



## **AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 23-006**

**9:30 a.m.  
April 20, 2023  
Council Chambers  
Hamilton City Hall**

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**Present:** Councillors C. Kroetsch (Chair), T. Hwang (Vice-Chair), J. Beattie, B. Clark, M. Spadafora M. Tadeson, A. Wilson, and M. Wilson

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### **THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT 23-006 AND RESPECTFULLY RECOMMENDS:**

- 1. Tax and Rate Operating Budget Variance Report as at December 31, 2022 – Budget Control Policy Transfers (FCS22042(b)) (City Wide) (Item 8.1)**
  - (a) That the Tax and Rate Operating Budget Variance Report as at December 31, 2022 attached as Appendices “A” and “B”, respectively, to Report FCS22042(b) be received;
  - (b) That, in accordance with the “Budgeted Complement Control Policy”, the 2022 complement transfers from one department / division to another with no impact on the levy, as outlined in Appendix “C” to Report FCS22042(b), be approved;
  - (c) That, in accordance with the “Budget Complement Control Policy”, the 2022 extensions of temporary positions with 24-month terms or greater, with no impact on the levy, as outlined in Appendix “D” to Report FCS22042(b), be approved;
  - (d) That, subject to finalization of the 2022 audited financial statements, the disposition of the 2022 year-end operating budget surplus be approved as detailed in Table 1:

**Table 1**

<b>DISPOSITION / RECONCILIATION OF YEAR-END SURPLUS/ (DEFICIT)</b>	<b>\$</b>	<b>\$</b>
<b>Corporate Surplus from Tax Supported Operations</b>		<b>\$ 22,938,340</b>
<b>Disposition to/from Self-Supporting Programs &amp; Agencies</b>		<b>\$ (3,159,224)</b>
Less: Police (Transfer to Police Reserve)	\$ (1,020,546)	
Less: Library (Transfer to Library Reserve)	\$ (2,139,741)	
Add: Farmers Market (Transfer from COVID-19 Emergency Reserve)	\$ 1,063	
<b>Balance of Corporate Surplus</b>		<b>\$ 19,779,116</b>
Less: Transfer to Flamborough Capital Reserve		\$ (262,944)
Less: Transfer to fund Mission Services one-time capital (Council Aug 2022; HSC20020(f))		\$ (3,040,000)
Less: Transfer to Hamilton Entertainment Facilities (HEF) Capital Project Reserve		\$ (544,658)
Less: Transfer to fund shortfall in Development Charge Exemptions		\$ (7,708,933)
Less: Transfer to fund Cold Alert Response		\$ (109,000)
Less: Transfer of Hamilton Utilities Corporation (HUC) dividends surplus to the Housing Project ID #6732341301 (Council Aug 2019; HSC19048)		\$ (2,792,304)
Less: Transfer remaining balance to Tax Stabilization Reserve		\$ (5,321,277)
<b>Balance of Tax Supported Operations</b>		<b>\$ (0)</b>
<b>Corporate Surplus from Rate Supported Operations</b>		<b>\$ 1,173,485</b>
Less: Transfer Rate Supported Waster Surplus to fund Development Charge Exemptions		\$ (770,107)
Less: Transfer Rate Supported Wastewater/Stormwater Surplus to fund Development Charge Exemptions		\$ (403,378)
<b>Balance of Rate Supported Operations</b>		<b>\$ 0</b>

**2. Development Charges Stakeholders Sub-Committee Report 23-001, April 13, 2023 (Added Item 10.1)**

**(a) Appointment of Chair and Vice-Chair for 2023 (Item 1.1)**

**(i) Appointment of Chair**

That Councillor C. Cassar be appointed as Chair of the Development Charges Stakeholders Sub-committee for 2023.

**(ii) Appointment of Vice-Chair**

That P. Szachlewicz be appointed as Vice-Chair of the Development Charges Stakeholders Sub-committee for 2023.

**(b) Corporate Strategic Growth Initiatives (CSGI) – Master Plan Updates and Development Charge By-law Approach (PED23084) (City Wide) (Item 11.1)**

(i) That the City’s new 2024 Development Charges (DC) By-law be prepared based on the 2031 growth forecast; and,

(ii) That, notwithstanding (i) above, the City’s new 2024 Development Charges (DC) By-law may include growth allocations to facilitate DC considerations to 2041 and, if necessary, 2051 based on timing of completed Master Plan updates.

- (c) **2024 Development Charges Background Study and By-law Update (FCS23040) (City Wide) (Item 11.2)**
  - (i) That Report FCS23040 respecting 2024 Development Charges Background Study and By-law Update, be received.

**FOR INFORMATION:**

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

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

**4. APPROVAL OF MINUTES OF PREVIOUS MEETING**

4.2 February 16, 2023 – REVISED

**5. CONSENT ITEMS**

9.1 Business Improvement Area Sub-Committee Minutes - March 21, 2023

9.2 Various Advisory Committee Minutes

(a) Advisory Committee for Immigrants and Refugees

(i) December 8, 2022

(ii) No-Quorum Report - January 12, 2023

(iii) February 9, 2023

(iv) March 9, 2023

(b) Committee Against Racism

(i) February 28, 2023

(c) Mundialization Committee

(i) June 15, 2022

(ii) December 21, 2022

**10. DISCUSSION ITEMS**

10.1 Development Charges Stakeholders Sub-Committee Report 23-001, April 13, 2023

**12. NOTICES OF MOTION**

12.1 Area Specific Development Charges

The agenda for the April 20, 2023 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) April 6, 2023 (Item 4.1)**

The Minutes of the April 6, 2023 meeting of the Audit, Finance and Administration Committee, were approved, as presented.

