



**Public Works Committee  
MINUTES  
9:30 a.m.  
Wednesday, February 16, 2011  
Council Chambers  
Hamilton City Hall  
71 Main Street West**

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**Present:** Vice Chair B. McHattie  
Mayor, B. Bratina  
Councillors C. Collins, S. Duvall, L. Ferguson, S. Merulla, R. Pasuta, T. Whitehead, T. Jackson,

**Absent with Regrets:** Chair R. Powers  
Councillor S. Duvall

**Also Present:** Councillors M. Pearson, B. Johnson, B. Morelli  
G. Davis, General Manager, Public Works  
R. Rossini, General Manager, Finance and Corporate Services  
B. Goodger, Senior Director, Operations and Waste Management Division  
J. Mater, Senior Director, Transportation, Energy and Facilities Division  
G. Rae, Senior Director, Environment and Sustainable Infrastructure Division  
G. Lupton, Director of Energy, Fleet, Facilities & Traffic Management  
D. Hull, Director of Transit  
J. Stephen, Director Rapid Transit  
P. Parker, Director of Support Services  
B. Shynal, Director of Operations, Operations and Waste Management  
G. Moore, Director of Engineering Services  
C. Murdoch, Director of Environmental Services  
R. Norman, Acting Director Strategic Services  
A. Grozelle, City Clerk's Office

<b>1. CHANGES TO THE AGENDA</b>
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None

**(Collins/Jackson)**

That the agenda be approved, as presented.

**CARRIED**

**2. DECLARATIONS OF INTEREST**

None

**3. APPROVAL OF MINUTES**

None

**4. CONSENT ITEMS**

**4.1 2011 Tax Supported Operating Budget – Budget Summary Report (FCS11023) (City Wide)**

**(Merulla/Pasuta)**

That Report FCS11023 respecting the 2011 Tax Supported Operating Budget – Budget Summary Report, be received.

**CARRIED**

**4.2 Opportunities for Reduction – Public Works Program – Red Hill (PW11013) – (City Wide)**

**(Merulla/Pasuta)**

That Report PW11013 respecting Opportunities for Reduction – Public Works Program – Red Hill, be received.

**CARRIED**

**5. PRESENTATIONS**

**5.1 2011 Tax supported Operating Budget – Public Works (FCS11023(a))**

Gerry Davis, General Manager, Public Works addressed the Committee with the aid of a Power Point Presentation and hand out. Highlights included but were not limited to the following:

- Outlined the current budget starting point
- Discussed the challenges heading in the 2011 budget
- Discussed the 2010 years budget accomplishments, showed detailed slides listing all the accomplishments individually
- Discussed the budget Challenges in 2011 and beyond, showed detailed slides listing all the current foreseen challenges
- Discussed Mitigating budget Impacts with the aid of detailed slides

- Presented the 2011 budget overview with the aid of detailed charts
- Touched on the main points of these charts
- Discussed the Incremental Operating Costs which were impacted by the poor economic conditions and other factors
- Discussed that the total revenues of 4.6 million
- Discussed how the employee compensation being presented excludes any negotiated increases that may occur
- Discussed the net levy which has been set at 3.1 percent and doesn't impact the service levels
- Discussed that the budget process is an evolving process and ongoing and there are more budget reductions that will be presented today and if supported by the committee they can move forward on that basis
- Discussed potential budget reductions in addition to the draft budget including:
  - Discussed Item 6.1 on the agenda Report PW11014- Winter Control Program Stabilization Reserve indicating that what is being presented is recommendations to build up the reserve balance
  - Discussed unredeemed transit tickets and how they feel that some monies can be taken out of this fund as it is the belief that a certain number of these tickets will not be redeemed
  - Discussed the Energy Report indicating that staff will go into the item in further detail later
  - Discussed the funds raised from the Red light camera program
  - Discussed that they believe through review of attrition and other examinations of staffing they believe that there can be another 1.4 million in savings, discussed that they would report back to Public Works basis on a quarterly basis updating them on these efforts
- Discussed the restructuring and how there were 31 managers reported last year however technically with the restructuring there are 35 with the addition of the Senior Directors
- Went through the divisions of Public Works and touched on the main budgetary points with the aid of detailed slides
- Discussed the changes within the reorganization of Public Works went through all the Divisions and their operating sections
- Environmental and Sustainable Infrastructure discussed the increases of energy costs, discussed the costs associated with Rapid Transit
- Operations & Waste Management Division discussed the increase based on contracts, some with increase clauses as well as the increase in HST taxes
- Discussed the accomplishments of the Waste Diversion rate and indicated that this would be brought back for further discussion with the Solid Waste Management Master Plan review

- Discussed how they have switched from a five-year average of the recycling revenues to actuals for 2011 because of the improved commodity prices
- Forecasting a year end surplus in the Winter Control Program for 2010 of \$4 million dollars as a result of a favourable winter
- Discussed the need to work with power authorities to in hopes of achieving a global adjustment
- Indicated that there is no transit fare increase in this budget at this point
- Discussed Council suggested options on page three of the Report went through each suggestion with the aid of detailed slides
- Discussed the Program Enhancement Options with the aid of detailed slides
- Indicated that with an increase in Road and Sidewalk Maintenance the City would not see the mitigation in claims resolutions cost for several years
- Discussed sidewalk power washing service to be done by two new full-time employees rather than contracting it out for the same cost
- Discussed the 2 million dollar shortfall in Storm Water Facilities Maintenance Program
- Provided additional information outlining services which are contracted out with the aid of a detailed slide
- Discussed the illegal dumping statistics that were requested at a previous meeting of Public Works indicated that the requests have gone up however the tonnages have stayed the same
- Showed a detail slide indicating the increase cost related to Diesel and Gasoline
- Discussed the historical transit service levels

Committee members asked several questions of staff. Highlights included but were not limited to the following:

- Councillor Merulla asked that the compliment hasn't changed between 2010 and 2011 however the budget has gone up.
- Staff indicated that OMERS has gone up, as well as contracts have gone up, HST increase and electricity increases, increased in risk management and insurance, so while the compliment hasn't increased the costs have increased
- Councillor Merulla asked about the \$500,000 savings indicated through the reorganization of Public Works
- Staff indicated that the gross budget of the 2010 budget was brought in at 1.5 percent below the 2 percent target
- Councillor Merulla asked if there was a budget impact of the 2010 reorganization through additional costs or termination pay
- Staff indicated that there is one time budget costs that are absorbed in that fiscal year

- Councillor Merulla asked for the numbers of how much the costs in terms of how much was paid out in terms of termination pay
- Staff indicated that they would put it in terms of 18-months of salary paid out to one Full-Time employee and that the \$500,000 in savings was achieved
  
- Councillor Collins asked in terms of the 2010 restructuring in terms of where the all the four full-time employees have been removed. Also asked about the initial indication made was that there would be a 2 million dollar annual savings
- Part of the reorganization was through transferring staff to the Planning Department however and other items, staff indicated that overall there was \$7 million in savings which they could outline for committee
  
- Councillor Collins indicated that he was surprised that Non-Union and Union wage increases were not included in the budget presented
- Staff indicated that the budget does not include any employee negotiated increases
- Staff indicated that they would be working on getting a full organizational chart as requested
- Councillor Collins asked if this meant that they could trace back past organizational charts for past years
- Staff indicated if they did would review what information is available for previous years, indicating that the information is being prepared for the General Issues Committee on March 3
  
- Councillor Collins indicated that three years ago we had 6 Directors and now we have 12 Directors 3 of them are Senior Directors indicating that this is the reverse trend of what Council has wanted to see in terms of management. Asking why there is the need for more management when the Employee numbers is the same
- Staff indicated in the case of Public Works they combined six divisions into three so while they have increase the role of three Directors there is more management and better service level deliveries
  
- Mayor Bratina asked why the cleaning of the catch basins is not an annual event but once every seven years
- Staff indicated that they have over 33,000 catch basins
  
