



## AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 22-014

9:30 a.m.  
August 11, 2022  
Council Chambers  
Hamilton City Hall

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**Present:** Councillors M. Pearson (Chair), B. Clark, L. Ferguson, R. Powers, A. VanderBeek, and M. Wilson

**Absent:** Councillor B. Johnson – City Business

**Also Present:** Councillor T. Jackson

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### THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT 22-014 AND RESPECTFULLY RECOMMENDS:

**1. Ward Specific Funding Initiatives Update as of December 3, 2021 (FCS22052) (City Wide) (Item 7.2)**

That Report FCS22052 respecting the Ward Specific Funding Initiatives Update as of December 3, 2021, be received.

**2. 2021 Annual Report on Commodity Price Hedging (FCS22062) (City Wide) (Item 7.3)**

That Report FCS22062 respecting the 2021 Annual Report on Commodity Price Hedging, be received.

**3. 2022 City Enrichment Funding Follow-up (GRA22002(a)) (City Wide) (Added Item 7.5)**

That Report GRA22002(a) respecting the 2022 City Enrichment Funding Follow-up, be received.

**4. Roads Value for Money Audit - Roads Quality Assurance Supplementary Audit Report (AUD21006(a)) (City Wide) (Item 8.1)**

(a) That Report AUD21006(a) and Appendix "A" to Report AUD21006(a), respecting the Roads Value for Money Audit - Roads Quality Assurance Supplementary Audit Report be received;

(b) That the Management Responses, as detailed in Appendix "A" to Audit, Finance and Administration Committee Report 22-014 be approved; and

- (c) That the General Manager of Public Works be directed to implement the Management Responses (attached as Appendix "A" to Audit, Finance and Administration Committee Report 22-014) and report back to the Audit, Finance and Administration Committee by August 2023 on the nature and status of actions taken in response to the audit report.

**5. 2022 External Audit Services 1 Year Contract Extension (FCS22068) (City Wide) (Item 10.1)**

- (a) That the General Manager of Finance and Corporate Services, or their designate, be authorized to enter into negotiations with KPMG LLP to provide external audit services for the City of Hamilton (City) and its Consolidated Entities, for fiscal year end 2022; and,
- (b) That staff be directed to report back with the results of the negotiations with KPMG LLP to a future Audit, Finance and Administration Committee meeting for Council approval.

**6. Treasurer's Write-off of Taxes under Section 354 of the Municipal Act, 2001 - Roll #251800311027535, 0 EDENROCK DR, Stoney Creek (FCS22069 / PED22182) (Ward 10) (Item 10.2)**

That property taxes in the amount of \$1,292.25 for Block 86 of 62M-1164 (Roll #251800311027535, 0 EDENROCK DR, Stoney Creek) be written off under Section 354 of the Municipal Act and that 1277289 ONTARIO LIMITED be refunded \$644.73 for property taxes paid in error to the City of Hamilton (City).

**7. Continued Standardization and Request to Negotiate a Contract for Systems Furniture for the City of Hamilton (PW22065 / FCS22071) (City Wide) (Item 10.3)**

- (a) That the General Manager of the Public Works Department, or their designate, be authorized and directed to negotiate a single source contract, for a term of 5 years, ending December 31, 2027, for the standardization and procurement of Systems Furniture with Teknion Limited; and,
- (b) That staff be directed to report back with the results of the negotiations for the standardization and procurement of Systems Furniture with Teknion Limited to the Audit, Finance and Administration Committee for consideration.

**8. Township of Glanbrook Non-Profit Housing Corporation Pre-development Funding Request (HSC22049 / FCS22070) (Ward 11) (Item 10.4)**

- (a) That a loan to the Township of Glanbrook Non-Profit Housing Corporation in the amount of \$1,700,000, for the pre-development work associated with the proposed development of approximately 100 affordable seniors rental units located at 2641 Regional Road 56 and 2800 Library Lane, Binbrook, be authorized and approved in accordance with the terms and conditions

contained in the Conditional Loan Term sheet attached as Appendix “B” to Audit, Finance and Administration Committee Report 22-014 or as amended to the satisfaction of the General Manager of Healthy and Safe Communities Department and the City Solicitor;

- (b) That staff be directed to establish a loan receivable on the City’s balance sheet, not exceeding \$1,700,000, to record the corresponding Township of Glanbrook Non-Profit Housing Corporation liabilities regarding the long-term financing for the 2641 Regional Road 56 and 2800 Library Lane affordable housing development; and,
- (c) That the General Manager of Healthy and Safe Communities Department or their designate be authorized and directed to execute and administer a loan agreement along with any ancillary documentation and amendments in a form satisfactory to the City Solicitor and the General Manager of Finance and Corporate Services.

**9. IT Asset Management Review (Report #52693) (AUD22006) (City Wide) (Item 10.5)**

- (a) That Report AUD22006 and Confidential Appendix “A” to Report AUD22006, respecting the IT Asset Management Review (Report #52693) be received;
- (b) That the Management Responses, as detailed in Confidential Appendix “B” to Report AUD22006, respecting the IT Asset Management Review (Report #52693), be approved;
- (c) That the General Manager of Finance and Corporate Services be directed to implement the Management Responses (attached as Confidential Appendix “B” to Report AUD22006) and report back to the Audit, Finance and Administration Committee by August 2023 on the nature and status of actions taken in response to the audit report; and,
- (d) That the Appendices “A” and “B” to Report AUD22006, respecting IT Asset Management Review (Report #52693) Report, and IT Asset Management Review-Recommendations and Management Responses, remain confidential and restricted from public disclosure.

**10. City Enrichment Fund: Equity, Diversity, Inclusion (EDI) Recommendation Report (GRA21003(b)) (City Wide) (Added Item 10.6)**

- (a) That the City Enrichment Fund (CEF)’s equity, diversity and inclusion (EDI) self-identification application questions, applied across all program areas in the fund, as outlined in Appendix “C” to Audit, Finance and Administration Committee Report 22-014, be approved;
- (b) That the existing CEF administration budget allow for translation services for applications upon request, be approved;

- (c) That staff be directed to incorporate a consistent adjudication process across all program streams and maintain category ratings to ensure equality, equity, inclusivity, and transparency in the fund; and,
- (d) That staff be directed to review the fund's current overall funding guidelines, program stream guidelines, related funding caps and report back to the Grants Sub-Committee with recommendations to ensure the fund is evolving with the needs of community.

**11. City Enrichment Fund - Digital Program (CM22015 / GRA22003) (City Wide) (Added Item 10.7)**

That Report CM22015 / GRA22003, respecting the City Enrichment Fund - Digital Program as **Amended**, be REFERRED to the Grant's Sub-Committee for further consideration.

**12. 2022 Hamilton Santa Claus Parade (Added Item 12.1)**

WHEREAS, the Hamilton Santa Claus Parade has been receiving on-going financial and in-kind support from the City of Hamilton for since 2002;

WHEREAS, COVID-19 restrictions have continued to adversely impact many events and activities in 2021;

WHEREAS, the Hamilton Santa Claus Parade faced consistent expenses as in prior years, planning for the event was affected by the global health crisis and scaled back; thereby, resulting in modified programming and reduced their ability to realize forecasted revenues and other contributions; and

WHEREAS, the City Enrichment Fund continues to support this marquee event that brings joys to the hearts of many at Christmas time;

THEREFORE, BE IT RESOLVED:

- (a) That the 30% guideline for funding programs be waived one-time for the Hamilton Santa Claus Parade in 2022;
- (b) That the Hamilton Santa Claus Parade be required return funds, relating to their 2021 event in the amount \$22,914, to the City; and,
- (c) That the 2022 City Enrichment Fund grant, in the amount of \$46,231 approved for the Hamilton Santa Claus Parade, to be released upon receipt of full payment of \$22,914 to the City of Hamilton.

**FOR INFORMATION:**

**(a) CHANGES TO THE AGENDA (Item 2)**

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

Council – August 12, 2022

**7. CONSENT ITEMS (Item 7)**

- 7.4. Grants Sub-Committee Clerk's Report 22-003 - August 8, 2022
- 7.5. 2022 City Enrichment Funding Follow-up (GRA22002(a)) (City Wide)

**10. DISCUSSION ITEMS (Item 10)**

- 10.6. City Enrichment Fund: Equity, Diversity, Inclusion (EDI) Recommendation Report (GRA21003(b)) (City Wide)
- 10.7. City Enrichment Fund - Digital Program (CM22015 / GRA22003) (City Wide)

**12. NOTICES OF MOTION (Item 12)**

- 12.1 2022 Hamilton Santa Claus Parade

The agenda for the August 11, 2022 Audit, Finance and Administration Committee meeting was approved, as amended.

