Audit and Administration Committee
MINUTES
9:30 a.m.
Wednesday, October 21, 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,
T. Whitehead

Also Present:
C. Murray, City Manager
R. Rossini, General Manager; T. Tollis, Treasurer; R.
Male, Director of Financial Services; M. Zegarac,
Director of Financial Planning and Policy - Finance
and Corporate Services
J. Kay – General Manager/Chief – Emergency Services
A. Pekaruk, Director – Audit Services
L. Pasternak, Solicitor – Legal Services
K. Christenson, City Clerk; M. Meyer, Legislative Assistant
– City Clerk’s Office

THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR CONSIDERATION:

1. Tax Appeals under Section 357 and 358 of the Municipal Act, 2001
(FCS09006(f)) (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 $21,376 be approved as set out in Appendix
A to report FCS09006(f); 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 $6,273 be
approved as set out in Appendix B to report FCS09006(f).

CARRIED
2. **Monthly Status Report of Tenders and Requests for Proposals for August 11, 2009 to September 14, 2009 (FCS09027(e)) (City Wide) (Item 5.3)**

   *(Pearson/Collins)*

   That Information Report FCS09027(e) respecting Monthly Status Report of Tenders and Requests for Proposals for August 11, 2009 to September 14, 2009 be received.

   **CARRIED**

3. **Follow Up of Audit Report 2007-05 – Procurement – Fleet Management (CM09015) (City Wide) (Item 5.4)**

   *(Pearson/Collins)*

   That Report CM09015 respecting the follow up of Audit Report 2007-05, Procurement – Fleet Management, be received.

   **CARRIED**

4. **Follow Up of Audit Report 2007-04 – Expanded Works (CM09016) (City Wide) (Item 5.5)**

   *(Pearson/Collins)*

   That Report CM09016 respecting the follow up of Audit Report 2007-04, Expanded Works, be received.

   **CARRIED**

5. **Follow Up of Audit Report 2007-15 – Ontario Works (OW) – Non-Active Clients and Overpayments (CM09017) (City Wide) (Item 5.6)**

   *(Pearson/Collins)*

   That Report CM09017 respecting the follow up of Audit Report 2007-15, Ontario Works (OW) – Non-Active Clients and Overpayments, be received.

   **CARRIED**

6. **Audit Report 2009-05 - Parking - Tow Procedures (CM09018) (City Wide) (Item 8.1)**

   *(Powers/Morelli)*

   (a) That Report CM09018 respecting Audit Report 2009-05, Parking – Tow Procedures, be received; and

   (b) That the management action plans as detailed in Appendix “A” of Report CM09018 be approved and the General Manager of Planning
and Economic Development direct the appropriate staff to have the plans implemented.

CARRIED

7. Audit Report 2009-06 - Hamilton Emergency Services - Fire Prevention Division (CM09019) (City Wide) (Item 8.2)

(Powers/Pearson)
(a) That Report CM09019 respecting Audit Report 2009-06, Hamilton Emergency Services – Fire Prevention Division, be received; and

(b) That the management action plans as detailed in Appendix “A” of Report CM09019 be approved and the General Manager of Emergency Services direct the appropriate staff to have the plans implemented.

CARRIED

8. Audit Report 2009-07 - Rostered and Multi Vendor Contracts (CM09020) (City Wide) (Item 8.3)

(Pearson/Powers)
(a) That Report CM09020 respecting Audit Report 2009-07, Rostered and Multi Vendor Contracts, be received; and

(b) That the management action plans as detailed in Appendix “A” of Report CM09020 be approved and the General Managers of Public Works and Finance and Corporate Services, as appropriate, direct staff to have the plans implemented.

CARRIED

9. Housekeeping Amendment to the User Fees and Charges By-law 09-118 (PED09270) (City Wide) (Item 8.4)

(Powers/Pearson)
(a) That Schedule “A” to the User Fees and Charges By-law 09-118 be amended to indicate that an inspection fee may be charged for any municipal by-law enforced by City of Hamilton staff, except the Vital Services By-Law No. 05-322.

(b) That the proposed amending by-law, attached as Appendix “A” to Report PED09270, which has been prepared in a form satisfactory to the City Solicitor, be enacted.

