

Apostolic Ark Ministries “Back to School” Event – August 19th, 2017

The Crime Prevention Branch partnered with the Hamilton Helmet Initiative (HHI) to support the 4th Annual Apostolic Ark Ministries “Back to School” event. This event supports low income families who are likely unable to afford bicycle safety equipment for their children. Our officers assisted with the proper fitting of donated helmets and provided the necessary bicycle safety training.

Migrant Workers Matter – May 28, 2017

The Crime Prevention Branch was approached by a Flamborough organization known as Migrant Workers Matter (MWM). Each summer, Flamborough becomes home to a large population of seasonal migrant workers. Local farmers employ workers from Mexico and the Caribbean to assist with the planting and harvesting of their crops. Many of these workers rely solely on bicycles as their mode of transportation to and from work; however they do not have the proper safety equipment. As a result, workers are in violation of laws requiring the use of reflectors, bells and bicycle lights before dawn and after dusk. In 2016, one of the workers was the victim of a fatal motor vehicle collision. This tragic death caused MWM to lobby for assistance with bicycle safety education and bicycle equipment to improve the safety of these hard-working, underprivileged farm hands. The Crime Prevention Branch took the initiative to reach out to Public Health, the Hamilton Helmet Initiative and 7 Star Sports to procure much needed helmets, bells and lights. These organizations made donations and facilitated fundraising to purchase safety equipment. The partnership between these organizations led to the creation of a 4 hour long bicycle safety clinic, which was hosted in late May at the Community Church in Waterdown. The Crime Prevention Coordinator provided bicycle safety training to more than 100 migrant workers. Attendees also received free helmets, reflectors, bells and lights. This event demonstrated an unprecedented level of community support for the safety of these workers. Many of the workers demonstrated overwhelming emotion and gratitude.

McMaster Children’s Hospital “Walk & Wheel” – June 3rd, 2017

For the past several years, our Service has partnered with McMaster Children’s Hospital in support of their annual cycling safety event called “Walk & Wheel”. This large scale event is held at Pier 4 Park and hosts hundreds of members of the community. It is considered to be one of the Children’s Hospital’s premier fundraising events. Crime Prevention provided the audience with a 2V1 helmet fitting lecture to ensure participants received proper bicycle helmet/head safety training.

Traffic Events & RIDE Lanes

One of our Auxiliary Officers’ priorities continues to be supporting traffic safety initiatives in our community. Auxiliary members volunteered a total of 2109.5 hours to RIDE Lanes events at all 3 Divisions. An additional 452.5 hours of support was provided towards traffic control at major road races, parades and festivals.

Performance Measures: 2,562 hours in 2017, an increase of 13% (2,258 hours in 2016).

Safe Roads Program (Speed Watch, Red Light Locations, Stop Sign Locations)

CMD Volunteers and Co-op students assisted with the Safe Roads Program in all Divisions. Speed Watch initiatives were set-up on 19 occasions for 220 hours of monitoring. Volunteers and Co-op Students attended various Red Light locations 64 times for 443 hours, and an additional 110 Stop Sign locations for 933 hours of monitoring. These locations are identified as problem areas by our citizens and Crime Managers.

Performance Measures: 1596 hours of traffic monitoring at 193 locations in 2017.

Goal 1.3 Provide knowledge to the public on how to prevent and report crime, as well as safety, quality of life and traffic issues in our communities

Crime Prevention Officers - Security Audits - Crime Prevention through Environmental Design (CPTED)

Crime Prevention Officers conducted 31 residential and 15 business audits to provide owners with valuable advice and information on improving the security of their property. Audits are a critical component of safety planning for high risk domestic violence victims. A record, 68 domestic audits were conducted in 2017. In September, 2017, Crime Prevention Officers attended a training session in Peel Region which focused on conducting CPTED audits at places of worship. These officers used this new knowledge to conduct 4 additional audits at community "places of worship". A staffing reduction resulted in slightly lower audit totals than the previous year.

Performance Measures: 118 total security audits in 2017, (132 audits in 2016)

Auxiliary Unit – SafeGuard Audits (Target Hardening)

Crime Prevention continues to be a priority of the Auxiliary Unit. Auxiliary Officers trained by the Crime Prevention Officers also provided the community with security audits of both their home and businesses. On-site business audits are completed during pro-active canvasses within the community. Auxiliary Officers completed 8 residential audits and 108 business audits.

Performance Measures: 116 audits in 2017, (130 audits in 2016)

Auxiliary Officer Displays, Presentations and Station Tours

The Auxiliary Unit provides the community with valuable information on personal, internet and home security through presentations, as well as providing station tours to children and youth groups. In 2016, members of the Unit began expanding their operations by responding to Divisional requests to pro-actively patrol areas, interact with community members, visit businesses and provide crime prevention material to the public. Co-op Placement Students delivered Crime Alerts to neighborhood businesses as requested by the Fraud Unit in response to criminal activity.

Performance Measures:

5 Crime Prevention Displays, Presentations and Pro-Active Crime Responses in 2017 (12 in 2016)

15 Station Tours in 2017 (13 in 2016)

Graffiti Prevention

Most incidents of graffiti occur on public property and are typically reported to the City Contact Centre (CCC) at 905-546-CITY. The City of Hamilton handles these incidents by tasking Public Works clean-up crews. Many of these graffiti occurrences are never reported to the police since they do not meet the requirements for mandatory police reporting. The three criteria for police reporting are: hate bias graffiti, gang related graffiti and politically motivated graffiti. In 2017, only 34 of the 374 total graffiti incidents reported to the CCC were diverted to the HPS for follow-up.

	2011	2012	2013	2014	2015	2016	2017
Total graffiti calls taken by the CCC	1305	1210	972	696	1632	475	374
Total graffiti calls diverted to HPS	108	63	27	32	24	18	34
% Diverted to HPS	8.3%	5.2%	2.8%	4.6%	1.5%	3.8%	9.1%

In 2017, the Hamilton Police Service received a total of 136 graffiti reports which is slightly higher than the previous year (125 in 2016). One Hundred and two (102) of these were reported by the public and

the remaining 34 reports were received from the City Contact Centre. Of the 136 total occurrences in 2017, six (6) were cleared by charge and six (6) were cleared as "otherwise". These 12 clearances correlate to a graffiti clearance rate of 9%.

Year	Occurrences	Cleared by charge	Cleared Other	Clearances	Not Cleared	Clearance Rate
2011	297	26	14	40	257	13%
2012	287	19	9	28	259	10%
2013	241	28	10	38	203	16%
2014	170	13	9	22	148	13%
2015	136	8	8	16	120	12%
2016	125	7	4	11	114	9%
2017	136	6	6	12	124	9%

Source – NICHE All Violations Occurrence Reports 2017 run on 22-Feb-2017

A total of eight adult individuals (seven males, one female) were arrested for graffiti crimes, compared to nine arrests in 2016. In 2017, all eight offenders were charged criminally.