**(b) DECLARATIONS OF INTEREST (Item 3)**

There were no declarations of interest.

**(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)**

**(i) July 7, 2022 (Item 4.1)**

The Minutes of the July 7, 2022 meeting of the Audit, Finance and Administration Committee were approved, as presented.

**(d) CONSENT ITEMS (Item 7)**

The the following Various Advisory Committee Minutes, were received:

- (i) Mundialization Advisory Committee - March 16, 2022 (Item 7.1(a))
- (ii) Mundialization Advisory Committee - May 18, 2022 (Item 7.1(b))
- (iii) Indigenous Advisory Committee - March 3, 2022 (Item 7.1(c))
- (iv) Indigenous Advisory Committee - April 7, 2022 (Item 7.1(d))
- (v) Women and Gender Equity Advisory Committee - April 28, 2022 (Item 7.1(e))
- (vi) Women and Gender Equity Advisory Committee - June 30, 2022 (Item 7.1(f))
- (vii) Committee Against Racism - February 22, 2022 (Item 7.1(g))
- (viii) Committee Against Racism - March 22, 2022 (Item 7.1(h))
- (ix) Immigrant and Refugee Advisory Committee - May 12, 2022 (Item 7.1(i))
- (x) Immigrant and Refugee Advisory Committee - June 9, 2022 (Item 7.1(j))
- (xi) Immigrant and Refugee Advisory Committee - July 14, 2022 (Item 7.1(k))

**(xii) Grants Sub-Committee Clerk's Report 22-003 - August 8, 2022 (Added Item 7.4)**

The Grants Sub-Committee Clerk's Report 22-003 from August 8, 2022 was received.

**(e) STAFF PRESENTATIONS (Item 8)**

**(i) Roads Value for Money Audit - Roads Quality Assurance Supplementary Audit Report (AUD21006(a)) (City Wide) (Item 8.1)**

Charles Brown, City Auditor, addressed the Committee with a presentation on the Roads Value for Money Audit - Roads Quality Assurance Supplementary Audit Report.

The staff presentation respecting the Roads Value for Money Audit - Roads Quality Assurance Supplementary Audit Report, was received.

For further disposition of this matter, refer to Item 4.

**(f) DISCUSSION ITEMS (Item 10)**

**(i) IT Asset Management Review (Report #52693) (AUD22006) (City Wide) (Item 10.5)**

Consideration of Report AUD22006, Follow Up Audit: Transportation Operations Inventory Audit, Fraud & Waste Investigation, and Follow Up to That consideration of Report AUD22006, respecting IT Asset Management Review (Report #52693), was DEFERRED until after Committee rises from Closed Session.

For disposition of this matter, refer to Item 9.

**(ii) City Enrichment Fund - Digital Program (CM22015 / GRA22003) (City Wide) (Added Item 10.7)**

- (a)** That a new Digital program area, which focuses on projects related to digital equity, be established within the City Enrichment Fund as a 2-year pilot, with the ability to evaluate the success of the program area thereafter;
- (b)** That the City Enrichment Fund Reserve of \$150,000 be effectively allocated to this new pilot program area of Digital, with the split of \$75,000 allocated to Year 1 and \$75,000 be allocated to Year 2 and be made available to local eligible entities as per existing CEF eligibility guidelines and newly drafted program area specific guidelines; and,

- (c) That the Digital Handbook, containing objectives, funding categories, guidelines, application details and budget information, as outlined in the attached Appendix "A" to Report CM22015/GRA22003 be approved.

That Report CM22015 / GRA22003, respecting City Enrichment Fund - Digital Program , ***be amended*** by adding sub-section (d) as follows:

- (d) ***That staff be directed to report back to the Grant's Sub-Committee annually respecting the City Enrichment Fund - Digital Program Pilot Program.***

For further disposition of this matter, refer to Item 11.

**(g) NOTICES OF MOTION (Item 12)**

**(i) 2022 Hamilton Santa Claus Parade (Added Item 12.1)**

The rules of order were waived to allow for the introduction of a Motion respecting the 2022 Hamilton Santa Claus Parade.

For further disposition of this matter, refer to Item 12.

**(h) GENERAL INFORMATION / OTHER BUSINESS (Item 13)**

The following amendment to the Audit, Finance & Administration Committee's Outstanding Business List, was approved:

- (a) Item Considered Complete and Needing to Be Removed (Item 13.1(a)):

Development Charges Stakeholders Sub-Committee Report 22-002 - April 12, 2022

Community Benefits Charges – Engagement and Draft Strategy  
(FCS22015(a)) (Item 10.1)

That Staff be directed to include an explanation of the variance in Development Charges reductions compared to the Community Benefits Charges, in their report back to the Audit, Finance and Administration Committee.

OBL Item: 22-E

Added: April 21, 2022 at AF&A (Item 10.6)

Completed: June 16, 2022 at AF&A (Item 8.1 - FCS22015(b))

**(i) PRIVATE AND CONFIDENTIAL (Item 14)**

- (i) Confidential Appendices "A" and "B" to IT Asset Management Review (Report #52693) (AUD22006) (City Wide) (Item 14.1)**

Brad Brookman and Aron Feuer from Valencia IIP Advisors Limited were permitted to attend the Closed Session portion of the meeting with respect

to Confidential Appendices “A” and “B” to Report AUD22006, IT Asset Management Review (Report #52693).

Committee moved into Closed Session respecting Item 14.1 pursuant to Section 9.1, Sub-section (a) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-section (a) of the *Ontario Municipal Act, 2001*, as amended, as the subject matters pertain to the security of the property of the municipality or local board.

For further disposition of this matter, refer to Item 9.

**(j) ADJOURNMENT (Item 15)**

There being no further business, the Audit, Finance and Administration Committee, adjourned at 12:16 p.m.

Respectfully submitted,

Councillor Pearson, Chair  
Audit, Finance and Administration  
Committee

Angela McRae  
Legislative Coordinator  
Office of the City Clerk





Hamilton

Office of the City Auditor

# **Roads Value for Money Audit Roads Quality Assurance Supplementary Audit Report**

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## **Recommendations and Management Responses**

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**August 11, 2022**

**Office of the City Auditor  
Brigitte Minard, Deputy City Auditor  
Charles Brown, City Auditor**

## Introduction

The following five recommendations will strengthen controls and enhance the value for money achieved in the Roads Program, particularly in the area of Quality Assurance.

## Recommendation 1

That consideration be given to increasing the inspection levels by designing and adopting a risk-based approach for weight validation processes or the use of all-inclusive lump sums and square meter payments.

## Management Response

### Agree

1. Develop a SOP for enhanced risk-based inspection to ensure verification of weight-based materials, including alternative processes of payment.
2. Develop a business case to increase inspection FTE's for the 2023 budget cycle.

**Estimated Completion:** Q4 2022

## Recommendation 2

That the resources, training, and oversight in place be evaluated to ensure that weight validation, inspection and payment processes are adequately resourced to ensure compliance to the process.

## Management Response

### Agree

1. Assess and update Inspector Daily Diary requirements and Contract Inspectors Guidelines (Red Book) for potential improvements including defining roles and responsibilities for inspections and oversight.
2. Provide retraining to all inspection and project management staff for processes related to weight validation and payment processes.

**Estimated Completion:** Q1 2023

### Recommendation 3

That the quality and comprehensiveness of construction project documentation is improved (including recordkeeping in the Inspectors' Daily Diaries) by implementing relevant guidelines and/or standard operating procedures.

### Management Response

#### Agree

1. Assess and update Inspector Daily Diary requirements and Contract Inspectors Guidelines (Red Book) for potential improvements.
2. Provide retraining to all inspection and project management staff for processes related to Construction Project documentation.
3. Develop a SOP for review of Construction Project documentation by management.
4. Implement EAM for Inspectors' Daily Diaries and investigate potential use of EAM for the management of Construction Project documentation.

**Estimated Completion:** Items #1 – #3 Q1 2023, Item #4 Q2 2024

### Recommendation 4

That quality assurance guidelines and standard operating procedures, including plant inspections and Petrographic Testing for premium asphalt aggregates, be risk-based and be formally documented and adhered to. Risks to be considered should include: financial and safety risks (including roadway traffic volume related risks).

