



**GENERAL ISSUES COMMITTEE
(OPERATING AND CAPITAL BUDGET)
MINUTES GIC-B 25-002**

9:30 a.m.

Thursday, January 23, 2025
Council Chambers, City Hall, 2nd Floor
71 Main Street West, Hamilton, Ontario

Present: Mayor A. Horwath, Councillors, M. Wilson (Chair), J.P. Danko (Vice-Chair), J. Beattie, C. Cassar, B. Clark, M. Francis, T. Hwang, T. Jackson, C. Kroetsch, T. McMeekin, N. Nann (Virtually), E. Pauls, M. Tadeson, and A. Wilson

Absent: Councillor M. Spadafora - Personal

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR INFORMATION:

1. CALL TO ORDER

Budget Chair M. Wilson called the meeting to order at 9:31 a.m.

2. CEREMONIAL ACTIVITIES

There were no ceremonial activities.

3. APPROVAL OF AGENDA

(Tadeson/Hwang)

That the agenda for the January 23, 2025 General Issues Committee (Budget) meeting, be approved, as presented.

CARRIED

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

5.1 January 20, 2025

(McMeekin/Danko)

That the minutes of the January 20, 2025 General Issues Committee (Budget), be adopted, as presented.

CARRIED

6. DELEGATIONS

Delegations on the 2025 Budget were received on November 18, 2024 & January 20, 2025.

6.1 Written Delegations respecting the 2025 Tax Budget

(Cassar/A. Wilson)

That the following Written Delegations respecting the 2025 Tax Budget, be received:

- (a) Jim Mackey
- (b) Rick & Lyn Folkes

CARRIED

7. ITEMS FOR INFORMATION

7.1 Economic Overview

Mike Zegarac, General Manager of Finance & Corporate Services, introduced Andrew Grantham, Executive Director and Senior Economist, Capital Markets, CIBC who provided Committee with a presentation on the Economic Overview.

(Danko/Kroetsch)

That the presentation respecting the Economic Overview, be received.

CARRIED

**7.2 FCS25004
2025 Tax Budget Overview (City Wide)**

Marnie Cluckie, City Manager, provided opening remarks and introduced Mike Zegarac, General Manager of Finance & Corporate Services, who provided the Committee with a presentation respecting Report FSC25004, 2025 Tax Budget Overview.

(Hwang/Tadeson)

That the General Issues Committee (Budget) recess for 40 minutes until 1:05 p.m.

CARRIED

(Beattie/Cassar)

That Report FCS25004, and the staff presentation respecting the 2025 Tax Budget Overview, be received.

CARRIED

7.3 Mayor's Memorandum - 2025 Proposed Tax Budget

(Pauls/Hwang)

That the Mayor's Memorandum - 2025 Proposed Tax Budget, be received.

CARRIED

8. ITEMS FOR CONSIDERATION

There were no Items for Consideration.

9. MOTIONS

9.1 Request for a Report Respecting Reduction of the Global Budget Number to 3.44%

(Francis/Beattie)

WHEREAS, the 2025 tax levy increase stands at 6.3%; and

WHEREAS, the 5-year average CPI is 3.44%.

THEREFORE BE IT RESOLVED:

That the City Manager be directed to report back to the General Issues Committee (Budget) by February 7, 2025, indicating how the final global budget number can be reduced to 3.44% maximum, while maintaining current service levels.

Result: MOTION, DEFEATED by a vote of 7 to 8, as follows:

No	-	Mayor Andrea Horwath
No	-	Ward 1 Councillor Maureen Wilson
No	-	Ward 2 Councillor Cameron Kroetsch
No	-	Ward 3 Councillor Nrinder Nann
No	-	Ward 4 Councillor Tammy Hwang
Yes	-	Ward 5 Councillor Matt Francis
Yes	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Yes	-	Ward 8 Councillor J. P. Danko
Yes	-	Ward 9 Councillor Brad Clark
Yes	-	Ward 10 Councillor Jeff Beattie
Yes	-	Ward 11 Councillor Mark Tadeson
No	-	Ward 12 Councillor Craig Cassar
No	-	Ward 13 Councillor Alex Wilson
Absent	-	Ward 14 Councillor Mike Spadafora
No	-	Ward 15 Councillor Ted McMeekin

The motion respecting a Request for a Report on the Recipients of City of Hamilton Funding (Item 9.2) was WITHDRAWN prior to the meeting.

9.3 Request for a Report on Capital Projects

(Tadeson/Hwang)

That staff be directed to report back to the February 7, 2025 General Issues Committee (Budget) with the following:

- (i) An accounting of the Capital Projects funded in 2023 and 2024 that have not started and remain unfinished;
- (ii) Identify any Capital Projects funded in 2025 budget will likely not be started in 2025; and,
- (iii) How many Capital Projects can be pushed to the 2026 and 2027 Capital Budget without an effect on what would actually be completing in 2025.

Result: MOTION, DEFEATED by a vote of 7 to 8, as follows:

No	-	Mayor Andrea Horwath
No	-	Ward 1 Councillor Maureen Wilson
No	-	Ward 2 Councillor Cameron Kroetsch
Yes	-	Ward 3 Councillor Nrinder Nann
Yes	-	Ward 4 Councillor Tammy Hwang
Yes	-	Ward 5 Councillor Matt Francis
No	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
No	-	Ward 8 Councillor J. P. Danko
No	-	Ward 9 Councillor Brad Clark
Yes	-	Ward 10 Councillor Jeff Beattie
Yes	-	Ward 11 Councillor Mark Tadeson
No	-	Ward 12 Councillor Craig Cassar
Yes	-	Ward 13 Councillor Alex Wilson
Absent	-	Ward 14 Councillor Mike Spadafora
No	-	Ward 15 Councillor Ted McMeekin

9.4 Request for 2025 Capital Projects Detail Sheets

(Kroetsch/Clark)

- (a) That the 2025 Capital Project detail sheets be circulated to Committee after the conclusion of this meeting; and,
- (b) That the 2025 Capital Project detail sheets be put together in an AODA compliant version and be published online as an attachment to the January 23, 2025 General Issues Committee (Budget) meeting.

Result: MOTION, CARRIED by a vote of 14 to 1, as follows:

Yes	-	Mayor Andrea Horwath
Yes	-	Ward 1 Councillor Maureen Wilson
Yes	-	Ward 2 Councillor Cameron Kroetsch
Yes	-	Ward 3 Councillor Nrinder Nann
Yes	-	Ward 4 Councillor Tammy Hwang
Yes	-	Ward 5 Councillor Matt Francis
Yes	-	Ward 6 Councillor Tom Jackson
Yes	-	Ward 7 Councillor Esther Pauls
Yes	-	Ward 8 Councillor J. P. Danko
Yes	-	Ward 9 Councillor Brad Clark
No	-	Ward 10 Councillor Jeff Beattie
Yes	-	Ward 11 Councillor Mark Tadeson
Yes	-	Ward 12 Councillor Craig Cassar
Yes	-	Ward 13 Councillor Alex Wilson
Absent	-	Ward 14 Councillor Mike Spadafora
Yes	-	Ward 15 Councillor Ted McMeekin

10. NOTICES OF MOTION

Councillor Danko introduced the following notices of motion:

10.1 Elimination of Council Referred Items 11 & 12 City Enrichment Fund Increases

WHEREAS the City Enrichment Fund invests in the community by providing taxpayer funded grants from the City of Hamilton.

WHEREAS the purpose of the City Enrichment Fund is to provide transparency and access to taxpayer funded grants for eligible not-for profit organizations, registered charities, grassroots organizations, and professional artist projects that are determined through an independent, transparent, and defined application and approval process.

