



GENERAL ISSUES COMMITTEE 2016 CAPITAL BUDGET WORKSHOP REPORT 15-019

9:30 a.m.

Friday, October 16, 2015

Council Chambers

Hamilton City Hall

71 Main Street West

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

**Absent
with Regrets:** Mayor Eisenberger – Bereavement
Councillors Duvall, Pasuta, Partridge – Personal
Councillor B. Johnson, L. Ferguson – Other City Business

THE GENERAL ISSUES COMMITTEE PRESENTS REPORT 15-019 AND RESPECTFULLY RECOMMENDS:

1. 2016 Unallocated Capital Budget Discretionary Funding (Item 4.1)

That the \$2 to 2.5M from the 2016 Unallocated Capital Budget Discretionary Funding be apportioned equally between CityHousing Hamilton and Housing Services (50% to CityHousing Hamilton and 50% to other housing service providers).

2. 2015 Roads Tendering Surplus (Item 4.2)

That the \$1.9M from the 2015 Roads Tendering Surplus be evenly distributed amongst all 15 wards as soon as possible for their use toward road work.

3. Establishment of a West Harbour Development Sub-Committee (Item 4.3)

- (a) That a West Harbour Development Sub-Committee, of an appropriate number of Councillors, be established and report regularly to the General Issues Committee; and,

- (b) That the appropriate staff be directed to draft a Terms of Reference for West Harbour Development Sub-Committee and to report to the General Issues Committee.

4. Improvements at Inch Park – Ward 7 (Item 4.4)

That \$25,000, to be funded from the Ward 7 Area Rating Reserve account No. 108057, be committed to improvements at Inch Park.

5. Renovation and/or Repair to Ward 7 CityHousing Hamilton Units (Item 4.5)

That \$800,000, to be funded from the Ward 7 Area Rating Reserve account No. 108057, be provided to CityHousing Hamilton for the renovation and/or repair of Ward 7 housing units.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

There were no changes to the agenda.

The agenda for the October 16, 2015 General Issues Committee Capital Budget Workshop meeting was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) PRESENTATIONS (Item 3)

(i) Overview of the 2016 Tax Supported Capital Budget (Item 3.1)

Mike Zegarac, General Manager of Finance & Corporate Services, provided a PowerPoint presentation respecting the Overview of the 2016 Tax Supported Capital Budget. The presentation included, but was not limited to, the following:

- **Overview**

- 2016 Tax Capital Budget Objectives
- 2016 & 10 Year Financing Strategy

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- 2016 Capital Priorities
- 2016 Boards & Agencies Requested Projects
- Debt
- Potential Operating Budget Impacts from Capital

- **2016 Tax Capital Budget Objectives**
 - Support the City's Strategic Plan
 - Continued Focus on Council Priorities
 - Target Rehabilitation of Existing Assets
 - Additional Funding for Regulatory Obligations (Long Term Care Lodges)

- **State of Good Repair**
 - Infrastructure Funding Deficits:
 - Long-term Care - \$1.3M
 - Housing - \$20.2M
 - Parks – \$0.8M
 - Forestry - \$5.5M
 - Recreation Facilities - \$4.5M
 - Roads - \$105M
 - Corporate Facilities - \$10.8M
 - Culture Facilities - \$5.3M

- **2016 and 10 Year Capital Financing Strategy**
 - 2016 recommended 0.5% tax increase for capital levy; increase of \$3.9M or \$16 per household.
 - 2017 – 2025 recommended 0.5% tax increase for capital levy, in principle. (Additional \$215M = 6% of \$3.3 billion infrastructure deficit.

- **Financing - Capital Levy History**
- **Financing - Discretionary Funding Sources**
- **Financing Federal Gas Tax Reserve**
 - Focus towards roads (\$27.8M) and transit (\$3M).

- Reserve - \$2.5M targeted for return on Investment that will reduce operating costs in 2016,
- **Financing 2016 Proposed versus Forecast**
 - 2015 Hamilton Utility Corporation (HUC) Dividends \$3.0M (\$1.0M Increase)
 - 2015 Capital Financing Surplus \$5.5 M (\$3.5M Increase)
 - Debt \$8.4 M (\$15.2M Decrease)
 - West Harbour \$11.0M Decrease
 - Waste Management \$ 4.2M Decrease
 - Federal Gas Tax Reserve
 - Work-in-Progress (WIP) Savings
- **Net Discretionary Allocation**
- **Amendments to the 2016 Forecast**
 - Roads:
 - Preliminary Additional Capital Levy of \$2.1M
 - Tender Savings:
 - Potential 2015 favourable Roads project tender savings of \$1.9 M (Source: Council in January 2015 and Capital Projects Work-in-Progress Sub-committee in July 2015)
- **Potential Amendments to 2016 Forecast**
 - Long Term Care Facilities - Lodges
 - Legislated, Health and Safety projects of \$1M
 - Housing
 - Capital Repairs and Regeneration of \$2.7M (\$0.5M existing)
 - Increasing Affordable Rental Housing Units in Hamilton (\$7.5M gross; \$3.5M net)
 - Renovating Ownership and Privately Owned Rental Units (\$1.93M)

- Hamilton's Bed Bug Strategy (2016 to 2018: \$1.06M)
- Capital Infrastructure Emergency Shelters (\$150k)

- **Roads Capital**

- Growth and Non-Growth Capital
- Replacement Program
- Rural Rehabilitation
- Bridges and Structures
- Operations and Maintenance/Studies/Traffic Engineering
- Council Priority Projects
- Local Roads

- **Boards & Agencies 2016 Capital**

- CityHousing Hamilton
- Hamilton Police Services
- Hamilton Public Library
- Beach Rescue
- Hamilton Conservation Authority and Westfield Heritage Village
- Board approved 2016 Capital projects to be referred to City's operating budget deliberations (Hamilton Police, Hamilton Public Library and Hamilton Conservation Authority).

- **Debt Forecast – Tax**

- Tax Capital Outstanding Debt
- Projected Outstanding Debt - Tax

- **Potential Operating Budget Impacts of Capital**

- Preliminary Impact from the 2016 Budget
 - Future Operating Costs of \$2M
 - 14.3 FTEs

- **Capital Budget – Next Steps**

- GIC November 27, 2015
- GIC December 4, 2015 (if required)
- Council Approval – December 9, 2015

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- **Recreation Facilities Funding History**
 - Capital Budget and Capital Block History

The presentation respecting the 2016 Tax Supported Capital Budget was received.

(d) MOTIONS (Item 4)

(i) 2016 Unallocated Capital Budget Discretionary Funding (Item 4.1)

The Rules of Order were waived to allow for the introduction of a motion respecting the 2016 Unallocated Capital Budget Discretionary Funding.

For disposition of the above matter, please refer to Item 1 above.

(ii) 2015 Roads Tendering Surplus (Item 4.2)

The Rules of Order were waived to allow for the introduction of a motion respecting the 2015 Roads Tendering Surplus.

For disposition of the above matter, please refer to Item 2 above.

Councillor Farr introduced the following Motion:

(iii) Establishment of a West Harbour Development Sub-Committee (Item 4.3)

Whereas, West Harbour Development is as strategic objection of Council; and,

Whereas, delays in capital projects have been identified in the 2016 Capital Budget Presentation; and,

Whereas, the Setting Sail Secondary Plan was approved at the Ontario Municipal Board on December 27, 2013, thus green-lighting West Harbour projects ultimately providing for a community and recreational destination and private development;

THEREFORE BE IT RESOLVED:

That a West Harbour Development Sub-Committee, comprised of an appropriate number of Councillors be established, and report regularly to the General Issues Committee.

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A sub-section (b) was added to Item 4.3, respecting the Establishment of a West Harbour Development Sub-Committee, to read as follows:

(b) That the motion, respecting the establishment of a West Harbour Development Sub-Committee, be referred to the appropriate staff to draft a Terms of Reference and to report to the General Issues Committee.

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

(e) ADJOURNMENT (Item 5)

There being no further business, the General Issues Committee adjourned at 11:25 a.m.

Respectfully submitted,

Deputy Mayor S. Merulla
Chair, General Issues Committee

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk