

Corporation of Hamilton Board Meeting, City Hall, Hamilton - 1 June 2010 - 5.30pm

- Present:** Rt. Wor. Charles R Gosling, JP, Chairman
Alderman Glen C Smith, JP
Alderman Pamela G Ferreira, JP
Alderman John W Harvey, JP
Councillor Walter F Cross, JP
Councillor Marshall E Minors
Councillor Pamela Quarterly
Councillor Nicholas Swan
Councillor Dennis G Tucker, JP
- Staff:** The Secretary - Ed Benevides, JP
The Treasurer - Gary Edwards
City Engineer - Patrick Cooper
Communications Manager, Aderonke Bademosi
- Craig Bridgewater - KPMG
Angie Adams - KPMG
Steve Woodward - KPMG
- Apologies:** Human Resources Manager - Sakina Darrell
Port Operations Manager - Kevin Hollis
Events Project Manager - Danilee Trott
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The Mayor said he would like to recognise the presence of Mr DeCouto in the public gallery. Mr DeCouto served for many years as Speaker of the House.

The Mayor said that for the very first time at an open meeting, the Board will be going through one of their audit reports which is going to lead into a presentation of our consolidated financials. If the statements are agreed upon then they will be signed-off by The Mayor and The Secretary and as required by law, a copy passed to the Ministry of Finance before the end of the month. The statements will also be published in the daily newspaper.

1. KPMG - Presentation of 2009 Audit Report

A copy of the draft consolidated Financial Statements for the year ended 31 December 2009 was distributed along with a copy of the Audit Findings Report. Both reports were presented to the Finance Committee by the auditors on Friday 28th May and Mr Woodward said he would therefore not be running through the reports today in detail but would highlight the main points.

The audit has nearly been completed and the only things outstanding are to obtain approval of the financial statements from the Members; for the auditors to issue their final management letter and for the Representation letter to be signed off by the Treasurer and Secretary and returned to the auditors.

The main focus on the audit this year in terms of issues was the adoption of the new accounting standard (PSAB 3150) on Tangible Capital Assets. This required the Corporation to inventory all of its capital assets around the City, determine the cost of those assets and bring them on to the balance sheet at an amortized cost value. The corporation hired a fixed asset accountant to assist with this and the auditors are comfortable with the process that has been adopted. The overall effect of this is to bring in tangible capital assets with a net book value of \$52.5 million as at the reporting date. The auditors also said they are comfortable with the amortisation rates that have been adopted for the assets and the rates are in line with the guidance that has been issued by the industry in Canada where many municipalities have adopted these standards this year. Mr Woodward confirmed that the 2008 statements have been restated also.

The second key area was around going concern and its assumption. Obviously with the Government of Bermuda's review of the Municipalities Act there is some uncertainty as to the future of the Corporation and the financial statements need to be prepared on a going concern basis. There is a note in the financial statements which sets out those uncertainties and the going concern position.

Another area of some significance was in relation to the lease with the Fire Department. The Corporation had a lease agreement with the Fire Department which expired in 2008. No revenue has been recognised in these financial statements because a new lease has not been signed. So there is potentially revenue of about \$700,000 to bring in at such point that a lease is signed. Until a lease is signed, it is not appropriate to recognise this revenue in the financial statements. On the other hand, the Corporation has continued to accrue for the costs charged by the Fire Service so about \$1m have been approved in these financial statements.

Also an area of note is goods wharfage. The Corporation is reliant on HM Customs in terms of notifying the amount of wharfage that is due as revenue. There was an adjustment in March 2010 whereby the Corporation was notified by HM Customs that they had over remitted wharfage by about \$150,000. This has been a continuing issue because it is not possible for the Corporation to accurately verify the amount of wharfage but they can do some assessments to check that the amount is reasonable. Reliance is therefore placed on the information received from HM Customs.

Mr Woodward talked through some of the main points of the Financial Statements and asked Members to carefully review the wording of the going concern note and confirm their agreement.

Ms Adams talked through the Audit Findings Report. The auditors said they have seen a significant improvement overall in terms of weaknesses being improved from previous years.

