



AUDIT, FINANCE & ADMINISTRATION COMMITTEE
MINUTES 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
Regrets:** Councillor M. Pearson – Personal

Also Present: Councillors Jackson and Pasuta

THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR CONSIDERATION:

1. Grants Sub-committee Report 16-003, September 9, 2016 (Item 5.1)

(Skelly/B. Johnson)

(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, be 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, be 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, be 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, be approved.

CARRIED

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

(VanderBeek/Skelly)

(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, be 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, be approved.

CARRIED

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

(VanderBeek/Skelly)

(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), be 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), be approved.

CARRIED

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

(VanderBeek/Skelly)

(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.***

Main Motion as Amended CARRIED

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)

(A. Johnson/B. Johnson)

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.

CARRIED

FOR THE INFORMATION OF COMMITTEE:

(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

(B. Johnson/Collins)

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

CARRIED

(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)

(VanderBeek/Skelly)

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

CARRIED

(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)**

(B. Johnson/Collins)

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

CARRIED

- (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)**

(B. Johnson/VanderBeek)

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, be approved to appear before the Audit, Finance & Administration Committee on October 6, 2016.

CARRIED

(e) CONSENT ITEMS (Item 5)

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

(Ferguson/VanderBeek)

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

CARRIED

(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;

(A. Johnson/Vanderbeek)

That the presentation provided by Arend Kersten respecting Agenda Item 8.1, Payment Processing, be received.

CARRIED

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;

(Collins/VanderBeek)

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)), be received.

CARRIED

For disposition of this matter, please refer to Item 3

(h) DISCUSSION ITEMS

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

(B. Johnson/Collins)

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.*
Amendment CARRIED

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)

(A. Johnson/B. Johnson)

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.

CARRIED

(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.

(A. Johnson/B. Johnson)

That the Rules of Order be 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.

CARRIED

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)

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.

(B. Johnson/VanderBeek)

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

CARRIED

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

Councillor A. Johnson reassumed the Chair.

(k) ADJOURNMENT (Item 13)

(Skelly/VanderBeek)

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

CARRIED

Respectfully submitted,

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

Judy Sheppard
Legislative Coordinator
Office of the City Clerk