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

Also Present: R. Rossini, General Manager, Finance & Corporate Services
T. Tollis, City Treasurer
R. Male, Director, Financial Services
A. Pekaruk, Director of Audit Services
M. McChesney, Director, Information Services
A. Mastandrea, Procurement Manager
S. Paparella, Legislative Assistant, Office of the City Clerk

THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR CONSIDERATION:

1. **APPOINTMENT OF CHAIR AND VICE CHAIR (Item A)**

   (Pearson/Powers)
   That Councillor B. Johnson be appointed as Chair of the Audit, Finance & Administration Committee for 2012.

   CARRIED

   (Johnson/Powers)
   That Councillor M. Pearson be appointed as Vice Chair of the Audit, Finance & Administration Committee for 2012.

   CARRIED

2. **Monthly Status Report of Tenders and Requests for Proposals for October 15, 2011 to November 11, 2011 (FCS11004(g)) (City Wide) (Item 5.1)**

   (Pearson/Powers)
   That Report FCS11004(g), respecting the Monthly Status Report of Tenders and Requests for Proposals for October 15, 2011 to November 11, 2011, be received.

   CARRIED
3. 2012 Tax Budget - Chronically Under Funded Programs (FCS11005) (City Wide) (Item 5.2)

(Pearson/Powers)
That Report FCS11005, respecting the 2012 Tax Budget – Chronically Under Funded Programs, be received.

CARRIED

4. Tax Appeals Under Section 357 and 358 of the Municipal Act, 2001 (FCS11003(h)) (City Wide) (Item 5.4)

(Pearson/Powers)
(a) That Appendix “A”, attached to Report FCS11003(h), respecting the “Tax Write-Offs processed under Section 357 of the Municipal Act, 2001”, in the amount of $110,752 be approved; and,

(b) That Appendix “B”, attached to Report FCS11003(h), 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 $14,909, be approved.

CARRIED

5. Follow Up of Audit Report 2009-11 - Parking Revenues (AUD11032) (City Wide) (Item 5.5)

(Pearson/Powers)
That Report AUD11032, respecting the follow up of Audit Report 2009-11, Parking Revenues, be received.

CARRIED

6. Evaluation of the City of Hamilton Purchasing Program Update (FCS09109(c)) (City Wide) (Item 7.1)

(Pearson/Johnson)
(a) That the City of Hamilton Procurement Policy, attached as Appendix “A” to Report FCS09109(c), be approved;

(b) That a by-law to adopt and maintain a Procurement Policy for the City of Hamilton, in substantially the form set out in Appendix “A” to Report FCS09109(c), be enacted;

(c) That the City of Hamilton not adopt any specific procurement policy with respect to applying a preference, or penalty, based on the following:

(i) the geographical location of any vendor/supplier, or potential vendor/supplier, of goods and services to the City of Hamilton and its’ affiliated entities; or
(ii) the Canadian, Ontario and/or Hamilton/local content of any goods and services provided, or to be provided, to the City of Hamilton and its’ affiliated entities;

(d) That Item B respecting “Buy Local” be considered complete and removed from the General Issues Committee's Outstanding Business List;

(e) That the Purchasing Sub-Committee be renamed the Procurement Sub-Committee to reflect the renaming of the Procurement Section;

(f) That after the initial implementation period of 12 months, Audit Services be directed to conduct a review to assess City staff adherence to Procurement Policy #19 – Non-compliance with the Procurement Policy and to report their findings to the Audit, Finance and Administration Committee;

(g) That the Procurement Sub-committee be provided the flexibility and latitude to consider alternative proposals that come through as suggestions during the Request for Proposal Process (RFP) process.

(h) That the City Manager be directed to review the Departmental use of the Commercial Advertising and Sponsorship Policy from a Corporate-wide, systemic standpoint and report back to the Audit, Finance & Administration Committee.

(i) That staff be directed compile a listing of the total number of addendums to construction contracts in a one year period; and to include values and numbers in that listing, and report to the Audit, Finance & Administration Committee; and,

(j) That staff be directed to review the Commercial Advertising and Sponsorship Policy, with the intent of incorporating the appropriate language into the Hamilton Procurement Policy to replace Policy 24 (Solicitation of Vendors), pursuant to the Commercial Advertising and Sponsorship Policy, which was approved by Council on June 11, 2008 (PW80860), and report to the Audit, Finance & Administration Committee with recommendations.

**AMENDMENTS CARRIED**

**MOTION AS AMENDED CARRIED**

7. **Audit Report 2011-08 - Procurement Card Usage (AUD11033) (City Wide)** (Item 8.1)

(Morelli/Powers)

(a) That Report AUD11033, respecting Audit Report 2011-08, Procurement Card Usage, be received;
(b) That the Management Action Plans, as detailed in Appendix “A” (Part C only) of Report AUD11033, be approved;

(c) That the City Treasurer be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix “A” - Part B (not completed) and Part C (new) to Report AUD11033) implemented; and,

(d) That should any expenditures be incurred by the City, whether through the use of City issued credit cards or an employee’s personal credit card, unless the appropriate and complete documentation is provided, the employee be required to pay for that expense.

