



City of Hamilton
GENERAL ISSUES COMMITTEE

Meeting #: 18-007
Date: March 21, 2018
Time: 9:30 a.m.
Location: Council Chambers, Hamilton City Hall
71 Main Street West

Stephanie Paparella, Legislative Coordinator (905) 546-2424 ext. 3993

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- 5.5 Hamilton-Wentworth District School Board (HWDSB) Property at 70 Bobolink Road, Hamilton (PED17149) (Ward 7) (Tabled at the August 14, 2017 GIC) 78

6. PUBLIC HEARINGS / DELEGATIONS

- 6.1 Jill Kennedy, St. Joseph's Healthcare Foundation, respecting the Foundation's Hamilton Future Fund Application (Attending at the request of Committee) (no copy)
- 6.2 Barry Conway, CUPE Local 5167, respecting Report CM18003/PW17080- Stadium Event Booking Function (Pilot) (no copy)
- 6.3 Anthony Marco, Hamilton District Labour Council, respecting Report CM18003/PW18010) - Stadium Event Booking Function (Pilot) (no copy)

- 6.4 Ken Stone, Community Coalition Against Racism, respecting March 21st International Day for the Elimination of Racial Discrimination, to ask City Council to take a Formal Standing Indicating its Intention to Deny the Use of City Parks and Public Places to 84

Hate Groups (no copy)

- 6.5 Evelyn Myrie, Afro Canadian Caribbean Association, respecting March 21st, International Day for the Elimination of Racial Discrimination, to ask City Council to take a Formal Stand Indicating its Intention to Deny the Use of City Parks and Public Places

Hate Groups (no copy)

- 6.6 Mary Love, Council of Canadians, Hamilton Chapter, respecting March 21st, International Day for the Elimination of Racial Discrimination, to ask City Council to take a Formal Stand Indicating its Intention to Deny the Use of City Parks and Public Places

to Hate Groups (no copy)

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- 8.2 Stadium Event Booking Function (CM18003(a)/PW18010(a)) (City Wide) 123
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9. MOTIONS

10. NOTICES OF MOTION

11. GENERAL INFORMATION / OTHER BUSINESS

11.1 Outstanding Business List:

11.1.a Items to be Removed:

11.1.a.a Public Works Fleet Delivery Review (Addressed as Item 8.7 on today's agenda - Report PW18022)

11.1.a.b Auchmar Estate Operations Plan - Long Term Lease or Operating Management Agreement (Addressed as Item 5.4 on today's agenda - PED12193(c))

11.1.a.c Hamilton Walk of Fame (Addressed as Item 8.3 on today's agenda - PED15188(a))

11.1.a.d Hamilton-Wentworth District School Board Property at 70 Bobolink Road, Hamilton (PED14149) (Ward 7) (Addressed as Item 5.5 on today's agenda)

11.1.b Proposed New Due Dates:

11.1.b.a Mayor's Blue Ribbon Task Force on Workforce Development - Semi Annual Update

Current Due Date: February 21, 2018 - Proposed New Due Date: May 16, 2018

11.1.b.b Implications of the AODA Legislation

Current Due Date: February 21, 2018 - Proposed New Due Date: June 6, 2018

11.1.b.c Affordable Housing Demonstration Project (PED16236)

Current Due Date: February 21, 2018 - Proposed New Due Date: June 20, 2018

- 11.1.b.d Revenue Enhancement Opportunities at the John C. Munro International Airport
Current Due Date: February 21, 2018 - Proposed New Due Date: December 12, 2018
- 11.1.b.e FirstOntario Centre
Current Due Date: March 21, 2018 - Proposed New Due Date: June 20, 2018
- 11.1.b.f Update respecting Multi-Residential Property Taxation
Current Due Date: March 21, 2018 - Proposed New Due Date: April 4, 2018
- 11.1.b.g Tourism Industry Panel (PED15026(a))
Current Due Date: March 21, 2018 - Proposed New Due Date: May 2, 2018
- 11.1.b.h Feasibility of a Fashion Incubator at the former Eastmount School Site (PED17114 TABLED)
Current Due Date: April 4, 2018 - Proposed New Due Date: June 20, 2018
- 11.1.b.i Former Eastmount Park Elementary School Site - Opportunities for Not-for-Profit Community Groups
Current Due Date: April 4, 2018 - Proposed New Due Date: June 20, 2018

12. PRIVATE AND CONFIDENTIAL

12.1 254 - 156 Cannon Street (Lockwood Motors)

Pursuant to Section 8.1, Sub-section (c) of the City's Procedural By-law 14-300, and Section 239(2), Sub-section (c) of the *Ontario Municipal Act*, 2001, as amended, as the subject matter pertains to a proposed or pending acquisition or disposition of land for City purposes.

12.2 Future John Rebecca Park

Pursuant to Section 8.1, Sub-section (c) of the City's Procedural By-law 14-300, and Section 239(2), Sub-section (c) of the *Ontario Municipal Act*, 2001, as amended, as the subject matter pertains to a proposed or pending acquisition or disposition of land for City purposes.

12.3 Potential Litigation Relating to Construction Damage (LS18012) (City Wide)

Pursuant to Section 8.1, Sub-sections (e) and (f) of the City's Procedural By-law 14-300, and Section 239(2), Sub-sections (e) and (f) of the *Ontario Municipal Act*, 2001, as amended, as the subject matter pertains to litigation or potential litigation, including matters before administrative tribunals, affecting the City; and, the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

13. **ADJOURNMENT**



GENERAL ISSUES COMMITTEE MINUTES 18-005

9:30 a.m.

Wednesday, February 21, 2018

Council Chambers

Hamilton City Hall

71 Main Street West

Present: Mayor F. Eisenberger, Deputy Mayor T. Jackson (Chair),
Councillors D. Skelly, C. Collins, S. Merulla, M. Green, J. Farr,
A. Johnson, M. Pearson, B. Johnson, L. Ferguson, A. VanderBeek,
R. Pasuta

**Absent with
Regrets:** Councillors D. Conley, T. Whitehead, J. Partridge – Personal

**1. Capital Projects Work-in-Progress Review Sub-Committee, Report 18-001,
January 29, 2018 (Item 5.1)**

(Farr/Skelly)

**Public Works - Capital Projects Status Report as of September 30, 2017
(FCS17076(a)) (City Wide) (Item 8.1)**

- (a) That the Capital Projects Status Report, Public Works Tax Supported Projects, as of September 30, 2017, attached as Appendix “A” to Report FCS17076(a), be received; and,
- (b) That the Capital Project Status Report, Public Works Rate Supported Projects, as of September 30, 2017, attached as Appendix “B” to Report FCS17076(a), be received.

CARRIED

**2. Concession Street Business Improvement Area (BIA) Revised Board of
Management (PED14242(f)) (Wards 6 and 7) (Item 5.2)**

(Skelly/Ferguson)

That the following individual be appointed to the Concession Street Business Improvement Area (BIA) Board of Management:

- (i) James Knott

CARRIED

**3. Transit (HSR) Passenger Information Technology (PW18018) (City Wide)
(Item 5.3)****(Eisenberger/Skelly)**

That Report PW18018, respecting the Transit (HSR) Passenger Information Technology, be received.

CARRIED**4. Vic Djurdjevic, Nikola Tesla Educational Corporation, respecting the 120th Anniversary of Hamilton's "Power Turned On" (Item 6.1)****(Eisenberger/Pearson)**

(a) That the presentation, respecting the 120th Anniversary of Hamilton's "Power Turned On", be referred to the Director of Culture & Tourism to assist in the promotion of the event and to offset the costs from within the existing 2018 operating budget; and,

(b) That the fees for the event being held at the Hamilton Museum of Steam and Technology and the reception at City Hall, by the Nikola Tesla Educational Corporation, respecting the 120th Anniversary of Hamilton's "Power Turned On" be waived.

CARRIED**5. Amendments to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (CIP) (PED18030) (City Wide) (Item 7.1)****(Farr/Collins)**

(a) That Report PED18030, respecting the proposed amendments to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (CIP), be received;

(b) That staff be directed to bring forward to the Planning Committee for a statutory public meeting, in accordance with Section 17 (15) (d) of the *Planning Act*, the following recommended revisions to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (CIP);

(i) That the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Project Area, as set out in Report PED18030, and that the By-law attached to Report PED18030 to amend the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Project Area as Appendix "A" be enacted;

(ii) That the City's maximum contribution as part of the Environmental Remediation and Site Enhancement (ERASE) Study Grant

Program be increased from \$25K to \$35K for two studies per property / project be approved;

- (iii) That the Environmental Remediation and Site Enhancement (ERASE) Study Grant Program date, for maximum of two studies per property, be reset to July 1, 2011;
- (iv) That additional administrative requirements regarding submission and enactment of Environmental Remediation and Site Enhancement (ERASE) Study Grant applications, be approved;
- (v) That additional eligible costs be added to the Environmental Remediation and Site Enhancement (ERASE) Study Grant and Redevelopment Grant Program to cover Designated Substances and Hazardous Material Survey and Industrial / Office Reuse Feasibility Study and their removal and abatement in the Older Industrial Area, be approved;
- (vi) That additional eligible costs be added to the Environmental Remediation and Site Enhancement (ERASE) Study Grant and Redevelopment Grant Program to cover Designated Substances and Hazardous Material Survey and their removal and abatement applicable to current / closed Institutional uses as an eligible cost across the Community Improvement Project Area (CIPA), be approved;
- (vii) That additional eligible costs be added to the Environmental Remediation and Site Enhancement (ERASE) Study Grant and Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Program to cover Designated Substances and Hazardous Material Survey and their removal and abatement applicable to designated Heritage Buildings as an eligible cost across the Community Improvement Project Area (CIPA), be approved;
- (viii) That staff be authorized to implement and administer the Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Program, including the additional eligible costs, once the amendment has come into force and effect;
- (ix) That the Environmental Remediation and Site Enhancement (ERASE) Tax Assistance Program includes Environmental Insurance Premiums as an eligible cost, be approved;
- (x) That the interest rate for the Downtown Hamilton / West Harbourfront Remediation Loan Program (RLP) be decreased from

prime minus 1% to 0% and the loan repayment period be reduced from ten years to five years;

- (xi) That the Community Improvement Plan (CIP) titled Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (October 2017), as amended, and attached as Appendix "B" to Report PED18030 be approved; and,
- (xii) That any changes to the program description and terms be by way of Council resolution.

CARRIED

6. Business Improvement Area Commercial Property Improvement Grant Program and Commercial Property Improvement Grant Program - Amendment to Program Descriptions and Terms (PED18044) (Wards 1, 2, 3, 4, 6, 7, 8, 9, 11, 12, 13 and 15) (Item 8.1)

(Green/Farr)

- (a) That Appendix "C" to the Downtown and Community Renewal Community Improvement Plan, being the Program Description and Terms of the Business Improvement Area Commercial Property Improvement Grant Program, be deleted and replaced with the Program Description and Terms attached as Appendix "A" to Report PED18044; and,
- (b) That Appendix "G" to the Downtown and Community Renewal Community Improvement Plan, being the Program Description and Terms of the Commercial Property Improvement Grant Program, be deleted and replaced with the Program Description and Terms, attached as Appendix "B" to Report PED18044.

CARRIED

7. Hamilton-Wentworth Catholic District School Board Liaison Committee Report 18-001, January 29, 2018 (Item 8.2)

(Eisenberger/Green)

(a) Location of Cannabis Retail Outlets (Item 8.1)

That the "Declaration from Canadian School Boards regarding the Impact of Cannabis Legalization on Schools", attached as Appendix "A" to the HWCDSB Liaison Committee Report 18-001, be received.

(b) West Harbour Growth Accommodation in Schools (Item 8.2)

That the General Issues Committee be advised that the HWCDSB Liaison Committee has considered the matter respecting West Harbour Growth Accommodation in Schools (as referred from the General Issues

Committee at the November 2, 2016 meeting), and both the City and HWCDSB are aware of future needs.

CARRIED

8. Corporate Strategic Growth Initiatives – Long Term Sustainability (CM16013(b)) (City Wide) (Item 8.3)

(Pearson/Eisenberger)

That Report CM16013(b), respecting the Corporate Strategic Growth Initiatives – Long Term Sustainability, be received.

CARRIED

9. Canadian Country Music Week 2019 (PED18058) (City Wide) (Item 8.4)

(Pearson/Eisenberger)

(a) That staff be directed to secure the 2019 Canadian County Music Week event and within a project budget of \$850,000;

(b) That the \$550,000, previously approved by Council to host the 2019 JUNO Awards, be reallocated to support the 2019 Canadian Country Music Week event;

(c) That staff be directed to secure the balance of \$300,000 from other levels of government and the private sector to support the 2019 Canadian Country Music Week event and, if staff is successful in raising in excess of the project budget, any excess funds be used to reduce the municipal contribution; and,

(d) That the Mayor and City Clerk be authorized and directed to execute the 2019 Canadian Country Music Association (CCMA) Contract, between the CCMA and the City of Hamilton, together with all necessary ancillary documents, with the content acceptable to the Director of Tourism, Culture and in a form satisfactory to the City Solicitor.

CARRIED

10. Affordable Housing Site Selection Sub-Committee Report 18-001, February 15, 2018 (Item 8.5)

(Collins/Farr)

Transfer of City of Hamilton Sites to CityHousing Hamilton for Development (Item 9.1)

WHEREAS, the City of Hamilton's Strategic Plan recognizes and supports the need for new affordable housing units as one of the City's top priorities;

WHEREAS, the Access to Housing waitlist continues to grow at an alarming rate with an estimated 6,200 families, seniors and individuals currently on the list;

WHEREAS, the City's Housing and Homelessness Action Plan targets an aggressive 50% reduction in the Access to Housing Waitlist by 2023;

WHEREAS, the City's Housing and Homelessness Action Plan emphasizes the need to provide new affordable housing units;

WHEREAS, the rising cost of real estate presents a significant challenge to social housing providers;

WHEREAS, the City of Hamilton has an inventory of properties that could facilitate the construction of new affordable housing units;

WHEREAS, City of Hamilton staff has met with CityHousing staff and Board representatives to discuss opportunities related to utilizing underperforming City of Hamilton parking lots: Park Lot #66 located at 106 Bay Street Northland Park; and, Lot #73 located at 253 King William Street (see attached map), as a means to support the construction of new affordable housing units;

WHEREAS, City of Hamilton staff has also identified an unused portion of 701 Upper Sherman Ave., which interlocks with an existing CityHousing Hamilton Corporation site on Macassa Ave. (see attached map), as a potential City owned site for building new affordable housing units;

WHEREAS, CityHousing Hamilton Corporation has begun a revitalization process that requires the acquisition of land for the rebuilding of 100 units of social housing, following an approved sale of poor performing single and semi-detached housing units, as well as for the possible relocation of residents from the Jamesville social housing community in the West Harbour during its redevelopment; and,

WHEREAS, CityHousing Hamilton Corporation has completed financial modelling for the utilization of the above mentioned three sites as part of its revitalization process;

THEREFORE BE IT RESOLVED:

- (a) That the Real Estate Section of the Planning and Economic Development Department be authorized and directed to sell, at nominal price of \$2.00, Car Park Lot #66 (106-104 Bay Street North) to CityHousing Hamilton Corporation on such other terms and conditions deemed appropriate by the General Manager, Planning and Economic Development;
- (b) That the Real Estate Section of the Planning and Economic Development Department be authorized and directed to sell, at nominal price of \$2.00 Car Park Lot #73 (253-257 King William Street) to CityHousing Hamilton Corporation on such other terms and conditions deemed appropriate by the General Manager, Planning and Economic Development;

- (c) That the Real Estate Section of the Planning and Economic Development Department be authorized and directed to sell, at nominal price of \$2.00, the unused portion of 701 Upper Sherman Avenue that interlocks with an existing CityHousing Hamilton Corporation owned site on Macassa Avenue to CityHousing Hamilton Corporation on such other terms and conditions deemed appropriate by the General Manager, Planning and Economic Development;
- (d) That the transfer of Car Park Lot #66, Car Park Lot#73, and the unused portion of 701 Upper Sherman Avenue be subject to any requisite requirements to protect for servicing, utilities and road widenings, as determined by new reference plans to be completed by Geomatics and Corridor Management Section of the Public Works Department;
- (e) That the City Solicitor complete the transfers of Car Park Lot #66, Car Park Lot #73, and the unused portion of 701 Upper Sherman Avenue pursuant to the terms and conditions of the agreement negotiated by the Planning and Economic Development Department and in a form satisfactory to the City Solicitor;
- (f) That the General Manager, Planning and Economic Development be authorized and directed to execute all required documents on behalf of the City of Hamilton to transfer Car Park Lot #66, Car Park Lot #73, and the unused portion of 701 Upper Sherman Avenue, in a form satisfactory to the City Solicitor;
- (g) That \$4,500 be charged to Account No. 500005-22018 (City of Hamilton Payable) and credited to Account No. 45408-3560150200 (Property Purchases and Sales) for Legal and Real Estate fees;
- (h) That all other expenses associated with the transfer of Car Park Lot #66, Car Park Lot #73, and the unused portion of 701 Upper Sherman Avenue be charged to Account No. 500005-220; and,
- (i) That Car Park Lots #66 (106-104 Bay Street North) and #73 (253-257 King William Street) be permitted to continue operations until new development begins.

CARRIED

11. Funding to Complete the Renovations and Accessibility Features at the Hamilton Public Library - Locke Branch (Item 9.2)

(A. Johnson/Farr)

- (a) That \$30,000, to be funded through 2018 Ward 1 area rating fund be provided to the Hamilton Public Library to complete the renovations and accessibility features at the Locke Branch; and,

- (b) That the Mayor and City Clerk be authorized and directed to execute any required agreement(s) and ancillary documents, respecting the funding to complete the renovations and accessibility features at the Hamilton Public Library - Locke Branch, with such terms and conditions in a form satisfactory to the City Solicitor.

CARRIED

12. Legal Services Staffing (LS18011) (City Wide) (Item 12.2)

(Collins/Skelly)

- (a) That the City Solicitor be authorized and directed to extend the current temporary contracts, for the positions shown below, beyond the completed 24 months, with no impact to the levy, as the positions are currently funded through the 2018 Legal Services operating budget:
- (i) Two (2) Solicitors – to be extended from August 2018 to project completion;
 - (ii) One (1) Law Clerk – to be extended from August 2018 to project completion; and,
 - (iii) One (1) Legal Assistant – to be extended from August 2018 to project completion; and,
- (b) That Report LS18011, respecting Legal Services Staffing, remain confidential until approved by Council.

CARRIED

13. Hamilton Street Railway TransCab Service (HUR18004) (City Wide) (Item 12.3)

(B. Johnson/Pearson)

That Report HUR18004, respecting the Hamilton Street Railway TransCab Service, be referred to the February 28, 2018 meeting of Council for consideration.

CARRIED

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised of the following changes to the agenda:

1. DELEGATION REQUESTS (Item 4)

- 4.3 Barry Conway, CUPE Local 5167, respecting Report CM18003/PW18010 – Stadium Event Booking Function (Pilot) (For March 21, 2018)
- 4.4 Anthony Marco, Hamilton District Labour Council, respecting Report CM18003/PW18010 – Stadium Event Booking Function (Pilot) (For March 21, 2018)
- 4.5 Mary Love, Council of Canadians, Hamilton Chapter, to Appear before Committee on March 21st, International Day for the Elimination of Racial Discrimination, to ask City Council to take a Formal Stand Indicating its Intention to Deny the Use of City Parks and Public Places to Hate Groups (For March 21, 2018)

2. DELEGATIONS (Item 6)

- 6.1 Vic Djurdjevic, Nikola Tesla Educational Corporation, respecting the 120th Anniversary of Hamilton's "Power Turned On" (no copy)

Although the delegate had previously requested to be moved to the March 21, 2018 General Issues Committee agenda, Mr. Djurdjevic has since requested to appear on February 21st instead.

3. DISCUSSION ITEMS (Item 8)

- 8.5 Affordable Housing Site Selection Sub-Committee Report 18-001, February 15, 2018

4. PRIVATE & CONFIDENTIAL (Item 12)

- 12.2 Legal Services Staffing (LS18011) (City Wide)

Pursuant to Section 8.1, Sub-sections (b) and (d) of the City's Procedural By-law 14-300, and Section 239(2), Sub-sections (b) and (d) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to personal matters about an identifiable individual, including City employees; and, labour relations or employee negotiations.

- 12.3 Hamilton Street Railway TransCab Service (HUR18004) (City Wide)

Pursuant to Section 8.1, Sub-section (d) of the City's Procedural By-law 14-300, and Section 239(2), Sub-section (d) of the *Ontario Municipal Act*, 2001, as amended, as the subject matter pertains to labour relations or employee negotiations.

(Pearson/Pasuta)

That the agenda for the February 21, 2018 General Issues Committee meeting be approved, as amended.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 2)

Councillor Ferguson asked staff if Item 12.3, Report HUR18004, respecting Hamilton Street Railway TransCab Service involved the taxi industry to determine whether or not he may have a conflict. Staff advised that the matter was not related to the taxi industry.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) February 7, 2018 (Item 3.1)

(Merulla/Green)

That the Minutes of the February 7, 2018 General Issues Committee meeting be approved, as presented.

CARRIED

(d) DELEGATION REQUESTS (Item 4)

(i) Ken Stone, Community Coalition Against Racism, to Appear before Committee on March 21st, International Day for the Elimination of Racial Discrimination, to ask City Council to take a Formal Stand Indicating its Intention to Deny the Use of City Parks and Public Places to Hate Groups (For the March 21st GIC) (Item 4.1)

(Eisenberger/Green)

That the delegation request, submitted by Ken Stone, Community Coalition Against Racism, to appear before Committee on March 21st, International Day for the Elimination of Racial Discrimination, to ask City Council to take a formal stand indicating its intention to deny the use of City parks and public places to hate groups, be approved to appear before the General Issues Committee on March 21, 2018.

CARRIED

- (ii) **Evelyn Myrie, Afro Canadian Caribbean, to Appear before Committee on March 21st, International Day for the Elimination of Racial Discrimination, to ask City Council to take a Formal Stand Indicating its Intention to Deny the Use of City Parks and Public Places to Hate Groups (For the March 21st GIC) (Item 4.2)**

(Farr/A. Johnson)

That the delegation request, submitted by Evelyn Myrie, Afro Canadian Caribbean, to appear before Committee on March 21st, International Day for the Elimination of Racial Discrimination, to ask City Council to take a formal stand indicating its intention to deny the use of City parks and public places to hate groups, be approved to appear before the General Issues Committee on March 21, 2018.

CARRIED

- (iii) **Barry Conway, CUPE Local 5167, respecting Report CM18003/PW18010 – Stadium Event Booking Function (Pilot) (For March 21, 2018) (Item 4.3)**

(Green/B. Johnson)

That the delegation request, submitted by Barry Conway, CUPE Local 5167, respecting Report CM18003/PW18010 – Stadium Event Booking Function, be approved to appear before the General Issues Committee on March 21, 2018.

CARRIED

- (iv) **Anthony Marco, Hamilton District Labour Council, respecting Report CM18003/PW18010 – Stadium Event Booking Function (Pilot) (For March 21, 2018) (Item 4.4)**

(Green/B. Johnson)

That the delegation request, submitted by Anthony Marco, Hamilton District Labour Council, respecting Report CM18003/PW18010 – Stadium Event Booking Function (Pilot), be approved to appear before the General Issues Committee on March 21, 2018.

CARRIED

- (v) **Mary Love, Council of Canadians, Hamilton Chapter, to Appear before Committee on March 21st, International Day for the Elimination of Racial Discrimination, to ask City Council to take a Formal Stand Indicating its Intention to Deny the Use of City Parks and Public Places to Hate Groups (For March 21, 2018) (Item 4.5)**

(Green/Skelly)

That the delegation request, submitted by Mary Love, Council of Canadians, Hamilton Chapter, to appear before Committee on March 21st, International Day for the Elimination of Racial Discrimination, to ask City

Council to take a formal stand indicating its intention to deny the use of City parks and public places to hate groups, be approved to appear before the General Issues Committee on March 21, 2018.

CARRIED

(e) CONSENT ITEMS (Item 5)

- (i) Hamilton-Wentworth Catholic District School Board Liaison Committee Minutes 17-001, June 29, 2017 (Item 5.4)**

(Skelly/VanderBeek)

That the Hamilton-Wentworth Catholic District School Board Liaison Committee Minutes 17-001, June 29, 2017, be received.

CARRIED

(f) PUBLIC HEARINGS / DELEGATIONS (Item 6)

- (i) Vic Djurdjevic, Nikola Tesla Educational Corporation, respecting the 120th Anniversary of Hamilton's "Power Turned On" (Item 6.1)**

Vic Djurdjevic, Nikola Tesla Educational Corporation, addressed Committee respecting the 120th Anniversary of Hamilton's "Power Turned On".

(Eisenberger/Pearson)

That the presentation provided by Vic Djurdjevic, Nikola Tesla Educational Corporation, respecting the 120th Anniversary of Hamilton's "Power Turned On", be received.

CARRIED

A copy of the presentation is available on the City's website at www.hamilton.ca or through the Office of the City Clerk.

For disposition of this matter, please refer to Item 4.

(g) PRESENTATIONS (Item 7)

- (i) Amendments to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (CIP) (PED18030) (City Wide) (Item 7.1)**

Edward John, Senior Project Manager, Urban Renewal Section, addressed Committee and provided a PowerPoint respecting Report PED18030, Amendments to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (CIP).

(Collins/Farr)

That the presentation, respecting Report PED18030 – Amendments to the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (CIP), be received.

CARRIED

A copy of the presentation is available on the City's website at www.hamilton.ca or through the Office of the City Clerk.

For disposition of this matter, please refer to Item 5.

(h) MOTIONS (Item 9)

(i) Inventory of Brownfield Lands (Item 9.1)

(Ferguson/VanderBeek)

That staff be directed to report back with an inventory of the brownfields areas, over the past ten years, factoring in the Province backstopping the clean-up of the Stelco lands.

CARRIED

(i) NOTICES OF MOTION (Item 10)

(i) Funding to Complete the Renovations and Accessibility Features at the Hamilton Public Library - Locke Branch (Item 10.1)

Councillor A. Johnson introduced a Notice of Motion respecting funding to complete the renovations and accessibility features the Hamilton Public Library – Locke Branch.

(A. Johnson/Farr)

That the Rules of Order be waived to allow for the introduction of a Motion respecting funding to complete the renovations and accessibility features at Hamilton Public Library – Locke Branch.

CARRIED

For disposition of this matter, please refer to Item 11.

(j) GENERAL INFORMATION / OTHER BUSINESS (Item 11)

(i) Amendments to the Outstanding Business List (Item 11.1)

(Farr/Green)

That the following Items be considered complete and removed from the General Issues Committee's Outstanding Business List:

- (i) Expression of Interest for a Professional Soccer League at the City's Tim Horton's Field (No longer required by the Councillor)
- (ii) State of the City Comparative Study – Amalgamation to Now (Addressed at the January 19, 2018 GIC Budget meeting, Report CM18001)
- (iii) Corporate Strategic Growth Initiatives – Long Term Sustainability (Addressed on today's agenda as Item 5.2 – Report CM16013(b))

CARRIED

(j) PRIVATE & CONFIDENTIAL (Item 12)

As Committee determined that discussion of Items 12.1, 12.2 and 12.3 was not required in Closed Session; those items were addressed in Open Session, as follows:

(i) February 7, 2018 – Closed Session Minutes (Item 12.1)

(Collins/VanderBeek)

- (a) That the Closed Session Minutes of the February 7, 2018 General Issues Committee meeting, be approved; and,
- (b) That the Closed Session Minutes of the February 7, 2018 General Issues Committee meeting remain confidential.

CARRIED

(ii) Legal Services Staffing (LS18011) (City Wide) (Item 12.2)

For disposition of this matter, please refer to Item 12.

(iii) Hamilton Street Railway TransCab Service (HUR18004) (City Wide) (Item 12.3)

For disposition of this matter, please refer to Item 13.

(k) ADJOURNMENT (Item 9)

(Eisenberger/Pasuta)

That, there being no further business, the General Issues Committee, be adjourned at 11:01 a.m.

CARRIED

Respectfully submitted,

T Jackson, Deputy Mayor
Chair, General Issues Committee

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk



SPECIAL GENERAL ISSUES COMMITTEE MINUTES 18-006

9:30 a.m.

Tuesday, February 27, 2018

Council Chambers

Hamilton City Hall

71 Main Street West

Present: Mayor F. Eisenberger, Deputy Mayor T. Jackson (Chair),
Councillors D. Skelly, C. Collins, S. Merulla, A. Johnson,
D. Conley, M. Pearson, L. Ferguson, R. Pasuta, J. Partridge

**Absent with
Regrets:** Councillors T. Whitehead, A. VanderBeek, Farr – Personal
Councillor M. Green, B. Johnson – Other City Business

1. Our People Survey Update (CM18006) (City Wide) (Item 5.1)

(Conley/Ferguson)

That Report CM18006, respecting the Our People Survey Update, be received.

CARRIED

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised that there were no changes to the agenda.

(Skelly/Conley)

That the agenda for the February 27, 2018 Special General Issues Committee meeting be approved, as presented.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) STAFF PRESENTATIONS (Item 7)

(i) Our People Survey Update (CM18006) (City Wide) (Item 5.1)

(Eisenberger/Partridge)

That the presentation, respecting Report CM18006 – Our People Survey Update, be received.

CARRIED

A copy of the presentation is available on the City's website at www.hamilton.ca or through the Office of the City Clerk.

(d) ADJOURNMENT (Item 9)

(Ferguson/Collins)

That, there being no further business, the General Issues Committee, be adjourned at 11:50 a.m.

CARRIED

Respectfully submitted,

T Jackson, Deputy Mayor
Chair, General Issues Committee

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk



GENERAL ISSUES COMMITTEE (BUDGET) MINUTES 18-003(j)

9:30 a.m.

Friday, March 2, 2018

Council Chambers

Hamilton City Hall

71 Main Street West

Present: Mayor F. Eisenberger, Deputy Mayor S. Merulla (Chair),
Councillors T. Whitehead, T. Jackson, C. Collins, M. Green,
J. Farr, A. Johnson, D. Conley, M. Pearson, B. Johnson,
R. Pasuta, J. Partridge

**Absent with
Regrets:** Councillor L. Ferguson – Personal
Councillor A. VanderBeek, D. Skelly – Medical

1. Freedom of Information Requests (CL18001) (City Wide) (Item 4.1)

(Collins/Green)

That Report CL18001, respecting the Freedom of Information Requests, be received.

CARRIED

2. 2018 Budget Drivers – Creative Industries (PED18068) (City Wide) (Item 4.2)

(Collins/Green)

That Report PED18068, respecting the 2018 Budget Drivers – Creative Industries, be received.

CARRIED

3. 2018 Budget Recommendations (FCS18009(a)) (City Wide) (Item 5.1)

(Eisenberger/Whitehead)

(a) Council Referred Items, Business Cases and 2019 – 2021 Multi-Year Outlook

(i) That the 2018 Council Referred Items attached, as Appendix “A” to Report FCS18009(a), be received;

- (ii) That the 2018 Business Cases, attached as Appendix “B” to Report FCS18009(a), be received;
 - (iii) That the 2019 – 2021 Multi-Year Outlook, attached as Appendix “G” to Report FCS18009(a), be received;
- (b) Boards and Agencies
 - (i) That the Boards and Agencies operating budget, attached as Appendix “C” to Report FCS18009(a), **as amended**, in the amount of **\$209,345,286**, inclusive of the approved amendment as per Appendix “D” attached to Report FCS18009(a), **as amended**, be approved;
- (c) Planning and Economic Development Department
 - (i) That the Planning and Economic Development operating budget (Book 2 –2018 – 2021 Business Plans), page 6, **\$27,902,920**, inclusive of the approved amendments as per Appendix “D” attached to Report FCS18009(c), **as amended**, be approved;
- (d) Public Health Services Department
 - (i) That the Public Health Services operating budget (Book 2 - 2018 – 2021 Business Plans), page 80, \$12,477,980, be approved; and,
 - (ii) That the General Manager of Healthy and Safe Communities Department or his delegate or the Medical Officer of Health or her delegate be authorized and directed to execute all Federal and Provincial Program Service Level Funding Agreements and any ancillary agreements required to give effect thereto and contracts, relating to Public Health Services as provided for in Book 2 - 2018 – 2021 Business Plans, until such time Council approves the subsequent budget. This also includes the authority to authorize the submission of budgets and quarterly/year end reporting;
- (e) Community and Emergency Services Department
 - (i) That the Community and Emergency Services operating budget (Book 2 - 2018 – 2021 Business Plans), page 120, **\$225,447,500**, inclusive of the approved amendments as per Appendix “D” attached to Report FCS18009(a), **as amended**, be approved;

- (ii) That the General Manager of Healthy and Safe Communities Department or his delegate be authorized and directed to execute all Federal and Provincial Program Service Level Funding Agreements and any ancillary agreements required to give effect thereto and contracts as provided for in Book 2 - 2018 – 2021 Business Plans, until such time Council approves the subsequent budget. This also includes the authority to authorize the submission of budgets and quarterly/year end reporting;

- (f) Public Works Department
 - (i) That the Public Works operating budget (Book 2 - 2018 – 2021 Business Plans), page 200, **\$232,473,370**, inclusive of the approved amendments as per Appendix “D” attached to Report FCS18009(a), **as amended**, be approved;

- (g) City Manager’s Office
 - (i) That the City Manager’s operating budget (Book 2 - 2018 – 2021 Business Plans), page 260, \$10,556,460, be approved;

- (h) Corporate Services Department
 - (i) That the Corporate Services operating budget (Book 2 - 2018 – 2021 Business Plans), page 302, **\$27,768,460**, inclusive of the approved amendments as per Appendix “D” attached to Report FCS18009(a), **as amended**, be approved;

- (i) Legislative
 - (i) That the Legislative operating budget (Book 2 - 2018 – 2021 Business Plans), page 361, \$4,875,090, be approved;

- (j) Hamilton Entertainment Facilities
 - (i) That the Hamilton Entertainment Facilities operating budget (Book 2 - 2018 – 2021 Business Plans), page 368, \$3,617,990, be approved;

- (k) Corporate Financials – Expenditures / Non Program Revenues
- (i) That the Corporate Financials - Expenditures operating budget (Book 2 - 2018 – 2021 Business Plans), page 363, **\$23,838,790** inclusive of the approved amendments as per Appendix “D” attached to Report FCS18009(a), **as amended**, be approved;
 - (ii) That the Non Program Revenues operating budget (Book 2 - 2018 – 2021 Business Plans), page 378, (\$46,082,630), inclusive of approved amendments as per Appendix “D” attached to Report FCS18009(a), be approved;
- (l) Capital Financing
- (i) That the Capital Financing operating budget (Book 2 - 2018 – 2021 Business Plans), page 370, **\$125,522,880**, inclusive of the approved amendments as per Appendix “D” attached to Report FCS18009(a), **as amended**, be approved;
- (m) 2018 By-Law Authorization
- (i) That the City Solicitor and Corporate Counsel be authorized and directed to prepare all necessary by-laws, for Council approval, for the purposes of establishing the tax levy;
- (n) Budgeted Complement Transfer Schedule
- (i) That in accordance with the “Budgeted Complement Control Policy”, the requested complement transfers from one department/division/cost category to another, as outlined in Appendix “E” attached to Report FCS18009(a), be approved;
- (o) Budget Exclusions Related to Regulation 284/09
- (i) That the budget exclusions related to Regulation 284/09 of the *Municipal Act* titled “Budget Matters – Expenses”, as per Appendix “F” attached to Report FCS18009(a), be received.
- MOTION, AS AMENDED, CARRIED**

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4. 2017 Assessment Growth (FCS18003) (City Wide) (Item 5.2)

(Whitehead/Collins)

That Report FCS18003, respecting the 2017 Assessment Growth, be received.

CARRIED

5. Annual Tax Arrears as of December 31, 2017 (FCS18027) (City Wide) (Item 6.1)

(Pasuta/Partridge)

That Report FCS18027, respecting the Annual Tax Arrears as of December 31, 2017, be received.

CARRIED

6. Annual Assessment Appeals as of December 31, 2017 (FCS18028) (City Wide) (Item 6.2)

(Collins/Green)

That Report FCS18028, respecting the Annual Assessment Appeals as of December 31, 2017, be received.

CARRIED

7. Savings Generated from Funded Projects (FCS18012) (City Wide) (Item 6.3)

(Pearson/B. Johnson)

That Report FCS18012, respecting the Savings Generated from Funded Projects, be received.

CARRIED

8. Food Advisory Sub-Committee 2018 Budget (BOH17043) (City Wide) (Item 6.4)

(Whitehead/Collins)

(a) That the Food Advisory Committee's 2018 base budget submission, attached as Appendix "A" to Report BOH17043 in the amount of \$1,500, be approved; and,

(b) That any remaining 2017 funds be returned to the Advisory Committee reserve for consideration for use by the Food Advisory Committee in subsequent years.

CARRIED

9. 2018 Volunteer Committee Budget – Keep Hamilton Clean and Green (PW17098) (City Wide) (Item 6.5)**(Pearson/B. Johnson)**

- (a) That the Keep Hamilton Clean and Green Advisory Committee's 2018 base budget, attached as Appendix "A" to Report PW17098 in the amount of \$18,250, be approved; and,
- (b) That, in addition to the base funding, a one-time budget allocation for 2018 of \$2,000, to be funded by the Keep Hamilton Clean & Green Committee reserve, be approved.

CARRIED**10. 2018 Budget Submission – Housing and Homelessness Advisory Committee (CES17049) (City Wide) (Item 6.6)****(Collins/Jackson)**

That the Housing and Homelessness Advisory Committee's 2018 base budget submission, attached as Appendix "A" to Report CES17049 in the amount of \$1,000, be approved.

CARRIED**11. City of Hamilton Veterans Committee 2018 Budget Submission (PED17212) (City Wide) (Item 6.7)****(Whitehead/A. Johnson)**

That the Hamilton Veterans Committee's 2018 base budget submission, attached as Appendix 'A' to Report PED17212 in the amount of \$30,000, be approved.

CARRIED**12. Volunteer Advisory Committee 2018 Budget Submission (HUR17026) (City Wide) (Item 6.8)****(A. Johnson/Green)**

That the Volunteer Advisory Committees', that report to the Audit, Finance & Administration Committee, 2018 budget base budget submissions, attached as Appendices "A" to "F" to Report HUR17026, be approved, as follows:

- (a) Advisory Committee on Immigrants & Refugees in the amount of \$3,500.00;
- (b) Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Advisory Committee in the amount of \$3,942;
- (c) Aboriginal Advisory Committee in the amount of \$3,552;
- (d) Hamilton Mundialization Committee in the amount of \$5,890;

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- (e) Hamilton Status of Women Committee in the amount of \$3,500; and.
- (f) Committee Against Racism (includes Lincoln Alexander Day Celebration) in the amount of \$8,900.

CARRIED

13. Seniors Advisory Committee 2018 Budget Submission (HUR17027) (City Wide) (Item 6.9)

(Conley/Pearson)

That the Seniors Advisory Committee's 2018 base budget submission, attached as Appendix 'A' to Report HUR17027 in the amount of \$1,500, be approved.

CARRIED

14. 2018 Arts Advisory Commission Annual Budget Submission (PED17209) (City Wide) (Item 6.10)

(Eisenberger/Partridge)

That the Arts Advisory Commission's 2018 base budget submission, attached as Appendix 'A' to Report PED17209, in the amount of \$9,000, be approved.

CARRIED

15. Advisory Committee for Persons with Disabilities 2018 Budget Submission (HUR17028) (City Wide) (Item 6.11)

(Collins/Whitehead)

That the Advisory Committee for People with Disabilities' 2018 base budget submission, attached as Appendix "A" to Report HUR17028 in the amount of \$6,100, be approved.

CARRIED

16. 2018 Volunteer Committee Budget Submission – Hamilton Cycling Committee (PW18004) (City Wide) (Item 6.12)

(Conley/Pearson)

- (a) That the Hamilton Cycling Committee's 2018 base budget submission, in the amount of \$10,000, as described in Appendix "A" to attached to Report PW18004, be approved; and,
- (b) That, in addition to the base funding, a one-time budget allocation for 2018 of \$2,500, to be funded by the Hamilton Cycling Committee (HCyC) reserve, be approved.

CARRIED

17. 2018 Budget Drivers - Tourism Bid Attraction (PED18056) (City Wide) (Item 6.13)

(A. Johnson/Green)

That Report PED18056, respecting the 2018 Budget Drivers - Tourism Bid Attraction, be received.

CARRIED

18. Priority Methods for Road Repairs due to Winter Damages (PW18020) (City Wide) (Item 6.14)

(Eisenberger/Partridge)

That Report PW18020, respecting the Priority Methods for Road Repairs due to Winter Damages, be received.

CARRIED

19. Budget Referred Item: \$90,000 Operating Budget Enhancement to Support “On-Demand” Production Services (PW18027) (City Wide) (Item 6.15)

(Whitehead/Collins)

That Report PW18027, respecting the Budget Referred Item: \$90,000 Operating Budget Enhancement to Support “On-Demand” Production Services, be received.

CARRIED

20. Road Infrastructure Deficit (Item 7.1)

(Eisenberger/Collins)

WHEREAS, the City of Hamilton’s road network has an overall condition index rating of 62 out of 100 which, at the current level of funding, is projected to decline to a rating of 54 over the next ten years;

WHEREAS, the City currently has an annual roads infrastructure funding deficit of \$85 million;

WHEREAS, modern winters appear to be accelerating the deterioration of roadway surfaces, as a result of increased frequency of freeze/thaw cycles and more extreme variability of temperatures; and,

WHEREAS, it appears that rising risk management claims may be indicative of where attention should be focused in our capital planning in this regard;

THEREFORE BE IT RESOLVED:

- (a) That the 2018 Tax Supported operating levy be increased by \$1.64M (0.2% impact) to address road deficiencies;

- (b) That the 0.2% Tax Supported operating levy increase be applied to leverage approximately \$19.4M in roads/infrastructure investments;
- (c) That the \$19.4M to support infrastructure investments be funded from the Investment Stabilization Reserve (Account No.112300) and be repaid over a 15 year term, at a cost to borrow of 3.1%;
- (d) That capital roads projects of \$19.4M be established and categorized accordingly, as \$5.9M in city-wide road priorities and \$13.5M in neighbourhood road priorities, applied equally across all 15 wards; and,
- (e) That staff be directed to review the road infrastructure, in consultation with all Ward Councillors, and report to the Public Works Committee respecting the road priorities, with that report to include any considerations as it relates to the Procurement Policy.

CARRIED**21. Repair and Rehabilitation of Damaged Local Ward 1 Roads (Item 7.2)****(A. Johnson/Farr)**

That the following funds be transferred to Public Works for repair and rehabilitation of damaged local Ward 1 roads:

- (i) \$147,000 from the 2017 Ward 1 area rating fund;
- (ii) \$870,000 from the Ward 1 minor maintenance fund; and,
- (iii) \$600,000 from the 2018 Ward 1 area rating fund (once established).

CARRIED**22. Correspondence from Joshua Weresch respecting the 2018 City of Hamilton Budget (Item 9.1)****(Farr/Collins)**

That the correspondence from Joshua Weresch respecting the 2018 City of Hamilton Budget, be received.

CARRIED

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised of the following changes to the agenda:

1. DISCUSSION ITEMS (Item 6)

- 6.13 2018 Budget Drivers - Tourism Bid Attraction (PED18056) (City Wide)
- 6.14 Priority Methods for Road Repairs due to Winter Damages (PW18020) (City Wide)
- 6.15 Budget Referred Item: \$90,000 Operating Budget Enhancement to Support "On-Demand" Production Services (PW18027) (City Wide)

2. NOTICES OF MOTION (Item 8)

- 8.1 Road Infrastructure Deficit

3. GENERAL INFORMATION / OTHER BUSINESS (Item 9)

- 9.1 Correspondence from Joshua Weresch respecting the 2018 City of Hamilton Budget (Referred from Council at its meeting of February 14, 2018)

(Conley/Pearson)

That the agenda for the March 2, 2018 General Issues Committee (Budget) meeting be approved, as amended.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) February 27, 2018 (Item 3.1)

(Eisenberger/Farr)

That the February 27, 2018 General Issues Committee meeting minutes be approved, as presented.

CARRIED

(d) STAFF PRESENTATIONS (Item 5)

(i) 2018 Budget Recommendations (FCS18009(a)) (City Wide) (Item 5.1)

Mike Zegarac, General Manager of Finance & Corporate Services, addressed Committee and provided a PowerPoint presentation respecting Report FCS18009(a) – 2018 Budget Recommendations.

(Pearson/Conley)

That the presentation, respecting Report FCS18009(a) – 2018 Budget Recommendations, be received.

CARRIED

For disposition of this matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting the music and creative industries operations and programming, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
1.	P&ED Tourism & Culture: Music	Music & Creative Industries Operations and Programming	\$25,000	\$25,000	0.00

CARRIED

For disposition of this matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting the Phase III Tourism enhancement, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
2.	P&ED Tourism & Culture: Tourism	Phase III: Tourism Enhancement	\$100,000	\$0	0.00

CARRIED

For disposition of this matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting the identified tobogganing locations on City property, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
3.	PW: Transportation: Parks	Identified Tobogganing Locations on City Property	\$110,000	\$110,000	0.00

CARRIED

For disposition of the above matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting the Parks Patrol and Waterfalls Enforcement Team, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
4.	PED: Municipal Law Enforcement	Parks Patrol and Waterfalls Enforcement Team	\$80,080	\$80,080	1.32

CARRIED

For disposition of this matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting the Parks Patrol and Waterfalls Enforcement Team: one-time capital cost for the purchase of two vehicles, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
5.	PED: Municipal Law Enforcement	Parks Patrol & Waterfalls Enforcement Team: one-time capital cost for the purchase of two vehicles	\$52,802	\$0	0.00

CARRIED

For disposition of the matter above, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting the enhancement to support the “on-demand” production services for select meetings, be approved:

					2018 Amount
	Department/Service	Referred Item	Gross Impact	Net Impact	FTE
6.	PW: On-Demand Production Services for City Meetings	Enhancement to support the “on-demand” production services for select meetings.	\$90,000	\$90,000	0.00

CARRIED

For disposition of this matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting the alignment of resources in Development Engineering, with the achievement of the Department’s key performance target through the addition of 4 FTEs, be approved:

					2018 Amount
	Department/Service	Referred Item	Gross Impact	Net Impact	FTE
7.	PED: Development Engineering	Seek to align resourcing with the achievement of the Department’s key performance target through the addition of 4 FTEs.	\$333,333	\$100,000	4.00

CARRIED

For disposition of this matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting the Zoning Section program enhancement, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
8.	PED: Building Permits and Zoning By-law Review	Zoning Section Program Enhancement	\$293,700	\$293,700	3.00

CARRIED

For disposition of this matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting the raccoon rabies response, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
9.	PH: Healthy Environments	Raccoon Rabies Response	\$327,160	\$0	2.00

CARRIED

For disposition of this matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting paramedic service staffing, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
10.	CES: Paramedic Service	Paramedic Service Staffing	\$894,920	\$447,460	7.50

CARRIED

For disposition of this matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting paramedic ambulance: one-time capital cost funded from the unallocated levy reserve, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
11.	CES: Paramedic Service	Paramedic Ambulance: one-time capital cost funded from the unallocated levy reserve.	\$250,000	\$0	0.00

CARRIED

For disposition of this matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting the administration of Freedom of Information, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
12.	CS: Office of the City Clerk	Administration of Freedom of Information	\$76,000	\$76,000	1.00

CARRIED

For disposition of this matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting the oversight of City procurement and contract management, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
13.	CS: Financial Services, Taxation & Corporate Controller: Financial Management	Oversight of City Procurement and Contract Management	\$77,000	\$77,000	1.50

CARRIED

For disposition of the above matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting relocation of provincial offences administration and offices: addition of 1 court room, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
14.	CS: Customer Services & Provincial Offences Administration	Relocation of Provincial Offences Administration and Offices: Addition of 1 Court Room	\$110,000	\$0	4.00

CARRIED

For disposition of this matter, please refer to Item 3.

(Eisenberger/Whitehead)

That the following matter, respecting a Risk Assistant, be approved:

	Department/Service	Referred Item	Gross Impact	Net Impact	2018 Amount FTE
15.	CS: Legal & Risk Management Services	Risk Assistant	\$0	\$0	1.00

CARRIED

For disposition of this matter, please refer to Item 3.

(ii) 2017 Assessment Growth (FCS18003) (City Wide) (Item 5.2)

Mike Zegarac, General Manager of Finance & Corporate Services, addressed Committee and provided a PowerPoint presentation respecting Report FCS18003 – 2017 Assessment Growth.

(Conley/Partridge)

That the presentation, respecting Report FCS18003 – 2017 Assessment Growth, be received.

CARRIED

For disposition of this matter, please refer to Item 4.

(e) MOTIONS (Item 7)

(Eisenberger/Farr)

That the Committee Clerk be directed to arrange for a Special meeting of Council, to ratify the 2018 Operating Budget, for Thursday, March 8, 2018.

CARRIED

(f) NOTICES OF MOTION (Item 8)

(i) Road Infrastructure Deficit (Item 8.1)

Mayor Eisenberger introduced a Notice of Motion respecting the road infrastructure deficit.

(Eisenberger/Collins)

That the Rules of Order be waived to allow for the introduction of a Motion respecting the Road Infrastructure Deficit.

CARRIED

For disposition of this matter, please refer to Item 20.

(i) Repair and Rehabilitation of Damaged Local Ward 1 Roads (Item 8.2)

Councillor A. Johnson introduced a Notice of Motion respecting the Repair and Rehabilitation of Damaged Local Ward 1 Roads.

(A. Johnson/Farr)

That the Rules of Order be waived to allow for the introduction of Motion respecting the Repair and Rehabilitation of Damaged Local Ward 1 Roads.

CARRIED

For disposition of the above matter, please refer to Item 21.

(g) ADJOURNMENT (Item 10)

(Collins/Jackson)

That, there being no further business, the General Issues Committee, be adjourned at 11:56 a.m.

CARRIED

**General Issues Committee (Budget)
Minutes 18-003(j)**

**March 2, 2018
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Respectfully submitted,

S. Merulla, Deputy Mayor
Chair, General Issues Committee

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk

4.1

Form: Request to Speak to Committee of Council

Submitted on on Thursday, February 22, 2018 - 3:01 pm

==Committee Requested==

Committee: General Issues Committee

==Requestor Information==

Name of Individual: Maneet Singh Boparai

Name of Organization:

Contact Number:

Email Address:

Mailing Address:

Reason(s) for delegation request:

I wish to appear before the GIC on March 21, 2018, the International Day for the Elimination of Racial Discrimination, to ask City Council to take a formal stand indicating its intention to deny the use of city parks and public places to hate groups.

Will you be requesting funds from the City? No

Will you be submitting a formal presentation? No

4.2

Form: Request to Speak to Committee of Council

Submitted on Wednesday, February 21, 2018 - 9:01 am

==Committee Requested==

Committee: General Issues Committee

==Requestor Information==

Name of Individual: Ray Fawaz

Name of Organization:

Contact Number:

Email Address:

Mailing Address:

Reason(s) for delegation request: Is to Ban hate and racist group activities at city properties and parks.

Will you be requesting funds from the City? No

Will you be submitting a formal presentation? Yes

4.3

Form: Request to Speak to Committee of Council

Submitted on Thursday, March 1, 2018 - 4:39 pm

==Committee Requested==

Committee: GIC

==Requestor Information==

Name of Individual: Evan Jamieson-Eckel**Name of Organization:** McMaster Indigenous Student
Community Alliance (MISCA)**Contact Number:** (905) 525-9140 ext. 27289**Email Address:** misca@mcmaster.ca**Mailing Address:**McMaster Indigenous Student Community Alliance (MISCA)
c/o OPIRG McMaster
McMaster University, MUSC 229
1280 Main St. West
Hamilton, ON
L8S 4S4**Reason(s) for delegation request:** To speak regarding
restricting hate speech/groups in Hamilton**Will you be requesting funds from the City?** No**Will you be submitting a formal presentation?** No

4.4

Form: Request to Speak to Committee of Council

Submitted on Saturday, March 3, 2018 - 8:51 am

==Committee Requested==

Committee: General Issues Committee

==Requestor Information==

Name of Individual: Ritch Whyman

Name of Organization: #shutdownhate

Contact Number:

Email Address:

Mailing Address:

Reason(s) for delegation request: To request the City prevent racist and islamophobic hate groups from using city property

Will you be requesting funds from the City? No

Will you be submitting a formal presentation? No



Hamilton

Cleanliness and Security in the Downtown Core Task Force

Minutes 17-006

1:00 p.m.

Thursday, November 9, 2017

Room 830, City Hall

Present:	Councillor J. Farr (Chair) S. Braithwaite (Vice Chair) K. Jarvi, J. Maurice and S. Sutherland
Absent with Regrets:	Councillor C. Collins – City Business S. Mirza – Maternity Leave T. Potocic
Also Present via telephone:	C. Topp

FOR THE INFORMATION OF THE TASK FORCE:

(a) VERBAL UPDATE FROM HAMILTON POLICE SERVICE (Item A)

(i) Social Navigator Program Update (A1)

P.C. Pete Wiesner, Social Navigator with the Hamilton Police Service, provided an overview of the Social Navigator Program and discussed what issues he assists clients with. P.C. Wiesner acts as an advocate and liaison for those in need and works with hospitals, social service agencies and other support organizations in the community to assist individuals in crisis. On average he deals with 45 individuals per week. The Social Navigator program has been a great success but increased resources would assist in helping more people.

(ii) Vandalism by Anti-Gentrification/Anarchist Advocates (A2)

Acting Sergeant Matt Fletcher advised the Task Force that the investigation into the vandalism and crimes committed by anti-gentrification/anarchist advocates is still active and ongoing. He is working
General Issues Committee – March 21, 2017

with the Intelligence Branch on solving the crimes so he is unable to provide further information at this time.

(iii) King Street Beat Officer (A3)

P.C. Pete Wiesner, Social Navigator with the Hamilton Police Service, advised the Task Force that his role also encompasses working as the King Street Beat Officer. He provides a presence for both areas of his portfolio and continues to work with the resources he is provided.

(Braithwaite/Sutherland)

That the Cleanliness and Security in the Downtown Core Task Force express their support to the Hamilton Police Service for the expansion of the Social Navigator Program while also maintaining the presence of a Beat Officer on King Street.

CARRIED

(Maurice/Sutherland)

That the update from the Hamilton Police Service, be received.

CARRIED

(b) CHANGES TO THE AGENDA (Item 1)

(Sutherland/Braithwaite)

WHEREAS, the *Ontario Municipal Act* and the City of Hamilton's Procedural By-law does not allow for the participation of Committee members at meetings of the City of Hamilton's committees by such means as telephone, Skype, or in any other remote way,

THEREFORE BE IT RESOVLED:

That Cameron Topp be permitted to participate in discussions at the November 9, 2017 meeting of the Cleanliness and Security in the Downtown Core Task Force by telephone, however, Cameron Topp cannot count towards quorum or vote on any matters before the Committee.

CARRIED

The Committee Clerk advised that there were no changes to the agenda.

(Braithwaite/Maurice)

That the agenda for the November 9, 2017 meeting of the Cleanliness and Security in the Downtown Core Task Force be approved, as presented.

CARRIED

(c) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(d) APPROVAL OF MINUTES (Item 3)**(i) September 14, 2017 (Item 3.1)****(Jarvi/Sutherland)**

That the Minutes of the September 14, 2017 meeting of the Cleanliness and Security in the Downtown Core Task Force be approved, as presented.

CARRIED

(e) DISCUSSION ITEMS (Item 8)**(i) International Village Graffiti Report (Item 8.1)**

Susie Braithwaite provided an overview of her report about graffiti in the International Village. She noted that graffiti continues to be a major problem. As soon as one area is cleaned up another one is vandalized. She complimented Public Works staff on working to remove the graffiti but noted that more needs to be done.

Peter Wobschall, Supervisor, Program Development, Public Works Department, stated that graffiti clean-up is an inter-departmental effort and work on this matter continues to take place. A Report about the development of a Graffiti Management Strategy is going to the Public Works Committee on November 13, 2017.

(ii) Update on the Cash-for-Cups Initiative (Item 8.2)

Steve Sutherland provided a verbal overview about the Cash-for-Cups Initiative that took place in Corner Brook, Newfoundland earlier this year. He noted that the program was a tremendous success and that over 45,000 cups were collected. It was determined that a program like this may not work in Hamilton as it is too large in scope/scale.

(iii) Littering of Cigarette Butts (Item 8.3)

Strategies to address the issue of the littering of cigarette butts was discussed by the Task Force. Chair Farr will work with the representatives of the Downtown BIA and the International Village BIA to look into ways for funding an education and enforcement campaign. They will come back to a future meeting with the results of their discussion.

(f) ADJOURNMENT (Item 12)

(Maurice/Jarvi)

That there being no further business, the Cleanliness and Security in the Downtown Core Task Force be adjourned at 2:31 p.m.

CARRIED

Respectfully submitted,

Councillor J. Farr, Chair
Cleanliness and Security in the
Downtown Core Task Force

Lauri Leduc
Legislative Coordinator
Office of the City Clerk



Hamilton

MINUTES
ARTS ADVISORY COMMISSION
Big Picture Sub-committee
November 28, 2017
4:00 p.m. – 5:15 p.m.
Visitor Information Centre
Lister Block, 28 James Street N.

Chair: Kyle Skinner

Recorder: Ken Coit

Present: Ray Rivers, Kyle Skinner, Monika Ciolek, Peter Malysewich, Sara Dickinson, Elena Balaska, Tricia LeClair, Christine Braun, Councillor Donna Skelly, Ken Coit (Staff)

1. CHANGES TO THE AGENDA

None

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. APPROVAL OF MINUTES OF PREVIOUS MEETING

3.1 Arts Advisory Commission Meeting Minutes, dated September 26th, 2017.

Moved: Elena Balaska

Seconded: Ray Rivers

THAT the minutes of the Arts Advisory Commission meeting of September 26th, 2017 be approved with the following amendment: Christine Braun was present.

CARRIED

4. CONSENT ITEMS

None

5. PRESENTATIONS

5.1 Public Art Update – Ken Coit

Gore Park Beacons public art project phase 1 “Music City Markers” by Dave Kuruc was installed

The Ancaster Fieldcote Walkway public art project “Landmark” by Simon Frank was installed

The Panel Discussion on Hamilton’s Public Art Process took place at the AGH Annex in association with the “OUT THERE Hamilton’s Public Art Process” exhibition on display until the end of January 2018.

The James Street South Mural public art project call for artists was issued and 31 submissions received

5.2 Arts Awards Steering Committee Update – Kyle Skinner

The venue for the 2018 event is going to be Theatre Aquarius. The studio theatre in addition to the lobby will be open before the event to allow more space for the pre-event reception. Pending fundraising, the outdoor courtyard to the west of the lobby may also be open for the reception.

Following a suggestion from the steering committee staff is working on a voluntary questionnaire to be provided to all nominees to help to determine the current representation of diverse Hamilton communities in the nomination process. This is based on a model used by the Ontario Arts Council, individuals will not be identified in data and information will not be shared with juries.

The steering committee and staff are still working on options for an after party for the awards.

5.3 AAC Annual Update Presentation to General Issues Committee Dec. 6, 2017

Ken Coit presented a draft of the presentation power point to be presented to GIC by Monika or Kyle.

Moved: Ray Rivers

Seconded: Peter Malysewich

THAT the presentation be approved with the following amendments: Include a slide about the Arts Legacy Project and include a quotation about the positive reaction to the Big Picture event as per the report conclusion in the notes.

CARRIED

6. DISCUSSION ITEMS

6.1 Hamilton Artists Legacy Project Update

Tobi Bruce was invited to this meeting to provide an update on the project but asked that it be moved to the next AAC meeting as not all details have been finalized on the grant announcement yet.

6.2 BIG Picture 2017 – Final Report update from subcommittee

Moved: Peter Malysewich Seconded: Tricia LeClair

THAT the final BIG Picture 2017 report be approved and posted on the city website to be shared with the event participants and the public and comments received are to be provided to the AAC at their next meeting.

CARRIED

6.3 BIG Picture 2017 – Priority Action Items for 2018

The commission had a general discussion about the Big Picture Report and which recommendations to act on as soon as possible. It was agreed that the commission would move forward with action that addressed each of the three common themes identified executive summary; Communication, Space for Artists and Diversity with the following motions:

Moved: Kyle Andrew Skinner Seconded: Ray Rivers

THAT Tourism and Culture staff that administer the City Enrichment Fund be invited to the next AAC meeting to provide an update on the program, discuss and provide context around the three recommendations for arts funding identified in the Big Picture 2017 report and to discuss ways in which the AAC may help to improve the program.

CARRIED

Moved: Tricia LeClair Seconded: Elena Balaska

THAT Edward John or other appropriate staff be invited to the next AAC meeting to present the recently approved Culture and Creative Industries zoning and have a general discussion about the recommendations in the Big Picture 2017 related to sustainable living and creative space that may be affected by planning policies.

CARRIED

Moved: Sarah Dickinson Seconded: Ray Rivers

THAT Tourism and Culture staff contact the staff responsible for the City of Hamilton Refuge and Immigration Committee to arrange a discussion between the chairs the committees to determine if the members of the Refuge and Immigration committee would consider a joint meeting and/or recommend

training for the AAC and other arts groups to educate and inform the AAC on methods to appropriately and successfully address recommendations from the Big Picture 2017 about cultural diversity.

CARRIED

7. NOTICES OF MOTION

None

8. MOTIONS

None

9. OTHER BUSINESS

Councillor Skelly informed the AAC about her motion to have hearing loop technology installed in City of Hamilton buildings to ensure that citizens with assisted hearing devices can take part public meetings and events.

10. ADJOURNMENT

Moved: Ray Rivers**Second:** Peter Malysewich

THAT Arts Advisory Commission meeting November 28, 2017 be adjourned at 5:20PM.

CARRIED



Hamilton

BUSINESS IMPROVEMENT AREA ADVISORY COMMITTEE MINUTES 18-001

8:00 a.m.

Tuesday, January 16th, 2018

Room 264

Hamilton City Hall

71 Main Street West

- Present:** Jennifer Mattern – Ancaster BIA (Acting Vice-Chair)
Susie Braithwaite – International Village BIA
Cristina Geissler – Concession Street BIA
Rachel Braithwaite – Barton Village BIA
Kerry Jarvi – Downtown Hamilton BIA
Tracy MacKinnon – Westdale Village BIA and Stoney Creek BIA
Maggie Burns – Ottawa Street BIA
Lia Hess – King West BIA
Lisa Anderson – Dundas BIA
- Absent:** Bender Chug – Main West Esplanade BIA, Tony Greco – Locke Street BIA, Susan Pennie – Waterdown BIA, Councillor Matthew Green (Chair) – Personal

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised that there were no changes to the agenda.

(S. Braithwaite/Hess)

That the agenda for the January 16, 2018 Business Improvement Area Advisory Committee meeting be approved, as presented.

CARRIED

(b) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

(i) December 12, 2017 (Item 3.1)

(R. Braithwaite/Geissler)

That the December 12, 2017 Minutes of the Business Improvement Area Advisory Committee be approved, as presented.

General Issues Committee – March 21, 2018

CARRIED

(c) PRESENTATIONS (Item 7)

(i) Audit of 2017 BIA Financial Statements (Item 7.1)

Patti Tomalin, Accounting Analyst, City of Hamilton, and Scott Plugers, Senior Manager, Audit, KPMG presented details about the 2017 BIA Financial Statements Audit. A copy of the financial package was distributed to the members and through the City Clerk, KPMG will send it to the Members electronically.

(R. Braithwaite/Geissler)

That the presentation respecting the Audit of 2017 BIA Financial Statements, be received.

