

City Clerk's Division

COUNCIL FOLLOW-UP NOTICE

TO: Mike Zegarac
Michael Kyne
Stephen Spracklin
Charles Brown
Lora Fontana
Andrea Holland
Janet Pilon

DATE: December 17, 2021

FROM: Angela McRae

RE: City Council Meeting – December 15, 2021 - AF&A Report 21-022

A. REPORT:

Please find below AF&A Report 21-022 approved *as amended* by City Council at its meeting held on December 15, 2021.

B. NOTES:

Please take the necessary steps to execute the direction of Council.

Thank you,

Angela McRae

CC: Cyrus Tehrani
Brian McMullen
Kirk Weaver
Rick Male
David Trevisani
Duncan Robertson
Morgan Stahl (Item 12)
Mimi John
Edward Soldo (Item 4)
Jessica Bowen (Item 5)
Stephanie Paparella (Item 9)
Grace Mater (Item 11)



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 21-022

AS AMENDED AT COUNCIL ON DECEMBER 15, 2021

9:30 a.m.

December 9, 2021

Council Chambers

Hamilton City Hall

Present: Councillors L. Ferguson (Chair), B. Clark, B. Johnson, M. Pearson, R. Powers, A. VanderBeek, and M. Wilson

Also Present: Councillor J. Partridge

THE AUDIT, FINANCE, AND ADMINISTRATION COMMITTEE PRESENTS REPORT 21-022 AND RESPECTFULLY RECOMMENDS:

1. APPOINTMENT OF COMMITTEE CHAIR AND VICE-CHAIR FOR 2022:

- (a) That Councillor M. Pearson be appointed as Chair of the Audit, Finance & Administration Committee for 2022.
- (b) That Councillor A. VanderBeek be appointed as Vice-Chair of the Audit, Finance & Administration Committee for 2022.

2. CONSENT ITEMS (Item 7.1)

That the following Consent Items, be received:

- (a) Standards & Approved Products Committee Report (PW21071) (City Wide) (Item 7.2)
- (b) Fair Wage Policy and Fair Wage Schedule Complaints Annual Report (FCS21101) (City Wide) (Item 7.3)
- (c) 2021 Third Quarter Request for Tenders and Proposals Report (FCS21008(b)) (City Wide) (Item 7.4)
- (d) 2021 Third Quarter Emergency and Non-competitive Procurements Report (FCS21009(b)) (City Wide) (Item 7.5)
- (e) 2021 Third Quarter Non-compliance with the Procurement Policy Report (FCS21010(b)) (City Wide) (Item 7.6)

3. Hamilton Future Fund Audit (AUD21013) (City Wide) (Item 8.2)

- (a) That Appendices “A” and “B” to Report AUD21013, respecting the Hamilton Future Fund Audit be received;
- (b) That the Management Response, as detailed in Appendix “A” to Audit, Finance & Administration Committee Report 21-022 be approved; and,
- (c) That the General Manager of Corporate Services be directed to formulate comprehensive management action plans and submit these to the Office of the City Auditor by June 2022.

4. Investing in City Roads and Sidewalks Infrastructure with Canada Community - Building Funds (PW21073) (City Wide) (Item 10.1)

- (a) That the Canada Community Building Fund investment of \$30 M be allocated to the list of projects in Appendix “B” to Audit, Finance & Administration Committee Report 21-022;
- (b) That three Public Works temporary full time equivalents be hired for up to 24 months at an estimated cost of \$850,000 and funded from Unallocated Capital Levy Reserve 108020 to deliver the Canada Community-Building Fund projects; and,
- (c) That the Procurement Policy 4.9 Consulting and Professional Services requirements be waived to allow for the direct award of Roster Assignments above the \$150,000 threshold for consultancy work pertaining to the Canada Community-Building Fund projects.

