



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 24-019

9:30 a.m.

**October 17, 2024
Council Chambers
Hamilton City Hall**

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

Absent with

Regrets: Councillor T. Hwang (Chair) – Personal

THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT 24-019 AND RESPECTFULLY RECOMMENDS:

1. **2024 Mid-Year Budget Adjustments (FCS24047) (City Wide) - REVISED (Item 10.1)**
 - (a) That, in accordance with the “Budgeted Complement Control Policy”, the extensions of temporary positions with 24-month terms or greater, with no impact to the net for tax levy, as outlined in Appendix “A” to Audit, Finance and Administration Committee Report 24-019, be approved;
 - (b) That, in accordance with the “Budgeted Complement Control Policy”, the staff complement transfers from one department / division to another or a change in complement type, with no impact to the net for tax levy, as outlined in Appendix “B” to Audit, Finance and Administration Committee Report 24-019, be approved;
 - (c) That the proposed budget appropriations of \$250,000 or greater and reserve contributions to capital projects, as outlined in Appendix “C” to Audit, Finance and Administration Committee Report 24-019, be approved; and
 - (e) That the proposed financing plan amendments resulting from Provincial approval of the City of Hamilton’s Building Faster Fund Investment Plan and Housing-Enabling Water Systems Fund application, outlined in Appendix “D” REVISED to Audit, Finance and Administration Committee Report 24-019, be approved.

2. Growth Funding Tools: Reserve Fund Policy Updates (FCS24042) (City Wide) (Item 10.2)

- (a) That the Development Charges Reserve Fund Policy, attached as Appendix “E” to Audit, Finance and Administration Committee Report 24-019, be adopted;
- (b) That the Community Benefits Charges Reserve Fund Policy, attached as Appendix “F” to Audit, Finance and Administration Committee Report 24-019, be adopted;
- (c) That the Development Charges – Community Benefits Charges Transition Reserve Fund Policy, attached as Appendix “G” to Audit, Finance and Administration Committee Report 24-019, be adopted; and,
- (d) That the Parkland Dedication Reserve Fund Policy, attached as Appendix “H” to Audit, Finance and Administration Committee Report 24-019, be adopted.

3. Community Benefits Charges By-Law Amendment (FCS24016) (Item 10.3)

- (a) That the draft Community Benefit Charges By-Law Amendment, attached as Appendix “I” to Audit, Finance and Administration Committee Report 24-019, be released for public consultation;
- (b) That the January 16, 2025, Audit, Finance & Administration Committee Meeting be designated a Public Meeting to receive feedback on the draft Community Benefits Charges By-Law Amendment, attached as Appendix “I” to Audit, Finance and Administration Committee Report 24-019;
- (c) That the City Clerk be directed to provide notice of the Public Meeting in the Hamilton Spectator at least 30 days in advance of the Public Meeting; and
- (d) That Staff be directed to submit a staff report and, if appropriate, a revised Community Benefits Charges By-Law Amendment for Council consideration after the designated Public Meeting.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

The Committee Clerk advised the following changes to the agenda.

10. DISCUSSION ITEMS

- 10.1 2024 Mid-Year Budget Adjustments (FCS24047) (City Wide) – Appendix D REVISED

The agenda for the October 17, 2024 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) Approval of Minutes of Previous Meeting (Items 4.1-4.2)

The following Minutes were approved, as presented.

- (1) October 3, 2024 (Item 4.1)
- (2) October 4, 2024 (Special – Development Charges Hearing) (Item 4.2)

(d) ADJOURNMENT (Item 15)

There being no further business, the Audit, Finance and Administration Committee, was adjourned at 10:06 a.m.

Respectfully submitted,

Councillor Mike Spadafora, Vice-Chair
Audit, Finance and Administration
Committee

Tamara Bates
Legislative Coordinator
Office of the City Clerk

CITY OF HAMILTON

TEMPORARY COMPLEMENT EXTENSION SCHEDULE

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

ITEM #	TRANSFER FROM				TRANSFER TO			
	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>
1	Public Works	Hamilton Water	Sr. Project Manager - Hamilton Water	1.00	Public Works	Hamilton Water	Sr. Project Manager - Hamilton Water	1.00
	Explanation: Temporary position (PID #9034) is expiring, requesting approval for additional 24 months extension. The additional costs will be absorbed in the Operating budget with gapping. No impact on water/wastewater/storm rates.							
2	Public Works	Hamilton Water	Compliance & Regulations Technologist	1.00	Public Works	Hamilton Water	Compliance & Regulations Technologist	1.00
	Explanation: Temporary position (PID #11798) is expiring, requesting approval for additional 24 months extension. The additional costs will be absorbed in the Operating budget with gapping. No impact on water/wastewater/storm rates.							
3	Public Works	Hamilton Water	Technologist - Plant Capital Co-op	2.00	Public Works	Hamilton Water	Technologist - Plant Capital Co-op	2.00
	Explanation: Temporary positions (PID 11641/11642) are expiring, requesting approval for additional 24 months extensions. The additional costs will be absorbed in the Operating budget with gapping. No impact on water/wastewater/storm rates.							
4	Public Works	Hamilton Water	Technologist Wastewater Capital Delivery Co-op	2.00	Public Works	Hamilton Water	Technologist Wastewater Capital Delivery Co-op	2.00
	Explanation: Temporary positions (PIDs 3436/3427) are expiring, requesting approval for additional 24 months extensions. The additional costs will be absorbed in the Operating budget with gapping. No impact on water/wastewater/storm rates.							

CITY OF HAMILTON

TEMPORARY COMPLEMENT EXTENSION SCHEDULE

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

ITEM #	TRANSFER FROM				TRANSFER TO			
	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>
5	Planning and Economic Development	PED General Manager	Director and Senior Advisor Strategic Growth (P#12973)	1.00	Planning and Economic Development	PED General Manager	Director and Senior Advisor Strategic Growth (P#12973)	
	Explanation: Contract extension for temporary staff requested for additional 12 months from Dec 31, 2025 to December 31, 2026. to complete work related to the City's corporate strategic growth initiatives, including work related to the 2024 DC By-law update.							
6	Planning and Economic Development	Growth Management	Growth Management Administrator	1.00	Planning and Economic Development	Growth Management	Growth Management Administrator	
	Explanation: Contract extension for temporary staff requested for additional 24 months from Sep 1, 2024 to Sep 1, 2026. to continue to have a centralized point of contact for inquiries from the general public or Council with respect to issues or concerns related to construction in the City.							

CITY OF HAMILTON BUDGETED COMPLEMENT AMENDMENT SCHEDULE

Amendments to budgeted complement per the Budgeted Complement Control Policy including transfers, position conversions and pay grade adjustments

ITEM #	TRANSFER FROM				TRANSFER TO			
	Department	Division	Position Title	FTE	Department	Division	Position Title	FTE
1	Public Works	Hamilton Water	Community Program Analyst Co-op	0.65	Public Works	Hamilton Water	Community Outreach Educator	0.65
	<p>Explanation: To approve the conversion of Temporary Part-time Community Program Analyst Co-op position (CUPE 5167 Grade J) to a Permanent Part-time Community Outreach Educator position (CUPE 5167 Grade J). The additional costs will be absorbed within the current operating budget with no impact on water/wastewater/storm rates.</p>							
2	Public Works	Engineering Services	Survey Assistant	1.00	Public Works	Engineering Services	Survey Technician	1.00
	<p>Explanation: Converting a CUPE 5167 Grade H Survey Assistant to a Grade M Survey Technician. The demands of the Capital program, as well as other City of Hamilton internal clients, have made a seventh Survey Technician invaluable to providing service. The primary role of the assistant has historically been operation of equipment. Advancements in technology have resulted in the fully remote operation of the equipment, making the Assistant role redundant.</p>							
3	Public Works	Transportation	Concrete Finisher	1.00	Public Works	Transportation	SPM Roadway Maintenance	1.00
	<p>Explanation: To approve the conversion of a Concrete Finisher (CUPE 5167, Grade E) to a Sr. Project Manager - Roadway Maintenance (NU Grade 6). Budget variance will be absorbed within the current operating budget to result in no net levy increase.</p>							
4	Planning and Economic Development	Transportation Planning and Parking	Customer Service Rep	1.00	Planning and Economic Development	Transportation Planning and Parking	Project Mgr Community Mobility&Parking	1.00
	<p>Explanation: To approve conversion of a Customer Service Rep position (CUPE 5167 grade G) to Project Manager Community Mobility and Parking position (CUPE 1041 grade 5) within the Transportation Planning and Parking Division. The pay scales are not equivalent and the estimated financial impact of approximately \$35K will be absorbed in the divisional operating budget with no impact on the net levy.</p>							

CITY OF HAMILTON BUDGETED COMPLEMENT AMENDMENT SCHEDULE

Amendments to budgeted complement per the Budgeted Complement Control Policy including transfers, position conversions and pay grade adjustments

ITEM #	TRANSFER FROM				TRANSFER TO			
	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>
5	Planning and Economic Development	Transportation Planning and Parking	Parking Planning Technologist	1.00	Planning and Economic Development	Transportation Planning and Parking	Senior Project Manager Transportation Planning	
<p>Explanation: To approve conversion of a Parking Planning Technologist (CUPE 5167 grade L) to Senior Project Manager TP (CA grade 6), financial impact is more than one payband and will be absorbed within the existing operating budget with no impact to the net levy.</p>								

**CITY OF HAMILTON
CAPITAL PROJECTS BUDGET APPROPRIATIONS OF \$250,000 OR GREATER
AND CAPITAL PROJECT RESERVE FUNDING REQUIRING COUNCIL APPROVAL**

Appropriated/ Transferred From	Description	Appropriated/ Transferred To	Description	Amount (\$)	Comments
Public Works (Tax Supported Budget)					
Corporate Facilities and Energy Management					
7100041706	Recreation Centre Retrofits Program	7101754805	Sir Wilfrid Laurier Gymnasium Addition	530,671	Appropriation to cover the following additional work on the Sir Wilfrid Laurier Gym Expansion project: - Pool Mechanical System Replacement: complete replacement during project to avoid reopening delays - Additional Plumbing Work: to address deficiencies in existing infrastructure and reduce risk of failure on older infrastructure.
Subtotal Corporate Facilities and Energy Management				530,671	
Subtotal Public Works (Tax Supported Budget)				530,671	
Total				530,671	

CITY OF HAMILTON CAPITAL PROJECTS REQUIRING A CHANGE IN FUNDING SOURCE

Project ID	Description	Original Funding Source	Revised Funding Source	Amount (\$)	Comments
Public Works (Tax Supported Budget)					
Engineering Services					
4031218526	Bridge 451 - Dundas St. East, 120m e/o Mill St S	Federal Gas Tax Revenue (42020)	Building Faster Fund Revenue (43575)	3,238,000	As approved through Report FCS24039, \$3.437 million in grant funding received through the Building Faster Fund will be applied to this project.
		Current Contribution (49300)	Building Faster Fund Revenue (43575)	99,000	As approved through Report FCS24039, \$3.437 million in grant funding received through the Building Faster Fund will be applied to this project.
		Reserve Contribution (49412)	Building Faster Fund Revenue (43575)	100,000	As approved through Report FCS24039, \$3.437 million in grant funding received through the Building Faster Fund will be applied to this project.
4032311019	Upper Wentworth - LINC to Mohawk	Federal Gas Tax Revenue (42020)	Building Faster Fund Revenue (43575)	4,825,000	As approved through Report FCS24039, \$4.856 million in grant funding received through the Building Faster Fund will be applied to this project.
		Current Contribution (49300)	Building Faster Fund Revenue (43575)	31,000	As approved through Report FCS24039, \$4.856 million in grant funding received through the Building Faster Fund will be applied to this project.
4032310235	SS0001 - Mountain Park Ave (Phase 02 Project)	Federal Gas Tax Revenue (42020)	Building Faster Fund Revenue (43575)	1,915,000	As approved through Report FCS24039, \$2.070 million in grant funding received through the Building Faster Fund will be applied to this project.
		Current Contribution (49300)	Building Faster Fund Revenue (43575)	155,000	As approved through Report FCS24039, \$2.070 million in grant funding received through the Building Faster Fund will be applied to this project.

