



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 23-011

**9:30 a.m.
July 13, 2023
Council Chambers
Hamilton City Hall**

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

**Absent with
Regrets:** Councillor Hwang – City Business

THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT 23-011 AND RESPECTFULLY RECOMMENDS:

- 1. Update on the Hamilton Anti-Racism Resource Centre CM20007(d) (Item 8.1)**
 - (a) That a one-time payment of \$75,000.00 from Tax Stabilization Fund #110046 be provided to the Hamilton Anti-Racism Resource Centre for the period of December 2023 – April 2024.
 - (b) That the Hamilton Anti-Racism Resource Centre (HARRC), through the Executive Director, be requested to provide their 5-year operational and sustainability plan to the City of Hamilton ahead of the 2024 budget process identifying the role that the City will play to support their sustainability for the future.

- 2. Tax and Rate Operating Budgets Variance Report as at April 30, 2023 – Budget Control Policy Transfers (FCS23063) (City Wide) (Item 8.2)**
 - (a) That the Tax Operating Budgets Variance Report, as at April 30, 2023, attached as Appendices “A”, to Audit, Finance and Administration Committee Report 23-011, be received;
 - (b) That the Rate Operating Budgets Variance Report, as at April 30, 2023, attached as Appendices “B”, to Audit, Finance and Administration Committee Report 23-011, be received;
 - (c) That, in accordance with the “Budgeted Complement Control Policy”, the 2023 complement transfer from one department / division to another or a change in complement type, with no impact on the levy, as outlined in

Appendix “C” to Audit, Finance and Administration Committee Report 23-011, be approved;

- (d) That, in accordance with the “Budget Control Policy”, the 2023 budget transfers from one department / division to another with no impact on the property tax levy, as outlined in Appendix “D” to Audit, Finance and Administration Committee Report 23-011, be approved;
- (e) That, in accordance with the “Budgeted Complement Control Policy”, the extensions of temporary positions with 24-month terms or greater, with no impact on the levy, as outlined in Appendix “E” to Audit, Finance and Administration Committee Report 23-011, be approved.

3. Consent Items (Item 9.1 and Added Item 9.2)

(Spadafora/Tadeson)

That the following Reports, be received:

- (a) Professional and Consultant Services Roster 2022-2024 (PW23045/PED23130/FCS23079) (City Wide) (Item 9.1)
- (b) Standards and Approved Products Committee Report (PW21071(a)) (City Wide) (Added Item 9.2)

4. Halton Water Supply Amending Agreement (PW23050) (City Wide) (Item 10.1)

- (a) That the Mayor and Clerk be authorized and directed to execute an agreement to amend the Water Supply Agreement between The Regional Municipality of Halton and the City of Hamilton dated November 17, 2011, and amended June 24, 2021, in the form attached as Appendix “F” to Audit, Finance and Administration Committee Report 23-011;
- (b) That the General Manager, Public Works, or designate, be authorized to execute any number of future amendments to the amended Water Supply Agreement, provided that any such amendments relate to matters of operation or technical capacity, and they are in a form that is satisfactory to the Director of Legal Services;
- (c) That the General Manager, Public Works, or designate, be authorized to execute any other documents that are ancillary to the agreements authorized in recommendations (a) and (b).

5. Fraud, Waste, and Whistleblower Semi-Annual Update (AUD23009) (City Wide) (Item 10.2)

- (a) That the Fraud, Waste and Whistleblower Semi-Annual Update be received.

- (b) That the creation of one Full Time Equivalent (FTE) employee for a Senior Auditor be referred to the 2024 Operating Budget.

6. Governance Review Sub-Committee Report 23-003 (July 5, 2023) (Item 10.3)

(a) Consistent Quorum Requirements for Council and Committees – Revised (Item 11.2)

WHEREAS, staff were directed by Council on June 7, 2023, to prepare the necessary amendments to By-law 21-021, A By-law to Govern the Proceedings of Council and Committees of Council, the ‘Procedural By-law’ to amend the quorum requirement for Committees to be the same as for Council, for the Governance Review Sub-Committee’s consideration;

WHEREAS, the City’s Procedural By-law 21-021, as amended, states that quorum of Council be a majority, as per Section 237(1) of the Ontario Municipal Act, 2001, as amended;

WHEREAS, the City’s Procedural By-law 21-021, as amended, states that quorum of Committees be half of the Committee’s membership; and

WHEREAS, for consistency purposes, having the same quorum requirements for Council and for Committees would be practical;

THEREFORE, BE IT RESOLVED:

- 1. That staff be directed to prepare a by-law to amend the City’s Procedural Bylaw 21-021, as amended, to amend Section 5.4 (1) to require that a majority be present:

5.4 Quorum

- (1) The quorum for all Committees shall be a majority (as defined in the Procedural By-Law 21-021, e.g. if membership is 5, quorum is 3) of the membership.

7. Procurement Organizational Design Changes (FCS23082) (City Wide) (Item 14.1)

- (a) That the direction provided to staff in closed session, be approved; and
- (b) That Report FCS23082, respecting Procurement Organizational Changes in the Corporate Services Department, be released publicly following approval by Council.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

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

9. CONSENT ITEMS

**9.2 Standards and Approved Products Committee Report
(PW21071(a)) (City Wide)**

The agenda for the July 13, 2023 Audit, Finance and Administration Committee meeting, was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 3)

Councillor M. Wilson declared a non-disqualifying interest respecting Item 8.2, Update on the Hamilton Anti-Racism Resource Centre (CM20007(d)), as her husband is the President and Chief Executive Officer of Hamilton Community Foundation (HCF) and HCF is a funding partner of the Hamilton Anti-Racism Resource Centre.

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

(i) June 15, 2023 (Item 4.1)

The Minutes of the June 15, 2023 meeting of the Audit, Finance and Administration Committee, were approved, as presented.

(d) STAFF PRESENTATIONS / PRESENTATIONS (Item 8)

**(i) Update on the Hamilton Anti-Racism Resource Centre CM20007(d)
(Item 8.1)**

Morgan Stahl, Director of Government Relations and Community Engagement, and Lyndon George, Executive Director, Hamilton Anti-Racism Resource Centre, addressed Committee respecting an Update on the Hamilton Anti-Racism Resource Centre, with the aid of a presentation.

The presentation from Morgan Stahl, Director of Government Relations and Community Engagement, and Lyndon George, Executive Director, Hamilton Anti-Racism Resource Centre, respecting an Update on the Hamilton Anti-Racism Resource Centre, was received.

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

**(ii) Tax and Rate Operating Budgets Variance Report as at April 30, 2023
– Budget Control Policy Transfers (FCS23063) (City Wide) (Item 8.2)**

Mike Zegarac, General Manager, Finance and Corporate Services, addressed Committee respecting the Tax and Rate Operating Budgets Variance Report as at April 30, 2023 – Budget Control Policy Transfers, with the aid of a presentation.

The presentation from Mike Zegarac, General Manager, Finance and Corporate Services, respecting the Tax and Rate Operating Budgets Variance Report as at April 30, 2023 – Budget Control Policy Transfers, was received.

For further disposition of this matter, refer to Item 2.

(e) MOTIONS (Item 11)

(i) Review of the City of Hamilton Volunteer Advisory Committees (Item 11.1)

1.

WHEREAS, the City of Hamilton is dedicated to advancing and articulating City decision-making efforts by ensuring the process by which participants are provided information and are engaged is meaningful, clear, convenient, and accessible to all residents;

WHEREAS, the City of Hamilton supports community engagement as it empowers individuals and groups to give them a voice and a platform to express their opinions, concerns, and ideas, which encourages active participation, enabling community members an opportunity to shape the decisions that affect them directly;

WHEREAS, engagement in the community fosters a sense of ownership and responsibility, leading to increased community pride and motivation to work towards common goals and provides policy makers and elected officials with meaningful feedback that can inform decision making;

WHEREAS, Community engagement promotes collaboration and cooperation among stakeholders, including residents, local businesses, community-based organizations, multiple levels of government and non-profits, thereby, bringing people together and facilitating the exchange of knowledge, resources, and expertise, leading to innovative solutions and shared idea generation;

WHEREAS, the Advisory Committee for Persons with Disabilities and the Hamilton Municipal Heritage Committee are Sub-Committees of Council and are required by Provincial legislation, they are outside the scope of this proposed review;

WHEREAS, the City of Hamilton is currently creating a robust public engagement policy and administrative framework; and

WHEREAS, enhancing engagement throughout civic participation processes can inherently support high-level Term of Council Priorities including (1) Equity, Diversity and Inclusion; and (2) Trust and Confidence in City Government;

THEREFORE, BE IT RESOLVED:

- (a) That the City of Hamilton pause all Volunteer Advisory Committees, with the exception of the Climate Change Advisory Committee, for which recruitment for the current Council term is underway, and the Hamilton Veterans Committee, so they can continue to plan the 2023 Remembrance Day Service; and
- (b) That City Manager's Office and Corporate Services staff be directed to report back to the Audit, Finance and Administration Committee with recommendations on the following:
 - (i) best practices that prioritizes resident engagement including access to, understanding of and participation in community engagement;
 - (ii) review and provide recommendations to Council as informed by existing partnerships with local community-based organizations and networks to help shape and advise decision-making efforts on City initiatives, programs, services, policies, and by-laws;
 - (iii) existing community-based engagement methods inclusive of the Volunteer Advisory Committees to fulfil the priorities of Council aligned with the Term of Council priorities 2022 – 2026; and
 - (iv) a resource list of local equity-deserving groups doing community and grassroots organizing that can be contacted for engagement and feedback on City Wide processes and policies.

2.

- (a) Prior to the City of Hamilton pausing all Volunteer Advisory Committees, the Staff Liaisons were requested to convene a meeting of each Advisory Committee before September 30, 2023, with the exception of the Climate Change Advisory Committee, for which recruitment for the current Council term is underway, and the Hamilton Veterans Committee, so they can continue to plan the 2023 Remembrance Day Service, to ensure that there are no time-sensitive or critical workplan

items that each Advisory Committee wishes to complete or which the Advisory Committee would like to formally hand off to relevant City staff to ensure completion or continuity; and

- (b) Any Advisory Committee who identifies pending workplan items, was permitted to complete those items prior to their Advisory Committee meetings being paused.

3.

- (a) The motion respecting the Review of the City of Hamilton Volunteer Advisory Committees (below), was deferred to the September 7, 2023 meeting of the Audit, Finance and Administration Committee; and,

Review of the City of Hamilton Volunteer Advisory Committees

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WHEREAS, engagement in the community fosters a sense of ownership and responsibility, leading to increased community pride and motivation to work towards common goals and provides policy makers and elected officials with meaningful feedback that can inform decision making;

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WHEREAS, the Advisory Committee for Persons with Disabilities and the Hamilton Municipal Heritage Committee are Sub-Committees of Council and are required by Provincial legislation, they are outside the scope of this proposed review;

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WHEREAS, enhancing engagement throughout civic participation processes can inherently support high-level Term of Council Priorities including (1) Equity, Diversity and Inclusion; and (2) Trust and Confidence in City Government;

THEREFORE, BE IT RESOLVED:

- (a) That the City of Hamilton pause all Volunteer Advisory Committees, with the exception of the Climate Change Advisory Committee, for which recruitment for the current Council term is underway, and the Hamilton Veterans Committee, so they can continue to plan the 2023 Remembrance Day Service; and
- (b) That City Manager's Office and Corporate Services staff be directed to report back to the Audit, Finance and Administration Committee with recommendations on the following:
 - (i) best practices that prioritizes resident engagement including access to, understanding of and participation in community engagement;
 - (ii) review and provide recommendations to Council as informed by existing partnerships with local community-based organizations and networks to help shape and advise decision-making efforts on City initiatives, programs, services, policies, and by-laws;
 - (iii) existing community-based engagement methods inclusive of the Volunteer Advisory Committees to fulfil the priorities of Council aligned with the Term of Council priorities 2022 – 2026; and

(iv) a resource list of local equity-deserving groups doing community and grassroots organizing that can be contacted for engagement and feedback on City Wide processes and policies.

(b) Staff were directed to prepare a report for the Audit, Finance and Administration Committee's consideration at the September 7, 2023 meeting, respecting the expected duration of the proposed pause of the Volunteer Advisory Committees, the expected scope of and deliverables for the proposed review of the Volunteer Advisory Committees.

(f) GENERAL INFORMATION / OTHER BUSINESS (Item 13)

(i) Amendments to the Outstanding Business List (Item 13.1)

The following amendments to the Outstanding Business List, were approved:

1. Items to be Added

(a) Grightmire Arena Lessons Learned Audit (AUD22004) (City Wide)
Item on OBL: 22-C
Removed in error on the February 2, 2023 agenda.

(g) PRIVATE AND CONFIDENTIAL (Item 14)

(i)

The Audit, Finance and Administration Committee moved into Closed Session respecting Item 14.1, pursuant to Section 9.3, Sub-section (d) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-section (d) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to labour relations or employee negotiations.

Councillor Kroetsch relinquished the Chair to Councillor Spadafora for the remainder of the meeting.

(ii) Procurement Organizational Design Changes (FCS23082) (City Wide) (Item 14.1)

For disposition of this matter, refer to Item 7.

(h) ADJOURNMENT (Item 15)

There being no further business, the Audit, Finance and Administration Committee, was adjourned at 12:58 p.m.

Respectfully submitted,

Councillor Cameron Kroetsch, Chair
Audit, Finance and Administration
Committee

Councillor Mike Spadafora, Acting
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 APRIL 30, 2023
(\$ 000's)

	2023 Approved Budget	2023 Actuals to April 30	Projected Actuals to Dec. 31	2023 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
PLANNING & ECONOMIC DEVELOPMENT						
General Manager	1,586	478	1,538	48	3.0%	\$21 K Administrative expense savings, \$14 K Space allocation savings for Climate Change Office, \$11 K Net gapping saving.
Transportation, Planning and Parking	3,154	816	3,018	135	4.3%	\$659 K Fees & General: increased revenues Admin fees, Fines, Parking revenue, Processing fees, Tow Fees, On-Street Parking Fees, On-Street Meter Revenue); \$273 K Gapping; Partially offset by: (\$418 K) Reserves: Budgeted \$1.5 M of COVID-19 reserve funding but estimating only receiving \$1.08 M for projected Covid-19 related revenue losses for MTO-Plate Denials (\$1 M), Permit (\$55 K), Parking Revenue (\$25 K); (\$315 K) Contractual: Imperial Parking staffing (\$364 K), partially offset by savings in Information Retrieval \$50 K; (\$41 K) Material and Supply: mostly Computer software (\$17 K) for ticketing software & Ticket expense (\$12 K) due to increased issuance; (\$18 K) Financial: Credit Card Charges (\$11 K) & Processing Fees (6 K)
Building	1,196	(1,723)	1,221	(25)	(2.1)%	Pressure of \$(25) K attributed mainly to \$(58) K gapping pressure partially offset by small savings in various accounts \$1.4 M projected permit fees above forecast inclusive of deferred revenues transferred to Building reserve
Economic Development	5,485	2,496	5,485	(0)	(0.0)%	Forecast to be on budget. Gapping pressure of \$46 K will be absorbed within the divisional budget, being offset by savings in Contractual, Cost allocations and Financial expenditures.
Growth Management	858	(4,603)	852	6	0.7%	\$3.9 M projected revenues above forecast inclusive of deferred revenues and \$806 K projected gapping transferred to Development Fees Stabilization Reserve.
Licensing & By-Law Services	7,162	2,158	7,136	26	0.4%	Gapping savings of \$245 K, \$54 K additional revenues (mostly from unbudgeted Administration Fees), Partially offset by: (\$252 K) Unrealized Budgeted Covid reserve funding for lost revenues likely not required due to positive revenue trends; (\$19 K) Material & Supply due to increased costs for Handheld ticketing software & support.
Planning	3,699	(2,997)	3,696	2	0.1%	\$2.9 M projected revenues above forecast inclusive of deferred revenues and \$385 K net gapping transferred to Development Fees Stabilization Reserve.
Tourism & Culture	10,332	3,290	10,275	57	0.5%	Saving in revenue of \$114 K and \$45 K Gapping; Partially offset by (\$58 K) decreased Site Rental revenues, (\$44 K) increased security at various sites.
TOTAL PLANNING & ECONOMIC DEVELOPMENT	33,471	(83)	33,223	249	0.7%	
HEALTHY AND SAFE COMMUNITIES						
HSC Administration	3,018	1,211	3,066	(48)	(1.6)%	Unfavourable variance due to (\$59 K) gapping due to additional temporary positions offset by \$11 K step differential due to backfilling vacant positions.
Children's and Community Services	11,132	1,897	10,851	281	2.5%	Favourable variance due to gapping and youth employment sponsorship.
Ontario Works	13,419	2,534	13,651	(232)	(1.7)%	Unfavourable variance due to \$371 K pressure attributable to increase in client benefit referrals offset by \$61K in gapping savings and Contractual service savings of \$65 K.
Housing Services	70,051	21,158	71,910	(1,859)	(2.7)%	Unfavourable variance of (\$1.9 M) due to a pressure of (\$4.1 M) in family hotels costs offset by \$2.2 M in social housing provider AIR recoveries.
Affordable Housing Secretariat	3	22	3	0	0.1%	Favourable variance due to gapping and ancillary cost.
Long Term Care	12,826	3,921	13,290	(464)	(3.6)%	Unfavourable variance due to (\$586 K) staffing costs, work accommodation, overtime, Long-term disability, sick pay, cohorting, and (\$105 K) supply and support services costs. This is offset partially by \$227 K in revenue received greater than anticipated including increased level of care funding.
Recreation	37,847	9,206	39,037	(1,190)	(3.1)%	Unfavourable variance due to projected lost revenue in arenas of \$1.2 M, slow return to normal operations as a consequence of COVID, as well as higher than expected costs in contractual obligations offset by savings in Employee Related costs due to challenges in recruitment of required staff. This is mainly attributable to market conditions resulting from COVID.
Hamilton Fire Department	101,107	36,464	101,488	(381)	(0.4)%	Unfavourable variance due to overtime costs for COVID absences with no assumed funding to offset the expenses, (\$229 K), vehicle costs for fuel and tires, (\$85 K), and other contractual costs (\$67 K).
Hamilton Paramedic Service	35,809	8,781	36,194	(385)	(1.1)%	Unfavourable variance due to employee related costs such as overtime (\$520 K), unfunded COVID costs for enhanced cleaning (\$135 K), and operating costs such as oxygen and prescription medications, (\$117 K). Offset partially by a favourable variance due to higher than expected user fee revenue, \$197 K, and lower than expected vehicle costs including fuel, \$190 K.
Public Health Services	14,807	4,012	14,736	71	0.5%	Favourable variance attributable to Registered Nurse full-time equivalent (FTE) vacancy in the Health Hazards and Vector Borne Disease Program.
TOTAL HEALTHY AND SAFE COMMUNITIES	300,020	89,206	304,227	(4,207)	(1.4)%	

- () Denotes unfavourable variance.