**2017 crime statistics are based on crime information which is preliminary in nature and subject to change for a variety of reasons. Offence types and clearances often change during the investigative process. The information is therefore provided only as a general overview of crime trends in the City of Hamilton.*

Performance Measures: 8 offenders arrested and charged in 2017; a 9% clearance rate

Crime Prevention Officers and Volunteers - Crime Prevention Presentations

Crime Prevention Officers delivered 71 community presentations to a wide variety of organizations. Throughout the year, presentations on personal safety, criminal law, interacting with the police, traffic law and domestic violence were provided to large groups of Canadian newcomers. Crime Prevention also conducted presentations for Indigenous persons, adults with disabilities, seniors, teens at babysitting courses, international students, businesses, diverse groups, city staff and government institutions. In addition, volunteers conducted 58 presentations (339 hours) and instructed 1,867 elementary school students on how to use 9-1-1.

Performance Measures:

71 total community presentations by Crime Prevention Officers in 2017, (64 in 2016)

58 presentations by Volunteers in 2017, (1,867 students received 9-1-1 presentations)

CCTV Monitoring

The CCTV cameras are monitored by CMD volunteers and Co-op Placement Students. A record 3,326 hours of monitoring was completed. Training on the operation, policies and procedures of the system was provided to 46 members.

Performance Measures: 3,326 in 2017, an increase of 36% (2,436 hours in 2016.)

Lock-It-or-Lose-It

In partnership with our Mohawk College Co-Op Placement Students and CMD volunteers; Auxiliary Officers worked strategically to address residential areas of concern regarding vehicle entries and residential break and enters. Lock-It-or-Lose-It pamphlets were distributed to 6549 vehicles at various locations in our communities.

Performance Measures: 257 hours, 22 initiatives and 6,549 pamphlets in 2017, (41% more pamphlets), (4,651 LIOLI in 2016).

Shop Theft Protocol

Retail Loss Prevention Officers (LPO) are trained to implement strategies which minimize the time spent on suspect theft apprehensions, while also reducing service calls to front-line HPS officers.

Performance Measures: 1,651 shoplifting occurrences reported in 2017, (1,667 in 2016)

153 cleared by Shop Theft Protocol in 2017, (278 in 2016)

Source – NICHE All Shoplifting \$5000 and under in 2017 run on 17-Jan-2018

Citizens' Police College – Oct/Nov

This six-week course teaches participants about the various roles and facets of policing, nurtures communication and creates ambassadors within our community. This year's college was the focus of a Cable 14 "Police Watch" episode. The graduation ceremony for Citizens' Police College is held during Crime Prevention Week in November. A diverse group of approximately 50 citizens graduate annually.

Performance Measures: 42 graduates in 2017, (54 graduates in 2016)

Goal 2.1 Reach out to share information and to build relationships and partnerships by interacting with all communities

Police Week - May 14th to 20th

Police Week provides an opportunity to partner with our communities and raise policing awareness while celebrating the relationships we share with other organizations and agencies. This special week begins with the Annual 'Chief for a Day' Essay Contest. Grade 6 students are asked to submit a one page explanation of "How would you make our community a safer place to live if you were Chief?" Five winning entries are selected: one Chief, two Deputies and two Superintendents. They are invited to Central Police Station for a fun day of policing activities.

The signature community event for Police Week is "Police in the Park". A record number of 1,600 elementary school students attended Camp Marydale making this the largest event of its kind. Students and teachers saw numerous police exhibits and displays while interacting with Forensic Services, K-9 and Mounted Patrol horses. Other community agencies and organizations also set up information booths.

The Citizenship Ceremony is hosted at the "Old" Stoney Creek City Hall, located at 777 Highway 8. This event celebrates dozens of immigrants who are "sworn in" as citizens of Canada. The HPS Honour Guard and Male Chorus both participate in the ceremony. This event allows our Service to demonstrate their support for our diverse communities.

Crime Prevention Week - November 5th to 12th

Crime Prevention launched the week by engaging the community with a BBQ fundraiser with the proceeds donated to "Skate the Dream". Additionally, the Crime Prevention Branch facilitates a city-wide elementary school poster contest each year. This year's theme was Traffic Safety. The winning posters and their respective artists and classmates were invited to the BBQ to receive recognition and an award.

Take Our Kids to Work Day - November 1st

Grade 9 students receive police presentations covering many aspects of policing. Students are exposed to various components of policing to support career initiatives.

Performance Measures: 37 students in 2017, (45 students in 2016)

Cop Camp – March 13th to 16th

Cop Camp serves to create an atmosphere where children have fun while learning about the numerous roles of the police service. The camp provides officers a chance to develop positive relationships with youth while acting as role models. Campers and their parents routinely praise the camp's police counselors for their efforts, and this year was no different with emails of thanks arriving immediately following the camp's final day.

Performance Measures: 104 children in 2017, (96 in 2016)

Native Women's Centre Personal Safety Seminar – October 26th

The Crime Prevention Branch hosted a safety seminar at the request of the Native Women's Centre. Topics covered included personal safety, bullying, internet safety and Halloween safety tips. The Native Women's Centre later sent a heart-felt letter of appreciation. The organization was impressed by our officers' participation in the smudging ceremony.

McMaster Children's Hospital Miracle Weekend "Plane Pull" – June 4th

Crime Prevention Branch entered a team of officers in this annual Children's Hospital event. The team manually pulled an aircraft down the runway before a large audience. The event is one of the Hospital's annual fundraisers. Hamilton Health Sciences Foundation met early in the year with the Community Mobilization Division in the hope of fostering a stronger relationship. This resulted in our participation in three of HHS's premier fundraising events: Walk & Wheel, Plane Pull and Strides for General.

Strides for General – September 16th

The Crime Prevention Branch coordinated a team of HPS runners who participated in Hamilton Health Sciences 5km fundraising road race. Officers wore full police uniform while competing in the charity run.

Christmas Toy Drive – Mid-December

The Crime Prevention Branch partnered with local company Everest Toys, who generously donated thousands of dollars' worth of toys. Several police vehicles full of toys were delivered to Wesley Urban Ministry, Limeridge Mall K-Lite FM "Toy Mountain" project and the CHCH toy drive. The toys later went to underprivileged children across the city.

Crime Prevention Officers Participated in Other Various Community Events:

- | | | |
|-----------------------------------|----------------------------------|---------------------------------------|
| ❖ Try! Hamilton | ❖ St James United Church | ❖ Talize Community Night |
| ❖ Ancaster Touch-a-Truck | ❖ Lift Church Carnival Night | ❖ Mohawk Summer Camp |
| ❖ HSR Family Day | ❖ Hamilton Santa Claus Parade | ❖ Glanbrook Youth Soccer |
| ❖ Community Cup Soccer Tournament | ❖ SPCA Wiggle Waggle Walk-a-thon | ❖ McMaster Children's Hospital Picnic |

Auxiliary, Volunteer & Co-Op Students Participated in Other Various Community Events:

Volunteer members of the Community Mobilization Division attended events in our community totaling 2,963.5 hours. These events included fairs, school open houses, and neighbourhood charity events.

Performance Measures: 2963.5 hours in 2017.

Goal 2.3 Engage the community with meaningful and varied volunteer opportunities

Ride-Alongs

Members of the Auxiliary Unit completed Ride-Alongs at all Divisions. This partnership with patrol officers provides an increase of police presence in our community, additional Officer Safety, and provides Auxiliary Officers a meaningful training environment.

Performance Measures: 1927 hours and 158 patrols in 2017 (3,094 hours in 2016)

Records Assistance Program

Volunteers and Co-op Students address civilian inquiries at Central Station Records Counter. This has helped reduce wait times at the front Records Counter during peak time periods.

