



AUDIT, FINANCE & ADMINISTRATION COMMITTEE MINUTES 13-001

9:30 a.m.

Thursday, January 17, 2013

Council Chambers

Hamilton City Hall

71 Main Street West

Present: Councillors M. Pearson (Chair), B. Clark and B. Morelli

Absent with

Regrets: Councillors B. Johnson and R. Powers – Other City Business

THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR CONSIDERATION:

**1. Treasurer's Apportionment of Land Taxes (FCS13001) (Wards 8 and 13)
(Item 5.1)**

(Morelli/Clark)

- (a) That the 2011 land taxes in the amount of \$43,866.71 for 531 Rymal Rd. W., Hamilton (Roll #2518 081 101 08210 0000 and Roll #2518 081 101 08591 0000) be apportioned and split amongst the forty-eight newly created parcels as set out in Appendix "A" to Report FCS13001; and,
- (b) That the 2012 land taxes in the amount of \$4,511.13 for 316 MacNab St., Dundas (Roll #2518 260 140 33400 0000) be apportioned and split amongst the two newly created parcels as set out in Appendix "A" to Report FCS13001.

CARRIED

**2. Appointment of Treasurer and Deputy Treasurers (FCS13006) (City Wide)
(Item 5.2)**

(Morelli/Clark)

- (a) That the By-Law, to provide for the appointment of the Treasurer and Deputy Treasurers, attached as Appendix "A" to Report FCS13006, be passed;
- (b) That By-Law 09-078, to appoint a Treasurer, be repealed; and,

- (c) That By-Law 11-139, to provide for the appointment of Deputy Treasurers, be repealed.

CARRIED

3. Follow Up of Audit Report 2011-05 – Ontario Works - Overpayments to Active Clients (AUD13002) (City Wide) (Item 5.3)

(Morelli/Clark)

That Report AUD13002, respecting the follow up of Audit Report 2011-05, Ontario Works – Overpayments to Active Clients, be received.

CARRIED

4. Follow Up of Audit Report 2011-03 - Sole and Single Source Procurement (AUD13003) (City Wide) (Item 5.4)

(Morelli/Clark)

That Report AUD13003, respecting the follow up of Audit Report 2011-03, Sole and Single Source Procurement, be received.

CARRIED

5. Follow Up of Audit Report 2010-11 - Citizen Service Centre - Funds Handling (AUD13004) (City Wide) (Item 5.5)

(Morelli/Clark)

That Report AUD13004, respecting the follow up of Audit Report 2010-11, Citizen Service Centre – Funds Handling, be received.

CARRIED

6. 2013 Temporary Borrowing and Interim Tax Levy By-laws (FCS13003) (City Wide) (Item 5.6)

(Morelli/Clark)

(a) That Appendix “A”, attached to Report FCS13003, a By-law to Authorize the Temporary Borrowing of Monies to Meet Current Expenditures Pending Receipt of Current Revenues for 2013, be passed; and,

(b) That Appendix “B”, attached to Report FCS13003, a By-law to Authorize an Interim Tax Levy for 2013, be passed.

CARRIED

7. 2013 Business Plan – City Manager’s Office (CM12017) (City Wide) (Item 7.1)

(Clark/Morelli)

That the 2013 Business Plan for the City Manager’s Office be approved, as amended.

CARRIED

**8. 2013 Business Plan – Finance & Corporate Services (CM12017) (City Wide)
(Item 7.2)**

(Morelli/Clark)

- (a) That staff be directed to develop a method of incorporating the *Accessibility for Ontarians with Disabilities Act* (AODA) requirements into reports and policies being provided to City Committees, and report to the Governance Review Sub-Committee.
- (b) That the 2013 Business Plan for the Corporate Services Department be approved, as amended.

**AMENDMENT CARRIED
MOTION AS AMENDED CARRIED**

**9. Treasurer’s Write-Off of Taxes under Section 354 of the *Municipal Act, 2001*
(FCS13004) (Ward 4) (Item 8.3)**

(Clark/Morelli)

- (a) That staff be authorized to write-off taxes up to \$203,709 for four properties at 1154 and 1162 Barton Street East and 50 and 52 Fraser Avenue, known as the Olympia Banquet Centre.
- (b) That staff be directed to report back to the Audit, Finance & Administration Committee, respecting the outcome of the Powers of Sale and proceeds with regard to the four properties at 1154 and 1162 Barton Street East and 50 and 52 Fraser Avenue, known as the Olympia Banquet Centre.