- Variances include eligible COVID related funding (identified in Appendix "E" to Report FCS23063)

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT AS AT APRIL 30, 2023
(\$ 000's)

	2023 Approved Budget	2023 Actuals to April 30	Projected Actuals to Dec. 31	2023 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
PUBLIC WORKS						
PW-General Administration	(228)	70	0	(228)	100.2%	The General Administration Division is forecasting a variance of (\$225 K) due to: <ul style="list-style-type: none"> \$225 K in unachievable gapping target
Corporate Asset Management	2,292	679	2,724	(432)	(18.8)%	The Corporate Asset Management Division forecasted variance of (\$432 K) due to: <ul style="list-style-type: none"> \$425 K for unbudgeted temporary staffing to be offset by Departmental gapping
Corporate Facilities & Energy Management	14,597	4,506	14,855	(258)	(1.8)%	The Corporate Facilities and Energy Management Division is forecasting a variance of (\$258 K) due to: <ul style="list-style-type: none"> Gapping target of \$258 K will not be realized due to the amount of Cost Recovery for the division.
Engineering Services	0	83	(250)	250	0.0%	The Engineering Services division is forecasting a favourable surplus of \$250 K attributed to: <ul style="list-style-type: none"> \$250 K surplus due to Road Cut Administrative Program fees and Permit Revenues along with other user fee revenues collected for various Corridor Management activities administered by this section.
Environmental Services	48,073	11,987	47,773	300	0.6%	The Environmental Services Division is forecasting a variance of \$300 K due to: <ul style="list-style-type: none"> \$300 K gapping savings, above the gapping target, from known difficulties in hiring students and seasonal workers, rate differentials and periodic vacancies throughout the year.
Waste Management	48,596	15,419	51,457	(2,861)	(5.9)%	The Waste Management Division is projecting an unfavourable variance of \$2.9 M mainly due to: <ul style="list-style-type: none"> \$1.3 M higher forecasted contractual costs mainly due from draft 2023 escalation factors calculating higher than budgeted. \$1.2 M lower forecasted revenues on commodities based on tonnages, year-to-date activities and actual v. budgeted commodity prices \$80 K higher forecasted Scale House contractual costs due to current contractor issues and needing to get an emergency contract in place. Tender to follow. \$250 K higher forecasted costs for site security at the Transfer Stations. To be included in the 2024 budget.
Transit	93,254	44,315	94,961	(1,707)	(1.8)%	The Transit Division is forecasting a unfavourable variance of \$1.7 M mainly due to: <p>Favourable variances of:</p> <ul style="list-style-type: none"> \$6.0 M Salaries, Wages net of Year 7 offset and Gapping Allocation \$1.5 M DARTS Contract \$435 K Taxi Contract \$408 K PRESTO Commissions \$223 K Uniform Expense \$144 K Rebuilt Engines, Transmissions, etc. \$119 K Brinks Pickups, Other Fees and Services \$110 K Pass, Ticket and Transfer Expenses \$80 K Tires and Tubes <p>Unfavourable variances of:</p> <ul style="list-style-type: none"> (\$3.0 M) Fare Revenue (\$4.1 M) Overtime (\$2.9 M) Sick (\$688 K) Vacation Pay and Stat Holiday Pay (\$567 K) Vehicle Parts inflation impacts (\$194 K) Taxi Scrip Program Coupon Revenue
Transportation Operations & Maintenance	86,994	34,512	85,730	1,264	1.5%	The Transportation Division is forecasting a surplus of \$1.3 M mainly due to: <p>Favourable variance of \$1.8 M due to:</p> <ul style="list-style-type: none"> \$1.8 M net gapping savings due to seasonal staff due to hiring delays, staff vacancies attributed to normal staff turnover (retirements, job transfers, seasonal hiring, etc.). <p>Partially offset by unfavourable variances of (\$527 K):</p> <ul style="list-style-type: none"> (\$527 K) mainly due to (\$308 K) of costs associated with increased Diesel Fuel and (\$219 K) for Unleaded Fuel.
TOTAL PUBLIC WORKS	293,579	111,571	297,251	(3,672)	(1.3)%	

- () Denotes unfavourable variance.

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CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT AS AT APRIL 30, 2023
(\$ 000's)

	2023 Approved Budget	2023 Actuals to April 30	Projected Actuals to Dec. 31	2023 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
LEGISLATIVE						
Legislative General	(286)	91	(238)	(48)	16.9%	Savings in contingency & contractual budgets; offset by gapping target, legal and membership fees.
Mavors Office	1,243	356	1,243	(0)	(0.0)%	
Volunteer Committee	121	26	121	(0)	(0.0)%	
Ward Budgets	4,421	1,348	4,421	0	0.0%	
TOTAL LEGISLATIVE	5,499	1,821	5,547	(48)	(0.9)%	
CITY MANAGER						
Auditor General	1,238	368	1,238	(0)	(0.0)%	Gapping due to temporary vacancies offset by external consulting costs to complete audits.
CMO - Admin	254	170	416	(161)	(63.4)%	Temporary staffing costs to support Council transition and City Manager's Office government relations function; retro payments.
Communications and Strategic Initiatives	2,796	946	2,914	(118)	(4.2)%	Additional costs related to recruitment & retention efforts (Internal Communications Officer) to be funded from corporate surplus; Employee leave backfill costs
Digital and Innovation Office	452	(180)	486	(34)	(7.5)%	Temporary Senior Project manager (SPM) costs offset by unused contractual budget.
Government & Community Relations	1,329	320	1,234	95	7.1%	Vacant positions; savings in Government Relations budget.
Human Resources	8,758	2,687	8,920	(161)	(1.8)%	Additional costs related to recruitment and retention efforts (senior project manager) to be funded by corporate surplus; offset by savings in training costs.
TOTAL CITY MANAGER	14,827	4,311	15,207	(380)	(2.6)%	
CORPORATE SERVICES						
City Clerk's Office	3,620	1,729	3,508	112	3.1%	\$224 K Postage recovery, \$71 K Employee cost net of Gapping; Partially offset by: (\$140 K) Postage and freight costs; (\$33 K) Marriage license costs.
Customer Service, POA and Fin'l Integration	6,355	1,937	6,095	260	4.1%	\$209 K Employee related cost, \$75 K Computer software, \$14 K Training, \$12 K Telephone costs; Partially offset by: (\$64 K) Consulting costs.
Financial Serv, Taxation and Corp Controller	4,538	1,320	4,297	241	5.3%	\$269 K Employee cost net of Gapping; Partially offset by: (\$26 K) Consulting services.
Legal Services and Risk Management	4,669	2,308	4,340	329	7.0%	\$336 K Employee related cost; Partially offset by: (\$4 K) Information retrieval.
Corporate Services - Administration	341	97	320	21	6.1%	\$12 K Training, \$5 K Contractual Services, \$3 K Membership Fees
Financial Planning, Admin & Policy	5,576	2,284	5,536	40	0.7%	\$73 K Employee related cost, \$19 K Facilities savings, \$6 K Union billing revenue; Partially offset by: (\$49 K) Subdivision processing fees and interest earned, (\$9 K) Printing and computer costs
Information Technology	19,108	3,967	17,727	1,382	7.2%	\$1.6 M Employee related cost, \$150 K Computer software; Partially offset by: (\$200 K) Temp and contract work, (\$181 K) Training and executive coaching.
TOTAL CORPORATE SERVICES	44,207	13,641	41,822	2,385	5.4%	
CORPORATE FINANCIALS						
Corporate Pensions, Benefits & Contingency	4,017	(519)	4,017	(0)	(0.0)%	Assumed on budget for year-end
Corporate Initiatives	20,513	5,409	20,513	0	0.0%	Assumed on budget for year-end
TOTAL CORPORATE FINANCIALS	24,530	4,890	24,530	(0)	(0.0)%	
HAMILTON ENTERTAINMENT FACILITIES						
Operating	150	3,833	0	150	100.0%	Insurance recoveries budgeted and projected to be recovered from HUPEG.
TOTAL HAMILTON ENTERTAINMENT FACILITIES	150	3,833	0	150	100.0%	
TOTAL CITY EXPENDITURES	716,283	229,189	721,807	(5,524)	(0.8)%	

- () Denotes unfavourable variance.

- Variances include eligible COVID related funding (identified in Appendix "E" to Report FCS23063)

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT AS AT APRIL 30, 2023
(\$ 000's)

	2023 Approved Budget	2023 Actuals to April 30	Projected Actuals to Dec. 31	2023 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
CAPITAL FINANCING						
Debt-Healthy and Safe Communities	1,169	(314)	660	509	43.5%	
Debt-Planning & Economic Development	1,304	0	25	1,279	98.1%	
Debt-Public Works	33,165	0	19,553	13,612	41.0%	
Debt-Corporate Financials	105,911	101,817	105,187	724	0.7%	
Infrastructure Renewal Lev	13,429	13,429	13,429	(0)	(0.0)%	
TOTAL CAPITAL FINANCING	154,977	114,932	138,854	16,123	10.4%	Surplus in principal and interest savings due to timing in the issuance of debt.
BOARDS & AGENCIES						
Police Services						
Operating	192,361	64,208	192,361	0	0.0%	The March 31, 2023 variance report will be provided to the Hamilton Police Services Board on June 22, 2023.
Capital Financing	1,235	0	1,235	0	0.0%	
Total Police Services	193,596	64,208	193,596	0	0.0%	
Other Boards & Agencies						
Library	33,956	10,242	33,753	203	0.6%	Due to favourable gapping.
Conservation Authorities	8,930	4,678	8,930	0	0.0%	
Hamilton Beach Rescue Unit	6,833	50	6,833	0	0.0%	
Royal Botanical Gardens	143	271	143	0	0.0%	
MPAC	660	3,417	660	0	0.0%	
Farmers Market	242	37	242	(0)	(0.0)%	Planning to be on budget, gapping savings offset by pressures in Consulting for HFM Vision project and Financial for projected unrecoverable bad debts.
Total Other Boards & Agencies	50,765	18,695	50,562	203	0.4%	
Capital Financing - Other Boards & Agencies	198	0	198	(0)	(0.0)%	
City Enrichment Fund	6,575	202	6,575	(0)	(0.0)%	
TOTAL BOARDS & AGENCIES	251,135	83,105	250,930	203	0.1%	
TOTAL EXPENDITURES	1,122,395	427,226	1,111,592	10,803	1.0%	
NON PROGRAM REVENUES						
Slot Revenues	(5,695)	0	(5,695)	0	0.0%	Assumed on budget for year-end
Investment Income	(4,800)	(9,055)	(4,800)	0	0.0%	Assumed on budget for year-end
Hydro Dividend and Other Interest	(6,568)	546	(6,568)	0	0.0%	Assumed on budget for year-end
Tax Remissions and Write Offs	8,818	(3,547)	8,818	0	0.0%	Assumed on budget for year-end
Payment In Lieu	(17,519)	0	(17,519)	0	0.0%	Assumed on budget for year-end
Penalties and Interest	(11,500)	(4,431)	(11,500)	0	0.0%	Assumed on budget for year-end
Right of Way	(3,230)	0	(3,230)	0	0.0%	Assumed on budget for year-end
Senior Tax Credit	534	2	534	0	0.0%	Assumed on budget for year-end
Supplementary Taxes	(10,130)	30	(10,130)	0	0.0%	Assumed on budget for year-end
POA Revenues	(2,698)	(600)	(2,698)	0	0.0%	Assumed on budget for year-end
TOTAL NON PROGRAM REVENUES	(52,787)	(17,056)	(52,787)	0	0.0%	
TOTAL LEVY REQUIREMENT	1,069,608	410,169	1,058,805	10,803	1.0%	

- () Denotes unfavourable variance.

- Variances include eligible COVID related funding (identified in Appendix "E" to Report FCS23063

**CITY OF HAMILTON
 2023 COMBINED WATER, WASTEWATER AND STORM OPERATING BUDGET
 BUDGET VARIANCE REPORT as of April 30th, 2023**

	2023 Council Approved Budget	2023 YTD Actuals as at April 30th	2023 Full-year Forecast	2023 Projected Variance	
	\$			\$	%
OPERATING EXPENDITURES:					
Divisional Administration & Support	11,498,313	3,723,986	11,498,313	-	0.0%
Woodward Upgrades	1,953,429	578,391	1,953,429	-	0.0%
Customer Service & Community Outreach	6,923,785	1,423,909	8,673,785	(1,750,000)	(25.3%)
Compliance & Regulations	7,843,466	2,435,653	7,843,466	-	0.0%
Water Distribution & Wastewater Collection	24,239,426	5,965,265	24,394,100	(154,674)	(0.6%)
Plant Operations	35,866,472	11,281,612	36,758,866	(892,395)	(2.5%)
Plant Maintenance	12,563,094	3,841,926	12,094,094	469,000	3.7%
Capital Planning & Delivery	5,306,737	1,543,378	5,306,737	-	0.0%
Watershed Management	1,642,718	436,527	1,642,718	-	0.0%
Wastewater Abatement Program	1,142,465	257,846	1,142,465	-	0.0%
Alectra Utilities Service Contract	6,010,198	1,994,555	6,010,198	-	0.0%
Utilities Arrears Program	500,328	30,823	500,328	-	0.0%
Sewer Lateral Management Program	325,000	71,117	325,000	-	0.0%
Hamilton Harbour Remedial Action Plan	604,011	61,725	604,011	-	0.0%
Protective Plumbing Program (3P)	752,938	115,756	752,938	-	0.0%
Financial Charges	86,118	-	86,118	0	0.0%
Sub-total	117,258,498	33,762,469	119,586,567	(2,328,069)	(2.0%)
Capital and Reserve Recoveries	(8,746,180)	(128,033)	(8,746,180)	-	0.0%
Operating Expenditures Sub-Total	108,512,318	33,634,437	110,840,387	(2,328,069)	(2.1%)
Capital and Reserve Impacts on Operating					
Contributions to Capital					
Water Quality Initiatives	64,300,080	62,740,080	62,960,080	1,340,000	2.1%
Wastewater	54,231,042	54,901,042	54,901,042	(670,000)	(1.2%)
Stormwater	14,822,000	15,492,000	15,492,000	(670,000)	(4.5%)
Sub-Total Contributions to Capital	133,353,122	133,133,122	133,353,122	0	0.0%
Contributions for DC Exemptions					
Water Quality Initiatives	2,520,000	-	2,520,000	-	0.0%
Wastewater	4,590,000	-	4,590,000	-	0.0%
Stormwater	1,890,000	-	1,890,000	-	0.0%
Sub-Total Contributions for DC Exemptions	9,000,000	-	9,000,000	-	0.0%
Capital Debt Charges					
Water Quality Initiatives	11,694,759	-	8,153,554	3,541,205	30.3%
Wastewater	13,229,466	-	7,948,226	5,281,240	39.9%
Stormwater	3,780,708	-	2,969,443	811,265	21.5%
DC Debt Charges Recoveries	(7,123,627)	-	(523,598)	(6,600,029)	92.6%
Sub-Total Debt Charges	21,581,306	-	18,547,625	3,033,681	14.1%
Sub-Total Capital Financing	163,934,428	133,133,122	160,900,747	3,033,681	1.9%
Reserve Transfers	-	-	-	-	0.0%
Sub-Total Capital and Reserve Impacts on Operating	163,934,428	133,133,122	160,900,747	3,033,681	1.9%
TOTAL OPERATING EXPENDITURES	272,446,747	166,767,559	271,741,134	705,613	0.3%

CITY OF HAMILTON
2023 COMBINED WATER, WASTEWATER AND STORM OPERATING BUDGET
BUDGET VARIANCE REPORT as of April 30th, 2023

	2023 Council Approved Budget	2023 YTD Actuals as at April 30th	2023 Full-year Forecast	2023 Projected Variance	
				\$	%
REVENUES:					
Rate Revenue					
Residential	121,736,239	26,073,673	121,736,239	0	0.0%
Industrial/Commercial/Institutional/Multi-res	128,334,602	27,447,331	127,334,602	(1,000,000)	(0.8%)
Haldimand	3,606,687	922,793	3,606,687	-	0.0%
Halton	310,553	73,560	310,553	-	0.0%
Raw Water	190,100	50,096	190,100	-	0.0%
Non-Metered	1,100,000	183,629	1,100,000	-	0.0%
Private Fire Lines	1,800,000	499,977	1,800,000	-	0.0%
Hauler / 3rd Party Sales	1,892,800	615,333	1,892,800	-	0.0%
Overstrength Agreements	3,439,098	251,564	3,439,098	-	0.0%
Sewer Surcharge Agreements	7,005,322	1,204,586	7,005,322	-	0.0%
Sub-Total Utility Rates	269,415,402	57,322,542	268,415,402	(1,000,000)	(0.4%)
Non-Rate Revenue					
Local Improvement Recoveries	275,850	-	275,850	-	0.0%
Permits / Leases / Agreements	1,151,958	186,120	1,151,958	-	0.0%
Investment Income	450,000	-	450,000	-	0.0%
General Fees and Recoveries	1,153,537	193,627	1,153,537	-	0.0%
Sub-Total Non-Rate Revenue	3,031,345	379,747	3,031,345	-	0.0%
TOTAL REVENUES	272,446,747	57,702,289	271,446,747	(1,000,000)	(0.4%)
NET SURPLUS / (DEFICIT)	(0)	109,065,270	(294,387)	(294,387)	

**CITY OF HAMILTON
BUDGET AMENDMENT SCHEDULE**

STAFF COMPLEMENT CHANGE

Complement Transfer to another division or department and/or change to complement type ^(1,2)

ITEM #	TRANSFER FROM				TRANSFER TO			
	Department	Division	Position Title (2)	FTE	Department	Division	Position Title (2)	FTE
1.1	Public Works	Transportation	Concrete Finisher	1.00	Public Works	Transportation	Supv Roads Compliance	1.00
	Explanation: To approve the conversion of a Concrete Finisher (CUPE 5167 Grade E) to a Supervisor Roads Compliance (CUPE 1041 Grade 5). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							
1.2	Public Works	Environmental Services	Summer Student (Cemeteries)	0.50	Public Works	Environmental Services	Cemetery Lead Hand	1.00
	Environmental Services		Cemetery Gardener	0.50	Explanation: To approve the conversion of a Summer Student (CUPE 5167) and a Cemetery Gardener (CUPE 5167 Grade E) to a Cemetery Lead Hand (CUPE 5167 Grade G). Budget variance will be absorbed within the current operating budget to result in no net levy increase.			
1.3	Healthy & Safe Communities	Housing Sustainability Investment Roadmap Division	Director Secretariat	1.00	Planning and Economic Development	Planning	Planning Technologist II	1.00
	Planning and Economic Development	Licensing By Law	Admin Secretary - MLE and Licensing	1.00	Healthy & Safe Communities	Housing Sustainability Investment Roadmap Division	Director Secretariat	1.00
	Explanation: To approve the conversion and transfer of an Administrative Secretary to Director Secretariat with pay differential to be absorbed within previously approved Human Services Integration project id #6502141100 and no impact to the 2023 tax levy. Planning Tech II was transferred to HSC as approved with Report FCS22042(b) however operating requirements in Planning Division have changed and the transfer was reassessed in PED.							
1.4	Corporate Services	Financial Planning, Administration, and Policy	Financial Asst II Coop Student	0.5	Corporate Services	Financial Planning, Administration, and Policy	Financial Assistant I	1.00
			Customer Service Rep-Taxation	0.33	Explanation: To convert partial positions which have historically been vacant into 1 Financial Assistant I to support the growing analytical needs in Planning & Economic Development.			
			Intermed Actng Analyst	0.17				
1.5	Public Works	Corporate Facilities & Energy Management	Admin Support Clk PT	0.36	Public Works	Corporate Facilities & Energy Management	Quality Mngmnt Cord	1.00
			Technical Services Technologist Co-op	0.30			Student Local 5	0.16
			Preventative Mtce Coordinator	0.50	Explanation: To transfer 1 FTE from Public Works, Corporate Facilities & Energy Management three partially budgeted FTE positions totaling 1.1 FTE to a new Quality Management Coordinator for the new Quality Management Office as recommended in the Grightmire Lessons Learned Report AUD22004 with the small remaining 0.16FTE used to increase the hours for the Facilities Summer Students. The salary differential of \$32,385 will be prorated and absorbed within the Operating budget for 2023 budget year and the increase included in the 2024 Operating budget.			
1.6	Healthy and Safe Communities	HPS	Logistics Technicians	0.00	Healthy & Safe Communities	HPS	Logistics Technicians	4.00
	Explanation: Hamilton Paramedic Service - These positions are currently temporary unbudgeted positions required due to COVID. As a consequence of post-pandemic new level of service delivery requirements a new standard of critical enhanced cleaning is necessary on a permanent basis. These 4 positions are to become permanent and funded in year from potential in year program operating savings and from 50/50 Provincial funding from 2024 onward.							
1.7	Healthy and Safe Communities	Housing Services	Program Secretary	1.00	Healthy and Safe Communities	Affordable Housing Secretariat	Program Coordinator	1.00
	Explanation: The Housing Sustainability and Investment Roadmap was approved by City Council in April 2023. One of the key components of "infrastructure" necessary to the success of the Roadmap was the creation of a cross-departmental Secretariat to coordinate and facilitate actions and recommendations in the Roadmap. The Secretariat is made up of three FTE positions: 1) Director, Housing Secretariat; 2) Special Advisor, Housing Secretariat; and 3) Program Coordinator, Housing Secretariat. The Program Coordinator position will be vital to the success of the Roadmap and will require a high level of skills, expertise, and experience. The transfer of one FTE from Housing Services to the Secretariat with a pay band upgrade will enable the creation of and adequate resources for the Program Coordinator position.							
1.8	Public Works	Facilities	Warehouse Coordinator	0.00	Healthy & Safe Communities	Hamilton Paramedic Service	Warehouse Coordinator	2.00
			Courier	0.00			Courier	1.00
	Explanation: To move the temporary unbudgeted positions from Public Works-Facilities to permanent Hamilton Paramedic Service positions. During COVID, a warehouse was created to handle all PPE distribution, storage and inventory control for the City. These positions controlled all of the PPE inventory required by all divisions in the City. As a consequence of post-pandemic new level of service delivery standards, this program is required to be a permanent service managed by Hamilton Paramedic Service. Therefore, these temporary unbudgeted positions are recommended to be transferred from Public Works-Facilities to Hamilton Paramedic Service in 2023 and made permanent. These 3 positions will be funded in year from potential operating program savings and then to be included in the 2024 Operating Budget, in order to receive 50/50 funding in the 2025 Operating Budget and beyond.							

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
 BUDGET AMENDMENT SCHEDULE**

BUDGET RESTATEMENT

Budget Transfer to another division or department

ITEM #	TRANSFER FROM			TRANSFER TO		
	Department	Division	Amount	Department	Division	Amount
1.1	Corporate Services	Non Program Expense- Dept ID 205090	\$75,000	Healthy & Safe Communities	Public Health Services (Dept ID 676000)	\$75,000
	Explanation: To transfer Hamilton Physicians budget from Corporate Financials to Public Health Services					
1.2	Healthy & Safe Communities	Children's & Community Services	\$834,544	Healthy & Safe Communities	Indigenous Relations	\$834,544
	Explanation: To transfer FTE and budget for Indigenous Strategy program from CCS to a new Division; Indigenous Relations.					
1.3	Healthy & Safe Communities	Children's & Community Services	\$137,700	Healthy & Safe Communities	Ontario Works	\$137,700
	Explanation: To transfer responsibility for the Hamilton Roundtable for Poverty Reduction (HRPR) budget from Children Services to Ontario Works					
1.4	Healthy & Safe Communities	Housing Services	\$78,004	Healthy & Safe Communities	Affordable Housing Secretariat	\$78,004
	Explanation: To transfer 1.00 budgeted FTE to Affordable Housing Secretariat from Housing.					

Note - Above budget transfers remain in the same cost category.

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 #	POSITION DETAILS			
	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>
1.1	Corporate Services	Financial Planning Administration and Policy	Senior Project Manager	1.0
Explanation: Contract extension for temporary staff requested for additional 18 months - period October 1st, 2023 to March 31, 2025. To complete work related to the City's 2024 DC By-law update and other divisional initiatives.				

THIS AMENDING WATER SUPPLY AGREEMENT (2023) made with effect as of the ___th day of _____, 2023 **BETWEEN:**

CITY OF HAMILTON

(hereinafter called "**Hamilton**")

- and -

THE REGIONAL MUNICIPALITY OF HALTON

(hereinafter called "**Halton**")

RECITALS

- a. Halton and Hamilton entered into an agreement dated November 17, 2011 for the supply of water to Halton Communities (the "**2011 Water Supply Agreement**"). Subsequently, the 2011 Water Supply Agreement was renewed in accordance with the renewal terms of that agreement for the term of November 17, 2021 to November 16, 2031 on the same terms and conditions.
- b. Halton Regional Council endorsed the recommendations of Report LPS94-20/PW-31-20 for amendments to the renewed 2011 Water Supply Agreement. The 2011 Water Supply Agreement was amended by an Amending Water Supply Agreement made with effect as of the 24th of June, 2021 hereinafter and collectively referred to as the "**Water Supply Agreement.**"
- c. Halton has requested that the Water Supply Agreement be amended to permit an increase in flow rate that would ensure Halton's fire flow requirements are met in the North Aldershot Community through this "**Amending Water Supply Agreement (2023)**".

NOW THEREFORE, in consideration of the mutual covenants and obligations contained herein and subject to the terms and conditions hereinafter set out, Hamilton and Halton agree as follows:

1. The Water Supply Agreement shall be amended by deleting section 2.05:

2.05 Maximum Water Consumption Amount

Halton shall not withdraw water at any time that exceeds: (a) a maximum daily volume of 1,000,000 litres; or (b) a flow rate of 5,500 litres/minute.

The deleted section shall be replaced with:

2.05 Maximum Water Consumption Amount

In the Bridgeview and Snake Road Communities and at 720, 768 and 780 Mountain Brow Road West, Halton shall not withdraw water at any time that exceeds: (a) a maximum daily volume of 1,000,000 litres; or (b) a flow rate of 92 litres/second.

In the North Aldershot Community at the Waterdown Road point of delivery, Halton shall not withdraw water at any time that exceeds: (a) a maximum daily volume of 1,000,000 litres; or (b) a flow rate of 150 litres/second.

2. The Water Supply Agreement shall be amended by deleting subsection 3.03 (d):
 - d) a supply of water not greater than 1,000,000 litres per day in volume at a flow rate not greater than 5,500 litres/minute.

The deleted subsection shall be replaced with:

- d) In the Bridgeview and Snake Road Communities and at 720, 768 and 780 Mountain Brow Road West, a supply of water not greater than (a) 1,000,000 litres per day in volume; or (b) a flow rate not greater than 92 litres/second. It is acknowledged that high flow rates are not sustainable for an extended time. For instance, the maximum flow rate of 92 litres/second is available for a maximum of 2 hours, and is anticipated to be used for only firefighting and water quality flushing purposes.

3. The Water Supply Agreement is amended by adding the following subsection 3.03 (e):

- e) In the North Aldershot Community at the Waterdown Road point of delivery, (a) a maximum supply of water not greater than 1,000,000 litres per day in volume; or (b) a flow rate not greater than 150 litres/second. It is acknowledged that high flow rates are not sustainable for an extended time. For instance, the maximum flow rate of 150 litres/second is available for a maximum of 2 hours, and is anticipated to be used for only firefighting and water quality flushing purposes.

4. The Water Supply Agreement shall be amended by deleting subsection 3.05 Temporary Discontinuations

Hamilton shall be permitted to temporarily discontinue the delivery of water at the Delivery Points if an emergency, as determined in Hamilton's sole discretion, acting reasonably, exists in Hamilton or upon receiving the prior written consent of Halton, it being understood that in either event, any such discontinuance shall be of the minimum duration possible in the circumstances. Hamilton shall use its reasonable efforts to provide Halton with prior notice of any such discontinuance given the circumstances of each event.

The deleted subsection shall be replaced with:

3.05 Temporary Discontinuations and Reductions To Service

Hamilton shall be permitted to temporarily discontinue the delivery, reduce the quantity and/or reduce the rate of flow of water at the Delivery Points when necessary, arising out of any of the following circumstances:

- a) If an emergency, as determined in Hamilton's sole discretion, acting reasonably exists;
- b) If the prior written consent of the Halton is obtained; or
- c) If Hamilton is performing planned or unplanned maintenance, rehabilitation, or repairs,

it is being understood that any such discontinuation or reduction shall be of the minimum duration reasonably possible in the circumstances. Hamilton shall use its reasonable efforts to provide Halton with prior notice of any such discontinuance given the circumstances of each event.

- 3 In all other respects, the Water Supply Agreement shall remain in full force and unamended.
- 4 This Amending Water Supply Agreement (2023) may be executed by the parties in separate counterparts each of which when so executed and delivered to all of the parties shall be deemed to be and shall be read as a single agreement among the parties and may be executed and delivered by means of electronic transmission.
- 5 This Amending Water Supply Agreement (2023) shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK TENTIONALLY

SIGNATURES ARE ON PAGE 3 OF THIS AGREEMENT

IN WITNESS WHEREOF the parties have, by the signature of their representatives duly authorized in that behalf entered into this Amending Water Supply Agreement (2023).