- Mayor Bratina asked about the ratio of staff to managers is 1 to 49 in Public Works what is the range of the minimum number of staff and maximum number of staff
- Staff indicated that it could be 5 to 6 or in transit it could be 80-100 and that it also deals with the duties and the section

- Staff indicated that they can provide an exact break down to Committee
- Staff suggested that we are in or around the municipal bench mark for manager to staff ratio
  
- Councillor Ferguson indicated that the manager to staff ratio can be misleading clarifying that there are supervisory roles that are not counted as management
- Staff indicated that this is correct
  
- Councillor Ferguson asked what a one percent increase in negotiated increase would be.
- Staff indicated that a one percent increase would be somewhere around a \$1 million dollar increase in the budget
  
- Councillor Ferguson asked about the 13% increase in the population in Hamilton
- Staff indicated that the 13% is in the defined urban transit area which means that they will not be the same as the overall City population
  
- Councillor Ferguson asked for an update on the HSR proposed fare increase
- Staff indicated that this has been sent to the budget process and the General Issues Committee and the revenue cost ratio increase has to be looked at
- Staff indicated that if they aren't increasing service we should not look at increasing fares
  
- Councillor Johnson asked about the tree trimming program and vehicle purchases inquiring about the deferral for the 2011 budget
- Staff indicated that this is something that they could look into
- Councillor Johnson asked about the contracting out of the smaller cemeteries asking if it could be done for cheaper
- Staff indicated that the major cost savings enjoyed through providing the services were at larger areas where big mowers can be used indicating that contractors are used for smaller cemeteries that require detailed work
  
- Councillor Pearson asked about the Risk Management and the Insurance Claims indicating that this would be appropriate to go to the Audit Finance and Administration Committee with further details
- Staff indicated that the insurance cost has gone down however the city is self insuring more and these costs have increased
- Councillor Pearson asked what the cost would be to get all these projects maintained to mitigate Risk Management costs
- Staff gave the ballpark figure of around 4.3 million

- Councillor Jackson congratulated Public works on their accomplishments in 2010 and asked about the \$0.5 million in snow clearing, this doesn't have any level of service reduction
- Staff indicated that the budget being presented has no service reductions, indicating that they are comfortable that they can reduce that budget by \$0.5 million and it will not result in a lower level of service
  
- Councillor Jackson asked about the new staff reorganizations and where the staff such as Human Resource or Finance staff in Public Works and asking if there was any duplication
- Staff indicated that there is no duplication in staffing and that some finance staff are physically embedded in another department however they report to Finance
  
- Councillor Jackson indicated that a 12.7 cycle for tree trimming is too long in his opinion asking why we are delaying the ten year cycle
- Staff indicated that there was a ten-year plan however the additional funding needs to be approved at the budget process and that this would mean that staff would be requesting somewhere around \$700,000 and \$800,000 dollars
  
- Councillor Jackson indicated that there is a need to improve the sidewalks and why is this being brought forward as an enhancement as it is a priority that he thinks would merit reallocating existing resources towards
- Staff indicated that working towards addressing the issue however with the infrastructure deficit they are lagging and committing further resources towards this would leave other areas underserved
  
- Councillor Jackson asked if there was any increase in their budget in relation to the one container limit and illegal dumping
- Staff indicated that one Full-Time position and related funding was provided through the 2010 by-law enforcement costs for this program
  
- Councillor Whitehead asked about the number of policies that are in place that are operational and have an impact on cost requesting more information on this
- Councillor Whitehead asked about the organizational chart and about how supervisors are not necessarily captured in the Manager ratio provided
- Staff indicated that there is probably no clear standard used by municipalities however they information was provided at a previous budget as being in capturing of what was requested by Committee at that time

- Councillor Whitehead asked about the functions and how they are judged
- Staff indicated that this was a factor in the overall review
  
- Councillor Pasuta asked overall how many Full-Time employees they are looking to increase through the 2011 budget
- Staff indicated there are 29 for the HSR enhancement and two for power washing downtown that have no impact to the bottom line. Staff indicated the total Full-Time increase being requested is 32 employees
  
- Councillor Collins indicated that he looked into the past budgets and found that more money was attributed to the HST cost last year and this year there is a cost savings
- Staff indicated that there has been a cost savings to be demonstrated and that there have been rebates found as a result of a finding after the conclusion of the 2010 budget relating to transit parts
  
- Councillor Collins asked about the reorganizational savings and whether that would be sent through the budget process or throughout the year
- Staff indicated that this would be done throughout the year
- Councillor Collins indicated that the staff levels should be addressed at the Committee level on a future agenda
- Staff indicated that they could bring this issue forward to a future General Issues Committee budget meeting
- Vice Chair McHattie indicated that further discussions should occur in relation to whether this item can be discussed In Camera or in Open Session
  
- Councillor Collins asked about that Sport Field Line Marking budget item asking about how there are no savings illustrated there and indicated in the 2010 budget the money was taken and applied to the Sport Field Line
- Staff indicated that it should say budget savings/efficiencies and this is avoided costs
- Staff indicated that this is something that they have been able to absorb in the budget
  
- Councillor Collins indicated that savings from previous years should be removed from this years budget report as savings as they have been attributed to the previous year
- Staff indicated that Councillor Collins was correct and that the ones referred to should be listed separately as efficiencies and not savings found for the 2010 budget and could revise the slide 16.



- Councillor Collins asked about the Light Rail Transit Issue as it is not listed as a budget risk although it should be on the budget
- Staff indicated that they are expecting that LRT will fund those positions and there is a risk that related to four full-time positions and that the other employees are all on contract
- Staff indicated that the decision on the B-Line priority will not be made on the February 18, 2011
- Staff indicated that there is a risk involved in the budget process there is an additional staffing risk of around \$1.1 million
- Councillor Collins indicated that he would like that recorded as a budget pressure and would like it included
  
- Councillor Jackson asked for staff to come back with a report on the leaf vacuum equipment at a Council meeting last term and that be included at a future budget meeting
  
- Councillor Whitehead asked about the Red Light Camera Program
- Staff indicated that there is a financial benefit from the program that they want to channel back to safety programs
- Staff indicated that they will bring back further information for the high risk intersections

Vice-Chair McHattie thanked staff for their presentation.

**(Collins/Pasuta)**

- (a) That the staff presentation respecting Report FCS11023(a), 2011 Tax supported Operating Budget – Public Works, be received.
- (b) That Report FCS11023(a) respecting Report FCS11023(a) 2011 Tax supported Operating Budget – Public Works, be received.

**CARRIED**

The Following staff directions and/or additional information was requested of staff:

- (i) Further details requested on the annual fleet reserve contribution
- (ii) Further details related to Public Works reorganization, related savings, staffing changes and updated organizational charts
- (iii) Requested further details on the management to staff ratios/comparable municipalities
- (iv) Further details on the budgetary impacts of possible wage increases
- (v) Request for details on the historical cost of graffiti removal

- (vi) Request for more information on insurance claims and costs from Risk Management
- (vii) Request for a ten year history of HSR fare increases
- (viii) Request for staff to provide an information report on leaf vacuuming services
- (ix) Request for further information on Red Light Cameras program including selection criteria for intersections, program history and potential to expand the program
- (x) Request to review options for the program enhancement request to power washing of the downtown sidewalks
- (xi) Request for further clarification on energy efficiencies, revenues and reductions/further clarity in reporting/actuals versus avoided
- (xii) Report back on Energy Office staffing options
- (xiii) Review of \$0.87/L rate for fuel should this be increased to avoid possible budget pressures in the future

**5.2 Road and Sidewalk Safety Maintenance – Roads Maintenance Activities (PW11017)**

**(Pasuta/Jackson)**

That the Report PW11017 respecting Road and Sidewalk Safety Maintenance – Roads Maintenance Activities and respective staff presentation, be tabled until the Public Works Committee budget meeting.

**CARRIED**

**5.3 Energy Report (no copy)**

Geoff Lupton, Director - Energy, Fleet, Facilities & Traffic, Public Works addressed the Committee with the aid of a Power Point Presentation and hand out. Highlights included but were not limited to the following:

- Outlined the current budget position
- Discussed the 2011 pressures in terms of Energy
- Discussed the Key Performance Indicators indicating that the overall Energy Intensity is 15.8% lower than in 2006, this year was used because previous years City Hall was closed for renovations
- Indicating that at 13% we are ahead of the game in terms of energy savings part of that is due to agreeable weather
- Indicated that 2009/2010 budgeted vs. actuals for Natural gas have been very favourable

- Indicated that there has been about 9 million dollars in savings based on energy consumption
- Discussed that the Global adjustment has sent the price of power up using the aid of detailed slides
- Discussed the Street Lighting Budget Impact with the aid of detailed slides
- Discussed the 2011 Energy Initiatives
- Discussed the Fuel pricing and the budget pricing
- Indicated that they are proposing \$0.87 for diesel and gasoline as was done in 2010
- Indicated that a one cent increase in diesel it creates around a \$100,000 increase
- Showed a trend lines of Fuel Market Price volatility

Committee members asked several questions of staff. Highlights included but were not limited to the following:

- Councillor Collins how the savings attributed to natural gas is reflected in the budget materials
- Staff indicated that it would go back into cost allocations
- Councillor Collins indicated that it is an issue of the information being presented in the actuals for budget deliberations
- Staff indicated that the natural gas savings go into the facilities budget often times they use it to pay back the funds
- There was some discussion on the need to represent items and show the information such as Energy Savings separately to Committee members
  
- Councillor Jackson indicated that he also agreed with getting further details to clarify where savings have been addressed
- Councillor Jackson also suggested in information be related to tax payers at the conclusion of the process outlining where they are making improvements
- Councillor Jackson asked about staffing in the Office of Energy Initiatives
- Staff indicated that they are dealing with a few issues such as retaining staff on contract
  
- Councillor Ferguson inquired about the end savings for the Energy Savings for the 2010 budget
- Staff indicated that they could clarifying those numbers and bring forward a summary
  
- Councillor Ferguson asked if we were are at risk by budgeting at \$0.87 per litre for diesel
- Staff indicated that the answer would be yes

- Councillor Whitehead asked about staff in the energy office compensation and what is being doing to correct that
- Staff indicated that they are looking to address that issue and are getting some good staff and are reviewing options
- Councillor Whitehead indicated that he would want to look at providing full-time positions for those currently working on contract
- Staff indicated they will review the job evaluation and market place availability in considering options
  
- Committee requested that staff report back on the \$0.87 per litre rate for diesel

Vice-Chair McHattie thanked staff for their presentation.

**(Collins/Pasuta)**

- (a) That the staff presentation respecting the Energy Report, be received. **CARRIED**

<b>6. DISCUSSION ITEMS</b>
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**6.1 Winter Control Program –Stabilization Reserve (PW11014) – (City Wide)**

**(Pastua/Jackson)**

That Report PW11014 respecting Winter Control Program –Stabilization Reserve, be tabled until the next Public Works Budget meeting **CARRIED**

<b>9. MOTIONS</b>
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None

<b>10. NOTICES OF MOTIONS</b>
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None

**11. GENERAL INFORMATION/OTHER BUSINESS**

**11.1 Items on Outstanding Business List**

**(a) Removal of Outstanding Business Items**

**(Merulla/Pasuta)**

That the following items be removed from the Outstanding Business List:

- (i) Item D: Opportunities for Reduction – Public Works Program **CARRIED**

**12. PRIVATE AND CONFIDENTIAL**

None

**13. ADJOURNMENT**

**(Pasuta/Jackson)**

There being no further business, the Committee adjourned at 2:14 p.m.

Respectfully submitted

Councillor B. McHattie, Vice-Chair  
Public Works Committee

Andy Grozelle  
Legislative Assistant  
February 16, 2011