



Hamilton

CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
Financial Planning and Policy Division

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: December 10, 2012	
SUBJECT/REPORT NO: 2013 Advance Payments to External Boards and Agencies (FCS12101) (City Wide)	
SUBMITTED BY: Roberto Rossini, General Manager Finance & Corporate Services Department	PREPARED BY: Cyrus Patel (905) 546-2424 ext. 7698 Tom Hewitson (905) 546-2424 ext. 4159
SIGNATURE:	

RECOMMENDATION:

- (a) That, effective January 1, 2013, an advancement of funds be provided to the external Boards and Agencies, in the specified amount and on the specific dates, as shown on the attached Appendix A to Report FCS12101;
- (b) That any outstanding arrears due to the City of Hamilton, by any external Boards or Agencies (as shown on the attached Appendix A to Report FCS12101), be first applied against the approved grant funding, including advances, until the debt is satisfied, prior to that Agency or Board receiving the balance of any approved payment.
- (c) That notwithstanding (b) above and the amounts owed to HECFI, Opera Hamilton’s advance be paid in full but the organization be advised that future grant payments may be withheld or suspended and that staff be directed to monitor the situation and take appropriate actions.

EXECUTIVE SUMMARY

Report FCS12101 requests Council approval to provide interim funding for the external boards and agencies that are listed in Appendix A to Report FCS12101 pending 2013 budget approvals. The 2013 advance payments are based upon the 2012 approved funding levels and closely represents the 2012 payment schedule. Pending the timing of the Council approval of the 2013 budget, the remaining payments to the listed external boards and agencies would be adjusted to ensure that payments do not exceed approved levels for 2013. The advancement of funds does not guarantee the level of 2013 City of Hamilton funding. Those agencies that are provided with monthly payments will continue to receive monthly advances, for the amounts shown on Appendix A to Report FCS12101, until budget approval.

For the Boards and Agencies listed in this report (attached as Appendix A to Report FCS12101), the City follows a policy which ensures that grant payments are not made until outstanding arrears owing to the City of Hamilton are paid off first. Of note, Opera Hamilton is in arrears to HECFI in the amount of \$19,841.35. However, since they are in bankruptcy protection staff have been advised that the City cannot direct grants to their creditors. The City could though choose to reduce or eliminate this discretionary grant. Staff are recommending to make the interim grant payment but to continue to monitor the situation and advise Opera Hamilton that the City may withhold or suspend future grant payments.

We have been advised that Opera Hamilton's current financial situation is due to a change in cash flow of their federal grants and that their situation should improve in the next month.

In addition staff are aware that Opera Hamilton is in arrears to Theatre Aquarius. Since this debt is between two third parties, staff are not recommending any action on the part of the City but will continue to monitor the situation as per the above.

Opera Hamilton, as with all groups, will be required to present at the City's Boards & Agencies budget presentation days January 24th and 25th, 2013.

Staff are not aware of any other debts to the City by the grant recipients.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial:

There are no financial implications associated with providing advance payments to the listed external boards and agencies (attached as Appendix A to Report FCS12101).

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Pending Council approval of the 2013 funding levels, the remaining payments to these organizations would be adjusted to ensure that the payment amount does not exceed the approved funding level.

The advance payment amounts identified (attached as Appendix A to Report FCS12101) represent the total amounts that would be paid to the various boards and agencies at the approved 2012 funding levels up to April 30, 2013 – the date before which the 2013 budget is expected to be approved.

Staffing: None.

Legal: None.

HISTORICAL BACKGROUND (Chronology of events)

The City has been supporting various boards and agencies (attached as Appendix A to Report FCS12101) with grants funding in the past. Since these organizations depend upon City funding for their operational expenditures, past practice has been to continue to support them with regular ongoing funding pending the approval of the City budget for each year.

It is to be noted that the Hamilton Conservation Authority (HCA) has historically provided management and operational services for Confederation Park and Westfield Village. In past years, payments for these services were processed as grants payments. During 2012, an agreement was reached between the City and HCA for the management and operation of Confederation Park and after its approval by Council, the budget for Confederation Park previously held under the “Boards and Agencies” group was transferred to Public Works. Council has directed that, using the agreement for Confederation Park as a template, a similar agreement be reached with the HCA for Westfield Village. The Culture Division, which is the contract administrator for the Westfield Village, is in the process of finalizing such an agreement. In the interim, the budget for Westfield Village continues to be included in the “Boards and Agencies” group.

POLICY IMPLICATIONS

Not applicable.

RELEVANT CONSULTATION

Not applicable.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

To be consistent with prior years, staff is seeking Council approval to continue funding, as of January 2013, for those organizations that receive funding (attached as Appendix A to Report FCS12101) on a monthly or quarterly basis, pending approval of the 2013 budget. The funding is based on the previous year's budget and is adjusted, if necessary, when the current year's budget receives Council approval.

ALTERNATIVES FOR CONSIDERATION:

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

Not applicable.

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Skilled, Innovative & Respectful Organization

- ◆ A culture of excellence

Financial Sustainability

- ◆ Financially Sustainable City by 2020

APPENDICES / SCHEDULES

Appendix A - List of Boards and Agencies Requiring Advance Payments.

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List of Boards and Agencies Requiring Advance Payments in 2013 ¹

#	Board or Agency	Advance Payment Schedule		# of Payments per Year	2012 Approved Annual Gross Budget	2013 Advance Payment Amount
1	Hamilton Conservation Authority	28-Feb-13	30-Apr-13	4	3,569,320	1,784,660
2	Niagara Peninsula Conservation Authority	16-Mar-13		4	513,470	128,368
3	Grand River Conservation Authority	30-Apr-13		3	238,160	79,387
4	Halton Region Conservation Authority	30-Apr-13		3	179,660	59,887
5	Royal Botanical Gardens ²	1st of each Month		12	599,210	199,737
6	Hamilton Beach Rescue Unit ³	2-Feb-13		3	126,810	10,000
7	Art Gallery of Hamilton	1st of each Month		12	1,000,000	333,333
8	HWCA - Festival of Friends	1st of each Month		12	85,270	28,423
9	Hamilton Philharmonic Orchestra	1st of each Month		12	113,700	37,900
10	Opera Hamilton ⁵	1st of each Month		12	126,930	42,310
11	Westfield Village ⁴	28-Feb-13	30-Apr-13	4	546,560	273,280
Totals					7,099,090	2,977,284

NOTES:

1	Assumed that the 2013 budget is approved by April 30, 2013. The proposed pro rata payments are based on the gross amounts of grants approved in 2012.
2	Payments to Royal Botanical Gardens is based on the approved funding formula with the Region of Halton.
3	Historically, Hamilton Beach Rescue Unit requests an ad hoc advance payment of \$10,000 in February.
4	The proposed payments for Westfield Village are made to the Hamilton Conservation Authority based on a contracted services arrangement which is yet to be formally completed.
5	Opera Hamilton owes HECFI \$19,841.35 as of November 1, 2012