



**City of Hamilton**  
**GENERAL ISSUES COMMITTEE (BUDGET)**  
**AGENDA**

**Date:** February 15, 2024

**Time:** 9:30 a.m.

**Location:** Council Chambers (GIC)  
Hamilton City Hall  
71 Main Street West

Angela McRae, Legislative Coordinator (905) 546-2424 ext. 5987

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**GENERAL ISSUES COMMITTEE  
(OPERATING AND CAPITAL BUDGET)  
MINUTES 24-001(f)**

9:30 a.m.

Tuesday, January 30, 2024  
Council Chambers, City Hall, 2<sup>nd</sup> Floor  
71 Main Street West, Hamilton, Ontario

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**Present:** Mayor A. Horwath, Councillors J. P. Danko (Chair)  
J. Beattie, C. Cassar, B. Clark, M. Francis, T. Hwang,  
T. Jackson, C. Kroetsch, T. McMeekin, N. Nann, E. Pauls,  
M. Spadafora, M. Tadeson, A. Wilson, M. Wilson

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**THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:**

**FOR INFORMATION:**

**(a) APPROVAL OF AGENDA (Item 1)**

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

**3. APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

3.1 January 25, 2024

3.2 January 26, 2024

**7. DISCUSSION ITEMS**

7.1(a) Litter Management Service Enhancements (PW23076) - Council  
Referred Item #39: Litter Collection – Service Level Review

7.1(b) Hamilton Police Services Board

7.1(c) Hamilton Apartment Rental Program

7.1(d) Hospital Capital Contribution (FCS23108)

7.1(e) 2024 Tax Budget Amendments - Discretionary Development Charge Exemptions

7.1(f) Replacement of 2018 Diesel Waster Packer Equipment

## **8. MOTIONS**

8.2 Reporting of Annual Expenditures on the Transportation Network in Alignment with the Asset Management Plan

8.3 Attaining Efficiencies Through the Review of the Use of Consultants

8.4 Internal Facilitation of Special Events including Traffic Control Plans as per Ontario Traffic Manual (OTM) Book 7 and Implementation of Temporary Road Closures for Event Organizers

### **(Spadafora/Horwath)**

That the agenda for the January 30, 2024 General Issues Committee (Budget) meeting, be approved, as amended.

**Result: MOTION, CARRIED by a vote of 16 to 0, as follows:**

|     |   |                                    |
|-----|---|------------------------------------|
| Yes | - | Mayor Andrea Horwath               |
| Yes | - | Ward 1 Councillor Maureen Wilson   |
| Yes | - | Ward 2 Councillor Cameron Kroetsch |
| Yes | - | Ward 3 Councillor Nrinder Nann     |
| Yes | - | Ward 4 Councillor Tammy Hwang      |
| Yes | - | Ward 5 Councillor Matt Francis     |
| Yes | - | Ward 6 Councillor Tom Jackson      |
| Yes | - | Ward 7 Councillor Esther Pauls     |
| Yes | - | Ward 8 Councillor J. P. Danko      |
| Yes | - | Ward 9 Councillor Brad Clark       |
| Yes | - | Ward 10 Councillor Jeff Beattie    |
| Yes | - | Ward 11 Councillor Mark Tadeson    |
| Yes | - | Ward 12 Councillor Craig Cassar    |
| Yes | - | Ward 13 Councillor Alex Wilson     |
| Yes | - | Ward 14 Councillor Mike Spadafora  |
| Yes | - | Ward 15 Councillor Ted McMeekin    |

### **(b) DECLARATIONS OF INTEREST (Item 2)**

Mayor A. Horwath declared a disqualifying interest to Item 7.1(c) Hamilton Apartment Rental Program (Amending Motion), as she is a landlord.

Councillor M. Spadafora declared a disqualifying interest to Item 7.1(c) Hamilton Apartment Rental Program (Amending Motion), as he is a landlord.

**(c) APPROVAL OF MINUTES OF PREVIOUS MEETINGS (Item 3)**

**(i) January 25, 2024 and January 26, 2024 (Items 3.1 and 3.2)**

**(Kroetsch/Beattie)**

That the minutes of the January 25, 2024 and January 26, 2024 General Issues Committee (Budget) meetings, be approved.

**Result: MOTION, CARRIED by a vote of 16 to 0, as follows:**

|     |   |                                    |
|-----|---|------------------------------------|
| Yes | - | Mayor Andrea Horwath               |
| Yes | - | Ward 1 Councillor Maureen Wilson   |
| Yes | - | Ward 2 Councillor Cameron Kroetsch |
| Yes | - | Ward 3 Councillor Nrinder Nann     |
| Yes | - | Ward 4 Councillor Tammy Hwang      |
| Yes | - | Ward 5 Councillor Matt Francis     |
| Yes | - | Ward 6 Councillor Tom Jackson      |
| Yes | - | Ward 7 Councillor Esther Pauls     |
| Yes | - | Ward 8 Councillor J. P. Danko      |
| Yes | - | Ward 9 Councillor Brad Clark       |
| Yes | - | Ward 10 Councillor Jeff Beattie    |
| Yes | - | Ward 11 Councillor Mark Tadeson    |
| Yes | - | Ward 12 Councillor Craig Cassar    |
| Yes | - | Ward 13 Councillor Alex Wilson     |
| Yes | - | Ward 14 Councillor Mike Spadafora  |
| Yes | - | Ward 15 Councillor Ted McMeekin    |

**(d) DISCUSSION ITEMS (Item 7)**

**(i) 2024 Tax Supported Budget and Financing Plan (FCS24002) (City Wide) (Item 7.1)**

**(Horwath/M. Wilson)**

(a) That the proposed 2024 tax supported budget and financing plan be approved, inclusive of:

- (i) The net tax levy of \$727.1M, representing an increase over 2023 of \$63.2 M, for City Departments, as detailed in Appendix "A" to Report FCS24002 and inclusive of Business Cases and Council Referred Items outlined in Appendix "C" to Report FCS24002;
- (ii) The Capital Levy of \$162.3 M, representing an increase over 2023 of \$20.8 M;
- (iii) The Area Rating Special Capital Re-Investment Levy of \$13.4 M, representing no change over 2023;

- (iv) The net tax levy of \$267.3 M, representing an increase over 2023 of \$16.5 M, for external Boards and Agencies inclusive of proposed service level adjustments as outlined in Appendix “G” to Report FCS24002;
  - (v) The introduction of a Special Hospital Redevelopment Levy of \$12.0 M, representing an average residential tax increase of 1.0%;
  - (vi) One-time financing of \$72.3 M to support the Housing Sustainability and Investment Roadmap as outlined in Appendix “E” to Report FCS24002;
  - (vii) One-time financing of \$24.1 M to phase-in statutory and discretionary development charge exemptions permitted under the *Development Charges Act, 1997* and the City of Hamilton’s Development Charges Bylaw as outlined in Appendix “E” to Report FCS24002;
  - (viii) One-time financing of \$18.4 M to support tax affordability as outlined in Appendix “E” to Report FCS24002;
  - (ix) The 2024 gross capital budget of \$373.3 M and financing sources outlined in Appendix “F” to Report FCS24002;
- (b) That the Tax Supported Multi-Year Operating Budget 2025 to 2027, attached as Appendix “H” to Report FCS24002, and the Capital Financing Plan 2025 to 2033, attached as Appendix “I” to Report FCS24002, be approved, in principle, and subject to deliberations by Council each budget year;
  - (c) That the General Manager, Finance and Corporate Services, be authorized and directed to implement the reserve financing strategy, including closure of the identified reserves, as outlined in Appendix “E” to Report FCS24002;
  - (d) That the General Manager, Finance and Corporate Services, be authorized and directed to negotiate and confirm the terms for the placement and issuance of all debenture issue(s), in either a public or private market and / or bank loan agreements and debenture issue(s), in and / or variable interest rate bank loan agreement and debenture issue(s), in an amount not to exceed \$21.1 M Canadian currency, as attached in Appendix “F” to Report FCS24002, which includes \$3.7 M in Tax Supported municipal debt and \$17.4 M in Development Charges municipal debt;

- (e) That the General Manager, Finance and Corporate Services, be authorized to engage the services of all required professionals to secure the terms and issuance of the debenture issue(s) described in recommendation (d) including, but not limited to, external legal counsel and fiscal agents;
- (f) That the General Manager, Finance and Corporate Services, be authorized and directed, on behalf of the City of Hamilton, to enter into and / or execute, all agreements and necessary ancillary documents to secure the terms and issuance of the debenture issue(s) described in recommendation (d), on terms satisfactory to the General Manager, Finance and Corporate Services and in a form satisfactory to the City Solicitor;
- (g) That staff be authorized and directed to prepare all necessary By-Law(s) for Council's consideration, for the purpose of authorizing debenture issue(s) described in recommendation (d);
- (h) That the General Manager, Healthy and Safe Communities, or delegate, be authorized and directed to execute, on behalf of the City, all agreements, including all federal and provincial funding agreements and any agreements with Community Services Provider(s), as well as, any ancillary agreements, contracts, extensions and documents, associated with, or arising out of, Council's approval of the 2024 Tax Supported Budget and Financing Plan, which also includes the authority to authorize the submission of budgets and quarterly and / or year-end reporting, as well as, the authority to make appropriate payments to community service providers, in a form satisfactory to the City Solicitor;
- (i) That, where required for Public Health Services, the General Manager, Healthy and Safe Communities, or delegate, or the Medical Officer of Health, or delegate, be authorized and directed to execute, on behalf of the City, all agreements, including all federal and provincial funding agreements, as well as, any ancillary agreements, contracts, extensions and documents, associated with or arising out of Council's approval of the 2024 Tax Supported Budget and Financing Plan, and includes the authority to authorize the submission of budgets and quarterly and / or year-end reporting;
- (j) That the City Solicitor be authorized and directed to prepare all necessary by-laws, for Council approval, for the purposes of establishing the tax levy, totalling \$1,181.7 M exclusive of Education per Recommendation (a);

- (k) That in accordance with the “Budgeted Complement Control Policy”, the requested change in staff complement as outlined in Appendix “L” to Report FCS24002, be approved; and
- (l) That the budget exclusions related to Regulation 284/09 of the *Municipal Act* titled “Budget Matters – Expenses”, as per Appendix “L” attached to Report FCS23007(a), be received as information.
- (1) Litter Management Service Enhancements (PW23076) - Council Referred Item #39: Litter Collection – Service Level Review (Added Item 7.1(a))**

**(Hwang/Kroetsch)**

WHEREAS, Council is in the midst of the 2024 Budget Review;

WHEREAS, Council has referred a business case for Litter Management Service Enhancements to the 2024 Budget listed in the Budget as item 39 of the Council Referred Items;

WHEREAS, in Report PW23076, respecting Litter Management Service Enhancements a survey was completed and the findings concluded that 62% of respondents answered that litter within the city is a big problem and also cited that the downtown and Business Improvement Areas (BIAs) would benefit from enhanced litter cleanup services;

WHEREAS, the total recommended ask in the report PW23076 an annualized operating budget of \$2,073,600 and 27.96 full-time equivalent employees (FTE), a capital budget of \$2,245,000, and operating impacts from capital beginning in 2025 of \$307,000; and

WHEREAS, Council has been charged to find savings in the 2024 Budget while aligning to the Council Strategic Priorities of Safe and Thriving Neighborhoods and Economic Sustainability.

THEREFORE, BE IT RESOLVED:

That staff be directed to report back to General Issues Committee (Budget) with the details of the new Alternative 3 to Report PW23076, Litter Management Service Enhancements with cost implications to the 2024 Budget on February 15, 2024, in order to prioritize downtown enhancements, expanded street sweeping in BIAs, broadened litter collection in parks and trails and the ability to promote and support volunteer cleanup programs.

