



## **AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 11-010**

Thursday, September 8, 2011

9:30 a.m.

Council Chambers

City Hall

71 Main Street West

Hamilton, Ontario

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**Present:** Councillors B. Clark (Chair), B. Johnson (Vice Chair), M. Pearson

**Absent with  
Regrets:** Councillor R. Powers – Vacation  
Councillor B. Morelli – Personal

**Also Present:** R. Rossini, General Manager, Finance & Corporate Services  
A. Zuidema, Director, Corporate Initiatives  
M. Zegarac, Director Financial Planning and Policy  
R. Male, Director of Financial Services  
L. Friday, Director of Taxation  
J. Savoia, Senior Policy Advisor  
A. Grozelle, Legislative Assistant, Office of the City Clerk

### **THE AUDIT FINANCE & ADMINISTRATION COMMITTEE PRESENTS REPORT 10-011 AND RESPECTFULLY RECOMMENDS:**

**1. Plexxis (Mobile Hand Punch System) Requests for Public Hearings/Delegations at Committee Meetings by Unsolicited Vendors (CM11011) (City Wide) (Item 5.1)**

That Report CM11011, respecting Plexxis (Mobile Hand Punch System) Requests for Public Hearings/Delegations at Committee Meetings by Unsolicited Vendors, be received.

**2. Three year Cost/Benefit Analysis of E-Post Tax Mailings (FCS08083(a)) (City Wide) (Item 5.2)**

That Report FCS08083(a), respecting the Three year Cost/Benefit Analysis of E-Post Tax Mailings, be received.

**City Council – September 14, 2011**

**3. Monthly Status Report of Tenders and Requests for Proposals for May 28, 2011 to August 12, 2011 (FCS11004(d)) (City Wide) (Item 5.3)**

That Report FCS11004(d), respecting Monthly Status Report of Tenders and Requests for Proposals for May 28, 2011 to August 12, 2011, be received.

**4. Quarterly Status Report on the use of Policy 10 - Emergency Purchasing and Policy 11 - Negotiations for the 2nd Quarter 2011 (FCS11005(a)) (City Wide) (Item 5.4)**

That Report FCS11005(a), respecting the Quarterly Status Report on the use of Policy 10 - Emergency Purchasing and Policy 11 - Negotiations for the 2nd Quarter 2011, be received.

**5. Bill 181 – Mandatory Retirement Legislation for Firefighters (amendment to the *Fire Protection and Prevention Act, 1997*) (HUR11010) - (City Wide) (Item 5.5)**

That Report HUR11010, respecting Bill 181 – Mandatory Retirement Legislation for Firefighters (amendment to the *Fire Protection and Prevention Act, 1997*), be received.

**6. Tax Appeals under Section 357 and 358 of the Municipal Act, (2001) (FCS11003(e)) (City Wide) (Item 5.6)**

(a) That Appendix “A” attached to Report 11-010 respecting the “Tax Write-Offs processed under Section 357 of the Municipal Act, 2001”, in the amount of \$224,821 be approved; and,

(b) That Appendix “B” attached to Report 11-010 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 \$135,494 be approved.

**7. Municipal Capital Facilities Tax Exemption By-Law (FCS11067) (City Wide) (Item 5.7)**

(a) That Report FCS11067 respecting Municipal Capital Facilities Tax Exemption By-Law be received; and

(b) That the appropriate Municipal Capital Facilities Exemption By-law be passed.

**8. Development Charge Reserves Status Reports, as of December 31, 2010 (FCS11066) (City Wide) (Item 5.8)**

- (a) That report FCS11066 "Development Charge Reserves Status Report as of December 31, 2010" be received for information; and,
- (b) That report FCS11066 "Development Charge Reserves Status Report as of December 31, 2010" be forwarded to the Ministry of Municipal Affairs and Housing.

