Audit and Administration Committee
REPORT 07-001
9:30 a.m.
Wednesday, January 17, 2007
Council Chambers
Hamilton City Hall
71 Main Street West, Hamilton

Present: Chair C. Collins
Vice-Chair M. Pearson
Councillors B. Bratina, B. Clark, B. Morelli, R. Powers

Absent with Regrets: Councillor T. Whitehead (Illness)

Also Present: J. Rinaldo, General Manager, Finance and Corporate Services
G. Peace, City Manager
C. Graham, General Manager, Human Resources
J. Priel, General Manager, Community Services
A. Pekaruk, Internal Auditor
R. Male, L. Friday, J. Lee, T. Tollis, Corporate Services
J. Brown, B. Fenwick, Community Services
I. Sturgeon, City Clerk’s

THE AUDIT AND ADMINISTRATION COMMITTEE PRESENTS REPORT 07-001 AND RESPECTFULLY RECOMMENDS:

1. Appointment of Committee Chair & Vice Chair (Item A)

   (a) That Councillor Chad Collins be appointed as Chair of the Audit and Administration Committee for 2007.

   (b) That Councillor Maria Pearson be appointed as Vice-Chair of the Audit and Administration Committee for 2007.
2. FOI Quarterly Report (July 1/06 to Sept. 30/06) CL06006(b) (City Wide) (Item 5.1)

That Report CL06006(b) respecting FOI Quarterly Report (July 1/06 to Sept. 30/06) be received.

3. Monthly Status Report of Tenders and Requests for Proposals for September 13, 2006 - November 30, 2006 – (FCS06016(h)) – (City Wide) (Item 5.2)

That Report FCS06016(h) respecting Monthly Status Report of Tenders and Requests for Proposals for September 13, 2006 – November 30, 2006, be received.

4. Quarterly Status Report on the use of Policy #10- Emergency Purchasing and Policy #11- Negotiations for the 3rd Quarter 2006 (FCS06041(b)) (City Wide) (Item 5.3)

That Report FCS06041(b) respecting Quarterly Status on the use of Policy #10 – Emergency Purchasing and Policy #11 – Negotiations for the 3rd Quarter 2006, be received.

5. Apportionment of Taxes for Various Properties in Stoney Creek (Ward 10), Hamilton (Ward 6), Ancaster (Ward 12), Dundas (Ward 13), Flamborough (Ward 13) and Glanbrook (Wards 11 & 15) (FCS07001) (City Wide) (Item 5.4)

(a) That the land taxes levied against Roll #2518 003 250 30700 (78 Peachwood Cr., Stoney Creek) for the 2005 tax year, be apportioned in the amount of $1,565.02 and split amongst the fifteen newly created parcels as set out in Appendix A to Report 07-001; and

(b) That the land taxes levied against Roll #2518 060 761 00700 (996 Rymal Rd. E., Hamilton) for the 2005 tax year, be apportioned in the amount of $2,310.21 and split amongst the twenty-five newly created parcels as set out in Appendix A to Report 07-001; and

(c) That the 2005 land taxes levied against the following properties be apportioned in the amount of $19,038.82 and split amongst the five newly created parcels as set out in Appendix A to report FCS07001; and

Roll #2518 140 280 30400 – 431 Kitty Murray Lane
Roll #2518 140 280 30200 – 441 Kitty Murray Lane
Roll #2518 140 280 30000 – 451 Kitty Murray Lane
Roll #2518 140 280 29800 – 461 Kitty Murray Lane
(d) That the 2005 land taxes levied against the following properties be apportioned in the amount of $4,744.89 and split amongst the eleven newly created parcels as set out in Appendix A to Report 07-001; and

Roll #2518 140 410 42365 – 1418 Osprey Drive
Roll #2518 140 410 42375 – 1406 Osprey Drive

(e) That the land taxes levied against Roll #2518 260 290 02885 (0 Newcombe Rd., Dundas) for the 2005 tax year, be apportioned in the amount of $3,217.49 and split amongst the nine newly created parcels as set out in Appendix A to Report 07-001; and

(f) That the land taxes levied against Roll #2518 303 330 23438 (49 Goldenview Court, Flamborough) for the 2005 tax year, be apportioned in the amount of $1,842.50 and split amongst the two newly created parcels as set out in Appendix A to Report 07-001; and

(g) That the land taxes levied against Roll #2518 901 410 87576 (180 Great Oak Trail, Glanbrook) for the 2006 tax year, be apportioned in the amount of $3,108.00 and split amongst the five newly created parcels as set out in Appendix A to report FCS07001; and

(h) That the land taxes levied against Roll #2518 901 410 87586 (190 Great Oak Trail, Glanbrook) for the 2006 tax year, be apportioned in the amount of $3,107.98 and split amongst the five newly created parcels as set out in Appendix A to Report 07-001; and

6. **Quarterly Investment Update to September 30, 2006 (FCS06043(b))(City Wide) (Item 5.5)**

That Report FCS06043 respecting Quarterly Investment Update to September 30, 2006 be received.

7. **Hamilton Future Fund September 30, 2006 Quarterly Investment Update (FCS06044(b)) (City Wide) (Item 5.6)**

That Report FCS06044(b) respecting the Hamilton Future Fund September 30, 2006 Quarterly Investment be received.

8. **Draft Customer Service Standards for Accessibility for Ontarians with Disabilities Act (AODA) (FCS07013) (City Wide) (Item 5.7)**

That Report FCS08013 respecting Draft Customer Service Standards for Accessibility for Ontarians with Disabilities Act be received.
9. **2007 Interim Levy & Temporary Borrowing By-laws (FCS07004) (City Wide) (Item 5.8)**

That Report CM07004 respecting the follow up of Audit Report 2004-06, Food Services and Concessions – Cash Handling and Expenditures, be received.

10. **2007 Advance Payments to External Boards and Agencies (FCS07002) (City Wide) (Item 5.9)**

a) That commencing January 1, 2007, an advancement of funds be provided to the external boards and agencies, in the specified amount and on the specific dates as shown in Table One to Report FCS07002, “2007 Advance Payments to External Boards and Agencies”; and

b) That any outstanding arrears due to the City of Hamilton, by any Boards or Agencies, be paid with approved grant funding, including advances, until the debt is satisfied, at which point the organization will receive payment.

11. **Municipal Tax Competitiveness Study – 2005 (FCS06069) (City Wide) (Item 5.10)**

That Report FCS06069 “Municipal Tax Competitiveness Study – 2005” be received.

12. **Request for Proposal for Affordable Rental Housing Opportunities**

That Finance Staff be directed to proceed with a second Request for Proposal for Affordable Rental Housing Opportunities.

13. **Extend Local Calling (FCS07012) (City Wide) (Item 7.1)**

(a) That the City of Hamilton request Bell Canada to proceed with the required filing to the Canadian Radio-television and Telecommunications Commission (CRTC) in order to extend local calling to the following exchanges: Ancaster, Binbrook, Dundas, Freelton, Galt, Hamilton, Lynden, Mount Hope, Stoney Creek, Waterdown, Winona.

(b) That staff be requested to keep Committee updated with the progress of the filing and the implementation of the extension of local calling.

(c) That staff be directed to approach the commercial provider of telephone directories in order to advise them of the importance of maintaining community identity and to request that they continue to retain the use of individual community identifiers.
14. **Format of Tax Bills to Provincial Standards (FCS07007) (City Wide) (Item 8.1)**

That the Police Levy and Social Services Levy continue to be shown as separate tax levies on the tax bills.

15. **Hamilton Municipal Retirement Fund (HMRF) 2007 Pension Indexation - (FCS07009) (City Wide) (Item 8.2)**

(a) That HMRF members be granted a 0.7% increase effective January 1, 2007 to match the inflationary increase granted to OMERS pensioners.

(b) That the cost of $621,600 to provide the pension increase of 0.7% to HMRF members be funded from the plan surplus.

16. **Hamilton-Wentworth Retirement Fund (HWRF) 2007 Pension Indexation - (FCS07010) (City Wide) (Item 8.3)**

(a) That HWRF members be granted a 0.7% increase effective January 1, 2007 to match the inflationary increases granted to OMERS pensioners.

(b) That the cost of $612,200 to provide the 2007 indexation for members be amortized over 5 years at an annual rate of $139,200 as per Appendix ‘A’ to Report FCS07010.

17. **Accounts Receivable Write-Offs December 2006 (FCS07008) (City Wide) (Item 8.4)**

(a) That the General Manager, Finance & Corporate Services, be authorized to write-off uncollectible accounts receivable in the amount of $46,954.32 as set out in Appendix “B” to Report 07-001; and

(b) That the schedule of accounts receivable write-offs (under $1,000) as set out in Appendix “C” to Report 07-001 be received for information.

18. **City of Hamilton Taxation Policies (FCS07011) (City Wide) (Item 8.5)**

That the City of Hamilton Taxation Policies referred to in Appendix “D” to Report 07-001, be approved.
19. **Audit Report - 2006-02 - Accounts Receivable (CM07001) (City Wide) (Item 8.6)**

(a) That Report CM07001 respecting Audit Report 2006-02, Accounts Receivable, be received; and

(b) That the management action plans as detailed in Appendix “A” to Report CM07001, be approved and the General Manager of Finance and Corporate Services direct the appropriate staff to have the plans implemented.

20. **Audit Report - 2006-03 – Transfer Stations – Cash Handling (CM07002) (City Wide) (Item 8.7)**

a) That Report CM07002 respecting Audit Report 2006-03, Transfer Stations - Cash Handling, be received; and

b) That the management actions plans as detailed in Appendix “A” to Report CM07002 be approved and the General Manager of Public Works direct the appropriate staff to have the plans implemented.

21. **Follow Up of Audit Report 2004-03 - Ontario Works Payments and SDMT (CM07003) (City Wide) (Item 8.8)**

That Report CM07003 respecting the follow up of Audit Report 2004-03, Ontario Works Payments and SDMT, be received.

22. **Follow Up of Audit Report 2004-06 – Food Services and Concessions – Cash Handling & Expenditures (CM07004) (City Wide) (Item 8.9)**

That Report CM07004 respecting the follow up of Audit Report 2004-06, Food Services and Concessions – Cash Handling and Expenditures, be received.

23. **Follow Up of Audit Report 2005-02 – Recreation Centre – Ancaster Rotary Centre – Cash Handling (CM07005) (City Wide) (Item 8.10)**

That Report CM07005 respecting the follow up of Audit Report 2005-02, Recreation Centre – Ancaster Rotary Centre – Cash Handling, be received.
FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

The Clerk advised of the following changes:

(i) Request to Waive the Rules of Procedure in order to allow Delegation Requests 4.1 and 4.2 to make their presentation to Committee this morning.

(ii) Additional correspondence received from eight individuals/groups respecting Item 7.1 – Extended Local Calling. This correspondence has been added as 7.1.1 to 7.1.8 of the agenda

(iii) Added Information Report 13.1 respecting a request from McMaster University and their request for representation on the Development Charges Stakeholders Committee

The agenda was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

None.

(c) CONSENT ITEMS (Item 5)

(i) Monthly Status Report of Tenders and Requests for Proposals for September 13, 2006 - November 30, 2006 – (FCS06016(h)) – (City Wide) (Item 5.2)

Chair Collins requested staff to provide additional information regarding the funding arrangements for the following projects; C10-27-05, C6-12-06, C11-114-06 and C9-08-06.

Rick Male, Director of Financial Services agreed to e-mail this information out to all the members of Committee.

(ii) 2007 Advance Payments to External Boards and Agencies (FCS07002) (City Wide) (Item 5.9)

Councillor Clark requested clarification from staff regarding the practice of providing advance payments to external Boards and Agencies.
Committee approved the staff recommendation on the following recorded vote:

**Yeas:** Collins, Bratina, Morelli, Pearson, Powers  
**Total:** 5  
**Nays:** Clark  
**Total:** 1  
**Absent:** Whitehead

**PUBLIC HEARINGS/DELEGATIONS (Item 6)**

(i) **Claire Lombardo, Hamilton School of Careers**  
**Re: Recognition of RFP Submission (Item 6.1)**

Ms. Lombardo appeared before Committee to clarify the circumstances surrounding the submission of her RFP on Friday, October 6, 2006. She explained to members of Committee that she had arrived at the City Purchasing office at 3:59 p.m. and was told that her submission was not in the proper packaging/envelopes. A discussion with various staff members then ensued and put her over the 4:00 p.m. deadline.

Ms. Lombardo felt that she had arrived before the closing of the RFP and asked members of Committee to accept her RFP.

(ii) **Ruth Lewis, Re: Recognition of RFP Submission (item 6.2)**

Mr. Bill Curran appeared before Committee on behalf of Ms. Lewis who was not able to attend the meeting this morning.

Mr. Curran explained that Ms. Lewis had been standing in line behind Ms Lombardo and that her timely arrival had not been acknowledged by staff. He noted that once staff had finished their discussion with Ms. Lombardo, they advised Ms. Lewis that she was past the 4:00 p.m. deadline and they refused to accept per RFP as well.

Mr. Curran then provided a brief overview of the RFP and explained that it was provincial funding that was being used for this initiative and that it would be more advantageous to the City to submit the maximum number of Affordable Housing Units. Mr. Curran also asked staff to review their RFP practices with respect to the amount of time they allow to prepare submissions and suggested that the size of envelope that is included with the RFP package is inadequate. Mr. Curran concluded his presentation by asking members of Committee to accept Ms. Lewis' RFP.
Rick Male provided detailed information to the Committee regarding the RFP submissions by both Ms. Lombardo and Ms. Lewis. He also reviewed the department’s practice of not accepting late bids and explained the importance of why all RFP submissions should be properly sealed so that the municipality can not be accused of altering any documents.