CITY OF HAMILTON CAPITAL PROJECTS REQUIRING A CHANGE IN FUNDING SOURCE

Project ID	Description	Original Funding Source	Revised Funding Source	Amount (\$)	Comments
4242009701	A/R - Eastmount Neighbourhood	Federal Gas Tax Revenue (42020)	Building Faster Fund Revenue (43575)	1,000,000	As approved through Report FCS24039, \$1.13439 million in grant funding received through the Building Faster Fund will be applied to this project.
		Current Contribution (49300)	Building Faster Fund Revenue (43575)	120,000	As approved through Report FCS24039, \$1.13439 million in grant funding received through the Building Faster Fund will be applied to this project.
		Reserve Contribution (49412)	Building Faster Fund Revenue (43575)	14,390	As approved through Report FCS24039, \$1.13439 million in grant funding received through the Building Faster Fund will be applied to this project.
4031818404	Bridge 404 - Harrison Rd - 910m s/o Kirk Road	Federal Gas Tax Revenue (42020)	Building Faster Fund Revenue (43575)	1,540,000	As approved through Report FCS24039, \$1.540 million in grant funding received through the Building Faster Fund will be applied to this project.
4662320019	Traffic Cabinet & Controller Replacement Program	Current Contribution (49300)	Federal Gas Tax Revenue (42020)	1,000,000	To reallocate CCBF / Federal Gas Tax funding from projects that had a change in funding source approved in report FCS24039.
7202441001	Ancaster Old Town Hall Exterior Restoration	Current Contribution (49300)	Federal Gas Tax Revenue (42020)	1,000,000	To reallocate CCBF / Federal Gas Tax funding from projects that had a change in funding source approved in report FCS24039.
7100041706	Program-Recreation Centre Retrofits	Current Contribution (49300)	Federal Gas Tax Revenue (42020)	1,177,390	To reallocate CCBF / Federal Gas Tax funding from projects that had a change in funding source approved in report FCS24039.
5120051501	Waste Collection Fleet Replacement	Current Contribution (49300)	Federal Gas Tax Revenue (42020)	7,315,610	To reallocate CCBF / Federal Gas Tax funding from projects that had a change in funding source approved in report FCS24039.

CITY OF HAMILTON CAPITAL PROJECTS REQUIRING A CHANGE IN FUNDING SOURCE

Project ID	Description	Original Funding Source	Revised Funding Source	Amount (\$)	Comments
7100054216	Program-Roof Management	Current Contribution (49300)	Federal Gas Tax Revenue (42020)	2,025,000	To reallocate CCBF / Federal Gas Tax funding from projects that had a change in funding source approved in report FCS24039.
Subtotal Engineering Services				25,555,390	
Subtotal Public Works (Tax Supported Budget)				25,555,390	
Public Works (Rate Supported Budget)					
Waterworks					
5142096850	Locke St Trunk Watermain - Main to Barton (W-19)	Development Charges (48475 & 48476)	Federal Grant (42001)	1,560,375	Project was awarded grand funding through the Housing-Enabling Water Systems Fund.
5142396851	Locke St Trunk Watermain - York - Locke to Cannon @ Caroline (W-19) -	Development Charges Debt (49004 & 49005)	Federal Grant (42001)	1,801,275	Project was awarded grand funding through the Housing-Enabling Water Systems Fund.
5142363277	Hwy 5 and 6 MTO Interchange Strategic Upsizing of Existing Watermains	Debenture Proceeds (49002)	Building Faster Fund Revenue (43575)	1,050,000	As approved through Report FCS24039, \$1.050 million in grant funding received through the Building Faster Fund will be applied to this project.
5141269250	HVAC system Upgrades at New Environmental Laboratory and Administration Building	Current Contribution (49300)	Debenture Proceeds (49002)	4,550,000	As debenture proceeds are no longer being applied to projects 5162418420 & 5142363277, \$4.550 million in debt can be applied to this project. As a result \$4.55M will be returned to the Waterworks Capital Reserve (#108105) to fund the development charge exemption phase-in strategy approved through the 2024 budget.
Subtotal Waterworks				8,961,650	
Wastewater					

CITY OF HAMILTON CAPITAL PROJECTS REQUIRING A CHANGE IN FUNDING SOURCE

Project ID	Description	Original Funding Source	Revised Funding Source	Amount (\$)	Comments
5162418420	Size upgrade to sanitary sewer at Dundas St. East	Debenture Proceeds (49002)	Building Faster Fund Revenue (43575)	3,500,000	As approved through Report FCS24039, \$3.500 million in grant funding received through the Building Faster Fund will be applied to this project.
Subtotal Wastewater				3,500,000	
Subtotal Public Works (Rate Supported Budget)				12,461,650	
Total Revised Funding				38,017,040	

**DCPP-DC-001
 DEVELOPMENT CHARGES RESERVE FUNDS POLICY**

Approval: Pending
 Audit Finance & Administration Committee Staff Report FCS24042

RESERVE DETAILS	
Reserve Name	Development Charges Reserve Funds ("DC Reserve Funds")
Reserve Numbers	110300 - 110399
RESERVE POLICY	
Policy Statement	<p>The objective of the DC Reserve Funds Policy is to establish guidelines for use and ensure adequate financial oversight for the obligatory DC Reserve Funds.</p> <p>This Policy is prepared in accordance with the requirements of the <i>Development Charges Act, 1997</i> ("DC Act").</p>
Scope	<p>This Policy applies to the obligatory DC Reserve Funds (110300-110399).</p> <p>This Policy is applicable to all members of Council and Staff responsible for the allocation of funds to and from the DC Reserve Funds.</p> <p>This Policy replaces any existing DC Reserve Funds Policy.</p>
Purpose	<p>The purpose of the DC Reserve Funds is to hold and distribute funds collected in accordance with the DC By-Law. These funds are to be distributed exclusively for financing eligible growth-related capital projects as approved by Council.</p>
Transparency	<p>The DC Reserve Funds Policy is to be made available to the public.</p> <p>Reserve expenditures and revenues are expected to be fully disclosed. The disclosure will be facilitated through:</p> <ul style="list-style-type: none"> • Annual Development Charges Treasurer's Statement • Annual Reserve Report • Annual Financial Information Return

<p>Related Legislation and Principles</p>	<p>DCs and the DC Reserve Funds are governed by the following legislation and principles:</p> <p>DC Act</p> <ul style="list-style-type: none"> • Requires that a Reserve Fund for each DC service be established. • Requires that DCs collected are held within the DC Reserve Fund to which the charge relates. • Permits funds held in each Reserve Fund to be loaned internally for DC purposes and requires that these loans be repaid with interest. • Requires that at least 60 percent of the funds held in the Reserve Funds for prescribed services at the beginning of the year be spent or allocated. • Requires that a Treasurer’s statement be prepared annually on the activities of the Reserve Funds. <p>Canadian Public Sector Accounting Standards</p> <ul style="list-style-type: none"> • Developed by the Public Sector Accounting Board to establish standards for public sector accounting. <p><i>Municipal Act</i> Establishes authority and responsibilities related to budgeting, reserve funds and debentures.</p> <p>City of Hamilton DC By-Law</p> <ul style="list-style-type: none"> • Outlines the specific rules and procedures for the collection of DCs for the City of Hamilton. <p>Requirements under the DC Act and Canadian Public Sector Accounting Standards take precedence over the City of Hamilton’s DC By-Law should a conflict arise.</p> <p>Related City of Hamilton Policies</p> <ul style="list-style-type: none"> • Appropriation and Work-In-Progress Transfer Policy • Debt Management Policy
<p>Definitions</p>	<p>“Actual cash balance” refers to a reserve fund balance adjusted for non-cash amounts.</p> <p>“DC” refers to Development Charges.</p> <p>“DC Reserve Funds” refers to the Development Charges Reserve Funds (110300-110399).</p>

<p>Usage and Limitations</p>	<p>Compliance</p> <ul style="list-style-type: none"> • The City of Hamilton must comply with all requirements under the DC Act, Canadian Public Sector Accounting Standards, and any other applicable legislation. <p>Project Funding</p> <ul style="list-style-type: none"> • Funds held in the DC Reserve Funds are to be used exclusively to fund eligible capital projects identified through the DC Background Study or subsequent review. <ul style="list-style-type: none"> – Projects identified in the DC Background Study must be funded in accordance with the growth share identified in the study, subject to changes to project scope. – Eligible capital projects not identified through the DC Background Study must have sufficient rationale to be funded through DCs. • With the approval of the General Manager of Finance & Corporate Services, funding may be changed from debt funding to DC reserve funding. • Appropriations of funding must conform to the Capital Projects' Budget Appropriation and Work-in Progress Transfer Policy. • Funds are to be transferred from the DC reserve funds to capital projects as expenses are incurred on a proportional basis. i.e., eligible growth share % * total expenses to date. • All budgeted financing from the DC Reserve Funds must be approved by Council. <p>Internal Borrowing</p> <ul style="list-style-type: none"> • Internal borrowing from DC Reserve Funds for non-DC purposes is prohibited. • Internal borrowing among DC Reserve Funds is permitted either by allowing service specific DC reserve funds to go into a deficit where others remain in surpluses whereby interest is addressed via the City's annual interest allocation or through a formalized internal loan agreement where borrowed funds are repaid with interest according to the City's Debt Management Policy
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	<p>External Borrowing (Debt Issuances)</p> <ul style="list-style-type: none"> External borrowing from DC Reserve Funds is permitted subject to Council authorization. <p>Deficits</p> <ul style="list-style-type: none"> At no time shall the actual or forecasted consolidated DC Reserve Fund balance (110300-110399 inclusive) be permitted to enter a deficit balance. DC Reserve Funds for an individual service are permitted to enter deficit positions such that the deficit is forecasted to be resolved within a 10-year period. <p>Reserve Period</p> <ul style="list-style-type: none"> The DC Reserve Funds are expected to remain open indefinitely as they are a tool to fund the long-term growth within the City.
<p>Source of Funding</p>	<p>The sources of funding for the DC Reserve Funds are:</p> <ul style="list-style-type: none"> Development Charges: charges applied to development and redevelopment in accordance with the DC Act and the City of Hamilton DC By-Law. Developer Contributions: charges applied to development, redevelopment or existing land uses to connect to growth related infrastructure subject to cost recovery by-laws or a condition of a development agreement where the original funding source had been DCs. Exemptions funding: distributions from the City of Hamilton's tax and rate budgets to offset the cost of the DC exemptions provided by Council through the City of Hamilton's DC By-Law and as required by the DC Act. Cash Balance Interest: accrued on the actual cash balance in the Reserve Funds and distributed annually. Non-Cash Balance Interest: accrued on DC Deferral Agreements and Legislated Instalment payment plans in accordance with the terms of the agreement / plan and distributed annually or at expiration of agreement / plan. <p>There are no alternative funding sources available and no other funds are permitted to be held in the DC Reserve Funds.</p>

<p>Target Balance</p>	<p>DC Reserve Fund balances are primarily driven by development activity and planned capital expenditures. Since hard infrastructure is required to be in place before a development can proceed, debt or deficit balances related to individual services are common.</p> <p>Accordingly, there is no target balance for any individual service DC Reserve Fund; however, there are limitations around deficits as described in the Usage and Limitations Section of this Policy. DC Reserve Fund balances and forecasted balances are reviewed annually during the budget process.</p>
<p>Policy Owner</p>	<p>Director, Financial Planning, Administration and Policy, Corporate Services Department</p>
<p>Administration</p>	<p>Responsible Department</p> <ul style="list-style-type: none"> Development Charges, Programs and Policies Team of the Budgets and Fiscal Policy Section, within the Financial Planning, Administration and Policy Division of the Corporate Services Department is responsible for the administration of the DC Reserve Funds Policy. <p>Policy Updates</p> <ul style="list-style-type: none"> The DC Reserve Funds Policy may be updated when legislated changes to the DC Act or Council adopted changes to the DC By-Law affect any component of the policy; or when municipal best practices are identified as conflicting with the policy. <p>Policy Review Frequency</p> <ul style="list-style-type: none"> If no legislative or Council adopted changes occur, the Policy is to be reviewed, at a minimum, during the completion of each DC Background Study. <p>Policy Update Process</p> <ul style="list-style-type: none"> Amendments to the DC Reserve Funds Policy must be presented to Council for approval.
<p>Version History</p>	<p>(1) 15-May-2013: Adoption of Development Charges Reserves Policy (FCS-DC1)</p>



