



## AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 23-015

9:30 a.m.  
October 4, 2023  
Council Chambers  
Hamilton City Hall

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

**Absent with**

**Regrets:** Councillor B. Clark – Personal

### THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT 23-015 AND RESPECTFULLY RECOMMENDS:

**1. Consent Items (Items 9.1 to 9.2)**

That the following Reports, be received:

- (a) 2023 Second Quarter Emergency and Non-competitive Procurements Report (FCS23019(a)) (City Wide) (Item 9.1)
- (b) 2023 Second Quarter Non-compliance with the Procurement Policy Report (FCS23020(a)) (City Wide) (Item 9.2)
- (c) 2023 Second Quarter Request for Tenders and Proposals Report (FCS23021(a)) (City Wide) (Item 9.3)
- (d) Grightmire Arena Lessons Learned Audit (AUD22004) – Management Responses Status Report (PW23007(a)/FCS23011(a)) (City Wide) (Outstanding Business List Item) (Item 9.4)
- (e) Mundialization Committee Minutes - May 17, 2023 (Item 9.5)

**2. Development Charges Stakeholders Sub-Committee Report 23-002 (September 18, 2023) (Item 10.1)**

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

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

**3. Integrity Commissioner and Lobbyist Registrar Appointment (FCS23106) (City Wide) (Item 10.2)**

That the draft By-law attached as Appendix “A” to Report FCS23106 to appoint Boghosian + Allen LLP as Integrity Commissioner and Lobbyist Registrar for the City of Hamilton, which has been prepared in a form satisfactory to the City Solicitor, be enacted.

**4. Tax and Rate Operating Budgets Variance Report as at July 31, 2023 – Budget Control Policy Transfers (FCS23063(a)) (City Wide) (Item 10.3)**

**(Hwang/A. Wilson)**

- (a) That the Tax Operating Budgets Variance Report, as at July 31, 2023, attached as Appendix “A” to Audit, Finance and Administration Committee Report 23-015, be received;
- (b) That the Rate Operating Budgets Variance Report, as at July 31, 2023, attached as Appendix “B” to Audit, Finance and Administration Committee Report 23-015, be received;
- (c) That, in accordance with the “Budgeted Complement Control Policy”, the 2023 complement transfer transferring complement 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 23-015, be approved; and
- (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 23-015, be approved.

**5. Commercial Relationship between City of Hamilton and Fairway Electrical Services Inc. (LS23032/FCS23101) (City Wide) (Added Items 10.4 and 14.3)**

- (a) That, due to the impairment of the commercial relationship between the City of Hamilton and Fairway Electrical Services Inc. that has resulted from litigation proceedings, a ban be imposed upon Fairway Electrical Services Inc. and any of its related corporate or individual entities from competing on or being awarded any City contract until and including October 11, 2025, or the litigation resolves, whichever is sooner;
- (b) That staff be directed to reject any current and future bids, proposals or quotations received from Fairway Electrical Services Inc. or any of its related corporate or individual entities, until and including October 11, 2025, or the litigation resolves, whichever is sooner;
- (c) That the City of Hamilton does not enter into any contract with Fairway Electrical Services Inc., or any of its related corporate or individual entities

until and including October 11, 2025, or the litigation resolves, whichever is sooner; and,

- (d) That Appendix "A" to Report LS23032/FCS23101 remain confidential as it contains details regarding ongoing litigation affecting the City and the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

**6. Hamilton Police Services and Hamilton Public Library Surpluses and Deficits (Item 11.1)**

WHEREAS, the City of Hamilton is the primary funder for Hamilton Police Services and Hamilton Public Library;

WHEREAS, the City of Hamilton is legislatively required to approve the Hamilton Police Services Board and Hamilton Public Library Board of Directors approved budgets for Hamilton Police Services and Hamilton Public Library;

WHEREAS, the City of Hamilton approves the disposition of any year end surpluses and deficits for Hamilton Police Services and Hamilton Public Library;

WHEREAS, the Hamilton Police Services Board and Hamilton Public Library Board of Directors approve any year-end surplus or deficit related transfers exclusive of Hamilton City Council consideration and approval; and

WHEREAS, the Hamilton Police Services Board and Hamilton Public Library Board of Directors have approved reserve policies in keeping with City of Hamilton Reserve policies;

THEREFORE, BE IT RESOLVED:

- (a) That City staff coordinate with Hamilton Police Services to prepare an amendment to the year-end closing process whereby Council would receive and approve any Hamilton Police Services Board recommendations related to transfer funds to and from reserves relating to year-end surpluses and deficits; and
- (b) That City staff coordinate with Hamilton Public Library to prepare an amendment to the year-end closing process whereby Council would receive and approve any Hamilton Public Library Board of Directors recommendations related to transfer funds to and from reserves relating to year-end surpluses and deficits.

**7. Replacement of Legend Software and Review of Xplor Recreation Software (FCS23088/HSC23061) (City Wide) (Item 14.2)**

- (a) That the direction provided to staff in Closed Session, respecting Report FCS23088/HSC23061, Replacement of Legend Recreation Software Inc. used by the Recreation division and the Tourism and Culture division be

approved and remain confidential until negotiations are completed, and a contract is in place;

- (b) That Report FCS23088/HSC23061 respecting the replacement of the existing software, Legend Recreation Software Inc., remain confidential; and,
- (c) That the applicable resulting contract award information be publicly reported in the appropriate quarterly status report for Tenders and Proposals.

