



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 17-011

**9:30 a.m.
August 16, 2017
Council Chambers
Hamilton City Hall**

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

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

- 1. Professional and Consultant Services Roster 2015-2016
(PW17062/PED17151/FCS17074) (City Wide) (Item 5.2)**

(A. Johnson/B. Johnson)

That Report PW17062/PED17151/FCS17074, respecting the Professional and Consultant Services Roster 2015-2016, be received.

CARRIED

- 2. Follow up to the 2017 First Quarter Non-Compliance with the Procurement Policy Report (FCS17012(a)) (City Wide) (Outstanding Business List Item) (Item 5.3)**

(Skelly/B. Johnson)

WHEREAS, recognizing that the City of Hamilton is embarking on a number of change initiatives; including the recent implementation of a new Corporate governance process, the consolidation of Corporate functions, and the use of multi-year budgeting;

THEREFORE BE IT RESOLVED:

That Procurement staff be directed to review the procurement processes, as they relate to Ward budgets, and report back to the Procurement Sub-Committee in the first quarter of 2018.

CARRIED

3. Appointment of External Auditor 2017-2021 (FCS17073) (City Wide) (Item 5.4)

(B. Johnson/Pearson)

- (a) That the firm of KMPG LLP be appointed as the municipal auditor of the City of Hamilton for a five year term, inclusive of fiscal years ending 2017-2021, at a flat fee of \$215,000 fixed per year based on the attached Appendix "A" to Report FCS17013; and,
- (b) That the Hamilton Police Service audit of operations be removed from the schedule of required annual audits.

CARRIED

4. Our People Survey Update (HUR15014(b)) (City Wide) (Item 5.5)

(Ferguson/A. Johnson)

That Report HUR15014(b), respecting Our People Survey Update, be received.

CARRIED

5. Hamilton Fire Department Driver Certification Program (DCP) Audit – Summary of Results (AUD17015) (City Wide) (Item 5.6)

(B. Johnson/A. Johnson)

That Report AUD17015, respecting Hamilton the Fire Department Driver Certification Program (DCP) Audit – Summary of Results, be received.

CARRIED

6. Whistleblower Information Update for Q2 2017 (AUD17018) (City Wide) (Item 5.7)

(Collins/Ferguson)

That Report AUD17018, respecting the Whistleblower Information Update for Q2 2017, be received.

CARRIED

7. Follow Up to Audit Report 2014-14 Hamilton Prenatal Nutrition Program (AUD17016) (City Wide) (Item 5.8)

(Pearson/B. Johnson)

That Report AUD17016, respecting the follow up of Audit Report 2014-14, Hamilton Prenatal Nutrition Program, be received.

CARRIED

8. Follow Up to Audit Report 2015-04 Public Works - Water Supply Compliance Review (AUD17017) (City Wide) (Item 5.9)

(VanderBeek/Ferguson)

That Report AUD17017, respecting the follow up to Audit Report 2015-04 Public Works – Water Supply Compliance Review, be received.

CARRIED

9. 2016 Annual Follow Up of Outstanding Audit Recommendations (AUD17020) (City Wide) (Item 5.10)

(Ferguson/Pearson)

That Report AUD17020, respecting the 2016 Annual follow up of Outstanding Audit Recommendations, be received.

CARRIED

10. 2016 Reserve report (FCS17070) (City Wide) (Item 5.11)

(Ferguson/Pearson)

- (a) That the 2016 Reserve Report and the 2016 Reserves Detail Report, with 2015 Comparative figures and 2017 Projections, attached as Appendix “A” to Report FCS17070, be approved;
- (b) That the reserves listed in Appendix “B” to Report FCS17070 be closed and the outstanding balances be transferred, as outlined in the attached Appendix “B” to Report FCS17070; and,
- (c) That the reserves listed in the attached Appendix “C” to Report FCS17070 be renamed and their purposes updated, as outlined in Appendix “C” to Report FCS17070.

CARRIED

11. Audit Report 2016-08 – Review of the CityHousing Hamilton Parking Lot Project at 395 Mohawk Road East (AUD17021) (City Wide) (Outstanding Business List Item) (Item 5.12)

(Collins/Pearson)

That Report AUD17021, respecting the Audit Report 2016-08 – Review of the CityHousing Hamilton Parking Lot Project at 395 Mohawk Road East, be forwarded to the CityHousing Hamilton Board of Directors for their consideration and response to the Audit, Finance & Administration Committee.

CARRIED

12. Transit Five Year Historical Overview (PW17070) (City Wide) (Outstanding Business List Item) (Item 5.13)

(Ferguson/VanderBeek)

That Report PW17070, respecting the Transit Five Year Historical Overview, be received.

CARRIED

13. Grants Sub-Committee Report 17-004 – August 14, 2017 (Item 8.1)

(B. Johnson/Collins)

(a) Art Gallery of Hamilton – Review of Financial Requirements (GRA17009) (City Wide) (Item 5.1)

That Report GRA17009, respecting the Art Gallery of Hamilton – Review of Financial Requirements, be received.

(b) City Enrichment Fund - 2017 Community Services Stream Intake Review – Follow Up (GRA17006(a)) (City Wide) (Item 6.1)

That Report GRA17006(a), respecting the City Enrichment Fund - 2017 Community Services Stream Intake Review – Follow Up, be received.

(c) YWCA Hamilton's Transitional Living Program (Item 7.1)

WHEREAS, the YWCA Hamilton offers 65 beds for single women who are at risk of homelessness to access temporary (up to 1 year), safe, housing;

WHEREAS, the YWCA Hamilton's Transitional Living Program provides a valuable service annually to over 100 single women who are at risk of homelessness in our community;

WHEREAS, in 2016 the program assisted over 50 women in achieving permanent housing situations;

WHEREAS, City of Hamilton staff will continue to work with the YWCA Hamilton to review system pressures and changing funding priorities of the Federal and Provincial levels of government, and assist with identifying alternate funding opportunities; and,

WHEREAS, the YWCA Hamilton's Transitional Living Program was the highest rated program in the 2017 Community Services Stream (Category A – No One is Hungry or Without Shelter) of the City Enrichment Fund;

THEREFORE BE IT RESOLVED:

That one-time funding in the amount of \$60,000 for the YWCA Hamilton's Transitional Living Program, to be funded from the City Enrichment Fund Reserve, be approved.

CARRIED

14. Development Charges Demolition Credit, Request for Extension, 440 Victoria Avenue North, Hamilton, Hamilton Central Business Park (FCS17067) (City Wide) (Outstanding Business List Item) (Item 8.3)

(Pearson/Collins)

That the City Development Charges (DC) demolition credits of 653,496.59 square feet, in total, for the Hamilton Central Business Park (440 Victoria Avenue North) be extended for a period of five years to the effect that 340,987.98 square feet will expire July 26, 2022 and 312,508.61 square feet will expire September 6, 2022.

CARRIED

15. Ontario Geospatial Data Exchange Program (FCS17068) (City Wide) (Item 8.4)

(A. Johnson/VanderBeek)

- (a) That City of Hamilton apply to the Province of Ontario to become a member of the Ontario Geospatial Data Exchange ("OGDE");
- (b) That City of Hamilton enter into a Data License Agreement, the form of which is prescribed by the Province of Ontario, whereby the City of Hamilton can license its fully-owned digital geographic data to other members of the Ontario Geospatial Data Exchange ("OGDE");
- (c) That City of Hamilton enter into a Licensor Agency Agreement with the Minister of Natural Resources of the Province of Ontario ("OMNR"), whereby OMNR would act as City of Hamilton's non-exclusive agent to license and distribute City of Hamilton fully-owned digital geographic data to other OGDE members, pursuant to the Data License Agreement;
- (d) That the General Manager of Finance and Corporate Services Department be authorized and directed to execute, on behalf of the City of Hamilton, the Data License Agreement and the Licensor Agency Agreement, as they relate to the Ontario Geospatial Data Exchange, and all necessary ancillary documents, with the content of said Agreements and ancillary documents satisfactory to the General Manager of Finance and Corporate Services, and in a form satisfactory to the City Solicitor.

CARRIED

16. City-Wide Cash Handling Policy and Guideline Revisions (FCS17072) (City Wide) (Item 8.5)

(Collins/Pearson)

- (a) That Appendix "A" to Report FCS17072, respecting changes to the City-Wide Cash Handling Policy and Guidelines, be approved;
- (b) That Appendix "A" to Report FCS17072, respecting the City-Wide Cash Handling Policy and Guidelines, remain confidential.

CARRIED

17. Follow Up to Audit Report 2014-09 Corporate Services – Accounts Receivable (AUD17019) (City Wide) (Item 8.6)

(B. Johnson/Collins)

- (a) That Report AUD17019, respecting the follow up of Audit Report 2014-09, Corporate Services – Accounts Receivable, be received; and,
- (b) That Appendix "B" to Report AUD17019, respecting the follow up to Audit Report 2014-09 Corporate Services – Accounts Receivable, remain confidential.

CARRIED

18. Resignation of Alicia Williams from the Hamilton Status of Women Advisory Committee (Item 9.2)

(B. Johnson/Pearson)

That the resignation submitted by Alicia Williams from the Hamilton Status of Women Advisory Committee, be received.

CARRIED

19. Transit Overtime Variance (HUR17014) (City Wide) (Item 12.1)

(Pearson/Collins)

That Report HUR17014, respecting the Transit Over-time Variance, remain confidential.

CARRIED

FOR THE INFORMATION OF COMMITTEE:

(a) CHANGES TO THE AGENDA (Item 1)

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

1. DELEGATION REQUESTS (Item 4)

- 4.1 Sergio Manchia, Urbancore Developments & DCR Holdings Inc., respecting Item 8.3 on today's agenda – Report FCS17067,

Development Charges Demolition Credit, Request for Extension,
440 Victoria Avenue North, Hamilton, Hamilton Central Business
Park (For the August 16, 2017 AF&A)

2. DISCUSSION ITEMS (Item 8)

- 8.2 Management Action Plans for Use of External Consultant's Audit Report Recommendations (CM17015/FCS17075/PW17063) (City Wide) (Outstanding Business List Item)

This item has been moved up to Item 7.1 on today's agenda, as there is a presentation to accompany the report.

(B. Johnson/Pearson)

That the agenda for the August 16, 2017 Audit, Finance and 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) July 12, 2017 (Item 3.1)

(A. Johnson/Pearson)

That the Minutes of the July 12, 2017 meeting of the Audit, Finance and Administration Committee be approved, as presented.

CARRIED

(d) DELEGATION REQUESTS (Item 4)

- (i) Sergio Manchia, Urbancore Developments & DCR Holdings Inc., respecting Item 8.3 – Report FCS17067, Development Charges Demolition Credit, Request for Extension, 440 Victoria Avenue North, Hamilton, Hamilton Central Business Park (For the August 16, 2017 AF&A) (Item 4.1)**

(Pearson/B. Johnson)

That the delegation request submitted by Sergio Manchia, Urbancore Developments & DCR Holdings Inc., respecting Item 8.3 – Report FCS17067, Development Charges Demolition Credit, Request for Extension, 440 Victoria Avenue North, Hamilton, Hamilton Central Business Park, be approved to appear before Committee on August 16, 2017.

CARRIED

(e) CONSENT ITEMS (Item 5)

(i) Various Advisory Committee Meeting Minutes (Items 5.1(a) to (g))

(A. Johnson/B. Johnson)

That the following Advisory Committee meeting Minutes, be approved:

- (a) Hamilton Mundialization Advisory Committee, November 16, 2016
- (b) Hamilton Mundialization Advisory Committee, January 18, 2017
- (c) Hamilton Mundialization Advisory Committee, March 27, 2017
- (d) Immigrant and Refugee Advisory Committee, September 8, 2016
- (e) Status of Women Committee, November 24, 2016
- (f) Status of Women Committee, February 23, 2017
- (g) Status of Women Committee, March 23, 2017

CARRIED

(f) PUBLIC HEARINGS / DELEGATIONS (Item 6)

(i) Zach Douglas, President and CEO of McMaster Innovation Park, respecting the approval of the extension of development charge credits available to McMaster Innovation Park (Item 6.1)

Zach Douglas, President and CEO of McMaster Innovation Park, addressed Committee and provided a presentation respecting the approval of the extension of development charge credits available to McMaster Innovation Park.

