



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 24-011

9:30 a.m.

June 6, 2024

Council Chambers

Hamilton City Hall

Present: Councillors T. Hwang (Chair), M. Spadafora, J. Beattie, B. Clark,
C. Kroetsch, M. Tadeson, and A. Wilson

Absent with

Regrets: Councillor M. Wilson – City Business

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. Tax and Rate Operating Budgets Variance Report as at December 31, 2023 – Budget Control Policy Transfers (FCS22063(b)) (Item 8.1)

(i) (A. Wilson/Kroetsch)

- (e) That, subject to finalization of the 2023 audited financial statements, the disposition of the 2023 year-end operating budget surplus transfer to the Police Reserve in the amount of \$2,840,220 be approved as detailed in Table 1.

Table 1

DISPOSITION / RECONCILIATION OF YEAR-END SURPLUS/ (DEFICIT)		
Corporate Surplus from Tax Supported Operations		\$ 7,440,069
Disposition to/from Self-Supporting Programs & Agencies		\$ (1,598,974)
Less: Police (Transfer to Police Reserve)	\$ (2,840,220)	
Add: Library (Transfer from Library Reserve)	\$ 1,299,228	
Less: Farmers Market (Transfer to Farmers Market Reserve)	\$ (57,982)	
Balance of Corporate Surplus		\$ 5,841,095
Less: To transfer Ward Office Budget surpluses to Ward Minor Maintenance Accounts		\$ (216,275)
Less: Transfer to fund shortfall in Development Charge Exemptions		\$ (596,810)
Less: Transfer to Flamborough Capital Reserve		\$ (1,160,967)
Less: Transfer to Tax Stabilization Reserve		\$ (3,867,043)
Balance of Tax Supported Operations		\$ 0
Corporate Surplus from Rate Supported Operations		\$ 3,341,776
Less: Transfer to the Rate Supported Water Reserve		\$ (2,921,351)
Less: Transfer to the Rate Supported Wastewater/Stormwater Reserve		\$ (420,425)
Balance of Rate Supported Operations		\$ 0

Result: Motion CARRIED by a vote of 4 to 3, as follows:

ABSENT - Ward 1 Councillor Maureen Wilson
NO - Ward 2 Councillor Cameron Kroetsch
NO - CHAIR - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
NO - Ward 13 Councillor Alex Wilson
YES – Ward 14 Councillor Mike Spadafora

(ii) (A. Wilson/Kroetsch)

(f) That, subject to finalization of the 2023 audited financial statements, the disposition of the 2023 year-end operating budget surplus, with the exception of the transfer to the Police Reserve in the amount of \$2,840,220, be approved as detailed in Table 1.

Table 1

DISPOSITION / RECONCILIATION OF YEAR-END SURPLUS/ (DEFICIT)		
Corporate Surplus from Tax Supported Operations		\$ 7,440,069
Disposition to/from Self-Supporting Programs & Agencies		\$ (1,598,974)
Less: Police (Transfer to Police Reserve)	\$ (2,840,220)	
Add: Library (Transfer from Library Reserve)	\$ 1,299,228	
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Balance of Corporate Surplus		\$ 5,841,095
Less: To transfer Ward Office Budget surpluses to Ward Minor Maintenance Accounts		\$ (216,275)
Less: Transfer to fund shortfall in Development Charge Exemptions		\$ (596,810)
Less: Transfer to Flamborough Capital Reserve		\$ (1,160,967)
Less: Transfer to Tax Stabilization Reserve		\$ (3,867,043)
Balance of Tax Supported Operations		\$ 0
Corporate Surplus from Rate Supported Operations		\$ 3,341,776
Less: Transfer to the Rate Supported Water Reserve		\$ (2,921,351)
Less: Transfer to the Rate Supported Wastewater/Stormwater Reserve		\$ (420,425)
Balance of Rate Supported Operations		\$ 0