**(ii) February 16, 2023 (Item 4.2)**

WHEREAS, the Communications Items considered at the February 16, 2023 meeting of the Audit, Finance and Administration Committee were inadvertently omitted from the February 16, 2023 Audit, Finance and Administration Committee minutes;

THEREFORE, BE IT RESOLVED:

- (a) That the Minutes of the February 16, 2023 meeting of the Audit, Finance and Administration Committee, be **amended** by including the following:

**(d) COMMUNICATIONS (Item 5)**

***The following Communications Items, were approved, as presented:***

- (i) Julie Turner, respecting her resignation from the Hamilton Women and Gender Equity Committee**

***Recommendation: Be received.***

- (ii) Gabriel Nicholson, respecting motion 11.2 Council Access to and Copies of Confidential Records**

***Recommendation: Be received and referred to consideration of Item 11.2, Council Access to and Copies of Confidential Records.***

**(d) STAFF PRESENTATIONS / PRESENTATIONS (Item 8)**

- (i) Tax and Rate Operating Budget Variance Report as at December 31, 2022 – Budget Control Policy Transfers (FCS22042(b)) (City Wide) (Item 8.1)**

Mike Zegarac, General Manager, Corporate Services, addressed Committee respecting the Tax and Rate Operating Budget Variance Report as at December 31, 2022 – Budget Control Policy Transfers (Report FCS22042(b)), with the aid of a presentation.

The presentation from Mike Zegarac, General Manager, Corporate Services, respecting the Tax and Rate Operating Budget Variance Report as at December 31, 2022 – Budget Control Policy Transfers (Report FCS22042(b)), was received.

For further disposition of this matter, refer to Item 1.

**(e) CONSENT ITEMS (Item 9)**

The following Consent Items, were received:

**(i) Business Improvement Area Sub-Committee Minutes - March 21, 2023  
(Added Item 9.1)**

**(ii) Various Advisory Committee Minutes (Added Item 9.2)**

1. Advisory Committee for Immigrants and Refugees
  - (aa) December 8, 2022
  - (ab) No-Quorum Report - January 12, 2023
  - (ac) February 9, 2023
  - (ad) March 9, 2023
2. Committee Against Racism
  - (aa) February 28, 2023
3. Mundialization Committee
  - (aa) June 15, 2022
  - (ab) December 21, 2022

**(f) NOTICES OF MOTION**

Councillor M. Wilson introduced the following Notice of Motion:

**(i) Area Specific Development Charges (Added Item 12.1)**

WHEREAS, the City is in the process of undertaking a Development Charges Background Study;

WHEREAS, Section 10 (2) (c.1) of the Development Charges Act, 1997, requires consideration of the use of more than one Development Charge by-law to reflect different needs for services in different areas;

WHEREAS, the Masterplan teams have been directed to consider area specific (variable) Development Charges in the completion of their Masterplans;

WHEREAS, the City currently uses average persons per unit as the basis for determining the Development Charge applicable for low, medium, and high density residential development which results in low density being charged a higher per-unit rate than medium or high density developments; and

WHEREAS, the City of Hamilton is committed to building a range and mix of housing types and tenures, including affordable housing, to meet the needs of the current and growing population;

THEREFORE, BE IT RESOLVED:

- (a) That staff be directed to consider alternative Development Charges which may include variation of the Development Charges based upon factors such as location, type of development, density and unit size/lot size; and
- (b) That consideration also be given to defensible charges which are higher for larger residential units than smaller residential units

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

**(i) Closed Minutes – April 6, 2023 (Item 14.1)**

- (a) The Closed Session Minutes of the April 6, 2023 Audit, Finance and Administration Committee meeting, were approved as presented; and
- (b) The Closed Session Minutes of the April 6, 2023 Audit, Finance and Administration Committee meeting, shall remain confidential.

**(h) ADJOURNMENT (Item 15)**

There being no further business, the Audit, Finance and Administration Committee, was adjourned at 11:03 a.m.

Respectfully submitted,

Councillor Cameron Kroetsch, Chair  
Audit, Finance and Administration  
Committee

Tamara Bates  
Legislative Coordinator  
Office of the City Clerk

**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022**  
 (\$ 000's)

	2022 Approved Budget	2022 Actuals December	2022 Actuals vs Approved Budget		Comments/Explanations
			\$	%	
<b>PLANNING &amp; ECONOMIC DEVELOPMENT</b>					
General Manager	1,055	833	222	21.0%	Favourable variances of: \$152 K Net gapping due to Senior Advisor Strategic Growth being funded from capital \$38 K savings in Meeting Expenses \$23 K savings in Conferences, Training, Employee recognition
Transportation, Planning and Parking	2,874	759	2,114	73.6%	Favourable variances of: \$1.1 M additional revenues; \$330 K gapping; \$325 K unspent grants; \$100 K settlement with previous bike share operator; \$133 K contractual savings (mostly due to reduced Imperial Parking staffing); \$78 K other employee related; \$74 K building & ground (mostly from hydro at Ellen Fairclough Building); \$48 K internal recoveries (mostly due to unspent traffic services recoveries); \$65 K materials & supplies (mostly due to unspent ticket stock budget);  Partially offset by: (\$171 K) increased financial costs (credit card charges, processing fees, etc.)
Building	607	1,012	(404)	(66.6)%	\$(275) K Zoning revenues budgeted in Building but transferred and received in Planning, the budget was restated to Planning \$(139) K Property work maintenance unrecovered by fees \$873K surplus in Building Enterprise was transferred to Building fees reserve.
Economic Development	5,667	5,506	161	2.8%	\$161 K divisional surplus mainly attributed to gapping savings in Municipal Land Development Office \$92 K and Commercial District and Small Business of \$66 K \$430 K of the surplus in Urban Renewal transferred to Downtown Hamilton Residential Loan Program Reserve 108036, per report PED12220/FCS12090, approved by council on Nov 28, 2012. \$115 K surplus in Economic Development Investment Fund program transferred to Economic Development Investment Fund reserve per PED07306, approved at COW Dec 10, 2007, item 7.5.
Growth Management	461	(213)	675	146.3%	Favourable variances of: \$462 K additional Airport revenues; \$126 K additional Grading and Peer Review revenues; \$100 K savings in Cost allocations; \$54 K savings in Material and Supply;  Partially offset by: \$(46) K pressure in Contractual \$1.3 M was transferred to Development fees stabilization reserve, \$1.1 M representing gapping savings and \$185 K excess revenues and other savings
Licensing & By-Law Services	6,942	6,250	692	10.0%	Favourable variances of: \$867 K gapping; \$325 K savings in office rent due to move from leased to owned building in 2022; \$49 K other employee related costs; \$45 K reduced transfer to capital;  Partially offset by: (\$509 K) pressures from unrealized net revenues totalling (Rental Housing portion totalling \$334 K); (\$99 K) increased vehicle expenses; (\$71 K) contractual
Planning	4,298	3,648	650	15.1%	Favourable variances of: \$1.5 M net gapping savings \$100 K savings in Conferences, Training, Travel and Professional membership  Partially offset by: \$(832) K transferred to Development Fees stabilization reserve \$(70) K Facilities allocations \$(30) K additional Affordable housing grants
Tourism & Culture	9,717	8,758	959	9.9%	Favourable variances of: \$368 K Gapping; \$275 K Contractual budget not spent; \$153 K Materials & supplies; \$70 K Other employee related (mostly training); \$99 K Increased revenues (mainly in film); \$66 K Reserve funding for Canada Day; \$36 K lower building repairs & maintenance costs  Partially offset by: (\$125 K) unrealized capital recoveries
<b>TOTAL PLANNING &amp; ECONOMIC DEVELOPMENT</b>	<b>31,621</b>	<b>26,553</b>	<b>5,068</b>	<b>16.0%</b>	

