Audit and Administration Committee
MINUTES
9:30 a.m.
Wednesday, February 3, 2010
Room 207
Hamilton Convention Centre
One Summer's Lane

Present:
Councillors R. Powers (Chair), B. Morelli (Vice Chair), B. Bratina, B. Clark, C. Collins, M. Pearson, T. Whitehead

Also Present:
C. Murray, City Manager
R. Rossini, General Manager, Finance & Corporate Services
J. Kay, General Manager / Chief, Hamilton Emergency Services
T. Tollis, City Treasurer
A. Pekaruk, Director of Audit Services
H. Tomasik, Exec. Director, Human Resources & Developmental Organization
M. Hazell, Acting General Manager, Planning & Economic Development
M. McChesney, Director, Information Technology
A. Storey, Acting Manager, Business & Support Services
G. Lupton, Director, Energy, Fleet & Facilities
S. Paparella, Legislative Assistant, Office of the City Clerk

THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR CONSIDERATION:

1. Monthly Status Report of Tenders and Requests for Proposals for November 13, 2009 to December 31, 2009 (FCS09027(h)) (City Wide) (Item 5.2)

(Whitehead/Pearson)
That Report FCS09027(h), respecting the Monthly Status Report of Tenders and Requests for Proposals for November 13, 2009 to December 31, 2009, be received.

CARRIED
2. Tax Appeals under Section 357 and Section 358 of the **Municipal Act, 2001** (FCS10006) (Item 5.3)

(Pearson/Whitehead)
(a) That Appendix “A” (attached to Report FCS10006), respecting the Tax Write-offs Processed, pursuant to Section 357 of the Municipal Act, 2001, in the amount of $204,073 be approved; and,

(b) That Appendix “B” (attached to Report FCS10006), respecting the Tax Appeals due to a Gross or Manifest Clerical Error, pursuant to Section 358 of the **Municipal Act, 2001**, in the amount of $162,254, be approved.

CARRIED

3. Quarterly Status Report on the use of Policy 10 – Emergency Purchasing and Policy 11 – Negotiations for the 4th Quarter 2009 (FCS09045(c)) (City Wide) (Item 5.4)

(Whitehead/Pearson)
That Report FCS09045(c), respecting Quarterly Status Report on the use of Policy 10 – Emergency Purchasing; and, Policy 11 – Negotiations for the 4th Quarter 2009, be received.

CARRIED

4. Follow Up of Audit Report 2007-09 – Administration of Outdoor Boulevard Cafés, Temporary Encumbrances, Banners and Permanent Road Closures (AUD10001) (City Wide) (Item 5.5)

(Pearson/Whitehead)
That Report AUD10001, respecting the follow up of Audit Report 2007-09, Administration of Outdoor Boulevard Cafés, Temporary Encumbrances, Banners and Permanent Road Closures, be received.

CARRIED

5. Follow Up of Audit Report 2007-06 – Investments (AUD10003) (City Wide) (Item 5.6)

(Pearson/Whitehead)
That Report AUD10003, respecting the follow up of Audit Report 2007-06 – Investments, be received.

CARRIED
6. **Follow Up of Audit Report 2007-08 – Public Works – Encroachment Agreements (AUD10004) (City Wide) (Item 5.7)**

(Pearson/Whitehead)
That Report AUD10004, respecting the follow up of Audit Report 2007-08 – Public Works - Encroachment Agreements, be received.

CARRIED

7. **Follow Up of Audit Report 2007-10 – Library – Fines and Other Revenue (AUD10005) (City Wide) (Item 5.8)**

(Pearson/Whitehead)
That Report AUD10005, respecting the follow up of Audit Report 2007-10 – Library – Fines and Other Revenue, be received.

CARRIED

8. **Follow Up of Audit Report 2008-01 – Risk Management – Claims Administration (AUD10008) (City Wide) (Item 5.9)**

(Pearson/Whitehead)
That Report AUD10008, respecting the follow up of Audit Report 2008-01 – Risk Management – Claims Administration, be received.

CARRIED

9. **Treasurer’s Apportionment of Land Taxes for ESCP 446, WSCP 448 and Properties in Ancaster and Flamborough (FCS10011) (Wards 3, 5, 12 and 15) (Item 5.10)**

(Pearson/Whitehead)
(a) That the 2009 property taxes in the amount of $5,309 for Wentworth Standard Condominium Plan 446 (WSCP 446) located at 9 Sherman Avenue South, Hamilton (Roll #2518 030 261 03980), be apportioned and split amongst the eight newly created parcels, as set out in Appendix A to Report FCS10011;

(b) That the partial payment remitted against the 2009 property taxes in the amount of $1,243 for WSCP 446 located at 9 Sherman Avenue South, Hamilton (Roll #2518 030 261 03980), be apportioned and split amongst the eight newly created parcels, as set out in Appendix A to Report FCS10011;

(c) That the 2009 property taxes in the amount of $28,236 for Wentworth Standard Condominium Plan 448 (WSCP 448) located at 464 Beach Boulevard, Hamilton (Roll #2518 050 511 03550), be apportioned and
split amongst the seventy-three newly created parcels, as set out in Appendix A to Report FCS10011;

(d) That the partial payments remitted against the 2009 property taxes in the amount of $1,819 for WSCP 448 located at 464 Beach Boulevard, Hamilton (Roll #2518 050 511 03550), be apportioned and split amongst the seventy-three newly created parcels, as set out in Appendix A to Report FCS10011;

(e) That the 2009 property taxes in the amount of $64,773 for 486 Southcote Road, Ancaster (Roll #2518 140 380 00405 and Roll #2518 140 380 01600), be apportioned and split amongst the one hundred and twenty-two newly created parcels, as set out in Appendix A to Report FCS10011;

(f) That the partial payments remitted against the 2009 property taxes in the amount of $48,996 for 486 Southcote Road, Ancaster (Roll #2518 140 380 00405 and Roll #2518 140 380 01600), be apportioned and split amongst the one hundred and twenty-two newly created parcels, as set out in Appendix A to Report FCS10011;

(g) That the 2009 property taxes in the amount of $134,036 for 619 Centre Road, Flamborough (Roll #2518 303 420 22800), be apportioned and split amongst the one hundred and nine newly created parcels, as set out in Appendix A to Report FCS10011; and

(h) That the partial payments remitted against the 2009 property taxes in the amount of $9,919 for 619 Centre Road, Flamborough (Roll #2518 303 420 22800), be apportioned and split amongst the one hundred and nine newly created parcels, as set out in Appendix A to Report FCS10011.

CARRIED

10. City of Hamilton Workforce Census (HUR10004) (City Wide) (Item 5.11)

(Whitehead/Pearson)
That Report HUR10004, respecting City of Hamilton Workforce Census, be received.

CARRIED
11. Grants Sub-committee Report 09-004 (Item 5.12)

(Pearson/Whitehead)

(a) APPOINTMENT OF CHAIR AND VICE CHAIR (2010) (Item 1)

(i) That Councillor Russ Powers be appointed as Chair, of the Grants Sub-Committee, for 2010.

(ii) That Councillor Lloyd Ferguson be appointed as Vice Chair, of the Grants Sub-Committee, for 2010.

(b) Approved Convention & Sport Tourism Grants July 2009 – December 31, 2009 (GRA09015) (City Wide) (Item 2)

That Report GRA09015 – Approved Convention & Sport Tourism Grants; July 2009 to December 31, 2009, be received.

(c) Community Partnership Program, Event Road Closure Services - Terry Fox Run (Waterdown) (GRA09016) (Ward 15) (Item 3)

(i) That the Event Road Closure Services request, made by the Terry Fox Run Organizers for the Terry Fox Run (Waterdown), be approved.

(ii) That funding for the Terry Fox Run (Waterdown), in the amount of $1,268.22, to be funded from the 2009 Event Road Closure Services budget, be approved.

(d) 2009 Community Partnership Program Requests - CULTURE Stream (GRA09017) (City Wide) (Item 4)

(i) That funding in the amount of $2,250, for The Hamilton Printmakers Arts Association’s Artists in the Schools and Schools in the Studio program, to be funded from the Community Partnership Program contingency budget, be approved.

(ii) That funding in the amount of $2,250, for The Hamilton Printmakers Arts Association’s Art to Commerce program, to be funded from the Community Partnership Program contingency budget, be approved.

(iii) That funding in the amount of $2,250, for the Falun Dafa Association’s Shen Yun Performing Arts performance, to be
funded from the Community Partnership Program contingency budget, be approved.

(iv) That the funding in the amount of $1,500, for the Hamilton Conservatory for the Arts Dance Theatre’s performances of Displacement, to be funded from the Community Partnership contingency budget, be approved.

(e) Community Partnership Program 2010 Budget Assumption (Item 5)

That, once approved by Council, $24,000 of the 2010 Budget increase assumption (2%), for the Community Partnership Program, be set aside to offset the new Harmonized Sales Tax, and the remaining be prorated through all areas of the Program.

CARRIED

12. HMRF/HWRF Pension Administration Sub-committee Report 09-003 (Item 5.13)

(Pearson/Whitehead)

(a) Hamilton Municipal Retirement Fund (HMRF) and Hamilton-Wentworth Retirement Fund (HWRF) – Survivor Benefit Re-Election (FCS09096(a) (City Wide) (Item 4.1)

That Report FCS09096(a) - Hamilton Municipal Retirement Fund (HMRF) and Hamilton-Wentworth Retirement Fund (HWRF) – Survivor Benefit Re-Election, be received.

(b) Dynamic Investment Policy for the Master Trust Pensions (FCS09112) (City Wide) (Item 5.1)

(i) That staff be directed to have Hewitt Associates LLC implement a Master Trust Dynamic Investment Policy, at a cost of approximately $125,000, to be funded from the Master Trust Pensions.

(ii) That the annual monitoring costs, for the Master Trust Dynamic Policy of approximately $20,000, be funded from the Master Trust Pensions.

CARRIED
13. **Steve Miazga, Chief Administrative Officer, Hamilton Conservation Authority, respecting a Loan Request for costs Associated with the Demolition of Greenhouses (Added Item 6.1)**

(Collins/Morelli)

(a) That the interest-free loan requested by the Hamilton Conservation Authority, in the amount of $140,000, for the demolition of greenhouses

(b) That staff work with the Hamilton Conservation Authority to determine the appropriate terms and conditions associated with the interest-free loan for demolition of greenhouses and other extra costs associated with that demolition.

(c) That the Hamilton Conservation Authority provide a presentation to the Audit & Administration Committee, at a future date, respecting the status of their fundraising efforts to cover part or all of the $140,000 associated with the demolition of the greenhouses.

CARRIED

14. **Initial Communication on Audit Planning, Grant Thornton (Item 7.1)**

(Morelli/Pearson)

That the presentation by Grant Thornton Chartered Accountants, respecting the Initial Communication on Audit Planning, be received.

CARRIED

15. **2009 External Audit Plan and Fees (FCS10009) (City Wide) (Item 8.1)**

(Whitehead/Pearson)

That the changes to the scope of audit work in the City of Hamilton 2009 External Audit Plan by Grant Thornton, as shown below, be approved:

(i) audit of Locke Street Business Improvement Area;
(ii) audits of Province of Ontario programs - Child Care and Homelessness;
(iii) audit work for changes to tangible capital assets; and,
(iv) audit of a new municipal financial reporting model that incorporates full accrual accounting.

CARRIED
16. **2010 Interim Tax Levy & Temporary Borrowing By-laws (FCS10002) (Item 8.2)**

   **(Pearson/Morelli)**
   (a) That Appendix “A” to Report FCS10002, a By-law to Authorize the Temporary Borrowing of Monies to Meet Current Expenditures Pending Receipt of Current Revenues for 2010” be passed; and,

   (b) That Appendix “B” to Report FCS10002, a By-law to Authorize an Interim Tax Levy for 2010” be passed.

   **CARRIED**

17. **Award of Tender C12-11-09 Various Car and Light Duty Truck Auto Services for Central Fleet and Transit Services (FCS10007) (City Wide) (Item 8.3)**

   **(Morelli/Clark)**
   That the Corporate Tender C12-11-09, Various Car and Light Duty Truck Auto Services for Central Fleet and Transit Services, be awarded to:

   (i) M. C. Automotive Ltd. for services required in District 1;
   (ii) De Feo’s Automotive Service Ltd. for services required in District 2;
   (iii) Barton Truck Centre Ltd. for services required in District 3; and,
   (iv) Cino Auto Repairs Inc. for services required in Districts 3, 4 and 5.

   **CARRIED**

18. **Award of Proposal C11-19-09 – Office Furniture (FCS10005) (City Wide) (Item 8.4)**

   **(Morelli/Clark)**
   (a) That the Request for Proposals C11-19-09 – Office Furniture be awarded to the compliant proposal with the lowest base submission price - that being Teknion Furniture Systems Co. Limited, at an estimated $804,198 per year;

   (b) That all furniture acquisitions are coordinated through and administered by the Corporate Facilities Management (CFM) Section of the Public Works Department;

   (c) That the Teknion product line offered in response to the Request for Proposals C11-19-09, as detailed in Appendix ‘A’ to report FCS10005, be approved as the standard for the City’s furniture requirements and is to be single sourced through the manufacturer’s designated dealer, who is currently Lordly Jones Limited;
(d) That the current Teknion product, TO S, remain the standard for existing workstations and continue to be utilized for reconfigurations, as per Item 1 of the Public Works Committee Report 09-004, approved by Council on March 11, 2009, respecting Supply of Furniture; and

(e) That the General Manager of Public Works be authorized and directed to negotiate and execute all appropriate contracts and agreement, respecting the Teknion furniture line for the Public Works Department, in a form satisfactory to the City Solicitor.

CARRIED

19. Audit Report 2009-08 – Cemeteries Administrative Office (AUD10002) (City Wide) (Item 8.5)

(Morelli/Collins)
(a) That Report AUD10002, respecting Audit Report 2009-08, Cemeteries Administrative Office, be received; and,

(b) That the management action plans, as detailed in Appendix “A” to Report AUD10002, be approved and the General Manager of Public Works direct the appropriate staff to have the plans implemented.

CARRIED

20. Audit Report 2009-11 – Parking Revenues (AUD10007) (City Wide) (Item 8.6)

(Whitehead/Pearson)
(a) That Report AUD10007 respecting Audit Report 2009-11, Parking Revenues, be received; and

(b) That the management action plans as detailed in Appendix “A” of Report AUD10007 be approved and the General Manager of Planning and Economic Development direct the appropriate staff to have the plans implemented.

CARRIED

21. Audit Report 2009-04 – Telecommunication Services (AUD10009) (City Wide) (Item 8.7)

(Collins/Pearson)
(a) That Report AUD10009, respecting Audit Report 2009-04, Telecommunication Services, be received; and,

(b) That the management action plans, as detailed in Appendix “A” to Report AUD10009, be approved and the General Manager of Finance
and Corporate Services and the City Treasurer direct the appropriate staff to have the plans implemented.

CARRIED

22. 2010 Internal Audit Work Plan (AUD10006) (City Wide) (Item 8.8)

(Collins/Morelli)
That Appendix “A”, attached to Report AUD10006, respecting the 2010 Internal Audit Work Plan, be approved.

CARRIED

23. Immigration Portal Promotion (CM10001) (City Wide) (Item 8.9)

(Morelli/Pearson)
(a) That the City of Hamilton accept the $20,000 in additional funding from the Ministry of Citizenship and Immigration to promote the Hamilton Immigration Portal; and,

(b) That the Mayor and City Clerk be authorized and directed to execute all necessary documents between the City of Hamilton and the Ministry of Citizenship and Immigration, with respect to the funding for Hamilton Immigration Portal promotion, in a form satisfactory to the City Manager and City Solicitor.

CARRIED

24. Update Regarding Liability Claims Related to Heavy Flood Events 2005 - 2009 (FCS10001) (City Wide) (Item 8.10)

(Pearson/Morelli)
That Report FCS10001, Update Regarding Claims Related to Heavy Rain Flood Events 2005-2009, be received.

CARRIED

25. Citizen Appointment to the Hamilton Status of Women Committee (Item 9.1)

(Morelli/Pearson)
That Ms. Christeen Urquhart be appointed to the Hamilton Status of Women Committee for the balance of the 2006-2010 term of Council or until such time as a successor is appointed.

CARRIED
26. Motion Respecting Auditor General (Item 9.2)

(Whitehead/Pearson)
That staff be directed to report back to the Audit and Administration Committee, respecting the creation of an Auditor General position and investigate other jurisdictions relative to the efficiencies and the responsibilities of such a position.

CARRIED

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised of the following changes to the agenda:

(i) Added as Item 4.3 – Delegation Request, submitted by Mr. Giovanni Puzzo, respecting a Water Bill Dispute

(ii) Added as Item 4.4 – Delegation request, submitted by Ms. Helen Marchesan, respecting a Water Bill Dispute

(iii) Added background information, from the Internal Auditor, respecting Item 9.2.

(Collins/Clark)
That the agenda for the February 3, 2010 meeting of the Audit & Administration Committee be approved, as amended.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 2)

Prior to the approval of the Closed Session Minutes for the December 2, 2009 minutes, Councillor T. Whitehead declared an interest.

(c) MINUTES (Item 3)

(i) December 2, 2009 (Item 3.1)

(Pearson/Collins)
That the minutes of the December 2, 2009 Audit and Administration Committee meeting be approved, as presented.

CARRIED
(ii) January 14, 2010 (Item 3.2)

(Collins/Pearson)
That the minutes of the January 14, 2010 Audit and Administration Committee budget meeting be approved, as presented.

CARRIED

(d) DELEGATIONS REQUESTS (Item 4)

(i) Steve Miazga, Chief Administrative Officer, Hamilton Conservation Authority, Respecting a Loan Request for costs Associated with the Demolition of Greenhouses (Item 4.1)

(Pearson/Clark)
That the delegation request, submitted by Steve Miazga, Chief Administrative Officer, Hamilton Conservation Authority, respecting a loan request for costs associated with the demolition of greenhouses, be approved.

CARRIED

(Pearson/Clark)
That the Rules of Order be waived to permit Steve Miazga, Chief Administrative Officer of the Hamilton Conservation Authority, to appear before the Audit & Administration Committee at the February 3, 2010 meeting.

CARRIED

(ii) Kevin McKay, Sky Dragon Community Development Cooperative, Respecting a Local Fair Trade Policy for City of Hamilton Procurement of Food and Coffee (Item 4.2)

(Collins/Clark)
That the delegation request, submitted by Kevin McKay, Sky Dragon Community Development Cooperative, respecting a Local Fair Trade Policy for City of Hamilton Procurement of Food and Coffee, be approved.

CARRIED

(iii) Mr. Giovanni Puzzo, respecting a Water Billing Dispute (Added Item 4.3)

(Collins/Clark)
That the delegation request, submitted by Mr. Giovanni Puzzo, respecting a water billing dispute, be approved.

CARRIED
(iv) Helen Lanka Marchesan respecting a Water Billing Dispute (Added Item 4.4)

(Pearson/Whitehead)
That the delegation request, submitted by Ms. Helen Lanka Marchesan, respecting a water billing dispute, be approved.
CARRIED

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

(Whitehead/Pearson)
That the following minutes of various sub-committees be received:

(a) GLBT Advisory Committee, dated October 15, 2009
(b) Mundialization Committee, dated November 4, 2009
(c) Mundialization Committee, dated December 2, 2009
CARRIED

(f) Steve Miazga, Chief Administrative Officer, Hamilton Conservation Authority, respecting a Loan Request for costs Associated with the Demolition of Greenhouses (Added Item 6.1)

Steve Miazga, Chief Administrative Officer of the Hamilton Conservation Authority, appeared before Committee to request an interest-free loan, in the amount of $140,000, for the demolition of greenhouses and other extra costs associated with that demolition. Mr. Miazga provided a history of the greenhouses and the work plan for that area in Dundas, and illustrated the area with a map. His comments included, but were not limited to, the following:

- The Hamilton Conservation Area (HCA) is requesting a $140,000, interest-free loan from the City of Hamilton to cover the costs of demolition of the greenhouses and other extra costs associated with the demolition.
- The HCA is hoping to raise enough funds to cover the full costs; however, if unable to do so, the HCA has budgeted for the full amount to be paid back to the City over a 10 year period.

(Collins/Morelli)
That the presentation by Steve Miazga, Chief Administrative Officer of the Hamilton Conservation Authority, respecting a Loan Request for costs Associated with the Demolition of Greenhouses, be received.
CARRIED
(g) **Initial Communication on Audit Planning, Grant Thornton (Item 7.1)**

Allister Byrne, Partner, Grant Thornton Chartered Accountants and Melanie Dugard, Senior Manager, Grant Thornton Chartered Accounts, provided a verbal overview respecting the 2009 City Of Hamilton Audit Plan.

*(Morelli/Pearson)*

That the presentation by Allister Byrne, Partner, Grant Thornton Chartered Accountants and Melanie Dugard, Senior Manager, Grant Thornton Chartered Accounts, respecting the Initial communication on Audit Planning, be received.

**CARRIED**

(h) **Update Regarding Liability Claims Related to Heavy Flood Events 2005 - 2009 (FCS10001) (City Wide) (Item 8.10)**

*(Pearson/Morelli)*

That Items “E” – Greenhill Neighbourhood Flooding, Outstanding Insurance Claims; and, “F” – Outstanding Flood Claims, be considered complete and removed from the Audit & Administration Committee’s Outstanding Business List.

**CARRIED**

(i) **Outstanding Business List Items requiring Approval to be Removed (Item 11.1)**

*(Pearson/Morelli)*

That Item “I” – Audit Report 2008-07 – Capital Planning and Budgeting – Capital Planning & Implementation Division, be considered complete and removed from the Audit & Administration Committee’s Outstanding Business List.

**CARRIED**

(j) **PRIVATE AND CONFIDENTIAL (Item 12)**

(i) **Closed Session Minutes of December 2, 2009 (Item 12.1)**

As the Audit & Administration Committee determined that no discussion, respecting the Closed Session Minutes of the December 2, 2009 meeting of the Audit & Administration Committee was required, the Minutes were approved in Open Session, as shown below:

*(Bratina/Clark)*

(a) That the Closed Session Minutes of the December 2, 2009, meeting of the Audit & Administration Committee be approved, as presented.
(b) That the December 2, 2009 Minutes, of the Audit & Administration Committee, remain confidential and restricted from public disclosure, in accordance with exemptions provided in the Municipal Freedom of Information and Protection of Privacy Act.

CARRIED

(k) ADJOURNMENT (Item 13)

(Morelli/Pearson)
There being no further business, the Audit and Administration Committee adjourned at 10:50 a.m.

Respectfully submitted,

Councillor Russ Powers, Chair
Audit and Administration Committee

Stephanie Paparella
Legislative Assistant
February 3, 2010