



**AUDIT, FINANCE & ADMINISTRATION COMMITTEE
REPORT15-009**

AS AMENDED BY COUNCIL ON SEPTEMBER 23, 2015

9:30 a.m.

Monday, September 14, 2015

Council Chambers

Hamilton City Hall

71 Main Street West

Present: Councillors M. Pearson (Chair), A. Johnson (Vice-Chair),
L. Ferguson, C. Collins, B. Johnson, and R. Pasuta

**Absent with
Regrets:** Councillor A. VanderBeek - Personal

THE AUDIT, FINANCE & ADMINISTRATION COMMITTEE PRESENTS REPORT 15-009 AND RESPECTFULLY RECOMMENDS:

1. Ontario Retirement Pension Plan (ORPP) (FCS15058) (City Wide) (Item 5.1)

That Report FCS15058 respecting Ontario Retirement Pension Plan (ORPP), be received.

2. Whistleblower Information Update for Q1 2015 and Q2 2015 (AUD15029) (City Wide) (Item 5.2)

That Report AUD15029 respecting Whistleblower Information Update for Q1 2015 and Q2 2015, be received.

3. 2015 Second Quarter Request for Tenders and Proposals Report (FCS15013(a)) (City Wide) (Item 5.3)

That Report FCS15013(a) respecting 2015 Second Quarter Request for Tenders and Proposals Report, be received.

4. 2015 Second Quarter Non-Compliance with the Procurement Policy Report (FCS15015(a)) (City Wide) (Item 5.4)

That Report FCS15015(a) respecting 2015 Second Quarter Non-Compliance with the Procurement Policy Report, be received.

5. Follow-up of Audit Report 2013-16 Community and Emergency Services - Homes for the Aged – Accommodation Fees and Trust Funds (AUD15019) (City Wide) (Item 5.5)

That Report AUD15019 respecting Follow-up of Audit Report 2013-16 Community and Emergency Services - Homes for the Aged – Accommodation Fees and Trust Funds, be received.

6. 2014 Standard & Poor's Rating Service (FCS15057) (City Wide) (Item 5.6)

That Report FCS15057 respecting 2014 Standard & Poor's Rating Service, be received.

7. Treasurer's Apportionment of Land Taxes (FCS15012 (c)) (Wards 8, 9, 11 & 15) (Item 5.8)

(a) That the 2015 land taxes in the amount of \$1,684 for 143-145 Hazelton Ave., Hamilton, (Roll #2518 080 961 02012 0000) be apportioned and split amongst the two newly created parcels as set out in Appendix A to Report FCS15012(c);

(b) That the 2015 land taxes in the amount of \$1,726 for 132-134 Hazelton Ave., Hamilton, (Roll #2518 080 961 02021 0000) be apportioned and split amongst the two newly created parcels as set out in Appendix A to Report FCS15012(c);

(c) That the 2015 land taxes in the amount of \$15,238 for 90-150 Crafter Cres, Stoney Creek, (Roll #2518 003 510 80252 0000) be apportioned and split amongst the twenty-seven newly created parcels as set out in Appendix A to Report FCS15012(c);

(d) That the 2015 builder's payment in the amount of \$938 for 90-150 Crafter Cres, Stoney Creek, (Roll #2518 003 510 80252 0000) be apportioned and split amongst the twenty-seven newly created parcels as set out in Appendix A to Report FCS15012(c);

(e) That the 2015 land taxes in the amount of \$4,225 for 167-179 Westbank Trail, Stoney Creek, (Roll #2518 003 650 10549 0000) be apportioned and split amongst the seven newly created parcels as set out in Appendix A to Report FCS15012(c);

- (f) That the 2015 land taxes in the amount of \$4,313 for 125-135 Westbank Trail, Stoney Creek, (Roll #2518 003 650 10551 0000) be apportioned and split amongst the six newly created parcels as set out in Appendix A to Report FCS15012(c);
- (g) That the 2015 land taxes in the amount of \$5,225 for 115-123 Westbank Trail, Stoney Creek, (Roll #2518 003 650 10552 0000) be apportioned and split amongst the five newly created parcels as set out in Appendix A to Report FCS15012(c);
- (h) That the 2015 land taxes in the amount of \$4,525 for 104-118 Westbank Trail, Stoney Creek, (Roll #2518 003 650 10553 0000) be apportioned and split amongst the eight newly created parcels as set out in Appendix A to Report FCS15012(c);
- (i) That the 2015 land taxes in the amount of \$4,525 for 120-134 Westbank Trail, Stoney Creek, (Roll #2518 003 650 10554 0000) be apportioned and split amongst the eight newly created parcels as set out in Appendix A to Report FCS15012(c);
- (j) That the 2015 land taxes in the amount of \$3,563 for 146-154 Westbank Trail, Stoney Creek, (Roll #2518 003 650 10555 0000) be apportioned and split amongst the five newly created parcels as set out in Appendix A to Report FCS15012(c);
- (k) That the 2015 land taxes in the amount of \$3,525 for 172-180 Westbank Trail, Stoney Creek, (Roll #2518 003 650 10556 0000) be apportioned and split amongst the five newly created parcels as set out in Appendix A to Report FCS15012(c);
- (l) That the 2015 land taxes in the amount of \$2,850 for 208-214 Westbank Trail, Stoney Creek, (Roll #2518 003 650 10557 0000) be apportioned and split amongst the four newly created parcels as set out in Appendix A to Report FCS15012(c);
- (m) That the 2014 land taxes in the amount of \$9,760 for Wentworth Standard Condominium Plan 498, Glanbrook, (Roll #2518 902 110 04481 and Roll #2518 902 110 04482 0000) be apportioned and split amongst the twenty-three newly created parcels as set out in Appendix A to Report FCS15012(c);
- (n) That the 2014 builder's payment in the amount of \$3,752 for Wentworth Standard Condominium Plan 498, Glanbrook, (Roll #2518 902 110 04481 and Roll #2518 902 110 04482 0000) be apportioned and split amongst the twenty-three newly created parcels as set out in Appendix A to Report FCS15012(c);

- (o) That the 2015 land taxes in the amount of \$3,416 for 3477 Highway 6, Glanbrook, (Roll #2518 902 510 40200 0000) be apportioned and split amongst the two newly created parcels as set out in Appendix A to Report FCS15012(c);
- (p) That the 2015 land taxes in the amount of \$6,436 for 53-59 Lupo Dr., Flamborough, (Roll #2518 303 350 60720 0000) be apportioned and split amongst the four newly created parcels as set out in Appendix A to Report FCS15012(c); and
- (q) That the 2015 land taxes in the amount of \$4,852 for 233-237 Fellowes Cres., Flamborough, (Roll #2518 303 350 60750 0000) be apportioned and split amongst the three newly created parcels as set out in Appendix A to Report FCS15012(c).

8. 2015 Second Quarter Emergency and Non-Competitive Procurement Report (FCS15014 (a)) (City Wide) (Item 5.9)

That Report FCS15014(a)) respecting 2015 Second Quarter Emergency and Non-Competitive Procurement Report, be received.

9. Reserve/Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures Review (FCS15055) (City Wide) (Item 8.1)

That the 2014 Reserve/Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures be deleted and replaced with the 2015 Reserve/Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures attached as Appendix "A" to Report FCS15055.

10. Request to Extend Development Charges Demolition Credit - 184 Kensington Avenue North (FCS15056) (Item 8.3)

That the request to extend the Development Charges (DC) Demolition Credit for the former single family dwelling at 184 Kensington Ave N be denied.

11. Tax Appeals under Sections 357 and 358 of the Municipal Act, 2001 (FCS15021(e)) (City Wide) (Item 8.4)

- (a) That Appendix A attached to Report 15-009 respecting the Tax Appeals processed under Section 357 of the *Municipal Act, 2001*, in the amount of \$145,415 be approved;

- (b) That Appendix B attached to Report 15-009 respecting the Tax Appeals, due to a Gross or Manifest Clerical Error, Pursuant to Section 358 of the *Municipal Act, 2001*, in the amount of \$24,464 be approved.
- 12. Audit Report 2014-17- Corporate Services and Public Works - Water Billings Process (AUD15021) (City Wide) (Outstanding Business List) (Item 8.5)**
- (a) That the Management Action Plans as detailed in Appendix “C” of Report 15-009 be approved;
- (b) That the General Manager of Public Works and the General Manager of Finance and Corporate Services be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix “C” to Report 15-009) implemented.
- 13. Audit Report 2014-16 - City Manager's Office - Office of the City Clerk - Records Management (AUD15023) (City Wide) (Item 8.6)**
- (a) That the Management Action Plans as detailed in Appendix “D” of Report 15-009 be approved; and
- (b) That the City Manager be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix “D” to Report 15-009) implemented.
- 14. Performance Audit Report 2015-03 - Agenda Process (Value for Money Audit) (AUD15025) (City Wide) (Item 8.7)**
- (a) That the Management Action Plans as detailed in Appendix “E” of Report 15-009 be approved; and
- (b) That the City Manager and General Manager of Finance and Corporate Services be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix “E” to Report 15-009) implemented.
- 15. Audit Report 2015-01 - Corporate Services - Property Tax Billing and Collection (AUD15026) (City Wide) (Item 8.8)**
- (a) That the Management Action Plans as detailed in Appendix “F” of Report 15-009 be approved; and

- (b) That the General Manager of Finance and Corporate Services be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix "F" to Report 15-009) implemented.