**9. Hansen 8 Migration (FCS11059 / PW11057) (City Wide) (Item 8.1)**

- (a) That the purchase of Hansen Information Technology software licensed products, support services and customized professional services be single sourced to Infor Global Solutions (Canada) Limited.;
- (b) That Hansen Version 8 and its future upgrades be approved as the Corporate Standard for Asset and Infrastructure Management for the following areas: Water and Wastewater Operations, Storm Water, Road Operations, Parks Traffic, Cemeteries, Forestry and Horticulture for the City of Hamilton in accordance with Policy #14 of the Purchasing Policy; and,
- (c) That the General Manager of Finance and Corporate Services be authorized and directed to enter into and execute on behalf of the City of Hamilton, in a form satisfactory to the City Solicitor and with content acceptable to the General Manager of Finance and Corporate Services, the following agreements with Infor Global Solutions (Canada) Limited, and Intergraph Canada Limited, together with all necessary associated documents, to implement subsections (a) and (b) above:
  - (i) Software Licence Agreement for Hansen Version 8 and future upgrades;
  - (ii) Software Services Agreement for the provision of consulting services necessary to assist City of Hamilton staff in the migration of the existing Hansen Version 7 to Hansen Version 8 for a cost of \$1,300,000. Council approved \$1,100,000 in the 2011 Capital budget to be funded from Capital Account # 5140657627. The additional \$200,000 will be requested for Council approval in the 2012 capital budget process;
  - (iii) Leverage the current Enterprise Agreement with Intergraph Canada Limited (report FCS09035) to modify and test the interfaces between Hansen Version 8 and our GIS applications using funds in the approved capital budget as noted in subsection (ii); and,

- (iv) Annual Maintenance Agreement for software support services related to Hansen Version 8 with an escalation clause of 2% per year until December 31, 2015.

**10. Authority to Negotiate and Place a Debenture Issue(s) (FCS11079) (City Wide) (Item 8.2)**

- (a) That the General Manager, Finance & Corporate Services, be authorized to negotiate the terms and placement of a debenture issue(s) in an amount not to exceed \$80,000,000 Canadian currency;
- (b) That the General Manager, Finance and Corporate Services, be authorized to engage the services of a fiscal agent(s) and outside legal counsel, and enter into all agreements necessary, including Letter(s) of Representation with The Canadian Depository for Securities Ltd., to secure the terms and issuance of a debenture issue(s); and,
- (c) That a By-Law be passed authorizing the debenture issue negotiated and placed in accordance with recommendation (a) above.

**11. Amended Water Leak Adjustment Policy (FCS11071) (City Wide) (Item 8.3)**

That the Water Leak Adjustment Policy, approved by Council on December 12, 2007 in adopting Item 11 of Audit & Administration Committee Report 07-015, be discontinued.

**FOR THE INFORMATION OF COUNCIL:**

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

The Committee Clerk advised that there were no changes to the agenda:

The agenda for the September 8, 2011 meeting of the Audit, Finance & Administration Committee was approved, as presented.

**(b) DECLARATIONS OF INTEREST (Item 2)**

There were no declarations of interest.

**(c) APPROVAL OF MINUTES OF PREVIOUS MEETINGS (Item 3)**

**(i) June 22, 2011 (Item 3.1)**

Councillor Johnson indicated that there was a correction to Item 6 of the Minutes where Councillor Pearson is listed as both the mover and seconder of a motion.

The Minutes of the June 22, 2011 meeting of the Audit, Finance and Administration Committee were approved, as amended.

**(d) Advisory Committee Minutes (Item 5)**

The following Advisory Committee Minutes were received:

- (i) Hamilton Status of Women Committee Minutes, May 26, 2011 (Item 5.9)
- (ii) Advisory Committee for Immigrants and Refugees Minutes, May 12, 2011 (Item 5.10)
- (iii) Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee Minutes, January 20, 2011 (Item 5.11)
- (iv) Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee Minutes, May 19, 2011 (Item 5.12)
- (v) Hamilton Mundialization Executive Committee, January 19, 2011 (Item 5.13)
- (vi) Hamilton Mundialization Executive Committee, February 16 2011 (Item 5.14)
- (vii) Hamilton Mundialization Executive Committee, March 16, 2011 (Item 5.15)
- (viii) Hamilton Mundialization Executive Committee, April 20, 2011 (Item 5.16)

**(e) Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee Member Resignations (Item 5.17)**

The resignations from the Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee, submitted by Lillian Elliott and Lisa Morris, were received.

