The Budget Steering Committee presents Report 07-001 and respectfully recommends:

1. 2008 Draft Capital Budget

   (a) That a new reserve be established to fund Council’s Strategic Capital Program funded from 2007 Budget approved $3m unallocated capital and $2m from the $10m Hydro dividends;
(b) That the Federal Gas Tax Subsidy (2008 - $15.9m) be used exclusively to fund the Tax-Supported Capital Program; (Transit not included except for specific one-time funding announcements;

(c) That the 2008 Tax-Supported Capital Program and Financing Plan in the amount of $150,806,000 as identified in Appendix 1 – 4 of the 2008 Tax Capital Budget Book – FCS08022 (1/2% option plus $10 Hydro Dividends), be approved;

(d) That the 2008 Tax-Supported Capital Program and Financing Plan in the amount of $3m, as identified in Table 4 in Appendix 1-3, pg. 57 of the 2008 Tax Capital Budget Book - FCS08022 (additional ½%) be referred to the 2008 tax-supported Operating Budget deliberations for Council’s consideration.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item )

The agenda was adopted as circulated.

(b) DECLARATIONS OF INTEREST (Item 2)

None

(c) ADOPTION OF MINUTES (Item 3)

The Minutes of the Budget Steering Committee meeting held on October 30, 2007 were adopted and received as presented.

(d) PRESENTATIONS (Item 4)

4.1 2008 Draft Tax Capital Budget – 2nd Presentation

(a) Proposed Recommendations for consideration

(b) Clarification and additional information requested from October 30th meeting

- additional option for $10m hydro funding
- Update on Council's Strategic Planning Initiatives
- additional information on City reserves and debt levels

Council – November 28, 2007
Joe Rinaldo provided a power point presentation with information in response to questions raised by the Committee at their meeting on October 30, including:

- Capital levy components
- 2008 funding envelopes ½%
- City reserve/debt trends
- City credit rating
- Federal Infrastructure Program
- Capital works in progress – staff will be developing policies in 2008 for the Committee’s consideration
- Council strategic capital update
- Options respecting $10 million Hydro dividends
- Recommendations
- Infrastructure deficit funding strategy.

The Committee requested that the following information be brought back:

(a) status of former municipal unallocated Capital Reserves
(b) review of recreation fees in terms of fairness, affordability i.e., subsidies as opposed to charging same fees for all
(c) HECFI – 3 or 4 accounts started last year before budgets; follow up with HECFI that allocated funds will be spent

In order to deal with the City’s identified $100m Annual Infrastructure Funding Shortfall, staff identified a Capital Levy Surcharge Policy for Council’s consideration at a future meeting:

That Council endorse a 10-year Infrastructure Funding Strategy, adding potentially $330 million in Capital Financing which would be identified by the following principle:

“That on an annual basis, Council consider increasing the Tax-Supported Capital Levy 1% of the previous year’s total Tax-Supported Levy (approximately $6m).”

Additional discussion:

(a) Annual user-pay implementation with respect to waste, identified in capital program as part of waste diversion option – this item can be removed based on the report being considered by Public Works on November 19, 2007
(b) Collection Operations Relocation - $1 million relates to relocation of waste management operations to 1579 Burlington Street, funded from the Future Fund; if monies from future fund do not materialize toward intended purposes, go back to Future Fund to have reallocation endorsed.

(c) Need to identify infrastructure shortfall – identify on tax bill to show that 1% is allocated to infrastructure – important to separate.

(d) Need to explore and pursue all revenue opportunities e.g., business licenses – do not have staff resources to pursue business operators without licences; consultant is to issue a report in the near future.

(e) Get some commitment from all departments and divisions that, in fact, if funds requested, monies will be used or attempted to be used; staff will undertake to do review of all projects with SMT.

The meeting adjourned at 11:00 a.m.

Respectfully submitted,

Mayor F. Eisenberger

Carolyn Biggs
Legislative Assistant
November 15, 2007