



GENERAL ISSUES COMMITTEE BUDGET REPORT 15-001

9:30 a.m.

Friday, January 9, 2015

Council Chambers

Hamilton City Hall

71 Main Street West

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

**Absent
with Regrets:** B. Johnson – Bereavement
L. Ferguson – Personal

THE GENERAL ISSUES COMMITTEE PRESENTS REPORT 15-001 AND RESPECTFULLY RECOMMENDS:

1. 2015 Budget Overview (FCS15009) (City Wide) (Item 7.1)

That Report FCS15009, respecting the 2015 Budget Overview, be received.

**2. Horizon Utilities Water and Wastewater 2014 Service Activity Report
(FCS15003) (City Wide) (Item 7.2)**

That Report FCS15003, respecting the Horizon Utilities Water and Wastewater 2014 Service Activity Report, be received.

3. Tax Supported Operating Budget Increase

That staff be directed to maintain the 2015 Tax Supported Operating budget as close to zero percent (0%) as possible without affecting current service levels.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

There were no changes to the agenda.

The agenda for the January 9, 2015 General Issues Committee Budget meeting was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) PRESENTATIONS (Item 7)

(i) 2015 Budget Overview (FCS15009) (City Wide) (Item 7.1)

Chris Murray, City Manager, provided opening comments respecting the 2015 Budget Overview.

Mike Zegarac, General Manager, Finance and Corporate Services, provided a PowerPoint presentation respecting the 2015 Budget Overview. The presentation included, but was not limited to, the following:

- Financial Picture
 - The average tax increase for the 2011-2014 period was 1.3%.
 - City Departments accounted for 0.5% of the total 1.3%.
 - From 2011-2013, Hamilton's tax increase for the average property was the second lowest amongst comparable municipalities.
- Municipal Comparison Net Levy per Person
- Property Tax as Percentage of Family Income
- Financial Sustainability
- Growing the Economy
- 2015 Preliminary Rate Operating and Capital Budget (Water/Wastewater/Storm)
- 2015 Preliminary Rate Budget
- 2015 Capital Budget by Program
- 2015 Capital Funding
- 2015 Municipal Preliminary Impact for the Average Residential Tax Bill
- 2015 Preliminary Net Tax Budget by Department
- Budget Process

The presentation, respecting Report FCS15009 – the 2015 Budget Overview, was received.

A full copy of the presentation is available on the City's website at www.hamilton.ca.

(ii) Horizon Utilities Water and Wastewater 2014 Service Activity Report (FCS15003) (City Wide) (Item 7.2)

Eileen Campbell, Vice President of Customer Service, Horizon Utilities, provided a PowerPoint presentation, respecting the Horizon Utilities Water and Wastewater 2014 Service Activity Report. The presentation included, but was not limited to, the following:

- Customer Service Excellence Highlights:
 - A new Service Agreement was signed to continue the provision of billing and related customer services.
 - The new contract comes into effect January 2015 and expires December 2019;
 - Implementation and billing of the new City of Hamilton water and wastewater rate structure, which provides a fixed charge in addition to consumption blocks and new bill design (January 2014);
 - Implementation of Sewer Discharge Permit billing (October 2014);
 - Transactional “First Call Resolution” Survey reveals 89% of customer queries are resolved with a single call to the Call Centre; and,
 - Customer communication provides positive customer relations, as evidenced by 87% customer satisfaction rating.
- Expanding Customer Service in 2014:
 - Increasing accessibility for customers at peak times of the day, month, and year through enhanced agent scheduling; and,

- Customers now have access to a Call Centre agent 8:30 a.m. to 6:30 p.m., Monday to Friday. Expanded hours of service pilot commenced in October.

The presentation by Eileen Campbell, Vice President of Customer Service, Horizon Utilities, respecting Report FCS15003 – the Horizon Utilities Water and Wastewater 2014 Service Activity Report, was received.

A full copy of the presentation is available on the City's website at www.hamilton.ca.

(iii) 2015 Recommended Water, Wastewater and Stormwater Budget (FCS15002) (City Wide) (Item 7.3)

Dan McKinnon, Director of Hamilton Water, provided both a video respecting the history of the Hamilton Water and Wastewater facilities; and, a PowerPoint presentation respecting Report FCS15002 - 2015 Recommended Water, Wastewater and Stormwater Budget (Item 7.3(a)).

The presentation included, but was not limited to, the following:

- Hamilton Water Overview
- Hamilton Water Priority Projects
- Woodward Upgrade Project
- Operating Budget
- Biosolids Program
- 2014 Key Accomplishments and Successes
- 2015 Outlook
- Hamilton Water Programs
- Protective Plumbing Program (3P)
- Corrosion Control Program (CPP)
- SERG Program
- Hansen 8 Upgrade
- Winter 2014
- Capital Delivery Program and 2014 Key Accomplishments and Successes
- 2015 Outlook
- Drinking Water Quality Management System
- Staff Complement
- Operating Budget – Recommendation
- Cost Categories and Revenues

The presentation by Dan McKinnon, Director of Hamilton Water, respecting Report FCS15003 – the Horizon Utilities Water and Wastewater 2014 Service Activity Report, was received.

A full copy of the presentation is available on the City's website at www.hamilton.ca.

Mike Zegarac, General Manager, Finance and Corporate Services, provided a PowerPoint presentation respecting Report FCS15002 - 2015 Recommended Water, Wastewater and Stormwater Budget (Item 7.3(b)).

The presentation included, but was not limited to, the following:

- Forecast Consumption
- Rates Increase
- Capital Plan
- Residential – Industrial, Commercial, Institutional (ICI) / Multi Residential Consumption Comparison
- Residential Water Consumption
- Savings to Household through Conservation
- How Does Hamilton Compare
- Municipal Comparison Combined Rate Increases
- Industrial, Commercial, Institutional (ICI) and Multi Residential Consumption
- 2015 Capital Program
- 2015 to 2024 Capital Funding
- Capital Financing Operating Impact
- Capital Budget Forecast 2014 vs. 2015
- Debt Forecast
- Projected Debt Charges
- Debt Charges as Percentage of Total Rate Revenues
- Capital and Reserve Forecasts

The presentation by Mike Zegarac, General Manager, Finance and Corporate Services, respecting Report FCS15003 – the Horizon Utilities Water and Wastewater 2014 Service Activity Report, was received.

A full copy of the presentation is available on the City's website at www.hamilton.ca.

Report FCS15002 – 2015 Recommended Water, Wastewater and Stormwater Budget, was tabled to the January 15, 2015 General Issues Committee meeting.

(d) DISCUSSION ITEMS (Item 8)

(i) 2015 Tax Supported User Fees (FCS15005) (City Wide) (Item 8.1)

Report FCS15005, respecting the 2015 Tax Supported User Fees, was tabled to the January 23, 2015 General Issues Committee meeting.

(e) ADJOURNMENT (Item 13)

There being no further business, the General Issues Committee, adjourned at 3:47 p.m.

Respectfully submitted,

Councillor R. Pasuta, Deputy Mayor
Chair, General Issues Committee

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk