



General Issues Committee

REPORT 11-032

9:30 a.m.

Tuesday, November 1, 2011

Council Chambers

Hamilton City Hall

71 Main Street West

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

Absent with Regrets: Councillor B. Clark – City Business
Councillor R. Pasuta – Personal

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

THE GENERAL ISSUES COMMITTEE PRESENTS REPORT 11-032 AND RESPECTFULLY RECOMMENDS:

- 1. 2012 Tax-Supported Capital Budget Overview (Item 3.1)**
 - (a) That the staff presentation respecting the 2012 Tax-Supported Capital Budget Overview, be received
 - (b) That the City Manager's presentation respecting the Senior Management Team 2011 Work Plan, be received.

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

The Clerk advised that there were no changes to the agenda. However, copies of the power point presentation to be provided by staff was distributed to all members and will also be available on the City's website for public viewing.

On a motion, the agenda was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 2)

None

(c) PRESENTATIONS**(i) 2012 Tax-Supported Capital Budget Overview (Item 3.1)**

Mike Zegarac, Director, Financial Planning and Policy, provided introductory comments including that the overall purpose of this Capital Budget Workshop is to engage Council and obtain feedback on capital priorities, issues, direction, etc, prior to the commencement of actual budget deliberations.

Workshop #1 will provide a brief overview/update on the State of the Infrastructure and a series of presenters from a cross-section of programs providing the Committee with some context leading into the budget deliberations. Staff is also seeking some input with respect to the 2012 Capital priorities.

The City Manager will also have a discussion with the Committee respecting the Senior Management Team's (SMT) 2011 work plan.

The following information was provided by each of the speakers as indicated during the power point presentation

Brian McMullen, Manager, Accounting Services, Corporate Services

- Brief overview of the State of the Infrastructure
- Accounting requirements; required to record book value, but for this purpose, talking replacement value
- Asset inventory and valuation of all capital assets = \$16 Billion – rate supported and tax supported
- Estimated replacement value of Public Works assets vs rest of the City – All Capital Assets = \$16 Billion
- Asset inventory and valuation levy-supported Capital assets = \$7 Billion

- Levy capital assets estimated annual requirements = \$234 Million
- Replacement Value and remaining useful life

John Murray, Manager, Asset Management

- Remaining useful life – Roads – Total Value = \$4.4 Billion
- Remaining useful life – Bridges and Culverts
- Remaining useful life – Corporate Facilities
- Asset Inventory – 2011 Changes

Mary Jo Harris, Acting Director of City-Wide Services, Community Services

- Overview of Recreation Current Need
- Recreation Capital Overview 2009-2014
- Recommended approach to Recreation Capital Budget

Bob McKnight, Manager of Housing Services

- State of the Infrastructure – Social Housing
- State of the Infrastructure – CityHousing Hamilton (CHH)
- CHH – Return on Investment

Mike Zegarac, Director, Financial Planning and Policy

Summary of Ward Meetings

- Results of one-on-one meetings with Councillors
- Focus areas: hard infrastructure repair deficit and Parkland shortfall
- Federal/Provincial funding policies
- 2011 Works-in-Progress and funding adjustments

2011 Unallocated Capital Update

- 2011 Parked Projects' Status
- 2011 Unallocated Capital

2012-2021 Capital Financing Strategy

- Capital Budget Challenges
- 2007-2012 (forecast) Gross Capital Budget
- 2007-2012 (forecast) Gross Capital Funding
- 2012-2021 Draft Gross Capital Budget
- Forecast 2012-2021 Gross Capital Funding
- 2012-2014 Draft Gross Capital Funding
- Federal and Provincial Gas Tax Revenue Sharing
- Preliminary 2012 Capital Levy – Staff's 10-year plan assumptions
- 2011/2012 discretionary Capital funding sources

- Discretionary funding – tax-supported Capital – discretionary forecasts annual total summary
- Budgeted and Actual Debt Forecast
- Debt forecast – Tax and Rate
- Actual Debt Forecast
- 2012-2011 Tax Capital Debt Forecast
- 2012 Tax Capital Budget Schedule

On a motion, the following was approved:

- (a) That between now and the November 9 meeting with respect to the Capital Budget, Committee members have an opportunity to meet with staff and provide staff with their questions, with staff to respond at that meeting.
- (b) That staff be requested to present a .75% and 1% annual levy increase scenario for Council's information.

The Motion **CARRIED**.

Chris Murray, City Manager

Discussion of Senior Management Team Work Plan

- 2011 Political Landscape
- SMT 2011 Work Plan
- Themes and Actions: Leadership and Governance; Prosperity; and, Sustainable Services
- Alignment with Strategic Plan (2012-2015)

The Committee was distributed with additional information outlining the Discretionary Tax-Supported Net Capital Funding Forecast 2012-2021 which was approved by Council through Report FCS11011(a) to assist in setting priorities.

Copies of the presentations have been retained in the Office of the City Clerk and can also be viewed on the City of Hamilton website.

There being no further business, the Committee adjourned at 12:00 noon.

Respectfully submitted

Councillor M. Pearson
Deputy Mayor

Carolyn Biggs, Co-ordinator
Committee Services/Council/Budgets
November 1, 2011