WHEREAS the City Enrichment Fund protects the interests of taxpayers by ensuring that City funding is only directed to legitimate, eligible, organizations that support the City's strategic plan and Our Future Hamilton – Community Vision.

WHEREAS the City Enrichment Fund was created to eliminate arbitrary Councillor directed funding to organizations, groups and individuals that may be, or may be perceived to be, politically motivated spending intended to gain political support.

WHEREAS all Councillors have access to various reserve funding accounts including the Area Rating Special Capital Discretionary Reserve and Non-Property Tax Revenue Reserves.

WHEREAS subsequent to the 2022 municipal election, various Councillors initiated their own “Ward Community Grants” programs that now direct taxpayer funding to community organizations, groups and individuals at the discretion of the Ward Councillor without appropriate financial oversight.

WHEREAS there is no purpose to increase funding to the City Enrichment Fund when individual Councillors have created their own “Ward Community Grant” programs and continue to direct hundreds of thousands of dollars per Ward, annually, to their own individually selected recipients.

THEREFORE, BE IT RESOLVED:

That the 2025 Budget, ***be amended***, as follows:

- (a) Eliminate Council referred Item 11 - 2025 Proposed Increase to City Enrichment Fund \$568,110
- (b) Eliminate Council referred Item 12 – Digital Program Area – City Enrichment Fund \$100,000

10.2 Financial Relief to Help Offset the Increase Cost of Municipal Police Service

WHEREAS, the Ontario government will provide over \$77 million in financial relief to small and rural municipalities to help offset the increased cost of municipal police services provided by the Ontario Provincial Police (OPP).

WHEREAS, Solicitor General Michael Kerzner stated: “The financial relief we (the Ontario government) are proposing will help municipal leaders balance their budgets and invest in their communities while ensuring no change to the policing provided by the OPP that keeps families and businesses safe”.

WHEREAS, the Ontario government acknowledges that the financial impacts resulting from police collective bargaining agreements has a significant impact on municipal budgets.

WHEREAS, all of the factors that resulted in significant costs to policing for small and rural communities also exist in large municipalities.

WHEREAS, municipalities that do not rely on the Ontario Provincial Police also require financial relief to offset the increasing cost of police services.

WHEREAS, urban municipalities have additional challenges such as homeless encampments, guns, gangs, drug trafficking, auto theft and organized crime that require significant police resources and specialized equipment and personnel.

WHEREAS, residents overwhelmingly support police and request a stronger and more effective police presence in their neighbourhoods.

WHEREAS, the Ontario government is a strong supporter of policing throughout the province.

THEREFORE BE IT RESOLVED:

- (a) That the City of Hamilton request the Province of Ontario provide financial relief to the City of Hamilton due budget impacts of the increasing cost of policing;
- (b) That City Finance staff work with the City Manager, Mayor's Office, Police Services Board and the Chief of Police to quantify a specific financial relief request; and,
- (c) That this direction be circulated to Ontario Big City Mayor and Association of Municipalities of Ontario (AMO).

10.3 Re-Alignment of Taxpayer Funding to Good Faith Encampment Support Organizations

WHEREAS, the City of Hamilton relies on many local social agencies, harm reduction, homeless and encampment organizations that provide various levels of support to vulnerable populations throughout the City.

WHEREAS, in 2024 the City of Hamilton invested a total of \$186 million dollars towards housing and homelessness, \$125 million funded by municipal taxpayers, equivalent to approximately \$215 per resident per year.

WHEREAS, on December 23rd, 2024, Ontario Superior Court Justice James Ramsay, issued a ruling dismissing the claim of fourteen homeless applicants that the City of Hamilton breached their right under the Charter to life, liberty and security of the person (s. 7) and to equal benefit of the law (s. 15).

WHEREAS, paragraph 4 of Justice Ramsay's ruling states "I observe that the most vulnerable includes not only the homeless but also the elderly person and the child who want to use a sidewalk or a city park without tiptoeing through used needles and human feces."

