Audit and Administration Committee
MINUTES
9:30 a.m.
Wednesday, January 16, 2008
Committee Room 207
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 S. Duvall
J. Rinaldo, General Manager, Finance and Corporate Services
G. Peace, City Manager
J. Priel, General Manager, Community Services.
T. McCabe, General Manager of Economic Development and Planning
J. Kay, General Manager/Fire Chief
E. Richardson, Medical Officer of Health
T. Tollis, Finance and Corporate Services
A. Pekaruk, Internal Auditor
B. Goodger, Public Works
B. Glover, C. Berge, Human Resources
C. Wheeler, City Manager’s Office
I. Sturgeon, City Clerk’s

THE AUDIT AND ADMINISTRATION COMMITTEE PRESENTS REPORT 08-002 AND RESPECTFULLY RECOMMENDS:
1. Minutes of the Advisory Committee for Persons with Disabilities meeting held on October 9, 2007 (Item 5.1)

(Bratina/Eisenberger)
That the minutes of the Advisory Committee for Persons with Disabilities meeting held on October 9, 2007 be received.  
CARRIED

2. Minutes of the Advisory Committee for Persons with Disabilities meeting held on November 13, 2007 (Item 5.2)

(Bratina/Eisenberger)
That the minutes of Advisory Committee for Persons with Disabilities meeting held on November 13, 2007 be received.  
CARRIED

3. Minutes of the Immigrant & Refugee Advisory Committee meeting held on October 11, 2007 (Item 5.3)

(Bratina/Eisenberger)
That the minutes of Immigrant & Refugee Advisory Committee meeting held on October 11, 2007 be received.  
CARRIED

4. Monthly Status Report of Tenders and Requests for Proposals for November 9, 2007 to December 19, 2007 (FCS07030(i)) (City Wide) (Item 5.4)

(Bratina/Eisenberger)
That Information Report FCS07030(i)) respecting Monthly Status Report of Tenders and Requests for Proposals for November 9, 2007 to December 19, 2007 be received  
CARRIED

5. Apportionment of Property Taxes for 17 Blue Mountain Drive, Glanbrook (FCS08001) (Ward 11) (Item 5.5)

(Bratina/Eisenberger)
That the 2007 property taxes, in the amount of $8,176.66 for 17 Blue Mountain Drive, Glanbrook, (Roll #2518 901 130 67127), be apportioned and split amongst the twenty newly created parcels as set out in Appendix A to report FCS08001.  
CARRIED
6. Tax Appeals under Section 357 and 358 of the Municipal Act 2001 (FCS08008) (City Wide) (Item 5.6)

(Bratina/Eisenberger)
(a) That the tax write-offs processed under Section 357 of the Municipal Act, 2001, in the amount of $383,468.44 be approved (refer to Appendix “A” of report FCS08008); and

(b) That tax appeals due to a gross or manifest clerical error, pursuant to Section 358 of the Municipal Act, 2001, in the amount of $17,682.49 be approved (refer to Appendix “B” of report FCS08008).

CARRIED

7. 2007 Standard and Poor's Credit Rating (FCS08002) (City Wide) (Item 5.7)

(Bratina/Eisenberger)
That Information Report FCS08002 respecting Standard and Poor's Credit Rating be received.

CARRIED

8. 2008 Interim Levy & Temporary Borrowing By-laws (FCS08003) (City Wide) (Item 5.8)

(Bratina/Eisenberger)
That Attachments “A” and “B” to report FCS08003 “2008 Interim Levy & Temporary Borrowing By-laws” be approved:

Attachment “A” – By-law to Authorize the Temporary Borrowing of Monies to Meet Current Expenditures Pending Receipt of Current Revenues for 2008;

Attachment “B” - By-law to Authorize an Interim Tax Levy for 2008.

CARRIED

9. Follow Up of Audit Report 2005-06 – Accounts Payable (CM08001) (City Wide) (Item 5.9)

(Bratina/Eisenberger)
That Report CM08001 respecting the follow up of Audit Report 2005-06, Accounts Payable, be received.

CARRIED
10.  **2008 Internal Audit Work Plan (CM08003) (City Wide) (Item 8.3)**

   (Clark/Eisenberger)
   (a) That Appendix “A” attached to Report CM08003, respecting the 2008 Internal Audit Work Plan, be approved.

   (b) That Appendix “B” attached to Report CM08003, respecting the Audit/Review Projects Deferred List, as amended, be approved.

   CARRIED

11. **Audit Report 2007-05 – Fleet Management – Procurement (CM08002) (City Wide) (Item 8.4)**

   (Eisenberger/Bratina)
   (a) That Report CM08002 respecting Audit Report 2007-05, Fleet Management – Procurement, be received;

   (b) That the management action plans for Central Fleet as detailed in Appendix “A” of Report CM08002 be approved and the General Manager of Public Works direct the appropriate staff to have the plans implemented;

   (c) That the management action plans for Transit as detailed in Appendix “B” of Report CM08002 be approved and the General Manager of Public Works direct the appropriate staff to have the plans implemented;

   (d) That the management action plans for Hamilton Emergency Services (HES) as detailed in Appendix “C” of Report CM08002 be approved and the General Manager/Chief of HES direct the appropriate staff to have the plans implemented; and

   (e) That the management action plans for Hamilton Police Service (HPS) as detailed in Appendix “D” of Report CM08002 be approved and the Chief of Police be requested to direct the appropriate staff to have the plans implemented.

   CARRIED

12. **Construction Loan to The Art Gallery of Hamilton (AGH) (FCS03167(a)) (City Wide) (Item 8.5)**

   (Powers/Bratina)
   a) That the terms of the loan as outlined in the Revised Loan Repayment Schedule, Appendix “B” to Report FCS03167(a) be approved and;
b) That the General Manager, Finance and Corporate Services, the City Clerk, and the City Solicitor be authorized to execute an amendment to the Loan agreement between the City and the Art Gallery of Hamilton signed January 20th, 2004 as outlined in Report FCS030167(a).

CARRIED

13. Grants Sub-Committee Report 07-008 (Item 8.6)

(Powers/Bratina)
2008 Community Partnership Program (CPP) – Transfer Station Fees (GRA07025) (City Wide) (Item 4.3)

(a) That the criteria for Waste Tipping Fee grants, attached as Appendix A to Report GRA07009, be approved.

(b) That any new non-profit agencies, not currently subsidized, be required to apply for subsidies through the Community Partnership Program.

(c) That the Waste Management Division be reimbursed, through the Community Partnership Plan budget, for any free dumping by approved users at 50% of the going rate each year.

(d) That staff be directed to contact all affected groups and advise of the policy change effective March 1, 2008.

(e) That the appropriate representative from the Salvation Army – Halton location, be requested to attend a future meeting of the Grants Sub-Committee, to provide additional information, prior to any tipping fees being waived in 2008.

CARRIED

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

The Clerk noted the following changes to the agenda;

- Request to waive the rules of procedure in order to allow Jerry Bulthuis to address Committee this morning. (Item 8.6)
- Added motion respecting Watermain Breaks on East 18th St. (Item 9.1)
- A few minor adjustments to Appendices B & C of the Human Resources Organization Review – the Appendices will be deleted and replaced

(b) DECLARATIONS OF INTEREST (Item 2)

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

The Minutes of the Audit and Administration Committee meeting held on December 5, 2007, were approved, as presented.

(d) DELEGATIONS

(i) Jerry Bulthuis, Bibles for Missions (Added Item 8.6.1 (a))

Mr. Bulthuis addressed Committee regarding the Waste Tipping Fees charged at the transfer stations to dispose of unusable charitable donations. Mr. Bulthuis advised that his organization was receiving a lot of un-suitable and un-usable donations and as a result they have to take these donations to the transfer station. As a volunteer run organization, he explained that they try to keep all their costs down and it is currently costing them in the area of $3,000.00 - $4,000.00 per year in tipping fees.

Councillor Powers asked if Mr. Bulthuis had seen Appendix A to Grant’s Report 07-008 which outlines the Criteria for the Tipping Fee Grant.

Mr. Bulthuis advised that he had not seen this document and was provided a copy by the Committee Clerk.

Committee raised concern regarding the number of residents who are using charitable donation boxes to dump their unwanted goods.

Councillor Collins stated that he had previously requested the Public Works department to conduct a review of the Illegal Dumping By-law as it was becoming apparent that stricter controls were needed. He suggested that direction should be provided to them again.

Councillor Whitehead noted that consideration should also be given to meet with these charitable agencies in order to identify the problems they are encountering ie. Illegal dumping of goods in the charitable bins and at their business locations etc.

On a motion, the Committee agreed to make a request to the Public Works Department to undertake a review of the Illegal Dumping By-law, to consider implementing tighter controls that will discourage residents who are using charitable donation boxes to dump their unwanted goods and to consider implementing zoning restrictions that wouldn’t allow the placement of charitable in high traffic areas or near residential areas.
On a motion, the Committee thanked Mr. Bulthuis for attending the meeting and received his presentation.

The Committee recessed the meeting at 10:05 a.m. in order to address a maintenance issue with the meeting room and reconvened at 10:17 a.m.

(e) Mohawk 4Ice Centre (Item 8.1)

Tony Tollis, Director of Budgets and Finance noted that he has reviewed the Accounts Receivable and that staff were currently working on the year end statements. He advised that once this has been completed, a year end report will come back to Committee.

On a motion, the Committee received the update and agreed to leave this matter on the Outstanding Business List.

(f) CR 207 – Hamilton Convention Centre (Verbal Update) (Item 8.2)

Glen Peace provided a verbal update on the recent renovations that had been undertaken in CR 207.

On a motion, Committee removed this item from the Outstanding Business List. (Item H)

(g) 2008 Internal Audit Work Plan (CM08003) (City Wide) (Item 8.3)

Councillor Whitehead asked that future consideration be given to conducting a review of the H.S.R. maintenance division. He also noted a concern regarding the fee’s charged to do testing for firefighter recruitment and questioned if this was an area that should be looked into as well.

Staff advised that the testing was done by an outside party and the testing fees covered their costs. Glen Peace suggested that staff could review the process and provide Committee with an information update.

On a motion, the Committee agreed to amend Appendix “B”, the Audit/Review Projects Deferred List by adding the following:

- Blue Box Collection Audit
- Review of the 65% Waste Diversion Financial Assumptions

Direction was also provided to staff to include these two matters on the 2009 Internal Audit Work Plan should they not be completed in 2008.
(h) Grants Sub-Committee Report 07-008 (Item 8.6)

The Committee Report CARRIED on the following recorded vote:

YEAS: Eisenberger, Pearson, Bratina, Collins and Powers
Total: 5
NAYS: Clark and Whitehead
Total: 2
ABSENT: Moreilli
Total: 1

(i) Water Main Break on East 18th Street (Added Item 9.1)

Councillor Whitehead introduced the motion on behalf of Councillor Duvall.

Councillor Duvall explained that seven homeowners on East 18th Street had been flooded from a water main break on August 7, 2007 and that they had also experienced previous flooding from similar water main breaks in their area. He asked the Committee to approve a compassionate grant up to their level of insurance deductible but not to exceed $750.00 and/or their actual expense incurred.

On a motion, Committee referred the matter back to staff for a legal opinion and were directed to report back to Committee by the next meeting.

The referral motion CARRED on a recorded vote as follows:

YEAS: Eisenberger, Pearson, Bratina and Powers
Total: 4
NAYS: Clark, Collins and Whitehead
Total: 3
ABSENT: Moreilli
Total: 1

(j) GENERAL INFORMATION (Item 11)

11.1 Outstanding Business List

(a) 2008 Fees and Charges Report (Item G) **be removed**
(b) Cash Handling Review (re: Areas with a Grade D). (Due: Q0208)
   **New Due Date: Q0308**

These two items were referred to the next meeting.
(k) PRESENTATIONS (Item 7.0)

Human Resources Organizational Review – Final Report (City Wide) (CM08004) Presentation by Ian Smith, Consultant (Item 7.1)

Consultant Ian Smith of Oliver Wyman made a Powerpoint to Members of Committee regarding their Human Resources Organizational Review. A copy of their presentation was provided to members of Committee and also submitted for the public record. Presentation Highlights included the following:

- Purpose and Scope of Review
- Key Issues, Gaps and Opportunities
- Key Findings from the Quantitative Analysis of the Existing Organization
- Determining the Value of HR
- Review of Other Municipalities – Key Findings
- Potential Vision, Mission and Critical Success Factors
- Organizational Design Principles
- Design of Hr Department
- Organizational Structure
- Benefits of Preferred Organizational Design

A lengthy discussion ensued on whether or not the Human Resources Department should be a hands-on division or one that plays an advisory role.

Mr. Smith confirmed that his Organizational Design would increase staff by 19 full-time positions and had an estimated budget impact of approximately $1.8 million.

Chair Pearson thanked Mr. Smith for his presentation.

(I) PRIVATE AND CONFIDENTIAL (Item 12)

12.1 Appendices “B” and “C” to Human Resources Organizational Review - Final Report (City Wide) (CM08004)

(Clark/Collins)
That Committee move into Closed Session to address a matter pertaining to personal matters about identifiable individuals.  CARRIED

(Whitehead/Powers)
That the Committee reconvene in Open Session.  CARRIED

Chair Pearson advised that direction had been provided to staff to set-up another meeting to discuss this issue.
(m) ADJOURNMENT (Item 13)

The Audit and Administration Committee adjourned at 1:55 p.m.

Respectfully submitted,

Councilor M. Pearson, Chair
Audit and Administration Committee

Irene Sturgeon
Legislative Assistant
January 16, 2008