SIGNED, SEALED AND DELIVERED)

this day of , 2023)

at the City of Hamilton,)

Province of Ontario)

this²⁷ day of June , 2023)

at the Town of Oakville,)

Province of Ontario)

CITY OF HAMILTON

Per: _____

Name: Andrea Horwath

Title: Mayor

Per: _____

Name: Andrea Holland

Title: City Clerk

**THE REGIONAL MUNICIPALITY
OF HALTON**

DocuSigned by:
Per: Andrew Farr

Name: Andrew Farr

Title: Commissioner of Public Works

THIS AMENDING WATER SUPPLY AGREEMENT made with effect as of the 21th day of June, 2021 **BETWEEN:**

CITY OF HAMILTON

(hereinafter called "Hamilton")

- and -

THE REGIONAL MUNICIPALITY OF HALTON

(hereinafter called "Halton")

RECITALS

- a. Halton and Hamilton entered into an agreement dated November 17, 2011 for the supply of water to Halton Communities (the "2011 Water Supply Agreement"). Subsequently, the 2011 Water Supply Agreement was renewed in accordance with the renewal terms of that Agreement for the term of November 17, 2021 to November 16, 2031 on the same terms and conditions.
- b. Halton Regional Council has endorsed the recommendations in LPS94-20/PW-31-20 directing the Commissioner of Public Works to enter the necessary agreements with the City of Hamilton.
- c. Halton and Hamilton have, in accordance with the terms and conditions of that agreement, agreed to amend the 2011 Water Supply Agreement as hereinafter set out.
- d. The 2011 Water Supply Agreement as amended by this Amending Water Supply Agreement is hereinafter referred to as the "Water Supply Agreement."

NOW THEREFORE, in consideration of the mutual covenants and obligations contained herein and subject to the terms and conditions hereinafter set out, Hamilton and Halton agree as follows:

- 1. The Water Supply Agreement shall be amended by deleting the following recital on page 1:

AND WHEREAS pursuant to the provisions of section 20 of the Municipal Act, 2001 S.O. 2001, c. 25, Halton and Hamilton are permitted to enter into this Agreement for the supply of water to an adjoining municipality

The deleted recital shall be replaced with:

AND WHEREAS pursuant to the provisions of sections 19 and 20 of the Municipal Act, 2001 S.O. 2001, c. 25, Halton and Hamilton are permitted to enter into this Agreement for the supply of water to an adjoining municipality

2. The Water Supply Agreement shall be amended by adding the following recitals at the end of page 1:

AND WHEREAS Halton and Hamilton intend that Hamilton would service the properties at 720, 768 and 780 Mountain Brow Road West (the "**New Mountain Brow Properties**") with a secure supply of water and no future main pipeline is required to service the properties at 720, 768 and 780 Mountain Brow Road West, subject to Halton or the owners of the New Mountain Brow Properties paying Hamilton for all costs for any service line and connection between the main pipeline and the New Mountain Brow Properties.

AND WHEREAS Halton and Hamilton acknowledge that Hamilton has and intends to continue to service the properties at 8, 24, 38 Mountain Brow Road West (the "**Existing Mountain Brow Properties**") with a secure supply of water and Hamilton constructed the necessary infrastructure to provide water service to 8, 24, 38 Mountain Brow Road West.

AND WHEREAS the Water Supply Agreement was renewed in accordance with the renewal terms of that Agreement for the term of November 17, 2021 to November 16, 2031 on the same terms and conditions.

3. The Water Supply Agreement shall be amended by deleting section 1.01 on page 2:

1.01 Pipeline

All water provided by Hamilton to the Bridgeview, North Aldershot and Snake Road communities (the "**Communities**") with respect to this Agreement shall be provided through pipelines constructed by Halton (the "**Pipelines**").

The deleted section shall be replaced with:

1.01 Pipeline & Services

All water provided by Hamilton to the Bridgeview, North Aldershot, Snake Road communities (the "**Communities**") with respect to this Agreement shall be provided through pipelines that have been constructed by Halton (the "**Pipelines**").

All water provided by Hamilton to the New Mountain Brow Properties and the Existing Mountain Brow Properties (collectively the "**Mountain Brow Properties**") with respect to this Agreement shall be provided through water service pipes, which for the Existing Mountain Brow Properties, have already been constructed by Hamilton, and for the New Mountain Brow Properties, shall be constructed by Halton, the benefitting property owners or their agents (the "**Mountain Brow Services**").

Notwithstanding anything else in this Agreement, neither party shall be obligated to provide any water, unless a water service pipe is in place, meeting all applicable

laws, regulations, standards, codes and other rules. For clarity, Hamilton shall not be obligated to provide any service to the New Mountain Brow Properties, unless and until a service line and connection between the pipeline and the New Mountain Brow Properties has been installed. Halton or the owners of the New Mountain Brow Properties shall be responsible for the cost of any such service line and/or connection.

4. The Water Supply Agreement shall be amended by deleting section 1.02 on page 2:

1.02 Ownership of the Pipeline

All right, title and interest in the Pipelines and any related infrastructure located within Hamilton, together with any water meters supplied by Hamilton, shall be and remain vested in Hamilton. The chamber and valves related to each water meter shall be owned and maintained by Halton. The water meter shall be owned and maintained by Hamilton.

The deleted section shall be replaced with:

1.02 Pipeline & Mountain Brow Services

All right, title and interest in the Pipelines, all infrastructure located solely within Hamilton, and any water meters supplied by Hamilton shall be owned by Hamilton. All right, title and interest in the Pipelines located within a boundary road shall be owned by Hamilton.

All right, title and interest in the Mountain Brow Services and any related infrastructure located within a boundary road shall be owned by Hamilton. Any service lines to Halton Residents within the boundary road, any chamber and any valves related to each water meter shall be owned and maintained by Halton.

The delivery point for the Communities is agreed to be the water meter that adjoins the Hamilton drinking water system to the Halton Pipeline. The delivery point for the Mountain Brow Properties is agreed to be the Mountain Brow Service connection to the Hamilton drinking water system, subject to Section 1.01.

Hamilton and Halton acknowledge and agree that water pressures are expected to be near or above 100 psi in some Hamilton pipelines, including near the New Mountain Brow Properties. Where such water pressures are measured or discovered, Halton shall ensure that a residential pressure reduction management valve, or similar equipment, is installed and maintained, and Hamilton shall not be responsible for any damage caused by any pressure within a Hamilton pipeline in excess of 100 psi. Additionally, Halton shall include a clause in its agreements with the Mountain Brow Properties for the supply of water that gives Hamilton third-party beneficiary rights to defend, release, indemnify and hold harmless Hamilton on the same basis as Halton.

Hamilton and Halton agree to exchange, free of any fee or charge, any and all designs, drawings, manuals, warranties, agreements or other documents for the Pipelines arising from the normal course of construction within a reasonable amount of time, upon request of the other party. The parties further agree to denote all delivery points on any drawing.

5. The Water Supply Agreement shall be amended by deleting section 2.03 on page 3:

2.03 Maintenance

Halton covenants and agrees to be fully responsible for: (a) all water meter chambers; and (b) the maintenance of all works and/or infrastructure associated with the said water supply which are located within Halton. Hamilton hereby agrees to provide access within a reasonable period of time to Halton for the said maintenance and Halton agrees to defend, indemnify and save harmless Hamilton from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever arising as a result of such maintenance by Halton.

The deleted section shall be replaced with:

2.03 Maintenance

Halton covenants and agrees to be fully responsible for: (a) all water meter chambers and valves; and (b) the maintenance of all works and/or infrastructure associated with the said water supply which are located within Halton. Hamilton hereby agrees to provide access within a reasonable period of time to Halton for the said maintenance and Halton agrees to defend, indemnify and save harmless Hamilton from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever arising as a result of such maintenance by Halton.

Subject to Sections 1.01 and this 2.03, Hamilton covenants and agrees to be fully responsible for: (a) all water service pipes to the Mountain Brow Properties; and (b) the maintenance of all water service pipe works and/or infrastructure associated with the said Mountain Brow Services that are located within boundary roads. Halton hereby agrees to provide access within a reasonable period of time to Hamilton for the said maintenance, as may be required. Halton shall pay Hamilton for all costs related to the maintenance of Mountain Brow Services within boundary roads.

6. In all other respects, the Water Supply Agreement shall remain in full force and unamended.
7. This Water Supply Agreement may be executed by the parties in separate counterparts each of which when so executed and delivered to all of the parties shall be deemed to be and

shall be read as a single agreement among the parties and may be executed and delivered by means of electronic transmission.

- 8. This Water Supply Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties have, by the signature of their representatives duly authorized in that behalf entered into this Amending Water Supply Agreement.

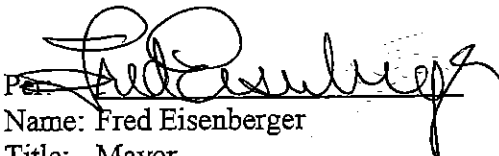
SIGNED, SEALED AND DELIVERED)

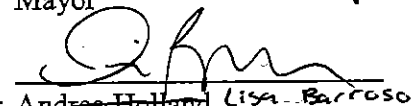
this 24 day of June, 2021)
 at the City of Hamilton,)
 Province of Ontario)

June 9, 2021)

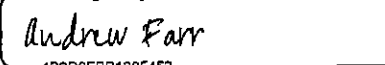
this day of , 2021)
 at the Town of Oakville,)
 Province of Ontario)

CITY OF HAMILTON

Per: 
 Name: Fred Eisenberger
 Title: Mayor

Per: 
 Name: ~~Andrea Holland~~ Lisa Barroso
 Title: City Clerk

THE REGIONAL MUNICIPALITY OF HALTON

Per: 
 Name: Andrew Farr
 Title: Commissioner of Public Works

OFFICE OF THE CLERK	
APPROVED BY COUNCIL	
DATE	June 23 2021
AUTHORITY	ACA report 21-010
INTL	PR YEAR FILE 21/15316

WATER SUPPLY AGREEMENT

DATED: November 17, 2011

BETWEEN:

CITY OF HAMILTON

- and -

THE REGIONAL MUNICIPALITY OF HALTON

**WATER SUPPLY AGREEMENT
BETWEEN CITY OF HAMILTON
AND
THE REGIONAL MUNICIPALITY OF HALTON**

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THIS AGREEMENT made in sextuplicate this 17th day of November 2011
BETWEEN:

CITY OF HAMILTON
(hereinafter called "Hamilton")

OF THE FIRST PART,

-and-

THE REGIONAL MUNICIPALITY OF HALTON,
(hereinafter called "Halton")

OF THE SECOND PART.

WHEREAS Halton and Hamilton are both municipal corporations governed in accordance with the Municipal Act, 2001 S.O. 2001, c. 25;

AND WHEREAS pursuant to the provisions of section 11 of the Municipal Act, 2001 S.O. 2001, c. 25, Halton has the exclusive responsibility in its jurisdiction for public utilities, including water distribution, production, treatment and storage;

AND WHEREAS pursuant to the provisions of section 10 of the Municipal Act, 2001 S.O. 2001, c. 25, Hamilton has the exclusive responsibility in its jurisdiction for public utilities, including water distribution, production, treatment and storage;

AND WHEREAS pursuant to the provisions of section 20 of the Municipal Act, 2001 S.O. 2001, c. 25, Halton and Hamilton are permitted to enter into this Agreement for the supply of water to an adjoining municipality;

AND WHEREAS Halton was in need of a secure supply of water to service the Bridgeview Community in the City of Burlington, in the Regional Municipality of Halton and entered into an Agreement with Hamilton for the provision of water to the Bridgeview Community in 1998;

AND WHEREAS Halton and Hamilton further agreed that Hamilton would service the North Aldershot and Snake Road Communities with a secure supply of water;

AND WHEREAS Halton constructed the necessary infrastructure to provide water service to the North Aldershot and Snake Road Communities;

AND WHEREAS Halton and Hamilton wish to amend and renew the agreements for the supply of water to the Communities (as defined below);

AND WHEREAS at a meeting held on September 14, 2011 Halton Regional Council resolved to approve Report No. PW-49-11 of the Planning & Public Works Committee;

AND WHEREAS at a meeting held on June 29, 2011 Hamilton City Council resolved to approve Item No. 14 of the Audit, Finance and Administration Committee Report No. 11-009;

NOW THEREFORE, WITNESSETH THAT in consideration of the mutual covenants and obligations contained herein and subject to the terms and conditions hereinafter set out, Hamilton and Halton hereto agree as follows:

ARTICLE - I

PIPELINE AND APPURTENANCES

1.01 Pipeline

All water provided by Hamilton to the Bridgeview, North Aldershot and Snake Road communities (the "**Communities**") with respect to this Agreement shall be provided through pipelines constructed by Halton (the "**Pipelines**").

1.02 Ownership of the Pipeline

All right, title and interest in the Pipelines and any related infrastructure located within Hamilton, together with any water meters supplied by Hamilton, shall be and remain vested in Hamilton. The chamber and valves related to each water meter shall be owned and maintained by Halton. The water meter shall be owned and maintained by Hamilton.

1.03 Future Pipelines

It is the intention of Hamilton and Halton that the terms of this Agreement shall apply to any communities that may need a supply of water from Hamilton in the future (in each case, a "**Future Community**").

In the event that Halton determines that the terms of this Agreement should apply to a Future Community:

- (a) Halton shall request of Hamilton that this Agreement apply to a future agreement;
- (b) Hamilton shall agree to such request, provided that:

- (i) such application to a Future Community shall not affect Hamilton's ability to supply water to Hamilton's ratepayer in the same manner as then currently provided, in Hamilton's sole and absolute discretion;
- (ii) an engineer shall confirm on Halton's behalf that such application to a Future Community will not result in an increase in the volume and flow rates described in section 2.05 of this Agreement;
- (iii) Halton shall be responsible for all capital costs associated with the installation of Pipelines, related infrastructure and water meters required to serve a Future Community; and
- (iv) this Agreement shall be read with all necessary grammatical and interpretive changes required such that all references herein shall also be a reference to the supply of water by Hamilton to any such Future Community.

ARTICLE – II

COVENANTS OF HALTON

2.01 Payment for Supply of Water

Halton shall pay for all water delivered through the Pipelines at the rate set out at subsection 4.02 of this Agreement.

2.02 Installation of Backflow Prevention Device

Halton shall be permitted to install a backflow prevention device at all Pipeline delivery points. The maintenance and operation of the backflow prevention device shall be the exclusive responsibility of Halton and it shall be the responsibility of Halton to ensure that said backflow prevention device meets any applicable standards (i.e. CSA.64.10).

2.03 Maintenance

Halton covenants and agrees to be fully responsible for: (a) all water meter chambers; and (b) the maintenance of all works and/or infrastructure associated with the said water supply which are located within Halton. Hamilton hereby agrees to provide access within a reasonable period of time to Halton for the said maintenance and Halton agrees to defend, indemnify and save harmless Hamilton from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever arising as a result of such maintenance by Halton.

2.04 Connection Rights

Halton agrees and understands that Hamilton (including parties acting at the direction or request of Hamilton) shall at all times be permitted to connect service lines and lateral mains to the Pipelines.

2.05 Maximum Water Consumption Amount

Halton shall not withdraw water at any time that exceeds: (a) a maximum daily volume of 1,000,000 litres; or (b) a flow rate of 5,500 litres/minute.

2.06 Water Testing

Upon provision of not less than seven days prior written notice delivered to Hamilton, Halton shall be permitted access to the water meter(s) used in relation to the supply of water pursuant to this Agreement for the purposes of testing them and inspecting their operation.

ARTICLE – III

COVENANTS OF HAMILTON

3.01 Suitability of Pipelines

Hamilton warrants that the Pipelines are in good working order and are suitable for the purposes of this Agreement.

3.02 Maintenance of the Pipelines

Hamilton covenants and agrees to be fully responsible for the maintenance of all works and/or infrastructure associated with the said water supply which are located within Hamilton. Such maintenance shall be to the generally accepted standard for water pipeline maintenance in Hamilton.

3.03 Water Supply

Hamilton shall deliver water having the following characteristics and quality to the Delivery Point:

- a) water meeting the Ministry of the Environment's water quality standards, as amended from time to time;
- b) water meeting all standards of the *Safe Drinking Water Act, 2002*, S.O. 2002, c. 32, as amended from time to time;
- c) water of the same quality as that supplied to consumers in Hamilton; and

- d) a supply of water not greater than 1,000,000 litres per day in volume at a flow rate not greater than 5,500 litres/minute.

3.04 Interruption of Supply

In the event that Hamilton is prevented from carrying out its obligations for supply under this Agreement for reason of any industrial disturbance, insurrection, riot, embargo, fire or explosion, act of God or war or by order of any legislative or federal authority or commission having jurisdiction over it, or by any other similar acts over which Hamilton has no control and cannot reasonably prevent; Hamilton shall, to the extent to which it is so prevented from carrying out any such obligation, be relieved from same while such disability continues.

3.05 Temporary Discontinuations

Hamilton shall be permitted to temporarily discontinue the delivery of water at the Delivery Points if an emergency, as determined in Hamilton's sole discretion, acting reasonably, exists in Hamilton or upon receiving the prior written consent of Halton, it being understood that in either event, any such discontinuance shall be of the minimum duration possible in the circumstances. Hamilton shall use its reasonable efforts to provide Halton with prior notice of any such discontinuance given the circumstances of each event.

3.06 Emergency Backup

In the event Hamilton discontinues or interrupts the delivery of water at the Delivery Points, Halton shall, at its sole cost and expense, be responsible to supply the Communities with an emergency supply of water until the regular water supply is restored.

3.07 Communication Protocol

In the event of any issue with respect to the supply (including the flow) of water arises during the Term, Halton and Hamilton shall follow the protocols outlined in the Memorandum of Understanding (the "MOU") entered into from time to time during the term of this Agreement by Hamilton and Halton. A copy of the MOU in effect as of the date hereof, signed by City of Hamilton Water & Wastewater Division on March 17, 2008 and by Region of Halton Water & Wastewater Division on April 29, 2008, including the appendix thereto, is attached hereto as Appendix "A".

In the event of any contradiction between the terms of the body of this Agreement and the MOU, the terms of the MOU shall govern.

ARTICLE - IV

BILLING

4.01 Invoice Frequency

Hamilton shall invoice Halton for water actually supplied to Halton on a monthly basis.

4.02 Billing Amount

Hamilton shall invoice Halton at 1.5 times the current rate that from time to time Hamilton charges for the supply of water to its consumers within the City of Hamilton. The billing amount shall include all charges relating to the operation and maintenance of the water meter(s) and appurtenances thereto that are located within the boundaries of Hamilton. Halton covenants and agrees that it shall be fully responsible for the cost of the hydro and maintenance of the water meter chambers in accordance with the City Waterworks By-law R84-026, as amended, re-enacted or replaced from time to time.

4.03 Interest

Halton shall pay interest on overdue accounts calculated at the same rate as charged on overdue accounts to consumers within the City of Hamilton.

4.04 Inaccuracies of Meter Readings

In the event that Hamilton or Halton determine that the water supplied to the Delivery Points is not being recorded or has not been recorded accurately for a period of time, Hamilton shall estimate the volume of said water delivered during comparable periods and such determinations and estimates shall be final and binding, and rates as provided in this Agreement shall be charged thereon. The volume estimated must be within 5% of the maximum billed volume for comparable periods. Monetary adjustments for any water supplied but not recorded accurately shall not exceed 90 days of supply in any given period.

ARTICLE - V

LIMITATION OF LIABILITY

5.01 Disclaimer

Hamilton shall not be responsible for any loss or damage sustained directly or indirectly by reason of any variation or temporary interruption in the water supply delivered hereunder or the failure to supply such water or to supply sufficient water to Halton by reason of the construction, administration, operation, repair, replacement or maintenance

of its water works system and, except as otherwise provided in this Agreement, Hamilton shall not be responsible or liable for any loss suffered by Halton that is related to or that would not arise, but for this Agreement and anything done under by reason of this Agreement. For added certainty, and without limiting the generality of the foregoing, it is agreed that due to weather and other circumstances beyond the control of Hamilton, the pressure at the Delivery Points may vary and Hamilton shall not be responsible for such variations in pressure.

5.02 Standard of Care

When undertaking the construction, administration, operation, repair, replacement or maintenance of the water works system contemplated by this Agreement, Hamilton shall use the same standard of care used in relation to the construction, administration, operation, repair, replacement or maintenance of the water works systems in Hamilton generally.

