



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 17-010

9:30 a.m.
Thursday, July 12, 2017
Council Chambers
Hamilton City Hall

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

**Absent
With Regrets** Councillor A. Johnson – Personal

THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT 17-010 AND RESPECTIVELY RECOMMENDS:

**1. 2017 First Quarter Request for Tenders and Proposals Report (FCS17010)
(City Wide) (Item 5.6)**

That Report FCS17010, respecting 2017 First Quarter Request for Tenders and Proposals, be received.

**2. 2017 First Quarter Emergency and Non-Competitive Procurements Report
(FCS17011) (City Wide) (Item 5.7)**

That Report FCS17011, respecting 2017 First Quarter Emergency and Non-Competitive Procurements, be received.

**3. 2017 First Quarter Non-Compliance with the Procurement Policy Report
(FCS17012) (City Wide) (Item 5.8)**

That Report FCS17012, 2017 First Quarter Non-Compliance with the Procurement Policy, be received.

**4. Correspondence from Shekar Chandrashekar, respecting access to police
services accounting records (Item 5.9, formerly Item 8.1)**

That the correspondence from Shekar Chandrashekar, respecting access to police services accounting records, be received.

5. Tax and Rate Operating Budget Variance Report as at April 30, 2017 - Budget Control Policy Transfers (FCS17060) (City Wide) (Item 7.1)

- (a) That, in accordance with the Budget Control Policy, the 2017 budget amendment, transferring budget from one department / division to another with no impact on the levy, as outlined in Appendix "A" to Report 17-010, be approved;
- (b) That, in accordance with the Budgeted Complement Control Policy, the 2017 complement transfer, transferring complement from one department / division to another with no impact on the levy, as outlined in Appendix "B" to Report 17-010, be approved.

6. Parkland Dedication Reserve Status Report as of December 31, 2016 (FCS17065) (City Wide) (Item 8.2)

- (a) That Report FCS17065 Parkland Dedication Reserve Status Report and Treasurer's Statement as of December 31, 2016, be received;
- (b) That Report FCS17065 Parkland Dedication Reserve Status Report and Treasurer's Statement as of December 31, 2016 be forwarded, if requested, to the Ministry of Municipal Affairs and Housing.

7. Audit Report 2016-06 Compliance with City-Wide Cash Handling Policy (AUD17014) (City Wide) (Confidential Appendices "A" & "B" were distributed under separate cover) (Item 8.3)

- (a) That the Management Action Plans, as detailed in Audit Report 2016-06 (Private and Confidential Appendix "A" to Report AUD17014) be approved;
- (b) That the General Manager of Finance and Corporate Services and the City Manager be directed to instruct the appropriate staff to have the Management Action Plans implemented; and,
- (c) That the Appendices "A" and "B" to Report AUD17014, respecting Audit Reports 2016-06 and 2015-15 – Compliance with City-Wide Cash Handling Guidelines, remain confidential and restricted from public disclosure.

8. Development Charge Demolition Credit and Parkland Dedication Fee Demolition Credit Extension for 6 Falcon Road, Stoney Creek (Item 9.1)

WHEREAS, due to the recent sale of the property located at 6 Falcon Road, Stoney Creek, and the timeline required by the new owner to design and complete a permit application;

WHEREAS, due to the fact that the City Development Charge and Parkland Demolition Credit expiration deadlines were intended to prevent Urban Blight, which excludes this development location; and,

WHEREAS, the City of Hamilton cannot extend School Board Development Charges, and they are therefore payable at the time of the building permit issuance;

THEREFORE BE IT RESOLVED:

- (a) That the Development Charge Demolition Credit and Parkland Dedication Fee Demolition Credit, for 6 Falcon Road, Stoney Creek, be extended for a three (3) year period from July 10, 2017 – July 10, 2020;
- (b) That the current Development Charge Rate of \$37,413, excluding School Board Development Charges, be funded from the City's Unallocated Capital Reserve; and,
- (c) That the current Parkland Dedication Fees, based on the appraised value of the land at the time of building permit issuance, of approximately \$50,000 be funded from the City's Unallocated Capital Reserve.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

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

1. ADDED CONSENT ITEM / REMOVAL OF DISCUSSION ITEM (Item 5)

- 5.9 Correspondence from Shekar Chandrashekar, respecting access to police services accounting records is moved from Discussion Item 8.1 to Consent Item 5.9

2. PUBLIC HEARINGS / DELEGATIONS (Item 6)

- 6.1 Patricia LeClair, Executive Director of the Hamilton Children's Choir, respecting Choir Updates (approved June 12, 2017) (verbal update) – postponed until a future date at the request of Patricia LeClair

The agenda for the July 12, 2017 Audit, Finance and Administration Committee meeting was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

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

(i) June 12, 2017 (Item 3.1)

The Minutes of the June 12, 2017 meeting of the Audit, Finance and Administration Committee were approved.

(d) DELEGATION REQUESTS (Item 4)

(i) Paul and Susan Roth, respecting tax relief for 164 King Street East, Hamilton (for a future meeting) (Item 4.1)

The delegation request from Paul and Susan Roth, respecting tax relief for 164 King Street East, Hamilton, was approved for a future meeting.

(ii) Zach Douglas, President and CEO of McMaster Innovation Park, respecting the approval of the extension of development charge credits available to McMaster Innovation Park (for a future meeting) (Item 4.2)

The delegation request from Zach Douglas, President and CEO of McMaster Innovation Park, respecting the approval of the extension of development charge credits available to McMaster Innovation Park, was approved for a future meeting.

(e) CONSENT ITEMS (Item 5)

(i) Immigrant and Refugee Advisory Committee – Minutes from the April 13, 2017 and May 11, 2017 meetings (Items 5.1 (a) & (b))

The Minutes of the April 13, 2017 and May 11, 2017 meetings of the Immigrant and Refugee Advisory Committee, were received.

(ii) Hamilton Mundialization Advisory Committee – Minutes from the April 19, 2017 and May 17, 2017 meetings (Items 5.2 (a) & (b))

The Minutes of the April 19, 2017 and May 17, 2017 meetings of the Hamilton Mundialization Advisory Committee, were received.

(iii) LGBTQ Advisory Committee - minutes from the May 24, 2017 meeting (Item 5.3)

The Minutes of the May 24, 2017 meeting of the LGBTQ Advisory Committee, were received.

(iv) Hamilton Status of Women Committee – minutes from the April 27, 2017 and May 25, 2017 meetings (Items 5.4 (a) & (b))

The Minutes of the April 27, 2017 and May 25, 2017 meetings of the Hamilton Status of Women Committee, were received.

(v) Aboriginal Advisory Committee – minutes from the May 4, 2017 meeting (Item 5.5)

The Minutes of the May 4, 2017 meeting of Aboriginal Advisory Committee, were received.

(vi) 2017 First Quarter Non-Compliance with the Procurement Policy Report (FCS17012) (City Wide) (Item 5.8)

Staff were directed to report back to the Audit, Finance and Administration Committee with regards to Report FCS17012, Appendix “A” Item in the amount of \$83,578.59 listed under ‘CivicPlan’, with details as to what time period the costs were incurred, what was involved, who was involved, and why this Item did not come to Committee for approval.

Staff were directed to report back to the Audit, Finance and Administration Committee with regards to Report FCS17012, Appendix “A” Item in the amount of \$5,544.00 listed under ‘The Designers Printing Inc.’, with details as to which budget this Item was charged to, as well as what was involved and who was involved.

(f) PRESENTATIONS (Item 7)

(i) Tax and Rate Operating Budget Variance Report as at April 30, 2017 - Budget Control Policy Transfers (FCS17060) (City Wide) (Item 7.1)

Brian McMullen, Director, Financial Planning & Policy, provided the Committee with an overview of Report FCS17060, respecting the Tax and Rate Operating Budget Variance Report as at April 30, 2017 - Budget Control Policy Transfers, with the aid of a PowerPoint presentation.

The presentation, respecting the Tax and Rate Operating Budget Variance Report as at April 30, 2017 - Budget Control Policy Transfers, was received.

The Executive Director of Human Resources & Organizational Development, and the Director of Transit were directed to report back to the Audit, Finance and Administration Committee at the August 16, 2017 meeting with respect to details on Transit levy enhancements over the past 5 years, Transit ridership numbers over the past 5 years, Transit year-end variance reporting over the past 5 years, Transit service enhancements over the past 5 years as well as an explanation of the Transit over-time variance.

The Executive Director of Human Resources & Organizational Development and the Director of Transit were directed to report back to

the Audit, Finance and Administration Committee on the most current numbers, over the past 5 years, on our ridership trend and where it's headed for the Hamilton Street Railway, to be available for our next Light Rail Transit Sub-Committee meeting.

A copy of the presentation is retained for the official record for viewing at www.hamilton.ca or through the Office of the City Clerk.

For disposition of this matter refer to Item 5.

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

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

The following amendments to the Audit, Finance and Administration Committee's Outstanding Business List, were approved:

(a) Proposed New Due Dates:

- (i) Item "P" - Review of Implementation of Renovation and/or Repairs to Parking Lot Project at 395 Mohawk Road East
Current Due Date: TBD
Proposed New Date: August 16, 2017

(b) Items to be Removed:

- (i) Item "B" - Network Communications Standardization Review (Addressed at the March 27, 2017 Audit, Finance and Administration meeting - Report FCS17030)
- (ii) Item "C" - Value-for-Money Audit Program - End of THRee Year Pilot (Addressed at the May 18, 2017 Audit, Finance & Administration Committee meeting - Report AUD17013)
- (iii) Item "D" - Value-for-Money Audit Program - End of THRee Year Pilot (Addressed at the May 18, 2017 Audit, Finance and Administration Committee meeting - Report AUD17013)

- (iv) Item "G" - Employer Paid Parking Value for Money Audit Management Action Plan (Addressed at the June 8, 2015 Audit, Finance and Administration Committee meeting - CM14002(a))
- (v) Item "I" - Development Charge Exemption in Downtown Hamilton CIPA (Addressed at the April 13, 2015 Audit, Finance and Administration Committee meeting - Report FCS15022)
- (vi) Item "J" - Inspection and Testing of Fire Hydrants for Condominium Properties (Addressed at the May 11, 2014 Audit, Finance and Administration Committee meeting - listed as completed and removed from the OBL as Item 'Q')
- (vii) Item 'U' - Development Charge (DC) Demolition Credit Extension Request from Urban Solutions, 849 Scenic Drive (Chedoke Browlands) (Addressed at the May 8, 2017 Audit, Finance and Administration Committee Meeting - Report FCS17046)

(h) ADJOURNMENT (Item 13)

There being no further business, the Audit, Finance and Administration Committee, was adjourned at 10:27 a.m.

Respectfully submitted,

Councillor Donna Skelly
Chair, Audit, Finance and
Administration Committee

Kirsten Stevenson
Legislative Co-ordinator
Office of the City Clerk

**CITY OF HAMILTON
BUDGET RESTATEMENT SCHEDULE**

BUDGET RESTATEMENT

Budget Transfer to another division or department

ITEM #	TRANSFER FROM			TRANSFER TO		
	Department	Division	Amount	Department	Division	Amount
1.1	Public Works	Engineering Services - ERE	\$108,530	Public Works	Transportation & Associate GM - ERE	\$108,530
	Public Works	Engineering Services - Capital Recovery	-\$108,530	Public Works	Transportation & Associate GM - Capital Recoveries	-\$108,530
	Explanation: Transferring Project Manager from Engineering Services, Corridor Management & Pavement Cuts (560220) to Transportation & Associate GM Division, Transportation Planning (560310) - Total \$108,530 ERE plus Capital Recovery in the same amount.					
1.2	Public Works	Engineering Services - ERE	\$95,750	Public Works	Transportation & Associate GM - ERE	\$95,750
	Public Works	Engineering Services - Capital Recovery	-\$95,750	Public Works	Transportation & Associate GM - Capital Recoveries	-\$95,750
	Explanation: Transferring Technologist from Engineering Services, Corridor Management & Pavement Cuts (560220) to Transportation & Associate GM Division, Transportation Planning (560310) - Total \$95,750 ERE plus Capital Recovery in the same amount.					
1.3	Public Works	Engineering Services - ERE	\$47,800	Public Works	Transportation & Associate GM - ERE	\$47,800
	Public Works	Engineering Services - Capital Recovery	-\$28,180	Public Works	Transportation & Associate GM - Capital Recoveries from Eng. Serv.	-\$28,180
	Explanation: Transferring Co Op Student from Engineering Services, Corridor Management & Pavement Cuts (560220) to Transportation & Associate GM Division, Transportation Planning (560310) - Total \$47,800 ERE plus Capital Recovery of \$28,180.					

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

CITY OF HAMILTON
BUDGETED COMPLEMENT TRANSFER SCHEDULE

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	Public Works	EF&FM	Student at Tim Hortons Field	3.08	Public Works	EF&FM	Assistant Stadium Techn.	3.08
	Explanation: 3.08 student positions are being made redundant and these FTE are required for the Assistant Stadium Technician position. There's currently a FTE shortfall in the budget for the Assistant Stadium Technician. There will be zero impact to the FTE count at the stadium. The cost differential between the two positions is an increase of \$89,300 and will be offset within the Division. The budget impact will be zero. (An increase of more than 1 pay bands, with no impact to the net levy)							
1.2	Public Works	EF&FM	Pace Watcher Guide (Chedoke)	1.82	Public Works	EF&FM	Grass Cutter (Chedoke)	1.82
	Explanation: In the 2017 Season Pace Watcher have become volunteer positions and golf play is paid in lieu of time. The FTE is required for the grass cutting position. There will be zero impact to the FTE count. The cost differential of \$18,500 will be offset within the divisional operating budget. (An increase of more than 1 pay bands, with no impact to the net levy)							
1.3	Public Works	EF&FM	Pace Watcher Guide (Kings Forest)	0.50	Public Works	EF&FM	Grass Cutter (Kings Forest)	0.50
	Explanation: In the 2017 Season Pace Watcher have become volunteer positions and golf play is paid in lieu of time. The FTE is required for the grass cutting position. There will be zero impact to the FTE count. The cost differential of \$5,200 will be offset within the divisional within the operating budget. (An increase of more than 1 pay bands, with no impact to the net levy)							
1.4	Public Works	EF&FM	Guest Service Attendant (Kings Forest)	0.48	Public Works	EF&FM	Grass Cutter (Kings Forest)	0.48
	Explanation: In the 2017 Season the Guest Service Attendants have become volunteer positions and golf play is paid in lieu of time. The FTE is required for the grass cutting position. There will be zero impact to the FTE count. The cost differential of \$4,800 and will be offset within the divisional operating budget. (An increase of more than 1 pay bands, with no impact to the net levy)							
1.5	Public Works	Engineering Services	Project Manager	1.0	Public Works	Transportation & Associate GM	Project Manager	1.0
	Explanation: Transfer Project Manager from Engineering Services Division, Corridor Management & Pavement Cuts to Transportation & Associate GM Division, Transportation Planning (C3 -Level 5 - \$108,530).							
1.6	Public Works	EF&FM	Student Local 5 (Facilities)	1.0	Public Works	EF&FM	Handy Person	1.0
	Explanation: The cost differential of \$37,461 will be saved through minimizing outsourcing work to higher costing carpentry firms and will be absorbed within the budget.							
1.7	Public Works	Engineering Services	Technologist	1.0	Public Works	Transportation & Associate GM	Technologist	1.0
	Explanation: Transfer Technologist from Engineering Services Division, Corridor Management & Pavement Cuts to Transportation & Associate GM Division, Transportation Planning (C1 -Level L - \$95,750).							
1.8	Public Works	Engineering Services	Co Op Student	1.0	Public Works	Transportation & Associate GM	Co Op Student	1.0
	Explanation: Transfer Co Op Student from Engineering Services Division, Corridor Management & Pavement Cuts to Transportation & Associate GM Division, Transportation Planning (C1 -Level J - \$47,800).							
1.9	Public Health Services	Healthy Environments	Project Manager	1.0	Public Health Services	Planning & Business Improvement	Project Manager	1.0
	Explanation: Project Manager Health Hazards moved to Planning & Business Improvement Division in order to centralize resources and maximize resource use in alignment with departmental priorities.							

(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.