- ( ) Denotes unfavourable variance.  
 - Variances include eligible COVID related funding (Safe Restart or Other Streams identified in Appendix "D" to Report FCS22042)

**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022**  
**(\$ 000's)**

	2022 Approved Budget	2022 Actuals December	2022 Actuals vs Approved Budget		Comments/Explanations
			\$	%	
<b>HEALTHY AND SAFE COMMUNITIES</b>					
HSC Administration	3,067	3,036	31	1.0%	Favourable variance due to gapping vacancies, step differentials, ancillary cost and savings due to work from home.
Children's and Community Services	10,946	8,072	2,874	26.3%	Favourable variance due to maximizing \$2.3 M in funding flexibility allowed by Ministry of Education, Net Gapping of \$477 K and in-year budget adjustments (Snow Angels & Building Safer Communities) \$244 K, offset by pressures in Indigenous Strategy, (\$200 K).
Ontario Works	12,840	10,851	1,989	15.5%	Favourable variance mainly due to gapping resulting from availability of staff to fill vacancies \$1.4 M, Operational savings of \$477 K due to programs being slow to return to pre COVID levels.
Housing Services	53,937	65,771	(11,834)	(21.9)%	Unfavourable variance is due to unfunded COVID costs of (\$14.5 M) offset by favourable variance due to Social Housing Provider reconciliation recoveries \$1.3 M, underspending in levy rent supplements and portable housing benefits \$578 K, unspent Roxborough operating subsidy due to delay in completing the project, \$400 K, operating savings for bus pass and transportation costs, \$269 K and maximizing available provincial subsidies of \$157 K.
Long Term Care	11,771	11,396	375	3.2%	Favourable variance mostly due to staffing industry shortages and step differentials \$447 K, increased level of care funding net of supply inflationary increases \$46 K, and cost savings in various operating costs \$113 K. Offset partially by (\$231 K) made up of a combination of other revenue adjustments, lost revenue for Adult Day Program due to COVID and Bad Debt write off.
Recreation	36,271	33,154	3,117	8.6%	Favourable variance due to savings from Covid Closures of \$2.1 M, (which is a net of lost Revenue (\$2.9 M) offset by savings from program closures of \$5.0 M. The remaining balance of \$1.1 M is made up of a combination of higher than expected revenues in Golf, Sports Facilities and operational cost savings such as Vehicle costs, publications and brochures to name a few.
Hamilton Fire Department	96,124	97,122	(997)	(1.0)%	Unfavourable variance due to overtime (\$1.1 M) and vehicle fuel costs (\$196 K). Offset by a favourable variance of \$336 K made up of a combination of operating costs savings and general revenues from MTO Billings & false alarms.
Hamilton Paramedic Service	29,113	29,524	(411)	(1.4)%	Unfavourable variance due to ancillary employee related costs (\$413 K) (i.e. Encampment response, other short notice issues, OT, vacation, stat pay) and significantly higher fuel costs (\$239 K). Offset with a favourable variance in revenues from special events and preceptors of \$190 K and \$51 K and various operating cost savings.
Public Health Services	14,068	13,820	248	1.8%	Favourable variance due to staff being redeployed and funded from COVID.
<b>TOTAL HEALTHY AND SAFE COMMUNITIES</b>	<b>268,137</b>	<b>272,746</b>	<b>(4,609)</b>	<b>(1.7)%</b>	
<b>PUBLIC WORKS</b>					
PW-General Administration	655	2,176	(1,521)	(232.0)%	The General Administration division finished 2022 with an unfavourable variance of (\$1.5 M) mainly due to:  Favourable variances of: • \$781 K in recoveries from capital for EAM project employee related costs  Unfavourable variances of: • (\$1.73 M) in unfunded positions in Corporate Asset Management to be covered by overall gapping dollars. • (\$237 K) in audits performed by Internal Audit • (\$225 K) in unrealized gapping target • (\$79 K) in computer maintenance contracts
Energy Fleet and Facilities	14,274	15,379	(1,106)	(7.7)%	The Energy, Fleet & Facilities Management division finished 2022 with an unfavourable variance of (\$1.1 M) mainly due to:  Favourable variances of: • \$192 K in unbudgeted interest on HCE loan • \$113 K net in miscellaneous accounts across numerous DeptIDs • \$106 K in reallocation of wages to COVID warehouse  Offset by unfavourable variances of: • (\$388 K) in Snow Removal & other non-recovered expenses for Winter major events at Stadium (identified in PED18234(g) & PED22141 Council Reports). • (\$386 K) in unrealized Recovery from Capital due to Maternity leaves, retirements, & non-recoverable expenses • (\$360 K) in winterizing costs at Tim Horton's Field • (\$282 K) in unbudgeted security expense for leased building • (\$102 K) in inventory write-off of Fleet Tires
Engineering Services	0	(399)	399	100%	The Engineering Services division finished 2022 with a favourable variance of \$399 K mainly due to:  Favorable variances of: • \$399 K in Road Cut Administrative Program fees and Permit Revenues and other user fee revenues collected for various Corridor Management activities administered by this section.

- ( ) Denotes unfavourable variance.

- Variances include eligible COVID related funding (Safe Restart or Other Streams identified in Appendix "D" to Report FCS22042)



**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022**  
**(\$ 000's)**

	2022 Approved Budget	2022 Actuals December	2022 Actuals vs Approved Budget		Comments/Explanations
			\$	%	
Environmental Services	46,183	46,020	163	0.4%	<p>The Environmental Services division finished 2022 with a favourable variance of \$163 K mainly due to:</p> <p>Favourable variances of:</p> <ul style="list-style-type: none"> <li>• \$1.4 M in net gapping savings from difficulty hiring students and seasonal employees (\$77 K COVID-19 savings due to staff redeployment), periodic vacancies throughout the year and step differential also contribute to the overall gapping savings.</li> <li>• \$445 K in net Cemetery sales</li> <li>• \$226 K in utilities (lower than anticipated consumption offset by increased utility costs)</li> </ul> <p>Offset by unfavourable variances of:</p> <ul style="list-style-type: none"> <li>• (\$796 K) overall Environmental Services net increased cost for contractual services in part due to increase in Park's maintenance &amp; inspection as a result of pause in infrastructure maintenance during COVID which led to increase in repairs.</li> <li>• (\$349 K) operating to capital financial support.</li> <li>• (\$197 K) increased costs for diesel and unleaded fuel largely due to rising fuel costs.</li> <li>• (\$196 K) (COVID-19) incremental costs for cleaning, PPE and other COVID related expenses to maintain normal operations.</li> <li>• (\$119 K) increased consulting services as a result of additional consulting cost for soil management legislative requirements.</li> <li>• (\$116 K) in additional costs relating to the use of several extended use vehicles &amp; equipment rentals for Environmental Services.</li> <li>• (\$112 K) increase in financial fees incurred primarily due to increased credit card charges, legal, survey, licensing and real estate fees.</li> </ul>
Waste Management	46,369	46,558	(189)	(0.4)%	<p>The Waste Management division finished 2022 with an unfavourable variance of (\$189 K) mainly due to:</p> <p>Favourable variances of:</p> <ul style="list-style-type: none"> <li>• \$1.47 M in recycling commodity revenues from increased market rates for commodities like Fibers, Aluminum and Plastic.</li> <li>• \$928 K in Transfer Stn/Community Recycling Ctr revenue from increased tonnage and visits at the 3 locations.</li> <li>• \$501 K in the Materials Recycling Facility (MRF) contract from lower tonnage volumes compared to budget, offset by increased escalation cost compared to budget (2% budget versus 4.65% actual).</li> <li>• \$282 K in recovery from Waste Recycling Reserve to fund Director and Administration per report #PW21017.</li> <li>• \$265 K in the Household Special Waste program from contracts with Producers of hazardous waste products which contributes to lower fixed costs to run the current program.</li> <li>• \$126 K in capital recoveries.</li> <li>• \$113 K in revenues received from sale of compost (\$76 K), utility recovery from CCF operator (\$26 K) and other miscellaneous revenues that are greater than budgeted.</li> </ul> <p>Offset by unfavourable variances of:</p> <ul style="list-style-type: none"> <li>• (\$960 K) in waste collection program from higher than budgeted escalation factor as it relates to higher than expected natural gas prices (2% budget versus 6.48%).</li> <li>• (\$701 K) in net negative gapping from temporary unbudgeted positions partially offset by savings from staff seconded to MLE (\$28 K) relating to COVID-19.</li> <li>• (\$490 K) in Waste Collections fleet and fleet maintenance costs from extended use of vehicles not included in the budget. Of this, one vehicle is due to COVID-19 with an annual cost of (\$3 K).</li> <li>• (\$364 K) in building repairs from insurance risk claim denial for security and electrical at the MRF facilities.</li> <li>• (\$342 K) in unrealized third party recycling revenues.</li> <li>• (\$329 K) in Fuel due to increased fuel commodity rates.</li> <li>• (\$261 K) in reduced recovery from Hamilton Renewal Power Inc. due reduced flow of methane gas at the Glanbrook landfill resulting in reduced revenues.</li> <li>• (\$260 K) in the Transfer Stn/Community Recycling Ctr operations from higher than forecasted volumes coupled with increased escalation factor from higher diesel fuel prices (2% budget versus 4.5% actual).</li> <li>• (\$228 K) in security costs from break-ins &amp; vandalism at 2 transfer stations.</li> </ul>
Transit	86,785	88,485	(1,701)	(2.0)%	<p>The Transit division finished 2022 with an unfavourable variance of (\$1.7 M) mainly due to:</p> <p>Favourable variances of:</p> <ul style="list-style-type: none"> <li>• \$8.1 M in Safe Restart funding (COVID-19).</li> <li>• \$7.4 M comprised of \$6.8M DARTS contract from fewer trips versus budget (COVID-19); and \$540K in the PRESTO commissions due to lower ridership (COVID-19).</li> <li>• \$1.1M in Taxi Contract (COVID-19).</li> <li>• \$637 K in Financial (Other Fees and Services, BRINKS pick-ups)</li> <li>• \$459 K in Rebuilt Components, Fluids &amp; Lubricants and Tires and Tubes in Fleet Maintenance.</li> <li>• \$385 K in Contractual (Advertising &amp; Promotion, Lease and Service Contracts)</li> <li>• \$355 K in Materials and Supplies (Printing and Reproduction, NGV Station Maintenance, Tickets &amp; Transfer Expense, Repairs Equipment)</li> <li>• \$174 K in heat, hydro, water and sewer and telephone)</li> </ul> <p>Offset by unfavourable variances of:</p> <ul style="list-style-type: none"> <li>• (\$13.5 M) in Fare Revenue from decreased ridership &amp; revenue (COVID-19). Ridership achieved 67.2% of 2022 budget.</li> <li>• (2.8 M) in Vehicle Parts comprised of (\$1.7 M) due to continued delays experienced in replacing fleet; therefore the need to continue employing older fleet increasing impact on maintenance costs (COVID-19) and (\$1.1 M) due to higher costs and supply chain issues.</li> <li>• (\$2.7 M) in fuel costs, comprised of \$230K favourable consumption variance to the end of March (COVID-19) and (\$2.9 M) unfavourable due primarily to higher than budgeted fuel prices.</li> <li>• (\$1.1 M) in employee related costs comprised of (\$817K) from COVID related absences needing backfill via OT replacement (COVID-19) and (\$250 K) driven by other Sick and OT costs.</li> <li>• (\$433 K) in Taxi Scrip and Charter revenue from lower utilization of programs (COVID-19).</li> <li>• (278 K) in PPE, Passenger Protection, MicroTransit, Return to Ridership promotions</li> </ul>

- ( ) Denotes unfavourable variance.