DCPP-CBC-001
COMMUNITY BENEFITS CHARGES RESERVE FUND POLICY

Approval: Pending

Audit Finance & Administration Committee Staff Report FCS24042

RESERVE DETAILS	
Reserve Name	Community Benefits Charges Reserve Fund ("CBC Reserve Fund")
Reserve Number	110500
RESERVE POLICY	
Policy Statement	<p>The objective of the CBC Reserve Fund Policy is to establish guidelines for use and ensure adequate financial oversight for the obligatory CBC Reserve Fund.</p> <p>This Policy is prepared in accordance with the requirements of the <i>Planning Act, 1990</i> ("Planning Act").</p>
Scope	<p>This Policy applies to the obligatory CBC Reserve Fund (110500) which was established by Council through the adoption of the recommendations to Report FCS22015(b) on June 22, 2022.</p> <p>This Policy is applicable to all members of Council and Staff responsible for the allocation of funds to and from the CBC Reserve Fund.</p> <p>This Policy replaces any existing CBC Reserve Fund Policy.</p>
Purpose	The purpose of the CBC Reserve Fund is to hold and distribute funds collected in accordance with the CBC By-Law. These funds are to be distributed exclusively for financing eligible growth-related capital projects as approved by Council.
Transparency	<p>The CBC Reserve Fund Policy is to be made available to the public.</p> <p>Reserve expenditures and revenues are expected to be fully disclosed. The disclosure will be facilitated through:</p> <ul style="list-style-type: none"> • Annual Special Account Report as required by the Planning Act. • Annual Reserve Report



<p>Related Legislation and Principles</p>	<p>CBCs and the CBC Reserve Fund are subject to the following legislation and principles:</p> <p>Planning Act</p> <ul style="list-style-type: none"> • Enables a municipality to establish a By-Law for CBCs and to collect fees in accordance with the By-Law and the Act. • Establishes an upper limit for the calculation of CBCs and various exemptions. • Requires that CBCs collected must be held in a special account that bears interest. The CBC Reserve Fund in conjunction with the Development Charges-Community Benefits Charges Transition Reserve Fund (110501) has been designated as this special account. • Requires that at least 60 percent of the funds held in the special account at the beginning of the year be spent or allocated. • Requires that a special account report be prepared annually on the activities of the special account. <p>Canadian Public Sector Accounting Standards</p> <ul style="list-style-type: none"> • Developed by the Public Sector Accounting Board to establish standards for public sector accounting. <p><i>Municipal Act</i> Establishes authority and responsibilities related to budgeting, reserve funds and debentures.</p> <p>City of Hamilton CBC By-Law</p> <ul style="list-style-type: none"> • Outlines the specific regulations and procedures for the collection and use of CBCs for the City of Hamilton. <p>Requirements under the Planning Act and Canadian Public Sector Accounting Standards take precedence over the City of Hamilton's CBC By-Law should a conflict arise.</p> <p>Related City of Hamilton Policies</p> <ul style="list-style-type: none"> • Appropriation and Work-In-Progress Transfer Policy • Debt Management Policy
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<p>Definitions</p>	<p>“CBC” refers to Community Benefits Charges.</p> <p>“CBC Reserve Fund” refers to the Community Benefits Charges Reserve Fund (110500).</p>
<p>Usage and Limitations</p>	<p>Compliance</p> <ul style="list-style-type: none"> • The City of Hamilton must comply with all requirements under the Planning Act, Canadian Public Sector Accounting Standards and any other applicable legislation. <p>Project Funding</p> <ul style="list-style-type: none"> • Funds held in the CBC Reserve Fund are to be used exclusively to fund eligible capital projects identified through the CBC Strategy or subsequent review. • Funds are to be transferred from the CBC Reserve Fund to capital projects as expenses are incurred on a proportional basis. i.e., eligible growth share % * total expenses to date. • Appropriations of funding must conform to the Capital Projects’ Budget Appropriation and Work-in Progress Transfer Policy. • All budgeted financing from the CBC Reserve Fund must be approved by Council. <p>Internal Borrowing</p> <ul style="list-style-type: none"> • Internal borrowing from the CBC Reserve Fund is prohibited. <p>External Borrowing</p> <ul style="list-style-type: none"> • External borrowing related to the CBC Reserve Fund is prohibited. <p>Deficits</p> <ul style="list-style-type: none"> • The CBC Reserve Fund is not permitted to enter a deficit position. <p>Reserve Period</p> <ul style="list-style-type: none"> • The CBC Reserve Fund is expected to remain open indefinitely as it is a tool to fund the long-term growth withing the City.



Hamilton

<p>Source of Funding</p>	<p>The sources of funding for the CBC Reserve Fund are:</p> <ul style="list-style-type: none"> • Community Benefits Charge: charge applied to development or redevelopment where the proposed building will contain 5 or more stories and 10 or more residential units. CBCs are equivalent to 4 percent of the land value, calculated in accordance with Section 37 and Ontario Regulation 509/20 of the Planning Act and the City of Hamilton CBC By-Law. • Interest: accrued on the balance in the reserve fund as legislatively permitted and distributed annually. <p>There are no alternative funding sources available, and no other funds are permitted to be held in the CBC Reserve Fund.</p>
<p>Target Balance</p>	<p>CBC Reserve Fund balances are primarily driven by development activity and planned capital expenditures. The long-term target balance is nil as all funds shall be allocated to eligible growth projects. The target minimum balance for the CBC Reserve Fund in a given year is equivalent to the forecasted expenditures for the following year; after considering approved, but not yet transferred funds.</p> <p>There is no maximum balance for the CBC Reserve Fund. Deficits are not permitted as outlined in the Usage and Limitations Section of this Policy.</p>
<p>Policy Owner</p>	<p>Director, Financial Planning, Administration and Policy, Corporate Services Department</p>
<p>Administration</p>	<p>Responsible Department</p> <ul style="list-style-type: none"> • Development Charges, Programs and Policies, Financial Planning, Administration and Policy, Corporate Services Department is responsible for the administration of the CBC Reserve Fund Policy. <p>Policy Updates</p> <ul style="list-style-type: none"> • The CBC Reserve Fund Policy may be updated when legislated changes to the Planning Act or Council adopted changes to the CBC By-Law affect any component of the policy; or when municipal best practices are identified as conflicting with the policy.



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	<p>Policy Review Frequency</p> <ul style="list-style-type: none">• If no legislative or Council adopted changes occur, the Policy is to be reviewed, at a minimum, during the completion of each CBC Strategy Review. <p>Policy Update Process</p> <ul style="list-style-type: none">• Amendments to the CBC Reserve Fund Policy must be presented to Council for approval.
Version History	(1) 22-Jun-2022: Initial adoption of DC-CBC Transition Reserve Fund Policy



DCPP-CBC-002
DEVELOPMENT CHARGES - COMMUNITY BENEFITS CHARGES TRANSITION
RESERVE FUND POLICY

Approval: Pending

Audit Finance & Administration Committee Staff Report FCS24042

RESERVE DETAILS	
Reserve Name	Development Charges - Community Benefits Charges Transition Reserve Fund ("DC-CBC Transition Reserve Fund")
Reserve Number	110501
RESERVE POLICY	
Policy Statement	<p>The objective of the DC-CBC Transition Reserve Fund Policy is to establish guidelines for use and ensure adequate financial oversight for the obligatory DC-CBC Transition Reserve Fund.</p> <p>This Policy is prepared in accordance with the requirements of the <i>Planning Act, 1990</i> ("Planning Act").</p>
Scope	<p>This Policy applies to the obligatory DC-CBC Transition Reserve Fund (110501) which was established by Council through the adoption of the recommendations to Report FCS22015(b) on June 22, 2022.</p> <p>This Policy is applicable to all members of Council and Staff responsible for the allocation of funds to and from the DC-CBC Transition Reserve Fund.</p> <p>This Policy replaces any existing DC-CBC Transition Reserve Fund Policy.</p>
Purpose	The purpose of the DC-CBC Transition Reserve Fund is to hold and distribute funds transferred from the Airport and Parking DC Reserve Funds. These funds are to be distributed exclusively for financing eligible growth-related capital projects as approved by Council.
Transparency	<p>The DC-CBC Transition Reserve Fund Policy is to be made available to the public.</p> <p>Reserve expenditures and revenues are expected to be fully disclosed. The disclosure will be facilitated through:</p>



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	<ul style="list-style-type: none"> • Annual Special Account Report as required by the Planning Act. • Annual Reserve Report
<p>Related Legislation and Principles</p>	<p>CBCs and the DC-CBC Transition Reserve Fund are subject to the following legislation and principles:</p> <p>Planning Act</p> <ul style="list-style-type: none"> • Enables a municipality to establish a By-Law for CBCs and to collect fees in accordance with the By-Law and the Act. • Establishes an upper limit for the calculation of CBCs and various exemptions. • Requires that CBCs collected must be held in a special account that bears interest. The DC-CBC Transition Reserve Fund in conjunction with the Community Benefits Charges Reserve Fund (110500) has been designated as this special account. • Requires that at least 60 percent of the funds held in the special account at the beginning of the year be spent or allocated. • Requires that a special account report be prepared annually on the activities of the special account. <p>Canadian Public Sector Accounting Standards</p> <ul style="list-style-type: none"> • Developed by the Public Sector Accounting Board to establish standards for public sector accounting. <p>Municipal Act</p> <ul style="list-style-type: none"> • Establishes authority and responsibilities related to budgeting, reserve funds and debentures. <p>City of Hamilton CBC By-Law</p> <ul style="list-style-type: none"> • Outlines the specific regulations and procedures for the collection and use of CBCs for the City of Hamilton. <p>Requirements under the Planning Act and Canadian Public Sector Accounting Standards take precedence over the City of Hamilton's CBC By-Law should a conflict arise.</p> <p>Related City of Hamilton Policies</p> <ul style="list-style-type: none"> • Appropriation and Work-In-Progress Transfer Policy



	<ul style="list-style-type: none"> • Debt Management Policy
<p>Definitions</p>	<p>“CBC” refers to Community Benefits Charges.</p> <p>“DC” refers to Development Charges.</p> <p>“DC-CBC Transition Reserve Fund” refers to the Community Benefits Charges Reserve Fund (110501).</p>
<p>Usage and Limitations</p>	<p>Compliance</p> <ul style="list-style-type: none"> • The City of Hamilton must comply with all requirements under the Planning Act, Canadian Public Sector Accounting Standards and any other applicable legislation. <p>Project Funding</p> <ul style="list-style-type: none"> • Funds held in the DC-CBC Transition Reserve Fund are to be used exclusively to fund eligible capital projects related to Airport and Parking services. • Funds are to be transferred from the DC-CBC Transition Reserve Funds to capital projects as expenses are incurred on a proportional basis. i.e., eligible growth share % * total expenses to date. • Appropriations of funding must conform to the City of Hamilton’s Capital Projects’ Budget Appropriation and Work-in Progress Transfer Policy. • All budgeted financing from the DC-CBC Transition Reserve Fund must be approved by Council. <p>External Borrowing</p> <ul style="list-style-type: none"> • External borrowing related to the DC-CBC Transition Reserve Fund is prohibited. <p>Internal Borrowing</p> <ul style="list-style-type: none"> • Internal borrowing from the DC-CBC Transition Reserve Fund is prohibited. <p>Deficits</p> <ul style="list-style-type: none"> • The DC-CBC Transition Reserve Fund is not permitted to enter a deficit position. <p>Reserve Period</p>



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	<ul style="list-style-type: none"> • The DC-CBC Transition Reserve Fund is anticipated to close once all DC Deferrals related to Airport and Parking components are repaid and the Reserve Fund has reached a zero balance.
<p>Source of Funding</p>	<p>The sources of funding for the DC-CBC Transition Reserve Fund are:</p> <ul style="list-style-type: none"> • Transfer from Airport and Parking DC Reserves: As of September 18, 2022, legislative changes to the Development Charges Act, 1997 prohibited collection of DCs for Airport and Parking Services. Funds within these DC reserves were transferred to the DC-CBC Transition Reserve Fund in accordance with Council adoption of the recommendations to Report FCS22015(b). • Ongoing Transfers related to Airport and Parking DCs: The City of Hamilton has a Discretionary DC Deferral program for industrial, non-industrial and high-density residential developments and a Legislated Instalment program for rental and institutional developments (established under Section 26.1 of the <i>Development Charges Act, 1997</i>). Deferrals and Instalment Plans with rates prior to September 18, 2022 include charges for airport and parking DC services which continue to accrue interest. Annual transfers related to deferral interest will continue until all such DC deferrals are repaid. • Interest: accrued on the balance in the reserve fund as legislatively permitted and distributed annually. <p>There are no alternative funding sources available, and no other funds are permitted to be held in the DC-CBC Transition Reserve Fund.</p>
<p>Target Balance</p>	<p>DC-CBC Reserve Fund balances are primarily driven by development activity and planned capital expenditures. The long-term target balance is nil as all funds shall be allocated to eligible growth projects.</p> <p>There is no maximum balance for the CBC Reserve Fund. Deficits are not permitted as outlined in the Usage and Limitations Section of this Policy.</p>



Policy Owner	Director, Financial Planning, Administration and Policy, Corporate Services Department
Administration	<p>Responsible Department</p> <ul style="list-style-type: none"> Development Charges, Programs and Policies, Financial Planning, Administration and Policy, Corporate Services Department is responsible for the administration of the DC-CBC Transition Reserve Fund Policy. <p>Policy Updates</p> <ul style="list-style-type: none"> The DC-CBC Transition Reserve Fund Policy may be updated when legislated changes to the Planning Act or Council adopted changes to the CBC By-Law affect any component of the policy; or when municipal best practices are identified as conflicting with this Policy. <p>Policy Review Frequency</p> <ul style="list-style-type: none"> If no legislative or Council adopted changes occur, the Policy is to be reviewed, at a minimum during the completion of each CBC Strategy review. <p>Policy Update Process</p> <ul style="list-style-type: none"> Amendments to the DC-CBC Transition Reserve Fund Policy must be presented to Council for approval.
Version History	(1) 22-Jun-2022: Initial adoption of DC-CBC Transition Reserve Fund Policy



DCPP-PL-001
PARKLAND DEDICATION CASH-IN-LIEU RESERVE FUND POLICY

Approval: Pending
 Audit Finance & Administration Committee Staff Report FCS24042

RESERVE DETAILS	
Reserve Name	Parkland Dedication Cash-In-Lieu Reserve Fund ("PL Reserve Fund")
Reserve Number	104090
RESERVE POLICY	
Policy Statement	<p>The objective of the PL Reserve Fund Policy is to establish guidelines for use and ensure adequate financial oversight for the obligatory PL Reserve Fund.</p> <p>This Policy is prepared in accordance with the requirements of the <i>Planning Act, 1990</i> ("Planning Act").</p>
Scope	<p>This Policy applies to the obligatory PL Reserve Fund (104090).</p> <p>This Policy is applicable to all members of Council and Staff responsible for the allocation of funds to and from the PL Reserve Fund.</p> <p>This Policy replaces any existing PL Reserve Fund Policy.</p>
Purpose	<p>The purpose of the PL Reserve Fund is to hold and distribute funds collected in accordance with the Parkland Dedication By-Law. These funds are to be distributed exclusively for financing eligible parkland acquisitions and capital expenditures as approved by Council.</p>
Transparency	<p>The PL Reserve Fund Policy is to be made available to the public.</p> <p>Reserve expenditures and revenues are expected to be disclosed, except in the case of details for confidential transactions. The disclosure will be facilitated through:</p> <ul style="list-style-type: none"> • Annual Special Account Report as required by the Planning Act. • Annual Reserve Report.
Related Legislation and Principles	<p>PL and the PL Reserve Fund are subject to the following legislation and principles:</p>



	<p>Planning Act</p> <ul style="list-style-type: none"> • Enables a municipality to establish a By-Law for PL and to collect fees in accordance with the By-Law and the Act. • Establishes an upper limit for the calculation of PL and various exemptions. • Requires that PL collected must be held in a special account that bears interest. The PL Reserve Fund has been designated as this special account. • Requires that at least 60 percent of the funds held in the special account at the beginning of the year be spent or allocated. • Requires that a special account report be prepared annually on the activities of the special account. <p>Canadian Public Sector Accounting Standards</p> <ul style="list-style-type: none"> • Developed by the Public Sector Accounting Board to establish standards for public sector accounting. <p>Municipal Act Establishes authority and responsibilities related to budgeting, reserve funds and debentures.</p> <p>City of Hamilton PL By-Law</p> <ul style="list-style-type: none"> • Outlines the specific regulations and procedures for the collection and use of PL Dedication fees for the City of Hamilton. <p>Requirements under the Planning Act and Canadian Public Sector Accounting Standards take precedence over the City of Hamilton’s PL By-Law should a conflict arise.</p> <p>Related City of Hamilton Policies</p> <ul style="list-style-type: none"> • Appropriation and Work-In-Progress Transfer Policy • Debt Management Policy
Definitions	<p>“PL” refers to Parkland Dedication.</p> <p>“PL Reserve Fund” refers to the Parkland Dedication Cash-In-Lieu Reserve Fund (104090).</p>
Usage and Limitations	<p>Compliance</p> <ul style="list-style-type: none"> • The City of Hamilton must comply with all requirements under the Planning Act, Canadian Public Sector Accounting Standards and any other applicable legislation.