**FOR INFORMATION:**

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

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

**6. DELEGATION REQUESTS**

- 6.1 Jason Herd, Fairway Electrical Services, respecting the City's letter to Fairway, dated September 18th, 2023 (Item 10.4) (for today's meeting)

**10. DISCUSSION ITEMS**

- 10.4 Commercial Relationship between City of Hamilton and Fairway Electrical Services Inc. (LS23032/FCS23101) (City Wide) – *previously listed as Item 14.3*

**14. PRIVATE & CONFIDENTIAL**

- 14.3 *Confidential Appendix A to Item 10.4*, Commercial Relationship between City of Hamilton and Fairway Electrical Services Inc. (LS23032/FCS23101) (City Wide)

The agenda for the October 5, 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) September 21, 2023 (Item 4.1)**

The Minutes of the September 21, 2023 meeting of the Audit, Finance and Administration Committee, were approved, as presented.

**(d) DELEGATION REQUESTS (Item 6)**

- (i) Jason Herd, Fairway Electrical Services, respecting the City's letter to Fairway, dated September 18th, 2023 (Item 10.4) (for today's meeting) (Item 6.1)**

The Delegation Request from Jason Herd, Fairway Electrical Services, respecting the City's letter to Fairway, dated September 18th, 2023 (Item 10.4), was approved for today's meeting.

**(e) DELEGATIONS (Item 6)**

- (i) Jason Herd, Fairway Electrical Services, respecting the City's letter to Fairway, dated September 18th, 2023 (Item 10.4) (Item 6.1)**

Jason Herd, Fairway Electrical Services, addressed Committee respecting the City's letter to Fairway, dated September 18th, 2023 (Item 10.4).

The Delegation from Jason Herd, Fairway Electrical Services, respecting the City's letter to Fairway, dated September 18th, 2023 (Item 10.4), was received and referred to the consideration of Items 10.4 and 14.3, Commercial Relationship between City of Hamilton and Fairway Electrical Services Inc.

For further disposition of this matter, refer to Item 5.

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

- (i) Commercial Relationship between City of Hamilton and Fairway Electrical Services Inc. (LS23032/FCS23101) (City Wide) (Item 10.4)**

Consideration of Report LS23032/FCS23101, respecting Commercial Relationship between City of Hamilton and Fairway Electrical Services Inc. (City Wide), was deferred until after Closed Session.

For further disposition of this matter, refer to Item 5.

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

- (i) Closed Minutes - September 21, 2023**

The Closed Session Minutes of the September 7, 2023 meeting of the Audit, Finance and Administration Committee, were approved, as presented.

The Audit, Finance and Administration Committee moved into Closed Session, pursuant to Section 9.3, Sub-sections (e), (f) and (k) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-sections (e), (f) and (k) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to

litigation or potential litigation, including matters before administrative tribunals, affecting the City or a local board; advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on by or on behalf of the municipality.

**(ii) Replacement of Legend Software and Review of Xplor Recreation Software (FCS23088/HSC23061) (City Wide) (Item 14.2)**

For further disposition of this matter, refer to Item 7.

**(iii) Confidential Appendix “A” to Report LS23032/FCS23101 - Commercial Relationship between City of Hamilton and Fairway Electrical Services Inc (Added Item 14.3)**

For further disposition of this matter, refer to Item 5.

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

There being no further business, the Audit, Finance and Administration Committee, was adjourned at 11:27 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 JULY 31, 2023**  
**(\$ 000's)**

	2023 Approved Budget	2023 Actuals to July 31	Projected Actuals to Dec. 31	2023 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
<b>PLANNING &amp; ECONOMIC DEVELOPMENT</b>						
General Manager	1,627	719	1,505	122	7.5%	\$83 K gapping including less membership and conference costs, \$21 K Material and Supply with lower admin expenses & meetings, \$11 K Recoveries - budgeted space allocation savings for Climate Change Office where actuals will be charged in 2024, \$7 K Contractual savings in marketing and computers.
Transportation, Planning and Parking	3,234	1,531	3,183	51	1.6%	\$699 K increased revenues Admin fees, Fines, Parking revenue, Processing fees, Tow Fees, On-Street Parking Fees, On-Street Meter Revenue), \$330 K Gapping Partially offset by: (\$418 K) Reduced COVID reserve funding due to higher parking revenue (\$255 K) Current Year Property Taxes, Processing Fees, Credit Card Charges (\$184 K) Contractual: Imperial Parking staffing (\$81 K) Ticketing software & ticket expense
Building	1,203	(757)	1,243	(40)	(3.3)%	\$36 K net gapping. \$1.93 M excess Building permit fees will be transferred to reserve.
Economic Development	5,615	4,335	5,565	49	0.9%	\$230 K decrease in loan applications and decrease in Title Fees, \$80 K net gapping, \$53 K Grants and Subsidies - Starter Company Plus (SCP) Provincial Funding program spread across different fiscal period than City, \$41 K decrease in cost allocations for streetscape maintenance and staffing allocation from other divisions, \$12 K decrease in contractual in Corporate Real Estate Office (CREO) for property maintenance and cell phones, partially offset by \$367 K decrease in airport property tax revenue.
Growth Management	932	(3,537)	845	87	9.3%	\$689 K net gapping, \$100 K Legal recoveries not realized, \$60 K Consulting for peer review not anticipating to be used \$22 K Training and Memberships, \$2.6 M in surplus revenues. Partially offset by; \$3.4 M revenue deferral/reserve transfer.
Licensing & By-Law Services	7,227	3,914	7,211	16	0.2%	\$414 K net gapping; partially offset by \$255 K Unrealized Budgeted Covid reserve funding not required due to gapping savings, \$141 K reduced Licensing fees revenues.
Planning	3,788	(1,550)	3,455	333	8.8%	\$620 K net gapping, \$43 Professional memberships, \$1.4 M revenues higher than budget. Partially offset by; \$1.7 M reserve transfer.
Tourism & Culture	10,460	5,722	10,483	(23)	(0.2)%	\$78 K pressures in Security costs, \$72 K decreased Film revenues partially offset by \$64 K Savings in Building Repairs and Materials, \$56 K increased revenues in Rental, Admissions and Recoverable Services.
<b>TOTAL PLANNING &amp; ECONOMIC DEVELOPMENT</b>	<b>34,087</b>	<b>10,377</b>	<b>33,492</b>	<b>595</b>	<b>1.7%</b>	
<b>HEALTHY AND SAFE COMMUNITIES</b>						
HSC Administration	3,074	1,905	3,293	(219)	(7.1)%	Unfavourable variance due to \$89 K COVID related Encampment Program costs, \$104 K due to additional temporary positions offset by step differential due to backfilling vacant positions and \$25 K due to software, consulting fees, direct and indirect costs
Children's and Community Services	11,278	3,364	8,450	2,828	25.1%	Favorable variance due to provincially funded transitional grant \$2.3 M and gapping \$516 K.
Ontario Works	13,539	6,410	13,767	(228)	(1.7)%	Unfavorable variance of \$228 K due to a \$549 K pressure in client benefits to find employment, \$145 K pressures in benefits for low income clients, offset by \$310 K of gapping due to vacancies, \$86 K through maximizing available subsidies, and \$70 K as a result of electronic data management net with other costs.
Housing Services	70,135	43,920	76,073	(5,938)	(8.5)%	Unfavorable variance due to \$4.8 M is a result of unfunded COVID costs to support Drop-Ins, Dorothy Day program supports and a temporary womens emergency shelter, \$4.4 M pressure in the family system and related emergency hotel costs, \$356 K pressure in payments to support client arrears to prevent evictions, offset by \$3.4 M in savings related to social housing provider annual reconciliation recoveries and \$256 K other program related costs.
Affordable Housing Secretariat	6	0	6	(0)	(0.1)%	Affordable Housing Secretariat is projecting no pressure in 2023.
Long Term Care	12,972	5,134	13,127	(155)	(1.2)%	Unfavorable variance due to \$146 K staffing costs, work accommodation, overtime, LTD, sick pay, cohorting, and \$430 K supply and support services costs. This is offset partially by \$421 K in revenue received greater than anticipated including increased level of care funding.
Recreation	37,935	19,069	38,508	(573)	(1.5)%	Unfavorable variance due to projected lost revenue in Food Services of \$691 K from program review resulting from Covid restrictions, as well as higher building costs \$844 K offset by savings in Employee Related due to Gapping of \$967 K from challenges in recruitment of required staff. This is mainly attributable to market conditions resulting from COVID.
Hamilton Fire Department	101,180	60,797	101,726	(546)	(0.5)%	Unfavorable variance due to overtime costs of COVID absences with no available funding assumption to offset the expenses, \$229 K, vehicle parts and repairs, \$214 K, and other contractual and operating costs \$103 K.
Hamilton Paramedic Service	35,874	19,141	35,769	105	0.3%	Favorable variance due to Provincial funding increase of \$935 K, lower than expected vehicle costs including fuel \$274K, and higher than expected user fee revenue \$125 K. Offset by pressures due to employee related costs including backfill costs and overtime (\$726 K), Operating costs including operating supplies, medical equipment, and prescription medication due to increases in prices (\$368 K), and unfunded COVID costs for enhanced cleaning (\$135 K).
Public Health Services	15,363	10,062	15,163	200	1.3%	Favourable variance primarily due to gapping.
<b>TOTAL HEALTHY AND SAFE COMMUNITIES</b>	<b>301,355</b>	<b>169,802</b>	<b>305,881</b>	<b>(4,525)</b>	<b>(1.5)%</b>	

- ( ) Denotes unfavourable variance.

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

**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2023**  
**(\$ 000's)**

	2023 Approved Budget	2023 Actuals to July 31	Projected Actuals to Dec. 31	2023 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
<b>PUBLIC WORKS</b>						
PW-General Administration	(222)	5	0	(222)	100.0%	The General Administration Division is forecasting an unfavourable variance of (\$222 K) due to: • (\$222 K) gapping
Corporate Asset Management	2,379	1,065	2,811	(432)	(18.2)%	The Corporate Asset Management Division is forecasting an unfavourable variance of (\$432 K) due to: • (\$432 K) net variance due to temporary staff in CAM section offset by approved PW and Corporate wide gapping.
Corporate Facilities & Energy Management	14,685	8,681	16,171	(1,486)	(10.1)%	The Corporate Facilities and Energy Management Division is forecasting an unfavourable variance of (\$1.5 M) due to: • (\$500 K) Grey Cup anticipated unbudgeted expenses for snow removal, stadium preparations & game day costs • (\$100 K) Parks unbudgeted repairs and winterization • (\$272 K) Security guard costs vacant buildings due to increased vandalism • (\$258 K) Gapping not realized due to the amount of Cost Recovery for the Division • (\$120 K) Parks patrols, washroom assistance and other client driven security guard services • (\$115 K) Unrealized rent revenue
Engineering Services		(320)	(300)	300	0.0%	The Engineering Services division is forecasting a favourable surplus of \$300 K attributed to: • \$300 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	48,205	27,582	47,427	778	1.6%	The Environmental Services Division is forecasting a variance of \$778 K due to: • \$778 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	48,650	27,210	51,356	(2,706)	(5.6)%	The Waste Management Division is projecting an unfavourable variance of (\$2.7 M) mainly due to: • (\$1.2 M) lower forecasted revenues on commodities based on tonnages, year-to-date activities and actual vs. budgeted commodity prices • (\$1.1 M) higher forecasted contractual costs mainly due from 2023 escalation factors calculating higher than budgeted. • (\$250 K) higher forecasted costs for site security at the Transfer Stations. To be included in the 2024 budget. • (\$78 K) higher forecasted Scale House contractual costs due to current contractor issues and needing to get an emergency contract in place. Tender to follow. • (\$63 K) Court Ordered Fine for odor issues at the Central Composting Facility
Transit	93,597	69,503	97,564	(3,967)	(4.2)%	The Transit Division is forecasting an unfavourable variance of (\$4.0 M) due to:  Favourable variance of \$10.5 M driven by: • \$6.7 M Salaries and wages • \$1.5 M DARTS contract • \$829 K Taxi Contract (TransCab and Taxi Scrip) • \$634 K PRESTO commissions • \$484 K Fuel - positive Diesel price variance, negative natural gas fuel variance • \$152 K BRINKS charges and Other Fees and Services • \$139 K Tires and Tubes • \$109 K Ticket and Pass expenses  Unfavourable variance of (\$14.5 M) driven by: • (\$7.9 M) Gapping targets not met from (\$4.0 M) in additional Overtime; (\$3.1 M) in Sick time and (\$762 K) in Stat Holiday and Vacation Pay. • (\$3.0 M) Fare Revenue • (\$2.1 M) Safe Restart Agreement Funding unrealized due to Provincial request to return funds • (\$1.3 M) Vehicle Parts - increased costs • (\$241 K) Taxi Scrip revenue
Transportation Operations & Maintenance	87,167	53,546	86,616	551	0.6%	The Transportation Division is forecasting a surplus of \$550 K mainly due to:  Favourable variance of \$1.8 M due to: • \$1.8M net gapping savings due to seasonal staff due to hiring delays, staff vacancies attributed to normal staff turnover (retirements, job transfers, seasonal hiring, etc.).  Unfavourable variances of (\$1.25 M) due to: • (\$933 K) in Roadway Snow Clearing - Hired Equipment for Winter Operations • (\$217 K) in Diesel Fuel and Unleaded Fuel • (\$104 K) in Consulting Services related to Snow Plow Route Optimization and Excess Soil
<b>TOTAL PUBLIC WORKS</b>	<b>294,461</b>	<b>187,271</b>	<b>301,644</b>	<b>(7,183)</b>	<b>(2.4)%</b>	

- ( ) Denotes unfavourable variance.

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



**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2023**  
**(\$ 000's)**

	2023 Approved Budget	2023 Actuals to July 31	Projected Actuals to Dec. 31	2023 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
<b>LEGISLATIVE</b>						
Legislative General	(282)	(24)	(240)	(42)	15.0%	Gapping target not met, higher legal and membership fees, offset by savings in contingency, communications & contractual budgets.
Mavors Office	1,271	684	1,271	(0)	(0.0)%	
Volunteer Committee	121	13	121	(0)	(0.0)%	
Ward Budgets	4,486	2,273	4,486	0	0.0%	
<b>TOTAL LEGISLATIVE</b>	<b>5,596</b>	<b>2,945</b>	<b>5,639</b>	<b>(42)</b>	<b>(0.8)%</b>	
<b>CITY MANAGER</b>						
Auditor General	1,275	688	1,275	0	0.0%	Gapping savings due to vacancies offset by consulting costs.
CMO - Admin	276	279	459	(183)	(66.5)%	Temporary staffing to support Council transition and City Manager's Office government relations function; recruitment costs for City Manager
Communications and Strategic Initiatives	2,946	1,732	3,025	(79)	(2.7)%	Employee leave backfill costs.
Digital and Innovation Office	486	50	586	(100)	(20.7)%	Consulting costs for Term of Council priorities; temp staffing related to Our Citizen survey.
Government & Community Relations	1,367	673	1,260	107	7.8%	Vacant positions; unspent budget related to Government Relations external vendors.
Human Resources	9,075	4,936	9,261	(186)	(2.1)%	Additional costs related to recruitment and retention efforts (senior project manager) to be funded by corporate surplus; offset by savings in leadership development budget
<b>TOTAL CITY MANAGER</b>	<b>15,423</b>	<b>8,357</b>	<b>15,865</b>	<b>(442)</b>	<b>(2.9)%</b>	
<b>CORPORATE SERVICES</b>						
City Clerk's Office	3,697	2,494	3,668	28	0.8%	\$66 K Employee cost net of Gapping; partially offset by: (\$33 K) Marriage license costs, (\$5 K) Advertising; (\$5 K) Computer software
Customer Service, POA and Fin'l Integration	6,416	3,220	6,216	200	3.1%	\$149 K Employee cost net of Gapping, \$75 K Computer Software, \$28 K Operating cost, \$14 K Training; partially offset by: (\$67 K) Consulting costs
Financial Serv, Taxation and Corp Controller	4,668	2,053	4,402	266	5.7%	\$299 K Employee cost net of Gapping; partially offset by: (\$26 K) Consulting Services, (\$10 K) Tax Fee Revenue
Legal Services and Risk Management	4,950	4,502	4,632	318	6.4%	\$352 K Employee cost net of Gapping; partially offset by: (\$12 K) Training and Professional/Memberships/Dues, (\$12 K) Operating Costs, (\$10 K) Recoveries
Corporate Services - Administration	347	230	326	21	6.0%	\$12 K Training, \$5 K Contractual Services, \$3 K Membership Fees
Financial Planning, Admin & Policy	5,826	4,033	5,494	333	5.7%	\$350 K Employee cost net of Gapping, \$19 K in Facilities, \$10 K Training, \$6 K Union Fees; partially offset by: (\$32 K) Earned Interest, (\$21 K) Software and Services Purchases
Information Technology	19,643	10,072	18,034	1,609	8.2%	\$1.5 M Employee cost net of Gapping, \$196 K Software costs, \$57 K Facilities Costs; partially offset by: (\$124 K) Training and Conference costs, (\$50 K) Consulting Services, (\$17 K) Cell Phones
<b>TOTAL CORPORATE SERVICES</b>	<b>45,548</b>	<b>26,605</b>	<b>42,772</b>	<b>2,775</b>	<b>6.1%</b>	
<b>CORPORATE FINANCIALS</b>						
Corporate Initiatives	4,017	3,801	4,991	(974)	(24.2)%	Unfavourable variance as a result of higher insurance premiums.
Corporate Pensions, Benefits & Contingency	15,637	(2,085)	15,983	(346)	(2.2)%	Unfavourable variance as a result of higher WSIB expenditures, slightly offset by lower retiree benefits.
<b>TOTAL CORPORATE FINANCIALS</b>	<b>19,654</b>	<b>1,715</b>	<b>20,974</b>	<b>(1,320)</b>	<b>(6.7)%</b>	
<b>HAMILTON ENTERTAINMENT FACILITIES</b>						
Operating	150	3,065	0	150	100.0%	Insurance recoveries budgeted and projected to be recovered from HUPEG.
<b>TOTAL HAMILTON ENTERTAINMENT FACILITIES</b>	<b>150</b>	<b>3,065</b>	<b>0</b>	<b>150</b>	<b>100.0%</b>	
<b>TOTAL CITY EXPENDITURES</b>	<b>716,274</b>	<b>410,138</b>	<b>726,267</b>	<b>(9,992)</b>	<b>(1.4)%</b>	
<b>CAPITAL FINANCING</b>						
Debt-Healthy and Safe Communities	1,169	(549)	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	101,597	105,187	724	0.7%	
Infrastructure Renewal Levy	13,429	13,429	13,429	(0)	(0.0)%	
<b>TOTAL CAPITAL FINANCING</b>	<b>154,977</b>	<b>114,477</b>	<b>138,854</b>	<b>16,123</b>	<b>10.4%</b>	Surplus in principal and interest savings due to timing in the issuance of debt.

