



GENERAL ISSUES COMMITTEE (2020 CAPITAL BUDGET) REPORT 19-026

9:30 a.m.

November 29 and December 9, 2019
Council Chambers
Hamilton City Hall
71 Main Street West

November 29, 2019:

Present: Mayor F. Eisenberger, Deputy Mayor M. Wilson
Councillors J. Farr, N. Nann, S. Merulla, C. Collins, T. Jackson,
E. Pauls, J.P. Danko, B. Clark, M. Pearson, L. Ferguson, A. VanderBeek,
T. Whitehead

Absent: Councillor B. Johnson – Personal
Councilor J. Partridge – Other City Business

December 9, 2019:

Present: Mayor F. Eisenberger, Deputy Mayor N. Nann (Chair)
Councillors M. Wilson, J. Farr, S. Merulla, C. Collins, T. Jackson,
E. Pauls, J.P. Danko, B. Clark, M. Pearson, B. Johnson,
A. VanderBeek, J. Partridge

Absent: Councillor T. Whitehead – Personal
Councillor L. Ferguson – Other City Business

THE GENERAL ISSUES COMMITTEE PRESENTS REPORT 19-026 AND RESPECTFULLY RECOMMENDS:

1. Hamilton Police Services Board Projected Capital Expenditures: 2020-2029 (Item 9.1)

That the following items, contained in the Hamilton Police Services Board
Projected Capital Expenditures: 2020 to 2029, be approved for 2020:

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- (a) Computer Aided Dispatch (CAD) - Phase 2 Upgrade: \$200,000;
- (b) Roof Replacement - Police Stations - \$400,000;
- (c) Personal Issued Portable Radio Replacement (PIPR): \$480,000; and,
- (d) Basement Superstructure & Brick Repairs - Central Police Station - \$200,000.

2. Summary of Consolidated Cycling Infrastructure (Item 10.1)

That staff be directed to summarize the consolidated cycling infrastructure and report back to the Public Works Committee with that information.

3. Corporate Security Office Update (PW19111) (City Wide) (Item 6.1)

That Report PW19111, respecting the Corporate Security Office Update, be received.

4. 2020 Tax Supported Capital Budget (FCS19091) (City Wide) (Item 8.1)

- (a) That the 2020 Tax Supported Capital Levy in the amount of \$123,996,000 be approved, inclusive of;
 - (i) a standard Property Tax increase of 0.5% (\$4,300,000);
 - (ii) an additional Property Tax increase of \$282,000 (0.03%) in 2020 to fund the debt charges associated with the West Harbour Development;
 - (iii) an additional Property Tax increase of \$1,128,000 (0.13%) in 2020 to fund the debt charges associated with the Downtown Office Accommodation Strategy;
- (b) That the 2020 Tax Supported Capital Budget and Financing Plan in the amount of \$244,027,000, attached as Appendix "A", as amended, to Report 19-026, be approved with the following funding sources:
 - (i) \$9,550,000 from government grants and subsidies;
 - (ii) \$3,440,000 from other external sources;

- (iii) \$43,002,000 from Development Charges Reserves;
 - (iv) \$33,642,000 from Reserves;
 - (v) \$15,550,000 from Work-in-Progress and other internal transfers;
 - (vi) \$82,237,000 from the 2020 Tax Supported Capital Levy;
 - (vii) \$5,300,000 from Hamilton Utilities Corporation (HUC) / Alectra Dividends;
 - (viii) \$4,000,000 from Hamilton Future Fund (Reserve 112246);
 - (ix) \$29,576,000 from Federal Gas Tax (Reserve 112213);
 - (x) \$4,800,000 from the 2019 Capital Financing Surplus; and,
 - (xi) \$12,930,000 from Tax Supported Debenture Financing;
- (c) That the Tax Supported Discretionary Net Capital Funding Forecast 2021–2029, attached as Appendix “B”, as amended, to Report 19-026, which assumes the following, be approved, in principle, and re-visited by Council each budget year:
- (i) a 0.5% Residential Property Tax increase in each year from 2021 to 2029;
 - (ii) an additional Property Tax increase of \$430,000 (0.05%) in 2022, \$720,000 (0.08%) in 2023, \$2,039,000 (0.24%) in 2024, \$63,000 (0.01%) in 2025, \$67,000 (0.01%) in 2027 and \$100,000 (0.01%) to fund the debt charges associated with the West Harbour Development; and,
 - (iii) an additional Property Tax increase of \$2,000,000 (0.23%) in 2021 to fund an increase in the recovery of exemptions of tax services provided through the City’s Development Charge exemption programs;
- (d) That the operating impacts of Capital Project IT Strategy – Strategic Theme Mobility (3501957903), in the amount of \$15,000, included in Appendix “C”, as amended, attached to Report 19-026, be incorporated into the 2020 Tax Supported Operating Budget which is subject to further Council approval;

- (e) That the future operating budget and Full Time Equivalent (FTE) impacts of the 2020 Tax Supported Capital Budget, estimated to be \$3,375,350 and 24.66 FTEs, included in Appendix "C", as amended, attached to Report 19-026, be incorporated into the 2021 or future Tax Supported Operating Budgets, which are subject to future Council approval;
- (f) That the General Manager, Finance and Corporate Services, be authorized and directed to negotiate the terms and placement of a debenture issue(s), and / or private placement debenture issue(s), in either a public or private market and / or bank loan agreement and debenture issue(s) and / or variable interest rate bank loan agreement and debenture issue(s), in an amount not to exceed \$36,922,000 Canadian currency, as attached in Appendix "A", as amended, to Report 19-026, which includes \$12,930,000 in Tax Supported municipal debt and \$23,992,000 in Development Charges Tax Supported municipal debt;
- (g) That the General Manager, Finance and Corporate Services, be authorized and directed to engage the services of all required professionals to secure the terms and issuance of the debenture issue(s) described in subsection (f) including, but not limited to, external legal counsel, fiscal agents and Infrastructure Ontario's Loan Program;
- (h) That the General Manager, Finance and Corporate Services, Mayor and City Clerk be each authorized and directed to enter into and / or execute, on behalf of the City of Hamilton, all agreements and necessary ancillary documents requiring their respective signatures, to secure the terms and issuance of the debenture issue(s) described in subsections (f) and (g), in a form satisfactory to the City Solicitor;
- (i) That the Mayor and City Clerk be authorized and directed to enter into and / or execute, on behalf of the City of Hamilton, all agreements and necessary ancillary documents not requiring any specific signing authority, to secure the terms and issuance of the debenture issue(s) described in subsections (f) and (g), in a form satisfactory to the City Solicitor and with content acceptable to the General Manager, Finance and Corporate Services;
- (j) That all necessary By-Law(s) be passed to authorize the debenture issue(s) negotiated placed and secured in accordance with subsections (f) and (g), as it relates to the 2020 Tax Capital Budget.

November 29, 2019:

(a) APPROVAL OF AGENDA (Item 2)

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

1. MINUTES OF PREVIOUS MEETING (Item 3)

3.1 November 25, 2019 (2020 Rate Budget)

2. DISCUSSION ITEMS (Item 9)

9.2 Hamilton Police Services Board Projected Capital Expenditures:
2020-2029

The agenda for the November 29, 2019 General Issues Committee (Tax Capital Budget) meeting was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

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

(i) November 25, 2019 (Item 3.1)

The Minutes of the November 25, 2019 General Issues Committee (2020 Rate Budget) meeting were approved, as presented.

(d) STAFF PRESENTATIONS (Item 8)

(i) 2020 Tax Supported Capital Budget (FCS19091) (City Wide) (Item 8.1)

Gord McGuire, Director of Engineering Services, Public Works Department, provided the first presentation for Item 8.1 – Capital Program Review – Roads and Bridges.

The presentation respecting Report FCS19091, 2020 Tax Supported Capital Budget, specific to the Capital Program Review – Roads and Bridges was received.

Mike Zegarac, General Manager of Finance & Corporate Services, provided the second presentation for Item 8.1 - 2020 Tax Supported Capital Budget.

The presentation respecting Report FCS19091, 2020 Tax Supported Capital Budget was received.

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

Consideration of Report FCS19091, respecting the 2020 Tax Supported Capital Budget, was DEFERRED to the December 9, 2019 General Issues (Tax Capital Budget) meeting.

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

(e) MOTIONS (Item 10)

(i) Ward by Ward Conditional Assessment of Roads (Item 10.2)

Staff was directed to report back to the General Issues Committee Capital Budget process (December 9, 2019) with a Ward by Ward account of the conditional assessment of roads.

(f) ADJOURNMENT (Item 12)

There being no further business, the General Issues Committee adjourned at 1:26 p.m.

December 9, 2019:

FOR INFORMATION:

(a) APPROVAL OF AGENDA (Item 2)

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

1. STAFF PRESENTATIONS (Item 8)

- 8.1 2020 Tax Supported Capital Budget (FCS19091) (City Wide)
(Deferred from the November 29, 2019 GIC)

A copy of Item 9.2, the Hamilton Police Services Board Budget from the November 29, 2019 budget meeting, was inadvertently included in this agenda behind the appendices to Item 8.1 and should be discarded.

2. PRIVATE & CONFIDENTIAL

- 12.1 Corporate Security Office Update (PW19111) has been moved to Item 6.1 as a public document.

The agenda for the December 9, 2019 General Issues Committee (2020 Tax Capital Budget) meeting was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 3)

Councillor M. Pearson declared an interest to Item 12.1 - Feasibility of the Municipality Imposing a Tax Fee or Charge the Owners of Vacant Properties, as she is a rental property landlord.

Councillor S. Merulla declared an interest to Item 12.1 - Feasibility of the Municipality Imposing a Tax Fee or Charge the Owners of Vacant Properties, as he is a rental property landlord.

Councillor A. VanderBeek declared an interest to Item 12.1 - Feasibility of the Municipality Imposing a Tax Fee or Charge the Owners of Vacant Properties, as she is a rental property landlord.

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

(i) November 29, 2019 (Item 3.1)

The Minutes of the November 29, 2019 General Issues Committee (2020 Tax Capital Budget) meeting were approved, as presented.

(d) STAFF PRESENTATIONS (Item 8)

(i) 2020 Tax Supported Capital Budget (FCS19091) (City Wide) (Item 8.1)

Mike Zegarac, General Manager of Finance & Corporate Services, provided an updated presentation respecting the 2020 Tax Supported Capital Budget.

The updated presentation, respecting the 2020 Tax Supported Capital Budget 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.

(1) 2020 Development Charge Exemption Pressure

- (a) Approximately \$2M excess Capital funding that was allocated to the Hamilton Police Services Board and the Hamilton Library Board will be utilized as a funding source for the 2020 Development Charge exemption pressure; and,
- (b) The recommended additional Property Tax increase of \$2,000,000 (0.23%) to fund an increase in the recovery of exemptions of tax services provided through the City's Development Charge exemption programs was DEFERRED to the budget 2021 process for consideration.

(2) Hamilton Public Library Board – Parkdale Landing Library Mini Branch

Whereas, the Hamilton Public Library Board, at its meeting on November 20, 2019, approved a supplementary 2020 Capital Budget Request in the amount of \$250,000 regarding a new mini-branch Library located within the new affordable housing Development called Parkdale Landing in the Melvin – Parkdale – McQuesten area of Ward 4;

THEREFORE, BE IT RESOLVED:

- (a) The 2020 Capital funding request for the Parkdale Landing Library mini-branch, in the amount of \$250,000 with no net Capital Levy impact, to be funded as follows, was approved:
 - (i) Development Charges - \$225,000; and,
 - (ii) Library Reserves - \$25,000; and,
- (b) That the 2020 operating impact of the Parkdale Landing Library mini-branch of \$145,000 (annualized amount of \$289,000) was referred to the City of Hamilton 2020 Operating Budget for consideration.

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The following Motion was **DEFEATED**:

(3) Capital-to-Operating Budget Ratio of 15% to 20%

That staff be directed to report back to the General Issues Committee on the feasibility of achieving a healthy capital-to-operating budget ratio of 15% to 20% and a schedule for achieving such a ratio.

The following Motion was DEFERRED to the 2021 Capital Operating budget for consideration:

(4) Use of Corporate Pillars during Capital Budget Process

WHEREAS, the 2019-2022 Council gave unanimous passage to the Vision Zero action plan, the creation of an Equity, Diversity and Inclusion framework, and the declaration of a Climate Emergency;

THEREFORE, BE IT RESOLVED:

That the three unanimous Corporate Pillars be part of the lens used in the assessment of capital priorities along with asset management and state of good repair in 2021.

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

The question was called respecting Report FCS19091 – 2020 Tax Supported Capital Budget.

(e) MOTION (Item 12)

(i) Feasibility of the Municipality Imposing a Tax Fee or Charge the Owners of Vacant Properties (Item 12.1)

Staff was directed to review the feasibility of the municipality imposing a tax, fee or charge to the owners of vacant residential properties to encourage occupation of those properties, and report back to the General Issues Committee during the 2021 Capital Budget process.

(f) ADJOURNMENT (Item 12)

That being no further business, the General Issues Committee adjourned at 11:59 a.m.

Respectfully submitted,

Deputy Mayor Maureen Wilson
Chair, General Issues Committee

Deputy Mayor Nrinder Nann
Chair, General Issues Committee

Stephanie Paparella
Legislative Coordinator,
Office of the City Clerk