(Collins/Pearson)

That the presentation provided by Zach Douglas, President and CEO of McMaster Innovation Park, respecting the approval of the extension of development charge credits available to McMaster Innovation Park, be received.

CARRIED

A copy of the presentation is available on the City's website at www.hamilton.ca or through the Office of the City Clerk.

(A. Johnson/VanderBeek)

That the presentation Zach Douglas, President and CEO of McMaster Innovation Park, respecting the approval of the extension of development charge credits available to McMaster Innovation Park, be referred to staff

for a report back to the Audit, Finance & Administration Committee as soon as possible.

CARRIED

- (ii) **Sergio Manchia, Urbancore Developments & DCR Holdings Inc., respecting Item 8.3 – Development Charges Demolition Credit, Request for Extension, 440 Victoria Avenue North, Hamilton, Hamilton Central Business Park (Item 8.3 on today's agenda - Report FCS17067) (For August 16, 2017 AF&A) (Item 6.2)**

Sergio Manchia, Urbancore Developments & DCR Holdings Inc., addressed Committee and provided a presentation respecting Development Charges Demolition Credit, Request for Extension, 440 Victoria Avenue North, Hamilton, Hamilton Central Business Park.

(Pearson/VanderBeek)

That the presentation provided by Sergio Manchia, Urbancore Developments & DCR Holdings Inc., respecting Development Charges Demolition Credit, Request for Extension, 440 Victoria Avenue North, Hamilton, Hamilton Central Business Park, be received.

CARRIED

A copy of the presentation is available on the City's website at www.hamilton.ca or through the Office of the City Clerk.

For disposition of this matter, please refer to Item 14.

(g) PRESENTATIONS (Item 7)

- (i) **Management Action Plans for Use of External Consultant's Audit Report Recommendations (CM17015/FCS17075/PW17063) (City Wide) (Outstanding Business List Item) (Item 7.1)**

(Ferguson/VanderBeek)

That Report CM17015/FCS17075/PW17063, respecting the Management Action Plans for Use of External Consultant's Audit Report Recommendations and its accompanying presentation, be TABLED to the next Audit, Finance & Administration Committee meeting.

CARRIED

(h) DISCUSSION ITEMS (Item 8)

(i) City-Wide Cash Handling Policy and Guideline Revisions (FCS17072) (City Wide) (Item 8.5)

(Ferguson/VanderBeek)

That consideration of Report FCS17072, respecting the City-Wide Cash Handling Policy and Guideline Revisions, be deferred until after discussion of Appendix "A" to Report FCS17042 in Closed Session has concluded.

CARRIED

(ii) Follow Up to Audit Report 2014-09 Corporate Services – Accounts Receivable (AUD17019) (City Wide) (Item 8.6)

(B. Johnson/VanderBeek)

That consideration of Report AUD17019, respecting the City-Wide Cash Handling Policy and Guideline Revisions, be deferred until after discussion of Appendix "B" to Report AUD17019 in Closed Session has concluded.

CARRIED

(i) MOTIONS (Item 9)

(i) Removal of Item "C" - New Building Canada Fund" from the Audit, Finance and Administration Outstanding Business List (Item 9.1)

(Pearson/Collins)

WHEREAS, The New Building Canada Fund (NBCF) is no longer available and for the most part was not applicable to the City of Hamilton for funding;

THEREFORE BE IT RESOLVED:

That Item "C" of the Audit, Finance and Administration (AF&A) Committee Outstanding Business List, referring the General Manager of Finance and Corporate Services for a report back to the AF&A Committee on the New Building Canada Fund, be removed from the AF&A OBL List.

CARRIED

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

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

(Pearson/Collins)

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

(a) Proposed New Due Dates:

- (i) Item "E" - Direct and Indirect Financial Incentives to Support the Provision of Affordable Housing
Due Date: To be determined
Proposed New Due Date: November 6, 2017
- (ii) Item "F" – Limit Agricultural Use Development
Due Date: To be determined
Proposed New Due Date: April 9, 2018
- (iii) Item "R" – Feasibility of Separating Municipal and Education Tax Bills and Mailings
Due Date: To be determined
Proposed New Due Date: December 11, 2017
- (iv) Item "S" – Review of Procurement Policies as it relates to Hiring Local Trades
Due Date: To be determined
Proposed New Due Date: Q2 2018

(b) Items to be Removed:

- (i) Item "D" - Creation of Tax Stabilization Reserve Account for Social Housing (Addressed at the April 13, 2015 Audit, Finance and Administration meeting - Report RCS14047(b))
- (ii) Item "H" - Hamilton Pride Festival 2016 (Addressed at the June 15, 2017 General Issues Committee meeting under Report FCS16061)
- (iii) Item "K" - Review of Implementation of Renovation and/or Repairs to Parking Lot Project at 395 Mohawk Road East (Addressed at the August 16, 2017 Audit, Finance and Administration Committee meeting under Report AUD17021)
- (iv) Item "L" - DC Deferral Agreement #148 - One Year Extension Request - 41 Bittern Street (Addressed at the June 12, 2017 Audit, Finance and Administration Committee meeting under Report FCS17062)
- (v) Item "N" - Analysis of Overtime (OT) Costs (Addressed at the February 24, 2017 General Issues Committee meeting through a Staff presentation listed as Item 4.2)

- (vi) Item "O" - Audit Report 2015-13 Continuous Auditing Pilot - Accounts Payable (Addressed at the August 16, 2017 Audit, Finance and Administration meeting as Report CM17015/FCS17075/ PW17063)
- (vii) Item "P" - External Audit Services - Authorization to Negotiate (Addressed at the August 16, 2017 Audit, Finance and Administration meeting as Report FCS17073)
- (viii) Item "Q" - Development Charge Credit Request Extension for 440 Victoria Ave. North (Addressed at the August 16, 2017 Audit, Finance and Administration meeting - Report FCS17067)
- (ix) Item "T" - 2017 First Quarter Non-Compliance with the Procurement Policy Report regarding 'CivicPlan' (Addressed at the August 16, 2017 Audit, Finance and Administration meeting - Report FCS17012(a))
- (x) Item "U" - 2017 First Quarter Non-Compliance with the Procurement Policy Report regarding 'The Designers Printing Inc.' (Addressed at the August 16, 2017 Audit, Finance and Administration meeting - Report FCS17012(a))

CARRIED

(k) PRIVATE AND CONFIDENTIAL (Item 12)

(Pearson/Collins)

That Committee move into Closed Session respecting Appendix "A" to Item 8.5, Appendix "B" to Item 8.6, and Item 12.1, pursuant to Section 8.1, Sub-sections (a) and (d) of the City's Procedural By-law 14-300, and Section 239(2), Sub-sections (a) and (d) of the *Ontario Municipal Act*, 2001, as amended, as the subject matters pertain to the security of the property of the City; and, labour relations or employee negotiations.

CARRIED

(i) Appendix "A" to Report FCS17027 – City-Wide Cash Handling Policy and Guideline Revisions (Item 8.5)

For disposition of this matter, please refer to Item 16.

(ii) Appendix "B" to Report AUD17019 – Follow Up to Audit Report 2014-09 Corporate Services – Accounts Receivable (Item 8.6)

For disposition of this matter, please refer to Item 17.

(iii) Transit Over-Time Variance (HUR17014) (City Wide) (Item 12.1)

(Pearson/Collins)

That the Closed Session presentation, respecting Transit Overtime Variance, be received.

For further disposition of this matter, please refer to Item 19.

(I) ADJOURNMENT (Item 13)

(Pearson/Ferguson)

That, there being no further business, the Audit, Finance and Administration Committee, be adjourned at 12:24 p.m.

CARRIED

Respectfully submitted,

Councillor Donna Skelly
Chair, Audit, Finance and
Administration Committee

Stephanie Paparella
Legislative Co-ordinator
Office of the City Clerk