



AUDIT, FINANCE & ADMINISTRATION COMMITTEE
REPORT 16-014
9:30 am
Thursday, October 6, 2016
Council Chambers
Hamilton City Hall
71 Main Street West

Present: Councillor A. Johnson (Chair), Councillors D. Skelly (Vice-Chair), C. Collins, L. Ferguson, B. Johnson and A. VanderBeek

Absent with Councillor M. Pearson – Personal
Regrets:

THE AUDIT, FINANCE & ADMINISTRATION COMMITTEE PRESENTS REPORT 16-014 AND RESPECTFULLY RECOMMENDS:

- 1. Grants Sub-committee Report 16-003, September 9, 2016 (Item 5.1)**
 - (a) 2016 City Enrichment Fund Intake – Saltfleet Go Ahead Soccer Inc. (GRA16007) (City Wide)**

That a one-time City Enrichment Fund grant totaling \$7,500 for the organization, Saltfleet Go Ahead Soccer for the program Recreation Program Technical Support (Capacity Building) to be funded from the City Enrichment Fund Reserves, was approved.
 - (b) 2016 City Enrichment Fund Intake – Binbrook Baseball Association (GRA16008) (City Wide)**

That a one-time City Enrichment Fund grant totaling \$1,956 for the organization, Binbrook Baseball Association for the program Rally Cap (LTAD planning & Implementation) to be funded from the City Enrichment Fund Reserves, was approved.
 - (c) Social Planning and Research Council – 2016 City Enrichment Fund Application Update (GRA16010) (City Wide)**

That Report GRA16010, respecting the Social Planning and Research Council – 2016 City Enrichment Fund Application Update, was received.

(d) Social Planning & Research Council of Hamilton 2016 City Enrichment Fund Request (CS E-3)

That the recommended 2016 City Enrichment Fund grant for the Social Planning and Research Council of Hamilton for the Community based research, planning and community development program, in the amount of \$43,656, was approved.

2. Tax Appeals under Sections 357 and 358 of the *Municipal Act, (2001)* (FCS16038(c)) (City Wide) (Item 5.2)

(a) That Appendix “A” to Report FCS16038(c) respecting the Tax Appeals processed under Section 357 of the *Municipal Act, (2001)*, in the amount of \$107,206, was approved; and,

(b) That Appendix “B” to Report FCS16038(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 \$6,935, was approved.

3. Tax and Rate Operating Budget Variance Report as of July 31, 2016 – Budget Control Policy Transfers (FCS16058(a)) (City wide) (Item 7.1)

(a) That, in accordance with the “Budgeted Complement Control Policy”, the 2016 complement transfer, transferring complement from one department/division to another with no impact on the levy, as outlined in Appendix “C” to Report FCS16058(a), was approved; and,

(b) That, in accordance with the “Budget Control Policy”, the 2016 budget amendment, transferring budget from one department/division to another or from one cost category to another with no impact on the levy, as outlined in Appendix “D” to Report FCS16058(a), was approved.

4. Payment Processing (FCS16077) (City Wide) (Item 8.1)

(a) That staff be directed to single source the Payment Processing Provider, pursuant to procurement Policy #11 – Non-competitive Procurements, to consolidate the current payment processing contracts with Moneris, with the objective that the new fee structure would be below the current structure, for the same term as the City’s Financial Institutional contract with the Royal Bank of Canada;

(b) That the General Manager, Finance and Corporate Services, or his designate, be authorized and directed to negotiate, enter into and execute a contract, and any ancillary documents required to give effect thereto, with Moneris (payment processing provider), in a form satisfactory to the City Solicitor; and

(c) That staff be directed to report back to Audit, Finance & Administration Committee respecting the results of negotiations, prior to the contract being awarded to Moneris.

5. Recruitment and Retention of Doctors for the City of Hamilton – Development Charge liability for Re-development of 726 Upper Gage (Added Item 9.1)

WHEREAS, the City has identified that the recruitment and retention of doctors is a social priority for the City of Hamilton;

WHEREAS, the proposed doctor's offices re-development at 726 Upper Gage is not financially viable due to current Development Charge (DC) Credit policies (there is no DC credit available due to the prior use of the existing building at 726 Upper Gage; the prior use was as a Post Office; Federal Government buildings do not pay DC's, therefore no credit.);

WHEREAS, the Development Charge (DC) reduction required to make the proposed re-development at 726 Upper Gage DC financially viable is 50 percent (approximately \$55,000). The proposed re-development at 726 Upper Gage is a strategic economic and social initiative which would increase the number of doctors in the area; and,

WHEREAS, the additional municipal taxes generated from 726 Upper Gage Development will be approximately \$20,000 on an annual basis;

THEREFORE BE IT RESOLVED:

- (a) That the DC liability for the re-development of 726 Upper Gage be reduced by 50 percent; and,
- (b) That the 50% DC liability reduction be funded from the City's Tax Stabilization Reserve.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

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

ADDED DELEGATION REQUESTS

- 4.1 A delegation request from Julie Michal, GALA Planning Team – Community Safety respecting the Current Provincial Property Tax Rebate
- 4.2 A delegation request from Arend Kersten, Executive Director, Flamborough Chamber of Commerce, requesting an opportunity to speak

to the Committee at today's meeting respecting Agenda Item 8.1 – Payment Processing (FCS16077).

ADDED CONSENT ITEMS

- 5.3 Freedom of Information Quarterly Report (April 1 to June 30) (CL16003(a)) (City Wide)

REORDER ITEM FROM DISCUSSION TO PRESENTATION

- 8.2 Tax and Rate Operating Budget Variance Report as of July 31, 2016 – Budget Control Policy Transfers (FCS16058(a)) becomes 7.1 as there is a presentation to accompany the report

ADDED NOTICES OF MOTIONS

- 10.1 Recruitment and Retention of Doctors for the City of Hamilton – Development Charge Liability for Re-development of 726 Upper Gage
- 10.2 Report on Legal Implications of a Municipal Referendum

The the Agenda for the October 6, 2016 meeting of the Audit, Finance & Administration Committee was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

There were none declared.

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

September 12, 2016 (Item 3.1)

The the Minutes of the September 12, 2016 Audit, Finance & Administration Committee meeting were approved, as presented.

(d) DELEGATION REQUESTS (Item 4)

- (i) **A delegation request from Julie Michal, GALA Planning Team – Community Safety respecting the Current Provincial Property Tax Rebate (Added Item 4.1)**

That the delegation request by Julie Michal, GALA Planning Team – Community Safety, respecting the Current Provincial Property Tax Rebate, was approved for a future meeting.

- (ii) **A delegation request from Arend Kersten, Executive Director, Flamborough Chamber of Commerce, requesting an opportunity to speak to the Committee respecting Agenda Item 8.1 – Payment Processing (FCS16077) (Added Item 4.2)**

That the delegation request by Arend Kersten, Executive Director, Flamborough Chamber of Commerce, requesting an opportunity to speak to the Committee respecting Agenda Item 8.1 – Payment Processing, was approved to appear before the Audit, Finance & Administration Committee on October 6, 2016.

(e) CONSENT ITEMS (Item 5)

Freedom of Information Quarterly Report (April 1 to June 30) (CL16003(a)) (City Wide) (Added Item 5.3)

That Report CL16003(a) respecting the Freedom of Information Quarterly Report (April 1 to June 30, 2016), was tabled to the next meeting of the Audit, Finance and Administration Committee.

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

- (i) **Arend Kersten, Executive Director, Flamborough Chamber of Commerce, respecting Agenda Item 8.1, Payment Processing (Item 6.1)**

Mr. Kersten addressed the Committee and provided a hardcopy of his presentation, a copy of which has been retained for the official record. Mr. Kersten comments included, but were not limited to the following:

- Flamborough Chamber of Commerce has concerns regarding negotiating only with the current provider as a “single source”;
- Mr. Kersten suggested that this item be referred back to staff for further study;

The presentation provided by Arend Kersten respecting Agenda Item 8.1, Payment Processing, was received.

For disposition of this matter, please refer to Item 4

(g) PRESENTATIONS (Item 7)

- (i) **Tax and Rate Operating Budget Variance Report as of July 31, 2016 – Budget Control Policy Transfers (FCS16058(a)) (City Wide) (Item 7.1)**

Mike Zegarac, General Manager Finance and Corporate Services, addressed the Committee and his comments included, but were not limited to the following:

- Provide the committee with a summary of the tax and rate budget results;
- Tax supported operating budget;
- Rate supported operating budget;

That the presentation provided by Mike Zegarac, General Manager Finance and Corporate Services, respecting Tax and Rate Operating Budget Variance Report as of July 31, 2016 – Budget Control Policy Transfers (FCS16058(a)), was received.

