



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
8 December 2016
10.00am**

Present: Councillor Dennis Tucker, JP (Chair)
Councillor John Harvey, MBE, JP
Councillor Larry Scott
Councillor Henry Ming

In Attendance: Tanya Iris - Treasurer (Acting Secretary)
Lindell Foster - HR Manager
Patrick Cooper - City Engineer
Siobhan Fubler - Deputy Treasurer
Nathan Kowalski, CA, CFA, CIM - Associate Member

Apologies: Rt. Wor. Charles Gosling, JP
Ed Benevides -Secretary

1. Confirmation of Notice:

The Acting 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 Acting Secretary confirmed apologies from the Mayor, Charles Gosling and the Secretary, Ed Benevides.

5. Public Participation/Presentation:

There were no public presentations.

6. Correspondence:

There was no correspondence.

7. Minutes of Previous Finance Committee meeting dated 10 November 2016

Proposed: Councillor H. Ming

Seconded: Councillor L. Scott

The Minutes were accepted as read.

8. Matters arising from the Previous Finance Committee meeting dated 10 November 2016

(i) **List of Contracts over \$500K** - The City Engineer said that the only contract that is over \$500K and over several years is the Dock Security contract. The Acting Secretary said this came from a Resolution that said all contracts over a certain number and period had to go to the auditors for approval before the sign-off. The question is whether that Resolution is needed. The City Engineer said anything over \$100K has to go to the Council and the Minister. It was decided to have this item taken off the agenda.

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

The Acting Secretary said that she would check with the Secretary on whether to have that Resolution rescinded. The City Engineer suggested that the Resolution be adjusted to multiple year contracts, e.g. anything over \$200K, etc. The CoH would not want to see those \$200K contracts, e.g. pest control for City Hall. These are all the contracts that the current Resolution will catch which are ongoing maintenance contracts.

ACTION: The Acting Secretary to check with the Secretary as to whether the CoH keeps the Resolution relating to contracts over \$500K or have that Resolution rescinded or adjusted.

(ii) **Follow-up with the Event Project Manager re: outstanding action items from The October meeting: (i) Fashion Festival financials; (ii) Meeting with the manager of Hamilton Princess; (iii) Fashion Festival report and (iv) Letter to COACH on behalf of the Mayor** - Councillor Tucker said that he has had sight of the letter to COACH and the Event Project Manager did give a verbal update on the Fashion Festival.

ACTION: The Acting Treasurer to follow-up with the Event Project Manager regarding the Fashion Festival financials and the meeting with the manager of Hamilton Princess relating to the Fashion Festival.

It was noted that the Secretary would accompany the Event Project Manager to the meeting with the manager of the Hamilton Princess.

(iii) **Secure a Legal Opinion on whether the CoH qualifies to charge interest** - this action item was deferred to the next meeting. Councillor Tucker commented on the challenges put forward in reference to charging the interest and then collecting it, etc.

(iv) **Forward to the Committee Members a copy of the CoH's clamping report** - this action item was deferred to the next meeting. Councillor Tucker said the CoH is going ahead with the action against the Government regarding clamping. N. Kowalski asked for some clarity on why there was a ruling to have clamping taken away. The CoH is allowed to put up barriers and restrict access. He wanted to know what the CoH could actually do to enforce parking and what they could not do. The City Engineer clarified that the CoH is not allowed to do anything unless allowed to by Ordinance or Act. N. Kowalski said that currently there is no way to enforce parking in a physical sense. People that are paying are doing so because they are honest people; it is not because there is an enforceable option. The City Engineer said it could be an enforceable action because they are required by law to pay. N. Kowalski said if the public receives tickets, there is no way to enforce that they get paid. Councillor Tucker said the CoH does not have the power to enforce the payment of tickets; the police have that power but are not using it.

The City Engineer said the issue was that the CoH had an Ordinance which gave powers to clamp. Unfortunately, it was not gazetted properly. This happened back in 2007 or 2008. That Ordinance got rescinded or removed and with that the ability for the CoH to clamp disappeared. The judge said the only reason that the CoH could not clamp is because they do not have the legislation to back it up. N. Kowalski said it is strange that on one hand you would think the Government would want to see the CoH in a good financial position. But yet on the other hand the Government will not let them get into a good financial position because of what is a big driver of revenue is unenforceable.

The City Engineer said that the CoH has put in an appeal on that ruling and it has been stayed over a few times. The last time it was stayed over, the Chief Justice had some pointed questions to the AG asking why they are not moving ahead and why are they not assisting the CoH? He said the he is not going to roll the matter over again and from that it seems like it moved the AG and the Government along a bit. There are some meetings happening and the parking legislation seems to be progressing. The thought is that the AG is going to get the ruling overturned in appeal if it ends up that they have not done anything. The judge is looking at the AG's Chambers very seriously. There is legislation currently being drafted.

Councillor Harvey said that at the Board meeting yesterday, this committee recommended that the City Engineer investigate the costs of putting barrier systems in the other car parks. The Treasurer reported that Par-la-Ville brings in \$20K per month and City Hall half empty brought in \$46K for the month.

(v) **Carry out an in-house study of clamping in Par-la-Ville car park** - the City Engineer said November 14, 15 and 16 he counted the cars in the car park:

November 14:

Number of cars in lot - 229
Number of cars not paid - 192
Number of cars paid in **total** - 36
Number of cars paid (time expired) - 1
Number of users of invalid permits - 2
Number of cars paid using mobile app - paid (2) and User Tags (40)

November 15:

Set-up a couple of dummy clamps:

Number of cars in lot - 232
Number of cars not paid - 173
Number of cars paid in **total** - 59
Number of cars paid (time expired) - 3
Amount user's invalid permits - 3
Number of cars paid using mobile app - paid (1) and User Tags (29)

November 16:

Number of cars in lot - 218
Number of cars not paid - 177
Number of cars paid in **total** - 39
Number of cars paid (time expired) - 2
Number of users of invalid permits - 1
Number of cars paid using mobile app - paid (2) and User Tags (38)

The City Engineer put some numbers together for the other car parks. # 1, Par-la-Ville, Bull's Head, Elliott and Cavendish are close to 150 - 200 cars and it makes economic sense to invest in barrier systems for them because the CoH will get the payback on them. It would not make sense to do barrier systems in the smaller car parks because the CoH will not get the return. For the five (5) car parks the City Engineer has estimated \$888,175.20 and of that already \$150K is budgeted for #1 car park. If he could secure \$750K, he could have the other four (4) done next year. He would like to be able to order all the equipment together because he might be able to get some savings with shipping, etc.

N. Kowalski asked for the payback time period per car park. The City Engineer said if looking at Par-la-Ville car park at \$170K could easily get \$25K a month by putting a barrier system in there, so the payback time period would be less than a year. Councillor Tucker said in talking to the CoH's lenders they would be more than happy to support that financially.

RECOMMENDATION: That the Board approve the funding to proceed with the installation of the barrier system in the four (4) car parks: Par-la-Ville, Bull's Head, Elliott and Cavendish.

The Acting Secretary suggested that the Council approve for the City Engineer to proceed with the costs and in the January Council meeting could give a virement to support those funds. The CoH had set aside funds for the interest on the loan which does not have to be paid anymore and could adjust the budget. The City Engineer said January 3rd, 2017 he will be issuing a Purchase Order to get the equipment for #1 car park and would like to do the additional four (4) car parks as well. If this could be approved as an addition to the budget, then the City Engineer could proceed. The matter will be placed on the agenda for the Special Council meeting scheduled for Thursday 15 December 2016.

Each one will take a month to do and these will be contracted out and should go fairly quickly. The question is how the CoH will phase them in; will probably install, leave the arms up and commission them all at the same time. Then activate a car park at a time so that there is staff available to address the teething issues. The goal will be to have the car parks installed and operational by 30 June 2017.

The City Engineer said that he is not completely happy with City Hall's car park barrier system. They have used that barrier system as a learning curve and did not want to start any of the other car parks until they had addressed all the issues. One of the issues is that the CoH went with the least expensive system and the system is going to be adjusted to a one-ticket system as opposed to the current two-ticket system. The CoH will spend the money to network it, so that the entry barriers talk to the pay station and the exit gate. When the ticket is pulled at the entrance, it will get validated and then the exit barrier will know that it has been paid and then allow the person to exit. Another change is the screens so that it is more user-friendly. They will be lit differently and will be able to be read better. The contrast has been changed and they are better but still not easy to read in the direct sunlight. The biggest issue is that people do not read instructions. All of the car parks will be identical with the same system. There was continued discussion on all car park access for Council Members.

The City Engineer continued the discussion by talking about the purchase of monthly cards for parking that can give access to multiple car parks and eliminate the validation process, etc. The monthly passes will be sold at better rates. Councillor Tucker queried when the public will be able to use their Easy Parks in the car park. The City Engineer said the Easy Park mobile devices have been tested and they are days away from putting the Easy Park mobile live. The yellow devices are still being worked on to ensure that the accounting systems line up.

9. Status Updates:

(i) Financial Reports - October 2016:

Councillor Tucker commented on the numbers in reference to November's income from the car parks. The Acting Secretary said that she looked at City Hall car park and in October the revenue was \$37K and in November the revenue went up to \$46K. Part of that increase is probably from persons doing their Christmas shopping. The revenue numbers in November are coming from the actual machines in the car park, have not received the figures from Easy Park, etc.

ACTION: The Acting Secretary to speak to the lawyers at MDM regarding notifying the Liquidators that the CoH is no longer giving the funds to them and to also query the release of Par-la-Ville car park whereas all the injunctions should fall away.

The Acting Secretary highlighted that the CoH won the case and the funds from Par-la-Ville car park is no longer going to the Receivers.

- **Income** - the car park revenue is down. Some of that decrease is because some of the income was being sent to the Liquidators.
- **Dock Storage** - started receiving revenue and it is assisting to offset any negative decrease in the parking lots.
- **Wharfage** - receiving more funds for wharfage and assume it will continue to increase with retailers getting ready for the Christmas Season. Every time goods come through the docks, the CoH receives 1.75% of the value and the funds are consistently received from the Government every month.
- **Salaries/Staff Costs** - look to be in line.
- **Legal Fees** - another highlight of which the CoH has little control.
- **Materials and Equipment** - those funds will probably get used up a bit but will not be able to get to use all the funds. With the reduction of staff the CoH has not been doing as much construction work or are doing jobs that are material light.

Councillor Tucker commented on a complaint of an odour in the Reid Street area across from HSBC. The City Engineer said that there are smells around the City from time-to-time. The CoH just signed a major Purchase Order for deodorization equipment that is geared to start addressing this issue. There is a deodorizing unit down at Barr's Bay Park which is undersized and the size of that unit needs to be increased. With bigger buildings and bigger loads particularly from the western side entering the City, it is causing a bit of an issue. There have been issues there before as well as in the Washington Mall. The CoH receives calls from about 5 or 6 buildings regarding smells inside the buildings and every single one of those have led back to an issue inside the building not connected to the sewer. With the issue across from HSBC, the building is connected to the sewer. Buildings are connected to the sewer and it gets vented right out to the roof. The drains will have a P trap and if that trap dries out, then it is now venting the sewer line into the building. The building maintenance people must keep all the P traps filled.

The CoH does smoke testing, i.e. put a smoke generating machine on the sewer line and pumps smoke up into it and it should go right up into the vent and out through the roof. But if there are any leaks inside the building white powder comes out.

Councillor Tucker commented on the cleaning of the sidewalks in the City and expressed his concerns of the services in the City being diminished because of the budget constraints. The City Engineer said that the power washing of sidewalks is an ongoing process as well as the street sweeping, cleaning bins, re-doing lines, etc.

- **Balance Sheet** - there is cash of about \$5.7M and the CoH had planned to carry over \$3M.
- **Receivables** - continues to increase. The Deputy Treasurer commented that they just added \$275K into the Accounts Receivables which was the amount owed back from the Liquidators. Councillor Tucker asked if that amount should be shown as a pre-payment. There was continued discussion in that regard. The Acting Secretary said that the CoH still has several people in court for receivables.
- **Taxation** - receivables for taxation is up \$600K. The Treasurer said that would be discussed further in the Restricted Session.

9. Recommendations for Review:

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. **(Recommendation was addressed earlier in the meeting)**

10. Any Other Business:

- (i) The Acting Secretary commented on a request to increase the Purchase Order (P.O.) limit as it affects the Financial Instructions:

Thomas Lightbourne in Events was promoted to Senior Events Marketing Coordinator and the request is for his P.O. limit to be increased from \$3K to \$5K. The Communications Manager, \$5K as well.

RECOMMENDATION: That the Board approve a Purchase Order limit of \$5,000.00 for the Senior Events Marketing Coordinator and the Communications Manager.

Proposed: The Finance Committee
Unanimous

- (ii) **Bulli Social** - a determination should be made regarding a charge to have Happy Hour on a Friday Night on the cobble-stoned area behind their building. The previous tenant was paying \$500.00 per event. Bulli Social thought that amount was too high and their offer was \$150.00. The Committee thought that figure was too low. They were also pushing for the use of the sidewalk and the committee agreed that would be inappropriate for that area. The suggestion was to offer the space for \$300.00. Happy Hour is a volume business.

The negotiations are to be left up to the technical officers. Bulli Social has a five-year lease for the building and that should be tied into the lease and would be for the duration of the lease. Leases are not allowed to roll over or to be open-ended, there are termination clauses.

Councillor Tucker recommended that a Memorandum should be attached to the lease. He further commented on obtaining financial records for these businesses and if they are not audited then a letter of agreement stating that the management accounts would be accepted should be made available. The City Engineer said he could approach the tenants in that regard. Councillor Tucker said that any leases going forward, there should be a component that they provide audited financial statements. N. Kowalski pointed out that when doing that the CoH will have a larger responsibility of privacy, i.e. businesses releasing their information showing their gross margins, etc. The CoH would have to be very careful with that process particularly with PIPA being implemented. The City Engineer said this should be discussed with the Treasurer and Deputy Treasurer to ascertain what type information is being sought and what would that information be used for. There was continued dialogue.

11. Motion to Move to Restricted Session.

Proposed: Councillor H. Ming

Seconded: Councillor L. Scott

The Public Session closed at 11:05am.

Chairman

Date