CARRIED

(d) GENERAL INFORMATION/OTHER BUSINESS (Item 11)

(i) Update from Carlo Gorni, BIA Coordinator (Item 11.1)

- (a) A staff report entitled "City of Hamilton Information Sharing with Business Improvement Areas (PED18023) will be considered at the January 17, 2018 GIC meeting. A copy of the report had been sent by email to each BIA during the week of January 8, 2018.
- (b) Further to the "Breastfeeding Friendly Spaces" presentation which took place at the December 2017 BIAAC meeting, the presenter asked me to remind the BIAs to send out the information which had been distributed at that meeting to their membership if they had not already done so.
- (c) The Committee was reminded that the 2018 BIA Excellence in Property Awards will take place on March 20, 2018. Letters to the nominees will be mailed out shortly.

(S. Braithwaite/R. Braithwaite)

That the update from Carlo Gorni, BIA Coordinator be received.

CARRIED

(ii) Statements by Members (Item 11.2)

BIA Members used this opportunity to discuss matters of general interest.

(S. Braithwaite/Anderson)

That the updates from Committee Member's, be received.

CARRIED

(e) ADJOURNMENT (Item 13)

(MacKinnon/Geissler)

That there being no further business, the Business Improvement Area Advisory Committee be adjourned at 8:57 a.m.

CARRIED

Respectfully submitted,

Jennifer Mattern, Acting Vice-Chair
Business Improvement Area
Advisory Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 21, 2018
SUBJECT/REPORT NO:	Canadian Football Hall of Fame Relocation (PW16075a) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Greg Maychak (905) 546-2424, Extension 2000 Rom D'Angelo (905) 546-2424, Extension 4617
SUBMITTED BY:	Rom D'Angelo, C.E.T.; CFM Director, Energy, Fleet and Facilities Management Public Works Department
SIGNATURE:	

Council Direction:

At the July 6th, 2015 General Issues Committee meeting Report CM15011 titled "Canadian Football Hall of Fame Relocation (CFHOF)" was approved giving staff (in collaboration with the Canadian Football League (CFL)) the direction to actively take steps in relocating the Hall of Fame from 58 Jackson Street West to Tim Hortons Field. Furthermore, staff was asked to provide the General Issues Committee a rendition of the proposed design concept and the location of the Hall of Fame within the stadium.

Information:

The original proposal presented by the CFL called for the CFHOF to be closed at the end of July 2015, and a new home to be established at Tim Hortons Field. It has been agreed to and determined by all parties that a new location would allow the Hall of Fame to realize its full potential to attract visitors and create a new experience.

The proposal also calls for both the City of Hamilton and CFL to make a one-time capital contribution of \$250,000 each (total project budget \$500,000) for the development of "Legends Row", "Media Hall of Fame", and related displays within Tim Hortons Field.

On September 7th 2016 staff brought forth an Information Report (PW16075) to the General Issues Committee presenting the proposed conceptual design submitted by the CFL. The relocation strategy was divided into three phases. The first two phases have since been completed; (1) Grey Cup displayed in the Main lobby accessed from the

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Canadian Football Hall of Fame Relocation (PW16075a) (City Wide) ~
Page 2 of 3**

Premier Entrance, and (2) The Press Box Level situated on the 7th floor displays all inducted reporters and associated media. The third and final phase a much larger scale project proposed a pavilion at the north end of the stadium (below the scoreboard) dubbed “Legends Row” was explored extensively and it was determined the “pavilion” structure was cost prohibitive, while creating numerous challenges related to site conditions, operations, maintenance, security and logistics related to both game day operations and public access throughout the year.

Consequently, the plan became obvious that using existing space within the club level would be less expensive and would be the most suitable location to making Phase 3 viable. The tenant fit-ups of the 4th Level Club Suite (refer to Appendix A) would be less expensive and more feasible than constructing a new structure such as the pavilion. This option does not incur any additional city costs related to utilities and/or annual maintenance while ensuring year round public access. The new CFHOF will not only be available on Ti-Cat home game days it will also have “free” scheduled public access on Wednesday after school/work and Saturday mornings thereby energizing the environment while enhancing the community experience and attracting more interest in booking rooms and spaces within the stadium. The CFL will have staff present to provide information and answer questions related to Canadian Football. In addition, the “Touchdown” statue currently located outside of the building at 58 Jackson Street West will also be relocated to Tim Hortons Field and a commemorative plaque will be displayed at the stadium acknowledging the City of Hamilton’s significant contribution to the new Canadian Football Hall of Fame. It is anticipated the final phase of CFHOF relocation to Tim Hortons Field will be completed in time for the opening of the 2018 CFL season.

The current agreement at 58 Jackson Street West between the City of Hamilton and the CFHOF will expire in 2018, for that reason a new licence and operating agreement has been completed that is representative of the new Canadian Football Hall of Fame owned and operated by the CFL at Tim Hortons Field. Previously, a goal was reached in principal with the CFL that the new model be financially stable without any additional expenses by the City of Hamilton. The other primary goal of the new Hall of Fame is also to attract new visitors and CFL fans that otherwise would not visit the former CFHOF adjacent to Hamilton City Hall. The former CFHOF model was no longer financially viable and any opportunity for reinvestment was not afforded to the CFL.

As outlined in the original council report, (CM15011) the previous CFHOF location at 58 Jackson Street West now known as the “City Lab” will continue to provide storage within the basement of the existing site for the housing of CFHOF artifacts until 2025, including annual utilities and maintenance (excluding insurance and staffing) during such period. These details and all other specifics including the financial contribution and breakdown are specified in the signed licence agreement.

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**SUBJECT: Canadian Football Hall of Fame Relocation (PW16075a) (City Wide) ~
Page 3 of 3**

The trend in many new North American stadiums and Universities is to provide a maximum fan experience including celebrating the proud history of its league, championships, storied franchises and of course the present and past inductees into their respective Hall of Fames. The original proposal and council direction called for a one-time, CFL matching capital contribution of \$250,000 for the development of a lobby display, media Hall of Fame, the main feature “Legends Row” and the Touchdown Statue outside the main gates, as well as all applicable agreements that are amenable and satisfactory to all parties. This report achieves these goals and council’s direction.

Appendices and Schedules Attached

Appendix A – Approach Canadian Football Hall of Fame Museum (Design)

OUR Vision: To be the best place to raise a child and age successfully.

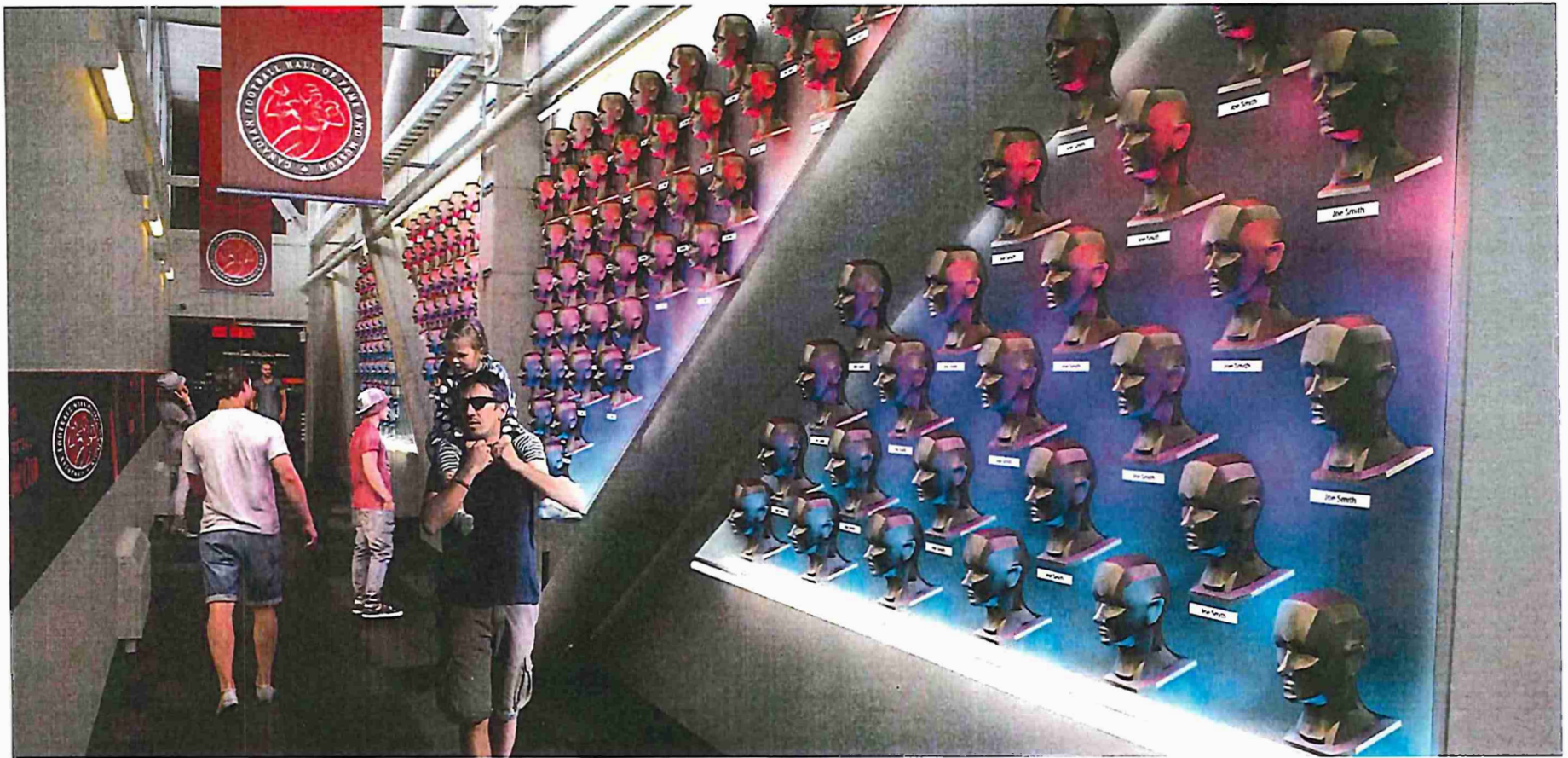
OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

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APPROACH — CANADIAN FOOTBALL HALL OF FAME MUSEUM

Hall of Fame Busts

The stories of the Canadian Football Hall of Fame members will be brought to life by contextualizing the busts of the 289 members (and allocating space for future inductees) within a storyline that celebrates their achievements. Incorporating visuals and employing some variety to the way the busts are displayed will create a dynamic presentation that enlivens the Club Level corridor. A modular approach will allow for the effective integration of the busts of future inductees and their stories. The design will incorporate a variety of textures and materials including millwork, metalwork and glass. Integrated visuals and programmable lighting will add a layer of movement and flow that draws fans through the story and highlights Canadian Football Hall of Fame imagery and text. An interactive station will allow guests to learn more about each Hall of Fame member.



APPROACH — CANADIAN FOOTBALL HALL OF FAME MUSEUM

Hall of Fame Artifact Exhibit

The space between columns on the Club Level provides a perfect opportunity for an exhibit 'in the round', allowing fans to move from one side to the other. The display will be designed to showcase artifacts from the collection using a variety of techniques including display cases and – where possible – securely displayed on stands where fans can examine things from all sides. Cabinetry and displays will be designed to allow for rotating exhibits curated by the Hall of Fame. The floor area and overhead space will be used to create a cohesive and unique feel to the space. A raised platform will define the space and create a vertical break within the long horizontal corridor. Lighting will also be used to focus the space and on the exhibits themselves.



APPROACH — CANADIAN FOOTBALL HALL OF FAME MUSEUM

Hall of Fame Digital Exhibit

A large interactive touch-screen kiosk will be the portal into the digital Hall of Fame Exhibit. Directional audio will allow for a personalized and focused fan experience with minimal spill into the busy surrounding corridor. A customized media interface will provide fans with the ability to simply navigate their way through layers of information, allowing them to go from the most basic facts to a deep dive depending on their level of interest. The screen itself will be integrated into a graphic display that supports and reinforces the storytelling and echoes the visual language used within the media content.

Hall of Fame Bar Display

The Club Level bar located within the Hall of Fame provides the perfect space to showcase additional stories – using visuals, artifacts and integrated lighting. Artifacts will be displayed appropriately to ensure they are protected in this high traffic area. Storytelling might focus on fans and their traditions with large-scale, bold graphics to match the fun, celebratory character of this area.

Food Service Areas

The two new food service areas will anchor each end of the Club Level space. The re-use and re-configuration of existing food station fixtures and furniture will be updated with the integration and direct application of graphic branding. A consistent brand experience will be created by extending the overall look and feel to the wall spaces, building on some of the stories and exhibits featured throughout the space.

General Environment Branding

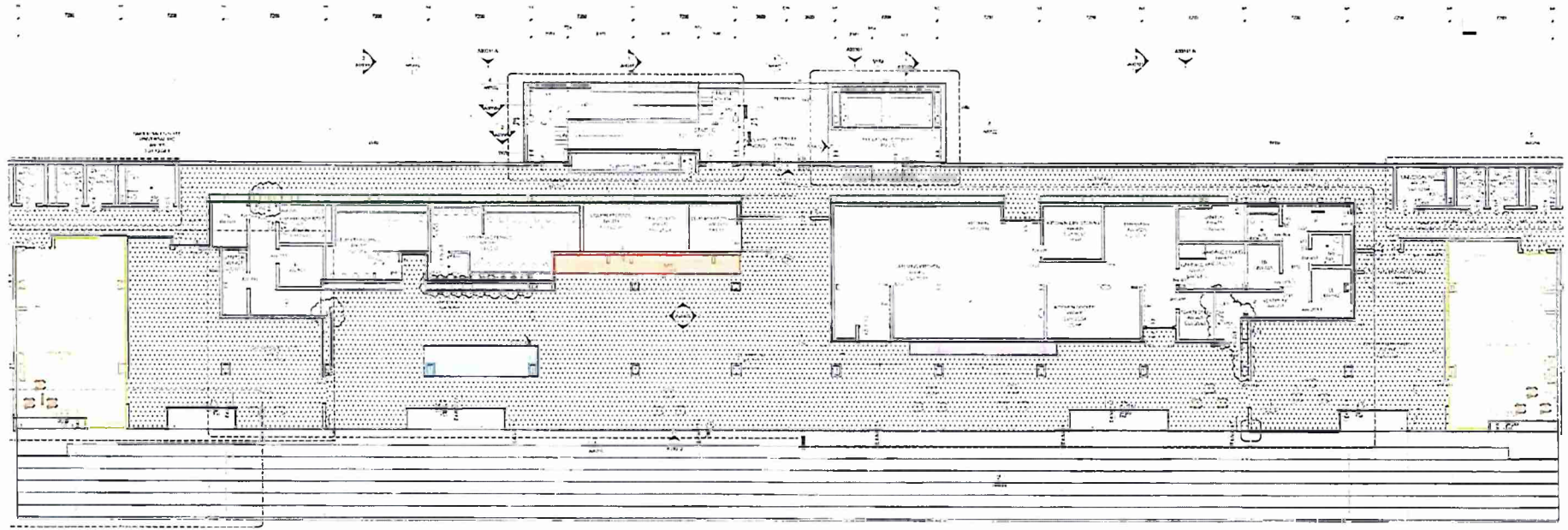
An overall look and graphic identity will be applied to the space, enhancing the Canadian Football Hall of Fame Museum guest experience. This will be integrated around the exhibits and displays utilizing the existing aluminum frame system for fabric applications as well as some adhesive vinyl treatments. Priority areas will be confirmed within the Design Development phase and it is possible some of the existing frames will be removed.

Entrance Sculpture Relocation

The relocation of the existing entrance sculpture powerfully connects the history of the Canadian Football Hall of Fame to its new home at Tim Hortons Field. This iconic structure will be placed outside Gate 3 in a convenient location to provide wayfinding to the entrance. A concrete footing / base will create a sense of prominence and scale.

APPROACH — CANADIAN FOOTBALL HALL OF FAME MUSEUM

The following pages provide some initial thinking on how best to develop a revived fan experience and new home for the Canadian Football Hall of Fame. The site plan below indicates preliminary thoughts on the placement for experience elements.

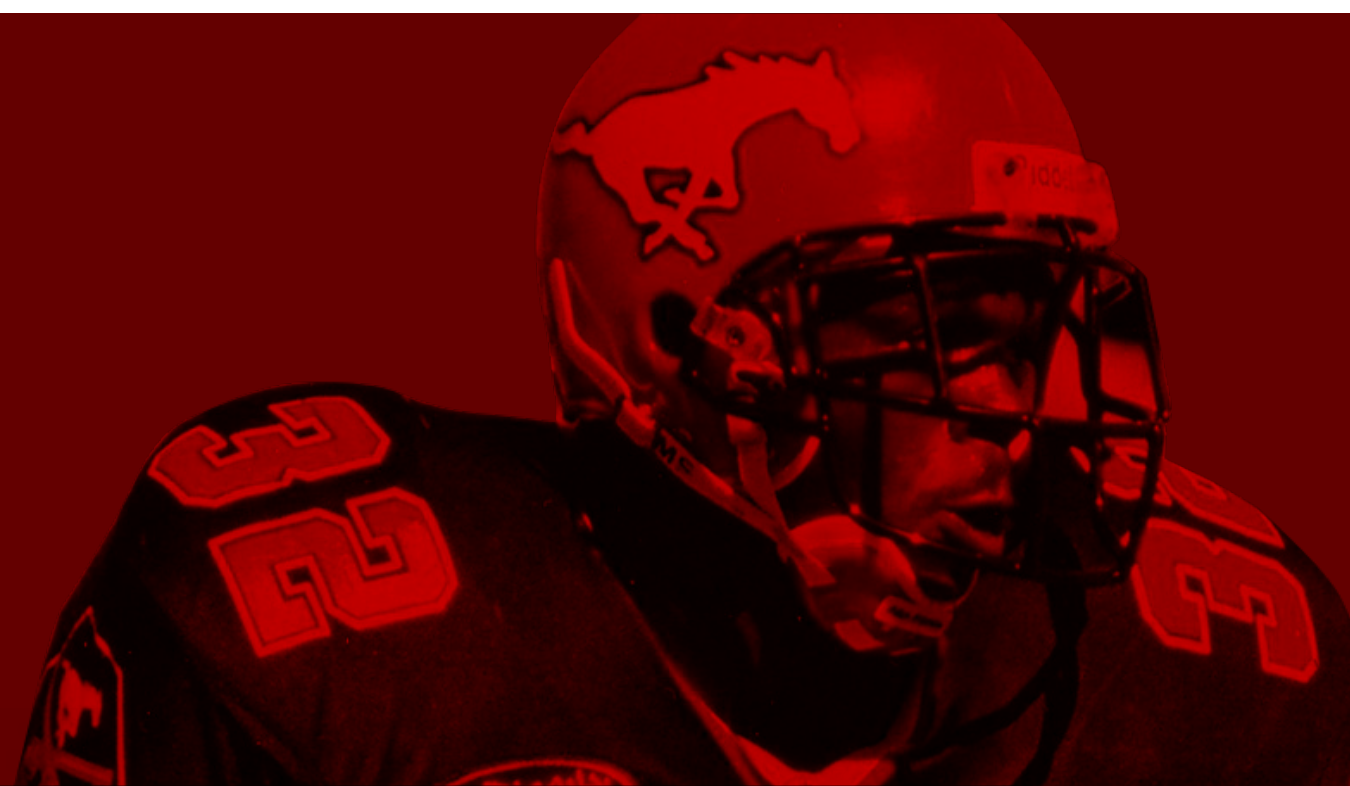


1 Floor Plan Diagram
1.0.0 Scale: NTS

- LEGEND
- HALL OF FAME BUSTS
 - HALL OF FAME ARTIFACT EXHIBIT
 - HALL OF FAME DIGITAL EXHIBIT
 - HALL OF FAME BAR DISPLAY
 - FOOD SERVICE AREAS







**KELVIN
ANDERSON**



CANADIAN FOOTBALL HALL OF FAME

CLASS OF 2017

KELVIN ANDERSON



HEADER FONT - BLENDER PRO HEAVY SUB-HEADER FONT - Blender Pro Bold

Body Font - Nimbus Sans L

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GRAPHIC TREATMENT & TEXTURES

CANADIAN FOOTBALL HALL OF FAME TEMPE DE LA RENOMMÉE DU FOOTBALL CANADIEN

The Canadian Football Hall of Fame is a not-for-profit corporation, located in Hamilton, Ontario, that celebrates great achievements in Canadian football. It is maintained by the Canadian Football League. It includes displays about the Canadian Football League, Canadian university football and Canadian junior football history.
November 28, 1972
Le Temple de la renommée du football canadien est une société sans but lucratif située à Hamilton, en Ontario, qui célèbre les grandes réalisations du football canadien. Il est maintenu par la Ligue canadienne de football. Il comprend des expositions sur la Ligue canadienne de football, le football universitaire canadien et l'histoire du football junior canadien.
28 novembre 1972

1972

1978

1984

1989

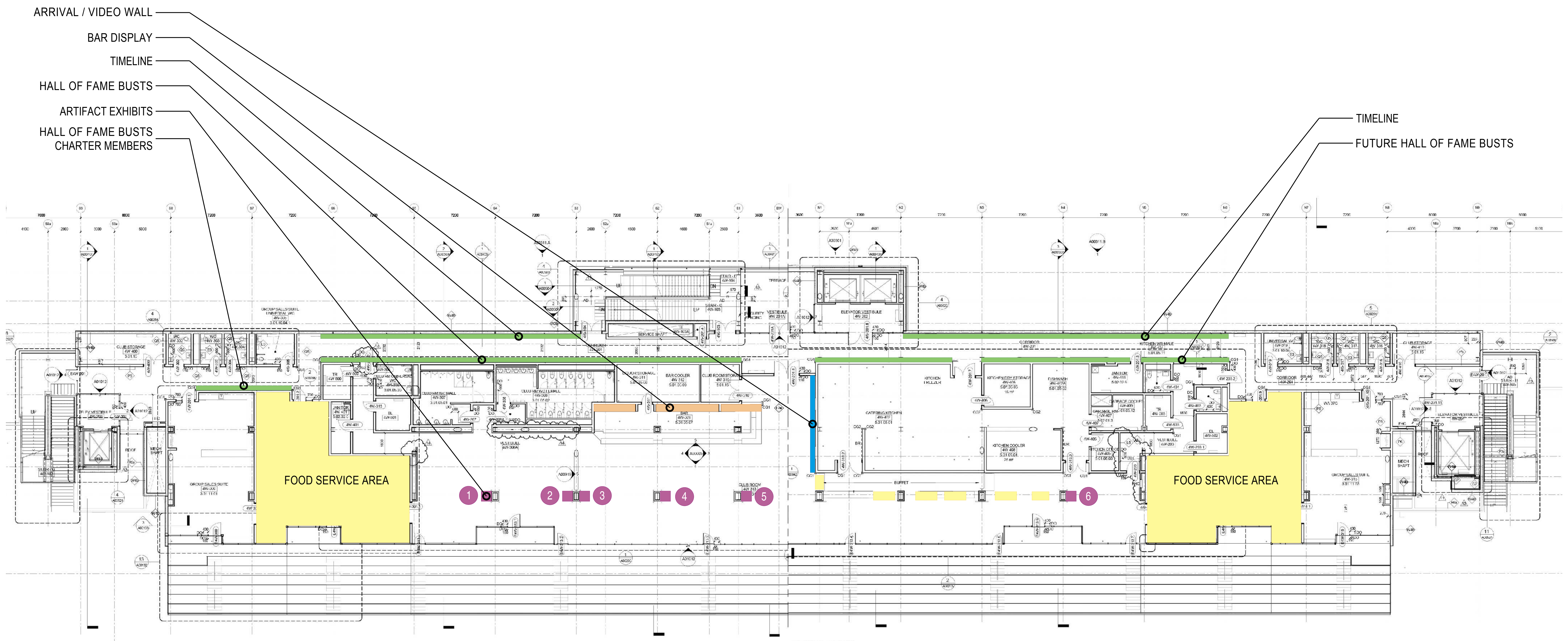


alternate transition tones to Food Service Area

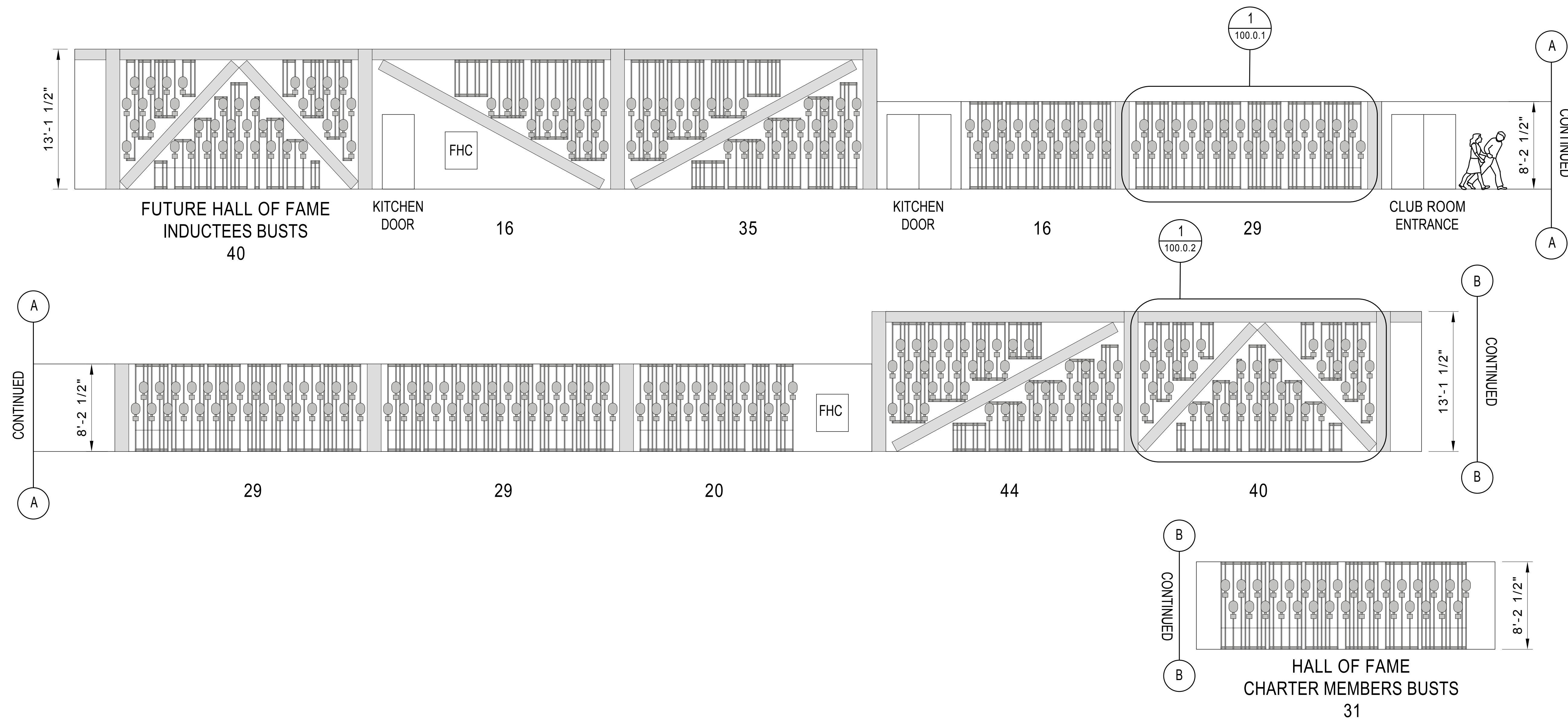
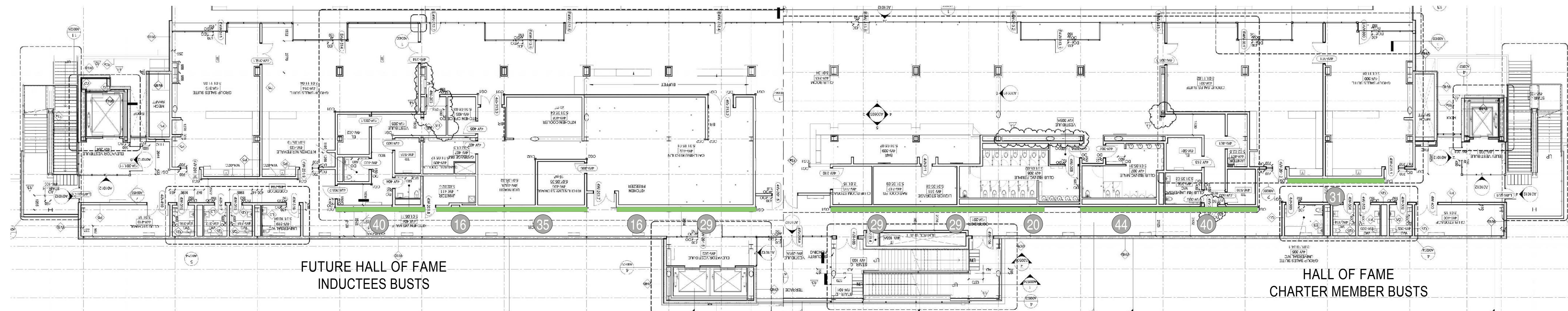
GRAPHIC TREATMENT & TEXTURES

LEGEND

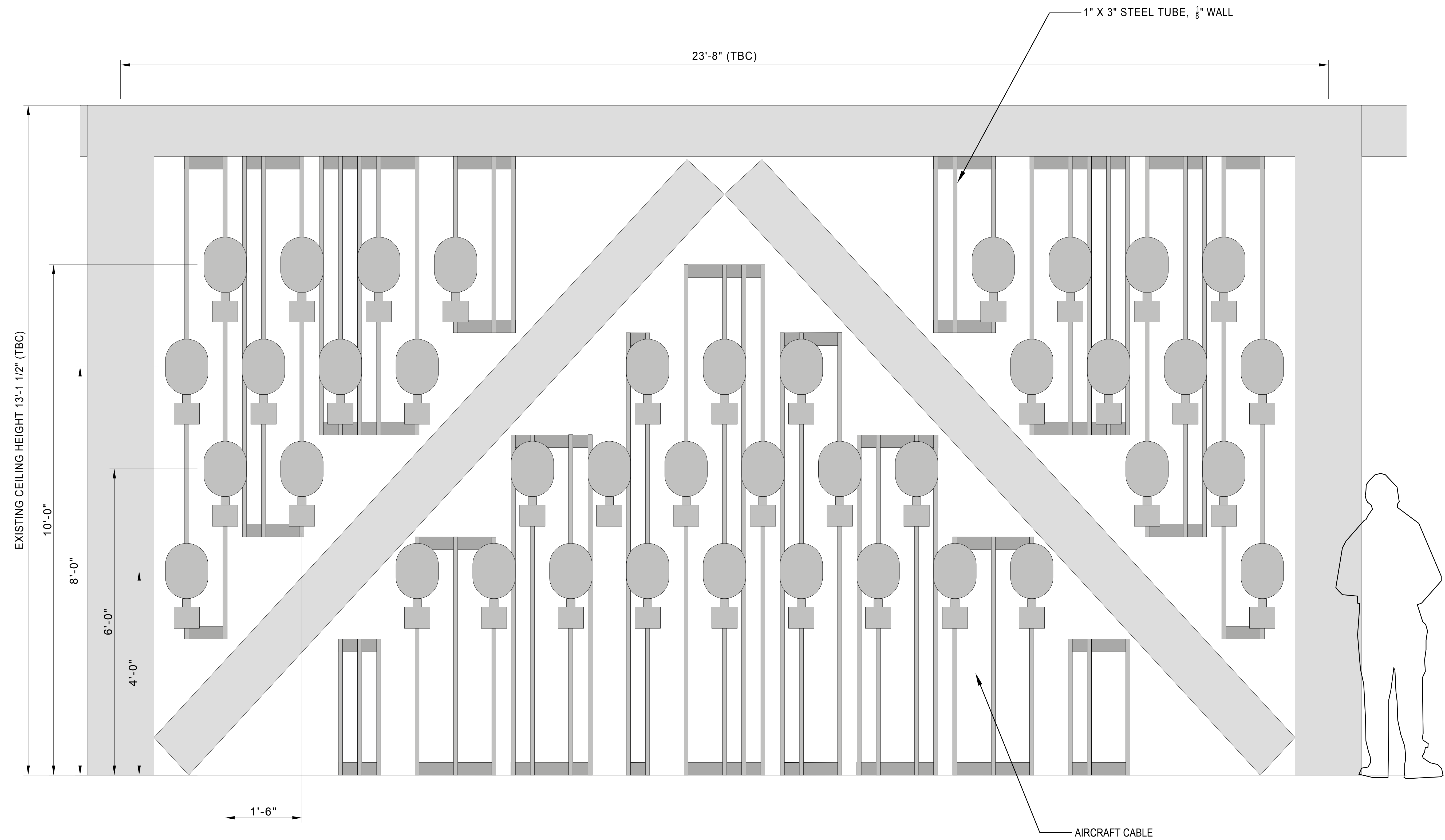
- 100 - HALL OF FAME BUSTS AND TIMELINE
- 200 - HALL OF FAME ARRIVAL / VIDEO WALL
- 300 - HALL OF FAME ARTIFACT EXHIBIT
- 400 - HALL OF FAME BAR DISPLAY
- 500 - FOOD SERVICE AREAS



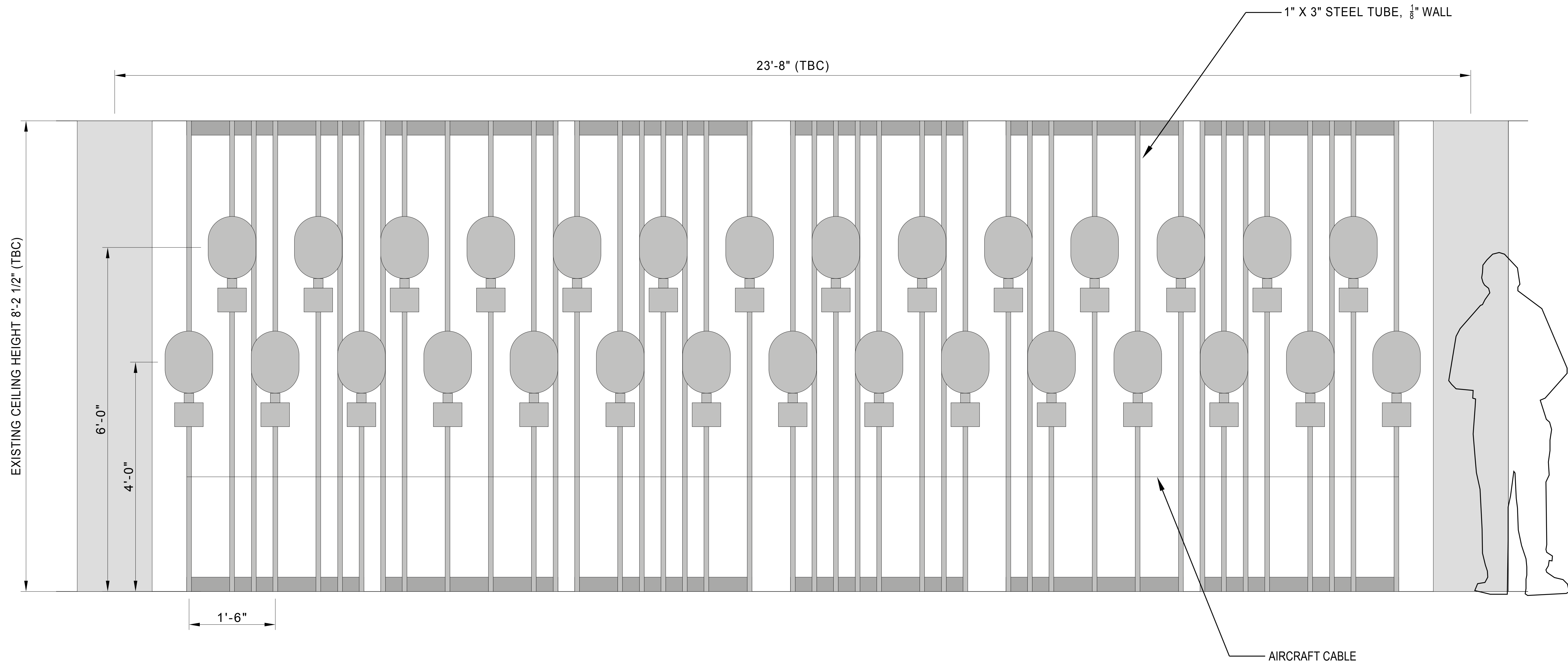
FLOOR PLAN DIAGRAM



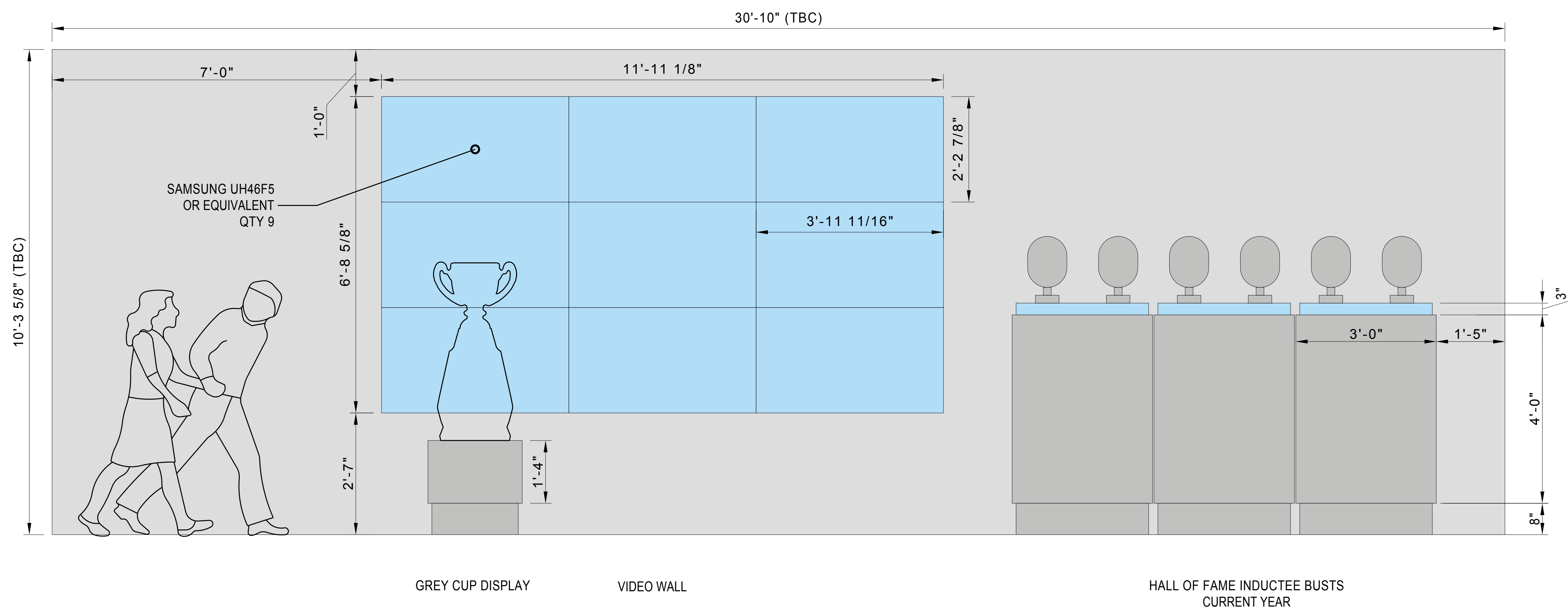
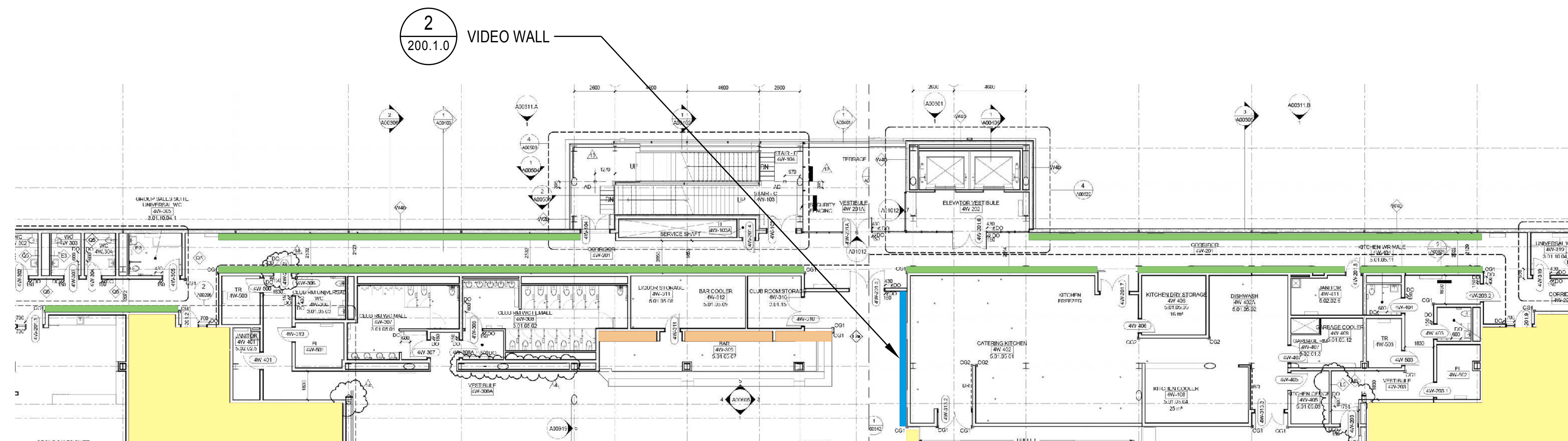
HALL OF FAME INDUCTEE BUSTS ELEVATION



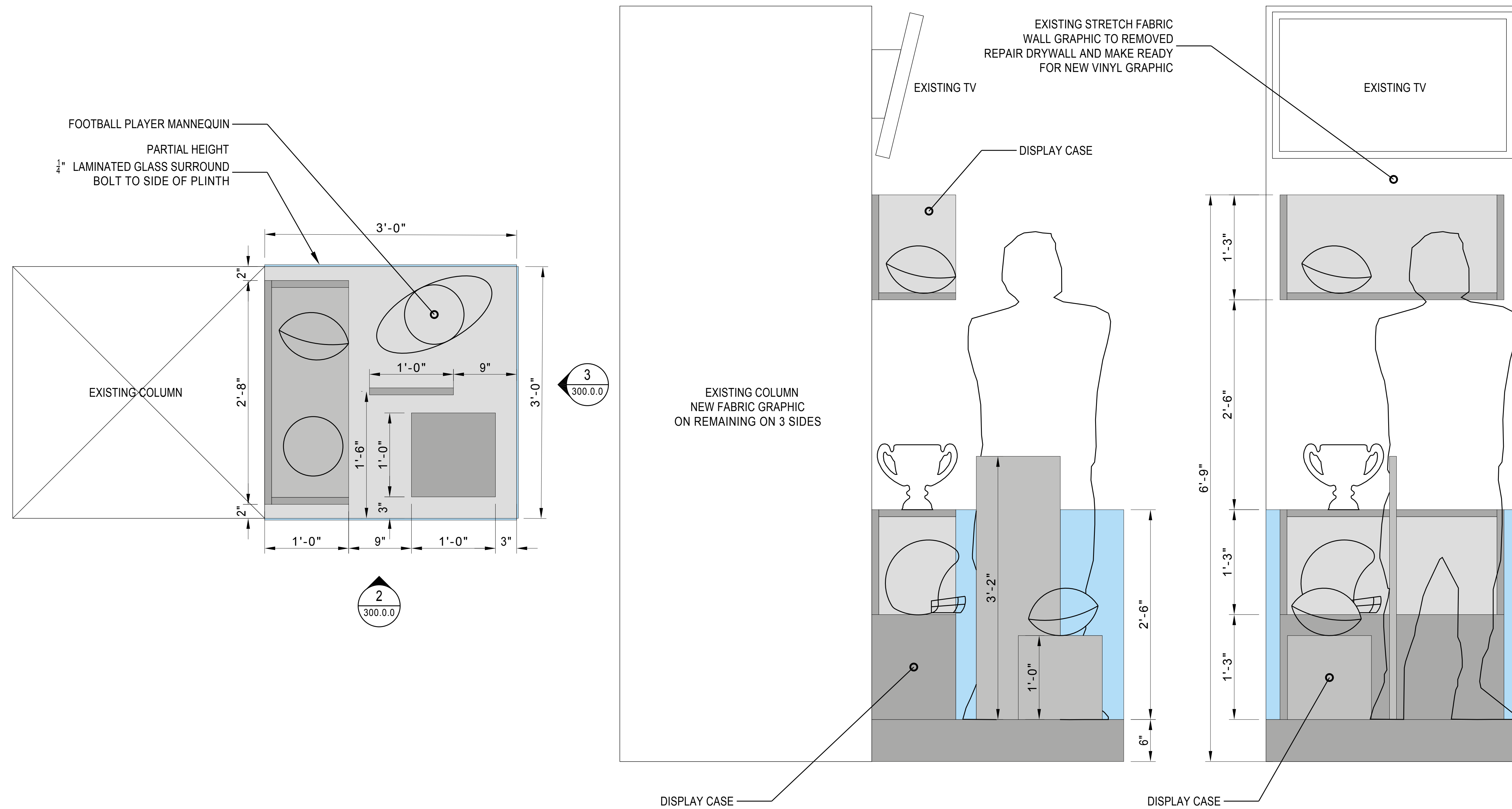
HALL OF FAME INDUCTEE BUSTS ELEVATION - DETAIL 1



HALL OF FAME INDUCTEE BUSTS ELEVATION - DETAIL 2



HALL OF FAME ARRIVAL - VIDEO WALL ELEVATION



HALL OF FAME ARTIFACTS - DISPLAY CASE



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 21, 2018
SUBJECT/REPORT NO:	Auchmar Estate (PED12193(c)) (Ward 8)
WARD(S) AFFECTED:	Ward 8
PREPARED BY:	David McCullagh (905) 546-2424 Ext. 1647
SUBMITTED BY:	Glen Norton Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

Council Direction:

At the General Issues Committee (GIC) meeting of June 7, 2017, Item 4.2, a delegation was made by the Royal Hamilton Light Infantry XIIIth Battalion Auchmar Trust (the “RHLI Trust”) to provide an update on the progress of the RHLI Trust and to request continued consideration by the City of Hamilton regarding a potential long-term lease of the Auchmar Estate. Respecting Item 8.2 - Report PED12193(b), staff was directed as follows:

“That the members of the Royal Hamilton Light Infantry XIIIth Battalion Auchmar Heritage Trust be provided with a nine (9) month extension to prepare a Business Plan for a long term lease for the Operation and Maintenance of the Auchmar Estate, to be presented at the March 21, 2018 General Issues Committee.”

Information:

The purpose of this Report is to provide Council with an update on the progress made by the Royal Hamilton Light Infantry XIIIth Battalion Auchmar Heritage Trust (the “RHLI Trust”) on the business plan and towards negotiating a long-term lease for the operation and maintenance of the Auchmar Estate.

Over the course of the past nine (9) months and up to the time of preparing this Report (PED12193(c)), staff has had limited contact and communication from the RHLI Trust respecting updates on the progress and status of the development of the RHLI Trust business plan to be presented back to the March 21, 2018 GIC.

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SUBJECT: Auchmar Estate (PED12193(c)) (Ward 8) - Page 2 of 4

Collectively, both Real Estate and Tourism and Culture staff have made significant efforts to facilitate the RHLI Trust actions in preparing a business plan for this initiative.

Such efforts on the part of staff can be briefly summarized as follows:

- On August 29, 2017, approximately eight (8) weeks following Council's Direction, correspondence was sent to RHLI Trust as follow-up including a request that the RHLI Trust maintain dialogue and provide periodic updates on its status.
- September 19, 2017, a tour of Auchmar was conducted for the Honorary-Lieutenant-Colonel Donald Cranston (RHLI).
- After further follow-up by staff subsequent to the August 29, 2017 letter, staff received a telephone call from RHLI Trust on November 14, 2017 identifying that the business plan was still being assembled and it was reiterated that RHLI Trust is still aiming to be prepared for the March 21, 2018 General Issues Committee meeting. RHLI Trust identified private sector interest in locating an office on the heritage site, and that a prominent local restaurateur was providing input towards the conceptual development of the Carriage House as a food and beverage facility.
- November 17, 2017, staff met with a Heritage Consultant retained by the RHLI Trust.
- November 17, 2017, staff met with the RHLI Trust, discussing the progress of the business plan together with the City's project priorities at Auchmar Estate including the necessary stabilization work needed at the Auchmar Estate.
- December 5, 2017, staff provided a tour of Auchmar Estate to RHLI Trust, ATA Architects and various engineers invited by ATA Architects working on behalf of RHLI Trust, and the RHLI Trust Heritage Consultant.
- January 11, 2018, ATA Architects returned to Auchmar Estate to tour specifically the Coach House.
- February 14, 2018, staff had a meeting with RHLI Trust. An update on progress was provided by RHLI Trust representatives. Staff suggested engagement by RHLI Trust of a business Consultant.

Status:

During the past nine (9) months, RHLI Trust has publicly demonstrated its continual interest in pursuing the use of the Auchmar Estate through RHLI Trust and Friends of Auchmar events and newspaper articles.

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SUBJECT: Auchmar Estate (PED12193(c)) (Ward 8) - Page 3 of 4

Never-the-less, to date, staff has not received any material or information to support the feasibility of the RHLI Trust proposal nor has staff observed evidence of a business case.

City Action on Site:

Operationally, the City expends basic minimum annual operating costs for this heritage site of approximately \$25,000 to \$27,000 per annum towards heat, hydro, water, snow clearing, grass cutting and cleaning. In addition, there are capital expenditures made towards repairs and restoration which, in 2017, were approximately \$666,812 and year-to-date costs for 2018 have been approximately \$178,630 with the bulk of the capital expenditure covering re-building of the garden stone walls and associated consulting. Of the \$2 million in Canada 150 grants realized in Hamilton, \$273,000 was allocated to go towards Auchmar Estate's garden wall restoration against a total estimated cost of \$817,000 to be completed by March 31, 2018.

Other Considerations:

Subsequent to Council's consideration of this matter in June 2016 and as expressed in the June 7, 2017 Report PED12193(b) to General Issues Committee, staff continues to be approached by various other interested parties in the Auchmar Estate from time to time. These interests purport to support the restoration of Auchmar Estate and provide for public access and uses that can be made compatible with the adaptive reuse of Auchmar Estate. Certain groups have also identified its willingness to include the RHLI Trust group as an element within its respective proposals. While staff has not pursued their interests, it is recognized that any purported interest would be subject to the terms of the Ontario Heritage Trust Conservation Easement and evaluated against the Council approved recommendations in Report PED12193(a) to determine suitability, as would the RHLI Trust proposal.

In conclusion, it should be noted, subject to any further direction provided by Council, that in accordance with Item 5 (g) of the General Issues Committee Report 16-016, as amended (Council June 22, 2016) (see below), staff was directed as follows:

- (a) That the Auchmar Estate Operations Plan, attached as Appendix "A" to Report PED16016, be received;
- (b) That Tourism and Culture Division staff be directed to continue with stabilization work obligated under the terms of the Heritage Conservation Easement administered by the Ontario Heritage Trust and to maintain the heritage resource in a stable condition with annual Capital Block funding;
- (c) That the Auchmar Estate and grounds remain in Public Ownership of the City of Hamilton;

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SUBJECT: Auchmar Estate (PED12193(c)) (Ward 8) - Page 4 of 4

- (d) That City staff in the Real Estate Section and the Planning and Economic Development Department be authorized and directed to explore a long-term lease or operating and management agreement, which is to include that capital repairs and maintenance be the financial responsibility of the lessee or the manager/operator, with any interested not-for-profit private parties; such as the Royal Hamilton Light Infantry XIIIth Regiment Auchmar Trust or other not-for-profit organizations, and report back to the General Issues Committee on the progress toward that end in six (6) months;
- (e) That any long-term lease or operating and management agreement and use provide for reasonable public access to the buildings and grounds;
- (f) That Ontario Heritage Trust be consulted on any proposed use to confirm the use's alignment with the provisions in the Heritage Conservation Easement;
- (g) That, in the event no lessee or management and operations interest, can be secured after a period of one year, Planning and Economic Development Department staff be directed to report to the General Issues Committee with a work plan for the adaptive reuse of the Auchmar Estate.

The time period outlined in recommendation (d) lasted approximately one year which was extended to March 21, 2018 through the Council Direction of June 14, 2017 in its consideration of Report PED12193(b) so that the City may make a decision respecting further consideration of the RHLI Trust proposal.

At this time, given the status as presented, and in accordance with the approved Council recommendations of June 22, 2016 outlined above, Planning and Economic Development staff will continue with budgeted capital restoration/stabilization work (see recommendation (b)), and will proceed with the preparation of and reporting back to the General Issues Committee of a work plan for the adaptive reuse of the Auchmar Estate (see recommendation (g)) by the end of 2018. In the interim, staff will continue to entertain any other offers from not-for-profit organizations consistent with recommendations (c) through (f) until the end of June 2018.

DM:sd

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TABLED at the August 14, 2017 General Issues Committee:

**School Board Properties Sub-Committee
Report 17-001**

**July 18, 2017
Page 1 of 1**

- 2. Hamilton-Wentworth District School Board Property at 70 Bobolink Road, Hamilton (PED17149) (Ward 7) (Added Item 8.2) (Attached as Appendix "B" to Report 17-001) (attached hereto)**
 - (a) That the Real Estate Section of the Economic Development Division of the Planning and Economic Development Department be authorized and directed to advise the Hamilton-Wentworth District School Board(HWDSB) that the City of Hamilton has no interest in acquiring its property located at 70 Bobolink Road, Hamilton, as shown on Appendix "A" attached to Report PED17149;
 - (b) That the Real Estate Section of the Economic Development Division of the Planning and Economic Development Department be authorized and directed to advise the Hamilton-Wentworth District School Board (HWDSB) of the City of Hamilton's site development requirements as identified in Appendix "B" attached to Report PED17149.

Appendix "B" to Report 17-001
School Board Properties Sub-Committee



Hamilton

CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	School Board Property Sub-Committee
COMMITTEE DATE:	July 18, 2017
SUBJECT/REPORT NO:	Hamilton-Wentworth District School Board (HWDSB) Property at 70 Bobolink Road, Hamilton, (PED17149)(Ward 7)
WARD(S) AFFECTED:	Ward 7
PREPARED BY:	Leah Macnamara(905) 546-2424Ext. 1646
SUBMITTED BY:	Glen Norton Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the Real Estate Section of the Economic Development Division of the Planning and Economic Development Department be authorized and directed to advise the Hamilton-Wentworth District School Board (HWDSB) that the City of Hamilton has no interest in acquiring its property located at 70 Bobolink Road, Hamilton, as shown on Appendix "A" attached to Report PED17149;
- (b) That the Real Estate Section of the Economic Development Division of the Planning and Economic Development Department be authorized and directed to advise the Hamilton-Wentworth District School Board (HWDSB) of the City of Hamilton's site development requirements as identified in Appendix "B" attached to Report PED17149.

EXECUTIVE SUMMARY

HWDSB has advised the City of its intention to sell its property located at 70 Bobolink Road, Hamilton, which has been used as Cardinal Heights Middle School. Based on circulation of the property to stakeholders, and consideration by Portfolio Management Committee (PMC), staff deemed the potential acquisition of the property to not be in the interest of the City.

Alternatives for Consideration – N/A

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SUBJECT: Hamilton-Wentworth District School Board (HWDSB) Property – 70 Bobolink Road, Hamilton (PED17149) (Ward 7)- Page 2 of 3

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

At the June 5, 2012 Planning Committee and subsequent City Council meeting of June 13, 2012, a motion was approved to establish a Sub-committee of City Council to review those school board properties being declared surplus for disposition by a school board and report back to the General Issues Committee (GIC) with recommendations, including a financial strategy for potential acquisitions.

On May 11, 2017, HWDSB provided written notice to the City of its Proposal to Sell Real Property located at 70 Bobolink Road. in accordance with Ontario Regulation 444/98. The City and other preferred agencies have 90 days to respond to the HWCDSD as to whether or not they have an interest in acquiring the property.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The HWDSB like other school boards in the Province, follows a formal established property disposal protocol for surplus Boardowned properties that are intended to be sold, as governed by Section 194(3) of the *Ontario Education Act* and Ontario Regulation 444. Under this protocol, the HWCDSD circulates notice of the proposed property sale to preferred agents including the City (as per Ontario Regulation 444).

City Council adopted principles (Portfolio Management Strategy, 2004) for property acquisition states *“Property will be acquired in support of an approved program only. A budget item must be approved for the program, including the costs of the real property and operational impact, before action is taken to acquire property.”*

In keeping with general municipal protocol related to potential surplus school sites, the School Board Sub-Committee is to establish and recommend direction with respect to all surplus school sites that may come available.

RELEVANT CONSULTATION

On May 26, 2017, Real Estate staff circulated a memorandum to all City Departments and relevant stakeholders concerning the HWDSB’s proposal to sell its property at 70

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**SUBJECT: Hamilton-Wentworth District School Board (HWDSB) Property – 70
Bobolink Road, Hamilton (PED17149) (Ward 7)- Page 3 of 3**

Bobolink Road, to elicit their comments or future interest in acquisition of the property. There was no interest expressed in this property.

The results of the circulation were discussed with the Portfolio Management Committee (PMC).

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The subject property is a rectangular 4.20 acre site with 526 feet on frontage on Bobolink Road. It is situated at the south east corner of Bobolink Road and Hummingbird Lane and is improved with an existing school (gross floor area approximately 38,535 square feet).

Following consideration of comments from circulation stakeholders, PMC established that there is no City requirement to justify the purchase of this school site.

The City divisions have provided valuable information respecting guidelines for the future use of the site.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement & Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED17149– Location Map

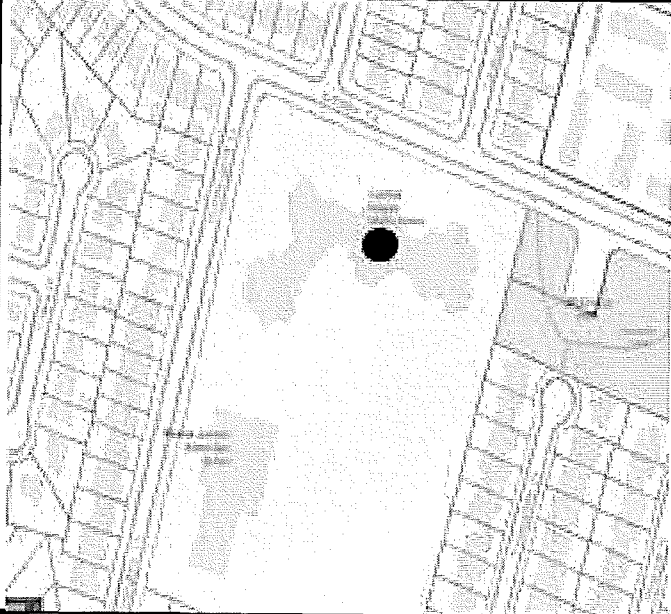
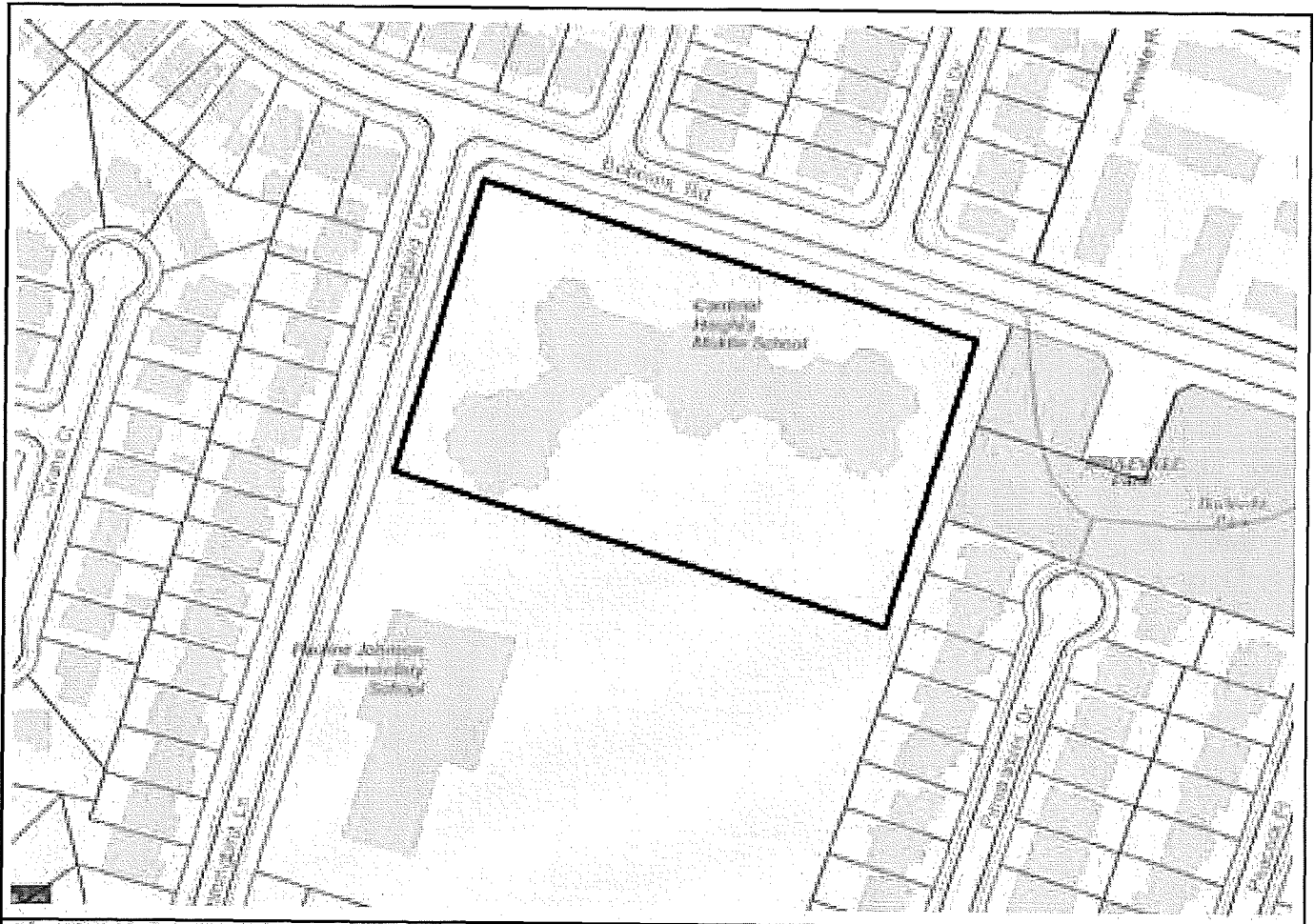
Appendix “B” to Report PED17149 –Site Development Requirements

LM/sd

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● Site Location

Location Map



Hamilton

Planning and Economic Development Department

File Name/Number:
70 Bobolink

Date:
July 18, 2017

Appendix "A"

Scale:
N.T.S.

SITE DEVELOPMENT REQUIREMENTS**Planning and Economic Development Department*****Growth Management Division:***

- No future road allowance widths are anticipated.

Community Planning Section:

- The property is designated as Neighbourhoods in the Urban Hamilton Official Plan which is subject to multiple policies.
- The property is zoned to accommodate an educational establishment and different forms of low density residential uses (ie Duplex Dwelling, Semi-Detached Dwelling, Single Detached Dwelling).

Recreation Section:

- The site is located in the Bruleville Planning Unit which has Neighbourhood Park deficiency of 2.33 ha.
- Bruleville Park (located just east of property) is under sized at 0.7 ha.
- Bruleville Park is the only walkable Neighbourhood Park in this area.

Public Works Department***Engineering Services Division:***

- The Capital Project for resurfacing the road in 2017 is in effect; therefore when surplus land is redeveloped it could result in road cuts.

Ontario's Human Rights Code

- Ontario's Human Rights Code, the first in Canada, was enacted in 1962.
- The Code prohibits actions that discriminate against people based on a protected ground in a protected social area.

Protected grounds are:

- Age
- Ancestry, Colour, Race
- Citizenship
- Ethnic Origin
- Place of Origin
- Creed
- Disability
- Family Status

Protected grounds are (con't):

- Marital status (including single status)
- Gender identity, gender expression
- Receipt of public assistance (in housing only)
- Record of offences (in employment only)
- Sex (including pregnancy and breastfeeding)
- Sexual orientation

Protected social areas are:

- Accommodation (housing)
- Contracts
- Employment
- Goods, services, and facilities
- Membership in unions, trade or professional associations.



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 21, 2018
SUBJECT/REPORT NO:	2017 Annual Report on the 2016-2020 Economic Development Action Plan Progress (PED18066) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Graeme Brown (905) 546-2424 Ext. 2363
SUBMITTED BY:	Glen Norton Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

Council Direction:

To report back on the progress of implementing the 2016-2020 Economic Development Action Plan (EDAP) on an annual basis, providing a regular and consistent overview on the status of the 11 Stretch Targets and 61 Actions identified within the Action Plan.

Information:

On December 7, 2016, the 2016–2020 EDAP was presented to and approved by City Council. The EDAP communicated six high level goals identified by stakeholders as priorities, and further identified the nine areas of focus that staff would concentrate efforts and resources on to realize those goals.

The EDAP identified 11 measurable stretch targets and 61 specific actions that staff would pursue over the next five years, and committed to having staff provide annual updates on the status of each one. The EDAP has been approved for over a year, and the Planning and Economic Development Department delivered an update on progress made during 2016 in a report to Council in Q2 of 2017, providing a baseline for future progress reporting. This Information Report is the second annual update covering progress made during the 2017 calendar year.

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SUBJECT: 2017 Annual Report on the 2016-2020 Economic Development Action Plan Progress (PED18066) (City Wide) - Page 2 of 5

Update on the Eleven Stretch Targets

The EDAP identified 11 Stretch Targets, which were expected to be ambitious, multi-year objectives that have a quantitatively measurable state of completion, and that City staff could provide a regular status update on. Each of the 11 Stretch Targets have been connected to a relevant City Division, and information relating to the prior year's activities on each Stretch Target have been collected and documented. The information can be found in the attached Appendix "A" to PED18066 – 2017 Stretch Target Report Card, and summarized in the chart below.

Chart 1: High Level Overview of Stretch Targets Status

Stretch Targets	Current Status of Stretch Goal
Increase Hamilton's shovel-ready land supply 500 acres	On Target
Add 7 million square feet of new Industrial / Commercial space	On Target
Generate a total of \$2 Billion in Industrial and Commercial construction value	On Target
Triple the municipal tax assessment from Stelco lands	Behind Target
Extend regular HSR service (connected to the broader BLAST network) to the interior of the Red Hill, Flamborough, and Stoney Creek Business Parks and offer 24 / 7 service to John C. Munro Hamilton International Airport	In Progress
Reduce Hamilton's office vacancy rate to 7%	In Progress
Add the following new major economic development assets	
<i>A major film studio</i>	On Target
<i>A data centre</i>	ACHIEVED
<i>An 800-1200 seat multi-use performance centre</i>	On Target
<i>A manufacturing incubation space</i>	On Target
Have ten local companies on the PROFIT Magazine "Fastest Growing Businesses" list	In Progress
Attract five major events (like the JUNOs) that generate a total combined economic impact of at least \$50 Million	On Target
Achieve Intelligent Communities Forum Top 7 Ranking	ACHIEVED
Enhance Hamilton's Image as a Digital City by enabling access to broadband internet speeds of:	
<i>250 megabit / second to all rural Hamilton</i>	In Progress
<i>1 gigabit / second to all urban Hamilton</i>	In Progress
<i>10 gigabit / second to all of our business parks and major commercial areas</i>	In Progress

There has been significant progress made on the 11 Stretch Targets established in the EDAP, with one Stretch Target being achieved (Achieve Intelligent Communities Forum

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Top 7 Ranking) and one part of a second Stretch Target also being achieved (Establishment of a Data Centre). Five of the remaining ten Stretch Targets are currently assessed as being “On Target” to be achieved by the end of 2020, with four Stretch Targets being identified as being “In Progress”.

There has been a materially negative trend as it relates to the municipal tax assessment on the Stelco lands since the establishment of the 11 Stretch Targets, with the Stelco related stretch target having an ambitious target of tripling of the 2016 municipal tax assessment for those lands by 2020. Given that we have seen negative assessment growth over the past year, the status of that Stretch Target has been flagged as “Behind Target”.

Update on the 61 Actions

The 2016-2020 EDAP also identified 61 Actions that City staff would pursue completion of over the five-year duration of the EDAP with the assistance and partnership of external stakeholders. An overview of the status of all 61 Actions as of the end of 2017 can be seen in the chart below.

Chart 2: High Level Overview of the Status of the 61 Identified Actions

Completed in 2017	In Progress Expected Complete in 2018	In Progress Expected Complete after 2018
10	15	36

All of the 61 identified Actions have been started in some capacity, with staff reporting that ten actions were completed in 2017, with an additional 15 actions expected to be completed by the end of 2018. In Report PED17041, staff provided an overview of the 2017 EDAP work plan, which forecasted that 12 Actions would be completed.

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The following chart provides visibility into the status (as of the end of 2017) of those previously identified Actions, and provides an update to that list to include additions to the work plan that took place over the course of the 2017 calendar year.

Chart 3: Overview of 2017 EDAP Work Plan Progress

2017 Workplan - Actions Completed or Delayed in 2017	Status
Update and implement the Economic Development Marketing Strategy	Completed
Review and update commercial zoning to provide greater flexibility for business attraction and growth	Completed
Realign staffing assignments to increase coverage of key sectors	Completed
Develop an industry-based tourism advisory group	Completed
Refresh the Invest in Hamilton website to be a better promotional tool for Hamilton to enable the attraction of new companies	Completed
Establish a Sports Analytics Cluster to pursue a nationally recognized area of expertise	Added and Completed
Establish the IBM/HHS Collaboration Space (now know as Innovation Exchange)	Added and Completed
Review zoning and other barriers to the establishment of Creative Cultural Industries	Added and Completed
Undertake review on the future viability of the Hamilton Technology Centre	Added and Completed
Complete lean review of the approvals process	Added and Completed
Create an updated Global Hamilton Strategy (formerly known as the Immigration Attraction Strategy)	Deferred until 2018
Develop and implement a Comprehensive Customer Service Program	Deferred until 2018
Develop and implement an ICT and Digital Media Sector Strategy	Deferred until 2018
Create and implement a Digital Strategy for the City of Hamilton that identifies strategies to improve the ICT infrastructure (broadband internet) in the City	Deferred until 2018
Complete a comprehensive asset mapping exercise of all ICT sector companies and infrastructure	Deferred until 2018
Create and implement a Life Science Sector Strategy	Deferred until 2018
Develop a regional manufacturing asset map, identifying key service providers and supply chain linkages	Deferred until 2018

Of the 12 Actions originally scheduled to be complete in 2017, five were completed during the calendar year, with seven Actions deferred to 2018 due to a wide variety of reasons, most of them being influenced by feedback from stakeholders and partners, or the identification of new partners or champions helping to deliver those Actions. While some Actions originally forecasted to be complete in 2017 were delayed, there also

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SUBJECT: 2017 Annual Report on the 2016-2020 Economic Development Action Plan Progress (PED18066) (City Wide) - Page 5 of 5

arose an opportunity to accelerate the schedule of other Actions, which resulted in the completion of five previously unidentified Actions.

As done in PED17041, this annual update includes a list of Actions that are forecasted to be completed during the current calendar year. The following chart lists 15 Actions that are expected to be complete during 2018.

Chart 4: Actions Expected to be Complete in 2018

Actions to be Complete in 2018	Area of Focus
Complete an Internet of Things Cluster Feasibility Study	Advanced Manufacturing - Key Sector
Develop a regional manufacturing asset map, identifying key service providers and supply chain linkages	Advanced Manufacturing - Key Sector
Update Commercial Market Assessments (CMA) for specific Business Improvement Areas (BIAs)	Commercial Area Revitalization
Create and implement a Creative Cultural Industries sector strategy	Creative Cultural Industries - Key Sector
Create and implement a FIRE sector strategy	Finance / Insurance / Real Estate - Key Sector
Obtain official designation for lands around the Hamilton International Airport as a Foreign Trade Zone Point	Goods Movement - Key Sector
Complete a comprehensive asset mapping exercise of all ICT sector companies and infrastructure	ICT / Digital Media - Key Sector
Create and implement a Digital Strategy for the City of Hamilton that identifies strategies to improve the ICT infrastructure (broadband internet) in the City	ICT / Digital Media - Key Sector
Develop and implement an ICT and Digital Media Sector Strategy	ICT / Digital Media - Key Sector
Create an updated Global Hamilton Strategy (formerly known as the Immigration Attraction Strategy)	International Connectivity
Create and implement a Life Science Sector Strategy	Life Sciences - Key Sector
Develop and implement a Comprehensive Customer Service Program	Open for Business
Conduct analysis on the viability of operating the SBEC across multiple sites in the City	Small Business Development
Redevelopment of the Tourism website	Tourism - Key Sector
Design and deliver an Annual Work Intentions Survey to current post-secondary students and workers commuting in and around Hamilton	Workforce Development

Appendices and Schedules Attached:

Appendix "A" to Report PED18066 – 2017 Stretch Target Report Card

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2017 Stretch Target Report Card

Stretch Targets	Lead Area(s)	Prior Year Performance (2017)	Cumulative Performance (2016-2017)	Current Year Trend (2018)	Current Status of Stretch Goal
Increase Hamilton's shovel-ready land supply 500 acres	Growth Management	37 acres (21.5 acres industrial, 15.5 acres commercial)	157 acres (96.5 acres industrial, 60.5 acres commercial)	128.5 acres	On Target
Add 7 million square feet of new Industrial / Commercial space	Economic Development	1,700,000 square feet added 375,000 square feet of commercial 1,325,000 square feet of industrial	2,315,000 square feet added 875,000 square feet of commercial 1,440,000 square feet of industrial	There are a number of known projects expected to be realized in 2018, which should significantly contribute to the target.	On Target
Generate a total of \$2 Billion in Industrial and Commercial construction value	Economic Development	\$503,000,000 in estimated value \$282,000,000 commercial \$221,000,000 industrial	\$718,000,000 in estimated value \$447,000,000 commercial \$271,000,000 industrial	There are a number of known projects expected to be realized in 2018, which should significantly contribute to the target.	On Target
Triple the municipal tax assessment from Stelco lands	Economic Development	\$86,000,000+ total assessment CTN - \$5,600,000 LTN - \$72,600,000 LUN - \$8,300,000	(\$24,000,000) total assessment CTN - (\$1,500,000) LTN - (\$20,800,000) LUN - (\$1,600,000)	There are media reports of anticipated increased business and investment activity by Stelco, which could positively impact assessment.	Behind Target
Extend regular HSR service (connected to the broader BLAST network) to the interior of the Red Hill, Flamborough, and Stoney Creek Business Parks and offer 24 / 7 service to John C. Munro Hamilton International Airport	Transit	No material change in transit service levels.	No material change in transit service levels.	Pending budget approval, transit service levels to improve (increased frequency) on HSR Route #55 and #55A (Stoney Creek) and HSR Route #20 (Hamilton Airport), effective September 2018.	In Progress
Reduce Hamilton's office vacancy rate to 7%	Economic Development	Downtown Urban Growth Centre Vacancy Rate of 13.61% in 2017	A total reduction of 0.21% based on the reported vacancy rate of 13.82% in 2016.	Launching a multi-year campaign focused on highlighting Hamilton's commercial office opportunities.	In Progress
Add the following new major economic development assets					
A major film studio	Tourism and Culture	Discussions and new enquiries with various developers/businesses, 80% of which originated from businesses wanting to build/open a full-service film studio in Hamilton who have filmed in the City within the last two years	Discussions and new enquiries with various developers/businesses, 80% of which originated from businesses wanting to build/open a full-service film studio in Hamilton who have filmed in the City within the last two years	Continue to respond to an increase in number of business enquiries. Indications are reasonable strong for reaching this stretch target.	On Target
A data centre	Economic Development	Cryptoglobal, a company operating a cryptocurrency mining data centre, was established in Hamilton. Received investment inquires and partnered with McMaster University's Computing Infrastructure Research Centre (CIRC) to conduct a feasibility study on possible data centre sites.	One data centre has been established (Cryptoglobal). Have received a number of investment inquires; Met with Hamilton's public CTO's to assess co-location interest; Partnered with CIRC to conduct a feasibility study.	At least two new data center leads.	ACHIEVED
An 800-1200 seat multi-use performance centre	Economic Development	Continued discussions, assisted with feasibility study and responded to enquiries about locations for potential new venue	Continued discussions, assisted with feasibility study and responded to enquiries about locations for potential new venue	Mohawk College has indicated it is significantly upgrading its 1,029 seat performance arts centre for September 2018 to further augment the value of this asset. This should enhance the City's existing inventory of performance spaces.	On Target
A manufacturing incubation space	Economic Development	Private investment on hold/disengaged. Public partners exploring opportunities within existing community.	Public partners exploring opportunities within existing community.	McMaster is exploring possibility to expand The Forge at MIP to include manufacturing incubator space.	On Target
Have ten local companies on the PROFIT Magazine "Fastest Growing Businesses" list	Economic Development	Hamilton had four companies on the list in 2017 #55 - Steeped Tea #242 - Ron Lee Construction Ltd. #353 - Norstar Windows and Doors #364 - ABL Employment	Hamilton has had four companies on the PROFIT list in each of the past two years.	City of Hamilton is spearheading the creation of a "Hamilton Fast 40" fastest growing business competition that should help identify candidates for the national program. Targeted to launch in Q1 2018.	In Progress
Attract five major events (like the JUNOs) that generate a total combined economic impact of at least \$50 Million	Tourism and Culture	Secured North American Indigenous Games 2017 (selected sports and cultural festival) and Canadian Country Music Week 2018	No major events in 2016. Secured North American Indigenous Games 2017 (selected sports and cultural festival) and Canadian Country Music Week 2018	Continuing to pursue major meetings and conventions, events and sports tournaments.	On Target
Achieve Intelligent Communities Forum Top 7 Ranking	City Wide	Hamilton submitted an application in 2017 and was announced as a Top 21 Intelligent Community in late 2017.	Hamilton did not submit an application in 2016. Hamilton submitted an application in 2017 and was announced as a Top 21 Intelligent Community in late 2017.	The City of Hamilton was announced as a Top 7 Intelligent Community in February 2018.	ACHIEVED
Enhance Hamilton's Image as a Digital City by enabling access to broadband internet speeds of:					
250 megabit / second to all rural Hamilton	Economic Development				In Progress
1 gigabit / second to all urban Hamilton	Economic Development	Digital Infrastructure Report completed by MacData that mapped the physical infrastructure of all Hamilton telecommunication companies.	The initiative is still in the planning stage, as the City of Hamilton and the other Digital City partners are working on a collective strategy. Individual telecommunications companies continue to build out their infrastructure to support their existing customer base.	Further conversations with telecommunications service providers to build the business model and seek project funding.	In Progress
10 gigabit / second to all of our business parks and major commercial areas	Economic Development				In Progress

Stretch Targets

Extend regular HSR service (connected to the broader BLAST network) to the interior of the Red Hill, Flamborough, and Stoney Creek Business Parks and offer 24 / 7 service to John C. Munro Hamilton International Airport

Reduce Hamilton's office vacancy rate to 7%

Add the following new Major economic development assets

A major film studio

A data centre

An 800-1200 seat multi-use performance centre

A manufacturing incubation space

Have ten local companies on the PROFIT Magazine "Fastest Growing Businesses" list

Attract five major events (like the JUNOs) that generate a total combined economic impact of at least \$50 Million

Achieve Intelligent Communities Forum Top 7 Ranking

Enhance Hamilton's Image as a Digital City by enabling access to broadband internet speeds of:

250 megabit / second to all rural Hamilton

1 gigabit / second to all urban Hamilton

10 gigabit / second to all of our business parks and major commercial areas

2017 Stretch Tar

Prior Year Performance (2017)

Provincial government announced change to Hamilton LRT project scope to include BRT along the BLAST network's A-Line and provide regular service to John C. Munro Hamilton International Airport.

Downtown Urban Growth Centre Vacancy Rate of 13.61% in 2017

Discussions and new enquiries with various developers/businesses, 80% of which originated from businesses wanting to build/open a full-service film studio in Hamilton who have filmed in the City within the last two years

Cryptoglobal, a company operating a cryptocurrency mining data centre, was established in Hamilton. Received investment inquiries and partnered with McMaster University's Computing Infrastructure Research Centre (CIRC) to conduct a feasibility study on possible data centre sites.

Continued discussions, assisted with feasibility study and responded to enquiries about locations for potential new venue

~~Private investment on hold/disengaged. Public partners exploring opportunities within existing community.~~

Hamilton had four companies on the list in 2017

#55 - Steeped Tea

#242 - Ron Lee Construction Ltd.

#353 - Norstar Windows and Doors

#364 - ABL Employment

Secured North American Indigenous Games 2017 (selected sports and cultural festival) and Canadian Country Music Week 2018

Hamilton submitted an application in 2017 and was announced as a Top 21 Intelligent Community in late 2017.

Digital Infrastructure Report completed by MacData that mapped the physical infrastructure of all Hamilton telecommunication companies.

Target Report Card

Cumulative Performance (2016-2017)
<p>No material change in servicing to date. The provincial government announced a scope change to the Hamilton LRT project that would positively impact the stretch target when implemented.</p>
<p>A total reduction of 0.21% based on the reported vacancy rate of 13.82% in 2016.</p>
<p></p>
<p>Discussions and new enquiries with various developers/businesses, 80% of which originated from businesses wanting to build/open a full-service film studio in Hamilton who have filmed in the City within the last two years</p>
<p>One data centre has been established (Cryptoglobal). Have received a number of investment inquiries; Met with Hamilton's public CTO's to assess co-location interest; Partnered with CIRC to conduct a feasibility study.</p>
<p>Continued discussions, assisted with feasibility study and responded to enquiries about locations for potential new venue</p>
<p>Public partners exploring opportunities within existing community</p>
<p>Hamilton has had four companies on the PROFIT list in each of the past two years.</p>
<p>No major events in 2016. Secured North American Indigenous Games 2017 (selected sports and cultural festival) and Canadian Country Music Week 2018</p>
<p>Hamilton did not submit an application in 2016. Hamilton submitted an application in 2017 and was announced as a Top 21 Intelligent Community in late 2017.</p>

The initiative is still in the planning stage, as the City of Hamilton and the other Digital City partners are working on a collective strategy. Individual telecommunications companies continue to build out their infrastructure to support their existing customer base.

Appendix "A" to Report PED18066

Page 1 of 1

Current Year Trend (2018)	Current Status of Stretch Goal
On hold until Area Rating is discussed in the next term of council.	Behind Target
Launching a multi-year campaign focused on highlighting Hamilton's commercial office opportunities.	Behind Target
Continue to respond to an increase in number of business enquiries. Indications are reasonable strong for reaching this stretch target.	On Target
At least two new data center leads.	ACHIEVED
Monark College has indicated it is significantly upgrading its 1,029 seat performance arts centre for September 2018 to further augment the value of this asset. This should enhance the City's marketing.	On Target
Citymaster is exploring possibility to expand the Forge at MID to include manufacturing incubator space.	On Target
City of Hamilton is spearheading the creation of a "Hamilton Fast 40" fastest growing business competition that should help identify candidates for the national program. Targeted to launch in Q1 2018.	Behind Target
Continuing to pursue major meetings and conventions, events and sports tournaments.	On Target
The City of Hamilton was announced as a Top 7 Intelligent Community in February 2018.	ACHIEVED

Further conversations with telecommunications service providers to build the business model and seek project funding.	Behind Target
	Behind Target

Economic Development Action Plan

2017 Annual Update

End of Year Two





What is a Stretch Target?

Specific and aggressive objectives that cannot be realized by increments or small improvements.

They are ambitious targets that will help focus and direct our work.

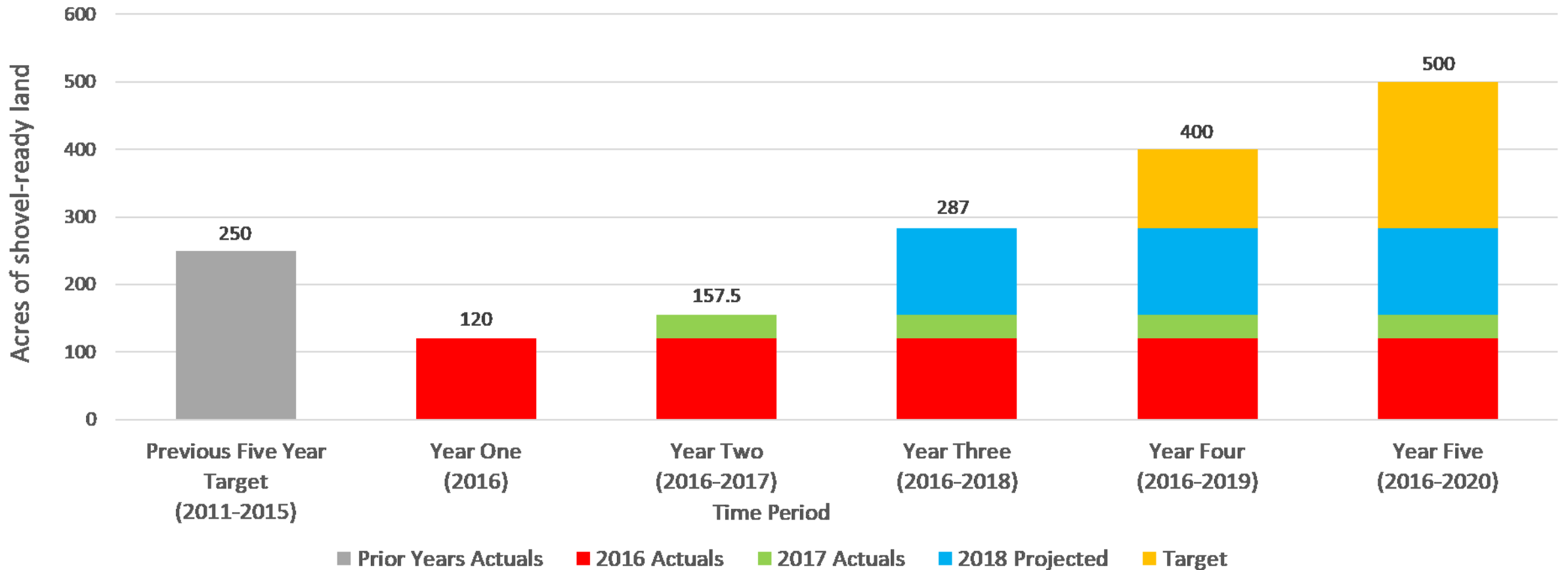
Stretch Target Overview

Stretch Targets	Current Status of Stretch Goal
Increase Hamilton's shovel-ready land supply 500 acres	On Target
Add 7 million square feet of new Industrial / Commercial space	On Target
Generate a total of \$2 Billion in Industrial and Commercial construction value	On Target
Triple the municipal tax assessment from Stelco lands	Behind Target
Extend regular HSR service (connected to the broader BLAST network) to the interior of the Red Hill, Flamborough, and Stoney Creek Business Parks and offer 24 / 7 service to John C. Munro Hamilton International Airport	In Progress
Reduce Hamilton's office vacancy rate to 7%	In Progress
Add the following new major economic development assets	
<i>A major film studio</i>	On Target
<i>A data centre</i>	ACHIEVED
<i>An 800-1200 seat multi-use performance centre</i>	On Target
<i>A manufacturing incubation space</i>	On Target
Have ten local companies on the PROFIT Magazine "Fastest Growing Businesses" list	In Progress
Attract five major events (like the JUNOs) that generate a total combined economic impact of at least \$50 Million	On Target
Achieve Intelligent Communities Forum Top 7 Ranking	ACHIEVED
Enhance Hamilton's Image as a Digital City by enabling access to broadband internet speeds of:	
<i>250 megabit / second to all rural Hamilton</i>	In Progress
<i>1 gigabit / second to all urban Hamilton</i>	In Progress
<i>10 gigabit / second to all of our business parks and major commercial areas</i>	In Progress

Stretch Target Overview

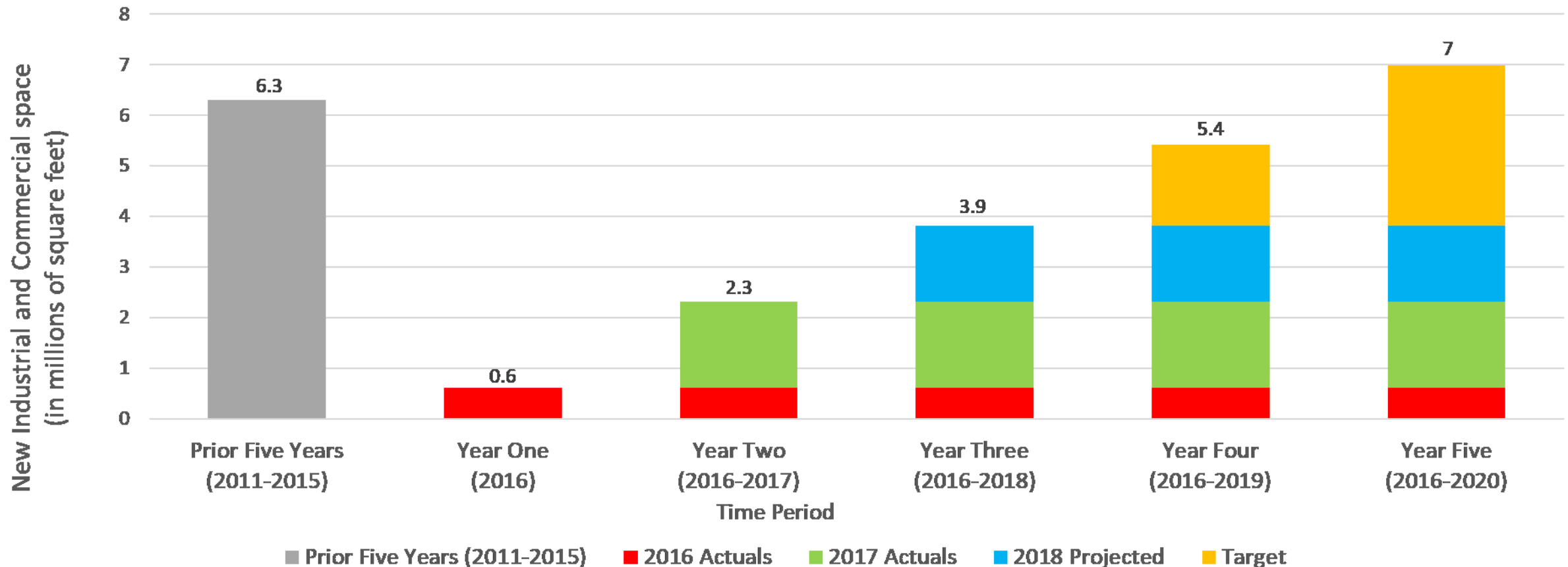
Behind Target	In Progress	On Target	Achieved
		<ul style="list-style-type: none"> Add economic development assets: <ul style="list-style-type: none"> An 800-1200 seat multi-use performance centre Manufacturing incubation space <ul style="list-style-type: none"> A major film studio 	
	Extend regular HSR service to Business Parks and offer 24/7 service to Hamilton Airport	Increase Hamilton's shovel-ready land supply by 500 acres	
	Reduce Hamilton's office vacancy rate to 7%	Add 7 million square feet of new Industrial / Commercial space	
	Have ten local companies on the PROFIT Magazine "Fastest Growing Businesses" list	Generate a total of \$2 Billion in Industrial and Commercial construction value	<ul style="list-style-type: none"> Add economic development asset <ul style="list-style-type: none"> Data Centre
Triple the municipal tax assessment from Stelco lands	Enhance Hamilton's image as a Digital City by enabling access to fast broadband internet speeds	Attract five major events (like the JUNOs) that generate a cumulative \$50 million in economic impact	Achieve Intelligent Communities Forum Top 7 Ranking

Increase Hamilton's shovel-ready land supply by 500 acres



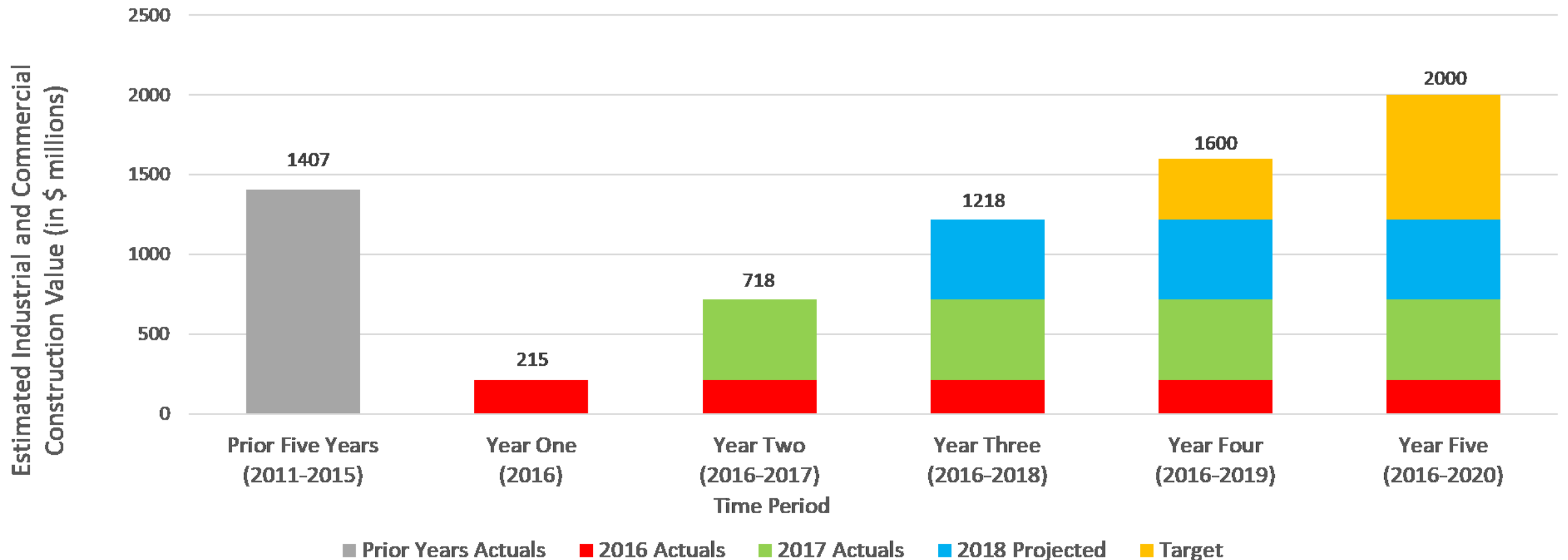
Based on information provided by the Growth Management Division.

Add 7 million square feet of new Industrial and Commercial space



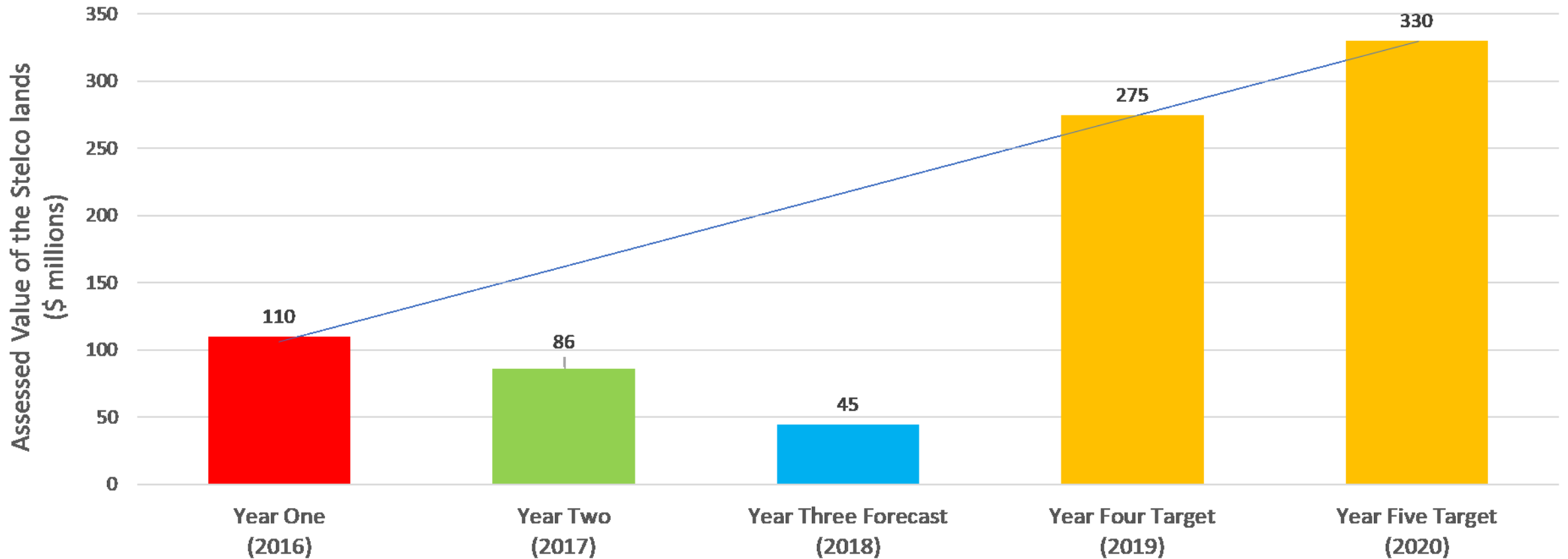
Based on information provided in building permits, obtained from the Building Division.

Generate a total of \$2 Billion in Industrial and Commercial construction value



Based on information provided in building permits, obtained from the Building Division.

Triple the municipal tax assessment generated from Stelco lands



Based on assessments conducted by MPAC. Information provided by the Corporate Services Department.

Extend regular HSR service to the interior of the Red Hill, Flamborough, and Stoney Creek Business Parks and offer 24/7 service to the Airport

CURRENT YEAR TREND (2018)

Pending budget approval, transit service levels to improve, effective September 2018, as follows:

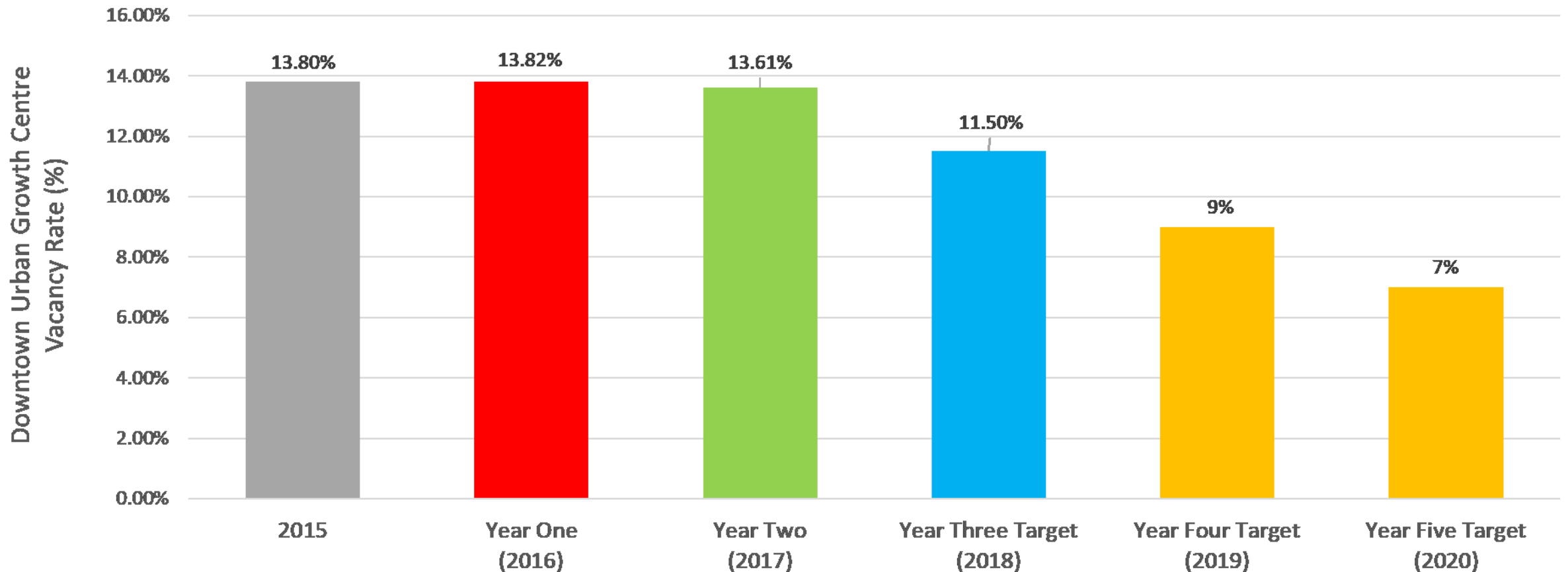
Stoney Creek

- HSR Route #55 and #55A service levels in select time periods to be enhanced to provide a 30 minute minimum frequency.
- TransCab service to be added on Sundays and Holidays, between 8:00am and 6:00pm.

Hamilton Airport

- HSR Route #20 Weekday peak period service frequency to be enhanced from 30 minutes to 20 minutes.
- Weekday mid-day service to be added at a 30 minute service frequency.
- TransCab service hours to be extended on Weekdays and Saturdays until 2:00am.
- TransCab service to be added on Sundays and Holidays, between 6:00am and 12:30am.

Reduce Hamilton's office vacancy rate to 7%



Based on information provided semi-annually by property owners in the Downtown Urban Growth Centre. Information provided by the Economic Development Division.

Add the following new major economic development assets

Major film studio



*Multiple inquiries
Discussions Ongoing*

Data centre - ACHIEVED

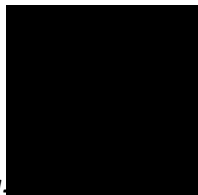


*Multiple Inquiries
Discussions Ongoing*



*Operation established in
Hamilton*

An 800-1200 seat multi-use performance centre



*Multiple inquiries
Discussions Ongoing*



Manufacturing incubation space



*Multiple inquiries
Discussions Ongoing*

Have ten local companies on Canadian Business Magazine's "Fastest Growing Businesses" list

Four local companies in 2017



Strategy for 2018



Attract five major events (like the Junos) that generate a total combined economic impact of at least \$50 million



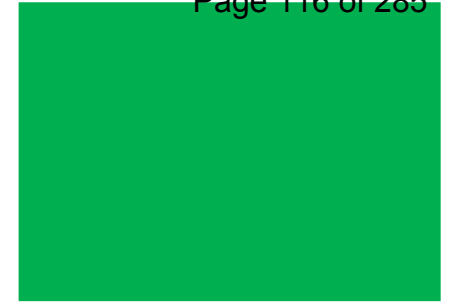
NORTH AMERICAN
INDIGENOUS
GAMES 2017
TORONTO - ONTARIO



2017 JEUX
AUTOCHTONES
DE L'AMÉRIQUE DU NORD
TORONTO - ONTARIO

* Selected sports and cultural festival held in Hamilton

Achieve Intelligent Communities Top 7 ranking



In alphabetical order, the Top7 Intelligent Communities of 2018 are:

- Chiayi City, Taiwan
- Espoo, Finland
- **Hamilton, Ontario, Canada**
- Ipswich, Queensland, Australia
- Tainan City, Taiwan
- Taoyuan, Taiwan
- Winnipeg, Manitoba, Canada

TOP7
**INTELLIGENT
COMMUNITIES
OF 2018**

Enhance Hamilton's image as a Digital City by enabling access to broadband internet speeds of:

250 megabit / second
to all rural Hamilton

1 gigabit / second
to all urban Hamilton

10 gigabit / second
to all business parks and
commercial areas

Digital Infrastructure Working Group – Service Providers



Update on the 61 Actions

The 2016-2020 EDAP also identified 61 Actions that City staff would pursue completion of over the five-year duration of the EDAP with the assistance and partnership of external stakeholders.

An overview of the status of all 61 Actions as of the end of 2017 can be seen in the chart below.

Completed in 2017	In Progress Expected Complete in 2018	In Progress Expected Complete after 2018
10	15	36

Update on the 61 Actions

2017 Work plan – EDAP Actions Completed in 2017	Status
Update and implement the Economic Development Marketing Strategy	Completed
Review and update commercial zoning to provide greater flexibility for business attraction and growth	Completed
Realign staffing assignments to increase coverage of key sectors	Completed
Develop an industry-based tourism advisory group	Completed
Refresh the Invest in Hamilton website to be a better promotional tool for Hamilton to enable the attraction of new companies	Completed
Establish a Sports Analytics Cluster to pursue a nationally recognized area of expertise	Added and Completed
Establish the IBM/HHS Collaboration Space (now know as Innovation Exchange)	Added and Completed
Review zoning and other barriers to the establishment of Creative Cultural Industries	Added and Completed
Undertake review on the future viability of the Hamilton Technology Centre	Added and Completed
Complete lean review of the approvals process	Added and Completed

Update on the 61 Actions

2018 Work plan – EDAP Actions to be Complete in 2018	Area of Focus
Complete a comprehensive asset mapping exercise of all ICT sector companies and infrastructure	ICT / Digital Media - Key Sector
Create and implement a Digital Strategy for the City of Hamilton that identifies strategies to improve the ICT infrastructure (broadband internet) in the City	ICT / Digital Media - Key Sector
Develop and implement an ICT and Digital Media Sector Strategy	ICT / Digital Media - Key Sector
Create an updated Global Hamilton Strategy (formerly known as the Immigration Attraction Strategy)	International Connectivity
Create and implement a Life Science Sector Strategy	Life Sciences - Key Sector
Develop and implement a Comprehensive Customer Service Program	Open for Business
Complete an Internet of Things Cluster Feasibility Study	Advanced Manufacturing - Key Sector
Develop a regional manufacturing asset map, identifying key service providers and supply chain linkages	Advanced Manufacturing - Key Sector
Update Commercial Market Assessments (CMA) for specific Business Improvement Areas (BIAs)	Commercial Area Revitalization
Create and implement a Creative Cultural Industries sector strategy	Creative Culture Industries - Key Sector
Create and implement a FIRE sector strategy	Finance / Insurance / Real Estate - Key Sector
Obtain official designation for lands around the Hamilton International Airport as a Foreign Trade Zone Point	Goods Movement - Key Sector
Conduct analysis on the viability of operating the SBEC across multiple sites in the City	Small Business Development
Redevelopment of the Tourism website	Tourism - Key Sector
Design and deliver an Annual Work Intentions Survey to current post-secondary students and workers commuting in and around Hamilton	Workforce Development

Questions

8.1

Hamilton Future Fund Board of Governor's Report 18-001 – Tabled Items (Tabled at the February 7, 2018 GIC)

1. Deliberations on the Applications Received from the 2017 Opening of the Hamilton Future Fund (Item 8.1) (Tabled from the February 7, 2018 GIC)

- (a) That the application from St. Joseph's Healthcare Hamilton Foundation for the purchase of orthopaedic robotics surgery equipment in the amount of \$675,000 be approved with the condition that St. Joseph's Healthcare Hamilton representatives meet with the Chair and Vice Chair of the Hamilton Future Fund Board of Governors to discuss appropriate ways to recognize the Board;
- (b) That the following applications be denied:
 - (i) Hamilton Arts Council
 - (ii) Bay Area Restoration Council
 - (iii) Barton Stone-Mount Hope United Church
 - (iv) Centre[3] for Print and Media Arts
 - (v) City of Hamilton Children's Museum
 - (vi) Community Living Hamilton
 - (vii) Empowerment Squared
 - (viii) Environment Hamilton
 - (ix) Habitat for Humanity and the Hamilton ReStore
 - (x) Hamilton Centre for Civic Inclusion
 - (xi) Hamilton Naturalists Club
 - (xii) Hamilton Philharmonic Orchestra
 - (xiii) Industry Education Council of Hamilton
 - (xiv) Interval House of Hamilton
 - (xv) Beasley Neighbourhood Association
 - (xvi) Leander Boat Club
 - (xvii) Mathstronauts
 - (xviii) Hamilton Naturalists Club
 - (xix) Rockton Agricultural Society
 - (xx) The Salvation Army
 - (xxi) Scadding Court Community Centre
 - (xxii) Social Planning and Research Council of Hamilton
 - (xxiii) St. Joseph's Villa
 - (xxiv) St. Mark's Cultural Programming Space
 - (xxv) Thrive Child and Youth Trauma Services
 - (xxvi) Victorian Order of Nurses – Hamilton Niagara Haldimand Brant District
 - (xxvii) Historic Waterdown Arts and Events
 - (xxviii) Y on Wheels



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
DATE:	March 21, 2018
SUBJECT/REPORT NO:	Stadium Event Booking Function (Pilot) (CM18003a / PW18010a) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ryan McHugh (905) 546-2424, Extension 2725
SUBMITTED BY:	John Hertel Director, Strategic Partnerships and Communications City Manager's Office
SIGNATURE:	Rom D'Angelo, C.E.T.;CFM Director, Energy, Fleet & Facilities Management Public Works Department

Council Direction:

At the January 17th 2018 General Issues Committee, Staff submitted a report titled Stadium Event Booking Function (Pilot) (CM18003 / PW18010) which made the following recommendations:

- (a) That the City of Hamilton's responsibilities for the event booking operations outlined in the License Agreement relating to Tim Horton's Field be assigned to Spectra Venue Management effective April 1, 2018;
- (b) That the assignment of the event booking operations be considered a pilot program ending on or before December 31, 2018;
- (c) That an agreement, separate from the existing Management Agreement between the City of Hamilton and Spectra Venue Management, be prepared in a form satisfactory to the City Manager and City Solicitor;
- (d) That the City Manager or his delegate be authorized to finalize the details of the agreement, within a framework as described within report (CM18003 / PW18010).

To date, the event booking functions at Tim Horton's Field have been overseen by a contract City of Hamilton employee, whose primary responsibility has been booking

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SUBJECT: Stadium Event Booking Function (Pilot) (CM18003a / PW18010a) (City Wide ~ Page 2 of 4

community events and field rentals. No FTE complement has been assigned to this position; the current contract for the position expires in July of 2018 at which time the individual will return to their home base position in the Facilities Management Section.

The 2017 season marked the second full season of programming at Tim Hortons Field. Overall, Tim Hortons Field had 1,110 unique field of play and meeting room bookings in 2017. This figure represents an 18.4% decrease in unique field bookings from the 1,360 unique bookings in 2016. In 2017 the field of play was utilized at a rate of 64.4%, while the facility's meeting rooms were utilized at a rate of 53.6%. Based on the best comparables, a stadium with the world class amenities of Tim Hortons Field located in a market the size of Hamilton, would typically have a utilization rate of approximately 90-95%.

The recommendation outlined above and put forward in report CM18003/PW18010 would assign the event booking function at Tim Hortons Field to Spectra as a nine month pilot program ending on or before December 31, 2018. Spectra is widely recognized as a world leader in hosting and entertainment, partnering with over 300 clients at 400 global properties. Spectra Venue Management has been operating the City of Hamilton owned FirstOntario Centre (formerly Copps Coliseum), the FirstOntario Concert Hall (formerly Hamilton Place) and the Studio theatre (formerly Molson Studio) since March of 2013. In 2017 the facilities managed by Spectra had total attendance of 447,316 at 201 events:

Year	First Ontario Centre		First Ontario Concert Hall/Studio	
	Attendance	Events	Attendance	Events
2017	306,850	77	140,466	124
2016	386,407	75	108,499	114
2015	312,906	77	124,376	113
2014	354,865	82	144,632	150
2013*	267,110	64	109,304	127

*for 10 months March'13-December'13

The proposed agreement would be a performance based model where the City would pay a monthly management fee plus a revenue share of the net proceeds for new stadium bookings. Spectra would not receive a commission on any renewals of events associated with existing users and would provide a full time on-site employee at Tim Hortons Field, with the background and proven success in growing event revenues and customer care. Over the term of the pilot, the facility is forecasted to realize a net gain of three mid-sized events and an increase in community bookings. This increased utilization rate would result in incremental revenues and is forecasted to provide a net financial benefit of \$44,050 to the City in 2018. Spectra has also committed to honouring existing relationships with community groups and the Council approved facility rental rates would remain unchanged.

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SUBJECT: Stadium Event Booking Function (Pilot) (CM18003a / PW18010a) (City Wide ~ Page 3 of 4

The Recommendation set forth in report CM18003 / PW18010 would also prevent a scenario where the City of Hamilton's entertainment assets compete against each other for events and concerts in an already competitive southern Ontario marketplace. The current Management Agreement with Spectra consists of a 5 year initial contract, with a 5 year extension option. The first agreement with Spectra expires on December 31, 2018. A report outlining staff's recommendation as to whether the City should exercise their option for a 5 year extension will be submitted to Committee in mid-2018. At that time, staff would also make recommendations related to the booking operations based on the performance of the pilot.

At the January 17th General Issues Committee meeting, Council voted to table report CM18003 / PW18010 and directed staff to conduct community consultation to help Council better understand the needs of the community as they relate to the event booking process at Tim Hortons Field. This community consultation has now been completed by staff and the results are outlined below.

Information:

Staff from Public Works, the City Manager's Office and Healthy and Safe Communities, collaborated to plan, market and execute a community consultation process that centred around two "Stadium Precinct" information sessions. These information sessions were held at Tim Horton's Field on February 20th 2018 from 2:30pm-4:00pm and 6:30pm-8:00pm. These sessions were facilitated by staff from Recreation, the Neighbourhood Action Team, Tim Hortons Field, and Core Entertainment. The Hamilton Tiger-Cats and Hamilton-Wentworth District School board staff were also in attendance to answer questions relating to the upcoming CFL season and the new North Secondary School respectively.

These information sessions were promoted via the City of Hamilton's website and social media channels during the week leading up to the event. In addition to promoting the event through the City's typical marketing channels, staff sent an email invite to all community groups that currently utilize the facility. The Ward Councillor was also invited to share the details of the event with any community groups or constituents that he felt would benefit from the session.

Although staff were on site to provide information and answer questions, the core tool for gaining feedback was the survey attached as Appendix "A". All attendees were encouraged to take the survey so that staff could collect their feedback and report back to Council. In addition to administering the survey on site at both information sessions, a link to the survey was posted and promoted via City of Hamilton social media channels for 10 additional days after the event. The results of the survey are attached as Appendix "B".

In total, staff collected 85 survey submissions over the two week process. The most common themes that were raised during the consultation process are listed in the table

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OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: Stadium Event Booking Function (Pilot) (CM18003a / PW18010a) (City Wide ~ Page 4 of 4

below. Each reoccurring theme is accompanied by the consideration that the recommendation outlined in the report titled Stadium Event Booking Function (Pilot) (CM18003 / PW18010) gives to each issue raised.

Theme	Impact of Spectra proposal:
83.6% of respondents said that affordability was their most important consideration	<ul style="list-style-type: none"> • The Spectra proposal does not seek to change the Council approved rental rates for community bookings. • Any proposal looking to change the rental rates moving forward would have to be approved by Council.
91% of respondents said that a high-level of customer service was “Important” or “Very Important”	<ul style="list-style-type: none"> • Spectra would provide a full time on-site employee located at Tim Hortons Field. • This employee would be their Director of Marketing with the background and proven success in growing event revenues and customer care.
The feedback indicated that the community would be very interested to see more concert and sporting events in the facility moving forward.	<ul style="list-style-type: none"> • Over the term of the pilot, the facility is forecasted to realize a net gain of three mid to large sized events. • Community bookings are also forecasted to increase as a result of an enhancement of marketing activities.
The open feedback portion of the survey, made it clear that the public feels that community groups should have continued access to the facility.	<ul style="list-style-type: none"> • Spectra has committed to honouring existing relationships with community groups and would actively promote the availability of the facility to groups who have not booked in the past. • Spectra views expanding community usage as a critical component of increasing the of 64.4% utilization rate for the field of play and the 53.6% utilization rate for the facility’s meeting rooms.

Appendices and Schedules Attached:

Appendix "A" – Customer Feedback Survey

Appendix "B" – Customer Feedback Survey Results

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Tim Hortons Field Event Booking Survey

1. Were you aware that you could book an event or meeting at Tim Hortons Field?

- Yes
 No

2. Have you ever booked or attended a private event at Tim Hortons Field?

- Yes
 No

3. If yes, what type of private event did you book/attend?

- Sporting Event (Field Rental)
 Business Meeting
 Community Event
 Personal event or celebration
 Does not apply to me
 Other (please specify)

4. Would you consider booking any of the following types of events at Tim Hortons Field in the future?

- Sporting Event (Field Rental)
 Business Meeting
 Community Event
 Personal event or celebration
 No I would not consider booking event in the future
 Other (please specify)

5. When booking an event at Tim Hortons Field, how important is affordability to you?

Not a consideration Not very important Not a primary concern Important Very important



6. When booking an event at Tim Hortons Field, how important is it to have a wide array of food and beverage options?

Not a consideration Not very important Not a primary concern Important Very important



7. When booking an event at Tim Hortons Field, how important is it to have access to audio visual equipment such as projectors and microphones?

Not a consideration Not very important Not a primary concern Important Very important



8. When booking an event at Tim Hortons Field, how important is it that you receive friendly and professional customer service?

Not a consideration Not very important Not a primary concern Important Very important



9. When booking an event at Tim Hortons Field, which of the following is MOST important to you?

- Affordability
- Customer service
- A wide variety of food and beverage options
- Access to audio visual options (projectors, microphones etc.)
- Other (please specify)

10. What type of events, concerts or sporting matches have you attended at Tim Hortons Field in the past?

- | | |
|---|---|
| <input type="checkbox"/> Football | <input type="checkbox"/> Concerts |
| <input type="checkbox"/> Soccer | <input type="checkbox"/> Motocross |
| <input type="checkbox"/> Rugby | <input type="checkbox"/> I have never attended an event at Tim Horton's Field |
| <input type="checkbox"/> Other (please specify) | |

11. What type of events, concerts or sporting matches would you like to see at Tim Horton's Field in the future?

- Soccer
- Rugby
- Football
- Concerts
- Motocross
- Other (please specify)

12. Where/how do you find out about events at Tim Hortons Field?

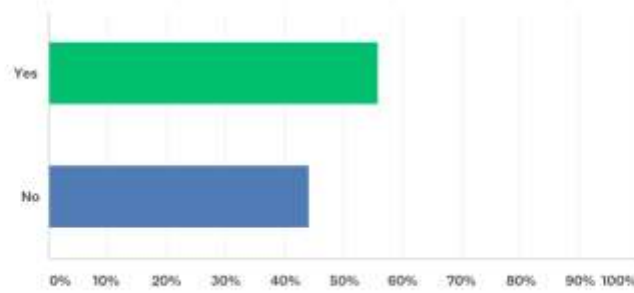
- Facebook
- Twitter
- Instagram
- CHCH
- Hamilton Spectator
- Other (please specify)

13. Would you like to sign up for a mailing list to hear more about upcoming events and concerts at Tim Hortons Field?

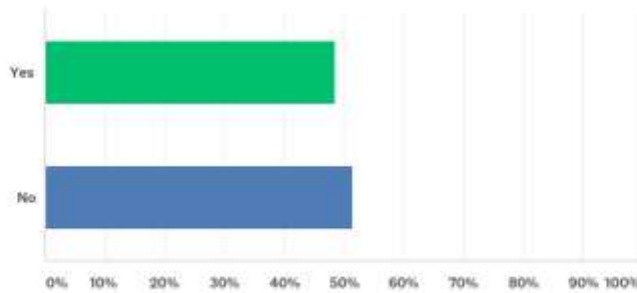
- No
- Yes (please provide your preferred email contact)

14. Please share any other thoughts or feedback that you have relating to events, or event booking at Tim Hortons Field.

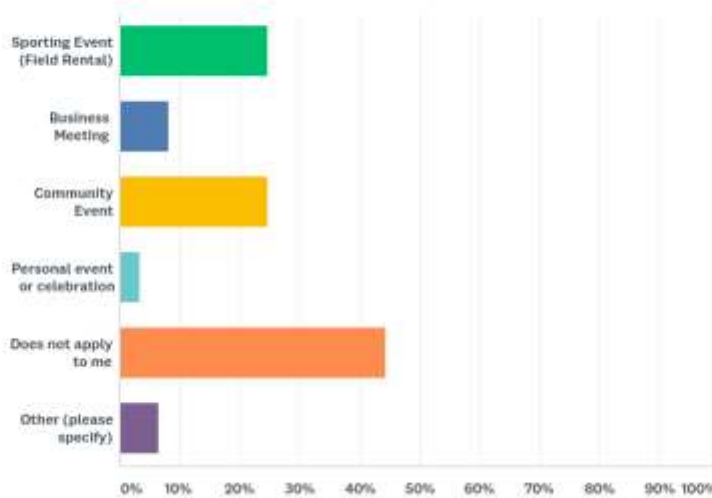
Q1 Were you aware that you could book an event or meeting at Tim Hortons Field?



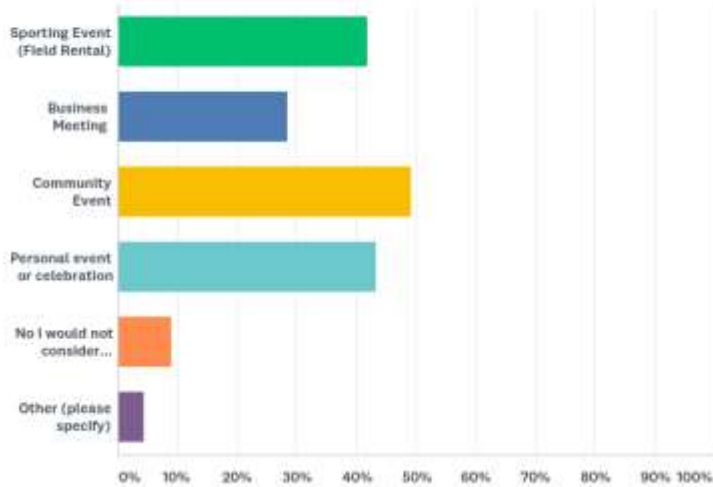
Q2 Have you ever booked or attended a private event at Tim Hortons Field?



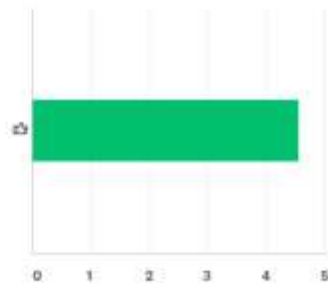
Q3 If yes, what type of private event did you book/attend?



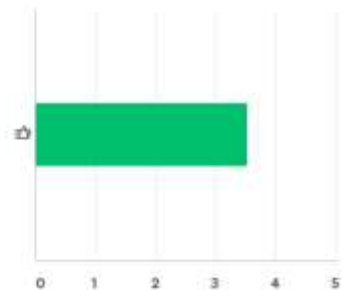
Q4 Would you consider booking any of the following types of events at Tim Hortons Field in the future?



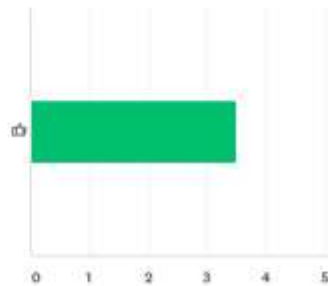
Q5 When booking an event at Tim Hortons Field, how important is affordability to you?



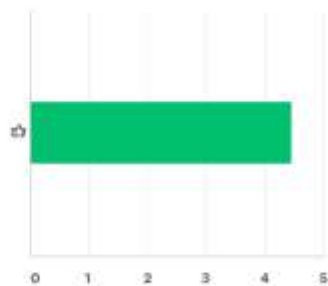
Q6 When booking an event at Tim Hortons Field, how important is it to have a wide array of food and beverage options?



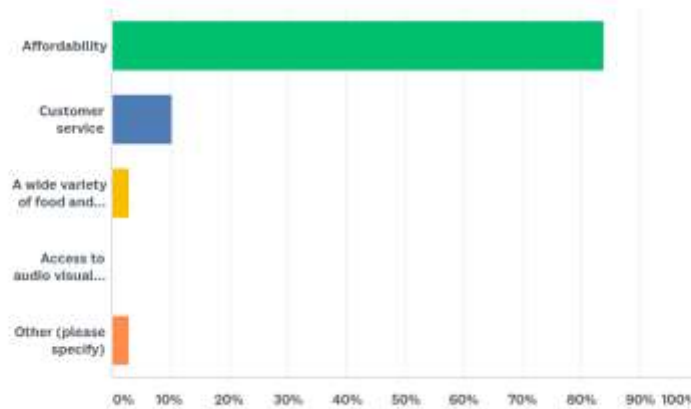
Q7 When booking an event at Tim Hortons Field, how important is it to have access to audio visual equipment such as projectors and microphones?



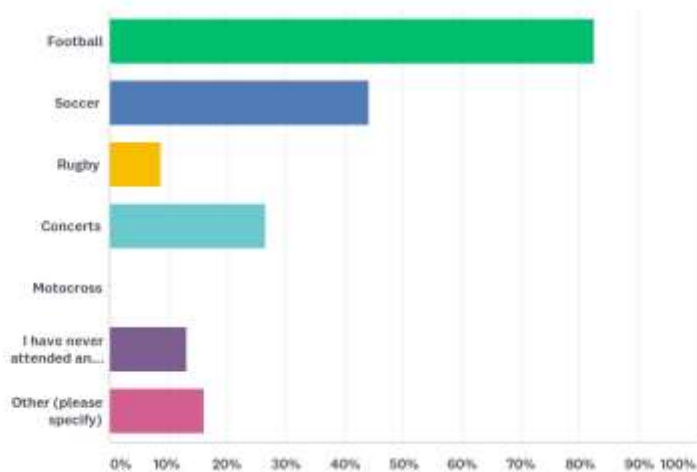
Q8 When booking an event at Tim Hortons Field, how important is it that you receive friendly and professional customer service?



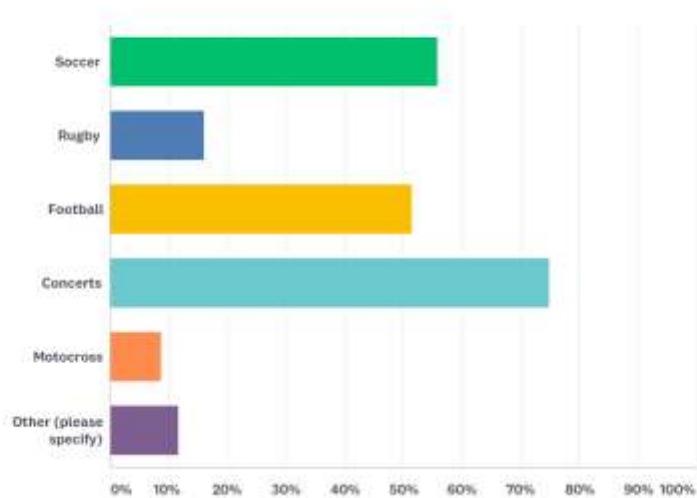
Q9 When booking an event at Tim Hortons Field, which of the following is MOST important to you?



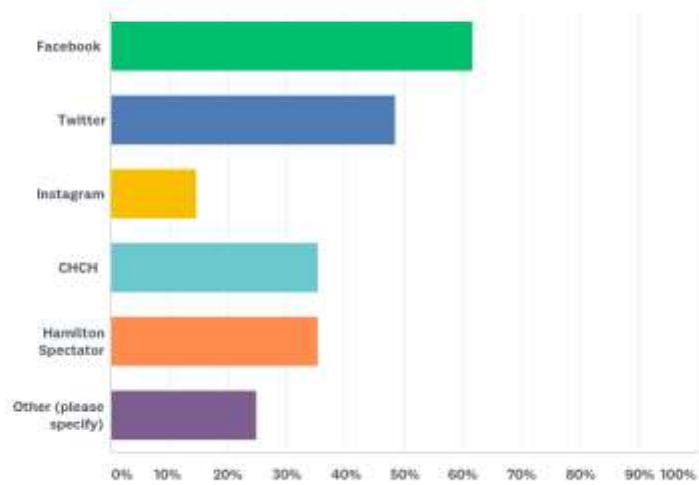
Q10 What type of events, concerts or sporting matches have you attended at Tim Hortons Field in the past?



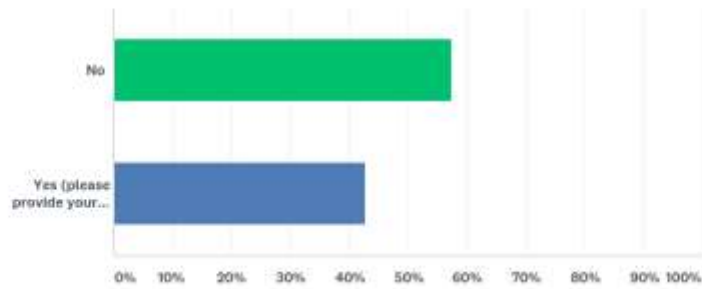
Q11 What type of events, concerts or sporting matches would you like to see at Tim Horton's Field in the future?



Q12 Where/how do you find out about events at Tim Hortons Field?



Q13 Would you like to sign up for a mailing list to hear more about upcoming events and concerts at Tim Hortons Field?



Q14 Please share any other thoughts or feedback that you have relating to events, or event booking at Tim Hortons Field.

#	RESPONSES	DATE
1	None at the moment.	3/3/2018 2:24 AM
2	Detailed list of what's provided once booked for non-profit charitable organizations along with a list of options for food/beverage and equipment rental.	2/26/2018 12:13 PM
3	Na	2/24/2018 7:22 AM
4	Maddison	2/23/2018 11:44 PM
5	Might not book an event but would attend. Would be great for Hamilton themed art shows/craft fair	2/23/2018 11:43 PM
6	great venue!	2/23/2018 10:54 PM
7	more concerts please	2/23/2018 8:17 PM
8	It's unfortunate that catering is restricted to only one company and that we can't provide catering from community-based grassroots catering companies	2/23/2018 8:06 PM
9	I've enjoyed my time at Tim Hortons Field	2/23/2018 3:18 PM
10	Great job. It's excellent to see the stadium being used for a wide variety of events.	2/23/2018 2:27 PM
11	We have had the benefits of using the front of the stadium for 2 years in a row for the Barton Street Peace March which has been changed to Peace4Hamilton now as the violence in our city continues to rise we like to inform everyone and welcome them to share their stories	2/23/2018 1:18 PM
12	Should be better option for small communities	2/23/2018 11:30 AM
13	great venue	2/23/2018 11:29 AM
14	None	2/23/2018 11:22 AM
15	I love being at Tim Hortons Field! Such a well maintained environment! Great for both concerts and football. Go cats go!!	2/23/2018 11:22 AM
16	The booking process works out very well.	2/23/2018 8:29 AM
17	N/a	2/22/2018 10:49 PM
18	Too many barriers to community participation. Too much focus on conventional sports.	2/22/2018 9:42 PM
19	I feel that year round use for various events and people is the best use of the facility. I hope to see continued growth in usage of the facilities offered to the community.	2/22/2018 9:11 PM
20	How about affordable GYM for public around???	2/22/2018 9:04 PM
21	Glad to hear more event are coming to Tim Hortons field	2/21/2018 9:40 PM
22	booking agents are very helpful and quick to respond to any questions and inquiries	2/21/2018 6:30 PM
23	Field needs to be improved for soccer use	2/21/2018 5:29 PM
24	None	2/21/2018 5:19 PM
25	not sure	2/21/2018 4:45 PM
26	Excellent Staff	2/21/2018 4:45 PM
27	Rock on!	2/21/2018 4:38 PM
28	I understand the facility needs to operate, I just feel non-profit or Not-for -Profit users should be on a different costing per hour than someone whom say is renting it for a concert.	2/21/2018 4:16 PM
29	Customer Service has been great	2/21/2018 1:03 PM
30	If possible, please have separate price lists for community events or meetings, especially as it relates to food. The food/beverage costs at the stadium make it cost prohibitive to host community meetings or events there.	2/21/2018 11:26 AM
31	Would like to see more events and concerts.	2/21/2018 9:13 AM



CITY OF HAMILTON
CITY MANAGER'S OFFICE
 Strategic Partnerships and Communications
 and
PUBLIC WORKS DEPARTMENT
 Energy, Fleet & Facilities Management Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	January 17, 2018
SUBJECT/REPORT NO:	Stadium Event Booking Function (Pilot) (CM18003 / PW18010) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ryan McHugh (905) 546-2424, Extension 2725
SUBMITTED BY:	John Hertel Director, Strategic Partnerships and Communications City Manager's Office
SIGNATURE:	Rom D'Angelo, C.E.T.;CFM Director, Energy, Fleet & Facilities Management Public Works Department

RECOMMENDATION

- (a) That the City of Hamilton's responsibilities for the event booking operations outlined in the License Agreement relating to Tim Horton's Field be assigned to Spectra Venue Management effective February 1, 2018;
- (b) That the assignment of the event booking operations be considered a pilot program ending on or before December 31, 2018;
- (c) That an agreement, separate from the existing Management Agreement between the City of Hamilton and Spectra Venue Management, be prepared in a form satisfactory to the City Manager and City Solicitor;
- (d) That the City Manager or his delegate be authorized to finalize the details of the agreement, within a framework attached as Appendix "A" to report (CM18003 / PW18010).

EXECUTIVE SUMMARY

Since the opening of Tim Hortons Field, the City of Hamilton has engaged a contract employee to serve as the booking agent for all functions at the facility. These bookings

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**SUBJECT: Stadium Event Booking Function (Pilot) (CM18003 / PW18010)
(City Wide) - Page 2 of 6**

include the use of the stadium facilities by community groups and corporations interested in events ranging from field use for a sporting event, to the utilization of the various meeting rooms.

To date, the booking function has been executed as a demand based role, i.e. taking requests for bookings, but not engaging in proactive outreach and promotion to secure incremental bookings. The role has served the basic needs of the booking function but has not been proactively reaching out to the community to promote the facilities availability and grow rental revenues. No FTE complement has been assigned to this position; the current contract for the position expires in July of 2018 and the individual will return to their home Division at that time.

Spectra Venue Management has been operating the City of Hamilton owned FirstOntario Centre (formerly Copps Coliseum), the FirstOntario Concert Hall (formerly Hamilton Place) and the Studio theatre (formerly Molson Studio) since March of 2013. Spectra is widely recognized as a world leader in hosting and entertainment, partnering with over 300 clients at 400 global properties. Spectra and City staff have ongoing discussions as part of our existing Management Agreement. Through these discussions, Spectra identified their interest in participating in the stadium operations that have potential revenue growth opportunities and operational savings for the City.

Their proposal is a performance based model where the City would pay a monthly management fee plus a revenue share of the net proceeds for new stadium bookings. Spectra would not receive a commission on any renewals of events associated with existing users. Within the proposed 11 month pilot, the facility is forecasted to realize a net gain of 3 mid to large sized events that would generate approximately \$14,050 in net incremental revenues to the City (net of the proposed management fee). When the savings related to discontinuing the contract of the current employee is considered, the net benefit to the City would total a projected \$44,050 during the term of the pilot. The net new events would also generate additional revenues to the City through the City's share of food and beverage commissions. If extended into 2019, Spectra forecasts an estimated \$155,000 in net new revenues to the City.

Under the proposal put forward by Spectra, they would provide a full time on-site employee in space provided by the City, with the background and proven success in growing event revenues and customer care. Their performance will be largely measured against the growth of incremental revenues and event bookings as well as client satisfaction feedback. As part of the proposed agreement, Spectra has also committed to honouring existing relationships with community groups.

The current Management Agreement with Spectra consists of a 5 year initial contract, with a 5 year extension option. The first agreement with Spectra expires on December 31, 2018. A report outlining staff's recommendation as to whether the City should exercise their option for a 5 year extension will be submitted to Committee in mid-2018. At that time, staff would also make recommendations related to the booking operations based on the performance of the pilot.

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**SUBJECT: Stadium Event Booking Function (Pilot) (CM18003 / PW18010)
(City Wide) - Page 3 of 6**

Alternatives for Consideration – See Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The City of Hamilton is projected to realize a net gain of approximately \$44,050 during the 11 month pilot. This will be achieved based upon an expenditure reduction of approximately \$35,000 (by returning one contracted employee to their home position 6 months early), a revenue increase forecasted to be approximately \$69,050, all net of a Spectra management fee of \$55,000 (\$5,000 per month for 11 months). If the pilot is extended beyond 2018, revised financials will be provided at the time of consideration by Council.

Staffing: One contract employee, currently under contract until July of 2018, will not be renewed for the events booking role and will return to their home department.

Legal: Legal Services will play an integral role in preparing an agreement with Spectra's legal counsel.

HISTORICAL BACKGROUND

Tim Hortons Field contains multiple meeting rooms and recreation spaces that are available for rent. In addition to the field of play, the venue also has five club level rooms, a media conference centre and multiple community meeting rooms. In an effort to maximize the utilization and revenue generation potential of the facility, Council directed staff to prepare a multi-year Strategic Marketing Plan for Tim Hortons Field opportunities in Report PW14091.

In response to this Council direction, Staff submitted report PW15027 which contained the Tim Hortons Field Strategic Marketing Plan which outlined the following objectives:

1. To provide extensive community programming as identified in the Stadium Precinct planning process;
2. To maximize use and revenue opportunities for Tim Hortons Field upon opening and through to the end of 2016.

To achieve these objectives, staff identified the following market segments that were to be targeted by Staff:

- Community Programming;
- Community Sport Programming;
- Amateur Sporting Events - Spectator Events;
- Film Shoots;
- Concerts.

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**SUBJECT: Stadium Event Booking Function (Pilot) (CM18003 / PW18010)
(City Wide) - Page 4 of 6**

Appendix “A” to Report PW15027 identified the following marketing channels that would be utilized to reach users within these market segments:

Website:

A site was to be developed that will be visually appealing and be easy to navigate with content such as event information, rental information and guest relations information.

These web pages will be incorporated into the new City of Hamilton website.

Event Promotions & Advertising:

Staff were to work with events right holders in promoting Tim Hortons Field public events. This will include advertising, media conferences, customer relationship management (CRM) and public relations.

Public Tours:

Beyond the tours outlined above, public tours were to be offered once substantial completion has been determined. These tours were to begin in 2015 and were to be held at a frequency determined by the communities demand.

Virtual Tours:

Once substantial completion has been met, staff were to ensure that the venues’ photography and videography is completed in order for the public to have virtual tours at their convenience.

City of Hamilton Suite 26 (Private Box):

The City of Hamilton Suite 26 usage protocol and policy will be developed and reside with the City Manager’s Office.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS – N/A

RELEVANT CONSULTATION

City Manager’s Office: Strategic Partnerships and Revenue Generation

Public Works Department: Energy, Fleet & Facilities Management Division

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Upon completing the term of the Tim Hortons Field Marketing Plan outlined above, it became apparent that the booking function was being executed as a demand based role, i.e. taking requests for bookings, but not engaging in proactive outreach and promotion to secure incremental bookings. The role has served the basic needs of the booking function but has not been reaching out to the community to promote its availability and grow the revenues.

The 2016 season marked the first full season of programming at Tim Hortons Field.

Overall, Tim Hortons Field had in total 1360 unique field of play & meeting room bookings of which 295 (22%) were utilized by local sports and Community

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**SUBJECT: Stadium Event Booking Function (Pilot) (CM18003 / PW18010)
(City Wide) - Page 5 of 6**

organizations. Of those 295 bookings, 145 (49%) were from Minor or Adult soccer programming, which accounted for 11 % of Tim Hortons Field total yearly bookings.

The number of annual rentals and the associated revenues during the term of the initial Tim Hortons Field Marketing Plan are as follows:

Year	Total Rentals	Total Rental Revenues
2017	1,110	\$545,577*
2016	1,360	\$616,726

*December 2017 YTD

Spectra by Comcast Spectator, which currently operates FirstOntario Centre, FirstOntario Concert Hall and the Studio, is widely recognized as a world leader in hosting and entertainment, partnering with over 300 clients at 400 global properties. Spectra's expertise is embodied within three divisions: Venue Management, Food Services and Hospitality and Ticketing and Fan Engagement. According to Spectra's latest Annual Report, their mission is to provide world class, diversified and quality entertainment to the people of Hamilton and its surrounding areas.

In 2016, leading concert industry publication Pollstar Magazine, ranked FirstOntario Centre as one of the top 200 arenas in the world in their yearend review. Pollstar Magazine bases their rankings on tickets sold for concerts and family shows held in a given arena (excludes sporting events). FirstOntario Centre jumped up in the rankings from 134 in 2014 to 108 in 2016, ranking 10th among Canadian Arenas:

Canadian Rank	World Rank	Arena Venue	City	Concert Capacity	# of Tickets Sold
1	9	Air Canada Centre	Toronto	19,800	702,516
2	20	Bell Centre	Montreal	15,000	571,770
3	43	Rogers Arena	Vancouver	19,000	368,129
4	50	Casino Rama	Rama	5,000	331,004
5	74	Centre Videotron	Quebec City	20,396	223,032
6	78	Rexall Place	Edmonton	13,000	202,893
7	82	Canadian Tire Centre	Ottawa	20,041	197,457
8	86	Budweiser Gardens	London	9,000	176,290
9	102	MTS Centre	Winnipeg	16,345	153,872
10	108	FirstOntario Centre	Hamilton	19,000	145,040

Note: The above figures exclude hockey and other sporting events.

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**SUBJECT: Stadium Event Booking Function (Pilot) (CM18003 / PW18010)
(City Wide) - Page 6 of 6**

Based on initial projections by Spectra, it is forecasted that they could increase the number of medium sized (film shoots, miscellaneous sporting events, etc.) to large sized (half and full stadium events) rentals, by approximately 3 additional events during the term of the pilot, while maintaining existing community programming and growing revenues from rental rooms.

ALTERNATIVES FOR CONSIDERATION

Alternative 1:

Council could approve a budget enhancement that would make the current contract position who oversees the booking functions a permanent FTE. The contract associated with this position currently expires on July 1st 2018. Making this position permanent would add \$35,000 in additional salary (benefits included) to the 2018 budget and \$74,687 (benefits included) every year thereafter.

Alternative 2:

Council could direct staff to enter discussions with the Hamilton Tiger-Cats to gauge their level of interest in overtaking the event booking operations that currently sit with the City of Hamilton.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement & Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” – Overview of proposal and financial impact

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Background:

- Since the opening of Tim Hortons Field, the City of Hamilton has engaged a contract employee to serve as the booking agent for all functions at the facility.
- These bookings include the use of the stadium facilities by community groups and corporations interested in events ranging from field use for a sporting event, to the utilization of the various meeting rooms.
- To date, the booking function has been executed as a demand based role, i.e. taking requests for bookings, but not engaging in proactive outreach and promotion to secure incremental bookings.
- Spectra Venue Management has been operating the City of Hamilton owned FirstOntario Centre (formerly Copps Coliseum), the FirstOntario Concert Hall (formerly Hamilton Place) and the Studio theatre (formerly Molson Studio) since March of 2013.
- Spectra is widely recognized as a world leader in hosting and entertainment, partnering with over 300 clients at 400 global properties.
- Spectra has identified their interest in participating in the stadium operations that have potential revenue growth opportunities and operational savings for the City.

Overview of Spectra's Proposal:

- Spectra's proposal is a performance based model where the City would pay a monthly management fee plus of \$5,000 plus a revenue share of the net proceeds for new stadium bookings.
- Spectra would not receive a commission on any renewals of events associated with existing users.
- Within the proposed 11 month pilot (February 2018 – December 2018), the facility is forecasted to realize a net gain of 3 mid to large sized events.
- Spectra would provide a full time on-site employee in space provided by the City, with the background and proven success in growing event revenues and customer care.
- As part of the proposed agreement, Spectra has also committed to honouring existing relationships with community groups.

Financial Impact:

- The City of Hamilton is projected to realize a net gain of approximately \$44,050 during the 11 month pilot proposed within. If upon completion of the 11 month pilot, Council elected to extend the agreement, Spectra forecasts an estimated \$155,000 in net new revenues to the City in 2019.
- This positive 2018 impact would be achieved based upon an expenditure reduction of approximately \$35,000 by returning one contracted employee to their home position 6 months early, a revenue increase forecasted to be approximately \$69,050, all net of a Spectra management fee of \$55,000 (\$5,000 per month for 11 months).



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Tourism and Culture Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 21, 2018
SUBJECT/REPORT NO:	Hamilton Walk of Fame (PED16188(a)) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ken Coit (905) 546-2424 Ext. 6281
SUBMITTED BY:	Anna M. Bradford Director, Tourism and Culture Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That Tourism and Culture Division staff be directed to work with area stakeholders and the Strategic Planning, Capital and Compliance Section staff as part of the Summers Lane Rehabilitation and Redesign project to determine appropriate designs and locations for future plaques that recognize Hamiltonians or those with meaningful connections to Hamilton that have achieved national or international fame in the performing arts;
- (b) That those areas identified as appropriate for locating plaques in the Summers Lane Rehabilitation and Redesign project become the preferred location for any future plaques honouring Hamiltonians or those with meaningful connections to Hamilton that have achieved national or international fame in the performing arts and that the selection, implementation, and funding of these plaques be undertaken in keeping with the City's current plaquing process.

EXECUTIVE SUMMARY

At the September 7, 2016 General Issues Committee (GIC) Tourism and Culture Division staff was directed to undertake a survey of businesses, community groups and individuals in the arts, entertainment and community building sectors in the City of Hamilton to determine their level of interest in contributing to a Hamilton Walk of Fame through taking the leadership of the program, funding, sponsorship and/or in-kind services and report back to GIC on the viability of a community-led Hamilton Walk of Fame Program (PED16188).

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SUBJECT: Hamilton Walk of Fame (PED16188(a)) (City Wide) - Page 2 of 7

Tourism and Culture staff undertook an online survey of 16 businesses, community groups and individuals in the arts, entertainment and community building sectors in Hamilton that may have the resources and interest to undertake a community-led Walk of Fame project. Ten responses were received. Given the response to the survey, especially regarding a lack of interest in funding, staff determined that a large scale community-led Walk of Fame Program involving a gala, extensive nomination process, and custom-designed markers has limited viability at this time.

Staff is, therefore, recommending an option for a Walk of Fame along Summers Lane, an area already associated with the performing arts. The plaquing option takes advantage of existing City resources; coordination with a current capital project for the rehabilitation and redesign of Summers Lane and utilizing the plaquing program. An example plaque is attached as Appendix “B” to Report PED16188(a).

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

Direction to review a Walk of Fame for Hamilton was originally provided by Council on September 2, 2015, as follows:

That staff be directed to review the options of having a Walk of Fame for the Entertainment Industry in the City of Hamilton including, but not limited to:

- type of composition (such as a structure, or sidewalk, or Parkette, etc.);
- categories;
- identify partners;
- celebrations and ceremonies;
- fundraising opportunities;
- proposed budget (capital and operating);
- administration; and

report back to the General Issues Committee.

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SUBJECT: Hamilton Walk of Fame (PED16188(a)) (City Wide) - Page 3 of 7

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The Recommendation in Report PED16188(a) is in keeping with the following goals and recommendations of the Council approved Cultural Plan, Transforming Hamilton Through Culture 2013:

Goal: Build Community Identity, Pride, and Image;

Recommendation: Recognize and celebrate achievement in culture;

Action: 9.1 Work with sectoral stakeholders to develop or enhance recognition programs and events.

Goal: Encourage Welcoming Communities;

Recommendation: Develop and facilitate cultural programming;

Action: 10.5 Encourage and support the community to develop events, programs, and celebrations of Hamilton.

RELEVANT CONSULTATION**External**

Tourism and Culture staff undertook an online survey of the following:

- The Hamilton Arts Council
- The Art Gallery of Hamilton
- Core Entertainment
- Sonic Unyon/Supercrawl
- Carmen's
- The Hamilton Public Library
- Mohawk College
- McMaster University
- The Hamilton Community Foundation
- The Hamilton Spectator
- Arcelor Mittal Dofasco
- First Ontario Credit Union
- The Hamilton Chamber of Commerce
- The Downtown Hamilton Business Improvement Area (BIA)
- The International Village Business Improvement Area (BIA)
- Evergreen (Hamilton)

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SUBJECT: Hamilton Walk of Fame (PED16188(a)) (City Wide) - Page 4 of 7

Internal

Manager, Heritage and Resource Management Section, Tourism and Culture Division,
Planning and Economic Development Department

Manager, Strategic Planning, Capital and Compliance Section, Energy, Fleet and
Facilities Management Division, Public Works Department

ANALYSIS AND RATIONALE FOR RECOMMENDATIONSurvey

Tourism and Culture staff undertook an online survey of 16 businesses, community groups and individuals in the arts, entertainment and community building sectors in Hamilton that may have the resources and interest to undertake a community-led Walk of Fame project. The survey was conducted between January 10 and February 1, 2018. All 16 confirmed that they received the survey notice e-mail. Ten responses were received. Complete survey results are attached as Appendix "A" to Report PED16188(a).

The majority of the respondents (6/10) thought that a Walk of Fame would be a helpful tool in supporting our arts community and cultural industries and in increasing community pride while three felt that it would not be a good use of resources. A majority (7/9) indicated that they would consider offering in-kind services and (6/9) would consider being part of a committee. However, a majority of the respondents (5/9) would not consider providing any direct funding to a Walk of Fame project and of those that did, two identified up to a maximum of \$1,000 and only one up to \$10,000 (note the survey that indicated the \$10,000 was submitted anonymously). Three respondents did show an interest in taking a leadership role for a Walk of Fame project, of these three, one remained anonymous; one noted that they have limited resources and the third did not reply to subsequent communication. All three suggested that they would consider providing a minimal funding contribution (less than \$1,000) or none.

Given the response to the survey and the results, especially regarding funding, staff determined that a large scale community-led Walk of Fame Program involving a gala, extensive nomination process, and custom designed markers has limited viability at this time.

Summers Lane

Summers Lane is named after actor, comedian, and producer Horatio George Summers. It is also the entrance for First Ontario Concert Hall (formerly Hamilton Place), the Convention Centre and the Hamilton Art Gallery. Summers Lane has, therefore, been associated with the arts and performing arts in Hamilton since the

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SUBJECT: Hamilton Walk of Fame (PED16188(a)) (City Wide) - Page 5 of 7

1970s. It also has, due to the nature of the buildings that define it, large areas of bare brick and concrete walls. Given the above and its proximity to City Hall and First Ontario Place, it seems an appropriate place to honour Hamiltonians famous for their success in the performing arts. A series of decorative plaques along the lane would also help to animate this important public space improving the experience for pedestrians and visitors to the convention centre, gallery and concert hall.

Plaque and Marker Program

Heritage plaques and markers have been produced in Hamilton for more than one hundred years, contributing to civic memory and a broad awareness of place and story in our communities. The Plaques and Markers Program of Hamilton's Tourism and Culture Division currently facilitate three plaque types: Commemorative; Heritage Recognition; and Designated Property. Commemorative and Heritage Recognition plaques are "picture and story" plaques, while Designated Property Plaques mark its architectural or built heritage. City funding is available for the production of three plaques annually.

Additional or special project decorative plaques may be requested where applicants provide the required funding. These plaques range from \$3,000 to \$5,000 to produce and install depending on the design.

ALTERNATIVES FOR CONSIDERATION**Alternative 1: Small Scale Community-Led Walk of Fame Program**

Council could direct staff to engage with the survey respondents that indicated an interest in leading a Walk of Fame Program to offer advice and limited in-kind services to them in the planning and implementation of a small scale Walk of Fame Program.

Financial: N/A

Staffing: Tourism and Culture staff could provide limited in-kind services and advice.

Legal: Agreements may be required to host markers on City property.

Alternative 2: Walk of Fame as Part of the Arts Awards or Gallery of Distinction

Council could direct staff to review the current Arts Awards Program and liaise with Gallery of Distinction representatives to determine if either program could be augmented to include a Walk of Fame component and the additional resources required to achieve this.

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SUBJECT: Hamilton Walk of Fame (PED16188(a)) (City Wide) - Page 6 of 7

Financial: Additional funding would be required depending on the scope of the program determined through the review.

Staffing: Additional staffing would be required depending on the scope of the program determined through the review.

Legal: Agreements may be required with the Gallery of Distinction depending on the scope of the program determined through the review.

Alternative 3: City-led Walk of Fame Program

Council could provide additional funding to the Tourism and Culture Division for the development of a City-led Walk of Fame Program.

This alternative is similar to models used for the Arts Awards, Public Art Calls, and the Tourism Awards. City staff would work with the community to select a group of volunteer citizens and stakeholders to advise on the program, to select those to be recognized and to help secure sponsors and plan a gala event.

Financial: A total of \$140,000 would be required to implement this alternative. See the detailed table below.

0.5 FTE Staff support	50,000
Design of Marker*	7,500
Advertising	5,500
Annual Maintenance	1,000
Fabrication and installation of two markers	16,000
Gala Event**	60,000
Total	\$140,000

*This is a one-time expense.

**This expense may be offset by ticket sales and sponsorships.

Staffing: A 0.5 FTE for a Cultural Projects Specialist would be added to the existing staff complement in the Tourism and Culture Division.

Legal: N/A

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SUBJECT: Hamilton Walk of Fame (PED16188(a)) (City Wide) - Page 7 of 7

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement & Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED16188(a) - Walk of Fame Survey

Appendix “B” to Report PED16188(a) – Plaque Examples and Possible Location

KC:ro

Hamilton Walk of Fame Survey Results

Tourism and Culture staff undertook this online survey at the direction of City Council. Sixteen businesses, community groups, and individuals in the arts, entertainment and community building sectors in Hamilton that may have the resources and interest to undertake a community-led Walk of Fame project were invited to participate. The survey was conducted between January 10 and February 1, 2018. All sixteen confirmed that they received the survey notice e-mail. Ten responses were received.

Introductory text

The City of Hamilton is consulting with businesses, community groups and individuals in the arts, entertainment and community building sectors to determine the viability of a community-led Walk of Fame project for Hamilton.

The following survey should take approximately 5 minutes to complete. You may submit it anonymously. Information collected will be provided to Hamilton City Council early in 2018 to inform their decision on a future possible Walk of Fame Program.

Overview

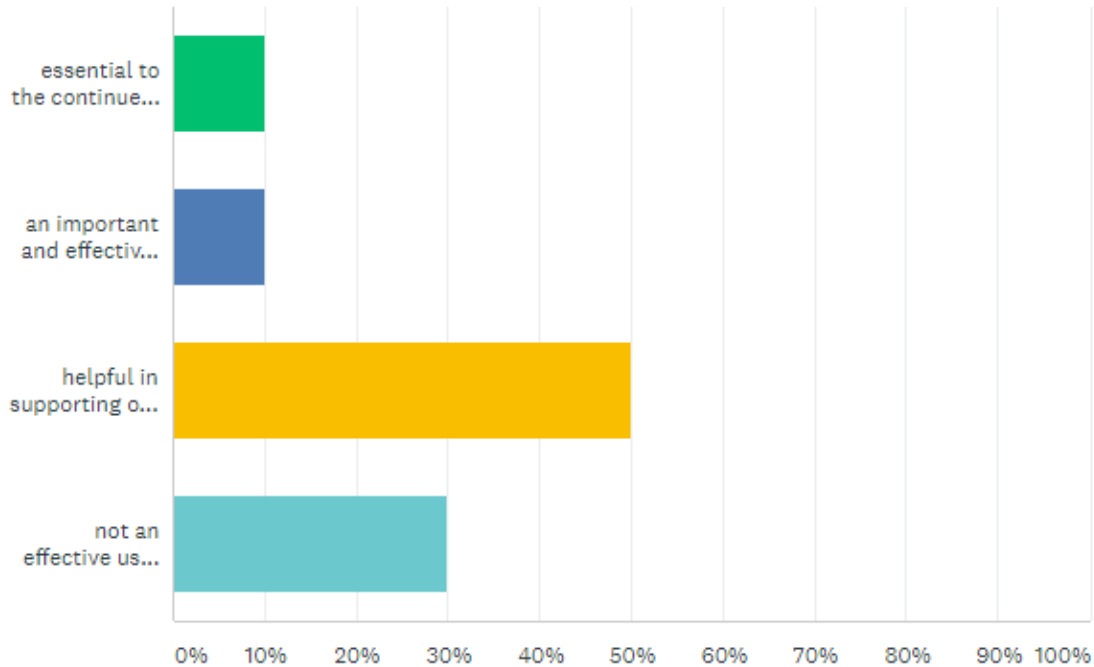
The Walk of Fame Program is intended to celebrate Hamiltonians or those with significant connections to Hamilton that have been successful on the national or international level in the performing arts. The program would involve a call for nominations, research, adjudication, the design and installation of 2-3 markers a year in a downtown public space and the planning and delivery of an annual celebration event. It is anticipated that the funding for the program would be generated from event ticket sales and both in-kind and direct sponsorship. The estimated funding required annually for this program has been initially estimated to be between \$80,000 and \$100,000.

Question 1

Responses: 10

Do you think that a Walk of Fame Program for Hamilton is: (please select one of the following)

- essential to the continued growth and success of Hamilton's arts community and cultural industries and to building community pride. **1 selected (10%)**
- an important and effective tool for growing the City's arts community and cultural industries while building community pride. **1 selected (10%)**
- helpful in supporting our arts community and cultural industries and in increasing community pride. **5 selected (50%)**
- not an effective use of resources that could be used in better ways to build community pride and support our arts community (*if selecting this option, please feel free to skip to question 6 and provide some short comments in relation to your selection*). **3 selected (30%)**



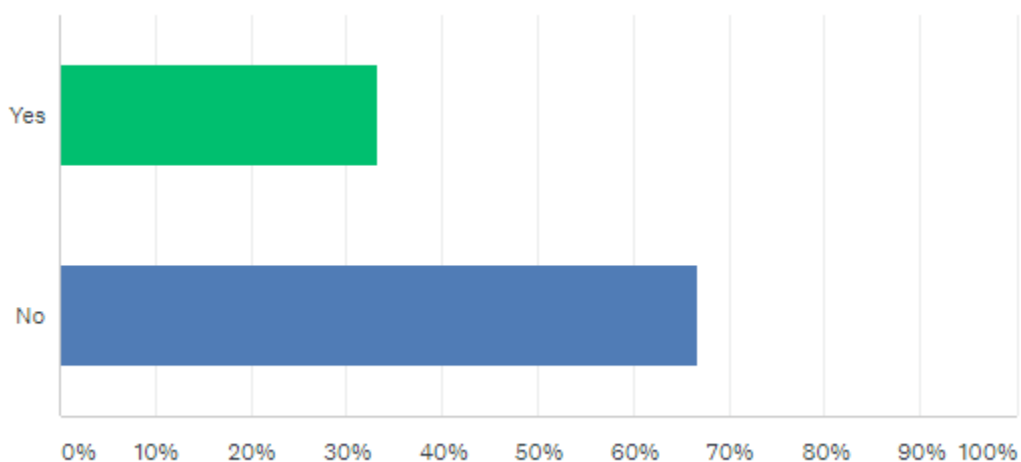
Question 2

Responses: 9

Would you or your organization want to take responsibility for developing, funding and implementing a Walk of Fame Program in Hamilton independent from the City?

Yes - 3 selected (33.33%)

No - 6 selected (66.77%)



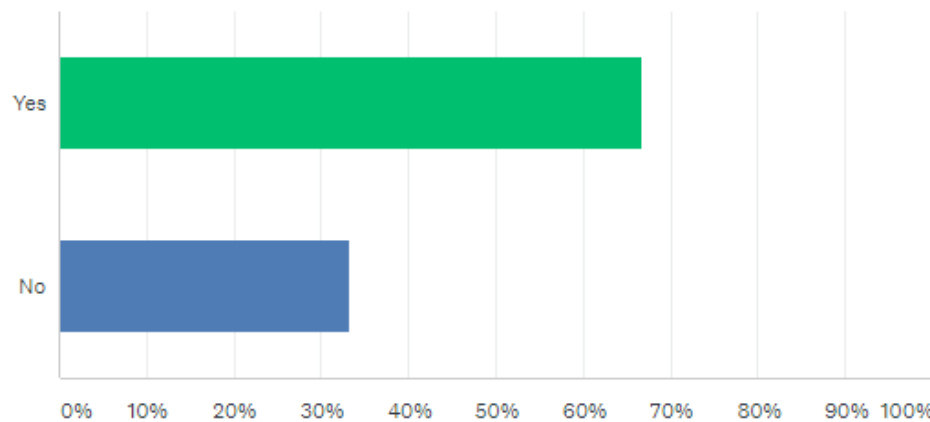
Question 3

Responses: 9

Would you or your organization want be a member of a committee responsible for developing, funding and implementing a Walk of Fame Program in Hamilton independent from the City?

Yes - 6 selected (62.5%)

No - 3 selected (37.5%)



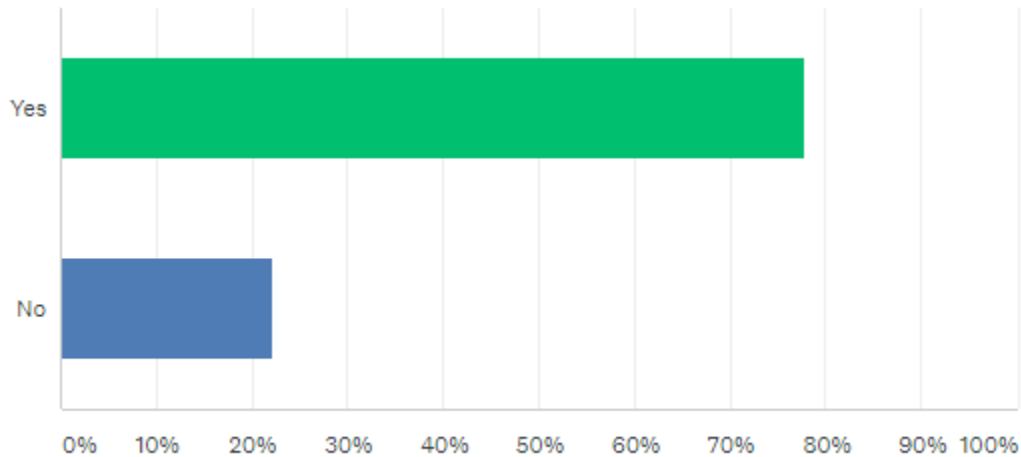
Question 4

Responses: 9

Would you or your organization consider providing in-kind support through allocating your or your staff's time and expertise and other services to a Hamilton Walk of Fame of Program.

Yes - 7 selected (77.78%)

No - 2 selected (22.22%)

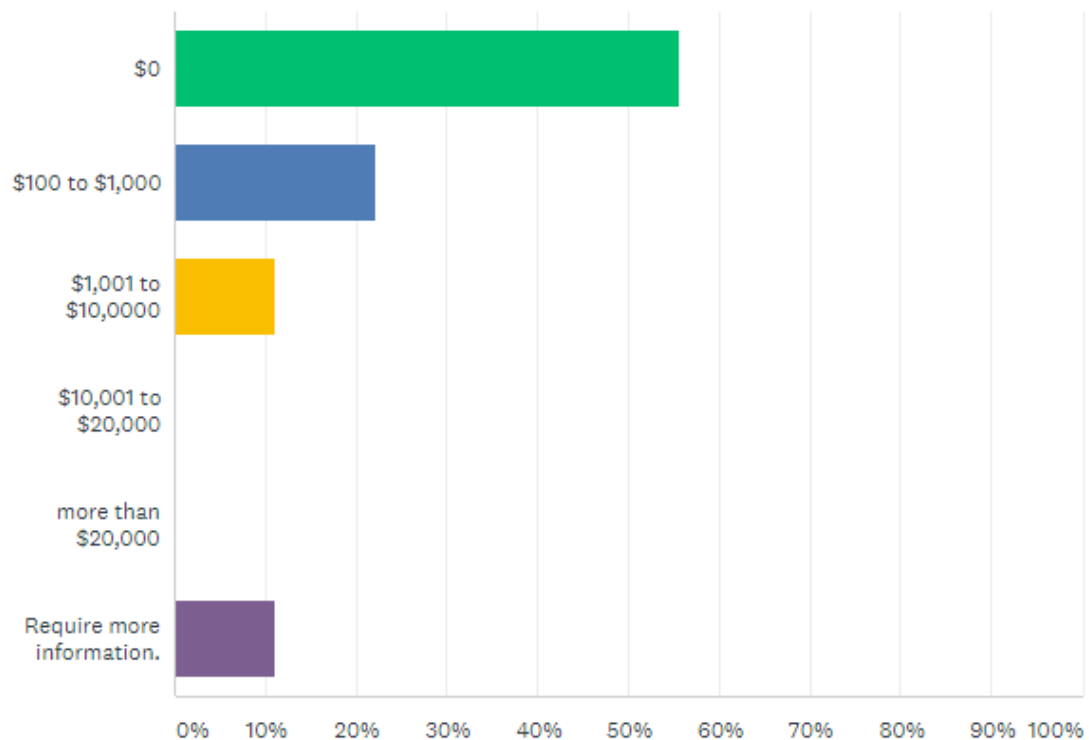


Question 5

Responses: 9

Would you or your organization consider funding a Hamilton Walk of Fame Program through direct funding or sponsorship in the following amount: (please select one)

- \$0 - **5 selected (55.56%)**
- \$100 to \$1,000 - **2 selected (22.22%)**
- \$1,001 to \$10,000 - **1 selected (11.11%)**
- \$10,001 to \$20,000 - **0 selected**
- more than \$20,000 - **0 selected**
- Require more information. - **1 selected (11.11%)**



Question 6**Responses: 3**

Please provide any additional comments, concerns or suggestions.

"We do not have the staffing capacity nor budget to fully produce a walk of fame. Our participation in a walk of fame would be based on geographic location of the walk (i.e., Gore Park/King William)"

"We would be interested in being involved, but funding would be difficult for us to allocate if it wasn't in our boundaries."

"Should this go through we would be interested in learning more about a committee and the time investment before making a decision. Could this committee be tied into an already existing one?"

"I'm not supportive of this (I think the resources could be better spent, and I believe that the Gallery of Distinction should be made more prominent to fill this role), but you can keep me in the loop on future discussion." *

** Response provided by e-mail*

Plaque Examples

The following are mock-ups of a plaque and an example location to illustrate a possible Walk of Fame concept for Summers Lane.



Florence Lawrence - The Biograph Girl



Florence Annie Bridgewood nata est
Hamilton, January 21, MDCCLXXXVI ad
vaudevillian nomen "Lotta Lawrence".
Hamilton sine consensu scriptor 1918

Florence Annie Bridgewood was born in Hamilton, January 2, 1886 to vaudevillian actress "Lotta Lawrence". Hamilton's thriving 19th century theatre scene fostered her talent, and by age six, Florence had earned the nickname "Baby Flo – the Child Wonder". Early on as violin and cornet player, avid whistler, as well as Tomboy, horse rider, ice skater, baseball player and school yard fighter (she would later 'punch out' a co-star in the 1907 film 'Athletic American Girls'). At age 8 father dies in coal gas tragedy at their Jackson St home, and the family moved to upstate New York.

With the Theatre industry experiencing rapid pressures in the modern industrial world, Florence and her mother gradually moved from stage touring to motion pictures, their first roles with Edison Studios as Daniel Boone's daughter and wife respectively (1906). Florence's athletic nature and riding skills fit with the emergence of Westerns. She switched to the Biograph company in 1908 to work with D.W. Griffith, who required a leading lady capable of stunt riding. Her first assignment from the legendary director saw her outfitted with pistol and sombrero, mounted on a horse. Griffith's cinematic experimentation, and Florence's amazing facial expressions and fearless stunts earned her fame as the "Biograph Girl". But films did not list actor credits at the time, for fear the large salaries negotiated by stage actors would be demanded by emerging film stars. Her fame was great as the 'Biograph Girl', not as Florence Lawrence. In the end, it was fans and the film distributors whom they pestered for information who wanted stars named.

Florence was again in the right place at the right time. Changing to the Independent Motion Picture Co. (IMP) in 1910, she was working for Carl Laemmle, a giant of distribution, promotion and litigation, now turned to production. In January 1910 an ad in Motion Picture World magazine referred to 'Miss Lawrence', the first time an actor's name was used in the promotion of a film.



DECEMBER 29, 1910.
**Film Actress
Ends Her Life**
Florence Lawrence,
Falling in Battle for
Health, Takes Poison

Florence Lawrence, a film actress, is shown in a scene from the picture "The Biograph Girl" in the Biograph building, New York City. She is wearing a long dress and a hat. The picture is a black and white photograph.

The actress is shown in a scene from the picture "The Biograph Girl" in the Biograph building, New York City. She is wearing a long dress and a hat. The picture is a black and white photograph.

Una autem sabbati cum conductor et tuus huius ludus, sed
whistler, tum Tomboy equum et accensum eius glaciem skater,
hanc illi huius ludus et schola autem Pugator et a post "Ferrum
sunt, a co-stella in MCMVII





Example of a possible location

Blank walls along the lane could accommodate a series of plaques



Hamilton

**CAPITAL PROJECTS WORK-IN-PROGRESS REVIEW
SUB- COMMITTEE
REPORT 18-002**

1:30 p.m.

February 8, 2018

Council Chambers

Hamilton City Hall

Present: Councillors C. Collins (Chair), D. Conley, M. Pearson, B. Johnson, T. Whitehead

Absent: Councillor J. Partridge (Personal)

**THE CAPITAL PROJECTS WORK-IN-PROGRESS REVIEW SUB-COMMITTEE
PRESENTS REPORT 18-002 AND RESPECTFULLY RECOMMENDS:**

1. **Capital Projects Closing Report as of September 30, 2017 (FCS17078(a)) (City Wide) (Item 8.1) (Attached hereto as Appendix 'A')**
 - (a) That the General Manager of Finance and Corporate Services be authorized to transfer a combined \$311,616.68 from the Unallocated Capital Levy Reserve and other Program Specific Reserves to the capital projects as outlined in Appendix "A" to Report FCS17078(a);
 - (b) That the General Manager of Finance and Corporate Services be directed to close the completed and / or cancelled capital projects listed in Appendix "B" to Report FCS17078(a) in accordance with the Capital Closing Policy;
 - (c) That Appendix "C" to Report FCS17078(a), Capital Projects Budget Appropriations for the period covering July 1, 2017 through September 30, 2017, be received for information;
 - (d) That Appendix "D" to Report FCS17078(a), Capital Projects Budget Appropriations above \$250,000 and Debt Funded for the period covering July 1, 2017 through September 30, 2017 totalling \$2,771,269.54, be approved;
 - (e) That the General Manager, Finance and Corporate Services be authorized to negotiate the terms and placement of a debenture issue(s) and / or private placement debenture issue(s) in either a public or private market and / or bank loan agreement and debenture issue(s) and / or variable interest rate bank loan agreement and debenture issue(s), in an amount not to exceed \$1,000,000, as attached in Appendix "D" to Report FCS17078(a).

General Issues Committee – March 21, 2018

2. Capital Projects Status Report (Excluding Public Works) as of September 30, 2017 (FCS17077(a)) (City Wide) (Item 8.2)

That the Capital Projects Status Report (excluding Public Works), as of September 30, 2017, attached as Appendix "A" to Report FCS17077(a), be received.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

There were no changes to the agenda.

That the agenda for the February 8, 2018 Capital Projects Work-In-Progress Review Sub-Committee meeting be approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

January 29, 2018 (Item 3.1)

That the Minutes of the January 29, 2018 meeting of the Capital Projects Work-In-Progress Review Sub-Committee meeting be approved, as presented.

(d) DISCUSSION ITEMS (Item 8)

(i) Capital Projects Closing Report as of September 30, 2017 (FCS17078(a)) (City Wide) (Item 8.1)

That Item 8.1 respecting Capital Projects Closing Report as of September 30, 2017 (FCS17078(a)), be amended to include Sub-Section (f), to read as follows:

(f) *That staff report back to the Capital Projects Work-in-Progress Sub-Committee with options related to the appropriation policy.*

For further disposition of this matter, refer to Item 1.

(e) ADJOURNMENT (Item 13)

That, there being no further business, the Capital Projects Work-In-Progress Review Sub-Committee, be adjourned at 1:58 p.m.

Respectfully submitted,

Councillor Collins, Chair
Capital Projects Work-in-Progress
Sub-Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Chair and Members Capital Projects Work-in-Progress Sub-Committee
COMMITTEE DATE:	January 29, 2018
SUBJECT/REPORT NO:	Capital Projects Closing Report as of September 30, 2017 (FCS17078(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Samantha Blackley (905) 546-2424 Ext. 2132
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATIONS

- (a) That the General Manager of Finance and Corporate Services be authorized to transfer a combined \$311,616.68 from the Unallocated Capital Levy Reserve and other Program Specific Reserves to the capital projects as outlined in Appendix "A" to Report FCS17078(a);
- (b) That the General Manager of Finance and Corporate Services be directed to close the completed and / or cancelled capital projects listed in Appendix "B" to Report FCS17078(a) in accordance with the Capital Closing Policy;
- (c) That Appendix "C" to Report FCS17078(a), Capital Projects Budget Appropriations for the period covering July 1, 2017 through September 30, 2017, be received for information;
- (d) That Appendix "D" to Report FCS17078(a), Capital Projects Budget Appropriations above \$250,000 and Debt Funded for the period covering July 1, 2017 through September 30, 2017 totalling \$2,771,269.54, be approved;

**SUBJECT: Capital Projects Closing Report as of September 30, 2017
(FCS17078(a)) (City Wide) – Page 2 of 9**

- (e) That the General Manager, Finance and Corporate Services be authorized to negotiate the terms and placement of a debenture issue(s) and / or private placement debenture issue(s) in either a public or private market and / or bank loan agreement and debenture issue(s) and / or variable interest rate bank loan agreement and debenture issue(s), in an amount not to exceed \$1,000,000, as attached in Appendix “D” to Report FCS17078(a).

EXECUTIVE SUMMARY

This Report presents the capital projects which have been completed or cancelled as of September 30, 2017.

Appendix “A” to Report FCS17078(a) summarizes net transfers to both the Unallocated Capital Levy Reserve and the Program Specific Reserves.

Appendix “B” to Report FCS17078(a) lists the individual projects to be closed. A total of 93 projects with a combined budget of \$85,775,401.40 are being recommended for closure and are summarized as follows:

- \$8,793,300.00 relating to completed projects with surpluses to be returned to or deficits to be funded from the “Unallocated Capital Levy Reserve (108020)”;
- \$5,230,000.00 relating to completed projects with deficits to be funded by Program Specific Reserves;
- \$10,755,000.00 relating to cancelled or delayed projects; and
- \$60,997,101.40 relating to projects completed on or under budget that do not impact reserves.

All capital projects listed for closure in Appendix “B” to Report FCS17078(a) have been reviewed and determined to be complete, with all revenue and expenditure transactions relating to these projects having been processed. Any funding adjustments necessary to close the projects in accordance with the Capital Closing Policy are reflected in the amounts presented.

Appendix “C” to Report FCS17078(a) lists all the re-appropriation of funds between capital projects within the limits of the Council approved policy for the period covering July 1, 2017 through September 30, 2017.

Appendix “D” to Report FCS17078(a) lists all the capital projects requiring Council approval to transfer funds above \$250,000, projects requiring debt financing and reserve transfers for the period covering July 1, 2017 through September 30, 2017.

Alternatives for Consideration – Not Applicable

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**SUBJECT: Capital Projects Closing Report as of September 30, 2017
(FCS17078(a)) (City Wide) – Page 3 of 9**

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As outlined in Appendix “A” to Report FCS17078(a) and summarized in Table 1 below, a combined total of \$419,498.30 in funding is required from the “Unallocated Capital Levy Reserve” (108020) to offset projects in a negative position. These projects are offset by projects in a positive position totalling \$218,151.37, resulting in a net transfer from this Reserve of \$201,346.93.

Table 1

City of Hamilton
Capital Project Closings
As of September 30, 2017
Unallocated Capital Levy Reserve Impact (108020)

Year	Project ID	Description	Surplus / (Deficit)
Projects Requiring Funds			
2003	7400341100	Fire Stn #20- Land Purchase	\$(407,804.87)
2014	7101458401	Birge Outdoor Pool Redevelop	(10,861.39)
2017	6301751704	Handrail Replacement Macassa	<u>(832.04)</u>
			<u>(419,498.30)</u>
Projects Returning Funds			
2012	3621254201	Pan Am Special Events Program	210,553.02
2014	6301441405	WL Resident Home Area Renos	763.88
2015	4401541001	Cemetery Building Repairs	0.72
2016	4401649103	Bocce Court Rehab Program	1,322.46
2017	5161771725	Upper Ottawa - 40m Reno Ave to Mountain Brow Blvd	2,000.00
2017	6301741701	Tub Floor Replacement Macassa	<u>3,511.29</u>
			<u>218,151.37</u>
Net Impact on the Unallocated Capital Levy Reserve			<u>\$(201,346.93)</u>

As outlined in Appendix “A” to Report FCS17078(a) and summarized in Table 2 below, a net total of \$110,269.75 in funding is required from Other Program Specific Reserves (Unallocated Current Funds-Sanitary and Ward 8 Capital Infrastructure) to offset projects in a negative or deficit position that were submitted for closure.

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**SUBJECT: Capital Projects Closing Report as of September 30, 2017
(FCS17078(a)) (City Wide) – Page 4 of 9**

Table 2

City of Hamilton
Capital Project Closings
As of September 30, 2017
Impacting Reserves and Capital Projects

Year	Project ID	Description	Surplus / (Deficit)
Approved			
Projects requiring funds			
2012	5161255010	Wastewater System Planning	\$ (44,381.69)
2015	5141567752	Water Outstation Inspections	(12,887.04)
2015	5161567752	Outstation Inspections	(28,485.30)
2016	4241609806	Ward 8 Speed Humps	(7,286.58)
2016	5161611101	Road Restoration Program - 2016	(15,918.35)
2016	5161660820	Open Cut Repairs for CIPP Program - 2016	<u>(1,310.79)</u>
Net impact to Other Program Specific Reserves			<u>\$(110,269.75)</u>

Appendix "C" to Report FCS17078(a) details the appropriations between projects during the period covering July 1, 2017 to September 30, 2017. A total of \$5,039,847.00 was moved between Capital projects with each appropriation transfer being in compliance with the Capital Project Monitoring Policy. They are summarized in Table 3 as follows:

Table 3

City of Hamilton
Capital Project Appropriations
As of September 30, 2017
Transfers by Department

Department	Amount
Tax Supported Capital Budget	
City Managers	\$ 3,300.00
Community and Emergency Services Department	59,200.00
Planning and Economic Development Department	178,900.00
Public Works Department	<u>3,648,330.00</u>
	<u>\$3,889,730.00</u>
Rate Supported Capital Budget	
Public Works Department	\$1,079,000.00
Clearing Accounts	<u>\$ 71,117.00</u>
Total	<u>\$5,039,847.00</u>

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**SUBJECT: Capital Projects Closing Report as of September 30, 2017
(FCS17078(a)) (City Wide) – Page 5 of 9**

Appendix “D” to Report FCS17078(a) details the projects that have been recommended by the department to be funded. A total of \$2,771,269.54 is required to be transferred. The funding either requires transferring debt or is above \$250,000 and requires Council approval per the appropriation policy Report FCS14031. The number of projects and the amounts are summarized in Table 4 as follows:

Table 4

City of Hamilton
Capital Projects to be Funded
As of September 30, 2017

Description	Projects From	Projects To	Amount
Planning and Economic Development:			
Economic Development	1	1	\$ 270,000.00
Public Works (Tax):			
Energy Initiatives	1	1	728,015.00
Waterfront Program	1	1	200,000.00
Public Work (Rate):			
Storm Water	2	2	<u>1,573,254.54</u>
Total			<u>\$2,771,269.54</u>

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

The Capital Status and Capital Project Closing reports are submitted to City Council three times a year at June 30, September 30 and December 31.

On December 14, 2011, Council approved Report FCS11073(a) which directed staff to review the Capital Projects Status and Closing process and that a process where departments report to their respective Standing Committee on the status of the Capital Work-in-Progress projects be implemented. Standing Committee reporting commenced as of the June 30, 2013 reporting period. Reports are brought forward to the Standing Committee three times per reporting year at June 30, September 30 and December 31. This allows the Standing Committee to review the status of a fewer number of projects, in greater detail, applicable to their area of oversight.

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**SUBJECT: Capital Projects Closing Report as of September 30, 2017
(FCS17078(a)) (City Wide) – Page 6 of 9**

The Capital Projects Closing report has remained the responsibility of the Capital Budgets section of the Financial Planning, Administration and Policy Division in order to ensure suitable controls are maintained, projects are appropriately closed and to centralize the function.

On July 10, 2015, Council approved changes to the City's Capital Project Monitoring Policy and Capital Project Closing Policy. The amended Policy has staff submit the Capital Project Status Reports and Capital Project Closing Reports to the Capital Projects Work-in-Progress Sub-Committee.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The submission of the Capital Projects Closing Report is a requirement of the City's Capital Closing Policy Reports (Reports FCS05044 and FCS07081(a)) and Capital Projects Monitoring Policy Report (Report FCS14031).

The City's Capital Closing Policy (Reports FCS05044 / FCS07081(a)) states:

- i) That any approved Capital project, whose construction stage has not begun after three years, be closed and be re-submitted to Council for approval.
- ii) That any closing surplus or deficit be distributed as follows:
 - 1. Surplus:
 - a) If funded from a specific reserve, return funds to that reserve.
 - b) If funded from debentures, apply to reduce future debenture requirements.
 - c) If funded from current contribution, apply to the Unallocated Capital Levy Reserve or apply to reduce Outstanding Debt.
 - 2. Deficit:
 - a) If funded from a specific reserve, fund from that reserve.
 - b) If funded from debentures, increase future debenture requirements only if no other source of financing is available.
 - c) If funded from current contribution, fund from the Unallocated Capital Levy Reserve.

The City's Capital Projects Monitoring Policy Report (Report FCS14031), as amended by Council on July 10, 2015, states:

- i) That a Capital Projects Status Report be submitted by departments to Capital Projects Work-in-Progress Sub Committee three times a year as of June 30, September 30 and December 31.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Capital Projects Closing Report as of September 30, 2017
(FCS17078(a)) (City Wide) – Page 7 of 9**

- ii) That a Capital Projects' Closing Report be compiled by Corporate Services Department and submitted to the Capital Projects Work-in-Progress Sub-Committee three times a year as of June 30, September 30 and December 31.
- iii) That unfavourable project variances be funded according to the Capital Projects Budget Appropriation and Work-in-Progress Transfer Policy. If available funding cannot be found within the limits of the Capital Projects Budget Appropriation and Work-in-Progress Transfer policy, a report explaining the variance and recommending a source of funding be submitted to the appropriate committee of Council for approval.
- iv) Approval authority for the re-appropriation of funds in each financial year be at the same levels as the City's Procurement Policy:
 1. Council must approve re-appropriations of \$250,000 or greater
 2. City Manager or designate must approve appropriations greater than \$100,000
 3. General Managers or delegated staff be authorized to approve appropriations up to \$100,000

RELEVANT CONSULTATION

Staff from the following departments, boards, and / or agencies submitted the included capital projects for closure:

- Public Works Department
- Planning and Economic Development Department
- Corporate Services Department
- Community and Emergency Services Department
- Public Health Services

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Council approved that capital projects are reviewed in accordance with the City's approved Capital Policies. For each Capital Project Status report, staff determines if projects can be closed (inactivated) and also monitor financial activity to ensure that Council is aware of any capital projects which deviate significantly from approved budgeted amounts. Where projects are determined to be complete or cancelled, they are submitted by departments to Capital Budgets for inclusion in the Capital Projects Closing report. These submissions are reviewed by Capital Budgets to ensure transactions are finalized, all purchase orders cleared and a funding source is identified, where necessary.

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**SUBJECT: Capital Projects Closing Report as of September 30, 2017
(FCS17078(a)) (City Wide) – Page 8 of 9**

Inactivating completed projects helps to keep the number of capital projects in the financial system to a manageable size and eliminates redundant data from reports. More importantly, it ensures that projects which are complete and / or no longer required do not unnecessarily tie up budget resources that could be re-directed to other needs / capital projects.

Appendix “A” to Report FCS17078(a) includes funding of projects to be closed from the Unallocated Capital Levy Reserve (108020). One of the projects requiring funding is the Fire Station #20 Land Purchase project (7400341100) which required \$407,804.87 for unbudgeted costs as a result of a legal settlement on a disputed construction claim. Details of the claim were addressed in Confidential Report LS13018(a)/ FCS13041(a)/ PW16002 Litigation regarding Construction of Ancaster Fire Station No. 20 which was approved by General Issues Committee at its meeting of February 3, 2016.

Appendix “D” to Report FCS17078(a) Capital Projects Budget Appropriations above \$250,000 and Debt Funded is required as budget transfers of \$250,000 or greater, projects requiring debt financing and reserve transfers require Council approval. A number of these budget appropriations are transfers from one project to a related project including Rymal Road Development for \$270,000. Changes related to projects requiring debt financing include Storm Sewers Development for \$800,000 and Pier 8 construction for \$200,000, revenues never materialized on Mountain Brow / Central Mountain Sewers for \$773,254 and project surplus being transferred to the Energy Reserve for the Control Centre and Building Automation system for \$728,015.

Staff in the Planning and Economic Development Department has requested to appropriate \$800,000 from the Southcote Pumping Station & Forcemain-HC008 project (5160795760) to South Service Road Sewer- Flying J-Pilot (5161280292). This funding includes transferring Development Charge (DC) debt funding of \$800,000 as per the most recent 2014 DC background study.

Staff has Council approval in Report FCS16050 to transfer funds between West Harbour capital projects but Council approval is required for changes to debt financing of projects. An increase in gross project costs for Pier 8 Promenade requires an appropriation transfer from Pier 6-8 Servicing Construction of debt financing of \$200,000.

On September 24, 2014, Council approved Report 14-017 to transfer up to \$1.5 million of the District Cooling System sale’s proceeds for a Control Centre and Building Automation system. This project is completed and has been submitted for closure with a surplus of \$728,015. Public Works staff has requested that the surplus be transferred to the Energy Reserve (112272) to help offset the budget pressures for 2018-2020 from the operations.

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**SUBJECT: Capital Projects Closing Report as of September 30, 2017
(FCS17078(a)) (City Wide) – Page 9 of 9**

ALTERNATIVES FOR CONSIDERATION

There are no alternatives as the Capital Projects Closing Report deals primarily with historical information and application of corporate policies.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” – Capital Project Closings as of September 30, 2017 – Projects Impacting the Unallocated Capital Levy Reserve (108020) and Other Reserves

Appendix “B” – Capital Projects Closing Schedule as of September 30, 2017

Appendix “C” – Capital Projects Budget Appropriation Schedule for the period covering July 1, 2017 through September 30, 2017

Appendix “D” – Capital Projects Budget Appropriations above \$250,000 and Debt Funded for the Period Covering July 1, 2017 through September 30, 2017

SB/dt

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City of Hamilton Capital Project Closings As of September 30, 2017 Projects Impacting the Unallocated Capital Levy Reserve and Other Reserves					
Year Approved	ProjectID	Description	Surplus/ (Deficit) (\$)	Reserve	Description
<u>Projects requiring funds</u>					
2003	7400341100	Fire Stn #20- Land Purchase	(407,804.87)	108020	Unalloc Capital Levy
2014	7101458401	Birge Outdoor Pool Redevelop	(10,861.39)	108020	Unalloc Capital Levy
2017	6301751704	Handrail Replacement Macassa	(832.04)	108020	Unalloc Capital Levy
			(419,498.30)		
<u>Projects returning funds</u>					
2012	3621254201	Pan Am Special Events Program	210,553.02	108020	Unalloc Capital Levy
2014	6301441405	WL Resident Home Area Renos	763.88	108020	Unalloc Capital Levy
2015	4401541001	Cemetery Building Repairs	0.72	108020	Unalloc Capital Levy
2016	4401649103	Bocce Court Rehab Program	1,322.46	108020	Unalloc Capital Levy
2017	5161771725	Upper Ottawa - 40m Reno Ave to Mountain Brow Blvd	2,000.00	108020	Unalloc Capital Levy
2017	6301741701	Tub Floor Replacement Macassa	3,511.29	108020	Unalloc Capital Levy
			218,151.37		
Net impact to the Unallocated Capital Levy Reserve			(201,346.93)		
<u>Projects requiring funds</u>					
2012	5161255010	Wastewater System Planning	(44,381.69)	5169309324	Unalloc Current Funds-Sanitary
2015	5141567752	Water Outstation Inspections	(12,887.04)	5169309324	Unalloc Current Funds-Sanitary
2015	5161567752	Outstation Inspections	(28,485.30)	5169309324	Unalloc Current Funds-Sanitary
2016	4241609806	Ward 8 Speed bumps	(7,286.58)	108058	Ward 8-Capital Infrastructure
2016	5161611101	Road Restoration Program - 2016	(15,918.35)	5169309324	Unalloc Current Funds-Sanitary
2016	5161660820	Open Cut Repairs for CIPP Program - 2016	(1,310.79)	5169309324	Unalloc Current Funds-Sanitary
Net impact to Other Reserves			(110,269.75)		
Total Net impact to the Unallocated Capital Levy Reserve & Other Reserves			(311,616.68)		

**CITY OF HAMILTON
CAPITAL PROJECTS CLOSING SCHEDULE
AS OF September 30 , 2017**

YEAR	PROJECT ID	DESCRIPTION	APPROVED BUDGET (\$)	REVENUES (\$)	EXPENDITURES (\$)	PROJECT SURPLUS/ (DEFICIT) (\$)	% SPENT
APPROVED			a	b	c	d = b - c	e=c/a
UNALLOCATED CAPITAL LEVY RESERVE							
2003	7400341100	Fire Stn #20- Land Purchase	3,895,000.00	3,895,000.00	4,302,804.87	(407,804.87)	110.5%
2012	3621254201	Pan Am Special Events Program	2,190,300.00	2,217,395.78	2,006,842.76	210,553.02	91.6%
2014	6301441405	WL Resident Home Area Renos	250,000.00	180,000.00	179,236.12	763.88	71.7%
2014	7101458401	Birge Outdoor Pool Redevelop	2,171,000.00	2,171,613.63	2,182,475.02	(10,861.39)	100.5%
2015	4401541001	Cemetery Building Repairs	80,000.00	80,000.00	79,999.28	0.72	100.0%
2016	4401649103	Bocce Court Rehab Program	40,000.00	40,000.00	38,677.54	1,322.46	96.7%
2017	5161771725	Upper Ottawa - 40m s/o Reno Ave to Mountain Brow Blvd	2,000.00	2,000.00	0.00	2,000.00	0.0%
2017	6301741701	Tub Floor Replacement Macassa	62,000.00	62,000.00	58,488.71	3,511.29	94.3%
2017	6301751704	Handrail Replacement Macassa	103,000.00	103,000.00	103,832.04	(832.04)	100.8%
TOTAL FUNDS FROM UNALLOCATED CAPITAL LEVY (8)			8,793,300.00	8,751,009.41	8,952,356.34	(201,346.93)	101.8%
OTHER PROGRAM SPECIFICS RESERVES							
2012	5161255010	Wastewater System Planning	300,000	300,000.00	344,381.69	(44,381.69)	100.0%
2015	5141567752	Water Outstation Inspections	440,000	440,000	452,887	(12,887.04)	100.0%
2015	5161567752	Outstation Inspections	220,000	220,000	248,485	(28,485.30)	100.0%
2016	4241609806	Ward 8 Speed bumps	20,000.00	20,000.00	27,286.58	(7,286.58)	136.4%
2016	5161611101	Road Restoration Program - 2016	3,850,000.00	3,850,000.00	3,865,918.35	(15,918.35)	100.4%
2016	5161660820	Open Cut Repairs for CIPP Program - 2016	400,000.00	400,000.00	401,310.79	(1,310.79)	100.3%
TOTAL FUNDS FROM PROGRAM SPECIFIC RESERVES (6)			5,230,000.00	5,230,000.00	5,340,269.75	(110,269.75)	102.1%
DELAYED/CANCELLED PROJECTS							
2008	5160896855	Royal to Main-King San Upgrade	8,630,000.00	1,375,579.12	1,375,579.12	0.00	15.9%
2011	8121157100	Computer Work Station	75,000.00	0.00	0.00	0.00	0.0%
2014	4241409107	Westdale HS- Artificial Turf	100,000.00	0.00	0.00	0.00	0.0%
2015	3541541735	Hamilton Farmer's Market Prgm	0.00	0.00	0.00	0.00	0.0%
2015	6731541508	IAH Exten - Housing Allowance	1,200,000.00	0.00	0.00	0.00	0.0%
2016	4401649510	Spraypad Infrastructure Rehabilitation Program	0.00	0.00	0.00	0.00	0.0%
2016	4411610555	2016 Chargebacks - West Harbour	0.00	0.00	0.00	0.00	0.0%
2017	4661720728	New Traffic Signal - Dundas @ Riverwalk	250,000.00	0.00	0.00	0.00	0.0%
2017	4661720729	New Traffic Signal - Dundas @ Spring Creek	250,000.00	0.00	0.00	0.00	0.0%
2017	4661720731	New Traffic Signal - York @ Cemetery	250,000.00	0.00	0.00	0.00	0.0%
TOTAL DELAYED/CANCELLED PROJECTS (10)			10,755,000.00	1,375,579.12	1,375,579.12	0.00	12.8%
COMPLETED PROJECTS							
Corporate Services, City Manager's Office and Councillor Infrastructure Programs (Tax Budget)							
Councillor Infrastructure Program							
2012	3301249205	Ward 5 Capital Reinvestment	100,000.00	49,275.35	49,275.35	0.00	49.3%
2013	3301309500	Ward 5 Capital Reinvestment	100,000.00	75,088.91	75,088.91	0.00	75.1%
2013	3301309700	Ward 7 Capital Reinvestment	100,000.00	86,507.98	86,507.98	0.00	86.5%
2014	3301409500	Ward 5 Capital Reinvestment	100,000.00	96,987.00	96,987.00	0.00	97.0%
2015	3301509500	Ward 5 Capital Reinvestment	100,000.00	95,446.55	95,446.55	0.00	95.4%
2015	3301509600	Ward 6 Capital Reinvestment	100,000.00	98,598.21	98,598.21	0.00	98.6%

CITY OF HAMILTON
CAPITAL PROJECTS CLOSING SCHEDULE
AS OF September 30 , 2017

YEAR	PROJECT ID	DESCRIPTION	APPROVED BUDGET (\$)	REVENUES (\$)	EXPENDITURES (\$)	PROJECT SURPLUS/ (DEFICIT) (\$)	% SPENT
APPROVED			a	b	c	d = b - c	e=c/a
Human Resource							
2001	2110157002	Digital Conv Property Records	1,282,000.00	1,286,213.39	1,286,213.39	0.00	100.3%
Planning & Economic Development (Tax Budget)							
Tourism & Culture							
2014	7201441705	Whitehern-Conservation	88,018.79	59,751.99	59,751.99	0.00	67.9%
2014	7201458400	Auchmar Centre	236,470.00	176,924.94	176,924.94	0.00	74.8%
2015	7101558504	Public Art - Market District	130,760.19	130,760.19	130,760.19	0.00	100.0%
2015	7201558500	Heritage Assets-Civic Spaces	99,000.00	1,993.16	1,993.16	0.00	2.0%
Community and Emergency Services (Tax Budget)							
Hamilton Fire Department							
2015	7401551601	Annual Fire Vehicle Replacement	2,250,000.00	2,265,600.53	2,265,600.53	0.00	100.7%
Long Term Care Homes							
2017	6301751703	Chiller Energy Effic Macassa	239,800.00	232,641.11	232,641.11	0.00	97.0%
2017	6301751705	Humidifiers Replacement	80,200.00	80,187.03	80,187.03	0.00	100.0%
Housing Services							
2015	6731541503	IAH - Ontario Renovates	4,431,540.00	4,431,199.55	4,431,199.55	0.00	100.0%
Other Board and Agencies							
Hamilton Public Library							
2014	7501451401	Central Lib Renos - Phase 3	1,653,000.00	1,652,702.47	1,652,702.47	0.00	100.0%
2016	7501651600	Staff Computer Renewal	300,000.00	298,887.00	298,887.00	0.00	99.6%
Hamilton Police Department							
2013	3761351301	Police Expenditures	639,640.50	639,640.50	639,640.50	0.00	100.0%
2014	3761451404	CE Weapons - CEW Tasers	772,934.31	772,934.31	772,934.31	0.00	100.0%
2015	3761551100	2015 Police Vehicle Purchases	1,689,247.91	1,689,247.91	1,689,247.91	0.00	100.0%
2015	3761551501	Police Expenditures	334,128.43	334,128.43	334,128.43	0.00	100.0%
2016	3761651100	2016 Police Vehicle Purchases	1,659,286.46	1,659,286.46	1,659,286.46	0.00	100.0%
Public Works (Tax Budget)							
Parks & Cemeteries (Tax Budget)							
2014	4401451700	2014 Small Equipment Replace	97,027.62	97,027.62	97,027.62	0.00	100.0%
2014	4401449002	Marina Pier&Dock Reair-Replic	125,000.00	125,000.00	125,000.00	0.00	100.0%
2014	4401456001	Leashfree Dog Park Program	78,300.00	78,300.00	78,300.00	0.00	100.0%
2015	4401549104	Security Lighting Program	24,613.00	24,612.96	24,612.96	0.00	100.0%
2015	4401549510	Spraypad Infrastructure Rehab	73,679.21	73,679.21	73,679.21	0.00	100.0%
2015	4401556001	Leashfree Dog Park Program	54,236.65	54,236.65	54,236.65	0.00	100.0%
2016	4401652100	CSA Safety Material Replacement Program	105,932.00	105,932.34	105,932.34	0.00	100.0%
Energy Initiatives (Tax Budget)							
2013	3541351006	Building Automation System	600,000.00	306,903.45	306,903.45	0.00	51.2%
2014	7901448404	EE Lighting Parking Garages	500,000.00	517,126.63	517,126.63	0.00	103.4%

CITY OF HAMILTON
CAPITAL PROJECTS CLOSING SCHEDULE
AS OF September 30 , 2017

YEAR APPROVED	PROJECT ID	DESCRIPTION	APPROVED	REVENUES (\$)	EXPENDITURES (\$)	PROJECT	%
			BUDGET (\$)			SURPLUS/ (DEFICIT) (\$)	SPENT
			a	b	c	d = b - c	e=c/a
Fleet (Tax Budget)							
2013	4941351100	2013 Central Fleet Replacement	6,102,040.00	5,800,840.29	5,800,840.29	0.00	95.1%
2014	4941451100	Fleet Vehicle & Equipment Repl	5,798,380.00	5,688,282.83	5,688,282.83	0.00	98.1%
Recreation (Tax Budget)							
2012	7101258701	Birge Outdoor Pool Redevelop	865,000.00	418,386.37	418,386.37	0.00	48.4%
Waste (Tax Budget)							
2013	5121349002	CCF Air Handling Odour Control	700,000.00	698,223.59	698,223.59	0.00	99.7%
2013	5121355137	Waste Management R&D	124,660.27	124,660.27	124,660.27	0.00	100.0%
2013	5121392000	Closed Landfill Maint&Cap Imp	350,000.00	350,000.00	350,000.00	0.00	100.0%
2013	5121393000	Maint & Capital Improvements-Resource Recovery Centre	490,000.00	490,000.11	490,000.11	0.00	100.0%
2014	5121493000	Maint & Capital Improvements-Resource Recovery Centre	113,000.00	113,000.00	113,000.00	0.00	100.0%
2014	5121494002	Transfer Stn Door Replace	837,144.00	837,143.76	837,143.76	0.00	100.0%
2015	5121592000	Closed Landfill Maint&Cap Impr	159,162.06	159,162.06	159,162.06	0.00	100.0%
2015	5121593000	Maint & Capital Improvements-Resource Recovery Centre	71,100.00	71,100.00	71,100.00	0.00	100.0%
2016	5121655137	Waste Management R & D Program	136,700.00	136,700.00	136,700.00	0.00	100.0%
2016	5121694000	Transfer Stn CRC Maintenance Improveprovement	130,600.00	130,600.00	130,600.00	0.00	100.0%
2017	5121749704	WasteCollection OfficeUpgrades	20,000.00	20,000.00	20,000.00	0.00	100.0%
Transit (Tax Budget)							
2015	5301584504	Ranger Repl & Ext Announcement	1,380,000.00	1,243,735.11	1,243,735.11	0.00	90.1%
2015	5301585502	Transit Shelter Expansion Proj	600,000.00	590,878.08	590,878.08	0.00	98.5%
2015	5301585901	2015 Bus Stop Landing Pads	168,500.00	124,233.94	124,233.94	0.00	73.7%
Roads (Tax Budget)							
2005	4240503503	Hunter - Queen to Wellington	225,000.00	70,652.72	70,652.72	0.00	31.4%
2009	4030955910	Rymal Road Functional Design	200,000.00	194,576.92	194,576.92	0.00	97.3%
2010	4031019001	Up Well-Stone Church to Rymal	2,626,000.00	2,625,984.19	2,625,984.19	0.00	100.0%
2014	5301455820	Transport Demand Mngt Program	200,000.00	200,000.00	200,000.00	0.00	100.0%
2015	4041510018	High Watt Street Light Project	5,500,000.00	4,893,867.39	4,893,867.39	0.00	89.0%
2016	4241609204	Sidewalk Rehabilitation Reserve	100,000.00	77,195.90	77,195.90	0.00	77.2%
2016	4241609703	Ward 7 - Concrete Repairs	100,000.00	76,229.99	76,229.99	0.00	76.2%
Public Works (Rate Budget)							
Water (Rates Budget)							
2014	5141451410	Fleet Additions - Hamilton Water - 2014	240,000.00	240,000.00	240,000.00	0.00	100.0%
2014	5141467752	WW Outstation Inspection - AM	550,000	541,852	541,852	0.00	100.0%
2015	5141557626	Critical WM Inspection Program - 2015	600,000.00	600,000.00	600,000.00	0.00	100.0%
2016	5141649555	QA-QC Service Contract - 2016	110,000.00	92,966.76	92,966.76	0.00	84.5%
2016	5141611101	Road Restoration Program - 2016	3,500,000.00	3,500,000.00	3,500,000.00	0.00	100.0%
2016	5141660080	Valve Replacement - 2016	825,000.00	825,000.00	825,000.00	0.00	100.0%
WasteWater (Rates Budget)							
2010	5161055955	Annual I & I Studies & Control	450,000	495,619.70	495,619.70	0.00	100.0%
2015	5161555010	Wastewater Systems Planning	300,000	367,015.56	367,015.56	0.00	100.0%
2016	5161661740	Unscheduled Manhole & Sewermain - 2016	350,000.00	350,000.00	350,000.00	0.00	100.0%

CITY OF HAMILTON
CAPITAL PROJECTS CLOSING SCHEDULE
AS OF September 30 , 2017

YEAR	PROJECT ID	DESCRIPTION	APPROVED BUDGET (\$)	REVENUES (\$)	EXPENDITURES (\$)	PROJECT SURPLUS/ (DEFICIT) (\$)	% SPENT
APPROVED			a	b	c	d = b - c	e=c/a
StormWater (Rates Budget)							
2007	5140795752	PD3 PS HghInd Grdns-W08	7,080,000.00	5,545,185.99	5,545,185.99	0.00	78.3%
2010	5181055075	Watershed Coord & Stewardship	830,000.00	755,784.70	755,784.70	0.00	91.1%
2014	5181461740	Unscheduled Manhole & Sewermain - 2014	130,000.00	128,946.04	128,946.04	0.00	99.2%
2014	5181455421	SERG - Stormwater Sys Planning	390,000.00	296,438.08	296,438.08	0.00	76.0%
2015	5181555421	SERG Stormwater Sys Planning	280,000.00	106,598.06	106,598.06	0.00	67.7%
2016	5161667752	WW Outstation Inspections - AM	220,000.00	168,871.94	168,871.94	0.00	100.0%
TOTAL COMPLETED PROJECTS (69)			60,997,101.40	56,746,554.38	56,746,554.38	0.00	93.0%
GRAND TOTAL COMPLETED/CANCELLED PROJECTS (93)			85,775,401.40	72,103,142.91	72,414,759.59	(311,616.68)	84.4%

CITY OF HAMILTON CAPITAL PROJECTS BUDGET APPROPRIATION SCHEDULE FOR THE PERIOD COVERING JULY 1, 2017 THROUGH SEPTEMBER 30, 2017						
Appropriated From	Description	Appropriated To	Description	Amount(\$)	Council Approval / Comments	LongDescr
CITY MANAGERS						
<i>City Managers Office</i>						
2051459100	Strategic Plan & Vision Update	3381757504	Performance Excellence Program	3,300.00	N/A within Policy Limits	APPR 17-116(Budget): Transfer surplus funds from project 2051459100 to project 3381757504-SBLACKLEY
				3,300.00		
City Managers (1)				3,300.00		
COMMUNITY SERVICES						
<i>Fire Services</i>						
7401451403	Standarized Working Uniforms	7401751702	Fire Vehicle Replacement	29,400.00	N/A within Policy Limits	APPR 17-117(Budget): Transfer surplus funds from project 7401451403 to project 7401751702-SBLACKLEY
				29,400.00		
<i>Lodges Program</i>						
6301751705	Humidifiers Replacement	6301751703	Chiller Enrgy Effic Macassa	29,800.00	N/A within Policy Limits	APPR 17-118 (Budget): Transfer surplus funds from project 6301751705 to project 6301751703-SBLACKLEY
				29,800.00		
Community and Emergency Services (2)				59,200.00		
PLANNING AND ECONOMIC DEVELOPMENT						
<i>Culture Program</i>						
7201655600	Sesquicentennial Tall Ships	7201655602	CANADA 150	10,000.00	N/A within Policy Limits	APPR 17-133(Budget): Transfer surplus funds from project 7201655600 to project 7201655602- SBLACKLEY
7201558502	Cenotaphs and Monuments	7201758700	Art & Monuments Restoration	57,500.00	N/A within Policy Limits	APPR 17-135(Budget): Transfer surplus funds from project 7201558502 to project 7201758700-SBLACKLEY
				67,500.00		
<i>Planning</i>						
8101655600	2016 Comp Zoning By-Law	8101355100	Comprehensive Zoning By-Law	111,400.00	N/A within Policy Limits	APPR 17-122(Budget) Transfer surplus funds from project 8101655600 to project 8101355100-SBLACKLEY
				111,400.00		
Planning and Economic Development (3)				178,900.00		

**CITY OF HAMILTON
CAPITAL PROJECTS BUDGET APPROPRIATION SCHEDULE
FOR THE PERIOD COVERING JULY 1, 2017 THROUGH SEPTEMBER 30, 2017**

Appropriated From	Description	Appropriated To	Description	Amount(\$)	Council Approval / Comments	LongDescr
PUBLIC WORKS TAX FUNDED						
<u>Fleet Division</u>						
4941351100	2013 Central Fleet Replacement	4941451100	Fleet Vehicle & Equipment Repl	19,150.00	N/A within Policy Limits	APPR 17-140(Budget): Transfer surplus funds from project 4941351100 to project 4941451100-SBLACKLEY
4941351100	2013 Central Fleet Replacement	4941551100	Fleet-Vehicle & Equipment Repl	16,980.00	N/A within Policy Limits	APPR 17-141(Budget): Transfer surplus funds from project 4941351100 to project 4941551100-SBLACKLEY
				36,130.00		
<u>Recreation Facilities</u>						
7101654802	Wm Connell Park Washroom	7101754705	Turner Park Washrooms	115,000.00	N/A within Policy Limits	APPR 17-113(Budget): Transfer surplus funds from project 7101654802 to project 7101754705-SBLACKLEY
7101254216	Program - Roof Management	3541741412	Program - Roof Management	30,800.00	N/A within Policy Limits	APPR 17-123(Budget): Transfer surplus funds from project 7101254216 to project 3541741412-SBLACKLEY
7101057100	Point of Sale Systems-Museums	7201758706	Whitehern Hall Conservation	4,000.00	N/A within Policy Limits	APPR 17-139(Budget): Transfer surplus funds from project 7101057100 to project 7201758706- SBLACKLEY
7101741706	Recreation Centre Retrofits	7201754700	Outdoor Patio Cntrl Mem Rec	9,300.00	N/A within Policy Limits	APPR 17-145(Budget): Transfer surplus funds from project 7101741706 to project 7201754700- SBLACKLEY
				159,100.00		
<u>Facilities</u>						
3541357001	Archibus-Facility Maintenance	3541755101	Recreation - Facilities Audit	20,600.00	N/A within Policy Limits	APPR 17-114(Budget): Transfer surplus funds from project 3541357001 to project 3541755101- SBLACKLEY
3541741010	Facility Upgrades Libraries	7501341301	Dundas Library Expansion	59,000.00	N/A within Policy Limits	APPR 17-142(Budget): Transfer surplus funds from project 3541741412 to project 7501341301-SBLACKLEY
3541741409	Code & Legislative Compliance	7501341301	Dundas Library Expansion	40,000.00	N/A within Policy Limits	APPR 17-143(Budget): Transfer surplus funds from project 3541741409 to project 7501341301- SBLACKLEY
3541741010	Facility Upgrades Libraries	7501341301	Dundas Library Expansion	99,000.00	N/A within Policy Limits	APPR 17-144(Budget): Transfer surplus funds from project 3541741010 to 7501341301- SBLACKLEY
				218,600.00		

**CITY OF HAMILTON
CAPITAL PROJECTS BUDGET APPROPRIATION SCHEDULE
FOR THE PERIOD COVERING JULY 1, 2017 THROUGH SEPTEMBER 30, 2017**

Appropriated From	Description	Appropriated To	Description	Amount(\$)	Council Approval / Comments	LongDescr
<u>Roads</u>						
4031110003	Engineering & Utilities Design	4031560999	Closed Projects - Roads	36,000.00	N/A within Policy Limits	APPR 17-120(Budget): Transfer surplus funds from project 4031110003 to project 4031560999-SBLACKLEY
4030955980	Rail Crossing Safety Review	4031710715	Railway Xings-Review & Upgrade	36,000.00	N/A within Policy Limits	APPR 17-127(Budget): Transfer surplus funds from project 4030955980 to project 4031710715-SBLACKLEY
4031610014	Railway Road Crossing Safety	4031710715	Railway Xings-Review & Upgrade	27,000.00	N/A within Policy Limits	APPR 17-128(Budget): Transfer surplus funds from project 4031610014 to project 4031710715-SBLACKLEY
				99,000.00		
<u>Transit</u>						
5301555820	Transport Demand Mngt Program	4031755820	TDM & Smart Commute	88,500.00	N/A within Policy Limits	APPR 17-125(Budget): Transfer surplus funds from project 5301555820 to project 4031755820-SBLACKLEY
				88,500.00		
<u>Operation Maintenance</u>						
4031641660	Brampton Yard-Salt Dome Rehab	4031741760	Chedoke Yard Salt Dome	11,000.00	N/A within Policy Limits	APPR 17-115(Budget)Transfer surplus funds from project 4031641660 to project 4031741760-SBLACKLEY
				11,000.00		
<u>Waterfront</u>						
4411706101	Pier 6-8 Servicing Constrn	4411506103	Pier 8 Sanitary PS & Forcemain	3,000,000.00	West Harbour Appropriation Transfer Policy (FCS16050)	APPR 17-130(Budget):Transfer surplus funds from project 4411706101 to 4411506103 as per the West Harbour Appropriation Transfer Policy (FCS16050) -SBLACKLEY
				3,000,000.00		
<u>Open Space Development</u>						
4401356107	Cherry Beach Lakefront Park	4401556503	Heritage Green Sports Pk Ph II	30,000.00	N/A within Policy Limits	APPR 17-134(Budget): Transfer surplus funds from project 4401345107 to project 4401556503-SBLACKLEY
4401655600	Parks Testing and Reporting	4401656613	RHV Trails MP-The Turtle	3,300.00	N/A within Policy Limits	APPR 17-137(Budget): Transfer surplus funds from project 4401655600 to project 4401656613-SBLACKLEY
4401556504	Trails Master Plan Update	4401656613	RHV Trails MP-The Turtle	2,700.00	N/A within Policy Limits	APPR 17-138(Budget): Transfer surplus funds from project 4401556504 to project 4401656613-SBLACKLEY
				36,000.00		
Public Works- Tax Funded (21)				3,648,330.00		

**CITY OF HAMILTON
CAPITAL PROJECTS BUDGET APPROPRIATION SCHEDULE
FOR THE PERIOD COVERING JULY 1, 2017 THROUGH SEPTEMBER 30, 2017**

Appropriated From	Description	Appropriated To	Description	Amount(\$)	Council Approval / Comments	LongDescr
PUBLIC WORKS RATE FUNDED						
<i>Waterworks Regular Program</i>						
5141671301	Replace Program - Roads 2016	5141771301	Replace Program - Roads 2017	575,000.00	PW Committee(17-007)	APPR 17-112(Budget): Transfer surplus funds from project 5141671301 to project 5141771301 as approved by PW Committee(17-007)-SBLACKLEY
5141471301	Replace Program-Roads 2014	5141541510	Storage Facility Request	81,000.00	N/A within Policy Limits	APPR 17-126 (Budget): Transfer surplus funds from project 5141471301 to project 5141541510- SBLACKLEY
				656,000.00		
<i>Wastewater Program</i>						
5161571525	Parkdale-Barton to Burlington	5161560999	Closed Projects - WasteWater	60,000.00	N/A within Policy Limits	APPR 17-119(Budget): Transfer surplus funds from 5161571525 to project 5161560999-SBLACKLEY
5161571525	Parkdale-Barton to Burlington	5161671074	Annual Unsched Works - 2016	70,000.00	N/A within Policy Limits	APPR 17-129(Budget): Transfer surplus funds from project 5161571525 to project 5161671074_SBLACKLEY
				130,000.00		
<i>Storm Sewers</i>						
5181572290	Storm Sewer Upgrades 2015	5181672650	West Mtn Sewers - Juggernaut	249,000.00	N/A within Policy Limits	APPR 17-121(Budget):Transfer surplus funds from project 5181572290 to project 5181672650-SBLACKLEY
5181517549	Cross Rd Culvert Rehab- Repair	5181717549	Cross Rd Culvert Rehab- Repair	44,000.00	N/A within Policy Limits	APPR 17-132(Budget): Transfer surplus funds from project 518157549 to project 5181717549-SBLACKLEY
				293,000.00		
Public Works-Rate Funded (6)				1,079,000.00		
<i>Clearing Account</i>						
2050101100	Corp Serv Capital Interest	7401755703	10Yr HFD Service Delivery Plan	71,117.00	N/A within Policy Limits	APPR 17-131 (BUDGET): Re-appropriate funds from project 2050101100 Corp Ser Capital Interest account to project 7401755703 to cover the remaining project budget not supported by DC revenue - ACHEGOU
				71,117.00		
BUDGET APPROPRIATION (34)				5,039,847.00		

CITY OF HAMILTON CAPITAL PROJECTS BUDGET APPROPRIATIONS ABOVE \$250,000 AND DEBT FUNDED FOR THE PERIOD COVERING July 1, 2017 THROUGH September 30, 2017					
<u>Recommendations</u>					
Appropriated From	Description	Appropriated To	Description	Amount (\$)	Comments
Planning & Economic Development					
<i>Growth Management</i>					
4031580589	Rymal- Fletcher to Up Centennial	4030980984	Rymal-Up Centennial to Dartnal	270,000.00	Appropriation Request
Planning & Economic Development Total				270,000.00	
Public Works (Tax Budget)					
<i>Facilities Operations</i>					
3541541510	Control Ctre & Automation Upgr	112272	Energy Conservation Initatives	728,015.00	PW 14-010 Item 10.2
<i>Waterfront Program</i>					
4411706101	Pier 6-8 Servicing Constrn	4411606106	Pier 8 Promenade	200,000.00	Debt Funding
Public Works (Tax Budget) Total				928,015.00	
Public Works(Rate Budget)					
<i>StormWater</i>					
5160795760	Southcote PS & Forcemain-HC008	5161280292	SS Rd Sewer- Flying J-Pilot	800,000.00	Transfer DC Debt Funding
5168398324	Unalloc Current Funds- Sanitary	5180462444	Mtn Brow-Central Mtn SWM	773,254.54	Other Revenue never materialized and was not part of the DC study
Public Works (Rate Budget) Total				1,573,254.54	
Project Totals				2,771,269.54	



INFORMATION REPORT

TO:	The Mayor and Members, General Issues Committee
COMMITTEE DATE:	March 21, 2018
SUBJECT/REPORT NO:	Labour Relations Activity Report & Analysis (2013 – 2017) (HUR18006) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Robert Burwash (905) 542-2424 ext. 2655
SUBMITTED BY:	Lora Fontana Executive Director, Human Resources & Organizational Development
SIGNATURE:	

Council Direction:

In response to Council's direction, a Labour Relations Information System (LRIS) was developed in 2009 so that meaningful data would be provided to Council and other City stakeholders as to the state of labour relations in the City as well as provide a more strategic approach to addressing a number of labour relations challenges.

Information:

Labour Relations has provided annual analytical accounts of the City's labour relations activities dating back to 2007. This year's Report focuses on a five (5) year historical review of the data for the period of 2013 - 2017. The Report continues to provide Council and other City stakeholders, with an understanding of the state of labour relations. The annual Corporate Report speaks to the general labour relations activities across unions and departments.

In 2017, the City ratified their collective agreements with OPSEU Local 256, HOWEA, and ONA Lodges, with all three falling within Council's mandate and contained changes that will achieve administrative and operational efficiencies as well as benefit cost containment. The City received interest arbitration decisions for CUPE Local 1041, GHVFFA Local 911 and HPFFA Local 288. The decision for CUPE Local 1041 fell within Council's mandate and included the benefit changes achieved with other bargaining units throughout this bargaining cycle. The interest arbitration award for GHVFFA Local 911 did exceed Council's mandate on wages, but also awarded contract language that was sought by the City regarding promotions as well as training content.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Lastly, the interest arbitration award for HPFFA Local 288, provided wage and benefit increases that exceeded Council's mandate, but did award the City its language on benefit administration. A supplementary award will be forthcoming providing the wage increases for 2016 and 2017, as well as specific benefit administration language.

There were a total of 475 grievances filed at the City in 2017, which is a slight increase (5%) to the 453 grievances filed in 2016. The City's largest and most diverse bargaining unit, CUPE Local 5167 Inside/Outside, which represents approximately 51% of the City's unionized workforce, generated 211 grievances which is a decrease (-26%) from the 284 grievances filed in 2016. Given the broad scope of the positions that CUPE 5167 represents, its activity is a good barometer of the overall positive state of labour relations throughout the City. The increase in grievance activity for CUPE Local 1041, and OPSEU Local 256 (77% and 88% respectively), are largely due to a number of individual grievances being filed for the same issues, which needs to be considered in interpreting the increase in activity.

The issue most grieved in the City remains discipline, followed by hours of work, work, recruitment and attendance related grievances (see appendix A to Report HUR18006 for definitions). These grievances arose primarily from decisions rendered by the City's Collision Review Board, which reviews vehicular accidents in City vehicles. The Board can levy demerit points and determine appropriate corrective actions, such as training in their decision making. It is anticipated that a decrease in such grievances will be seen in 2018, following an arbitration decision and other agreements with the City's unions that specify the role, powers, and scope of the Board.

Appendix A to Report HUR18006 provides a summary of the data of labour relations activity and costs over the five year reporting period (2013 - 2017).

Appendix B to Report HUR18006 provides a summary of the grievances that were referred to arbitration and resolved during 2017, either through mediated settlements or arbitration awards.

The Labour Relations Activity Report (2013 - 2017) continues to provide valuable and analytical reporting with a view of delivering contextual data and trend analysis within the City's labour relations environment. Through improved dialogue and training, as well as a demonstrated willingness from all stakeholders to work in a collaborative and efficient manner, the labour relations climate, at the City, continues to be positive overall and one in which the majority of grievances can be resolved without the need for arbitration.

Appendices and Schedules Attached

Appendix A to Report HUR18006 – Summary of Data

Appendix B to Report HUR18006 – Summary of Grievances

OUR Vision: To be the best place to raise a child and age successfully.

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Appendix A to Report HUR18006

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Collective Agreement Activity:

Collective Agreements	Status	Term	Wages	Action Date
Negotiated Settlements				
CUPE 5167 Inside/Outside (including Housing)	Active	January 1, 2015 – December 31, 2018	2015 – 1.5% 2016 – 2.0% 2017 – 2.0% 2018 – 2.0%	Expires 2018
ATU 107	Active	January 1, 2015 – December 31, 2018	2015 – 1.0% 2016 – 2.0% 2017 – 2.0% 2018 – 2.0%	Expires 2018
ONA Public Health	Active	January 1, 2015 – December 31, 2018	2015 – 1.5% 2016 – 2.0% 2017 – 2.0% 2018 – 2.0%	Expires 2018
IUOE 772	Active	January 1, 2015 – December 31, 2018	2015 – 1.5% 2016 – 2.0% 2017 – 2.0% 2018 – 2.0%	Expires 2018
CUPE 5167 Lodges	Active	April 1, 2013 – March 31, 2019	2013 – 1.9% 2014 – 1.9% 2015 – 1.25% 2016 – 2.0% 2017 – 2.0% 2018 – 2.0%	Expires 2019
ONA Lodges	Active	April 1, 2015 – March 31, 2019	2015 – 1.4% 2016 – 1.24% 2017 – 1.0% <i>2018-2019 – Central Participating Hospital Rates</i>	Expires 2019
OPSEU 256	Active	April 1, 2016 – March 31, 2020	2016 – 1.5% 2017 – 2.0% 2018 – 2.0% 2019 – 2.0%	Expires 2020
HOWEA	Active	January 1, 2017 – December 31, 2020	2017 – 1.0% 2018 – 2.0% 2019 – 2.0% 2020 – 2.0% <i>INC Technician – will receive 0.5% each year</i>	Expires 2020
Interest Arbitration Awards				
HPFFA 288	Active	January 1, 2013 – December 31, 2017	2013 – 1.6% & 1.24% 2014 – 1.5% & 1.3% 2015 – 1.5% & 1.21% 2016 – TBD / 2017 – TBD	Expires 2017
GHVFFA 911	Active	January 1, 2016 – December 31, 2019	2016 – \$1.00 + 1.5% 2017 – \$1.00 + 2.0% 2018 – 2.0% 2019 – 1.5%	Expires 2019
CUPE 1041	Active	January 1, 2015 – December 31, 2018	2015 – 1.5% 2016 – 2.0% 2017 – 2.0% 2018 – 2.0%	Expires 2018

Appendix A to Report HUR18006

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Percentage of Overall Grievance Submission per Department (2017):

Department	2017 Headcount	Non-Unionized Headcount	Unionized Headcount	% of Union Employee within Dept.	% of Union Employee within COH	Number of Grievances*	% of Overall Grievances	Grievance Rate per 100 Unionized Employees
CityHousing Hamilton	196	86	110	56.12%	1.35%	8	2%	7
City Manager's Office	135	131	4	2.96%	0.05%	0	0%	0
Community & Emergency Services	3660	697	2963	80.96%	36.41%	195	41%	7
Corporate Services	492	213	279	56.71%	3.43%	16	3%	6
Planning & Economic Development	838	371	467	55.73%	5.74%	32	7%	7
Public Health	469	91	378	80.60%	4.65%	14	3%	4
Public Works	2347	219	2128	90.67%	26.15%	205	43%	10
<i>City Wide Policy Grievances</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	5	1%	<i>n/a</i>
*Total	8137	1808	6329	<i>n/a</i>	78%	475	100%	8

*5 Employees who have been elected to CUPE 5167 Executive are not included

* City Council staff and crossing guards are not included

*Totals may not reflect exact numbers in the second and third column due to effects of rounding

Appendix A to Report HUR18006

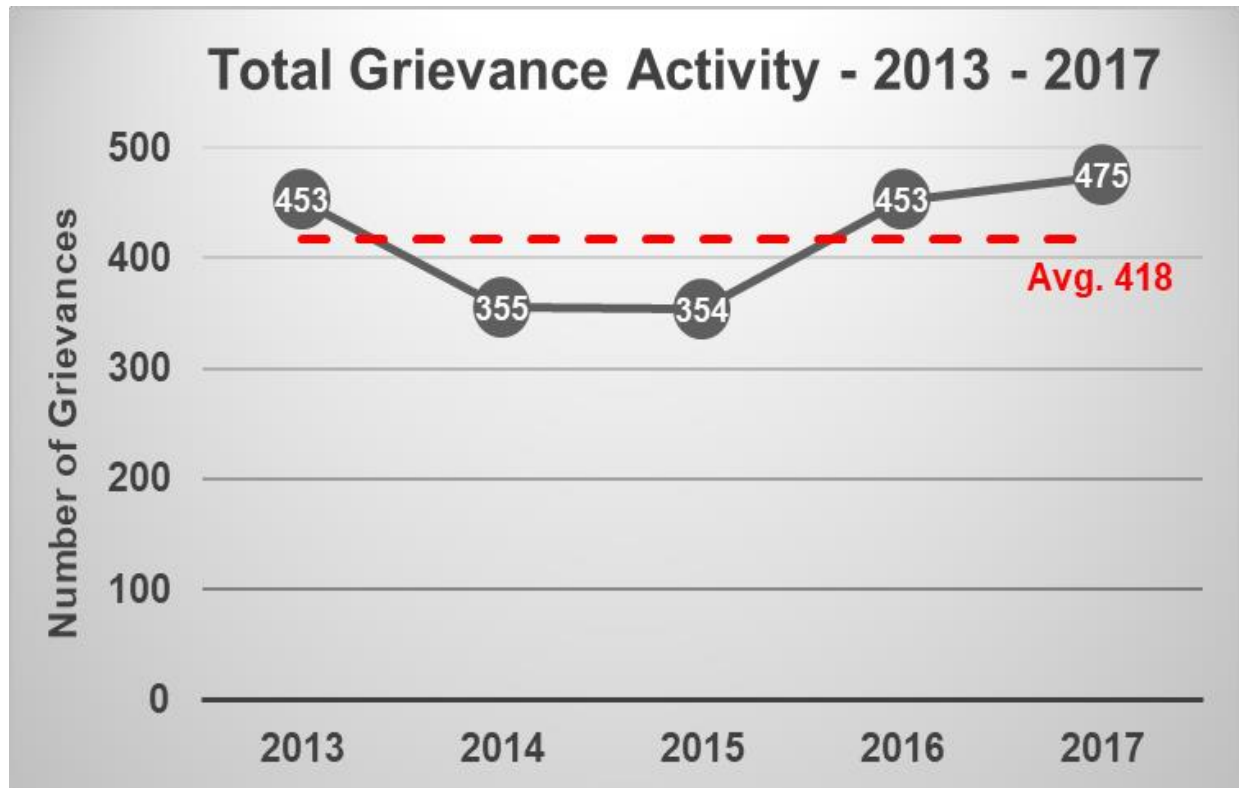
Union Demographics 2017

Union Group	Annualized 2017 Headcount	% of Union Employees within COH	Number of Grievances	% of Overall Grievances submitted by Union	Grievance Rate per 100 Unionized Employees
ATU 107	756	11.95%	50	11%	7
CUPE 1041	320	5.06%	62	13%	19
CUPE 5167	3230	51.03%	211	44%	7
CUPE 5167 Lodges	681	10.76%	18	4%	3
GHVFFA 911	223	3.52%	6	1%	3
HOWEA	45	0.71%	7	1%	16
HPFFA 288	526	8.31%	29	6%	6
IUOE	7	0.11%	0	0%	0
ONA 50 Lodges	54	0.85%	9	2%	17
ONA 50 Public Health	162	2.56%	2	0%	1
OPSEU 256	325	5.14%	81	17%	25
Total	6329	100%	475	100%	8

**5 Employees who have been elected to CUPE 5167 Executive are not included*

Grievance Analysis 2017

Total Grievances per Year (2013-2017):

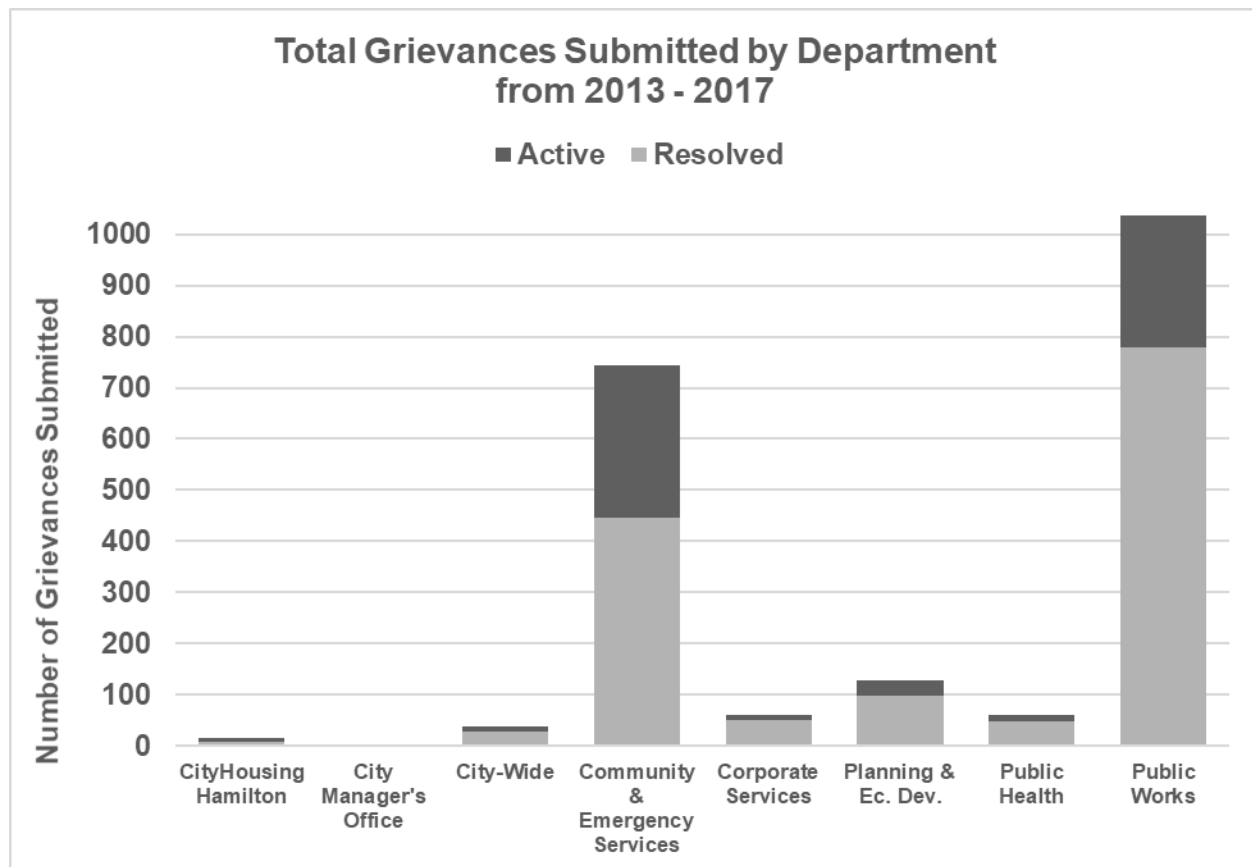


Total Grievances (2013-2017) - Active / Resolved

Year	Number of Grievances Filed	Total Number of Grievances Resolved*	Number of Active Grievances	Number of Grievances Resolved in 2017
2013	453	393	60	0
2014	355	291	64	1
2015	354	269	85	27
2016	453	304	149	130
2017	475	208	267	195
Total	2090	1465	625	353

*Chart above provides a breakdown of the number of active and resolved grievances of the grievances filed in their respective year

Total Grievances by Department



Total Grievances by Department Summary (2013-2017):

Department	2013	2014	2015	2016	2017	Total Grievances Submitted	Total Grievances Resolved	Total Active Grievances
CityHousing Hamilton	1	2	1	4	8	16	8	8
City Manager's Office	0	0	2	2	0	4	4	0
City-Wide	8	8	9	8	5	38	29	9
Community & Emergency Services	182	126	103	138	195	744	447	297
Corporate Services	18	12	6	9	16	61	50	11
Planning & Ec. Dev.	40	22	18	17	32	129	99	30
Public Health	11	14	12	10	14	61	48	13
Public Works	193	171	203	265	205	1037	780	257
Total	453	355	354	453	475	2090	1465	625

Total Grievances by Bargaining Unit

Union Grievance Activity (2013-2017):

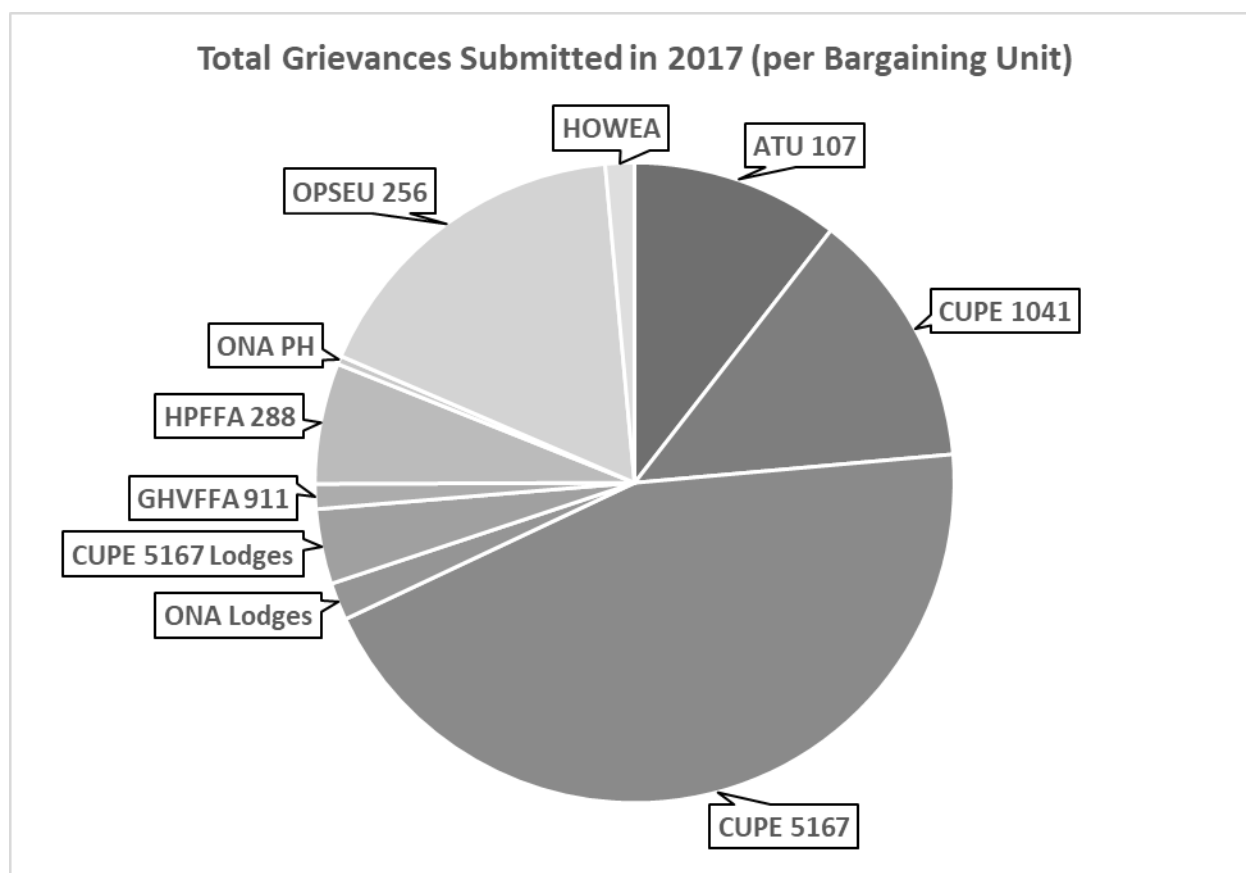


Chart Data:

<i>Bargaining Unit</i>	2013	2014	2015	2016	2017	2016/2017 Percentage Change
ATU 107	23	28	33	30	50	67%
CUPE 1041	29	36	33	35	62	77%
CUPE 5167	244	191	191	284	211	-26%
CUPE 5167 Lodges	33	15	11	9	18	100%
GHVFFA 911	3	2	3	11	6	-45%
HOWEA	10	15	14	14	7	-50%
HPFFA 288	82	33	19	19	29	53%
IUOE 772	1	0	0	0	0	0%
ONALodges	4	1	7	5	9	80%
ONAPH	3	8	3	3	2	-33%
OPSEU 256	21	26	40	43	81	88%
Total	453	355	354	453	475	5%

Grievance Categories

Attendance: Vacation, Stat Holidays, AWOL, Leave of Absence, Bereavement, ASP, Lieu Bank, Sick Bank, Flex Time

Benefits: Health Benefits, Life Insurance, OMERS, AD&D, Benefits

Compensation: Wages, Premium Pay, Shift Premiums, Meal Allowance, Compensation, Acting Pay, Job Evaluation, Retro Pay, Union Dues, Training Allowance, Payout Entitlements

Corporate Policy: DS&CM, Corporate Policy

Discipline: Verbal, Written, Suspension, Discipline

Harassment/Discrimination: Harassment, Discrimination, Human Rights, Toxic/Poisonous Workplace

Hours of Work: Overtime, Call-in, Call-out, Standby, Continuation of the work day, shift schedule, hours of work

Income Protection & RTW: STD, IPP, LTD, Work Accommodation, Return to Work, Doctors Note, Bridging

Job Assignment: Seniority, Conditions of Employment, Restructuring, Transfer, Job Location, Job Share, Shift Change

Job Security: Lay-off, Recall, Bumping,

Recruitment: Job postings & filling, Promotion, Demotion, Complement, Vacancies, Testing, temporary postings, HPSB-Secondary Duties

Termination: Termination, Severance

Work: Duties, Scope, Work of the Bargaining Unit, Contracting Out, Union Representation, Technological Change, Workplace Safety, Meal Breaks

Workplace Admin & Operations Parking, Mileage, City Vehicle, Bus Pass, Confidentiality, Tuition Reimbursement, Performance Appraisal, Admin-other, Clothing Allowance, Cleaning Allowance, Clothing/Uniform, Safety Wear, Training, Missed Page, Seniority

Grievance Categories

Grievance Category Comparison (2016-2017):

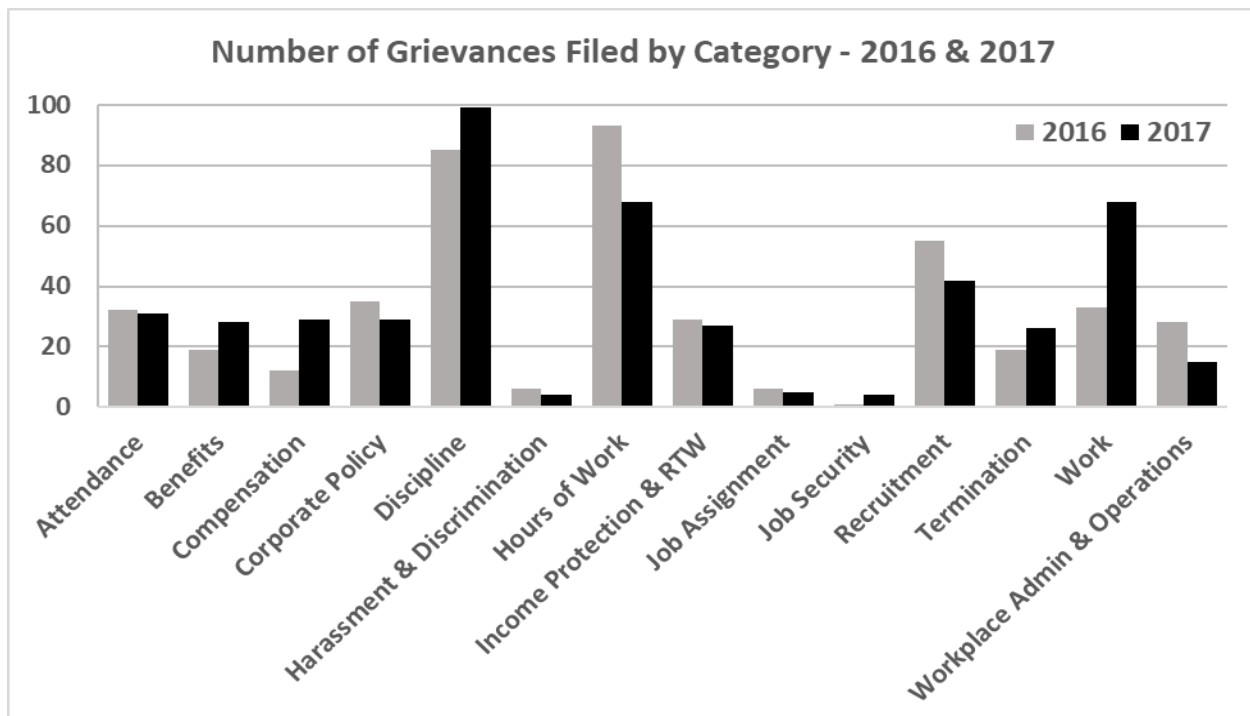
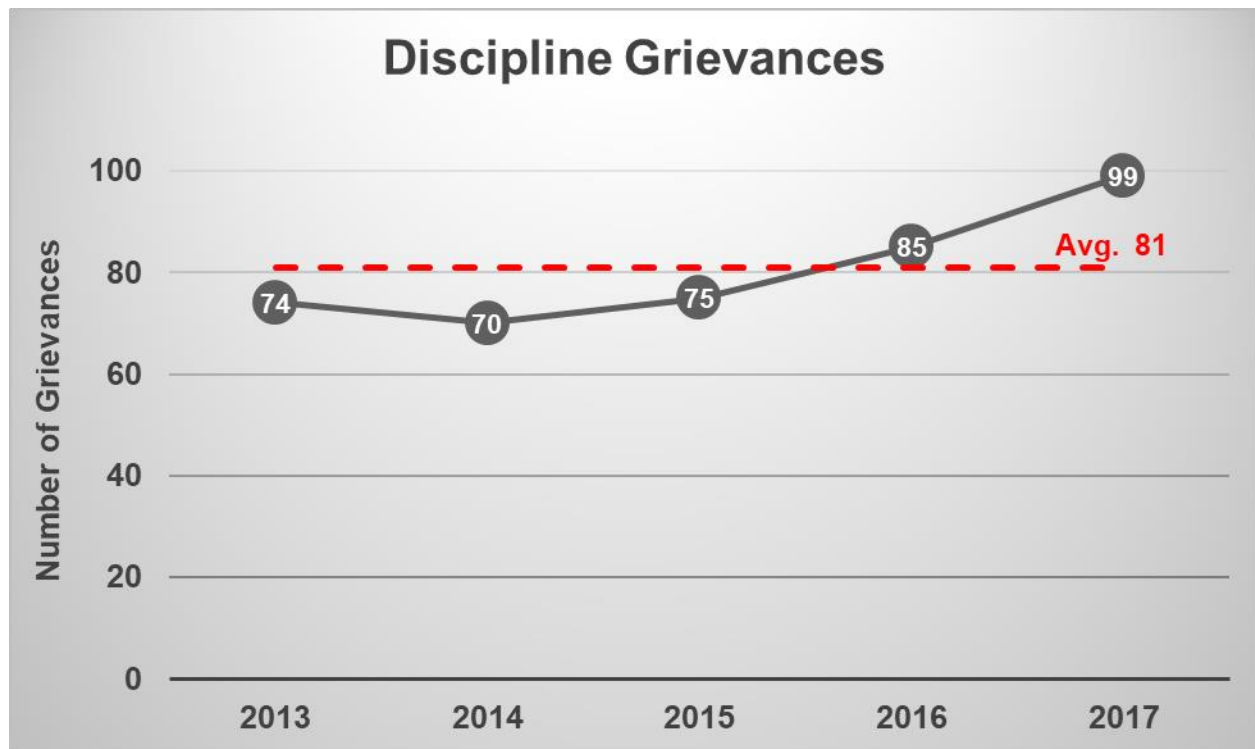


Chart Data:

Grievance Category	Number of Grievances (2016)	Number of Grievances (2017)	% change from 2016 - 2017
Attendance	32	31	-3%
Benefits	19	28	47%
Compensation	12	29	142%
Corporate Policy	35	29	-17%
Discipline	85	99	16%
Harassment & Discrimination	6	4	-33%
Hours of Work	93	68	-27%
Income Protection & RTW	29	27	-7%
Job Assignment	6	5	-17%
Job Security	1	4	300%
Recruitment	55	42	-24%
Termination	19	26	37%
Work	33	68	106%
Workplace Admin & Operations	28	15	-46%
TOTAL	453	475	5%

Grievance Categories, by Union (2013-2017):**Top five grieved issues in 2017:****1. Discipline - Verbal, Written, Suspension, Discipline****Chart Data:**

Discipline	2013	2014	2015	2016	2017
ATU Local 107	4	10	11	9	14
CUPE Local 1041	9	1	5	5	7
CUPE Local 5167	49	55	56	65	68
CUPE Local 5167 Lodges	7	1	2	1	6
GHVFFA Local 911 Vol Fire	1	1	0	0	0
HOWEA Water Treatment Plant	0	0	1	3	0
HPFFA Local 288 Fire	0	1	0	1	0
ONA Local 50 Health	2	0	0	0	0
ONA Local 50 Lodges	1	1	0	1	4
OPSEU Local 256 EMS	1	0	0	0	0
Total	74	70	75	85	99

Error! Not a valid link. Grievance Categories, by Union (2013-2017):

2. Hours of Work - Overtime, Call-in, Call-out, Standby, Continuation of the work day, shift schedule, hours of work

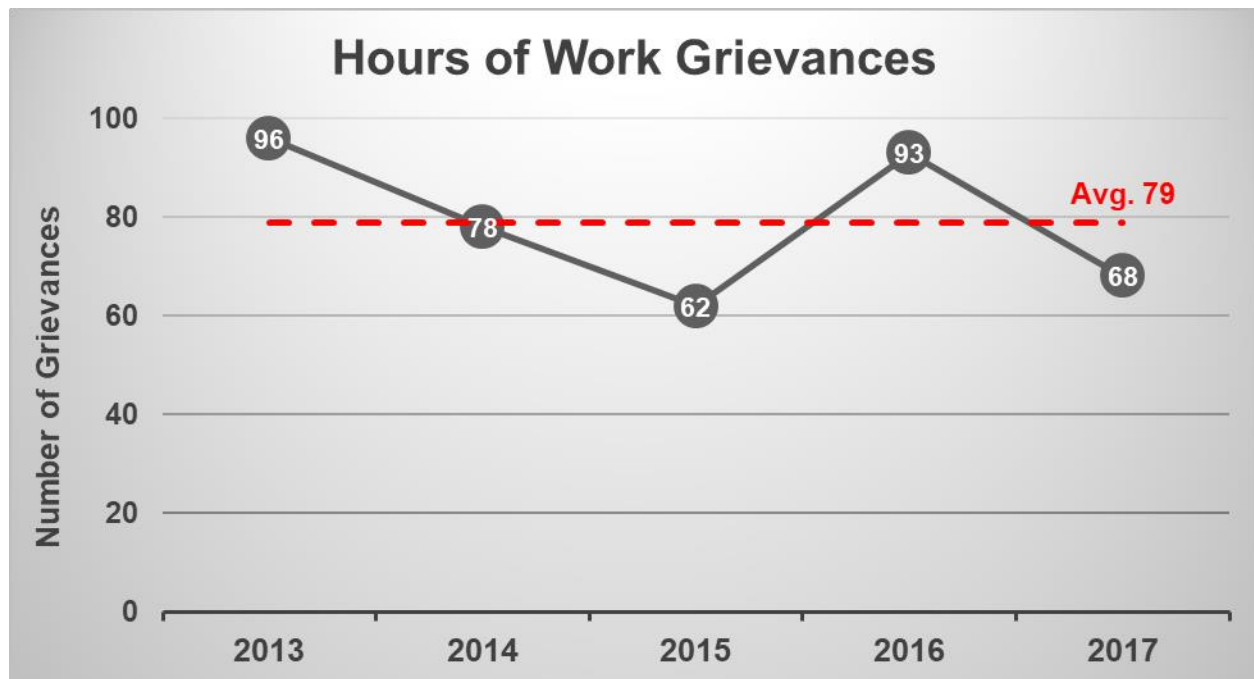


Chart Data:

Hours of Work	2013	2014	2015	2016	2017
ATU Local 107	2	10	2	2	9
CUPE Local 1041	3	9	5	5	2
CUPE Local 5167	74	43	35	65	22
CUPE Local 5167 Lodges	7	2	1	3	3
GHVFFA Local 911 Vol Fire	0	0	0	0	1
HOWEA Water Treatment Plant	2	5	1	4	1
HPFFA Local 288 Fire	2	0	2	1	1
ONA Local 50 Health	0	0	0	0	0
ONA Local 50 Lodges	3	0	0	0	3
OPSEU Local 256 EMS	3	9	16	13	26
Total	96	78	62	93	68

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Grievance Categories, by Union (2013-2017):

Appendix A to Report HUR18006

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3. Work - Duties, Scope, Work of the Bargaining Unit, Contracting Out, Union Representation, Technological Change, Workplace Safety, Meal Breaks



Chart Data:

Work	2013	2014	2015	2016	2017
ATU Local 107	1	0	0	5	7
CUPE Local 1041	1	5	2	3	36
CUPE Local 5167	5	9	6	5	4
CUPE Local 5167 Lodges	4	0	1	0	3
GHVFFA Local 911 Vol Fire	0	0	0	6	3
HOWEA Water Treatment Plant	3	7	12	3	3
HPFFA Local 288 Fire	5	2	1	4	5
ONA Local 50 Health	0	0	0	0	0
ONA Local 50 Lodges	0	0	2	3	0
OPSEU Local 256 EMS	1	1	0	4	7
Total	20	24	24	33	68

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4. Recruitment - Job postings & filling, Promotion, Demotion, Complement, Vacancies, Testing, temporary postings, HPSB-Secondary Duties

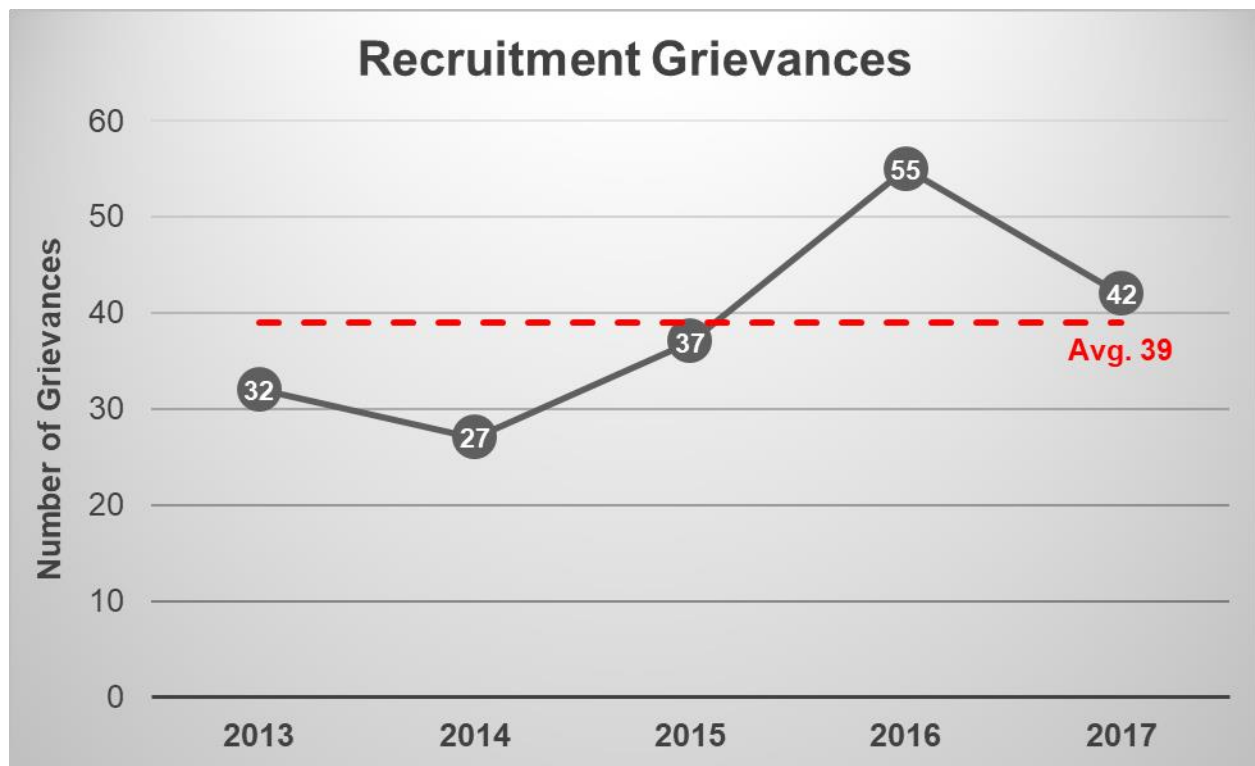


Chart Data:

Recruitment	2013	2014	2015	2016	2017
ATU Local 107	3	0	10	6	3
CUPE Local 1041	1	4	1	3	1
CUPE Local 5167	26	20	20	34	27
CUPE Local 5167 Lodges	0	3	1	1	0
GHVFFA Local 911 Vol Fire	1	0	0	0	0
HOWEA Water Treatment Plant	1	0	0	1	0
HPFFA Local 288 Fire	0	0	0	2	0
ONA Local 50 Health	0	0	1	0	1
ONA Local 50 Lodges	0	0	0	0	0
OPSEU Local 256 EMS	0	0	4	8	10
Total	32	27	37	55	42

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Grievance Categories, by Union (2013-2017):

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5. Attendance - Vacation, Stat Holidays, AWOL, Leave of Absence, Bereavement, ASP, Lieu Bank, Sick Bank, Flex Time

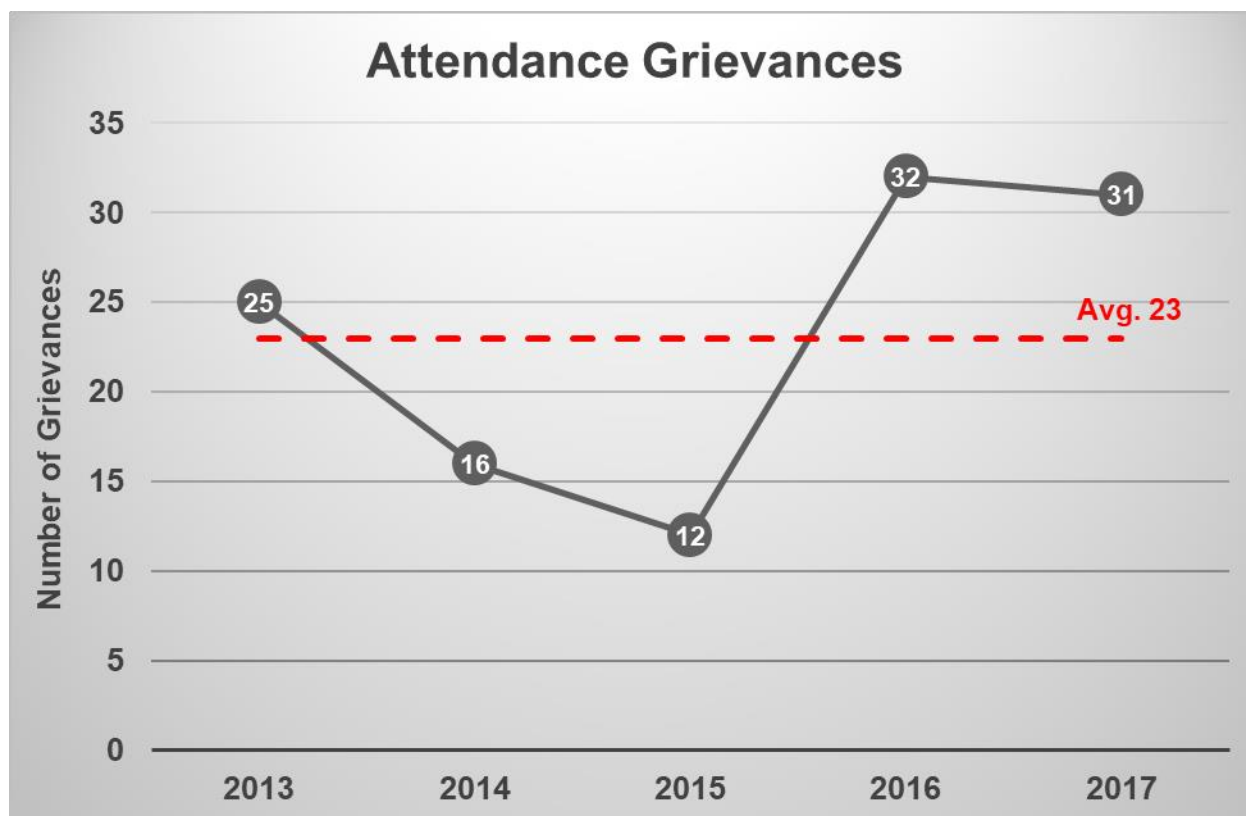


Chart Data:

Attendance	2013	2014	2015	2016	2017
ATU Local 107	2	0	1	0	3
CUPE Local 1041	1	4	1	7	3
CUPE Local 5167	6	7	5	19	9
CUPE Local 5167 Lodges	4	2	2	2	1
GHVFFA Local 911 Vol Fire	0	0	0	0	0
HOWEA Water Treatment Plant	1	0	0	0	1
HPFFA Local 288 Fire	0	0	0	0	0
ONA Local 50 Health	1	0	1	0	0
ONA Local 50 Lodges	0	0	0	0	0
OPSEU Local 256 EMS	10	3	2	4	14
Total	25	16	12	32	31

Error! Not a valid link.Labour Relations Fees 2017

**Amounts are rounded to the nearest dollar*

Appendix A to Report HUR18006

Labour Relations Total Fees (Grievance and Non-Grievance):

	Mediator Fees	Arbitrator Fees	Legal Fees	Total LR Fees
2017 Totals	\$ 35,203	\$ 122,182	\$ 651,887	\$ 809,271
2016 Totals	\$ 34,097	\$ 52,271	\$ 423,269	\$ 509,637
Difference	\$ 1,106	\$ 69,911	\$ 228,618	\$ 299,634
Percentage Changes	3.24%	133.75%	54.01%	58.79%

Grievance Activity by Department

Department	Mediator Fees	Arbitrator Fees	Legal Fees	Total Labour Relations Fees	% of total fees per Department
CityHousing Hamilton	\$ 257	\$ 2,166	\$ 5,401	\$ 7,824	1.4%
City Manager's Office	\$ -	\$ 4,346	\$ 12,569	\$ 16,915	3.0%
Community & Emergency Services	\$ 5,648	\$ 26,893	\$ 95,603	\$ 128,143	22.6%
Corporate Services	\$ 1,399	\$ 7,314	\$ 18,633	\$ 27,347	4.8%
Planning & Economic Development	\$ 1,389	\$ -	\$ -	\$ 1,389	0.2%
Public Health	\$ 1,425	\$ 2,177	\$ 10,245	\$ 13,848	2.4%
Public Works	\$ 21,540	\$ 69,532	\$ 280,189	\$ 371,261	65.5%
Total Fees (2017)	\$ 31,659	\$ 112,428	\$ 422,640	\$ 566,726	
<i>Total Fees (2016)</i>	<i>\$ 32,570</i>	<i>\$ 52,271</i>	<i>\$ 281,155</i>	<i>\$ 365,996</i>	

Grievance Activity by Category

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Grievance Category	Mediator Fees	Arbitrator Fees	Legal Fees	Total Labour Relations Fees	% of total fees per grievance category
Attendance	\$ 1,470	\$ -	\$ 225	\$ 1,695	0.3%
Benefits	\$ 342	\$ 9,862	\$ 36,760	\$ 46,964	8.3%
Compensation	\$ 700	\$ 5,469	\$ 15,682	\$ 21,851	3.9%
Corporate Policy	\$ 2,291	\$ 7,876	\$ 20,698	\$ 30,866	5.4%
Discipline	\$ 9,112	\$ 4,002	\$ 17,075	\$ 30,189	5.3%
Harassment & Discrimination	\$ 912	\$ 5,989	\$ 5,011	\$ 11,913	2.1%
Hours of Work	\$ 4,563	\$ 2,178	\$ 14,833	\$ 21,574	3.8%
Income Protection & RTW	\$ 2,154	\$ -	\$ 2,424	\$ 4,578	0.8%
Job Assignment	\$ 257	\$ -	\$ -	\$ 257	0.0%
Job Security	\$ 833	\$ -	\$ 1,049	\$ 1,883	0.3%
Recruitment	\$ 3,401	\$ 6,670	\$ 30,443	\$ 40,514	7.1%
Termination	\$ 4,090	\$ 54,952	\$ 228,098	\$ 287,141	50.7%
Work	\$ 963	\$ 6,516	\$ 24,777	\$ 32,256	5.7%
Workplace Admin & Operations	\$ 569	\$ 8,913	\$ 25,562	\$ 35,045	6.2%
Total Fees (2017)	\$ 31,659	\$ 112,428	\$ 422,640	\$ 566,726	
<i>Total Fees (2016)</i>	<i>\$ 32,570</i>	<i>\$ 52,271</i>	<i>\$ 281,155</i>	<i>\$ 365,996</i>	

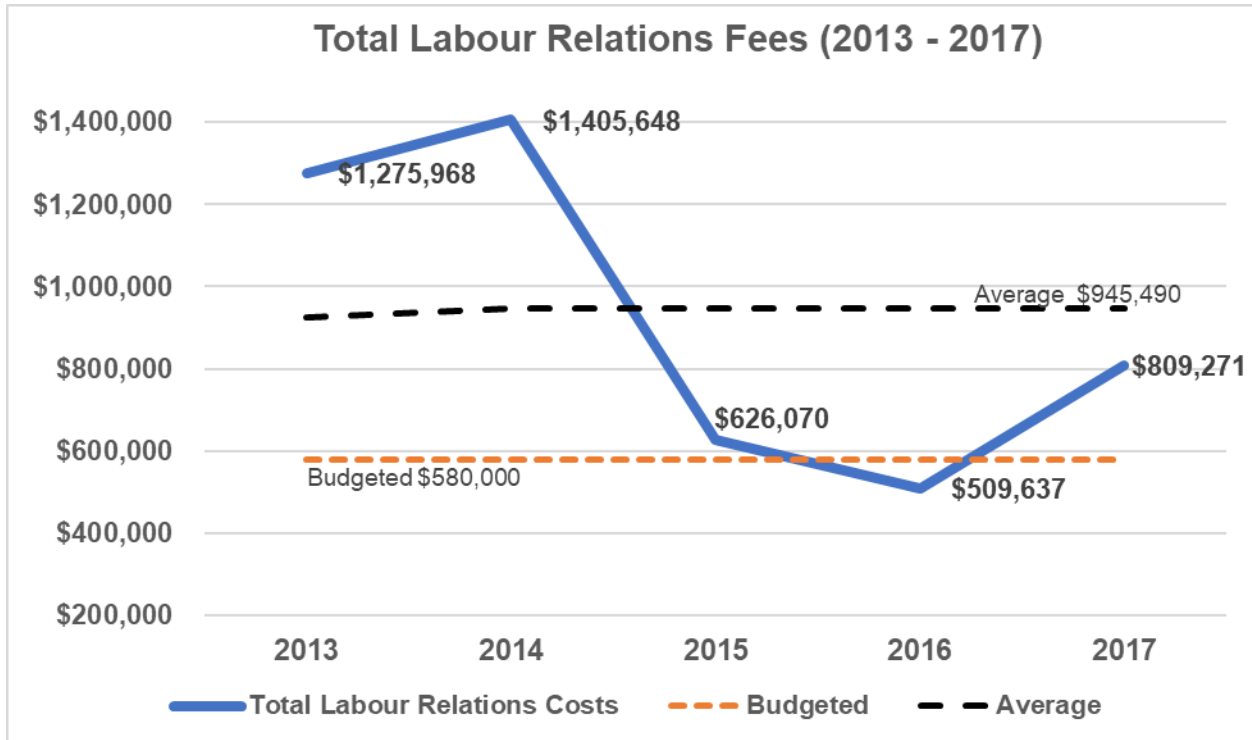
Non-Grievance Activity

Appendix A to Report HUR18006

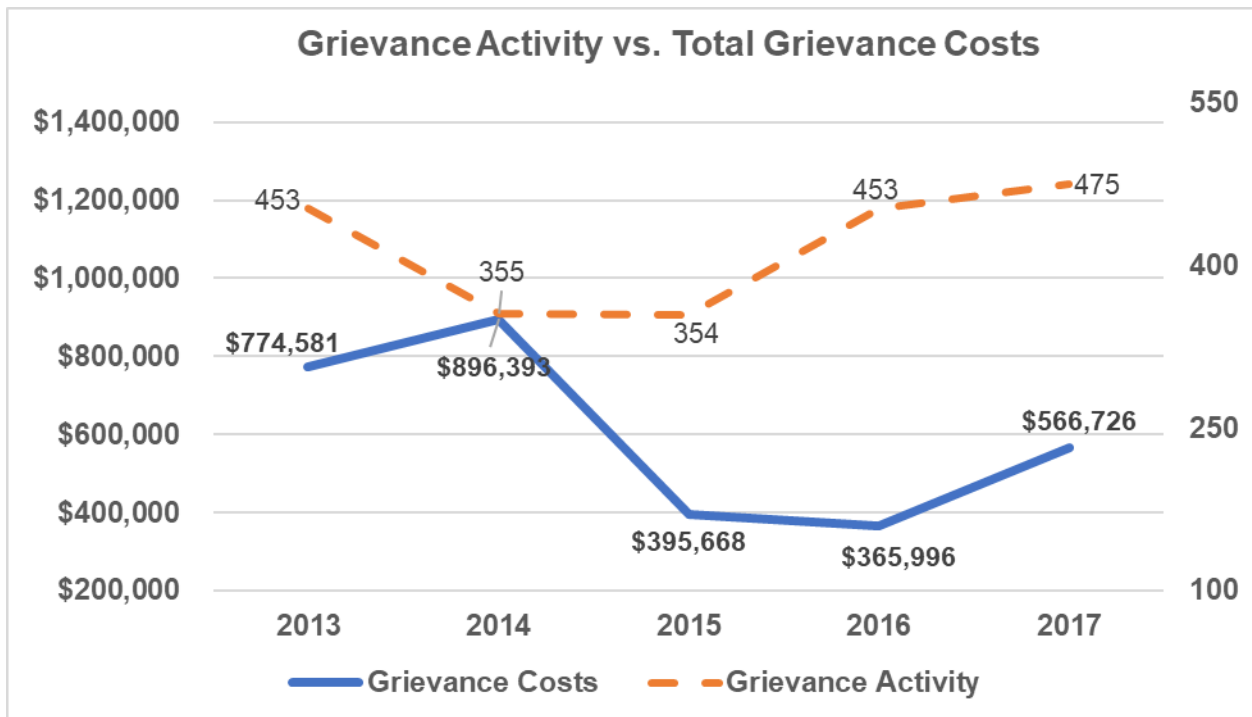
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Description	Mediator Fees	Arbitrator Fees	Legal Fees (External Only)	Total Labour Relations Fees	Percentage of Total Fees
Interest Arbitration	\$ -	\$ 9,754	\$ 64,129	\$ 73,883	30.5%
Non-Union Termination	\$ 3,544	\$ -	\$ 45,106	\$ 48,650	20.1%
Non-Grievance Human Rights	\$ -	\$ -	\$ 68,177	\$ 68,177	28.1%
Non-Grievance Legal	\$ -	\$ -	\$ 51,835	\$ 51,835	21.4%
Total Fees - Non-Grievance (2017)	\$ 3,544	\$ 9,754	\$ 229,247	\$ 242,545	
<i>Total Fees - Non-Grievance (2016)</i>	<i>\$ 1,527</i>	<i>\$ -</i>	<i>\$ 212,712</i>	<i>\$ 214,239</i>	
Percentage Change	132.09%	100.00%	7.77%	13.21%	

Total Legal, Mediation & Arbitration Fees:



Total Grievance Costs (Legal, Mediation & Arbitration) vs. Grievance Activity:



CUPE 5167	Termination
<ul style="list-style-type: none"> Grievor was terminated for off duty conduct. Dismissed. 	
CUPE 5167	Termination
<ul style="list-style-type: none"> Grievor was terminated for insubordination. Grievance was settled via consent award at arbitration. Arbitrator acknowledged that the relationship between the Employer and the Grievor was irreparably harmed and did not reinstate the Grievor. Dismissed 	
CUPE 1041	Past Practice
<ul style="list-style-type: none"> Union disputed how stat holiday pay is processed for HPS Supervisors Dismissed 	
CUPE 5167	Termination
<ul style="list-style-type: none"> Grievor terminated for violation of LCA for off duty drug use. Withdrawn 	
CUPE 5167	Termination
<ul style="list-style-type: none"> Union seeking damages from Employer for remarks made in press by city staff and elected officials Dismissed 	
CUPE 1041	Terminations
<ul style="list-style-type: none"> Grievor terminated during probationary period for performance concerns. Dismissed. 	
CUPE 5167	Shift Scheduling
<ul style="list-style-type: none"> Union disputes how shifts were scheduled on weeks that contain a statutory holiday. Settled – Agreement was reached whereby, the process of scheduling employees will remain the same for the 2017 year. Thereafter the scheduling will be done as if it was scheduled overtime. 	
CUPE 5167	Benefits
<ul style="list-style-type: none"> Union sought to have part-time employees that were in temporary full-time positions, entitled to the benefits coverage. The City had a long standing contrary practice. Allowed – the arbitrator determined temporary full time employees are entitled to benefit coverage. 	
ONA Lodges	Influenza Policy
<ul style="list-style-type: none"> The union submitted a policy and individual grievance challenging various aspects of the Employer's policy on Influenza Outbreak and Exclusion policy. Dismissed 	
HPFFA	Benefits
<ul style="list-style-type: none"> Union disputed the City's benefit provider's ability to ask for additional information prior to issuing payment for health benefits. Dismissed 	
HPFFA	Benefits
<ul style="list-style-type: none"> Union disputed the City's benefit provider's ability to ask for additional information prior to issuing payment for dental benefits. Dismissed 	



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
 Energy, Fleet and Facilities Management Division
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 21, 2018
SUBJECT/REPORT NO:	50 Main Street East Finance Update (PW18021) (FCS18024) (Ward 2 and City Wide)
WARD(S) AFFECTED:	Ward 2 and City Wide
PREPARED BY:	Tom Briatico (905) 546-2424, Extension 7042 Robyn Ellis (905) 546-2424, Extension 2616 Joseph Spiler (905) 546-2424, Extension 4519
SUBMITTED BY:	Rom D'Angelo, C.E.T.;CFM Director, Energy, Fleet and Facilities Management Public Works Department
SIGNATURE:	
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION

- (a) That the additional project budget, as described in Report PW18021 / FCS180424, in the amount of \$1.438M, be debt financed and funded from lease savings;
- (b) That the revised funding for the \$37,237,998 overall project budget at 50 Main Street East (3541441401) be approved as follows:
- \$17,480,000 Original Construction – Debt funded from additional Net POA Revenues – Debt charge of \$1.575 M; 15 years, amortized at 4% interest rate;
 - \$10,000,000 Original Construction – Debt funded through levy of \$7.7 M and Development Charges (DC) of \$2.3 M;

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SUBJECT: 50 Main Street East Budget Update (PW18021 / FCS18024) (Ward 2 and City Wide) ~ Page 2 of 9

- | | |
|-------------|--|
| \$4,900,000 | Hamilton Community Energy Infrastructre – Debt funded through levy – Debt charge of \$440 K; 15 years, amortized at 4% interest rate; |
| \$349,998 | Capital Budget Increase Work-in-Progress (WIP) Appropriations (December 2017); |
| \$500,000 | Window Insulation funded from Red Light Camera Reserve; |
| \$1,000,000 | Tenant Fit-ups – Funded from 50 Main Street East Facility Capital Reserve; |
| \$1,570,000 | Tenant Fit-ups – Debt funded from lease savings – Debt charge of \$150 K; 15 years, amortized at 4% interest rate; |
| \$1,438,000 | Capital Budget Increase – Debt funded from additional lease savings – Debt charge of \$130 K; 15 years, amortized at 4% interest rate. |
- (c) That the General Manager, Finance and Corporate Services, be authorized to negotiate the terms and placement of a debenture issue(s), and / or private placement debenture issue(s), and / or bank loan agreement and debenture issue(s), and / or variable interest rate bank loan agreement and debenture issue(s), in an amount not to exceed \$35,388,000 Canadian currency related to 50 Main Street East included in Report PW18021/FCS18024, which includes \$2,300,000 in Development Charges Tax Supported debt;
- (d) That the General Manager, Finance and Corporate Services, be authorized to engage all required professional services to implement subsection (b), including but not limited to, external legal counsel and fiscal agents;
- (e) That the General Manager, Finance and Corporate Services, Mayor and City Clerk are each authorized and directed to enter into and / or execute, on behalf of the City of Hamilton, all agreements and necessary ancillary documents requiring their respective signatures to implement subsection (b), in a form satisfactory to the City Solicitor;
- (f) That all necessary By-Law(s) be passed to authorize the debenture issue(s) negotiated and placed in accordance with subsection (b).
- (g) That pursuant to the City's Procurement Policy By-law (Policy #11 – Non-Competitive Procurements), a single source procurement for the additional budget requirements for 50 Main Street East, Hamilton, be awarded to the Construction Manager currently onsite, Eastern Construction Company Limited, to be added to the Purchase Order to complete contract C11-15-15;
- (h) That the General Manager of Public Works be authorized to negotiate, enter into and execute all required documentation to give effect thereto with Eastern Construction Company Limited, in a form satisfactory to the City Solicitor.

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SUBJECT: 50 Main Street East Budget Update (PW18021 / FCS18024) (Ward 2 and City Wide) ~ Page 3 of 9

EXECUTIVE SUMMARY

The purpose of this report is to gain Council approval on remaining funding required to complete the capital renovation at 50 Main Street East, and an increase to the Construction Manager's (Eastern Construction Company Ltd.) scope and Purchase Order as a follow up to staff Report PW17044 in July 2017.

Referring to the analysis section of the report, there are a number of factors behind the requested budget increase as follows:

1. Unforeseen expenses due to site conditions;
2. Past value-engineering was successful but is complete;
3. Funding gap required to complete the project; and,
4. Avoiding schedule delay.

Alternatives for Consideration – See Page 9

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The increase in capital budget of \$1.438M is required to complete the project at 50 Main Street East, as described in Report PW18021/FCS18024:

Table 1

POA Project Cost / Funding Update

Item	Budget	Funding	Funding Details
GIC Nov. 2013 FCS13090(a)	\$32,380,000		
Original Construction		\$17,480,000	Debt funded from additional Net POA revenues - Debt charge of \$1.575 M; 15 years, amortized at 4% interest rate
Original Construction		\$10,000,000	Debt funded – Levy debt of \$7.7 M and DC Debt of \$2.3 M
HCE Infrastructure		\$4,900,000	Levy debt financed – Debt charge of \$440 K; 15 years, amortized at 4% interest rate
HCE pipes tie-in	\$349,998	\$349,998	WIP Appropriations (Dec. 2017)
GIC Jan. 2014 FCS13909(a) Window insulation	\$500,000	\$500,000	Red Light Camera Reserve

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SUBJECT: 50 Main Street East Budget Update (PW18021 / FCS18024) (Ward 2 and City Wide) ~ Page 4 of 9

Tenant Fit-up Renovations, Floors 3 to 5 re Legal, Risk Management and Audit	\$2,570,000	\$1,000,000	50 Main Street East Facility Capital Reserve (formerly named McMaster Facility Capital Reserve)
		\$1,570,000	Debt funded from lease savings for Legal and Risk Management – Debt charge of \$150 K; 15 years, amortized at 4% interest rate
Capital Project Budget Increase (detailed in this Report)	\$1,438,000	\$1,438,000	Debt funded from lease savings – Debt charge of \$130 K; 15 years, amortized at 4% interest rate
Total	\$37,237,998	\$37,238,998	

Table 1 above is a summary of the revised project costs/funding. Table 2 as follows is a summary of the operating costs and existing lease savings.

Table 2

Summary of the Operating Costs and Existing Lease Savings

50 Main Street East Revised Operating Costs:

Estimated Energy and Utility Pay per Use Central Plant	\$114,000	Variable
Utility estimate per use remainder of building	150,000	Variable
Estimated Operating and Maintenance Costs	60,000	TBD
Capital Reserve Provision	96,290	
Estimated Facility Operating Costs (less Energy)	369,000	Variable
Subtotal	\$789,290	
Less Uncommitted POA Revenues:		
Current 50 Main Street East Operating and Maintenance Budget	\$322,000	
POA, Legal and Risk Management Uncommitted Lease	467,290	
Subtotal	\$789,290	
Net Operating Cost Impact	\$0	

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SUBJECT: 50 Main Street East Budget Update (PW18021 / FCS18024) (Ward 2 and City Wide) ~ Page 5 of 9

Lease Cost Savings Summary:

Sopinka Courthouse	\$430,000
Legal and Risk Management	317,290
Less Tenant Fit-ups debt financing of \$1.57 M	-150,000
Less Construction Capital Budget increase debt Financing of \$1.438 M	-130,000
Total	\$467,290

Total Debt Financing for 50 Main Street East:

Original Construction – Levy Debt Funded	\$ 7,700,000
HCE Infrastructure – Levy Debt Funded	4,900,000
Subtotal – Levy funded Debt	\$12,600,000
Original Construction – DC Debt Funded	\$ 2,300,000
Original Construction – Debt charges funded from POA Revenue Increase	17,480,000
Tenant Fit-ups – Debt charges funded from Lease Savings	1,570,000
Construction Capital Budget Increase Jan. 2018 – Debt charged funded from Lease Savings	1,438,000
Total Debt	\$35,388,000

As of 2017, the annual operating/maintenance budget for 50 Main Street East had not been updated since it was reduced due to its vacancy status and remained at the original \$322 k. Table 2, above, outlines how annual Operating Costs would be funded moving forward with zero net Operating Cost Impact at 50 Main Street East.

Staffing: There are no new staffing implications associated with this Report. Staffing for additional courts and Provincial Offences Administration (POA) operations was covered within the previous report, Relocation of POA Courtrooms and Offices (PED13204) (PW13079) (LS13035) (FCS13090) (City Wide), November 20, 2013. As it relates to Facilities operations and maintenance, there are no new staffing implications when this building comes back on line in 2018. Over the past five years we have seen an increase in the facilities stock to over 500 facilities, without the offsetting request to increase staff. This creates a gap in the relative needs in sustaining, maintaining and operating the building systems within the existing and the new stock of facilities. Meanwhile, existing facilities face a growing backlog of deferred capital. While recognizing the need to be frugal and responsible in managing resources, the staff originally stationed 50 Main Street East was redeployed during construction to help address the backlog at the other sites, this move provided management the flexibility to schedule work and avoid outsourcing of services at these sites thereby avoiding a higher cost. Staff will now be moved back to 50 Main Street East to operate & maintain the facility upon completion of construction.

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SUBJECT: 50 Main Street East Budget Update (PW18021 / FCS18024) (Ward 2 and City Wide) ~ Page 6 of 9

Legal: There are no new legal implications associated with this Report. All agreements will be in a form acceptable to the City Solicitor. There will be no constructor issues under the Occupational Health and Safety Act as long as the same general contractor is used for all of the renovations at 50 Main Street East.

HISTORICAL BACKGROUND

On August 13, 2012, City staff was informed by then Ontario Realty Corporation (ORC) that this would be the final lease renewal of the John Sopinka Courthouse (JSCH). The reason provided was identified as the escalating and projected demands for courtrooms and related space in the JSCH.

On November 20, 2013, GIC approved the Recommendation Report (PED13204) (PW13079) (LS13035) (FCS13090) (City Wide), later approved by Council. This included approval and budget to renovate 50 Main Street East, which was approved as the new location of the Provincial Offences Administration (POA) courtrooms and offices on floors 1 and 2. On January 17, 2014 Information Report (PED13204b) (PW13079b) (LS13035b) (FCS13090b) (City Wide) first considered occupancy for the upper floors, floors 3 to 5, of 50 Main Street East. This included a preliminary assessment of some Divisions coming from lease which might be relocated to the upper floors.

The demolitions & renovations at 50 Main Street East began in early 2016, after being tendered to a Construction Manager. Under the Construction Management model, tendering of sub-trade construction packages were ongoing throughout the project to gain competitive pricing.

On June 7, 2017, GIC approved the Recommendation Report (PW17044) (Ward 2 and City Wide), later approved by Council. This included approval and budget to renovate floors 3 to 5 to accommodate Legal, Risk and Audit at 50 Main Street East. That work is commencing shortly and is anticipated to be completed within the required schedule.

Now early 2018, it is anticipated that all subcontractors on the current renovation project at 50 Main Street East will be approaching completion within the next 3 months, prior to City staff moving in early Q3 2018. The project is on schedule, however does require a budget increase. The remaining work covered by the budget increase cannot be easily completed once the POA Courthouse is occupied and operational. City staff are tentatively scheduled to move back into the building starting in June 2018 and regular POA operations are anticipated to commence late August 2018.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

➤ Budget Increase

In accordance with the Procurement By-Law and Appropriation Policy, staff is bringing this matter to Council since the project costs are anticipated to exceed the budget by more than \$250,000. The additional project budget of \$1.438M represents less than 4% of the total project budget.

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SUBJECT: 50 Main Street East Budget Update (PW18021 / FCS18024) (Ward 2 and City Wide) ~ Page 7 of 9

➤ Single Source

The recommendation of a single source is consistent with Procurement Policy #11, Non-competitive Procurements. A Request for Proposals was issued to secure the services of a Construction Manager. Eastern Construction Company Limited was the successful proponent and was awarded the contract. The Request for Proposals facilitated a competitive and transparent process as per the City's Procurement Policy and as recommended by the City of Hamilton Procurement Section.

➤ Facility Design

There are no new policy implications associated with the design of the facility. The facility design being implemented is in compliance with all existing Corporate and Provincial policies and procedures, the Memorandum of Understanding and the Local Side Agreement (POA transfer documents), and the Province of Ontario Architectural Design for Court Houses. A design that is consistent with Standards and Guidelines as well as heritage conservation was developed to address the interior renovations of all floors. The design also took into account all applicable policies (e.g. The Accessibility for Ontarians with Disabilities Act (AODA), Ontario Building Code (OBC), etc.) and develop an approach that minimizes impact on the heritage features and is compatible with heritage value.

RELEVANT CONSULTATION

The following Departments / Divisions / Sections have reviewed and contributed to this Report:

Corporate Services, Procurement

- Reviewed the procurement aspects of the Report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The following are some of the factors behind the requested budget increase:

1. Unforeseen expenses due to site conditions

Unforeseen unbudgeted expenses already completed (or started) included but were not limited to a \$2,633,721 overage compared to budget on items as follows in Table 3 below:

Table 3: Unforeseen expenses already completed (or started)

Description	Initial Cost Estimate	Resulting Tender / Cost	Overage (Unbudgeted)
Asbestos Abatement	\$ 383,472	\$ 966,944	\$583,472
Demolition	1,033,492	1,204,761	471,269
HCE Underground Pipe	0	349,998	349,998
Main Sewer Line Replacement, plus adjoining services and associated floor	0	275,000	275,000

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SUBJECT: 50 Main Street East Budget Update (PW18021 / FCS18024) (Ward 2 and City Wide) ~ Page 8 of 9

Generator in lieu of Alectra delay	100,000	290,000	190,000
Alectra electrical feed upgrade	186,153	223,135	36,982
Removal of contaminated soil	0	30,000	30,000
Unanticipated lead removal	0	20,000	20,000
Design, engineering & due diligence	1,636,000	1,780,000	144,000
Accommodation renos, floors 3 to 5	2,100,000	2,633,000	533,000
Total	\$5,439,117	\$7,772,838	\$2,633,721

2. Past value-engineering was successful but is complete

In an attempt to keep the project on budget, and overcome the set-back of unforeseen expenses, staff completed value-engineering with the Project Team wherever possible to bring the costs back in line with the overall Council-approved budget. This process of value-engineering was completed many times throughout the project. Examples include savings from removal of scope such as the retaining wall work, HVAC cost-savings on floors 3-5, etc. While this past work was successful at overcoming some of the unforeseen expenses to bring the project closer to budget, there is no remaining scope, time, or opportunity to complete any further value-engineering.

3. Funding gap required to complete the project

Despite successful value-engineering in the past to overcome some of the unforeseen expenses, the project team has a funding gap required to complete the project and pay all remaining project expenses as follows in Table 4.

Table 4: Remaining Project Expenses (Jan. 2018)

Description	Cost
Eastern PO Increase, Floors 3 to 5	\$2,633,000
Contingency and Fees for Floors 3 to 5	399,018
HCE underground pipe	349,998
IT	210,000
Moving Costs and Furniture	300,000
Invizij Design and Contract Admin	144,000
Invoice for extra from Alectra	36,982
Total	\$4,072,998
Available Funds Report (AFR)	2,635,000
Shortfall	-\$1,437,998

4. Avoiding schedule delay

Now early 2018, it is anticipated that all subcontractors on the current renovation project at 50 Main Street East will be approaching completion within the next 3 months, prior to City staff moving in early Q3 2018. The project is on schedule, however does require a budget increase.

The remaining work covered by the budget increase cannot be easily completed once the POA Courthouse is occupied and operational. Not approving the budget increase or delaying a budget increase would impact the project schedule. A delay to the project

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SUBJECT: 50 Main Street East Budget Update (PW18021 / FCS18024) (Ward 2 and City Wide) ~ Page 9 of 9

schedule could negatively impact move-in dates for staff and the start of POA operations. City staff are tentatively scheduled to move back into the building starting in July 2018 and regular POA operations are anticipated to commence late August 2018.

In summary, despite requests for additional funds, the reality is that the final project expense in cost per square foot is within the industry standard overall. Project costs for 50 Main Street East were less than \$340 per square foot. Looking at hard construction costs within the revised project budget, this equates to less than \$280 per square foot construction costs, and still includes items such as asbestos & lead abatement. This falls well within industry standard for this type of construction in a Courthouse. As an example of a similar retrofit, City Hall exceeded \$380 per square foot construction costs nearly 9 years ago, which is \$100 per square foot more than the expenditure at 50 Main Street East. The total unfavourable budget variance at 50 Main Street is less than 4% of the total project budget. Variance within 10% of the project budget is fairly typical for major construction, particularly where market rates may vary as an external factor and with inflation at an average of 2.5% per year.

ALTERNATIVES FOR CONSIDERATION

At this time, there are no alternatives for consideration.

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APPENDICES AND SCHEDULES ATTACHED

None.

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INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 21, 2018
SUBJECT/REPORT NO:	Public Works Fleet Service Review Update (PW18022) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Jack Sheen (905) 546-2424, Extension 4593
SUBMITTED BY:	Rom D'Angelo, C.E.T.;CFM Director of Energy, Fleet and Facilities Management Public Works Department
SIGNATURE:	

Council Direction:

The report titled Corporate Service Delivery Review – Selection of Opportunities for Service Improvement (CM11009(c)/FCS11056(c)) (City Wide), directed that Fleet Management related opportunities be reviewed for potential savings or efficiencies and implementation requirements. Further, staff was directed to report back to the General Issues Committee with the findings and recommendations as outlined in the KPMG “Fleet Services Review” attached to this report as Appendix A.

Information:

The 2012 Service Delivery Review identified several opportunities for continuous improvements and efficiencies as it relates to Fleet Services Management. With limited remaining funds available for KPMG to do some additional work it was determined that Fleet Services would be an appropriate area to investigate further. In 2013, KPMG undertook additional work (refer to Appendix A) and outlined 15 recommendations that address the following five categories:

1. Fleet Replacement Reserve Sustainability:
Recommendations 1 to 5 deal with the most important challenge Fleet Services faces, and the biggest opportunity for improvement. Buying vehicles at the right time will reduce the total cost of vehicle ownership and improve the efficiency and effectiveness of the operating departments. A debt financing model will facilitate this, and free capital for other city priorities.

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**SUBJECT: Public Works Fleet Service Update (PW18022) (City Wide)
(Outstanding Business List) ~ Page 2 of 8**

2. Making Fleet Services a competitive service provider:
Recommendations 6 and 7 will make Fleet Services more responsive to its customers.
3. Reviewing maintenance services provided in-house and outsourced:
Recommendations 8 to 11 outline In-House vs. Outsourced Services-The City outsources many vehicle repairs now. Fleet Services needs to analyse the cheapest approach regularly, and can improve how it outsources when it does.
4. Outsourcing Parts Management:
Recommendations 12 to 14 outline a process for measuring the current performance and determining if outsourcing should be pursued.
5. Rightsizing the Fleet:
A number of “low use” vehicles were identified and recommendation 15 identifies this opportunity.

The full review from KPMG is attached to this report as Appendix A.

Of the 15 KPMG Recommendations, two (1 & 2) are under discussion with finance, eight (3, 4, 6, 7, 8, 9, 10, 12) have elements that are completed or a process is ongoing, and three (5, 11, 15) are scheduled for additional work throughout 2018. Recommendation 13 (Outsource of parts) was not warranted based on the experience in Ottawa. Two components pointed out by the Office of the Auditor General (OAG) regarding the vendor contract where the payment of an annual fee for the overall administration of the program as well as a 10% mark-up fee charged for the purchase of parts which has averaged out to be an extensive cost over the past three years. The OAG’s audit in Ottawa also highlighted several performance problems with the Fleet Parts Program in terms of timelines and the accuracy of information. Finally, Fleet Services will continue to follow the cities procurement policies (lowest cost); effectively negating Recommendation 14.

Summary:

1. Fleet Replacement Reserve Sustainability

At the time of the KPMG review in 2012, Capital Reserve contributions for the Hamilton Water Division and the Building Division was at and remains at the current rate of 100%, however in all other groups within the organization, the contribution rate was 54%. From 2015 to 2017 there were incremental increases during this period, which has elevated the contribution rate to 65% in 2018. Additional information is in Appendix B, items 1 and 2 outline the actions to date and the next steps.

2. Making Fleet Services a competitive service provider

The KPMG report offered that users should be allowed to find their own repair mechanism in order to force a more competitive edge from the Fleet Services maintenance team. There is notable risk associated with this methodology in that every

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**SUBJECT: Public Works Fleet Service Update (PW18022) (City Wide)
(Outstanding Business List) ~ Page 3 of 8**

person has their own opinion of fleet maintenance and acceptable levels of disrepair and budget pressure may force an incorrect decision on repairing critical systems. The MTO has a very specific expectation of vehicle and equipment service levels, and where there is no consistent application of policy there is larger opportunity for failure and infraction within our CVOR safety rating. An out of service decision by the MTO could result in vehicle impoundment and at minimum a negative record noted on the cities profile.

Accepting that a centralized and internal fleet repair program supported by external vendors is in the best interest of the City, Fleet Services is working toward implementing best practices where feasible while focusing on seasonal equipment priorities. Additional information is in Appendix B, item 7 outlines the actions to date and the next steps.

3. Reviewing maintenance services provided in-house and outsourced

Where Fleet Services is competitive the work is done internally, and where it is not staffed or competitive the work is outsourced (i.e. light vehicle oil changes). The client department will continue to drop off the vehicle at Central Fleet and arrangements will be made to have a third party vendor pick up then drop off the light-duty vehicle at a city location of choice. These best practices and relevant review was included in the decision taken regarding the renewal of the light car and medium truck contract in March 2017 and the heavy truck contract awarded in Jan 2018. Additional information is in Appendix B item 8 outlines the actions to date and next steps.

4. Outsourcing Parts Management

KPMG referenced Ottawa and Toronto in their report, and included their projected cost and efficiencies from work they had completed with those cities. During the research into the City of Ottawa's process it was discovered that the Office of the Auditor General (OAG) recommended that the City of Ottawa engage a third party expert to undertake a benchmark review of the parts and services provided by the vendor to ensure the City was receiving fair market value, best customer pricing and maximum savings. The City of Ottawa's Public Works Department agreed with the OAG's recommendation and engaged a Consulting firm to complete a pricing review of the parts provided by the vendor. The Consulting firm found that the City was receiving fair market pricing for parts through the vendor; however, since all of the parts provided through the service model agreement were subject to a 10% mark-up, the City incurred significant annual costs that could have been avoided if the City went directly to the market. It was learned that the project wasn't working and an agreement to discontinue the contract was mutually agreed upon by the City of Ottawa and the vendor.

In addition, the current parts service model has proved to be very challenging and inefficient for both the City of Ottawa and the vendor of choice. The main challenge with the existing model is that no single vendor has the expertise necessary to manage an automotive parts inventory for a fleet as large and diverse as the City of Ottawa's. The

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**SUBJECT: Public Works Fleet Service Update (PW18022) (City Wide)
(Outstanding Business List) ~ Page 4 of 8**

end result had the City of Ottawa repurchase parts and bring employees back on. Additional information is in Appendix B, items 13 & 14 outline the actions to date and the next steps.

5. Rightsizing the Fleet

KPMG identified 7 sub category action items on recommendation 15, of which some were related to gathering pertinent data, the updating & provision of that data, project review meetings regarding required equipment & delivery planning dates and the prioritization of equipment receipt(s) as operational requirements by department. The role of Fleet Services regarding vehicle and equipment in planning is to provide technical support aimed at following best practices, industry guidelines and legal compliance. Additional information is in Appendix B, item 15 outlines the actions to date and the next steps.

Further Changes:

Since the KPMG report of 2013, two of the 10 fleet operation locations have been closed and the fleet support models adjusted. The closure of the Kings Forest golf operation support was completed Q1 2015, and the small inventory of parts at Flamborough removed in 2016. Support for the locations is delivered by alternate methods that include utilization of existing staff and equipment to relocate broken equipment to a repair facility, or a service truck is dispatched to the site. Fleet's customers were consulted prior to the change and we continue to collaborate on any issues. As one example of vehicle rightsizing, the 2016 purchase of some crew vehicles resulted in full size pickups being replaced by smaller medium / light models.

While all 15 of the recommendations have an update in Appendix B, some examples of process changes for efficiency improvement include the adjustments of vehicle plating and renewal being moved from the Material, Fuel and Systems Management team to the Capital Planning and Contract Management team who acquires the vehicles. Other internal process changes include a complete restructure of the Regulatory Compliance team (as noted in detail later in this report), this realignment allows services to be delivered uniformly and consistently across the city while ensuring the CVOR rating is monitored closely and accountability to driver behaviours are addressed in a systematic way.

Additionally, a "kaizen", (also known as continuous improvement, is a long-term approach to work that systematically seeks to achieve small, incremental changes in processes in order to improve efficiency and quality) was completed in November 2017 resulted in existing employees within the Materials and Parts team being relocated to different satellite garages to focus on specific yard(s), equipment, parts processing and prioritization. The end result is improved efficiencies and improved customer / client service.

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**SUBJECT: Public Works Fleet Service Update (PW18022) (City Wide)
(Outstanding Business List) ~ Page 5 of 8**

Background:

The Fleet Section (Energy, Fleet & Facilities Management Division) of the Public Works Department provides fleet services for approximately 1,350 vehicles and equipment units through eight City garages and numerous outside contractors.

Fleet Services is the source of Fleet solutions in acquisition, repair, maintenance and disposal of assets. The 2016 Tangible Capital Asset report revealed that the current value of the Fleet rolling assets was set at \$97.3M. The life cycle cost of these assets is managed by Fleet Services while the user groups retain responsibility for the daily operating needs, ensuring legislative compliance, accident mitigation and investigation, and developing driver skills. Excluding CVOR compliance; Fleet Services does not provide any support directly for EMS, Police, Fire or Transit vehicles; but we are partners with them in several corporate initiatives and purchasing contracts such as batteries, tires, coveralls, etc.

The unsustainability of the fleet acquisition capital reserve was identified in 2013 as the decision to fund 52% of the replacement cost was used for calculations with Public Works, and subsequent budget containment or reduction processes have compounded the situation. Fleet Services staff has managed the dwindling reserve by prioritizing and managing vehicle and equipment to the most urgent replacements and restricting vehicle acquisition where feasible to remain within council approved spending limits. However in theory an aging inventory will result in increased repairs, a rise in operating costs and increased downtime. Acquisition practices must be considered together with maintenance costs and practices to provide a clear picture of the real costs. The acquisition of fleet with the maintenance package through a competitive service provider is planned for a small inventory of light vehicles in 2018 as a pilot study, whereby newly purchased vehicles (light-duty) would include a turnkey bumper-to-bumper maintenance package, inclusive of wear and tear items such as brake replacements, belts, oil changes etc. The private sector service provider's costs would be measured against similar type and use units managed by Fleet Services.

Fleet Services include but not limited to the following duties and responsibilities:

- Prepare annual vehicle replacement plan including specifications and issue procurement documents for client groups;
- Procure & manage outside service contracts e.g. light duty & heavy duty repair contracts;
- Disposal of surplus and decommissioned equipment;
- Maintenance and repairs to ensure reliability and equipment availability;
- Legislative compliance with Highway Traffic Act and CVOR (commercial vehicle operator's registration) safety rating;
- Driver Safety & Compliance Manual;
- Administration and Expertise - Collison Review Board & CVOR Committee;

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**SUBJECT: Public Works Fleet Service Update (PW18022) (City Wide)
(Outstanding Business List) ~ Page 6 of 8**

- Fuel station operations, maintenance, supply & management (21 fuel sites and 1 CNG station);
- Green fleet initiatives as per corporate energy policy;
- Preventative maintenance and compliance;
- Major repairs 8 garages (previously 10);
- Vehicle licensing;
- Administration and tracking of driver licence abstracts (approx. 1,700 quarterly);
- Asset management of vehicles and equipment;
- Records management and vehicle equipment history;
- Life cycle costing and capital budget planning;
- Fleet reserves management;
- Material and Parts management;
- Fleet Maintenance Information System;
- Financial reporting and budgeting;
- Participation in local, provincial and national initiatives e.g. CAMFM;
- Direct CVOR compliance reporting, oversight, and driver training (HPLB, Health Bus, and Police Services);

In support of user group ownership and responsibility in operating the fleet, Fleet Services now (2018) operates in a structure of 4 primary business units with 56.67 FTE (refer to Appendix C, Fleet Org Chart Structure). The Fleet Services Manager is supported by four teams that are funded by a combination of budgeted expense (tax levy), fleet reserve payments, recovered internal hourly rates, or billed service per use.

Fleet provides services to the following internal clients:

Corporate Services <ul style="list-style-type: none"> • Information Technology • City Clerk's Office 	Healthy and Safe Communities <ul style="list-style-type: none"> • Recreation • Helping Hands Public Health • Dental Bus
Planning & Economic Development <ul style="list-style-type: none"> • Licencing and Bylaw Services • Growth Management • Building Inspection • Tourism and Culture • Economic Development 	Public Works <ul style="list-style-type: none"> • Operations • Environmental Services • Energy, Fleet, and Facilities • Transportation • Engineering Services • Hamilton Water • HSR
Other <ul style="list-style-type: none"> • The Mayor's Office • Hamilton Public Library Board • Hamilton Police Board 	

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**SUBJECT: Public Works Fleet Service Update (PW18022) (City Wide)
(Outstanding Business List) ~ Page 7 of 8**

- Hamilton Fire Department

Fleet Services operates as a support operation to all users who require fleet assets to conduct their business. In addition Fleet Services oversees the driver safety and re-training in support of the Driver Safety and Compliance Manual as required by Commercial Vehicle Operators Registration (CVOR) certificate as filed with the Ministry of Transportation. Fleet Services also provides accident investigation support and oversees the outsourced body shop repairs for vehicle accidents as approved by Risk Management.

Regulatory Compliance and Driver Training:

In the KPMG review the CVOR Safety rating was the measure of standard and the target Safety Rating was to be less than 50%. At the time of the review the Safety Rating was at 72.5%. In the KPMG review driver training and on road safety was reported as not operating at an acceptable standard.

In 2015 a complete overhaul of the driver training and compliance group was initiated with a complement increase of one superintendent and four eighteen month contract employees hired.

The Driver Safety and Compliance manual was led by Fleet Services and adopted in a collaborated effort with the CVOR committee, and was reviewed in detail and ratified by both CUPE 5167 and CUPE 1041 unions. The 2016 action plan was written by Fleet Services and included input from the CVOR committee; from the action plan the Collision Review Board (CRB) was established which has complete jurisdiction over vehicle and equipment collision and incident investigation.

One of the challenges in Fleet Services is delivering significant improvements to driver awareness and behaviour as the driver pool falls under the jurisdiction of the client groups and not that of Fleet Services, but with the combined support and cooperation of the front line drivers, user group management teams, Labour Relations, Divisional Directors and their respective DMT, the primary goal is to work in a collaborative manner to ensure the safety rating is continually improving and maintained at an acceptable level. To achieve and maintain a favourable threshold continued focus of on road performance is required from the driver pool and all staff.

As noted on the KPMG report, Driver Training and Compliance processes are in place in three different Divisions in the City. Established independent processes are observed in Transit, Fleet Services and Fire/EMS. All of these driver groups are governed by the Ministry of Transportation and all must follow rules under the *Highway Traffic Act*. There may be some concessions for certain groups within the *Highway Traffic Act* however the underlying driver training, on road vehicle safety and licensing demands for the Province of Ontario are all the same. With collaboration from all three groups a corporate solution could include standard operating procedures governing driver

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**SUBJECT: Public Works Fleet Service Update (PW18022) (City Wide)
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training, on road safety, *Highway Traffic Act* and CVOR compliance. The Regulatory Compliance and Driver Training team focuses on driver records, retention, training support, and professional driver improvement courses. While there are many commonalities, these requirements of the 3 groups are distinctly different, and need to continue as stand-alone pillars due to the unique operational training requirements on specific pieces such as plow trucks, ladder trucks, fire/ pumper trucks, conventional vs. articulating busses, labour collective agreements etc.

As HSR and Fleet Services each have CVOR permits, and Fire is exempt on heavy fire equipment, the present segregation should remain. All CVOR vehicles that operate under Fleet Services' CVOR number have driver records retained within Fleet Services. These records include the Hamilton Public Library Board, and recently work to include a Hamilton Police vehicle was completed in Dec 2017. This is a compliance requirement of the Ministry Of Transportation for heavy vehicles registered over 4500KG.

Appendices and Schedules Attached

Appendix A – KPMG report from Dec 20, 2013

Appendix B – Recommendations and actions to date

Appendix C - Fleet Org Chart Structure

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cutting through complexity

Hamilton SDR Fleet Services Review

Final Report

Dec 20th, 2013

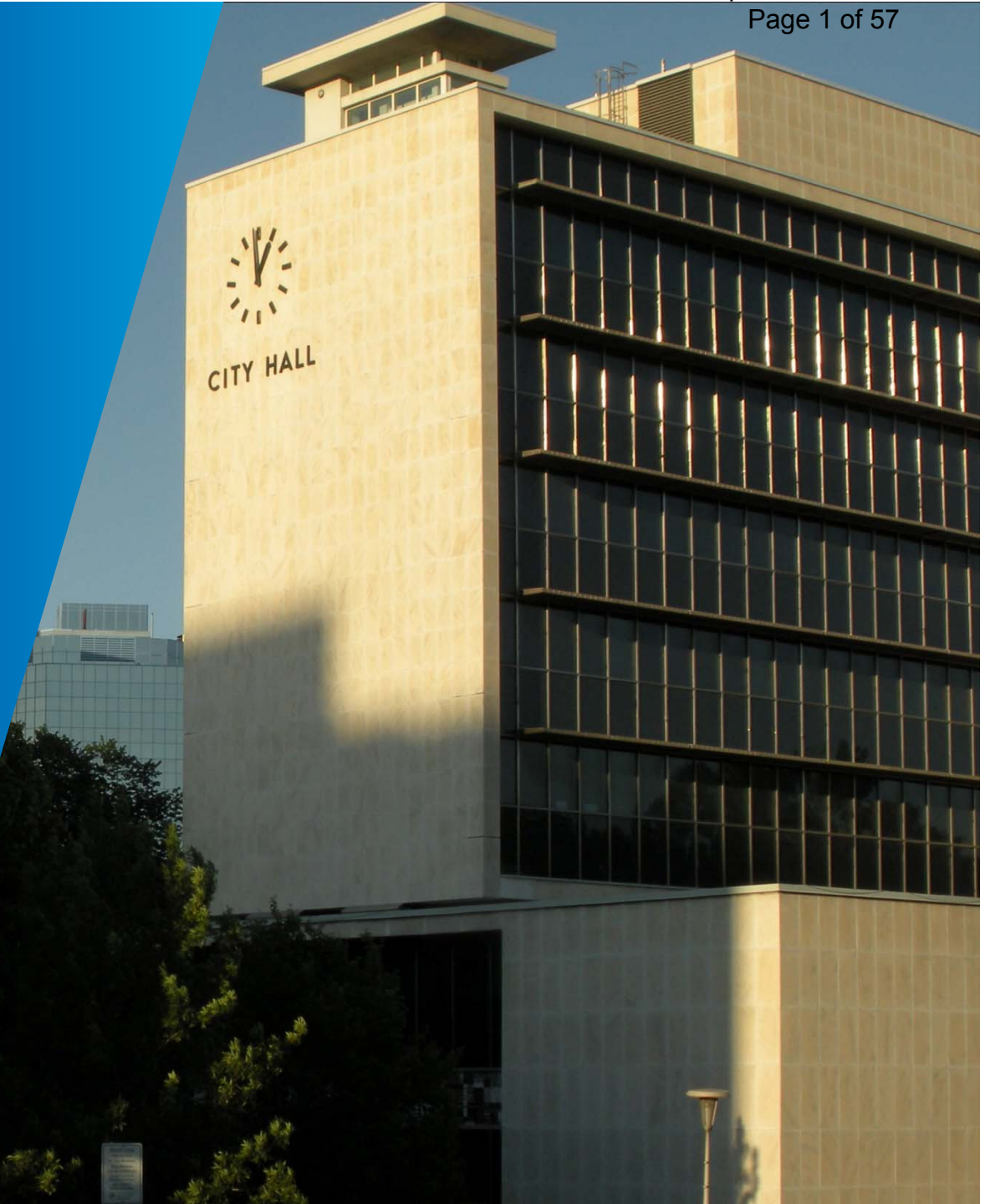




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Notice to Reader:

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Summary of Recommendations

This report considers a number of opportunities identified by the Service Delivery Review conducted by the City of Hamilton in 2012

1) A Sustainable Fleet Reserve

Recommendations 1 to 5 deal with the most important challenge Fleet Services faces, and the biggest opportunity for improvement.

Buying vehicles at the right time will reduce the total cost of vehicle ownership and improve the efficiency and effectiveness of the operating departments

A debt financing model will facilitate this, and free up capital for other city priorities

Following review of five aspects of Fleet Services, the following recommendations are provided for your review. The rationale for each is provided in the report which follows

1. That the City adopt a debt financing model for financing its Fleet

- The Finance Department should consider from time to time whether it is more beneficial to fund vehicles through internal loans, or arrange with its bank to use the line of credit
- The financing of each vehicle should include a mark up of 4.8% that will be used to finance the role of Fleet Services in the procurement process (and disposal of any retiring vehicle)
- The costs of debt payments will be charged to the user department
- The finance payments will assume an appropriate salvage value for the vehicle at the end of its life, and the user department will be responsible for, or credited with, any net value after the vehicle is disposed

2. That the transition process be handled as follows

- That each existing vehicle be assigned a loan to the extent of its current undepreciated value until the value of the payments required in 2014 equal the 2013 reserve contribution of the user (other vehicles will not have loans attached, with the result that the maximum increase in 2014 for any user department would be the loan cost of any new vehicle acquisitions, and the increased tax requirement will be phased in as the vehicles without loans are replaced)
- That the Finance Department consider on a corporate basis whether the existing reserve balance should be used to reduce other debts, or applied to other purposes

3. The City adopt the goal of achieving minimum life cycle costing for vehicle use.

- a) Fleet Services is to complete its project to analyze the appropriateness of current planned lifetimes,
- b) Fleet Services is to ensure consistent review, in consultation with users, of vehicles approaching retirement for possible early or late retirement based on usage levels and maintenance history, and
- c) Fleet Services is to ensure consistent review, in consultation with users, of early retirement options for vehicles facing major repair expenses late in their planned life.

4. That all vehicle purchases be based on a business case analysis by Fleet Services (in consultation with users), signed off by the Director of the user department

5. That Fleet Services be directed to conduct a full service lease pilot project generally consistent with the approach described on page 28



Summary of Recommendations

2) Competitive Service Provider

Recommendations 6 and 7 will make Fleet Services more responsive to its customers

3) In-House vs. Outsourced Services

The City outsources many vehicle repairs now. It needs to analyze the cheapest approach regularly, and can improve how it outsources when in does (recommendations 8 to 11)

4) Outsourcing Parts Management

Recommendations 12 to 14 outline a process for measuring the current performance and determining if outsourcing should be pursued

6. That Fleet Services have the explicit authority to adapt services and service levels to particular customer requirements and the authority to adopt a variety of charging approaches as required to reflect and recover the costs of providing the different service levels
7. That vehicle and equipment users have the option to arrange for some of the fleet services they require from other sources, but only with the approval of the City Manager, and only if they continue to use the corporate FMIS and Training and Safety services required by legislation
8. That Fleet Services begin a program of systematically reviewing the range of services it outsources and the approach it takes to the contracting on a periodic basis. This should include a review of the Waste Collections maintenance contract after it has been in place for at least a year.
9. That future standing offers for maintenance contracts provide the opportunity for different contractors to serve different parts of the fleet based upon their location.
10. That the process for sending vehicles to contractors for maintenance be amended to have the vehicles picked up and dropped off by the contractor from the user location, rather than from Fleet Services, wherever possible, and to allow customers to leave and pick up vehicles at the contractor location, rather than the Fleet location in other cases.
11. That the implementation of the Hansen FMIS include the ability to compare actual to “book” hours for repair activities and the opportunity to receive and record electronic invoices from suppliers if possible
12. Continue the process to measure fill rates and inventory turns. At the very least this will facilitate monitoring and improvement of in-house operations.
13. In early 2015, when the results of the measurements are available and the results of the other initiatives discussed in this report are becoming clearer, begin a discussion with NAPA and competitive suppliers to determine the best approach to in Hamilton, taking into account current labour agreements, inventories, maintenance locations and strategies for outsourcing maintenance
14. Based on the outcomes of those discussions, the circumstances as they then exist, the performance of the parts group as measured, and considering the other effects noted by Ottawa and Toronto, conduct a business case analysis on the outsourced parts management concept and conduct a competition, if warranted.



Summary of Recommendations

5) Fleet Rightsizing

A number of “low use” vehicles were identified and recommendation 15 identifies

15. That the following program be undertaken to identify specific opportunities for fleet rightsizing:

- Fleet Services prepares lists of vehicles and related data to be reviewed by each department (based on those presented in this report, with any updated information available to Fleet). Fleet should remove from the list any vehicles that have subsequently retired or which to its knowledge obviously meet the criteria for low usage vehicles
- Fleet Services documents suggested approach, incorporating the concepts above and any others Fleet Services can identify to help guide departments in their review, and setting timeframes for the process
- Fleet Services circulates the lists and suggested approaches to Departments, either to Directors or to individuals the Directors have assigned to conduct the review, offering to work with the department to review the lists and examine possible strategies to achieve cost reductions
- Each department shall prepare a document which discusses each vehicle on the list, identifying:
 - The low use vehicle justification category (a to e on page 54) that applies to the vehicle, with a sentence or two explaining how the criteria applies, or
 - The approach to be taken (e.g. 1 to 4 on page 54) to reduce fleet size and reduce costs, or
 - A detailed explanation of why the vehicle is required and none of the reduction options can be applied
- The report from each Department is to be approved and signed by the Department Head
- Each of the Department Reports is to be presented to the Steering Committee for approval
- The Fleet Review Steering Committee is to remain in place and receive regular reports from Fleet Services on the progress, to review department reports as they are completed and to encourage department participation when reports are not forthcoming



Fleet Review Mandate

The Service Delivery Review conducted by the City of Hamilton (the “City”) in 2012 identified a number of opportunities with respect to Fleet Services that offered the potential for savings and/or service improvement.

- A Sustainable Fleet Reserve
- Competitive Service Provider
- In-House vs. Outsourced Services
- Outsourcing Parts Management
- Fleet Rightsizing

This Fleet Services Review was mandated to examine the following five opportunities, particularly the first two which had the highest ranking for potential impact:

1. **Fleet Replacement Reserve Sustainability: Move to a model of purchasing vehicles on credit and charge user departments the cost of the debt payments, and using lifecycle costing analysis to determine when vehicles should be retired.**
2. **Make Fleet Services a competitive service provider (users can buy service from Fleet or elsewhere)**
3. **Review the range of services provided in-house and those out-sourced**
4. **Outsource Parts Management for vehicle & equipment service and maintenance.**
5. **Review the use of City vehicles to ensure they respond to valid business case (usage rates, etc.)**

The report discusses each of these opportunities and how the City should proceed with respect to each of these opportunities.



Approach

This Draft Final Report is based on KPMG findings flowing from:

- **Interviews within the City of Hamilton;**
- **Comparisons with our previous Fleet Service benchmarking information from 7 Canadian cities; and**
- **Review of our Interim Report by the Steering Committee.**

The Review incorporated the following activities:

- Interview senior management of Fleet Services
- Interview representatives of Finance
- Conduct a workshop with and interview additional key customers
- Review existing documents and data relating to the Fleet Replacement Reserve, fleet size, usage, composition and age
- Collect data from Avantis and conduct analysis
- Review findings from our previous Fleet Services benchmarking processes particularly in Calgary (data from Calgary, Toronto, Winnipeg, Vancouver, Edmonton, Ottawa and Hamilton)
- Conduct targeted interviews with Fleet Managers in Ottawa
- Prepare Interim Report
- Review with the Steering Committee
- Analyze comments and input
- Prepare a Draft Final Report.

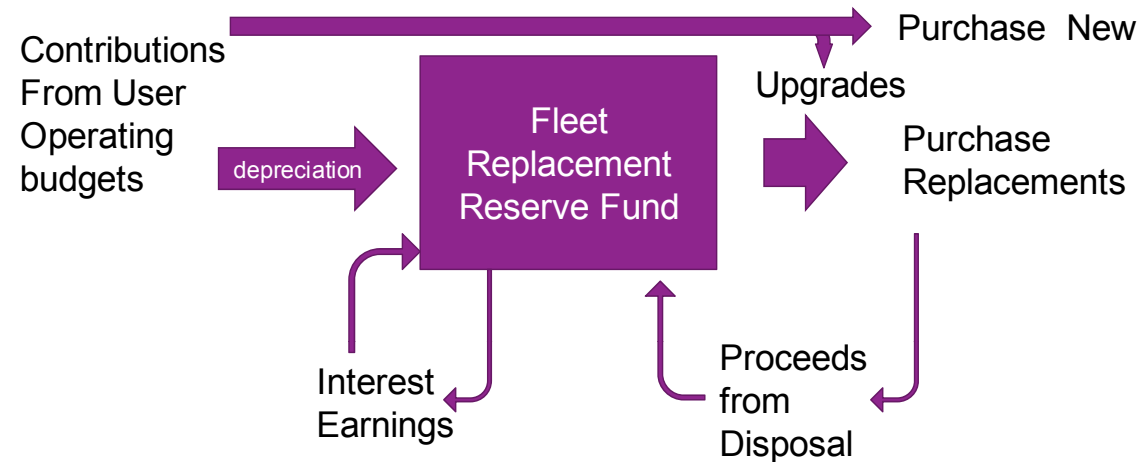
- *Review Draft Final Report with Fleet management and Steering Committee.*
- *Revise and submit Final Report*



Replacement Reserve Sustainability A Sustainable Reserve Fund Model

The Fleet Replacement Reserve is intended to provide a reliable, sustainable way to fund vehicle purchases and a way to recognize the costs of buying vehicles over their life cycle, rather than all at once when they are acquired.

A sustainable model works as illustrated.



- The reserve concept is consistent with a “pay as you go” philosophy for capital costs.
- It does not require that funds be accumulated so the funds to replace each vehicle are actually in the reserve at all times. That would require having a cash balance equal to half the fleet value at any time – a poor use of resources.
- But it does require that the contributions equal the depreciation costs of the funded vehicles so replacements can be purchased.
- Purchases of vehicles to expand the fleet and the costs of significant upgrades must be funded from other sources, generally from the user.
- It is a REPLACEMENT reserve.

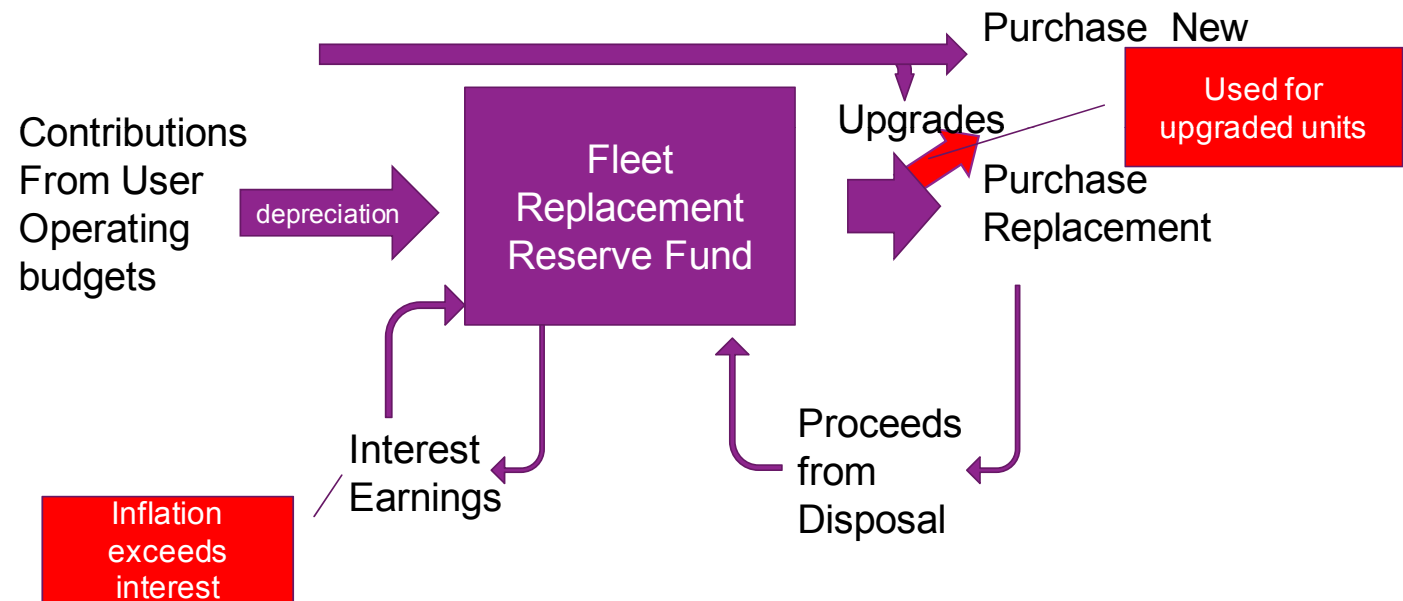


Replacement Reserve Sustainability Things That Can Go Wrong (but haven't)

There are some theoretical constraints to the reserve concept

- inflation can exceed the interest income,
- technological change and changing standards and expectations can make the replacement vehicles more expensive.

However, these have generally not been issues in Hamilton, at least in recent years, with vehicle cost inflation generally below the CPI

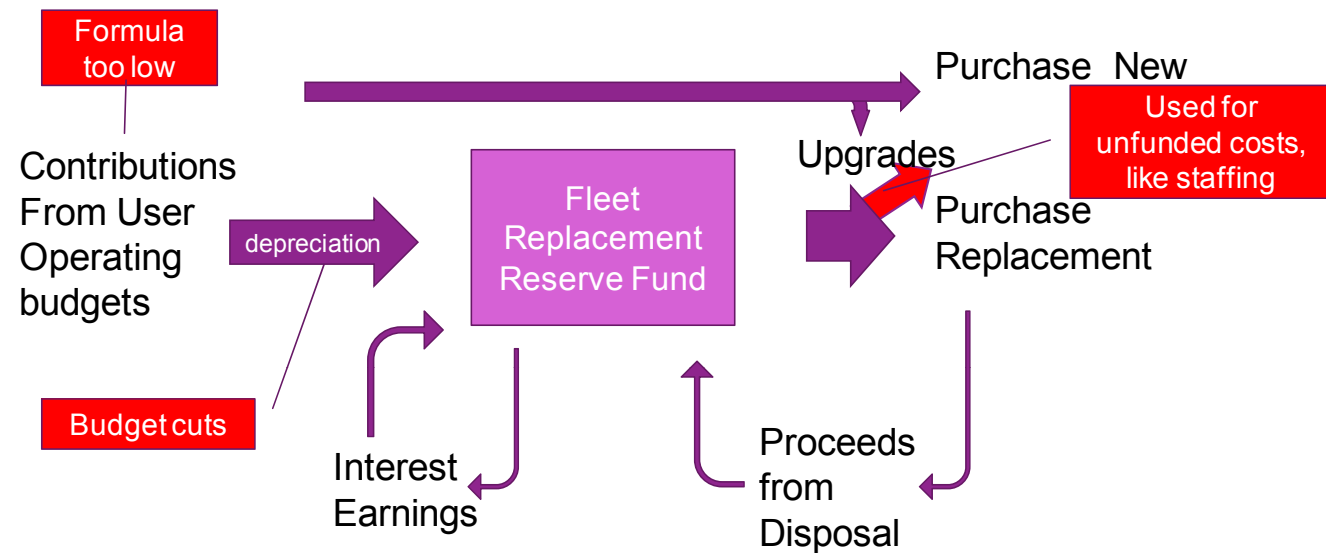




Replacement Reserve Sustainability Things That Have Gone Wrong

Contributions are not at a sustainable level – and efforts to raise them have been subject to budget cuts

The reserve is being drawn for purposes that are not funded, depleting resources available for intended purposes

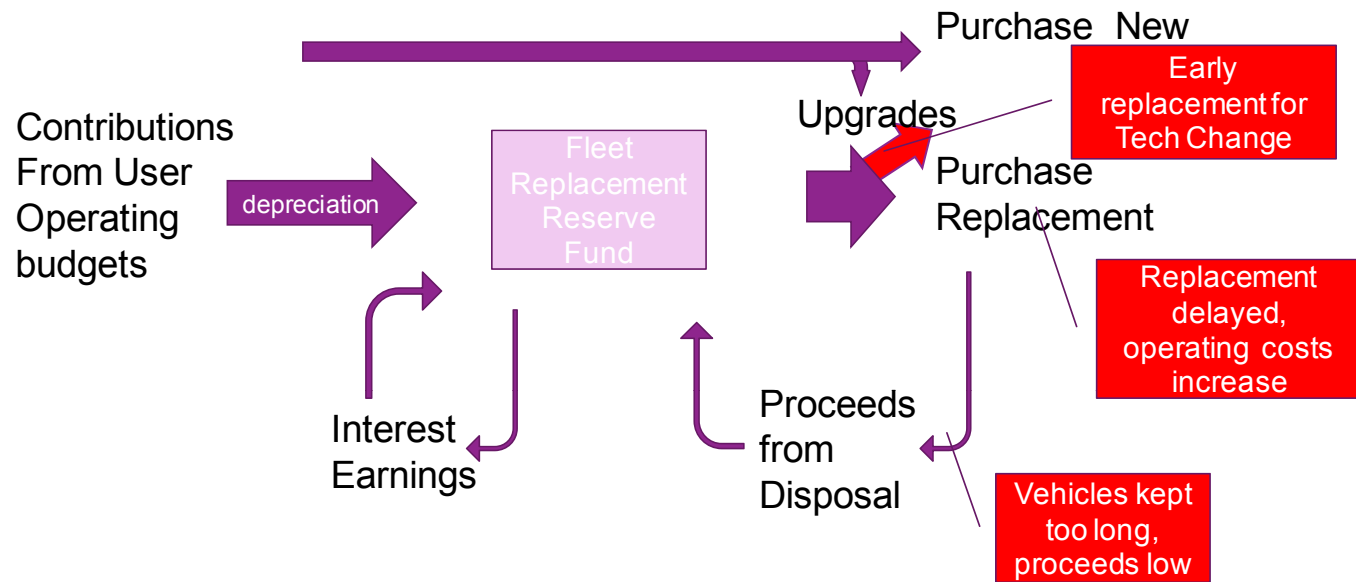


- Some departments, particularly Public Works, have never developed a consistent approach to resolving pre-amalgamation differences
- Efforts to return annual contributions to a sustainable level were themselves subject to budget cuts.
- The problem is not getting better too slowly – it is actually getting worse, and some sections of Public Works are now contributing about one-half the replacement cost of their vehicles, with the result vehicles cannot be replaced on schedule.
- The replacement reserve has also been used to fund some of the staff that acquire the vehicles, and it is planned to use the reserve to fund garage improvements, even though no funds are contributed for these purposes.



Replacement Reserve Sustainability Things that Have Gone Wrong

As the fund diminishes, the pressure to delay replacements beyond the economic point grows, and the impact on operating budgets expands.



- Some vehicles have been replaced early as technological change offered potential operating savings, or have been replaced with more expensive units incorporating new technologies, using reserve funds rather than user capital contributions.
- Some vehicles have been kept too long, either because there are no funds for a replacement, or because there were no funds to expand the fleet as the city grew.
- This results in sale proceeds lower than assumed when contributions were calculated, and higher operating costs for Fleet customers as they must operate old, expensive vehicles and manage without vehicles – or expand the fleet further – to accommodate the impact of increased downtime.



Replacement Reserve Sustainability Things that have Gone Wrong

Reserve contributions and needs are not aligned

The Fleet contains a significant number of units which are past their planned retirement date, or in the last year of their planned life.

There are inadequate reserve funds and inadequate annual contributions to replace the fleet units as required

Fleet Services has developed a series of “coping mechanisms” to manage into the future

In Hamilton, most of these problems have emerged:

- Reserve contributions from some major users (most of Public Works) are much lower than the depreciation rate of the vehicles. This reflects:
 - Some continuing effects of varying policies before amalgamation
 - Budget reductions have hit reserve contributions from non-self-sustaining departments in the expectation services will not suffer (at least not now)
 - Programs to phase in increased (sustainable) levels of reserve contribution over a number of years were dropped part way through
 - Expenses not contemplated in the contribution rates, such as upgrades for technological change
- Reserves have been used for expenses that were not contemplated when the contribution rates were set, such as upgrades for technological change, additions to the Fleet, and the staff involved in vehicle acquisition
- Vehicle replacements have been postponed due to inadequate reserve funds, resulting in higher operating costs, and lower recoveries when the units are finally sold.
- Vehicles due for retirement and sale have been continued in service to manage growth pressures when new vehicle funding is not available

The Fleet of 847 vehicles currently contains 150 units which are past their planned retirement date, and another 46 in the last year of their planned life. Of 403 pieces of off-road equipment (mowers, trailers, generators, forklifts, etc.) , 42 are past their planned retirement date and 20 are in their last planned year of service

There are inadequate reserve funds and inadequate annual contributions to replace the fleet units as required

Fleet Services has developed a series of “coping mechanisms” to manage into the future, including:

- Phasing and postponing vehicle and fleet replacements
- Rebuilding the street sweepers instead of replacing them. This may in fact be a cost-effective solution, but it involves significant risk converting the entire fleet in an untested approach, and it will be implemented over a number of years with vehicles already due for replacement
- The plan to replace hoists in the garage from the replacement reserve, even though no contributions have been made against the old hoists



Replacement Reserve Sustainability Reserve Forecasts

A number of reserve forecasts have been prepared in recent years, generally showing the reserve going into deficit in the future. The current forecast does not show a deficit. Does that mean things ARE getting better?

CITY OF HAMILTON RESERVE FORECAST										
CENTRAL GARAGE VEHICLE RESERVE #110025										
Exerpt from 2008 TO 2020 ANALYSIS										
Dated:	December 11, 2013	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Totals
		2013	2014	2015	2016	2017	2018	2019	2020	
Opening Reserve Balance - Jan 1		13,013,819	7,497,769	5,408,095	4,483,312	4,555,987	4,623,286	4,872,731	5,570,943	13,013,819
Add:	Transfer From Operating - Cont to Reserve	5,589,930	5,879,640	5,879,640	6,056,030	6,232,420	6,414,100	6,601,070	6,793,490	49,446,320
	Inflationary Increase at 3%			176,390	176,390	181,680	186,970	192,420	198,030	1,111,880
	Sale of Vehicles @ 10% of Previous Year Capital Budget	151,900	539,000	539,110	570,290	589,360	608,530	627,810	647,160	4,273,160
	Add'l Sale of Vehicles- Removed from Service May 2013 not s	180,000								
	Excess available from Projects in Previous Years	505,523								
	Interest Revenue @ 3%	206,701	223,726	215,797	221,782	228,855	219,372	221,906	221,542	1,759,682
Total Contributions to Reserve		6,634,054	6,642,366	6,810,937	7,024,492	7,232,315	7,428,972	7,643,206	7,860,222	57,276,565
Less:	Vehicle Replacement Capital Costs	(5,390,000)	(5,391,050)	(5,702,855)	(5,893,607)	(6,085,336)	(6,278,127)	(6,471,614)	(6,665,937)	(47,878,526)
	Projects Initiated in Previous Years	(6,524,254)	(2,349,250)	(995,875)						
	Transfers to Current from Reserve (funding Fleet Acq. Team)	(235,850)	(241,740)	(273,990)	(282,210)	(290,680)	(299,400)	(308,380)	(317,630)	(2,249,880)
	Street Sweeper Rebuild Program		(600,000)	(610,000)	(620,000)	(630,000)	(440,000)			
	Shop Equipment Replacement (Hoists)		(150,000)	(153,000)	(156,000)	(159,000)	(162,000)	(165,000)	(168,000)	(1,113,000)
Total Payments from Reserve		(12,150,104)	(8,732,040)	(7,735,720)	(6,951,817)	(7,165,016)	(7,179,527)	(6,944,994)	(7,151,567)	(64,010,785)
Ending Reserve Balance - Dec 31		7,497,769	5,408,095	4,483,312	4,555,987	4,623,286	4,872,731	5,570,943	6,279,599	6,279,599



Replacement Reserve Sustainability Reserve Forecasts

There are some important factors to note about the forecast:

1. The planned contributions are based on the current levels plus 3% per year for inflation, not on the need for vehicle replacements.
2. The proceeds from the sale of retired vehicles is assumed to be 10% of the previous year's purchases. In 2007 to 2012 they averaged 8% of previous year's purchases as vehicles are retired later than standard.
3. About \$240,000 is withdrawn each year to cover the costs of the Fleet Acquisition Team. There are no contributions to cover this cost.
4. The forecast assumes the reserve covers the cost of replacing hoists in Fleet garages. There are no contributions planned for these costs.
5. What is left is then shown as available to replace vehicles. As shown on the chart below, the forecast shows \$51M (\$6.3M per year on average) can be spent on new vehicles and equipment over the eight year period. A total of \$80.5M will be required to renew the fleet on a sustainable basis (allowing for a 2% per year increase in vehicle costs)
6. There is currently a backlog of \$7.8M needed to replace vehicles that are still active, but should have been retired in 2012 or earlier.
7. Without trying to remove the backlog, there is a need to spend \$72.5M over 8 years, an average of \$9.1M* per year from 2013 to 2020 to maintain a sustainable fleet, but the reserve forecast only provides for \$6.4M per year on average. \$10.1M per year would be required to resolve the backlog over this period – suggesting an increase in annual contributions of \$3.7M on average over the next 8 years.
8. The planned rebuild of the sweepers will reduce the cost of the Sustainability Requirement by \$900K. Over eight years the savings would only reduce the required contributions by about \$.1M per year.
9. Constraining vehicle replacement expenditures to the forecast level will result in an increasingly older fleet. On a Fleet that was acquired for a total of \$80M, the \$30M replacement deficit that could occur just between now and 2020 based on the forecasts, is very significant.

	Overdue	2013	2014	2015	2016	2017	2018	2019	2020	Total
Vehicle & Equipment Replacement		\$ 5,390,000	\$ 5,991,050	\$ 6,312,855	\$ 6,513,607	\$ 6,715,336	\$ 6,718,127	\$ 6,471,614	\$ 6,665,937	\$ 50,778,526
Sustainability Requirement	7,831,577	3,177,270	15,369,883	7,307,938	4,998,004	10,911,441	13,812,476	5,924,838	11,211,202	80,544,628
Funding Gap	(7,831,577)	2,212,730	(9,378,833)	(995,083)	1,515,603	(4,196,105)	(7,094,349)	546,776	(4,545,265)	(29,766,102)

•Sustainability Requirement assumes vehicles will be replaced at the end of their planned life as recorded in Avantis, and that replacement vehicles will cost the same as the initial purchase price plus 2% per year inflation. The forecast assumes replacement rather than rebuild of sweepers. Details are provided on the following page

•Note that Reserve forecast does show \$6.7M higher expenditures in 2013 based on delivering purchases more quickly and reducing outstanding Work in Process, however there are no incremental resources shown to allow this to occur.



Replacement Reserve Sustainability Replacement Requirements

The tables below provide additional details on the sustainability forecasts, identifying the annual expenditures required to replace vehicles when they arrive at the end of their planned lifecycle.

Replacement Requirements Based on Planned Lifecycle (in years)

Units	Overdue	2013	2014	2015	2016	2017	2018	2019	2020	Total
Heavy Vehicles	39	6	21	10	16	33	26	9	44	204
Sweepers	0	0	8	7	0	0	3	0	0	18
Packers	1	2	22	0	1	0	3	3	0	32
Light Vehicles	110	38	52	49	65	57	88	61	11	531
Equipment	42	20	22	52	22	38	47	27	26	296
Total	192	66	125	118	104	128	167	100	81	1081

Replacement at Cost Value

Heavy Vehicles	2,083,323	600,303	3,438,830	1,464,998	1,456,948	5,451,650	4,996,443	953,767	7,434,780	27,881,042
Sweepers	-	-	2,044,975	1,815,290	-	-	801,900	-	-	4,662,166
Packers	175,950	385,696	4,954,476	-	142,200	-	1,010,998	495,144	-	7,164,464
Light Vehicles	3,541,596	1,261,950	1,919,853	1,612,674	2,134,400	2,481,262	3,547,244	2,901,479	464,949	19,865,408
Equipment	708,660	434,814	516,409	1,183,373	431,187	931,542	954,936	504,638	1,017,733	6,683,293
Total	6,509,528	2,682,763	12,874,544	6,076,336	4,164,735	8,864,454	11,311,521	4,855,028	8,917,462	66,256,372

Replacement Cost With 2% Inflation

Heavy Vehicles	2,658,043	726,248	4,290,360	1,884,090	1,787,088	6,882,531	6,354,674	1,204,667	9,401,603	35,189,304
Sweepers	-	-	2,412,592	2,126,902	-	-	939,554	-	-	5,479,048
Packers	206,153	451,905	5,804,958	-	173,341	-	1,184,545	615,649	-	8,436,552
Light Vehicles	4,165,402	1,479,839	2,248,732	1,900,966	2,510,291	2,919,729	4,196,284	3,487,678	550,725	23,459,645
Equipment	801,979	519,279	613,240	1,395,980	527,284	1,109,180	1,137,419	616,844	1,258,874	7,980,079
Total	7,831,577	3,177,270	15,369,883	7,307,938	4,998,004	10,911,441	13,812,476	5,924,838	11,211,202	80,544,628

It has been suggested that vehicles do not need to be replaced at the end of their planned lifecycle, and letting the fleet get a little older is acceptable. The section that follows explores whether this is true.



Replacement Reserve Sustainability

Are there consequences to an aging fleet?

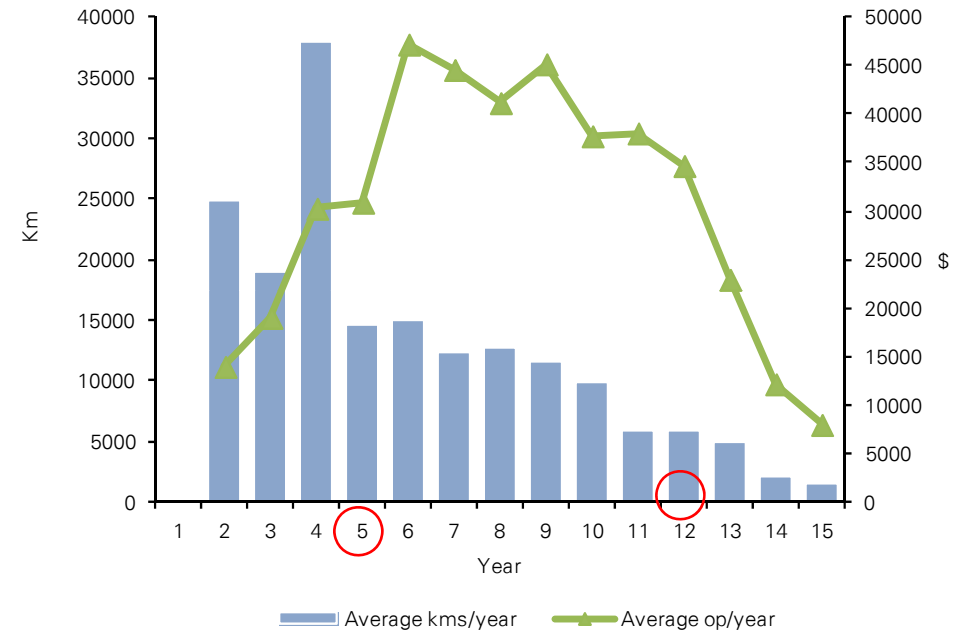
We looked at the sander fleet which has relatively good data over the lifecycle of a number of vehicles to see how costs vary with the age of the vehicles.

Operating Cost/km is approaching 3 times higher in year 12 vs. year 5

- The green line shows the average operating costs (including maintenance, fuel, licencing) increases as the vehicles age, but then begins to actually decrease after year 6.
- The decrease reflects the average yearly km (usage) of the sanders, which declines at a faster rate than operating costs
- It costs 112% of Year 5 operating costs to continue using vehicle in Year 12 compared to obtaining only 40% of Year 5 utilization*

*Does not account for changes in environmental conditions (i.e., weather)

Sanders
 Average km/year vs. average operating cost/year



Year	Km	Op cost	Op cost/ Km
Year 5	14,606	30,916	2.12
Year 12	5,912	34,687	5.87
Year 12 % use compared to Year 5	40%		
Year 12 op cost compared to Year 5		112%	

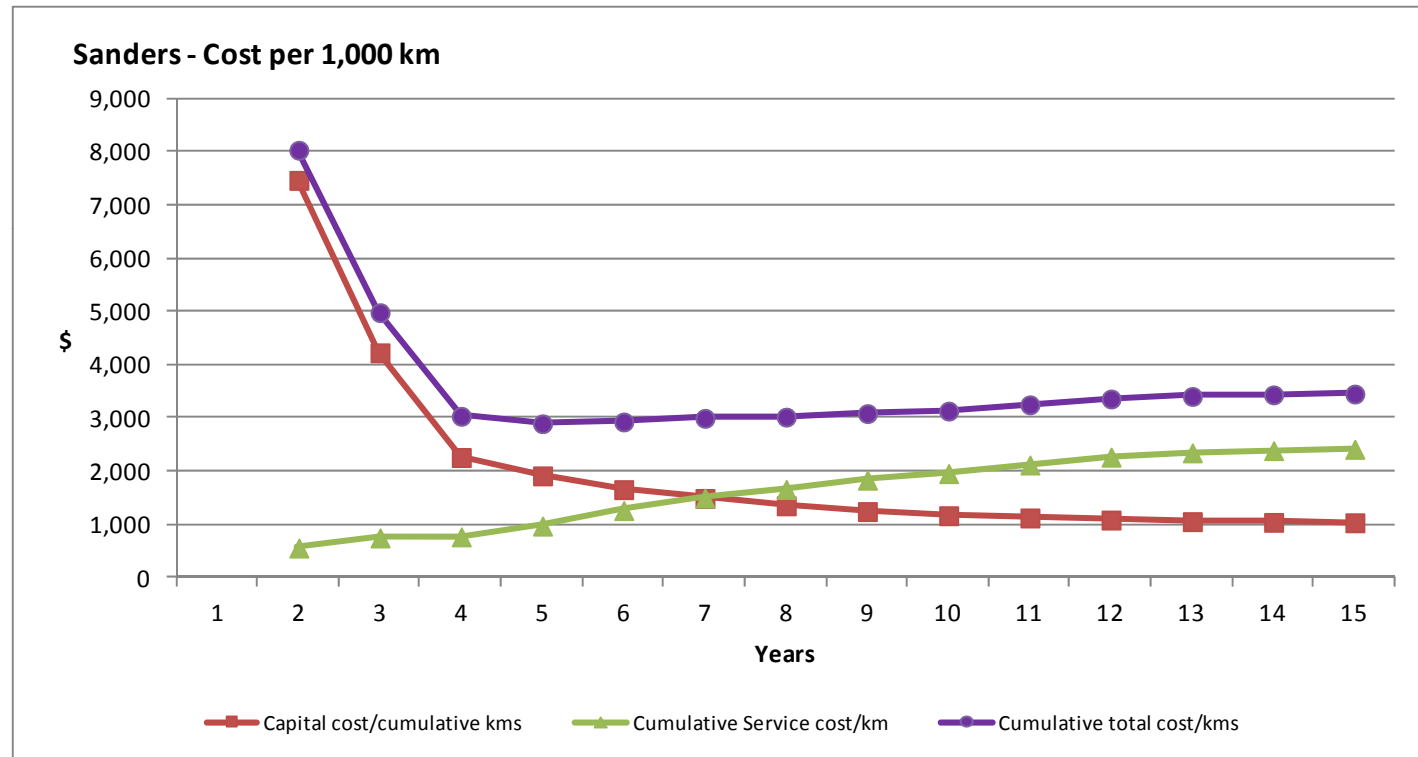


Replacement Reserve Sustainability Are there consequences?

Looking at the lifetime costs per 1,000 kms driven makes it clear the vehicles are more expensive in the later years.

These sanders would actually have been cheapest per 1,000 kms. If disposed of after year 5

The chart below shows the capital cost of buying a sander spread over the number of kilometers it is driven when it is kept for various periods of time. The red line shows that the longer the truck is kept, the lower the cost of buying the truck, per 1,000 kilometers. On the other hand, the operating costs (green line) per 1,000 kilometers of use increase with the age of the vehicle. Added together you have the total lifecycle cost of having a vehicle cover 1,000 kms, depending upon how long it is kept.



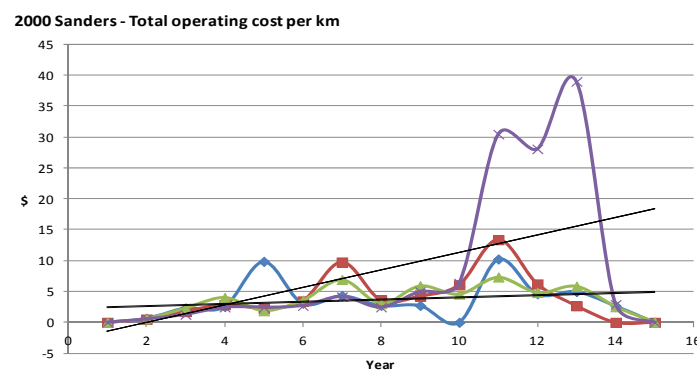
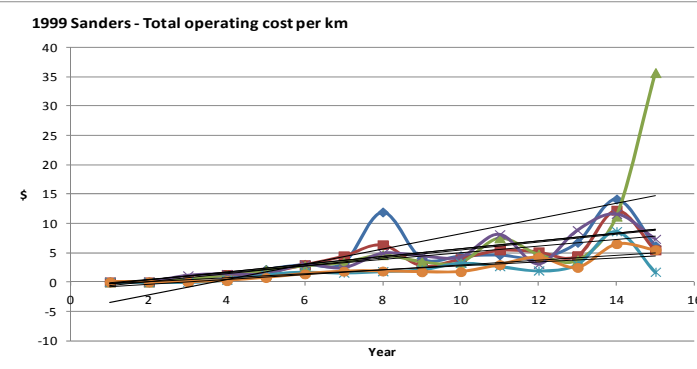
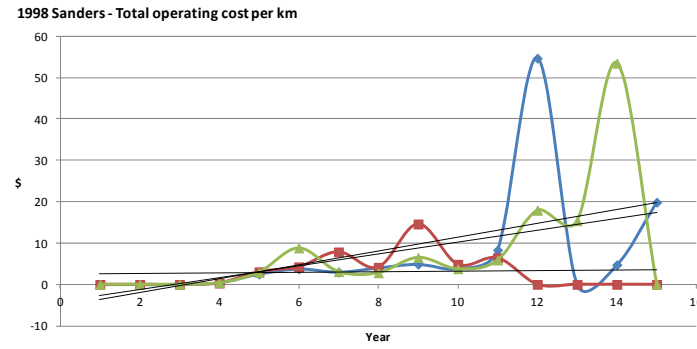
The lowest cost is actually at 5 years, much sooner than expected, and much less than the 12 year planned life. This is partly because older sanders are not used as much, in fact only about half as much as younger trucks – because they are only used for larger snow events. In this particular case there is an argument to hold the “second wave” trucks longer than the five years, as it isn’t possible to run fewer sanders more often and get the same effect, but keeping the trucks beyond 9 or 10 years clearly does increase total costs.



Replacement Reserve Sustainability Are there consequences?

Charts show costs of individual sander units purchased in 1998, 1999 and 2000.

Costs have risen through the life of most machines and significant expenditures were made near the end of life of some vehicles



These charts show the maintenance costs per km travelled in each year for each of the individual sanders from model years 1998, 1999 and 2000.

Operating costs gradually increase over the vehicle life (for each 1,000 kms traveled).

There have also been some very large investments (maintenance expenditures) in particular sanders as they near end of life.

These large expenditures are cheaper than replacing the fleet in the short run and are necessary to maintain the level of service when replacement units are not available, but they clearly do not return good value.



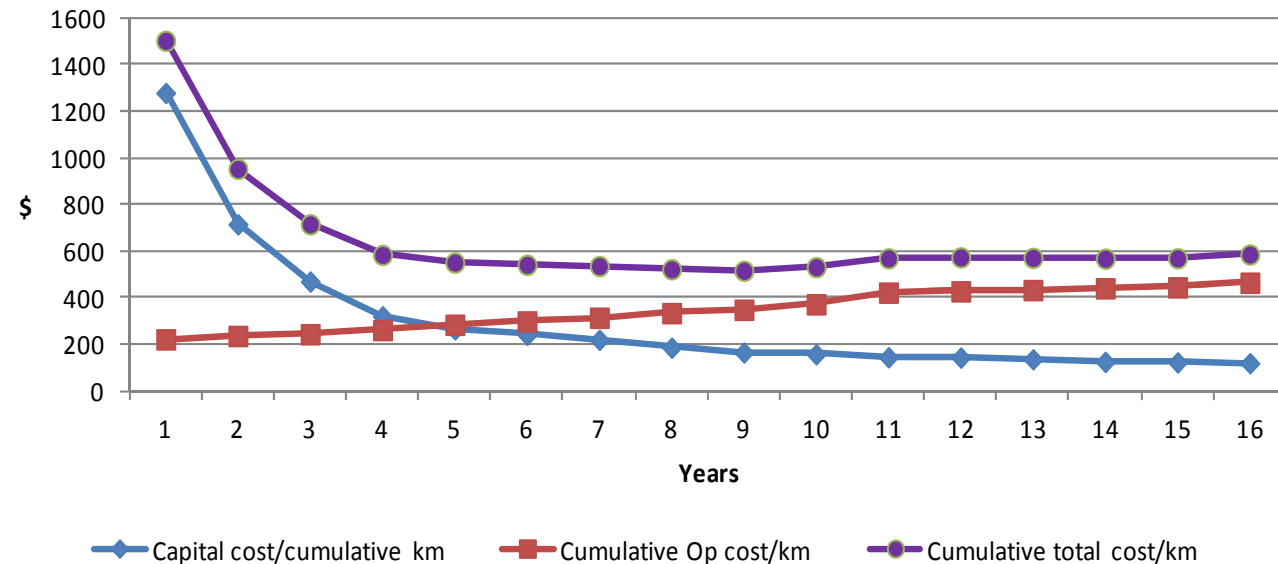
Replacement Reserve Sustainability Are there consequences?

An example using the actual costs of Hamilton's pickup trucks*.

The lowest cost option is to replace these vehicles after 9 years, which is very close to the planned life of 8 years for most pickups and 10 years for the 4 one ton pickups.

However more than a third are beyond their planned life, with some as old as 16 years.

Pickup Truck Cost per 1,000 km



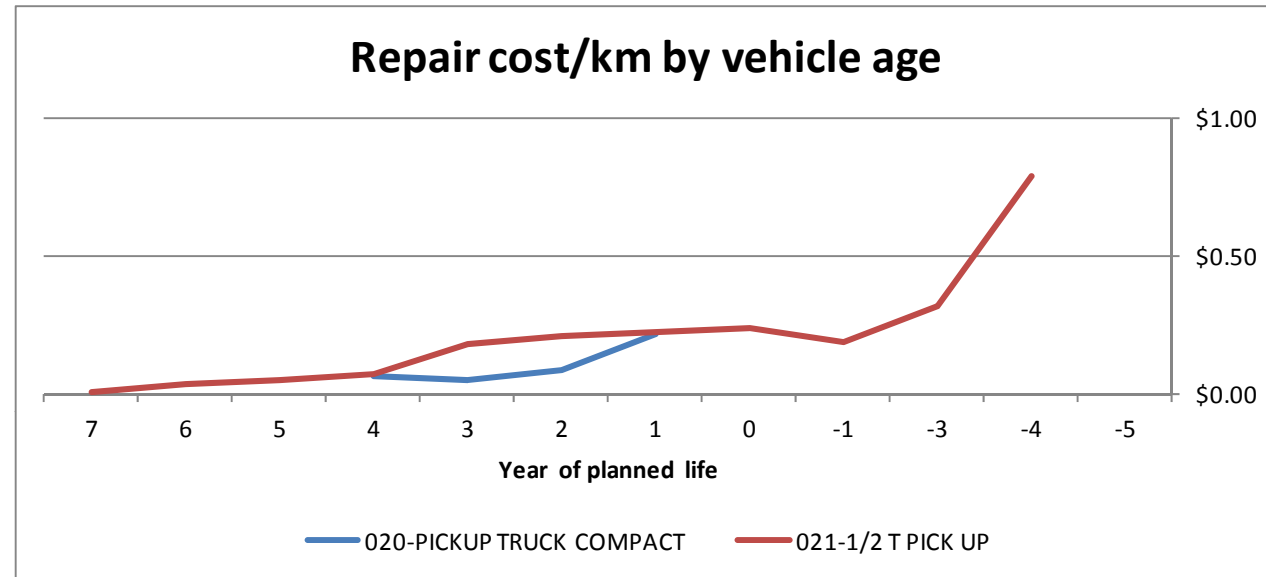
- The chart uses the actual costs of Hamilton's pickup trucks*. It shows the same result as the sander example.
- The longer the truck is kept, the lower the cost of buying the truck (per 1,000 kms),
- However operating costs increase with the age of the vehicle resulting in a gradual, but eventual, upward trend for total lifecycle costs.
- The lowest cost option is to replace these vehicles after 9 years, which is very close to the planned life of 8 years for most pickups and 10 years for the 4 one ton pickups.
- But at the moment 54 of the 144 pickups are beyond their planned life, with some as old as 16 years.

* In order to confirm the validity of the conclusion, this analysis used the 2012 operating costs of the current fleet of pickup trucks of various ages, rather than the historical data on the same trucks as done with the sanders, but found the same results



Replacement Reserve Sustainability Are there consequences?

Hamilton data shows that the longer the vehicle is kept past its planned service life the more expensive it is to maintain



- Looking at repair costs alone, with “0” being the year vehicles are planned for retirement, the longer the vehicle is kept past its planned service life (negative numbers) the more expensive it is to maintain.
- It should also be noted that the actual vehicle maintenance costs are only the thin edge of the wedge.
- More maintenance means more frequent breakdowns during operation, more vehicle down time, more frequent trips to the repair location and less efficient operations for the Fleet clients who operate the vehicles.
- The indirect costs to users can far exceed the direct costs of vehicle maintenance.

Note: Fleet Services has begun its own life cycle analysis program using the National Association of Fleet Administrators Life Cycle Analysis tool. This work has not been completed at this time, but could be the basis of an ongoing program to assess life cycle costs, major repair and vehicle retirement decisions. Pending completion of this work, Fleet Services does currently review vehicles approaching the end of their planned lifecycle and only replaces vehicles that

1. Fit into the budget plan, and
2. Have lifetime repair costs that exceed 90% of purchase costs



Replacement Reserve Sustainability What do others do? Vehicle lifecycles

Benchmarking data from a previous study suggests Hamilton tends to plan longer vehicle lives than some other cities

The table below compares three typical vehicles in five different Cities. The planned life cycles for Hamilton (Fleet "D" in the table) tend to be longer than the other cities, even before considering that many Hamilton vehicles are not retired when planned. Financial conclusions from this data should be cautious, recognizing vehicles are not always directly comparable (look at the capital cost column to see which vehicles are most similar).

Class	# of units in class	Class avg. age	Planned life cycle for the class	Class avg. capital cost \$/unit	Class avg annual usage km or hr	Class avg maintenance cost \$/usage	Class avg other annual charges to customer *
1 ton flat decks	(A) 137 (B) not reported (C) 282 (D) 94 (E) 131 (F) 87	(A) 3.8 yrs (C) 5.39 yrs (D) 6 yrs (E) 5.4 yrs (F) 6.6yrs	(A) 8 yrs (C) 8.5 yrs ** (D) 10 yrs (E) 7 yrs (F) 7-15 yrs (Ave of 9.5 yrs)	(A) \$46,696 (C) \$58,979 (D) \$58,110 (E) \$48,000 (F) \$44,052	(A) 10,062 km (C) 11,312.69 km (D) 22,285 km (E) 13,727 km (F) 12,384 km	(A) \$0.34/km (C) \$0.45/km (D) \$0.30 / km (E) \$0.26 / km (F) \$0.16/km	(C) 9,286.5 ** (D) 3,097.68 (E) 11,470 (F) \$3,728 Fuel
diesel tandem axle dump trucks, 12-14 ft box (e.g. Freightliner M2 or similar)	(A) 112 (B) not reported (C) 127 (D) 80 (E) 173 (F) 164	(A) 6.7 yrs (C) 4.2 yrs (D) 6.5 yrs (E) 7.2 yrs (F) 4.5 yrs	(A) 10 yrs (C) 5.6 yrs ** (D) 12 yrs (E) 10yrs (F) 10-12 yrs (Ave of 10 yrs)	(A) \$138,427 (C) \$159,868 (D) \$219,249 (E) \$305,000 (F) \$179,288	(A) 6,912 km (C) 19,927 km (D) 14,453 km (E) 15,306 km (F) 20,845 km	(A) \$1.36/km (C) \$1.60/ km (D) \$1.82 / km (E) \$1.25 / km (F) \$0.69 / km	(C) 26,410.09 ** (D) 9,659.8 (E) 43,112 (F) \$10,527 Fuel
125 hp tractor/loader/backhoe ***	(A) N/A (C) 26 (D) 20 (E) 27 (owned) (F) 41	(C) 4.57 yrs (D) 5 yrs (E) 6.5 yrs (F) 4.9 yrs	(C) 5.5 yrs ** (D) 7 yrs (E) 10 yrs (F) 7-12 yrs (Ave of 7 yrs)	(C) \$231,525 (D) \$90,768 (E) \$375,000 (F) \$131,818	(C) 587.86 hrs (D) Not tracked by Fleet (E) 745 hrs (F) 804 hrs	(C) \$22,668 / yr (D) \$5,292.37 / yr (E) \$10,132 / yr	(C) 34,257.79 ** (D) 7,204.16 (E) 48,100 (F) \$3,768 Fuel

* "Other annual charges" are not comparable between cities as the range of items covered varies widely

** Average of annual lease payments

*** Data reported by various cities for the tractor/loader/backhoe is not for comparable equipment as is evident from the cost per unit data



Replacement Reserve Sustainability What do others do? Replacement Reserve

Ottawa's approach is experiencing the same pressure as Hamilton's, moving toward an unsustainable replacement reserve

Calgary and Winnipeg finance the purchase of vehicles, replacing based on the most efficient lifecycle costing model

Some other cities still have Vehicle Replacement Reserves (VRRs)

- We spoke with Ottawa, which has used a reserve
 - It does still charge departments a monthly reserve contribution on each vehicle they operate
 - The funds do go to the reserve
 - The reserve is used to buy replacement vehicles
 - But the annual replacement budget is set by Council as part of the budget process, with capital allocated among competing needs, not based on vehicle amortization
 - The list of vehicles to be replaced each year is designed to match the budget, not the lifecycle requirements
 - The reserve contributions were calculated based on depreciation at one time, but now they are calculated to collect the approved budget
 - Budgets have been reduced in "challenging" years, recently Council has increased contributions to a number of asset classes, including vehicles.
 - In other words, Ottawa is moving in the same direction as Hamilton, towards an unsustainable reserve

Some other cities use a debt financing model

- Calgary and Winnipeg decide when to replace vehicles based on the most efficient lifecycle costing model, then finance the purchase
- Calgary has a provincial fund it can borrow from, Winnipeg uses a commercial arrangement
 - Interest costs are often raised as a concern, but they really are not material. Funding with cash also incurs opportunity costs that are almost as high – or in Hamilton's case actually higher at the moment, as the City earns more on investments than it pays on debt
- The approach allows purchases based on lifecycle analysis to determine the timing with the lowest total cost of ownership



Replacement Reserve Sustainability What do others do? Vehicle Retirement and Replacement

Some cities use a lifecycle costing approach to vehicle purchases, considering the total cost of owning a vehicle over its lifetime, rather than just the lowest capital cost

Some cities keep vehicles longer than planned if the repair costs and usage has been lower than expected, and retire some vehicles early, particularly when major repairs are required

The purchase decision

- All cities surveyed treated technical specifications and performance specifications as mandatory to consider or otherwise evaluate a vehicle
- Cities reported two different approaches to evaluating qualified vehicles
 - Some make the decision on a lowest cost basis, considering the capital cost, in a “tender” oriented model,
 - Some make the decision based on lifecycle costing considerations, considering repair costs, salvage value, fuel consumption expected downtime/repair experience and availability of dealer support (for parts if not repairs) and occasionally training availability. These additional factors may be considered in a tender model (e.g. comparing expected lifecycle costs) or may be considered as part of an request for proposals style purchase, using a point rating system
 - Hamilton is closest to the first model, considering capital costs but not lifecycle costs in the procurement process, although some items that influence operating costs can be considered in the process.

The Retirement Decision

- All cities surveyed establish an estimated lifecycle for vehicles and do their long term planning based on replacing vehicles at the end of that period. Technological change, changing legislative requirements, or new business requirements can also result in earlier replacement
- Most cities will examine particular units as they approach the end of their planned life and look at the usage level and repair history and extend units that have relatively low utilization and good repair histories.
- Most cities also consider the age of the vehicle when considering whether to conduct major, expensive repairs. If the vehicle is nearing the end of its planned lifecycle, it may be sold rather than repaired, depending upon the nature and cost of the repair required.
- Hamilton does all these things to some extent, however, because of the limitations on the Vehicle Replacement Reserve, some vehicles have been extended even though age, use and repair history do not suggest it, and as shown on slide 15, some major repairs have been carried out very late in the vehicle life.



Replacement Reserve Sustainability Case for Change

The Fleet Reserve Fund does not function like a vehicle replacement reserve, and it is not funded to support the activities it supports.

Continuing the current practices will result in an increasingly old and increasingly expensive fleet. The low contributions are a false economy, and will result in a major funding crisis in the future.

A new approach is required

Hamilton does not really have a Vehicle Replacement Reserve

- It has an annual budget for vehicle replacement activities that is not charged to user departments in a consistent fashion
- The budget is not established in a way that provides enough funds for vehicle replacement when required, and some funds are used for other purposes
- The funds are used to meet the highest priority needs across the corporation
- The future procurement plans are adapted to the available budget, not to the “needs”, and not to achieving the lowest lifecycle costs
- The result is higher than necessary operating costs for user departments (both the costs for fleet operation and the costs of downtime and other disruptions to operations), an uncertain environment for planning department activities, and conflict between Fleet Services and its customers – who expect they will get new vehicles when required because they have been paying for them (at least in part)
- The positive outcome is that funds are not being wasted on premature vehicle replacement and Fleet Services is being pushed towards creative cost savings solutions (the sweeper rebuilds) - even if the business case analysis is incomplete.
- Several studies and reviews have identified the problem and suggested solutions, some suggesting increased contributions, some suggesting a new model

The options available include:

1. Continue the current practices
2. Establish a proper Fleet Replacement Reserve, with contributions based on calculated depreciation amounts, and funds dedicated to the purposes funds are contributed for – replacing vehicles at the end of their lifecycle
3. Allocate and track the Fleet Replacement Reserve by user group, allow user groups to set the rate of contributions they support, and only purchase new vehicles to the extent the user group has the available funds
4. Purchase vehicles when required to minimize lifecycle costs, using lifecycle analysis and business cases, financing the vehicles with loans (assumes a simple to use commercial arrangement with the City’s banker, a line of credit with individual amounts drawn against particular purchases)
5. Use Full Service Fleet Leases, contracting for vehicles and maintenance on a lease basis. Could be applied to part or all of the fleet, most likely to the light fleet at least at first.



Replacement Reserve Sustainability Option Evaluation

The table summarizes the advantages and disadvantages of each approach

The use of debt financing meets the most criteria, but there would need to be additional measures to encourage thrift.

The evaluation criteria are discussed at greater length on the pages that follow

	Status Quo	Classic VRR	User VRRs	Debt Finance	Full Service Lease
Short Term Budget Impact	None	Significant Increase	Uncertain	Depends on structure	Depends on structure
Long Term Budget Impact	Impact on Users	Minimize lifecycle costs	Uncertain	Minimize lifecycle costs	Uncertain, Requires Pilot
Accountability	Unclear	Clear	Clear	Clear	Clear
Flexibility to act	Low	Adequate	Low	High	Constrained during term
Incentives to thrift	High	Low	Moderate	Low	Low
Stability of funding	Low	Low	Low	Moderate to High	Moderate to High

Highlights

1. The status quo is unsustainable. It's major advantage is that it strongly encourages thrift – even when it is not the best long term approach.
2. Returning to a Classic Replacement Reserve model would require a substantial increase in reserve contributions, which has not been attainable in the past, and the contributions could just as easily be reduced again in the future. It can work well, but only if the rules are respected (which seems difficult).
3. Allocating the funds by user group would improve accountability, but decrease flexibility, and would not improve the stability of funding.
4. Using debt to finance vehicles would ensure the ability to acquire vehicles when optimal, and ensure stability of funding, e.g. debt needs to be repaid. The downside would be the need to control purchases, to ensure the business case is sound, and all options considered
5. The full service lease is becoming more popular, especially for light vehicles



Replacement Reserve Sustainability Option Evaluation – Detailed Discussion

Short Term Budget Impacts of Alternate Approaches

Restoring the sustainability of the Fleet Reserve fund (the Classic VRR) will require an increased contribution of \$2.6M per year.

As shown in the detailed financial forecast in the sections that follow, that would be partially offset by reduced maintenance expenses

Implementing a debt model could result in redeployment of the existing reserve, and a gradual increase in annual costs

- The short term budget impact is an important consideration as it has a major impact on the viability of implementation.
- The “Classic VRR”, in other words, a sustainable replacement reserve, will require an increase in annual contributions to the reserve of \$2.6M per year. This increase would be partially off-set by savings in maintenance and other factors, leaving a requirement for a net extra \$1.5M investment in year one. Past attempts to phase in an increased levy to cover increased reserve fund contributions have not been successful beyond a first year. Thus this is considered a significant drawback to this approach. Even with the extra \$3.7M contribution, the large 2014 fleet requirements would drain the reserve.
- Switching to the User Based reserves would make little difference in the budgets for users who currently provide full funding, however the full \$3.7M in extra contribution requirements would fall on the other departments, primarily within Public Works, creating substantial short term pressures.
- The “Depends on Structure” evaluation of the net short term impact of the Debt Finance and Full Service Lease options reflects a number of phase in options the City could consider:
 - A. At one extreme, existing reserve funds could be applied to 2013 purchases and the balance applied to other purposes. Users could be charged lease payments on new vehicles and only pay operating costs on existing vehicles. This would result in reduced vehicle costs in the short run, although in the long run, as all vehicles are replaced, costs would increase back to about current levels for those users who contribute appropriately now, and to a higher level for Public Works and other users which do not contribute to the reserve on a sustainable basis.
 - B. At the other extreme, all existing vehicles could be placed on leases (internally or with the City’s bank as part of the Line of Credit) for their current amortized value over their remaining planned life. Users would pay leases on existing and new vehicles, requiring a sustainable level of funding in the short term. This would increase costs immediately, largely for Public Works, by about \$400K. The reserve balance (including planned 2013 purchases) and proceeds of the loans, could be used on a one-time basis, for other corporate priorities, such as reducing other debts or resolving some infrastructure deficits.
 - C. A “balanced” approach would apply loans to existing vehicles to the extent the current contributions can support them, with new vehicles having full lease payments as they are acquired, phasing in the sustainable funding level gradually, but more quickly than the first option. This approach could eliminate the need for a budget increases in 2014. This approach could still make substantial funds currently invested in the fleet, available for other corporate priorities.
- Option A is not recommended. It would not be appropriate to reduce the vehicle replacement contributions in the short run, only to have them rise again in the near future. However the Debt or Lease options are rated highest as they have great flexibility on how they can be implemented, which makes implementation more likely



Replacement Reserve Sustainability Option Evaluation – Detailed Discussion

The long term forecasts make clear the advantages of a sustainable model that allows vehicles to be replaced when planned to minimize lifecycle costs. Either the Classic VRR or the Debt Finance model would achieve this. However the Debt Finance model would have lower costs over the seven year forecast period, would require smaller (or no) increases immediately, and would allow the redeployment of up to \$40M in City funds currently invested in the fleet.

Long Term Budget Impacts of Alternate Approaches

- The table below provides a comparison of the long term financial impact of continuing with the current approach (the Status Quo), converting to a Classic VRR (reserve contributions based on vehicle amortization and other costs funded by the reserve) and the Debt Financing Option
- The detailed calculations are presented in the pages that follow. As the table indicates, the Classic VRR will have higher costs in the short term, but reduced costs over time as the fleet becomes younger and maintenance costs decline. Over the seven year forecast it would be slightly cheaper, but the savings would continue to grow past 2020.
- The Debt Finance option would have the same savings in maintenance costs as the Classic VRR but would have larger savings in total over the 7 year forecast period, largely because it would only finance vehicles at their current value and repay loans based on that amount, where the Classic VRR would require contributions based on the initial cost of the current fleet, in order to produce the cash required to replace current vehicles.

Summary of Impacts (000,000's)	Status Quo	Classic VVR	Debt Finance
Value of fleet	\$33 declines to \$27	\$33 increases to \$50	\$33 increases to \$50
Average vehicle age	Increases to 7.13 years	Decreases to 5.7 years	Decreases to 5.7 years
Net Assets Committed	\$40 declines to \$32	\$42 increases to \$55	\$0 to 0.5
Funds freed to other priorities	\$0	\$0	\$40
Operating Costs			
First Year Budget	\$14.4	\$16.1	\$14.8
Maintenance (7 yrs)	\$62.8	\$53.4	\$53.4
Total Tax/Rate Cost (7 yrs)	\$113.8	\$112.8	\$103.5

- Note that the option for User VRRs would fall somewhere between the Status Quo and Classic VRR depending upon whether individual departments fully funded their reserves based on depreciation – or continued with current contribution levels.



Replacement Reserve Sustainability Option Evaluation – Detailed Discussion

The Full Service Lease concept is worth trying on a Pilot basis before considering broad application.

Long Term Budget Impacts of Alternate Approaches

- The long term cost of the Full Service Lease is more complex. It would likely carry a higher implicit interest cost as it would use private financing that may not recognize the full value of the City credit rating. But it will also be impacted substantially by the maintenance and operating costs and warranty conditions that apply. A more detailed review, or a pilot procurement process would be required to test the net financial impact in Hamilton's market conditions.
- The initial full service lease pilot project should include:
 - Selecting a particular segment of the fleet, perhaps the ½ ton pick-ups or the hybrid vehicles with a significant number of vehicles and a local dealer network
 - Identify the range of specialized modifications required, and determine which of those could be included in the tender, which would suggest leaving particular vehicles out of the tender (e.g. if unique modifications require maintenance not generally available from general vehicle maintenance providers) or which modifications should be specified as supplier provided vs. carried out by in-house resources (e.g. are modifications generally outside the expertise of general vehicle maintenance providers)
 - Identify any particular requirements for after hours service, emergency support, mobile response, etc. (recognizing that any new requirements will require an adjustment of the "target price" below) and any requirement for liquidated damages in the event of non-availability.
 - Prepare a tender document seeking suppliers who will provide the vehicles on a full service lease basis with an all-in price (gasoline excluded) for supply and maintenance of the vehicle (repair of user caused and accident damages excluded) with the price expressed as a cost per month plus a cost per kilometer. The tender could invite suppliers to bid based on any timeframe they selected, or for multiple timeframes (e.g. \$X per month for a 3 year lease, \$Y per month for a 6 year lease). The tender would seek a fixed price for a specific number of vehicles in the first year, and indicate how the price will be adjusted for delivery in subsequent years, seeking deliveries over at least three years. The tender evaluation process should be based on estimated lifecycle costs, averaged over the life of the lease, considering the monthly and per km costs, fuel costs and the expected cost of delivering the vehicles for servicing from the expected "home" locations of each vehicle to the maintenance location(s) specified by the bidder. The vendor would be expected to play the role of day to day fleet manager, e.g. scheduling and arranging maintenance. Fleet Services would manage the contract, reviewing invoices and arranging putting new vehicles into service and taking the old out.
 - The tender should indicate the historic costs of vehicles (including all the factors to be considered in the tender lifecycle costing calculation) adjusted for inflation to provide an "as is" price target and indicate the City does not intend to award a contract if the prices are not at least 5% lower than the target (to recognize the costs of adjusting the business model). This protects the City from entering a higher cost contract, and gives potential bidders an opportunity to determine if the effort involved in a full bid is worthwhile.
 - Distribute the tender document to the industry and invite comments and suggestions before issuing it. After considering any input, issue the tender document and evaluate the proposals. If the tender results in cost reductions, consider expanding it to another type of vehicle or user.
- The potential saving (or the extra cost) will not be known until the pilot project is completed, however there is the potential for both reduced cost and improved vehicle quality (e.g. more frequent rotation through shorter leases).



Replacement Reserve Sustainability Option Evaluation – Detailed Discussion

A detailed financial comparison of two options was carried out – the status quo and the Debt Finance Model

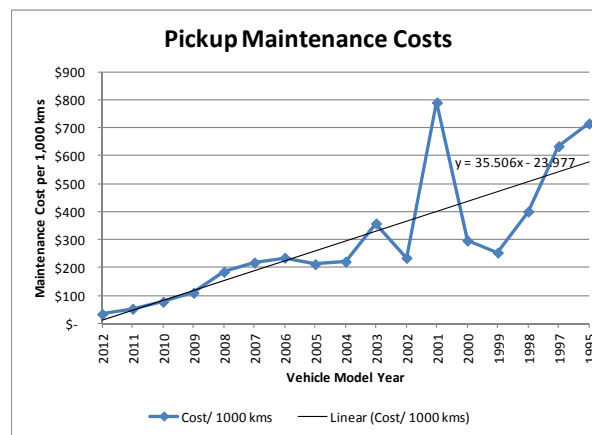
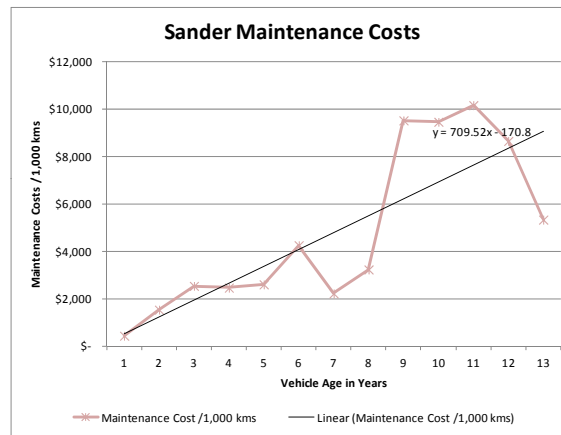
The major challenge was to estimate the savings that would occur by replacing vehicles at the optimal time to minimize lifecycle costs

Vehicle maintenance costs increase with vehicle age. The amount of the increase varies by type of vehicle, but the trend is the same.

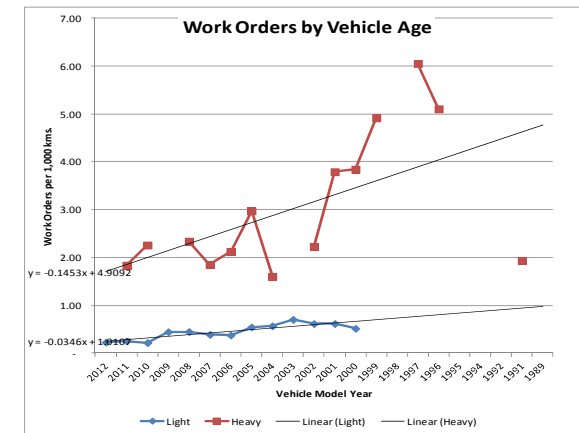
Similarly the disruption that servicing causes to operations increases as the vehicle ages and must be taken for servicing more frequently

Long Term Budget Impacts – Calculation Details

- This section provides a detailed forecast of the long term financial impacts of retaining the Status Quo, or adopting the Debt Finance Option, using implementation option B, immediate implementation for the purposes of the model. The impact of other options is considered after this analysis.
- One major change the Debt Financing Option would achieve is implementation of lowest lifecycle costs by allowing replacement of vehicles at the optimal time. The charts below help to identify the impact of the vehicle replacement date on maintenance costs.



- The graphs at left show the cost per thousand kms for maintenance of the sanders and pickup trucks discussed earlier, showing how the costs increase with age. The slopes of the lines shows the average rate of increase.
- The graph below shows the number of work orders for each 1,000 kms of travel for vehicles by their model year. Each work order requires that the vehicle be withdrawn from service and left with or taken to the maintenance facility, impacting user operations





Replacement Reserve Sustainability Option Evaluation – Detailed Discussion

Long Term Budget Impacts – Calculation Details

Based on generalizing data from the sanders and pickup trucks, it appears that the City could save \$2M per year in maintenance costs if it reduced the average age of the fleet by 1 full year. To be conservative, this estimate was reduced to \$1.33M for further analysis.

Extra trips to the shop cost user departments an extra \$225K per year for every year older a vehicle gets.

- The table below calculates the net impact of increasing maintenance costs and increased disruption to operations as the fleet as a whole gets older (or the cost reductions if the fleet gets younger).
- The “Increased Maintenance Cost/Vehicle/Year Older” is based on the previous page. For light vehicles, it is \$35/1,000 kms based on the pickup trucks, for the heavy vehicles, it is \$709 per 1,000 kms, based on the sanders. The increase for equipment is assumed to be the same percent as for light vehicles, and the increase for packers and sweepers is assumed to be the same percentage as the heavy vehicles. The weighted average is \$1, 576 per vehicle (per year), or \$1.97M for the fleet if the average age increases by a full year.. With total maintenance expenditures around \$8M per year for a fleet about 6 years old this estimate may be a little high (sanders may not be “typical” heavy vehicles) but does give a reasonable sense of the range. To be conservative, the balance of this analysis assumes a figure of \$1.33 M per average year older (or younger), based on \$8M in maintenance expenditures divided by 6 year average age. As the trend line on the graphs on the previous page do pass close to the origin this seems a reasonable, conservative approach.
- The chart below assumes the number of work orders increases proportional with the maintenance expenditure and assumes a cost of \$100 on average for the client to bring the vehicle to the garage, pick up the driver, return to pick up the vehicle and return the vehicle and both drivers to their work, as well as any costs to rent replacement equipment and/or operators while the vehicle is out of service. Packers are shown with a lower cost as most maintenance is done on location, in the evening. Given these assumptions, the extra maintenance that comes with age would result in an additional client cost of \$225,000 per extra year old over the full fleet.

Weight Class	Number of Vehicles	Number of Work Orders	Average km/hrs	Total Repair Costs	Average Annual Mintenance Cost / Vehicle	Increased Maintenance Cost / Vehicle / Year Older	Ave WorK Orders / Vehicle	Increased WOs /Vehicle / Year Older	Delivery cost per WO	Cost/Vehicle
Equip	403	1848	61	1,081,435.63	\$2,683	\$421	4.59	0.72	\$100	\$72
Heavy	264	4217	5,663	3,741,623.67	\$14,173	\$4,018	15.97	4.53	\$100	\$453
Light	533	3557	15,552	1,878,170.57	\$3,524	\$552	6.67	1.05	\$100	\$105
Packer	32	1388	15,513	1,130,886.73	\$35,340	\$11,007	43.38	13.51	\$25	\$338
Sweeper	18	590	7,253	542,303.88	\$30,128	\$5,146	32.78	5.60	\$100	\$560
Total	1250	11600	8,841	8,374,420.48				2.1		
Weighted Average						\$1,576		2,575.8		\$180
Total for Fleet for 1 Year Older						\$1,969,539				\$225,158



Replacement Reserve Sustainability Option Evaluation – Detailed Discussion

A series of very conservative assumptions was applied to the analysis

Long Term Budget Impacts – Calculation Details

An analysis was completed comparing the continuation of the “status quo” with the alternative of switching to a Debt Financing model. The key assumptions were established to make the status quo option as positive as possible. They are:

- a) The Status Quo option will execute as shown in the Reserve Forecast as shown on page 14. This assumes that all the outstanding WIP will be spent in the next couple of years, and specifically that \$11.6M in vehicles will be acquired in 2013. This is likely beyond the capacity of the current resources, with the result that the fleet will likely start 2014 even older than shown in the forecast.
- b) The analysis starts 2014 on the assumption that \$11.9M is spent on vehicles in 2013 – all the funds shown in the forecast including reducing the WIP by over \$6M. The result is an expectation that the fleet will actually be newer at the end of 2013 than it actually will. This approach favours the status quo in the analysis, although it is unlikely to be achieved.
- c) All transaction occur at the end of the year they are shown in. In practice some will occur earlier while some, particularly purchases, will not be completed until the following year.
- d) The Debt Finance Option is shown with implementation Option B which provides for an immediate full conversion with the existing fleet financed as well as new purchases.
- e) Proceeds of sales are shown in the “Status Quo” as forecast, at 10% of the cost of replacement vehicles, even though the vehicles will be retired well past their planned retirement age. In the Debt Finance option recoveries are shown as 5% of the initial cost of the vehicles retired, a much more conservative assumption.
- f) In the Debt Finance option, the cost of the vehicle acquisition team is shown as 4.8% of the cost of vehicles purchased, giving sufficient resources to execute the program. These costs are shown as being borrowed as a mark-up on vehicle costs, but could be funded from current contributions if desired.
- g) In the Status Quo option, the opportunity cost shown is the cost of the capital committed, calculated at 1.75% the rate the City charges for internal loans (lower than the rate attainable by investing funds).



Replacement Reserve Sustainability Option Evaluation – Detailed Discussion

Long Term Budget Impacts – Calculation Details

Capital Activity Compared

Status Quo	2014	2015	2016	2017	2018	2019	2020
Capital Program							
Opening Fleet Cost	81,716,761	82,973,414	84,102,343	85,084,923	86,226,527	87,363,271	88,531,804
Opening Fleet Value	33,096,518	33,288,813	32,241,348	30,387,398	28,766,409	27,506,378	26,541,619
Opening VRR Balance	7,497,769	5,408,095	4,483,312	4,555,987	4,623,286	4,872,731	5,570,943
Average Planned Life	10.18	10.18	10.18	10.18	10.18	10.18	10.18
Average Age	6.06	6.10	6.28	6.54	6.78	6.97	7.13
Vehicle Purchases Required	14,464,501	14,032,164	12,331,463	17,349,322	25,076,486	24,723,222	29,462,835
Vehicle Purchases	7,740,275	6,698,705	5,893,582	6,085,311	6,278,102	6,471,589	6,665,912
Purchases Deferred	(6,724,226)	(7,333,459)	(6,437,881)	(11,264,011)	(18,798,384)	(18,251,633)	(22,796,923)
Vehicles Disposed (Cost Value)	6,483,622	5,569,777	4,911,002	4,943,706	5,141,358	5,303,056	5,302,110
Closing Fleet Cost	82,973,414	84,102,343	85,084,923	86,226,527	87,363,271	88,531,804	89,895,607
Closing Reserve Balance	5,408,095	4,483,312	4,555,987	4,623,286	4,872,731	5,570,943	6,279,599
Proceeds of Sales (to reserve)	539,000	539,110	570,290	589,360	608,530	627,810	647,160
% of Fleet Replaced	7.9%	6.7%	5.8%	5.8%	6.0%	6.1%	6.0%
Capital Committed	39,645,598	37,710,784	35,834,022	34,166,539	32,884,402	32,245,835	32,821,217

Debt Finance (Option B - Immediate Conversion)	2014	2015	2016	2017	2018	2019	2020
Capital Program							
Opening Fleet Cost	81,716,761	84,065,110	85,296,711	86,129,980	88,176,967	90,677,921	91,747,731
Opening Fleet Value	33,096,518	41,095,091	41,423,969	39,723,603	44,484,812	52,170,281	51,796,525
Average Planned Life	10.18	10.18	10.18	10.18	10.18	10.18	10.18
Average Age	6.06	5.26	5.50	5.96	5.74	5.26	5.70
Vehicle Purchase Required	14,464,501	7,307,938	4,998,004	10,911,441	13,812,476	5,924,838	11,211,202
Vehicle Purchases	14,464,501	7,307,938	4,998,004	10,911,441	13,812,476	5,924,838	11,211,202
Purchases Deferred	0	0	0	0	0	0	0
Vehicles Disposed (Cost Value)	12,116,153	6,076,336	4,164,735	8,864,454	11,311,521	4,855,028	8,917,462
Proceeds of Sales	605,808	303,817	208,237	443,223	565,576	242,751	445,873
% of Fleet Replaced	14.8%	7.2%	4.9%	10.3%	12.8%	5.4%	9.7%
Loans							
Opening Loan Amount	-	41,183,579	41,491,220	39,719,861	44,435,371	52,040,587	51,465,670
Finance Existing Fleet	33,096,518						
Vehicle Purchases Financed	14,464,501	7,307,938	4,998,004	10,911,441	13,812,476	5,924,838	11,211,202
Finance Fleet Acquisition Team	694,296	350,781	239,904	523,749	662,999	284,392	538,138
Amortization (Capital Repayment)	(6,465,929)	(6,979,059)	(6,698,371)	(6,150,231)	(6,127,007)	(6,298,594)	(5,689,323)
Amortization (Fleet Acquisition Team)		(68,202)	(102,660)	(126,226)	(177,675)	(242,802)	(270,739)
Repayment from Vehicle Sales	(605,808)	(303,817)	(208,237)	(443,223)	(565,576)	(242,751)	(445,873)
Closing Loan Value	41,183,579	41,491,220	39,719,861	44,435,371	52,040,587	51,465,670	56,809,074
Capital Committed (end of year)	(88,488)	(67,251)	3,742	49,441	129,693	330,855	509,329

Even with the optimistic assumption for 2013 purchases, the fleet will start older than desired (half the average planned life) and continue to get older over the course of the next seven years if the Status Quo is pursued.

As the fleet ages (and declines in value), the City cash tied up in the fleet will decline from \$40M to \$32M.

The Debt Finance Option will allow vehicles to be acquired when required, with the average age of the fleet declining.

This approach will tie up virtually none of the City's resources, freeing up the \$40 M currently invested in the fleet for other purposes



Replacement Reserve Sustainability Option Evaluation – Detailed Discussion

Long Term Budget Impacts – Calculation Details

Annual Operating Costs Compared

Status Quo	2014	2015	2016	2017	2018	2019	2020	Total
Annual Costs								
Contribution to Reserve	5,879,640	6,056,030	6,232,420	6,414,100	6,601,070	6,793,490	6,991,520	44,968,270
Fleet acquisition team	241,740	273,990	282,210	290,680	299,400	308,380	317,630	2,014,030
Maintenance Costs	7,756,834	7,965,852	8,382,076	8,934,800	9,465,993	9,942,060	10,375,542	62,823,158
Increased Delivery Costs	(158,298)	(149,550)	(108,659)	(48,568)	5,360	48,369	82,872	(328,474)
Opportunity Cost (at 1.75%)	693,798	659,939	627,095	597,914	575,477	564,302	574,371	4,292,897
Total	14,413,714	14,806,261	15,415,142	16,188,926	16,947,301	17,656,601	18,341,935	113,769,881

Debt Finance (Option B - Immediate Conversion)	2014	2015	2016	2017	2018	2019	2020	Total
Annual Costs								
Amortization Cost	6,465,929	7,047,261	6,801,030	6,276,457	6,304,682	6,541,396	5,960,062	45,396,817
Interest Costs	579,189	720,713	726,096	695,098	777,619	910,710	900,649	5,310,074
Hoist Replacement	150,000	153,000	156,000	159,000	162,000	165,000	168,000	1,113,000
Maintenance Costs	7,756,834	6,807,857	7,282,784	8,096,320	7,923,492	7,374,036	8,189,579	53,430,903
Increased (decreased) Delivery Costs	(158,298)	(337,552)	(283,631)	(179,410)	(230,623)	(336,803)	(238,567)	(1,764,885)
Total	14,793,654	14,391,279	14,682,280	15,047,465	14,937,170	14,654,340	14,979,723	103,485,910

The analysis shows the debt financing option would be \$230K more expensive in the first year, but the City will be \$11.4 M ahead over the next seven years if it adopts a Debt Financing model for financing its fleet.

Vehicle maintenance costs will be reduced by over \$9M as the fleet becomes younger.

Savings will likely be higher than shown because of the conservative assumptions.

While the opportunity costs – the value of diverting the \$40M tied up in the fleet, are important, the change is warranted even without considering this.



Replacement Reserve Sustainability Option Evaluation – Detailed Discussion

The classic VRR will result in an improved fleet and reduced maintenance costs. Due to the need to remove the backlog of vehicle purchases, the reserve account will be drained, but that is not a major concern.

Implementing the classic reserve would result in reduced costs in the long term, but would not provide the same savings as the Debt Financing option over the 7 years, nor would it provide the opportunity to reinvest the roughly \$40M tied up in the fleet. In fact an additional \$10M in cash will be required over the 7 years.

Long Term Budget Impacts – Calculation Details

Classic VRR Approach

- The analysis of the Classic VRR approach builds off the assumptions from the Debt Financing model. In particular, it assumes the vehicles are purchased when planned in order to minimize lifecycle costs. Thus the cost of the fleet, the purchases and disposal each year and the maintenance costs would be identical to the Debt Finance model. However the financing, interest and amortization values would be different as shown below.

Classic VRR								
Reserve Balance								
Reserve Opening Balance	7,497,769	1,341,576	2,213,266	5,449,879	3,093,437	(1,914,541)	856,278	
Contributions	8,470,123	8,348,757	8,355,813	8,720,419	9,053,694	8,911,477	9,268,058	
Vehicle Purchases	(14,464,501)	(7,307,938)	(4,998,004)	(10,911,441)	(13,812,476)	(5,924,838)	(11,211,202)	
Fleet Acquisition Team	(694,296)	(350,781)	(239,904)	(523,749)	(662,999)	(284,392)	(538,138)	
Hoist Replacement	(150,000)	(153,000)	(156,000)	(159,000)	(162,000)	(165,000)	(168,000)	
Sale of Vehicles	605,808	303,817	208,237	443,223	565,576	242,751	445,873	
Interest Income	76,673	30,835	66,471	74,106	10,226	(9,179)	(4,295)	
Reserve Closing Balance	1,341,576	2,213,266	5,449,879	3,093,437	(1,914,541)	856,278	(1,351,426)	
Capital Committed (end of year)	42,436,667	43,637,236	45,173,482	47,578,249	50,255,739	52,652,802	55,966,978	
Annual Costs	2014	2015	2016	2017	2018	2019	2020	Total
Amortization to Reserve	7,625,827	7,844,976	7,959,909	8,037,670	8,228,695	8,462,085	8,561,920	56,721,083
Hoist and FA Team Contributions	844,296	503,781	395,904	682,749	824,999	449,392	706,138	4,407,259
Maintenance Costs	7,756,834	6,807,857	7,282,784	8,096,320	7,923,492	7,374,036	8,189,579	53,430,903
Increased Delivery Costs	(158,298)	(337,552)	(283,631)	(179,410)	(230,623)	(336,803)	(238,567)	(1,764,885)
Opportunity Cost (at 1.75%)	16,068,659	14,819,062	15,354,966	16,637,330	16,746,563	15,948,710	17,219,070	112,794,360



Replacement Reserve Sustainability Option Evaluation – Detailed Discussion

The current approach makes it difficult to hold department accountability for service delivery quality and service costs.

With technology and service expectations constantly changing, some flexibility in service delivery is useful

Accountability

- The current reserve approach does not provide effective accountability for any party.
- Fleet Services cannot be held accountable for achieving the lowest possible cost, for providing usable, effective, reliable vehicles to users, or for replacing vehicles when planned, when expected by users, or when required. The limitations of the reserve approach limit their ability to act.
- Similarly, user departments cannot be held fully accountable for the effectiveness or economy of their operations when they can't obtain the vehicles they need to deliver services and when they experience increased vehicle breakdowns.
- Any of the options would improve accountability.
 - The development of user based reserves would make it the responsibility of each user to obtain the funding required to support an appropriate fleet.
 - The Classic VRR, Debt Finance and Full Service Lease options would allow users to obtain the vehicles they require and can justify to support operations.

Flexibility to Act

- With the Status Quo there is very little opportunity respond to new opportunities, new technologies, new service requirements, even when there is a good business case to do so. There are so many urgent claims on the available reserve funds, that new initiatives are difficult to accommodate.
- A Classic VRR would introduce more, and probably enough flexibility. There are still limits on the funds available at any point in time, but they would likely be adequate to respond to any urgent requirement or strong business case that is likely to emerge.
- The User Department based VRRs would be more limited, tied to the resources available within the department. So the department would have flexibility on how to use the resources, but far fewer resources to work with and there would be no ability to direct limited resources to the highest priorities.
- The Debt Financing approach would have considerable flexibility, as new requirements could be met with new borrowing. The Full Service Leases would be more constrained, at least during the term of the lease for any vehicles involved. While the City is currently well below its debt limits, it could choose to use the current investment in the fleet as well as the current fleet reserve to reduce other debts if there was concern to limit the total amount of City debt.



Replacement Reserve Sustainability Option Evaluation – Detailed Discussion

The debt option has the potential to discourage thrift, which must be dealt with if implemented

Improving the stability of funding is an important element of making the fleet funding approach sustainable – not just sustainable in theory, but also sustainable in practice

•Incents Thrift

- The strongest positive of the Status Quo is that it has forced Fleet Services, and to some extent the users, to find creative ways to reduce costs. The rebuild of the sweepers is one example, the extension of the life of many vehicles is another, the retention of “retired” vehicles in service to meet growth needs is another. Although these have not always produced lower long term or lifetime costs, they are creative efforts to manage within the available funds.
- There is a concern that having adequate funds – or even unlimited funds (e.g. debt) removes the incentives to reduce costs, and could encourage users to buy Cadillacs when Chevs would do, or keep extra vehicles around “just in case”. The Debt Finance and Full Service Lease options do not provide strong built in constraints against overspending (although departments would bear the lease or financing costs, which does provide some disincentive), so additional constraints should be considered.
- The Classic VRR would not provide a strong disincentive to overspending, although departments would have to make amortization payments, and Fleet, as holder of the reserve, would tend to push back.
- The User VRRs would be a little better in this context, as the user would feel they are spending “their own” funds, providing some additional incentives to thrift.

Stability of Funding

- The stability of funding has been a major problem for the current model, with the temptation of making budget cuts that won’t be felt until some time in the future stronger than the desire to maintain the principles, and long term savings, available in other models.
- This concern is also a major drawback to the move to a Classic VRR. The City has tried to do this before, but never attained the goal. We see the same problem in other cities. The same temptations would exist within User department based VRRs. Those departments with intense budget pressures (e.g. tax funded) would be under the same pressures to underfund their departmental reserves.
- The debt financing approach rates highest on this criteria. Once a debt is incurred, the City is very likely to continue the regular payments required. The implications for its credit rating are too severe to consider any other options. The use of internally funded debt might make the debt more vulnerable, hence the moderate to high rating, but the expectation is that internal debts would also be paid. Departments would still need to budget the operating and lease payment funds required to obtain new vehicles, but that is as it should be, they need to justify any expansion in programs including the vehicles required.
- The Full Service Lease process could come under pressure during renewals, but once the lease is approved, the funding would follow.



Replacement Reserve Sustainability Conclusions

The Status Quo is not sustainable. The “Classic VRR” (a funded reserve) is just the Status Quo waiting to “reappear”.

A debt model allows for sustainable, accountable use of fleets and the best opportunity to minimize fleet costs to the taxpayer.

The most appropriate response to the current unsustainable replacement reserve is to move to debt financing of vehicles.

This approach will allow the City should commit to a minimum lifecycle costing solution, the most important step involved in reducing the total cost of vehicles to the City. It will provide a means to buy vehicles when warranted to minimize life cycle costs.

The City needs to increase its investment in fleet purchases in order to obtain savings, both in vehicle maintenance costs and in user department operating costs. Some of those savings are currently funded (e.g. part of department operating costs), but many are savings in the future, when the costs of an aging fleet will continue to grow if fleet renewal is not accelerated.

This approach will allow departments to acquire vehicles when they have the program funding required, and allow departments to make trade-offs between vehicle expenditures and other expenditures so they can achieve their program objectives in the most economical way possible. It will support a minimum vehicle lifecycle cost approach, resulting in the lowest possible costs to the City. As noted above, given the city’s financial position, this approach will not be more expensive. In any case, the interest costs are very small compared to the operating cost implications, in terms of the cost of vehicle repair, the cost of carrying spare vehicles, and the cost to operating departments of bringing vehicles for repair and having staff pulled out of service delivery.

Increasing funding to restore the integrity of the Vehicle Replacement Reserve is not an achievable option. It would require increased contributions to the reserve immediately, primarily increases in the Public Works budget. Previous efforts to phase in sustainable funding have failed, and there is no reason to expect it would succeed at this time.

Establishing a series of user specific reserve accounts will not resolve the problem. It would make it easier for users who can fully fund their fleet requirements, but it would not remove the need for increased funding for the other users, or make it any easier to obtain.

The full service lease approach is promising, but requires a pilot project to determine the extent of net benefit it will produce. It will also be more suited to some elements of the fleet than others. The pilot should proceed, but will not be applied to the full fleet, at least not for many years.

The transition process for converting to debt financing should be designed to meet corporate criteria, in terms of the extent of budget impact that can be tolerated in 2014 and 2015, and the best use of available capital resources.



Replacement Reserve Sustainability Recommendations

Moving to a debt model for financing the fleet will give the City the resources to deal with the current “crunch” (the many vehicles currently requiring replacement) and prevent deferral of these current needs until they create a large replacement deficit in the future.

At the same time, it will allow the city to redeploy its current investment in the fleet, and the fleet reserve balance to meet other corporate priorities.

1. That the City adopt a debt financing model for financing its Fleet

- The Finance Department should consider from time to time whether it is more beneficial to fund vehicles through internal loans, or arrange with its bank to use the line of credit
- The financing of each vehicle should include a mark up of 4.8% that will be used to finance the role of Fleet Services in the procurement process (and disposal of any retiring vehicle)
- The costs of debt payments will be charged to the user department
- The finance payments will assume an appropriate salvage value for the vehicle at the end of its life, and the user department will be responsible for, or credited with, any net value after the vehicle is disposed

2. That the transition process be handled as follows

- That each existing vehicle be assigned a loan to the extent of its current undepreciated value until the value of the payments required in 2014 equal the 2013 reserve contribution of the user (other vehicles will not have loans attached, with the result that the maximum increase in 2014 for any user department would be the loan cost of any new vehicle acquisitions, and the increased tax requirement will be phased in as the vehicles without loans are replaced)
- That the Finance Department consider on a corporate basis whether the existing reserve balance should be used to reduce other debts, or applied to other purposes

3. The City adopt the goal of achieving minimum life cycle costing for vehicle use.

- a) Fleet Services is to complete its project to analyze the appropriateness of current planned lifetimes,
- b) Fleet Services is to ensure consistent review, in consultation with users, of vehicles approaching retirement for possible early or late retirement based on usage levels and maintenance history, and
- c) Fleet Services is to ensure consistent review, in consultation with users, of early retirement options for vehicles facing major repair expenses late in their planned life.

4. That all vehicle purchases be based on a business case analysis by Fleet Services (in consultation with users), signed off by the Director of the user department

5. That Fleet Services be directed to conduct a full service lease pilot project generally consistent with the approach described on page 28



Competitive Service Provider What Others Do

This section asks if User Departments should have the choice of using Fleet Services, or finding other service providers

Most municipalities, like Hamilton, define the scope of responsibility of their Fleet Services unit by policy. Departments within scope must have their vehicles managed and maintained by Fleet Services. Ottawa has a mandate for most departments, but serves the police department by agreement. In Calgary Fleet Services is an optional service provider the departments may choose to use.

Calgary has some distinct differences from other cities as a result:

- Some garages are dedicated to particular departments, with all costs charged to the departments (rather than particular services)
- Considerable mobile service is provided, including units that serve parks equipment in the parks, and a crew that follows the asphalt paving machine (downtime is very expensive as it impacts a large crew and a large number of vehicles)
- Building inspection decided to operate their own fleet, initially based on using an available subsidy, now using a full service lease
- Fleet Services has a large fabrication unit which competes for contracts with other departments

Advantages:

- Clarifies accountability – operating departments responsible for their costs
- More customer orientation, better customer service from Fleet Services
- More customization, services adapted to needs of particular customers
- Allows decisions based on total cost to City – e.g. Fleet costs and operating department costs

Disadvantages

- Can allow duplication to emerge
- Can leave Fleet with excess capacity if clients leave
- Fleet less useful in “policing” role, up to audit to monitor department fleet use



Competitive Service Provider How it could work

Making Fleet Services optional would make it more responsive to user department needs, and make user departments more accountable for the level of service they want

Fleet would have a standard suite of services and pricing approach,. This is generally in place now in the form of a series of Fleet Services policies

There could be exceptions negotiated as required by departments

- Range of services to be provided expanded or reduced
- Service levels / service quality could be modified, to provide service at a specific location, or a mobile service as required by a user
- Particular KPI's could be established, e.g. target levels of vehicle availability, maintenance turn around times
- Pricing / charging approach could be varied, reflecting the user expectations in terms of services, service levels, and performance expected

Customers could purchase some or all of the services Fleet Services provides

- Fleet Management including Fleet Management Information System
- Acquisition support
- Vehicle disposal
- Maintenance
- Training and Safety

The principal would remain Fleet Services self-sufficiency, with customers required to cover any incremental costs of exceptions

Fleet could initiate offers to sell some services to fire, police, transit

Fleet would still deliver some services with its own staff, and manage outsourcing contracts for other services



Competitive Service Provider Directions

The recommendations would give Fleet the opportunity to tailor services to User needs, and Users some flexibility to seek services elsewhere, but constrain the scope to limit corporate risk

Current Status

- Fleet Services initiated some customer unique solutions, including the new maintenance arrangements for Waste Collections, the services for golf courses and some mobile repair services
- The Waste Collections approach does provide for self-sustaining funding, with the costs largely as charged by the contractor, which reflects any incremental costs of the particular requirements
- The other special arrangements do not have any recognition of the cost of the premium services

Conclusions

- There are advantages to both Fleet Services and to customers if there is some flexibility to adjust services and service levels to particular client requirements. But improved services to some clients should not be at the cost of other clients, thus the need for flexible billing approaches.
- The ability of departments to “opt out” of Fleet Services is a useful mechanism to make Fleet Services responsive and accountable
- However the ability to “opt out” can lead to duplication and increased costs, sometimes simply the result of conflicts or disagreements
- The inclusion of all vehicles and equipment in the Fleet Management Information System is essential to maintaining corporate control and understanding of its fleet resources
- Some aspects of the Training and Safety services can have corporate implications if legislative requirements are not met. There are at least 3 depts (EMS, Transit & Central Fleet) delivering Driver Training & Driver license upgrades. Consolidation could produce efficiencies as well as improving risk management.

Recommendations

6. That Fleet Services have the explicit authority to adapt services and service levels to particular customer requirements and the authority to adopt a variety of charging approaches as required to reflect and recover the costs of providing the different service levels
7. That vehicle and equipment users have the option to arrange for some of the fleet services they require from other sources, but only with the approval of the City Manager, and only if they continue to use the corporate FMIS and Training and Safety services required by legislation



In-House vs. Outsourced Services Cost of Labour

The cost of a Fleet Services mechanic is higher than the cost of contracted mechanics by the hour

There is no measure of efficiency available to determine if in-house mechanics do more or less in an hour than contracted mechanics

Are In-House vehicle maintenance services priced competitively?

- The cost of repairs is largely based on two factors:
 - the “door rate” – or the cost of making a mechanic available for one hour of “wrench time” (time billed to work orders)
 - The efficiency of the labour – in general, how many hours it takes to perform repairs

Door Rate

- The current door rate for the light duty contract is \$80, and for the heavy duty contract \$85
- The current door rate for Fleet Services in-house staff is \$102, a 20% to 27.5% disadvantage compared to the contractor rates.
- The calculation of the in-house rate excludes “indirect costs” which includes the cost of the Director, the administration and a number of small items including training costs. Normally part of these costs, generally a pro-rata allocation between the maintenance and other services provided by Fleet, would be included in the costs to be recovered.
- The calculation does not consider costs for finance, human resources, IT or other support Fleet Services receives from other departments, so it understates the real costs of the service.
- 78.6% of the in-house cost is employee related, so reducing the door rate significantly will require reductions in employee related costs.
- Reducing facility costs could also help reduce the door rate

Efficiency of Labour

- Contractors generally charge the number of hours assigned to a job based on “the book”, the industry standard time allocated to a particular task. For some particular tasks on specialized equipment, or for unusual circumstances, they will charge based on the actual time spent by the technician
- Fleet Services charges by the actual time spent on the work.
- Avantis does not provide the capacity to compare the actual time charged by in-house mechanics with the industry standard times, so there is currently no way of knowing if in-house mechanics are taking more or less time than the contractors are charging. It would be useful to gain this capacity as part of the implementation of the Hansen Fleet Management Information System



In-House vs. Outsourced Services What is Currently Outsourced?

Fleet Services already contracts many types of repairs

The table below shows the types of work that Fleet Services outsources – as reported to the Calgary benchmarking study.

	All	Some		All	Some
Provincial Truck Safety Inspections		√	Glass replacement	√	
OEM Suggested Inspections		√	Towing	√	
Vehicle wash			Differential repairs/rebuilding		√
Lube and filter		√	Plow blade straightening		√
Brake pad / disc / drum replacement		√	Welding/fabricating		√
Machining brake drums / discs		√	Body work	√	
Tire Repair and Replacement	√		Painting	√	
Muffler/exhaust systems replacement	√		Air Conditioning		√
Electronic Diagnostic		√	Upholstery repair	√	
Electrical / electronic repair /replacement		√	Upholstery replacement	√	
Alignment	√		Parts rebuilding	√	
Engine repair/rebuilding		√	Heavy equipment components repair/rebuild		√
Engine replacement		√	Others (please list)		
Transmission repair/rebuilding		√			
Transmission replacement		√			
Hydraulics repairs/rebuilding		√			

There are two important changes since that time. One major change is the contracting of maintenance support for the Waste Collections vehicles that was implemented with the recent relocation. The second change is the continued outsourcing of light duty fleet maintenance work.



In-House vs. Outsourced Services What Do Other Cities Outsource?

The table shows how other cities responded.

Hamilton is city “D”

Its responses generally align with the majority of other cities, and with recognized best practices.

	All	Some		All	Some
Provincial Truck Safety Inspections		(A)(C)(D)(E)(F)	Glass replacement	(A)(C)(D)(F)	(B)(C)(E)
OEM Suggested Inspections	(A)*	(C)(D)(E)(F)	Towing	(A)(C)(D)(E)	(B)(F)
Vehicle wash		(A)(E)	Differential repairs/rebuilding	(E)	(A)(C)(D)(F)
Lube and filter		(A)(C)(D)(E)(F)	Plow blade straightening		(C)(D)(E)
Brake pad / disc / drum replacement	(A)*	(C)(D)(E)(F)	Welding/fabricating		(A)(D)(E)(F)
Machining brake drums / discs	(A)*	(C)(D)(E)	Body work	(A)(D)(E)(F)	(B)
Tire Repair and Replacement	(A)(C)(D)(E)	(B)	Painting	(A)(D)(E)(F)	(B)
Muffler/exhaust systems replacement	(A)(D)	(B)(C)(E)(F)	Air Conditioning	(E)(F)	(A)(C)(D)
Electronic Diagnostic	(A)*	(C)(D)(E)(F)	Upholstery repair	(A)(D)(E)(F)	(C)
Electrical / electronic repair /replacement	(A)*	(C)(D)(E)	Upholstery replacement	(A)(D)(E)	(F)
Alignment	(A)(D)(F)	(B)(C)(E)	Parts rebuilding	(A)(D)(F)	(B)(E)
Engine repair/rebuilding	(A)(C)	(D)(E)(F)	Heavy equipment components repair/rebuild		(A)(D)(E)(F)
Engine replacement	(C)(E)(F)	(A)(D)	Others (please list)		
Transmission repair/rebuilding	(C)(E)(F)	(A)(B)(D)			
Transmission replacement	(C)(E)(F)	(A)(D)			
Hydraulics repairs/rebuilding		(A)(C)(D)(E)(F)			

(A)* (in house)



In-House vs. Outsourced Services Contracting Approaches

Currently light vehicles must be taken to Fleet Services, then are picked up by contractors, who return them to Fleet Services so users can pick them up.

More contractor locations would make it easier for users to relate directly to contractors

The contracted maintenance of Waste Collections vehicles is meeting user needs

- The areas where municipal Fleet Services departments are generally most effective is in dealing with the vehicles that are unique to municipal fleets or at least low volume in the community. These tend to be the heavy vehicles, particularly those in specialized uses.
- The move to outsourcing light duty fleet work is consistent with this industry direction. However the current approach for light vehicles causes a significant problem for customers. It requires customers to deliver their vehicles to Fleet Services, which then arranges for the contractor to pick up the vehicle. When the vehicle is repaired, it is returned to Fleet who then calls the customer for pick-up. This process increases the total downtime of the equipment needlessly. Apparently some previous negative client interactions with suppliers caused this approach. However all clients should not suffer as a result of the actions of a few. The customers involved should be dealt with instead, and Fleet Services can manage the supplier relationship. There are also instances where the Fleet garage has excess capacity and keeps the vehicle to repair itself. But the same decision could be made when managing the repair process without having the vehicle on site. Planning and coordination of maintenance should remain with Fleet Services even when the maintenance is outsourced.
- If Fleet Services initiates customer contact for preventative maintenance items or receives calls from customers for unscheduled work, it can determine what contractor will do the work (or direct it to a Fleet garage if appropriate) and direct the customer to deliver the vehicle directly to the contractor, saving considerable time. Indeed the contractor requirement to pick up the vehicle from Fleet may be transferable to the customer location in some instances, improving the service level further.
- The current standing offers provide for relatively few contractor repair locations. Particularly with the light fleet there may be an advantage to awarding standing offers to more than one contractor, or to a contractor with more than one location to give most light fleet users a convenient maintenance location. Apparently the procurement bylaw and related requirements have been interpreted to prevent competitions from specifying the location of acceptable contractors. The result was the requirement that contractors pick up vehicles to ensure the net cost to the city of various bids considers all factors. This approach could be taken a step further by issuing a number of RFPs (or inviting multiple severable bids to one RFP) for vehicles to be picked up in various locations within the City, reflecting the deployment of vehicles by location.
- The new approach for maintenance of the Waste Collections compactors is reported to be working well, although it is an unusual and innovative arrangement, with the contractor conducting most of the work at the City location, in the evening hours when vehicles are not in use. The arrangement itself is unusual in that the customer (Waste Collections) supervisors handle much of the direction and supervision of the contractor. The concept is tailored to a customer requirement and the arrangement has been well documented, however it would be useful to review the experience after a year, considering service levels achieved and costs. It may serve as a model to manage some other customer needs, particularly if Fleet reduces its number of active locations. Service to the golf courses, for instance, could easily follow this model.



In-House vs. Outsourced Services Considerations

Regular review of the work that is contracted and work that is done in-house, including a review of relative costs and performance levels should be undertaken

- The pricing of outsourced work, with hourly rates below the in-house door rate suggests continued expansion of outsourcing may be cost effective, and the plan to develop a standing offer list for work on heavy vehicles would be appropriate. The standing offer should invite different bids to service different parts of the fleet that are in diverse locations, providing that geographically dispersed suppliers could be engaged if that is the most economical approach.
- However Hamilton does not have a program to regularly review its outsourced work and compare it to in-house options to ensure it is receiving best value in each category. The data as currently recorded in Avantis has not been adequate for this purpose. Contracted work tended to be recorded by the invoice rather than by the work items completed. Thus the same inspection was recorded as a \$250 item or a \$2,500 item after a number of repairs were carried out and reported with the inspection. This has now been changed, with manual input of invoice details which should also assist customers when they try to understand what they are paying for. The second concern relates to the hours of work applied to a work order. There is no way to compare work completed in-house with the industry standard time allocations generally used by contractors when preparing their invoicing. With Fleet door rates higher than contractors rates, one could assume costs are higher in house, but that would only be true if the same number of hours was charged, and that cannot be reasonably assessed from Avantis. If Hansen will have the capacity to recognize and compare in-house hours to industry standard times it would be good to use it, giving a good basis to evaluate mechanic productivity and the relative costs of in-house and contracted services. Similarly acceptance of electronic input of supplier invoices would improve efficiency.
- Fleet Services could pursue two different strategies with respect to in-house services. It can work to become a low cost supplier, which would require reductions in the door rate that could only be achieved by reducing the costs of labour and consolidating facilities, or it can become a specialized, customer oriented supplier, responding to specific customer needs in ways that best meet their operating requirements, which would mean providing services where customers want them, at the times of day when they best support customer operations – providing arrangements like the Waste Collections contract maintenance supplier now does. Given the constraints on the in-house operation, and particularly the limitations of the collective agreement, we suggest the latter approach would be more successful.



In-House vs. Outsourced Services Conclusions

The planned implementation of the Hansen Fleet Management Information System is crucial and will influence Fleet for many years, facilitating the analysis of contracted vs. in-house services and minimizing the paper work involved

Conclusions:

- The mix of in-house and outsourced work is generally consistent with industry best practices.
- The lack of ongoing analysis of the outsourcing mix is not consistent with industry best practices.
- The current outsourcing of work for light duty vehicles should evolve towards multiple vendor locations and direct pick-up of vehicles by the contractor at the customer location (or drop off of the vehicle by the customer at the vendor location when appropriate)
- The development of a standing offer for contractors to work on heavy vehicles should proceed with the opportunity to have multiple vendors with different locations and capacities awarded stand offers.
- The implementation of the new FMIS is crucial, and the relationship to contractors is a key element that should not be overlooked, as is the ability to analyze the relative costs of in-house and contracted work.
- Fleet Services should focus in-house maintenance services on meeting particular customer requirements, determined in consultation with customers, focused on heavy vehicles and dispersed locations (including mobile services)

Recommendations

8. That Fleet Services begin a program of systematically reviewing the range of services it outsources and the approach it takes to the contracting on a periodic basis. This should include a review of the Waste Collections maintenance contract after it has been in place for at least a year.
9. That future standing offers for maintenance contracts provide the opportunity for different contractors to serve different parts of the fleet based upon their location.
10. That the process for sending vehicles to contractors for maintenance be amended to have the vehicles picked up and dropped off by the contractor from the user location, rather than from Fleet Services, wherever possible, and to allow customers to leave and pick up vehicles at the contractor location, rather than the Fleet location in other cases.
11. That the implementation of the Hansen FMIS include the ability to compare actual to “book” hours for repair activities and the opportunity to receive and record electronic invoices from suppliers if possible



Outsource Parts Management What others are Doing

Toronto and Ottawa Fleet Services have followed a US trend towards outsourced parts management

NAPA typically provides some or all of the parts management staffing, owns the parts inventory, and sells the parts to the City when needed by a mechanic

Benefits are reported in staffing costs, order, invoice and payment processing costs

There is been a growing trend in the United States and more recently in Canada, to outsource the parts management function. The concept is generally an association with NAPA, although NAPA is now only part of the “Integrated Business Solutions” (IBS) offering of the Genuine Parts Company, which includes NAPA and Traction, a supplier of parts for heavy vehicles. Although the “NAPA” solution is the best known, competition is beginning to emerge.

The main components of a NAPA parts outsourcing include:

- NAPA owns the vehicle parts inventory, including the inventory that is on site in various garages. This eliminates the concern for obsolete parts inventory or inventory shrinkage. Getting there may involve having NAPA work through the existing inventory, or arranging a sale of the inventory.
- The City “buys” parts when they are given to the mechanic for use on a vehicle.
- NAPA will source parts (for inventory or for special order) from its warehouses (including those of Traction and other associated suppliers) generally at the wholesale price a NAPA retailer would pay, or from other unrelated vendors, with an agreed mark-up applied
- NAPA uses its Total Automotive Management System (TAMS) to manage the inventory, place orders and record items sold to the city. TAMS has been integrated with M5 at many locations. It is not known if it can integrate with Hansen at this time.
- Staffing issues can be handled in different ways. In Toronto all parts supply staff are NAPA employees. In Ottawa City staff handle the counter and remote locations interfacing with mechanics, while NAPA employees handle the inventory, ordering and stocking

In Toronto:

- NAPA has completed its first five year contract and has entered into a new contract. Toronto reports that it has eliminated the risk of owning inventory and disposing of obsolete inventory, simplified the billing and payment process tremendously, marginally reduced staffing cost but improved staffing (NAPA provides coverage when staff is absent, which was not provided in the in-house model). They also noted that contract management is required and someone must be assigned, mostly to review and approve (or no) proposed purchases of large parts not coming from a NAPA family supplier. They report a fill rate of about 85% - and have no idea what it was before. The TAMS/M5 interface is working well. There has been some resistance to the change, e.g. Complaints of inferior parts (none have failed once put into service), which is slowly tailing off

In Ottawa:

- NAPA is completing its second year. Initial reports (not audits) indicate no major change in parts prices, but a saving of about \$1.2M per year in staffing for positions were eliminated as NAPA took on the function. It also reports major simplification of the financial systems. Instead of processing 27,000 payments per year (at an estimated \$43/payments, or \$1.25M per year), the city now processes 12 payments – but still has all the relevant data in its FMIS – arriving electronically.

In Guelph:

- NAPA is providing parts support for both the municipal fleet and for transit.



Outsource Parts Management Analysis

Some NAPA users think they benefit from higher “fill rates” – the frequency with which mechanics can get the parts they need the first time – but like Hamilton, most do not have the data from before

The most important factor in parts management is actually the availability of the parts, perhaps even more than the cost of the parts. Industry standards suggests that a good parts system should be able to deliver the right parts to the mechanic 85% of the time, on their first visit to the parts window (the fill rate). Ottawa has a penalty in its contract that comes in whenever parts availability falls below this target, and has applied penalties in some months. Toronto is also in this range while Guelph and Guelph Transit are both above 90%

Fleet Services, like Ottawa and Toronto before NAPA implementation, has not measured its fill rate or its turn rate, so it is not known at this time whether the NAPA arrangement at an 85% fill rate would improve the current situation and improve technician productivity. Fleet Services is currently implementing a program to measure inventory turn-over and the fill rate. If the City continues to operate its own parts supply function, these indicators should be built into the Hansen operating parameters as Key Performance Indicators. One report of inventory indicates the city carries about 17,000 unique items, 17% of which have not been issued since 2009 or earlier, suggesting there is at least some obsolete inventory.

Hamilton Fleet Services did look at the concept a couple of years ago, particularly by comparing the costs of a part list using current vendor pricing and NAPA pricing. The review concluded there would be no substantial saving on parts prices, which is consistent with the experience of Ottawa. However Ottawa reported substantial benefits that might also be available in Hamilton in the form of:

- Increased mechanic productivity based on parts availability
- Reduced staffing costs of the parts supply function
- Reduced administration, including the costs of payment processing and data entry
- Elimination of the need to write-off of obsolete inventory

The NAPA parts outsourcing concept is becoming a recognized best practice. The biggest unknown is the compatibility of the TAMS system with the proposed Hansen system in Hamilton. However the Hansen implementation process may be the best opportunity to deal with this, if there is a workable solution.



Outsource Parts Management Analysis

Fleet Services has started to measure current performance which will allow a better determination of what benefits might derive from a “NAPA-like” arrangement

The concept should be considered again when the results are known, and other changes discussed in this report have been dealt with

Conclusions

- The NAPA parts outsourcing concept is something Fleet Services should examine in detail if it continues to have a substantial in-house maintenance function
- The analysis of this concept will benefit from the fill rate data now being collected.
- The viability of the concept will depend to some extent upon the results of the standing offer for heavy fleet services and the potential changes in the nature and scope of services provided to various Fleet Services customers

Recommendations

- 12. Continue the process to measure fill rates and inventory turns. At the very least this will facilitate monitoring and improvement of in-house operations.**
- 13. In early 2015, when the results of the measurements are available and the results of the other initiatives discussed in this report are becoming clearer, begin a discussion with NAPA and competitive suppliers to determine the best approach to in Hamilton, taking into account current labour agreements, inventories, maintenance locations and strategies for outsourcing maintenance**
- 14. Based on the outcomes of those discussions, the circumstances as they then exist, the performance of the parts group as measured, and considering the other effects noted by Ottawa and Toronto, conduct a business case analysis on the outsourced parts management concept and conduct a competition, if warranted.**



Fleet Rightsizing Current Circumstances

There are 67 heavy vehicles that travel less than 5,000 kms a year, and 158 light vehicles that travel less than 10,000 kms per year

Most municipalities review the size of their fleet periodically. Hamilton has done so recently, which would suggest potential savings may be modest, particularly with the recent confirmation of the Vehicle Take Home Policy and paid parking policies.

There is also concern from some departments that the fleet is too small – that vehicles have not been added to reflect growth and they have been retaining in service vehicles that have already been replaced, as a way of addressing this need. However there are still some vehicles with relatively low usage (e.g., <10,000 km for light vehicles, <5,000 for heavy vehicles)

The tables distributed separately identify 67 low usage heavy vehicles and 158 low usage light vehicles.

There is also a list of 54 units for which Avantis has no record of use in 2012. In many cases these are off-road vehicles and Avantis does not show the hours of use, the traditional measure for these vehicles. We have shown the litres of fuel recorded against each vehicle, which does indicate that those near the bottom of the list are well used, but the units with low (or no) fuel use could be examined.

In addition we have used the model developed by CST Fleet Services to calculate the average kms related to vehicles assigned to each user department. While decisions still need to be made on a vehicle by vehicle basis, the analysis by department can help focus attention on the areas where opportunities may be strongest, especially opportunities for sharing a reduced number of vehicles.

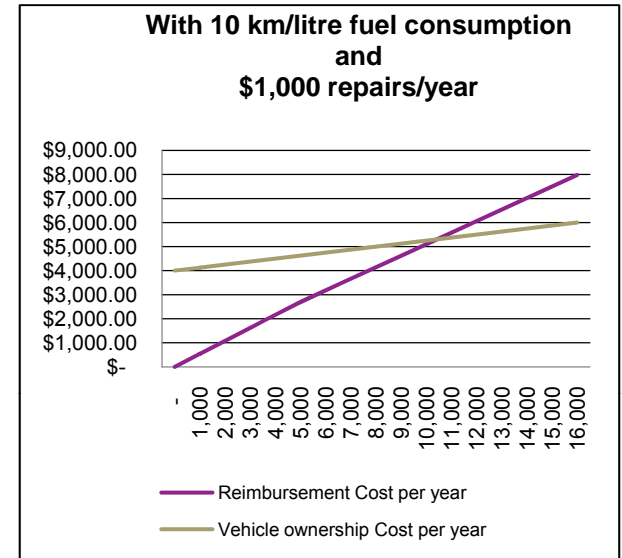
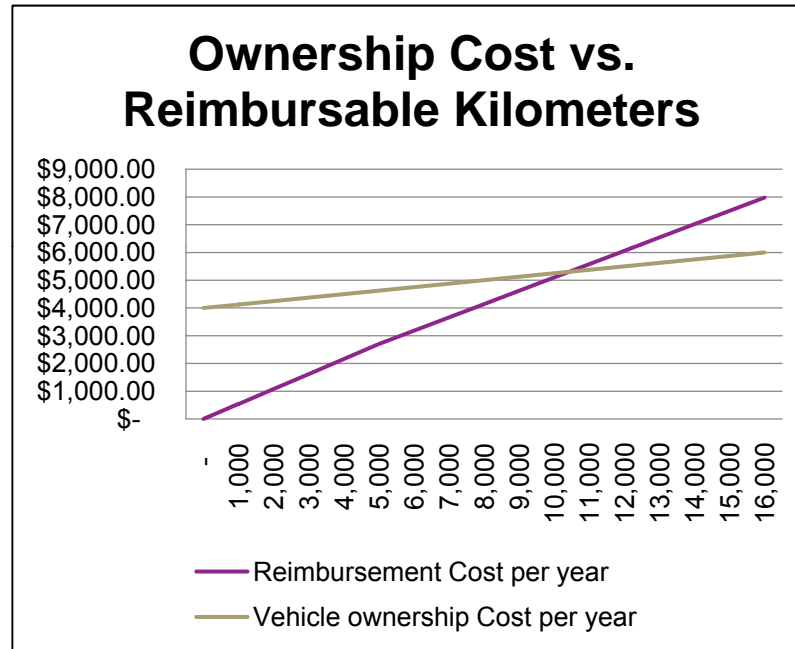


Fleet Rightsizing Own vs. Compensate

This table looks at the cost of providing a city-owned vehicle compared to the cost of compensating an employee for on the job use of their private vehicle.

A light vehicle must be driven a long way before it is cheaper to own than to compensate the owner.

Even the small graph with more optimistic assumptions shows ownership is not less expensive until after 10,000 kms/year



Fleet Ownership cost factors	
Vehicle Cost	\$24,000 per vehicle
fuel price	\$1.25 per Liter
Life Cycle	8 years
maintenance	\$2,000 per year
Fuel Consumption	7.5 km/litre

Personal Kilometers reimbursement	
First 5,000 km	\$0.54 rate/km
> 5,000 km	\$0.48 rate/km



Fleet Rightsizing Costs of Using Low Usage Vehicles

The cost of operating a vehicle, per km, increases with decreased use

The table below shows the cost of operating several low use vehicles on a cost per km basis. For those that have not reached their planned age, the depreciation cost is included. Note that the lower the kms., the higher the per km cost.

Over/ under plan	Entity Classification	User Department	Number of vehicles	Total km travelled 2012	Total operating cost 2012	Cost/km
Light Duty						
-1	074A-1 T PICKUP W/PLOW	GENERALOPEXP	1	3,843	\$10,179	\$2.65
-2	155A-DUMP STAKE CREW 1T W/PLOW	CEMETERIES, MT. VIEW	1	6,483	\$16,708	\$2.58
-3	153-VAN MINI	HELPING HANDS	1	2,689	\$5,377	\$2.00
-4	021-1/2 T PICK UP	HELPING HANDS	1	1,557	\$3,080	\$1.98
5	026D-VAN SPRINTER 1 T	EXPNS - CENTRAL GARAGE	1	4,088	\$8,076	\$1.98
2	155-DUMP STAKE CREW 1 T	FORESTRY	1	6,325	\$11,952	\$1.89
4	152P-ALUM.DUMP CREW&PLOW	PKWEST	1	9,388	\$14,274	\$1.52
Heavy Duty						
0	045A-SWEEPER LRG MOBILE PM10	RDNORTH	1	157	\$43,407	\$275.91
5	058-VACTOR TRUCK	EAST	1	3,793	\$83,577	\$22.04
-7	122-HOIST TRUCK FORESTRY	FORESTRY	1	1,822	\$24,677	\$13.54
9	030B-DUMP MEDIUM DUTY w/PLOW	OPERMTCE	1	846	\$9,114	\$10.78
5	001-SANDER W/WING & FRNT 5.5	RDWEST	1	3,222	\$21,155	\$6.57
-6	126-WATER TANK TRUCK MTD	FORESTRY	1	2,002	\$12,913	\$6.45
-9	064X-EXT.USE FLUSHER	RDWEST	1	3,104	\$9,232	\$2.97



Fleet Rightsizing Conclusion

There are reasons low usage vehicles are appropriate – they may only respond to emergencies, or spend the whole day at one site facilitating some work.

However some fleet reductions may be possible by sharing low use vehicles between multiple users, by compensating employees for use of their own vehicles, or by using rented vehicles or taxis when special needs arise.

There are a significant number of low use vehicles in the Fleet despite the pressure on department budgets. This may suggest that most of the low use vehicles are necessary, for circumstances such as:

- a) Vehicles with unique capabilities, required in unusual or emergency circumstances, and not available in the market for rental or hire
- b) Vehicles which are used extensively on site, but which do not travel extensively between work sites
- c) Vehicles used as occasional spares for unique or low volume unit types which are not available in the market for rental or hire (Note: larger fleets of similar vehicles should have some “spares” but they would generally be rotated through service so all units receive substantial use)
- d) Vehicles that receive significant usage that is not captured in Avantis (e.g. the off-road vehicles where usage levels are not recorded in Avantis)
- e) Unique vehicles (one of a kind) that are required occasionally and are not available for rental or hire on reasonable terms when they are required

Recognizing that even the low usage vehicles serve some purpose that is required, the owning departments (and Fleet Services when looking between departments) should consider the potential to reduce the total Fleet size using approaches such as:

1. Sharing one or more vehicles between low km users
2. Providing compensation to the employee for personal use of their vehicle instead of providing a city-owned vehicle
3. Using pool vehicles, rented vehicles, taxis or hired equipment instead of low km vehicles
4. Reduce the number of spares by replacing vehicles with poor maintenance records

Recognizing that users and their immediate superiors will generally prefer the easiest approach rather than the most economical, the process of reviewing the low use vehicles for possible reductions in fleet size will require the involvement of objective observers to provide challenge and to encourage serious consideration of options. This role is often provided by external consultants, however it can also be played by Fleet Services, the Fleet Review Steering Committee and department senior management. The approach outlined on the following page assumes the in-house approach, but could be modified if an outside resource is used.



Fleet Rightsizing Recommendations

The recommendation outlines the steps the City can take to identify any opportunities to reduce the size of the fleet.

15. That the following program be undertaken to identify specific opportunities for fleet rightsizing:

- Fleet Services prepares lists of vehicles and related data to be reviewed by each department (based on those presented in this report, with any updated information available to Fleet). Fleet should remove from the list any vehicles that have subsequently retired or which to its knowledge obviously meet the criteria for low usage vehicles
- Fleet Services documents suggested approach, incorporating the concepts above and any others Fleet Services can identify to help guide departments in their review, and setting timeframes for the process
- Fleet Services circulates the lists and suggested approaches to Departments, either to Directors or to individuals the Directors have assigned to conduct the review, offering to work with the department to review the lists and examine possible strategies to achieve cost reductions
- Each department shall prepare a document which discusses each vehicle on the list, identifying:
 - The low use vehicle justification category (a to e on page 54) that applies to the vehicle, with a sentence or two explaining how the criteria applies, or
 - The approach to be taken (e.g. 1 to 4 on page 54) to reduce fleet size and reduce costs, or
 - A detailed explanation of why the vehicle is required and none of the reduction options can be applied
- The report from each Department is to be approved and signed by the Department Head
- Each of the Department Reports is to be presented to the Steering Committee for approval
- The Fleet Review Steering Committee is to remain in place and receive regular reports from Fleet Services on the progress, to review department reports as they are completed and to encourage department participation when reports are not forthcoming



Out of Scope

A number of issues emerged from the consultation process that are outside the scope of this review, but which might still deserve the attention of the Steering Committee.

These issues are:

- 1) **The opportunities to consider consolidation of Fleet activities.**
 - a) There is some discussion underway concerning consolidation/reduction of Fleet locations, and/or other ways of providing service to the golf courses
 - b) There may be some value in consolidating the fuel locations, with or without establishing a process that would allow some users to refuel at retail stations
 - c) The potential to consolidate police and fire fleet activities with Fleet Services, and perhaps Transit non-revenue vehicles
- 2) **The Fleet financial model - it is largely break even, but not entirely, as some management costs are not recovered from customers**
- 3) **The major customer relations issues that we noted were:**
 - a) The billing process. Customers note that bills for the same item can have widely varying prices, mainly because Avantis has not recorded the detailed line items, either because mechanics have not recorded them or vendor invoices are entered as one line. Fleet reports it is now recording vendor invoices line by line, which is time consuming, but should help once customers become familiar with it - however, this is also a Hansen implementation issue, particularly to reduce the labour intensive input process
 - b) Customers want to sign off on major repairs (decide if they should happen). Fleet thinks they do, but it either doesn't happen all the time, or customer management doesn't know it happens.
 - c) Fleet sets out rates at the beginning of the year and charges customers according to the rates through the year. Then at some point during the year, customers think Fleet finds it is in deficit and adjusts its rates retroactively to eliminate the deficit - transferring the budget problem to the customers. Fleet should set rates, with some margin included, and be accountable for breaking even or not over the course of the year.
 - d) "Competitive Service Provider" will consider differential charging for "premium" services, but even if that doesn't move ahead, Fleet may want to consider at least two rates - in depot and mobile/on the road.
- 4) **Hansen - The implementation needs careful consideration of the business requirements - some of which are noted above - some of which are in the report itself. It will facilitate (or constrain) Fleet operations for at least a decade to come**



RECOMMENDATIONS AND ACTIONS TO DATE ~ January 2018

The following table contains the 15 original recommendations from KPMG as part of the SDR Report for Fleet Services with the following table intended to provide a status update or comparator to the original KPMG recommendations.

KPMG Recommendations (items 1 - 15)	Status/ Actions to Date	Recommendations/ Next Steps
<p>1. That the City adopt a debt financing model for financing its Fleet:</p> <p>a) The Finance Department should consider from time to time whether it is more beneficial to fund vehicles through internal loans, or arrange with its bank to use the line of credit.</p> <p>b) The financing of each vehicle should include a mark-up of 4.8% that will be used to finance the role of Fleet Services in the procurement process (and disposal of any retiring vehicle)</p> <p>c) The costs of debt payments will be charged to the user department</p> <p>d) The finance payments will assume an appropriate salvage value for the vehicle at the end of its life, and the user department will be responsible</p>	<p>Existing Fleet staff cannot speak to any actions completed with Corporate Finance regarding debt financing options.</p>	<p>Discuss the viability and cost benefits with Corporate Finance.</p>

<p>for, or credited with, any net value after the vehicle is disposed</p>		
<p>2. That the transition process be handled as follows:</p> <p>a) That each existing vehicle be assigned a loan to the extent of its current undepreciated value until the value of the payments required in 2014 equal the 2013 reserve contribution of the user (other vehicles will not have loans attached, with the result that the maximum increase in 2014 for any user department would be the loan cost of any new vehicle acquisitions, and the increased tax requirement will be phased in as the vehicles without loans are replaced)</p> <p>b) That the Finance Department consider on a corporate basis whether the existing reserve balance should be used to reduce other debts, or applied to other purposes</p>	<p>Existing Fleet staff cannot speak to any actions completed with Corporate Finance regarding debt financing options.</p>	<p>Discuss the viability and cost benefits with Corporate Finance.</p>

<p>3. The City adopt the goal of achieving minimum life cycle costing for vehicle use.</p> <p>a) Fleet Services is to complete its project to analyze the appropriateness of current planned lifetimes,</p> <p>b) Fleet Services is to ensure consistent review, in consultation with users, of vehicles approaching retirement for possible early or late retirement based on usage levels and maintenance history, and</p>	<p>a) Surveyed 9 other cities and compared life cycles. Performed a year by year maintenance cost analysis of City of Hamilton fleet vehicles major classifications. Subscribed to fleet software program to position a comparator to our maintenance data for analysis and recommended optimal life cycles measured against cost of ownership. The interactive software analyzes and allows for evaluation of various replacement strategies.</p> <p>b) Fleet Planning has been meeting with key client's departments monthly and smaller clients on specific projects on an as needed basis to review the proposed fleet replacement schedule since 2015. Strategies for replacement includes refurbishing, or extending life if vehicles within a class have not hit replacement target or shortening life if vehicle have pre-maturely reached</p>	<p>a) Current vehicle classifications were reconfigured in 2016 to allow for appropriate grouping of similar vehicle and equipment classifications. Continually make adjustments to current replacement cycles based on periodic data collection and minimal impact of client department's fleet costs. This process is ongoing.</p> <p>b) Fleet Planning will continue to engage in feedback with all client departments in equipment replacement strategies including multi-function vehicles and converting season vehicles into multi season usage vehicles where feasible. With the implementation of Hansen work process flow, fleet maintenance will solicit estimates for repairs. Repairs exceeding the prescribed spend level are referred to back to the client</p>
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<p>c) Fleet Services is to ensure consistent review, in consultation with users, of early retirement options for vehicles facing major repair expenses late in their planned life.</p>	<p>replacement targets</p> <p>c) Client department does have the option to contact Fleet Planning to discuss options including early replacement.</p>	<p>department for verification of equipment requirement, need and spend support approval as standard procedure. This is a live and continual process that is ongoing.</p> <p>c) This process is ongoing.</p>
<p>4. That all vehicle purchases be based on a business case analysis by Fleet Services (in consultation with users), signed off by the Director of the user department.</p>	<p>Fleet meets with each department /division/ section(s) fleet management representatives regarding their operational requirements in the first quarter of each year for the following year and as required throughout the year.</p> <p>Fleet Planning proposes options to Client departments including fit for purpose modifications to replacement vehicle, alternative fuel options, refurbishment and useful life extension of current vehicle, weight class adjustments, long term fleet replacement strategies to account for future work requirements and program delivery requirements so that vehicles/equipment are capable of meeting needs</p>	<p>While Fleet Services does not have the authority to mandate a business case, client department directors are required to sign off on all vehicle and equipment confirmation purchases.</p> <p>The above process is present process.</p>

<p>5. That Fleet Services be directed to conduct a full service lease pilot project generally consistent with the approach described on page 28 of the KPMG Report.</p>	<p>A user group with a segment of same vehicles that are operated in similar conditions and usage needs to be confirmed, and a budget set to complete this proof of concept.</p>	<p>In consultation with corporate finance fleet is scheduled for inclusion with receipt of selected vehicles in 2018.</p>
<p>6. That Fleet Services have the explicit authority to adapt services and service levels to particular customer requirements and the authority to adopt a variety of charging approaches as required to reflect and recover the costs of providing the different service levels</p>	<p>While all customers require timely support, Fleet Services presently has the authority to adapt service levels in relation to shop hours and shifts. Customer focus in the winter months is Roads, and summer is golf, parks and cemeteries are prime areas for heightened deliverables to consider. Recovery of labour hours for the afternoon shift premium, standby, and emergency services are presently absorbed in the standard labour rate. The mix of work done internally or sent to a third part is based on workload and available resources.</p>	<p>Current ongoing process.</p>
<p>7. That vehicle and equipment users have the option to arrange for some of the fleet services they require from other sources, but only with the approval of the City Manager, and only if they continue to use the corporate FMIS and Training and Safety services required by legislation</p>	<p>Fleet services has staffing levels that need to be fully utilized, standing contracts and procurement processes that need to be followed to prevent duplication and realize cost control. All items noted on pgs. 45 and 47 “conclusions” of the KPMG report have been considered, implemented, or under review.</p>	<p>Current ongoing process.</p>

<p>8. That Fleet Services begin a program of systematically reviewing the range of services it outsources and the approach it takes to the contracting on a periodic basis. This should include a review of the Waste Collections maintenance contract after it has been in place for at least a year</p>	<p>Fleet Services is continually reviewing its range of services through review of internal and external preventive maintenance or repair and service times. Operational requirements will remain an important consideration (time / location / equipment availability). The waste collections maintenance contract has been reviewed against performance, and if required would be managed through the vendor performance process. # With the introduction of Hansen, work towards systematic individual repair approval by activity pre approval for any work is an additional tool scheduled to be put into place.</p>	<p>Current ongoing process.</p>
<p>9. That future standing offers for maintenance contracts provide the opportunity for different contractors to serve different parts of the fleet based upon their location.</p>	<p>To ensure the inclusion of any vendor interested and positioned to bid on services to the city, and because equipment is relocated to maximize efficiency and operational requirements; a physical business location as a competitive bid specification has not introduced into a tender, however response time to breakdown or service of equipment in required. This position is supported by procurement and legal.</p>	<p>Current ongoing process.</p>

<p>10. That the process for sending vehicles to contractors for maintenance be amended to have the vehicles picked up and dropped off by the contractor from the user location, rather than from Fleet Services, wherever possible, and to allow customers to leave and pick up vehicles at the contractor location, rather than the Fleet location in other cases.</p>	<p>Under the contracts now in place, the successful proponents are required to pick up, and or tow the vehicles requiring Service within one hour of notification from the Fleet Services Representative (via phone, fax and or by email). Services/Work to the vehicle must begin within one hour of arriving at the Successful Proponent's repair facility.</p> <p>Upon completion of the Services/Work, the Successful Proponent will notify the Fleet Services Representative and request instruction for delivery of the vehicle. Vehicles will be delivered to the location requested within one hour of Services and Work completion or as otherwise directed by the Fleet Services Representative.</p> <p>The process for sending vehicles to contractors for maintenance has included the opportunity for equipment to be send directly to the contractors has existed since 2009, and is to be implemented in upcoming process change.</p>	<p>During the phase 1 start-up of the "light car and truck" contract that started in March 2017, the user group would drop off and pick up the vehicle at the 330 Wentworth garage location.</p> <p>In phase 2 scheduled for mid-2018 the plan includes light vehicles being picked up direct from the user group location if feasible. As it needs to be monitored to ensure efficiency gain, and downtime reduction, yet retain mechanical oversight is realized it will be a separate process for implementation and verification of feasibility. The light car and truck contract includes about 420 vehicles of which are mostly outsourced due to available work force.</p> <p>A similar 2 phase sequence is scheduled to be fully implemented within the heavy truck contract when fully running. The solution has been implemented for some groups now.</p>
<p>11. That the implementation of the Hansen FMIS include the ability to compare actual to "book" hours for repair activities and the opportunity to receive and record electronic invoices from suppliers if possible</p>	<p>The Fleet Management Information System was transitioned from Advantis to Hansen in a "like for like" solution on Oct 3, 2016. All vehicle and equipment records, maintenance, and city fuel records were fully migrated over and</p>	<p>Development, testing, and implementation is underway that includes the capability to report vehicle downtime, parts throughput, measurement and creation of KPI's . Book hour comparison will remain a</p>

	cleansed in March 2017.	<p>manual process until other priorities are completed.</p> <p>As the Cities present AP process has invoices received by accounts payable with the invoices entered into PeopleSoft, policy change and additional development would be required; as such this is not considered in scope.</p>
12. Continue the process to measure fill rates and inventory returns. At the very least monitoring improvement of in-house operations.	The Hansen program to facilitate creation and monitoring of Fill rate and Inventory turns was implemented in January 2017.	Current process.
13. In early 2015, when the results of the measurements are available and the results of the other initiatives discussed in this report are becoming clearer, begin a discussion with NAPA and competitive suppliers to determine the best approach to in Hamilton, taking into account current labour agreements, inventories, maintenance locations and strategies for outsourcing maintenance	Fleet services is following the cities competitive bidding process, and currently have parts contracts that takes into account the points noted by KPMG.	Continue to follow city of Hamilton procurement policies using lowest cost options with no service fees, and following best practices.
14. Based on the outcomes of those discussions the circumstances as they then exist performance of parts group as measured, and considering the other effects noted by Ottawa and Toronto, conduct a business case	<p>City of Ottawa audit on March 12, 2015 stated that there were problems with timeliness and accuracy of information from Napa.</p> <p>Ottawa hired a consultant (Bronson) to review Napa pricing. It was identified</p>	No further action(s).

<p>analysis on the outsourced parts management concept and conduct a competition, if warranted.</p> <p>Information taken from City of Ottawa Transportation Committee report to their Council dated Feb. 24, 2016</p>	<p>pricing was fair, but the 10% mark up and \$850k annual service fee costs could be avoided by direct purchasing of those parts.</p> <p>Bronson states that the main challenge is that “no single vendor has the expertise necessary to manage an automotive parts inventory for a fleet as large and diverse as the City of Ottawa.” This is very relevant as the City of Hamilton has a similar range of equipment with a smaller volume.</p> <p>Ottawa reports they took on more work; e.g., Stock planning, Stock Picking and reporting, and that in-house management will result in fewer handoffs for parts orders and a single management system.</p> <p>Ottawa had to develop an interface to Napa’s TAMS system to their M5 management system. KPMG says to interface with the FMIS “if there is a workable solution.” Cost to implement in unknown.</p> <p>Hamilton’s previous comparison on costs showed no savings – per KPMG. Ottawa have 10 parts staff; Hamilton 4 Car and light duty parts, which Napa is proficient with aren’t stocked by City as that work is sublet</p> <p>Fleet size: Ottawa 4,500 Hamilton Approx. 1,400</p>	
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<p>15. That the following program be undertaken to identify specific opportunities for fleet rightsizing:</p> <p>a) Fleet Services prepares lists of vehicles and related data to be reviewed by each department (based on those presented in this report, with any updated information available to Fleet). Fleet should remove from the list any vehicles that have subsequently retired or which to its knowledge obviously meet the criteria for low usage vehicles.</p> <p>b) Fleet approach concepts above and any others Fleet Services can Services documents suggested approach, incorporating the identify to help guide departments in their review, and setting timeframes for the process</p>	<p>a) Has been in place since 2013 as established in the City of Hamilton - Integrated Management System Level III Operating Procedures with the exception of the low usage evaluation</p> <p>b) Project review meetings are held and documented with all departments throughout the year. The procurement plans include review of usage/odometer, maintenance life cycle cost and fuel consumption is shared with department representatives. Time frames for delivery are discussed and agreed upon in consideration of estimated build schedules, staff availability and priority of equipment.</p>	<p>a) Hansen to include an automated report that identifies plated vehicles that travel less than 10,000 kl annually.</p> <p>b) Current ongoing process.</p>
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<p>c) Fleet Services circulates the lists and suggested approaches to Departments, either to Directors or to individuals the Directors have assigned to conduct the review, offering to work with the department to review the lists and examine possible strategies to achieve cost reductions</p> <p>d) Each department shall prepare a document which discusses each vehicle on the list, identifying:</p> <ul style="list-style-type: none"> • The low use vehicle justification category (a to e on page 54) that applies to the vehicle, with a sentence or two explaining how the criteria applies, or • The approach to be taken (e.g. 1 to 4 on page 54) to reduce fleet size and reduce costs, or • A detailed explanation of why the vehicle is required and none of the reduction options can be applied 	<p>c) The replacement lists and details are circulated to the equipment owner groups, and information is discussed at the meetings.</p> <p>d) The Director of each user group is provided an itemized replacement vehicle list for approval.</p> <ul style="list-style-type: none"> • The role of Central Fleet regarding vehicle and equipment replacement is to provide technical support aimed at following best practices, industry guidelines and legal compliance. • The sharing of vehicles, use of personal vehicles, and pooled or rental vehicles does occur. A focus on replacing high cost units with poor maintenance records is challenged by capital reserve realities. • A discussion point during the review of new equipment 	<p>c) Current ongoing process.</p> <p>d) Current ongoing process</p> <ul style="list-style-type: none"> • Council approves equipment increases, fleet advises and make recommendations on opportunities to support user groups • Continual collaboration remains an ongoing item. • Fleet Services is not the policing agency for vehicle or equipment quantity substantiation,
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<p>e) The report from each Department is to be approved and signed by the Department Head</p> <p>f) Each of the Department Reports is to be presented to the Steering Committee for approval</p> <p>g) The Fleet Review Steering Committee is to remain in place and receive regular reports from Fleet Services on the progress, to review department reports as they are completed and to encourage department participation when reports are not forthcoming.</p>	<p>e) Approval of purchase is required for all replacement equipment</p> <p>f) The Central Fleet Steering Committee was dissolved in 2014, with individual user group focus allowing a closer review with equipment end customer requirements.</p> <p>g) The Fleet Review Steering Committee was discontinued in 2014. In 2015 individual group meeting with user groups was implemented. The planning group receives and disseminates information directly with the user groups, with status reviewed at least quarterly with each group. Close up optical and surgical review of current and future projects are discussed, and group representative are encouraged to include front line staff in vehicle and equipment design process. Size and capacity reduction of several vehicles has been completed as a result of this fairly new process.</p>	<p>e) Director sign off prior to ordering is part of the standard process</p> <p>f) The process in place presently allows for effective specific discussion with the appropriate user group stakeholders.</p> <p>g) The process in place now allows for effective specific discussion with the appropriate user group stakeholders.</p>
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PUBLIC WORKS DEPARTMENT

Energy, Fleet & Facilities Management Division

Central Fleet Section

LEGEND:

- Blue = Non Union
- Red = Local 1041
- Green = Local 5167

TOTAL FTEs
on this page:

56.67