The Treasurer said 2009 had been a particularly difficult year, not from a problematic point of view in terms of our own systems, but because it was difficult to incorporate the fixed assets.

It would have been easier if we only needed to report on year 2009 but having to go backwards into 2008 and effectively start the process from the end of 2007 made it quite a complex exercise. The Treasurer thanked KPMG for their help and guidance with the 2009 audit. The efforts of Mr Peter Button, who worked on the tangible capital assets project, were also recognised by both the Treasurer and the auditors.

RESOLUTION: That the Board accepts the 2009 audited Consolidated Financial Statements as presented.

Proposed: Councillor Tucker

Seconded: Alderman Ferreira

Unanimous

6.10 pm - The representatives from KPMG left the meeting.

2. Review of Corporation Minutes of 5 May 2010

The minutes of the meeting held on 5 May were accepted as read.

Proposed: Councillor Quarterly

Seconded: Councillor Cross

Unanimous

3. Matters Arising

Abandoned Motorcycles - The Secretary said he has reviewed how the Corporation can deal with abandoned motorcycles and has reviewed the existing ordinances which provide us with sufficient power to deal with this issue in a very short space of time. The General Superintendent has been asked to enforce the ordinance accordingly. The Corporation has to give seven days notice and if the bike is not collected after this time, then it can be removed and destroyed. Traffic Wardens will be reminded that this is an existing ordinance.

Ornamental Ironworks / Biodegradable Diesel - The Secretary said he would look into whether Ornamental Ironworks could provide the Corporation with biodegradable diesel in exchange for used cooking oil.

Vagrants - The Secretary said that the Corporation continues to discuss with the Bermuda Police Service the issue of vagrancy. We have been informed that the Police will be enacting new legislation empowering Officers to issue individuals with a vacate notice which can be valid for a period of days or even weeks. If individuals are in violation of the notice, then they can be arrested and incarcerated. The Police are going to try and arrange a schedule so they have the resources to heavily enforce this. The Police feel that once they have been able to apply resources, then the issue of vagrancy will diminish.

Rebranding of Corporation Vehicles - The City Engineer said that to date we have pulled the old branding off all Corporation vehicles. The new branding has been placed so far on four large trash trucks and one small trash truck. We are still waiting for the supplier to let us have the new branding for the remaining vehicles.

Busking in Hamilton - The Mayor said that the Corporation received a very favourable response to the recent busking in the City. People are enjoying it and we are seeing that it is attracting activity to the various areas. There were a couple of tented facilities in Wesley Square prior to May 24th. One of the tents was covered with palm leaves which appeared to regularly collapse. The Mayor said that in future, when we are allowing vendors on the streets, we should establish a code for their tented areas etc. The Secretary said this is duly noted and he mentioned that this particular event was in conjunction with the Ministry of Culture and not really our effort but we will be diligent in future when working with other partners. Alderman Smith said there had been a couple of complaints from businesses regarding the noise level but these had been swiftly dealt with by the Corporation.

Telephone System - The Secretary was asked whether the emergency response is now active on the new telephone system but he said he did not know but would find out and respond to the Members accordingly.

ACTION: The Secretary to find out and report back to Members on whether the emergency response is now active on the new telephone system.

4. Review of Committee Minutes

a) **Property Committee Minutes - 11 May 2010**

No recommendations.

b) **Infrastructure Committee Minutes - 10 May 2010**

No recommendations.

Alderman Smith mentioned that Erica Smith had joined the Committee on 10th May as an additional member and she had been well received.

Councillor Swan mentioned that he had come across some surveyors carrying out a survey on behalf of the EEZ and he asked whether the Corporation is aware of this. The City Engineer said there are about 3 or 4 different surveys being carried out in the City at present that he is aware of.

c) **Development Committee Minutes - 13 May 2010**

Alderman Ferreira said that there are eight action items from the minutes of May 13th which are all underway.

