



General Issues Committee

REPORT 11-003

9:30 a.m.

Thursday, January 13, 2011

Friday, January 21, 2011

Council Chambers

Hamilton City Hall

71 Main Street West

January 13, 2011

Present: Deputy Mayor C. Collins (Chair)
Mayor B. Bratina
Councillors B. Clark S. Duvall, J. Farr, L. Ferguson, T. Jackson,
B. Johnson, B. McHattie, S. Merulla, B. Morelli, J. Partridge,
R. Pasuta, M. Pearson, R. Powers, T. Whitehead

Also Present: C. Murray, City Manager
R. Rossini, General Manager, Finance and Corporate Services
G. Davis, General Manager, Public Works
T. McCabe, General Manager, Economic Development & Planning
J. A. Priel, General Manager, Community Services
Dr. E. Richardson, Medical Officer of Health
C. Biggs, Co-ordinator, Committee Services/Council/Budgets

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Dr. C. Mackie, A/Medical Officer of Health
C. Biggs, Co-ordinator, Committee Services/Council/Budgets

Council – January 26, 2011

THE GENERAL ISSUES COMMITTEE PRESENTS REPORT 11-003 AND RESPECTFULLY RECOMMENDS:**1. Location of GO Transit Transportation Hub in Winona**

That staff be directed to communicate with GO Transit to advise that the Transportation Hub is to be located inside the commercial development on the southwest corner of Fifty Road and the South Service Road in Winona.

FOR THE INFORMATION OF COUNCIL:**(a) CHANGES TO THE AGENDA (Item 1)****(i) Added Private and Confidential matter respecting a Personnel Matter**

On a motion (Clark/Pearson) the agenda was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

None

(c) PRIVATE AND CONFIDENTIAL

On a motion (Whitehead/Duvall) the Committee moved In Camera at 9:40 a.m. pursuant to Section 8.1(d) of the City's Procedural By-law and the Municipal Act with as the subject matter is a personnel matter which deals with personal matters about an identifiable individual, including City employees, and discussed this item prior to receiving the Capital Budget presentation.

On a motion (Clark/Powers) the Committee reconvened in Open Session at 10:30 a.m.

On a motion (Clark/Powers) the information provided was received.

(d) PRESENTATIONS**2011 Tax-Supported Capital Budget (FCS11011) (City Wide) (Item 7.1)**

Staff provided a power point presentation, which included the following:

- State of the City's Infrastructure: Summary, asset inventory and valuation (all assets \$15B); required vs actual capital investment; discretionary Capital Budget forecast vs deficit ratio; asset replacement value (Public Works) per 50' property frontage (\$92,300); asset replacement value (community Services) per 50' property frontage (\$10,300); daily

household cost comparisons, 10-year road funding demand to maintain status quo; building a local roads program dedicated to ½% scenario; asset preservation program – 2009-2010 completed neighbourhoods; asset preservation program – next priority neighbourhoods; 2011 – continue asset preservation program (\$6M for neighbourhoods; 1/2% scenario); 2012 – local roads program (Continued ½% increase); 2013 – local roads program (continued ½% increase); 2014 – local roads program (continued ½% increase); roads service delivery options – 2012 and forward, based on a stable \$40M block allocation; stable block allocation – local road program

- Developing levels of Service, Public Engagement: Moving forward – all asset classes; developing levels of service community engagement; asset management is service management
- Tax Capital Funding Trends: tax capital history; gross tax capital funding sources; capital levy 2006 to 2010
- 2011 Recommended Tax Capital Budget: Objectives; 2011 tax capital budget highlights; Community Services – Recreation; Economic Development/Local roads; Hamilton Emergency Services; Public Works – Facilities, Fleet, Open Space, Roads, Transit, Waste Management; 2011 Capital budget by program and category; financing options – capital; 2011 capital funding
- 2011 Tax Capital Budget Options – 2011 proposed tax capital budget – review of options presented in Report FCS11011; Capital levy – capital budget impact on operating budget; 2011 capital funding options
- 2011-2020 Tax Capital Forecast: 2011-2020 Tax Capital Budget highlights; tax capital forecast 2011-2020; 2011-2020 capital forecast by program; 2011-2020 capital funding forecast; 2011 proposed tax capital projects with multi-year obligations
- Debt/Funding Impact: Debt forecast 2011-2020; consolidated outstanding debt forecast 2011-2020; 2011
- 2011 Waste Management Revisions (Addendum to FCS11011)

Comments were provided by the committee and staff including, but not limited to:

- Need greater ability to get worst roads through budget and respond to community complaints; need to shift gears quicker to accomplish
- Staff has responded to local road issue, did not have this ability three or four years ago
- Need to educate public on where tax money is going
- Want to ensure that Risk Management is involved in the process
- Report on impact of HST some time during the budget process; staff responded that a report was done for last year; the figures provided this year are inclusive of the HST
- Constantly hear cut spending, but presentation shows significant needs in roads
- Request for report back on costs for rapid transit

- Is there option to put more money into the “shave and pave” budget
- Will show ward specific works in future and city wide separately
- Staff will have discussions with Councillors earlier with respect to Council Strategic Initiatives
- Items in capital budget with respect to HECFI can be held pending review of HECFI operations
- Request to address multi-year programs e.g., Emerald Ash Borer plan, and if this commits the City to invest dollars in future years; staff will provide information with respect to future years; ten or 15 such situations in the budget
- St. Mark’s Church appears as two line items; first is remedial work and the other is to convert into a museum, but no operating costs shown; what is the expectation of a city-run facility and what are the costs involved
- Staff requested to provide information on how the City has been positioned in terms of capital budgets over the last five years

On a motion (Pearson/Partridge) the presentation provided by staff respecting the 2011 Tax-Supported Capital Budget was received.

On a motion (Powers/Partridge) staff was directed to report back to the January 21, 2011 meeting with options and alternatives with respect to capital savings or redirection of funds to free up funds to put toward specified uses and look for savings within the operating budget that can be directed to the taxpayers or a combination of both in order to provide increased delivery and improve the infrastructure that is required.

The Committee requested that staff provide amended pages to reflect the 2011 Waste Management revisions (addendum to Report FCS11011) as outlined in the presentation.

(f) NOTICE OF MOTION

On a motion (Johnson/Pearson) the rules of order were waived in order to allow Councillor B. Johnson to introduce of a Notice of Motion respecting the Location of GO Transit Transportation Hub in Winona.

Councillor B. Johnson introduced the following Notice of Motion.

Location of GO Transit Transportation Hub in Winona

Whereas the land on the southwest corner of Fifty Road and the South Service Road in Winona has been approved for Commercial Development;

And Whereas this Commercial Development was approved with the concept of a transportation hub on the west side of this development;

And Whereas recently, GO has been showing the location of this transportation hub on the opposite corner, that being the southeast corner of Fifty Road and the South Service Road;

And Whereas the public were led to believe that the transportation hub was to be located within the Commercial Development on the southwest corner of Fifty Road and the South Service Road.

Therefore be it resolved:

That Council direct staff to communicate with GO to advise that the Transportation Hub is to be located inside the Commercial Development on the southwest corner of Fifty Road and the South Service Road in Winona.

On a motion (Johnson/Pearson) the rules of order were waived in order to allow for the introduction of a motion respecting the Location of the GO Transit Transportation Hub in Winona.

See Item 1 for the disposition of this item.

(g) ADJOURNMENT

On a motion (Clark/Powers) the Committee recessed at 3:05 p.m. Budget deliberations will continue on January 21, 2011.

The Committee reconvened at 9:30 a.m. on January 21, 2011

(a) CHANGES TO THE AGENDA (Item 1)

The Clerk advised of the following changes:

- (i) Update from the City Clerk respecting GIC meetings to deal with the Pan Am/Ivor Wynne Stadium issue
- (ii) Update from the General Manager of Finance and Corporate Services respecting the 2011 tax-supported operating budget process.

On a motion (Pearson/Clark) the agenda be approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

None

(c) **SPECIAL GENERAL ISSUES COMMITTEE MEETINGS RE: PAN AM/IVOR WYNNE STADIUM ISSUE**

On a motion (Powers/Ferguson) the Clerk was directed to convene a meeting of the General Issues Committee at 1:00 p.m. on January 24 to discuss the report from the City Manager on the Pan Am/Ivor Wynne Stadium, and that if the Committee agreed on a resolution, it would be presented to Council for consideration at their regularly-scheduled meeting on January 26. However, should the Committee not agree on a resolution, General Issues Committee will reconvene on Thursday, January 27, 2011, at a time to be determined, for further discussions, with a recommendation being presented to a special meeting of Council on Monday, January 31, 2011.

The motion **CARRIED** on the following recorded vote:

Yeas:	Bratina, Collins, Whitehead, Duvall, Jackson, Merulla, Morelli, Farr, McHattie, Pearson, Ferguson, Powers, Pasuta, Partridge
Total Yeas:	14
Nays:	Clark, Johnson
Total Nays:	2

(d) **PRESENTATIONS (Item 7)**

(i) **2011 Tax-Supported Capital Budget**

Mike Zegarac provided an update on the 2011 tax-supported capital budget which included the following:

- Recap of the Tax Capital Budget options from the January 13, 2011 General Issues Committee meeting: 2011 proposed tax capital budget; 2011 capital funding options; direction to staff; approach taken; mitigating measures; capital project deferrals; capital project reductions;
- 2011 Recommended Tax Capital Budget Update
- Capital Levy; capital forecast 2011-2020
- Summary of Multi-year budgets
- Summary of capital projects with future operating impacts
- Summary of the priorities identified by Councillors through the meetings conducted during the week of January 10, 2011
- Additional information regarding included/not included projects
- Delivery options.

Comments from the Committee included, but were not limited to, the following:

- Committee members thanked all staff involved in the budget process for their efforts in providing information that they had requested by e-mail and during their respective meetings, and for the information provided in presentations at the meetings
- With respect to the presence of general accommodation lines in a number of divisions, staff responded that a report will be presented to the Purchasing Sub-Committee with a plan of how to go forward with recommendations and options to deal with budget and spending for furniture
- Concern was expressed with respect to multi-year projects in terms of once the funding has been approved for a specific calendar year, there will be related additional expenditures over an extended period of time e.g., Emerald Ash Borer; staff responded that a report was presented to the Public Works Committee in 2010 identifying the overall impact; currently carrying out a risk management assessment of existing trees and a report will be presented to the Public Works Committee identifying various options
- Staff indicated that they will be coming back to members of Council with workshops throughout 2011 leading to the 2012 capital budget to obtain feedback
- Needs to be a separation between needs list and wants list
- Are there any other items on the list of multi-year projects which commits funds to future years, e.g., Auchmar?; staff responded that Auchmar is a staged approach and does not commit to future funding; money requested in 2011 is for the stabilization of the Manor House; staff will come back in 2011 with a complete Business Plan on how to operate Auchmar
- With respect to the Solid Waste Management Master Plan, if it is found that Waste has a surplus and Roads has a deficit, is there an opportunity to avoid the \$20 million to the MRF, understanding that there are operational needs in other areas; staff responded that the \$500,000 in 2011 is to review the Plan (19 recommendations) and come back to Committee with options; funding requests for 2012 and forward are not committed; staff will provide an update to the Public Works Committee on February 7 with respect to the \$500,000 and next steps before these funds are included in the budget program
- Staff advised that any variance remaining from the construction of the Mountain Police Station will be divided 30% to the development charges debt and 70% to reduce the tax-supported debt, as per the City's Capital Closing Policy
- Are there other areas to reduce FTE's; staff responded that once the capital budget is approved, there will be an impact on the operating budget
- Staff advised that they will continue to meet with the Ward Councillors with respect to 2011 deliverables; focus will be on urbanization and reconstruction projects

- With respect to smoking in parks – is putting up signs in public parks a priority this year; staff responded that information will be provided to the Board of Health in February; most of the funding is going toward public education and promotion of the by-law; actual cost of signage is 2% or 3% of the total cost
- At some point, want to see a program developed where urbanization on local streets is prioritized for a 10 or 20 year period so residents will know when they can expect improvements in their neighbourhoods; need to develop communications in terms of how it gets paid for; what is apportionment of cost to the resident
- Think about forecasting for a 4-year period within a 10-year capital budget
- With respect to the \$475,000 required for the Call Centre, staff responded that \$100,000 of that amount is to improve the City's website and to implement more transactional service
- Discussion on establishing a sub-committee to deal with capital issues as it relates to how items are detailed.

The Committee requested staff to provide details on individual projects with respect to arenas, rather than presenting consolidated annual projects.

Following the discussion, the following programs were “parked” to the unallocated capital pending receipt of additional information:

(i)	Smoking in Parks and Recreation Areas - Signage and Education (6771151102)	\$100,000
(ii)	SWMMP – MRF (5120594527)	*\$500,000
(iii)	Hamilton Culture and Protocol Centre at Auchmar Estate (7101058703)	\$550,000
(iv)	Battlefield Site Interpretation Construction - Ward of 1812 (7201141700)	\$110,000
(v)	Organization-Wide Service Improvements for Telephone and On-line Services (2051157102)	\$475,000

* Councillor Powers requested that this item be forwarded to the Solid Waste Management Master Plan Steering for comment.

677115110 – Air Monitoring – Hamilton East End Pilot Project, in the amount of \$70,000, was moved from Proposed Reductions to Proposed Deferrals.

**2011 Tax-Supported Capital Budget (FCS11011) (City Wide)
(Item 7.1)**

On a motion (Jackson/Merulla) the recommendations contained in Report FCS11011, as amended with the numbers reflecting a .5% increase as recommended by staff, were referred to the 2011 Capital Budget deliberations.

Future Staffing Efficiencies

On a motion (Ferguson/Whitehead) staff was directed to find 2011 staffing requirements from within existing complement through efficiencies, sunsetting projects, etc.

(ii) 2011 Budget Process Update

Rob Rossini provided the Committee with an update of the 2011 budget process update and provided two options for the Committee's consideration. The Committee was advised that the 2011 Operating Budget and tax levy needs to be approved by April 30, 2011; otherwise any delay will result in revenue lost to the City.

The Committee agreed to stay on course with the schedule as originally set out, as follows:

February 3	Budget Overview (GIC)
February 16, 17, 22 and 28	Departmental Budget Overviews (Standing Committee)
February 24	Public Delegations (GIC)
February 25	Boards and Agencies (GIC)
March 24, 25, 28 and 29	Departmental Budget Deliberations (Standing Committees)
April 7 and 8	Budget Deliberations (GIC)
April 13	Final Budget Approval (Council)

(e) NOTICES OF MOTION

Councillor R. Powers introduced the following Notice of Motion:

Establishment of a Budget Sub-Committee

That a sub-committee of Council, with mutually-developed Terms of Reference, be established as soon as possible to work with the City Manager and appropriate staff to further explore opportunities for fiscal savings and business efficiencies within the Operating and Capital Budgets;

Councillor Clark introduced the following Notice of Motion:

Operating Budget Principle

That the following Operating Budget principle be adopted:

That the City of Hamilton hold the line on the 2011 budget by not exceeding the actual 2010 expenditures with no service, cuts while utilizing attrition, departmental reorganizations and the elimination of annual gapping.

There being no further business, the Committee adjourned at 1:40 p.m.

Respectfully submitted

Councillor C. Collins, Deputy Mayor
General Issues Committee

Carolyn Biggs, Co-ordinator
Committee Services/Council/Budgets
January 13, 2011/January 21, 2011