**AMENDMENT CARRIED
MOTION AS AMENDED CARRIED**

**10. Annual Follow Up of Outstanding Audit Recommendations (AUD13007)
(City Wide) (Item 8.4)**

(Clark/Morelli)

That Report AUD13007, respecting the Annual Follow up of Outstanding Audit Recommendations, be received.

CARRIED

11. 2013 Internal Audit Work Plan (AUD13001) (City Wide) (Item 8.5)

(Clark/Morelli)

That Appendix “A” attached to Report AUD13001, respecting the 2013 Internal Audit Work Plan, be approved.

CARRIED

**12. Audit Report 2012-06 - Snow Clearing / Salt & Sand Contracts (AUD13005)
(City Wide) (Item 8.6)**

(Morelli/Clark)

- (a) That the Management Action Plans, attached as Appendix "A" to Report AUD13005 be approved; and,
- (b) That the General Manager of Public Works be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix "A" to Report AUD13005) implemented.

CARRIED

13. Audit Report 2012-10 - Public Health Services (PHS) - Tobacco Control Program (AUD13006) (City Wide) (Item 8.7)

(Clark/Morelli)

- (a) That the Management Action Plans, attached as Appendix "A" to Report AUD13006 be approved; and,
- (b) That the Medical Officer of Health be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix "A" to Report AUD13006) implemented.

CARRIED

FOR THE INFORMATION OF COMMITTEE:

(a) CHANGES TO THE AGENDA (Item 1)

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

- (i) Added as Item 4.1 – a delegation request, submitted by John Gray, of Municipal Solutions, respecting Item 8.2 – Report (FCS12083/HUR12015), Proposed Fair Wage Policy and Fair Wage Schedule

(Morelli/Clark)

That the agenda for the January 17, 2013 Audit, Finance & Administration Committee meeting be approved, as amended.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

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

(i) December 10, 2012 (Item 3.1)

(Clark/Morelli)

That the Minutes of the December 10, 2012 meeting of the Audit, Finance and Administration Committee be approved, as presented.

CARRIED

(d) DELEGATION REQUESTS (Item 4)

(i) John Gray, of Municipal Solutions, respecting Item 8.2 – Report (FCS12083/HUR12015), Proposed Fair Wage Policy and Fair Wage Schedule (Item 4.1)

(Morelli/Clark)

That the delegation request from John Gray, of Municipal Solutions, respecting Item 8.2 – Report (FCS12083/HUR12015), Proposed Fair Wage Policy and Fair Wage Schedule, be approved.

CARRIED

(e) DELEGATIONS (Item 6)

(i) Sunil Angrish (previously Matthew Sweet), respecting Green Venture's Community Partnership Program Grant Application for Open Streets Hamilton (Item 6.1)

The delegation from Sunil Angrish (previously Matthew Sweet), respecting Green Venture's Community Partnership Program Grant Application for Open Streets Hamilton remained tabled to the February 11, 2013 meeting.

(ii) Pete Wobschall, Director, Green Venture, respecting Green Venture's Community Partnership Program Grant Application for Open Streets Hamilton (Item 6.2)

The delegation from Pete Wobschall, respecting Green Venture's Community Partnership Program Grant Application for Open Streets Hamilton remained tabled to the February 11, 2013 meeting.

- (iii) **Gord O'Coin, of the Christian Labour Association of Canada (CLAC), respecting Report (FCS12083/HUR12015), Proposed Fair Wage Policy and Fair Wage Schedule (Item 6.3)**

(Clark/Morelli)

That the delegation from Gord O'Coin, of the Christian Labour Association of Canada (CLAC), respecting Report (FCS12083/HUR12015), Proposed Fair Wage Policy and Fair Wage Schedule, be tabled to the March 25, 2013 Audit, Finance & Administration Committee meeting.

CARRIED

- (iv) **Joe Beattie, of the Hamilton-Brantford, Ontario Building and Construction Trades Council, respecting Report (FCS12083/HUR12015), Proposed Fair Wage Policy and Fair Wage Schedule (Item 6.4)**

(Clark/Morelli)

That the delegation from Joe Beattie, of the Hamilton-Brantford, Ontario Building and Construction Trades Council, respecting Report (FCS12083/HUR12015), Proposed Fair Wage Policy and Fair Wage Schedule, be tabled to the March 25, 2013 Audit, Finance & Administration Committee meeting.

CARRIED

(f) STAFF PRESENTATIONS (Item 7)

- (i) **2013 Business Plan – City Manager's Office (CM12017) (City Wide) (Item 7.1)**

Chris Murray, City Manager, addressed Committee and provided a PowerPoint presentation, respecting the 2013 Business Plan for the City Manager's Office. Mr. Murray's comments included, but were not limited to, the following:

- **The 2012 Accomplishments:**

- (i) Audit Services Division
 - Approval of and budget for the Value for Money Audit Program (including two additional staff).
 - Completion of the 2012 Internal Audit Work Plan.
- (ii) Legal Services Division
 - Rural Official Plan in effect. Outstanding appeals tied to other development initiatives and projects.

- HECFI Request for Proposal process and award completed.
- In 2012, resolved claims against the City totaling \$124 million for \$4.7 million.

(iii) City Manager's Office

- Neighbourhood Development Strategy.
- Approval of the 2012 – 2015 Strategic Plan.
- Development of first ever Corporate based Departmental Business Plans for 2013.
- Approval of revised Media Plan.
- Vision 2020 Sustainability Indicators Report.
- Supported International Council for the Local Environmental Initiatives Liveable Cities Conference in Hamilton in November 2012.
- Increased communication with supervisory staff and union leadership.
- First ever Expanded Extended Management Team meeting (550+ staff).
- Facilitated Randle Reef community funding solution.
- Facilitated early return of Piers 7 & 8 process (MOU slated for 2013).
- Facilitated HECFI review and RFP process.

(iv) Human Resources Division

- Completion of Workforce Profile, including projected retirements.
- Employee Attendance Management Action Plan launched.
- Succession Planning Risk Assessment completed for Senior Management positions.
- Leadership Pathway, Learning and Development Framework and Tuition Reimbursement policy developed to support a culture of continuous learning and succession development.
- Performance management system revised and core competencies established for all positions; system to be piloted in 2013 and evaluated before Corporate wide roll-out.
- Eight (8) collective agreements finalized.
- Casual/part time and in-scope arbitrations settled with savings of approximately \$4.5 million.

- Labour relations/legal review of Pan Am contract with ProjectCo and Infrastructure Ontario plus negotiation with Carpenters Union to enable general contractor construction of stadium.
 - Developed six (6) policies arising from Recruitment and Selection Audit.
 - Other policies developed - Telecommuting, Influenza Immunization, Organization Restructuring, Vacation Entitlement, and Inclement Weather.
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- **2013 Business Plan Highlights**
 - Neighbourhood Action Plans
 - Complete agreements related to implementation plan and financing strategy for Randle Reef.
 - Complete the Memorandum of Understanding (MOU) and operating agreement for Piers 7 & 8.
 - Complete operational agreements with new managers of HECFI assets.
 - Initiate a community and stakeholder engagement process that will lead to the development of a draft Community Vision and goals around “what Hamilton will look like in 2050” to replace Vision 2020. Adoption of the Vision is expected in 2014.
 - Development and implementation of a Foreign Direct Investment Strategy with an emphasis on immigrant entrepreneurs.
 - Continue to support, participate in and implement the Service Delivery Review.
 - Develop an Open Data Strategy for Council approval and initiate implementation strategies.
 - Review municipal comparators and prepare reports for the Non-Union Compensation Sub Committee.
 - Continue to implement management action plan arising out of internal audit on recruitment and selection.
 - Implement the Value for Money performance audit program.
 - Focus on enhanced efficiency of *Provincial Offences Act* prosecutions.
 - The City Manager and staff through increased engagement activities.
 - Continue to develop and implement the Workforce Management Strategy – succession planning for leadership and critical need positions, leadership and management development program, attraction and retention that fosters diverse and inclusive workforce.

- Continue to develop and update Human Resource policies and procedures.
- Standardize across the corporation the Employee Recognition Program.
- Continue to progress Employee Attendance Management Action Plan; implement Healthy Workplace strategy.
- Establish and progress the desired organizational culture.
- Continue to plan for and implement Workforce Management technology, as per capital budget approvals (e.g. automated workflow and approvals).
- Collective bargaining with CUPE 1041 and Hamilton Professional Fire Fighters Association Local 288.

(Clark/Morelli)

That the 2013 Business Plan for the City Manager's Office be amended to include the development of a Social Media Policy and report back to the Audit, Finance & Administration Committee.

CARRIED

(Clark/Morelli)

That the presentation, respecting the 2013 Business Plan for the City Manager's Office, be received.

CARRIED

(ii) 2013 Business Plan – Finance & Corporate Services (CM12017) (City Wide) (Item 7.2)

Mike Zegarac, Acting General Manager of Finance & Corporate Services, addressed Committee and provided a PowerPoint presentation, respecting the 2013 Business Plan for the Corporate Services Department. Mr. Zegarac's comments included, but were not limited to, the following:

- **2012 Accomplishments:**
 - Records Management - over 2,800 file transfer requests in and out of off-site storage. Accepted more new file boxes for storage (1,800) than were shredded (1,000). (City Clerks)
 - Clerked over 1,800 hours of Committee/Council meetings; prepared 2,130 agendas/minutes/reports and processed over 2,700 staff reports (City Clerks)
 - Early Resolution began March 31, 2012 for Part One Offence Notices allowing defendants to meet with a Prosecutor to arrive at a resolution and avoid a trial (City Clerks – POA)
 - Coordinated electronic building permit data transfer to MPAC (Taxation)

- Assisted Economic Development in evaluation and recommendation of changes to Tax Incentive Programs (Taxation)
- Improved focus on Quality Management at Customer Contact Centre
- After hours dispatch radio system update to computer-based system at Customer Contact Centre
- Completed 2013-2017 Multi-Year Accessibility Plan (Access & Equity)
- Initiated improved control tracking measures at Municipal Service Centres
- Completed 2012 Accessibility Plan Status Report (Access & Equity)
- Completed Service Delivery Review, establishing performance measures and identification of recommended service levels (Financial Planning & Policy – FP&P)
- Initiated first phase of web re-development project (FP&P)
- Coordinated 2012 budget processes (FP&P)
- Resolved 2009 and 2011 DC appeals (FP&P)
- Maintained AA credit rating status (FP&P)
- Placed approximately \$98 million in debt (FP&P)
- Generated \$5M in capital gains through investment strategy – reserve funds (FP&P)

- **2013 Business Plan Highlights - Strategic Priority #1**
 - Provide tax analysis on Enterprise Projects (Tax)
 - Strive for a zero % levy increase (all)
 - Develop an implementation plan for a Common Address Database (IS)
 - Support the development of an RFP for a residential water/wastewater protection plan (FP&P)
 - Develop financial case/impact of LRT Financial Sustainability Debt policy (FP&P)
 - Reserve policies (FP&P)
 - Review of multi-year tax-supported operating budget (FP&P)

- **2013 Business Plan Highlights - Strategic Priority #2**
 - Enterprise wide Geographic Information systems (GIS) upgrade (IS)
 - Automated Vehicle Location (AVL) System software upgrade (IS)
 - IS business process improvements in response to an Internal Audit (IS)
 - Upgrades to the City's voice and data network to meet increased demands (IS)

- Enhance efficiency in POA Court Administration by scheduling phone-in early resolution requests (City Clerks)
 - Complete RFP for 2014 Municipal Election voting equipment (City Clerks)
 - Promote different payment options (Taxation)
 - Implementation of KPMG recommendations from the “Accounts Payable Review” (Financial Services)
 - Web redevelopment, including addressing AODA requirements (Customer Service, Access & Equity)
 - Call Handling review follow-up for efficiencies and improved service (Customer Service, Access & Equity)
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- **2013 Business Plan Highlights - Strategic Priority #3**
 - Multi-Year Accessibility Plan implementation (Customer Service, Access & Equity)
 - Equity and Inclusion Policy Implementation (Customer Service, Access & Equity)
 - Barrier Free Guidelines update (Customer Service, Access & Equity)

(Morelli/Clark)

That the presentation, respecting the 2013 Business Plan for the Corporate Services Department, be received.

CARRIED

- (g) Green Venture for Open Streets Hamilton (SE-9) (GRA12006(a)) (Tabled at October 4, 2012 AF&A meeting.) (Item 8.1)**

This matter remained tabled until the February 11, 2013 meeting.

- (h) Proposed Fair Wage Policy and Fair Wage Schedule (FCS12083/HUR12015) (City Wide) (Item 8.2)**

(Clark/Morelli)

That Report FCS12083/HUR12015, respecting the Proposed Fair Wage Policy and Fair Wage Schedule, be lifted from the table.

CARRIED

(Clark/Morelli)

That Report FCS12083/HUR12015, respecting the Proposed Fair Wage Policy and Fair Wage Schedule, be referred back to staff for a report to the March 25, 2013 Audit, Finance & Administration Committee.

CARRIED

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

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

(Morelli/Clark)

That the following item be considered complete and removed from the Audit, Finance & Administration Committee's Outstanding Business List:

- (i) Item "O" - Annual Follow Up of Outstanding Audit Recommendations (AUD12018)

CARRIED

(j) ADJOURNMENT (Item 13)

(Morelli/Clark)

That, there being no further business, the Audit, Finance & Administration Committee be adjourned at 11:56 a.m.

CARRIED

Respectfully submitted,

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

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk