



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 20-002

**9:30 a.m.
February 6, 2020
Council Chambers
Hamilton City Hall**

Present: Councillors M. Wilson (Chair), C. Collins, B. Clark, M. Pearson, L. Ferguson, A. VanderBeek and J. Partridge

Absent: Councillor B. Johnson - Personal

THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT 20-002 AND RESPECTFULLY RECOMMENDS:

1. Municipal Property Tax Billing Software (FCS20006) (City Wide) (Item 10.2)

- (a) That Council approve the Taxation Section's participation in the Early Adopters Program for Realty Tax Billing and Collections Solution and that the General Manager, Corporate Services Department be authorized to negotiate, enter into and execute any required documents and any ancillary documents required to give effect thereto with Tempest Development Group (a division of CentralSquare Technologies), in a form satisfactory to the City Solicitor; and,
- (b) That staff report back to Audit, Finance and Administration Committee on the results of this program along with recommendations on how best to proceed with respect to the Property Tax Billing Software.

2. Follow Up to Performance Audit Report 2013-13 Employer Paid Parking (Value for Money Audit) (AUD20002) (City Wide) (Item 10.3)

- (a) That Report AUD20002, respecting the follow up of the original recommendations presented in Performance Audit Report 2013-13, Employer Paid Parking (Value for Money Audit), be received;
- (b) That the three new recommendations, as outlined in Appendix "A" to Audit, Finance & Administration Report 20-002, be approved; and;
- (c) That the City Manager and the Executive Director of Human Resources be directed to instruct the appropriate staff to have the Management Action Plans, as outlined for the three additional recommendations in Appendix "A" to Audit, Finance & Administration Report 20-002, be implemented.

3. Compassionate Grant for Development Charges to Agricultural Societies Without a Farm Business Registration (Item 11.1)

WHEREAS the City of Hamilton Development Charges By-law 19-142 was effective on June 13, 2019;

WHEREAS Development Charges By-law 19-142 approved development charge exemptions for development of properties with Agricultural Use with a farm business registration number;

WHEREAS the City of Hamilton's three agricultural societies, owners of property used for agricultural purposes but not eligible for a farm business registration number, are as follows:

Ancaster Agricultural Society, 630 Trinity Road South, Jerseyville, Ontario, L0R 1R0;

Binbrook Agricultural Society, 2600 Regional Road #56, Binbrook, Ontario, L0R 1C0; and,

Rockton Agricultural Society, 812 Old Highway 8, Rockton, ON L0R 1X0;

WHEREAS the Agriculture & Rural Affairs Advisory Committee at its meeting of November 25, 2019 approved minutes in support of all Agricultural Societies in Hamilton (Rockton, Binbrook and Ancaster) being exempted from Development Charges;

THEREFORE BE IT RESOLVED:

- (a) That the General Manager of Finance and Corporate Services be authorized to develop a compassionate grant agreement for agricultural societies for development charges in a form satisfactory to the City Solicitor with any Development Charges exemptions being funded from unallocated capital levy reserve (#108020); and,
- (b) That the City's Agricultural Development Charges compassionate grant agreement contain terms and conditions that:
 - (i) Require the applicant to register the compassionate grant against the property and repay the City of Hamilton should the applicant sell or transfer any portion of the property; and,
 - (ii) Provide the General Manager of Finance and Corporate Services with the authority to sign the Agreement.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

The Committee Clerk advised that there we no changes to the agenda.

The agenda for the February 6, 2020 Audit, Finance and Administration Committee meeting was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)

(i) January 16, 2020 (Item 4.1)

The Minutes of the January 16, 2020 meeting of the Audit, Finance and Administration Committee were approved, as presented.

(d) PUBLIC HEARINGS / DELEGATIONS (Item 8)

(i) Fardad Chadorshabchi, respecting water billing charges (Approved January 16, 2020) (Item 8.1)

Fardad Chadorshabchi, addressed the Committee respecting water billing charges.

The Delegation from Fardad Chadorshabchi, respecting water billing charges, was received.

(ii) Staff Supporting Documentation - Fardad Chadorshabchi Delegation (Item 8.1(a))

The Staff supporting documentation respecting the Fardad Chadorshabchi delegation, was received.

(iii) Tom Hunter, CEO of CityHousing Hamilton, respecting a request for abatement for a water leak at 25 Towercrest Dr. (Approved January 16, 2020) (Item 8.2)

Tom Hunter, CEO of CityHousing Hamilton, addressed the Committee respecting a request for abatement for a water leak at 25 Towercrest Dr., with the aid of a presentation.

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

The Delegation from Tom Hunter, CEO of CityHousing Hamilton, respecting a request for abatement for a water leak at 25 Towercrest Dr., was received.

(iv) Staff Supporting Documentation – Tom Hunter Delegation (Item 8.2(a))

The Staff supporting documentation respecting the Tom Hunter delegation, was received.

(e) DISCUSSION ITEMS (Item 10)

(i) Policy 11 Single Source Provider for TYMCO Sweeper DST-4 (PW20006) (City Wide) (Item 10.1)

That Report PW20006, respecting Policy 11 Single Source Provider for TYMCO Sweeper DST-4 be referred back to staff for a report to the February 20, 2020 Audit, Finance and Administration Committee meeting, with information on other suppliers of street sweepers, including:

- (i) a comparison on surface removal efficiency;
- (ii) controlling particulate matter; and,
- (iii) size of the machines.

(f) GENERAL INFORMATION / OTHER BUSINESS (Item 13)

(i) Amendments to the Outstanding Business List (Item 13.1)

The following amendments to the Outstanding Business List, were approved:

(a) Items to be Removed (Item 13.1(a)):

Delegation of Authority to Hear Complaints respecting the Payment of Development Charges
Item 3.1 on the December 5, 2019 Special AF&A Agenda
OBL Item: 19-P

35 Market Street, Dundas (LS19009(c) / PW19020(c) / HSC19054)
Item 14.2 on the December 5, 2019 AF&A Agenda
OBL Item: 19-N

(g) ADJOURNMENT (Item 15)

There being no further business, the Audit, Finance and Administration Committee, adjourned at 11:14 a.m.

Respectfully submitted,

Councillor Wilson, Chair
Audit, Finance and Administration
Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk



New Recommendations by the Office of the City Auditor

The Office of the City Auditor has three additional observations and recommendations to further clarify existing employer-provided parking policies, procedures and practices, making the annual eligibility analysis more robust and consistent across the organization.

New Recommendation #1

Observation:

During the follow up audit fieldwork, it was noted that there were several areas of the Employer-Provided Parking Policy that require clarity to improve the process of administering employer-provided parking.

Recommendation:

That the Employer-Provided Parking Policy be updated by the Policy Review Group. The areas found to require updating are:

- a) Update the Employer-Provided Parking Policy to include exemption categories related to collective agreements, grievance settlements, and permits issued to disabled employees.
- b) Incorporate a working instruction in the parking procedure outlining the minimum, key expectations for each department (and elected officials) regarding the annual eligibility review process, documentation and retention. The Policy Review Group should consult with the Public Works and Healthy and Safe Communities Departments for good practices already in place.
- c) Investigate whether the current policy's business case requirements should be amended to reflect current practices. If not, additional guidance should be provided to departments to enable compliance with the policy.
- d) Take additional measures to ensure trips are reported accurately. Such measures may include adopting the term "trip days" and reminding management to ensure an employee's trip count is reported accurately when approving employee expense reports.
- e) Provide clarification in the policy whether grandfathered employees retain their parking privileges throughout their career with the City, with various office move location scenarios considered.
- f) Amend the parking policy requiring departments to cancel employer-provided parking when an employee leaves for a longer-term absence and reinstate parking upon their return to encourage cost-saving practices.

- g) Expand the definition of the downtown core in the Employer-Provided Parking Policy to First Place and the Hamilton GO Centre. These two locations should be considered part of the downtown core as free parking is not readily available in these areas. The policy should be updated to include these locations to avoid confusion and inconsistency with actual practices.
- h) That the policy be revised to require that management carry out a break-even analysis to assess whether employees operating out of two work locations spend enough time at their downtown location to warrant providing monthly parking as opposed to reimbursing daily parking costs. This analysis may be incorporated into the annual parking eligibility review.

Management Response

Agreed. The Policy Review Group will review these items further, consult with user groups and amend the policy and procedure documents where necessary.

Anticipated completion date: Q1 2020.

New Recommendation #2

Observation:

An employee may be awarded employer-provided parking as a result of a grievance settlement. In some cases, neither Labour Relations nor departmental management communicated grievance-related parking exemption settlements to HR Records. As a result, the annual query produced by Payroll may not be accurate if PeopleSoft HRMS does not contain a complete list of employees exempt from the parking trip requirements.

Recommendation:

That Labour Relations forward grievance settlements pertaining to employer-provided parking to HR Records to update PeopleSoft HRMS. The Policy Review Group should reflect this direction in the Employer-Provided Parking Policy or Procedure.

Management Responses

Labour Relations – Agreed. Direction has been given to the Labour Relations Analysts to email parking-related grievance settlements to the appropriate HR Records contact when they arise.

Anticipated completion date: Completed.

Policy Review Group – Agreed. The Policy Review Group will amend the procedure to capture this process.

Anticipated completion date: Q1 2020.

New Recommendation #3

Observation:

The same number of employees have employer-paid parking at the end of 2018 when compared to the original audit. The total dollar amount of employer-paid parking in 2018 was higher than in 2012. No long-term, sustainable savings have been achieved by the organization. Costs were about \$43,000 higher in 2018 compared to 2012.

Recommendation:

That the City Manager direct the Senior Leadership Team to actively reduce employer paid parking costs by a targeted percentage.

Management Response

Agreed, with Alternative Action Plan. The provision of parking is sometimes a recruitment tool and despite an increase in the number of city employees between 2012 and 2018, the number receiving paid parking has remained the same. The Senior Leadership Team will continue to review parking on an annual basis to ensure compliance with the policy. In addition, a number of factors will lead to its decrease over time including the retirement of grandfathered employees and policies will be reviewed and adapted when applying a climate change and financial sustainability lens.

Anticipated completion date: Ongoing.