



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 19-001

AS AMENDED AT COUNCIL ON JANUARY 23, 2019

9:30 a.m.

January 17, 2019

Council Chambers

Hamilton City Hall

Present: Councillors C. Collins (Chair), M. Wilson (Vice-Chair), B. Johnson, M. Pearson, L. Ferguson, J. Partridge, and B. Clark

**Absent with
Regrets:** Councillor A. VanderBeek – City Business

**THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT
19-001 AND RESPECTFULLY RECOMMENDS:**

**1. OMERS Plan Changes Approved by Sponsors Corporation (FCS19004)
(City Wide) (Item 7.1)**

That Report FCS19004, respecting OMERS Plan Changes Approved by Sponsors Corporation, be received.

**2. 2019 Interim Levy and Temporary Borrowing By-Laws (FCS19003) (City
Wide) (Item 7.2)**

(a) That Appendix “A” attached to the Audit, Finance & Administration Report 19-001, being a “By-law to Authorize the Temporary Borrowing of Monies to Meet Current Expenditures Pending Receipt of Current Revenues for 2019”, be passed; and,

(b) That Appendix “B” attached to the Audit, Finance & Administration Report 19-001 being a “By-law to Authorize an Interim Tax Levy for 2019”, be passed.

**3. Whistleblower, Fraud & Waste Information Update for Q3 & Q4 2018
(AUD19001) (City Wide) (Item 7.3)**

That Report AUD19001, respecting the Whistleblower, Fraud & Waste Information Update for Q3 & Q4 2018, be received.

4. 2018 City of Hamilton External Audit Plan (FCS19005) (City Wide) (Item 10.1)

That Appendix “A” attached to Report FCS19005 respecting the 2018 City of Hamilton External Audit Planning prepared by KPMG, be received.

5. HMRF/HWRF Pension Administration Sub-Committee Report 18-001 (Item 10.2)

(a) Appointment of Chair and Vice-Chair (Item 1)

- (i) That Councillor M. Pearson be appointed as Chair for the 2018 – 2022 term;
- (ii) That Don Skarratt (HMRF Member) be appointed as Co-Vice Chair for the 2018 – 2022 term; and,
- (iii) That Jim Garchinski (HWRF Member) be appointed as Co-Vice Chair for the 2018 – 2022 term.

(b) Hamilton Municipal Retirement Fund (HMRF) December 31, 2017 Valuation (FCS18092) (City Wide) (Item 9.1)

That the December 31, 2017 actuarial valuation for the Hamilton Municipal Retirement Fund (HMRF) attached as Appendix “A” to Report FCS18092, be received.

(c) Master Trust Pension Investment Performance Report as at December 31, 2017 (FCS17088(a)) (City Wide) (Item 10.1)

That Report FCS17088(a) respecting the Master Trust Pension Investment Performance Report as at December 31, 2017, be received.

(d) Master Trust Pension Investment Performance Report as at June 30, 2018 (FCS18091) (City Wide) (Item 10.2)

That Report FCS18091 respecting the Master Trust Pension Investment Performance Report as at June 30, 2018, be received.

(e) 2018 Master Trust Pension Statement of Investment Policies and Procedures (FCS18090) (City Wide) (Item 10.3)

- (i) That the 2017 Master Trust Statement of Investment Policies and Procedures be deleted and replaced with the 2018 Master Trust Statement of Investment Policies and Procedures, attached as Appendix “C” to the Audit, Finance & Administration Report 19-001; and,
- (ii) That the 2018 Master Trust Statement of Investment Policies and Procedures, attached as Appendix “C” to the Audit, Finance & Administration Report 19-001, be forwarded to the Hamilton Street Railway Pension Advisory Committee for their information.

(f) HMRF/HWRF/HSR Pension Plan Possible Transfer to OMERS (FCS18093) (City Wide) (Item 10.4)

That staff be directed to investigate a possible transfer of the City of Hamilton's (City) three legacy pension plans to Ontario Municipal Employees Retirement System (OMERS):

- (i) Hamilton Municipal Retirement Fund (HMRF);
- (ii) Hamilton Wentworth Retirement Fund (HWRF); and
- (iii) Hamilton Street Railway Pension Plan (HSR).

(g) Hamilton Municipal Retirement Fund Plan Text Amendment (FCS18084) (City Wide) (Item 10.5)

- (i) That the Treasurer be authorized and directed to file the amendment to Section 4.01 to the Hamilton Municipal Retirement Fund (HMRF), per Appendix 'D' to the Audit, Finance & Administration Report 19-001 with the applicable government agencies; and,
- (ii) That the City Solicitor be authorized and directed to prepare any necessary amendments to the HMRF or prepare any necessary by-law amendments to facilitate the direction given in sub-section (a).

6. Commercial Relationship Between the City of Hamilton and Century Group Inc. (FCS18100 / LS18060) (City Wide) (Item 14.2)

- (a) That due to the impairment of the commercial relationship between the City of Hamilton and Century Group Inc., an interim ban be imposed upon Century Group Inc. or any of its related corporate or individual entities from competing or being awarded any City Contract until and including December 19, 2019;
- (b) That in imposing an interim ban, staff be directed to reject any current and future bids, proposals or quotations received from Century Group Inc., or any of its related corporate or individual entities until and including December 19, 2019;
- (c) That the City of Hamilton not enter into any contract with Century Group Inc., or any of its related corporate or individual entities, until and including December 19, 2019; and,
- (e) That the contents of Report FCS18100 / LS18060, respecting the Commercial Relationship Between the City of Hamilton and Century Group Inc., remain confidential.

7. Impact of Bill 148 on Service Contracts (LS18009(c) / FCS18001(c)) (City Wide) (Item 14.2)

That the contents of Report LS18009(c) / FCS18001(c), respecting the Impact of Bill 148 on Service Contracts, remain confidential.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

The Committee Clerk advised of the follow changes to the agenda:

1. DELEGATION REQUESTS - WITHDRAWN

6.1 Viv Saunders, respecting Ward Specific Funding Initiatives (For today's meeting)

The agenda for the January 17, 2019 Audit, Finance and Administration Committee meeting was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)

(i) December 17, 2018 (Item 4.1)

The Minutes of the December 17, 2018 meeting of the Audit, Finance and Administration Committee were approved, as presented.

(d) DELEGATION REQUESTS (Item 6)

(i) Eric Zvaniga, Century Group Inc., respecting the Commercial Relationship Discussion (Item 14.2 on today's agenda) (For today's meeting) (Item 6.2)

The delegation request from Eric Zvaniga, Century Group Inc., respecting the Commercial Relationship Discussion, was approved for today's meeting.

(ii) Vince Dipietro, Angelica Homes, respecting a rental property's water bill (For a future meeting) (Item 6.3)

The delegation request from Vince Dipietro, Angelica Homes, respecting a rental property's water bill, was approved for a future meeting.

(e) PUBLIC HEARINGS / DELEGATIONS (Item 8)

(i) Eric Zvaniga, Century Group Inc., respecting the Commercial Relationship Discussion (Item 14.2 on today's agenda) (Added Item 8.1)

Eric Zvaniga, Century Group Inc., addressed the Committee respecting the commercial relationship between the City of Hamilton and Century Group Inc. A copy of the speaking notes have been included in the official record.

The delegation from Eric Zvaniga, Century Group Inc., respecting the commercial relationship between the City of Hamilton and Century Group Inc., was received.

A copy of the speaking notes are available on the City's website or through the Office of the City Clerk.

(f) PRIVATE & CONFIDENTIAL (Item 14)

(i) Closed Session Minutes – December 17, 2018 (Item 14.1)

- (a) The Closed Session Minutes of the December 17, 2018 Audit, Finance and Administration meeting, were approved as presented; and
- (b) The Closed Session Minutes of the December 17, 2018 Audit, Finance and Administration meeting, remain confidential.

The Committee moved into Closed Session respecting Items 14.2 & 14.3, pursuant to Section 8.1, Sub-sections (e), (f), (i) and (k) of the City's Procedural By-law 18-270, and Section 239(2), Sub-sections (e), (f), (i) and (k) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board; advice that is subject to solicitor/client privileges, including communications necessary for that purpose; a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization; and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

(ii) Commercial Relationship Between the City of Hamilton and Century Group Inc. (FCS18100 / LS18060) (City Wide) (Item 14.2)

Staff were provided with direction in Closed Session.

For further disposition of this matter, refer to Item 6.

(iii) Impact of Bill 148 on Service Contracts (LS18009(c) / FCS18001(c)) (City Wide) (Item 14.3)

Staff were provided with direction in Closed Session.

For further disposition of this matter, refer to Item 7.

(g) ADJOURNMENT (Item 15)

There being no further business, the Audit, Finance and Administration Committee, adjourned at 11:50 a.m.

Respectfully submitted,

Councillor Collins, Chair
Audit, Finance and Administration
Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk