



CITY OF HAMILTON

**PUBLIC WORKS DEPARTMENT
Operations & Waste Management Division**

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: WARD 5
COMMITTEE DATE: June 6, 2012	
SUBJECT/REPORT NO: Budget Allocation and Confederation Park Interim Operating Agreement Update (PW11005b) - (Ward 5)	
SUBMITTED BY: John Mater, C.E.T. Acting General Manager Public Works Department	PREPARED BY: Ed DeVries (905) 546-2424, Extension 4819
SIGNATURE:	

RECOMMENDATION

That, in compliance with the Budget Control Policy FCS12010(A), the annual operating budget for Confederation Park be transferred from Boards and Agencies - Hamilton Conservation Authority (grants) to Public Works - Operations and Waste Management (contractual).

EXECUTIVE SUMMARY

The Hamilton Conservation Authority (HCA) provides contracted services related to the day to day management and operation of Confederation Park. The earlier service level agreement had expired and the City recently negotiated an Interim Operating Agreement as directed in General Issues Committee (GIC) Report PW11005 (a) Recommendation

(c) That the General Managers of Public Works, Community Services and Planning and Economic Development be authorized and directed to negotiate all necessary agreements in a form satisfactory to the City Solicitor, including an Interim Operating Agreement for the necessary lands comprising Confederation Park with the Hamilton Conservation Authority (HCA).

From a City perspective, the Operations & Waste Management Division in the Public Works Department is the custodian of Confederation Park and as the custodian it is more appropriate that the operating portion of the HCA budget for park operations be

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transferred from Boards and Agencies to the Operations and Waste Management Division for better budget control and accountability.

HCA received approval for their 2012 Operating Budget through GIC Report 2012 Tax supported Operating Budget - Boards & Agencies (FCS12013) - (City Wide). The approved operating budget for 2012 for Confederation Park was \$635,970.

It is recommended that this budget be transferred to the Operations and Waste Management Division and changed from Grants to Contractual Services.

Alternatives for Consideration - See Page 4

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial: Including the operating portion of the Confederation Park with the Public Works budget better aligns the costs and work being done by the HCA to provide contractual services to operate the City owned park.

Staffing: Existing staff with the Operations & Waste Management Division will act as Contract Administrator for this agreement.

Legal: The executed Interim Operating Agreement was prepared by Legal Services.

HISTORICAL BACKGROUND

As directed in GIC Report PW11005a Recommendation (c) staff from Public Works, Community Services, Corporate Finance, Planning and Economic Development, Tourism and Legal worked together to develop Interim Operating Agreement with HCA for Confederation Park.

The previous agreement was outdated and required updating and operated on a month to month basis which results in ongoing uncertainties. It was determined that an agreement needed to be negotiated for a longer contract period to recognize efficiencies for both the City and HCA. The focus of discussions between staff and HCA revolved around best practices to better monitor the management and operating services provided by HCA for Confederation Park and to establish better operating processes and communications practices between the City and HCA.

HCA received Council approval and funding in 2008 to update the Master Plan for Confederation Park. The Master Plan process has been completed and the resulting report was approved by the HCA Board on July 2010 and submitted to the City for review.

Time is needed to review the Confederation Park Master Plan in context of City priorities and its fit and timing with other City building initiatives.

This short term Agreement provides clarity of current program deliverables and costs and a process for communication and monitoring, while longer term objectives are developed related to the Master Plan.

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Several meetings were held during the last year with City staff and HCA Senior staff. As a result of these meetings an Interim Operating Agreement for Confederation Park has been successfully negotiated to the satisfaction of both the City Staff and HCA.

Key operating principles identified in the Interim Operating Agreement include:

- Clarification and a more detailed understanding of the roles for both the City of Hamilton and HCA in the approval process for park development
- Improvements with insurance requirements to ensure that HCA provides the park with the level of coverage required by the City
- The ability for staff to request more detailed budget and operating reports from HCA staff throughout the year for review and comment
- Clarification of the management fee as fair compensation to the HCA for its managerial, administrative and supervisory services not directly arising from the Confederation Park budget, with a provision for a 10% share of any operating surplus as an incentive
- Establishment of a Park Management Review Team (PMRT) and a dedicated City Contract Administrator which will improve communications and understanding of Park operations and ensure costs and program deliverables will be more closely monitored and understood

The Agreement is effective May 1, 2012 and expires December 31, 2014 with two one-year options for renewal. The Hamilton Conservation Authority Board approved the Interim Operating Agreement at its monthly meeting on Thursday, April 5, 2012.

It is the City's intention as we move forward to have staff continue to work closely with the HCA to improve communication and develop long term objectives for the park through the master plan process.

The Agreement for Confederation Park will be used as a basis for the development of a separate operating agreement for Westfield Heritage Village.

POLICY IMPLICATIONS

This recommendation for the transfer of the operating budget from Boards and Agencies to Public Works for the operating budget for HCA and Confederation Park complies with Corporate Policy No. CBP – 2.

The purpose of the policy is to ensure that City staff have appropriate authority and flexibility to manage budget resources to ensure programs and services are delivered in an effective and efficient manner. Council also requires assurances that budget resources are used for the purpose intended through the approval of the annual budget. The policy covers a number of scenarios that provide staff some flexibility, but ensures more significant items are brought to Council for approval. Transferring budget from one department to another, as is recommended in this report requires council approval. Council approved the Budget Control Policy at their meeting on February 22, 2012.

RELEVANT CONSULTATION

This recommendation report was completed in consultation with the Finance & Corporate Services Department. The development of the Interim Operating Agreement was developed in consultation with an inter-departmental working group consisting of representatives from: Public Works, Corporate Services, Risk Management, Culture, Legal Services, Recreation and Tourism.

ANALYSIS / RATIONALE FOR RECOMMENDATION

The Interim Operating Agreement establishes a Park Management Review Team (PMRT) and a dedicated City Contract Administrator (CA). The establishment of the PMRT and CA which will improve communications and understanding of Park operations and ensure costs and program deliverables will also be more closely monitored and understood. Transferring the operating budget to Public Works will assist in the PMRT and the CA.

ALTERNATIVES FOR CONSIDERATION

Council could choose to leave the funding with Boards and Agencies but as the custodian of the park, Operations & Waste Management staff would not have direct control over the funding, and this would also make monitoring the operating budget more difficult.

CORPORATE STRATEGIC PLAN

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Skilled, Innovative & Respectful Organization

- ◆ More innovation, greater teamwork, better client focus

Financial Sustainability

- ◆ Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner

Intergovernmental Relationships

- ◆ Maintain effective relationships with other public agencies

Growing Our Economy

- ◆ An improved customer service

Healthy Community

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- ◆ Adequate access to food, water, shelter and income, safety, work, recreation and support for all (Human Services)

APPENDICES / SCHEDULES

None