



## **AUDIT, FINANCE & ADMINISTRATION COMMITTEE MINUTES 12-004**

Tuesday, April 10, 2012

9:30 a.m.

Council Chambers

City Hall

71 Main Street West

Hamilton, Ontario

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**Present:** Councillors B. Johnson (Chair), M. Pearson (Vice Chair)  
B. Clark, B. Morelli and R. Powers

**Also Present:** Councillors T. Jackson, T. Whitehead  
C. Murray, City Manager  
R. Rossini, General Manager, Finance & Corporate Services  
A. Zuidema, Director, Corporate Initiatives  
G. Moore, Director, Engineering Services  
B. Shynal, Director of Operations, Operations & Waste Management  
D. McKinnon, Director, Water & Wastewater Operations  
R. Male, Director, Financial Services (Treasury)  
A. Pekaruk, Director, Audit Services  
S. Robichaud, Manager, Development Planning  
R. Morello, Project Manager, Operations & Waste Management  
S. Harding-Cruz, Program Manager, Vector Borne Disease  
S. Paparella, Legislative Coordinator, Office of the City Clerk

### **THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR CONSIDERATION:**

- 1. Monthly Status Report of Tenders and Requests for Proposals for February 18, 2012 to March 9, 2012 (FCS12018(a)) (City Wide) (Item 5.1)**

**(Clark/Powers)**

That Report FCS12018(a), respecting the Monthly Status Report of Tenders and Requests for Proposals for February 18, 2012 to March 9, 2012, be received.

**CARRIED**

**2. Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Needs Assessment Quarterly Status Update (FCS11104(a)) (City Wide) (Item 5.2)**

**(Clark/Powers)**

That Report FCS11104(a), respecting the Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Needs Assessment Quarterly Status Update, be received.

**CARRIED**

**3. Tax Appeals under Section 357 and 358 of the Municipal Act (2001) (FCS12007(c)) (City Wide) (Item 5.3)**

**(Clark/Powers)**

(a) That Appendix "A" attached to Report FCS12007(c), respecting the "Tax Write-Offs processed under Section 357 of the Municipal Act, 2001", in the amount of \$143,530, be approved;

(b) That Appendix "B" attached to Report FCS12007(c), 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 \$9,512, be approved.

**CARRIED**

**4. Follow Up of Audit Report 2009-04 - Telecommunication Services (AUD12004) (City Wide) (Item 5.4)**

**(Clark/Powers)**

That Report AUD12004, respecting the Follow up of Audit Report 2009-04 - Telecommunication Services, be received.

**CARRIED**

**5. Treasurer's Investment Report 2011 Fiscal Year by AON Hewitt (FCS12034) (City Wide) (Item 5.5)**

**(Clark/Powers)**

(a) That the City of Hamilton's Reserve Funds Treasurer's Investment Report 2011 Fiscal Year (attached as Appendix "A" to Report FCS12034), be received;

(b) That Report FCS12034 "Treasurer's Investment Report 2011 Fiscal Year by AON Hewitt" and the City of Hamilton's Reserve Funds Treasurer's Investment Report 2011 Fiscal Year (attached as Appendix "A" to Report FCS12034), be forwarded to the Hamilton Future Fund Board of Governors for information.

**CARRIED**

**6. Correspondence referred by Council, respecting Municipal Property Assessment Corporation's (MPAC) Classification of Condominiums as Residential Properties (Item 6.1(b))**

**(Pearson/Clark)**

That the correspondence received by Laurel Fenton and David and Linda Faulkner, respecting MPAC's Classification of Condominiums as Residential Properties, be received.

**CARRIED**

**7. Written submission, containing 26 signatures, respecting Municipal Services and Property Taxation on Condominium Properties (Item 6.1(c))**

**(Pearson/Clark)**

That the written submission, containing 26 signatures, respecting Municipal Services and Property Taxation on Condominium Properties, be received.