Performance Measures: 2339.5 hours of service in 2017, (2,831 hours of customer assistance in 2016)

ACTION, Command Van, Vehicle Audits & Bike Fleet Maintenance Teams

Patrolling with the ACTION Team provides the Auxiliary Officers with operational experience that they do not experience elsewhere and increases the police presence in our community. They patrolled with the ACTION Team 112 shifts for a total of 1,254 hours. The Auxiliary Unit also ensured that the ACTION Bicycle Fleet remained operational by completing 240 hours of bi-weekly maintenance to the bicycle fleet. These Auxiliary efforts reduce maintenance costs and keep officers safe. Auxiliary Officers also performed bi-weekly maintenance of the Command Van totaling 190 hours. The Auxiliary Officers also audited marked police cruisers (150 hours) at all Divisions to ensure that the vehicles had all required safety equipment and were in good working condition.

Performance Indicators:

1,254 hours of ACTION Patrol in 2017, (2012.5 hours in 2016)

580 hours of Command Van Maintenance, Vehicle Audits and Bike Fleet Maintenance was completed in 2017, (1,575.5 hours in 2016)

MAC 91/92 & Hess Village

Auxiliary Officers supplemented the Paid Duty compliment at Hess Village (105 hours) and at McMaster 91/92 for 414 hours. This allowed for an increase in police presence in both areas at no additional cost to the stakeholders.

Performance Measures: 519 hours and 43 events in 2017, (781.5 hours in 2016)

Immediate Rapid Deployment (IRD) Training

Each week members of the Auxiliary Unit and Volunteers assist the Training Branch at Immediate Rapid Deployment (IRD). Training included role playing as hostages, civilians and victims to create a realistic training environment for Police Officers.

Performance Measures: 1,344 hours in 2017, (1,228 hours in 2016)

Mounted Patrol Unit

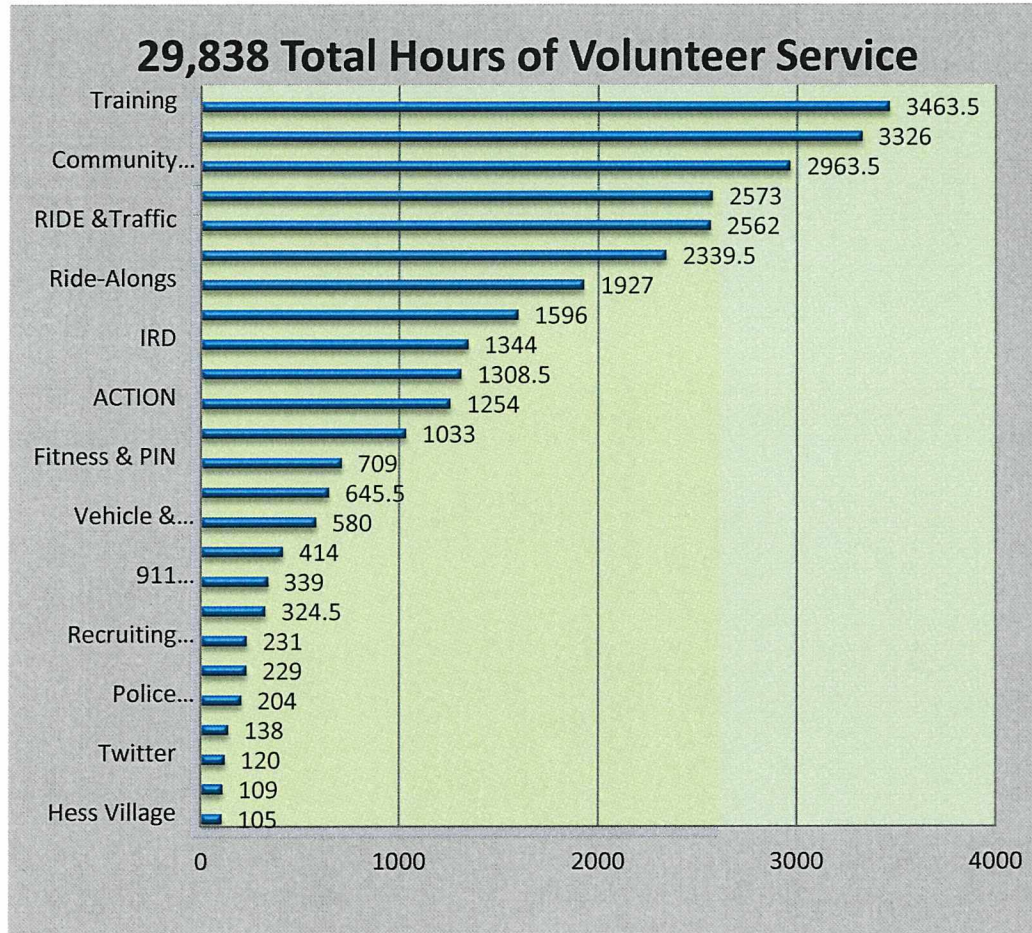
Volunteers assist the Mounted Patrol Unit Officers in a variety of ways and in doing so Mounted Patrol Officers are able to increase their patrol time within the community. They were also provided with a more realistic training environment through the volunteer's attendance at weekly Troop Training. The availability of our Co-op Students this year provided our MPU with more resources than historically available, enhancing previous skills and learning for all.

Performance Measures: 2,573 in 2017, (825 hours in 2016)

Recruiting Presentations Supported by Auxiliary

Members of the Auxiliary Unit are frequently asked to assist the Recruiting Branch with activities including PREP mentoring sessions or to attend community events. Auxiliary members provide both general information, and HPS recruiting information, at events such as McMaster University Volunteer Fair, Mohawk College, and while speaking with smaller groups within the City.

Performance Measures: 18 events in 2017, (16 events in 2016)

Overview of Volunteer Hours

Goal 3.1 Continue to implement recruiting and retention strategies that attract quality people and reflect the demographics of our communities.

Recruiting

- 17 Auxiliary Officers including 6 Cadet Officers
- 13 Co-Op Placement Students

Training

- The Auxiliary Officers are well trained and prepared for duty. A total of 3,463.5 hours of training was provided to our members both through in-service training to our Auxiliary recruits and through continuing training opportunities that were available to all volunteer members. Ethics and Domestic Violence training were added to the new member syllabus for Auxiliary Officers in

the latest intake. Members were also provided an opportunity to receive training on the B.E.A.R. Unit, Forensic Services, Essential Competencies Interview Mentoring Session through the Recruiting Branch, Witness Statement and Notebook writing through the CID, the Social Navigation Program, Collection of Identifying Information (C.O.I.I.), Trans Inclusion and LGBTQ Training with Guest Speaker Cole Gately, Fentanyl & Carfentanyl, The Canadian Hearing Society, Bicycle Training, SAFETalk and Standard First Aid/CPR Training,

- Volunteers also had an opportunity to increase their skills while enhancing the training of Officers within the Service by assisting at: ERU Training Scenarios, Incident Command Scenarios, Ground Search and Rescue Training, and Public Order Training.
- Several members were also able to assist with Labour Relations Training and CIT and at the same time benefit from receiving this training.

Fitness PINS

- 13 volunteer members of the Unit received their Ontario Fitness PINS in 2017, this is a voluntary achievement.

Recognition

- An Auxiliary Officer received Hamilton Police Service 'Member of the Month' for September 2017 in recognition of his efforts to save a life by providing CPR while off-duty.
 - A Level 1 Commendation was also issued in relation to this event.