**(f) PUBLIC HEARINGS/DELEGATIONS (Item 6)**

- (i) Withdrawal of Request to Appear – Anthony Acheampong, respecting 801 King Street East, Hamilton (Item 6.1)**

As Mr. Acheampong matter has been resolved, he withdrew his request to appear before Committee.

The correspondence from Mr. Anthony Acheampong, respecting 801 King Street East, Hamilton, was received.

**(ii) Donna Lee Macdonald, Hamilton Artists Inc., requesting a Waiver of the \$1,489 Charged by the City for the Real Estate Assessment of 161 James Street North, Hamilton (Item 6.2)**

Donna Lee Macdonald of Hamilton Artists Inc., addressed Committee. Ms. Macdonald's comments included, but were not limited to, the following:

- Hamilton Artist Inc. would like the City to consider waiving the \$1,489 that is being charged by the City for the assessment of 161 James Street North, Hamilton.
- The property at 161 James Street North is being sold to raise additional capital funds to complete the renovation and building of the new facility at 155-159 James St. N., Hamilton.
- Hamilton Artists Inc. has incurred additional expenses to bring the property at 155-159 James Street N. into compliance with the current infrastructure code requirements.
- Believes the new facility will be an outstanding contribution to the downtown revitalization.
- Discussed the history of the Future Fund grant to Hamilton Artists Inc. \$750,000.
- Indicated that they bought three buildings and then found that one building was not structurally sound.
- Discussed how this led to numerous changes in their planning and they had to do several architectural designs.
- Indicated the project is only around \$60,000 over budget which is an accomplishment for such a project.
- Indicated that some of the overages came from water works
- Required by the City of Hamilton which were unexpected costs.

Committee members asked several questions. Highlights included but were not limited to the following:

- Councillor Johnson asked for more details on the grants and fundraising done by the group.
- Chair Clark requested a report describing more details on the organization's financial position.
- Chair Clark asked if further financial details could be provided to the Committee.
- Ms. Macdonald indicated that they will provide the material later today

- Councillor Johnson asked for more details about the cost of the assessment
- City staff indicated that they charged for the in-house assessment as is the policy and do not have the means to simply forgive the cost
  
- Councillor Johnson asked about the third building and if it was being sold.
- Ms. Macdonald indicated that it was recently sold and discussed the cost overages for the catch basins required in the courtyard area which were unexpected
  
- Chair Clark indicated that if Ms. Macdonald provided her organization's financial details to Finance staff they will review them and bring the matter to a future meeting of the Audit Finance & Administration Committee for further consideration.

On a Motion the presentation, provided by Donna Lee Macdonald, Hamilton Artists Inc., respecting a request for a Waiver of the \$1,489 Charged by the City for the Real Estate Assessment of 161 James Street North, Hamilton, was received.

**(g) Hansen 8 Migration (FCS11059 / PW11057) (City Wide) (Item 8.1)**

The Committee Clerk indicated that there was an error in the staff report which had the company listed under their former name of Hansen Information Technologies – Canada Inc. The Clerk indicated that the company's current name is Infor Global Solutions (Canada) Limited. Committee members agreed to the amendment.

**(h) Amended Water Leak Adjustment Policy (FCS11071) (City Wide) (Item 8.3)**

That the amended Water Leak Adjustment Policy, attached as Appendix "A" to Report FCS11071, be approved.

The Motion was DEFEATED on the following recorded vote:

Yeas:	M. Pearson
Total:	1
Nays:	B. Clark, B Johnson
Total:	2
Absent:	B. Morelli, R. Powers
Total:	2

That the Water Leak Adjustment Policy, approved by Council on December 12, 2007 in adopting Item 11 of Audit & Administration Committee Report 07-015, be discontinued.

The Motion CARRIED on the following recorded vote:

Yeas:	B. Clark, B Johnson
Total:	2
Nays:	M. Pearson
Total:	1
Absent:	B. Morelli, R. Powers
Total:	2

**(h) GENERAL INFORMATION/OTHER BUSINESS (Item 11)**

**(i) Amendments to the Outstanding Business List (Item 11.1)**

On a Motion the following Items were removed from the Outstanding Business List.