- Variances include eligible COVID related funding (Safe Restart or Other Streams identified in Appendix "D" to Report FCS22042)

**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022**  
**(\$ 000's)**

	2022 Approved Budget	2022 Actuals December	2022 Actuals vs Approved Budget		Comments/Explanations
			\$	%	
Transportation Operations & Maintenance	84,233	85,092	(858)	(1.0)%	Overall TOM division finished 2022 with an unfavourable variance of (\$858 K) mainly due to:  Favourable variances of: • \$2.3 M in net gapping due staff vacancies attributed to normal staff turnover (retirements, job transfers, seasonal hiring, difficulties recruiting etc.) • \$398 K in the Summer Season Roads Programs attributed to savings in contractual, materials and vehicle expenses  Offset by unfavourable variances of: • (\$3.3 M) in the Winter Season Roads Program due to heavier than typical winter season requiring additional in house and contracted equipment, material usage, and overtime to meet the level of service.
<b>TOTAL PUBLIC WORKS</b>	<b>278,499</b>	<b>283,312</b>	<b>(4,813)</b>	<b>(1.7)%</b>	
<b>LEGISLATIVE</b>					
Legislative General	(363)	(288)	(76)	20.8%	Savings in IC contract costs, contingency, emp costs, and conferences, offset by gapping target, membership fees and communication costs
Mayors Office	1,211	1,138	73	6.0%	Savings in consulting & contractual budgets offset by employee related contractual costs.
Volunteer Committee	121	85	36	29.6%	
Ward Budgets	4,314	3,955	359	8.3%	Savings in Ward operating budgets, contractual and consulting budgets, contingency, and conferences, offset by gapping target, membership fees, communication and employee contractual costs.
<b>TOTAL LEGISLATIVE</b>	<b>5,283</b>	<b>4,891</b>	<b>393</b>	<b>7.4%</b>	
<b>CITY MANAGER</b>					
Office of the City Auditor	1,201	1,180	21	1.8%	Gapping due to temporary vacancies offset by external investigation costs.
CMO - Admin	233	304	(70)	(30.2)%	Temporary staffing costs to support Council transition and City Manager's Office.
Communications and Strategic Initiatives	2,516	2,546	(30)	(1.2)%	Media Room upgrade costs, employee contractual obligations, offset by gapping due to temporary vacancies.
Digital and Innovation Office	243	480	(237)	(97.4)%	Corporate partnership revenue recorded in other City departments. Target exceeded with revenues recorded in other City Departments.
Government & Community Relations	868	755	113	13.0%	Gapping; savings in contractual costs; offset by membership fees for Ontario Big City Mayors and Chief Administrative Officers Strategy Corp Contributions.
Human Resources	8,587	7,627	960	11.2%	Gapping; savings in corporate training, mediation/arbitration expenses, and contractual costs; offset by deficit in legal fees due to COVID related policies.
<b>TOTAL CITY MANAGER</b>	<b>13,649</b>	<b>12,892</b>	<b>757</b>	<b>5.5%</b>	
<b>CORPORATE SERVICES</b>					
City Clerk's Office	3,213	3,336	(123)	(3.8)%	Unfavourable variances of: (\$164 K) Employee related costs net of gapping target; (\$78 K) Facilities costs; (\$73 K) Printing and Postage cost net of recoveries  Partially offset by: \$176 K increased revenue in Death registrations and Marriage Licenses; \$10 K Hamilton Renewable Power Recovery; \$6 K Miscellaneous operating savings
Customer Service, POA and Fin'l Integration	6,003	5,129	875	14.6%	Favourable variances of: \$944 K Employee related costs net of gapping target; \$46 K Computer Software savings; \$12 K Leases and Services; \$3 K Facilities savings  Partially offset by: (\$132 K) Internal Debt repayment
Financial Serv, Taxation and Corp Controller	4,283	3,223	1,060	24.7%	Favourable variances of: \$754 K Employee related costs net of gapping target; \$195 K Tax fees; \$59 K HST and CPP refund; \$29 K Facilities; \$28 K Rebates on Purchases; \$17 K Printing and Postage  Partially offset by: (\$29 K) Auction Services for used equipment

- ( ) Denotes unfavourable variance.

- Variances include eligible COVID related funding (Safe Restart or Other Streams identified in Appendix "D" to Report FCS22042)

**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022**  
**(\$ 000's)**

	2022 Approved Budget	2022 Actuals December	2022 Actuals vs Approved Budget		Comments/Explanations
			\$	%	
Legal Services and Risk Management	4,010	3,780	230	5.7%	Favourable variances of: \$338 K Employee related costs net of gapping target; \$16 K Computer costs;  Partially offset : (\$94 K) Administration Fees; (\$26 K) Outside Council fees and Witness Fees
Corporate Services - Administration	332	288	44	13.3%	\$30 K Consulting and Contractual Service savings; \$20 K Training savings; partially offset by negative gapping
Financial Planning, Admin & Policy	5,370	5,116	254	4.7%	Favourable variances of: \$397 K Employee related costs net of gapping target; \$35 K Operational savings; \$17 K Professional Services  Partially offset by : (\$90 K) 0.25% Administration cost collected on DC Deferral agreements; (\$17 K) Subdivision Agreement Finance Processing User Fees; (\$64 K) Net Investment costs; (\$22 K) Facilities costs
Information Technology	16,457	14,783	1,674	10.2%	Favourable variances of: \$1.1 M Employee related costs net of gapping target \$824 K Computer Software; \$228 K License and Service Fee savings; \$104 K Computer Hardware; \$42 K Radio Service and Equipment; \$23 K Miscellaneous operating savings  Partially offset by: (\$511 K) Motorola Reserve Recovery savings; (\$104 K) Consulting Services
<b>TOTAL CORPORATE SERVICES</b>	<b>39,667</b>	<b>35,655</b>	<b>4,012</b>	<b>10.1%</b>	
<b>CORPORATE FINANCIALS</b>					
Corporate Pensions, Benefits & Contingency	4,205	7,751	(3,547)	(84.3)%	Higher Costs related to Insurance (\$3.0 M), Severance (\$378 K), Utilities (\$292 K), offset by higher interest earned (\$299 K) and GST Rebates (\$193 K).
Corporate Initiatives	15,745	17,152	(1,406)	(8.9)%	Higher WSIB Costs (\$1.2 M) offset by lower payouts for Retiree Benefits (\$535 K) and Sick Pay (\$436 K).
<b>TOTAL CORPORATE FINANCIALS</b>	<b>19,950</b>	<b>24,903</b>	<b>(4,953)</b>	<b>(24.8)%</b>	
<b>HAMILTON ENTERTAINMENT FACILITIES</b>					
Operating	2,338	960	1,377	58.9%	HEF had a favourable variance of \$1.4 M for 2022 mainly due to net revenues received from HUPEG for April to December 2022 after deducting facilities recovery costs and net loss guarantee.
<b>TOTAL HAMILTON ENTERTAINMENT FACILITIES</b>	<b>2,338</b>	<b>960</b>	<b>1,377</b>	<b>58.9%</b>	
<b>TOTAL CITY EXPENDITURES</b>	<b>659,145</b>	<b>661,912</b>	<b>(2,767)</b>	<b>(0.4)%</b>	
<b>CAPITAL FINANCING</b>					
Debt-Healthy and Safe Communities	2,309	2,216	93	4.0%	
Debt-Planning & Economic Development	1,169	26	1,143	97.8%	
Debt-Public Works	35,897	21,925	13,971	38.9%	
Debt-Corporate Financials	92,885	97,344	(4,459)	(4.8)%	
Infrastructure Renewal Levy	13,429	13,429	0	0.0%	
<b>TOTAL CAPITAL FINANCING</b>	<b>145,688</b>	<b>134,939</b>	<b>10,749</b>	<b>7.4%</b>	Capital financing had an overall positive variance of \$10.7 M as a result of timing differences in cash flow assumptions in the Capital Budget.
<b>BOARDS &amp; AGENCIES</b>					
<b>Police Services</b>					
Operating	182,369	181,348	1,021	0.6%	The Hamilton Police Board will be presenting its year-end 2022 operating budget variance report in May or June 2023.
Capital Financing	1,174	1,174	0	0.0%	
<b>Total Police Services</b>	<b>183,543</b>	<b>182,522</b>	<b>1,021</b>	<b>0.6%</b>	

- ( ) Denotes unfavourable variance.

- Variances include eligible COVID related funding (Safe Restart or Other Streams identified in Appendix "D" to Report FCS22042)

**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT DECEMBER 31, 2022**  
**(\$ 000's)**

	2022 Approved Budget	2022 Actuals December	2022 Actuals -vs Approved Budget		Comments/Explanations
			\$	%	
<b>Other Boards &amp; Agencies</b>					
Library	32,710	30,570	2,140	6.5%	Gapping savings as a result of vacancies early in 2022 due to transition from reduced COVID-19 hours to standard operational hours. Also staff secondments to assist with vaccine rollouts at the beginning of the year contributed to additional gapping savings.
Conservation Authorities	8,651	8,684	(33)	(0.4)%	As a result of an excess payment made in 2022. The \$33K overpayment will be collected via a reduction in 2023 levy payments.
Hamilton Beach Rescue Unit	133	133	0	0.0%	
Royal Botanical Gardens	647	647	0	0.0%	
MPAC	6,980	6,845	135	1.9%	Based on actual levy confirmed by MPAC.
Farmers Market	242	243	(1)	(0.4)%	Gapping savings offset by increased security and building and grounds costs.
<b>Total Other Boards &amp; Agencies</b>	<b>49,363</b>	<b>47,123</b>	<b>2,241</b>	<b>4.5%</b>	
<b>Capital Financing - Other Boards &amp; Agencies</b>	<b>166</b>	<b>165</b>	<b>1</b>	<b>0.6%</b>	
<b>City Enrichment Fund</b>	<b>6,088</b>	<b>6,088</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL BOARDS &amp; AGENCIES</b>	<b>239,160</b>	<b>235,897</b>	<b>3,262</b>	<b>1.4%</b>	
<b>TOTAL EXPENDITURES</b>	<b>1,043,994</b>	<b>1,032,750</b>	<b>11,244</b>	<b>1.1%</b>	
<b>NON PROGRAM REVENUES</b>					
Slot Revenues	(5,200)	(5,463)	263	(5.1)%	The opening of the casinos and racetrack slots later in 2022 (previously closed due to COVID-19) attributed to the rebounding of revenues over previous estimates
Investment Income	(4,800)	(4,800)	0	0.0%	
Hydro Dividend and Other Interest	(6,566)	(9,359)	2,792	(42.5)%	Higher than budgeted Dividend received
Tax Remissions and Write Offs	9,750	4,482	5,268	54.0%	Based on appeals processed
Payment In Lieu	(17,108)	(17,585)	476	0.0%	
Penalties and Interest	(11,400)	(11,872)	472	(4.1)%	Higher Interest and Penalties Received
Right of Way	(3,229)	(3,230)	0	0.0%	
Senior Tax Credit	530	524	6	1.2%	
Supplementary Taxes	(10,130)	(13,999)	3,869	(38.2)%	Based on Assessment Roll Update by MPAC
POA Revenues	(2,302)	(849)	(1,454)	0.0%	Lower than anticipated revenue due to trial rescheduling caused by COVID-19. Rescheduling forfeited or delayed fine revenue from judgements.
<b>TOTAL NON PROGRAM REVENUES</b>	<b>(50,456)</b>	<b>(62,151)</b>	<b>11,694</b>	<b>0.0%</b>	
<b>TOTAL LEVY REQUIREMENT</b>	<b>993,538</b>	<b>970,599</b>	<b>22,938</b>	<b>2.3%</b>	

- ( ) Denotes unfavourable variance.

- Variances include eligible COVID related funding (Safe Restart or Other Streams identified in Appendix "D" to Report FCS22042)

**CITY OF HAMILTON**  
**2022 COMBINED WATER, WASTEWATER AND STORM OPERATING BUDGET MACRO**  
as at December 31st, 2022

2022 Council Approved Budget	2022 Actuals as of Dec.31st	2022 Variance \$	2022 Variance %
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**OPERATING EXPENDITURES:**

Divisional Administration & Support	10,837,691	11,223,073	(385,382)	(3.6%)
Woodward Upgrades	1,764,829	1,918,968	(154,139)	(8.7%)
Customer Service & Community Outreach	6,175,547	5,827,880	347,667	5.6%
Compliance & Regulations	7,242,170	7,255,684	(13,514)	(0.2%)
Water Distribution & Wastewater Collection	24,011,409	23,324,913	686,496	2.9%
Plant Operations	29,909,180	34,486,870	(4,577,690)	(15.3%)
Plant Maintenance	11,708,771	11,571,808	136,963	1.2%
Capital Planning & Delivery	4,927,514	5,160,644	(233,130)	(4.7%)
Watershed Management	1,282,313	1,153,414	128,899	10.1%
Wastewater Abatement Program	1,142,450	1,407,699	(265,249)	(23.2%)
Alectra Utilities Service Contract	5,826,240	5,925,035	(98,795)	(1.7%)
Utilities Arrears Program	500,320	278,427	221,893	44.4%
Sewer Lateral Management Program	300,000	271,895	28,105	9.4%
Hamilton Harbour Remedial Action Plan	578,964	410,056	168,908	29.2%
Protective Plumbing Program (3P)	752,870	667,655	85,215	11.3%
Financial Charges	86,020	288,821	(202,801)	(235.8%)
<b>Sub-total</b>	<b>107,046,288</b>	<b>111,172,841</b>	<b>(4,126,553)</b>	<b>(3.9%)</b>
Capital and Reserve Recoveries	(8,635,161)	(8,768,379)	133,218	(1.5%)
<b>Operating Expenditures Sub-Total</b>	<b>98,411,127</b>	<b>102,404,462</b>	<b>(3,993,334)</b>	<b>(4.1%)</b>

**Capital and Reserve Impacts on Operating****Contributions to Capital**

Water Quality Initiatives	39,539,500	38,859,500	680,000	1.7%
Wastewater	73,784,138	74,124,138	(340,000)	(0.5%)
Stormwater	11,765,000	12,615,000	(850,000)	(7.2%)
<b>Sub-Total Contributions to Capital</b>	<b>125,088,638</b>	<b>125,598,638</b>	<b>(510,000)</b>	<b>(0.4%)</b>

**Contributions for DC Exemptions**

Water Quality Initiatives	2,520,000	3,325,756	(805,756)	(32.0%)
Wastewater	4,590,000	3,643,881	946,119	20.6%
Stormwater	1,890,000	2,030,363	(140,363)	(7.4%)
<b>Sub-Total Contributions for DC Exemptions</b>	<b>9,000,000</b>	<b>9,000,000</b>	<b>(0)</b>	<b>(0.0%)</b>

**Capital Debt Charges**

Water Quality Initiatives	11,068,076	8,105,562	2,962,514	26.8%
Wastewater	12,881,726	7,905,706	4,976,020	38.6%
Stormwater	3,584,490	2,958,214	626,276	17.5%
DC Debt Charges Recoveries	(5,185,120)	(523,692)	(4,661,428)	89.9%
<b>Sub-Total Debt Charges</b>	<b>22,349,172</b>	<b>18,445,790</b>	<b>3,903,382</b>	<b>17.5%</b>

<b>Sub-Total Capital Financing</b>	<b>156,437,810</b>	<b>153,044,428</b>	<b>3,393,382</b>	<b>2.2%</b>
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<b>Reserve Transfers</b>	<b>3,001,973</b>	<b>3,276,668</b>	<b>(274,695)</b>	<b>(9.2%)</b>
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<b>Sub-Total Capital and Reserve Impacts on Operating</b>	<b>159,439,783</b>	<b>156,321,096</b>	<b>3,118,687</b>	<b>2.0%</b>
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<b>TOTAL OPERATING EXPENDITURES</b>	<b>257,850,910</b>	<b>258,725,558</b>	<b>(874,648)</b>	<b>(0.3%)</b>
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**CITY OF HAMILTON**  
**2022 COMBINED WATER, WASTEWATER AND STORM OPERATING BUDGET MACRO**  
as at December 31st, 2022

2022 Council Approved Budget	2022 Actuals as of Dec.31st	2022 Variance \$	2022 Variance %
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**REVENUES:****Rate Revenue**

Residential	113,919,774	116,972,362	3,052,588	2.7%
Industrial/Commercial/Institutional/Multi-res	123,323,962	121,038,444	(2,285,518)	(1.9%)
Haldimand	2,834,077	3,685,503	851,426	30.0%
Halton	282,410	394,542	112,132	39.7%
Raw Water	105,000	181,758	76,758	73.1%
Non-Metered	825,000	958,505	133,505	16.2%
Private Fire Lines	1,980,000	1,899,036	(80,964)	(4.1%)
Hauler / 3rd Party Sales	1,820,000	2,258,482	438,482	24.1%
Overstrength Agreements	3,306,825	2,895,131	(411,694)	(12.4%)
Sewer Surcharge Agreements	6,511,190	6,960,781	449,591	6.9%
<b>Sub-Total Utility Rates</b>	<b>254,908,238</b>	<b>257,244,545</b>	<b>2,336,307</b>	<b>0.9%</b>

**Non-Rate Revenue**

Local Improvement Recoveries	275,850	143,176	(132,674)	(48.1%)
Permits / Leases / Agreements	1,107,652	715,069	(392,583)	(35.4%)
Investment Income	450,000	450,000	-	0.0%
General Fees and Recoveries	1,109,170	1,346,252	237,082	21.4%
<b>Sub-Total Non-Rate Revenue</b>	<b>2,942,672</b>	<b>2,654,498</b>	<b>(288,174)</b>	<b>(9.8%)</b>

<b>TOTAL REVENUES</b>	<b>257,850,910</b>	<b>259,899,042</b>	<b>2,048,132</b>	<b>0.8%</b>
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**NET SURPLUS / (DEFICIT)**

<b>0</b>	<b>1,173,485</b>	<b>1,173,485</b>
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**CITY OF HAMILTON  
BUDGET AMENDMENT SCHEDULE**

**STAFF COMPLEMENT CHANGE****Complement Transfer to another division or department <sup>(1,2)</sup>**

ITEM #	TRANSFER FROM				TRANSFER TO			
	Department	Division	Position Title (2)	FTE	Department	Division	Position Title (2)	FTE
1	Corporate Services	Customer Service and POA	Knowledge Mgmt Administrator	1.00	Corporate Services	Customer Service and POA	CRM Solutions Analyst	1.00
	<b>Explanation:</b> The duties of Knowledge Mgmt Administrator are no longer required or have been incorporated into the new tasks within the CRM Solutions Analyst role or the Knowledge Management Liaison role. Position is moving from union grade I to non-union grade 5, difference in compensation will be funded through gapping							
2	Public Works	Transportation, Operations & Maintenance	Traffic Ops Coord	0.45	City Manager	Communications	Communications Officer	1.00
		Transportation, Operations & Maintenance	Applications Analyst	0.55				
<b>Explanation:</b> To transfer 1 FTE from Public Works, Transportation, Operations & Maintenance Division in Deptid 466005 (0.45 FTE, CUPE 5167 Grade P and 0.55 FTE, Non Union Grade 5) to support a full time Communications Officer in Deptid 310031 to support the Public Works Department.								
3	Public Works	Transportation, Operations & Maintenance	Roadway Safety Techl Coop	1.00	Public Works	Transportation, Operations & Maintenance	Lighting & Electcl Infra Coord	1.00
	<b>Explanation:</b> To approve the conversion of a Roadway Safety Techl Coop (Job Grade L) to a Lighting & Electcl Infra Coord (Job Grade I). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							
4	Public Works	Waste Management	Waste Investigator	1.00	Public Works	Waste Management	Manager, Waste Policy & Planning	1.00
	<b>Explanation:</b> To convert Waste Investigator (CUPE 5167, Grade I) in the Waste Collections Section to a Manager, Waste Policy & Planning (Non Union, Grade 8), to make the manager permanent.							
5	Public Works	Transit	Project Manager	0.88	Public Works	Transit	Transit Technologist III	1.00
		Transit	Ticket Deliverer	0.12				
<b>Explanation:</b> To create a needed full-time position. No levy impact as the funds are allocated through the .88 Project Manager.								
6	Public Works	Hamilton Water	Water Info. Systems Support Technr	1.00	Public Works	Hamilton Water	Application Analyst - Water Info. Systems	1.00
	<b>Explanation:</b> To approve the conversion of a Water Info. Systems Support Technologist (CUPE 5167 Job Grade K) to a Application Analyst - Water Info. Systems (CUPE 5167 Job Grade P). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							
7	Planning & Economic Development	Planning	Planning Tech II-Zoning By-Law	1.00	Healthy & Safe Communities	Housing Sustainability Investment Roadmap Division	Director Secretariat	1.00
	<b>Explanation:</b> To approve the conversion and transfer of a Planning Tech II (Union Grade 1) to a Director Housing Secretariat (non-union grade 10) with pay differential to be absorbed within previously approved Human Services Integration project id #6502141100 and no impact to the 2023 tax levy. As per Council report HSC22042, August 11th, 2022, re: Housing Sustainability and Investment Plan and the forthcoming Committee report HSC23028, April 19th, 2023 re: Housing Sustainability and Investment Roadmap, several positions are required to coordinate and deliver the Housing Sustainability Investment Roadmap. This position is a key position to leading and coordinating this effort. In order to be able to attract and retain the appropriate level of experience and knowledge a full time position is required. Planning and Economic Development have supported and agreed to the transfer of a vacant full-time staff complement to HSC in order to meet this objective.							

**Note** - Complement transfers include the transfer of corresponding budget.

(1) - All other budgeted complement changes that require Council approval per Budgeted Complement Control Policy must be done through either separate report or the budget process (i.e. Increasing/decreasing budgeted complement).

(2) - If a position is changing, the impact of the change is within 1 pay band unless specified.

**CITY OF HAMILTON  
BUDGETED COMPLEMENT TEMPORARY EXTENSION SCHEDULE**

**TEMPORARY POSITION EXTENSIONS**

**Extensions to temporary positions with terms of 24 months or greater as per the Budgeted Complement Control Policy**

ITEM #	TRANSFER FROM				TRANSFER TO			
	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>
1	City Manager	Human Resources	Return to Work Specialist	1.0	City Manager	Human Resources	Return to Work Specialist	1.0
	<b>Explanation:</b> The temporary Return to Work Specialist position requires and extension for 18 months - period July 2023 to December 2024 to assist with the large volume of requests for support being received.							
2	Planning & Economic Development	PED General Manager Office	Director and Senior Advisor Strategic Growth (P 12973)	1.0	Planning & Economic Developm	PED General Manager Office	Director and Senior Advisor Strategic Growth (P 12973)	1.0
	<b>Explanation:</b> Contract extension for temporary staff requested for additional 24 months - period December 1st, 2023 to December 31st, 2025. To complete work related to the City's corporate strategic growth initiatives, including work related to the 2024 DC By-law update							