**Result: MOTION, CARRIED by a vote of 16 to 0, as follows:**

Yes - Mayor Andrea Horwath



**General Issues Committee (Budget)**  
**Minutes 24-001(f)**

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|     |   |         |                             |
|-----|---|---------|-----------------------------|
| Yes | - | Ward 1  | Councillor Maureen Wilson   |
| Yes | - | Ward 2  | Councillor Cameron Kroetsch |
| Yes | - | Ward 3  | Councillor Nrinder Nann     |
| Yes | - | Ward 4  | Councillor Tammy Hwang      |
| Yes | - | Ward 5  | Councillor Matt Francis     |
| Yes | - | Ward 6  | Councillor Tom Jackson      |
| Yes | - | Ward 7  | Councillor Esther Pauls     |
| Yes | - | Ward 8  | Councillor J. P. Danko      |
| Yes | - | Ward 9  | Councillor Brad Clark       |
| Yes | - | Ward 10 | Councillor Jeff Beattie     |
| Yes | - | Ward 11 | Councillor Mark Tadeson     |
| Yes | - | Ward 12 | Councillor Craig Cassar     |
| Yes | - | Ward 13 | Councillor Alex Wilson      |
| Yes | - | Ward 14 | Councillor Mike Spadafora   |
| Yes | - | Ward 15 | Councillor Ted McMeekin     |

**(2) Hamilton Police Services Board (Added Item 7.1(b))**

**(Kroetsch/Hwang)**

WHEREAS, in 2011 Council voted 8-7 to approve a motion tabled by Ward 12 Councillor Lloyd Ferguson and Ward 11 Councillor Brenda Johnson that the budget submitted by the Hamilton Police Services Board of a \$130,752,220 increase or 4.97% “be referred back to the Police Services Board requesting further review and consideration of their budget”;

WHEREAS, in 2024, the Hamilton Police Services Board has put forward a total budget increase of \$19,826,637 or 10.24% for a total budget of \$213M;

WHEREAS Mayoral Directive MDI-2023-02, released on August 31, 2023, states that the City of Hamilton must “reduce the burden on residential property taxes” and all budget asks are reviewed prior to submission “to ensure that redundancies and efficiencies have been identified and addressed and that program lines are assessed for ongoing public benefit before continued funding is recommended”;

WHEREAS further deliberation by the Hamilton Police Services Board toward this directive may result in finding further redundancies and efficiencies;

WHEREAS the City recognizes its fiduciary obligation to fund any mandatory capital costs as outlined in the *Police Services Act* 4(3).; and

WHEREAS, on January 26, 2024, the General Issues Budget (Committee) approved a motion from Ward 15 Councillor Ted McMeekin and Ward 11 Councillor Mark Tadeson that, "Hamilton City Council go on record to embrace a municipally generated tax cap no greater than 4% for the 2024 Budget."

THEREFORE, BE IT RESOLVED:

That City Council refer the proposed Hamilton Police Services Board budget increase of \$19,826,637 or 10.24% back to the Hamilton Police Services Board requesting further review and consideration and report back with a "municipally generated tax cap no greater than 4% for the 2024 Budget", outlining any additional redundancies and efficiencies, by February 15, 2024.

**Result: MOTION, CARRIED by a vote of 12 to 3, as follows:**

|        |   |                                    |
|--------|---|------------------------------------|
| Yes    | - | Mayor Andrea Horwath               |
| Yes    | - | Ward 1 Councillor Maureen Wilson   |
| Yes    | - | Ward 2 Councillor Cameron Kroetsch |
| Yes    | - | Ward 3 Councillor Nrinder Nann     |
| Yes    | - | Ward 4 Councillor Tammy Hwang      |
| No     | - | Ward 5 Councillor Matt Francis     |
| No     | - | Ward 6 Councillor Tom Jackson      |
| Absent | - | Ward 7 Councillor Esther Pauls     |
| Yes    | - | Ward 8 Councillor J. P. Danko      |
| Yes    | - | Ward 9 Councillor Brad Clark       |
| Yes    | - | Ward 10 Councillor Jeff Beattie    |
| Yes    | - | Ward 11 Councillor Mark Tadeson    |
| Yes    | - | Ward 12 Councillor Craig Cassar    |
| Yes    | - | Ward 13 Councillor Alex Wilson     |
| No     | - | Ward 14 Councillor Mike Spadafora  |
| Yes    | - | Ward 15 Councillor Ted McMeekin    |

**(3) Hamilton Apartment Rental Program (Added Item 7.1(c))**

**(Nann/A. Wilson)**

Staff be directed to review the Hamilton Apartment Rental Program inclusive of the Tenant Support Program, Safe Apartment By-Law, and Renovation License & Relocation By-Law programs and report back on any opportunities for 2024 Tax Levy savings from the coordinated and staggered implementation of the program.

**Result: MOTION, CARRIED by a vote of 13 to 0, as follows:**

|        |   |                                    |
|--------|---|------------------------------------|
| Absent | - | Mayor Andrea Horwath               |
| Yes    | - | Ward 1 Councillor Maureen Wilson   |
| Yes    | - | Ward 2 Councillor Cameron Kroetsch |

**General Issues Committee (Budget)**  
**Minutes 24-001(f)**

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|          |   |         |                           |
|----------|---|---------|---------------------------|
| Yes      | - | Ward 3  | Councillor Nrinder Nann   |
| Yes      | - | Ward 4  | Councillor Tammy Hwang    |
| Absent   | - | Ward 5  | Councillor Matt Francis   |
| Yes      | - | Ward 6  | Councillor Tom Jackson    |
| Yes      | - | Ward 7  | Councillor Esther Pauls   |
| Yes      | - | Ward 8  | Councillor J. P. Danko    |
| Yes      | - | Ward 9  | Councillor Brad Clark     |
| Yes      | - | Ward 10 | Councillor Jeff Beattie   |
| Yes      | - | Ward 11 | Councillor Mark Tadeson   |
| Yes      | - | Ward 12 | Councillor Craig Cassar   |
| Yes      | - | Ward 13 | Councillor Alex Wilson    |
| Conflict | - | Ward 14 | Councillor Mike Spadafora |
| Yes      | - | Ward 15 | Councillor Ted McMeekin   |

**(4) Hospital Capital Contribution (FCS23108) (Added Item 7.1(d))**

**(Spadafora/Jackson)**

WHEREAS, On June 14, 2023, at the General Issues Committee (GIC) meeting, Hamilton Health Sciences Corporation and St. Joseph's Healthcare Hamilton provided an overview of major hospital redevelopment projects to seek support to work with City staff to explore local share funding options.

WHEREAS, on November 15, 2023 staff presented Report FCS23108, Hospital Capital Contribution to the General Issues Committee that directed staff to report back to the General Issues Committee with recommendations on financing options for the City's local share contribution in Q1 of 2024;

WHEREAS, The Ontario Government provides funding for hospital capital projects under the Health Infrastructure Renewal Fund, Major Capital Projects Program and project planning

WHEREAS, the Ontario government funds 90% of eligible hospital construction project costs and 100% of eligible planning, design, financing and transaction costs. The balance of the construction project costs, hospital furniture/ equipment and non-shareable costs including constructing a parking facility or renovating or constructing a gift or coffee shop which are revenue producing are the financial responsibility of the hospital funded under the Local Share Plan

WHEREAS, the local share is estimated at \$363.6 M for HHSC and \$265.0 M for SJHH.

WHEREAS, expected contributions from the hospital foundations of between 25% and 28% of the local share, there is a balance of approximately \$462 M requested from contributions by the City of Hamilton.

WHEREAS, the Proposed 2024 Tax Budget contains a placeholder of 1% (\$12M) residential tax levy increase as a potential municipal contribution to the Local Share Plan.

THEREFORE, BE IT RESOLVED:

That staff be directed to remove the 1% placeholder for the Hospital redevelopment from the 2024 tax budget.

**Result: MOTION, CARRIED by a vote of 15 to 0, as follows:**

|        |   |                                    |
|--------|---|------------------------------------|
| Absent | - | Mayor Andrea Horwath               |
| Yes    | - | Ward 1 Councillor Maureen Wilson   |
| Yes    | - | Ward 2 Councillor Cameron Kroetsch |
| Yes    | - | Ward 3 Councillor Nrinder Nann     |
| Yes    | - | Ward 4 Councillor Tammy Hwang      |
| Yes    | - | Ward 5 Councillor Matt Francis     |
| Yes    | - | Ward 6 Councillor Tom Jackson      |
| Yes    | - | Ward 7 Councillor Esther Pauls     |
| Yes    | - | Ward 8 Councillor J. P. Danko      |
| Yes    | - | Ward 9 Councillor Brad Clark       |
| Yes    | - | Ward 10 Councillor Jeff Beattie    |
| Yes    | - | Ward 11 Councillor Mark Tadeson    |
| Yes    | - | Ward 12 Councillor Craig Cassar    |
| Yes    | - | Ward 13 Councillor Alex Wilson     |
| Yes    | - | Ward 14 Councillor Mike Spadafora  |
| Yes    | - | Ward 15 Councillor Ted McMeekin    |

For further disposition of this matter, refer to Item (d)(i)(7)

**(5) 2024 Tax Budget Amendments - Discretionary Development Charge Exemptions (Added Item 7.1(e))**

**(Cassar/Kroetsch)**

WHEREAS, Council recognizes affordability concerns in the community given the recent periods of high inflation and rising interest rates;

WHEREAS, the Mayor directed staff through MDI-2023-02 to reduce the burden on residential property taxes by prioritizing the utilization of debt and emergency reserves while responsibly maintaining the City's credit rating;

WHEREAS, the proposed 2024 Tax Budget reflects a total Development Charge exemptions expense of \$62 million, a year-over-year increase of 300%

WHEREAS, the proposed 2024 Tax Budget recommends a three-year phase-in strategy for unfunded discretionary development charges exemptions provided under the City's Development Charges Bylaw with funding from the Unallocated Capital Levy Reserve of \$9.57M;

WHEREAS, the proposed 2024 Tax Budget recommends the continuation of an eight-year phase-in strategy that leverages \$6.50M annually between 2023 to 2030 to cover the shortfall in historical discretionary Tax Supported DC exemptions incurred from 2013 to 2020;

THEREFORE, BE IT RESOLVED:

- (a) That staff be directed to review the phase-in strategy for discretionary development charge exemptions over a longer timeline that is sustainable while reducing the tax impact in 2024 and report back to General Issues Committee (Budget) with a recommended adjustment prior to the conclusion of the 2024 budget process; and
- (b) That staff continue the annual process of reviewing the opportunity to fund discretionary development charges exemptions through the annual budget surplus.

**Result: MOTION, CARRIED by a vote of 15 to 0, as follows:**

|        |   |                                    |
|--------|---|------------------------------------|
| Absent | - | Mayor Andrea Horwath               |
| Yes    | - | Ward 1 Councillor Maureen Wilson   |
| Yes    | - | Ward 2 Councillor Cameron Kroetsch |
| Yes    | - | Ward 3 Councillor Nrinder Nann     |
| Yes    | - | Ward 4 Councillor Tammy Hwang      |
| Yes    | - | Ward 5 Councillor Matt Francis     |
| Yes    | - | Ward 6 Councillor Tom Jackson      |
| Yes    | - | Ward 7 Councillor Esther Pauls     |
| Yes    | - | Ward 8 Councillor J. P. Danko      |
| Yes    | - | Ward 9 Councillor Brad Clark       |
| Yes    | - | Ward 10 Councillor Jeff Beattie    |
| Yes    | - | Ward 11 Councillor Mark Tadeson    |
| Yes    | - | Ward 12 Councillor Craig Cassar    |
| Yes    | - | Ward 13 Councillor Alex Wilson     |
| Yes    | - | Ward 14 Councillor Mike Spadafora  |
| Yes    | - | Ward 15 Councillor Ted McMeekin    |

**(6) Replacement of 2018 Diesel Waster Packer Equipment (Added Item 7.1(f))****(Beattie/Francis)**

WHEREAS, the 2024 Capital Budget Waste Management Fleet Acquisition Project Number 5120051501 contemplates replacing nine 2018 model year waste handling units (packers) at a net levy impact of \$1.195M;

WHEREAS, this purchase will replace current diesel powertrain units with compressed natural gas (CNG) powertrain units as per previous Council direction;

WHEREAS, moving from diesel to CNG powered units will require additional investment in CNG fueling stations, which is included in the budget request;

WHEREAS, there are no commercially viable zero carbon powertrain options currently available in the vocational truck market;

WHEREAS, new commercially viable low or no-carbon powertrain options including hydrogen, hybrid and battery electric options are expected to come to market within the next three years;

WHEREAS, new diesel engine powertrain systems offer substantial emissions reductions over their older model year counterparts due to changes in regulatory frameworks;

WHEREAS, the City of Hamilton views CNG be a transitional fuel source until commercially viable zero-emission options become available;

WHEREAS, 16 additional diesel units are scheduled to begin a replacement process in 2027.

THEREFORE, BE IT RESOLVED:

That staff be directed to report back to the General Issues Committee (Budget) with the cost implications to the 2024 Budget on February 15, 2024, of replacing the current block of nine diesel waste packer units in a like-for-like manner and the removal of the additional \$1.195M expenditure to replace 2018 diesel waster packer equipment with compressed natural gas (CNG) equivalents and fueling infrastructure as required from the 2024 tax budget, with a view to future equipment replacements using low-carbon, commercially viable equivalents including hydrogen, hybrid or battery electric options.

