



**GENERAL ISSUES COMMITTEE  
2016 RATE BUDGET & TAX CAPITAL BUDGET  
REPORT 15-024**

9:30 a.m.

Friday, November 27, 2015

Council Chambers

Hamilton City Hall

71 Main Street West

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

**Absent  
with Regrets:** Councillor B. Johnson – Personal

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**THE GENERAL ISSUES COMMITTEE PRESENTS REPORT 15-024 AND  
RESPECTFULLY RECOMMENDS:**

**1. Horizon Utilities Water and Wastewater 2015 Service Activity Report  
(FCS15078) (City Wide) (Item 5.1)**

That Report FCS15078, respecting Horizon Utilities Water and Wastewater 2015 Service Activity Report, be received.

**2. 2016 Recommended Water, Wastewater and Stormwater Budget  
(FCS15073) (City Wide) (Item 5.2)**

(a) That the metered water consumption charges for residential properties in the City of Hamilton be imposed at the following rates, as of January 1, 2016:

Monthly Water Consumption (m <sup>3</sup> )	Rate (\$/m <sup>3</sup> )
0 – 10	0.69
10 +	1.38

- (b) That the metered water consumption charge for commercial, industrial, institutional, and multi-residential (bulk meter) properties in the City of Hamilton be imposed at the rate of \$1.38 per cubic metre, as of January 1, 2016;
- (c) That daily water fixed charges for all properties in the City of Hamilton be imposed at the following rates, as of January 1, 2016:

Meter Size	Daily Water Rate
15 mm	\$ 0.31
16 mm	\$ 0.31
20 mm	\$ 0.31
25 mm	\$ 0.78
38 mm	\$ 1.55
50 mm	\$ 2.48
75 mm	\$ 4.96
100 mm	\$ 7.75
150 mm	\$ 15.50
200 mm	\$ 24.80
250 mm	\$ 35.65
300 mm	\$ 52.70

- (d) That the wastewater/storm treatment charges for residential properties in the City of Hamilton be imposed at the following rates, effective January 1, 2016:

Monthly Water Consumption (m3)	Rate (\$/m3)
0 – 10	0.74
10 +	1.48

- (e) That the wastewater/storm treatment charge for all commercial, industrial, institutional, and multi-residential (bulk meter) properties in the City of Hamilton be imposed at the rate of \$1.48 per cubic metre, effective January 1, 2016;
- (f) That daily wastewater/storm fixed charges for all properties in the City of Hamilton be imposed at the following rates, effective January 1, 2016:

Meter Size	Daily Wastewater/Storm Rate
15 mm	\$ 0.32
16 mm	\$ 0.32
20 mm	\$ 0.32
25 mm	\$ 0.80

38 mm	\$	1.60
50 mm	\$	2.56
75 mm	\$	5.12
100 mm	\$	8.00
150 mm	\$	16.00
200 mm	\$	25.60
250 mm	\$	36.80
300 mm	\$	54.40

- (g) That the residential non-metered annual water rate be imposed at the flat rate of \$503.70 per annum, effective January 1, 2016;
- (h) That the residential non-metered annual wastewater/storm rate be imposed at the flat rate of \$540.20 per annum, effective January 1, 2016;
- (i) That the residential combined non-metered annual water and wastewater/storm rate be imposed at the flat rate of \$1,043.90 per annum, effective January 1, 2016;
- (j) That the Private Fire Line rates be imposed at the following rates, effective January 1, 2016:

Connection Size		Monthly Rate
(mm)	inches	
25	1.0	\$ 3.15
38	1.5	\$ 7.25
50	2.0	\$ 12.60
75	3.0	\$ 28.35
100	4.0	\$ 50.40
150	6.0	\$ 113.40
200	8.0	\$ 201.60
250	10.0	\$ 201.60
300	12.0	\$ 201.60

- (k) That the 2016 Water, Wastewater & Storm Proposed User Fees and Charges be imposed as per Appendix "A" to Report 15-024, effective January 1, 2016;
- (l) That the 2016 Water, Wastewater and Stormwater Management Rate Supported Operating Budget in the amount of \$ 192,345,510 be approved as per Appendix "B" to Report 15-024;
- (m) That the long-term financing plan for the Water, Wastewater and Stormwater programs and related rate increases required to meet

sustainable financing, as identified in the 2016-2025 Water, Wastewater and Stormwater Management Rate Supported Operating Budget forecast (Appendix “B” to Report 15-024) be approved in principle;