5. 2022 Budget Submissions Volunteer Advisory Committee (HUR21016) (City Wide) (Item 10.2)

- (a) That the Volunteer Advisory Committee 2022 budget base submissions be approved as follows and referred to the 2022 budget process:
 - (i) Advisory Committee on Immigrant & Refugees in the amount of \$3,500.00, attached as Appendix “A” to Report HUR21016;
 - (ii) Hamilton Mundialization Committee in the amount of \$5,890.00, attached as Appendix “B” to Report HUR21016;
 - (iii) Hamilton Women and Gender Equity Committee in the amount of \$3,500.00, attached as Appendix “C” to Report HUR21016 and \$5,000.00 is requested from the Committee’s 2021 reserve fund to support the 2021 Elect More Women Conference and other related initiatives that arise in 2022 that are not yet planned.

6. 2022 Temporary Borrowing and Interim Tax By-laws (FCS21112) (City Wide) (Item 10.3)

- (a) That Appendix “A” attached to Report FCS21112, “By-law to Authorize the Temporary Borrowing of Monies to Meet Current Expenditures Pending Receipt of Current Revenues for 2022”, be passed; and,
- (b) That Appendix “B” attached to Report FCS21112, “By-law to Authorize an Interim Tax Levy for 2022”, be passed.

7. Use of External Services for Tax Assessment & Appeals (FCS20005(a)) (LS21047) (City Wide) (Item 10.4)

- (a) That the cost to hire one temporary solicitor and one temporary legal support staff for the City’s active participation in assessment appeals be funded from the Tax Stabilization Reserve (Account number 110046) up to April 30, 2023;
- (b) That the use of external legal counsel, if required, to supplement internal legal resources to actively participate in assessment appeals, be funded from the Tax Stabilization Reserve (Account number 110046) up to April 30, 2023;
- (c) That the cost of Assessment & Appraisal consultants from Roster for Consultancy Services for the Provision of Assessment Based Management, Property Assessment & Taxation Appeals, Appraisal & Expert Witnesses (C2-01-21) continue to be funded from the Tax Stabilization Reserve (Account number 110046) up to April 30, 2023;
- (d) That the licensing cost to obtain an Appeals Management System, to be used by both Taxation and Legal staff to efficiently manage and track all active appeals, be funded from the Tax Stabilization Reserve (Account number 110046) up to April 30, 2023; and,
- (e) That staff report back on actual consulting, legal and software licensing costs incurred up to April 30, 2023, to determine if a sustainable funding source is required for 2023 and future.

8. Information Regarding Calculation of Audit Fee for Fair Wage Compliant FW26-2017 (FCS21117) (City Wide) (Item 10.5)

That Network Sewer and Watermain Ltd. be charged \$8,555.96 for the costs associated with FW26-2017 Fair Wage audit.

9. Grants Sub-Committee Report 21-002 - December 1, 2021 (Item 10.6)

(a) 2022 City Enrichment Fund Advance Payments (GRA21004) (City Wide) (Item 6.1)

- (i) That staff be authorized and directed to provide advance monthly payments to 2022 City Enrichment Fund applicants, as shown in Appendix "C" to Audit, Finance & Administration Committee Report 21-022, based upon 2021 funding levels, prior to final approval of the 2022 City Enrichment Fund budget; and,
- (ii) That any outstanding arrears due to the City of Hamilton, by any of the organizations listed in Appendix "C" to Audit, Finance & Administration Committee Report 21-022, be paid in full utilizing the approved advance funding, prior to the organization receiving any City Enrichment Fund payments.

10. HMRF - HWRF Pension Administration Sub-Committee Report 21-001 - December 1, 2021 (Added Item 10.7)

(a) CONSENT ITEMS (Item 7)

That the following Consent Items, be received:

- (i) 2020 Hamilton-Wentworth Retirement Fund Financial Statements (FCS21098) (City Wide) (Item 7.1)
- (ii) 2020 Hamilton Municipal Retirement Fund Financial Statements (FCS21099) (City Wide) (Item 7.2)
- (iii) Master Trust Pension Investment Performance Report as at December 31, 2020 (FCS20075(a)) (City Wide) (Item 7.3)
- (iv) Master Trust Pension Investment Performance Report as at June 30, 2021 (FCS21091) (City Wide) (Item 7.4)