For disposition of this matter, please refer to Item 3

(h) DISCUSSION ITEMS

(i) Payment Processing (FCS16077) (City Wide) (Item 8.1)

That FCS Report 16077 respecting Payment Processing be amended by adding sub-section (c) as follows:

- (c) That staff be directed to report back to Audit, Finance & Administration Committee respecting the results of negotiations, prior to the contract being awarded to Moneris.***

For disposition on this matter please refer to Item 4

(i) MOTION (Item 9)

Report on Legal Implications of a Municipal Referendum (Item 9.2)

That, the City Solicitor provide the Audit, Finance and Administration Committee with a report on the legal implications of a municipal referendum, specifically considering the legal way in which and/or the extent (if any) to which a municipality would be bound to implement the result of a referendum.

(j) NOTICE OF MOTION (Item 10)

Councillor A. Johnson relinquished the Chair to Councillor Skelly in order to introduce the following Notice of Motion:

- (i) Recruitment and Retention of Doctors for the City of Hamilton – Development Charge liability for Re-development of 726 Upper Gage (Added Item 10.1)**

WHEREAS, the City has identified that the recruitment and retention of doctors is a social priority for the City of Hamilton;

WHEREAS, the proposed doctor's offices re-development at 726 Upper Gage is not financially viable due to current Development Charge (DC) Credit policies (there is no DC credit available due to the prior use of the existing building at 726 Upper Gage; the prior use was as a Post Office; Federal Government buildings do not pay DC's, therefore no credit.);

WHEREAS, the Development Charge (DC) reduction required to make the proposed re-development at 726 Upper Gage DC financially viable is 50 percent (approximately \$55,000). The proposed re-development at 726 Upper Gage is a strategic economic and social initiative which would increase the number of doctors in the area; and,

WHEREAS, the additional municipal taxes generated from 726 Upper Gage Development will be approximately \$20,000 on an annual basis;

THEREFORE BE IT RESOLVED:

- (a) That the DC liability for the re-development of 726 Upper Gage be reduced by 50 percent; and,
- (b) That the 50% DC liability reduction be funded from the City's Tax Stabilization Reserve.

The Rules of Order were waived to allow for the introduction of a Motion respecting the Recruitment and Retention of Doctors for the City of Hamilton – Development Charge liability for Re-development of 726 Upper Gage.

For disposition of this matter, please refer to Item 5.

Councillor A. Johnson introduced the following Notice of Motion:

(ii) Report on Legal Implications of a Municipal Referendum (Added Item 10.2)

The City Solicitor provided the Audit, Finance and Administration Committee with a report on the legal implications of a municipal referendum, specifically considering the legal way in which and/or the extent (if any) to which a municipality would be bound to implement the result of a referendum.

The Rules of Order were waived to allow for the introduction of a Motion respecting Report on Legal Implications of a Municipal Referendum.

For disposition of this matter, please refer to Item (i).

Councillor A. Johnson reassumed the Chair.

(k) ADJOURNMENT (Item 13)

There being no further business, the Audit, Finance & Administration Committee adjourned at 11:09 a.m.

Respectfully submitted,

Councillor A. Johnson,
Chair, Audit, Finance & Administration
Committee

Judy Sheppard
Legislative Coordinator
Office of the City Clerk

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

357-12-019	1227-1271 Barton St E	Exempt MCP Community Policing Centre	2012	-3,363.96
357-14-235	870 Scenic Dr	Demolition denied no value contributed to the building	2014	0.00
357-14-345	1572 Barton St E	Exempt denied there is a lease agreement in place	2014	0.00
357-15-014	1572 Barton St E	Exempt denied there is a lease agreement in place	2015	0.00
357-15-271	110 East 15th St	Demolition of old garage	2015	-11.64
357-15-303	183 Campbell Ave	Tax Class Conversion denied still renovating commercial space	2015	0.00
357-15-314	573 Westview Ave	Exempt portion of house used to care for a family member instead of facility	2015	-1,772.82
357-15-318	338-340 Dewitt Rd	Tax Class Conversion new tenants are commercial	2015	-4,306.82
357-15-322	185 Queen St N	Fire caused roof damage that has now been repaired	2015	-51.66
357-15-323	187 Queen St N	Fire caused roof damage that has now been repaired	2015	-90.54
357-15-328	678 Main St E	Exempt 100% of the building used by Aboriginal Health Centre	2015	-1,828.23
357-15-330	640 Queenston Rd	Demolition of a portion of the old Target store	2015	-24,168.45
357-15-343	0 Nisbett Blvd	Exempt now owned by the City	2015	-747.36
357-15-349	116 Corman Ave	Demolition of single family dwelling	2015	-124.70
357-15-354	119 Charlotte Ave	Demolition of 1 storey single family dwelling	2015	-110.68

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

357-15-355	128 Mountain Park Ave	Demolition of single family dwelling	2015	-52.76
357-15-357	221 Dundas St E	Demolition of house, shed and carport	2015	-28.33
357-15-359	118 Campbell Ave	Demolition of old duplex	2015	-59.75
357-15-361	980 Garden Lane	Demolition of the house attached garage and detached garage	2015	-163.99
357-16-002	148 Pine Dr	Demolition of house and shed	2016	-1,211.60
357-16-003	1865 Rymal Rd E	Fire damaged main structure but it is not demolished	2016	-791.33
357-16-010	71 Lockheed Dr	Fire damaged the structure	2016	-784.23
357-16-012	604 Iroquois Ave	Fire damaged the house	2016	-989.74
357-16-015	0 Pumpkin Pass	Exempt the property was deeded over to the City	2016	-255.49
357-16-023	1143 Wilson St W	Demolition denied property now consolidated	2016	0.00
357-16-026	561 Kenilworth Ave N	Demolition of 1 ½ storey single family dwelling	2016	-377.48
357-16-028	1 Garwood Ave	Demolition of house and detached garage	2016	-1,739.60
357-16-030	597 Garner Rd E	Demolition of pool, spa and old office building	2016	-2,334.52
357-16-037	142 Mountsberg Rd	Demolition of house detached garage and one farm outbuilding	2016	-672.57
357-16-039	311 Sulphur Springs Rd	Demolition not processed demolition increases the value of the property	2016	0.00

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

357-16-044	427 Book Rd E	Demolition of burned down house built in 1900	2016	-735.40
357-16-046	1390 Burlington St E	Demolition of Hassel Centre	2016	-16,698.63
357-16-052	121 James St N	Gross or Manifest Error property should have been consolidated billed twice	2016	-11,540.61
357-16-056	90 Cathedral Ct	Tax Class Conversion no longer being used as a sales office	2016	-4,194.07
357-16-069	Nisbett Blvd	Exempt the property is now owned by the City	2016	-2,356.62
357-16-071	Nisbett Blvd	Exempt the property is now owned by the City	2016	-2,356.62
357-16-072	Nisbett Blvd	Exempt the property is now owned by the City	2016	-2,356.62
357-16-073	Nisbett Blvd	Exempt the property is now owned by the City	2016	-2,356.62
357-16-076	222 Barton St E	Demolition of original structures	2016	-4,337.03
357-16-079	228 Barton St E	Demolition of original structures	2016	-2,107.26
357-16-082	76 Sherman Ave N	Tax Class Conversion now all residential	2016	-1,668.40
357-16-087	202 Sanatorium Rd	Demolition of inground pool	2016	-218.70
357-16-088	50 Lloyminn Ave	Demolition of house and detached garage	2016	-162.16
357-16-090	95 Wilson St W	Gross or Manifest Error two parking spots with assessed twice	2016	-114.53
357-16-091	4947 Governors Rd	Demolition of old barn	2016	-4.38

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

357-16-111	0 Cedarville Dr Rear	Exempt the property was deeded over to the city	2016	-12.71
357-16-112	0 Mud St	Exempt the property was deeded over to the city	2016	-2173.23
357-16-113	0 Cedarville Dr	Exempt the property was deeded over to the city	2016	-1831.54
357-16-115	121 James St N	Gross or Manifest Error property should have been consolidated billed twice	2015	-5380.53
357-15-059	150 Hillyard St	Tax Class Conversion the lease expired on North American Tillage Tools	2015	1401.96
357-15-059	150 Hillyard St	Tax Class Conversion the lease expired on North American Tillage Tools	2015	-1963.72
			TOTAL	-107,205.67

City of Hamilton
 Corporate Services Department
 Taxation Division
 Section 358 Tax Appeals of the *Municipal Act, 2001*

358-16-019	4574 Governors Rd	Gross or Manifest Error denied the 2015 severance was not processed	2015	0.00
358-16-027	4947 Governors Rd	Gross or Manifest Error remove value of the old barn that is long gone	2015	-4.17
358-16-028	105 New Mountain Rd	Exempt the property is owned by the City	2014	-200.91
358-16-033	0 Cedarville Dr	Exempt the property is owned by the City	2015	-1,635.83
358-16-034	0 Cedarville Dr	Exempt the property is owned by the City	2014	-1,421.90
358-16-031	0 Mud St	Exempt the property is owned by the City	2015	-1,947.08
358-16-032	0 Mud St	Exempt the property is owned by the City	2014	-1,699.33
358-16-029	0 Cedarville Dr Rear	Exempt the property is owned by the City	2015	-12.86
358-16-030	0 Cedarville Dr Rear	Exempt the property is owned by the City	2014	-12.90
			TOTAL	-6,934.98

CITY OF HAMILTON BUDGETED COMPLEMENT TRANSFER SCHEDULE

AF&A Report 16-014 STAFF COMPLEMENT CHANGE

Complement Transfer to another division or department ⁽¹⁾

ITEM #	TRANSFER FROM				TRANSFER TO			
	Department	Division	Position Title (2)	FTE	Department	Division	Position Title (2)	FTE
1.1	PED	Parking and By Law Services	PT Parking & By-Law Services Position	0.5	PED	Tourism and Culture	Film Admin Assistant	0.5
	Explanation: The transfer of 0.5 FTE from Parking By-Law Services to Tourism and Culture assists with the creation of the Film Admin.Assistant position. Job grade increase from G to F to be funded from departmental savings.							
1.2	PED	Growth Management	Development Clerk	0.5	PED	Planning	Development Clerk	0.5
	Explanation: As a result of the relocation of Divisions, 100% of the Development Clerk's time/activities will be allocated to the Planning Division.							
1.3	Community & Emergency Services	Hamilton Fire Department	Area Commander	1.0	Community & Emergency Services	Hamilton Fire Department	Assistant Deputy Chief	1.0
	Explanation: To adapt to changing operational requirements and to better reflect the appropriate level of administrative oversight and job function, the HFD requires to change one Area Commander position (Grade 6A) to one Assistant Deputy Chief position (Grade 8SC). The annualized impact will be absorbed within the existing departmental budget.							
1.4	Public Health Services	Office of the Medical Officer of Health	Nursing Practice Advisor	1.0	Public Health Services	Planning & Business Improvement Division	Nursing Practice Advisor	1.0
	Explanation: Departmental Nursing Practice resource moved from Office of the Medical Officer of Health to Planning and Business Improvement Division in alignment with reporting structure for position. Position continues to support nursing resources across department.							
1.5	Public Works	Environmental Services	Leadhand	1.0	Public Works	Operations	Training Officer	1.0
	Explanation: To provide support to the Environmental Services Division on training initiatives.							
1.6	Public Works	Operations	Operations Service Rep	9.0	Public Works	Environmental Services	Operations Service Rep	9.0
	Explanation: The transfer of 9.0 FTE from Operations to Environmental Services is to reflect current reporting locations.							
1.7	Public Works	Operations	Students	0.66	Public Works	Environmental Services	Operations Service Rep	0.66
	Explanation: The transfer of students from Operations to Environmental Services is to reflect current reporting locations.							
1.8	Corporate Services	Finance & Admin & Rev Generation	Various	4.10	City Manager's Office	Strategic Partnerships and Revenue Generation	Various	4.10
	Explanation: The transfer of staff to reflect new reporting structure.							
1.9	Corporate Services	Financial Planning & Policy	Various	0.50	City Manager's Office	Strategic Partnerships and Revenue Generation	Various	0.50
	Explanation: The transfer of staff to reflect new reporting structure.							

Note - Complement transfers include the transfer of corresponding budget.

(1) - All other budgeted complement changes that require Council approval per Budgeted Complement Control Policy must be done through either separate report or the budget process (i.e. Increasing/decreasing budgeted complement).

(2) - If a position is changing, the impact of the change is within 1 pay band unless specified.

CITY OF HAMILTON BUDGET RESTATEMENT SCHEDULE

BUDGET RESTATEMENT

Budget Transfer to another division or department

ITEM #	TRANSFER FROM			TRANSFER TO		
	<u>Department</u>	<u>Division</u>	<u>Amount</u>	<u>Department</u>	<u>Division</u>	<u>Amount</u>
1.1	Public Works	Facilities	\$13,333.00	City Enrichment Fund	Environment	\$40,000.00
	Public Works	Operations	\$13,333.00			
	Public Works	Environmental Services	\$13,334.00			
	Explanation: To provide grant funding for various volunteer groups to do a variety of environmental cleanups that can range from litter, water, graffiti, trees etc., to be administered through the City Enrichment Fund.					
1.2	Community & Emergency Services Administration - GMO			Community & Emergency NCI		
	\$50,000.00			\$50,000.00		
Explanation: Transfer budget for Hamilton Centre for Civic Engagement payments to Neighbourhood and Community Initiatives from the General Manager's Office as NCI now completes this work.						
1.3	Corporate Services	Finance & Admin & Rev Generation	\$208,500.00	City Manager's Office	Strategic Partnerships and Revenue Generation	\$208,500.00
	Explanation: Transfer budget to reflect new reporting structure.					

Note - Above budget transfers remain in the same cost category.