



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 21-020

**9:30 a.m.
November 18, 2021
Council Chambers
Hamilton City Hall**

Present: Councillors L. Ferguson (Chair), B. Johnson, M. Pearson, and A. VanderBeek

Absent: Councillors B. Clark – City Business, M. Wilson – City Business

THE AUDIT, FINANCE & ADMINISTRATION COMMITTEE PRESENTS REPORT 21-020 AND RESPECTFULLY RECOMMENDS:

1. Fraud and Waste Annual Report (AUD21011) (City Wide) (Item 8.1)

- (a) That the Senior Leadership Team consider revising the process for disclosure and mitigation of Conflicts of Interest as required per the Code of Conduct for Employees and report back to the Audit, Finance and Administration Committee by June 2022;
- (b) That the Fraud and Waste Hotline pilot program be extended through to April 30, 2022 using the existing Council-approved funding allotment (Report AUD18007); and,
- (c) That Appendices “A” and “B” to Report AUD21011 be received.

2. Tax and Rate Operating Budgets Variance Report as at August 31, 2021 – Budget Control Policy Transfers (FCS21070(a)) (City Wide) (Item 8.2)

- (a) That the Tax and Rate Operating Budgets Variance Report as at August 31, 2021 attached as Appendices “A” and “B”, respectively, to Report FCS21070(a), be received;
- (b) That, in accordance with the “Budgeted Complement Control Policy”, the 2021 complement transfers from one department / division to another with no impact on the levy, as outlined in Appendix “A” to Audit, Finance & Administration Committee Report 21-020, be approved;
- (c) That, in accordance with the “Budgeted Complement Control Policy”, the 2021 extensions of temporary positions with 24-month terms or greater, with no impact on the levy, as outlined in Appendix “B” to Audit, Finance & Administration Committee Report 21-020, be approved;

- (d) That, in accordance with the “Budget Control Policy”, the 2021 budget transfers from one department / division to another with no impact on the property tax levy, as outlined in Appendix “C” to Audit, Finance & Administration Committee Report 21-020, be approved.

3. Ancaster Memorial Arts Center – Fit-up Costs (Added Item 11.1)

WHEREAS the City is the registered owner of the Lands known as the former Ancaster Memorial School and municipally as 357 Wilson Street, Ancaster, Ontario;

WHEREAS the City is pursuing a collaborative initiative with the local arts community for the redevelopment of the former Ancaster Memorial School to develop a centre for community artistic expression;

WHEREAS the Ancaster Society for the Performing Arts Corporation has been leading the collective effort of twelve (12) community arts groups on a major capital campaign to raise capital funds to assist in the development of an arts centre in the former Ancaster Memorial School;

WHEREAS in accordance with Item 9.2, General Issues Committee Report 17-015 adopted by Hamilton City Council on July 14, 2017 (the “Council Authority”), the City has agreed to lease to the Ancaster Society for the Performing Arts Corporation, the former Ancaster Memorial School;

WHEREAS the Lease agreement provides that the Ancaster Society for the Performing Arts Corporation is responsible for the Furniture and Fixtures requirements of the facility;

WHEREAS the Ancaster Society for the Performing Arts Corporation has requested that the City provide support for the purchase of furniture and fixture requirements of the facility; and,

WHEREAS the City of Hamilton has previously authorized the establishment of a forgivable loan to the Dr. Bob Kemp Hospice Foundation through Report FCS10092(a);

THEREFORE, BE IT RESOLVED:

- (a) That the General Manager, Finance and Corporate Services be authorized to enter into a Forgivable Loan Agreement with terms and conditions satisfactory to the General Manager, Finance and Corporate Services and the City Solicitor for up to a maximum of \$385,000 to support the purchase of furnishings and fixtures for the facility, to be funded from the Investment Stabilization Reserve (#112300);
- (b) That, in addition to the Terms and Conditions that the General Manager, Finance and Corporate Services may identify, the Forgivable Loan Agreement shall include:

- (i) A condition that the Ancaster Society for the Performing Arts Corporation continue to operate the facility at 357 Wilson Street in compliance with and for the full term (10 Years) of the lease agreement between the City and Ancaster Society for the Performing Arts; and,
- (ii) A condition that the Ancaster Society for the Performing Arts Corporation provide annual financial statements and other related financial information that demonstrates the financial capacity of the organization to the City to the satisfaction of the General Manager Finance and Corporate Services;
- (c) That the Forgivable Loan be contingent upon compliance with the terms and conditions within the Lease agreement between the City and Ancaster Society for the Performing Arts Corporation.

4. Information Security Program - Capital Project (FCS21104) (City Wide) (Item 14.2)

That Report FCS21104, respecting Information Security Program - Capital Project, be received and remain confidential.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

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

12. NOTICES OF MOTION

12.1 Ancaster Memorial Arts Center – Fit-up Costs

The agenda for the November 18, 2021 Audit, Finance and Administration Committee meeting was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

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

(i) November 4, 2021 (Item 4.1)

The Minutes of the November 4, 2021 meeting of the Audit, Finance and Administration Committee were approved, as presented.

(d) CONSENT ITEMS (Item 7)

(i) Committee Against Racism - No Quorum Notes - October 26, 2021 (Item 7.1)

The Committee Against Racism - No Quorum Notes from October 26, 2021, were received.

