



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 12-001

Wednesday, January 18, 2012

9:30 a.m.

Council Chambers

City Hall

71 Main Street West

Hamilton, Ontario

Present: Councillors B. Johnson (Chair), M. Pearson (Vice Chair)
B. Morelli and R. Powers

**Absent
with Regrets:** Councillor B. Clark - Bereavement

Also Present: C. Murray, City Manager
R. Rossini, General Manager, Finance & Corporate Services
T. Tollis, City Treasurer
L. Friday, Director, Taxation
R. Male, Director, Financial Services
D. Edwards, Senior Solicitor
B. Goodger, Senior Director, Operations & Waste Management
P. Parker, Director, Support Services, Operations & Waste Management
A. Mastandrea, Procurement Manager
S. Paparella, Legislative Coordinator, Office of the City Clerk

THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR CONSIDERATION:

- 1. Monthly Status Report of Tenders and Requests for Proposals for November 12, 2011 to December 9, 2011 (FCS11004(h)) (City Wide) (Item 5.1)**

(Pearson/Powers)

That Report FCS11004(h), respecting the Monthly Status Report of Tenders and Requests for Proposals for November 12, 2011 to December 9, 2011, be received.

CARRIED

2. **Tax Appeals Under Section 357 and 358 of the Municipal Act, 2001 (FCS12007) (City Wide) (Item 5.3)**

(Pearson/Powers)

- (a) That Appendix "A" (attached to Report FCS12007), respecting the "Tax Write-Offs processed under Section 357 of the Municipal Act, 2001", in the amount of \$37,232, be approved; and,
- (b) That Appendix "B" (attached to Report FCS12007), respecting the "Tax Appeals due to a Gross or Manifest Clerical Error, pursuant to Section 358 of the Municipal Act, 2001, in the amount of \$7,889, be approved.

CARRIED

3. **Reserve/Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures Review (FCS12004) (City Wide) (Item 5.4)**

(Pearson/Powers)

That Report FCS12004, respecting Reserve/Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures Review, be received.

CARRIED

4. **Treasurers' Write-Off of Taxes Proposal for Newport Marina, Under Section 354 of the Municipal Act, 2001 (FCS12006) (Ward 11) (Item 8.1)**

(Johnson/Powers)

That taxes in the amount of \$260,209 be written off, under Section 354 of the Municipal Act, 2001 for 239 properties, known as the Newport Marina, upon sale of the marina to new owners; currently intended to be known as the Newport Yacht Club – Stoney Creek, subject to the following conditions, namely:

- (i) That all the subject properties be merged and consolidated into a single ownership with a single Property Identification Number (PIN); and,
- (ii) That the new owner of the subject lands agree, in a form satisfactory to the City Solicitor, to indemnify and hold harmless the City from any liability or damages to the City arising in any way as a result of the implementation of this recommendation.

**AMENDMENT CARRIED
MOTION AS AMENDED CARRIED**

5. **Treasurer's Apportionment of Land Taxes for Property in Flamborough (FCS11001(g)) (Ward 15) (Item 8.2)**

(Pearson/Morelli)

That Report FCS11001(g), respecting the Treasurer's Apportionment of Land Taxes for Property in Flamborough, be received.

CARRIED

6. Treasurer's Apportionment of Land Taxes for Properties in Stoney Creek and Flamborough (FCS12005) (Wards 9, 14 and 15) (Item 8.2(a) – previously Item 5.2)

(Pearson/Powers)

- (a) That the 2011 land taxes in the amount of \$3,067, for 1 – 11 Bankfield Crescent, Stoney Creek (Roll #2518 003 850 00199 0000), be apportioned and split amongst the six newly created parcels, as set out in Appendix A to Report FCS12005;
- (b) That the 2010 land taxes in the amount of \$1,444 for 75 – 81 Browview Drive, Flamborough (Roll #2518 303 420 23015 0000) be apportioned and split amongst the four newly created parcels, as set out in Appendix A to Report FCS12005; and,
- (c) That the 2010 land taxes in the amount of \$3,474, for 1396 Seaton Road, Flamborough (Roll #2518 303 710 21600 0000), be apportioned and split amongst the two newly created parcels, as set out in Appendix A to Report FCS12005.

CARRIED

7. Gary Smith (Lance Parcher and Karen Craig), of Modern Landfill, Inc., respecting a complaint related to the evaluation of their Proposal for Contract No. C11-30-11, the Proposal for Waste Collection Services (Item 6.2)

(Pearson/Morelli)

That no further action be taken with respect to the presentation from Gary Smith, Modern Landfill, Inc., respecting a complaint related to the evaluation of Modern Landfill's proposal for Contract No. C11-30-11; the Proposal for Waste Collection Services.

CARRIED

8. Authority to Negotiate and Place Variable Rate Loan and Debenture(s) (FCS11079(a)) (City Wide) (Item 8.3)

(Pearson/Morelli)

- (a) That the General Manager, Finance & Corporate Services, be authorized to negotiate terms and placement of a variable rate loan and debenture issue(s), in the amounts of \$38,000,000 and \$14,740,000, to refinance the outstanding balance of By-law 01-245 through the Royal Bank of Canada, and \$42,000,000 to be funded through a debenture issue;
- (b) That the General Manager, Finance & Corporate Services, be directed to negotiate and execute all required documentation, in a form satisfactory to the City Solicitor.

- (c) That a By-law(s) be passed authorizing the variable rate loan and debenture(s) as negotiated and passed, in accordance with (a) and (b) above.

CARRIED

9. Hamilton Street Railway Plan (1994) Actuarial Valuation as at January 1, 2011 (FCS12002) (City Wide) (Item 8.4)

(Morelli/Pearson)

- (a) That the January 1, 2011, actuarial valuation for the Hamilton Street Railway (HSR) Plan (1994) (attached as Appendix 'A' to Report FCS12002) be received for information; and,
- (b) That the current budgeted amount of \$3.87 million be maintained and used to fund both the Hamilton Wentworth Retirement Fund (HWRF) and the Hamilton Street Railway (HSR) special payments for the years 2011 - 2013, with any shortfall funded from the Hamilton Wentworth Retirement Fund (HWRF) Actuarial Deficiency Provision (112065).

CARRIED

10. Award of Contract C12-10-11 Mobile Welding and Fabrication Services for Various City of Hamilton Divisions (FCS12003) (City Wide) (Item 8.5)

(Powers/Pearson)

That the Request for Tenders C12-10-11, Mobile Welding and Fabrications Services for the City of Hamilton, be awarded to the lowest compliant bid, North Star Technical Inc., with an estimated five year expenditure of \$917,600.00.

CARRIED

11. Proposed Water/Wastewater Consecutive Estimates Accounts Policy Amendments (FCS12012) (City Wide) (Item 8.6)

(Powers/Pearson)

That the proposed amendments to the Water and Wastewater Consecutive Estimates Policy, as outlined in Appendix A to Report FCS12012, be approved.

CARRIED

12. 2012 Property and Liability Insurance Renewal (City Wide) (FCS12009) (City Wide) (Item 8.7)

(Powers/Pearson)

- (a) That the Liability and Property Insurance coverage for the term January 1, 2012, to January 1, 2013, be renewed through Jardine Lloyd Thompson Canada Inc. (JLT), at a cost of \$3,652,095 (net of applicable taxes), in accordance with Appendix "A" attached to Report FCS12009;

- (b) That the General Manager, Finance and Corporate Services, be authorized and directed to execute all associated documents on behalf of the City; and,
- (c) That the 2012 premium costs in the amount of \$3,652,095 (net of applicable taxes) be funded through the 2012 Risk Management Services Budget.

CARRIED

FOR THE INFORMATION OF COMMITTEE:

(a) CHANGES TO THE AGENDA (Item 1)

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

- (i) Added as Item 4.2, a delegation request submitted by Laura Jean Falla, Hamilton Firefighters Banquet Hall Drum and Bugle Corps, respecting the proposed purchase of the Firefighters Banquet Hall, located at 175 Dartnall Road, Hamilton (*Requesting to attend at the same time as the staff report is brought before Committee.*)
- (ii) Added as Item 4.3, a delegation request submitted by, Paulina Leung, of Emterra Environmental, respecting Contract No. C11-30-11, the Proposal for Waste Collection Services. This Item has since been withdrawn.
- (iii) Added as item 4.4, a delegation request submitted by, Lance Parcher and Karen Craig, of Modern Landfill, Inc., respecting a complaint related to the evaluation of their Proposal for Contract No. C11-30-11, the Proposal for Waste Collection Services
- (iv) Item 5.2 – Staff has advised that there are duplicate recommendations in Report FCS12005 (5.2) and FCS11001(g) (8.2). Therefore, Item 5.2 be will need to be moved from the Consent section of the agenda and renumbered as item 8.2(a), in order to procedurally address these two items together.

(Pearson/Morelli)

That the agenda for the January 18, 2012 Audit, Finance & Administration Committee meeting be approved, as amended.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 2)

Councillor B. Morelli declared an interest to Item 6.1, the delegation of Modern Landfill, Inc., respecting a complaint related to the evaluation of their Proposal for

Contract No. C11-30-11, the Proposal for Waste Collection Services; and, Item 8.1, Report FCS12006 - Treasurers' Write-Off of Taxes Proposal for Newport Marina, Under Section 354 of the Municipal Act, 2001, as he owns property abutting the lands in question.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) December 7, 2011 (Item 3.1)

(Pearson/Morelli)

That the Minutes of the December 7, 2011 meeting of the Audit, Finance and Administration Committee be approved, as presented.

CARRIED

(d) DELEGATION REQUESTS (Item 4)

(i) Mark McMaster, respecting a Request for Exemption from Development Charges at 168 West Avenue North, Hamilton (Item 4.1)

(Morelli/Pearson)

That the delegation request, submitted by Mark McMaster, respecting a Request for Exemption from Development Charges at 168 West Avenue North, Hamilton, be approved.

