



**GENERAL ISSUES COMMITTEE
TAX CAPITAL BUDGET
MINUTES 17-022(d)**

9:30 a.m.

December 1, 2017

Council Chambers

Hamilton City Hall

71 Main Street West

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

Absent

with Regrets: Councillor L. Ferguson – Other City Business

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. 2018 Tax Supported Capital Budget (FCS17099) (City Wide) (Item 7.1)

(Eisenberger/Skelly)

- (a) That the 2018 Tax Supported Capital Levy in the amount of \$110,454,000 be approved;
- (b) That the 2018 Tax Supported Capital Budget and Financing Plan in the amount of \$236,028,000, attached as Appendix “A” to Report FCS17099, be approved;
- (c) That the Tax Supported Discretionary Net Capital Funding Forecast 2018 – 2027, attached as Appendix “B” to Report FCS17099, which assumes:
 - (i) a 0.5% Residential Property Tax increase in each year from 2019 to 2021; and,
 - (ii) an additional Property Tax increase of 0.66% in 2019 , 0.61% in 2020 and 0.27% in 2021 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, in principle, and re-visited by Council each budget year;

- (d) That the operating and Full Time Equivalent (FTE) impacts of the Gage Park Tropical House (4451451004), in the amount of \$65,000 and 0.67 FTE, included in Appendix "C" to Report FCS17099 be incorporated into the 2018 Tax Supported Operating Budget, subject to approval of the 2018 Tax Supported Capital Budget funding of Gage Park Tropical House;
- (e) That the operating budget and FTE impacts of the 2018 Tax Supported Capital Budget, estimated to be \$2,206,990 and 15.77 FTEs, attached as Appendix "C" to Report FCS17099, be incorporated into the 2019, or future, Tax Supported Operating Budgets;
- (f) That the reserve funding included in the 2018 Tax Supported Capital Budget totalling \$48,342,000 attached as Appendix "D" to Report FCS17099, be approved;
- (g) That funding from previously approved projects (WIP's) included in the 2018 Tax Capital Budget totalling \$13,173,000, as attached in Appendix "E" to Report FCS17099, be approved and any relevant projects be referred to the Capital Project Work-in-Progress Sub-Committee for closure;
- (h) ***That the General Manager, Finance and Corporate Services be authorized 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 \$20,447,000 Canadian currency, which includes \$12,393,000 Canadian currency in Tax Supported debt and \$8,054,000 in Development Charges Supported debt;***
- (i) ***That the General Manger, Finance and Corporate Services be authorized 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 \$42,137,000, as attached in Appendix "G" to Report FCS17099, which includes \$16,615,000 in Rate Supported debt and \$25,522,000 in Development Charges Supported debt;***
- (j) ***That the General Manager, Finance and Corporate Services be authorized to engage all required professional services to secure the terms and issuance of the debenture issue(s) described in subsections (h) and (i) to include, but not be limited to, external legal counsel, fiscal agents, and Infrastructure Ontario's Loan Program;***

(k) *That the General Manager, Finance and Corporate Services, the Mayor and the 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 requiring their respective signatures to secure the terms and issuance of the debenture issue(s) described in subsections (h), (i) and (j), in a form satisfactory to the City Solicitor;*

(l) That staff be directed to prepare the necessary By-Law(s) to authorize the debenture issue(s) negotiated, placed and secured in accordance with subsections (h), (i) and (j); and,

(m) That the Erosion Leachate-Rennie Brampton project (5120392305) in the amount of \$913,000 be funded from the Working Capital Reserve.

MAIN MOTION, AS AMENDED, CARRIED

2. 2018 a Tax Supported Capital Budget (FCS17099(a)) (City Wide) (Item 7.1(a))

(Merulla/Skelly)

That Report FCS17099(a), respecting the 2018 a Tax Supported Capital Budget, be received.

CARRIED

3. Hamilton Police Services Board Report 17-122 – Hamilton Police Service Projected Capital Expenditures 2018-2027 (Item 8.1)

(Pearson/Eisenberger)

That the Hamilton Police Services Board Report 17-122 – Hamilton Police Service Projected Capital Expenditures 2018-2027, be approved.

CARRIED

4. Capital Lifecycle Renewal – FirstOntario Centre Vertical Transportation (PW17095(b)) (City Wide) (Item 8.2)

(Eisenberger/Merulla)

That Option “A”, respecting the FirstOntario Centre Vertical Transportation, as shown below, be approved:

Option A:

Scope & Construction Value

- i. Replacement of 4 Existing Escalators with new escalators - \$1.3M
- ii. Remove 3 Escalators for replacement with Stairs - \$0.27M.

- iii. Refurbish Existing Passenger (1) & Freight (1) Elevators - \$1.04M.
- iv. Install New Passenger Elevator (SAI Option 1) - \$0.675M.
- v. Cash Allowances - \$0.200M.