- ( ) Denotes unfavourable variance.

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

**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2023**  
**(\$ 000's)**

	2023 Approved Budget	2023 Actuals to July 31	Projected Actuals to Dec. 31	2023 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
<b>BOARDS &amp; AGENCIES</b>						
<b>Police Services</b>						
Operating	192,361	108,042	192,361	0	0.0%	The June 30, 2023 variance report will be provided to the Hamilton Police Services Board on September 28, 2023.
Capital Financing	1,235	0	1,235	0	0.0%	
<b>Total Police Services</b>	<b>193,596</b>	<b>108,042</b>	<b>193,596</b>	<b>0</b>	<b>0.0%</b>	
<b>Other Boards &amp; Agencies</b>						
Library	33,956	10,242	33,753	203	0.6%	Due to favourable gapping.
Conservation Authorities	8,930	6,371	8,930	0	0.0%	
Hamilton Beach Rescue Unit	6,833	50	6,833	0	0.0%	(\$47 K) decrease in rental revenue, (\$13 K) Utility increase, (\$12 K) expected bad debt expense; partially offset by \$32 K Gapping savings.
Royal Botanical Gardens	143	438	143	0	0.0%	
MPAC	660	5,125	660	0	0.0%	
Farmers Market	251	34	300	(49)	(19.5)%	
<b>Total Other Boards &amp; Agencies</b>	<b>50,774</b>	<b>22,260</b>	<b>50,619</b>	<b>154</b>	<b>0.3%</b>	
<b>Capital Financing - Other Boards &amp; Agencies</b>	<b>198</b>	<b>0</b>	<b>198</b>	<b>(0)</b>	<b>(0.0)%</b>	
<b>City Enrichment Fund</b>	<b>6,575</b>	<b>3,448</b>	<b>6,575</b>	<b>(0)</b>	<b>(0.0)%</b>	
<b>TOTAL BOARDS &amp; AGENCIES</b>	<b>251,143</b>	<b>133,750</b>	<b>250,988</b>	<b>154</b>	<b>0.1%</b>	
<b>TOTAL EXPENDITURES</b>	<b>1,122,395</b>	<b>658,365</b>	<b>1,116,109</b>	<b>6,285</b>	<b>0.6%</b>	
<b>NON PROGRAM REVENUES</b>						
Slot Revenues	(5,695)	(2,623)	(5,695)	0	0.0%	Assumed on budget for year-end.
Investment Income	(4,800)	(29,072)	(4,800)	0	0.0%	Assumed on budget for year-end.
Hydro Dividend and Other Interest	(6,568)	(2,236)	(6,126)	(442)	6.7%	Based on 2023 experience.
Tax Remissions and Write Offs	8,818	(570)	8,078	740	8.4%	Based on 2023 actuals.
Payment In Lieu	(17,519)	(18,736)	(18,291)	773	0.0%	Based on 2023 experience.
Penalties and Interest	(11,500)	(8,122)	(13,000)	1,500	(13.0)%	Based on 2023 experience.
Riight of Way	(3,230)	(3,229)	(3,229)	0	0.0%	Assumed on budget for year-end.
Senior Tax Credit	534	595	549	(14)	(2.7)%	Based on 2023 experience.
Supplementary Taxes	(10,130)	30	(11,830)	1,700	(16.8)%	Based on 2023 experience.
POA Revenues	(2,698)	(1,213)	(2,698)	0	0.0%	Assumed on budget for year-end.
<b>TOTAL NON PROGRAM REVENUES</b>	<b>(52,787)</b>	<b>(65,177)</b>	<b>(57,043)</b>	<b>4,256</b>	<b>0.0%</b>	
<b>TOTAL LEVY REQUIREMENT</b>	<b>1,069,608</b>	<b>593,188</b>	<b>1,059,067</b>	<b>10,542</b>	<b>1.0%</b>	

- ( ) Denotes unfavourable variance.

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

**CITY OF HAMILTON**  
**2023 COMBINED WATER, WASTEWATER AND STORM OPERATING BUDGET**  
**BUDGET VARIANCE REPORT as of July 31, 2023**

	2023 Council Approved Budget	2023 YTD Actuals as at July 31st	2023 Full-year Forecast	2023 Projected Variance	
	\$			\$	%
<b>OPERATING EXPENDITURES:</b>					
Divisional Administration & Support	11,498,313	6,801,761	14,487,813	(2,989,500)	(26.0%)
Woodward Upgrades	1,953,429	1,005,860	1,953,429	-	0.0%
Customer Service & Community Outreach	6,923,785	3,266,907	8,998,306	(2,074,521)	(30.0%)
Compliance & Regulations	7,843,466	4,326,496	7,732,610	110,856	1.4%
Water Distribution & Wastewater Collection	24,239,426	11,566,227	24,239,426	-	0.0%
Plant Operations	35,866,472	21,313,667	36,862,400	(995,928)	(2.8%)
Plant Maintenance	12,563,094	7,342,287	12,563,094	-	0.0%
Capital Planning & Delivery	5,306,737	2,764,105	5,306,737	-	0.0%
Watershed Management	1,642,718	697,390	1,642,718	-	0.0%
Wastewater Abatement Program	1,142,465	643,528	1,142,465	-	0.0%
Alectra Utilities Service Contract	6,010,198	3,575,241	6,010,198	-	0.0%
Utilities Arrears Program	500,328	111,854	500,328	-	0.0%
Sewer Lateral Management Program	325,000	124,592	325,000	-	0.0%
Hamilton Harbour Remedial Action Plan	604,011	149,143	604,011	-	0.0%
Protective Plumbing Program (3P)	752,938	230,384	752,938	-	0.0%
Financial Charges	86,118	-	86,118	-	0.0%
Sub-total	117,258,498	63,919,443	123,207,592	(5,949,094)	(5.1%)
Capital and Reserve Recoveries	(8,746,180)	(253,708)	(8,746,180)	-	0.0%
<b>Operating Expenditures Sub-Total</b>	<b>108,512,318</b>	<b>63,665,735</b>	<b>114,461,412</b>	<b>(5,949,094)</b>	<b>(5.5%)</b>
<b>Capital and Reserve Impacts on Operating</b>					
<b>Contributions to Capital</b>					
Water Quality Initiatives	64,300,080	62,960,080	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%)
<b>Sub-Total Contributions to Capital</b>	<b>133,353,122</b>	<b>133,353,122</b>	<b>133,353,122</b>	<b>(0)</b>	<b>(0.0%)</b>
<b>Contributions for DC Exemptions</b>					
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%
<b>Sub-Total Contributions for DC Exemptions</b>	<b>9,000,000</b>	<b>-</b>	<b>9,000,000</b>	<b>-</b>	<b>0.0%</b>
<b>Capital Debt Charges</b>					
Water Quality Initiatives	11,694,759	-	7,973,746	3,721,013	31.8%
Wastewater	13,229,466	-	7,728,980	5,500,486	41.6%
Stormwater	3,780,708	-	2,921,146	859,562	22.7%
DC Debt Charges Recoveries	(7,123,627)	-	(457,127)	(6,666,500)	93.6%
<b>Sub-Total Debt Charges</b>	<b>21,581,306</b>	<b>-</b>	<b>18,166,745</b>	<b>3,414,561</b>	<b>15.8%</b>
<b>Sub-Total Capital Financing</b>	<b>163,934,428</b>	<b>133,353,122</b>	<b>160,519,867</b>	<b>3,414,561</b>	<b>2.1%</b>
<b>Reserve Transfers</b>	<b>-</b>	<b>(92)</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Sub-Total Capital and Reserve Impacts on Operating</b>	<b>163,934,428</b>	<b>133,353,030</b>	<b>160,519,867</b>	<b>3,414,561</b>	<b>2.1%</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>272,446,747</b>	<b>197,018,765</b>	<b>274,981,279</b>	<b>(2,534,532)</b>	<b>(0.9%)</b>

**CITY OF HAMILTON**  
**2023 COMBINED WATER, WASTEWATER AND STORM OPERATING BUDGET**  
**BUDGET VARIANCE REPORT as of July 31, 2023**