CARRIED
10. Residential Protective Plumbing Subsidy Program (FCS09100/PW09082(a)) (Item 8.5)

(Pearson/Collins)
(a) That Council approve a loan component for the Residential Protective Plumbing Subsidy Program to be offered and funded through a long-term receivable account to be established, with repayments occurring, as an annual charge, for each property added to the final property tax billing;

(b) That the interest bearing loans eligible under the Residential Protective Plumbing Subsidy Program be based on the City’s ten (10) year cost to borrow and treated in a like manner as property taxes over a ten (10) year period with a maximum loan of $2,000;

(c) That grant payments, permit fees and other administrative costs associated with the Residential Protective Plumbing Subsidy Program be funded from Wastewater Reserve Account 108005;

(d) That if homeowners that have flooded in the past do not take advantage of the Residential Protective Plumbing Subsidy Program, for either the grant and/or the loan components, in order to undertake some corrective protective plumbing measures, that they may not be eligible for future reimbursement under the Compassionate Grant Program should Council extend this program to future flooding disasters;

(e) That the amount of the loan, together with any interest, be deemed to be a “charge” within the meaning of Part XII of the Municipal Act; and

(f) That Council considers that the normal public notice of this meeting of its Audit and Administration Committee is adequate notice for the purpose of this programme within the meaning of By-law 07-351.

CARRIED

11. Governance Review Sub-Committee Report 09-003 (Item 8.7)

(Powers/Pearson)
(a) Community Councils (Ward Advisory Councils) (CL09005) (City Wide) (Item 1)

(i) That Ward Advisory Councils be voluntarily established, at the discretion of the Ward Councillor(s).

(ii) That the Terms of Reference, as amended, attached hereto as Appendix “A, be approved for use as a guideline by Ward Councillors who establish Ward Advisory Councils;
(iii) That this item be removed from the Outstanding Business List.

(b) 2010 Committee/Council Calendar (Item 2)

That the 2010 Committee/Council Calendar, attached hereto as Appendix “B”, be approved.

(c) City of Hamilton Status of Women Committee – Secondary Logo (Item 3)

That the logo for the City of Hamilton Status of Women Committee, attached hereto as Appendix “C”, be approved for use, subject to the guidelines as set out for the use of secondary logos for promotional/educational purposes.

CARRIED

12. Grants Sub-Committee Report 09-003 (Item 8.8)

(Powers/Pearson)

(a) Event Road Closure Services - Incomplete Applications (GRA09010) (City Wide) (Item 1)

That Report GRA09010 - Event Road Closure Services - Incomplete Applications be received.

(b) Community Partnership Program – Updated Grant Guidelines & Procedure Manual (GRA09013) (City Wide) (Item 2)

That Report GRA09013 - Community Partnership Program – Updated Grant Guidelines & Procedure Manual, attached as Appendix A to Report 09-003, be received.

(c) Approved Convention & Sport Tourism Grants January 2009 – June 2009 (GRA09004) (City Wide) (Item 3)


(d) 2009 Community Partnership Program Appeals – Culture (GRA09009) (City Wide) (Item 4)

(i) That the appeal, made by The Factory: Hamilton Centre for Media Arts, requesting that their 2009 approved grant of $2,575 be increased by $2,575 for a total grant of $5,150, to be funded from the Community Partnership Program contingency budget, be approved.
(ii) That the appeal, made by Dundas Pipes and Drums, requesting that their 2009 approved grant of $1,154 be increased by $1,154 for a total grant of $2,308, to be funded from the Community Partnership Program contingency budget, be approved.

(iii) That the appeal, made by The Dundas Concert Band, requesting that their 2009 approved grant of $1,905 be increased by $1,905 for a total grant of $3,810, to be funded from the Community Partnership Program contingency budget, be approved.

(e) Community Partnership Program, Event Road Closure Services (ERCS) – Festival of the Holy Spirit (GRA09011) (Ward 2) (Item 5)

(i) That the Event Road Closure Services request made by the Portuguese Association of St. Michael the Archangel for the Festival of the Holy Spirit parade, be approved.

(ii) That funding for the Festival of the Holy Spirit parade, in the amount of $1690.96, to be funded from the 2009 Event Road Closure Services budget, be approved.

(f) Community Partnership Program, Event Road Closure Services (ERCS) – Dundas Cactus Festival 5K (GRA09012) (Ward 13) (Item 6)

(i) That the Event Road Closure Services request made by VR Pro Inc. for the Dundas Cactus Festival 5K, be approved.

(ii) That funding for the Dundas Cactus Festival 5K, in the amount of $2,861.19, to be funded from the 2009 Event Road Closure Services budget, be approved.

(g) Community Child Abuse Council – Parent Group Program – 2008 Surplus Program Funds (GRA09014) (City Wide) (Item 7)

That the Community Child Abuse Council – Parent Group Program, be allowed to retain the $2,395 surplus from their approved 2008 Community Partnership Program allocation, and that these funds be used for the program in 2009.