### Management Response

#### Agree

1. Quality Assurance Pavement Material Testing SOP to be developed in coordination with AUD21006 – Road Value for Money Audit response item #11 & 13.
2. Develop SOP specifically for Plant Inspections.
3. Develop Quality Assurance Manual to develop guidelines that consider financial and safety risks.

**Estimated Completion:** Item #1 Q4 2022, Item #2 Q1 2023, Item #3 Q4 2023

## **Recommendation 5**

That consideration be given to expanding the quality assurance function during peak construction periods of the year in order adequately manage the risks associated with the construction activities.

## **Management Response**

### **Agree**

1. Complete a review and risk observation regarding the quality assurance function resourcing in coordination with AUD21006 – Road Value for Money Audit response item #14.
2. Develop business case to increase quality assurance FTE's for the 2023 budget cycle.

**Estimated Completion:** Q4 2022

### Loan Agreement Term Sheet

2641 Regional Road 56 and 2800 Library Lane, Binbrook (New Development of Approximately 100 seniors' rental units)

Borrower: Township of Glanbrook Non-Profit Housing Corporation (TGNPHC)

Lender: City of Hamilton ("City")

Type of Loan: \$1,700,000 Interest bearing Loan with a 10-year Amortization as set out in this Term Sheet, Appendix 'A' to Report HSC22046/FCS22070

Loan Conditions:

1. The Loan will be subject to the recipient entering into a loan agreement with the City containing such terms and conditions as set out in this term sheet, Appendix "A" to Report HSC22046/FSC22070.
2. The amount of the Loan shall be up to a maximum principal amount of \$1.7 M. The Loan shall only be used for the payment of the estimated pre-development costs of \$1.7 million for the development of a multi-residential building containing approximately 100 affordable seniors' unit located at 2641 Regional Road 56 and 2800 Library Lane, Binbrook (the "Project").
3. The Loan can only be used to pay the following Project pre-development costs:
  - (a) Soft Costs including Professional fees for Architect, Engineer and Landscaper; Cost Consultant (Quality Surveyor); Development Consultant; Planning Consultant; and; Building Science Consultant;
  - (b) Site costs including building and property appraisal; Topography survey; boundary surveys; Geotechnical assessments; Environmental assessment, Noisy study; Stormwater management study; traffic study; Parking study; and designated substances reports and Arborist study;
  - (c) Legal and organisational fees including legal fees, organisational expenses, marketing/rent up; capital costs audit; market appraisal for HST purposes; insurance during construction; appraisal of property and building to be constructed;

- (d) Any other predevelopment costs as approved at the sole discretion of the General Manager of Healthy and Safe Communities Department (‘GM’);

The Loan shall not be used for any other purposes other than those provided in the Section 3 (above) or approved at the sole discretion of the GM. If the pre-development costs exceed the Principal Amount, TGNPHC shall be responsible for the payment of the excess amount.

4. All Reports related to the studies and findings as part of the predevelopment work shall be shared property of the City and TGNPHC;
5. The Loan will be interest-bearing at a rate of 4.36% (4.15% plus .25% administration) compounded semi-annually on the total Loan amount and paid annually commencing of the Effective Date.
6. The “Effective Date”, shall be one year after the final advance has been made under the Loan Agreement or at maximum, three years from the date of the execution of the Loan Agreement.
7. The Loan will have a term of 10 years commencing on the Effective Date
8. No assignment of the Loan, other than to the City will be permitted unless consented to by the General Manager of the Healthy and Safe Communities Department (GM) in their sole discretion and only in the following circumstance: (a) the property is sold to another provider of “non-profit housing” as agreed to by the GM (b) any other circumstance as agreed upon by the GM in their sole unfettered discretion;
9. Requirement to provide the City with insurance certificates for “Property All Risks” insurance and other insurance as requested by the GM, to the satisfaction of the GM in consultation with Risk Management.
10. As continuing collateral security for the principal amount of the Loan and any amount that may become payable pursuant to the Loan agreement for any reason whatsoever hereunder, the TGNPHC shall execute and/or deliver to the City in a form and content satisfactory to the City, the following (collectively referred to as the “Security”):
  - (a) a collateral charge/mortgage of land which can be lesser in priority only to a CMHC registered mortgage or at the sole, absolute and unfettered discretion of the GM a long-term (greater than 20 years) third party financing, payable on demand in the Principal Amount of One Million

Seven Hundred Thousand Dollars (\$1,700,000.00) TGNPHC which shall be registered against title to 2800 Library Lane, Binbrook ("Secured Property") and the mortgage shall state that it is security for the indebtedness of the TGNPHC incurred pursuant to the Loan agreement;

- (b) an assignment of rents registered against title to the Secured Property and registered pursuant to the PPSA and in priority to any other assignment of rents provided by the TGNPHC;
- (c) assignment of any proceeds of insurance required pursuant to Article 9 and in priority to any other assignment of insurance provided by the TGNPHC that relates to the Secured Property;
- (d) a general security agreement registered pursuant to the PPSA in priority any other general security agreement entered into by the TGNPHC and registered pursuant to the PPSA which may be site specific to the Property at the sole discretion of the GM; and,
- (e) any and all such other and further documents, agreements and other instruments, and do such other and further things, as the City may require to give effect to this Agreement and cause the City to hold valid and enforceable security for the Principal Amount together with any amount that may become payable for any reason hereunder.

No additional financing will be permitted to be secured on the Secured Property that would exceed 100% of the value of the Property. At the sole discretion of the GM the Security required in subsections (b), (c) and (d) and secured against the Secured Property above can be replaced by the same security secured against the Project once completed if the City's priority is maintained.

#### Rental Requirements & Maximum Allowable Rent

- 11. At all times during the term of the loan, the rents of at least 50% of the units will at no time be above 80% Average Market Rent (AMR) for the City of Hamilton, to be determined by the GM in their sole discretion when the final construction and operating budgets are produced, but prior to signing of the construction contract.
- 12. Rents for the affordable units may only be increased annually by the Provincial Rent Increase Guideline during a tenancy. Rents may be increased to the maximum allowable percentage of AMR (80%) at turnover. Service

Manager should be notified 90 (ninety) days prior to the effective date of a rent increase of more than the current Provincial Rent Increase Guideline.

#### Events of Default

13. Events of default shall include but not be limited to:
  - a. Within the term of the Agreement the housing is no longer “non-profit housing” as determined by the GM’s sole discretion;
  - b. Failure to observe any of the conditions for advance of a Loan payment;
  - c. Breach of any provisions of the Loan Agreement;
  - d. Any disposition of the property not consented to by the GM in their sole discretion which consent may include such conditions as the GM determines in their sole discretion;
  - e. Failure to acquire Service Manager Consent as it relates to encumbrances to 2800 Library Lane;
  - f. Failure to successfully obtain Rezoning and Implementing Zoning By-Law within 18 (eighteen) months of the execution of the Loan Agreement
  - g. Failure to submit Site Plan Application within 6 (six) months of obtaining Rezoning and Implementation of Zoning By-Law for the development site
  - h. Failure to notify the City about any default of the agreement within 30 days;
  - i. Non-compliance of the terms and conditions of the MoU dated June 24, 2021
  - j. Where a mortgage, charge, lien, execution or other Encumbrance affecting the Property becomes enforceable against the Property; or
  - k. Where TGNPHC becomes bankrupt, whether voluntary or involuntary, or becomes insolvent or a receiver/manager is appointed with respect to the Property; or
  - l. Where TGNPHC certificate of incorporation is cancelled, or TGNPHC is otherwise wound up or dissolved as a corporation or there is any other change in the ownership or corporate status of TGNPHC not approved by the City in advance;
  - m. Where TGNPHC ceases to be a Non-profit housing provider
  - n. Such further events as the City Solicitor deems appropriate in their sole discretion
14. Consequences of an event of default, unless permitted to be remedied in such time and manner as the GM determines in their sole discretion, will include, but not limited to: immediate repayment of all amounts advanced pursuant to the Loan, no further Loan payments.