	<b>2023 Council Approved Budget</b>	<b>2023 YTD Actuals as at July 31st</b>	<b>2023 Full-year Forecast</b>	<b>2023 Projected Variance</b>	
				<b>\$</b>	<b>%</b>
<b>REVENUES:</b>					
<b>Rate Revenue</b>					
Residential	121,736,239	60,036,887	121,736,239	0	0.0%
Industrial/Commercial/Institutional/Multi-res	128,334,602	59,728,453	128,084,602	(250,000)	(0.2%)
Haldimand	3,606,687	2,046,221	3,806,687	200,000	5.5%
Halton	310,553	175,213	310,553	-	0.0%
Raw Water	190,100	111,157	150,100	(40,000)	(21.0%)
Non-Metered	1,100,000	357,803	1,100,000	-	0.0%
Private Fire Lines	1,800,000	1,026,146	1,800,000	-	0.0%
Hauler / 3rd Party Sales	1,892,800	1,304,973	1,892,800	-	0.0%
Overstrength Agreements	3,439,098	1,377,226	3,439,098	-	0.0%
Sewer Surcharge Agreements	7,005,322	3,548,095	7,005,322	-	0.0%
<b>Sub-Total Utility Rates</b>	<b>269,415,402</b>	<b>129,712,174</b>	<b>269,325,402</b>	<b>(90,000)</b>	<b>(0.0%)</b>
<b>Non-Rate Revenue</b>					
Local Improvement Recoveries	275,850	179,551	275,850	-	0.0%
Permits / Leases / Agreements	1,151,958	308,220	1,151,958	-	0.0%
Investment Income	450,000	-	450,000	-	0.0%
General Fees and Recoveries	1,153,537	735,581	1,153,537	-	0.0%
<b>Sub-Total Non-Rate Revenue</b>	<b>3,031,345</b>	<b>1,223,352</b>	<b>3,031,345</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL REVENUES</b>	<b>272,446,747</b>	<b>130,935,526</b>	<b>272,356,747</b>	<b>(90,000)</b>	<b>(0.0%)</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>(0)</b>	<b>66,083,239</b>	<b>(2,624,532)</b>	<b>(2,624,532)</b>	

