Audit and Administration Committee
MINUTES
9:30 a.m.
Wednesday, January 9, 2008
Albion Room
Hamilton Convention Centre
Hamilton, Ontario

Present:
Chair M. Pearson
Vice-Chair B. Bratina
Mayor F. Eisenberger
Councillors B. Clark, C. Collins, R. Powers and
T. Whitehead

Absent:
Councillor B. Morelli (illness)

Also Present:
Councillor L. Ferguson
J. Rinaldo, General Manager, Finance and Corporate Services
G. Peace, City Manager
R. Male, T. Tollis, L. Friday, J. Lee, M. McChesney, K. Christenson, R. Hewitt, T. Hewitson, Finance and Corporate Services
A. Pekaruk, Internal Auditor
C. Berge, Human Resources
Irene Sturgeon, City Clerk’s

THE AUDIT AND ADMINISTRATION COMMITTEE PRESENTS REPORT 08-001 AND RESPECTFULLY RECOMMENDS:

1. 2008 Tax Supported Operating Budget (FCS08004) (City Wide) (Item 5.1)

That FCS08004, 2008 Tax Supported Operating Budget, be received for information.

2. 2008 Tax Supported Operating Budget – Other Programs (FCS08004g) (City Wide) (Item 5.2)
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1. That the 2008 unaffordable Council referred items for Other Programs (Appendix Two) be received for information.

2. That the 2008 net operating levy for the Legislative budget of $4,066,160 be received and referred to Budget Steering Committee with the following amendment:
   - Less $74,753 reduction to the Councillor’s Ward budget.

3. 2008 Tax Supported Operating Budget – Corporate Services (FCS08004f) (City Wide) (Item 5.3)
   a) That the Corporate Services 2008 unaffordable Council referred items and other program enhancements (Appendix Two) be received for information.
   b) That the 2008 net operating levy for Corporate Services be received at $26,543,870. and be referred to the Budget Steering Committee for consideration.

4. 2008 Tax Supported Operating Budget – City Manager (FCS08004e) (City Wide) (Item 5.4)
   a) That the City Manager 2008 unaffordable Council referred items and other program enhancements (Appendix Two) be received for information.
   b) That the 2008 net operating levy for City Manager be received at $3,439,110 and be referred to the Budget Steering Committee for consideration.

5. 2008 Budget Request – Corporate Services Volunteer Committees (FCS08007) (City Wide) (Item 5.5)
   a) That the 2008 base budget submissions be received and referred to the Budget Steering Committee as follows:
      i) Advisory Committee on Immigrants & Refugees in the amount of $3,500;
      ii) Gay, Lesbian, Bi-sexual, Transgender Advisory Committee in the amount of $3,890;
iii) Hamilton Aboriginal Advisory Council in the amount of $3,500;
iv) Hamilton Mundialization Committee in the amount of $5,890;
v) Status of Women Committee in the amount of $3,500;
vii) Committee against Racism in the amount of $3,890.

b) That, in addition to the base funding requests, that one time-funding from the Volunteer Committee Reserve be received and referred to the Budget Steering Committee as follows:

i) Hamilton Aboriginal Advisory Council in the amount of $1,000;
ii) Status of Women Committee in the amount of $1,500;
iii) Committee Against Racism in the amount of $100.

c) That the base budget for the Advisory Committee for Persons with Disabilities be transferred to the Legislative budget to support their expenses.

6. Additional Funding for the Physician Recruitment Retention Program (Item 5.6)

That, for 2008, the additional levy requirement of $20,000. for a total of $40,000. annually be referred to the 2008 budget process for consideration.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

Committee approved the agenda as presented.

Chair Pearson advised that due to a timing conflict, a request has been made to move the City Manager’s presentation to the start of the meeting and Committee concurred with this request.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) PRESENTATIONS (Item 4)

Joe Rinaldo, General Manager, Finance & Corporate Services Department provided the Committee with an overview of the budget schedule and outlined the process that Committee should follow.
(i) **City Manager’s Departmental Budget (Item 4.2)**  
**2008 Tax Supported Operating Budget – City Manager (FCS08004e)**

Glen Peace, City Manager made a PowerPoint presentation to members of Committee respecting the City Manager's Office – 2008 Budget. A copy of Mr. Peace’s presentation was circulated to members of Committee and also submitted for the public record. Presentation Highlights included the following:

- A review of the Organizational Chart
- Budget Guidelines
- Net Operating Budget by Division
- Major Cost Drivers for 2008
- Unaffordable Program Enhancement Requests

Committee requested the following information:

(i) The current staffing levels (or merit level) for all of the Auditors  
(ii) The total amount budgeted in 2008 for merit increases  
(iii) What is the financial approach to budgeting merit increases in other municipalities?  
(iv) Provide members of Committee with a copy of the 2007 POA Annual Report – provide an update regarding POA collections

Committee received the staff report and referred the City Manager’s Operating Budget to the Budget Review Committee for their consideration.

(ii) **Finance & Corporate Services Department Budget (Item 4.1)**  
**2008 Tax Supported Operating Budget – Other Programs (FCS08004g) (City Wide)**

Joe Rinaldo, General Manager, Finance & Corporate Services Department made a PowerPoint Presentation to members of Committee respecting the 2008 Tax Supported Operating Budget – Other Programs. A copy of Mr. Rinaldo’s presentation was circulated to members of Committee and also submitted for the public record. Presentation Highlights included the following:

- Non-Program Revenues  
- PIL’s – Heads & Beds  
- Capital Levy Components  
- Corporate Financials - Significant Items

A discussion ensued respecting the 2008 net operating levy for the Legislative budget.
Committee asked for further clarification regarding the City Integrity Commissioner’s Office which was shown in the budget as un-affordable and the $74,743. increase to the Councillor’s Ward budget.

(Clark/Whitehead)

(a) That the work of the Accountability and Transparency Sub-Committee be deemed as high priority and that appropriate staff resources be assigned to assist this Sub-Committee;

(b) That the Accountability and Transparency Sub-Committee be requested to complete a draft report by mid-March in order that budget considerations regarding the implementation of a City Integrity Commissioner’s Office can be undertaken during the 2008 Budget process.

CARRIED

Councillor Whitehead noted his opposition to sub-section (b) which CARRIED on a recorded vote as follows;

Yeas: Eisenberger, Pearson, Bratina, Clark, Collins and Powers
Total: 6
Nays: Whitehead
Total: 1
Absent: Morelli
Total: 1

On a motion (Collins/Whitehead), the Committee reduced the Councillor’s Ward budget in the amount of $74,753.

Concern was raised regarding the amount of time it takes IMPAC to adjust their records regarding new developments. Question was also raised if the Economic Development and Planning Department’s were processing planning applications in a timely manner.

Mr. Rinaldo stated the staff were continually working to streamline bureaucratic issues and suggested that a joint presentation could be made to the Committee in the future by himself and Tim McCabe.

Staff advised that they wished to provide an update In-Camera regarding the 12,786,000. budgeted in 2008 for Contingencies. Mr. Rinaldo’s explained that this was a confidential matter as it related to employee negotiations and labour relations. Committee agreed to waive the rules to receive this update.

Committee requested the following information:

i) An email outlining the actual breakdown of the $74,753.
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ii) A list outlining all the current top developments and an estimate of the tax revenues

iii) An email providing an update regarding the expediting of issues and projects

iv) Staff to meet with Duncan Gillespie to obtain an update regarding the relationship between HECFI and the Bull Dogs.

(iii) Finance & Corporate Services Department Budget (Item 4.1)
2008 Tax Supported Operating Budget – Corporate Services (FCS08004f) (City Wide)

Joe Rinaldo, General Manager, Finance & Corporate Services Department made a PowerPoint Presentation to members of Committee respecting the Corporate Services Operating Budget. A copy of Mr. Rinaldo’s presentation was circulated to members of Committee and also submitted for the public record. Presentation Highlights included the following:

- Organizational Chart
- 2008 Net Operating Budget by Division
- 2008 Major Cost Drivers
- Unaffordable Program Enhancement Requests

A discussion regarding the AODA Training Program ensued and staff were asked to consider sending out training bulletins rather than holding formal sessions.

A concern regarding the costs incurred to hold Committee and Council meetings at the Convention Centre was raised. Members of Committee questioned if the pricing was competitive compared to leasing additional space at the City Centre. It was also suggested that HECFI should not be making a profit from us on food and staff should re-open discussions with them regarding this.

Committee requested the following information:

i) AODDA Compliance in 2010 – staff were asked to look at reallocating some funds for this year and report back

ii) Provide Councillor Powers with a one page information summary regarding the AODA Provincial guidelines prior to his A.M.O. Board meeting on January 25, 2008

iii) Regular updates on the costs associated with renovating City Hall and the costs incurred at the City Centre.

iv) A comparative report outlining the costs that have been spent to date on food and room rentals at the Convention Centre and whether or not
it would be cheaper to lease additional space for meeting rooms at the City Centre.

(d) Private and Confidential (Item 6)

Committee moved into closed session to receive an update regarding a Litigation Matter respecting Outstanding Taxes (Item 6.1) and an update regarding labour relations and employee negotiations in relation to the contingency funding (Item 5.2) and reconvened in Open Session.

Chair Pearson advised that direction had been provided to staff with respect to Item 6.1 – Litigation Matter Respecting Outstanding Taxes.

Chair Pearson advised that there was nothing to report with respect to Item 5.2.

Members of Committee received the 2008 Tax Supported Operating Budget – Other Programs (FCS08004g) as amended and referred it to the Budget Steering Committee for consideration (Item 5.2)

(e) Adjournment (Item 7)

The Audit and Administration Committee adjourned at 2:07 p.m.

Respectfully submitted,

Councillor M. Pearson, Chair
Audit and Administration Committee

Irene Sturgeon
Legislative Assistant
January 9, 2008