AUDIT, FINANCE & ADMINISTRATION COMMITTEE
REPORT 13-007
9:30 a.m.
Wednesday, July 10, 2013
Council Chambers
Hamilton City Hall
71 Main Street West

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

Absent with
Regrets: Councillor B. Morelli – Sick Leave

THE AUDIT, FINANCE & ADMINISTRATION COMMITTEE PRESENTS REPORT 13-007
AND RESPECTFULLY RECOMMENDS:

1. Treasurer's Investment Report 2012 Fiscal Year by AON Hewitt (FCS13054)
   (City Wide) (Item 5.1)
   
   (a) That the City of Hamilton – Reserve Funds Treasurer’s Investment Report
       2012 Fiscal Year (attached as Appendix “A” to Report FCS13054), be
       received; and,

   (b) That Report FCS13054 “Treasurer’s Investment Report 2012 Fiscal Year
       by AON Hewitt” and the City of Hamilton-Reserve Funds Treasurer’s
       Investment Report 2012 Fiscal Year (attached as Appendix "A" to Report
       FCS13054), be forwarded to the Hamilton Future Fund Board of
       Governors for information.

2. Monthly Status Report of Tenders and Requests for Proposals for May 4,
   2013 to May 31, 2013 (FCS13016(d)) (City Wide) (Item 5.2)

   That Report FCS13016(d), respecting the Monthly Status Report of Tenders and
   Requests for Proposals for May 4, 2013 to May 31, 2013, be received.
3. **Treasurer's Apportionment of Land Taxes (FCS13001(c)) (Ward 14) (Item 5.3)**

That the 2013 land taxes in the amount of $6,012 for 1214 Highway 8, Flamborough, (Roll #2518 301 610 45600 0000) be apportioned and split amongst the two newly created parcels, as set out in Appendix “A” to Report 13-007.

4. **Open and Accessible Data Policy Pilot Project (CM13012) (City Wide) (Item 5.4)**

That Report CM13012, respecting the Open and Accessible Data Policy Pilot Project, be received.

5. **2013 Performance Audit Work Plan (AUD13022) (City Wide) (Item 8.3)**

That Appendix “B” attached to Report 13-007, respecting the 2013 Performance Audit Work Plan, be approved.


(a) **Electronic Recording of Closed Session Meetings (CL12005(a)/LS12033(a)) (City Wide) (Item 4.1)**

(i) That the City of Hamilton request that the Province establish the appropriate legislative framework under the *Municipal Act*, 2001 relating to the access and disclosure of electronically recorded in-camera meetings to properly protect municipal interests; and,

(ii) That a copy of this motion and Report CL12-005(a), respecting the Electronic Recording of Closed Session Meetings, attached as Appendix “A” to Governance Review Sub-Committee Report 13-001, be forwarded to the Association of Municipalities Ontario (AMO) and the Association of Municipal Clerks & Treasurers of Ontario (AMCTO).

(b) **Departmental Reporting Structure Changes (no copy) (Outstanding Businesses List Item) (Item 4.2)**

(i) That the reporting structure of the Culture Division from the Emergency and Community Services Committee to the General Issues Committee be made permanent;
(ii) That the Procedural By-law be amended to reflect this change.

(c) Correspondence from the Association Canadienne-Francaise de l’Ontario – Régional Hamilton (ACFO), requesting Francophone Representation on committees (Item 4.4)

WHEREAS, there is no Federal or Provincial legislation that requires Ontario municipalities to set aside a position on each of its committees for a French speaking member;

AND WHEREAS, the City of Hamilton values and respects its multi-cultural community and the languages of all its citizens;

Therefore be it resolved:

That the correspondence from the Association Canadienne-Francaise de l’Ontario – Régional Hamilton (ACFO), be received.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

There were no changes to the agenda.

The agenda for the July 10, 2013 Audit, Finance & Administration Committee meeting was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

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

(i) June 10, 2013 (Item 3.1)

The Minutes of the June 10, 2013 meeting of the Audit, Finance and Administration Committee were approved, as presented.
(d) DELEGATION REQUESTS (Item 4)

(i) Zach Douglas, President & CEO, McMaster Innovation Park, respecting a Request for an Extension of Development Credits available to Trust regarding 175 Longwood Road South, Hamilton, Ontario (Item 4.1)

The delegation request, submitted by Zach Douglas, President & CEO, McMaster Innovation Park, respecting a Request for an Extension of Development Credits available to Trust regarding 175 Longwood Road South, Hamilton, Ontario, was approved to attend at a future meeting.

(ii) Larry Pomerantz respecting the Handling of a Freedom of Information Request (Item 4.2)

The delegation request, submitted by Larry Pomerantz, respecting the Handling of a Freedom of Information Request, was approved to attend at a future meeting.

(e) Open and Accessible Data Policy Pilot Project (CM13012) (City Wide) (Item 5.4)

Councillor Clark wished to be recorded as OPPOSED to Item 5.4.

(f) DELEGATIONS (Item 6)

(i) Frank Sondola, respecting an Appeal for a Flat Rate Water Assessment for 118 Steven Street, Hamilton, ON (Item 6.1)

Mr. Sondola attended before the meeting commenced to request that his delegation be tabled to the August meeting. Mr. Sondola was advised by the Committee Clerk, that his request to attend at the August meeting would be put before the Committee; however, if he did not attend at that time, he would be required to submit a new request for delegation.

At the request of Mr. Sondola, his delegation respecting an appeal for a flat rate water assessment for 118 Steven Street, Hamilton, ON, was tabled to the August 14, 2013 meeting of the Audit, Finance & Administration Committee.
(g) 2012 Annual Energy Report on Commodity Price Hedging (FCS13046/PW13034) (City Wide) (Item 8.1)

Report FCS13046/PW13034, respecting the 2012 Annual Energy Report on Commodity Price Hedging, was referred back to staff for further review and inclusion of the requested information, for a report back to the Audit, Finance & Administration Committee.

(h) Inclusion of Hospital Growth Infrastructure under the Development Charges Act (FCS13044) (City Wide) (Item 8.2)

Report FCS13044, respecting the Inclusion of Hospital Growth Infrastructure under the Development Charges Act, was referred back to staff for further review and inclusion of the requested information, for a report back to the Audit, Finance & Administration Committee.

(i) 2013 Performance Audit Work Plan (AUD13022) (City Wide) (Item 8.3)

The priority of the proposed subjects for future years (shown in Appendix “B” to Report AUD13022) was discussed, and it was noted that the top three priorities were: Recreation – Program Costing and Recovery; Public Health Hoteling Initiative – Effects on Effectiveness and Efficiency; and, Road Resurfacing – Pavement Maintenance, Preservation and Rehabilitation Options.

(j) MOTIONS (Item 9)

(i) Internal Audit of City-wide Cash Handling Policies (9.1)

The Internal Auditor was directed to immediately commence a review of the cash handling policies, on a city-wide basis, and report to the Audit, Finance & Administration Committee with clear recommendations to assist in strengthening the security of all cash handling within the City of Hamilton.

(k) NOTICES OF MOTION (Item 10)

Councillor Clark introduced the following Notice of Motion:

(i) Internal Audit of City-wide Cash Handling Policies (Item 10.1)

That the Internal Auditor be directed to immediately commence a review of the cash handling policies, on a city-wide basis, and report to the Audit, Finance & Administration Committee with clear recommendations to assist
in strengthening the security of all cash handling within the City of Hamilton.

The Rules of Order were waived to allow for the introduction of a motion respecting an internal audit of the city-wide cash handling policies.

For disposition of this matter, please refer to Item (j)(i) above.

Councillor Clark introduced the following Notice of Motion:

(ii) **Retention of On-line Recordings (Item 10.2)**

That staff be directed to review the feasibility of amending the City of Hamilton Retention Periods for Records By-law 11-040 to include the permanent retention of all Council and Standing Committee live-streaming recordings and report to the Audit, Finance & Administration Committee.

Councillor Clark introduced the following Notice of Motion:

(iii) **Timelines for Retention of E-mails (Item 10.3)**

That staff be directed to report to the Audit, Finance & Administration regarding the feasibility and criteria for the retention of e-mails related to city business.

(l) **ADJOURNMENT (Item 13)**

There being no further business, the Audit, Finance & Administration Committee, adjourned at 11:16 a.m.

Respectfully submitted,

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

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk
APPORTIONMENT OF TAXES

That the original land taxes recorded against:

**Roll #2518 301 610 45600 0000** – (1214 Highway 8, Flamborough) in the amount of $6,012 be split amongst the two newly created lots listed below:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ADDRESS</th>
<th>ROLL NUMBER</th>
<th>APPORTIONED ASSESSMENT</th>
<th>TAX AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1214 Highway 8</td>
<td>2518 301 610 45600 0000</td>
<td>446,456</td>
<td>$ 4,868.00</td>
</tr>
<tr>
<td>2013</td>
<td>1240 Seaton Rd.</td>
<td>2518 301 610 45610 0000</td>
<td>474,694</td>
<td>1,144.00</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>921,150</strong></td>
<td><strong>$ 6,012.00</strong></td>
</tr>
</tbody>
</table>
APPENDIX “A”
CITY OF HAMILTON
PROPOSED 2013 PERFORMANCE AUDIT WORK PLAN PROJECTS

1. PREVIOUSLY APPROVED PERFORMANCE AUDIT PROJECTS

<table>
<thead>
<tr>
<th>Audit Project</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheques</td>
<td>The City incurs more cost to issue a cheque payment as opposed to an electronic fund transfer (EFT) for low dollar value cheques. Cost savings may be realized if cheque payments were replaced using EFTs. A cheque listing will be extracted from the financial system and analyzed to determine when it is more efficient to issue an EFT payment. Related cost savings will be calculated.</td>
</tr>
<tr>
<td>Licence Revenue</td>
<td>Most businesses in Hamilton require a license to operate legally. Additional revenue may be realized by identifying unlicensed businesses. This project will entail identifying unlicensed businesses and calculating the related license revenue.</td>
</tr>
<tr>
<td>Employer Paid Parking</td>
<td>Employees who use their vehicle for City business at least three times per week are eligible for employer paid parking under the Employee Parking Policy (Downtown). The Employer Paid Parking Procedure for Confirming Continued Eligibility contains a trip analysis to evaluate whether employees remain eligible to receive employer paid parking. Cost savings may be realized if the parking is no longer provided to employees who do not validate their continued eligibility. An analysis will be performed to identify ineligible employees and the related cost savings.</td>
</tr>
<tr>
<td>Global Positioning System Analysis</td>
<td>Various City vehicles are equipped with Global Positioning System (GPS) technology. Management may use recorded GPS travel information to assess employee productivity. This project will entail comparing GPS records to documented work assignments in order to identify areas where productivity and efficiencies may be gained.</td>
</tr>
</tbody>
</table>
## 2. ADDED PROJECTS

<table>
<thead>
<tr>
<th>Audit Project</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water – Water Main</td>
<td>Water main excavation and repair processes may be performed by both City and contracted work crews. According to the Ontario Municipal Benchmarking Initiative (OMBI) statistics and as quoted in the KPMG Service Delivery Review Report, “Hamilton experiences a higher rate of main breaks than most comparator municipalities”. Per statistics provided by OMBI, the number of water main breaks continues to increase from 12.8 per 100 kilometres in 2008 to 17.1 per 100 kilometres in 2011. This audit will evaluate potential cost savings associated with alternatives available for water main emergency repairs.</td>
</tr>
<tr>
<td>Emergency Repairs</td>
<td></td>
</tr>
<tr>
<td>City Clerks – Agenda Process</td>
<td>The City Clerk compiles, prints and distributes agendas and supporting documents for each Committee and Sub-Committee meeting to Council members and select department management. This audit will examine the processes involved in the preparation and distribution of agendas, benchmark with other municipalities and evaluate cost saving opportunities through efficiencies and alternative methods of providing the service.</td>
</tr>
<tr>
<td>Risk Management – Claims Adjusters</td>
<td>Claims adjusters investigate third party insurance claims to determine the extent of the City’s liability. Internal claims representatives and external service providers carry out this function. This audit will evaluate potential cost savings associated with alternatives available for adjusting insurance claims.</td>
</tr>
</tbody>
</table>