5.03 Notice to Halton

Hamilton shall also be responsible to provide Halton with sufficient notice when undertaking any works which may impact the pressure at the Delivery Points so that Halton may in turn notify the Communities.

5.04 Exception

In the event that Hamilton does not properly notify Halton as set forth in section 5.03 above, Halton will be permitted to seek indemnification from Hamilton from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever to the extent that Hamilton is liable for not properly notifying Halton.

ARTICLE - VI

INDEMNITY

6.01 Indemnity to Hamilton

Halton shall and does hereby for all times covenant to defend, indemnify and save harmless Hamilton, its elected officials, officers, employees and agents, from and against any and all actions, causes of action, interest, claims, demands, costs, damages, expenses, loss or other proceedings however arising which Hamilton may bear, suffer or be put to by reason of this Agreement except to the extent such proceedings are due to the negligence of Hamilton, its elected officials, officers, employees or agents.

6.02 Indemnity to Halton

Hamilton shall and does hereby for all times covenant to defend, indemnify and save harmless Halton, its elected officials, officers, employees and agents, from and against any and all actions, causes of action, interest, claims, demands, costs, damages, expenses, loss or other proceedings however arising which Halton may bear, suffer or be put to by reason of this Agreement except to the extent such proceedings are due to the negligence of Halton, its elected officials, officers, employees or agents.

ARTICLE - VII

INSURANCE

7.01 Commercial General Liability Insurance

Halton shall effect at its own expense (including the cost of deductibles), and maintain and keep in force during the Term, insurance coverage naming as additional insureds, the City of Hamilton and the Ministry of Transportation of Ontario including a Cross Liability Provision, against all claims for personal injury, death, property damage or loss, arising from any accident or occurrence relating to this Agreement in an amount not less than Ten Million Dollars (\$10,000,000.00) in respect of each claim or occurrence.

Hamilton shall effect at its own expense (including the cost of deductibles), and maintain and keep in force during the Term, insurance coverage naming as additional insureds, The Regional Municipality of Halton and the Ministry of Transportation of Ontario including a Cross Liability Provision, against all claims for personal injury, death, property damage or loss, arising from any accident or occurrence relating to this Agreement in an amount not less than Ten Million Dollars (\$10,000,000.00) in respect of each claim or occurrence.

7.02 Acceptability, Termination, Cancellation

All insurers shall be licensed to do business in Ontario. Certificates of Insurance originally signed by authorized representatives, or, if required by Hamilton, certified copies of policies, shall be delivered to Hamilton, at Halton's cost, prior to the commencement of this Agreement, and for all policy renewals thereafter.

The insurance certificates/policies shall contain a clause that the insurers shall not cancel or materially change coverage as would affect this Agreement, without providing Hamilton at least thirty (30) days prior written notice.

If Halton fails to ensure any such policies are maintained, Hamilton may do so (but it is not obliged to) and pay the premium, and in that event Halton will reimburse Hamilton the amount so paid as premium.

7.03 Primary Coverage

All insurance coverages referred to in this Agreement shall be primary and not call into contribution any other insurance coverages.

ARTICLE – VIII

TERM

8.01 Term of Agreement

Subject to the other terms of this Article VIII, this Agreement shall remain in full force and effect for a term of ten (10) years from the date of execution of this Agreement (together with any renewal term, the "Term").

8.02 Early Termination by Halton

In the event that the supply of water from Hamilton pursuant to this Agreement is no longer required by Halton, in Halton's sole discretion, then upon providing Hamilton with not less than 120 days notice in accordance with the notice provisions contained at subsection 10.01 of this Agreement, Halton may terminate this Agreement. In so terminating this Agreement, Halton shall remove or disconnect the Pipelines and the water meter(s), water meter chamber(s) and all appurtenances and restore the lands associated therewith to a reasonable condition, in the opinion of Hamilton, and that Halton shall be responsible for all expenses associated with such removal, disconnection and restoration.

8.03 Early Termination by Hamilton

In the event that during the Term, there is not sufficient capacity in Hamilton's waterworks system to continue to supply Halton the volumes and rates of water referred to herein, in Hamilton's sole opinion, acting reasonably, then upon Hamilton providing Halton with not less than two years notice, in accordance with the notice provisions contained at subsection 10.01 of this Agreement, Hamilton may terminate this Agreement. Hamilton shall not be responsible for any loss, expense or damage sustained directly or indirectly by Halton by reason of Hamilton exercising its right to terminate this Agreement as set out in this subsection 8.03. Further, in so terminating this Agreement, Halton shall remove or disconnect the Pipelines and the water meter(s), water meter chamber(s) and all appurtenances and restore the lands associated therewith to a reasonable condition, in the opinion of Hamilton, and that Halton shall be responsible for all expenses associated with such removal, disconnection and restoration.

8.04 Renewal

Either party may, by giving written notice to the other in accordance with the notice provisions contained at subsection 10.01 of this Agreement, not less two years before

expiry of the Term to extend the Term for a renewal period of ten years. An extension for any renewal period shall be on the same terms and conditions as set out in this Agreement unless otherwise agreed upon by the Parties.

ARTICLE - IX

DISPUTES

9.01 Dispute Resolution

If a dispute arises under this Agreement which is not resolved by the operational personnel involved, Halton's Director of Water Services and Hamilton's Senior Director of Environment and Sustainable Infrastructure shall be notified and shall meet within fifteen (15) business days in attempt to resolve the dispute. In the event they are unable to resolve the dispute, they shall notify Halton's Commissioner of Public Works and Hamilton's General Manager of Public Works who shall meet as promptly as possible in attempt to resolve the dispute. In the event that they are unable to resolve the dispute, the parties may proceed to rely upon subsection 9.02 or take any other steps available at law to protect their interests.

9.02 Mediation and Arbitration

Should the parties not be able to resolve their dispute between themselves, the parties may upon mutual agreement, utilize the services of an independent third party mediator and/or arbitrator.

The mediator/arbitrator shall be mutually agreed upon by Halton and Hamilton. Each party shall be responsible for its use of the third party mediation/arbitration process however the cost of the third party mediator/arbitrator shall be shared equally between Halton and Hamilton.

Halton and Hamilton agree that the rules and procedures of the *Arbitration Act, 1991*, S.O. 1991, c. 17, as amended, shall apply. The Parties expressly agree that the provisions of the *Municipal Arbitrations Act*, R.S.O. 1990, c.M.48, shall not apply at any time to any arbitration initiated pursuant to this Agreement.

ARTICLE - X

NOTICE

10.01 Notice

Any notice required to be given under this Agreement shall be in writing, and may be given personally, by facsimile or by prepaid first class mail, in which case receipt shall be

deemed five business days after the mailing.

Notice to the parties may be delivered to the following addresses:

Halton: 1151 Bronte Road
Oakville, Ontario
L6M 3L1

Fax: 905-825-0267

Attn: Director of Water Services

Hamilton: 71 Main St. West
Hamilton, ON
L8P 4Y5

Fax: 905-546-4481

Attn: Senior Director of Environment and Sustainable
Infrastructure, Public Works Department

ARTICLE - XI

GENERAL PROVISIONS

11.01 Compliance with Laws

The rights and privileges, duties and obligations arising out of this Agreement shall be subject to any applicable statute, regulation, law, order and direction of any governmental authority having jurisdiction over the parties and now or hereafter in effect during the Term.

11.02 Binding Agreement

This Agreement shall not be in force, or bind any of the parties, until executed by both Halton and Hamilton. This Agreement shall ensure the benefit of and be binding upon the parties hereto and their successors, but shall not be assigned in whole or in part.

11.03 Time of the Essence

Time shall be of the essence of this Agreement

11.04 Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

11.05 Amendments Must Be Equally Formal

This Agreement may not be amended except by an instrument in writing of equal formality signed by the parties to this Agreement or by their successors or assigns as limited in this Agreement.

11.06 Independent Legal Advice

Both parties acknowledge that it has read, understood and obtained independent legal advice respecting this Agreement and the terms thereof.

11.07 Waiver

Halton and Hamilton agree that any actions of either or both parties hereto in contravention of this Agreement shall not be relied upon as a waiver of any term of this Agreement and no approvals given by any employee of either party shall constitute a waiver by the respective party of its rights under this Agreement.

11.08 Further Assurances

Halton and Hamilton agree that they will, upon the reasonable request of each other, make, do, execute or cause to be made, done or executed all such further and other lawful acts, deeds, things, devices and assurances whatsoever to effect all of the terms, provisions and conditions of this Agreement.

11.09 Entire Agreement

This Agreement and the documents and instruments to be executed and delivered under it constitute the entire agreement between the parties and supersedes any previous agreement or arrangement, oral or written, between the parties. This Agreement and the documents and instruments to be executed and delivered under it, contain all the covenants, representations, and warranties of the respective parties. There are no oral representations or warranties between the parties of any kind.

[Execution pages follow.]

IN WITNESS WHEREOF the parties have, by the signature of their representatives duly authorized in that behalf, entered into this Agreement.

SIGNED, SEALED AND DELIVERED

This 17th day of November, 2011
at the City of Hamilton, Province
of Ontario.

Approved
as to form
[Signature]
Legal
Services

CITY OF HAMILTON

[Signature: R. Bratina]
Mayor, R. Bratina

[Signature: R. Caterini]
City Clerk, R. Caterini

This 4th day of October, 2011
at the Town of Oakville, Province
of Ontario.

THE REGIONAL MUNICIPALITY
OF HALTON

[Signature: Gary Carr]
Regional Chair, Gary Carr

[Signature: Susan Lathan]
Regional Clerk, Susan Lathan

RISK MANAGEMENT SERVICES

PER *[Signature]*

OFFICE OF THE CLERK
APPROVED BY COUNCIL
DATE June 29, 2011
REP. AP-PA 11-007 ITEM 14
EXT. 2011-7922