**CITY OF HAMILTON  
 BUDGET AMENDMENT SCHEDULE**

**STAFF COMPLEMENT CHANGE**

**Complement Transfer to another division or department and/or change to complement type <sup>(1,2)</sup>**

ITEM #	TRANSFER FROM				TRANSFER TO			
	Department	Division	Position Title (2)	FTE	Department	Division	Position Title (2)	FTE
1	Planning & Economic Development	Licensing and Bylaw Services	Licensing Compliance Officer Municipal Law Enforcement Officer Hearing Tribunal Prosecutor	0.50 0.16 0.34	Planning & Economic Development	Licensing and Bylaw Services	Project Manager- Licensing & Bylaw Services	1.00
	<b>Explanation:</b> Converting a (0.5 FTE) Licensing Compliance Officer (Grade K), (0.16 FTE) Municipal Law Enforcement Officer (Grade K), and a (0.34 FTE) Hearing/Tribunal Prosecutor (Grade 5) to (1.0 FTE) Project Manager (Grade 5). With an increased need for Licensing and Bylaw Services involvement, the Project Manager will aid in getting ahead of those trends with ensuring to develop, implement and enforce new and existing City by-laws.							
2	Healthy and Safe Communities	Children's and Community Services	Senior Project Manager CWELCC	1.0	Healthy and Safe Communities	Children's and Community Services	Senior Project Manager CWELCC	1.0
	<b>Explanation:</b> Temporary roles were created to successfully implement the new Canada-wide Early Learning and Child Care (CWELCC) agreement. Given these roles are required on an ongoing permanent basis to support the continued implementation of CWELCC which focuses on affordability and accessibility of high quality licensed child care, we are seeking Council approval to convert the roles from temporary to permanent. There will be no levy impact as the positions will be fully funded by CWELCC funding.							
3	Healthy and Safe Communities	Children's and Community Services	Supervisor, Human Services	1.0	Healthy and Safe Communities	Children's and Community Services	Supervisor, Human Services	1.0
	<b>Explanation:</b> Temporary roles were created to successfully implement the new Canada-wide Early Learning and Child Care (CWELCC) agreement. Given these roles are required on an ongoing permanent basis to support the continued implementation of CWELCC which focuses on affordability and accessibility of high quality licensed child care, we are seeking Council approval to convert the roles from temporary to permanent. There will be no levy impact as the positions will be fully funded by CWELCC funding.							
4	Healthy and Safe Communities	Children's and Community Services	Business Administrator	1.0	Healthy and Safe Communities	Children's and Community Services	Business Administrator	1.0
	<b>Explanation:</b> Temporary roles were created to successfully implement the new Canada-wide Early Learning and Child Care (CWELCC) agreement. Given these roles are required on an ongoing permanent basis to support the continued implementation of CWELCC which focuses on affordability and accessibility of high quality licensed child care, we are seeking Council approval to convert the roles from temporary to permanent. There will be no levy impact as the positions will be fully funded by CWELCC funding.							
5	Healthy and Safe Communities	Children's and Community Services	Communications Officer	1.0	Healthy and Safe Communities	Children's and Community Services	Communications Officer	1.0
	<b>Explanation:</b> Temporary roles were created to successfully implement the new Canada-wide Early Learning and Child Care (CWELCC) agreement. Given these roles are required on an ongoing permanent basis to support the continued implementation of CWELCC which focuses on affordability and accessibility of high quality licensed child care, we are seeking Council approval to convert the roles from temporary to permanent. There will be no levy impact as the positions will be fully funded by CWELCC funding.							
6	Healthy and Safe Communities	Children's and Community Services	Child Care Contract Analyst	1.0	Healthy and Safe Communities	Children's and Community Services	Child Care Contract Analyst	1.0
	<b>Explanation:</b> Temporary roles were created to successfully implement the new Canada-wide Early Learning and Child Care (CWELCC) agreement. Given these roles are required on an ongoing permanent basis to support the continued implementation of CWELCC which focuses on affordability and accessibility of high quality licensed child care, we are seeking Council approval to convert the roles from temporary to permanent. There will be no levy impact as the positions will be fully funded by CWELCC funding.							
7	Healthy and Safe Communities	Children's and Community Services	Community Services Program Analyst	1.0	Healthy and Safe Communities	Children's and Community Services	Community Services Program Analyst	1.0
	<b>Explanation:</b> Temporary roles were created to successfully implement the new Canada-wide Early Learning and Child Care (CWELCC) agreement. Given these roles are required on an ongoing permanent basis to support the continued implementation of CWELCC which focuses on affordability and accessibility of high quality licensed child care, we are seeking Council approval to convert the roles from temporary to permanent. There will be no levy impact as the positions will be fully funded by CWELCC funding.							
8	Healthy and Safe Communities	Children's and Community Services	Senior Project Manager Business Supports	1.0	Healthy and Safe Communities	Children's and Community Services	Senior Project Manager Business Supports	1.0
	<b>Explanation:</b> Temporary roles were created to successfully implement the new Canada-wide Early Learning and Child Care (CWELCC) agreement. Given these roles are required on an ongoing permanent basis to support the continued implementation of CWELCC which focuses on affordability and accessibility of high quality licensed child care, we are seeking Council approval to convert the roles from temporary to permanent. There will be no levy impact as the positions will be fully funded by CWELCC funding.							
9	Healthy and Safe Communities	Housing Services	Housing Admin Clerk	1.0	Healthy and Safe Communities	Housing Services	ISCIS/HIS Specialist	1.0
	<b>Explanation:</b> Housing Services would like to convert Job Code 2717 (Housing Admin Clerk) salary grade F to Job Code:2337 (ISCIS/HIS Specialist) with a salary grade H. Housing Admin Clerk position's responsibilities have shifted over time to provide greater support to the Access to Housing social housing waitlist program and Integrated Housing System software instead of administrative tasks. This reflects both the automation of many administrative tasks and the increased volume of work within the Access to Housing program. This conversion would not increase Housing Services FTE count. The Housing Admin Clerk position is currently vacant. The increase in cost for 2023 can be mitigated through the vacancy.							
10	Healthy and Safe Communities	Housing Services	Senior Project Manager	1.0	Healthy and Safe Communities	Housing Services	Senior Project Manager	1.0
	<b>Explanation:</b> Housing services is seeking council approval to convert position #13672 from temporary to permanent. This role will continue to provide support for mandatory, ongoing services and operations such as HIFIS software system management as per our service agreement with the Fed gov't under Reaching Home. This conversion would increase Housing Services FTE count by 1.00 and will have no impact to the levy as it is 100% Federal funded.							
11	Healthy and Safe Communities	Hamilton Fire Department	Senior Project Manager	1.00	Healthy and Safe Communities	HSC Administration	Senior Project Manager(HSI & Fire)	1.00
	<b>Explanation:</b> Housing services is seeking council approval to convert position #13786 from temporary to permanent. This role will continue to provide support for ongoing services and operations such as HSI and Fire. This conversion would increase HSC Administration FTE count by 1.00.							
12	Public Works	Transportation	Concrete Finisher	1.0	Public Works	Transportation	Project Manager - P&C	1.0
	<b>Explanation:</b> To approve the conversion of a Concrete Finisher (CUPE 5167 Grade E) to a Project Manager - P&C (CUPE 1041 Grade 6). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							
13	Public Works	Transportation	Concrete Finisher	1.0	Public Works	Transportation	Inspector - Technical Operations	1.0
	<b>Explanation:</b> To approve the conversion of a Concrete Finisher (CUPE 5167 Grade E) to a Inspector - Technical Operations (CUPE 5167 Grade M). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							
14	Public Works	Transportation	Concrete Finisher	1.0	Public Works	Transportation	Supervisor - Roadway Maintenance	1.0
	<b>Explanation:</b> To approve the conversion of a Concrete Finisher (CUPE 5167 Grade E) to a Supervisor - Roadway Maintenance (CUPE 1041 Grade 5). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							
15	Public Works	Transportation	Concrete Finisher	1.0	Public Works	Transportation	Supervisor - Compliance	1.0
	<b>Explanation:</b> To approve the conversion of a Concrete Finisher (CUPE 5167 Grade E) to a Supervisor - Compliance (CUPE 1041 Grade 5). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							
16	Public Works	Transportation	Concrete Finisher	1.0	Public Works	Transportation	Superintendent - Compliance	1.0
	<b>Explanation:</b> To approve the conversion of a Concrete Finisher (CUPE 5167 Grade E) to a Superintendent - Compliance (non-union Grade 7). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							
17	Public Works	Transportation	Winter Roads Operators	9.28	Public Works	Transportation	Summer Roads Operators	9.28
	<b>Explanation:</b> To approve the conversion of Temporary Winter Roads Operators (CUPE 5167 Grade E) to a Permanent Roads Operators (CUPE 5167 Grade D). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							

18	Public Works	Transportation	Winter Roads Operators	6.72	Public Works	Transportation	Winter Roads Operators	6.72
<b>Explanation:</b> To approve the conversion of Temporary Winter Roads Operators (CUPE 5167 Grade E) to a Permanent Winter Roads Operators (CUPE 5167 Grade E). There is no net levy impact on these conversions.								

**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	Healthy and Safe Communities	Hamilton Fire Department	\$134,780	Healthy and Safe Communities	HSC Administration	\$134,780
<b>Explanation:</b> To transfer the forecasted savings due to statutory payments in 2023 and also transfer base budget dollars for 2024.						

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