



Hamilton

REPORT 14-004
STEEL COMMITTEE
Wednesday, September 10, 2014
3:00 p.m., Council Chambers
Hamilton City Hall

Present: Councillor S. Duvall, Chair
Councillor S. Merulla, Vice Chair
Councillors B. McHattie, B. Morrow, T. Whitehead

Absent with Regrets: Mayor R. Bratina – City Business

THE STEEL COMMITTEE PRESENTS REPORT 14-004 AND RESPECTFULLY RECOMMENDS:

1. **U.S. Steel Canada – Economic Impact Study Update (PED14229) (City Wide) (Item 8.1) (Attached hereto as Appendix A)**

That Report PED14229 respecting U.S. Steel Canada – Economic Impact Study Update be received.

FOR THE INFORMATION OF COMMITTEE:

- (a) **CHANGES TO THE AGENDA (Item 1)**

The agenda was approved as presented.

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

There were no declarations of interest.

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

(i) **July 10, 2014 (Item 3.1)**

The Minutes of the July 10, 2014 Steel Committee meeting were approved, as presented.

(d) **PRESENTATIONS (Item 7)**

(i) **Ryan Furlong, Fenian Films, respecting U.S. Steelworkers in recent past and possible future (Item 7.1)**

Ryan Furlong, Fenian Films, sent his regrets to attend the meeting.

(e) **ADJOURNMENT (Item 12)**

There being no further business, the Steel Committee adjourned at 3:15 p.m.

Respectfully submitted,

Councillor S. Duvall, Chair
Steel Committee

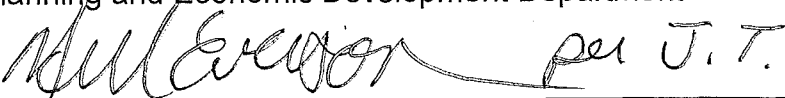
Jasmine Branton
Legislative Coordinator



Hamilton

INFORMATION REPORT

Appendix "A"
to Steel Committee
Report 14-004

TO:	Chair and Members Steel Committee
COMMITTEE DATE:	September 10, 2014
SUBJECT/REPORT NO:	U.S. Steel Canada – Economic Impact Study Update (PED14229) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Graeme Brown 905 546-2424 Ext. 2363
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	 per J. T.

Committee Direction:

As directed by Hamilton's Steel Committee on March 7, 2014, a project team was formed for the purpose of researching and aggregating information related to U.S. Steel Corporation's current and future operations and economic footprint in Hamilton, Ontario. The resulting study was also to focus on identifying the potential impacts of a worst case scenario (business bankruptcy with a significant funding shortfall to existing U.S. Steel Canada pension plans) on U.S. Steel Canada employees, pensioners and the City of Hamilton.

At the Steel Committee meeting on June 25, 2014, the project team submitted to the Steel Committee the initial findings of the study in the form of Report PED14149 and an associated Power Point presentation. In addition to the overview of the information obtained to date, the project team identified key sources of information for the study that were anticipated to be received by external project partners but not currently received, and the impact that the addition of the information would have on the completeness and accuracy of our analysis. The project team recommended that this information be incorporated into the final version of the report, and that we wait to receive this information before finalizing our analysis on the impact to Hamilton. The information was anticipated to be received in July 2014, and the project team estimated that the study could be completed by September 2014.

At the Steel Committee meeting held on July 10, 2014, the Committee provided direction for staff to complete the Economic Impact Analysis and bring the results and final recommendations to the next Steel Committee meeting in September 2014.

Update of Information and Analysis:

The project team identified the key information that was not available at the time of the June 25, 2014 Steel Committee meeting in the Proposed Next Steps section of Report PED14149. The below table provides an overview of the information topic areas that were priorities for the purposes of the Economic Impact Study, and the estimated / actual timelines relating to their collection / completion.

Information Required	Month Originally Expected	Month Received / Completed	Revised Month Expected
City - Water Revenue Analysis	Jul-14	Jul-14	
City - Commercial/Property Tax Analysis	Jul-14	Aug-14	
Financial Impact Analysis - Pensions	Jul-14	Aug-14	
Obtain Addresses of US Steel Canada Pensioners			
Group 1 - USW Local 1005	Jun-14	Jun-14	
Group 2 - USW Local 8782	Jul-14	Aug-14	
Group 3 - Non Union Salaried Workers - Hamilton	Jul-14	Sep-14	
Group 4 - Non Union Salaried Workers - Lake Erie	Jul-14	Sep-14	
Obtain US Steel Canada Actuarial Reports for 2013			
Group 1 - USW Local 1005	Jul-14	Aug-14	
Group 2 - USW Local 8782	Jul-14		Oct-14
Group 3 - Non Union Salaried Workers - Hamilton	Jul-14		Oct-14
Group 4 - Non Union Salaried Workers - Lake Erie	Jul-14		Oct-14

Of the five key objectives identified by the project team, we received sufficient information to complete analysis on three of those topics (first three in the above chart) close to the original forecasted timeline. The last two sources of information have proven to be more difficult to obtain due to the sensitive nature of the information and the source from which we are obtaining it from.

As of September 2014, we have received address information from all three groups representing U.S. Steel Canada pensioners (USW Local 1005, USA Local 8782, and The Stelco Salaried Pensioners Organization). The project team is currently working with City of Hamilton Geographic Information Systems (GIS) to create aggregated reports and maps on their concentration in Hamilton's 15 Wards, however our analysis is not yet complete.

As of September 2014, we have received only one of the four anticipated U.S. Steel Canada 2013 Actuarial Reports, which provides an important update to the financial

projections for U.S. Steel Canada pensioners, but is an incomplete update without all four reports. We have been advised by our research partners at USW Local 8782 and the Stelco Salaried Pensioners Organization that they anticipate receiving these reports from U.S. Steel Canada in October 2014, and will provide the documents when they are received. Until they are received, a full analysis cannot be completed.

Proposed Next Steps

The U.S. Steel Canada Economic Impact Study project team will continue analysing and interpreting the data collected to date and will wait for the remaining three U.S. Steel Canada 2013 Actuarial Reports before concluding and finalizing the U.S. Steel Canada Economic Impact Study report. The project team will target the submission and presentation of its full findings for the first meeting of the Steel Committee in the 2015 fiscal year.

GB/dkm