CARRIED
13. **HMRF/HWRF Pension Administration Sub-Committee Report 09-002**

(Morelli/Pearson)

(a) **Master Trust Pension Investment Performance, June 30, 2009** (FCS09079) (City Wide) (Item 1)

That Report FCS09079, Master Trust Pension Investment Performance June 30, 2009, attached as Appendix “A” to Report 09-002, be received.

(b) **Hamilton Municipal Retirement Fund (HMRF) and Hamilton-Wentworth Retirement Fund (HWRF) – Suppressing Direct Deposit Advices** (FCS09082) (City Wide) (Item 2)

(i) That Report FCS09082, Hamilton Municipal Retirement Fund (HMRF) and Hamilton-Wentworth Retirement Fund (HWRF) – Suppressing Direct Deposit Advices, be received.

(ii) That the direct deposit advices, for both the Hamilton Municipal Retirement Fund (HMRF) and Hamilton-Wentworth Retirement Fund (HWRF), be mailed to all active pensioners on an annual basis.

(iii) That staff be directed to determine the costs associated with providing all Hamilton Municipal Retirement Fund (HMRF) pensioners currently under payment, who have less than 66 2/3%, to re-elect a spousal pension enhancement to 66 2/3%; where the pensioner would be responsible for 50% of the cost to upgrade their spousal pension to 60%, and report back to the next HMRF/HWRF Pension Administration Sub-Committee.

(iv) That staff be directed to determine the costs associated with providing all Hamilton-Wentworth Retirement Fund (HWRF) pensioners currently under payment, who have less than 66 2/3%, to re-elect a spousal pension enhancement to 66 2/3%; where the pensioner would be responsible for 50% of the cost to upgrade their spousal pension to 60%, and report back to the next HMRF/HWRF Pension Administration Sub-Committee.

(c) **Hamilton Municipal Retirement Fund (HMRF) and Hamilton-Wentworth Retirement Fund (HWRF) – Survivor Benefit Re-Election** (FCS09096) (City Wide) (Item 4.3)

That Report FCS09096, Hamilton Municipal Retirement Fund (HMRF) and Hamilton-Wentworth Retirement Fund (HWRF) – Survivor Benefit Re-Election, be received.
(d) **Master Trust Asset Mix and Manager Review (FSC09037(a)) (City Wide) (Item 5.1)**

(i) That the Asset Mix Review, by Hewitt Associates LLC (“Hewitt”), attached as Appendix “B” to Report 09-002 be, received.

(ii) That no change be made, in the immediate term, to the asset mix benchmark, currently at 55% equity and 45% bonds in the Investment Policy.

(iii) That staff be directed to have Hewitt Associates LLC explore Dynamic Plan Management as an alternate benchmark; at a cost of $5,000 and to be funded from the Master Trust.

(iv) That staff be directed to have Hewitt Associates LLC conduct a manager search for another global equity manager, with an emerging market exposure of less than 30%, to complement Brandes.

(v) That CIBC Global Asset Management’s Index Bond Fund be replaced by another index manager, or 1-2 specialty fixed income mandates.

(e) **Hamilton Municipal Retirement Fund (HMRF) Actuarial Valuation at December 31, 2008 (FCS09092) (City Wide) (Item 6.1)**

That the Treasurer be authorized to file the December 31, 2008, Actuarial Valuation for the Hamilton Municipal Retirement Fund (HMRF) as per Appendix “C” to Report 09-002, with the Financial Services Commission of Ontario (FSCO) and Canada Revenue Agency (CRA).

(f) **2009 Master Trust Statement of Investment Policies and Procedures (FCS09093) (City Wide) (Item 6.2)**

(i) That the 2009 Master Trust Statement of Investment Policies and Procedures, (attached as Appendix “D” to Report 09-002), for the City of Hamilton Defined Benefit Pension Plans Master Trust, be approved.

(ii) That the 2008 Master Trust Statement of Investment Policies and Procedures, which was previously approved in Report FCS08111, be rescinded and replaced with the 2009 Master Trust Statement of Investment Policies and Procedures (attached as Appendix “D” to Report 09-002).

(iii) That staff be directed to forward a copy of Report FCS09093 and 2009 Master Trust Statement of Investment Policies and Procedures...
FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

There were no changes to the agenda.

On a motion (Pearson/Morelli), the agenda was approved as presented.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) MINUTES (Item 3)

(i) Minutes of the meeting held on September 23, 2009 (Item 3.1)

(Pearson/Powers)

That the minutes of the Audit and Administration Committee meeting held on September 23, 2009 be approved as presented.

CARRIED

(d) Minutes of Various Sub-Committees (FOR INFORMATION PURPOSES ONLY) (Item 5.1)

(Pearson/Collins)

That the following minutes of various sub-committees be received:

(a) GLBT Advisory Committee Minutes – May 21, 2009
(b) Status of Women Committee – May 28, 2009

CARRIED

(e) Audit Report 2009-05 - Parking - Tow Procedures (CM09018) (City Wide) (Item 8.1)

Ann Pekaruk provided an overview of the report. Committee approved the staff recommendation.
(f) **Audit Report 2009-06 - Hamilton Emergency Services - Fire Prevention Division (CM09019) (City Wide) (Item 8.2)**

Ann Pekaruk provided an overview of the report. Committee discussed the matter and had additional information supplied by staff. Committee approved the staff recommendation.

(g) **Audit Report 2009-07 - Rostered and Multi Vendor Contracts (CM09020) (City Wide) (Item 8.3)**

Ann Pekaruk provided an overview of the report. Committee approved the staff recommendation.

(h) **Residential Protective Plumbing Subsidy Program (FCS09100/ PW09082(a)) (Item 8.5)**

Committee discussed the matter and had additional information supplied by staff. The General Manager of Finance and Corporate Services advised that Public Works staff will be targeting areas that are most affected, so residents do not necessarily need to apply under the compassionate grant program. He also advised that people who put in a backflow prevention device between the July 26, 2009 flooding event and the implementation of the Residential Protective Plumbing Subsidy Program are eligible for the program.

With respect to advertising, the Acting Director of Water and Wastewater advised that letters and application forms are being mailed out to residents approved for a compassionate grant. Once that phase is complete, the program will be advertised more generally. Staff will also work with Capital Planning at that point respecting coordination with infrastructure upgrades.

(i) **Storm Event and Request for Assistance through the Ontario Disaster Relief Assistance Program (Referred by Council on September 30, 2009) (Item 8.6)**

In response to questions from the Committee, the General Manager of Finance and Corporate Services advised of the following:

- The City of Hamilton’s most recent application under the Ontario Disaster Relief Program was more formal and comprehensive than past applications. Representatives from the Province were taken on tours of facilities affected, were given a presentation on the flooding event, and provided with a comprehensive binder of information.
- Vaughan applied under the program, as 500-600 homes were affected by a tornado. The City of Hamilton had over 7000 homes affected by flooding.
The eligibility criteria for the program has are not clear, as the application book does not specify a threshold. The wording stated that damage should be beyond the capability of municipality, but no specific percentages or guidelines are provided.

Committee passed the following motion:

*(Whitehead/Collins)*

(a) That staff be directed to review the Ontario Disaster Relief Assistance Program and the City of Hamilton’s experience with its application and report back to the Audit and Administration Committee with recommended changes to the program; and

(b) That staff be directed to forward the recommended changes to the Ontario Ombudsman and request a review of the Ontario Disaster Relief Assistance Program and the City of Hamilton’s experience with its application.

CARRIED

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

(i) Outstanding Business List (Item 11.1)

(A) Item E: Innovative Work Environment (Due Date: Oct 21/09)

*Proposed New Due Date: Dec 2/09*

On a motion *(Pearson/Powers)*, the due date was amended.

(B) Item F: Whistle-blowing Protection (Due Date: Oct 7/09)

*Proposed New Due Date: Nov 4/09*

On a motion *(Pearson/Powers)*, the due date was amended.

(ii) Hamilton Health Sciences and Henderson Hospital

Councillor Whitehead asked questions with respect to the reporting requirements for Hamilton Health Sciences. Councillor Clark advised that they are required to make annual public reports.

Councillor Whitehead inquired into the possibility of recouping money that was put towards Henderson Hospital’s land and buildings when they were purchased. Committee discussed the issue. No staff direction was given.
(k) ITEMS REFERRED TO THE 2010 BUDGET FOR CONSIDERATION:

(i) Residential Protective Plumbing Subsidy Program (FCS09100/PW09082(a)) (Item 8.5)

(Pearson/Collins)
That ongoing staffing impacts related to the Residential Protective Plumbing Subsidy Program be identified and brought forward for consideration as part of the 2010 Rate Supported Budget Process.

CARRIED

(l) ADJOURNMENT (Item 13)

(Morelli/Pearson)
The Audit and Administration Committee adjourned at 10:14 a.m.

Respectfully submitted,

Councillor Brad Clark, Chair
Audit and Administration Committee

Mary-Ann Meyer
Legislative Assistant
October 21, 2009