1. **CHANGES TO THE AGENDA**

The Clerk advised of the following change:

(a) Item 8 of Public Works Committee Report 09-002, approved by Council on January 28, 2009 respecting expansion of Cigarette Receptacle Enhancement Program referred to 2009 budget deliberations.
(b) Added Staff response to Item I of Task List respecting Energy Installation at Glanbrook

(McCarthy/Ferguson)
That the agenda be approved, as amended. CARRIED

2. DECLARATIONS OF INTEREST

None

3. ADOPTION OF MINUTES

3.1 Minutes of January 16, 2009 Budget Meeting

Councillor Jackson was inadvertently noted as “Absent – City Business”; however, he was in attendance at the meeting and requested that the Minutes be amended accordingly.

(Collins/Merulla)
That the Minutes of the January 16, 2009 budget meeting of the Public Works Committee, be approved as amended. CARRIED

4. PRESENTATIONS

4.1 Budget Overview (No Copy)

Gerry Davis gave an up-to-date overview of the 2009 Operating budget totaling $8,572,888, which included:

- Council pre-approved items $2,691,000
- Regulated Impacts $2,812,000
- Maintenance Budget $3,069,888

This represents a 5.2% increase over the 2008 budget.

The presentation also included

- Council-referred items not included in the Maintenance Budget, totaling $411,000, as follows:
  - Festival/Events – Waste Management $40,000
  - Green Cart Program ($5,000)
  - Multi-Residential Program ($10,000)
  - CP Rail Trail $40,000
  - Street Tree Trimming (Year 3) $171,000
Splash Pad Operations $ 3,000
Recycling Collection in Parks 0
Ground Litter Control – Downtown $172,000

➢ Budget Options for Consideration ($274,070)

Included in Maintenance Budget:

   Street Tree Trimming (Year 4) ($530,000)
   Trail Maintenance ($ 22,600)
   Open space Maintenance ($ 42,000)

Not Included in Maintenance Budget:

   Parks Inventory Growth $ 320,530

Members of the Committee were distributed with a copy of the power point presentation. A copy has been retained in the Office of the City Clerk for the public record.

Following the presentation, Committee members had the opportunity to request clarification, additional explanations with respect to the information provided, including, but not limited to the following:

➢ With respect to the tree trimming program, $171,000 which is for contractual services, for the 3rd-year phase in has not been included; of the $530,000 which is the cost of Phase 4 of 10, $230,000 is for contractual services and the balance is in-house costs; in-house represents 3 FTE's; staff are recommending that the $171,000 be included in the budget, and that the $530,000 be deferred to the 2010 budget; the results would be that the phase-in would be over an 11-year period rather than 10 years.

➢ With respect to the Parks Inventory Growth ($320,530), staff are proposing that it be included in the budget; however, concerns were expressed in relation to the addition of new employees to the complement (8.18 FTE) and asked if there are ways and means to fund the service, but looking at other areas of the organization where services can be reduced in order not to increase the global complement of the organization; is there some forecasting of what additional maintenance is required when new parks are acquired that can be built into the budget moving forward

Staff advised that the additional funding is required to look after the increased inventory; however, staff will come back with a report on how the work is carried out, and if there is a way to do this without increasing the FTE complement; i.e., breakdown of the $320,530.
Figure for Waste Management without drawing on the Reserve would change the Waste Management budget to 2.8% increase $858,000, this would translate to a .4% increase to the Public Works budget; worst case scenario would bring the projected 2009 Waste Management budget increase to approximately $4.4 million,

Operations and Maintenance employee-related costs are up 6%, which represents over half of the increase; also included are contractual costs with respect to Waste Management program and winter maintenance; all other materials and supply lines are at or below zero; one of the issues which drives the dollars is the cost of delivery

Noted that many of the reductions are in the operations area; are there reductions that were thought of, but not presented, from other divisions of Public Works

With respect to transit, operating costs have increased without increase in fare cost; have not increased FTE’s; may be able to reallocate existing FTE’s; trying to mitigate impacts on service levels; staff advised that consultant is completing last of the ride counts; report will be presented to Committee in time to give staff direction in preparation for the 2010 budget; want to make sure that right decisions are being made for transit service levels; report will identify areas above and below standards to compare current service levels and ridership to service standard policy

Clarification requested with respect to the Utilities Distribution Costs of $712,000; where is the energy savings of $2,254,000; savings not shown e.g., LED lighting; want to see maintenance budget without savings; City Manager commented that there needs to be better communications/focus in cases where monies are saved as a result of commitments/smart decisions made by Council; need to see return on investment; does not focus on “hot spots” because savings are buried in budgets

With respect to Ground Litter Control, staff provided clarification with respect to the additional 3 FTE’s required; currently have 2 employees in the downtown core doing litter control; $172,000 represents increase of 3.0 FTE which includes 2 from the pilot program plus 1 additional; 3.0 FTE will disappear if funding is not approved

Is there some form of benchmarking relative to the pilot project to determine whether or not to continue the program; staff responded that benchmarking was not done; rather, letters were sent to the business owners in the downtown core to get their opinion
Recycling Collection in Parks – is there a cost allocation to pick up garbage in parks; what is the cost, frequency and number of parks

Divisional budgets by cost category – there are a number of areas within Public Works that have recoveries e.g., capital planning – 6% increase in expenditures; costs recovered internally and from private sector; budget is fully recoverable through pavement cuts, municipal consents, etc.; what percentage of those recoveries would increase expenditures or create pressures for other areas of the organization; also, is there a way of prioritizing service of Public Works and looking for areas in the organization where services can be reduced or removed

Staff to come back with further reductions, based on what is core or non-core, and what service levels would be, impacts and options; reductions to be from every area of Public Works, not just Operations and Maintenance

City Manager advised the establishment of a Sub-Committee at Audit and Administration Committee to look at efficiencies and opportunities where revenues can be generated; may be good vehicle for organizing approach to this topic; many service reviews have been done in many areas and should be looked at corporately; if the sub-committee moves forward, this will be a good starting point for next year’s budget

Overlap of work between Economic Development and Planning and Public Works – has there been review of possible reallocation of staff.

(McCarthy/Ferguson)
That the 2009 budget overview presentation provided by staff, be received. CARRIED

4.2 Corporate Energy Report - January 2009 (Item F)

Geoff Lupton, Manager of Energy Initiatives, provided a power point presentation which included:

- Background
- Gross Energy Cost Savings and Avoided Costs
- Key Definitions – Avoided Costs and Direct Savings
- Natural Gas Pricing – Avoided Cost Examples
- Natural Gas – Commodity Pricing
- Electricity Pricing – Avoided Cost Example
- Energy Savings and Avoided Costs – Where they are
- Corporate Energy and Water Use
- Key Performance Indicators
- Next Steps – Energy Teams and Plans
In conclusion, Geoff Lupton thanked Committee and Council for their support of this program, and asked that energy and environmental programs be continued and supported as they reduce energy consumption and environmental emissions, improve quality of life and save money.

Members of the Committee were distributed with a copy of the power point presentation. A copy has been retained in the Office of the City Clerk for the public record.

Councillor Ferguson cited this project as a success story, noting that the City is getting payback for its energy investment. However, he indicated that there are still some KPI’s missing, and requested staff to bring back a 3-year trend of energy consumption for various departments, including housing, wastewater, fire, etc., to allow for competition amongst departments.

Councillor Whitehead inquired as to the oversight of the Department with the Central Utilities Plant (CUP), and what kind of thought has gone into expanding capital investments to look at potential long-term return. Need to challenge and identify more efficient options for chiller/boilers. Hopefully as the downtown grows, hope to have more opportunities for growth to take advantage of potential savings.

(McCarthy/Ferguson)
That the presentation provided by staff respecting the Corporate Energy Report – January, 2009, be received.  

CARRIED

5. DISCUSSION ITEMS

5.1 2009 Program Change Options – Public Works (FCS09011(e)) (City Wide)

Consideration of this report was deferred pending direction given to staff to bring back options to reduce the budget to a 3% increase.

5.2 2009 Budget Request – Public Works Volunteer Committees (PW09008) (City Wide)

(Merulla/Jackson)
(a) That the Clean City Liaison Committee’s 2009 Volunteer Committee Budget (outlined in Report PW09008 as Appendix “A”) Submission in the amount of $18,250, be approved;
(b) That in addition to the base funding request for the Clean City Liaison Committee, one time-funding from the Volunteer Committee Reserve in the amount of $13,400 be considered during budget deliberations;

(c) That the Hamilton Cycling Committee’s 2009 Volunteer Committee Budget Submission (outlined in Report PW09008 as Appendix “B”) in the amount of $6,250, be approved;

(d) That in addition to the base funding request for the Hamilton Cycling Committee, one time-funding from the Volunteer Committee Reserve in the amount of $3,750 be considered during budget deliberations. CARRIED

5.3 2009 Tax Supported Operating Budget – Public Works (FCS09007(h))  
(From January 19, 2009 Public Works Budget Agenda Item 4.2)

(McCarthy/Ferguson)  
That staff be directed to bring back options to reduce the 2009 Public Works Operating Budget to a 3% increase. CARRIED

6. INFORMATION UPDATES RESPONDING TO ITEMS ON TASK LIST

(Ferguson/McCarthy)  
That the following Information Updates provided by staff, be received:

6.1 Costs/Bulk Purchase of Fuel (Items A and G)  
6.2 Street Tree Trimming Program – Status of Phased Budget Enhancement Implementation (Item C)  
6.3 Asphalt and Salt Commodity Price Information (Item D)  
6.4 Recyclables, FTE’s, Cost of Asphalt vs Concrete (Items B, E, G and H)  
6.5 Energy Installation at Glanbrook (Item I) CARRIED

7. ADJOURNMENT

There being no further business, the Committee adjourned at 12:15 p.m.

Respectfully submitted

Councillor B. Bratina, Chair  
Public Works Committee

Carolyn Biggs  
Legislative Assistant  
January 30, 2009