I am not an expert on police operations or on confidential information. I am knowledgeable concerning police services financial operations. With that in mind, I have been fighting against the inflated financial budget and the misinterpretation of Police Act S.39, particularly S.39 (1), for the past several years.

Section 39 states, in part:

- The board shall submit operating and **capital estimates** to the municipal council that will show, **separately**, the amounts that will be required,
- to maintain the police force and provide it with equipment and facilities;

This section makes it clear that estimates of capital requirements should be provided separately by Hamilton Police Services Board to City of Hamilton.

The purpose of this separation is so that capital requirements **will have no implication on current financial operational budget**. This separation should show in a Capital budget that is related to long term police security and the operational equipment associated with that. It is the responsibility of the City of Hamilton Capital Budgeting process.

The City of Hamilton Manager of Capital budgeting agrees that the City has been issuing/has issued debt for the Hamilton Police Services portion in the overall City Capital budget on an annual basis without impeding Hamilton Police Services current financial operating budget.

My concern is technical in nature. As a result I had written my concern in a narrative form hoping that police accountants would interpret it and bring it to the HPSB. That effort was unsuccessful. Nevertheless, I brought this to the Hamilton Police Services board myself in order to reduce the Police Budget. However, I continue to be unable to obtain a conclusive or conducive response.

For that reason, as a private citizen, I engaged a **well reputed** legal firm to examine the matter and I have obtained opinions from the Minister of Municipal Affairs, PSAB and OCPC, **all of which support my position**. My goal is to reduce the Police Services budget by removing estimates of capital requirements. The capital requirements are to be submitted separately to Council. Their inclusion with operational requirements only serves to inflate Police Services' current operational budget.

HPS continues to **include** their capital financing share in their current financial operational budget. This causes an increase in the Hamilton Police Services' portion of the tax levy.

I discussed this with Mr. Bowman who prepares the Capital budget. He confirmed that he prepares the budget but is not responsible for recording the transactions in the accounts. I have determined that the City, in coordination the Police Services accountant, record the transactions **by a journal entry** that charges directly to the City Bank account in spite of the fact that it is a non-cash transaction. This treatment violates fundamental accounting principals as well as PSAB and CICA accounting pronouncements.

From my interactions with the City and the police accountants, I have concluded that there is little coordination between the City and Police accountants. It is the responsibility of the accountants to provide accurate financial information to HPSB and to City Council per Municipal Act S285, S 286 and S 287.

As a private citizen, I appeal to the HPSB to take action to improve the budgeting process.

We need more uniform officers and detectives to fight against increase in crime. I would be available to discuss my findings with the new C.A.O. who, I understand, is quite knowledgeable in human resources and in financial areas.

I would be delighted to answer questions if permitted to do so. I still stand by HPSB can save 4.5million easily. But leadership is required.

Respectfully submitted by a concerned private Citizen

Shekar Chandrashekar  
PS: City Council advised too.

**Enclosures:**

- Legal Opinion from Ross & McBride LLP; Mr. Mantle
- Ruling from OCPC
- Ruling from Minster of Municipal Affairs Right Honourable Mauro
- Ruling from PSAB
- Non cash transaction Charged Directly to City Bank to recover Capital Financing from Hamilton Police. This is violation of Fundamental Accounting Principles
- Manager of Capital budgets confirms City pays Debt charges police share of Capital and describes Method of Capital allocations for all entities including Police
- General Manager of Finance and Corporate Services according Municipal Act controls and monitors all financial Operations including Police.
- 2018 Capital financing

Michael A. M. Mantle  
Direct: (905) 572-5829  
Fax: (905) 526-0732  
Email: [mmantle@rossmcbride.com](mailto:mmantle@rossmcbride.com)

March 18, 2018

**VIA EMAIL:**

shekarfamily@hotmail.com

Dear Mr. Chandrashaker:

<b>Client:</b>	Mirle (Shekar) Chandrashaker
<b>Your File No.:</b>	1835633-001
<b>RE:</b>	– Research Question – <i>Police Services Act</i> – Statutory Interpretation – “Operating” and “Capital” Estimates –

---

**YOUR RESEARCH QUESTION:**

You have asked me to provide you with a legal interpretation of Section 39(1) of the *Police Services Act*, R.S.O. 1990, c. P.15, specifically with respect to the “operating” and “capital” estimates portion of the provision.