Years of Service/Retention

In 2017 many of our volunteers were recognized for their significant years of committed service;

- 1 members attained 10 years of service
- 13 members attained 5 years of service

National Police Memorial in Ottawa

- 13 members of the Auxiliary Unit attended the weekend long National Police Memorial in Ottawa representing the Hamilton Police Service
- 1 Auxiliary Officer assisted the Ride-to-Remember on their journey to Ottawa and marched with the Auxiliary Unit for the parade.

Employment

- members of the Unit found employment in their chosen field of Emergency Services this year;
- 8 with Hamilton Police Service as Police Constables - 3 with the Hamilton Police Service as Special Constables
- 1 with the R.C.M.P. as a Police Constable
- 1 with the Niagara Regional Police Service as a Police Constable
- 1 with the Hamilton Fire Department as a Firefighter
- 6 with the Ministry of Corrections and Safety as Correctional Officers
- 1 with the Canadian Armed Services as an Air Weapons System Technician
- 1 with McMaster University as a Special Constable

Performance Measures: 22 members of the Unit gained employment in law enforcement in 2017, (16 members of the Unit gained employment in 2016).

Goal 5.4 Involve our community stakeholders to develop and implement innovative branding/marketing that improve our corporate image.

HPS Crime Prevention Branch @HPSCrimePrevent

In July, the Crime Prevention Branch launched its own Twitter account (@HPSCrimePrevent). Using social media is an effective method to deliver crime prevention messages, safety tips and event advertisements. Twitter allows us to reach out and engage with a younger demographic. Historically, Crime Prevention has used pamphlets, flyers and presentations to deliver important messages to the community, but technology allows us to connect and raise awareness with the push of a button.

HPS Auxiliary Unit @HPSAuxiliary

The Auxiliary Unit continues to share information regarding Hamilton Police Service events, traffic safety and crime prevention initiatives with our community via @HPSAuxiliary and increased its followers to 1,855 from 1,656, an increase of 12%. A Halloween tweet reminding the community to slow down earned 10,515 hits, making it the top tweet of the year. The Unit continues to focus on traffic safety, crime prevention, community events and recruiting as its platform.

Performance Measures: 1,855 followers in 2017, (1,656 in 2016)

Conclusion

The Crime Prevention Branch, Auxiliary Unit and CMD Volunteers continue to engage the community in a variety of ways while providing support to our sworn officers.

During 2017, Crime Prevention increased public interaction with Indigenous groups, Newcomers and special needs groups. By teaching citizens about the role of police and relaying key safety messages we raise awareness and reduce victimization.

Restructuring within the Community Mobilization Division resulted in the supervision of all volunteers being transferred to the Auxiliary Coordinator. This has allowed the Crime Prevention Branch to focus on popular, sustainable proactive programs while providing an opportunity to nurture new ideas, like the use of social media.

The Auxiliary Branch and CMD Volunteers dedicated nearly 30,000 hours to various events over the past year. Their volunteerism enables our Service to facilitate an array of valuable community programs.

2017 was marked by several highlights:

- Crime Prevention conducted a record 68 domestic violence related security audits (34 in 2016). The Victim Services Branch requests these audits on behalf of victims of domestic violence. This dramatic increase in the number of audits is reflective of the strong partnership between the two branches.
- A total 29,838 hours of volunteer service were performed by our Auxiliary Officers, Co-Op Students and CPB Volunteers, all volunteer programs were merged under one umbrella for the purposes of supervision, training, reporting and scheduling. All volunteer scheduling is now completed online negating the need for volunteers to attend in person or email to schedule their shifts and reducing the need for volunteers to assume this task.

- The 234 CPTED and Safeguard audits were conducted by Crime Prevention Officers and Auxiliary Officers. Crime Prevention Officers attended specialized training enabling them to complete audits at places of worship.
- The total number of graffiti occurrences reported to the Hamilton Police increased slightly to 136 (125 in 2016). The number of graffiti occurrences reported to the City Contact Centre (CCC) has declined for the third straight year reaching a low of 374. As a result, the total reported incidents of graffiti have declined, but there was a slight increase in the number of calls diverted to the police from the CCC.
- The graffiti crime clearance rate was 9% (9% in 2016). During each of the past 4 years, approximately 10% of all reported graffiti crimes have been solved by investigation.
- The Auxiliary Unit has been using their Twitter account @HPSAuxiliary for several years. In 2017, Crime Prevention launched @HPSCrimePrevent. It provides Crime Prevention tips, crime alerts and the promotion of community events.
- 22 Auxiliary Officers or volunteer members found employment in their chosen field of Emergency Services; this is the highest number of members ever hired in one year.

4.4(e)

Morin, Lois

From: Shekar Chandrashekar <shekarfamily@hotmail.com>
Sent: April-27-18 10:37 AM
To: Morin, Lois
Cc: ctwolan@hpa.on.ca
Subject: Legal Opinion obtained
Attachments: 27 APRIL 2018 FOR HPSB LEGAL OPINIONS.pdf

Ms.Morin

Please see attached document .I appeal you to put it in May 10,2018 HPSB meeting .

Respectfully submitted by a private citizen

shekar

Shekar Chandrashekar
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E-mail: shekarfamily@hotmail.com
Tel: (905)525-3082
Date: April 317, 2018

To
Mr. Chairman and Members of Hamilton Police Services Board

Attention: Ms. Morin

Subject: Legal Opinion on S.39 as it relates to Hamilton Police Services Budget

I am not an expert on police operations or on confidential information. I am knowledgeable concerning police services financial operations. With that in mind, I have been fighting against the inflated financial budget and the misinterpretation of Police Act S.39, particularly S.39 (1), for the past several years.

Section 39 states, in part:

- The board shall submit operating and **capital estimates** to the municipal council that will show, **separately**, the amounts that will be required,
- to maintain the police force and provide it with equipment and facilities;

This section makes it clear that estimates of capital requirements should be provided separately by Hamilton Police Services Board to City of Hamilton.

The purpose of this separation is so that capital requirements **will have no implication on current financial operational budget**. This separation should show in a Capital budget that is related to long term police security and the operational equipment associated with that. It is the responsibility of the City of Hamilton Capital Budgeting process.

The City of Hamilton Manager of Capital budgeting agrees that the City has been issuing/has issued debt for the Hamilton Police Services portion in the overall City Capital budget on an annual basis without impeding Hamilton Police Services current financial operating budget.

My concern is technical in nature. As a result I had written my concern in a narrative form hoping that police accountants would interpret it and bring it to the HPSB. That effort was unsuccessful. Nevertheless, I brought this to the Hamilton Police Services board myself in order to reduce the Police Budget. However, I continue to be unable to obtain a conclusive or conducive response.

For that reason, as a private citizen, I engaged a **well reputed** legal firm to examine the matter and I have obtained opinions from the Minister of Municipal Affairs, PSAB and OCPC, **all of which support my position**. My goal is to reduce the Police Services budget by removing estimates of capital requirements. The capital requirements are to be submitted separately to Council. Their inclusion with operational requirements only serves to inflate Police Services' current operational budget.

HPS continues to **include** their capital financing share in their current financial operational budget. This causes an increase in the Hamilton Police Services' portion of the tax levy.

I discussed this with Mr. Bowman who prepares the Capital budget. He confirmed that he prepares the budget but is not responsible for recording the transactions in the accounts. I have determined that the City, in coordination the Police Services accountant, record the transactions **by a journal entry** that charges directly to the City Bank account in spite of the fact that it is a non-cash transaction. This treatment violates fundamental accounting principals as well as PSAB and CICA accounting pronouncements.

From my interactions with the City and the police accountants, I have concluded that there is little coordination between the City and Police accountants. It is the responsibility of the accountants to provide accurate financial information to HPSB and to City Council per Municipal Act S285, S 286 and S 287.

As a private citizen, I appeal to the HPSB to take action to improve the budgeting process.

We need more uniform officers and detectives to fight against increase in crime. I would be available to discuss my findings with the new C.A.O. who, I understand, is quite knowledgeable in human resources and in financial areas.

I would be delighted to answer questions if permitted to do so. I still stand by HPSB can save 4.5million easily. But leadership is required.

Respectfully submitted by a concerned private Citizen

Shekar Chandrashekar
PS: City Council advised too.

Enclosures:

- Legal Opinion from Ross & McBride LLP; Mr. Mantle
- Ruling from OCPC
- Ruling from Minster of Municipal Affairs Right Honourable Mauro
- Ruling from PSAB
- Non cash transaction Charged Directly to City Bank to recover Capital Financing from Hamilton Police. This is violation of Fundamental Accounting Principles
- Manager of Capital budgets confirms City pays Debt charges police share of Capital and describes Method of Capital allocations for all entities including Police
- General Manager of Finance and Corporate Services according Municipal Act controls and monitors all financial Operations including Police.
- 2018 Capital financing



Michael A. M. Mantle
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March 18, 2018

VIA EMAIL:

shekarfamily@hotmail.com

Dear Mr. Chandrashaker:

Client:	Mirle (Shekar) Chandrashaker
Your File No.:	1835633-001
RE:	– Research Question – <i>Police Services Act</i> – Statutory Interpretation – “Operating” and “Capital” Estimates –

YOUR RESEARCH QUESTION:

You have asked me to provide you with a legal interpretation of Section 39(1) of the *Police Services Act*, R.S.O. 1990, c. P.15, specifically with respect to the “operating” and “capital” estimates portion of the provision.

THE RELEVANT PORTION OF THE ACT:

Section 39(1) of the Act reads as follows:

Estimates

39 (1) The board shall submit **operating** and **capital** estimates to the municipal council that will show, separately, the amounts that will be required,

- (a) to maintain the police force and provide it with equipment and facilities; and
- (b) to pay the expenses of the board's operation other than the remuneration of board members.

[Emphasis Added]

STATUTORY INTERPRETATION AT A GLANCE:

As previously discussed Mr. Chandrashaker, statutory interpretation is a highly complex area of law. Various principles and guidelines exist to assist the reader to arrive at the intended meaning of a given statutory provision.

One of the central principles that jurists rely on to interpret legislation is what is known as Driedger's Modern Principle.

In his work entitled: *Construction of Statutes* (1983) Driedger noted that the reader should contemplate the following when attempting to interpret a given legislative provision:

"Today there is only one principle or approach, namely, the words of an Act are to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament" (at page 87).

This principle has been utilized in thousands of cases, including *Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27, since it was espoused by Driedger in his seminal work.

It is through the lens of Driedger's Modern Principle that I viewed section 39(1) of the *Police Services Act*.

BASIC LEGAL OPINION:

Upon reviewing section 39(1) of the *Police Services Act*, as well as other relevant portions of the legislation at hand, it is my opinion that the aforesaid portion of the *Act* calls for there to be a clear demarcation between "operating" and "capital" estimates. In other words, it seems as though these two types of estimates are meant to be presented separately.

While many statutory provisions are marred in ambiguity, I do not believe that this is one of them.

APPLICATION TO MATERIALS PROVIDED:

Furthermore, Mr. Chandrashaker, you have previously provided me with the *Hamilton Police Services Operation Budget (2018)* – Item 5.1 PSB 17-135. I have reviewed it several times.

While I am by no means an accountant or an expert in finance, I could not find any evidence that there was a clear separation of "operating" estimates and "capital" estimates in this report. In fact, I could only find mention of "operating" budget/estimates within the said report.

Given my limited knowledge of accounting I am not sure whether or not "operating" and "capital" estimates were subsumed into one figure or if the "capital" estimates portion was not included in the literature provided. Perhaps the "capital" estimates figures are included in another report.

I hope this is of some assistance.

Please feel free to call or contact me if you have any questions.

Yours Very Truly,
ROSS & McBRIDE LLP

Per:



Michael A. M. Mantle
B.A. (Hons.), J.D., LL.M.
Associate Lawyer

RE: Hamilton Police Board

Ontario Civilian Police Commission Registrar <OCPCRegistrar@ontario.ca>

Reply

Today, 9:24 AM

You;

SLASTOinfo (MAG) (SLASTOinfo@ontario.ca);

+1 more

You replied on 2018-03-20 9:31 AM.

Dear Mr. Chandrashekar,

This is to acknowledge receipt of your correspondence dated March 7, 2018. With regard to your concern around capital budgeting of police services, it is the responsibility of the Board to submit operating and capital estimates. If the board is not satisfied that the budget established for it by the council is sufficient to maintain an adequate number of police officers or the other employees of the police force with adequate equipment or facilities, the board may request that the Commission determine the question. You may wish to bring these concerns to the Hamilton Police Services Board.

Sincerely,

Celia Lieu

Manager of Operations/Registrar

Ontario Civilian Police Commission

Animal Care Review Board | Fire Safety Commission

Safety, Licensing Appeals and Standards Tribunals Ontario

20 Dundas Street West, 5th Floor, Suite 530

Toronto, Ontario, Canada M5G 2C2

Tel: (416) 314-3011

Cell: (416) 258-1902

Email: Celia.Lieu@ontario.ca

Ministry of
Municipal Affairs

Office of the Minister

777 Bay Street, 17th Floor
Toronto ON M5G 2E5
Tel.: 416 585-7000
Fax: 416 585-6470

Ministère des
Affaires municipales

Bureau du ministre

777, rue Bay, 17^e étage
Toronto ON M5G 2E5
Tél. : 416 585-7000
Télééc. : 416 585-6470



AUG 18 2017

17-71802

Mr. Shekar Chandrashekar
shekarfamily@hotmail.com

Dear Mr. Chandrashekar:

Thank you for your email regarding your concerns about the accounting transactions of Police Services.

As Minister of Municipal Affairs, I understand the importance of financial accountability on open and transparent governments.

Section 294.1 of the *Municipal Act, 2001*, stipulates that municipalities "prepare annual financial statements for the municipality in accordance with generally accepted accounting principles for local government as recommended, from time to time, by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada."

Section 296 requires a licensed auditor under the *Public Accounting Act, 2004*, to audit the accounts and transactions of the municipality and its local boards. Furthermore, the ministry collects municipal financial information through the Financial Information Return (FIR) on a yearly basis as mandated by section 294(1). To ensure public confidence in public sector entities, legislation is in place to facilitate independently established accounting and assurance standards.

I encourage you to have a discussion and share your concerns with PSAB and/or the City of Hamilton.

Thank you for bringing your concerns to the attention of the government. Please accept my best wishes.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Bill Mauro'.

