



## **AUDIT, FINANCE & ADMINISTRATION COMMITTEE MINUTES 13-003**

9:30 a.m.

Monday, March 25, 2013

Council Chambers

Hamilton City Hall

71 Main Street West

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

**Absent with  
Regrets:** Councillors B. Clark and B. Morelli – Personal

**Also Present:** Councillors C. Collins, S. Duvall, L. Ferguson, S. Merulla and T.  
Whitehead

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### **THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR CONSIDERATION:**

- 1. Reserve/Revenue Fund Investment Performance Report - December 31, 2012 (FCS12067(a)) (City Wide) (Item 5.1)**

**(Powers/Johnson)**

That Report FCS12067(a), respecting the Reserve/Revenue Fund Investment Performance Report - December 31, 2012, be received.

**CARRIED**

- 2. Hamilton Future Fund Investment Performance Report - December 31, 2012 (FCS12068(a)) (City Wide) (Item 5.2)**

**(Powers/Johnson)**

That Report FCS12068(a), respecting the Hamilton Future Fund Investment Performance Report - December 31, 2012, be received.

**CARRIED**

**3. Cemetery Accounts Investment Performance Report - December 31, 2012 (FCS12069(a)) (City Wide) (Item 5.3)**

**(Powers/Johnson)**

That Report FCS12069(a), respecting the Cemetery Accounts Investment Performance Report - December 31, 2012, be received.

**CARRIED**

**4. Restructured Master Asset Vehicle Notes and Asset Backed Commercial Paper Update (FCS11006(b)) (City Wide) (Item 5.4)**

**(Powers/Johnson)**

That Report FCS11006(b), respecting Restructured Master Asset Vehicle Notes and Asset Backed Commercial Paper Update, be received.

**CARRIED**

**5. Tax Appeals under Sections 357 and 358 of the Municipal Act (2001) (FCS13027) (City Wide) (Item 5.5)**

**(Powers/Johnson)**

(a) That Appendix "A" to Report FCS13027 respecting the "Tax Write-Offs processed under Section 357 of the Municipal Act, 2001", in the amount of \$196,014, be approved;

(b) That Appendix "B" to Report FCS13027 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 \$43,032, be approved.

**CARRIED**

**6. Update – Needs Assessment of the Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Community of Hamilton (FCS11104(d)) (City Wide) (Item 5.6)**

**(Powers/Johnson)**

That Report FCS11104(d), respecting the Update – Needs Assessment of the Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Community of Hamilton, be received.

**CARRIED**

**7. Monthly Status Report of Tenders and Requests for Proposals for January 1, 2013 to February 15, 2013 (FCS13016) (City Wide) (Item 5.7)**

**(Powers/Johnson)**

That Report FCS13016, respecting the Monthly Status Report of Tenders and Requests for Proposals for January 1, 2013 to February 15, 2013, be received.

**CARRIED**

8. **2012 Fourth Quarter Non-compliance with the Procurement Policy Report (FCS12038(c)) (City Wide) (Item 5.8)**

**(Powers/Johnson)**

That Report FCS12038(c), respecting the 2012 Fourth Quarter Non-compliance with the Procurement Policy Report, be received.

**CARRIED**

9. **Employee Attendance Performance Measures (HUR13003) (City Wide) (Item 5.9)**

**(Powers/Johnson)**

That Report HUR13003, respecting Employee Attendance Performance Measures, be received.

**CARRIED**

10. **Report of the 2012 Remuneration and Expenses as Required under Section 284 of the Municipal Act (FCS13032) (City Wide) (Item 5.10)**

**(Powers/Johnson)**

That Report FCS13032, respecting the Report of the 2012 Remuneration and Expenses as Required under Section 284 of the Municipal Act, be received.

**CARRIED**

11. **2012 Fourth Quarter Emergency and Non-competitive Procurements Report (FCS12040(c)) (City Wide) (Item 5.11)**

**(Powers/Johnson)**

That Report FCS12040(c), respecting the 2012 Fourth Quarter Emergency and Non-competitive Procurements, be received.