**THE RELEVANT PORTION OF THE ACT:**

Section 39(1) of the Act reads as follows:

**Estimates**

**39 (1)** The board shall submit **operating** and **capital** estimates to the municipal council that will show, separately, the amounts that will be required,  
(a) to maintain the police force and provide it with equipment and facilities; and  
(b) to pay the expenses of the board’s operation other than the remuneration of board members.  
*[Emphasis Added]*

**STATUTORY INTERPRETATION AT A GLANCE:**

As previously discussed Mr. Chandrashaker, statutory interpretation is a highly complex area of law. Various principles and guidelines exist to assist the reader to arrive at the intended meaning of a given statutory provision.

One of the central principles that jurists rely on to interpret legislation is what is known as Driedger’s Modern Principle.

In his work entitled: *Construction of Statutes* (1983) Driedger noted that the reader should contemplate the following when attempting to interpret a given legislative provision:

"Today there is only one principle or approach, namely, the words of an Act are to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament" (at page 87).

This principle has been utilized in thousands of cases, including *Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27, since it was espoused by Driedger in his seminal work.

It is through the lens of Driedger's Modern Principle that I viewed section 39(1) of the *Police Services Act*.

**BASIC LEGAL OPINION:**

Upon reviewing section 39(1) of the *Police Services Act*, as well as other relevant portions of the legislation at hand, it is my opinion that the aforesaid portion of the *Act* calls for there to be a clear demarcation between "operating" and "capital" estimates. In other words, it seems as though these two types of estimates are meant to be presented separately.

While many statutory provisions are marred in ambiguity, I do not believe that this is one of them.

**APPLICATION TO MATERIALS PROVIDED:**

Furthermore, Mr. Chandrashaker, you have previously provided me with the *Hamilton Police Services Operation Budget (2018)* – Item 5.1 PSB 17-135. I have reviewed it several times.

While I am by no means an accountant or an expert in finance, I could not find any evidence that there was a clear separation of "operating" estimates and "capital" estimates in this report. In fact, I could only find mention of "operating" budget/estimates within the said report.

Given my limited knowledge of accounting I am not sure whether or not "operating" and "capital" estimates were subsumed into one figure or if the "capital" estimates portion was not included in the literature provided. Perhaps the "capital" estimates figures are included in another report.

I hope this is of some assistance.

Please feel free to call or contact me if you have any questions.

Yours Very Truly,  
ROSS & McBRIDE LLP

Per:



**Michael A. M. Mantle**  
B.A. (Hons.), J.D., LL.M.  
Associate Lawyer

RE: Hamilton Police Board

Ontario Civilian Police Commission Registrar <OCPCRegistrar@ontario.ca>

Reply

Today, 9:24 AM

You;

SLASTOinfo (MAG) (SLASTOinfo@ontario.ca);

+1 more

You replied on 2018-03-20 9:31 AM.

Dear Mr. Chandrashekar,

**This is to acknowledge receipt of your correspondence dated March 7, 2018. With regard to your concern around capital budgeting of police services, it is the responsibility of the Board to submit operating and capital estimates. If the board is not satisfied that the budget established for it by the council is sufficient to maintain an adequate number of police officers or the other employees of the police force with adequate equipment or facilities, the board may request that the Commission determine the question. You may wish to bring these concerns to the Hamilton Police Services Board.**

Sincerely,

**Celia Lieu**

**Manager of Operations/Registrar**

**Ontario Civilian Police Commission**

**Animal Care Review Board | Fire Safety Commission**

**Safety, Licensing Appeals and Standards Tribunals Ontario**

**20 Dundas Street West, 5<sup>th</sup> Floor, Suite 530**

**Toronto, Ontario, Canada M5G 2C2**

**Tel: (416) 314-3011**

**Cell: (416) 258-1902**

**Email: [Celia.Lieu@ontario.ca](mailto:Celia.Lieu@ontario.ca)**

Ministry of  
Municipal Affairs

Office of the Minister

777 Bay Street, 17<sup>th</sup> Floor  
Toronto ON M5G 2E5  
Tel.: 416 585-7000  
Fax: 416 585-6470

Ministère des  
Affaires municipales

Bureau du ministre

777, rue Bay, 17<sup>e</sup> étage  
Toronto ON M5G 2E5  
Tél. : 416 585-7000  
Télééc. : 416 585-6470



AUG 18 2017

17-71802

Mr. Shekar Chandrashekar  
[shekarfamily@hotmail.com](mailto:shekarfamily@hotmail.com)

Dear Mr. Chandrashekar:

Thank you for your email regarding your concerns about the accounting transactions of Police Services.

As Minister of Municipal Affairs, I understand the importance of financial accountability on open and transparent governments.

Section 294.1 of the *Municipal Act, 2001*, stipulates that municipalities "prepare annual financial statements for the municipality in accordance with generally accepted accounting principles for local government as recommended, from time to time, by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada."

Section 296 requires a licensed auditor under the *Public Accounting Act, 2004*, to audit the accounts and transactions of the municipality and its local boards. Furthermore, the ministry collects municipal financial information through the Financial Information Return (FIR) on a yearly basis as mandated by section 294(1). To ensure public confidence in public sector entities, legislation is in place to facilitate independently established accounting and assurance standards.

I encourage you to have a discussion and share your concerns with PSAB and/or the City of Hamilton.

Thank you for bringing your concerns to the attention of the government. Please accept my best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Mauro'.

Bill Mauro  
Minister

RE: Letter frm the Honourable Bill Mauro, Minster of  
Municipal Affairs

AA

Ali Ahmed <aahmed@psabcanada.ca>

Reply

Wed 2017-09-06, 2:09 PM

You

You forwarded this message on 2017-09-11 5:35 PM

Hello Mr. Shekar,

I would confirm that Public Sector Accounting Board (PSAB) issues standards and guidance with respect to matters of accounting in public sector. Public sector refers to government, government components, government organizations and government partnerships.

These standards apply to all public sector entities that issue general purpose financial statements unless :

- (a) Specifically directed or permitted to use alternative standards by PSAB,
- or
- (b) Limited in applicability as outlined in the individual sections.

Kind Regards

Ali

Ali Ahmed, CPA, CGA, FCCA (UK)

Principal/Directeur de projets

Public Sector Accounting Board / Conseil sur la comptabilité dans le secteur public

Tel / Tél. : 416.204.3315

[aahmed@psabcanada.ca](mailto:aahmed@psabcanada.ca)

| [www.frascanada.ca](http://www.frascanada.ca) | [LinkedIn](#) | [@FRASCanada](#) |



**From:** McMullen, Brian <[Brian.McMullen@hamilton.ca](mailto:Brian.McMullen@hamilton.ca)>

**Sent:** December 11, 2017 1:48 PM

## RE: Very Simple Request Yes or No

SJ

Spiler, Joseph <Joe.Spiler@hamilton.ca>

Reply

Fri 2017-11-17, 1:32 PM

You;

Hewitson, Tom (Tom.Hewitson@hamilton.ca);

+5 more

29 JANUARY 2018 JOE AND CHARLES AND MIKE FUTURE FUND AND HPSB

You forwarded this message on 2017-11-24 1:33 AM

yes

**From:** Shekar Chandrashekar [mailto:shekarfamily@hotmail.com]

**Sent:** November-17-17 12:50 PM

**To:** Hewitson, Tom

**Cc:** Zegarac, Mike; McMullen, Brian; Brown, Charles; Auty, Nicole; McKinney, Andrea; Spiler, Joseph

**Subject:** Re: Very Simple Request Yes or No

Hello Tom

Each bullet takes 1 Second eac total 3seconds

I prefer Joe Spiler to answer these Yes or No simple request. Joe Spiler as I know he knows Capital Budget and Development Charges.

Please, respond

shekar

**From:** Shekar Chandrashekar <shekarfamily@hotmail.com>

**Sent:** November 16, 2017 7:48 PM

**To:** Hewitson, Tom

**Cc:** Zegarac, Mike; McMullen, Brian; Brown, Charles; Auty, Nicole; McKinney, Andrea; Spiler, Joseph

**Subject:** Re: Very Simple Request Yes or No

Hello Tom or Joe or your Director of Budgeting

Any of three can answer a simple questions (Prefer Joe). They are:

- Debt charges are in City books
- Accumulated capital expenditures are in City Books
- City makes Debt Payment. Therefore provision is in City Capital budget repayment

Folks these are Yes or No questions to put my last Puzzle

Respectfully requested by a concern private Citizen

RE: Very Simple Request Yes or No URGENT PLEASE, AFTER  
YOUR GIC MEETING OR BEFORE

SJ

In my opinion, the following summarizes what you are stating regarding the below issues:

- All of the municipal legislation confirms that capital capacity or municipal affordability of capital (includes debt funding) is controlled directly by the City and not any boards or agencies
- As such, the *different board and agencies should fit their capital requests around the City's capital capacity and prioritization*. An example of this is the Hamilton Conservation Authority where the City has determined that \$2 million is all they can afford to allocate to the HCA and the HCA plans their capital program around this amount.

