



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 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) (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

- (ii) (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	
Less: Farmers Market (Transfer to Farmers Market Reserve)	\$ (57,982)	
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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

- (iii) (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 “A” to Audit, Finance and Administration Committee Report 24-011, 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 “B” to Audit, Finance and Administration Committee Report 24-011, be approved;

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

- (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.

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

- (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.

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

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

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

The agenda for the June 6, 2024 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) Approval of Minute of Previous Meetings (Item 4.1)

The Minutes of May 16, 2024, were approved, as presented.

(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.

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, was received.

(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)
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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)

The Audit, Finance and Administration Committee moved 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.

(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)

There being no further business, the Audit, Finance and Administration Committee, was adjourned at 11:56 a.m.

Respectfully submitted,

Councillor Tammy Hwang, Chair
Audit, Finance and Administration
Committee

Tamara Bates
Legislative Coordinator
Office of the City Clerk

**CITY OF HAMILTON
BUDGETED COMPLEMENT TEMPORARY EXTENSION SCHEDULE**

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			
	Department	Division	Position Title	FTE	Department	Division	Position Title	FTE
1	Public Works	Corporate Asset Management	Sr. Proj Mgr 6 - IC	-	Public Works	Corporate Asset Management	Sr. Proj Mgr 6 - IC	-
	Explanation: Temporary position with a 24 month term is expiring, requesting approval for additional 24 months extension. The additional costs will be funded by gapping. Zero net levy impact.							
2	Public Works	Corporate Asset Management	Quality Mgmt Coord Strat Int	-	Public Works	Corporate Asset Management	Quality Mgmt Coord Strat Int	-
	Explanation: Temporary position with a 24 month term is expiring, requesting approval for additional 24 months extension. The additional costs will be funded by gapping. Zero net levy impact.							
3	Public Works	Waste Management	SPM - Continuous Improvement Waste Management	-	Public Works	Waste Management	SPM - Continuous Improvement Waste Management	-
	Explanation: Temporary position with a 24 month term is expiring, requesting approval for additional 24 months extension. The additional costs will be funded by gapping. Zero net levy impact.							
4	Public Works	General Manager's Office	SPM - Continous Improvement - GM Admin	0.30	Public Works	General Manager's Office	SPM - Continous Improvement - GM Admin	0.30
	Explanation: Temporary position with a 24 month term is expiring, requesting approval for additional 24 months extension. The additional costs will be funded by gapping. Zero net levy impact. Approved complement of 0.30 FTE, requesting extension for 0.7 FTE temporary.							

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	Corporate Services	Legal & Risk Management	Solicitor	1.00	Corporate Services	Legal & Risk Management	TBD - Deputy City Solicitor	1.00
	Explanation: Rationale is to create a Deputy City Solicitor position directly supporting the Planning & Economic Development department.							
2	Corporate Services	Financial Policy, Administration & Planning	Financial Asst II	1.00	Corporate Services	Financial Policy, Administration & Planning	TBD - Financial Asst I	1.00
	Explanation: Converting this position will better align with the workload by streamlining transactional tasks and addressing the increased need for analytical work in financial planning and analysis.							
3	Public Works	Transportation	Operations Technician	1.00	Public Works	Transportation	Supervisor Inventory Management	1.00
	Explanation: To approve the conversion of an Operations Technician (CUPE 5167 Grade J) to a Inventory Management Supervisor (Non-union Grade 5). Budget variance will be absorbed within the current operating budget to result in no net levy increase.							
4	Healthy and Safe Communities	Hamilton Paramedic Service	EMS Staff Scheduler	0.00	Healthy and Safe Communities	Hamilton Paramedic Service	EMS Staff Scheduler	2.00
	Explanation: This request is to convert two (2) Temporary Full Time (TFT) into two (2) Permanent Full Time FTE positions. These two (2) scheduler positions have been in Temporary Full Time (TFT) positions through the pandemic as authorized by the EOC. Before these positions were put into place, there was substantial overtime being worked by the two (2) full time, permanent schedulers, with challenges meeting all the scheduling demands. The addition of the two (2) temporary full time positions alleviated the pressures of the pandemic, allowing better management of the addition of shifts and time off activities. The schedulers are relied on heavily to ensure all shifts are filled as well as to minimize the impact of any short notice book offs. The base budget for these positions was funded by MOH Pandemic funding which has since been annualized as part of the MOH funding for 2024 and has been built into the 2024 Council Approved Budget.							
5	Healthy and Safe Communities	Long Term Care	Administrator	1.00	Healthy and Safe Communities	Long Term Care	Administrator	1.00
	Explanation: This request is to convert the Temporary Full time 1.00 FTE Administrator position to a Permanent Full Time 1.00 FTE Administrator position. This temporary Administrator position supported the day-to-day operational oversight of Macassa Lodge (270 beds) and provided the capacity for the Senior Administrator of Long-Term Care to focus on strategic leadership for the Homes, the Seniors Strategy (Hamilton's Age Friendly Plan, Kick off event, Senior Advisory Committee, Seniors at Risk Community Collaborative) and also to represent City Senior Leadership on critical tables for older adults in Hamilton, across our Greater Hamilton Health Network and provincially. Base budget for this position will be funded by the removal of a part-time temp budgeted 0.4 FTE Registered Nurse position and realignment of existing budgeted expenses in employee related cost category.							
6	Healthy and Safe Communities	Public Health Services	Social Media & Mktg Coord	1.00	City Manager's Office	Communications	Social Media & Mktg Coord	1.00
	Explanation: This request is to transfer the Permanent Full time 1.00 FTE Social Media & Mktg Coord from Public Health Service to the Communications division. This position was approved as part of the 2024 budget. Public Health Services identified a need to have a dedicated Social Media & Mktg Coord for their division. For Human Resources and reporting purpose the position will be moved to the communication division but the cost will remain with Public Health Services and there will be no levy impact in either department.							

(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