(b) 2021 Master Trust Pension Statement of Investment Policies and Procedures (FCS21095) (City Wide) (Item 10.1)

- (i) That Appendix "D" attached to Audit, Finance & Administration Committee Report 21-022, respecting the 2021 City of Hamilton Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures be approved and replace the previous 2020 City of Hamilton Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures contained in Report FCS20074 and approved by Council on December 16, 2020; and,
- (ii) That Appendix "D" attached to Audit, Finance & Administration Committee Report 21-022, respecting the 2021 City of Hamilton

Defined Benefit Pension Plans Master Trust Statement of Investment Policies and Procedures be forwarded to the Hamilton Street Railway Pension Advisory Committee for their information.

(c) Outsourced Chief Investment Officer (FCS21116) (City Wide) (Added Item 10.2)

- (i) That Council, as the Administrator of the City Hamilton Defined Benefit Pension Plans Master Trust, authorizes:
 - (1) the General Manager, Finance and Corporate Services, to negotiate any agreements for contractual or consulting services to develop the selection process to hire an Outsourced Chief Investment Officer (OCIO) in a form satisfactory to the City Solicitor which may include sole sourcing or single sourcing to the applicable service provider;
 - (2) the General Manager, Finance and Corporate Services, to negotiate any agreements for the selection and hiring of an Outsourced Chief Investment Officer (OCIO) in a form satisfactory to the City Solicitor; and,
 - (3) the General Manager, Finance and Corporate Services, to make any changes to applicable pension plan agreements, by-laws and policies in a form satisfactory to the City Solicitor; and,
- (ii) That staff of the Corporate Services, Financial Planning and Administration Policy, inform the HMRF/ HWRF Pension Administration Sub-Committee and Hamilton Street Railway Pension Advisory Committee through a Communication Update or Information Report of the successful Outsourced Chief Investment Officer (OCIO) after awarding of the contract.

11. 2022 Budget Submission – Aboriginal Advisory Committee (HSC21051) (City Wide) (Added Item 10.8)

That the Aboriginal Advisory Committee 2022 base budget submission attached as Appendix “A” to Report HSC21051 in the amount of \$3,552, be approved and referred to the 2022 budget process for consideration.

12. 2022 Budget Submission – Committee Against Racism (CM21017) (City Wide) (Added Item 10.9)

That the Committee Against Racism Advisory Committee 2022 base budget in the amount of \$8,900, be approved and referred to the 2022 budget process for consideration.

13. **Write Off of Penalties, Interest and Related Fees for Property Taxes and Interest Free Loan Agreement on Compassionate Grounds for the YFC/Youth Unlimited Waterdown, 273 Parkside Drive, Waterdown (Roll No. 2518.303.410.28600.0000) (Item 11.1)**

That sub-sections (a) through to (c) of Item 13 of Audit, Finance and Administration Report 21-022 respecting Write Off of Penalties, Interest and Related Fees for Property Taxes and Interest Free Loan Agreement on Compassionate Grounds for the YFC/Youth Unlimited Waterdown, 273 Parkside Drive, Waterdown (Roll No. 2518.303.410.28600.0000), be **deleted in their entirety and replaced with the following:**

WHEREAS, YFC Southwestern Ontario, also known as Youth for Christ (YFC) Youth Unlimited Waterdown, is a Registered Charity;

WHEREAS, the YFC/Youth Unlimited Waterdown provides programming for youth aged 10 to 19 years of age;

WHEREAS, YFC/Youth Unlimited Waterdown purchased the property located at 273 Parkside Dr, Waterdown in 2012, demolishing the existing residential structure to make room for the newly built youth centre which was completed in 2014;

WHEREAS, the property taxes at 273 Parkside Drive, Waterdown, once the former residential structure was demolished equated to, on average, approximately \$2,500 per year and continued as such even after the construction of the new facility;

WHEREAS, the Municipal Property Assessment Corporation (MPAC) did not add the value of the new facility to the roll until November 2020, thus triggering the City of Hamilton to issue tax bills for the omitted assessment for taxation years 2018 to 2020, the maximum allowable under the Municipal Act;

WHEREAS, the tax bills for omitted assessment for taxation years 2018 to 2020 totalling approximately \$48K, combined with the 2021 taxes of approximately \$17K per year, has put YFC/Youth Unlimited Waterdown in a difficult financial situation; and,

WHEREAS, YFC/Youth Unlimited Waterdown successfully challenged their assessment increase, resulting in a slight reduction to the assessed value, however still resulting in total outstanding taxes of \$64,884.85 inclusive of penalty, interest and related fees and \$58,467.21 excluding penalty, interest and related fee as on November 22, 2021;

THEREFORE, BE IT RESOLVED:

(a) That the General Manager, Finance and Corporate Services (“GM”), be authorized and directed to enter into a payment agreement with Southwestern Ontario Youth for Christ (“SOYC”) for the payment of outstanding property taxes and penalty and interest for the property

municipally known as 273 Parkside Drive, Waterdown with Roll No. 2518.303.410.28600.0000 with a content satisfactory the GM and in a form satisfactory the City Solicitor and with the following terms and conditions:

- (i) the amount of outstanding taxes to which the agreement applies is \$58,467.21 (“Outstanding Taxes”) and are in respect of the taxation years 2018 to 2021;**
- (ii) the Outstanding Taxes will remain on the tax roll;**
- (iii) penalty and interest owing to December 15, 2021 in respect of the Outstanding Taxes shall be written-off and future penalty and interest is waived as long as installment payments of Outstanding Taxes are made in accordance with the Agreement;**
- (iv) the Outstanding Taxes will be paid over 5 years in 19 installments of \$2,923.36 and a final installment of \$2,923.37 with payments to payable at the same time as quarterly tax payments are due and payable;**
- (v) if SOYC does not make a payment of Outstanding Taxes when due and/or fails to pay future property taxes during the term of the Agreement when they are due the Agreement will come to an end and penalty and interest on the balance of Outstanding Taxes unpaid and a future property taxes unpaid will accrue will be payable in accordance with applicable City By-laws and will continue to accrue on any unpaid balance of the Outstanding Taxes;**
- (vi) confirmation that SOYC is a registered charity and non-profit corporation; and**
- (vii) such further terms and conditions as the GM and City Solicitor deem appropriate;**

(b) That the General Manager Finance and Corporate Services, be authorized to waive and write off penalties, interest and related fees for property taxes for Southwestern Ontario Youth for Christ in accordance with the payment agreement to operating Dept ID 252009.

14. Personnel Matter (FCS21118) (City Wide) (Added Item 14.1)

- (a) That the direction provided to staff in Closed Session be approved with funding approved from the Corporate Financials Budget; and,

- (b) That Report FCS21118, respecting Personnel Matter, remain confidential.

FOR INFORMATION:

(a) APPOINTMENT OF COMMITTEE CHAIR AND VICE-CHAIR FOR 2022 (Item 1)

- (a) That Councillor M. Pearson be appointed as Chair of the Audit, Finance & Administration Committee for 2022; and,
- (b) That Councillor B. Clark be appointed as Vice-Chair of the Audit, Finance & Administration Committee for 2022.

(b) CHANGES TO THE AGENDA (Item 2)

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

8. PRESENTATIONS

- 8.1 Hamilton Waterfront Trust – 2020 Annual Briefing by Werner Plessl, Executive Director (No Copy)

This Item was WITHDRAWN and will be placed on the January 13, 2022 Audit, Finance and Administration Committee Agenda.

10. DISCUSSION ITEMS

- 10.7 HMRF - HWRF Pension Administration Sub-Committee Report 21-001 - December 1, 2021
- 10.8 2022 Budget Submission – Aboriginal Advisory Committee (HSC21051) (City Wide)
- 10.9 2022 Budget Submission – Committee Against Racism (CM21017) (City Wide)

14. PRIVATE AND CONFIDENTIAL

- 14.1 Personnel Matter (FCS21118) (City Wide)

The agenda for the December 9, 2021 Audit, Finance and Administration Committee meeting was approved, as amended.