Result: Motion CARRIED by a vote of 7 to 0, as follows:

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - CHAIR - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES – Ward 14 Councillor Mike Spadafora

(iii) (A. Wilson/Kroetsch)

(a) That the Tax Operating Budget Variance Report as at December 31, 2023, attached as Appendix “A” to Report FCS23063(b), be received;

- (b) That the City of Hamilton Combined Water, Wastewater and Storm Operating Budget Macro as at December 31, 2023, attached as Appendix “B” to Report FCS239063(b), be received;
- (c) That, in accordance with the “Budget Complement Control Policy”, the 2023 extensions of temporary positions with 24-month terms or greater, with no impact on the levy, as outlined in Appendix “C” to Report FCS23063(b), be approved;
- (d) That, in accordance with the “Budgeted Complement Control Policy”, the 2023 complement transfers from one department / division to another or a change in complement type, with no impact on the levy, as outlined in Appendix “D” to Report FCS23063(b), be approved;

Result: Motion CARRIED by a vote of 7 to 0, as follows:

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - CHAIR - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES – Ward 14 Councillor Mike Spadafora

2. Treasurer’s Investment Report 2023 Fiscal Year by Aon (FCS24030) (City Wide) (Item 10.1)

(A. Wilson/Kroetsch)

- (a) That Report FCS24030, respecting Treasurer’s Investment Report 2023 Fiscal Year by Aon, be received; and
- (b) That Report FCS24030, respecting Treasurer’s Investment Report 2023 Fiscal Year by Aon, be forwarded to the Hamilton Future Fund Board of Governors for information.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - CHAIR - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - Ward 14 Councillor Mike Spadafora

**3. Constituent Relationship Management Solution (FCS24036) (City Wide)
(Outstanding Business List Item) (Item 10.2)**

(Clark/Spadafora)

- (a) That, pursuant to Procurement Policy #11 – Non-competitive Procurements, Council approve a single-source procurement for CivicTrack software, a Constituent Relationship Management Solution, as a one-year pilot to support the requirements of Council and their Staff, and that the Director of Information Technology, or designate, be authorized to negotiate and execute an agreement and any ancillary documents required with Momentum BPO Inc., in a form satisfactory to the City Solicitor;
- (b) That the Director of Information Technology, or designate, be authorized to amend any contracts executed and ancillary documents as required if a supplier(s) identified in this report undergoes a name change;
- (c) That staff conduct a review with Council and Council Staff on the effectiveness of the solution before the end of the one-year pilot, and if the solution is deemed to meet the needs of Council and Council staff, that the Director of Information Technology, or designate, be authorized to negotiate a contract extension as identified in Recommendation (a) via Procurement Policy #11;
- (d) That, should the pilot solution prove unsuitable before the end of the one-year pilot, staff bring a follow-up recommendation report to Council;
- (e) That the City of Hamilton, Information Technology Division, be responsible for administering the contract and ensuring the solution meets all Corporate Security and Privacy requirements, and that if Council and Council members opt to use this solution, the pro-rated costs be charged back to the respective Council Office expenses;
- (f) That, as part of an enhanced support model, Council approve a temporary Full-Time Equivalent (FTE) position to be funded from existing IT Operating Budget 350035 to provide enhanced support to the Office of the Mayor, Council, Council Staff, City Manager's Office and City Hall Staff. The support will include facilitating the adoption and initial maintenance of technology tools, including the support of the Customer Relationship Management Solution;
- (g) That, after a nine-month trial period, staff assess the value for money and service experience enhancements, and if appropriate, bring forward a business case for consideration as part of the 2025 Budget, and;
- (h) That the Outstanding Business List item respecting Constituent Management Software, added February 16, 2023, be removed.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - CHAIR - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - Ward 14 Councillor Mike Spadafora

**4. Auditor General Reporting of Serious Matters to Council (Case #74254)
(AUD24004) (City Wide) (Item 14.1)**

(Spadafora/Kroetsch)

- (a) That Report AUD24004, respecting Auditor General Reporting of Serious Matters to Council (Case #74254), be received; and
- (a) That Report AUD24004, respecting Auditor General Reporting of Serious Matters to Council (Case #74254) remain confidential.

Result: Motion CARRIED by a vote of 6 to 0, as follows:

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - CHAIR - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
ABSENT - Ward 13 Councillor Alex Wilson
YES – Ward 14 Councillor Mike Spadafora

5. Commercial Relationship Between the City of Hamilton and Walgo Environmental Controls Inc. (PW24027/FCS24001) (City Wide) (Item 14.2)

(Spadafora/Tadeson)

- (a) That the direction provided to staff in Closed Session, respecting Report PW24027/FCS24001, Commercial Relationship Between the City of Hamilton and Walgo Environmental Controls Inc. be approved;
- (b) That Closed Session recommendations (a), (b) and (c) be released publicly following approval by Council; and
- (c) That Report PW24027/FCS24001, respecting Commercial Relationship Between the City of Hamilton and Walgo Environmental Controls Inc. and its Appendix “A” remain confidential.

Result: Motion CARRIED by a vote of 6 to 0, as follows:

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - CHAIR - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
ABSENT - Ward 13 Councillor Alex Wilson
YES – Ward 14 Councillor Mike Spadafora

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

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

8. STAFF PRESENTATIONS

8.1(a) Tax and Rate Operating Budgets Variance Report as at December 31, 2023 – Budget Control Policy Transfers (FCS22063(b)) - PRESENTATION

(Spadafora/A. Wilson)

That the agenda for the June 6, 2024 Audit, Finance and Administration Committee meeting, be approved, as amended.

Result: Motion CARRIED by a vote of 6 to 0, as follows:

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - CHAIR - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
ABSENT - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - Ward 14 Councillor Mike Spadafora

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

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

(i) Approval of Minute of Previous Meetings (Item 4.1)

(Clark/Kroetsch)

That the Minutes of May 16, 2024, be approved, as presented.

Result: Motion CARRIED by a vote of 6 to 0, as follows:

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - CHAIR - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
ABSENT - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - Ward 14 Councillor Mike Spadafora

(d) STAFF PRESENTATIONS (Item 8)

(i) Tax and Rate Operating Budgets Variance Report as at December 31, 2023 – Budget Control Policy Transfers (FCS22063(b)) (Added Item 8.1(a))

- (1)** Mike Zegarac, General Manager, Corporate Services, addressed Committee respecting Tax and Rate Operating Budgets Variance Report as at December 31, 2023 – Budget Control Policy Transfers, with the aid of a presentation.

(A. Wilson/Kroetsch)

That the presentation from Mike Zegarac, General Manager, Corporate Services, respecting Tax and Rate Operating Budgets Variance Report as at December 31, 2023 – Budget Control Policy Transfers, be received.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - CHAIR - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - Ward 14 Councillor Mike Spadafora

(2) (A. Wilson/Kroetsch)

- (a)** That the Tax Operating Budget Variance Report as at December 31, 2023, attached as Appendix “A” to Report FCS23063(b), be received;
- (b)** That the City of Hamilton Combined Water, Wastewater and Storm Operating Budget Macro as at December 31, 2023, attached as Appendix “B” to Report FCS239063(b), be received;

- (c) That, in accordance with the “Budget Complement Control Policy”, the 2023 extensions of temporary positions with 24-month terms or greater, with no impact on the levy, as outlined in Appendix “C” to Report FCS23063(b), be approved;
- (d) That, in accordance with the “Budgeted Complement Control Policy”, the 2023 complement transfers from one department / division to another or a change in complement type, with no impact on the levy, as outlined in Appendix “D” to Report FCS23063(b), be approved;
- (e) That, subject to finalization of the 2023 audited financial statements, the disposition of the 2023 year-end operating budget surplus be approved as detailed in Table 1:

Table 1

DISPOSITION / RECONCILIATION OF YEAR-END SURPLUS/ (DEFICIT)		
Corporate Surplus from Tax Supported Operations		\$ 7,440,069
Disposition to/from Self-Supporting Programs & Agencies		\$ (1,598,974)
Less: Police (Transfer to Police Reserve)	\$ (2,840,220)	
Add: Library (Transfer from Library Reserve)	\$ 1,299,228	
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Balance of Corporate Surplus		\$ 5,841,095
Less: To transfer Ward Office Budget surpluses to Ward Minor Maintenance Accounts		\$ (216,275)
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Less: Transfer to Flamborough Capital Reserve		\$ (1,160,967)
Less: Transfer to Tax Stabilization Reserve		\$ (3,867,043)
Balance of Tax Supported Operations		\$ 0
Corporate Surplus from Rate Supported Operations		\$ 3,341,776
Less: Transfer to the Rate Supported Water Reserve		\$ (2,921,351)
Less: Transfer to the Rate Supported Wastewater/Stormwater Reserve		\$ (420,425)
Balance of Rate Supported Operations		\$ 0

- (3) Upon Committee’s request, the transfer of the 2023 year-end operating budget surplus to the Police Reserve in Table 1 of sub-section (e) of Report FCS22063(b) was voted on separately.

For further disposition of this matter, refer to Item 1(i).

- (4) Upon the result of the vote on the transfer of the 2023 year-end operating budget surplus to the Police Reserve in Table 1 of sub-section (e) of Report FCS22063(b), the balance of Table 1, added as sub-section (f) of Report FCS22063(b), was voted on separately.

For further disposition of this matter, refer to Item 1(ii).

- (5) Upon the result of the vote on sub-section (f) of Report FCS22063(b) (balance of Table 1), the balance of the of Report FCS22063(b) was voted on.

For further disposition of this matter, refer to Item 1(iii).

(e) PRIVATE AND CONFIDENTIAL (Item 14)

(Spadafora/A. Wilson)

That the Audit, Finance and Administration Committee move into Closed Session respecting Items 14.1 and 14.2, pursuant to Section 9.3, Sub-sections (a), (d), (e) and (k) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-sections (a), (d), (e) and (k) of the *Ontario Municipal Act, 2001, as amended*, as the subject matter pertains to the security of the property of the City or a local board; labour relations or employee negotiations; litigation or potential litigation, including matters before administrative tribunals, affecting the City or a local board; and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the City or a local board.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - CHAIR - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson
YES - Ward 13 Councillor Alex Wilson
YES - Ward 14 Councillor Mike Spadafora

(i) Auditor General Reporting of Serious Matters to Council (Case #74254) (AUD24004) (City Wide) (Item 14.1)

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

(ii) Commercial Relationship Between the City of Hamilton and Walgo Environmental Controls Inc. (PW24027/FCS24001) (City Wide) (Item 14.2)

For further disposition of this matter, refer to Item 5.

(f) ADJOURNMENT (Item 15)

(Spadafora/Tadeson)

That, there being no further business, the Audit, Finance and Administration Committee, be adjourned at 11:56 a.m.

Result: Motion CARRIED by a vote of 6 to 0, as follows:

ABSENT - Ward 1 Councillor Maureen Wilson
YES - Ward 2 Councillor Cameron Kroetsch
YES - CHAIR - Ward 4 Councillor Tammy Hwang
YES - Ward 9 Councillor Brad Clark
YES - Ward 10 Councillor Jeff Beattie
YES - Ward 11 Councillor Mark Tadeson

YES - Ward 13 Councillor Alex Wilson
YES - Ward 14 Councillor Mike Spadafora

Respectfully submitted,

Councillor Tammy Hwang, Chair
Audit, Finance and Administration
Committee

Tamara Bates
Legislative Coordinator
Office of the City Clerk