#### Chief administrative officer

229 A municipality may appoint a chief administrative officer who shall be responsible for,

- (a) exercising general control and management of the affairs of the municipality for the purpose of ensuring the efficient and effective operation of the municipality; and
- (b) performing such other duties as are assigned by the municipality. 2001, c. 25, s. 229.

### PART VII FINANCIAL ADMINISTRATION

#### Fiscal year

285 (1) The fiscal year of a municipality and a local board of a municipality is January 1 to December 31. 2001, c. 25, s. 285 (1).

#### Treasurer

286 (1) A municipality shall appoint a treasurer who is responsible for handling all of the financial affairs of the municipality on behalf of and in the manner directed by the council of the municipality, including,

- (a) collecting money payable to the municipality and issuing receipts for those payments;
- (b) depositing all money received on behalf of the municipality in a financial institution designated by the municipality;
- (c) paying all debts of the municipality and other expenditures authorized by the municipality;
- (d) maintaining accurate records and accounts of the financial affairs of the municipality;
- (e) providing the council with such information with respect to the financial affairs of the municipality as it requires or requests;
- (f) ensuring investments of the municipality are made in compliance with the regulations made under section 418. 2001, c. 25, s. 286 (1).

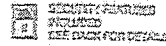
#### Signatures of cheques

287 A municipality may provide that the signatures on a cheque of the municipality be mechanically or electronically reproduced. 2006, c. 32, Sched. A, s. 118.



City of Hamilton  
 P.O. Box 2040 LCD1  
 Hamilton, ON L8N 0A8

Royal Bank  
 100 King Street West  
 Hamilton, ON L8P 1A2



838149

Hamilton

MIRLE CHANDRASHAKER  
 SEVEN AND XX / 100 DOLLARS

2017-06-14  
 YYYYMMDD

PAY SEVEN AND XX / 100 DOLLARS

S\*\*\*7.00

TO THE ORDER OF  
 MIRLE CHANDRASHAKER  
 39 HADDON AVENUE SOUTH  
 HAMILTON, ON L8S 1X5

Mayor

Treasurer

⑈ 8 3 8 1 4 9 ⑈ ⑆ 0 1 2 2 ⑈ 0 0 3 ⑆ 0 0 0 ⑈ 0 0 1 ⑈ 2 ⑈

For Accounts Payable inquiries please call 905-548-2424 Ext. 2214

Cheque Date: Jun/14/2017

Cheque No. 838149

Invoice Date	Invoice Number	Voucher ID	Gross Amount	Discount	Paid Amount
Jun/06/2017	17JUN06	02813373	7.00	0.00	7.00
<i>HPS-FOI REIMBURSEMENT</i>					

22

Vendor Id	Loc	Name	Total Discounts
0000104635	001	MIRLE CHANDRASHAKER	\$0.00
Cheque Number	Date	Pymnt Hndlg Code	Total Amount
838149	Jun/14/2017	RE	\$7.00
			Total Paid Amount
			\$7.00

ACTIVITY COST

FIELD SUPPORT  
CORPORATE SERVICES

DESCRIPTION	Account Number	2017 BUDGET	2018 MAINT. BUDGET	RECOMM. PROGRAM CHANGES	2018 BUDGET	% INCREASE
<b>CAPITAL FINANCING</b>						
	376640					
External Debt Charges - Str 30 Mountain Str	52010	1,027,200	1,027,200	0	1,027,200	0.00%
Total Expenditures		1,027,200	1,027,200	0	1,027,200	0.00%
<b>REVENUES</b>						
	376640					
From Development Charge Reserve	48450	-310,700	-310,700	0	-310,700	0.00%
Total Revenues		-310,700	-310,700	0	-310,700	0.00%
Net Expenditures		716,500	716,500	0	716,500	0.00%