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**Result: MOTION, CARRIED by a vote of 15 to 0, as follows:**

|        |   |                                    |
|--------|---|------------------------------------|
| Absent | - | Mayor Andrea Horwath               |
| Yes    | - | Ward 1 Councillor Maureen Wilson   |
| Yes    | - | Ward 2 Councillor Cameron Kroetsch |
| Yes    | - | Ward 3 Councillor Nrinder Nann     |
| Yes    | - | Ward 4 Councillor Tammy Hwang      |
| Yes    | - | Ward 5 Councillor Matt Francis     |
| Yes    | - | Ward 6 Councillor Tom Jackson      |
| Yes    | - | Ward 7 Councillor Esther Pauls     |
| Yes    | - | Ward 8 Councillor J. P. Danko      |
| Yes    | - | Ward 9 Councillor Brad Clark       |
| Yes    | - | Ward 10 Councillor Jeff Beattie    |
| Yes    | - | Ward 11 Councillor Mark Tadeson    |
| Yes    | - | Ward 12 Councillor Craig Cassar    |
| Yes    | - | Ward 13 Councillor Alex Wilson     |
| Yes    | - | Ward 14 Councillor Mike Spadafora  |
| Yes    | - | Ward 15 Councillor Ted McMeekin    |

**(Nann/Cassar)**

That the General Issues Committee recess until 12:45 pm.

**Result: MOTION, CARRIED by a vote of 15 to 0, as follows:**

|        |   |                                    |
|--------|---|------------------------------------|
| Absent | - | Mayor Andrea Horwath               |
| Yes    | - | Ward 1 Councillor Maureen Wilson   |
| Yes    | - | Ward 2 Councillor Cameron Kroetsch |
| Yes    | - | Ward 3 Councillor Nrinder Nann     |
| Yes    | - | Ward 4 Councillor Tammy Hwang      |
| Yes    | - | Ward 5 Councillor Matt Francis     |
| Yes    | - | Ward 6 Councillor Tom Jackson      |
| Yes    | - | Ward 7 Councillor Esther Pauls     |
| Yes    | - | Ward 8 Councillor J. P. Danko      |
| Yes    | - | Ward 9 Councillor Brad Clark       |
| Yes    | - | Ward 10 Councillor Jeff Beattie    |
| Yes    | - | Ward 11 Councillor Mark Tadeson    |
| Yes    | - | Ward 12 Councillor Craig Cassar    |
| Yes    | - | Ward 13 Councillor Alex Wilson     |
| Yes    | - | Ward 14 Councillor Mike Spadafora  |
| Yes    | - | Ward 15 Councillor Ted McMeekin    |

**(7) (Cassar/Spadafora)**

That the consideration of Report FCS24002, as **Amended**, respecting 2024 Tax Supported Budget and Financing Plan, be deferred to the February 15, 2024 General Issues Committee (Budget) meeting:

- (a) That the proposed 2024 tax supported budget and financing plan be approved, inclusive of:
  - (i) The net tax levy of \$727.1M, representing an increase over 2023 of \$63.2 M, for City Departments, as detailed in Appendix “A” to Report FCS24002 and inclusive of Business Cases and Council Referred Items outlined in Appendix “C” to Report FCS24002;
  - (ii) The Capital Levy of \$162.3 M, representing an increase over 2023 of \$20.8 M;
  - (iii) The Area Rating Special Capital Re-Investment Levy of \$13.4 M, representing no change over 2023;
  - (iv) The net tax levy of \$267.3 M, representing an increase over 2023 of \$16.5 M, for external Boards and Agencies inclusive of proposed service level adjustments as outlined in Appendix “G” to Report FCS24002;
  - ~~(v) ***The introduction of a Special Hospital Redevelopment Levy of \$12.0 M, representing an average residential tax increase of 1.0%;***~~
  - (v) One-time financing of \$72.3 M to support the Housing Sustainability and Investment Roadmap as outlined in Appendix “E” to Report FCS24002;
  - (vi) One-time financing of \$24.1 M to phase-in statutory and discretionary development charge exemptions permitted under the *Development Charges Act, 1997* and the City of Hamilton’s Development Charges Bylaw as outlined in Appendix “E” to Report FCS24002;
  - (vii) One-time financing of \$18.4 M to support tax affordability as outlined in Appendix “E” to Report FCS24002;



- (viii) The 2024 gross capital budget of \$373.3 M and financing sources outlined in Appendix “F” to Report FCS24002;
- (b) That the Tax Supported Multi-Year Operating Budget 2025 to 2027, attached as Appendix “H” to Report FCS24002, and the Capital Financing Plan 2025 to 2033, attached as Appendix “I” to Report FCS24002, be approved, in principle, and subject to deliberations by Council each budget year;
- (c) That the General Manager, Finance and Corporate Services, be authorized and directed to implement the reserve financing strategy, including closure of the identified reserves, as outlined in Appendix “E” to Report FCS24002;
- (d) That the General Manager, Finance and Corporate Services, be authorized and directed to negotiate and confirm the terms for the placement and issuance of all debenture issue(s), in either a public or private market and / or bank loan agreements and debenture issue(s), in and / or variable interest rate bank loan agreement and debenture issue(s), in an amount not to exceed \$21.1 M Canadian currency, as attached in Appendix “F” to Report FCS24002, which includes \$3.7 M in Tax Supported municipal debt and \$17.4 M in Development Charges municipal debt;
- (e) That the General Manager, Finance and Corporate Services, be authorized to engage the services of all required professionals to secure the terms and issuance of the debenture issue(s) described in recommendation (d) including, but not limited to, external legal counsel and fiscal agents;
- (f) That the General Manager, Finance and Corporate Services, be authorized and directed, on behalf of the City of Hamilton, to enter into and / or execute, all agreements and necessary ancillary documents to secure the terms and issuance of the debenture issue(s) described in recommendation (d), on terms satisfactory to the General Manager, Finance and Corporate Services and in a form satisfactory to the City Solicitor;
- (g) That staff be authorized and directed to prepare all necessary By-Law(s) for Council’s consideration, for the purpose of authorizing debenture issue(s) described in recommendation (d);

- (h) That the General Manager, Healthy and Safe Communities, or delegate, be authorized and directed to execute, on behalf of the City, all agreements, including all federal and provincial funding agreements and any agreements with Community Services Provider(s), as well as, any ancillary agreements, contracts, extensions and documents, associated with, or arising out of, Council's approval of the 2024 Tax Supported Budget and Financing Plan, which also includes the authority to authorize the submission of budgets and quarterly and / or year-end reporting, as well as, the authority to make appropriate payments to community service providers, in a form satisfactory to the City Solicitor;
- (i) That, where required for Public Health Services, the General Manager, Healthy and Safe Communities, or delegate, or the Medical Officer of Health, or delegate, be authorized and directed to execute, on behalf of the City, all agreements, including all federal and provincial funding agreements, as well as, any ancillary agreements, contracts, extensions and documents, associated with or arising out of Council's approval of the 2024 Tax Supported Budget and Financing Plan, and includes the authority to authorize the submission of budgets and quarterly and / or year-end reporting;
- (j) That the City Solicitor be authorized and directed to prepare all necessary by-laws, for Council approval, for the purposes of establishing the tax levy, totalling ~~\$1,181.7M~~ **\$1,175.7M** exclusive of Education per Recommendation (a);
- (k) That in accordance with the "Budgeted Complement Control Policy", the requested change in staff complement as outlined in Appendix "L" to Report FCS24002, be approved; and
- (l) That the budget exclusions related to Regulation 284/09 of the *Municipal Act* titled "Budget Matters – Expenses", as per Appendix "L" attached to Report FCS23007(a), be received as information.

**Result: MOTION, CARRIED by a vote of 13 to 0, as follows:**

|        |   |                                    |
|--------|---|------------------------------------|
| Absent | - | Mayor Andrea Horwath               |
| Yes    | - | Ward 1 Councillor Maureen Wilson   |
| Yes    | - | Ward 2 Councillor Cameron Kroetsch |
| Absent | - | Ward 3 Councillor Nrinder Nann     |
| Yes    | - | Ward 4 Councillor Tammy Hwang      |
| Yes    | - | Ward 5 Councillor Matt Francis     |
| Yes    | - | Ward 6 Councillor Tom Jackson      |

**General Issues Committee (Budget)**  
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|        |   |         |                           |
|--------|---|---------|---------------------------|
| Yes    | - | Ward 7  | Councillor Esther Pauls   |
| Yes    | - | Ward 8  | Councillor J. P. Danko    |
| Yes    | - | Ward 9  | Councillor Brad Clark     |
| Yes    | - | Ward 10 | Councillor Jeff Beattie   |
| Yes    | - | Ward 11 | Councillor Mark Tadeson   |
| Yes    | - | Ward 12 | Councillor Craig Cassar   |
| Yes    | - | Ward 13 | Councillor Alex Wilson    |
| Yes    | - | Ward 14 | Councillor Mike Spadafora |
| Absent | - | Ward 15 | Councillor Ted McMeekin   |

**(e) MOTIONS (Item 8)**

Councillor Danko relinquished the Chair to Vice-Chair M. Wilson to introduce the following notice of motion:

**(i) Financial Impact of Provincial Polices and Downloaded Expenses (Item 8.1)**

**(Danko/M. Wilson)**

That the financial impact of Provincial policies and downloaded expenses be included as an individual line item on the 2024 City of Hamilton property tax bills and accompanying property tax information package.

**Result: MOTION, CARRIED by a vote of 14 to 0, as follows:**

|        |   |                                    |
|--------|---|------------------------------------|
| Absent | - | Mayor Andrea Horwath               |
| Yes    | - | Ward 1 Councillor Maureen Wilson   |
| Yes    | - | Ward 2 Councillor Cameron Kroetsch |
| Absent | - | Ward 3 Councillor Nrinder Nann     |
| Yes    | - | Ward 4 Councillor Tammy Hwang      |
| Yes    | - | Ward 5 Councillor Matt Francis     |
| Yes    | - | Ward 6 Councillor Tom Jackson      |
| Yes    | - | Ward 7 Councillor Esther Pauls     |
| Yes    | - | Ward 8 Councillor J. P. Danko      |
| Yes    | - | Ward 9 Councillor Brad Clark       |
| Yes    | - | Ward 10 Councillor Jeff Beattie    |
| Yes    | - | Ward 11 Councillor Mark Tadeson    |
| Yes    | - | Ward 12 Councillor Craig Cassar    |
| Yes    | - | Ward 13 Councillor Alex Wilson     |
| Yes    | - | Ward 14 Councillor Mike Spadafora  |
| Yes    | - | Ward 15 Councillor Ted McMeekin    |

Councillor Danko assumed the Chair.

**(ii) Reporting of Annual Expenditures on the Transportation Network in Alignment with the Asset Management Plan (Added Item 8.2)**

**(M. Wilson/Francis)**

WHEREAS, the Transportation network refer to the roads distribution network that facilitates the safe, accessible, and efficient movement of people, goods, and services across the City. It encompasses road pavement, active transportation, traffic assets, as well as the engineered structures including bridges, major culverts, and retaining walls, etc. within the transportation network;

WHEREAS, Public Works Department is entrusted with delivering the capital program, as it relates to roads construction, rehabilitation and reconstruction projects and programs for the City of Hamilton's approximate 6,500 lane-kilometers of road network;

WHEREAS, Public Works Department is assigned the responsibility of formulating capital investment plans for the Transportation network, encompassing long-, medium-, and short-term strategies, and delineating the costs associated with executing capital rehabilitation and reconstruction projects and programs;

THEREFORE, BE IT RESOLVED:

- (a) That the General Managers of Public Works and Finance & Corporate Services, be directed to report back to the General Issues Committee by the second quarter of 2024 following the:
- (i) examination of the entire capital planning procedure in creating capital program pertaining to the Transportation network, independent of department or division responsible for executing the capital works;
  - (ii) examination of the historic Transportations network capital funding levels, adjusted for inflation, compared to the 2024 capital spending, including the multi-year outlook in the 2024 Budget presentation(s);
  - (iii) examination of the historical classification or categorization of the capital projects, and recommended strategies, in accordance with current and future known administrative procedures, such as the Corporate Asset Management framework, to maintain the City's Transportation network in "fair to good" condition; and
  - (iv) development of a methodology and report format for consistent communication of the information as described in above paragraphs (i), (ii) and (iii).

**Result: MOTION, CARRIED by a vote of 14 to 0, as follows:**

|        |   |                                    |
|--------|---|------------------------------------|
| Absent | - | Mayor Andrea Horwath               |
| Yes    | - | Ward 1 Councillor Maureen Wilson   |
| Yes    | - | Ward 2 Councillor Cameron Kroetsch |
| Absent | - | Ward 3 Councillor Nrinder Nann     |
| Yes    | - | Ward 4 Councillor Tammy Hwang      |
| Yes    | - | Ward 5 Councillor Matt Francis     |
| Yes    | - | Ward 6 Councillor Tom Jackson      |
| Yes    | - | Ward 7 Councillor Esther Pauls     |
| Yes    | - | Ward 8 Councillor J. P. Danko      |
| Yes    | - | Ward 9 Councillor Brad Clark       |
| Yes    | - | Ward 10 Councillor Jeff Beattie    |
| Yes    | - | Ward 11 Councillor Mark Tadeson    |
| Yes    | - | Ward 12 Councillor Craig Cassar    |
| Yes    | - | Ward 13 Councillor Alex Wilson     |
| Yes    | - | Ward 14 Councillor Mike Spadafora  |
| Yes    | - | Ward 15 Councillor Ted McMeekin    |

**(iii) Attaining Efficiencies Through the Review of the Use of Consultants  
 - REVISED (Added Item 8.3)**

**(Tadeson/Kroetsch)**

WHEREAS, the City has and continues to engage consultants to complete work when specific expertise is required;

WHEREAS, a review of the use of consultants would provide Council with the frequency as well as a listing of the expertise the City requires on an ongoing basis; and

WHEREAS, providing staff with training opportunities to acquire the specific expertise would result in the potential for long term cost savings by having the work currently completed by consultants, completed by staff.

THEREFORE, BE IT RESOLVED:

- (a) That staff be directed to review and report back to the General Issues Committee with an interim report by the second quarter of 2024 respecting the projects the City has engaged consultants to frequently complete and any upcoming projects; and

- (b) That staff be directed to evaluate the potential of long term cost savings by reviewing the list of projects, the expertise that was/is required and make recommendations for having this work completed by City staff by:
- (i) Offering training opportunities;
  - (ii) Offering inter-departmental opportunities for staff with expertise;
  - (iii) Hiring staff with the expertise required; and
  - (iv) Include a review of the labour market and competitiveness of the City's ability to bring the expertise in house.

**Result: MOTION, CARRIED by a vote of 16 to 0, as follows:**

|     |   |                                    |
|-----|---|------------------------------------|
| Yes | - | Mayor Andrea Horwath               |
| Yes | - | Ward 1 Councillor Maureen Wilson   |
| Yes | - | Ward 2 Councillor Cameron Kroetsch |
| Yes | - | Ward 3 Councillor Nrinder Nann     |
| Yes | - | Ward 4 Councillor Tammy Hwang      |
| Yes | - | Ward 5 Councillor Matt Francis     |
| Yes | - | Ward 6 Councillor Tom Jackson      |
| Yes | - | Ward 7 Councillor Esther Pauls     |
| Yes | - | Ward 8 Councillor J. P. Danko      |
| Yes | - | Ward 9 Councillor Brad Clark       |
| Yes | - | Ward 10 Councillor Jeff Beattie    |
| Yes | - | Ward 11 Councillor Mark Tadeson    |
| Yes | - | Ward 12 Councillor Craig Cassar    |
| Yes | - | Ward 13 Councillor Alex Wilson     |
| Yes | - | Ward 14 Councillor Mike Spadafora  |
| Yes | - | Ward 15 Councillor Ted McMeekin    |

- (iv) **Internal Facilitation of Special Events including Traffic Control Plans as per Ontario Traffic Manual (OTM) Book 7 and Implementation of Temporary Road Closures for Event Organizers (Added Item 8.4)**

**(Kroetsch/Tadeson)**

WHEREAS, the City of Hamilton phased out the preparation of Traffic Control Plans as per Ontario Traffic Manual (OTM) Book 7 by Qualified Persons, implementation of the temporary road closure with associated Roads and Traffic Plans in 2012 due to emergency response requirements, safety and liability risks, road maintenance priorities throughout the City, and staffing shortages due to the volume of events;

WHEREAS, the Special Events Advisory Team (SEAT), led by Healthy and Safe Communities (H&SC) is a cross-departmental team that is comprised of City of Hamilton staff from 15 municipal divisions to facilitate and support public events taking place on City property and, in some cases, events on private property that have a significant impact on City services;

WHEREAS, SEAT ensures that these events have all the necessary permits, permissions, and insurance so that events are safe for organizers, participants, the corporation, and citizens;

WHEREAS, in 2023, there were 170 major events and 250 community-level events, with a yearly average of approximately 400 events each year;

WHEREAS, event organizers are responsible for paying for various City-issued permits and licences, providing the City with proof of insurance from a 3<sup>rd</sup> party insurer, are responsible for the preparation of Traffic Control Plans as per OTM Book 7 to support all events that require a temporary closure, plus the implementation of temporary closures once approved;

WHEREAS, the City Enrichment Fund (CEF), launched in 2015, after transitioning from the Community Partnership Program (CPP), the fund provides grants to not-for profit organizations, charities, and community groups across seven program areas, Agriculture, Arts, Communities, Culture and Heritage (CCH), Community Services, Environment, Sport and Active Lifestyle that deliver a variety of services and programs throughout the city; and

WHEREAS, each year organizations are invited to submit grant applications in support of these services and programs, which are evaluated by internal and external teams. In 2023, 337 applications received funding in the amount of \$6,559,227 approved by Council to be used towards project, programs, and operations of the various applications. These include in some cases event fees (e.g. traffic control plans, road closures, off-duty police support).

THEREFORE, BE IT RESOLVED:

That the General Managers of Public Works and Planning and Economic Development, be directed to report back to the General Issues Committee with an Information Report by the second quarter of 2024 on the following:

- (i) That City staff investigate any potential savings that may exist in transferring the responsibility of the event coordination in-house to the current SEAT model; referencing any other similar situations where there has been a historic need for a particular type of external advice;
- (ii) That the resources (staffing, material and vehicle costs) and processes required for a cross-departmental City of Hamilton Team to facilitate all processes, including the Traffic Control Plans associated with the implementation of temporary closures for Event Organizers be identified as part of this review;
- (iii) That the Hamilton Police Services be consulted with and resources (staffing and material costs) and processes be outlined as part of this process if to be facilitated by the City of Hamilton as part of this review;

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**Minutes 24-001(f)**

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- (iv) That the Legal & Risk Management Services Division be consulted with to identify risks, liability and insurance costs if to be facilitated by the City of Hamilton as part of this review; and
- (v) That staff identify as part of the review any opportunities for fee reductions or cost recoveries.

**Result: MOTION, CARRIED by a vote of 15 to 0, as follows:**

|        |   |                                    |
|--------|---|------------------------------------|
| Yes    | - | Mayor Andrea Horwath               |
| Yes    | - | Ward 1 Councillor Maureen Wilson   |
| Yes    | - | Ward 2 Councillor Cameron Kroetsch |
| Yes    | - | Ward 3 Councillor Nrinder Nann     |
| Yes    | - | Ward 4 Councillor Tammy Hwang      |
| Yes    | - | Ward 5 Councillor Matt Francis     |
| Yes    | - | Ward 6 Councillor Tom Jackson      |
| Absent | - | Ward 7 Councillor Esther Pauls     |
| Yes    | - | Ward 8 Councillor J. P. Danko      |
| Yes    | - | Ward 9 Councillor Brad Clark       |
| Yes    | - | Ward 10 Councillor Jeff Beattie    |
| Yes    | - | Ward 11 Councillor Mark Tadeson    |
| Yes    | - | Ward 12 Councillor Craig Cassar    |
| Yes    | - | Ward 13 Councillor Alex Wilson     |
| Yes    | - | Ward 14 Councillor Mike Spadafora  |
| Yes    | - | Ward 15 Councillor Ted McMeekin    |

**(f) NOTICES OF MOTION**

**(i) Final Global Budget Number (Added Item 9.1)**

**(Jackson/Spadafora)**

That the Rules of Order be waived to allow for the introduction of a motion respecting Final Global Budget Number.

**Result: Motion CARRIED by a 2/3rds vote of 14 to 1, as follows:**

|        |   |                                    |
|--------|---|------------------------------------|
| Yes    | - | Mayor Andrea Horwath               |
| Yes    | - | Ward 1 Councillor Maureen Wilson   |
| Yes    | - | Ward 2 Councillor Cameron Kroetsch |
| Yes    | - | Ward 3 Councillor Nrinder Nann     |
| No     | - | Ward 4 Councillor Tammy Hwang      |
| Yes    | - | Ward 5 Councillor Matt Francis     |
| Yes    | - | Ward 6 Councillor Tom Jackson      |
| Absent | - | Ward 7 Councillor Esther Pauls     |
| Yes    | - | Ward 8 Councillor J. P. Danko      |
| Yes    | - | Ward 9 Councillor Brad Clark       |
| Yes    | - | Ward 10 Councillor Jeff Beattie    |
| Yes    | - | Ward 11 Councillor Mark Tadeson    |



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Yes - Ward 12 Councillor Craig Cassar  
 Yes - Ward 13 Councillor Alex Wilson  
 Yes - Ward 14 Councillor Mike Spadafora  
 Yes - Ward 15 Councillor Ted McMeekin

**(g) MOTIONS - Continued (Item 8)**

**(i) Final Global Budget Number (Added Item 8.5)**

**(Jackson/Spadafora)**

WHEREAS the 2024 tax levy increase as of the end of deliberations on January 30 stands at 6.9%;

THEREFORE, BE IT RESOLVED:

That the City Manager be directed to report back by February 15, 2024 at the General Issues Committee (Budget) meeting (if not earlier), indicating how the final global budget number can be reduced to 4% maximum and providing the benefits/challenges of this direction.

**Result: MOTION, DEFEATED by a vote of 6 to 9, as follows:**

No - Mayor Andrea Horwath  
 No - Ward 1 Councillor Maureen Wilson  
 No - Ward 2 Councillor Cameron Kroetsch  
 No - Ward 3 Councillor Nrinder Nann  
 No - Ward 4 Councillor Tammy Hwang  
 Yes - Ward 5 Councillor Matt Francis  
 Yes - Ward 6 Councillor Tom Jackson  
 Absent - Ward 7 Councillor Esther Pauls  
 No - Ward 8 Councillor J. P. Danko  
 Yes - Ward 9 Councillor Brad Clark  
 Yes - Ward 10 Councillor Jeff Beattie  
 Yes - Ward 11 Councillor Mark Tadeson  
 No - Ward 12 Councillor Craig Cassar  
 No - Ward 13 Councillor Alex Wilson  
 Yes - Ward 14 Councillor Mike Spadafora  
 No - Ward 15 Councillor Ted McMeekin

**(g) ADJOURNMENT (Item 12)**

**(Clark/Kroetsch)**

That there being no further business, the General Issues Committee (Budget) be adjourned at 2:52 p.m.

**Result: MOTION, CARRIED by a vote of 15 to 0, as follows:**

Yes - Mayor Andrea Horwath

**General Issues Committee (Budget)**  
**Minutes 24-001(f)**

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|        |   |         |                             |
|--------|---|---------|-----------------------------|
| Yes    | - | Ward 1  | Councillor Maureen Wilson   |
| Yes    | - | Ward 2  | Councillor Cameron Kroetsch |
| Yes    | - | Ward 3  | Councillor Nrinder Nann     |
| Yes    | - | Ward 4  | Councillor Tammy Hwang      |
| Yes    | - | Ward 5  | Councillor Matt Francis     |
| Yes    | - | Ward 6  | Councillor Tom Jackson      |
| Absent | - | Ward 7  | Councillor Esther Pauls     |
| Yes    | - | Ward 8  | Councillor J. P. Danko      |
| Yes    | - | Ward 9  | Councillor Brad Clark       |
| Yes    | - | Ward 10 | Councillor Jeff Beattie     |
| Yes    | - | Ward 11 | Councillor Mark Tadeson     |
| Yes    | - | Ward 12 | Councillor Craig Cassar     |
| Yes    | - | Ward 13 | Councillor Alex Wilson      |
| Yes    | - | Ward 14 | Councillor Mike Spadafora   |
| Yes    | - | Ward 15 | Councillor Ted McMeekin     |

Respectfully submitted,

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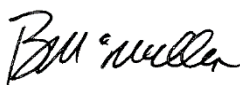
Councillor John Paul Danko  
Chair, General Issues Committee Budget

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Janet Pilon  
Acting City Clerk



# INFORMATION REPORT

|                           |  |
|---------------------------|--|
| <b>TO:</b>                | Mayor and Members<br>General Issues Committee  |
| <b>COMMITTEE DATE:</b>    | February 15, 2024  |
| <b>SUBJECT/REPORT NO:</b> | Alternative Financing Strategy for Discretionary Development Charge Exemptions (FCS24017) (City Wide)      |
| <b>WARD(S) AFFECTED:</b>  | City Wide  |
| <b>PREPARED BY:</b>       | Duncan Robertson (905) 546-2424 Ext. 4744  |
| <b>SUBMITTED BY:</b>      | Brian McMullen<br>Director, Financial Planning, Administration and Policy<br>Corporate Services Department |
| <b>SIGNATURE:</b>         |                           |

## COUNCIL DIRECTION

At its meeting on January 30, 2024, the General Issues Committee (Budget) provided the following direction to staff:

- (a) That staff be directed to review the phase-in strategy for discretionary development charge exemptions over a longer timeline that is sustainable while reducing the tax impact in 2024 and report back to General Issues Committee (Budget) with a recommended adjustment prior to the conclusion of the 2024 budget process; and,
- (b) That staff continue the annual process of reviewing the opportunity to fund discretionary development charges exemptions through the annual year-end disposition of Corporate surplus / deficit.

## INFORMATION

### Background

The Proposed 2024 Tax Budget (Report FCS24002) included a financing strategy to fund discretionary development charge exemptions provided under the City's Development Charges Bylaw with the following elements:

---

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: Alternative Financing Strategy for Discretionary Development Charge Exemptions (FCS24017) (City Wide) – Page 2 of 4**

1. A three-year phase-in strategy to incorporate the annual sustainable funding level required for ongoing discretionary development charge exemptions. The phase-in strategy leverages the City's Unallocated Capital Levy Reserve (\$6.4 M in 2024 and \$3.2 M in 2025) to spread the immediate financial burden over three years; and,
2. An eight-year phase-in strategy, that commenced in 2023, to address the \$52 M funding shortfall in historical discretionary development charge exemptions incurred between 2013 to 2020. Beginning in 2023, the Capital Financing Plan incorporated an additional \$6.5 M per year over an eight-year period (ending in 2030) as dedicated funding for unfunded development charge exemptions that were realized prior to 2020.

The current complete financing strategy for development charge exemptions is summarized in Table 14 of Report FCS24002 (page 39) and presented as Table 1 below, which breaks down the anticipated liability in each year and the revenue sources in the financing strategy to eliminate the liability by the year 2030.

**TABLE 1 – Development Charge Exemptions Sustainable Funding Strategy as Presented in FCS24002**

|   | 2024              | 2025             | 2026             | 2027             | 2028             | 2029             | 2030             |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Statutory Development Charge Exemptions<br><i>More Homes, More Choice Act, 2022</i> | \$ 20,830         | \$ 21,363        | \$ 21,910        | \$ 22,471        | \$ 23,046        | \$ 23,636        | \$ 24,241        |
| Statutory Development Charge Exemptions<br><i>Development Charges Act, 1997</i>     | \$ 10,190         | \$ 10,451        | \$ 10,718        | \$ 10,993        | \$ 11,274        | \$ 11,563        | \$ 11,859        |
| Discretionary Development Charge Exemptions<br>City of Hamilton DC Bylaw            | \$ 24,622         | \$ 25,252        | \$ 25,898        | \$ 26,561        | \$ 27,241        | \$ 27,939        | \$ 28,654        |
| Subtotal Annual Development Charge Exemptions                                       | \$ 55,642         | \$ 57,066        | \$ 58,527        | \$ 60,025        | \$ 61,562        | \$ 63,138        | \$ 64,754        |
| Unfunded Discretionary Development Charge Exemptions (2012-2020)                    | \$ 45,500         | \$ 39,000        | \$ 32,500        | \$ 26,000        | \$ 19,500        | \$ 13,000        | \$ 6,500         |
| <b>Total Development Charge Exemptions</b>  | <b>\$ 101,142</b> | <b>\$ 96,066</b> | <b>\$ 91,027</b> | <b>\$ 86,025</b> | <b>\$ 81,062</b> | <b>\$ 76,138</b> | <b>\$ 71,254</b> |
| <b>Financing Strategy:</b>  |                   |                  |                  |                  |                  |                  |                  |
| Capital Levy  | \$ 26,332         | \$ 39,036        | \$ 51,777        | \$ 60,025        | \$ 61,562        | \$ 63,138        | \$ 64,754        |
| Unallocated Capital Levy Reserve  | \$ 22,560         | \$ 11,280        |                  |                  |                  |                  |                  |
| Building Faster Fund  | \$ 6,750          | \$ 6,750         | \$ 6,750         |                  |                  |                  |                  |
| Capital Financing Surplus   | \$ 6,500          | \$ 6,500         | \$ 6,500         | \$ 6,500         | \$ 6,500         | \$ 6,500         | \$ 6,500         |
| <b>Total Financing</b>  | <b>\$ 62,142</b>  | <b>\$ 63,566</b> | <b>\$ 65,027</b> | <b>\$ 66,525</b> | <b>\$ 68,062</b> | <b>\$ 69,638</b> | <b>\$ 71,254</b> |
| <b>Remaining Unfunded Development Charge Exemptions</b>                             | <b>\$ 39,000</b>  | <b>\$ 32,500</b> | <b>\$ 26,000</b> | <b>\$ 19,500</b> | <b>\$ 13,000</b> | <b>\$ 6,500</b>  | <b>\$ 0</b>      |

Over the past three years, Council has directed \$35.8 M in operating budget surpluses towards unfunded discretionary development charge exemptions (\$15.1 M in 2021, \$13.0 M in 2022 and \$7.7 M in 2023).

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: Alternative Financing Strategy for Discretionary Development Charge Exemptions (FCS24017) (City Wide) – Page 3 of 4**

## Alternative Financing Strategy

Given the affordability concerns within the community, City Council could amend the proposed financing strategy for discretionary development charge exemptions by increasing the timeline in which the liability is addressed, introducing additional reserve contributions into the ten-year Capital Financing Plan and continuing the process of funding discretionary development charges exemptions through the annual budget surplus.

The City of Hamilton has a DC Funding Policy that requires staff to limit the amount of risk in sustaining DC reserves. The alternative financing strategy below balances tax affordability with the required financing of DC reserves.

Table 2 below summarizes an alternative financing strategy for discretionary development charge exemptions that would:

1. Reduce the proposed 2024 Capital Levy by \$6.5 M with a residential tax impact benefit of 0.54%;
2. Extend the three-year phase-in strategy for ongoing discretionary development charge exemptions to four years;
3. Extend the eight-year phase-in strategy for historical discretionary development charge exemptions by an additional three-years to 2033;
4. Leverage an additional 2023 operating budget surplus of \$2 M towards financing the 2024 capital budget; and,
5. Leverage an additional \$9.8 M in either reserve funding or operating budget surpluses from 2025 to 2030.

**TABLE 2 – Alternative Development Charge Exemptions Funding Strategy**

|   | 2024              | 2025              | 2026             | 2027             | 2028             | 2029             | 2030             | 2031             | 2032             | 2033             |
|---|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Statutory Development Charge Exemptions<br><i>More Homes, More Choice Act, 2022</i> | \$ 20,830         | \$ 21,363         | \$ 21,910        | \$ 22,471        | \$ 23,046        | \$ 23,636        | \$ 24,241        | \$ 24,862        | \$ 25,498        | \$ 26,151        |
| Statutory Development Charge Exemptions<br><i>Development Charges Act, 1997</i>     | \$ 10,190         | \$ 10,451         | \$ 10,718        | \$ 10,993        | \$ 11,274        | \$ 11,563        | \$ 11,859        | \$ 12,162        | \$ 12,474        | \$ 12,793        |
| Discretionary Development Charge Exemptions<br>City of Hamilton DC Bylaw            | \$ 24,622         | \$ 25,252         | \$ 25,898        | \$ 26,561        | \$ 27,241        | \$ 27,939        | \$ 28,654        | \$ 27,730        | \$ 26,782        | \$ 25,810        |
| Subtotal Annual Development Charge Exemptions                                       | \$ 55,642         | \$ 57,066         | \$ 58,527        | \$ 60,025        | \$ 61,562        | \$ 63,138        | \$ 64,754        | \$ 64,754        | \$ 64,754        | \$ 64,754        |
| Unfunded Discretionary Development Charge Exemptions (2012-2020)                    | \$ 45,500         | \$ 43,500         | \$ 41,000        | \$ 38,000        | \$ 34,500        | \$ 28,750        | \$ 23,000        | \$ 17,250        | \$ 11,500        | \$ 5,750         |
| <b>Total Development Charge Exemptions</b>  | <b>\$ 101,142</b> | <b>\$ 100,566</b> | <b>\$ 99,527</b> | <b>\$ 98,025</b> | <b>\$ 96,062</b> | <b>\$ 91,888</b> | <b>\$ 87,754</b> | <b>\$ 82,004</b> | <b>\$ 76,254</b> | <b>\$ 70,504</b> |
| <b>Financing Strategy:</b>  |                   |                   |                  |                  |                  |                  |                  |                  |                  |                  |
| Capital Levy  | \$ 23,142         | \$ 34,992         | \$ 47,168        | \$ 58,315        | \$ 59,808        | \$ 61,339        | \$ 62,910        | \$ 64,520        | \$ 64,754        | \$ 64,755        |
| Unallocated Capital Levy Reserve  | \$ 22,560         | \$ 11,280         |                  |                  |                  |                  |                  |                  |                  |                  |
| Building Faster Fund  | \$ 6,750          | \$ 6,750          | \$ 6,750         |                  |                  |                  |                  |                  |                  |                  |
| Capital Financing Surplus   | \$ 5,190          | \$ 6,544          | \$ 7,609         | \$ 5,210         | \$ 7,504         | \$ 7,549         | \$ 7,595         | \$ 5,984         | \$ 5,750         | \$ 5,750         |
| <b>Total Financing</b>  | <b>\$ 57,642</b>  | <b>\$ 59,566</b>  | <b>\$ 61,527</b> | <b>\$ 63,525</b> | <b>\$ 67,312</b> | <b>\$ 68,888</b> | <b>\$ 70,505</b> | <b>\$ 70,504</b> | <b>\$ 70,504</b> | <b>\$ 70,505</b> |
| <b>Remaining Unfunded Development Charge Exemptions</b>                             | <b>\$ 43,500</b>  | <b>\$ 41,000</b>  | <b>\$ 38,000</b> | <b>\$ 34,500</b> | <b>\$ 28,750</b> | <b>\$ 23,000</b> | <b>\$ 17,250</b> | <b>\$ 11,500</b> | <b>\$ 5,750</b>  | <b>\$ (0)</b>    |

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**SUBJECT: Alternative Financing Strategy for Discretionary Development Charge Exemptions (FCS24017) (City Wide) – Page 4 of 4**

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Should Council choose to adopt this strategy, the immediate tax burden in 2024 could be reduced by \$6.5 M representing an average residential tax benefit of 0.54%. It would require leveraging additional \$2 M of the forecasted 2023 capital financing surplus towards financing the 2024 capital budget, as well as, \$9.8 M in future years of the capital plan (2025 to 2030). The proposed phase-in strategy for ongoing discretionary development charge exemptions would shift an additional year, resulting in a Capital Levy increase of 0.30% in 2027. The revised Capital Levy forecast is provided in Table 3.

**TABLE 3 – Alternative Capital Levy Forecast**

|   | 2024         | 2025         | 2026         | 2027         |
|---|--------------|--------------|--------------|--------------|
| Transportation Asset Management Plan              | 0.58%        | 0.89%        | 0.89%        | 0.89%        |
| Non-Core Asset Management Plans                   | 0.00%        | 0.00%        | 0.50%        | 0.50%        |
| Statutory DC Exemptions                           | 0.76%        | 0.76%        | 0.76%        | 0.63%        |
| Unfunded Discretionary DC Exemptions (City Bylaw) | 0.00%        | 0.30%        | 0.30%        | 0.30%        |
| Servicing requirements for new debt               | 0.00%        | 1.24%        | 0.10%        | 0.13%        |
| <b>Total Net for Levy Impact</b>                  | <b>1.33%</b> | <b>3.18%</b> | <b>2.54%</b> | <b>2.44%</b> |

**APPENDICES AND SCHEDULES ATTACHED**

None

DR/dt

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## INFORMATION REPORT

|                           |   |
|---------------------------|---|
| <b>TO:</b>                | Mayor and Members<br>General Issues Committee                                     |
| <b>COMMITTEE DATE:</b>    | February 15, 2024   |
| <b>SUBJECT/REPORT NO:</b> | Litter Management Service Enhancements (PW23076(a))<br>(City Wide)                |
| <b>WARD(S) AFFECTED:</b>  | City Wide   |
| <b>PREPARED BY:</b>       | Joel McCormick (905) 546-2424 Ext. 4770   |
| <b>SUBMITTED BY:</b>      | Angela Storey<br>Director, Waste Management<br>Public Works Department            |
| <b>SIGNATURE:</b>         |  |

### COUNCIL DIRECTION

At its January 30, 2024 meeting, through Amending Motion 7.1(a), General Issues Committee (Budget) directed staff to report back to the February 15, 2024 General Issues Committee (Budget) with the details of the new Alternative 3 to Report PW23076, Litter Management Service Enhancements with cost implications to the 2024 Budget which, if approved, will prioritize downtown enhancements, expanded street sweeping in Business Improvement Areas, broadened litter collection in parks and trails, and the ability to promote and support volunteer clean-up programs.

### INFORMATION

At its December 4, 2023, meeting, Public Works Committee approved the recommendations outlined in Report PW23076, Litter Management Service Enhancements, which ultimately referred provisions to be used to enhance city-wide litter management in the public realm to the 2024 Tax Supported Budget process for deliberation. The public realm includes but is not limited to parks, cemeteries, rights-of-way inclusive of roadways and sidewalks, streams, and municipal properties.

Prior to this, staff brought forward to the April 17, 2023, Public Works Committee meeting, Report PW23028, Litter Collection Update, which outlined the annual amount expended on litter collections across the city, outside of regularly scheduled efforts by

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**SUBJECT: Litter Management Service Enhancements (PW23076(a)) (City Wide)**  
**– Page 2 of 4**

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the Waste Management Division, including reporting on what factors inform the planning and scheduling of public litter collection efforts.

**Current Litter Management Services**

The responsibility of litter management in the public realm generally lies with the asset owner. The following Divisions within the Public Works Department participate in city-wide litter management:

- Corporate Facilities and Energy Management
- Environmental Services
- Hamilton Water
- Transit
- Transportation
- Waste Management

As part of the service level review, activities and service levels associated with proactive and reactive litter management within the public realm were compiled. A detailed listing of current litter management activities and service levels can be found in Appendix “A” to Report PW23076(a).

**Recommendation and Alternatives for Consideration**

Report PW23076 provided a recommendation and two alternatives for consideration. Following the December 4, 2023, Public Works Committee meeting, a third alternative was requested through engagement with Councillor Hwang and Councillor Kroetsch. The overall total Operating and Capital budget required for the recommendation is \$4,622,800, Alternative 1 is \$2,329,800, Alternative 2 is \$1,188,800 and Alternative 3 is \$1,405,800.

Table 1 below provides a summary of the associated complement and budget requirements for the recommendation and two alternatives from Report PW23076, and the new Alternative 3. The column on the right compares the budget required for each option to the recommendation and represents a savings to the Proposed 2024 Operating and Capital Budget. Appendix “B” to Report PW23076(a) provides further detail on each option.



**SUBJECT: Litter Management Service Enhancements (PW23076(a)) (City Wide)**  
**– Page 3 of 4**

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Table 1. Summary of Budget Impact for Recommendation and Alternatives

| Option         | FTE   | Operating Budget | Operating Impact from Capital | Capital     | Change from Recommendation |
|----------------|-------|------------------|-------------------------------|-------------|----------------------------|
| Recommendation | 27.96 | \$2,073,600      | \$304,200                     | \$2,245,000 | N/A                        |
| Alternative 1  | 16.96 | \$1,203,000      | \$169,300                     | \$957,500   | (\$2,293,000)              |
| Alternative 2  | 8.64  | \$530,000        | \$83,800                      | \$575,000   | (\$3,434,000)              |
| Alternative 3  | 10.96 | \$747,000        | \$83,800                      | \$575,000   | (\$3,217,000)              |

The 2024 Proposed Tax Budget presented through Report FCS24002 included the recommended operating cost of \$2,073,000, whereas Alternative 3 operating costs are estimated at \$747,000 representing a reduction to the current position of \$1,326,000.

As detailed further in Appendix “B” to Report PW23076(a), Alternative 3 enhances litter management in the public realm by broadening proactive and reactive litter collection in parks and trails, implementing a budget to promote and support volunteer clean-up programs, enhancing roadway sweeping in Business Improvement Areas, and enhancing sidewalk sweeping, manual litter collection, roadway sweeping, vegetation maintenance and graffiti removal in the downtown area.

The enhancement areas in Alternative 3 reflect nicely on the feedback received from residents and councillors during the public engagement phase of the City-Wide Litter Management Service Enhancements project. 1,358 respondents ranked the following City assets as the most littered in their opinion: Downtown followed by parks, sidewalks and roadways.

Enhancements included in Alternative 3 that relate to the downtown have been in place and active since August 2023 and are temporarily funded until July 2024 by the Planning and Economic Development Department through the Economic Development Initiative Capital Project. This is as a result of City Council’s approval of Report PED23081, Downtown Hamilton Office Report.

#### Financial Implications of New Alternative 3

As seen in Table 1 and Appendix “B” to Report PW23076(a), should Alternative 3 be approved, the 2024 Tax Budget requirements for the service enhancements will be approximately \$1,405,800. This includes \$747,000 in operating budget, \$575,000 in capital equipment and \$83,800 in operating impacts from capital. When compared to the total Proposed 2024 Tax Budget position this alternative would result in an improved Tax levy position of \$1.33M in 2024 or a 0.12% on the average residential tax bill. The reduced need for capital investment for this alternative would result in a lower reliance on reserve financing from the Unallocated Capital Reserve.

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**SUBJECT: Litter Management Service Enhancements (PW23076(a)) (City Wide)**  
**– Page 4 of 4**

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As with all capital projects, any operating impacts related to equipment purchases will not be implemented until 2025.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report PW23076(a) – Current Litter Management Activities and Service Levels

Appendix “B” to Report PW23076(a) – Summary of Report PW23076 Recommendation and Alternatives including New Alternative 3

## Appendix "A" - City-Wide Litter Management Service and Service Levels

| City Asset                       | Service           | Service Level |        |         |          |       |           |
|----------------------------------|-------------------|---------------|--------|---------|----------|-------|-----------|
|                                  |                   | Daily         | Weekly | Monthly | Annually | Other | As Needed |
| Municipal Buildings*             | Litter            |               |        |         |          | ✓     |           |
| Parks – unstaffed (Summer)       | Litter            |               | ✓      |         |          |       |           |
| Parks – unstaffed (Winter)       | Litter            |               |        |         |          |       | ✓         |
| Parks – staffed (Summer)         | Litter            | ✓             |        |         |          |       |           |
| Parks – staffed (Winter)         | Litter            |               | ✓      |         |          |       |           |
| Trails                           | Litter            |               |        |         |          |       | ✓         |
| Escarpment                       | Litter            |               |        |         |          |       | ✓         |
| Cemeteries - unstaffed           | Litter            |               | ✓      |         |          |       |           |
| Cemeteries - staffed             | Litter            | ✓             |        |         |          |       |           |
| Roadway Hotspots**               | Litter            |               |        |         |          | ✓     |           |
| Urban Boulevards                 | Litter            |               |        |         | 12x      |       |           |
| Rural Boulevards                 | Litter            |               |        |         | 2x       |       |           |
| Class 1 Road Ramps               | Litter            |               |        |         | 9x       |       |           |
| Class 1 Road Medians / Shoulders | Litter            |               |        |         | 4x       |       |           |
| Transit Stops                    | Litter            |               |        |         |          |       | ✓         |
| Transit Shelters                 | Litter            |               |        | 2x      |          |       |           |
| Transit Terminals                | Litter            | ✓             |        |         |          |       |           |
| Downtown Sidewalk                | Litter            | ✓             |        |         |          |       |           |
| Downtown Sidewalk (Seasonal)     | Sidewalk Sweeping | ✓             |        |         |          |       |           |
| Downtown Roads                   | Roadway Sweeping  |               | ✓      |         |          |       |           |
| Class 1 Roads                    | Roadway Sweeping  |               |        | ✓       |          |       | ✓         |

| Industrial Roads                     | Roadway Sweeping |               | 3x     |         |          |       | ✓         |
|--------------------------------------|------------------|---------------|--------|---------|----------|-------|-----------|
| City Asset                           | Service          | Service Level |        |         |          |       |           |
|                                      |                  | Daily         | Weekly | Monthly | Annually | Other | As Needed |
| BIA Roads                            | Roadway Sweeping |               | ✓      |         |          |       |           |
| Residential Roads                    | Roadway Sweeping |               |        |         | 4x       |       |           |
| Residential Roads (Industrial Areas) | Roadway Sweeping |               |        | ✓       |          |       |           |
| Cycling Lanes                        | Roadway Sweeping |               |        | ✓       |          |       |           |
| Transit Routes                       | Roadway Sweeping |               |        | ✓       |          |       |           |

\* Various levels of service ranging from weekly to monthly

\*\* Various levels of service ranging from weekly to annually

Appendix B - Summary of Report PW23076(a) Recommendations and Alternatives  
Including Alternative 3



| Enhancement  | Recommendation | Alternative 1 | Alternative 2 | Alternative 3 |
|--|----------------|---------------|---------------|---------------|
| Parks & trails – manual litter collection.   | ✓              | ✓             |               | ✓             |
| Community engagement, environmental stewardship, and outreach.                                     | ✓              | ✓             |               | ✓             |
| Roadway sweeping transit routes – two times per month. Increase from one time per month.           | ✓              |               |               |               |
| Roadway sweeping Business Improvement Areas – two times per week. Increase from one time per week. | ✓              | ✓             |               | ✓             |
| Roadway sweeping cycle lanes – one time per week. Increase from one time per month.                | ✓              |               |               |               |
| City-wide dedicated proactive litter cleaning (excluding downtown).                                | ✓              | ✓             |               |               |
| Enforcement of the Solid Waste Management and Parks By-law specific to Wards 1, 2 and 3.           | ✓              |               |               |               |
| Downtown - roadway and cycling lane sweeping, vegetation, bulk waste, and graffiti removal.        | ✓              | ✓             | ✓             | ✓             |
| Downtown sidewalk sweeping – 7 days per week. Increase from 5 days per week.                       | ✓              | ✓             | ✓             | ✓             |
| Downtown sidewalk litter cleaning – 7 days per week. Increase from 6 times per week.               | ✓              | ✓             | ✓             | ✓             |
| Total FTE  | 27.96          | 16.96         | 8.64          | 10.96         |
| Total Operating Budget Impact  | \$2,073,600    | \$1,203,000   | \$530,000     | \$747,000     |

## Appendix "B" to Report PW23076(a)

|   |             |               |               |               |
|---|-------------|---------------|---------------|---------------|
| Total Operating Impacts from Capital                    | \$304,200   | \$169,300     | \$83,800      | \$83,800      |
| Total Capital Budget                                    | \$2,245,000 | \$957,500     | \$575,000     | \$575,000     |
| Total 2024 Tax Supported Budget Impact                  | \$4,622,800 | \$2,329,800   | \$1,188,800   | \$1,405,800   |
| Total Budget Difference When Compared to Recommendation | N/A         | (\$2,293,000) | (\$3,434,000) | (\$3,217,000) |



## INFORMATION REPORT

|                           |   |
|---------------------------|---|
| <b>TO:</b>                | Mayor and Members<br>General Issues Committee   |
| <b>COMMITTEE DATE:</b>    | February 15, 2024   |
| <b>SUBJECT/REPORT NO:</b> | Opportunities for Tax Levy Savings in the Hamilton Apartment Rental Program and Tenant Support Program (PED23072(b)/HSC23023(c)) (City Wide)<br><b>(Outstanding Business List Item)</b> |
| <b>WARD(S) AFFECTED:</b>  | City Wide   |
| <b>PREPARED BY:</b>       | Gillian Barkovich (905) 546-2424 Ext. 2348<br>James O'Brien (905) 546-2424 Ext. 3728  |
| <b>SUBMITTED BY:</b>      | Monica Ciriello<br>Director, Licensing and By-law Services<br>Planning and Economic Development Department  |
| <b>SIGNATURE:</b>         |   |
| <b>SUBMITTED BY:</b>      | Michelle Baird<br>Director, Housing Services<br>Healthy and Safe Communities Department   |
| <b>SIGNATURE:</b>         |   |

### COUNCIL DIRECTION

On January 30, 2024, the General Issues Committee passed a motion that “staff be directed to review the Hamilton Apartment Rental Program inclusive of the Tenant Support Program, Safe Apartment By-Law, and Renovation Licence & Relocation By-Law programs and report back on any opportunities for 2024 Tax Levy savings from the coordinated and staggered implementation of the program”.

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**SUBJECT: Opportunities for Tax Levy Savings in the Hamilton Apartment Rental Program and Tenant Support Program (PED23072(b)/HSC23023(c)) (City Wide) - Page 2 of 7**

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## **INFORMATION**

### **Background**

On April 20, 2023, the Emergency and Community Services Committee passed a motion for staff to report back to the Committee in August 2023, with recommendations on a full suite of options to halt renovictions in the City of Hamilton, including a RentSafeTO style Tenant Support Program, amendments to various City By-laws, the use of building permits and a City-wide Licensing By-law and a stand-alone Renovictions By-law, in addition to any potential By-law associated with the review of a Tenant Support Program.

In response to that Council direction, through Report PED23072 and PED23072(a), Licensing and By-law Services staff recommended the adoption of a Safe Apartment Buildings By-law and a Renovation Licence and Relocation By-laws, both of which were referred to the 2024 Tax Supported Budget.