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	<p>Project Funding</p> <ul style="list-style-type: none"> • Funds held in the PL Reserve Fund are to be used exclusively for the purposes of parks or other public recreational purposes in accordance with the Parks Master Plan or other Council approval. • Funds are to be transferred from the PL Reserve Fund to capital projects as expenses are incurred on a proportional basis. i.e., eligible growth share % * total expenses to date. • Appropriations of funding must conform to the City of Hamilton's Capital Projects' Budget Appropriation and Work-in Progress Transfer Policy. • All budgeted financing from the PL Reserve Fund must be approved by Council. <p>Internal Borrowing</p> <ul style="list-style-type: none"> • Internal borrowing from the PL Reserve Fund is prohibited. <p>External Borrowing</p> <ul style="list-style-type: none"> • External borrowing related to the PL Reserve Fund is prohibited. <p>Deficits</p> <ul style="list-style-type: none"> • The PL Reserve Fund is not permitted to enter a deficit position. <p>Reserve Period</p> <ul style="list-style-type: none"> • The PL Reserve Fund is expected to remain open indefinitely.
<p>Source of Funding</p>	<p>The sources of funding for the PL Reserve Fund are:</p> <ul style="list-style-type: none"> • PL Cash-In-Lieu charges: fee collected in-lieu of land dedication. PL is calculated in accordance with Sections 42, 51.1, 53 and Ontario Regulation 509/20 and Ontario Regulation 509/20 of the Planning Act and the City of Hamilton PL By-Law. • Proceeds from Sale of Land: if the City is conveyed land to satisfy the park land requirements of the Planning Act, then later sells that land, the proceeds shall be allocated to the PL Reserve Fund in accordance with subsection 42 (15) of the Planning Act. • Interest: accrued on the balance in the reserve fund as legislatively permitted and distributed annually.



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	There are no alternative funding sources available, and no other funds are permitted to be held in the PL Reserve Fund.
Target Balance	<p>PL Reserve Fund balances are primarily driven by development activity and planned capital expenditures. The long-term target balance is nil as all funds shall be allocated to eligible growth projects. The target minimum balance for the PL Reserve Fund in a given year is equivalent to the forecasted expenditures for the following year; after considering approved, but not yet transferred funds.</p> <p>There is no maximum balance for the PL Reserve Fund. Deficits are not permitted as outlined in the Usage and Limitations Section of this Policy.</p>
Policy Owner	Director, Financial Planning, Administration and Policy, Corporate Services Department
Administration	<p>Responsible Department</p> <ul style="list-style-type: none"> Development Charges, Programs and Policies, Financial Planning, Administration and Policy, Corporate Services Department is responsible for the administration of the PL Reserve Fund Policy. <p>Policy Updates</p> <ul style="list-style-type: none"> The PL Reserve Fund Policy may be updated when legislated changes to the Planning Act or Council adopted changes to the PL By-Law affect any component of the policy; or when municipal best practices are identified as conflicting with the policy. <p>Policy Review Frequency</p> <ul style="list-style-type: none"> If no legislative or Council adopted changes occur, the Policy is to be reviewed annually, at a minimum, during the completion of each PL By-Law review. <p>Policy Update Process</p> <ul style="list-style-type: none"> Amendments to the PL Reserve Fund Policy must be presented to Council for approval.

Bill No.

CITY OF HAMILTON

BY-LAW NO.

**Being a By-law to amend By-law 22-158
"City of Hamilton Community Benefits Charges By-law, 2022"
To Revise Definitions and Policy Regarding
Calculation of Community Benefits Charges**

WHEREAS the Council of the City of Hamilton has adopted the Community Benefits Charges By-law 22-158;

WHEREAS the Council of the City of Hamilton has given notice and held a Public Meeting on _____, _____ regarding its proposals for this Community Benefits Charges By-law amendment;

WHEREAS the Council of the City of Hamilton, through its Audit, Finance and Administration Committee, has received written submissions and heard all persons who applied to be heard no matter in object to, or in support of, the said By-law amendment.

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. Section 1 of By-law 22-158 is hereby amended by removing Definitions (b) and (n) without replacement.
2. Section 1 of By-law 22-158 is hereby amended by replacing Definition (g) with the following:
 "Building Permit" means a building permit issued pursuant to the *Building Code Act* in relation to a building or structure;
3. Section 11 of By-law 22-158 is hereby amended by replacing the section with the following:

11. (a) Where there is Development or Redevelopment other than that described in subsection 12(b) and which requires one or more of the approvals set out in subsection 12(a), on land to which this By-law applies, the Community Benefits Charges payable pursuant to this By-law shall be four (4) percent of the value of the land being developed as of the Valuation Date.
 - (b) Land referred to in subsections 11(a) and 11(c) means the entire Parcel or Parcels on which the Development or Redevelopment is occurring regardless of whether the Development or Redevelopment is only on a part of the Parcel or Parcels or is a phase of a Development or Redevelopment.
 - (c) If a Development or Redevelopment consists of two or more above grade Buildings that will not be constructed concurrently, will be subject to separate building permits and are anticipated to be completed at different times, each phase of the Development or Redevelopment is deemed to be a separate Development or Redevelopment for the purposes of this By-law. For the purposes of this subsection an above grade shared podium structure which contains no residential units will not be considered part of a Building.
 - (d) The Community Benefits Charges for the Development or Redevelopment and any applicable exemptions or reductions will be calculated in accordance with Section 37(32) of the *Planning Act, 1990*.
 - (e) The amount of any credit pursuant to the calculation in accordance with Section 37(32) of the *Planning Act, 1990*, shall not exceed, in total, the amount of the Community Benefits Charges otherwise payable with respect to the Development or Redevelopment pursuant to this By-law. If the aforesaid calculation is zero or a negative value no CBC is payable, and no credit or refund will be payable.
4. Section 13 of By-law 22-158 is hereby amended by removing without replacement.
 5. Section 6 and Section 14 and the associated Schedule "A" of By-law 22-158 are hereby amended by removing without replacement.

6. The City Clerk is hereby authorized and directed to consolidate this and any other duly enacted amendments to By-law 22-158 into the main body of the said By-law, and to make any necessary and incidental changes to numbering and nomenclature thereof arising from the said consolidation.
7. This By-law shall come into force and take effect at 12:01 a.m. on the date following enactment.

PASSED this _____ , _____

A. Horwath
Mayor

M. Trennum
City Clerk