Audit and Administration Committee
MINUTES
9:30 a.m.
Wednesday, June 17, 2009
Committee Room 207
Hamilton Convention Centre
One Summer’s Lane

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

Absent with Regrets:
Councillor T. Whitehead (City Business)

Also Present:
C. Murray, City Manager
R. Rossini, General Manager; T. Tollis, Treasurer; Gerry Boychuk, Chief Investment Officer; Mike Zegarac, Acting Director of Budgets and Finance; J. Spiler, Manager of Capital Budgets; W. Thompson, Senior Financial Analyst – Finance and Corporate Services
P. Barkwell, City Solicitor; Don Fisher, Assistant City Solicitor; Steve Dickson, Solicitor – Legal Services
L. Fontana, Director of Employee and Labour Relations – Human Resources
N. Schleehahn, Manager of Business Development – Economic Development and Planning
M. Meyer, Legislative Assistant – City Clerk’s Office

THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR CONSIDERATION:

1. 2008 Annual Report on Commodity Price Hedging (FCS09063) (City Wide) (Item 5.1)

(Pearson/Collins)

CARRIED
2. **Tax Appeals under Section 357 and 358 of the Municipal Act, 2001 (FCS09006(c)) (City Wide) (Item 5.2)**

(Pearson/Collins)
(a) That the tax write-offs processed under Section 357 of the Municipal Act, 2001, in the amount of $51,719 be approved as set out in Appendix A to report FCS09006(c); and

(b) That the tax appeals due to a gross or manifest clerical error, pursuant to Section 358 of the Municipal Act, 2001, in the amount of $5,046 be approved as set out in Appendix B to report FCS09006(c).

CARRIED

3. **Hamilton Street Railway (HSR) Account Write Off Policy and Procedure (FCS09054/PW09047) (Item 8.1)**

(Pearson/Collins)
That Council approve the Hamilton Street Railway (HSR) Account Write Off Policy and Procedure, attached as Appendix ‘A’ to report FCS09054/PW09047.

CARRIED

4. **Hamilton Street Railway (HSR) Vendor Account Write Offs (FCS09055/PW09048) (City Wide) (Item 8.2)**

(Pearson/Powers)
That the General Manager, Public Works, be authorized to write off uncollectible accounts relating to vendors of the Hamilton Street Railway (HSR) bus passes and tickets in the amount of $84,086.33, to be funded from Account #23106-006100, Tickets in Public Hands.

CARRIED

5. **Bell Mobility Corporate Cellular Agreement Extension (FCS09059) (City Wide) (Item 8.4)**

(Powers/Pearson)
(a) That the existing agreement with Bell Mobility for Cellular services be extended until May 31, 2010 while an RFP is being prepared with a June 1, 2010 contract commencement date.

(b) That City of Hamilton cellular requirements be met only by the existing vendors that are providing cellular services to the City until a new contract is awarded.

CARRIED
6. Treasurer's Report 2008 Fiscal Year by Hewitt Associates (FCS09062)  
(City Wide) (Item 8.5)

(Collins/Powers)
(a) That report FCS09062 “Treasurer’s Report 2008 Fiscal Year by Hewitt  
Associates” be received; and

(b) That report FCS09062 “Treasurer’s Report 2008 Fiscal Year by Hewitt  
Associates” be forwarded to the Hamilton Future Fund Committee.  
CARRIED

7. Cash Handling Review Final Update (FCS07093(b)) (City Wide) (Item 8.6)

(Powers/Pearson)
That report FCS07093b respecting the Cash Handling Review Final Update,  
be received.  
CARRIED as Amended

8. Negotiation of Agreement with Manulife Financial, Insurance Provider for  
City of Hamilton (HUR09011) (City Wide) (Item 8.7)

(Collins/Pearson)
(a) That the City of Hamilton negotiate a 5 year agreement with Manulife  
Financial for the provision of Extended Healthcare and Dental  
Insurance, Group Life Insurance and Long-Term Disability Benefits,  
effective September 1, 2009, with the provision for cancellation on  
thirty-one days notice.

(b) That the Executive Director of Human Resources and General Manager  
of Finance and Corporate Services, or their designates, be authorized  
to negotiate an agreement with Manulife Financial, in a form satisfactory  
to the City Solicitor, for the provision of benefits coverage to City staff.  
CARRIED

9. 2009 City of Hamilton Development Charge By-laws Update –  
Development Charge Impact on Industrial and Commercial Development  
(FCS09060)(a)) (City Wide) (Added Item 8.8(a))

(Collins/Powers)
That the following information relating to the impact of non-residential  
Development Charge rates regarding industrial and commercial development  
activity be received:
(a) Comparative Tables providing total development cost information, as well as, DC rates.

(b) Factors impacting industrial and commercial development investment.

(c) Two external reports (to be distributed to all Councillors and DC Stakeholders under separate cover):
   i. C.N. Watson’s “Development Charge Impact Policy Paper” (authored 2007); and

CARRIED

10. **Recommendations (b) and (c) of 2009 City of Hamilton Water and Wastewater Development Charges Bylaw (2-year Term) and Development Charges By-law for all other Growth Services (5-year Term) (FCS09060) (City Wide) (Referred by Council at its meeting on June 10, 2009) (Added Item 8.8(b))**

(Pearson/Powers)
That recommendations (b) and (c) of Report FCS09060 respecting the 2009 City of Hamilton Water and Wastewater Development Charges Bylaw (2-year Term) and Development Charges By-law for all other Growth Services (5-year Term) be approved as follows:

“(b) That the industrial development charge rate be set at $6.65 per sq ft (the wastewater service component) effective July 6, 2009.

(c) That the non-residential development charge rate for new commercial, institutional and office developments be set as per the following, effective July 6, 2009:
1. For developments up to 5,000 sq. ft. at 50% of the rate in effect ($9.69 sq.ft.).
2. For developments, 5,001 to 10,000 sq. ft. at 75% of the rate in effect ($14.53 sq.ft.).
3. For developments 10,001 sq. ft. and greater at 100% of the rate in effect ($19.37 sq.ft.).”

CARRIED

11. **Asset Backed Commercial Paper - Civil Litigation (City Wide) (FCS09066/LS09006) (Item 12.1)**

(Powers/Pearson)
(a) That law firm of Juroviesky & Ricci LLP and its expert Ms. Diane Urquhart be retained on behalf of the City of Hamilton to commence
and carry out the contemplated litigation described in Report FCS09066/LS09006;

(b) That litigation costs of the proceedings described in Report FCS09066/LS09006 be funded from the Investments Section of the Budgets and Finance Division (332010); and

(c) That Report FCS09066/LS09006 remain confidential. CARRIED

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

The Clerk advised of the following changes to the agenda:

Added delegation request from Fred Losani, Losani Homes, respecting Item 8.8.

Added delegation request from Steve Stipsits, Branthaven Homes, respecting Item 8.8.

Added as Item 8.8(a) is Report FCS09060(a) respecting the 2009 City of Hamilton Development Charge By-Laws Update – Development Charge Impact on Industrial and Commercial Development.

Added as Item 8.8(b) are recommendations (b) and (c) of Report FCS09060 respecting the 2009 City of Hamilton Water and Wastewater Development Charges Bylaw and Development Charges By-law for all other Growth Services, which was referred by Council at its meeting on June 10, 2009.

Added as Item 12.1 is a Private and Confidential report containing subject matter pertaining to solicitor-client privilege.

Added as Item 12.2 is a Private and Confidential update respecting a personnel issue.

On a motion (Pearson/Collins), the Rules of Order were waived to allow the delegations.

On a motion (Pearson/Powers), the agenda was approved as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.
(c) MINUTES (Item 3)

(i) Minutes of the meeting held on June 4, 2009 (Item 3.1)

(Pearson/Collins)
That the minutes of the Audit and Administration Committee meeting held on June 4, 2009 be approved as presented.

CARRIED

(d) PUBLIC HEARINGS/DELEGATIONS (Item 6)

(i) Ryan Oosterhoff on behalf of Fred Losani, Losani Homes

Ryan Oosterhoff, Losani Homes, made a brief presentation to the Committee. Highlights included, but were not limited to the following:
- Would like the Special Area Charge to be blended.
- The airport, industrial lands, Waterdown bypass road, etc. are specific to those areas.
- The actual number of units remaining in Stage 1 in Binbrook is 963, not 425 as noted in the report. This brings the Special Area Charge down to $2,883.
- In support of the original staff recommendation to blend the Special Area Charges.

(Pearson/Powers)
That the delegation be received.

CARRIED

(ii) Steve Stipsits, Branthaven Homes

Steve Stipsits, Branthaven Homes, made a brief presentation to the Committee. Highlights included, but were not limited to the following:
- Had developers known on June 4th that the Special Area Charge is just over $2800, not over $7000, there would have been less opposition to the staff recommendation to blend the charges.
- Binbrook ends up paying twice.
- The Committee did not have the bulk of the views representing the industry.

(Pearson/Powers)
That the delegation be received.

CARRIED
(e) Wastewater Abatement Program Amendments (FCS09058) (City Wide) (Item 8.3)

(Powers/Bratina)
That Report FCS09058 respecting Wastewater Abatement Program Amendments be tabled for one month.

CARRIED

Committee requested that staff provide additional information respecting the financial impacts of the amendments to the program.

(f) Cash Handling Review Final Update (FCS07093(b)) (City Wide) (Item 8.6)

Councillor Powers requested that staff provide a report back to the Audit and Administration Committee providing additional information respecting the action items that were not satisfactorily completed and how they are being dealt with.

(Powers/Pearson)
That recommendation (b) of Report FCS07093(b) respecting Cash Handling Review Final Update, which reads as follows, be deleted in its entirety:

“(b) That outstanding Item C be removed from the outstanding business list.”

