Audit and Administration Committee
MINUTES
9:30 a.m.
Wednesday, January 21, 2009
Committee Room 207
Hamilton Convention Centre
One Summer’s Lane

Present:
Chair B. Clark
Mayor F. Eisenberger
Councillors B. Bratina, C. Collins, B. Morelli, M. Pearson,
R. Powers

Absent with Regrets:
T. Whitehead (personal)

Also Present:
C. Murray, City Manager
T. Tollis, Acting General Manager, Finance and
Corporate Services
G. Davis, Acting General Manager, Public Works
A. Pekaruk, City Manager’s Office
P. Barkwell, R. Sabo, Legal Services
M. Hill, Manager, Risk Management, Budgets and
Finance
J. Spiler, Manager, Capital Budgets and Development,
Budgets and Finance
D. MacKinnon, Manager, Customer Service and
Community Outreach, Water and Wastewater
K. Christenson, City Clerk
M. Meyer, City Clerk’s Office

THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR CONSIDERATION:

   (Wards 2 and 5) (Item 5.1)
   (Collins/Morelli)
   (a) That Information Report LS09001 respecting Hamilton Waterfront Trust
       Financial Statements 2002 to 2007 be received;
(b) That Item L be removed from the Audit and Administration Committee Outstanding Business List.  

CARRIED as Amended

2. Apportionment of Property Taxes for Various Properties in Ancaster (FCS09001) (Ward 12) (Item 5.2)

(Collins/Morelli)  
(a) That the 2008 property taxes, in the amount of $18,785.90 for 267 Sulphur Springs Road, Ancaster, (Roll #2518 140 130 35600), be apportioned and split amongst the two newly created parcels as set out in Appendix A to report FCS09001; and

(b) That the 2008 property taxes, in the amount of $2,237.82 for 15-21 Brooking Court, Ancaster, (Roll #2518 140 220 49801), be apportioned and split amongst the four newly created parcels as set out in Appendix A to report FCS09001.

CARRIED

3. Tax Appeals under Section 357 and 358 of the Municipal Act, 2001 (FCS09006) (City Wide) (Item 5.3)

(Collins/Morelli)  
(a) That the tax write-offs processed under Section 357 of the Municipal Act, 2001, in the amount of $49,964.38 be approved as set out in Appendix "A" to report FCS09006; 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 $8,696.04 be approved as set out in Appendix "B" to report FCS09006.

CARRIED

4. Request for Information of Claims from Contractors from May 7, 2008 (FCS09009) (City Wide) (Item 5.4)

(Collins/Morelli)  
That Information Report FCS09009 respecting Request for Information of Claims from Contractors from May 7, 2008 be received.

CARRIED
5. **Assessment of Greenhill Subdivision Flooding Liability Claims from December 1, 2006 (FCS08105) (Ward 5) (Item 8.1)**

(Collins/Morelli)
That Report FCS08105 respecting Assessment of Greenhill Subdivision Flooding Liability Claims from December 1, 2006 remain tabled pending forthcoming information respecting other insurance flooding claims.  

**CARRIED**

6. **Reduction of Taxes on 50 Creighton Road (FCS08109) (Ward 13) (Item 8.2)**

(Powers/Collins)
(a) That the Tax Assistance Agreement between the City of Hamilton and Dundas Lions Housing Limited entered into on January 1, 1962, (refer to Appendix “A” to report FCS08109), be extended for three (3) years ending December 31, 2011, with tax assistance provided at 60% for 2008 and 2009, 40% for 2010 and 20% for 2011;

(b) That Item “G” “Reduction of Property Taxes on 50 Creighton Road” be removed from the Audit and Administration outstanding business list; and

(c) That the Dundas Lion’s Club be so advised.  

**CARRIED as Amended**

7. **Correspondence from the City of Cambridge respecting Property Tax Assessments (Item 8.3)**

(Collins/Morelli)
That the correspondence from the City of Cambridge respecting Property Tax Assessments be received. 

**CARRIED**

8. **Local MPAC Costs (Added Motion)**

(Collins/Powers)
That staff be directed to provide information and recommendations to the Audit and Administration Committee respecting local MPAC costs and how they can be contained.  

**CARRIED**
9. **Accounts Receivable Write-Offs for December 2008 (FCS09002) (City Wide) (Item 8.4)**

(Collins/Morelli)

(a) That the Acting General Manager of Finance and Corporate Services be authorized to write-off uncollectible accounts receivables in the amount of $29,319.13, attached as Appendix 'A' to report FCS09002; and

(b) That the Schedule of Accounts Receivable Write-Offs (under $1,000), attached as Appendix 'B' to report FCS09002, be received for information.

**CARRIED**

10. **2009 Interim Tax Levy and Temporary Borrowing By-Laws (FCS09003) (City Wide) (Item 8.5)**

(Pearson/Powers)

That Attachments “A” and “B” to report FCS09003 “2009 Interim Tax 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 2009;

**Attachment “B”** - By-law to Authorize an Interim Tax Levy for 2009.

**CARRIED**

11. **2009 Property/Liabilities Policies Renewal (FCS09008) (City Wide) (Item 8.6)**

(Powers/Pearson)

(a) That the Liability and Property Insurance coverage for the term January 1, 2009, to January 1, 2010, be renewed through the City’s General Managing Agent, Frank Cowan Company,(FCCL), at a cost of $3,109,262 (including applicable taxes in accordance with Appendix “A” to FCS09008);

(b) That the General Manager, Finance and Corporate Services, be authorized and directed to execute all associated documents on behalf of the City;

(c) That the 2009 Premium Costs in the amount of $3,109,262 funded through the 2009 Risk Management Services Budget; and
(d) That the factors impacting public sector insurance costs, as outlined in Report FCS09008, be addressed by Councillor Powers at the Association of Municipalities of Ontario and Councillor Whitehead at the Federation of Canadian Municipalities.

CARRIED as Amended

12. Newalta (Taro) Royalties and Flamborough Slots Revenue (FCS09010/LS09002) (City Wide) (Item 8.7)

(Collins/Pearson)
(a) That report FCS09010/LS09002 “Newalta (Taro) Royalties and Flamborough Slots Revenue” be received; and

(b) That the relevant item be removed from the Audit & Administration Committee Outstanding Business List.

CARRIED

13. 1280 Main Street West Water/Wastewater Deferred Payment Arrangement (FCS09012) (City Wide) (Item 8.8)

(Morelli/Powers)
That the Acting General Manager of Finance and Corporate Services be authorized to enter into a deferred payment arrangement with a 24 month repayment period pertaining to water and wastewater charges for a total amount of $655,122.44 re Horizon Account Number 412302-001, 1280 Main Street West, Hamilton.

CARRIED

14. Dundas Rotary - $100,000 Interest Free Loan Request for an Outdoor Skating Rink at Dundas Driving Park (FCS09013) (Ward13) (Item 8.9)

(Eisenberger/Collins)
(a) That the City of Hamilton provide an interest free loan in an amount not to exceed $100,000 to the Dundas Valley Sunrise Rotary Club for the construction of an outdoor artificial skating rink including ice making equipment at the Dundas Driving Park, pursuant to the External Loan Guidelines to be repaid in full within two years from the date of the loan advance.

(b) That the City Solicitor and the Acting General Manager, Finance and Corporate Services be authorized to draft the loan agreement for execution by the Mayor and City Clerk.

CARRIED
15. **2009 Internal Audit Work Plan (CM09001) (City Wide) (Item 8.10)**

(Collins/Eisenberger)
That Appendix “A” attached to Report CM09001, respecting the 2009 Internal Audit Work Plan, be approved.  

CARRIED

16. **Audit Report 2008-06 – Fleet Management – Fuel, Maintenance & Inventory Control (CM09003) (City Wide) (Item 8.11)**

(Powers/Pearson)
(a) That Report CM09003 respecting Audit Report 2008-06, Fleet Management – Fuel, Maintenance and Inventory Control, be received;

(b) That the management action plans for Central Fleet as detailed in Appendix “A” of Report CM09003 be approved and the Acting 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 CM09003 be approved and the Acting 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 CM09003 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 CM09003 be approved and the Chief of Police be requested to direct the appropriate staff to have the plans implemented.

CARRIED


(Powers/Pearson)
That the insurance premium retro-assessment invoice for the term February 15, 1998 to December 31, 2001 for the former Town of Dundas in the amount of $81,790.07 be paid to OMEX, ROMA Special Underwriting Group 1 and be funded from the 2008 Operating Budget.

CARRIED
18. **Development Charge Liability of $474,259.14 for the North Hamilton Community Health Centre at 444 Hughson Street North (FCS09022) (Ward 2) (Added Item 8.13)**

(Eisenberger/Bratina)

(a) That the Province, through the Minister of Health and Long-Term Care, be requested to fund the North Hamilton Community Health Centre’s Development Charge liability at 444 Hughson Street North of $479,259.14, in whole or in part, through potential project surplus and/or through an additional grant to the project;

(b) That should the Province not commit to the above recommendation, that staff report to Council with funding options regarding any or part of the outstanding amount of $474,259.14 in Development Charges for the North Hamilton Community Health Centre (NHCHC) located at 444 Hughson Street North; and

(c) That the resolution of development charges funding for this development not hinder the issuance of the building permit.

CARRIED as Amended

19. **Citizen Appointment to the Gay, Lesbian, Bisexual and Transgender Advisory Committee (Item 9.1)**

(Powers/Pearson)

That Deirdre Dixon be appointed to the Gay, Lesbian, Bisexual and Transgender Advisory Committee for the balance of the 2006-2010 term of Council or until such time as a successor is appointed by Council.

CARRIED

20. **Parkland Dedication Reserve – Audit and Administration Outstanding Business List, Item M (Item 11.1)**

(Collins/Bratina)

That Item M be considered complete and removed from the Audit and Administration Committee Outstanding Business List, as an Information Update was sent via e-mail on January 7, 2009.

CARRIED
21. Follow-Up Report Respecting HSR Funds (CM09002) (City Wide) (Item 12.1)

(Powers/Pearson)
That Information Report CM09002 be received and remain confidential and restricted from public access, pursuant to section 8.1, subsections (a), (b) and (e) of the City’s Procedural By-Law and Section 239 of the Ontario Municipal Act, as the subject matter pertains to the security of the property of a municipal or local board, personal matters about identifiable individuals including municipal or local board employees, and litigation or potential litigation.

CARRIED

22. Litigation Reporting (Added Item)

(Bratina/Collins)
That Councillor Clark meet with the Director of Legal Services and the City Manager and report back to the Audit and Administration Committee with a proposal respecting an ongoing reporting mechanism for in-progress litigations.

CARRIED

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

The Clerk advised of the following changes to the agenda:


(ii) Added as Item 8.13 is Report FCS09022 respecting Development Charge Liability of $474,259.14 for the North Hamilton Community Health Centre at 444 Hughson Street North

(iii) Added as Item 12.3 is a verbal update respecting personal matters about an identifiable individual.

On a motion (Pearson/Collins) 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 Audit and Administration Committee meeting held on December 3, 2008 (Item 3.1)

(Collins/Morelli)
That the minutes of the Audit and Administration Committee meeting held on December 3, 2008 be approved as presented.

CARRIED

(d) Hamilton Waterfront Trust Financial Statements 2002 to 2007 (LS09001) (Wards 2 and 5) (Item 5.1)

(Pearson/Powers)
That Item 5.1, Report LS09001 respecting Hamilton Waterfront Trust Financial Statements 2002 to 2007, be amended by adding recommendation (b) as follows:

(b) That Item L be removed from the Audit and Administration Committee Outstanding Business List.

Amendment CARRIED

(e) Reduction of Taxes on 50 Creighton Road (FCS08109) (Ward 13) (Item 8.2)

(Pearson/Collins)
That Report FCS08109 respecting Reduction of Taxes on 50 Creighton Road be lifted from table.

CARRIED

(Powers/Collins)
That Item 8.2, Report FCS08109 respecting Reduction of Taxes on 50 Creighton Road, be amended as follows:

(a) By deleting recommendation (a) in its entirety and replacing it with the following in lieu thereof:
“(a) That the Tax Assistance Agreement between the City of Hamilton and Dundas Lions Housing Limited entered into on January 1, 1962, (refer to Appendix “A” to report FCS08109), be extended for three (3) years ending December 31, 2011, with tax assistance provided at 60% for 2008 and 2009, 40% for 2010 and 20% for 2011; and”

(b) By adding recommendation (c) as follows:
“(c) That the Dundas Lion’s Club be so advised.”

Amendment CARRIED
Motion as Amended CARRIED
(f) Accounts Receivable Write-Offs for December 2008 (FCS09002) (City Wide) (Item 8.4)

The Committee requested that staff provide information respecting the circumstances by which accounts receivable write-offs reach the $8,000-10,000 range.

(g) 2009 Property/Liabilities Policies Renewal (FCS09008) (City Wide) (Item 8.6)

(Powers/Pearson)
That Item 8.6, Report FCS09008 respecting 2009 Property/Liabilities Policies Renewal, be amended by adding recommendation (d) as follows:

“(d) That the factors impacting public sector insurance costs, as outlined in Report FCS09008, be addressed by Councillor Powers at the Association of Municipalities of Ontario and Councillor Whitehead at the Federation of Canadian Municipalities.”

Amendment CARRIED
Motion as Amended CARRIED

(h) Dundas Rotary - $100,000 Interest Free Loan Request for an Outdoor Skating Rink at Dundas Driving Park (FCS09013) (Ward13) (Item 8.9)

Councillor Powers declared a non-pecuniary interest under Section 8.2 of the Code of Conduct, as he is a member of the Dundas Rotary Club.

(i) 2009 Internal Audit Work Plan (CM09001) (City Wide) (Item 8.10)

Ann Pekaruk provided a brief overview of the report and confirmed that the items listed in Appendix B to Report CM09001 are items that depend upon the 2009 budget allocation.

(j) Development Charge Liability of $474,259.14 for the North Hamilton Community Health Centre at 444 Hughson Street North (FCS09022) (Ward 2) (Added Item 8.13)

(Morelli/Eisenberger)
That recommendation (c) be deleted and replaced with the following in lieu thereof:

“(c) That the resolution of development charges funding for this development not hinder the issuance of the building permit.”

Amendment CARRIED
Motion as Amended CARRIED
(k) GENERAL INFORMATION/OTHER BUSINESS (Item 11)

(i) Outstanding Business List (Item 11.1)

Item B  Improvements within the City of Hamilton Procurement Process
Due Date: Feb 09
Revised Due Date: June 09

Item I  City/Domestic Procurement Policy
Due Date: Feb 4/09
Revised Due Date: Feb 18/09

(Powers/Collins)
That the due dates be amended accordingly.

CARRIED

(ii) Litigation Reporting (Added Item)

Committee discussed reporting on litigation (the status of litigations, how many cases are handled, costs) and the fact that there is no policy in place respecting litigation reporting (how often, what should be reported, how it should be reported).

Committee made a motion as outlined in Item 22 above.

(l) PRIVATE AND CONFIDENTIAL (Item 12)

(Pearson/Powers)
That Committee move into closed session at 10:06 a.m. pursuant to section 8.1, subsections (a), (b) and (e) of the City’s Procedural By-Law and Section 239 of the Ontario Municipal Act, as the subject matter pertains to the security of the property of a municipal or local board, personal matters about identifiable individuals including municipal or local board employees, and litigation or potential litigation.

CARRIED

(i) Follow-Up Report Respecting HSR Funds (CM09002) (City Wide) (Item 12.1)

See Item 21 above.

(ii) Management Update Respecting HSR Funds (Item 12.2)

Committee provided staff direction in closed session with nothing to report in open session.
(iii) Verbal Update respecting personal matters about an identifiable individual (Item 12.3)

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

(Pearson/Morelli)
That Committee reconvene in Open Session at 11:18 a.m.

CARRIED

(m) ADJOURNMENT (Item 13)

(Pearson/powers)
The Audit and Administration Committee adjourned at 11:30 a.m.

Respectfully submitted,

Councillor Brad Clark, Chair
Audit and Administration Committee

Mary-Ann Meyer
Legislative Assistant
January 21, 2009