



GENERAL ISSUES COMMITTEE 2017 TAX CAPITAL BUDGET REPORT 16-033

9:30 a.m.

Friday, December 9, 2016

Council Chambers

Hamilton City Hall

71 Main Street West

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

THE GENERAL ISSUES COMMITTEE PRESENTS REPORT 16-033 AND RESPECTFULLY RECOMMENDS:

1. 2017 Tax Supported Capital Budget (FCS16089) (City Wide) (Item 5.1)

- (a) That the 2017 Tax Supported Capital Levy in the amount of \$102,954,000, be approved;
- (b) That the 2017 Tax Capital Budget and Financing Plan in the amount of \$216,426,000, attached as Appendix "A" to Report 16-033, be approved;
- (c) That the Tax Supported Discretionary Net Capital Funding Forecast 2017 – 2026, attached as Appendix "B" to Report 16-033, which assumes a 0.5% Residential Property Tax increase in each year from 2018 to 2026 be approved, in principle, and re-visited by Council each budget year;
- (d) That the reserve funding included in the 2017 Tax Capital Budget totalling \$50.680 M, attached as Appendix "C" to Report 16-033, be approved;
- (e) That the funding from previously approved projects (WIP's) included in the 2017 Tax Capital Budget totalling \$5.321 M, as attached in Appendix "D" to Report 16-033, be approved;

- (f) That the Area Rating Capital Reinvestment projects be approved, subject to approval of the \$13.4 M Special Infrastructure Levy for Wards 1 to 8 in the 2017 Tax Supported Operating Budget;
- (g) That the 2017 capital projects from the Hamilton Public Library, subject to approval from Council, be funded from debt; and,
- (h) That the Mayor correspond with the Federal Government to communicate the Capital budget challenges that the City of Hamilton is experiencing.

2. Stadium Precinct Park, 43 Lloyd Street - Funding Strategy (PW16106) (Ward 3) (Item 6.3)

That Report PW16106, respecting the Stadium Precinct Park, 43 Lloyd Street - Funding Strategy, be received.

3. Increasing Employment Land Absorption through Land Banking (PED16255) (City Wide) (Item 6.4)

- (a) That a Line of Credit with an upset limit of \$30 M be approved for the acquisition and related costs of strategic employment land parcels with the borrowing terms and the .25% administration fee being subject to existing City Debt policies;
- (b) That the annual interest costs associated with the Line of Credit be funded by Reserve #110060 (Shared Land Industrial Park Reserve);
- (c) That all revenues derived from the subsequent re-sale of the property acquired, beyond that which is required to repay debt, be credited to the Reserve #110060 (Shared Land Industrial Park Reserve); and,
- (d) That staff be directed to bring forward all Offers to Purchase for strategic employment land parcels to the General Issues Committee for consideration.

4. Supervised Injection Sites Needs Assessment and Feasibility Study Capital Budget Request (BOH16057) (City Wide) (Item 6.5)

That \$92,000 be approved for a needs assessment and feasibility study for one or more supervised injection sites in the city of Hamilton to include, but not be limited to, the following:

- (a) Technical and any other data needed to support an application for exemption under the *Controlled Drugs and Substances Act* (e.g., data on drug use, infectious disease rates and other risk factors, rates of overdose, crime statistics, drug-related litter);
- (b) Data on potential impact, including potential health, social and community impacts and anticipated cost-effectiveness and/or cost-benefit;
- (c) Feedback from stakeholder and community engagement, with a greater emphasis on areas that might potentially house a Safe Injection Site;
- (d) Recommendations on whether or not a supervised injection site or sites should be opened in Hamilton, and if a recommendation for one or more supervised injection sites in Hamilton is made, the recommended number of supervised injection sites, geographical location(s), and model type (integrated, standalone, or mobile); and,
- (e) Details of how the requirements for the application process to apply for an exemption under the *Controlled Drugs and Substances Act* will be met.

5. Address Information Management System Update (FCS16099) (City Wide) (Item 6.6)

That Report FCS16099, respecting the Address Information Management System Update, be received.

6. Ward 1 2016 Participatory Capital Budget – Operating Budget Impacts (FCS16100) (Ward 1) (Item 6.7)

That Report FCS16100, respecting the Ward 1 2016 Participatory Capital Budget – Operating Budget Impacts, be received.

7. Mountain Brow Vista Study and Management Plan (PW16104) (Wards 6, 7 and 8) (Item 6.8)

- (a) That the selective removal and pruning of existing vegetation at seventeen (17) locations, be approved to create new vista locations as identified in Appendix "E" to Report 16-033;
- (b) That the selective removal and pruning of existing vegetation at twenty-nine (29) locations, be approved to remove visual obstructions at existing vista locations as identified in Appendix "E" to Report 16-033;
- (c) That the capital cost of \$113,000 be funded in 2017 with \$51,000 coming from the Ward 6 Capital Reserve, \$39,500 from the Ward 7 Capital Reserve, and \$22,500 from the Ward 8 Capital Reserve;
- (d) That the annual operating costs of \$15,000 for maintenance of the new and existing vistas commence in 2018; and,
- (e) That the Mountain Brow Vista Study and Management Plan be removed from the Public Works Committee's Outstanding Business List.

8. City Wide Equalization of Road Repair Funding

That the matter of the allocation of city-wide road repair funding with regard to equalization be referred to the Multi-Year Budget Planning Sub-Committee for discussion.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

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

1. DISCUSSION ITEMS

- 6.1 Hamilton Police Services Board Report PSB 16-113, respecting the Hamilton Police Services Board's Projected Capital Expenditures for 2017 – 2026, was referred to the January 26, 2017 GIC where Hamilton Police Service will be available to answer questions on the same date that they provide their 2017 Operating budget presentation. Therefore, this matter has been removed from this agenda.

2. NOTICES OF MOTION

- 8.1 Use of the Closing Dividend from the Horizon Utility Merger to Offset the City's Share of Public Transit Infrastructure Fund Projects

The agenda for the December 9, 2016 General Issues Committee (2017 Tax Capital Budget) meeting was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

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

(i) November 25, 2016 (2017 Tax Capital Budget) (Item 3.1)

The Minutes of the November 25, 2016 (2017 Tax Capital Budget) General Issues Committee, were approved, as presented.

(d) STAFF PRESENTATIONS (Item 5)

(i) 2017 Tax Supported Capital Budget Update (FCS16089) (City Wide) (Item 5.1)

Mike Zegarac, General Manager of Finance & Corporate Services, addressed Committee respecting Report FCS16089 – 2017 Tax Supported Capital Budget update. The presentation included, but was not limited to, the following:

- o Multi-Year Budget Impact
- o Capital Budget Pre Approval Policy
- o Next Steps

The presentation respecting Report FCS16089 – 2017 Tax Supported Capital Budget Update, was received.

A copy of the presentation is available on the City's website at www.hamilton.ca or through the Office of the City Clerk.

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

- (a) The Capital budget items related to the Public Transit Infrastructure Fund (PTIF), which read as follows, were TABLED to the January 20, 2017 GIC budget meeting, pending information from the Federal government respecting Federal Transit funding:

That for 2017 an additional 0.45% Residential Property Tax Increase to fund the debt charges associated with the City's share of Capital Levy Funding required for Public Transit Infrastructure Fund (PTIF) Capital Investments, be approved; and,

- (a) Sub-sections (e) and (f) to Report FCS16089, respecting the 2017 Tax Supported Capital Budget, which reads as follows, were referred to the 2017 Operating budget process for discussion:

- (e) That the operating budget and FTE impacts of the 2017 Tax Capital Budget, estimated to be \$2,034,100 and 13.02 FTE's, attached as Appendix "C" to Report FCS16089, be incorporated into the 2018 Tax Supported Operating Budget;

- (f) That staff be directed to investigate options to mitigate the financial impact identified in Recommendation (e) above during the 2018 Tax Supported Operating Budget Process;

- (b) Staff was directed to provide the details of where the 13 FTEs will come from and the pros and cons of not moving forward with approval of the FTEs, during discussions of sub-section (e) above during the 2017 Operating budget.

In order to attain a 0.5% (\$4 Million) levy reduction, the following amendments were made to the 2017 Capital Budget:

- (a) 2017 Bed Bug Strategy – Reduce the levy by \$167,000 by utilizing savings derived from education tax rate savings at CityHousing Hamilton properties instead of the proposed (levy) funding source; and, restore the one time funding source in 2018, conditional upon Council approval of Item 9 of the Audit, Finance & Administration Committee Report 16-018 (CES16061 – Municipal and Education Property Tax Exemptions for CityHousing Hamilton);

- (b) 2009 Rheem Lands Purchase – Reduce the levy by \$160,000 by utilizing account 3620950900; leaving \$39,000 in that account to fund maintenance activities for 5 years;
- (c) 2010 CityHousing Hamilton – 95 King St. E. – Reduce the levy by \$45,000 by closing account 61810411001 and using the remaining funds as a funding source for other 2017 capital projects;
- (d) 2010 Waterfront Priorities – Reduce the levy by \$138,000 by closing account 4241006001 and using the remaining funds as a funding source for other 2017 capital projects;
- (e) 2009 Barton-Tiffany Urban Design – Reduce the levy by \$92,000 by closing account 4240955901 and using the remaining funds as a funding source for other 2017 capital projects;
- (f) 2009 Vern Ames & Greenhill Purchases – Reduce the levy by \$59,000 by closing account 4400956912 and using the remaining funds as a funding source for other 2017 capital projects;
- (g) 2017 Roads – Traffic Counts – Reduce the levy by \$150,000 by deleting \$150,000 from the budget, as over \$220,000 remains from 2 prior budget year accounts;
- (h) 2017 Natural Areas Reserve Fund Contribution – Reduce the levy by pausing 2017 reserve contribution \$150,000 and resuming the investment in 2018;
- (i) 2017 Roads – State of the Infrastructure – Reduce the levy by \$200,000 from the recommended \$300,000, as over \$548,000 remains from prior year accounts;
- (j) 2017 Traffic Signals – Traffic Signal LED Lighting Upgrade – Reduce the levy by \$100,000 by lowering the \$200,000 request to \$100,000, as previous budgeted amounts of \$57,000 – 2014; and, \$394,000 approved in 2016 remain in the account as of October 31, 2016;
- (k) 2014 Traffic – Annual Traffic Controller Replacement – Reduce the levy by \$149,000 by closing account 4041415019 and utilizing the funds as a source for 2017 projects;
- (l) 2017 Traffic – IPS – Reduce the levy by \$100,000 by deleting \$100,000 of the \$350,000 and utilizing the funding cut for other levy supported items, as over \$900,000 remains in account from previous years;

- (m) 2017 Facilities - Downtown Office Accommodation Study – Reduce the levy by deleting \$50,000 by lowering the 2017 budget line to \$100,000;
- (n) 2017 Waste Management – Recommendation 6: Alternative Disposal Facility – Reduce the levy by \$150,000 by delaying the study to a future date;
- (o) 2013 Facilities – Backflow Prevention for Various Facilities – Reduce the levy by deleting \$100,000 from the \$498,000 WIP account;
- (p) 2016 Facilities – Code & Legislative Compliance – Reduce the levy by deleting \$150,000 from the WIP, which has \$477,000 remaining from 2 prior budget years;
- (q) 2007 Industrial Zone Air Quality – Reduce the levy by \$640,000 by closing account 4030707750 and using the remaining funds as a funding source for other 2017 levy supported capital projects;
- (r) 2016 Recreation Facilities – Ice Plant Freon Upgrades – Reduce the levy by deleting \$500,000 from WIP account 7101654601 and resubmitting that amount to 2018 budget process;
- (s) 2017 School & Property Purchase – Reduce the levy by \$1,500,000 by reducing the 2017 budget request by \$1,500,000;
- (t) 2017 Waste Management – R & D Program – Reduce the levy by \$80,000 by reducing 2016 WIP account;
- (u) 2017 Waste Management – MRF Lifecycle Replacement – Reduce the levy by \$150,000 by delaying the hiring of a consultant to review the MRF facility;
- (v) 2017 Waste Management – Planning & Approvals Program – Reduce the levy by \$150,000 by reducing the requested \$270,000 to \$120,000; and,
- (w) 2017 Roads – Fencing/Sound Barrier Rehab – Reduce the levy by \$50,000 from past WIP accounts.

(e) DISCUSSION ITEMS (Item 6)

(i) Traffic Island Beautification Program (PW16094) (City Wide) (Item 6.2)

Report PW16094, respecting the Traffic Island Beautification Program, was deferred to the 2018 Capital Budget process for consideration.

(ii) Additional Traffic Island Beautification Locations (Ward 2) respecting the Traffic Island Beautification Program (Item 6.2(a))

The following Motion, respecting Additional Traffic Island Beautification Locations (Ward 2), was deferred to the 2018 Capital Budget process for consideration:

That the conversion of the following locations from hard surface traffic islands to floral traffic islands and bumpouts at the capital and operational costs, as outlined below, be approved:

Location	Capital	Operational
Charlton & Victoria East	\$ 18,350.00	\$ 2,400.00
John St. South & St. Joseph's Dr (St Joseph's Park)	\$ 16,000.00	\$ 1,000.00 \\
Gloucester & Inglewood (perennials and shrubs)	\$ 15,000.00	\$ 500.00
Aberdeen; Ravenscliffe to Bay. 6 bumpouts (renovation of plant material only)	\$ 3,000.00	\$ 1,000.00
	\$ 52,350.00	\$ 4,900.00

(f) MOTIONS (Item 7)

The following motion, respecting a Proposed Fallen Fire Fighter Memorial, was referred to the January 18, 2017 General Issues Committee for discussion:

Proposed Fallen Fire Fighter Memorial (Item 7.1)

WHEREAS, the John Rebecca Park Master Plan incorporated a commemorative space for Emergency Workers, as designed by a stakeholder consultation process;

WHEREAS, the Master Plan for the proposed John Rebecca Park has not been able to proceed, due to related lands for the proposed park being in private ownership;

WHEREAS, the Hamilton Professional Firefighters Association in a letter dated January 20, 2015, requested that a Fire Fighters Memorial Committee, comprised of two appointed Members of Council and two fire fighters be formed, to collaborate on the proposed Fallen Fire Fighter Memorial project;

WHEREAS, at its meeting of February 11, 2015, Council approved Item 14 of the General Issues Committee Report 15-005, which appointed Councillors S. Merulla and C. Collins to the Hamilton Professional Fire Fighters Association's (Local 288) Fire Fighter's Memorial Committee;

WHEREAS, the Hamilton Fire Fighters' Association's (Local 288) initial concept for the Fallen Fire Fighter Memorial is proposed to be at Gage Park, with an estimated cost \$1.7 million;

WHEREAS, Fallen Fire Fighter Memorial project is currently unfunded in the 2017 Capital Budget Forecast;

WHEREAS, there are extensive pressures and limited capital resources to fund all priorities across the City of Hamilton; and,

WHEREAS, there may be alternative funding strategies, that may be more cost effective;

THEREFORE BE IT RESOLVED:

- (a) That, in order to reduce costs, staff be directed to investigate potential sites on existing City lands to be used for the Fallen Fire Fighter Memorial;
- (b) That staff be directed to communicate with the Hamilton Fire Fighters' Association to determine their ability and willingness to participate as a funding partner in the creation of the Fallen Fire Fighter Memorial site;
- (c) That staff be directed to proceed with the preliminary design and investigative work for the Fallen Fire Fighter Memorial at a cost not to exceed \$125,000, with a funding source to be identified through the 2017 Capital Budget process;
- (d) That staff be directed to collaborate with public stakeholders associated with any of the potential sites being considered for the Fallen Fire Fighter Memorial; and,
- (e) That staff be directed to report back to the General Issues Committee, through a future capital budget process on alternatives for the Fallen Fire Fighter Memorial project location, scope, detailed design, related capital construction costs with identified funding sources.

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(g) NOTICES OF MOTION (Item 8)

Mayor Eisenberger introduced the following Notice of Motion:

(i) Use of the Closing Dividend from the Horizon Utility Merger to Offset the City's Share of Public Transit Infrastructure Fund Projects (Item 8.1)

WHEREAS, Council has approved the merger of Horizon, Enersource and PowerStream Local Distribution Companies, and the acquisition of Hydro One Networks Inc.;

WHEREAS, the closing of the merger and acquisition; currently before the Ontario Energy Board, may occur prior to the approval of the 2017 Tax Supported Budget; and,

WHEREAS, through the closing, the City of Hamilton may realize a one-time closing dividend over and above the forecast \$24.2 M in incremental dividends in the first 6 years;

THEREFORE BE IT RESOLVED:

That staff be directed to review the potential of reducing the tax supported debt pertaining to the City's share of Public Transit Infrastructure Fund projects, thereby reducing the overall residential 2017 tax increase through the application of the potential one-time dividend, prior to the approval of the 2017 Tax Supported Budget, and report back to the General Issues Committee (budget).

The Rules of Order were waived to allow for the introduction of a Motion respecting the Use of the Closing Dividend from the Horizon Utility Merger to Offset the City's Share of Public Transit Infrastructure Fund Projects.

(ii) The resolution, respecting the Use of the Closing Dividend from the Horizon Utility Merger to Offset the City's Share of Public Transit Infrastructure Fund Projects, was deleted in its entirety and replaced with the following in lieu thereof:

~~That staff be directed to review the potential of reducing the tax supported debt pertaining to the City's share of Public Transit Infrastructure Fund projects, thereby reducing the overall residential 2017 tax increase through the application of the potential one-time dividend, prior to the~~

~~approval of the 2017 Tax Supported Budget, and report back to the General Issues Committee (budget).~~

That staff be directed to report back to the General Issues Committee, prior to the 2017 Tax Supported Budget, with a list of recommended options as to how the potential one-time dividend from the Horizon Utility Merger may be best utilized.

(h) ADJOURNMENT (Item 13)

There being no further business, the General Issues Committee (2017 Tax Capital Budget) adjourned at 2:15 p.m.

Respectfully submitted,

S. Merulla, Deputy Mayor
Chair, General Issues Committee

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk