



**AUDIT, FINANCE & ADMINISTRATION COMMITTEE
REPORT 15-003**

9:30 a.m.

Monday, March 9, 2015

Council Chambers

Hamilton City Hall

71 Main Street West

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

THE AUDIT, FINANCE & ADMINISTRATION COMMITTEE PRESENTS REPORT 15-003 AND RECOMMENDS:

- 1. Freedom of Information Quarterly Report (October 1 to December 31, 2014) (CL14005(c)) (City Wide) (Item 5.1)**

That Report CL14005(c) respecting Freedom of Information Quarterly Report (October 1 to December 31, 2014), be received.

- 2. 2014 Fourth Quarter Tender Report (FCS14015(c)) (City Wide) (Item 5.2)**

That Report FCS14015(c) respecting 2014 Fourth Quarter Tender Report, be received.

- 3. Cemetery Trust Accounts Investment Performance Report - December 31, 2014 (FCS14065(a)) (City Wide) (Item 5.3)**

That Report FCS14065(a) respecting Cemetery Trust Accounts Investment Performance Report - December 31, 2014, be received.

4. Hamilton Future Fund Investment Performance Report -December 31, 2014 (FCS14064(a)) (City Wide) (Item 5.4)

That Report FCS14064(a) respecting Hamilton Future Fund Investment Performance Report -December 31, 2014, be received.

5. Reserve/Revenue Fund Investment Performance Report – December 31, 2014 (FCS14059(a)) (City Wide) (Item 5.5)

That Report FCS14059(a) respecting Reserve/Revenue Fund Investment Performance Report – December 31, 2014, be received.

6. Report of the 2014 Remuneration and Expenses as Required under Section 284 of the *Municipal Act* (FCS15025) (City Wide) (Item 5.6)

That Report FCS15025 respecting Report of the 2014 Remuneration and Expenses as Required under Section 284 of the *Municipal Act*, be received.

7. Annual Performance Reporting – Savings Generated from the Management of Information Technology Contracts (FCS15020) (City Wide) (Item 5.7)

The Report FCS15020 respecting Annual Performance Reporting – Savings Generated from the Management of Information Technology Contract, be received.

8. Follow Up of Audit Report 2013-07 - Public Works (PW) and Corporate Services (CS) - Inactive Landfill Sites - Controls & Liabilities (AUD15009) (City Wide) (Item 5.8)

That Report AUD15009 respecting Follow Up of Audit Report 2013-07 - Public Works (PW) and Corporate Services (CS) - Inactive Landfill Sites - Controls & Liabilities, be received.

9. Follow Up of Audit Report 2013-04 - Hamilton Water - Inventory Controls (AUD15011) (City Wide) (Item 5.9)

That Report AUD15011 respecting Follow Up of Audit Report 2013-04 - Hamilton Water - Inventory Controls, be received.

10. Tax Appeals under Sections 357 and 358 of the *Municipal Act* (2001) (FCS15021) (City Wide) (Item 8.1)

- (a) That Appendix "A" attached to Audit, Finance & Administration Report 15-003 respecting the Tax Appeals processed under Section 357 of the *Municipal Act*, 2001, in the amount of \$187,954 be approved;
- (b) That Appendix "B" attached to Audit, Finance & Administration Report 15-0031 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 \$38,248 be approved.

11. Amended Request to Reduce Development Charges – 50 Keith Street (Outstanding Business List) (FCS14063(a)) (City Wide) (Item 8.2)

That the request to reduce the City Development Charges (DC) at 50 Keith Street, Hamilton, in the amount of \$28,095 by 50% be denied.

12. 2015-16 Performance Audit Work Plan (AUD15010) (City Wide) (Item 8.3)

That Appendix "C" attached to Audit, Finance & Administration Report 15-003, respecting the 2015-16 Performance Audit Work Plan, be approved.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised of the following change to the Agenda.

1. ADDED CONSENT ITEMS (Item 5)

5.10 Minutes of Various Sub-Committees (for information purposes only)

- (a) Aboriginal Advisory Committee
 - (i) December 4, 2014
- (b) Committee Against Racism
 - (i) September 23, 2014
 - (ii) November 25, 2014

(c) Immigrant & Refugee Advisory Committee

- (i) June 19, 2014
- (ii) November 13, 2014

2. REMOVAL OF DELEGATION (Item 6)

- 6.1 Delegation Request from Bob Charters, respecting an update on the Hamilton Waterfront Trust (the delegation will be heard at the General Issues Committee on March 30, 2015, as per Council direction on February 11, 2015)

The Agenda for the March 9, 2015 meeting of the Audit, Finance and Administration Committee was approved, as amended.

3. ADDED DELEGATION REQUESTS

- 8.2(b) Kathy Cruickshanks requesting to speak on item 8.2 of today's agenda, respecting the Amended Request to Reduce Development Charges – 50 Keith Street

The delegation request by Kathy Cruickshanks requesting to speak to item 8.2 of today's agenda, respecting the Amended Request to Reduce Development Charges – 50 Keith Street, was received.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES (Item 3)

(i) February 9, 2015

The Minutes of the February 9, 2015 Audit, Finance and Administration Committee meeting, were approved, as presented.

(d) CONSENT ITEMS (Item 5)

**(ii) Minutes of Various Sub-Committees (for information purposes only)
(Item 5.10)**

(a) Aboriginal Advisory Committee

(i) December 4, 2014

- (b) **Committee Against Racism**
 - (i) **September 23, 2014**
 - (ii) **November 25, 2014**

- (c) **Immigrant & Refugee Advisory Committee**
 - (i) **June 19, 2014**
 - (ii) **November 13, 2014**

The minutes of the various sub-committee, were received.

(e) **DISCUSSION ITEMS (Item 8)**

- (i) **Amended Request to Reduce Development Charges – 50 Keith Street (Outstanding Business List) (FCS14063(a)) (City Wide) (Item 8.2)**

The matter respecting “Development Charges at 50 Keith Street” was considered complete and is removed from the Audit, Finance, and Administration Committee’s Outstanding Business List.

- (ii) **2015-16 Performance Audit Work Plan (AUD15010) (City Wide) (Item 8.3)**

Appendix “B” was amended by placing “Transit – Rationalization of Low Performing Routes” atop the list of Proposed Carry Forward Projects.

(f) **MOTIONS (Item 9)**

- (i) **Electronic Distribution and Management of Council/Committee Agendas**
 - (a) That staff investigate the implementation of an electronic means of publishing Standing Committee and Council agendas for members of Council and City Staff, and report back to the Audit, Finance & Administration Committee;

 - (b) That staff breakdown the costs associated with the printing of Committee agendas and report back to the Audit, Finance & Administration Committee.

(g) ADJOURNMENT

With there being no further business, the Audit, Finance and Administration Committee adjourned at 10:40 a.m.

Respectfully submitted,

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

Christopher Newman
Legislative Coordinator
Office of the City Clerk

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

357-12-269	651 Eaglewood Dr	Exempt group home for adults with developmental disabilities	-6,029.17	2012
357-12-270	35 Laurier Ave	Exempt group home for adults with developmental disabilities	-3,490.87	2012
357-13-197	60 Pinehurst Dr	Demolition of single family home	-1,138.68	2013
357-13-198	159 Adeline Ave	Demolition of single family home	-439.92	2013
357-13-216	1280 Main St W	Demolition of two storey institutional building	-1,000.75	2013
357-13-217	542 Upper James St	Demolition of com/res building changing tax class to CXN no reduction	0.00	2013
357-13-234	4 Bulls Lane	Demolition of old garage – not assessed on roll	0.00	2013
357-13-265	103 Catharine St N	Tax Class Conversion now all residential	-868.56	2013
357-13-269	640 Queenston Rd	Major Renovations of Target store	-14,711.56	2013
357-13-273	1550 Upper James	Major Renovations of Target store	45,989.20	2013
357-14-024	71 11th Concession Rd E	Fire on premises value already reduced – building is still standing	0.00	2014
357-14-030	1180 Wilson St W	Demolition of Tim Horton's	-14,249.14	2014
357-14-032	70 Barton St	Demolition handled through Minutes of Settlement	0.00	2014
357-14-038	708 Barton St E	Demolition handled through Minutes of Settlement	0.00	2014
357-14-057	77 Meadowlands Blvd	Fire gutted house and garage	-3,469.50	2014