- (a) Item "N" - Plexxis Mobile Hand Punch System
- (b) Item " A" - E-Post Mailing for Tax Bills
- (c) Item "R" - 801 King Street East, Hamilton – Property Damage– A Settlement has been reached between the City and the resident and the matter has been withdrawn by the Resident
- (d) Item "S" - 801 King Street East, Hamilton – Delegation Request submitted by Anthony Acheampong (Item "S") – A Settlement has been reached between the City and the resident and the matter has been withdrawn by the Resident
- (e) Item "E" - On-Line Municipal Services and Fees (Transferred to GIC in June through report CM11009/FCS11056)

**(i) PRIVATE AND CONFIDENTIAL (Item 12)**

**(i) Closed Session Minutes – June 22, 2011 (Item 12.1)**

As the Audit, Finance and Administration Committee determined that no discussion, respecting the Closed Session Minutes of the June 22, 2011, meeting of the Audit, Finance and Administration Committee was required, the Minutes were approved in Open Session, as shown below:

**City Council – September 14, 2011**



- (a) The Closed Session Minutes of the June 22, 2011, meeting of the Audit, Finance and Administration Committee were approved, as presented.
- (b) The Closed Session Minutes of the June 22, 2011 meeting of the Audit, Finance and Administration Committee, remain confidential and restricted from public disclosure, in accordance with exemptions provided in the Municipal Freedom of Information and Protection of Privacy Act."

**(j) AJOURNMENT (Item 13)**

There being no further business, the Audit, Finance and Administration Committee adjourned at 10:56 a.m.

Respectfully submitted,

Councillor B. Clark, Chair  
Audit, Finance and Administration Committee

Andy Grozelle  
Legislative Assistant  
September 8, 2011

City of Hamilton  
Corporate Services Department  
Taxation Division  
Section "357" Appeals of the Municipal Act, 2001

Appeal No.	Property Address	Roll Number	Explanation	YEAR
357-09-297	54 Tappletown Rd	003810340000000	Handicapped accessible handled through a PRAN	2009
357-11-025	115 Ferrie St E	020162055300000	Exempt City purchase	2011
357-10-162	231 Burlington St E	020171082400000	Tax Class Conversion tenant vacated space reverts back to PILT	2010
357-10-245	231 Burlington St E	020171082400000	Tax Class Conversion tenant vacated space reverts back to PILT	2010
357-10-277	231 Burlington St E	020171082400000	Tax Class Conversion tenant vacated space reverts back to PILT	2010
357-10-278	231 Burlington St E	020171082400000	Tax Class Conversion tenant vacated space reverts back to PILT	2010
357-10-279	231 Burlington St E	020171082400000	Tax Class Conversion tenant vacated space reverts back to PILT	2010
357-10-280	231 Burlington St E	020171082400000	Demolition of old building	2010
357-11-026	231 Burlington St E	020171082400000	Demolition of buildings on Port Authority property	2011
357-10-162	231 Burlington St E	021824000450000	Tax Class Conversion tenant vacated space reverts back to PILT	2010
357-11-026	231 Burlington St E	021824000500000	Demolition of buildings on Port Authority property	2011
357-10-279	231 Burlington St E	021824000600000	Tax Class Conversion tenant vacated space reverts back to PILT	2010
357-11-026	231 Burlington St E	021824000600000	Demolition of buildings on Port Authority property	2011
357-11-026	231 Burlington St E	021824001100000	Demolition of buildings on Port Authority property	2011
357-11-026	231 Burlington St E	021824001100000	Demolition of buildings on Port Authority property	2011
357-10-245	231 Burlington St E	021824020600000	Tax Class Conversion tenant vacated space reverts back to PILT	2010
357-11-026	231 Burlington St E	021824020600000	Demolition of buildings on Port Authority property	2011
357-10-278	231 Burlington St E	021824020800000	Tax Class Conversion tenant vacated space reverts back to PILT	2010
357-11-026	231 Burlington St E	021824020800000	Demolition of buildings on Port Authority property	2011
357-11-026	231 Burlington St E	021824020810000	Demolition of buildings on Port Authority property	2011
357-11-060	689 Main St E	030231001000000	Tax Class Conversion property now all residential	2011
357-09-349	208 Hillyard St	030272024600000	Demolition of old building	2009
357-11-032	208 Hillyard St	030272024600000	Demolition of buildings on Port Authority property	2011
357-11-036	150 Hillyard St	030272024700000	Tax Class Conversion tenant vacated space reverts back to PILT	2011
357-10-164	208 Hillyard St	031246001420000	Demolition of old building	2010
357-11-36A	150 Hillyard St	031247002500000	Tax Class Conversion tenant vacated space reverts back to PILT	2011
357-11-028	154 Grosvenor Ave N	040283069100000	Fire in March causing extensive damage	2011
357-10-320	343 Arlington Dr	050373011100000	Fire house unlivable Sept 30 to Dec 31st	2010
357-09-193	38-40 Centennial Pkwy N	050461005500000	Exemption denied does not meet criteria of current by-law for capital facility	2009
357-09-305	2799 Barton St E	050481000350000	Exempt place increased their space after tenant vacated	2009
357-10-326	424 Mountain Brow	060551031800000	Major Renovations the house was unlivable from January to June	
357-09-305	20 Hardale Cres	060563087400000	Exempt Children's Aid property house of refuge	2010
357-10-104	7 Barnett Ct	060566048200000	Exempt Children's Aid property house of refuge	2009
357-10-330	759 Rymal Rd E	070741082700000	Tax Class Conversion CTN overstated	2010
357-11-076	359 Limeridge Rd E	070833088900000	Exempt Children's Aid property house of refuge	2010