Members of Committee requested further clarification regarding who was responsible for reviewing the RFP’s, the timing of submitting the RFP’s to the Province and whether or not a second process to accept further applications would be permissible.

On a motion moved by Councillor Morelli and seconded by Councillor Pearson, the Committee provided direction to Finance Staff to proceed with a second RFP for Affordable Rental Housing Opportunities.

On a motion moved by Councillor Morelli and seconded by Councillor Powers, the Committee received both presentations.

(e) PRESENTATIONS

Jane Lee, Director of Customer Service, Access & Equity introduced Janet Whitehouse and Gord Jackson from Bell Canada. She then made a PowerPoint presentation to members of Committee regarding a proposal to expand local calling areas within the City of Hamilton. A copy of Ms. Lee’s presentation was circulated to members of Committee.

Committee discussed the program and had additional information supplied by staff.

Ms. Lee confirmed for members of Committee that once the 3 year surcharge was completed, residents would not be charged any further costs.

Councillor Clark noted the importance of communities maintaining their identity and asked if staff could ensure that telephone directories would stay the same.

Ms. Lee explained that telephone books were provided by a commercial provider, not Bell Canada. She advised that she would need separate direction by Committee to pursue this request.

On a motion by Councillor Clark and seconded by Councillor Morelli, Committee moved the following amendment as sub-section (c) of the staff report;

(c) That staff be directed to approach the commercial provider of telephone directories in order to advise them of the importance of maintaining community identity and to request that they continue to retain the use of individual community identifiers.
Committee approved the amendment.

Committee approved the motion as amended on a recorded vote as follows:

**Yeas:** Collins, Clark, Morelli, Pearson, Powers  
**Total:** 5  
**Nays:** Bratina  
**Total:** 1  
**Absent:** Whitehead

(f) **Format of Tax Bills to Provincial Standards (FCS07007) (City Wide) (Item 8.1)**

Committee discussed the current format of the tax bills and agreed that it was useful and helpful to residents to provide them as much information as possible.

Committee defeated the following staff recommendation:

“That the Police Levy and Social Services Levy currently shown as separate tax levies on the tax bills be incorporated into the general municipal levy as one tax rate instead of three separate tax rates.”

On a motion moved by Councillor Pearson and Seconded by Councillor Clark, the Committee directed staff to continue producing tax bills with the current format and to report back to Committee with any additional opportunities to expand information on the tax bills.

(g) **Accounts Receivable Write-Offs December 2006 (FCS07008) (City Wide) (Item 8.4)**

Chair Collins asked staff to confirm if there was any type of list in place where staff could identify those companies who had funds written off and try to recoup some of the funds should they have an opportunity.

Joe Rinaldo advised Committee that he would review the process and provide periodic updates to Committee.

(h) **Audit Report - 2006-02 - Accounts Receivable (CM07001) (City Wide) (Item 8.6)**

Members of Committee questioned what the staff limits were to waive financial charges.
Joe Rinaldo explained that staff was currently developing the day to day procedures of this function. He advised Committee that the financial limits will be clearly specified in the policy and that he will bring this information back to share with Committee.

(i) **Follow Up of Audit Report 2004-03 - Ontario Works Payments and SDMT (CM07003) (City Wide) (Item 8.8)**

(i) **Recommendation #3**

Councillor Clark asked staff to report back to Committee with a list of all the municipalities who make Ontario Works payments from the date of application vs. date of approval.

(ii) **Recommendation #9**

Councillor Clark asked staff to report back with additional information regarding the number of ineligible Ontario Works clients there were and the amount of money that has been paid out.

(iii) **Recommendation #14**

Councillor Clark asked staff to report back with a breakdown of how many overpaid accounts there were and how many overpaid accounts have been collected and at what percentage rate.

(iv) **Recommendation #21**

Councillor Clark made reference to the Provincial Employment Start-up Benefit program and asked staff to review current legislation and advise if the City had the authority to recover costs from the Community Start-up Benefit program.

(j) **GENERAL INFORMATION/OTHER BUSINESS (Item 13)**

(i) **Information Report CL07001 – McMaster University Request for Representation on the Development Stakeholders Sub-Committee**

Joe Rinaldo, General Manager of Finance and Corporate Service, provided background information regarding the request from McMaster University asking for representation on our Development Stakeholders Sub-Committee.
On a motion moved by Councillor Powers and seconded by Councillor Morelli, the Committee received the correspondence from Randall S. Bocock, Solicitor, Evans, Philip, which had been sent on behalf of McMaster University.

(k) ADJOURNMENT

On a motion, the Audit and Administration Committee adjourned at 11:45 a.m.

Respectfully submitted

Councillor C. Collins
Chair
Audit and Administration Committee

Irene Sturgeon
Legislative Assistant
January 17, 2007