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

357-14-059	17 Woodsworth Ave	Tax Class Conversion	-433.10	2014
357-14-077	27 Bold St	Fire gutted interior of building	-22,770.57	2014
357-14-078	204 Gage Ave N	Gross or Manifest Error this a vacant lot buildings were demolished years ago	-1,014.39	2014
357-14-094	1130 Centre Rd	Demolition of old house	-698.26	2014
357-14-099	395 Centennial Pkwy N	Demolition of restaurant	-13,383.36	2014
357-14-113	68 South St West	Demolition of inground pool	-60.46	2014
357-14-123	152 James St North	Tax Class Conversion part of building converted to apartment	-831.18	2014
357-14-133	60 Parker Ave	Gross or Manifest Error remove value of original structures	-532.88	2014
357-14-136	2530 Concession 6 W	Demolition of house	-1,503.84	2014
357-14-137	197 Hatt St	Demolition of house and garage	-773.43	2014
357-14-143	1733 Concession 2 Rd W	Demolition of single family dwelling	-295.75	2014
357-14-148	439 Mohawk Rd W	Demolition of gas bar	-2,006.87	2014
357-14-149	1185 Wilson St W	Demolition of old motel	-468.62	2014
357-14-150	275 Highway 8	Demolition of single family house and garage	-751.09	2014
357-14-154	191 King St E	Major Renovations denied – now going under Section 364	0.00	2014

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 Taxation Division
 Section 357 Tax Appeals of the Municipal Act, 2001

357-14-155	189 King St E	Major Renovations denied – now going under Section 364	0.00	2014
357-14-159	25 Arrowsmith Rd	Tax Class Conversion	-9,079.71	2014
357-14-161	397 Centennial Pkwy N	Tax Class Conversion	-11,590.31	2014
357-14-162	395 Centennial Pkwy N	Tax Class Conversion	-7,570.81	2014
357-14-163	155 Coreslab Dr	Tax Class Conversion	-10,764.22	2014
357-14-164	219 Dundas St E	Demolition of old motel & house changing tax class therefore no reduction	0.00	2014
357-14-172	148 Orchard Dr	Demolition of structure	-464.77	2014
357-14-178	238 Lloymin Ave	Demolition of house and garage	-970.02	2014
357-14-179	514 Wilson St E	Gross or Manifest Error incorrect lot size on roll	-550.84	2014
357-14-180	0 Emick Dr	Exempt – City owned	-2,626.76	2014
357-14-184	0 Parkside Dr	Exempt – City owned	-252.85	2014
357-14-185	0 Springview Dr	Exempt – City owned	-294.96	2014
357-14-186	161 Parkside Dr	Exempt – City owned	-415.38	2014
357-14-187	50 Bellagio Ave	Exempt – City owned	-441.97	2014
357-14-188	166 Regional Rd 20	Demolition of original structure	-1,791.97	2014

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 Section 357 Tax Appeals of the Municipal Act, 2001

357-14-194	19 Rymal Rd E	Demolition of repair garage	-2,164.57	2014
357-14-202	2995 Homestead Dr	Demolition of single family house	-338.51	2014
357-14-203	41 West Ave	Demolition of single family house	-408.71	2014
357-14-204	148 Homeside Ave	Demolition of single family house	-221.30	2014
357-14-214	26 Sunrise Cres	Tax Class Conversion now all residential	-349.60	2014
357-14-220	376 Upper Wentworth	Demolition of original structure new home completed	-745.48	2014
357-14-242	0 Mud St	Demolition of sales trailer – never assessed	0.00	2014
357-14-255	542 Upper James St	Demolition of com/res building changing tax class to CXN no reduction	0.00	2014
357-14-270	1 Arcade Cres	Gross or Manifest Error	0.00	2014
		Total	\$187,953.89	

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Section 358 Tax Appeals of the Municipal Act, 2001

358-13-039	194 Rymal Rd W	Gross or Manifest Error incorrect site area recorded on the roll	-85.51	2012
358-13-040	194 Rymal Rd W	Gross or Manifest Error incorrect site area recorded on the roll	-66.57	2011
358-13-065	0 Webster Rd	Gross or Manifest Error incorrect site dimension recorded on the roll	-6,813.11	2012
358-13-066	0 Webster Rd	Gross or Manifest Error incorrect site dimension recorded on the roll	-7,056.08	2011
358-14-026	204 Gage Ave N	Gross or Manifest Error buildings demolished years ago	-1,016.47	2013
358-14-027	204 Gage Ave N	Gross or Manifest Error buildings demolished years ago	-1,015.66	2012
358-14-028	81 Sunning Hill Ave	Gross or Manifest Error garage demolished in 2012 for renovation	-77.10	2013
358-14-041	443 Highway 8	Gross or Manifest Error no commercial since 2012 remove CT tax class	-3,816.23	2013
358-14-045	2530 Concession 6 W	Gross or Manifest Error house demolished Nov 2012 still on the roll	-1,470.21	2013
358-14-047	38 Trafalgar Dr	Exempt – City owned property	-346.08	2013
358-14-051	651 Eaglewood Dr	Exempt – housing for adults with developmental disabilities	-1,864.69	2011
358-14-052	651 Eaglewood Dr	Exempt – housing for adults with developmental disabilities	-5,999.73	2013
358-14-053	35 Laurier Ave	Exempt – housing for adults with developmental disabilities	-4,124.38	2013
358-14-054	238 Lloyminn Ave	Gross or Manifest Error structures demolished in late 2012 still on the roll	-960.92	2013
358-14-054	28 Sunrise Cres	Gross or Manifest Error business closed in 02 remove CT tax class	-347.58	2013
358-14-055	28 Sunrise Cres	Gross or Manifest Error business closed in 02 remove CT tax class	-342.15	2012
358-14-056	301 East 27th St	Gross or Manifest Error fire never reported	-663.50	2011

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358-14-057	301 East 27th St	Gross or Manifest Error fire never reported	-1,453.84	2012
358-14-058	376 Upper Wentworth St	Gross or Manifest Error original house demolished in 2012 still on the roll	-727.71	2013
358-14-074	0 Arcade St	Gross or Manifest Error denied – minutes of settlement signed	0.00	2013
358-14-075	0 Arcade St	Gross or Manifest Error denied there was not a clerical or factual error	0.00	2012
		TOTAL	\$38,247.52	

**CITY OF HAMILTON
 PROPOSED 2015-16 PERFORMANCE AUDIT WORK PLAN PROJECTS**

1. AUDITS IN PROGRESS OR CARRIED FORWARD FROM 2013

The following audits are in progress and should be completed by the end of the second quarter of 2015:

- City Clerks – Agenda Process
- Risk Management – Claims Adjusting and Operational Efficiencies

The audit Water – Water Main Emergency Repairs was indicated in the 2013 work plan. Based on preliminary meetings with management and additional information received, this project does not merit review at the present time and will no longer be considered for completion.

2. NEW PROJECTS

Audit Project	Project Description
Use of External Consultants	City departments engage external consultants to undertake a wide variety of projects as required. In 2014, the City spent at least \$1.8 million on operational-related consulting activities (excludes capital projects). No corporate policy exists to govern the use or management of external consultants. This audit will assess whether consultants are utilized in an effective manner and project outcomes add value to City operations.
Public Works Protective Plumbing Program	The City's Protective Plumbing Program (3P) provides financial grants and loans to residential property owners who would like to make plumbing improvements in order to protect their home from basement flooding as a result of sewer surcharging. In 2014, the City provided approximately \$2.0 million in 3P grants (excludes 3P loans). This audit will evaluate the achievement of program objectives, assess the effectiveness of the program and identify potential opportunities to improve efficiency.
Public Health Consolidation	As part of a plan to consolidate work space and staff to two locations in the downtown core, Public Health implemented a "hoteling" structure in which employees share desk space. This audit will evaluate the achievement of cost-saving and other intended objectives and the potential benefits associated with possible similar implementation in other City departments.

Audit Project	Project Description
Information Technology – Internet Usage	Internet access is provided as a standard feature on all City computers. In 2009, Hamilton City Council approved the current Computer and Technology Acceptable Use Policy, which provides expectations and guidelines on appropriate use of the City's computer and network resources. This audit will analyze internet usage data to evaluate the extent of excessive personal or inappropriate use of City resources.