



**Planning Committee
REPORT 11-004
BUDGET**

**Tuesday, February 22, 2011
9:30 am
Council Chambers
City Hall, 71 Main Street West,
Hamilton, Ontario**

Present: Chair: Councillor R. Pasuta
Mayor Bratina, Vice Chairs: Councillor: J. Farr
Councillors: C. Collins, L. Ferguson, B. Johnson, J. Partridge,
M. Pearson, T. Whitehead

Absent: Councillor B. Clark - illness

Also present: Councillor S. Merulla
C. Murray – City Manager
T. McCabe, General Manager – Planning and Economic
Development
R. Rossini, General Manager – Finance and Corporate Services
B. Janssen, P. Mallard, T. Sergi, M. Hazell, J. Spolnik,
D. Adames, N. Everson, G. Norton, - Planning and Economic
Development
A. Rawlings – City Clerk’s Office

**THE PLANNING COMMITTEE PRESENTS REPORT 11-004 AND RESPECTFULLY
RECOMMENDS:**

- 1. 2011 Tax Supported Operating Budget – Planning & Economic
Development (FCS11023 (g)) (City Wide) (Item 5.1)**
 - (a) That the 2011 net operating levy for Planning & Economic Development of \$16,727,677, inclusive of Recommended Savings Options as per Appendix Three to report FCS11023(g), and as reduced by reductions in both the Tourism and the Parking and By-law Services Operating Budgets to 0%, be received and forwarded to General Issues Committee Budget process, for consideration

FOR THE INFORMATION OF COUNCIL:**(a) CHANGES TO THE AGENDA (Item 1)**

The Clerk advised there were no changes to the agenda.

On a Motion the agenda was approved, as presented

(b) DECLARATIONS OF INTEREST (Item 2)

Councillor Ferguson noted that as an investor in the taxi industry, he is declaring a conflict on any report where the taxi industry is included.

(c) APPROVAL OF MINUTES (Item 3)

None

(d) 2011 Tax Supported Operating Budget – Budget Summary Report (FCS11023) (City Wide) (to be distributed under separate cover) (Item 4.1)

Committee received this item.

(e) 2011 Tax Supported Operating Budget – Planning & Economic Development (FCS11023(g)) (City Wide) (Item 5.1)

Tim McCabe, General Manager, Planning and Economic Development, addressed the Committee with the aid of a Power Point Presentation and associated hand outs, including organization charts. Copies of the handouts were distributed to Committee.

Highlights included but were not limited to the following:

- overall, 0.5% increase proposed, below Council's 0% goal
- expecting to achieve further reductions, to bring overall to 0.7%
- \$54.3 million budget, \$37 m revenue, never will be 100% revenue as planning includes non-application elements
- 500 FTE's, 11 direct reports to General Manager
- cost drivers – 75% is payroll, includes increases in OMERS, this year less parking fine revenue when Impark opted out of enforcement at

- private lots, free parking for Veterans, parking revenues shared with BIAs
- base budget savings in 2011 include reduction in Animal Control contract services, general increase in license revenue from “blitzes”
- 2011 savings options include new sign permit fees, new taxicab inspection fees
- development revenues show bulk of revenue from subdivision processing fees
- building permits increased in value in 2010, building permit fee increases now in hand (there were no increases between 2005-2009), stabilization reserve still needs improvement
- need to improve Development Stabilization Reserve
- Hamilton Municipal Parking System successful, self-financed, no money taken from tax levy, but all surplus returned to levy
- 36.5 FTE vacancies on January 31, 2011

- Downtown Renewal and Economic Development/Real Estate to be merged, Down Town Director position vacancy could become a Manager.

Following comments and questions from Committee, staff was directed to provide the following:

- Slide to show commercial and industrial growth, separate from residential growth
- building permit comparison chart (slide 10) to be revised to include local municipalities, including Mississauga
- chart for all departmental costs, include all contractual matters such as leases for accommodation, telephones, etc., and list of accounts for all cost categories.