**CARRIED**

12. **Development Charges Demolition Credit Extensions (Chedoke Browlands - 849 Scenic Drive) and Industrial Development Charges Demolition Credit Transfers (FCS13012) (City Wide) (Item 8.1)**

**(Powers/Johnson)**

(a) That the request, attached as Appendix "A" to Report FCS13012, to extend the expired Development Charges Demolition Credit for 849 Scenic Drive until December 31, 2016, be granted;

(b) That the General Manager of Finance & Corporate Services be granted authority to extend Development Charges Demolition Credits for the following development types:

(i) For rural developments, which are located outside the City of Hamilton Urban Boundary; and,

- (ii) For developments for which it has been determined by the General Manager of Planning & Economic Development that significant development delays were not the responsibility of the developer;
- (c) That a Transfer Policy for Industrial Development Charges Demolition Credits, based on the following conditions, be approved:
  - (i) One-time transfer per development up to a maximum 50% of the Industrial Development Charges demolition credit;
  - (ii) The original site (from where the 100% Industrial Development Charges credit originates) must be a bona-fide employment land Brownfield property, as determined by the City's Planning and Economic Development Department;
  - (iii) The transferred credits can only be used for industrial/employment land development, as determined by the Director of Planning;
  - (iv) From the date of the transfer, transferred credits have a 5-year life and are subject to existing City policies on Development Charges credit extensions;
  - (v) The original Brownfield property must have the demolition and remediation completed, and a draft plan of subdivision/site plan application approved before the transfer of credits occurs; and,
  - (vi) An agreement detailing the applicable credits is required to be registered on title of the receiving lands.

**CARRIED**

**13. Delegated Authority By-Law for Assessment Act Appeals (FCS13030) (City Wide) (Item 8.2)**

**(Powers/Johnson)**

That Appendix "A" attached to Report FCS13030, a By-Law delegating authority to the Treasurer and Deputy Treasurers for: Section 40, *Assessment Act* Appeals and Dispute Advisory Panel Assessment Appeals, under Section 11.1 of the *Payment in Lieu of Taxes Act* (Canada), be passed.

**CARRIED**

**14. Reserve/Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures Review (FCS13017) (City Wide) (Item 8.3)**

**(Powers/Johnson)**

That the 2009 approved Reserve/Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures be deleted and replaced with the 2013

Reserve/Revenue Funds and Trust Accounts Statement of Investment Policies and Procedures attached as Appendix "A" to Report FCS13017.

**CARRIED**

**15. Follow Up of Audit Report 2011-11 – PRESTO – Financial Controls (AUD13010) (City Wide) (Item 8.4)**

**(Powers/Johnson)**

That Report AUD13010, respecting the follow up of Audit Report 2011-11, PRESTO – Financial Controls, be received.

**CARRIED**

**16. Follow Up of Audit Report 2011-01 – Culture Facilities – Cash Handling (AUD13011) (City Wide) (Item 8.5)**

**(Powers/Johnson)**

(a) That Report AUD13011, respecting the follow up of Audit Report 2011-01, Culture Facilities – Cash Handling, be received.

(b) That staff be directed to report back to the Audit, Finance & Administration Committee with a supplementary report, respecting the status of the incomplete recommendations outlined in Report AUD13011 - Follow up of Audit Report 2011-01 – Culture Facilities – Cash Handling, at the September 9, 2013 meeting.

**AMENDMENT CARRIED  
MOTION AS AMENDED CARRIED**

**17. Procurement Policy #19 Review (AUD13012) (City Wide) (Item 8.6)**

**(Powers/Johnson)**

That Report AUD13012, respecting the Procurement Policy #19 review, be received.

**CARRIED**

**18. Follow Up of Audit Report 2011-12 – Parking Infractions & Enforcement (AUD13013) (City Wide) (Item 8.7)**

**(Johnson/Powers)**

That Report AUD13013, respecting the follow up of Audit Report 2011-12, Parking Infractions & Enforcement, be received.

