



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
9 March 2017
10:00am

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

In Attendance: Edwards Benevides - Secretary
Tanya Iris - Treasurer
Patrick Cooper - City Engineer
Siobhan Fubler - Deputy Treasurer
Thomas Lightbourne - Senior Events & Marketing Coordinator
Nathan Kowalski, CA, CFA, CIM - Associate Member

Apologies: Rt. Wor. Charles Gosling, JP
Councillor John Harvey, MBE, JP
Lindell Foster - HR Manager
Danilee Trott - Event Project Manager

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 for Mayor, Charles Gosling, Councillor John Harvey, HR Manager and the Event Project Manager.

5. Public Participation/Presentation:

There are no public presentations.

6. Correspondence:

There is no correspondence.

7. Minutes of Previous Finance Committee meeting dated 9 February 2017

Proposed: Councillor L. Scott

Seconded: Councillor H. Ming

The Minutes were accepted as read.

8. Matters arising from the previous Finance Committee meeting dated 9 February 2017:

The City Engineer and N. Kowalski joined the meeting.

(i) **Take away Action Item regarding the Resolution wording which relates to contracts over \$500K, review and come back with a recommendation to amend the Resolution:** The Secretary said the Resolution that was passed in December 2015 and with the suggested changes, this Committee found it appropriate to make a recommendation to the Council to amend that 2 December 2015 Resolution. Councillor Tucker read the 2nd suggested amendment: "*That the Board approve that any contract for services or projects estimated to be over \$500,000.00 over the life of the contract is to be sent to the auditors before contracts are signed to ensure that Financial Instructions and policies are upheld.*" He commented on the "life of the contract" which are multi-year contracts also. The Secretary confirmed that it is but the focus will be on contracts over \$500,000.00 and not the multi-year. The Treasurer advised that one contract that will get caught up in this amendment is the Property insurance which is approximately \$300,000.00 per annum (3-year contract). Dialogue continued.

The Treasurer commented that this was brought up because of the Waterfront lease and the recommendation came out of the Ombudsman's Report. She queried if this would prevent something like the Waterfront lease from occurring again or the \$12.5 million from occurring again. Councillor Tucker said it will not prevent it but it would have another pair of eyes on it. The auditors do not give approval, they just ensure that the Financial Instructions have been adhered to.

The Deputy Treasurer asked what is the cost benefit to which Councillor Tucker answered that there is none but the benefit is in that the process strengthens the governance procedures of the CoH. Councillor Ming commented that the liability is now shared. The Deputy Treasurer said, in her opinion, the liability is not shared because if the CoH decides to do something after the contract is looked at by the auditors, then they are not liable.

Councillor L. Scott suggested putting a policy in place to cover those types of contracts, i.e. Waterfront, etc. There was continued discussion.

The Treasurer commented further on the Ombudsman's report where she suggested that contracts go the Office of Procurement of the Bermuda Government. So, every contract of Bermuda Government must go through that office and the Ombudsman suggested that the CoH use them as a resource.

RECOMMENDATION: That the Board approve to amend the Resolution of 2 December 2015 as presented.

Proposed: Secretary, Ed Benevides **Seconded:** Councillor L. Scott

Abstained: Associate Member, Nathan Kowalski

Motion passed.

It was noted that the Council is not minded to use the Procurement Office of the Bermuda Government but is prepared to use safe practices. N. Kowalski commented that the auditors will be focusing on the financial regulations and not the viability of the project.

(ii) **Forward the results of the survey from the Bermuda Fashion Festival to the Finance Committee Members. Also, forward a full accounting report including the additional in-kind sponsorship information:** The Secretary confirmed that the full accounting report had been forwarded to the Committee. He had not had a chance to get the results of the survey from the Event Project Manager. The Senior Events & Marketing Coordinator said the results have not been completed yet and will check into further to ascertain when those results can be available. Once completed would email to the Committee Members.

Councillor Tucker commented on the accounting report and that there are a lot of other ideas going around as to how this should be managed and how the Council should promote this event in the future. He further commented on the in-kind sponsorship of \$210,500.00. It appears that this event cost the CoH \$305,202.00. From a budgetary standpoint, there was an over budget of about \$66,000.00 and to offset that amount, there are several other events that were not funded.

The Secretary suggested that this matter be placed on the agenda for the Strategic Planning Session scheduled for 16 March 2017. He advised that there is also going to be a Special Council meeting on that same day at 12:30pm to approve the Hamilton Traffic and Parking Ordinance 2017 so that it can be presented to the Minister. If quorum requirements are not met for this meeting, then the next available date would be the following Thursday 23 March 2017.

The Senior Events & Marketing Coordinator advised that the sponsorship drive has started for the Bermuda Fashion Festival 2017 and the packages went out last week. There are potentially some large sponsorships coming in this year. Councillor Tucker said his understanding was that the survey piece was to be used to solicit the support of the Bermuda Tourism Authority (BTA) for this event.

The Treasurer clarified that the HR Manager said the survey was really to ascertain the effect the event had on the public with their views and comments. The Senior Events & Marketing Coordinator said BTA have declined to sponsor this event. They feel that the CoH already does a successful job with the event and has their own international market. Councillor Tucker reiterated that it is an international event and BTA should be involved. He thanked the Senior Events & Marketing Coordinator and Events team for the update.

(iii) **Set-up an informational meeting outside the Finance Committee meeting to discuss various matters, e.g. Bermuda Fashion Festival and all other events, etc.:**
Action item completed - the Secretary confirmed that the Strategic Planning Session meeting has been scheduled.

(iv) **Ascertain whether it is legal to shut off sewage on individual residents:**
The Secretary said the CoH is a body that can enforce taxes on the residents and businesses within the City and have legal means in securing those taxes. He does not think the courts would give the CoH authority to block services to the individual. Councillor Ming commented on Belco and with them turning off power, could be regarded as a health issue as well. Action item will be deferred until Councillor Harvey has had a chance to comment. There was continued conversation.

(v) **Send out the Project Charters 2017 document to all Council Members:**
The document was forwarded to all Council Members to keep them apprised of what is going on. Councillor Tucker asked where did the name "Charters" come from. The City Engineer said a Charter is outlining the purpose of the project as well as some of the scope. Action item completed.

9. Status Updates:

(i) **Draft Financial Report - January 2017:** The Treasurer said this is the first month and not a lot usually happens. Councillor Tucker said in January alone, wharfage is up \$70,000.00 over budget. The Treasurer queried this with Customs and they could only assume that it is to do with America's Cup. N. Kowalski said what is seen in shipments and container volumes, it will continue to increase over the next few months. The Secretary said a lot of the imports that, if they are coming in to any of these developments that the Ministry of Finance has deemed to be non-dutiable, the CoH will not receive any wharfage.

- **Staff Costs** - there are some overages and will balance out over the course of the year (promotions and additional staff added this year).
- **Legal Fees** - listed in the report.
- **Cash Flow** - looks good at the end of January. Councillor Tucker commented on the Butterfield Bank loan and this may be an opportunity to pay that off. The Treasurer commented that the City Engineer is using up some of that cash flow.

N. Kowalski commented on the Receivables where he noticed that they are up \$6.4 million versus the prior year of \$1.8 million and queried if there was a timing difference. The Treasurer said that this because of timing in sending out the statements. They were sent out 31 January 2017 and the funds do not come in until February.

The Treasurer advised that a Balance Sheet could not be provided because the balances have to be rolled forward in the GL.

10. Recommendations for Review:

RECOMMENDATION: That the Board accept the bid from Argus Insurance in the amount of \$296,304.00 for a three (3) year contract for Property Insurance for the Corporation of Hamilton. (Approved in Corporation Board meeting dated 1 March 2017 and waiting on the Minister's approval)

11. Any Other Business:

RECOMMENDATION: That the Board approve to add Councillor Larry Scott to the Finance Committee.

Proposed: Councillor D. Tucker
Unanimous

Seconded: Councillor H. Ming

12. Motion to Move to Restricted Session.

Proposed: Secretary, Ed Benevides **Seconded:** Associate Member, Nathan Kowalski

The Public Session closed at 10:35am.

Chairman

Date