



**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  
13 April 2017  
10.00am

**Present:** Councillor Dennis Tucker, JP (Chair)  
Rt. Wor. Charles Gosling, JP  
Councillor John Harvey, MBE, JP

**In Attendance:** Edwards Benevides - Secretary  
Tanya Iris - Treasurer  
Siobhan Fubler - Deputy Treasurer  
Lindell Foster - Human Resource Manager  
Nathan Kowalski, CA, CFA, CIM - Associate Member

**Apologies:** Councillor Larry Scott  
Councillor RoseAnn Edwards  
Patrick Cooper - City Engineer (part)

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**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 10.02 am.

**4. Apologies:**

The Secretary confirmed apologies for Councillor Larry Scott and Councillor RoseAnn Edwards.

**5. Public Participation/Presentation:**

There was supposed to be a public presentation from a member of the Cathedral of the Most Holy Trinity although the person in question did not arrive for the meeting.

**6. Correspondence:**

There is no correspondence.

**7. Minutes of Previous Finance Committee meeting dated 9 March 2017:**

**Proposed:** The Secretary, Edwards Benevides      **Seconded:** The Treasurer, Tanya Iris

The Minutes were accepted as read.

**8. Matters arising from the Previous Finance Committee meeting dated 9 March 2017:**

There were no matters arising.

**9. Status Updates:**

**(i) Draft Financial Report - February 2017:**

N. Kowalski joined the meeting at 10:05am.

**Wharfage:** The Treasurer reported that wharfage is up and this is most likely due to the America's Cup. Councillor Tucker said it was expected that wharfage would continue to rise although N Kowalski pointed out that it would drop precipitously after a six-month period and would then return to about what it was last year. The gain will therefore not be a long term, sustainable one. Councillor Tucker mentioned construction for the new airport terminal and it was noted that the CoH does not receive wharfage for Government projects. Councillor Tucker said he had also heard there is a possibility that the new hotel project in St. George will be going ahead and could start as early as May. The Secretary said that unfortunately this will not make any difference to the CoH financially because it will most likely appear on wharfage Schedule 1. When the Government gave the CoH back its right to receive wharfage, there was a sting in the tail in that the CoH would not receive wharfage on anything the Finance Minister deems to be on Schedule 1. Also, if the Minister waives duty then he also waives wharfage. The Secretary said examples of what is on Schedule 1 are items such as anything for US Government or for the Consulate and basically anything the Minister deems to put on the list such as hotel concessions as well.

**Tax Revenue:** These are down slightly because more people have taken advantage of rebates and there have been more building vacancies than expected. Owners are now responsible for their entire tax bill and the owners are taking advantage of the rebates if their properties are vacant. The Secretary said that the new system is an adjustment for the CoH but in the long term it will prove to be a good thing.

Councillor Tucker noted that tax revenue is 30% of the CoH's total income and he asked the Treasurer to keep a close eye on it and to forewarn the Committee if there are any issues - even if it means emailing the Committee prior to a Committee Meeting.

**Car Park Revenue:** The Treasurer discussed car parking revenues and she said that No. 1 Car Park had been closed for some time in February whilst the barrier work was taking place and this had obviously had an impact on revenue. All the other car parks have also seen a decline in revenues except for City Hall which has seen an increase due to enforcements. The Mayor said that the CoH has little control over the collection of rates and, wharfage but the one thing we do have control over is parking and for the CoH to be hemorrhaging this amount of money for just two months is unsettling. The Mayor strongly suggested that instead of looking at each car park individually, the CoH should try to get the barrier systems implemented in all car parks as quickly as possible and work should not involve closing the car parks entirely. If work requires the total closure of a car park, then management should be looking at alternative work hour patterns.

Councillor Tucker asked what the delays are with the barriers and the Secretary confirmed that he believed that the design work is still taking place and then they will need to go out to tender. The Secretary said that if the Committee is now moving towards the idea of having the work done outside of normal business hours, then this will obviously require a change in the wording of the tender because it will incur overtime. Councillor Tucker said the CoH should be working on the design and RFP process for all the car parks right now because he was hoping that the barriers would be in place by the first half of this year. The Secretary confirmed there have been some delays in shipping from Germany and that the barrier for No. 1 arrived yesterday and the pay stations arrives next week. The secretary commented on the Project Charters for 2017 indicating the timelines for projects.

**ACTION:** The Secretary to check with the City Engineer as it relates to the design and installation timelines of the barrier systems in the remainder of the car parks.

Councillor Tucker commented that maybe the Committee should have a separate meeting with the City Engineer regarding an overview of the barrier systems.

**FYI** - according to the Purchasing Department, the barriers for the No.1, Bull's Head, Cavendish and Par-la-Ville Car Parks have arrived.

**Contracted Services:** These are under budget by \$123K because some projects such as street resurfacing have not begun because East End Asphalt was not available.

**Legal Fees:** These have increased due to the ultra vires expenses. Councillor Tucker said the CoH has set aside \$750K but if they end up going to Privy Council this could be a \$1 million exercise so this should be kept in mind because maybe the CoH is going to have to look at some other virements. The Mayor suggested in the first instance that the CoH write a letter to the CoH's Minister as well as the Minister of Finance requesting a grant.

It is his understanding that the Finance Minister's legal representative is very concerned about the ultra vires case because Government might just take that same position for the arbitration case for the waterfront in which case the CoH will save them a considerable amount of money if they were to be successful in their victory. The Committee agreed it would wait until the ruling has been issued before writing the suggested letter.

Councillor Tucker noted that the \$284K spent to date excludes the \$275K deposit that the CoH has paid to the lawyers in the UK. Therefore, there is still \$275K out there that the CoH needs to retrieve.

The City Engineer joined the meeting at 10:45am.

**Cash:** When compared to December 2016 the cash balances are slightly higher primarily due to the receipt of taxes. The last date to receive the rebate was March 1st, 2017. Councillor Tucker said that CoH has \$2.2 million in its current account at Butterfield and it would be prudent that perhaps the Treasurer should consider putting this out on a CD. N. Kowalski suggested it could be used to repay the debt at an accelerated rate if possible, with no penalties etc. because the interest rate on that debt is much higher than what the CoH would receive on a CD.

The Treasurer explained that she has held off on moving cash because she knew they would need money for the barrier systems. It was suggested that if the Treasurer uses the cash to pay off debt then she should start with the debt that levies the highest interest rate.

**ACTION:** The Treasurer will reach out to Clarien Bank with regards to paying of the loan.

The Mayor asked about the MIF liability on the balance sheet and the Treasurer said the auditors have asked us to hold off on this until the CoH receives the ruling from the Court. The Mayor said the item should not be listed on the balance sheet as a liability because the CoH has been successful with the case. It was agreed that the Treasurer would move the item from one (1) line to another line on the balance sheet. In the audited statements, it will state that the matter is under appeal.

Councillor Tucker asked the Treasurer about the overages in certain expenses for the first part of the year such as water, travel, security and temporary staff. The Treasurer said she would need to check some of these increases to see whether they are just one-off payments or if they will continue to increase throughout the rest of the year.

**ACTION:** The Treasurer to check on the increase in expenses on the items raised by the Committee.

Councillor Tucker commented on the Balance Sheet, Receivables and Taxation. He concluded by saying that looking at the bottom line, the CoH is doing relatively well so far this year but a close eye still needs to be kept on revenues and expenses. The Mayor said to put the same rationale for MIF on page 13 of the Report.

As the City Engineer was now present, the Committee revisited their earlier discussion on the car park barriers. Councillor Tucker explained that the Committee had hoped that while the work was being completed on No. 1, the design work, etc. would be done for Par-la-Ville. The City Engineer said he recognises that closing the car parks completely whilst work is being undertaken costs the CoH revenue and he is trying to keep closures to a minimum unless they are completely necessary for safety reasons or access restrictions. He said he was forced to close No. 1 car park because the entrance/exit is in the same spot and had to put a divider down the middle but the work was done as quickly as possible. Par-la-Ville has a wider entrance/exit, will probably be able to do that in stages and keep a one-lane access at all times. With regards to No. 1, the delays in shipping also had an impact and the contractor was scheduled to fly in today to set up the equipment at the weekend and into next week but unfortunately, only half the equipment has arrived on island so far. The barrier arms arrived but not the payment modules. The contractor has been postponed and his schedule is now full for the next month so we are looking at having the equipment commissioned middle of May at the earliest.

The City Engineer confirmed that design and RFP work is underway for all the car parks and they will be rolled out as soon as possible. When the time comes, there will be some challenges with the design of Cavendish Car Park barrier system. Councillor Harvey suggested that these issues are discussed sooner rather than later.

**ACTION:** The City Engineer to raise Cavendish Car Park barrier system design issues at the next Infrastructure Committee Meeting.

There was further discussion regarding securing the contractor.

The City Engineer said the barriers were supposed to come online linearly and a timeline has already been given to all Council Members: No. 1 - live before May 1st, Par-la-Ville - live before June 1<sup>st</sup>, Bull's Head - live before August 1<sup>st</sup> and Cavendish and Elliott - live before 1<sup>st</sup> September 2017.

**ACTION:** The Treasurer to check further with the AG regarding the pilot scheme of having funds paid to the CoH as it relates to traffic tickets.

Discussion continued regarding traffic wardens and the ticketing.

**ACTION:** The Secretary to get an update on the Parking Ordinance from the Minister.

The Mayor commented on the possible acceleration of dates for the installation of the barrier systems.

## 10. Recommendations for Review:

(i) **Recommendation Update:** That the Board approve to amend the Resolution of 2 December 2015 as presented. **Resolution:** That the Board approve that any projects estimated to be over \$500,000.00 over the life of the contract, to be sent to the auditors before contracts are signed to ensure that Financial Instructions and policies are upheld.

**(Approved in Corporation Board meeting dated dated 5 April 2017 and approved by the Minister)**

(ii) **Recommendation Update:** That the Board accept the bid in the amount of \$296,304.00 from Argus Insurance for a three-year contract for Property Insurance for the Corporation of Hamilton. **(Approved in Corporation Board meeting dated 1 March 2017 and approved by the Minister).**

(iii) **Recommendation Update:** That the Board approve to add Councillor Larry Scott to the Finance Committee. **(Approved in Corporation Board meeting dated 5 April 2017 and approved by the Minister).**

(iv) **Recommendation:** That the Board approve the Recommendation from the Residents Advisory Committee for \$5,000 for a "picnic/gathering" for the residents in the City.

The Mayor said that in the past the Corporation has supported events similar to this via in-kind services such as street closures, trash pick-ups, advertising, street beautification with planters, etc. and he suggested that the Committee continues in the same way. Councillor Tucker said he would like the Committee to have a look at the proposal and a budget prior to consideration.

After some discussion it was agreed this item should be deferred.

#### 11. **Any Other Business:**

(i) **Anglican Cathedral Window Project:** Even though no one from the Cathedral had attended today's meeting to present, it was agreed that the Committee would review the quote which had been submitted for the restoration of the Cathedral's stained-glass windows.

The Mayor said the CoH has a close connection with the Cathedral as there is a Mayor's pew in the building and a weekly service is held in which prayers are said for the Mayor. It may even be that the CoH granted the land on which the Cathedral is built. He is aware that the Cathedral is planning on approaching the Bank of Bermuda Foundation for funding but it would be fair for the CoH to contribute about a third of the proposed costs and hopefully for Government to come up with the other third considering the building is a national monument.

Councillor Harvey said he felt there is an alternative approach to raising the necessary funds by way of the Canon writing to high profile families in Bermuda asking them to support the fundraising for the windows.

It was noted that if the CoH were to contribute that it would not come out of the current budget. The Mayor put forward a recommendation that a Resolution is made for the CoH to contribute £20,000 towards the windows and this will be included in the 2018 budget and the contribution will be made at that time.

**RECOMMENDATION:** That the Board agree to a forward Resolution in terms of supporting the Anglican Cathedral Window Project to the amount of £20,000.00 or the equivalent of and that donation would be incorporated in the 2018 Budget and would be made at that time.

The Deputy Treasurer left the meeting at 11:25am

**Proposed:** The Mayor, Charles Gosling  
**Unanimous**

**Seconded:** Councillor D. Tucker

**12. Motion to Move to Restricted Session.**

**Proposed:** The Mayor, Charles Gosling

**Seconded:** The Secretary

The Public Session closed at 11.25am.

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**Chairman**

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**Date**