## Advance Provisions

15. The Loan shall be advanced, with such holdbacks as determined necessary by the City solicitor, in the 3 installments being:

Advance	Milestone	Percentage of Loan
1 <sup>st</sup>	Execution of the Loan Agreement	50%
2 <sup>nd</sup>	Successful Rezoning and Implementing Zoning By-Law	25%
Final	Site Plan Application	25%

16. Prior to the issuance of any advance of the Loan TGNPHC must;
- Execute the Loan Agreement
  - Secure the loan with a Collateral mortgage registered on Title of the Property (2800 Library Lane, Binbrook ON) in favour of the City;
  - Ensure the Property is clear of unpermitted encumbrances;
  - Submit an invoice equivalent to the advance request
  - Provide certificate of insurance to the satisfactory of the City's Risk Management Department;
  - Be in compliance to the Terms and Conditions of the Memorandum of the Understanding between the City of Hamilton and TGNPHC dated June 24, 2021 as amended and;
  - Such other conditions as the GM determines appropriate.
17. Prior to the issuance of the final advance, the City must be in receipt of;
- All reports related to the studies and findings as part of the predevelopment work; and;
  - A Letter of Site Plan Application
18. Loan Repayment
- The Loan shall be repaid to the City within 10-years from the Effective Date
  - TGNPHC shall repay the principal amount advanced together with interest as provided for in this term sheet in ten (10) consecutive yearly payments commencing on the annual anniversary date of the Effective Date and continuing on each subsequent annual anniversary date thereof;
  - TGNPHC may prepay the outstanding principal of the loan in whole or in part at any time or times without penalty; and;
  - Any additional funding amounts / contributions that can be used for pre-development work received by TGNPHC regarding the Project will be forwarded to the City immediately to reduce the loan amount outstanding, at the sole discretion of the GM.

Accountability Provisions

19. The Loan Agreement shall remain in force and in effect until the Loan has been paid in full and TGNPHC has performed all of its obligations under the Loan Agreement and no Security shall be discharged until the Loan is repaid in full and TGNPHC has performed all of its obligations under the Loan Agreement.
20. During the term of the Loan Agreement and the loan period, TGNPHC will monitor the respective Project annually to ensure the obligations under the Loan Agreement have been met for the previous year. During the term of the payment period, TGNPHC will submit the following documents for the previous year to the Housing Services Division annually on or before June 1:
  21. The loan recipient must without any prejudice to any rights of inspection the City has pursuant to any Applicable Law, TGNPHC shall, during normal business hours and from time to time upon 24 hours' notice to permit representatives of the City to inspect any real property owned or occupied by TGNPHC including the Property and the Project and to examine and take extracts from TGNPHC's financial books, accounts and records including but not limited to accounts and records stored electronically for the purpose of verifying compliance with this Loan Agreement, and use of the Funds;
22. TGNPHC must provide evidence that TGNPHC is in compliance with Memorandum of Understanding dated June 24, 2021 annually as amended.
23. At any time during the term of the Loan, the City may conduct an operational review of the Project on terms and conditions set by the GM in their sole, absolute and unfettered discretion. TGNPHC shall at all times cooperate with the operational review and provide documentation, access to staff and such other information as may be requested by the GM or other City staff.
24. TGNPHC shall ensure that there are adequate financial controls in place to ensure the accuracy, completeness and auditability of TGNPHC's financial reporting
25. TGNPHC shall, on forty-eight (48) hours prior written notice, give the City free and unrestricted access to the Project and to such staff, documents, books, records and accounts as may be required by the City, for the purpose of verifying compliance with this Agreement, and use of the Funds.
26. At any time, the City, the Minister or any representative of the City or the Minister may conduct an audit, investigation or inquiry in relation to the Project,

the Funds or any larger development or project of which the Project is a part and TGNPHC shall co-operate with the City and the Minister and provide free and unrestricted access to the Project and to such staff, documents, books, records and accounts as may be requested by the City or the Minister.

27. Within sixty (60) days of the written request of the City, TGNPHC shall provide an audited financial statement respecting the expenditure of all Funds provided pursuant to this Agreement.
28. The audited financial statements required to be produced by TGNPHC pursuant to Section 27 shall:
  - a. be completed in a form and content to the satisfaction of the GM;
  - b. be signed by an authorized signing officer of TGNPHC; and;
  - c. be submitted to the City at the following address;

71 Main Street, W, Hamilton ON L8P 4Y5

*To the attention of;*

The General Manager,  
Healthy and Safe Communities Department

29. TGNPHC shall keep and maintain:
  - a. all financial records (including invoices) relating to the Funds advanced to it in a manner consistent with generally accepted accounting principles; and
  - b. all non-financial documents and records relating to the Funds advanced to it
30. For the purpose of ensuring compliance with the terms of this Agreement, the City, the Minister or their authorized agents or representatives or an independent auditor identified by the City or Province (collectively the "Inspectors") may, at their own expense, upon on 24 hours' notice and during regular business hours, enter upon TGNPHC's premises and/or the Project, and TGNPHC shall provide free and unrestricted access to its premises, the Project and to such staff, documents, books, records and accounts as may be requested by the Inspectors and cooperate fully with the Inspector in order to permit them:
  - a. inspect and take extracts from the accounts, records including financial records and invoices, and books and data, whether such aforesaid accounts and records are stored in any format whatsoever including but not limited to paper or electronic format; and
  - b. conduct and audit, investigation or inquiry of TGNPHC in relation to the Project, the Funds or any larger development or project of which the Project is a part and TGNPHC. The City or the Ministry shall provide the results of their audit to TGNPHC within a reasonable time of its completion. Any audit performed by

the City under this Section shall be at the sole expense of the City. Any audit performed by the Ministry under this Section shall be at the sole expense of the Ministry.

31. To assist in respect of the rights set out in this loan term sheet, TGNPHC shall promptly disclose and provide, without limitation, any information requested by the Inspectors and shall do so in a form requested by the City, its authorized representatives or an independent auditor identified by the City, as the case may be.
32. During the Term of the Loan Agreement, TGNPHC shall:
  - a. operate and maintain the Project in a good state of repair and fit for occupancy in the same manner as a prudent owner would;
  - b. do or cause to be done all acts and things necessary to cause the Project to be properly maintained and to be kept in a good state of repair; and,
  - c. Manage the Project in a fiscally responsible manner and ensure that a deficit is not incurred in any year without the approval of the City, which shall not be unreasonably withheld, and that no expenditure is made which is of a material and excessive nature having regard to the normal practice for a similar housing project.

#### Other Provisions

33. The City of Hamilton must be recognized on project marketing and promotional material (ie. City of Hamilton logo), at TGNPHC’s expense.
34. Any out of pocket expenses (ie. Appraisal costs) incurred in the provision of the Loan, the preparation of the Loan Agreement or in respect of the Security for the Loan, over and above staff costs, are the responsibility of TGNPHC.
35. The Loan recipient must provide full disclosure, at all times, with respect to issues that will or may affect the completion of the project or the organization’s ability to repay the Loan.
36. Any other terms deemed appropriate by the City Solicitor and GM, at their sole discretion.

### City Enrichment Fund – Application; Self Identification Questions

Questions will be added to the City Enrichment Fund in-take form for applicant submission  
[after Board attachment]

1. In an effort to better understand the Cities local community, do any Board members within your organization publicly self-identify as the following? Please check all that apply. [non-mandatory question]

Guidance: Include responses based on the demographic characteristics of your organizations board members or senior executive body or senior leadership **as identified above**. A single board member or leader may represent more than one demographic category.

*Under the Employment Equity Act, the four-employment equity designated groups are: women, Aboriginal peoples, persons with disabilities and members of visible minorities (Employment Equity Act - S.C. 1995, c. 44 (Section 3))*

- ☐ Indigenous peoples
- ☐ Racialized peoples/ Visible minorities
- ☐ Women
- ☐ Persons with disabilities
- ☐ Other \_\_\_\_\_
- ☐ Don't know

[in program details section]

2. In an effort to ensure City Enrichment funds are better serving local community needs, please identify the target population for the specific program for this application. Please check all that apply.

Guidance: Target populations are the audiences or groups that your program aims to intentionally reach through your organization's efforts. If your program does not target a specific population and is generally accessible and open to all residents, please select "Universal access/ No target".

- ☐ Universal access/ No target
- ☐ Indigenous peoples
- ☐ Racialized peoples and communities/ Visible minorities
- ☐ 2SLGBTQIA+ peoples and communities
- ☐ Women
- ☐ Persons with disabilities
- ☐ People in poverty or experiencing economic insecurity
- ☐ People experiencing housing insecurity or homelessness
- ☐ Children [define]
- ☐ Youth [define]
- ☐ Older adults/ Seniors [define]
- ☐ Recent immigrants/ Newcomers/ Refugees
- ☐ Non-official language speakers \_\_\_\_\_

- ☐ Francophone
- ☐ Rural and remote communities
- ☐ Other underserved people or communities \_\_\_\_\_