



VISION: We will be a vibrant, dependable and clean city where services are delivered innovatively and effectively.

MISSION: To provide effective operations of the city through collaboration of members, management and staff.

City Hall, Hamilton
Finance Committee
10 November 2016
10.00am

- Present:** Councillor Dennis Tucker, JP (Chair)
Rt. Wor. Charles Gosling, JP
Councillor John Harvey, MBE, JP
Councillor Larry Scott
- In Attendance:** Ed Benevides -Secretary
Patrick Cooper - City Engineer
Siobhan Fubler - Deputy Treasurer
- Apologies:** Councillor Henry Ming
Tanya Iris - Treasurer
Lindell Foster - HR Manager
Nathan Kowalski, CA, CFA, CIM - Associate Member

1. Confirmation of Notice:

The Secretary confirmed that the appropriate notices of the meeting and agenda were duly given according to the meeting guide.

2. Role of the Chairman:

Councillor Tucker confirmed his role as the Chairman.

3. Open Meeting:

Councillor Tucker called the meeting to order at 10:00am.

4. Apologies:

The Secretary confirmed apologies from Councillor Henry Ming, Nathan Kowalski, the Treasurer and HR Manager.

5. Public Participation/Presentation:

There were no public presentations.

6. Correspondence:

There was no correspondence to discuss.

7. Minutes of Previous Finance Committee meeting dated 20 October 2016

Page 6 of 14 under 'Fraud Risk' Councillor Tucker's comments should read "journal" entries and not "general" entries.

Page 11 of 14 second from bottom paragraph, should read "Mayor - the icon Hamilton Bermuda at its Best Fashion Festival could be used".

Proposed: Councillor J. Harvey

Seconded: Mayor, Charles Gosling

The Minutes were accepted as read with the amendments.

8. Matters arising from the Previous Finance Committee meeting dated 20 October 2016

- (i) **List of Contracts over \$500K** - this item had not been actioned and should be carried over to the December meeting agenda. **(Action item outstanding)**
- (ii) **Unsolicited Proposals Policy** - the Secretary confirmed he forwarded a draft copy of the Unsolicited Proposals Policy to the auditors for review. They have not commented. The item will be discussed by the Staff, Legislative and Governance Committee next week and if any of the Finance Committee members has any concerns or comments then they should forward them to the Secretary, Recording Secretary or Chair of the committee, Councillor L. Scott.
- (iii) **Personal Information Protection Act (PIPA)** - the Secretary said that both PIPA and PATI are law and the CoH has a timeframe to put PIPA in place. Once it has been agreed at Committee level, a copy will be sent to the entire Council for their information. It affects the CoH because it handles top rate payer's information. The auditors mentioned Cyber Security in their report and the CoH will have to identify what is considered sensitive, etc. PIPA will outline how the CoH should deal with information such as this. Dialogue continued.
- (iv) **Fashion Festival Financials** -the Event Project Manager had not yet forwarded a spreadsheet of the financials as it relates to the Fashion Festival. Councillor Harvey suggested that we should be asking the BTA what their thoughts are on the Fashion Festival. Councillor Tucker said that this decision should be left to the Event Project Manager to manage. He further commented that BTA should be a financial partnership as it relates to the Fashion Festival. **(Action item outstanding)**

- (v) **Hamilton Princess / Fashion Festival** -the Secretary and Event Project Manager have not managed to organise a meeting with the manager of the Hamilton Princess to discuss some matters relating to the Fashion Festival. **(Action item outstanding)**
- (vi) **Fashion Festival Report** - The Event Project Manager had not yet forwarded a copy of the report on the Fashion Festival to the Finance Committee and to the BTA. **(Action item outstanding)**
- (vii) **Letter to Coach:** A thank you letter has not been sent to Coach on behalf of the Mayor regarding their participation in and sponsorship of the Bermuda Fashion Festival. It was noted that the Event Project Manager sent a letter of her own volition but it had been agreed that a letter should also be sent from The Mayor. **(Action item outstanding)**

It was noted that items (i), (iv), (v), (vi), (vii) had not been reported on due to the absence of the Event Project Manager.

ACTION: The Secretary to follow up with the Event Project Manager on outstanding action items from the October meeting and the Recording Secretary to ensure these items are carried over to the December agenda.

9. **Status Updates:**

(i) **Financial Reports - September 2016:** Councillor Tucker said he has received the September financials and he has had a chance to look at them. The CoH continues to be in a very positive cash position and hopefully this will translate through to the end of the year. The Secretary clarified that there are several big budget items in the pipeline and these will start to be reflected in the October financials. The City Engineer reported that in November/December the following amounts have been allocated: \$270K for the pump station, \$150K for wheelie bins and \$200K for the paving at Laffan Street. There is also the work taking place in the City Hall reception area (\$40K) which the Committee should bear in mind. There was continued dialogue.

Councillor Tucker said that payroll continues to look good but he asked what the \$228K savings in salaries that is showing. The City Engineer said this is from retirements or people who have chosen to leave and have not been replaced.

The Secretary said at the end of September, there is still over \$2 million outstanding in accounts receivable that management continues to chip away at. Councillor Tucker said it had been agreed at the last meeting that the CoH would be more aggressive in the collection of debts. The Secretary said there are a few options for doing this such as going after other assets or the route of Supreme Court. The Mayor reiterated that it is irresponsible on the CoH's part to allow debtors to increase their debts and take them down the road of having to wind up their company, sell their business or property to meet their debts. What the CoH should have done is to go after debtors earlier so they could have been able to rethink their financials at an earlier opportunity. Discussion continued.