**CARRIED**

**19. Follow Up of Audit Report 2010-13 - Domiciliary Hostels (AUD13008) (City Wide) (Item 8.8)**

**(Johnson/Powers)**

- (a) That Report AUD13008, respecting the follow up of Audit Report 2010-13, Domiciliary Hostels, be received.
- (b) That staff be directed to report back to the Audit, Finance & Administration Committee with a supplementary report, respecting the status of the incomplete recommendations outlined in Report AUD13008 - Follow up of Audit Report 2010-13 – Domiciliary Hostels, at the September 9, 2013 meeting.

**AMENDMENT CARRIED  
MOTION AS AMENDED CARRIED**

**20. Follow Up of Audit Report 2011-06 – Infectious Diseases Programs (AUD13009) (City Wide) (Item 8.9)**

**(Powers/Johnson)**

That Report AUD13009, respecting the follow up of Audit Report 2011-06, Infectious Diseases Programs, be received.

**CARRIED**

**21. 2014 Development Charges Background Study (FCS13028) (City Wide) (Item 8.10)**

**(Johnson/Powers)**

- (a) That a new Development Charges (DC) Background Study for all City services be initiated to support a new DC By-law, in accordance with the *Development Charges Act, 1997*; and,
- (b) That Watson & Associates Economists Ltd. be approved as a single source through Purchasing Policy #11 as the consultant to complete the City's 2014 Development Charge (DC) Background Study and support the enactment of a new DC By-law, to be funded from the approved 2013 Capital Budget (FCS12096), project 3381355301 (2014 DC Study – DC Funding \$540,000, Levy Funding \$60,000).

**CARRIED**

**22. Accounts Receivable Write-offs for March 2013 (FCS13034) (City Wide) (Item 8.11)**

**(Johnson/Powers)**

- (a) That the General Manager of Finance and Corporate Services be authorized to write-off uncollectible accounts receivables in the amount of \$202,477.27, attached as Appendix "A" to Report FCS13034;

- (b) That the Schedule of Accounts Receivable Write-Offs (under \$1,000), attached as Appendix "B" to report FCS13034, be received for information.  
**CARRIED**

**23. Provincial Contribution Agreements for Ancaster Senior Achievement Centre Expansion and J. L. Grightmire Arena Renovations (FCS13038) (Wards 12 and 13) (Item 8.12)**

**(Powers/Johnson)**

- (a) That the Mayor and City Clerk be authorized and directed to execute, on behalf of the City of Hamilton, Contribution Agreements with the Province of Ontario for funding to be used towards the Ancaster Senior Achievement Centre Expansion and J. L. Grightmire Arena Renovations, with content acceptable to the General Manager of Finance and Corporate Services, and in a form satisfactory to the City Solicitor;
- (b) That the budget for the Ancaster Senior Achievement Centre Expansion (project 7101354104) be increased by \$250,000, to be funded from the Provincial contribution;
- (c) That the budget for Program – Arena Retrofits (project 7101354536) be increased by \$250,000, to be funded from the Provincial contribution.

**CARRIED**

**24. Correspondence from B&F Investments (Nova Scotia Company), respecting ERASE Development Charge Credits for 201 Robert Street, Hamilton, ON (Item 11.1)**

**(Johnson/Powers)**

That the Correspondence from B&F Investments (Nova Scotia Company), respecting ERASE Development Charge Credits for 201 Robert Street, Hamilton, ON, be received and referred to Financial & Planning staff for the appropriate action.

**CARRIED**

**25. 2013 Internal Auditor's Work Plan – GPS Audits (Item 9.1)**

**(Johnson/Powers)**

That the Internal Auditor's 2013 Work Plan be revised to include "Global Positioning System (GPS) Audits" of randomly selected divisions where City vehicles have been retrofitted with a GPS system.