Budget Subtotal	
Construction Value:	\$3.485M
<u>Soft Costs & Contingencies:</u>	<u>\$0.815M</u>
Total:	\$4.3M

CARRIED

5. Sports, Entertainment and Convention Venues Review (Item 9.1)

(Merulla/Farr)

WHEREAS, the FirstOntario Concert Hall (formerly Hamilton Place), the Hamilton Convention Centre, and the FirstOntario Centre (formerly Copps Coliseum) were built in 1973, 1981, and 1985 respectively;

WHEREAS, these Sports, Entertainment, and Convention venues have been major sources of community use and enjoyment;

WHEREAS, these venues have attracted Canadian and International performances, major events, and millions of attendees to our city;

WHEREAS, these venues continue to drive significant economic value to the city's restaurants, bars, retail shops and hotels each year;

WHEREAS, the aging of these venues has created a significant and increasing need for capital reinvestment;

WHEREAS, the total annual capital funding envelope for all 3 venues is only \$800,000;

WHEREAS, it has been identified that the cost of immediate repairs needed to the Convention Centre's exterior is estimated at \$2 million;

WHEREAS, it has been identified that the cost to replace end of life escalators and elevators at FirstOntario Centre is estimated at \$4.3 million;

WHEREAS, a recent report, CM17008 regarding the updating of the FirstOntario Centre, identified that a partial upgrade to the existing facility with remodelling of key areas would cost an estimated \$68 million and a full transformation would cost an estimated \$252 million; and,

WHEREAS, a motion was approved by Council on March 9, 2016 to direct the City Manager to establish a task force of subject matter experts, to identify

strategic opportunities and to achieve realizable outcomes related to the City's real estate interests;

THEREFORE BE IT RESOLVED:

- (a) That staff be directed to investigate the opportunities for the redevelopment of the FirstOntario Centre, the Hamilton Convention Centre, and the FirstOntario Concert Hall, with the investigation to included, but not be limited to, an examination of:
 - (i) developers' interest in creating a sports and entertainment precinct; and,
 - (ii) potential for the precinct to include an arena, a convention centre, a concert hall, residential, and retail;
- (b) That the potential sale and/or transfer of ownership of the FirstOntario Centre, the Hamilton Convention Centre, and the FirstOntario Concert Hall properties, as the City's financial contribution towards a future development, be considered;
- (c) That staff be directed to seek input from community stakeholders, industry experts, and comparator municipalities and report back to the General Issues Committee with recommendations regarding the scope of work and the process to move forward;
- (d) That staff be directed to conduct the appropriate due diligence in the event that staff receives an unsolicited proposal outlining a development proposal for any or all of the properties in question: the FirstOntario Centre, the Hamilton Convention Centre, and the FirstOntario Concert Hall that secures private investment funds;
- (e) That any discussion regarding the location of a new arena not be limited to the Hamilton downtown core; and,
- (f) That an open, transparent and highly publized process, aimed at engaging citizens across the city for their input, be implemented.

CARRIED

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 1)

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

1. MINUTES OF PREVIOUS MEETING (Item 3)

3.1 November 24, 2017 – REVISED

2. PRESENTATION (Item 7)

7.1(a) 2018 a Tax Supported Capital Budget (FCS17099(a)) (City Wide)

3. DISCUSSION ITEMS (Item 8)

8.2 Capital Lifecycle Renewal – FirstOntario Centre Vertical Transportation (PW17095(b)) (City Wide)

4. MOTIONS (Item 9)

9.2 Motion to Amend Appendix “G” to Report FCS17081, respecting the 2018 Recommended Water, Wastewater and Stormwater Budget

(Pearson/VanderBeek)

That the agenda for the December 1, 2017 General Issues Committee (Budget) meeting be approved, as amended.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

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

(i) November 24, 2017 (Item 3.1)

(A. Johnson/Skelly)

That the revised Minutes of the November 24, 2017 General Issues Committee (Budget) meeting be approved, as presented.

CARRIED

(d) PRESENTATIONS (Item 7)

(i) 2018 Tax Supported Capital Budget (FCS17099) (City Wide) (Item 7.1)

Mike Zegarac, General Manager of Finance and Corporate Services, addressed Committee and provided a PowerPoint presentation respecting Report FCS17099 – 2018 Tax Supported Capital Budget.

(Collins/Skelly)

That the presentation, respecting the 2018 Tax Supported Capital Budget, be received.

CARRIED

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

(Merulla/Collins)

(a) That Report FCS17099, respecting the 2018 Tax Capital Budget, be amended by deleting sub-sections (h), (i), (j) and (k) in their entirety, and replacing them with the following in lieu thereof:

~~(h) That the General Manager, Finance and Corporate Services be authorized to negotiate the terms and placement of a debenture issue(s), and/or private placement debenture issue(s), 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 \$21,844,000 related to the 2018 Tax Supported Capital Budget, as attached in Appendix "A" to Report FCS17099, which includes \$13,790,000 in Tax Supported debt and \$8,054,000 in Development Charges Tax Supported debt;~~

~~(i) That the General Manager, Finance and Corporate Services be authorized to negotiate the terms and placement of a debenture issue(s), and/or private placement debenture issue(s), 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 \$42,137,000 related to the 2018 Rate Supported Capital Budget, as attached in Appendix "G" to Report FCS17099, which includes \$16,615,000 in Rate Supported debt and \$25,522,000 in Development Charges Rate Supported debt;~~

~~(j) That the General Manager, Finance and Corporate Services and Mayor be authorized to negotiate and execute all required documentation satisfactory to the City Solicitor to~~

~~secure the terms and issuance of a debenture issue(s), and/or private placement debenture issue(s), and/or bank loan agreement and debenture issue(s), and/or variable interest rate bank loan agreement and debenture issue(s); and to engage the services of a fiscal agent(s), and/or Infrastructure Ontario's Loan Program, and outside legal counsel; and to enter into all agreements necessary, including Letter(s) of Representation with The Canadian Depository for Securities Limited;~~

- ~~(k) That a By-Law(s) be passed authorizing the debenture issue(s), and/or private placement debenture issue(s), and/or bank loan agreement and debenture issue(s), and/or variable interest rate bank loan agreement and debenture issue(s), as negotiated and placed in accordance with recommendation (h) and (i) above.~~
- (h) That the General Manager, Finance and Corporate Services be authorized 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 \$20,447,000 Canadian currency, which includes \$12,393,000 Canadian currency in Tax Supported debt and \$8,054,000 in Development Charges Supported debt;**
- (i) That the General Manger, Finance and Corporate Services be authorized 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 \$42,137,000, as attached in Appendix "G" to Report FCS17099, which includes \$16,615,000 in Rate Supported debt and \$25,522,000 in Development Charges Supported debt;**
- (j) That the General Manager, Finance and Corporate Services be authorized to engage all required professional services to secure the terms and issuance of the debenture issue(s) described in subsections (h) and (i) to include, but not limited to, external legal**

counsel, fiscal agents, and Infrastructure Ontario's Loan Program;

(k) That the General Manager, Finance and Corporate Services, the Mayor and the City Clerk are 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 (h), (i) and (j), in a form satisfactory to the City Solicitor; and,

(b) That Report FCS17099, respecting the 2018 Tax Capital Budget, be further amended by adding a new sub-section (l), which reads as follows and relettering the balance accordingly:

(l) That staff be directed to prepare the necessary By-Law(s) to authorize the debenture issue(s) negotiated, placed and secured in accordance with subsections (h), (i) and (j).

CARRIED

(e) DISCUSSION ITEMS (Item 8)

(i) Hamilton Police Services Board Report 17-122 – Hamilton Police Service Projected Capital Expenditures 2018-2027 (Item 8.1)

Councillor M. Green wished to be recorded as OPPOSED to Item 8.1.

(f) MOTIONS (Item 9)

(i) Motion to Amend Appendix “G” to Report FCS17081, respecting the 2018 Recommended Water, Wastewater and Stormwater Budget (Item 9.2)

(Farr/Merulla)

That Appendix “G” to Report FCS17081, respecting the 2018 Recommended Water, Wastewater and Stormwater Budget, which was before Committee on November 17, 2017 and is not yet approved by Council, be amended by:

(i) deleting the Dept ID and Account Number beside the heading of “Metals”;

- (ii) deleting Reference Number 16 – Hydride Generation in its entirety;
- (iii) deleting Reference Number 16a) – Arsenic in its entirety;
- (iv) deleting Reference Number 16b) – Antimony in its entirety;
- (v) deleting Reference Number 16c) – Selenium in its entirety;
- (vi) deleting Reference Number 17 – ICP Scan Wastewater in its entirety;
- (vii) adding ICP OES Scan (Wastewater) with a proposed fee of \$53.75;
- (viii) deleting Reference Number 19a) – Lead in its entirety;
- (ix) deleting Reference Number 19b) – Cadmium in its entirety; and,
- (x) by renumbering the balance of the References accordingly, to read as shown in Appendix “A” attached hereto.

CARRIED

(g) PRIVATE & CONFIDENTIAL (Item 12)

(i) Closed Session Minutes – November 24, 2017 (Item 12.1)

(Pearson/Whitehead)

- (a) That the Closed Session Minutes of the November 24, 2017 General Issues Committee (Budget) meeting, be approved; and,
- (b) That the Closed Session Minutes of the November 24, 2017 General Issues Committee (Budget) meeting remain confidential.

CARRIED

(g) ADJOURNMENT (Item 13)

(Skelly/B. Johnson)

That, there being no further business, the General Issues Committee (Budget) be adjourned at 1:32 p.m.

CARRIED

Respectfully submitted,

Stephanie Paparella
Legislative Coordinator
Office of the City Clerk

Deputy Mayor, R. Pasuta
Chair, General Issues Committee