CARRIED

(ii) Laura Jean Falla, Hamilton Firefighters Banquet Hall Drum and Bugle Corps, respecting the Proposed Purchase of the Firefighters Banquet Hall, located at 175 Dartnall Road, Hamilton (Item 4.2)

(Powers/Morelli)

That the delegation request, submitted by Laura Jean Falla, Hamilton Firefighters Banquet Hall Drum and Bugle Corps, respecting the proposed purchase of the Firefighters Banquet Hall, located at 175 Dartnall Road, Hamilton, be approved.

CARRIED

(iii) Paulina Leung, of Emterra Environmental, respecting Contract No. C11-30-11, the Proposal for Waste Collection Services (Item 4.3)

The request to appear before Committee was withdrawn by Emterra Environmental.

(iv) Lance Parcher and Karen Craig, of Modern Landfill, Inc., respecting a complaint related to the evaluation of their Proposal for Contract No. C11-30-11, the Proposal for Waste Collection Services (Item 4.4)

(Powers/Pearson)

That the delegation request submitted by, Lance Parcher and Karen Craig, of Modern Landfill, Inc., respecting a complaint related to the evaluation of Modern Landfill's proposal for Contract No. C11-30-11, the Proposal for Waste Collection Services, be approved. **CARRIED**

(Powers/Pearson)

That the Rules of Order be waived to permit the delegation of Lance Parcher and Karen Craig, of Modern Landfill, Inc., to appear before the Audit, Finance & Administration Committee on January 18, 2012, respecting a complaint related to the evaluation of Modern Landfill's proposal for Contract No. C11-30-11, the Proposal for Waste Collection Services.

CARRIED

(e) DELEGATIONS (Item 6)

(i) Jack E. Book and Peter Martin, of the Newport Yacht Club – Stoney Creek Inc., respecting a request for Tax Relief for the currently failing Newport Marina in Stoney Creek (Item 6.1)

Mr. Book and Mr. Martin addressed the Committee. Mr. Book and Mr. Martin's comments included, but were not limited to, the following:

- In early 2001 it was discovered that the marina was for sale, as the current commercial operation was not viable, and there were significant back taxes owing.
- The other major concern was that there was no plan to dredge the entrance to Lake Ontario, which would close the marina in 2012.
- Residents have received signed agreements with both parties to take ownership of all the required parcels of land.
- All of the parking lot back taxes owed by the current owner will be paid in full upon closing the sale (approximately \$160,000).
- An additional \$100,000 will be paid toward the existing marina's back taxes on closing (\$50, 000 by each of the two owners).
- A contract for dredging the entrance to Lake Ontario is already in place for the spring of 2012.

(Powers/Pearson)

That the presentation from Jack E. Book and Peter Martin, of the Newport Yacht Club – Stoney Creek Inc., respecting a request for Tax Relief for the currently failing Newport Marina in Stoney Creek, be received.

CARRIED

(ii) Lance Parcher and Karen Craig, of Modern Landfill, Inc., respecting a complaint related to the evaluation of their Proposal for Contract No. C11-30-11, the Proposal for Waste Collection Services (Item 6.2)

Mr. Gary E. Smith, P.E., Chief Operating Officer, Modern Landfill Inc., addressed the Committee. Mr. Smith's comments included, but were not limited to, the following:

- Modern apologized for speaking to members of Council, prior to the approval and award of the proposals. It was his understanding the project had already been awarded.
- Modern Landfill is asking the Committee to consider having a third party review the proposal or throwing the proposal out and starting over.
- Modern claims that the bi-weekly collection with 6 bag limit was not in the proposal and the bidders were not asked to cost out that pricing.
- In their opinion, there is a deficiency in the model used to evaluate the proposal's truck counts. It is the same process Modern has used for hundreds of projects over the past 50 years.
- Modern Landfill has never defaulted on a contract for lack of trucks or ever had a bond fail.
- Modern Landfill Inc. asked Committee to consider their concerns and re-evaluate their proposal.
- When asked about their experience, it was noted that Modern Landfill previously worked with the Region of Niagara; however, the contract was not renewed, based on cost.
- As well, they worked with the City of Hamilton approximately six (6) years ago; however, they weren't successful with the contract renewal.
- Modern currently services the Town of Amherst, Lockport, Buffalo, Niagara Falls, NY.

(Pearson/Morelli)

That the presentation from Gary Smith, Modern Landfill, Inc., respecting a complaint related to the evaluation of Modern Landfill's proposal for Contract No. C11-30-11; the Proposal for Waste Collection Services, be received.

CARRIED

(f) Treasurer's Apportionment of Land Taxes for Property in Flamborough (FCS11001(g)) (Ward 15) (Item 8.2)

(Morelli/Powers)

That Report FCS11001(g), respecting the Treasurer's Apportionment of Land Taxes for Property in Flamborough, be lifted from the table.

CARRIED

(g) ADJOURNMENT (Item 13)

(Morelli/Pearson)

That, there being no further business, the Audit, Finance and Administration Committee be adjourned at 10:54 a.m.

CARRIED

Respectfully submitted,

Councillor B. Johnson, Chair
Audit, Finance and Administration Committee

Stephanie Paparella
Legislative Coordinator
January 18, 2012