**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 4.1 – Delegation Request from Manny Bastos, of LIUNA Local 837, respecting Item 7.1 – Report FCS12083(a) / HUR12015(a), Proposed Fair Wage Policy and Fair Wage Schedule
- (ii) Added as Item 4.2 – Delegation Request from David McDonald, respecting Item 7.1 – Report FCS12083(a) / HUR12015(a), Proposed Fair Wage Policy and Fair Wage Schedule
- (iii) Item 6.1 has been withdrawn – Delegation from Michele Starr, Deanlee Management Inc., respecting a Request for Development Charge Demolition Credit Extension for the Chedoke Browlands, 849 Scenic Drive, Ancaster
- (iv) Added as Item 6.7, Correspondence from the Hamilton & District Heavy Construction Association, respecting Report FCS12083(a) / HUR12015(a), Proposed Fair Wage Policy and Fair Wage Schedule
- (v) Added as Item 8.12 – Report FCS13038, respecting Provincial Contribution Agreements for Ancaster Senior Achievement Centre Expansion and J. L. Grightmire Arena Renovations

**(Johnson/Powers)**

That the agenda for the March 25, 2013 Audit, Finance & Administration Committee meeting be approved, as amended.

**CARRIED**

**(b) DECLARATIONS OF INTEREST (Item 2)**

There were no declarations of interest.

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

**(i) February 11, 2013 (Item 3.1)**

**(Johnson/Powers)**

That the Minutes of the February 11, 2013 meeting of the Audit, Finance and Administration Committee be approved, as presented.

**CARRIED**



**(d) DELEGATION REQUESTS (Item 4.1)**

- (i) Manny Bastos, of LIUNA Local 837, respecting Item 7.1 – Report FCS12083(a) / HUR12015(a), Proposed Fair Wage Policy and Fair Wage Schedule (Item 4.1)**

**(Johnson/Pearson)**

That the delegation request from Manny Bastos, of LIUNA Local 837, respecting Item 7.1 – Report FCS12083(a) / HUR12015(a), Proposed Fair Wage Policy and Fair Wage Schedule, be approved.

**CARRIED**

- (ii) David McDonald, respecting Item 7.1 – Report FCS12083(a) / HUR12015(a), Proposed Fair Wage Policy and Fair Wage Schedule (Item 4.2)**

**(Johnson/Pearson)**

That the delegation request from David McDonald, respecting Item 7.1 – Report FCS12083(a) / HUR12015(a), Proposed Fair Wage Policy and Fair Wage Schedule, be approved.

**CARRIED**

**(e) DELEGATIONS (Item 6)**

- (i) Michele Starr, Deanlee Management Inc., respecting a Request for Development Charge Demolition Credit Extension for the Chedoke Browlands, 849 Scenic Drive, Ancaster (Item 6.1)**

This item was withdrawn.

- (ii) Gord O’Coin, of the Christian Labour Association of Canada (CLAC), respecting Report (FCS12083(a)/HUR120159(a), Proposed Fair Wage Policy and Fair Wage Schedule (Item 6.2)**

Mr. O’Coin addressed Committee respecting Report (FCS12083(a) / HUR120159(a), Proposed Fair Wage Policy and Fair Wage Schedule. Mr. O’Coin’s comments included, but were not limited to, the following:

- CLAC represents 50,000 employees across Canada in multiple sectors such as health care, retail, service, transportation, manufacturing, mining, volunteer firefighters including the volunteers in the City of Hamilton, and Construction.
- Construction – we represent members in all trades of the construction industry – labourers, carpenters, painters, dry-wallers,

plumbers, electricians, sheet metal mechanics, and operators to name a few.

- CLAC supports a policy that ensures workers receive a fair wage. These policies guarantee all contractors and sub-contractors compete for available work on a level playing field and more specifically, that all workers receive a fair wage performing this work.
- Every collective agreement deemed as an equitable and fair wage.
- Every collective agreement with CLAC is negotiated and freely accepted by the members. It is a process of proposals, negotiations and ratification.
- Therefore the compensation package in each collective agreement should be considered a fair and equitable wage.
- Alternatively, if a Collective Agreement is not considered being a fair wage for the purpose of this policy, then we would suggest the fair wage standard reflect the cost of the total compensation package including wage rates, vacation pay, pensions, benefits, and negotiated bonuses.
- Combining all of these categories, rather than separating them, will provide a better reflection of a fair and equitable compensation package.
- A fair wage standard that reflects the total compensation allows flexibility between the employee and employer to structure their compensation, but ensuring workers performing the work receive equitable and fair compensation.
- In conclusion, we submit the City of Hamilton deem a union's collective bargaining agreement as fulfilling the requirement of a fair and equitable compensation package; and,
- Alternatively, we suggest the fair wage policy take into consideration the cost of the total compensation package when ensuring employers are in compliance of the policy.