**CARRIED**

**8. Municipal Services and Property Taxation on Condominium Properties (FCS12020/PW12011) (Item 7.1)**

**(Powers/Pearson)**

- (a) That Report FCS12020/PW12011 "Municipal Services and Property Taxation on Condominium Properties" be received for information;
- (b) That, in an effort to mitigate the cost of services undertaken by Condominium Corporations, City staff provide the Condominium Corporations with a list of the City's current contractors and their respective pricing;
- (c) That staff be directed to work with the Chairs of the Board of Health and the Standing Committees, to develop a report outlining the costs involved with maintaining condominium catch basins, fire hydrants, larviciding within common areas of the condominium corporations' properties, and street lighting, and report back to the Audit, Finance & Administration Committee;
- (d) That staff be directed to evaluate the feasibility of reviewing the Guidelines for Site Plan Reviews with the Condominium Corporation Institute and report to the Planning Committee; and,
- (e) That the Solid Waste Management Committee, with the appropriate staff, be directed to further review the condominium properties where the City currently does not provide waste collection services to determine if waste collection services can be provided to these sites on a go forward basis, and report back to the Public Works Committee.

**AMENDMENT CARRIED  
MOTION AS AMENDED CARRIED**

**9. Audit Report 2011-10 - Human Resources (HR) - Grievance Processes (AUD12007) (City Wide) (Item 8.1)**

**(Clark/Morelli)**

- (a) That Report AUD12007, respecting Audit Report 2011-10, Human Resources (HR) – Grievance Processes, be received;
- (b) That the Management Action Plans, as detailed in Appendix “A” of Report AUD12007 be approved; and,
- (c) That the City Manager be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix “A” to Report AUD12007) implemented.

**CARRIED**

**FOR THE INFORMATION OF COMMITTEE:**

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

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

- (i) Added as Item 4.1 – a delegation request submitted by Joe Monkley, Wentworth Condominium Corporation #6, respecting Pick-up of Garbage at Condominium Properties by the City of Hamilton
- (ii) Added as Item 4.2 – a delegation request submitted by Ron Evans, President, Wentworth Condominium Corporation #375, respecting Waste Water Management for Condominium Properties
- (iii) Added as Item 4.3 – a delegation request submitted by Bryon Brown, President, Wentworth Condominium Corporation #236, respecting a Solution to Upgrade Parking / Signage to the Network of Condominium Properties
- (iv) Added as Item 6.1(c) – a Written Submission, containing 26 signatures, respecting Municipal Services and Property Taxation on Condominium Properties
- (v) Item 8.1 has been renumbered as Item 7.1, as a presentation has been added to Report FCS12020/PW12011, respecting Municipal Services and Property Taxation on Condominium Properties, and the other Discussion Items have been renumbered accordingly.
- (vi) Added as Item 10.1, a Notice of Motion respecting Employee Absenteeism Performance Measures

**(Pearson/Clark)**

That the agenda for the April 10, 2012 Audit, Finance & Administration Committee meeting be approved, as amended.

**CARRIED**

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

Councillor B. Morelli declared an interest to the Items respecting Municipal Services and Property Taxation on Condominium Properties, as he is a condominium owner.

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

**(i) March 19, 2012 (Item 3.1)**

**(Pearson/Morelli)**

That the Minutes of the March 19, 2012 meeting of the Audit, Finance and Administration Committee be approved, as presented.

**CARRIED**

**(d) DELEGATION REQUESTS (Item 4)**

**(i) Joe Monkley, Wentworth Condominium Corporation #6, respecting Pick-up of Garbage at Condominium Properties by the City of Hamilton (Item 4.1)**

**(Pearson/Clark)**

That the delegation request submitted by Joe Monkley, Wentworth Condominium Corporation #6, respecting pick up of garbage at condominium properties by the City of Hamilton, be approved.

**CARRIED**

**(ii) Ron Evans, President, Wentworth Condominium Corporation #375, respecting Waste Water Management for Condominium Properties (Item 4.2)**

**(Pearson/Clark)**

That the delegation request submitted by Ron Evans, President, Wentworth Condominium Corporation #375, respecting Waste Water Management for Condominium Properties, be approved.

**CARRIED**

- (iii) **Bryon Brown, President, Wentworth Condominium Corporation #236, respecting a solution to upgrade parking / signage to the network of Condominium Properties (Item 4.3)**

**(Pearson/Clark)**

That the delegation request submitted by Bryon Brown, President, Wentworth Condominium Corporation #236, respecting a solution to upgrade parking / signage to the network of Condominium Properties, be approved.

**CARRIED**

**(Pearson/Powers)**

That the Rules of Order be waived to allow the delegations of Joe Monkley, Rob Evans and Bryon Brown, of the Wentworth Condominium Corporation (6, 375 and 236 respectively), to appear before Committee today, regarding the Condominium Corporation matters.

**CARRIED**

**(e) Various Advisory Committee Minutes (Items 5.6 – 5.8)**

**(Clark/Powers)**

That the following Advisory Committee meeting minutes be received:

- (i) Hamilton Status of Women Committee Meeting Minutes, dated January 26, 2012 (Item 5.6)
- (ii) Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee Meeting Minutes, dated January 19, 2012 (Item 5.7)
- (iii) Hamilton Mundialization Committee Meeting Minutes, dated January 18, 2012 (Item 5.8)

**CARRIED**

**(f) DELEGATIONS (Item 6)**

- (i) **Ian Rowe, President, Wentworth Condominium Corporation 236, respecting the Hamilton Fair Tax Campaign for the Canadian Condominium Corporation Institute, Golden Horseshoe Chapter (Item 6.1(a))**

Mr. Rowe addressed Committee. Mr. Rowe's comments included, but were not limited to, the following:

- The Canadian Condominium Institute (CCI) is a Canada-wide, independent, non-profit organization, which was formed in 1982, and deals exclusively with condominium issues. CCI acts as a collective voice of condominiums with all levels of government, and assists its members in establishing and operating successful

condominium corporations through publications, education programs and technical assistance.

- One in three homes built today are condominiums. In Hamilton, there are more than 36,000 condominium residents in almost 500 condominium settings.
- CCI has and will continue to lead the way in promoting and improving condominium living. That includes CCI providing leadership and coordination to the Condominiums' Fair Tax Campaign across Ontario.
- Condominium Corporations accumulate reserve funds for major infrastructure maintenance and replacement without current or future costs to the City.
- The condominium setting provides support and security to older citizens, relieving them of looking after their outside premises, lessening the burden on the City's social services.
- Larger scale condominium corporations provide extensive social and recreational services; thereby, reducing the load on the City's services.
- On a per hectare basis, condominiums contribute significantly more taxes than freehold residences.
- Condominiums carry a burden of double taxation. Condominiums are taxed identically to freehold urban residents, based on Current Value Assessment. Typical condominium fee costs per household, provided without cost to freehold private dwellings:
  - Some high-rise garbage and recyclables removal \$180
  - West Nile Control - Larviciding 8
  - Hydrant Inspections and Repairs 7
  - Catch Basin Cleaning and Maintenance 5
  - Waste Water Management 10
  - Street Lighting 39
- Not asking the City to larvicide the privately-owned catch basins.
- Condo developments do not automatically receive municipal services such as fire hydrant testing and repairs, street-lighting, sewer maintenance, larviciding for West Nile virus, snow plowing, city road signage, road maintenance, etc.
- Condominium corporations are forced to outsource for many municipal-type services through condo fees.

- CCI's Recommends that the City make a political commitment to reduce costs for condominium owners by initially: larviciding for West Nile control, hydrant inspections and repairs, catch basin cleaning and maintenance, and solutions for garbage and recyclables where it is not now in effect.

A full copy of CCI's presentation is available on-line at [www.hamilton.ca](http://www.hamilton.ca), or through the Office of the City Clerk.

**(Clark/Pearson)**

That the presentation by Ian Rowe, President, Wentworth Condominium Corporation #236, respecting Fair Taxation for Condominium Corporations, be received.

**CARRIED**

**(ii) Joe Monkley, Wentworth Condominium Corporation #6, respecting Pick-up of Garbage at Condominium Properties by the City of Hamilton (Item 6.2)**

Mr. Monkley addressed Committee. Mr. Monkley's comments included, but were not limited to, the following:

- Mr. Monkley worked for the City of Hamilton for 32 years and is now retired and lives in a condo on Queenston Road (built around 1960).
- When Mr. Monkley originally moved into the condo (2003), the Superintendent had garbage bags in grey garbage bins. Once the garbage bags were full, they were removed from the bins and kept in a shed until it was time to put the garbage at the curbside. However, the animals were getting into the garbage bags before it could put out for pick up.
- The Superintendent brought in a bin to contain the garbage and a contractor now comes to pick it up.
- The blue bins (carts) are kept beside the garbage bin. The City currently comes to pick up the blue bins, which sit directly beside the garbage bin that is picked up by the contractor.
- The condominium corporation currently pays a contractor to come in and pick up the garbage bins.
- Compacting would be an ideal situation that would address the current garbage pick up issue.



**(Clark/Pearson)**

That the presentation provided by Joe Monkley, Wentworth Condominium Corporation #6, respecting pick up of garbage at condominium properties by the City of Hamilton, be received.

**CARRIED**

**(iii) Ron Evans, President, Wentworth Condominium Corporation #375, respecting Waste Water Management for Condominium Properties (Item 6.3)**

Mr. Evans addressed Committee. Mr. Evans' comments included, but were not limited to, the following:

- Garth Trails has a storm water retention pond. It is an important addition to any community, as it prevents flooding from excess storm water.
- It significantly benefits the residential homes to the south and west of the Garth Trails community.
- Prevents City's drainage system from overflowing.
- The pond needs to be inspected and monitored.
- Who is going to pay for the Garth Trails community storm water retention pond, which is approximately \$62,000 per year?
- Be fair to Garth Trails, whose owners are paying for the maintenance of other area retention ponds as well as their own.

This full presentation may be viewed on-line at [www.hamilton.ca](http://www.hamilton.ca).

**(Clark/Pearson)**

That the presentation provided by Ron Evans, President, Wentworth Condominium Corporation #375, respecting Waste Water Management for Condominium Properties, be received.

**CARRIED**

**(iv) Bryon Brown, President, Wentworth Condominium Corporation #236, respecting a Solution to Upgrade Parking / Signage to the Network of Condominium Properties (Item 6.4)**

Mr. Brown addressed Committee. Mr. Brown's comments included, but were not limited to, the following:

- Chairman of the Board of Management for Twenty Place.
- The Twenty Place condominium corporation has worked with City of Hamilton before, and were very well received and treated fairly by the City.
- Last year Twenty Place ran into a problem with signage, and through Municipal Law Enforcement and Emergency Services, the matters were resolved and everyone's concerns were satisfied.

- Not looking for special treatment, just good government fairness.

**(Clark/Pearson)**

That the presentation provided by Bryon Brown, President, Wentworth Condominium Corporation #236, respecting a solution to upgrade parking / signage on the network of Condominium Properties, be received.

**CARRIED**

**(g) Municipal Services and Property Taxation on Condominium Properties (FCS12020/PW12011) (Item 7.1)**

Rob Rossini, General Manager, Finance & Corporate Services, provided a PowerPoint presentation respecting Report FCS12020/PW12011. The presentation outlined, but was not limited to, the following points:

Condominium's Claim:

- Condos are taxed the same as single family homes, but do not receive the same services.
- Condos pay twice for certain services (through property taxes and condo fees) = double taxation.
- Unfair treatment – compared to traditional non-condo housing, condos provide greater tax revenue to the City, with less cost to the City.

Condominium's Concerns:

- Services in question:
  - Garbage / Recycling Collection
  - Storm Sewer (catch basin) Cleaning
  - Fire Hydrant Testing
  - Parking / Signage
  - West Nile Control
  - Street Lighting

Condominium's Request:

1. Municipalities to provide condos the same services as non-condo homes; or,
2. Municipality to provide condos with rebates for services not provided; or,
3. Allow the City's contract prices for delivery of services to be used by condos; or,
4. Request that the Province establish a new property class for condos, with a lower tax rate than non-condos.

Background:

- Infrastructure within condominium complex is private property.
- Some advantages in Planning process, when compared to non-condo homes.
- Ability to increase density.
- Buyer awareness of condo fees and service requirements.

1. Municipalities to Provide Condos the Same Services as Non-Condo Homes

Response:

- City provides services on public property.
- City does not provide services on private property, regardless if condo or non-condo.
- Responsibility lies with the property owner for maintenance within their private property.
- Implications for other property classes (i.e.: Multi-Residential, Commercial, and Industrial).

2. Municipalities to Provide Condos with Rebates for Services Not Provided

Response:

- Property taxes are not a fee-for-service, instead are a method of distributing the cost of public services/programs throughout the municipality.
- Property taxes paid by both condo and non-condo properties go towards public services / programs.
- Both condo and non-condo taxpayers benefit from municipal services.

3. Allow City's Contract Prices for Delivery of Services to be Used by Condos

Response:

- Staff are recommending: "That, in an effort to mitigate the cost of services undertaken by Condominium Corporations, City staff provide Condominium Corporations with a list of the City's current contractors and their respective pricing."
- Assists condos in their negotiations with contractors.
- CCI could also assist individual condos in their negotiations as additional leverage.

4. Request Province to Establish a New Property Class for Condos, with a Lower Tax Rate than Non-Condos

Response:

- According to the Association of Municipalities of Ontario (AMO), the Province has no appetite for establishing any new property classes.
- Marcel Beaubien recommended that condos remain in the residential property class: “The fundamental premise of our property tax system is that properties should be taxed on the basis of their market value, not on the basis of the relative use that property owners make of local services”.

Summary:

- It is the responsibility of the property owner (both condo and non-condo) for maintenance within their private property.
- Property taxes are not a fee-for-service – fund public services / programs that both condo and non-condo benefit from.
- Significant liability issues (if assume responsibility for maintenance of private property).
- Equity issues as it pertains to other types of private property (i.e. multi-residential, commercial and industrial).
- Would set a potential expensive precedent and much higher costs – to be borne by all taxpayers.
- Buyers know their cost responsibilities before they buy their condo.

Example of Equitable Treatment:

- Two identical high-rise buildings:
  1. High-rise condo
  2. High-rise rental apartment
- Assuming no physical constraints, both receive the same waste collection.
- Both are responsible for snow removal, catch basin cleaning, fire hydrant testing, fire route signage, etc. on their private property.
- The City is responsible for snow removal, catch basin cleaning, fire hydrant testing, fire route signage, etc. on the public property surrounding both properties – which both benefit from.
- High-rise condo pays the lower Residential tax rate (however, may potentially have a higher assessed value) while high-rise rental apartment pays higher Multi-Residential tax rate (however, may potentially have a lower assessed value).

**(Pearson/Powers)**

That staff presentation, respecting Report FCS12020/PW12011 – Municipal Services and Property Taxation on Condominium Properties, be received.

**CARRIED**

Councillor B. Clark wished to be recorded as OPPOSED to receipt of the staff presentation.

**(h) Employee Absenteeism Performance Measures (Item 10.1)**

Staff had requested that the matter, respecting the Employee Absenteeism Performance Measures, be referred to the May 16, 2012 General Issues Committee meeting for consideration, as the Executive Director of Human Resources was going to be absent for the May 14, 2012 Audit, Finance & Administration Committee. The Committee was not in agreement with the request and directed staff to bring the report forward to an Audit, Finance & Administration Committee rather than the General Issues Committee.

**(Clark/Powers)**

That the matter, respecting the Employee Absenteeism Performance Measures, be deferred to the June 11, 2012 Audit, Finance & Administration Committee.

**AMENDMENT CARRIED  
MOTION AS AMENDED CARRIED**

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

**11.1 Amendments to the Outstanding Business List**

**(Powers/Pearson)**

(a) That the proposed new due dates for the following items, be approved:

- (i) Item "A" – Process of Appointment of Citizens to the Purchasing Review Sub-committee  
Current Due Date: April 10, 2012  
Proposed New Due Date: May 14, 2012
- (ii) Item "L" - Procurement Policy Stakeholder Consultation  
Current Due Date: April 10, 2012  
Proposed New Due Date: May 14, 2012

**CARRIED**

**(j) ADJOURNMENT (Item 13)**

**(Pearson/Powers)**

That, there being no further business, the Audit, Finance and Administration Committee be adjourned at 12:57 p.m.

**CARRIED**

Respectfully submitted,

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

Stephanie Paparella  
Legislative Coordinator  
April 10, 2012