16. Audit Report 2014-18 – Corporate Services - IT Hardware Asset Management (AUD15024) (City Wide) (Item 8.9)

- (a) That the Management Action Plans, as detailed in Private and Confidential Appendix "A" of Report AUD15024 be approved;
- (b) That the General Manager of Finance and Corporate Services be directed to instruct the appropriate staff to have the Management Action Plans (attached as Private and Confidential Appendix "A" to Report AUD15024) implemented; and
- (c) That Appendix "A" to Report AUD15024, respecting Audit Report 2014-18 – Corporate Services – IT Hardware Asset Management Audit, be received and remain confidential.

17. Data Dissemination Policy (FCS15064) (City Wide) (Item 8.10)

- (a) That the Data Dissemination Policy ("DDP"), attached as Appendix "G" to Report 15-009, be approved and that the Director, Information Technology, be authorized to amend the Policy, from time to time, as required, in a form satisfactory to the City Solicitor with content approved by the General Manager, Finance & Corporate Services;
- (b) That the Director, Information Technology, or delegate, be authorized and directed to execute all data dissemination licensing agreements in a form set out in Schedule "A" of the Data Dissemination Policy ("DDP"), as may be amended, from time to time, and other ancillary documents, as required, to implement the DDP.

18. Status of Women Advisory Committee Report 15-001, May 25, 2015 (City Wide) (Item 8.11)

That \$2,800 be transferred from the Status of Women Advisory Committee's Volunteer Reserve Account, to fund the "Up for Debate" event on the Committee's 2015 work plan.

19. **Committee Against Racism Report 15-001, May 25, 2015 (City Wide) (Item 8.12)**

- (a) That the formation of the Lincoln Alexander Day Planning Working Group reporting to the Committee Against Racism, to organize a yearly event to honour Lincoln Alexander Day (January 21st of each year), be approved in accordance with the Terms of Reference attached as Appendix "A" to Report CAR15001.
- (b) That a budget of \$5,000 be approved **from the Tax Stabilization Reserve in 2015 for the 2016 year**, in order to fund the event for the first year, with subsequent years' budgets and work plan approval to be predicated on the achievement of identified success measures which are to be **referred to the 2016 budget process to identify a sustainable funding source** and presented to Council each year; and
- (c) That the draft work plan and draft budget, attached as Appendix "B" to Report CAR15001, be received.

20. **Extension of the Parkland Dedication Fee Demolition Credit for 6 Falcon Road, Stoney Creek (Item 9.1)**

That the Parkland Dedication Fee Demolition Credit expiry date for 6 Falcon Road, Stoney Creek, Ontario be extended to July 9, 2017, to mirror the Development Charge Demolition Credit Extension Date (July 9, 2017).

21. **Outstanding Business List Item respecting Correspondence from R. N. Donnell requesting an exemption of Development Fees for 547 King Street East.**

That the following item be referred from the Audit, Finance & Administration Committee's Outstanding Business List to the Planning Committee's Outstanding Business List:

Item W - Correspondence from R. N. Donnell, R. N. Donnell & Company Limited, requesting an exemption from Development Fees for 547 King Street East, Hamilton (Initially referred from the June 24, 2015 Council Meeting to Audit, Finance & Administration)

22. **Development Charge Deferral Agreement for the City Square 2 Development Agreement**

Whereas, existing Development Charge (DC) Deferral Agreement #152 between the City of Hamilton and New Horizon Development (City Square) Corporation with respect to the deferral of development charges pertaining to the

first building in a two (2) phase condominium project, with the first building being known as City Square 2 and the second building being known as City Square 3, with such development charges totalling an amount of \$952,612 (balance as of December 31, 2014) ("DC Deferral Amount"), and which DC Deferral Amount is payable to the City based on the following dates/events;

1. A proportionate share of the DC Deferral Amount as ownership for each condominium unit in City Square 2 is transferred from New Horizon to the individual Condominium unit purchasers.
2. Any outstanding balance must be paid to the City by December 11, 2017 (the "Due Date").

Whereas, the development of City Square 3 is still pending on the subject property; and

Whereas, the City of Hamilton approved report FCS12089, which would retroactively reduce the DC Deferral Amount contained within DC Deferral Agreement #152 in the event that Council decides to approve a DC Special Policy Area.

Therefore be it resolved:

- (a) That staff be directed to prepare an amendment to Development Charge Deferral Agreement #152 dated December 11th, 2012 between the City of Hamilton and New Horizon Development (City Square) Corporation. The amendment to said agreement would not change the Due Date, which Due Date which would be final and in the event that no DC Special Policy Area is in place at that time, the outstanding DC Deferral Amount will become due. The amendment would revise section 9 of said Agreement so that the transfer of ownership of any of the residential condominium units in City Square 2 would not trigger the pro-rated payment of the DC Deferral Amount. There would have to be additional security provided to the City of Hamilton in the form of a mortgage against the City Square 3 lands only, in a form suitable to our legal department;
- (b) That all revisions to existing DC Deferral Agreement #152 to be signed by all parties per the assigned authorized approvals as determined by City Policy.

FOR THE INFORMATION OF COMMITTEE:

- (a) **CHANGES TO THE AGENDA (Item 1)**

The Agenda for the July 8, 2015 meeting of the Audit, Finance and Administration Committee was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 2)

None.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) July 8, 2015

The Minutes of the July 8, 2015 Audit, Finance and Administration Committee meeting were approved, as presented.

(d) DELEGATION REQUESTS (Item 4)

(i) Allan Buist, Dicenso & Associates, representing Augusta Street (Hamilton) Holdings Inc., respecting Extension of Timeline for Development Charge Credits for 86 Augusta Street and 134 Catherine Street, Hamilton, Ontario (for today's meeting) (Item 4.1)

The delegation request submitted by Allan Buist, Dicenso & Associates, representing Augusta Street (Hamilton) Holdings Inc., and presented by Sergio Manchia, respecting Extension of Timeline for Development Charge Credits for 86 Augusta Street and 134 Catherine Street, Hamilton, Ontario, was approved for today's meeting.

(ii) Caroline Baker, GSP Group Inc., representing New Horizon Development Group, respecting Development Charge Deferral Agreement for the City Square 2 Development Agreement (for today's meeting – referred from the September 1, 2015 Planning Committee) (Item 4.2)

The delegation request submitted by Caroline Baker, GSP Group Inc., representing New Horizon Development Group, respecting Development Charge Deferral Agreement for the City Square 2 Development Agreement, was approved for today's meeting.

For further disposition of this matter, refer to Added Item 22.

(e) CONSENT ITEMS (Item 5)

(i) Whistleblower Information Update for Q1 2015 and Q2 2015 (AUD15029) (City Wide) (Item 5.2)

Committee directed that an outline of 2010-2014 historical data respecting Report AUD15029 be provided at the October 13, 2015 Audit, Finance & Administration Committee meeting.

For further disposition of this matter refer to Item 2.

(ii) Minutes of the Hamilton Mundialization Committee (City Wide) (Items 5.7 (a) (b) (c) and (d))

The Minutes of the Hamilton Mundialization dated January 21, February 18, March 18, and April 22, 2015, were received.

(iii) Minutes of the Aboriginal Advisory Committee (City Wide) (Items 5.10 (a) and (b))

The Minutes of the Aboriginal Advisory Committee dated May 7 and June 4, 2015, were received.

(iv) Minutes of the Advisory Committee for Immigrants and Refugees (City Wide) (Items 5.11 (a) and (b))

The Minutes of the Advisory Committee for Immigrants and Refugees dated March 12 and April 9, 2015, were received.

(v) Minutes of the Status of Women Committee (City Wide) (Items 5.12 (a) and (b))

The Minutes of the Status of Women Committee dated March 25 and April 23, 2015, were received.

(vi) Minutes of the Committee Against Racism (City Wide) (Items 5.13 (a) and (b))

The Minutes of the Committee Against Racism dated March 24 and April 28, 2015, were received.

(vii) Minutes of the LGBTQ Advisory Committee (City Wide) (Items 5.14 (a) and (b))

The Minutes of the LGBTQ Advisory Committee dated February 19 and March 19, 2015, were received.

(f) DELEGATIONS (Item 6)

(i) Allan Buist, Dicenzo & Associates, representing Augusta Street (Hamilton) Holdings Inc., respecting Extension of Timeline for Development Charge Credits for 86 Augusta Street and 134 Catherine Street, Hamilton, Ontario (Added as Item 6.1)

Mr. Manchia addressed Committee respecting Extension of Timeline for Development Charge Credits for 86 Augusta Street and 134 Catherine Street, Hamilton, Ontario with the aid of a PowerPoint presentation. A copy of the presentation has been retained for the official record. Mr. Manchia's comments included, but were not limited to, the following:

- History of the property and reasons for inability to meet timelines and criteria of By-law, including Brownfield development, ideation, downtown revitalization and clean-up.
- Requests site-specific exemption from 5-year clause respecting related By-law and seeks approval today.

The presentation from Mr. Manchia, representing Augusta Street (Hamilton) Holdings Inc., respecting Extension of Timeline for Development Charge Credits for 86 Augusta Street and 134 Catherine Street, Hamilton, Ontario was received.

The request respecting Extension of Timeline for Development Charge Credits for 86 Augusta Street and 134 Catherine Street, Hamilton, Ontario, was referred to the General Manager of Finance and Corporate Services for a report back to the next Audit, Finance & Administration Committee.

(ii) Caroline Baker, GSP Group Inc., representing New Horizon Development Group, respecting Development Charge Deferral Agreement for the City Square 2 Development Agreement (Added as Item 6.2)

Ms. Baker addressed Committee respecting Development Charge Deferral Agreement for the City Square 2 Development Agreement. Comments included, but were not limited to, the following:

- History of property, number of unit owners, phases of development and current approvals.
- DC Deferral Agreement approved in 2012 (5-year deferral) to allow city staff time to review DC By-law and Community Improvement Plan project area.

- DC Bylaw completed in 2015; Community Improvement Plan under review and expected completion in Spring 2016.
- In order to register Phase 2, requests modification to Section 9(2) to remove requirement when unit is sold that DCs payable and instead maintain existing 5-year deferral agreement with city.
- Proposes to register deferral agreement on title to City Square Phase 3.

The presentation from Caroline Baker, GSP Group Inc., representing New Horizon Development Group, respecting Development Charge Deferral Agreement for the City Square 2 Development Agreement, was received.

The request respecting Development Charge Deferral Agreement for the City Square 2 Development Agreement, was referred to the General Manager of Finance and Corporate Services for a report back to the next Audit, Finance & Administration Committee.

For further disposition of this matter, refer to Added Item 22.

(g) DISCUSSION

(i) St. Leonard's Society of Hamilton respecting Request for Exemption of Development Charges for 22 & 24 Emerald Street South (Ward 3) (Item 8.2)

The correspondence respecting St. Leonard's Society of Hamilton respecting Request for Exemption of Development Charges for 22 & 24 Emerald Street South was referred back to the General Manager of Finance and Corporate Services for a staff report to a future Audit, Finance & Administration Committee.

(ii) Request to Extend Development Charges Demolition Credit - 184 Kensington Avenue North (FCS15056) (Item 8.3)

The matter respecting "Request to Extend Development Charges Demolition Credit 184 Kensington Ave N" was considered complete and removed from the Audit, Finance and Administration Committee Outstanding Business List.

For further disposition of this matter refer to Item 10.

(iii) Audit Report 2014-17- Corporate Services and Public Works - Water Billings Process (AUD15021) (City Wide) (Outstanding Business List) (Item 8.5)

The Outstanding Business List Item “J” (Audit of City of Hamilton Utilities) was identified as completed and removed from the Audit, Finance and Administration Committee Outstanding Business List.

For further disposition of this matter refer to Item 12.

(iv) **Committee Against Racism Report 15-001, May 25, 2015 (City Wide) (Item 8.12)**

Subsection (b) was amended by inserting the words “*from the Tax Stabilization Reserve in 2015 for the 2016 year,*” after the word “approved” and inserting the words *referred to the 2016 budget process to identify a sustainable funding source* after the words “which are to be” to read as follows:

- (b) That a budget of \$5,000 be approved *from the Tax Stabilization Reserve in 2015 for the 2016 year,* in order to fund the event for the first year, with subsequent years’ budgets and work plan approval to be predicated on the achievement of identified success measures which are to be *referred to the 2016 budget process to identify a sustainable funding source* and presented to Council each year; and

For further disposition of this matter refer to Item 19.

(h) **ADJOURNMENT (Item 13)**

There being no further business, the Audit, Finance and Administration Committee, adjourned at 10:47 a.m.

Respectfully submitted,

Councillor M. Pearson, Chair
Audit, Finance and Administration Committee

Denis Farr
Legislative Coordinator,
Office of the City Clerk