**(Johnson/Powers)**

That the presentation from Gord O'Coin, of the Christian Labour Association of Canada, respecting Report (FCS12083(a)/HUR120159(a), Proposed Fair Wage Policy and Fair Wage Schedule, be received.

**CARRIED**

**(iii) Joe Beattie, of the Hamilton-Brantford, Ontario Building and Construction Trades Council, respecting Report (FCS12083/HUR12015), Proposed Fair Wage Policy and Fair Wage Schedule (Item 6.3)**

Mr. Beattie addressed Committee respecting Report (FCS12083(a) / HUR120159(a), Proposed Fair Wage Policy and Fair Wage Schedule. Mr. Beattie's comments included, but were not limited to, the following:

- Fair wage policies are a necessary counter balance to the tendency of the construction industry; and, have important and direct effects on the Health & Safety Skills Training, and on deterring underground practices.
- These policies encourage the use of more skilled and better qualified labour; thereby, support worker investments in skilled training and apprenticeships.
- Local level fair wage policies protect local employment and increase the benefits of the local economy from construction that is financed by local funds.
- Never been the intent to use tax payers' money to drive down the wages of workers performing construction work for the City.
- The building trades did not support the recommendations brought forward by staff in previous reports. Since that time, the Building Trades and City staff have met and attempted to address concerns on both sides.
- Building Trades proposed maintaining the current Fair Wage Policy with rates up to 2012, using the Building Trades base rates, we attempted to improve the fair wage administration by:
  - (i) Freezing the 2012 rates for 3 years;
  - (ii) Raising the exemption threshold to \$300,000 up from current \$100,000 dollars.
  - (iii) Setting the complaint fee at \$5000 to discourage frivolous complaints and to defray the cost of fair wage administration.
  - (iv) Establishment of an ad hoc committee to meet at least once yearly or more regularly, if required, to address any concerns and to foster better communications with City staff.

- We strongly believe these enhancements should be accepted as an entire package.
- Research conducted by respected independent researchers support the public policy benefits of fair wage policies; and, who have concluded that there is no evidence that Fair Wage Policies have a significant impact on construction costs. Therefore, we strongly object to the alternative shown in the staff report respecting the elimination of the Fair Wage Policy.
- One standard should be maintained for a number of compelling reasons including: ease of administration, the number of alternative agreements and increased potential for abuse.
- In discussions with affiliates of the Hamilton-Brantford, Ontario Building and Construction Trades Council, and in light of the report before you, and in the spirit of cooperation, we would like to offer a compromise to the recommendations we have made. We would be willing to modify our proposal by basing the fair wage schedule on the 2009 building trades base rates, raising the threshold to \$500,000, setting the complaint fee at \$5,000 and establishing an ad hoc committee.
- We urge you to support the Fair Wage Policy and the workable recommendations that the affiliates of the Hamilton Building Trades Council you have put before you.

**(Powers/Johnson)**

That the presentation from Joe Beattie, of the Hamilton-Brantford, Ontario Building and Construction Trades Council, respecting Report (FCS12083(a)/HUR120159(a), Proposed Fair Wage Policy and Fair Wage Schedule, be received.

**CARRIED**

A copy of Mr. Beattie's handout is available on-line at [www.hamilton.ca](http://www.hamilton.ca) or through the Office of the City Clerk.

**(iv) John Gray, of Municipal Solutions, respecting Report (FCS12083/HUR12015), Proposed Fair Wage Policy and Fair Wage Schedule (Item 6.4)**

Mr. Gray addressed Committee respecting Report (FCS12083(a) / HUR120159(a), Proposed Fair Wage Policy and Fair Wage Schedule. Mr. Gray's comments included, but were not limited to, the following:

- On November 12, 2012 concerns of the IBEW 105 and UA67, regarding major changes to the City of Hamilton's Fair Wage policies were raised.
- I am here to raise the single biggest issue; that any collective agreement be recognized as a substitute to the Fair Wage schedule.
- Federal Government has repealed its Fair Wage Policy for a second time.
- An area of concern is the potential penalty to an employee that tries to make a fair wage complaint. Fair wage is about being fair to all employees, particularly to a non-union individual who feels that he or she did not receive the correct level of compensation.
- The City of Hamilton should maintain a secular approach to its policies, be inclusive and not let religious differences be exploited to the benefit to someone of another faith.

**(Johnson/Pearson)**

That the presentation from John Gray, of Municipal Solutions, respecting Report (FCS12083(a)/HUR120159(a), Proposed Fair Wage Policy and Fair Wage Schedule, be received.

**CARRIED**

A copy of Mr. Gray's handout is available on-line at [www.hamilton.ca](http://www.hamilton.ca) or through the Office of the City Clerk.

**(v) Manny Bastos, of LIUNA Local 837, respecting Item 7.1 – Report FCS12083(a) / HUR12015(a), Proposed Fair Wage Policy and Fair Wage Schedule (Item 6.5)**

Mr. Bastos addressed Committee, respecting Report (FCS12083(a) / HUR120159(a), Proposed Fair Wage Policy and Fair Wage Schedule. Mr. Bastos' comments included, but were not limited to, the following:

- Our 4,000 members represent 10 to 12,000 families in the Hamilton / Niagara area. All tax paying community minded citizens.
- Our members our highly skilled and produce value for their work. They produce a product at a fair cost.

- LIUNA has concern with the proposed policy. LIUNA does not object to a policy, but in having a policy that does not identify the potential Union competition, their origin or their intent.
- The present contractors that perform the work within the city of Hamilton employ workers that pay the taxes to this City. Therefore, this is the optimum situation – win-win by all.
- My recommendation is that the policy be left the way that it is. Do not add, delete or change any of the contents except raising the ceiling to \$300,000 and the cost of the audit to \$5,000. Delete any reference to other collective agreements.

**(Powers/Johnson)**

That the presentation from Manny Bastos, of LIUNA Local 837, respecting Item 7.1 – Report FCS12083(a) / HUR12015(a), Proposed Fair Wage Policy and Fair Wage Schedule, be received.

**CARRIED**

A copy of Mr. Bastos' handout is available on-line at [www.hamilton.ca](http://www.hamilton.ca) or through the Office of the City Clerk.

**(vi) David McDonald, respecting Item 7.1 – Report FCS12083(a) / HUR12015(a), Proposed Fair Wage Policy and Fair Wage Schedule (Item 6.6)**

Mr. McDonald addressed Committee, respecting Report (FCS12083(a) / HUR120159(a), Proposed Fair Wage Policy and Fair Wage Schedule. Mr. McDonald's comments included, but were not limited to, the following:

- Retired Chair of the Merit Open Shop Ontario and an expert on the Toronto Fair Wage policy as I have 30 years of experience working under it in my previous employment. I am appearing before you with Phil Besseling of Besseling Mechanical, another past Chair of Merit.
- We are in attendance to support the recommendations of staff, in general, with some recommendations to improve the policy.
- Recommend the incorporation of a version of the Toronto Fair Wage Policy Intend clause to make it clear that going forward the Building Trades rates are not the foundation of Hamilton's policy. We would change section D. to say "To protect public finances."
- The intent of the Fair Wage Policy can be summarized as follows:

- (i) To produce stable labour relations with minimal disruption.
  - (ii) To compromise between the wage differentials of organized and unorganized labour.
  - (iii) To create a level playing field in competitions for City work.
  - (iv) To protect the public.
  - (v) To enhance the reputation of the City for ethical and fair business dealings
- 
- For better clarity incorporate into the Schedules the usage of the construction sector definitions used in the Toronto Fair Wage Policy as each sector has different unions, contractors and agreements as in ICI, Sewer and Water Main etc.
  - We are pleased that the recommendations of staff including freezing the present schedules and accepting CLAC rates recognises that the Building Trades Schedules are not industry standards or “prevailing rates” in the region, but simply the highest rates of a minority of contractors and trades who seek a financial subsidy from the taxpayers of Hamilton for their private sector enterprise.
  - We reject the claims of private sector lobbyists that not using Building Trade rates in any way compromises quality or safety or value for money on City projects.
  - The facts are that the official schedules and rates of the Building Trades are not even their own “prevailing rates” and that for years the Building Trades have used a two tiered pricing system where they charge one rate when there is open shop competition and a higher monopoly rate when there is no competition as is the case with the Carpenters Union’s rates charged to the City of Hamilton by their affiliated Contractors.
  - The City of Hamilton as the employer in a contractual relationship with the Carpenters Union demand from the union an accounting of where public funds are being spent and that the City renew its demand to the Province for an amendment to the *Labour Relations Act* to escape from its “Captive Employer” status as per the attached LUMCO resolution in support of Hamilton Council.

**(Powers/Johnson)**

That the presentation from Mr. McDonald, respecting Item 7.1 – Report FCS12083(a) / HUR12015(a), Proposed Fair Wage Policy and Fair Wage Schedule, be received.

**CARRIED**

A copy of Mr. McDonald's handout is available on-line at [www.hamilton.ca](http://www.hamilton.ca) or through the Office of the City Clerk.

**(f) PRESENTATIONS (Item 7)**

**(a) Proposed Fair Wage Policy and Fair Wage Schedule (FCS12083(a))/HUR12015(a) (City Wide) (Item 7.1)**

Rick Male, Director of Financial Services and Corporate Controller; and, Lora Fontana, Director of Employee and Labour Relations, provided a PowerPoint presentation and overview of Report FCS12083(a) /HUR12015. The presentation included, but was not limited to, the following:

- **Historical Background:**
  - 1967 - Board of Control Report
    - Resolution to add rates for various trades to the Fair Wage Clause in City contracts
  - 1993 - Finance & Administration Committee
    - Resolution to adopt a Fair Wage Policy for all construction contracts
  - 1998 – Fair Wage Policy updated
  - 2005 – Wages were revised
  - 2008/09 – Wages were updated to reflect Provincial ICI and HAND contracts
  - 8 out of more than 440 Ontario municipalities have a Fair Wage Policy.
  - The Province of Ontario repealed the Provincial Fair Wage legislation in 2001
  - Federal Government passed Bill C-38, repealing the Fair Wages and Hours of Labour Act (aka Fair Wages Act) in Spring 2012.



○ **Fair Wage Policies in Ontario:**

<b>Municipality</b>	<b>\$ Threshold</b>	<b>Date Wage Schedule Updated</b>	<b>Population</b>
Clarington	\$1,000,000	2013	84,598
Hamilton	\$100,000	2009/2010	519,949
Toronto	\$100,000	2003/2004	2.48 million
Oshawa	\$500,000	2003/2004	149,607
Pickering	\$1,000,000	2003/2004	88,721
Thunder Bay	\$100,000	2002	108,359
London	\$100,000	1995	366,151
Greater Sudbury	\$160,000	1995	160,274

○ **Current Policy and Schedule Overview:**

- Construction contract of \$100,000 or greater
- Applies to the Contractor and all its subcontractors
- Complaint process in place allowing the City to audit those contracts in question.
- Various measures in place when the (sub)contractor is found to be non-compliant with the Policy & Schedule, up to and including being banned from bidding.

○ **Proposed Amendments:**

- Policy has been amended to recognize collective agreements that are duly bargained and registered with the Ontario Ministry of Labour
- Public Accountants Report is required by non-compliant (sub)contractors on future contracts
- Contractors will be charged a minimum fee of \$5,000 for contracts that the Policy and/or Schedule were not followed.

