CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Transportation, Energy & Facilities Division

TO: Chair and Members
Public Works Committee
WARD(S) AFFECTED: WARD 2

COMMITTEE DATE: January 17, 2011

SUBJECT/REPORT NO:
Hamilton Municipal Employees’ Credit Union Limited Lease of Space within Hamilton City Hall - (PW11009) (Ward 2)

SUBMITTED BY:
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PREPARED BY:
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SIGNATURE:

RECOMMENDATION
(a) That the Hamilton Municipal Employees’ Credit Union Limited (HMECU) be allowed to rent 430 square feet of basement level space within Hamilton City Hall at a cost of $6,000.00 per annum;
(b) That Corporate Real Estate be directed to negotiate a five year lease agreement with the HMECU, in a form acceptable to Legal Services;
(c) That Corporate Facilities Management manage all leasehold improvements, at the sole cost of the HMECU.

EXECUTIVE SUMMARY
This report provides direction to staff to enter into a lease agreement with the Hamilton Municipal Employees’ Credit Union Limited (HMECU) to lease space within the basement of Hamilton City Hall to provide non-cash financial banking services to its members.

HMECU has a long history of serving the employees and families of people working for and retired from the City of Hamilton. The Credit Union was originally formed by eight “civic employees” in the “Works” department of the City in 1936, inside the offices of the old City Hall on James North. At the time they named the credit union the Civic
Employees Co-Operative Credit Society Limited. For over 74 years HMECU has provided banking and financial products and services to thousands of people.

HMECU proposes to have the branch open Monday, Tuesday, Thursday, Friday from 8:30 a.m. to 4:30 p.m. and 10:30 a.m. to 5:00 p.m. on Wednesdays.

Alternatives for Consideration - See Page 3

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial: It is intended that HMECU will have possession of the premises for a term of five years which is expected to commence on March 15, 2011, and end on March 14, 2016, (the “Term”), unless terminated early in accordance with the terms of the Lease.

HMECU will pay the City of Hamilton rent, without deduction, abatement or set-off, of $6,000.00 (gross) per annum (plus H.S.T. or any other applicable tax) payable by monthly installments of $500.00 (gross), plus H.S.T. or any other applicable tax in advance on the first day of each and every month during the Term.

HMECU will be responsible for their portion of the business tax based on a square footage calculation established by Municipal Property Assessment Corporation (MPAC). HMECU will be responsible for the cost of all lease hold improvements.

Staffing: Staff will take the necessary steps to complete the lease.

Legal: Legal Services Section be involved in the development of the Lease Agreement and continue its involvement until the lease transaction is completed.

HISTORICAL BACKGROUND

Healthcare and Municipal Employees Credit Union Limited was established in 1936 and now has more than 13,000 members and over $160,000,000 in on and off balance sheet assets.

During the renovations of City Hall, the Credit Union and City staff saw an opportunity to provide City Employees with improved and easily accessible non-cash services at City Hall.

Staff believe this is a cost effective (work-life balance) employee benefit, that comes at no cost to the City and at the same time produces new revenue stream from rental income.

POLICY IMPLICATIONS

All lease hold improvements will comply with AODA Legislative requirements (Customer Service Standards and all future standards).
RELEVANT CONSULTATION

None

ANALYSIS / RATIONALE FOR RECOMMENDATION

There are many benefits to be achieved by offering this service within Hamilton City Hall. By combining the services with the existing ATM kiosk situated on Jackson St, just east of City Hall, City employees will have “convenient” access to a comprehensive range of financial products and services at their place of work. The ATM will continue to offer cash and deposit services while the branch office will provide additional banking services. The office will be a “cashless” branch.

ALTERNATIVES FOR CONSIDERATION

The City issue an Expression of Interest (EOI) to all other major financial institutions and Credit Unions. This is not recommended.

CORPORATE STRATEGIC PLAN


Financial Sustainability

• Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner

Intergovernmental Relationships

• Maintain effective relationships with other public agencies

Growing Our Economy

• Competitive business environment
• An improved customer service

APPENDICES / SCHEDULES

None