City of Hamilton  
Corporate Services Department  
Taxation Division  
Section "357" Appeals of the Municipal Act, 2001

Appeal No.	Property Address	Roll Number	Explanation	YEAR
357-11-067	98 Arcade Cres	080911036300000	Gross or Manifest Error garage space assessed twice	2011
357-11-031	292 Wendover Dr	081072012880000	Gross or Manifest Error pool filled in about 16 years ago still on the roll	2011
357-11-020	1868 2nd Con Rd W	301110838000000	Demolition of house and barns in 2009 not reported until this year	2011
357-11-062	2417-2421 Patrick Rd	301410046000000	Fire destroyed house and garage buildings demolished	2011
357-11-013	1268 Gore Rd	301910702000000	Demolition of two barns years ago	2011
357-10-338	747 Centre Rd	303420206000000	Demolition of old house after new home completed	2011
357-11-056	2037 Centre Rd	303970240000000	Gross or Manifest Error two barns demolished in 08 still reflected on the roll	2010
357-09-256	2068 Rymal Rd E	901130368000000	Demolition of house and carport	2011
357-11-063	0 Kaufman Rd rear	901410649600000	Gross or Manifest Error change of land classification not carried forward	2009
357-11-064	202 Springside Dr	902110734000000	Tax Class Conversion the CTN/RTN split adjusted	2011
357-10-120	5726 Twenty Rd	902120613000000	Exempt City purchase	2011
357-10-179	9300 Airport Rd 447 Wings	902310322000000	Tax Class Conversion tenant vacated space reverts back to exempt	2010
357-10-180	9300 Airport Rd 447 Wings	902310322000000	Tax Class Conversion tenant vacated space reverts back to exempt	2010
357-10-181	9300 Airport Rd Hertz	902310322000000	Tax Class Conversion tenant vacated space reverts back to exempt	2010
357-10-179	9300 Airport Rd 447 Wings	902310322000000	Demolition of building after tenant vacated	2010
357-10-179	9300 Airport Rd Cargonet	903310322060000	Tax Class Conversion tenant vacated space reverts back to exempt	2010
357-10-180	9300 Airport Rd City Capital	903310322120000	Tax Class Conversion tenant vacated space reverts back to exempt	2010
357-10-179	9300 Airport Rd Hertz	903310322150000	Tax Class Conversion tenant vacated space reverts back to exempt	2010
357-10-120	9300 Airport Rd Peninsula Air	903310322210000	Tax Class Conversion tenant vacated space reverts back to exempt	2010
357-11-004	9300 Airport Rd 447 Wings	903310322230000	Tax Class Conversion tenant vacated space reverts back to exempt	2010
			<b>Total</b>	

Amount
0.00
-1,557.59
656.97
745.06
167.13
21.63
47.17
-2,682.28
-23,541.32
-656.95
-2,008.82
-45.56
-539.21
-602.58
-302.43
-687.89
-8,557.66
-21.78
-257.23
-59,558.79
-3,584.31
-1,949.64
-35,765.73
15,211.12
-7,522.90
-15,211.11
-352.85
-92.27
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-735.47
-1,698.93
-2,138.55
-413.30
-1,563.54

Amount
-133.13
-126.67
-846.71
-1,580.47
-12.46
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-85.12
-2,107.61
-4,570.89
-365.54
-1,741.90
-2,549.59
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0.00
0.00
-17,601.94
-4,684.35
-69.90
-10,305.59
0.00
<b>-224,820.59</b>

City of Hamilton  
Corporate Services Department  
Taxation Division  
Section "358" Appeals of the Municipal Act, 2001  
Realty Tax Applications for overcharges

B- overcharge (Assessment Roll)  
B1 -overcharged-application denied  
E - Exempt

Appeal No.	Property Address	Roll Number	Reason	Explanation	Year	Amount
358-11-029	368 Federal St	003260438000000	B	Building's demolished	2010	-663.97
358-11-028	231 Burlington St E	021824001000000	B	Port Authority property - building demolished still reflected on roll	2010	-50.93
358-11-028	231 Burlington St E	021824001100000	B		2010	-25.66
358-11-035	208 Hillyard St	030272024600000	B	Port Authority property - building demolished still reflected on roll	2010	-1,475.87
358-11-063	208 Hillyard St	030272024600000	B		2010	-33530.07
358-11-064	208 Hillyard St	030272024600000	B		2010	-31616.42
358-11-061	150 Hillyard St	030272024700000	B	Port Authority property - building demolished still reflected on roll	2010	-13022.40
358-11-062	150 Hillyard St	030272024700000	B		2009	-12877.40
358-11-030	2799 Barton St E	050481000350000	E	church claimed more space after tenant vacated	2010	-31,420.03
358-11-054	98 Arcade Cres	080911036300000	B	Square footage of the garage was included in the value twice	2010	-92.28
358-11-055	98 Arcade Cres	080911036300000	B		2009	-47.63
358-11-047	292 Wendover Dr	081072012880000	B	In-ground pool removed about 16 years ago still on the roll	2010	-124.96
358-11-048	292 Wendover Dr	081072012880000	B		2009	-122.03
358-10-063	14 Kemp Dr	260120066000000	B1	Application denied reno's handled on vacancy rebate	2009	0.00
358-11-025	1868 2nd Con Rd W	301110838000000	B	House green house and barns demolished in 09 still on roll	2010	-788.76
358-11-043	1268 Gore Rd	301910702000000	B	Various farm building demolished years ago never reported to the City	2010	-12.15
358-11-044	1268 Gore Rd	301910702000000	B		2009	-11.92
358-11-013	747 Centre Rd	303420206000000	B	Bldg's demolished owners assumed Demo permit would notify tax	2010	-873.20
358-10-131	2037 Centre Rd	303970240000000	B	Barn and utility shed demolished in 2008 still on the roll	2009	-87.99
358-10-131	2037 Centre Rd	303970240000000	B		2008	-92.02
358-11-037	2068 Rymal Rd E	901130368000000	B	House demolished in 2008 still reflected on the roll	2010	-2,018.33
358-11-038	2068 Rymal Rd E	901130368000000	B		2009	-1,963.46
358-11-045	202 Springside Dr	902110734000000	B	New owners still running a business out of their home but using much smaller sq footage for the operation	2010	-362.62
358-11-046	202 Springside Dr	902110734000000	B		2009	-365.75
358-11-047	9300 Airport Rd Aeroguard	902310322000000	E	Airport property - tenants vacated space reverts back to Exempt	2009	0.00
358-11-065	9300 Airport Rd Aeroguard	902310322000000	E		2010	0.00
358-11-047	9300 Airport Rd Aeroguard	903310322020000	E		2009	-797.22
358-11-065	9300 Airport Rd Aeroguard	903310322020000	E		2010	-3,050.43

			<b>Total</b>	<b>-135,493.50</b>
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