Corporate Administration Committee
MINUTES
9:30 a.m.
Wednesday, November 2, 2005
Council Chambers
Hamilton City Hall
71 Main Street West, Hamilton

Present: Councillor A. Samson (Vice Chair)
Councillors P. Bruckler, C. Collins, M. Ferguson, M. Pearson

Absent with Regrets: Councillor D. Braden – Vacation

Also Present: Councillors B. McHattie, T. Whitehead
G. Peace – City Manager
J. Rinaldo – General Manager, Finance and Corporate Services
C. Graham – General Manager, Human Resources
P. Barkwell – City Solicitor
K. Christenson – City Clerk
C. Biggs – Legislative Assistant, City Clerk’s

THE FOLLOWING ITEMS WERE REPORTED TO CITY COUNCIL FOR CONSIDERATION:

1. Quarterly Status Report on the Use of Policy #10 – Emergency Purchasing and Policy #11 – Negotiations, for the 3rd Quarter 2005 (FCS05046(b)) (City Wide) (Item 5.1)

(Pearson/Bruckler)
That Report FCS05046(b) respecting Quarterly Status Report on the use of Policy #10- Emergency Purchasing and Policy #11- Negotiations for the 3rd Quarter 2005, be received. CARRIED

2. Monthly Status Report of Tenders and Requests for Proposals for September, 2005 (FCS05023(g)) (City Wide) (Item 5.2)

(Pearson/Bruckler)
That Report FCS05023(g) respecting Monthly Status Report of Tenders and Requests for Proposals for September, 2005, be received. CARRIED
3. Quarterly Investment Update to September 30, 2005 (FCS05060(b)) (City Wide) (Item 5.3)

(Pearson/Bruckler)
That Report FCS05060(b) respecting Quarterly Investment Update to September 30, 2005, be received. CARRIED

4. Hamilton Future Fund Quarterly Investment Update as at September 30, 2005 (FCS05061(b)) (City Wide) (Item 5.4)

(Pearson/Bruckler)
That Report FCS05061(b) respecting Hamilton Future Fund Quarterly Investment Update as at September 30, 2005, be received. CARRIED.

5. Red Hill Valley Project Financial Status Report (FCS05027g/PW05023g)

(Pearson/Bruckler)
That Report FCS05027(b)/PW05023(g) respecting Red Hill Valley Project Financial Status Report, be received. CARRIED.

6. 2004 Statement of Reserves (FCS05111) (City Wide) (Item 8.3)

(Ferguson/Pearson)
(a) That Report FCS05111 and the 2004 Reserve Report attached as Appendix “A” be received;

(b) That the Reserve Additions and Amendments outlined in Appendix “B” to Report FCS05111 be approved.

(c) That the following Reserve Polices be approved:

(i) **General Reserve Policies**

(aa) That actual investment earnings from the City’s investment management program be allocated to the Reserves, to the Reserve funds, to the Obligatory Reserves and to the Capital Fund based on month end balances from these sources for a 12 month period.

(bb) That the creation of new reserves be reviewed by the General Manager of Finance & Corporate Services for compliance to the Municipal Act and for compliance to the City’s Reserve Policies.
(ii) **Borrowing From Reserves**

(cc) That borrowings from a reserve be allowed only if the analysis of the reserve’s funds indicates excess funds are available and the use of these funds will not impact the reserves current operations.

(dd) That all internal reserve borrowings be repaid with principal and interest.

(ee) That the internal borrowing interest rate be the equivalent of the City of Hamilton’s external borrowing rate at the time of borrowing.

(iii) **Stabilization Reserves**

(ff) To provide sufficient flexibility and protection for unforeseen events, a balance be maintained in the Tax Stabilization reserves of 5% of the annual tax revenues. That the City’s move toward achieving the target of 5% of tax revenues be based on the City’s financial affordability.

(gg) Stabilization reserve balances may be used at Council’s discretion for emergencies, unanticipated economic downturns, and one time opportunities. If feasible, minimum balances be restored in the following year or at the

(iv) **Program Specific Reserve Policies**

(hh) That Program Specific reserves only be established if there is an associated financial plan to ensure sustainability of these reserves. The financial plan should include target balances.

(ii) That the Program Specific reserves be reviewed annually and provide or update the associated financial plan if necessary.

(jj) That year end surpluses related to these programs only be transferred to their reserves subject to statutory and legal constraints and subject to the overall corporate operating surplus.
(v) **Vehicle & Equipment Replacement Reserves**

(kk) That the Vehicle & Equipment Replacement Reserves be funded through a contribution from the operating budget, based on lifecycle costing and depreciation and projections for changes in the fleet and equipment.

(ll) Minimum reserve levels be established based on life cycle replacement schedules and updated annually.

(mm) Proceeds from the disposal of capital equipment be deposited to the credit of the applicable Vehicle and Equipment Replacement Reserve.

(vi) **Capital Reserves**

(nn) To provide sufficient flexibility and protection for unforeseen capital related events a target be maintained in the Tax Capital Levy Reserve of 5% of annual tax revenues and that the City’s move toward achieving the target of 5% of tax revenues be based on the City’s financial affordability.

(oo) That a portion of the year end Capital Financing Surplus (Debt Charges), be transferred to the Tax Capital Levy Reserve subject to the overall corporate surplus.

(pp) That the maximum capital reserve balances be reviewed periodically to ensure sustainability.

(vii) **Employee Related Pension and Benefit Costs**

(qq) That the Employee related benefits and pension cost reserves be monitored on a regular basis to ensure that appropriate funds are set aside to finance future unfunded obligations.

(viii) **Utility Rate Supported Reserves**

(rr) That the utility rate reserves be reviewed annually to ensure sufficiency of balances and that these reserves be funded from operating surpluses and contributions from the operating fund. **CARRIED**
9. **Violence in the Workplace Prevention Policy (HUR05001) (City Wide)**  
(Interval 8.4)

**Bruckler/Pearson**
That the Violence in the Workplace Prevention Policy attached as Appendix “A” to this Report HUR05001 be approved and implemented.  
CARRIED

**FOR THE INFORMATION OF THE COMMITTEE:**

(a) **Changes to the Agenda (Item 1)**

The Clerk advised of the following changes to the agenda:

(a) Requests to Appear from:

(i) Joanna Chapman respecting the audit of Mayor Larry Dilanni’s campaign finances

(ii) Margaret Robertson respecting audit of Mayor Larry Dilanni’s campaign contributions

(b) Item 8.2 – Support for the Restructuring Plan for Stelco Inc (FCS05121) – Report withdrawn – Verbal update from staff


**Pearson/Collins**
That the agenda be approved, as amended.  
CARRIED

(b) **Declarations of Interest (Item 2)**

None.

(c) **Approval of Minutes (Item 3)**

**Collins/Bruckler**
That the Minutes of the October 19, 2005 meeting of the Corporate Administration Committee be received and adopted as presented.  
CARRIED
(d) **Delegation Request**

(Collins/Pearson)

(a) That the requests of Ms. Joanna Chapman and Ms. Margaret Robertson, to appear before the Committee respecting the matter of the audit of Mayor Larry Dilanni's campaign finances and campaign contributions be referred to a special meeting of the Committee of the Whole for consideration;

(b) That the City Clerk be directed to determine an appropriate date for this matter to be considered by the Committee of the Whole.  

CARRIED

(e) **2004 Salaries – Hamilton Utilities Corporation (No Copy) (Item 8.8)**

Mr. Art Leitch, President and Chief Executive Officer of Hamilton Utilities Corporation, was in attendance to respond to questions of the Committee.

Councillor Collins requested that separate and apart from the salary information posted on the HUC website, information related to Board members’ expenses, e.g., stipends, expenses resulting from travel/training, etc. be provided to members of Council. Mr. Leitch advised that this information had been previously provided to the Mayor, including expenses for the Board. Mr. Leitch also assured the Committee that this information will be provided to Committee and Council in the future.

(Pearson/Ferguson)

That the information received with respect to the 2004 salaries for Hamilton Utilities Corporation, be received, and this item be deleted from the Outstanding Business List of the Corporate Administration Committee.  

CARRIED

(f) **Support for the Restructuring Plan for Stelco Inc. (FCS05121) (City Wide)**

Report FCS05121 respecting support for the restructuring plan for Stelco Inc. was withdrawn; however, staff advised that agreement has been reached where all outstanding amounts entitled to the City in terms of taxes, water arrears, Interest, etc. have been recovered.

(Pearson/Ferguson)

That the information received with respect to Stelco Inc., be received.  

CARRIED

(f) **General Information/Other Business (Item 11)**

(Bruckler/Pearson)

That the Committee move In Camera to discuss a personnel issue.  

CARRIED
(Ferguson/Collins)
That the Committee reconvene in Open Session. CARRIED

No recommendations to report.

There being no further business, the Committee adjourned at 10:30 a.m.

Respectfully submitted

Councillor A. Samson
Vice Chairman
Corporate Administration Committee

Carolyn Biggs
Legislative Assistant
November 2, 2005