The Secretary said that the CoH had gone after the core of the debtors early but it is just unfortunate that some of them are paying at the 'Court Ordered' rate which means they just keep falling further into arrears.

The Mayor said there is an action item on the Restricted Minutes which he feels can be carried over into this meeting. The action item reads: "The Secretary to research whether the CoH qualifies under the Interest and Charges Act to be able to charge interest".

ACTION: The Secretary to obtain a legal opinion on whether the CoH qualifies to charge interest.

The Deputy Treasurer feels that this would just increase the receivables and will possibly end up writing off the interest charges. She noted that the Tax Administrator has stated that what the CoH is receiving from people is sometimes better than even going to court because the court order is a lower payment which takes them forever to pay off.

The Mayor said that when the CoH goes to Court he is not sure what the process in terms of the Courts deciding how debts are to be paid. Maybe if the Court could be made aware sometime during the proceedings that if it is paid off at a particular rate all that it will lead to is an increase in debt because the debtor will be unable to meet the next payment.

Councillor L. Scott said that the only reason why the CoH wants the Court involved is to protect the judgment so that time limit does not run against the CoH. His view is that the CoH gets the judgment and then use the CoH's facilities to do the collections rather than the court getting sympathetic. He further suggested that the CoH will do the negotiations with the rate payer. The Deputy Treasurer said in a lot of cases, the clients come in and settles before it goes to Court.

The Mayor asked the CoH's validity to place a lien on properties. The Secretary said that the CoH has never exercised that process except for those that have gone into receivership. There is an opinion from Mark Diel and he was asked to put together a process to see whether the CoH could do some of that process to keep the costs down. It was suggested for Mr. Diel to give the CoH templates on how to go about the process. The CoH can write letters to the banks, etc. to garnish accounts.

10. Recommendations for Review:

RECOMMENDATION: That the Board approve the write-off of the balance due from Belco in the amount of \$18,083.30 as it relates to paving reinstatements. **(It was confirmed that the Board approved to write-off the balance)**

RECOMMENDATION: That the Board support the New Year's eve event to be held on Court street by providing a fireworks display and waiving the application fees on the condition that Startime entertainment will be able to raise funding by the middle of November 2016 and advise the CoH accordingly. **(Approved in Corporation Board meeting dated 5 October 2016)**

The Secretary said the agreed deadline is next Friday and he feels that the organisers will not meet the deadline regarding the raising of the finances and they will therefore have to be advised that the CoH will be withdrawing sponsorship of the fireworks, etc. Councillor Tucker said that it is unfortunate but the CoH are just going to have to go through the process with them and if they do not come up with the finances or show any indication that they will then the CoH will have to write a letter to the organisers advising them of the CoH's withdrawal of its offer to support this event.

The Mayor said a postmortem was held in January following last year's New Year's event and one of the comments fed back to the organisers was that they needed to arrange the event much earlier and it does not work when things are left to the last minute.

11. Any Other Business:

(i) Treasurer's Report - the Mayor said that one thing that jumps out at him is the continuing hemorrhaging of the CoH's parking revenue. He went on to say that with Par-la-Ville Car Park going into Receivership and all of the monies being forwarded on to MIF; the car park was not being fully utilised and it was producing about \$22K a month. Now the car park is full and cars are occupying spaces which are normally leased out to commercial vehicles and taking up some of the bike/handicapped spots and the revenue is down to \$9K a month. He further commented that the CoH is now in a position to force full compliance in the City Hall Car Park although most times it appears to be about half full but the CoH is now receiving more income from it than when it was fully occupied before the barriers were implemented.

The City Secretary and the Mayor will be meeting with the Minister and his PS on Monday to talk about parking legislation. The Mayor said he would like the Committee to consider a Resolution right now where they ask the City Engineer to start some preliminary investigations into the costs to install a barricade system for all the CoH's public car parks in the next year and the amount of monies the CoH would have to seek to finance such a venture. The Secretary said funds would need to include cameras and wiring, etc. The City Engineer advised that the costs would be approximately \$150K for each of the 15 car parks.

RECOMMENDATION: That the Board approve for the City Engineer to investigate the costs of installing a barricade system in all of the Corporation's public car parks in the City of Hamilton in order to seek funding.

Proposed: Mayor, Charles Gosling
Unanimous

Seconded: Councillor L Scott

Councillor Harvey expressed his support and said that the CoH should also have a comprehensive report on clamping. The Secretary said that a report was presented to Government regarding clamping and decriminalisation for the last four (4) years.

ACTION: The Secretary to forward to the Committee Members a copy of the CoH's clamping report.

There was continued discussion on clamping around the world. Councillor Harvey thought it would be a good idea to reinstate clamping in Par-la-Ville Car Park. The Committee concluded that the CoH needs to get the message into the public domain that it is reinstating clamping. It was agreed that it would be a good idea to carry out an in-house study and place half a dozen cars belonging to either staff members or the Council into Par-la Ville on a certain day and clamp them. Then publish some photographs on social media to gauge the reaction. The Mayor said it might also be worth tracking revenues for that period i.e. the day before, the day of and maybe two days after to see what happens and perhaps publish the results.

ACTION: The City Engineer to carry out an in-house study of clamping in Par-la-Ville Car Park as suggested by the Finance Committee. The clamping is to be coordinated with Fred Richardson and the Deputy Treasurer for tracking the revenue. Photos of the clamping to be posted on social media.

The CoH has to have responses ready for the public, etc. when they react to the clamping advising that it is an in-house study/demonstration and issue the results of the tracked revenue.

12. Motion to Move to Restricted Session.

Proposed: Councillor J. Harvey

Seconded: Councillor L. Scott

The public session closed at 11:35am.

Chairman

Date