(c) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(d) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)

(i) November 18, 2021 (Item 4.1)

The Minutes of the November 18, 2021 meeting of the Audit, Finance and Administration Committee were approved, as presented.

(e) CONSENT ITEMS (Item 7)

(i) Committee Against Racism – November 23, 2021 - No Quorum Notes (Item 7.1)

The Committee Against Racism - No Quorum Notes from November 23, 2021, were received.

(f) PRESENTATIONS (Item 8)

(i) Hamilton Future Fund Audit (AUD21013) (City Wide) (Item 8.2)

Charles Brown, City Auditor addressed the Committee with a staff presentation respecting Report AUD21013, the Hamilton Future Fund Audit.

The Staff Presentation respecting Report AUD21013, the Hamilton Future Fund Audit, was received.

For further disposition of this matter, please refer to Item 3.

(g) APPOINTMENT OF COMMITTEE CHAIR AND VICE-CHAIR FOR 2022 (Item 1) (CONTINUED)

Item (a)(b), considered earlier in the meeting, respecting the Appointment of Committee Vice-Chair for 2022 and which reads as follows, was reconsidered at this time, in order to comply with Section 5.2 (1)(b) of Procedural By-law 21-021, as amended:

(a) APPOINTMENT OF COMMITTEE CHAIR AND VICE-CHAIR FOR 2022 (Item 1)

(b) That Councillor B. Clark be appointed as Vice-Chair of the Audit, Finance & Administration Committee for 2022.

Item (a)(b), respecting the Appointment of Committee Vice-Chair for 2022 and which reads as follows, was considered at this time:

(a) APPOINTMENT OF COMMITTEE CHAIR AND VICE-CHAIR FOR 2022 (Item 1)

(b) That Councillor B. Clark be appointed as Vice-Chair of the Audit, Finance & Administration Committee for 2022.

Item (a)(b), respecting the Appointment of Committee for 2022, was **amended** to read as follows:

(a) APPOINTMENT OF COMMITTEE CHAIR AND VICE-CHAIR FOR 2022 (Item 1)

- (b) That Councillor **A. VanderBeek** be appointed as Vice-Chair of the Audit, Finance & Administration Committee for 2022.

For disposition of this matter, please refer to Item 1.

(h) GENERAL INFORMATION / OTHER BUSINESS (Item 13)

(i) Amendments to the Outstanding Business List:

The following amendments to the Audit, Finance & Administration Committee's Outstanding Business List were approved:

- (a) Items Considered Complete and Needing to be Removed:

Investing in City Roads and Sidewalks Infrastructure with Canada
Community-Building Funds

Added: July 5, 2021 at GIC - Item 11.1

Completed: December 9, 2021 at AF&A - Item 10.1

OBL Item: 21-I

Kenneth Ukrainec, on behalf of Network Sewer and Watermain
Ltd., respecting the Fair Wage Policy and Fair Wage Schedule
Complaints Annual Report (FCS20084)

Added: October 22, 2020 at AF&A - Item 7.2

Completed: December 9, 2021 at AF&A - Item 10.5

OBL Item: 20-K

(i) PRIVATE AND CONFIDENTIAL (Item 14)

Committee moved into Closed Session, respecting Item 14.1 pursuant to Section 9.1, Sub-section (b) of the City's Procedural By-law 21-021 and Section 239(2), Sub-section (b) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to personal matters about an identifiable individual, including City or a local board of employees.

(i) Personnel Matter (FCS21999) (City Wide) (Added Item 14.1)

For disposition of this matter, please refer to Item 14.

(j) ADJOURNMENT (Item 15)

There being no further business, the Audit, Finance and Administration Committee, adjourned at 11:15 a.m.

Respectfully submitted,

Councillor Ferguson, Chair
Audit, Finance and Administration
Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk