



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
21 June 2018
10.00am

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

In Attendance: Tanya Iris - Acting Secretary/Treasurer
Patrick Cooper - City Engineer
Siobhan Fubler - Deputy Treasurer

Apologies: Councillor Henry Ming
Lindell Foster - Human Resource Manager

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 Dennis Tucker confirmed his role as the Chairman.

3. Open Meeting:

Councillor Dennis Tucker called the meeting to order at 10:05am.

4. Apologies:

The Acting Secretary confirmed that apologies had been received from Councillor Henry Ming and Human Resource Manager, Lindell Foster.

5. Public Participation/Presentation:

There was no public participation/presentation

6. Correspondence:

There was no correspondence received.

7. There was no meeting held in May 2018

8. Minutes of Previous Finance Committee Meeting dated 12 April 2018:

Proposed: Mayor, Charles Gosling

Seconded: Councillor L. Scott

The Minutes of the meeting were accepted as read.

9. Matters arising from the Previous Finance Committee Meeting dated 12 April 2018

(i) **Forward a copy of the draft MOU to KPMG for their review:** A draft MOU was forwarded to CoH's lawyers. Action item completed.

10. Status Updates:

Financial Report - February - April 2018: The Financial Reports for February and March were accepted as presented. The Acting Secretary/Treasurer gave a brief overview of the Financial Report for April 2018.

Highlights from the Financial Report for April 2018 are as follows:

- **Car Park Revenue** - It was noted that the car parks that now have barriers have increased in revenue than in prior years. It was further noted that car park permits had increased. Customers have switched to purchasing monthly permits which can now BE purchased online.

ACTION: Check into swipe cards for the Council Members for the car parks with barrier systems. **(City Engineer)**

Mayor Gosling asked about the plan for Cavendish Parking lot. The City Engineer advised that the plan is to install a barrier system at Cavendish noting that some consideration for Island Trading would need to be given in terms of accessing their warehouse area. There was extensive discussion on the subject of installing a barrier system at Cavendish and the impact on Island Trading. It was agreed however that the City Engineer would explore designs for Cavendish Car Park and calculate the cost for inclusion in the 2019 budget.

ACTION: Continue discussions with Island Trading to discuss all options as it relates to the Cavendish Car Park and a Barrier System. **(City Engineer)**

ACTION: Explore designs for a Barrier System in Cavendish Car Park, have it costed and put in the budget for 2019. **(City Engineer)**

- **Health Insurance** - Councillor Tucker commented that the health insurance is \$46K over budget. Previously, he had expressed concerns that the health insurance had been underbudgeted. However, the Acting Secretary/Treasurer and Deputy Treasurer felt certain that the cost would be covered. Councillor Tucker expressed further concern that this trend would continue for the remainder of the year.

ACTION: Conduct a review of the Health Insurance costs to assess the reason for the budget overrun. **(Acting Secretary/Treasurer)**

- **Water** - Councillor Tucker commented that the expense for water is over budget by \$11K per month, therefore \$132K at the year end. The City Engineer advised that leaks were discovered in the system which was causing the overrun. Leaks had been discovered at Albuoy's Point bathrooms, the Nursery and Pier 6. There was dialogue regarding the variances of the meter readings from month to month and year to year.
- **Tipping Fees - Note:** The Government has not agreed to write off the outstanding amount. Extensive conversation continued concerning the tipping fees which remain outstanding.

ACTION: Write a letter to the Permanent Secretary as Acting Secretary because some outstanding issues were discovered with the largest one being the matter with tipping fees. Also get an update on the leases for the Bus Terminal and the Fire Station. **(Acting Secretary/Treasurer)**

- **Fenchurch Refurbishment** - Councillor Tucker questioned the amount of \$600K for Fenchurch Refurbishment. The City Engineer advised that Fenchurch is a residential property owned by the COH which needs to have the electrical and plumbing systems refurbished to bring the property up to code. There are five (5) apartments in that building. It is planned to review the rents for each apartment however, it is not likely that the COH would recover the entire \$600K spent on the refurbishment.

Discussion continued concerning other residential properties owned by COH, most of which are under rent control. The property that garners good rent is the Willows' property that backs up onto Saltus' field. The COH would need to consider if the properties are necessary to continue owning. The property north of the Depot is contiguous and forms a nice piece of land altogether and would not want to sell off pieces and separate the bigger lot piece. If there was the desire to sell, it would be better to sell the whole piece. The CoH owns the entire corner, i.e. Fenchurch, the Willows, the Nursery, the Willow Glade (north and south) and the storage yard right up to the canal. Bull's Head cottage to the west of the Depot which extends along the north face of the car park forms the whole package of land around Bull's Head. The residential property that would be expendable would be the Rose Cottage which is on the point by the Royal Gazette.

11. Recommendation approved by the Minister:

That the Board approve the Draft Audited Financial Statements with the various amendments which were raised during the Finance Committee meeting dated 12 April 2018 for the year ended 31 December 2017.

The Acting Secretary advised that the Financial Statements were delivered to the Minister on 15 June 2018. Discussion continued concerning how the COH would publish that the Financial Statements were available for review. The Acting Secretary advised that a Press Release would be prepared to advise that the Financial Statements would be on the website.

ACTION: Do a Press Release as well as a newspaper advertisement in the classified's section indicating that the Financial Statements are available on the CoH's website. Also state in the Press Release that the CoH's revenues have increased and expenses have decreased, showing good governance by the CoH and to further continue with the objective. (**Acting Secretary/Treasurer**)

12. Recommendations for Review:

There were no Recommendations for review.

13. Take Note Virement: That the Finance Committee approve a virement of \$90,000.00 for the Works Depot Solar PV Project.

The City Engineer advised that the original budget for this project was \$200,000.00. \$30,000 was spent on the design and THE tendering of the project; quotations received to install the panels came in at \$255,000.00. The budget needs to be increased to \$290,000.00, hence a virement of \$90,000.00 would be required.

Mayor Gosling suggested that the COH take out a loan to pay for this project and take this opportunity to look at other projects so that there will be similar savings and payback periods. There was extensive conversation concerning the development, use and installation of solar panels and the sale and purchase of electricity.

Dialogue continued regarding leasing out air space to City Hall and other larger buildings in the City, e.g. Argus.

It was proposed that the Virement of \$90,000.00 be approved. In addition, it was proposed that the Acting Secretary/Treasurer start conversations with the three (3) lenders to see who would be willing to lend the COH the monies for this project.

Proposed: Mayor, Charles Gosling

Seconded: Councillor J. Harvey

ACTION: Submit a cash flow analysis to the Finance Committee. (**Acting Secretary/Treasurer**)

There was continued discussion regarding the sewerage project. It was noted that the design work is ongoing. The City Engineer would need to know the status of this project at least by October 2018 to be able to commence construction next year. Associated Engineering, a Canadian firm is handling the project. Potentially, have an RFP out by the end of the year or by January 2019.

Councillor Tucker commented on the availability of WIFI in and around the City. The City Engineer said WIFI in the City is more of a cost issue.

ACTION: Go back to TBI, now known as Blue Wave, to discuss the agreement and the terms and conditions. **(Acting Secretary/Treasurer)**

The City Engineer advised that with TBI/Blue Wave, the CoH has an exclusive agreement with them.

14. Any Other Business:

(i) Request from the Salvation Army re: Annual Red Shield Appeal: The Acting Secretary/Treasurer advised that there is a Donations Budget of which \$10,000 has been allocated for the Salvation Army. It was agreed that \$10,000 would be given to the Salvation Army for their Annual Red Shield Appeal.

ACTION: Look at the status of the invoices for the Cathedral window project. (Anniversary celebration 11 Nov. 2018) **(Acting Secretary/Treasurer)**

15. Motion to Move to a Restricted Session

Proposed: Councillor L. Scott

Seconded: Councillor J. Harvey.

The Public Session closed at 11:31am.