- (n) That the 2016 Water, Wastewater and Stormwater Management Rate Supported Capital Budget and Financing Plan in the amount of \$192,922,000 be approved as per Appendix “C” to Report 15-024;
- (o) That the 2016-2025 Water, Wastewater and Stormwater Management Rate Supported Capital Budget forecast and financing plan (Appendix “D” to Report 15-024) be approved in principle;
- (p) That the additional 4.73 Full Time Equivalent Rate Supported staffing be approved as per Appendix “E” to Report 15-024;
- (q) That, in accordance with the “Budget Control Policy”, the 2015 budget restatements as outlined in Appendix “F” to Report 15-024, be approved; and,
- (r) That the City Solicitor be authorized and directed to prepare, for Council approval, all necessary by-laws respecting the 2016 water and wastewater/storm user fees, charges and rates set out in recommendations (a) through (k) of Report FCS15073.

**3. Relocation of Provincial Offences Administration (POA) Courtrooms and Offices (PW13079(c)) (City Wide) (Item 5.4)**

That staff be directed to proceed with the installation of the building envelope insulation for 50 Main Street East, Hamilton; the new Provincial Offences Administration Offices (POA) offices and courtrooms, at an estimated cost of \$500,000.

**4. Tropical House Capital Funding Allocation (Item 7.1)**

- (a) That staff be authorized and directed to allocate \$1,500,000 from the uncommitted balance of \$750,000 in the 2016 Ward 3 Capital Infrastructure Reserve; and, \$750,000 in the 2017 Ward 3 Capital Infrastructure Reserve to facilitate the award of the Tropical House Project construction to a qualified bidder, and expedite implementation of the Gage Park Master Plan; and,
- (b) That staff be authorized and directed to reduce \$1,500,000 Ward 3 Capital Infrastructure contribution by a corresponding amount should other private sector funding arise, prior to commencing construction of the Tropical House.

**FOR THE INFORMATION OF COMMITTEE:**

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

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

**1. NOTICES OF MOTION (Item 8)**

- 8.1 Affordable Housing Units for Seniors as Part of the Riverdale Recreation Expansion Project
- 8.2 Escarpment Vista Viewing Maintenance Enhancement

The agenda for the November 27, 2015 General Issues Committee Budget meeting was approved, as amended.

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

There were no declarations of interest.

**(c) APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING (ITEM 3)**

**(i) November 2, 2015**

The Minutes of the November 2, 2015 meeting were approved, as presented.

**(d) PRESENTATIONS (Item 5)**

**(i) Horizon Utilities Water and Wastewater 2015 Service Activity Report (FCS15078) (City Wide) (Item 5.1)**

Eileen Campbell, Vice President of Horizon Customer Service, addressed Committee respecting Horizon Utilities Water and Wastewater 2015 Activity Report. Ms. Campbell's presentation included, but was not limited to, the following:

**Customer Service - Continuous Improvement**

- Horizon Utilities scored a 92% rating in their Customer Satisfaction Survey, 6% higher than Ontario benchmark.

- Completion of the Billing Process Audit confirmed alignment to City policies and processes.
- Emphasis on customer education and issue resolution while serving customers.
- Focus remains on reducing account estimation.
- New reporting identifies compound water meters with zero usage as another means for checking for stopped meters.
- Horizon Utilities' website has a section dedicated to water/wastewater services and customer education.
- Transactional "First Call Resolution" Survey reveals 89% of customer queries are resolved with a single call to the Call Centre - same percentage as 2014.

#### **Increased Customer Accessibility**

- Increasing accessibility for customers at peak times of the day, month, and year through enhanced agent scheduling.
- Customers now have access to a full service Customer Service Representative from 8:30 a.m. to 6:30 p.m., Monday to Friday.

#### **Looking ahead – What is coming**

- Optimizing service order automation between Hamilton Water and Horizon Utilities:
  - Electronic process implemented in Q4 2015
- Focus on self serve options for customers.
- Monthly Billing Regulation January 1, 2017.

The presentation provided by Eileen Campbell, Vice President of Horizon Customer Service, respecting Report FCS15078 – Horizon Utilities Water and Wastewater 2015 Service Activity Report, was received.

A full copy of the presentation is available on the City's web site or through the Office of the City Clerk.