(e) STAFF PRESENTATIONS (Item 8)

(i) Fraud and Waste Annual Report (AUD21011) (City Wide) (Item 8.1)

Charles Brown, City Auditor addressed the Committee with a staff presentation respecting Report AUD21011, the Fraud and Waste Annual Report.

The Staff Presentation respecting Report AUD21011, the Fraud and Waste Annual Report, was received.

For further disposition of this matter, please refer to Item 1.

(ii) Tax and Rate Operating Budgets Variance Report as at August 31, 2021 – Budget Control Policy Transfers (FCS21070(a)) (City Wide) (Item 8.2)

Mike Zegarac, General Manager of Finance and Corporate Services addressed the Committee with a staff presentation respecting Report FCS21070(a), the Tax and Rate Operating Budgets Variance Report as at August 31, 2021 - Budget Control Policy Transfers.

The Staff Presentation respecting Report FCS21070(a) the Tax and Rate Operating Budgets Variance Report as at August 31, 2021 - Budget Control Policy Transfers, was received.

For further disposition of this matter, please refer to Item 2.

(f) NOTICES OF MOTION (Item 12)

(i) Ancaster Memorial Arts Center – Fit-up Costs (Added Item 12.1)

Councillor Ferguson relinquished the Chair to Councillor Pearson to move the motion to Waive the Rules and the motion respecting Ancaster Memorial Arts Centre – Fit-up Costs.

The Rules of Order were waived to allow for the introduction of a Motion respecting the Ancaster Memorial Arts Center – Fit-up Costs.

For further disposition of this Item, refer to Item 3.

Councillor Ferguson assumed the Chair for the remainder of the meeting following the vote on the motion respecting the Ancaster Memorial Arts Center – Fit-up Costs.

(g) PRIVATE AND CONFIDENTIAL (Item 14)

Committee determined that discussion of Item 14.1 was not required in Closed Session, so the item was addressed in Open Session, as follows:

(i) Closed Minutes – November 4, 2021 (Item 14.1)

- (a) The Closed Session Minutes of the November 4, 2021 Audit, Finance and Administration Committee meeting, were approved as presented; and,
- (b) The Closed Session Minutes of the November 4, 2021 Audit, Finance and Administration Committee meeting, remain confidential.

Committee determined that discussion of Item 14.2 was not required in Closed Session, so the item was addressed in Open Session, as follows:

(ii) Information Security Program - Capital Project (FCS21104) (City Wide) (Item 14.2)

For disposition of this matter, please refer to Item 4.

(h) ADJOURNMENT (Item 15)

There being no further business, the Audit, Finance and Administration Committee, adjourned at 10:42 a.m.

Respectfully submitted,

Councillor Ferguson, Chair
Audit, Finance and Administration
Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk

CITY OF HAMILTON BUDGET AMENDMENT SCHEDULE

STAFF COMPLEMENT CHANGE

Complement Transfer to another division or department ^(1,2)

ITEM #	TRANSFER FROM				TRANSFER TO			
	<u>Department</u>	<u>Division</u>	<u>Position Title (2)</u>	<u>FTE</u>	<u>Department</u>	<u>Division</u>	<u>Position Title (2)</u>	<u>FTE</u>
1.1	Planning & Economic Development	Economic Development	Property Coordinator	1.0	Planning & Economic Development	Economic Development	Real Estate Consultant	1.0
	Explanation: Unionized position #1764 declared redundant (JC 1259, Grade N) converted to Non-union position #12663 (JC7131, Grade 6). The impact of the change is absorbed in the current budget.							
1.2	Planning & Economic Development	Growth Management	Director Development Engineering	1.0	Planning & Economic Development	Growth Management	Sr Proj Mgr Devlt Approvals	1.0
	Explanation: Downgrade Director 10 position to Sr Project Manager Development Approvals to support operational changes and increased activity. The financial savings will be reflected in the 2022 Budget.							

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

TEMPORARY POSITION EXTENSIONS

Extensions to temporary positions with terms of 24 months or greater as per the Budgeted Complement Control Policy

ITEM #	TRANSFER FROM				TRANSFER TO			
	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>	<u>Department</u>	<u>Division</u>	<u>Position Title</u>	<u>FTE</u>
1.1	Legal Services and Risk Management	Inhouse-Outside Counsel - City	Solicitor	1.0	Legal Services and Risk Management	Inhouse-Outside Counsel - City	Solicitor	1.0
	Explanation: 24 month contract extended for position number 7580 (employee 128717) to October 21, 2023							
1.2	Corporate Services	Financial Planning, Administration & Policy	Sr. Financial Analyst	1.0	Corporate Services	Financial Planning, Administration & Policy	Sr. Financial Analyst	1.0
	Explanation: 24 month contract extended for position number 5152 to April, 2024							

**CITY OF HAMILTON
BUDGET AMENDMENT SCHEDULE**

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	Planning and Economic Development	Growth Management	\$50,000	Planning and Economic Development	Economic Development	\$50,000
Explanation: \$50 K from Airport rent revenues allocated to Ec Dev division dept id 812036 for new temp unbudgeted positions						

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