Bill Mauro
Minister

RE: Letter frm the Honourable Bill Mauro, Minster of
Municipal Affairs

AA

Ali Ahmed <aahmed@psabcanada.ca>

Reply

Wed 2017-09-06, 2:09 PM

You

You forwarded this message on 2017-09-11 5:35 PM

Hello Mr. Shekar,

I would confirm that Public Sector Accounting Board (PSAB) issues standards and guidance with respect to matters of accounting in public sector. Public sector refers to government, government components, government organizations and government partnerships.

These standards apply to all public sector entities that issue general purpose financial statements unless :

- (a) Specifically directed or permitted to use alternative standards by PSAB,
or
- (b) Limited in applicability as outlined in the individual sections.

Kind Regards

Ali

Ali Ahmed, CPA, CGA, FCCA (UK)

Principal/Directeur de projets

Public Sector Accounting Board / Conseil sur la comptabilité dans le secteur public

Tel / Tél. : 416.204.3315

aahmed@psabcanada.ca

| www.frascanada.ca | [LinkedIn](#) | [@FRASCanada](#) |

From: McMullen, Brian <Brian.McMullen@hamilton.ca>

Sent: December 11, 2017 1:48 PM

RE: Very Simple Request Yes or No

SJ

Spiler, Joseph <Joe.Spiler@hamilton.ca>

Reply

Fri 2017-11-17, 1:32 PM

You;

Hewitson, Tom (Tom.Hewitson@hamilton.ca);

+5 more

29 JANUARY 2018JOEAND CHARLES AND MIKE FUTURE FUND AND HPSB

You forwarded this message on 2017-11-24 1:33 AM

yes

From: Shekar Chandrashekar [mailto:shekarfamily@hotmail.com]

Sent: November-17-17 12:50 PM

To: Hewitson, Tom

Cc: Zegarac, Mike; McMullen, Brian; Brown, Charles; Auty, Nicole; McKinney, Andrea; Spiler, Joseph

Subject: Re: Very Simple Request Yes or No

Hello Tom

Each bullet takes 1 Second eac total 3seconds

I prefer Joe Spiler to answer these Yes or No simple request.Joe Spiler as I know he knows Capital Budget and Development Charges.

Please, respond

shekar

From: Shekar Chandrashekar <shekarfamily@hotmail.com>

Sent: November 16, 2017 7:48 PM

To: Hewitson, Tom

Cc: Zegarac, Mike; McMullen, Brian; Brown, Charles; Auty, Nicole; McKinney, Andrea; Spiler, Joseph

Subject: Re: Very Simple Request Yes or No

Hello Tom or Joe or your Director of Budgeting

Any of three can answer a simple questions(Prefer Joe).They are:

- Debt charges are in City books
- Accumulated capital expenditures are in City Books
- City makes Debt Payment.Therefore provision is in City Capital budget repayment

Folks these are Yes or No questions to put my last Puzzle

Respectfully requested by a concern private Citizen

RE: Very Simple Request Yes or No URGENT PLEASE, AFTER
YOUR GIC MEETING OR BEFORE

SJ

In my opinion, the following summarizes what you are stating regarding the below issues:

- All of the municipal legislation confirms that capital capacity or municipal affordability of capital (includes debt funding) is controlled directly by the City and not any boards or agencies
- As such, the different board and agencies should fit their capital requests around the City's capital capacity and prioritization. An example of this is the Hamilton Conservation Authority where the City has determined that \$2 million is all they can afford to allocate to the HCA and the HCA plans their capital program around this amount.

Chief administrative officer

229 A municipality may appoint a chief administrative officer who shall be responsible for,

- (a) exercising general control and management of the affairs of the municipality for the purpose of ensuring the efficient and effective operation of the municipality; and
- (b) performing such other duties as are assigned by the municipality. 2001, c. 25, s. 229.

PART VII FINANCIAL ADMINISTRATION

Fiscal year

285 (1) The fiscal year of a municipality and a local board of a municipality is January 1 to December 31. 2001, c. 25, s. 285 (1).

Treasurer

286 (1) A municipality shall appoint a treasurer who is responsible for handling all of the financial affairs of the municipality on behalf of and in the manner directed by the council of the municipality, including,

- (a) collecting money payable to the municipality and issuing receipts for those payments;
- (b) depositing all money received on behalf of the municipality in a financial institution designated by the municipality;
- (c) paying all debts of the municipality and other expenditures authorized by the municipality;
- (d) maintaining accurate records and accounts of the financial affairs of the municipality;
- (e) providing the council with such information with respect to the financial affairs of the municipality as it requires or requests;
- (f) ensuring investments of the municipality are made in compliance with the regulations made under section 418. 2001, c. 25, s. 286 (1).

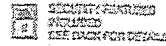
Signatures of cheques

287 A municipality may provide that the signatures on a cheque of the municipality be mechanically or electronically reproduced. 2006, c. 32, Sched. A, s. 118.



City of Hamilton
P.O. Box 2040 LCD1
Hamilton, ON L8N 0A3

Royal Bank
100 King Street West
Hamilton, ON L8P 1A2



838149

Hamilton

MIRLE CHANDRASHAKER
SEVEN AND XX / 100 DOLLARS

2017-06-14
YYYYMMDD

PAY SEVEN AND XX / 100 DOLLARS

S***7.00

TO THE
ORDER
OF
MIRLE CHANDRASHAKER
39 HADDON AVENUE SOUTH
HAMILTON, ON L8S 1X5

[Signature]

Mayor

[Signature]
Treasurer

⑈838149⑈ ⑆01222⑈003⑆ 000⑈004⑈2⑈

For Accounts Payable inquiries please call 905-546-2424 Ext. 2214

Cheque Date: Jun/14/2017

Cheque No. 838149

Invoice Date	Invoice Number	Voucher ID	Gross Amount	Discount	Paid Amount
Jun/06/2017	17JUN06	02813373	7.00	0.00	7.00
HPS-FOI REIMBURSEMENT					

22

Vendor Id	Loc	Name	Total Discounts	
0000104635	001	MIRLE CHANDRASHAKER	\$0.00	
Cheque Number	Date	Pymnt Hndlg Code	Total Amount	Discounts Taken
838149	Jun/14/2017	RE	\$7.00	\$0.00
				Total Paid Amount

ACTIVITY COST

FIELD SUPPORT
CORPORATE SERVICES

DESCRIPTION	Account Number	2017 BUDGET	2018 MAINT. BUDGET	RECOMM. PROGRAM CHANGES	2018 BUDGET	% INCREASE
CAPITAL FINANCING	376640					
External Debt Charges - Str 30 Mountain Str	52010	1,027,200	1,027,200	0	1,027,200	0.00%
Total Expenditures		1,027,200	1,027,200	0	1,027,200	0.00%
REVENUES	376640					
From Development Charge Reserve	48450	-310,700	-310,700	0	-310,700	0.00%
Total Revenues		-310,700	-310,700	0	-310,700	0.00%
Net Expenditures		716,500	716,500	0	716,500	0.00%



HAMILTON POLICE SERVICES BOARD

OUTSTANDING ISSUES as of May 10, 2018

ITEM	ORIGINAL DATE	ACTION REQUIRED	STATUS	EXPECTED COMPLETION DATE
1. Other Business	May 26, 2016	That Member Whitehead work with the Board Administrator to implement the use of Electronic devices for monthly agendas.	PSB 16-001 – Ongoing	2 nd Quarter 2018
2. Body-Worn Camera Steering Committee Second Year Report (PSB 16-127)	November 16, 2017	That the Board approve that continued investigation occur prior to accepting, rejecting or engaging in a Body Worn Camera pilot deployment program.	Ongoing	
3. Statistics on Sexual Assault Data Collection	February 9, 2017	The Hamilton Police Services to review all unfounded sexual assault cases dating back to 2010, and that Chief Girt be requested to report back to the Board as soon as possible on the findings	Ongoing	
4. Presentations	October 19, 2017	The Chair arrange a meeting with the Canadian Police Congress, as soon as possible, and training be scheduled for Board Members on cultural competency and PSA Code of Conduct.	Meeting with Polish Congress took place on December 5, 2017. Training to be scheduled in 2018	1 st Quarter of 2018

4.4(f)



5.1

Hamilton Police Services Board Deputation Request Form

(Request to appear before the Police Services Board)

****Please note** - The information on this form will be published on a public agenda and therefore released to the public and media.**

Your Name: MIRLE B (SHEKAR) CHANDRASHEKAR

Firm / Organization: —
(if applicable)

E-mail Address: shekar-family@hotmail.com

Home Phone: 905-525-3082

Fax No.: —

Business Phone: —

Mailing Address: 39 HADDON AVE. SOUTH, HAMILTON L8S1X5

Details of Deputation to be discussed including a summary and the objective(s) of the presentation:

- a) Refer to FCS 18030. It went directly to A+A Committee without being reviewed by HPSD. As a result it undermines HPSB credibility.
- b) Information contained in law enforcement accounting info to A+A Committee is incorrect and violates CMA code of conduct. (copy attached)

Will you require a LCD Projector: ☐ Yes ☒ No
(Please note, you must bring your own computer)

Have discussions or correspondence taken place with a member of the Hamilton Police Services Board or the Administrator? If so, with whom and when?

Please submit the completed form either in person, via fax or e-mail to:

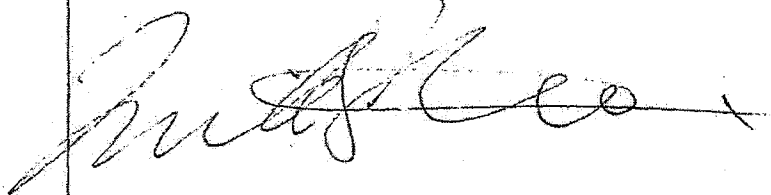
Administrator
Hamilton Police Services Board
155 King William Street
P.O. Box 1060, LCD1
Hamilton, ON
L8N 4C1

Fax: 905-546-4720
E-Mail: lois.morin@hamilton.ca



Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 26, 2018
SUBJECT/REPORT NO:	Response to Mr. Shekar Chandrashekar, Respecting a Freedom of Information Request to Access to Police Services Accounting Records (FCS18030) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Rick Male (905)546-2424 Ext. 4157
SUBMITTED BY:	Mike Zegarac General Manager Finance and Corporate Services Department
SIGNATURE:	

Council Direction:

Council approved the following recommendation:

"That staff be directed to report back to the Audit, Finance and Administration Committee addressing Mr. Chandrashekar's concerns and outline next steps that may be required in addressing them."

Information:

Mr. Chandrashekar's concerns can be broken down into two components. The first is concerns related to Hamilton Police Services (HPS) and the second part is concerns related to the City of Hamilton (City). The following are staff responses to the concerns raised. The HPS issues were shared with HPS staff and where a response is provided it was provided by HPS staff.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Hamilton Police Services

1. The Municipal contribution on the HPS Schedule of Operations is wrong:

The City's Internal Auditor reviewed this claim and determined that the Municipal contribution on the Schedule of Operations was correct and in accordance with reporting requirements of the Public Sector Accounting Board (see Appendix "A" to Report FCS18030)

2. Pan Am Games Claim:

The City's Internal Auditor reviewed this assertion and determined that the correct amount was claimed and reimbursed. The claim was audited by PricewaterhouseCoopers, who were engaged by the Ministry of Community Safety and Correctional Services to audit the claims. (see Appendix "A" to Report FCS18030)

3. HPS budgeted salary contingency exceeded the settlement by \$3 million:

The City's external auditor, KPMG, audited the Schedule of Operations and reviewed the budget for salary contingency and the contract settlement retro payments and provided an unqualified opinion of no errors or misstatement.

4. HPS pre-planned excess budgeting for the salary settlement and Pan Am reimbursement to provide financing for the forensic building:

This is Mr. Chandrashekar's personal opinion and no question was posed.

5. Employment and retirement benefits for Police Services staff are excessive:

This is Mr. Chandrasekhar's personal opinion; benefits provided are part of a collective agreement or employment contract.

6. A HPS employee retired and purchased their HPS provided vehicle and amount and details not disclosed:

This is a statement by Mr. Chandrasekhar and no question was posed.

SUBJECT: Respond to Mr. Shekar Chandrashekar, Respecting a Freedom of Information Request to Access to Police Services Accounting Records (FCS18030) (City Wide) (Outstanding Business List Item) - Page 3 of 5

7. Former Chief allowed to keep cell phone and computer with confidential data on them:

This is a statement by Mr. Chandrasekhar and no question was posed.

8. There are vast differences in employment contracts for HPS Chief and Deputies and those of Fire Chief and Deputies:

This is Mr. Chandrashekar's personal opinion and no question was posed.

9. HPS Chief and Deputies get vehicle and car allowance and they are the only ones who do:

This pertains to former Chief and Deputies and these contracts have ended.

10. HPS staff receive two additional weeks of vacation at retirement and no other Police Services or Municipality provides this benefit:

This entitlement is contained in the collective agreements.

11. HPS does not provide the Board a detailed line item budget with prior years actuals:

This is a statement by Mr. Chandrasekhar and no question was posed.

12. Mr. Chandrashekar said he can reduce Police budget by \$2million:

This is Mr. Chandrashekar's personal opinion and no details were provided on how this would be obtained.

13. Two past funerals cost HPS \$375,000 – how were they financed without adjusting budget and reducing service:

No details were provided as to which funerals this was in reference to. Mr. Chandrashekar should make a formal request for information (FOI) to HPS for information he is specifically seeking.

14. Composition of HPS Board needs to be reviewed:

This is Mr. Chandrashekar's personal opinion, no staff response

SUBJECT: Respond to Mr. Shekar Chandrashekar, Respecting a Freedom of Information Request to Access to Police Services Accounting Records (FCS18030) (City Wide) (Outstanding Business List Item) - Page 4 of 5

15. Employment Contracts for HPS Chief and Deputies should be the responsibility of the City of Hamilton Human Resources not Legal Counsel who reports to the Chief:

This is Mr. Chandrashekar's personal opinion, no staff response

City of Hamilton

1. FOI request for Police accounting transactions should come from the City not Police:

The Information Privacy Commissioner has ruled that this information is the property of HPS and should come from HPS, not the City of Hamilton.

2. There were errors on the City's remuneration and Expenses Report:

Mr. Chandrashekar submitted a FOI request to HPS seeking details of Board member expenses. HPS asked the Manager of Accounts Payable, Account Receivable and Business Application Support, for information regarding conference expenses which was then provided to Mr. Chandrashekar. The amounts provided did not include airfares for Mrs. Madeleine Levy and Ms. Nancy Di Gregorio, as these were paid via credit card and not reimbursed through the submission of the travel expense form and receipts. Instead the airfares were submitted as part of monthly expenses and reimbursed through payroll. These amounts were captured and correctly reported on the Remuneration and Expenses report (all expenses including conferences and mileage are combined and shown as expenses on this report).

3. Finance staff didn't submit claim for \$90,000 of funeral expenses:

Mr. Chandrashekar did not provide details as to which funeral this was in reference to. Staff were not able to find information pertaining to this assertion. The staff member Mr. Chandrashekar said made the statement no longer works at the City.

4. Chief and Deputies provided car and car allowance, Mr. Chandrashekar claims the City absorbed these costs: *AC*

These costs are taxable benefits and were charged through Payroll to HPS salary/benefit accounts. The City does not absorb these costs.

SUBJECT: Respond to Mr. Shekar Chandrashekar, Respecting a Freedom of Information Request to Access to Police Services Accounting Records (FCS18030) (City Wide) (Outstanding Business List Item) - Page 5 of 5

5. The City no longer publishes detailed line budget, why not?

City Council approved revisions to the budget process, moving to service level performance measures and multi-year budgeting.

6. Why does the City need 19 communication officers?

Staff from the City Manager's office has had numerous discussions with Mr. Chandrashekar in person, via phone and e-mail, explaining the duties of the communication officers and the communication officer staffing level at the City and other Municipalities.

7. Why did the City hire external for Manager of Accounting Services when there were qualified internal candidates and it was appropriate to go internal?

This is Mr. Chandrashekar's personal opinion, no response provided

8. Human Resources should be working closely with senior management on hiring:

All hiring for the City of Hamilton is done through and must be approved by Human Resources.

No further action is required to address the concerns raised by Mr. Chandrashekar.

Appendices and Schedules Attached

Appendix "A" to Report FCS18030- Issues Identified by Shekar Chandrashekar – City Manager's Office - Audit Services, City of Hamilton

RM/dw

Memorandum

Date: January 15, 2018

To: Mike Zegarac, General Manager, Finance and Corporate Services
Corporate Services

From: Charles Brown, Director of Audit Services
City Manager's Office - Audit Services

Subject: Issues Identified by Shekar Chandrashekar

I have reviewed two items referred to me by yourself pursuant to the letter tabled by Shekar Chandrashekar at AF&A Committee. My review comments are based on information I have received from the relevant departments responding to my enquiries and analysis. I did not conduct an audit of this information.

Municipal Contributions to Police Services

The letter states that "KPMG of Hamilton arbitrarily reduced the municipal contribution to police services operations by over \$1.5 million without explaining the basis for the change in their note two of the Statement of Operations [December 31, 2015]".

The budgeted municipal contribution to the Hamilton Police Service for the year ended December 31, 2015 was \$149,091,955. The municipal contribution as it appears on audited financial statements for the same period was \$147,287,587. I was advised by finance staff and it was confirmed with the external auditor that the reduction was necessary to ensure the financial statements conform to PSAB requirements (Public Sector Accounting Board). Essentially what this means is that the definitions of what constitutes a revenue or expense item are different in PSAB and therefore do not precisely match what are considered revenues or expense items in the budget format approved by Council. This is a reality faced by all municipalities.

The individual explanations I've been given for each line item adjustment in note 2 are consistent with changes that would be necessary under PSAB. Thus, the rationale for a reduction in amount, i.e. to meet PSAB requirements, appears to be valid. The financial statements of HPS, in order to receive an unqualified opinion from external auditors must be conformed to PSAB accounting principles.

On the issue of whether the disclosure made in note 2 provides adequate explanation of the adjustments to the original number, the situation is more problematic. While the adjusting entries themselves appear to be appropriate and consistent with requirements to meet PSAB standards, the disclosure format and explanations of individual adjustments are lacking. A general reference is made to PSAB in note 1 but there is no articulation of how it is being applied to each element in note 2.

Subject: Investigation of Whistleblower Allegations (Case 2016-001)

Page 2 of 3

In the financial statements of the following year, December 31, 2016, the disclosure was much improved. With Hamilton City Council approval (FCS17073, August 2017) to eliminate the Police Services annual audit of their Schedule of Operations, separate PSAB reporting for HPS will no longer be required. However, should separate statements be produced and audited in the future, you may wish to consider opening discussions with HPS and the auditors about adding individual explanations of the required PSAB changes, perhaps with footnoting, to further enhance and improve transparency and avoid confusion.

Pan-Am Games

The key issue presented in the letter by Mr. Chandrashekar is that the claim submitted to, and received by the Ministry of Community Safety and Correctional Services in the amount of \$2.7 million "is significantly higher than the actual expenditures recorded in their actual available funds report obtained through FOI."

I have examined the available funds reports for the relevant years and concur with the observation made by Mr. Chandrashekar that the recorded "Pan Am Dept. ID" expenses in those reports fall short of the amount claimed.

After making enquiries to HPS about the discrepancy between the amount of the claim and the accumulated Pan AM Dept. ID expenses I received the explanation that the Pan Am cost centre expenses only covered those related to staff assigned full-time to the planning phase of the games and away from their regular duties. Expenditures for front line officers intermittently assigned to Pan Am security were expensed to their home departments due to the cost and administrative burden of transferring them temporarily to another Dept. ID. Accordingly, a significant portion of eligible costs were not captured by the Pan Am Dept. ID account.

In reviewing the matter with HPS staff I learned that the claim was substantiated by individual invoices sent monthly to MCSCS with all supporting documentation. This documentation was made available to PricewaterhouseCoopers (PwC), the auditors who attested to the accuracy of the claim in accordance with the Cost Contribution Agreement with the Ministry of Community Safety and Correctional Services. The financial statement of eligible expenditures, which accounted for the full amount of claim, received PwC's unqualified audit opinion that it was prepared in accordance with the Cost Contribution Agreement. An unqualified audit opinion rendered by an independent third party is the highest form of assurance available and the auditors must adhere to rigorous standards, including adequate testing, to render such an opinion.

Given all the above, I have no reason to doubt the validity of the claim submitted and paid to HPS for eligible Pan Am expenditures.

For your additional information, you may recall that there were media reports linking the claim to the fact that HPS had a surplus, and by implication the claim was overstated. I discussed this with HPS and the primary reason for a surplus appears to be that there were operational requirements for Pan Am security that HPS was obligated to fulfill which couldn't have been met simply by making use of off duty personnel. So, a command decision was made to cancel leave for the sworn contingent of HPS.

Appendix "A" to Report FCS18030

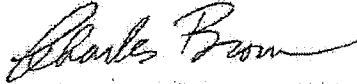
Page 3 of 3

Subject: Investigation of Whistleblower Allegations (Case 2016-001)

Page 3 of 3

As a result of the cancellation of annual leave, HPS incurred substantially less overtime and costs related to calling in off duty personnel that ultimately saved \$1.2M.

I trust you will find this information satisfactory.



Charles Brown, CPA, CA, CPA (Illinois)

Director of Audit Services

(905) 546-2424 ext.4469

Charles.Brown@hamilton.ca

cc: Brian McMullen

Rick Male

John Randazzo