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

**(ii) 2016 Recommended Water, Wastewater and Stormwater Budget (FCS15073) (City Wide) (Item 5.2)**

Dan McKinnon, Director of Hamilton Water, provided the first presentation respecting Report FCS15073 – Recommended Water, Wastewater and Stormwater Budget. The presentation included, but was not limited to, the following:

- Program Overview
  - Serves 490,000 residents and businesses in Hamilton.
  - Over \$9.76 billion in infrastructure (replacement value).
  - Operates 170 different facilities, many of them 24 hours per day, 365 days per year.
  - Infrastructure renewal and level of service supported by multi-year business plan.
  - Program is 100% rate-supported and no reliance on the property tax base to support Hamilton Water operating and capital budgets.
  - Serves 490,000 residents and businesses in Hamilton.
  - Over \$9.76 billion in infrastructure (replacement value).
  - Operates 170 different facilities, many of them 24 hours per day, 365 days per year.
  - Infrastructure renewal and level of service supported by multi-year business plan.
  - Program is 100% rate-supported and no reliance on the property tax base to support Hamilton Water operating and capital budgets
- Sectional Update
  - Compliance and Regulations
  - Drinking Water Quality Management System
  - Infrastructure Planning & Systems Design (IP&SD)
  - Sustainable Initiatives

- Capital Delivery
- Operations
- Customer Service and Community Outreach
- Protective Plumbing Program (P3)
- Water Distribution and Wastewater Collection
- Plant Operations
- Woodward Upgrades
  
- Hamilton Water Priority Projects
  - Woodward Upgrades Projects
  - Biosolids
  - Randle Reef
  - Hamilton Harbour Remedial Action Plan
  - Storm Event Response Group (SERG)
  - Open for Business
  - After Action Review
  - Staff Complement & Complement Request for 2016
  - Operating Budget
    - 2016 Budget Pressures
    - Cost Categories
    - Proposed 2016 Operating Budget

The presentation provided by Dan McKinnon, Director of Hamilton Water, respecting the 2016 Water, Wastewater and Stormwater Budget, was received.

A full copy of the presentation is available on the City's web site or through the Office of the City Clerk.



Brian McMullan, Director of Financial Planning & Policy, addressed Committee respecting the 2016 Water, Wastewater, and Stormwater Rate Budget. Mr. McMullen's presentation included, but was not limited to, the following:

- Capital Financing Strategy
- 10 Year Capital Strategy
- Capital Budget Forecast
- 2016 – 2025 Capital Funding
- Capital Financing Operating Impact
- Debt Forecast
- Debt Charges Impact on Average Residential Bill
- Reserve Purposes
- Use of Rate Reserves
- Reserves Compared to Asset Replacement Value
- Capital and Reserve Forecast
- Revenue Overview
- 2016 Proposed Rates
- 2016 Combined Increase
- Municipal Comparison Combined Rate Increases
- 2016 Residential Average Bill
- How Does Hamilton Compare
- Residential Water Consumption
- Industrial Commercial Institutional (ICI) Cost Comparison (2015 Dollars)
- ICI / Multi-Residential Consumption
- ICI / Multi-Residential Composition
- Next Steps

The presentation provided by Brian McMullen, Director of Financial Planning & Policy, respecting the 2016 Water, Wastewater, and Stormwater Rate Budget, was received.

A full copy of the presentation is available on the City's web site or through the Office of the City Clerk.

For disposition of this matter, please refer to Item 2.

**(iii) 2016 Tax Supported Capital Budget (FCS15088) (City Wide) (Item 5.3)**

Mike Zegarac, General Manager of Finance & Corporate Services, addressed Committee respecting Report FCS15088. Mr. Zegarac's presentation included, but was not limited to, the following:

- 2016 Capital Budget Objectives
  - 2016 Amendments to Forecast
  - Leverage Funding
  - 2016 Gross Capital Highlights
  - 2016 Gross Capital Budget by Program
  - Asset Values
  - Growth vs. State of Good Repair
  
- 2016 Capital Project Highlights
  - 2016 Capital Projects
  - 2016 Proposed Capital Budget
  - Option (1.0% Levy Increase)
  - Operating and FTE Impact
  
- 2016 Capital Financing
  - Capital Financing Strategy
  - 2016 Capital Funding
  - Roads Total Capital Funding 2011 – 2016
  - Roads Non Growth Capital Funding 2011 – 2016
  - 2016 Roads Capital Program
  - 2016 Projects Not Included
  
- Financial Sustainability
  - Strategies
  - Debt Forecast – 2025
  - Increasing Capital Contribution
  - Consolidated Outstanding Debt Forecast 2016 – 2025
  - Debt Comparison to Other Municipalities
  - Capital Reserve Forecast
  - Capital Fleet Reserve Forecast
  - Paramedic Services Vehicles Reserve Forecast
  - Hamilton Future Fund Forecast
  
- Boards & Agencies Requested 2016 Projects
  - 2016 Capital
  - Library 2016 Capital

The presentation provided by Mike Zegarac, General Manager of Finance & Corporate Services, respecting Report FCS15088 – 2016 Capital Budget, was received.

A full copy of the presentation is available on the City's web site or through the Office of the City Clerk.

Consideration of Report FCS15088 – 2016 Tax Supported Budget, was deferred to the December 4, 2015 General Issues Committee Budget meeting, pending receipt of additional information from staff.

**(i) Funding Source Alternatives – Bed Bug Control Strategy (Item 5.3)**

Staff was directed to report back to the next General Issues Committee (Budget) meeting (December 4, 2015) with funding options and alternatives to implement the first year of the Bed Bug Control Strategy, estimated at \$415,000.

**(ii) Funding Source Alternatives – Hamilton Age Friendly City Initiative (Item 5.3)**

Staff was directed to review funding source alternatives for the \$50,000 for the Hamilton Age Friendly City initiative and report back to the December 4, 2015 General Issues Budget meeting.

**(iv) Relocation of Provincial Offences Administration (POA) Courtrooms and Offices (PW13079(c)) (City Wide) (Outstanding Business List Item) (Item 5.4)**

Rom D'Angelo, Director of Facilities Management and Capital Programs and Robyn Ellis, Acting Manager of Capital and Compliance, addressed Committee and provided a presentation respecting the relocation of Provincial Offences Administration (POA) courtrooms and offices. The presentation included, but was not limited to, the following:

- Updated Chronology 2012 – 2014
- Original Financial Analysis
- Update November 2015
- Information Requested by Council
- Cost of Insulation and Curtain Wall
- Breakdown of the \$8M
- Energy Efficiency Savings and Losses Due to the Building's Age

- Incremental costs associated with the heritage factors of the building
- Rationale for Window Replacement
- State of Good Repair
- Options
- Deferral Premium for Window Replacement
- Full Replacement of Windows

The presentation provided by Rom D'Angelo, Director of Facilities Management and Capital Programs and Robyn Ellis, Acting Manager of Capital and Compliance, respecting Report PW13079(c) – Relocation of Provincial Offences Administration Courtrooms and Offices, was received.

A full copy of the presentation is available on the City's web site or through the Office of the City Clerk.

Report PW13079(c), respecting the Relocation of Provincial Offences Administration (POA) Courtrooms and Offices, was amended by deleting sub-sections (a) and (b) in their entirety and replacing them with new sub-sections (a) and (b), to read as follows:

- ~~(a) That the windows of 50 Main Street East be replaced and building envelope be insulated, extending project costs beyond the \$32.38M originally approved by Council January 29, 2014, for an incremental project cost of \$8M, for a total project cost of \$40.38M;~~
- ~~(b) That the \$8M in incremental project costs be funded from debt financing;~~
- (a) ***That staff be directed to proceed with the installation of the building envelope insulation for 50 Main Street East; the new Provincial Offences Administration Offices (POA) offices and courtrooms, at an estimated cost of \$500,000;***
- (b) ***That staff be directed to report back to the General Issues Committee with respect to Corporate Facilities needs, as it relates to potential funding sources, outside of the levy, that may address the infrastructure deficit; and,***
- (c) That the item respecting Provincial Offences Administration Court House design costs and total project costs be removed from the General Issues Committee Outstanding Business List.

Councillors T. Whitehead and J. Farr wished to be recorded as OPPOSED to the motion above, as amended.

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

**(d) MOTIONS (ITEM 7)**

Councillor M. Green introduced the following Motion:

**(i) Tropical House Capital Funding Allocation (Item 7.1)**

WHEREAS, the Council Approved Gage Park Master Plan identified the importance the Tropical House contributes to public programming in Gage Park;

WHEREAS, the existing Tropical House requires replacement due to lifecycle decline, structural failure and to improve public accessibility by re-orienting the entrance toward the parking lot providing a vehicle drop-off; and,

WHEREAS, partial capital funding is available through the Forestry and Horticulture block funding allocation;

THEREFORE BE IT RESOLVED:

- (a) That staff be authorized and directed to allocate \$1,500,000 from the uncommitted balance of \$750,000 in the 2016 Ward 3 Capital Infrastructure Reserve; and, \$750,000 in the 2017 Ward 3 Capital Infrastructure Reserve to facilitate the award of the Tropical House Project construction to a qualified bidder, and expedite implementation of the Gage Park Master Plan; and,
- (b) That staff be authorized and directed to reduce \$1,500,000 Ward 3 Capital Infrastructure contribution by a corresponding amount should other private sector funding arise, prior to commencing construction of the Tropical House.

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

**(ii) 2017 Budget and Strategic Planning Process (Item 7.2)**

Prior to the 2017 Budget and Strategic Planning process, staff was directed to bring forward a prioritized Budget Plan (opposed to the current Block Funding), Multi-Year Budgeting and Business Plans and report to the General Issues Committee, through the Business Planning Sub-Committee.

**(e) NOTICES OF MOTION (8)**

Councillor C. Collins introduced the following Notice of Motion:

**(i) Affordable Housing Units for Seniors as Part of the Riverdale Recreation Expansion Project (Item 8.1)**

WHEREAS, there are currently over 5,000 names on the City of Hamilton's Housing Wait List;

WHEREAS, rising real estate costs in Hamilton present a significant barrier for social housing providers;

WHEREAS, the expansion of the Riverdale Recreation Centre is tentatively scheduled for 2017 and 2018 as part of the City's 10 year capital budget plan;

WHEREAS, the Riverdale Recreation Centre is operated on land owned by the Hamilton Wentworth District School Board;

WHEREAS, City Housing Hamilton may be required to replace or add new units as part of its Asset Renewal Program;

WHEREAS, seniors now represent 30% of those on Ontario's social housing wait lists (up 8% from a decade ago and rising);

WHEREAS, the construction of new affordable housing units on publicly owned land saves substantial resources for affordable housing providers;

WHEREAS, the construction of affordable housing units above a recreation facility provides tremendous health benefits to those residing in such a building; and,

WHEREAS, the construction of new affordable housing units above a City of Hamilton recreation centre is a compact form of sustainable development;

**THEREFORE BE IT RESOLVED:**

That City of Hamilton Recreation and Facilities staff be directed to convene meetings with CityHousing Hamilton staff, Hamilton District School Board staff, School Board Chair & Ward 5 Trustee, Todd White, and Housing Services staff to discuss the possibility of constructing new affordable housing units for seniors, as part of the Riverdale Recreation Expansion project, and report to the General Issues Committee with a report detailing any opportunities that might exist for a multi-stakeholder development of this kind.

Councillor T. Jackson introduced the following Notice of Motion:

**(ii) Escarpment Vista Viewing Maintenance Enhancement (Item 8.2)**

WHEREAS, there has been an ongoing interest by the citizens of Wards 6, 7 and 8 for vista viewing along the escarpment (e.g. Including Mountain Brow Boulevard, Mountain Park Avenue and Scenic Drive);

WHEREAS, there is a history of an enhanced level of maintenance including vegetation removal and frequent litter pick-up along Mountain Brow Boulevard;

WHEREAS, Council's priority for enhanced maintenance funding for Hamilton's escarpment vista viewing was discontinued in the 1990's; and,

WHEREAS, the Public Works Department recently completed the Mountain Brow Recreational Trail connection from Sam Lawrence Park to Mohawk Road;

THEREFORE BE IT RESOLVED:

- (a) That the Escarpment Vista Viewing Maintenance Program of the 1990's, be reinstated; and,
- (b) That the addition of 2.12 FTEs, in the Public Works Department, to support the Escarpment Vista Viewing Maintenance Program, at a cost of \$153,000 annually, be referred to the 2016 Operating Budget process for consideration.

**(f) ADJOURNMENT (Item 5)**

There being no further business, the General Issues Committee Budget meeting, adjourned at 3:29 p.m.

Respectfully submitted,

Deputy Mayor C. Conley  
Chair, General Issues Committee

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Stephanie Paparella  
Legislative Coordinator  
Office of the City Clerk