Amendment CARRIED
Motion as Amended CARRIED

(g) 2009 City of Hamilton Development Charge By-laws Update – Development Charge Impact on Industrial and Commercial Development (FCS09060)(a)) (City Wide) (Added Item 8.8(a))

Rob Rossini, General Manager of Finance and Corporate Services, provided an overview of the report. Committee approved the recommendations in the report, as outlined in Item 9 above.

(h) Update Respecting Special Area Charges (Added Item)

Rob Rossini, General Manager of Finance and Corporate Services, provided a verbal update respecting Special Area Charges. He advised that, since the June 10, 2009 Council meeting, a number of meetings have taken place respecting Special Area Charges. Staff are prepared to amend the Special Area Charge to spread out the additional cost, which would cause the charge to fall to just under $3000. Mr. Rossini further advised that Binbrook developers are in agreement with the compromise. The new by-law, which will go to the June 24, 2009 Council meeting, will reflect the new numbers. The
recommendation to maintain the Special Area Charge agreements, which was approved by Council on June 10, 2009, is not affected.

In response to a question from Councillor Powers, Mr. Rossini advised that this issue was brought forward by Binbrook developers and has not been brought forward by Waterdown/Dundas developers; therefore, only the Binbrook Special Area Charges have been investigated.

Committee agreed with staff’s approach to the Binbrook Special Area Charges.

On a motion (Powers/Bratina), the update was received.

(i) Recommendations (b) and (c) of 2009 City of Hamilton Water and Wastewater Development Charges Bylaw (2-year Term) and Development Charges By-law for all other Growth Services (5-year Term) (FCS09060) (City Wide) (Referred by Council at its meeting on June 10, 2009) (Added Item 8.8)

Committee discussed recommendations (b) and (c) of Report FCS09060, which was referred back to Committee by Council on June 10, 2009.

In response to questions from the Committee, Rob Rossini, General Manager of Finance and Corporate Services advised that transportation, access to skilled labour, and availability of land are more important than development charges are to industrial and commercial developers. Norm Schleehahn, Manager of Business Development, advised that property tax, land cost, and development charges are important to developers.

Further discussion ensued, including but not limited to the following:

- Hamilton is not seeing the same industrial growth and commercial activity as other municipalities with higher development charges
- A supply of land will be available soon and it would behoove Council to increase the development charges before the land becomes available, so that it is not developed at the lower charges.
- Several departments, including Economic Development and Planning, were involved in the process of writing Report FCS09060. Therefore, if Council reverts back to the industrial and commercial charges proposed in the initial report, staff should be in agreement.

Committee approved recommendations (b) and (c) as outlined in Item 10 above.
(j) GENERAL INFORMATION/OTHER BUSINESS (Item 11)

(i) Outstanding Business List (Item 11.1)

(a) Item B: Improvements within the City of Hamilton Procurement Process (Due Date: June 2009)
   Proposed New Due Date: December 2009
   On a motion (Pearson/Collins), the due date was amended.

(b) Item D: Chargeback Study (Due: June 17/09)
   Proposed New Due Date: July 7/09
   On a motion (Pearson/Powers), the due date was amended.

(c) Item G: Innovative Work Environment
   Proposed New Due Date: Oct. 21/09
   On a motion (Pearson/Powers), the due date was amended.

(d) Item H: Whistle-blowing Protection (Due: June 17/09)
   Proposed New Due Date: July 7/09
   On a motion (Pearson/Powers), the due date was amended.

(e) Item L: Correspondence from the Town of Ajax respecting authority to prohibit corporate and trade union contributions to municipal election campaigns
   To be removed
   On a motion (Pearson/Powers), Item L was considered complete and removed from the Audit and Administration Committee’s Outstanding Business List.

(k) PRIVATE AND CONFIDENTIAL (Item 12)

(Pearson/Powers)
That the Committee move into Closed Session at 10:33 a.m. pursuant to Section 8.1, subsections (b) and (f) of the City’s Procedural By-Law and Section 239 of the Ontario Municipal Act, as the subject matter pertains to personal matters respecting an identifiable individual and advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

CARRIED
(Pearson/Powers)
That Committee reconvene in Open Session at 11:01 a.m.

CARRIED

(i) Asset Backed Commercial Paper - Civil Litigation (City Wide)
(FCS09066/LS09006) (Item 12.1)

Committee passed a motion as outlined in Item 11 above.

(ii) Verbal Update Respecting a Personnel Issue (Added Item 12.2)

Committee received an update in closed session with nothing to report in open session.

(l) ADJOURNMENT (Item 13)

(Bratina/Powers)
The Audit and Administration Committee adjourned at 11:03 a.m.

Respectfully submitted,

Councillor Brad Clark, Chair
Audit and Administration Committee

Mary-Ann Meyer
Legislative Assistant
June 17, 2009