



## **Audit and Administration Committee REPORT 08-004**

**9:30 a.m.**

**Wednesday, March 19, 2008**

**Committee Room 207  
Hamilton Convention Centre  
Hamilton, Ontario**

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

**Also Present:** Councillor R. Pasuta  
G. Peace, City Manager  
J. Rinaldo, General Manager, Finance and  
Corporate Services  
J. Kay, Hamilton Emergency Services  
J. Harnum, B. Smith, Public Works  
P. Barkwell, Legal Services  
I. Sturgeon, M. Meyer, City Clerk's Office

### **THE AUDIT AND ADMINISTRATION COMMITTEE PRESENTS REPORT 08-004 AND RESPECTFULLY RECOMMENDS:**

**1. Accounts Payable Payment Analysis (FCS08020) (City Wide) (Item 5.1)**

That Information Report FCS08020 respecting the Accounts Payable Payment Analysis be received.

**2. Tax Appeals under Section 357 and 358 of the Municipal Act 2001  
(FCS08008 (b)) (City Wide) (Item 5.2)**

(a) That the tax write-offs processed under Section 357 of the Municipal Act, 2001 in the amount of \$30,920.29 be approved (refer to Appendix "A" of report FCS08008(b)); 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 \$9,281.94 be approved (refer to Appendix "B" of report FCS08008(b))

**3. Quarterly Status Report on the use of Policy #10- Emergency Purchasing and Policy #11- Negotiations for the 4<sup>th</sup> Quarter 2007 (FCS07051(c)) (City Wide) (Item 5.3)**

That Information Report FCS07051(c) respecting the Quarterly Status Report on the use of Policy #10- Emergency Purchasing and Policy #11- Negotiations for the 4<sup>th</sup> Quarter 2007 be received.

**4. FOI Quarterly Report (October 1 to December 31, 2007) (CL07005(c)) (City Wide) (Item 5.4)**

That Information Report CL07005(c), respecting the FOI Quarterly Report (October 1 to December 31, 2007), be received.

**5. Report of the 2007 Remuneration and Expenses as Required under Section 284 of the Municipal Act (FCS08014) (City Wide) (Item 5.5)**

That Information Report FCS08014, respecting the Report of the 2007 Remuneration and Expenses as Required under Section 284 of the Municipal Act, be received.

**6. Customer Contact Centre Year End Report (FCS07074(b)) (City Wide) (Item 5.6)**

That Information Report FCS07074(b), respecting the Customer Contact Centre Year End Report, be received.

**7. 2008 Property/Liability Policies Renewal (FCS08024) (City Wide) (Item 8.1)**

(a) That the Liability and Property Insurance coverage for the term January 1, 2008, to January 1, 2009, be renewed through the City's General Managing Agent, Frank Cowan Company,(FCCL), at a cost of \$2,886,438 (including applicable taxes in accordance with Appendix "A" to FCS08024);

- (b) That the General Manager, Finance and Corporate Services, be authorized and directed to execute all associated documents on behalf of the City; and
  - (c) That the 2008 Budget for Premium Costs be increased by \$360,000 and that this amount be funded through a Contribution from Reserves.
  
- 8. Audit Report 2007-08 – Encroachment Agreements (CM08006) (City Wide) (Item 8.2)**
  - (a) That Report CM08006 respecting Audit Report 2007-08, Encroachment Agreements, be received; and
  - (b) That the management action plans as detailed in Appendix “A” of Report CM08006 be approved and the General Manager of Public Works direct the appropriate staff to have the plans implemented.
  
- 9. Audit Report 2007-09 – Administration of Outdoor Boulevard Cafés, Temporary Encumbrances, Banners and Permanent Road Closures (CM08007) (City Wide) (Item 8.3)**
  - (a) That Report CM08007 respecting Audit Report 2007-09, Administration of Outdoor Boulevard Cafés, Temporary Encumbrances, Banners and Permanent Road Closures, be received; and
  - (b) That the management action plans as detailed in Appendix “A” of Report CM08007 be approved and the General Manager of Public Works direct the appropriate staff to have the plans implemented.
  
- 10. Audit Report 2007-11 – Overstrength and Sewer Surcharge Agreements (CM08008) (City Wide) (Item 8.4)**
  - (a) That Report CM08008 respecting Audit Report 2007-11, Overstrength and Sewer Surcharge Agreements, be received; and
  - (b) That the management action plans as detailed in Appendix “A” of Report CM08008 be approved and the General Manager of Public Works direct the appropriate staff to have the plans implemented.
  
- 11. Audit Report 2007-12 – Recycling Program Revenues (CM08009) (City Wide) (Item 8.5)**
  - (a) That Report CM08009 respecting Audit Report 2007-12, Recycling Program Revenues, be received; and

- (b) That the management action plans as detailed in Appendix "A" of Report CM08009 be approved and the General Manager of Public Works direct the appropriate staff to have the plans implemented.

**12. Authority to Negotiate and Place a Debenture Issue(s) (FCS08027)  
(City Wide) (Item 8.6)**

- (a) That the General Manager, Finance & Corporate Services, be authorized to negotiate the terms and placement of a debenture issue(s) in an amount not to exceed \$50,000,000 Canadian currency;
- (b) That the General Manager, Finance and Corporate Services, be and enter into all agreements necessary, including Letter(s) of Representation with The Canadian Depository for Securities Ltd., to secure the terms and issuance of a debenture issue(s); and
- (c) That a By-Law be passed authorizing the debenture issue negotiated and placed in accordance with recommendation (a) above.

**13. City ats Menagh, Ontario Superior Court File No. 02-8455  
(LS08003/FCS08025) (City Wide) (Item 12.3)**

- (a) That the City decline to accept the Plaintiff's Offer to Settle the issue of costs as set out in the Plaintiff's letter of August 21, 2007, and further detailed in the Plaintiff's voice mail messages of January 22 and January 23, 2008;
- (b) That the City Solicitor be directed to continue to use all available procedures to collect the amounts due and owing to the City; and
- (c) That Report LS08003/FS08025 remain confidential.

**14. Christian Labour Association of Canada (Hamilton Volunteer  
Firefighters) Memorandum of Settlement (HUR08004) (City Wide) (Item  
12.4)**

- (a) That the Memorandum of Settlement between the City of Hamilton and the Christian Labour Association of Canada (CLAC), Local 911, in the Human Resources, be approved, and

- (b) That the contents of Report HUR08004 remain confidential as they contain information related to labour relations and employee negotiations.

**FOR THE INFORMATION OF COUNCIL:**

**(a) CHANGES TO THE AGENDA (Item 1)**

There were no changes noted.

Committee approved the agenda as presented.

**(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 February 20, 2008, were approved, as presented.

**(d) DELEGATIONS REQUESTS (Item 4)**

**Mundalization Committee respecting the Upcoming Milestone Anniversaries of the Twinning of some of our Sister Cities (Item 4.1)**

Committee approved the request for delegation.

**(e) Audit Report 2007-11 – Overstrength and Sewer Surcharge Agreements (CM08008) (City Wide) (Item 8.4)**

Councillor Clark requested Jim Harnum, Senior Director, Water and Waste Water Division, Public Works, to comment on item #3 of Appendix A of the Report.

Jim Harnum advised Committee that, although there are currently no financial liquidation penalties for companies that exceed their overstrength agreement limits, there is always a threat of charges or of non-renewal of the agreement. The institution of penalties or fines for companies that exceed their overstrength agreement limits is financially beneficial and will address the need for adequate enforcement.

Jim Harnum also commented on items 1 & 2 of the Report. He affirmed that the City will now be double-checking sewage output every three years to ensure that the levels are where they should be. He stated that there is currently a study being conducted which will examine all of the agreements.

Councillor Clark raised some concerns about certain toxic chemicals that could be released into the sewage system. Jim Harnum answered that companies will have to prove that discharges are not toxic.

Councillor Clark thanked Jim and his staff for looking into the issue.

**(f) GENERAL INFORMATION/OTHER BUSINESS (Item 11)**

**(i) Budget for Roads in 2008**

Councillor Clark requested Joe Rinaldo to comment on the amount that the City will be spending on roads in 2008.

Joe Rinaldo advised that the City will be spending about \$40 million, but that he will highlight it when he presents the budget.

Councillor Clark questioned if there was a way to ascertain what we are actually spending in relation to what has been budgeted.

Joe Rinaldo advised that he has reports dating back to 2001 that he will e-mail this information to members of Committee.

**(ii) Lister Block**

Councillor Bratina requested an update on the Lister Block agreement.

Joe Rinaldo advised that the amending agreement will be presented to Council on March 26<sup>th</sup>, but further changes are still being made. Staff will recommend either entering into an agreement or not based on the changes coming forward.

**(g) PRIVATE AND CONFIDENTIAL**

As the Committee determined that no discussion was required, the following items were approved in open session.

**(i) Minutes of the January 9, 2008 Closed Session Meeting (Item 12.1)**

On a motion, the Minutes of the Closed Session of the Audit and Administration Committee meeting of January 9, 2008 were received.

These Minutes will remain confidential and restricted from public disclosure in accordance with the exemptions provided in the Municipal Freedom of Information and Protection of Privacy Act.

**(ii) Minutes of the January 16, 2008 Closed Session Meeting (Item 12.2)**

On a motion, the Minutes of the Closed Session of the Audit and Administration Committee meeting of January 16, 2008 were received. These Minutes will remain confidential and restricted from public disclosure in accordance with the exemptions provided in the Municipal Freedom of Information and Protection of Privacy Act.

**(iii) City at Menagh, Ontario Superior Court File No. 02-8455 (LS08003/FCS08025) (City Wide) (Item 12.3)**

Committee approved the recommendations in the staff report as presented.

Please see item 13 of Audit & Administration Report 08-004.

**(iv) Christian Labour Association of Canada (Hamilton Volunteer Firefighters) Memorandum of Settlement (HUR08004) (City Wide) (Item 12.4)**

Committee approved the recommendations in the staff report as presented.

Please see item 14 of Audit & Administration Report 08-004.

**(h) ADJOURNMENT (Item 13)**

There being no further business, the Audit and Administration Committee adjourned at 9:55 a.m.

Respectfully submitted,

Councillor M. Pearson, Chair  
Audit and Administration Committee

Mary-Ann Meyer  
Legislative Assistant  
March 19, 2008