John Spolnik, Director, Building Services, gave an overview of his departmental budget. Highlights included, but were not limited to, the following:

- Building Enterprise Model – all costs associated with enforcing Ontario Building Code Act are recovered through fees, must be spent in specific ways
- 80% of departmental costs are enterprise funded, remaining 20% is from levy
- reduction of 4 FTE’s
- Residential building permits are 60% of total, commercial/industrial was 28.5%
- Building permits more than doubled in value in 2010
- Challenges include increased workload associated with permit issuance, enforcement of backflow prevention devices; new Building Code 2012 will bring new training/certification issues

- Improvements include now meeting legislated time frames for building permit issuance; all fleet now hybrid vehicles; all fleet now City-owned vehicles
- Operational Review in 2006 led to improvements overall
- Building permit surplus transferred to building permit reserves, \$4m transferred in 2010
- Have links with Mohawk, meet with College, regularly reviewing internships, training needs, etc
- All complaints are tracked.

Following the staff presentation, Committee directed the provision of the following:

- slide to show industrial/commercial and residential permits from 2008-2010.

Glen Norton, Acting Director of Downtown and Community Renewal addressed Committee. His comments included but were not limited to the following:

- major review of mandate on-going, following retirement of Ron Marini

Committee discussed the issues raised, and staff provided the following information:

- potential elimination of Director position/replacement with Manager, upon merging with Economic Development, all being evaluated.

Neil Everson, Director of Economic Development and Real Estate, addressed Committee. His comments included, but were not limited to, the following:

- main functions are business development and real estate for entire City
- challenges for 2011 include costs related to proposed LRT property negotiations, need additional FTE for increased volume of Small Business Centre
- 2010 removed lease costs of 1 James Street and Small Business Centre when moved into City Hall
- Business Incubator Building now 25 years old, has never had Capital Budget allocation.

Committee discussed the information presented, and staff provided the following information:

- changes to real estate, land registry and process will be addressed by City Solicitor in Budget presentations next week

- Jobs Prosperity Collaborative provides good input to City on many levels, Council approved an annual budget expenditure of \$100,000 in 2010
- 1.3% assessment growth in 2010 is an actual figure, provided by MPAC, but MPAC has time lag before posts new assessment, this is a Province-wide problem. When businesses are re-assessed, they are back-dated up to two years
- City pays \$6m a year to MPAC for their services.

Following the staff presentation, Committee directed the provision of the following:

- provision of details respecting history of funding for Small Business Enterprise Centre, from partnerships and reserve
- provision of detailed break-down of JPC budget and costs, including staff time
- provision of details of discretionary spending respecting partnerships with Chamber of Commerce and Hamilton Airport in Economic Development

On a Motion (Farr/Pearson), Committee recessed for a 15 minute lunch break.

On a Motion (Pearson/Partridge), Committee resumed at 1:50 pm.

Tony Sergi, Senior Director, Growth Management, addressed Committee. His points included, but were not limited to, the following:

- organization chart does not complete entire picture, as organization still evolving
- confirmed no change in his salary when he became Senior Director
- moving towards one-stop shopping in process, has included transfer of grading from Building Services, transfer of staff from Public Works
- user fee review and process review are on-going.

Committee discussed the information presented, and raised issues including the following;

- possible duplication of roles/responsibilities with Public Works staff, particularly in water/wastewater; potential of barriers in decision-making process
- will Super-Directors cost City more in long term, Public Works Senior Directors are now at Level 13
- need to see results of Organizational Review, to see job descriptions of the two new Directors
- need to avoid future scale/salary increases.

Committee directed the provision of the following:

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- job descriptions of Senior Director and two Directors in Growth Management.

Councillor Whitehead proposed a Notice of Motion, and requested it be brought forward to the next regular Planning Committee Meeting on March 1, 2011 (See Item 10).

Marty Hazell, Senior Director, Parking and By-law Services, addressed Committee. His comments included, but were not limited to, the following:

- Division has multi-functional workforce, spread over five work places
- Following 2007 Operational Review, inefficiencies addressed and better functioning achieved
- Current figures propose 0.5% increase but this will be improved, already down to 0.77%.

Committee discussed the information provided and raised issues including the following:

- now is City losing money on off-street parking lots
- how counter service, provision of services at Customer Service Centres works – are changes expected after consultant's study, when will these happen
- is City looking at "like" functions, to combine them

- huge challenges with introduction of parking meters in new areas, including Stoney Creek, Waterdown, etc. are we making money.

Committee passed the following Motion:

- (a) That SMT investigate the possible merger (reorganization) of the municipal service centres and the call centre with Parking and By-law Services with the objective of finding employee related savings.
- (b) That the findings be presented to Committee as part of the 2011 budget process.

Paul Mallard, Director of Planning, addressed Committee. His comments included, but were not limited to, the following:

- challenges include managing vacancies to adapt to development activity; managing public/industry concerns over intensification; new legislation, including PPS review
- increased delivery of on-line services.

Bill Janssen, Director, Strategic Services/Special Projects, addressed Committee. His comments included, but were not limited to, the following:

- Rural Official Plan approved by Province, 42 appeals on-going
- Urban Official Plan at Province for approval
- When two new Official Plans are in place, can move forward with new zoning
- Industrial Zoning By-law appeals now in final stages.

Committee discussed the information provided and raised issues including the following:

- how can Committee compare expenditures on FTEs between the years, when the same base figures on FTEs are not provided? Fundamental issue for Council in Budgets for all departments
- will positions be eliminated when both Official Plans finally approved?

Staff explained that some positions would be eliminated but still need Manager, staff on an on-going basis.

Committee provided the following staff direction:

- staff to provide details of FTE's for 2010 and 2011, to allow proper comparisons to be made.

David Adames, Director, Tourism Hamilton, addressed Committee. His comments included but were not limited to the following:

- Tourism supports work of Tourism Hamilton, City invest \$1.46m
- Structure of group will change with new programme for Pan-Am
- New web-site in 2010
- Tourism Info Centre moved from Pigott Building to Jackson Square, also seasonal Centre at Airport
- New signage, updated tourism signage being provided around City
- Tourism offices still in Pigott Building
- Changes in Tourism structure in Province, Hamilton now part of regional tourism organization 3, with Halton and Brantford
- Local level work still needed.

Committee discussed the information provided and raised issues including the following:

- Tourism Manager position currently not filled, is it needed?
- What is spending split Regionally v Locally?
- Could responsibilities of Pan-Am be transferred elsewhere in organization?

- Concern that materials and supply costs are higher, still paying rent at Pigott Building
- Tourism Hamilton business model currently used, what are other municipalities doing?
- Is there an overlap between Tourism/Economic Development and Downtown divisions, could some/all be merged to create synergies, better value
- If City paying entire Tourism bill, as private investors have not come forward, do we need an arm's length structure?

Staff responses included the following:

- City will be asking Province to assist with Pan-Am staffing, so that Pan-Am does not rely on levy funding, this position or positions will be cross-City
- 4 different models for Tourism
 - o municipally run e.g. Brantford, London
 - o private, non-for-profit e.g. Toronto, Ottawa
 - o Hamilton's is amalgamation of these 2
 - o Smaller communities use Chamber of Commerce
- Downtown and Economic Development are going to merge. Economic Development used to include Tourism, but it was spun off to a Board, to get higher profile, higher focus.

Committee provided the following staff direction:

- that staff continue to investigate the opportunities and efficiencies regarding the potential merger of Downtown and Community Renewal and Tourism with the Economic Development and Real Estate Division
- staff to provide an update on the Provincial funding for the staffing for the Pan-Am Games, i.e. Manager and Administrative Assistant, and to clarify if this is now a Budget pressure

The Chair thanked Mr. McCabe and the Directors for their presentations.

On a Motion, the staff presentation respecting Report FCS11023(g), 2011 Tax supported Operating Budget –Planning and Development, was received.

Committee provided the following additional staff direction:

- That Parking and By-law Services and Tourism continue to work on further budget reductions, to bring their proposed budget to 0%.

- That staff report back on the pay scales for Senior Director and Director positions, and report back on opportunities to compress all pay scales and grids, in all areas of the organization, using the example shown on page 62 of the staff report.

(f) MOTIONS (Item 9)

None

(g) NOTICES OF MOTION (Item 10)

Councillor Whitehead proposed the following to be considered on March 1, 2011:

That a Sub-committee of the Planning Committee work with staff to develop Terms of Reference for the Growth Management Division Operational Review.

(h) GENERAL INFORMATION/OTHER BUSINESS (Item 11)

None

(i) PRIVATE AND CONFIDENTIAL (Item 12)

None

(j) ADJOURNMENT (Item 13)

There being no further business, the Committee adjourned at 4:00 p.m.

Respectfully submitted

Robert Pasuta, Chair
Planning Committee

Alexandra Rawlings
Co-ordinator
February 22, 2011



Proposed Operating Budget Changes - Year 2011

		Recommended Savings Options		Impact - Low
Department	Planning & Economic Development	Division	Parking & By-law Services	
Service	Municipal Law Enforcement - Licencing & Permits - Sign Bylaw Program			
Current Service Level	Currently Building Services only issue building permits and consider sign by-law in that review.			
Proposed Service Level & Potential Impact	As per report PED05172(j) approved by Council December 15, 2010 Sign By-Law was amended to reduce exposure to liability from errors that could arise from Building Permits being used as sign permits. as a result, Building Services now only issue building permits and consider sign by-law in that review, and as a result, there is no charge for the sign by-law review. Recommend: new sign permit fee of \$125 for any new permanent signs/property/occasion and \$195 for changes to existing signs/property/occasion.			
Financial Analysis:				
Operating Budget Impact			Strategic Plan Linkage:	
Description	Annualized Amount	Pro Rata for 2011 @ 58%	2.1 Financial Sustainability	
Employee Expenses	-	-		
Other Expenses	-	-		
Total Gross Expenditure				
Less: Revenues	(40,000)	(23,333)		
- 0%	-	-		
Net Impact	(40,000)	(23,333)		
FTE	-	-		
New Sign Permit Fees			Update Ver 1 00	



	Recommended Savings Options			Impact - Low	
Department	Planning & Economic Development	Division	Parking & By-law Services		
Service	Municipal Law Enforcement - Licencing & Permits - Business Licences - Taxicabs				
Current Service Level	Spare taxicabs and meter seals are inspected twice per year by City Inspectors and currently there is no fee for this service. In addition each day that a spare taxicab is used to replace an existing vehicle, the City is notified prior to placing it in-service and again when the regular taxicab is returned to service. There is currently no fee for this and staff resources are used in processing these requests				
Proposed Service Level & Potential Impact	New annual spare taxicab inspection fee of \$145 to cover the cost of the inspecting spare taxis and taxi meter seals. New \$20 daily fee to for operating spare taxicabs. Both of these recommended fees are based on cost-recovery.				
Financial Analysis:					
Operating Budget Impact			Strategic Plan Linkage:		
Description	Annualized Amount	Pro Rata for 2011 @ 58%	2.1 Financial Sustainability		
Employee Expenses	-	-			
Other Expenses	-	-			
Total Gross Expenditure					
Less: Revenues	(13,425)	(7,831)	Capital Budget Impact		
- 0%	-	-			
Net Impact	(13,425)	(7,831)			
FTE	-	-	Year 2011	Years 2012 & Beyond	Total
	-	-	-	-	-
New Spare Cab Fees				Update Ver	1 00