Additionally, through Report HSC23023(b), Housing Services staff presented recommendations on an expanded Hamilton Tenant Support Program. The staffing and resourcing for the Hamilton Tenant Support Program was also referred to the 2024 Tax Supported Budget.

Adoption of all three of the programs, as initially referred to the Budget process, would require the creation of 40 new FTEs in the Licensing and By-law Services, Legal Services, Parking Services and Housing Services Divisions at an estimated total cost of \$2.4M for 2024. This staffing and budget impact was based as though each initiative were separate and standalone programs.

### **Revised Implementation Timeline**

In response to the January 30, 2024, direction, staff conducted a thorough review of the programs in order to identify opportunities for 2024 Tax Levy savings that could be achieved based on an optimized and coordinated implementation of the Hamilton Apartment Rental Program and the Hamilton Tenant Support Program.

As with the introduction of any new By-law, there is an initial period of preparation, education, and consultation regarding operational regulations, internal administrative organization, including hiring and system modifications. Implementation timelines for the Safe Apartment Buildings By-law and the Renovation Licence and Relocation By-law were initially detailed in Appendix "C" to Report PED23072 and Appendix "C" to PED23072(a). These implementation timelines were the basis for the 2024 Budget submission.



**SUBJECT: Opportunities for Tax Levy Savings in the Hamilton Apartment Rental Program and Tenant Support Program (PED23072(b)/HSC23023(c)) (City Wide) - Page 3 of 7**

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To achieve cost savings, staff have developed a revised implementation timeline that would achieve cost savings through a coordinated and staggered approach to implementation. The revised implementation timelines are detailed in Appendix "A" to Report PED23072(b)/HSC23023(c).

The revised implementation timeline, would involve the consecutive roll out first of the Renovation Licence and Relocation By-law and the Tenant Support Program, followed by the Safe Apartment Buildings By-law. Prioritization was given to the implementation of the Renovation Licence and Relocation By-law due to the urgency required to support tenants experiencing bad faith evictions in the short-term. Under this revised timeline, the phased hiring of staff would begin in May 2024. Based on a By-law adoption date of May 1, 2024, staff anticipate that Renovation Licence application intake could begin in January 2025.

Following implementation of the Renovation Licence and Relocation By-law, staff would undertake a phased recruitment of positions required to develop, implement and enforce the Safe Apartment Buildings By-law. Based on a By-law adoption of May 1, 2024, staff anticipate that building registration intake could begin in January 2026 with initial evaluations of all registered buildings City-wide completed by September 2027.

### **Potential Cost Savings**

Overall, the coordinated and staggered implementation of the programs as outlined in Appendix "A" to Report PED23072(b)/HSC23023(c) could result in savings over the roll-out of the programs between 2024 and 2027 as summarized in Table One.

The net savings to the 2024 Operating Budget would be \$1,390,623.

Table One – Potential Cost Savings as a Result of Staggered Implementation

|                       | <b>FTE</b> | <b>GROSS</b>  | <b>NET</b>    |
|-----------------------|------------|---------------|---------------|
| <b>2024</b>           |            |               |               |
| Savings/Cost Increase | (16.0)     | (\$1,639,621) | (\$1,390,623) |
| <b>2025</b>           |            |               |               |
| Savings/Cost Increase | (10.0)     | (\$1,905,698) | (\$2,727,901) |
| <b>2026</b>           |            |               |               |
| Savings/Cost Increase | (8.0)      | (\$744,775)   | (\$1,790,528) |
| <b>2027</b>           |            |               |               |
| Savings/Cost Increase | (8.0)      | (\$744,775)   | (\$735,707)   |

**SUBJECT: Opportunities for Tax Levy Savings in the Hamilton Apartment Rental Program and Tenant Support Program (PED23072(b)/HSC23023(c)) (City Wide) - Page 4 of 7**

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The cost savings summarized in Table One include a reduction in the staffing requirement at full program implementation of 8.0 FTE, for a total staffing requirement of 32.0 FTEs at full implementation, rather than the original staffing need of 40.0 FTE.

The reduced staffing need is broken down as follows:

- 2 in Tenant Support that are being outsourced to other agencies
- 1 Municipal Law Enforcement Officer
- 1 Solicitor
- 3 Licensing Compliance Officers
- 1 Housing Clerk

### **Revised Program Cost**

The overall program costs based on the coordinated and staggered implementation of the programs as outlined in Appendix “A” to Report PED23072(b)/HSC23023(c) is summarized below.

#### Hamilton Apartment Rental Program

- \$3,262,975 for staffing
- \$116,350 in operating costs for thirteen vehicles
- \$30,000 annually for outreach, education and communications

In addition to the operating costs, there is a one-time capital cost of \$708,825 for the purchase of 13 vehicles and shared cost of installation of charging stations.

#### Tenant Support Program

- \$529,000 for staffing
- \$290,000 to fund the Hamilton Community Legal Clinic pursuant to Procurement Policy By-Law (20-205) Policy 11
- \$80,000 to fund the Housing Help Centre Hamilton Property Rehab Tenant Liaison Coordinator position
- \$55,000 to fund the Association of Community Organizations for Reform Now (ACORN Hamilton) for two (2.0) staff positions as follows:
  - 1 FTE Tenant Defence Fund Organizer
  - 0.25 FTE for a Project Manager position
- \$25,000 for the Community Research Table
- \$100,000 for promotional materials and advertisement campaigns to educate landlords and tenants on their rights and responsibilities, available community supports, and local legislation

**SUBJECT: Opportunities for Tax Levy Savings in the Hamilton Apartment Rental Program and Tenant Support Program (PED23072(b)/HSC23023(c)) (City Wide) - Page 5 of 7**

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Actual financial impacts would vary as a result of staggered hiring and delayed revenue generation. Estimated revised financial impacts for 2024-2027 are summarized in Table Two.

Table Two – Revised Total Program Costs Based on Staggered Implementation

| <b>2024 Revised Operating Costs</b> |             |                    |                    |
|-------------------------------------|-------------|--------------------|--------------------|
| <b>Program</b>                      | <b>FTE</b>  | <b>GROSS</b>       | <b>NET</b>         |
| Renovation Licence By-law           | 3.00        | \$301,293          | \$132,803          |
| Safe Apartment Buildings By-law     | 7.00        | \$1,090,801        | \$72,578           |
| Tenant Support Program              | 4.00        | \$809,946          | \$809,946          |
| <b>Total</b>                        | <b>14.0</b> | <b>\$2,202,041</b> | <b>\$1,015,327</b> |
| <b>2025 Revised Operating Costs</b> |             |                    |                    |
| <b>Program</b>                      | <b>FTE</b>  | <b>GROSS</b>       | <b>NET</b>         |
| Renovation Licence By-law           | 3.00        | \$301,293          | \$271,164          |
| Safe Apartment Buildings By-law     | 23.00       | \$1,947,109        | \$253,124          |
| Tenant Support Program              | 4.00        | \$1,079,000        | \$1,079,000        |
| <b>Total</b>                        | <b>30.0</b> | <b>\$3,327,402</b> | <b>\$1,603,288</b> |
| <b>2026 Revised Operating Costs</b> |             |                    |                    |
| <b>Program</b>                      | <b>FTE</b>  | <b>GROSS</b>       | <b>NET</b>         |
| Renovation Licence By-law           | 3.00        | \$301,293          | \$281,107          |
| Safe Apartment Buildings By-law     | 25.00       | \$3,108,032        | \$404,044          |
| Tenant Support Program              | 4.00        | \$1,079,000        | \$1,079,000        |
| <b>Total</b>                        | <b>32.0</b> | <b>\$4,488,325</b> | <b>\$1,764,151</b> |
| <b>2027 Operating Costs</b>         |             |                    |                    |
| <b>Program</b>                      | <b>FTE</b>  | <b>GROSS</b>       | <b>NET</b>         |
| Renovation Licence By-law           | 3.00        | \$301,293          | \$291,351          |
| Safe Apartment Buildings By-law     | 25.00       | \$3,108,032        | \$404,044          |

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**SUBJECT: Opportunities for Tax Levy Savings in the Hamilton Apartment Rental Program and Tenant Support Program (PED23072(b)/HSC23023(c)) (City Wide) - Page 6 of 7**

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|                        |              |                    |                    |
|------------------------|--------------|--------------------|--------------------|
| Tenant Support Program | 4.00         | \$1,079,000        | \$1,079,000        |
| <b>Total</b>           | <b>32.00</b> | <b>\$4,488,325</b> | <b>\$1,774,395</b> |

### Service Levels

In crafting staff's initial recommendations for a full suite of options to halt renovations in Hamilton, staff undertook significant consultation with other municipalities. Specifically, staff thoroughly reviewed the City of Toronto's RentSafeTO program and Mississauga's Apartment Rental Compliance Program to understand staffing structures, timelines, program challenges and program strengths, areas of opportunity and "lessons learned". Based on this best practice review, staff brought forward the Safe Apartment Buildings By-law and resourcing that was modelled after features drawn from the aforementioned programs.

Feedback provided by the other municipalities stressed the importance of service levels to program success and particularly in building relationships with tenants and landlords across the municipality. Feedback provided also indicated that as a result of implementing a Safe Apartment Buildings By-law staff can expect to see an increase in complaints received relating to other by-law concerns, including; Property Standards, Yard Maintenance, and Noise.

Staffing and resourcing recommendations for the Safe Apartment Buildings By-law were developed to ensure that officers could evaluate all buildings within 18 months of application intake, while responding to an expected increase in Property Standards and other complaints received by tenants in registered buildings and completing the associated administrative work as required. A decrease in officers or a delay in hiring would extend the application intake period beyond September 2027. Under the staffing model described in this report, staff hired under the Renovation Licence and Relocation By-law and the Safe Apartment By-law would ultimately become one team to oversee the Hamilton Apartment Rental Program within Licensing and By-law Services.

Further reduction to staffing levels would have a direct impact on service levels for both By-laws, including but not limited to; estimated time to evaluate buildings via the Safe Apartments By-law, response time to complaints received from tenants, issuance of licence applications, timeliness of follow up communications/updates, etc.

**SUBJECT: Opportunities for Tax Levy Savings in the Hamilton Apartment Rental Program and Tenant Support Program (PED23072(b)/HSC23023(c)) (City Wide) - Page 7 of 7**

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**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report PED23072(b)/HSC23023(c) – Hamilton Apartment Rental Program and Tenant Support Program Revised Implementation Timeline

**Hamilton Apartment Rental Program and Tenant Support Program – City Wide  
Transition Plan for Implementation**

|   | 2024 |      |      |      |      |      |      |      | 2025 |      |      |      |     |      |      |      |      |      |
|---|------|------|------|------|------|------|------|------|------|------|------|------|-----|------|------|------|------|------|
|   | May  | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sep. | Oct. |
| Tenant Support Program Staff recruitment and training                                   |      |      |      |      |      |      |      |      |      |      |      |      |     |      |      |      |      |      |
| Initial staff recruitment and training (Renovation Licence) *                           |      |      |      |      |      |      |      |      |      |      |      |      |     |      |      |      |      |      |
| Development of Website, Resources and Brochures (Renovation Licence)                    |      |      |      |      |      |      |      |      |      |      |      |      |     |      |      |      |      |      |
| Community Outreach - Property Owners/Tenants (Renovation Licence)                       |      |      |      |      |      |      |      |      |      |      |      |      |     |      |      |      |      |      |
| AMANDA, Payment Portal, Application (Renovation Licence)                                |      |      |      |      |      |      |      |      |      |      |      |      |     |      |      |      |      |      |
| Intake Licence Applications (Renovation Licence)  |      |      |      |      |      |      |      |      |      |      |      |      |     |      |      |      |      |      |
| Secondary staff recruitment and training (Safe Apartments) **                           |      |      |      |      |      |      |      |      |      |      |      |      |     |      |      |      |      |      |
| Development of Website, Guidance Documents and Owner/Tenant Brochures (Safe Apartments) |      |      |      |      |      |      |      |      |      |      |      |      |     |      |      |      |      |      |
| Outreach to Community, Stakeholders, Property Owners, Tenants (Safe Apartments)         |      |      |      |      |      |      |      |      |      |      |      |      |     |      |      |      |      |      |
| AMANDA, Payment Portal, Application Development (Safe Apartments)                       |      |      |      |      |      |      |      |      |      |      |      |      |     |      |      |      |      |      |



\* Recruitment of positions including; Manager of Tenant Protection, Senior Project Manager, Project and Policy Assistant, Supervisor and Solicitor (Q2 2024). Recruitment of three (3.0) officers and two (2.0) Licensing Administrators in Q4 2024.

\*\* Phased recruitment of remaining staffing positions through 2025





## INFORMATION REPORT

|                           |   |
|---------------------------|---|
| <b>TO:</b>                | Mayor and Members<br>General Issues Committee   |
| <b>COMMITTEE DATE:</b>    | February 15, 2024   |
| <b>SUBJECT/REPORT NO:</b> | Replacement of 2018 Diesel Waste Packer Equipment<br>(PW24009) (City Wide)<br><b>(Outstanding Business List Item)</b> |
| <b>WARD(S) AFFECTED:</b>  | City Wide   |
| <b>PREPARED BY:</b>       | Tom Kagianis (905) 546-2424 Ext. 5105   |
| <b>SUBMITTED BY:</b>      | Patricia Leishman<br>Director, Corporate Asset Management<br>Public Works Department                                  |
| <b>SIGNATURE:</b>         |                                      |
| <b>SUBMITTED BY:</b>      | Angela Storey<br>Director, Waste Management<br>Public Works Department  |
| <b>SIGNATURE:</b>         |                                    |

### COUNCIL DIRECTION

On January 30, 2024, Council, through the General Issues Committee (Budget) directed staff to report back on February 15, 2024 with the cost implications to the 2024 Budget of replacing the current block of nine diesel waste packer units in a like-for-like manner and the removal of the additional \$1.195M expenditure to replace 2018 diesel waste packer equipment with compressed natural gas equivalents and fuelling infrastructure as required from the 2024 tax budget, with a view to future equipment replacements using low-carbon, commercially viable equivalents including hydrogen, hybrid or battery electric options.

### INFORMATION

The purpose of Information Report PW24009 – Replacement of 2018 Diesel Waste

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**SUBJECT: Replacement of 2018 Diesel Waste Packer Equipment (PW24009) (City Wide) – Page 2 of 7**

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Packer Equipment, is to provide the General Issues Committee with the necessary information to determine the preferred path forward for the replacement of waste packer equipment.

Several factors contribute to recommending the replacement of the 2018 diesel-powered waste packer equipment with compressed natural gas equipment. These include the current City policies and climate implications, capital and operating budget impacts, lifecycle management, available technologies and fuel options, and an existing order for compressed natural gas waste collection trucks.

The City's Waste Collections Section currently operates 37 diesel-powered trucks. Report PW22003 (approved by Council on January 19, 2022) approved the order of 10 Compressed Natural Gas Waste Collection Trucks to be received and put into service in mid to late 2024, along with single-source approval to utilize Envoy Energy Fuels Inc. for the temporary mobile fuelling station.

The 2024 budget currently identifies funds to replace the next nine diesel waste packers that have been in service since 2018 with compressed natural gas trucks. An additional 16 trucks are scheduled to be replaced in 2029 which means the procurement process would start as early as 2027.

#### City Policy and Climate Implications

On March 27, 2019, City Council approved (Item #3 of the Board of Health Report 19-003, March 18, 2019) an Accelerating and Prioritizing Climate Action in Response to the Climate Emergency, as well as, endorsing a clear direction from the Bay Area Climate Change Summit that allows Hamilton to meet climate change targets, notably, "that all diesel vehicles be decommissioned by 2030 and all vehicles electrified by 2050."

The Green Fleet Strategy is Fleet Services Section's direct response to the declaration of the climate emergency and was subsequently approved by Council on June 9, 2021. The request to support the investment in compressed natural gas-powered waste collection trucks is in support of the recommendation made in the Green Fleet Strategy Report to investigate the feasibility of compressed natural gas as an option to reduce greenhouse gas emissions generated from the City's fleet.

In August 2022 City Council approved Hamilton's Climate Action Strategy that includes 'ReCharge Hamilton – Our Community Energy and Emissions Plan. The Community Energy and Emissions Plan provides a low-carbon scenario to help achieve net zero by 2050. The proposed compressed natural gas waste collection trucks align with Low-Carbon Transformation #3: Changing How We Move, which will help incrementally decrease greenhouse gas emissions from our transportation sector until cleaner forms of heavy-duty vehicle technology become economically available, such as clean

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**SUBJECT: Replacement of 2018 Diesel Waste Packer Equipment (PW24009) (City Wide) – Page 3 of 7**

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hydrogen. Recently, Term of Council priorities have accelerated the City's current Climate Change Action Strategy goal of a 50% reduction in total corporate greenhouse gas emissions from the 2005 baseline by 2030, to achieve a 55% reduction by the end of 2026.

A reduction in greenhouse gas emissions is a priority. This project will result in an annual reduction of 71 eCO<sub>2</sub> tonnes of greenhouse gas emissions compared to a diesel-powered truck and displaces 150,000L of diesel fuel consumption annually, or 1,050,000L over the expected seven-year life of the vehicles. 1.0L diesel fuel = 2.7kg of greenhouse gas emissions; 1.0 m<sup>3</sup> of natural gas = 1.957kg greenhouse gas emissions).

Putting this into perspective, over the seven-year life of a diesel waste packer, 2,816 eCO<sub>2</sub> tonnes of greenhouse gas would be emitted, or 402 eCO<sub>2</sub> tonnes per year. The reduction of 71 eCO<sub>2</sub> tonnes equates to an 18% reduction in greenhouse gas emissions for each truck.

Additionally, natural gas-powered vehicles realize the co-benefits of up to 95% less nitrogen oxides (NO<sub>x</sub>) compared to diesel and gasoline vehicles. Furthermore, natural gas-powered vehicles do not emit particulate matter (PM<sub>10</sub>), a main cause of air pollution.

#### Budget Impacts

##### Capital:

The current 2024 Tax Budget request includes the following capital requirements to replace the nine diesel-powered waste collection trucks with compressed natural gas. Costs include:

- |                                    |                |
|------------------------------------|----------------|
| ▪ Premium to upgrade to CNG        | \$1.59M        |
| ▪ Expanded fuelling infrastructure | <u>\$0.30M</u> |
| ▪ Total upgrade cost for CNG       | \$1.89M        |

To replace the existing nine diesel-powered trucks with new diesel-powered trucks, the cost in the Proposed 2024 Capital Budget would be:

- |                               |          |
|-------------------------------|----------|
| ▪ Cost to replace with diesel | \$0.695M |
|-------------------------------|----------|

The difference between the Proposed 2024 Tax Budget request for compressed natural gas and diesel would be a reduction in the capital requirement of \$1.195M. This reduced capital requirement would result in a lower reliance on reserve financing from the Unallocated Capital Reserve.

**SUBJECT: Replacement of 2018 Diesel Waste Packer Equipment (PW24009) (City Wide) – Page 4 of 7**

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**Operating:**

The current net present value cost projections of fuel expenses by switching from diesel to compressed natural gas will save the city approximately \$500K over the seven-year life of these vehicles.

Contributions to the Fleet Replacement Reserve are based on the replacement value and the estimated service life of the vehicle. As the replacement cost of a compressed natural gas truck is greater than a diesel-powered truck, the Waste Collection Section's operating budget will be impacted by the higher contribution rates estimated at \$175K annually or \$1.225M over the life of the vehicle.

At present, the multiyear budget estimates are based on the continued purchase of diesel waste packers. Estimated fuel savings of \$500K and the annual increase to the Fleet Replacement Reserve of \$175K are not yet included in the proposed multiyear budget.

**Lifecycle Management:**

It is important that assets are well managed throughout their lifecycle, with most costs attributed to the operations and maintenance part of the lifecycle. Substantial costs can also be realized if assets are not renewed in a timely manner, which directly impacts costs to operate and maintain the vehicle.

Waste collection trucks are classed as severe service vehicles due to the nature of the work, which requires short bursts of acceleration followed by braking. The maintenance costs for this class of vehicle are amongst the highest in the trucking industry. Extending the vehicle's service life past seven years increases the maintenance costs by approximately 28% plus annually, or approximately \$45K per truck for one additional year, and approximately \$56K per truck for a second year. This does not include the impact on the operating department because of downtime or the cost of keeping spare vehicles to cover the anticipated downtime of existing fleet vehicles. Annual maintenance costs of a one-to-two-year-old waste collection truck range from \$10K-15K per year. It is therefore important to renew vehicles according to the estimated service life and condition.

**Available Technologies and Fuel Options****Diesel Truck Product Enhancements:**

Reductions to greenhouse gas emissions have been made over the years as the current diesel technology has improved. In 2027, additional improvement requirements are suspected to take effect driven by legislation that would potentially impact all of

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**SUBJECT: Replacement of 2018 Diesel Waste Packer Equipment (PW24009) (City Wide) – Page 5 of 7**

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Canada. There are still many unknowns related to these potential changes, and therefore Fleet Services continues to work with the engine manufacturers to learn more. Engine manufacturers meet emission standards at varying times and therefore it is difficult to determine the actual impact of greenhouse gas emissions without further validation. Actual emission reductions are dependent on the vehicle, and its use and can range from 1-6% of current greenhouse gas emissions.

**Electric Vehicles:**

Over the last few years, the development of hybrid and fully electric-powered chassis has shown a stronger presence in the market. Several cities throughout the United States and Canada are working with manufacturers to test operational requirements.

The City continues to contact industry representatives to remain current on the availability of electric vehicles in our market and has asked to be notified when demonstration models are available. The City held demonstrations and through the authorized dealer, performed route analysis on the Mack LRE to determine if the required travel distance, number of stops and payload would make this option suitable for waste collection operations. Findings through the software application have not provided consistent results. Additionally, there is a significant reduction in payload, and battery capacity is not sufficient for all routes.

These trucks require Level 3 Charging Stations which will necessitate a consultant review of the electrical infrastructure and capacity at the waste collection fleet facility at 1579 Burlington Street East. This will require several months, and the resulting costs and work could result in a cost-restrictive business case. As waste collection vehicles are severe service vehicles, delaying their replacement will result in significant maintenance costs and downtime.

The known cost of an electric waste collection truck today is approximately \$770K, including the truck(\$700K) and a Level 3 Charging Station (\$70K) for each truck. Unknown costs are electrical infrastructure requirements and the cost of the installation of charging stations.

**Renewable Natural Gas:**

Future options to select renewable natural gas in place of conventional compressed natural gas could reduce the carbon intensity of the fuel by 30% to 125% depending on the source of the renewal natural gas supply feedstock and associated attributes. This would potentially improve greenhouse gas emissions by a further 75% to 90% compared to diesel. The cost premium for renewable natural gas can range from 350% to 450% more than conventional compressed natural gas and would therefore need to

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**SUBJECT: Replacement of 2018 Diesel Waste Packer Equipment (PW24009) (City Wide) – Page 6 of 7**

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be reviewed from a cost-benefit perspective if this option were to be considered in the future.

**Eco Diesel:**

Hydrogenation-derived renewable diesel, also commonly referred to as Renewable Diesel may be available to the city this year. This fuel is a “drop-in” solution that requires no additional investment in infrastructure or truck chassis upgrades, however, it has an operational limitation based on colder temperatures.

The budget estimated premium for this fuel is currently 0.45 cents per litre with a resulting carbon intensity reduction of 85%. Discussions with fuel suppliers will continue to further understand available volumes and supply logistics.

**Hydrogen:**

Although a promising solution for this class of truck chassis, supply chain and vehicle availability are still very much under development. The Ontario hydrogen market is growing and heading toward more implementation as Staff continue to engage with industry contacts to learn and understand the technical and operational knowledge of this option.

**Existing Order for Compressed Natural Gas Waste Collection Trucks**

The purchase of 10 compressed natural gas waste collection trucks was previously approved in January 2022 per Report PW22003 - Natural Gas Waste Collection Trucks. The fuel station and truck build are both in progress.

The capital cost associated with the compressed natural gas station consists of two parts: To bridge the refuelling requirement until the new Transit Maintenance and Storage Facility at 281 Birch Avenue is operational, a temporary site at 1579 Burlington Street East will provide the required fuelling. This site will require a \$250K capital investment to provide filling posts, lighting, power supply, impact protection and other associated ancillary equipment. The cost of gas storage tanks and compressor stations will be incorporated into the cost of each m<sup>3</sup> of natural gas purchased from the previously approved single-source vendor. Decommissioning this site is unknown currently.

A \$500K capital investment to supply and install a compressed natural gas dispenser at the new Transit Maintenance and Storage Facility currently under construction at 281 Birch Avenue. This site will be used to refuel all compressed natural gas waste collection trucks. The site is expected to be operational by 2027. Fuelling at the new Maintenance and Storage Facility at 281 Birch Avenue will reduce the fuel cost by 66%.

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Eight of the 10 trucks are expected to arrive in Q3 2024. The remaining two trucks were deferred and added to the current order of nine trucks. The deferral of the two trucks to this order is a result of the design change from a side load to a dual stream rear load truck required by the operating department.

Since the approval in January of 2022, the originally estimated value to procure the required compressed natural gas from the recommended single source supplier to refuel 10 trucks has increased by more than 200%. The negotiated contract for fuel supply is currently underway.

**APPENDICES AND SCHEDULES ATTACHED**

N/A