WHEREAS, paragraph 24 of Justice Ramsay’s ruling states “Many of the affidavits of the applicants contained boilerplate. Parts were obviously drafted by lawyers.”

WHEREAS, paragraph 61 of Justice Ramsay’s ruling states “...there is a developing, false narrative that encampments are a safe alternative form of housing. That narrative appears in the affidavits of some of the applicants’ witnesses. From talking to her (expert witness Dr. Koivu) patients it appears that it has been a factor in the decision to leave safer environments.”

WHEREAS, paragraph 64 of Justice Ramsay’s ruling states “...Dr. Koivu’s concern about the false narrative encouraging people to leave safer alternatives is supported by the evidence...a member of the Outreach Team, who has observed organized groups encouraging encampment residents to resist options other than encampments.”

WHEREAS residents have reported observing instances where homeless individuals have received organized assistance to set up, relocate and provision encampments in City parks.

WHEREAS, limited taxpayer resources should be prioritized to fund organizations that are proven good faith community partners, working collaboratively with the City of Hamilton in alignment with the interests of the City, residents, and the wellbeing of homeless individuals.

THEREFORE BE IT RESOLVED

- (a) That Housing Services staff be directed to identify and itemize all City funding allocated to homelessness support social agencies, harm reduction, legal advice, and encampment outreach organizations; and,
- (b) That Housing Services staff propose opportunities to re-align City funding, limited to organizations that are proven good faith community partners committed to collaboratively working with the City of Hamilton in alignment with City and Council interests, approved by-laws and policies.

10.4 Taxpayer Funding Exclusion for Organizations Involved in Litigation Against the City of Hamilton

WHEREAS Section 3 of the *Procurement Policy for the City of Hamilton* defines “Litigation” as “any dispute between the City and a vendor, where a legal proceeding...or other form of adjudication has been commenced..., against the City, its elected representatives, appointed officers, or employees...in relation to any...matter arising from the City’s exercise of its powers, duties, or functions.”

WHEREAS Section 4.1, Clause 2(a) of the *Procurement Policy for the City of Hamilton* states “the City may reject any Bid from a vendor where, in the opinion of the City, the commercial relationship between the City and the vendor has been impaired by the act(s) or omission(s) of such vendor including...any one or more of the following having occurred within the five year period immediately preceding either the date on which the RFP or RFT is awarded or the date on which the vendor has been shortlisted...

- (i) the vendor being involved in Litigation with the City;”

WHEREAS the City of Hamilton provides taxpayer funding for various third-party organizations, groups and individuals through grants, loans, donations, in-kind contributions, direct financing, Council directed financing and other City sources of public funds.

WHEREAS the *Procurement Policy for the City of Hamilton* explicitly bans vendors engaged in litigation against the City of Hamilton from participating in City contracts for a period of five years.

WHEREAS it is in the interest of all City of Hamilton taxpayers to uphold the integrity of City funding by extending the provisions of the *Procurement Policy for the City of Hamilton* to apply to all City funding for all third-party organizations, groups and individuals.

THEREFORE BE IT RESOLVED:

- (a) That all third-party organizations, groups and individuals engaged in litigation against the City of Hamilton within the last five years (2019 to 2024) are excluded from all City funding in the 2025 budget, including grants, loans, donations, in kind contributions, direct funding or any other sources of funding from the City of Hamilton; and,
- (b) That Finance, Procurement and Legal Services staff report back to the Audit and Finance Committee no later than Q4 of 2025 with by-law and policy updates that will align the provisions of the Procurement Policy with City taxpayer funding agreements for third-party organizations, groups and individuals.

11. PRIVATE & CONFIDENTIAL

There were no Private & Confidential Items.

12. ADJOURNMENT

There being no further business, the General Issues Committee (Budget) adjourned at 4:02 p.m.

Respectfully submitted,

Angela McRae
Legislative Coordinator

Councillor Maureen Wilson
Chair, General Issues Committee (Budget)