AMENDMENT CARRIED
MOTION AS AMENDED CARRIED

8. 2012 Internal Audit Work Plan (AUD11037) (City Wide) (Item 8.2)

(Powers/Pearson)
That Appendix “A” attached to Report AUD11037, respecting the 2012 Internal Audit Work Plan, be approved.

CARRIED

9. 2012 Temporary Borrowing & Interim Tax Levy By-Laws (FCS11107) (City Wide) (Item 8.3)

(Morelli/Powers)
(a) That Appendix “A”, attached to Report FCS11107, a By-law to Authorize the Temporary Borrowing of Monies to Meet Current Expenditures Pending Receipt of Current Revenues for 2012, be passed; and,

(b) That Appendix “B”, attached to Report FCS11107, a By-law to Authorize an Interim Tax Levy for 2012, be passed.

CARRIED

10. Clarification of Councillor Sponsorships and Related Expenditures (FCS11108) (City Wide) (Item 8.4)

(Morelli/Powers)
(a) That the Sponsorship section (refer to page 2 of Appendix “A”, Policy for Eligible Expenses: Budget for the Office of the Mayor, Legislative Budget and Ward Budget, of Report FCS11108), be renamed “Sponsorships/Donations” and read as follows:

“Expenses related to sponsorships and donations (including the purchase of event tickets) will be paid by the City. No sponsorships/donations will be allowed after August 31 of an election year. Sponsorships/donations are not to be provided for any amounts levied in respect of any tax or user fees.
Sponsorships/donations are limited to $350 per named organization; 

(b) That the Donations section (refer to page 9 of Appendix “A”, Policy for Eligible Expenses: Budget for the Office of the Mayor, Legislative Budget and Ward Budget, of Report FCS11108), be adjusted to read as follows:

“Donations to charitable organizations in lieu of floral tribute for a funeral will be paid by the City”.  

CARRIED

11. Award of Contract C12-02-11 Supply and Delivery of Print/Copy, Business Cards/Envelopes/Letterhead and Mail Services (FCS11109) (City Wide) (Item 8.5)  

(Powers/Pearson)

That the Request for Tenders C12-02-11 - Supply and Delivery of Print/Copy, Business Cards/Envelopes/Letterhead and Mail Services, be awarded to the lowest compliant bidders as follows (estimated annual totals):

Section A: Print and Copy Services (Lowest 4 Bidders)
1215553 Ontario Limited o/a Allegra $545,800  
Data Document Solutions Inc. $554,900  
723318 Ontario Inc. c.o.b. as Athens Printing Art $584,000  
Swiaty Investments Inc. o/a Minuteman Press Stoney Creek $593,100  

Section B: Business Cards, Envelopes and Letterhead (Lowest Bidder)
Data Document Solutions Inc. $65,200  

Section C: Mail Services (Lowest Bidder)
Data Document Solutions Inc. $31,200  

CARRIED

12. Desktop and Mobile Computer Contract Award and Management Policies (FCS11022(a)) (City Wide) (Item 8.7)  

(Pearson/Johnson)

(a) That the corporate contract for desktop computer, mobile computers, monitors and peripheral devices be awarded to Dell Canada Inc. for a period of 4 years with the option to extend the contract for 2 additional years;

(b) That the General Manager of Finance and Corporate Services be authorized to execute a contract and any other documents necessary to give effect thereto, in a form acceptable to legal counsel, with Dell Canada for desktop computers, mobile computer devices, computer monitors and peripheral devices;
(c) That the employee discount offered by Dell for personal computer purchases be extended to staff.

CARRIED

13. Reinstatement of the French Advisory Committee (Referred by Council on November 17, 2011.)

(Powers/Johnson)
That the correspondence, respecting the Reinstatement of the French Advisory Committee, be referred to the Governance Committee for consideration.

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, a delegation request submitted by 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 (to appear on January 18, 2012).

(ii) Item 5.3 – Report FCS11001(g), respecting the Treasurer’s Apportionment of Land Taxes for Property in Flamborough, as staff were not able to notify the resident(s) within the 14 days, required under the Municipal Act, 2001, as amended, staff is requesting that Report FCS11001(g) be tabled to the January 18, 2012 agenda in order to allow residents time to prepare their statement(s), should they choose to do so.

(iii) A presentation has been added to Item 8.6; therefore, Item 8.6 will be moved up on the agenda and renumbered as Item 7.1.

(Johnson/Pearson)
That the agenda for the December 7, 2011 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) November 23, 2011 (Item 3.1)

(Pearson/Powers)
That the Minutes of the November 23, 2011 meeting of the Audit, Finance and Administration Committee be approved, as presented.