- Wages rates in the Schedule have been frozen to existing rates (Provincial – 2009 / HAND – 2010)
- **Financial Impact:**
  - 2012: 123 construction contracts were awarded at a value of \$95 million
  - Labour is typically 2/3rds of the contract value
  - Labour would be approximately \$63.7 million
  - Increase of 7 – 9% of Schedule to 2013/14 rates would increase annual cost
  - HHBCTC recommended freezing rate to 2012 wages which represents a 5-7% increase over existing City Fair Wage Schedule
- **Elimination of the Fair Wage Policy:**
  - Allow for procurement process relying entirely on competitive wages with Construction Industry.
  - Repeal of *Fair Wage & Hours Labour Act* (Bill C-38).
  - Less than 2% of municipalities have a Fair Wage Policy.
  - Quality of Work unrelated to Fair Wage Policy.
  - Ensures level playing field for competent and respectable contractors.
  - Wages within construction industry already competitive.
- **Recognition of Collectives Agreements**
  - It's a matter of law.
  - Encouraging or inducing violation of collective agreements.
  - Perceived “windfall” by unionized members.

- City is potentially interfering with rights and privileges of unionized members.
- Allows for negotiated benefits specific to unionized group.

**(Johnson/Powers)**

- (a) That the presentation, respecting Report FCS12083(a)/HUR12015 – Proposed Fair Wage Policy and Fair Wage Schedule, be received.
- (b) That Report FCS12083(a)/HUR12015(a), respecting the Fair Wage Policy and the Fair Wage Schedule, be referred back to staff with the following direction:
- (i) That staff be directed to meet with all representatives to discuss their new proposals; and,
- (ii) That staff be directed to review and detail all options put forward by the delegates present at the March 25, 2013 Audit, Finance & Administration Committee and the subsequent meeting(s);

and report back to the Audit, Finance and Administration Committee by June 24, 2013.

**CARRIED**

A full copy of the presentation is available on-line at [www.hamilton.ca](http://www.hamilton.ca) or through the Office of the City Clerk.

**(g) GENERAL INFORMATION/OTHER BUSINESS (Item 11)**

**(i) Various Advisory Committee Minutes (Item 11.2):**

**(Johnson/Powers)**

That the following Advisory Committee minutes be received:

1. Hamilton Mundialization Committee, November 21, 2012 (Item 11.2(a))
2. Hamilton Mundialization Committee, December 19, 2012 (Item 11.2(b))
3. Committee Against Racism, November 27, 2012 (Item 11.2(c))
4. Aboriginal Advisory Committee, January 3, 2013 (Item 11.2(d))
5. Aboriginal Advisory Committee, February 7, 2013 (Item 11.2(e))

6. Status of Women Committee, September 27, 2012 (Item 11.2(f))
7. Status of Women Committee, January 31, 2013 (Item 11.2(g))

**CARRIED**

**(ii) Amendments to the Outstanding Business List (Item 11.4)**

**(Johnson/Powers)**

That the following proposed new due dates, be approved:

- (a) Item "F" – Hybrid Auditor General's Annual Work Plan  
Current Due Date: March 25, 2013  
Proposed New Due Date: May 13, 2013
- (b) Item "M" – Value for Money Audit Program  
Current Due Date: March 25, 2013  
Proposed New Due Date: May 13, 2013
- (c) Item "N" – Benefit Payouts  
Current Due Date: March 25, 2013  
Proposed New Due Date: June 10, 2013
- (d) Item "Q" – Open Data  
Current Due Date: March 25, 2013  
Proposed New Due Date: June 10, 2013
- (e) Item "S" – WiFi Capabilities for Municipal Buildings & Parks  
Current Due Date: March 25, 2013  
Proposed New Due Date: April 15, 2013

**CARRIED**

**(f) ADJOURNMENT (Item 13)**

**(Johnson/Powers)**

That, there being no further business, the Audit, Finance & Administration Committee, be adjourned at 12:17 p.m.

**CARRIED**

Respectfully submitted,

Councillor M. Pearson, Chair  
Audit, Finance & Administration Committee

Stephanie Paparella  
Legislative Coordinator  
Office of the City Clerk