New Works Depot- It was reported that the Works Depot project is still completely on budget and the contractor will be providing us with a completion schedule. We have hired a project manager to work on the site for about 20 hours a week and he works with the architect, engineer, electrical engineer and any other specialist that he requires information from. He is there specifically to facilitate the completion of the project and what this translates into is a considerable saving to the Corporation as one person is dealing with the work that would have otherwise required 4 or 5 people.

Tendering Policy - The Secretary has asked the Engineering Department Executive Secretary to send out a reminder email to all Members in advance of the opening of bid documents to give Members an opportunity to attend if they so wish.

Retirement Lunch - Councillor Tucker said the lunch for retirees was held on Monday 31st May in the Bermuda National Gallery and it was a great success.

Summer Student Programme - The programme is now underway.

ACTION: The Secretary to notify members of the number of summer students that have been taken on this year and their respective departments.

b) Finance Committee Minutes - 28 May 2010

No recommendations.

Docks Project- Councillor Tucker confirmed that the Secretary had provided the Finance Committee Members with a draft of the Memorandum of Understanding between the Corporation and HM Customs in relation to the docks / x-ray project.

Treasurer's 1st Quarter 2010 Report - The Finance Committee has reviewed this document. Councillor Tucker said the Corporation is down on revenues especially in areas such as car parking, although the Easy Park devices are above budget and obviously doing well. Expenses are being closely monitored. The Treasurer said that revenues are indicative of what is happening with the economy in Bermuda at the moment. Goods wharfage revenue is down considerably as well so the Corporation is feeling the pinch along with everyone else. Councillor Tucker said that the Corporation budgeted a deficit for the first quarter of \$647k which stands at \$774k.

Councillor Minors asked whether there is any way of ascertaining the amount of parking fines. With the decrease in sales of voucher books, is there any correlation with the increase in parking fines. The Secretary said we could probably obtain the figure for the number of parking fines issued. The Mayor said it would be interesting to see whether there has been an increase in the issue of parking fines.

ACTION: The Secretary to try and obtain parking fine statistics for Hamilton.

Alderman Smith said that the loss in revenue for parking may also be attributable to the fact that the Corporation now has competitors ie: The Bermuda Bakery, who are marketing their parking spaces, and a large firm has recently moved into the XL building whose staff may have been using City parking spaces but are now taking advantage of the underground parking in the building. Plus a number of new buildings have gone up which have car parking available in them and the public are tending to use public transportation more. All of this does have an impact on car parking revenue.

Councillor Tucker said the Finance Committee along with the Treasurer will continue to closely monitor revenues and expenses and will keep the Members aware of income and expenses on an ongoing basis.

5. North Hamilton Development Update

The Secretary said that the Corporation is still awaiting a report back from the EEZ on our request for information regarding the proposed development partnership.

6. Waterfront Development Update

Alderman Ferreira said that all Members have now received a copy of the draft EIS report from Sasaki. Mr Varoujan Hagopian will be arriving on Sunday 6th June.

ACTION: The Secretary to find out Members' availability for Monday 7th June to meet with Mr Hagopian.

7. Any Other Business

The Secretary said that the Corporation has had an ongoing operational issue with traffic in the City and has tried to work out various solutions over the years. The biggest problem we are finding is the abuse of loading zones which contributes to double-parking and frustration for motorists. The biggest abusers are service companies parking for free in loading zones all day long. We have come up with what we believe is a recommendation that will assist in correcting bad behavior, improve traffic flow and the ability for delivery companies to deliver goods to their customers. What the Secretary is asking the Board to consider approving is a change in the current pay & display ordinance, removing loading zones and the 15 minute parking spots from the list of exempted spaces. We are permitted by law to do this because all vehicles within parking areas are subject to vouchers and it is the spaces that are exempted. It has become apparent from conversations with traffic wardens, police and merchants that this would have a fourfold effect:

- Free up loading zones for goods vehicles to load and unload.
- Reduce the perceived need for double parking.
- Provide a timeline for the traffic wardens.
- Provide additional parking revenue.

We have spoken with the Chamber of Commerce and we also have an extensive marketing plan to be able to talk on radio shows and educate the public. What we would like to do, if this is approved, is to give the public notice that this is going to happen, spend a considerable amount of time educating them and then bring it into force.

Alderman Harvey said that it may be a better idea to run the public relations exercise first and if this does not appear to be working to then implement the change to the ordinance.

Alderman Smith said his understanding is that HA, HB and HC trucks cannot park in regular parking bays except for loading zones. The Secretary said he would seek clarification on this.

ACTION: The Secretary to find out whether HA, HB and HC trucks are only allowed to park in loading zones.

Alderman Smith also asked whether individual businesses will be able to use the Easy Park facility and will it be adapted to be used in loading zone areas. The Secretary said he has spoken to Agility and they can make the programming change within 24 hours.

Alderman Ferreira said she is mindful of how important this ordinance is and she is concerned about the suggested timing for the change in ordinance which is tabled to come into effect on 1st July 2010. To implement the change now may not be very good for the Corporation's public relations at this particular time.

The Mayor said he would like to hold the recommendation over to be discussed at the next Board meeting in July and in the interim for the Infrastructure Committee do an informal survey of loading zones and review how they are currently being used.

ACTION: For the Secretary to arrange for the Infrastructure Committee to do a review of City loading zones.

Councillor Quarterly reminded the Members that Mr Dale Butler's Angle Street Festival is taking place on 5th June. The Mayor said the Corporation will be supporting the event by way of decorating the area with flowers and trees etc.

Councillor Quarterly also congratulated the Corporation and events department for an outstanding job on 24th May at the parade.

Councillor Cross asked whether any thought has been given to parking for mini buses when they are in the City and is there the possibility that they could park in taxi ranks. The Mayor said this will be given some consideration.

ACTION: For The Secretary to arrange for the Infrastructure Committee to consider where mini buses should park when in the City.

Councillor Minors echoed Councillor Quarterly's comments about 24th May. He said that although the Corporation had asked people not to put up tents, some people had erected 'easy ups' along the walkway which Councillor Minors said worked really well because it offered shelter and still allowed people to walk along the sidewalk. The Corporation team on the day did an excellent job of clearing the streets very quickly.

Councillor Minors also mentioned that he has been approached by 2 taxi drivers who have complained about the loss of taxi parking next to Wesley Square Park.

ACTION: For the Secretary to arrange for the Infrastructure Committee to review taxi parking adjacent to Wesley Square Park.

Councillor Tucker asked when will the Corporation be reviewing the items raised by the public at the last Town Hall Meeting. The Mayor said the various topics have been split up and assigned to the appropriate Committee for review.

Alderman Ferreira asked when the next Town Hall Meeting will take place. The Mayor said it will be scheduled sometime for 1st or 2nd week of July.

Alderman Smith commented on how good it is to see a policeman on duty again in the Bird Cage. Alderman Smith asked about the progress on the City Ranger Programme. The Secretary said he has met with the Commissioner of Police and had a very positive meeting. It was a very technical discussion and there are some issues which need to be worked through. It was felt that some operational risk will be better served if we follow a particular path which would mean enacting legislation.

The Police Commissioner's team will organise, at the earliest opportunity, a meeting with police superintendants along with the appropriate Minister and The Secretary to discuss the potential of enacting a specific legislation. Failing that, a further meeting will be arranged to work through what we can do within the confines of what we have at the moment. Alderman Smith said it is getting frustrating because discussions about the City Rangers have been going on for nearly a year but nothing appears to be happening. The Mayor said that one of the problems that the Secretary did not allude to is that the Police Commissioner actually swears in the City Rangers so they have the same full powers as Police Officers. While we might want to limit the City Rangers in the duty that they uphold, they can go out and essentially do whatever they please which will create huge liability issues for the Corporation. The Mayor said that the Police Commissioner is advising us well in terms of proceeding in this particular way and it is unfortunate that throughout this long process, the final person we are now speaking to should have in fact been the very first in terms of offering this advice. We can only hope that given the current situation with the Government where many municipal issues are being held in abeyance that the Minister who actually oversees this will see the importance of serving the community and will help expedite the City Ranger Programme.

The public part of the meeting closed at 7.25pm.

Date

Mayor

Secretary