CARRIED

(d) DELEGATION REQUESTS (Item 4)

(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 4.1)

(Johnson/Pearson)
That the delegation request, submitted by 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 approved.

CARRIED

(e) Treasurer's Apportionment of Land Taxes for Property in Flamborough (FCS11001(g)) (Ward 15) (Item 5.3)

(Pearson/Johnson)
That Report FCS11001(g), respecting the Treasurer's Apportionment of Land Taxes for Property in Flamborough, be tabled to the January 18, 2012 meeting of the Audit, Finance & Administration Committee.

CARRIED

(f) Evaluation of the City of Hamilton Purchasing Program Update (FCS09109(c)) (City Wide) (Item 7.1)

Tony Tollis, City Treasurer, provided a PowerPoint presentation to Committee, respecting the Evaluation of the City of Hamilton Purchasing Program Update. Mr. Tollis’ comments included, but were not limited to, the following:

- **Policy #2 – Approval Authority**
  - Corporate Contracts
  - mimic the award process for departmental contracts
  - Lowest compliant bid, with approved budget.
  - Benefit is a more expedited award process

- **Revenue Generating Contracts (RGC) Include:**
  - Service Revenue Contracts
  - Profit Sharing Contracts
o Mixed Revenue Contracts
  o Issuance and award by the General Manager and may seek
    Council approval
  o RFT/RFP process to be used
  o Service Revenue Contracts are exempt from the competitive
    procurement process

• Request for Proposals (RFPs):
  o Award is based on ‘best value’
  o Consideration for award is based on criteria other than price only
  o Various methodologies are used in public procurement

• Policy # 7 – Construction Contracts
  o Adjustments required to complete construction work that does not
    expand the scope of work can be approved by the GM Public
    Works.
  o Currently covered by Policy 11. Currently causes delays in
    scheduling and additional costs during approval process.

• Policy # 11 – Non-competitive Procurements. (sole Source, single
  source)
  o Current: 2 part approval process with either Director or General
    Manager and the Procurement Manager approving the request.
  o Proposed: ONLY the General Manager’s approval is required.
  o Will consult with Procurement Staff.
  o Quarterly Council reports on usage will continue.

(Pearson/Johnson)
That the presentation, respecting the Evaluation of the City of Hamilton
Purchasing Program Update, be received.

CARRIED

(g) Desktop and Mobile Computer Contract Award and Management Policies
   (FCS11022(a)) (City Wide) (Item 8.7)

(Pearson/Johnson)
That sub-sections (c) and (d) of Report FCS11022(a), respecting the Desktop
and Mobile Computer Contract Award and Management Policies, which read as
follows, be tabled:

(c) That the Corporate Desktop and Mobile Computer Management
    Policy (CORP-CDMCM-00), and subsidiary computer lifecycle
    policy (CORP-CDMCM-02), attached as Appendix A to Report
    FCS11022(a), be approved, which includes a 4 year replacement
    cycle for standard computer devices; a 3 year replacement cycle for
    high capacity computer devices; and an indefinite lifecycle for
    monitors, docking stations and peripherals;
(d) That the lifecycle for ruggedized mobile computers be established at 4 years for a 12 month trial period, during which time data will be captured to determine an appropriate lifecycle for ruggedized mobile computer devices.

CARRIED

The Main Motion CARRIED on the following Standing Recorded Vote:

Yeas: Johnson, Pearson, Powers
Total: 3
Nays: Clark, Morelli
Total: 2

(h) GENERAL INFORMATION/OTHER BUSINESS (Item 11)

(i) Amendments to the Outstanding Business List (11.1):

(Powers/Pearson)

(a) That the following proposed new due date be approved:

(i) Item “I” - Fair Taxation for Condominiums Corporations
    Current Due Date: December 7, 2011
    Proposed Due Date: March 19, 2012

(b) That the following items be considered complete and removed from the Audit, Finance & Administration Committee’s Outstanding Business List:

(i) Item “A” – Strategy to Deal with Areas that are Chronically Underfunded

(ii) Item “B” – Sky Dragon Community Cooperative – Partnership Opportunities

(iii) Item “D” – Mayor’s $10,000 Donation to the United Way

CARRIED

(i) PRIVATE AND CONFIDENTIAL (Item 12)

(i) Closed Session Minutes – November 23, 2011 (Item 12.1)

(Pearson/Powers)
That the Closed Session Minutes of the November 23, 2011 meeting of the Audit, Finance & Administration Committee be approved, as presented.

CARRIED
(j) ADJOURNMENT (Item 13)

(Pearson/Johnson)
That, there being no further business, the Audit, Finance and Administration Committee be adjourned at 12:05 p.m.

CARRIED

Respectfully submitted,

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

Stephanie Paparella
Legislative Assistant
December 7, 2011