Friday, November 30, 2009 (11:10 a.m.)

Present:               Chair B. Bratina  
                       Vice Chair C. Collins 
                       Councillors T. Jackson, M. McCarthy, S. Merulla, D. Mitchell, 
                       R. Powers 

Absent with Regrets   Councillor L. Ferguson – Vacation 

Also Present:          Councillors R. Pasuta, M. Pearson, T. Whitehead 
                       G. Davis – General Manager, Public Works 
                       R. Rossini – General Manager, Finance and Corporate 
                       Services 
                       C. Murray – City Manager 
                       J. Harnum – Sr. Director, Environment and Sustainable 
                       Infrastructure 
                       J. Mater – Sr. Director, Transportation, Energy and Facilities 
                       G. Lupton – A/Director, Energy, Fleet and Facilities 
                       B. Goodger – Sr. Director, Operations and Waste 
                       Management 
                       A. Apkarian – A/Manager, Finance and Administration (PW) 
                       C. Biggs – Legislative Assistant, City Clerk’s
Monday, January 25, 2010 (1:30 p.m.)

Present: Chair S. Merulla
Vice Chair T. Jackson
Mayor F. Eisenberger; Councillors B. Bratina, L. Ferguson,
M. McCarthy, C. Collins, R. Powers

Absent with Regrets Councillor D. Mitchell – Personal

Also Present: Councillor R. Pasuta
G. Davis – General Manager, Public Works
R. Rossini – General Manager, Finance and Corporate Services
C. Murray – City Manager
J. Harnum – Senior Director, Environment & Sustainable Infrastructure
J. Mater – Senior Director, Transportation, Energy & Facilities
G. Lupton – Director, Energy, Fleet, Facilities & Traffic
B. Goodger – Senior Director, Operations and Waste Management
A. Apkarian – A/Manager, Finance and Administration (PW)
C. Biggs – Legislative Assistant, City Clerk’s

Monday, February 1, 2010 (11:45 a.m.)

Present: Chair S. Merulla
Vice Chair T. Jackson
Councillors B. Bratina, L. Ferguson, M. McCarthy,
D. Mitchell, C. Collins, R. Powers

Also Present: G. Davis – General Manager, Public Works
R. Rossini – General Manager, Finance and Corporate Services
C. Murray – City Manager
J. Harnum – Senior Director, Environment & Sustainable Infrastructure
J. Mater – Senior Director, Transportation, Energy and Facilities
G. Lupton – Director, Energy, Fleet and Facilities
B. Goodger – Senior Director, Operations and Waste Management
A. Apkarian – A/Manager, Finance and Administration (PW)
C. Biggs – Legislative Assistant, City Clerk’s
THE PUBLIC WORKS COMMITTEE PRESENTS REPORT 09-016 AND RESPECTFULLY RECOMMENDS:

1. **2010 Tax Supported Operating Budget – Budget Summary Report (FCS09120) (City Wide) (Item 4.1 – November 30)**
   
   That Report FCS09120 respecting the 2010 Tax Supported Operating Budget – Budget summary Report, be received.

2. **Ontario’s Waste Electrical & Electronic Equipment Program Plan (PW09094) (City Wide) (Item 4.2 – November 30)**
   
   That Report PW09094 respecting Ontario’s Waste Electrical & Electronic Equipment Program Plan, be received.

3. **Cosmetic Pesticide Ban - Impact on Sports Field Marking Activities (PW08143(b)) (City Wide) (Public Works Committee Outstanding Business Item O) (Item 6.1 – November 30)**

   (a) That latex paint be approved as the standard for sports field line marking;

   (b) That City of Hamilton staff purchase the required number of spray paint applicator machines and annually purchase bulk quantities of latex paint for distribution to all applicable user groups city-wide;

   (c) That staff be directed to develop a standard service level agreement for sports field user groups relating to the application of their own field marking;

   (d) That this program enhancement be submitted as part of the 2010 Budget process. This includes an annualized operating budget increase of $150,000 to fund the purchase of latex spray paint;

   (e) That the Province be requested to review the pesticides ban for sports fields, through the Association of Municipalities of Ontario, with respect to the full cost impacts of the ban on the environment, user groups and municipalities;

   (f) That the item related to “Cosmetic Pesticide Ban - Impact on Sports Field Marking Activities” be removed from the Public Works Committee Outstanding Business List.
4. **2010 Budget Request – Public Works Volunteer Committees (PW09096)**
   (Item 6.2 – November 30)
   
   (a) That the Clean City Liaison Committee’s 2010 Volunteer Committee Budget Submission (outlined in Report PW09096 as Appendix “A”) in the amount of $18,615, be approved;
   
   (b) That the Hamilton Cycling Committee’s 2010 Volunteer Committee Budget Submission (outlined in Report PW09096 as Appendix “B”) in the amount of $6,250, be approved;
   
   (c) That the use of $2,750, from the Hamilton Cycling Committee Reserve, to offset the additional Hamilton Cycling Committee 2010 budget request, be approved.

5. **Request for Additional Energy Staff (PW10006) (City Wide) (Item E on Budget Task List) (Item 6.1 – February 1, 2010)**
   
   (a) That the hiring of five new energy staff for the Office of Energy Initiatives (OEI) on a contract basis, funded from the Energy Reserve or through Project Cost Recovery with NO Tax Levy impacts, be approved;
   
   (b) That these new energy staff be hired for a contract term of three years;
   
   (c) That staff report back to Council prior to the completion of the contract term on the cost and benefits realized with these new positions;
   
   (d) That staff report back annually on the effectiveness of the Office of Energy Initiatives (OEI) in the Transportation, Energy and Facilities Division;
   
   (e) That staff bring back a thorough and complete report on the OEI and how the savings and energy reductions are being achieved.

6. **2010 Tax Supported Operating Budget – Public Works (FCS09120(h)) (City Wide) (Item 6.2 – February 1, 2010)**
   
   (a) That the 2010 net operating levy for Public Works be approved, as amended, at $174,552,231, which meets the 2% budget guideline;
   
   (b) That the following Council-referred items, which have no impact on the net operating levy, be approved:
      
      (i) Sports Field Line Painting (Impacts of Cosmetic Pesticides Act);
      (ii) Diversion Options – Enhanced By-law Enforcement;
(c) That the following Council-referred items be referred to the Committee of the Whole for consideration:

(i) Street Tree Trimming (Phase 4 of 10)
(ii) Parks and Cemeteries – Operating Impacts from Capital
(iii) Roads – Operating Impacts from Capital
(iv) Forestry and Horticulture – Operating Impacts from Capital
(v) Traffic – Operating Impacts from Capital

FOR THE INFORMATION OF THE COMMITTEE:

November 30, 2009

(a) CHANGES TO THE AGENDA

None

That the agenda be approved, as presented.

(b) DECLARATIONS OF INTEREST

None

(c) PRESENTATIONS

(i) 2010 Tax Supported Operating Budget – Public Works (FCS09120(h))

Gerry Davis outlined the following three components that will be presented to the Public Works Committee and Committee of the Whole, as follows:

- Operating Budget for Public Works
- Water and Wastewater for Capital Budget
- Tax Levy Capital Budget.

The power point presentation given by Mr. Davis included the following:

- Overview, including purpose/function; services provided; major challenges currently facing the Department; Strategic Plan – 2010 Initiatives Objectives, Asset Value;
- Public Works Department Organizational Structure
- 2010 Operating Budget by Division
- 2009 budget vs 2010 requested budget – by cost category
2010 submission vs budget guideline
2010 gross expenditures
2010 cost drivers in excess of 2%.

The Committee was also provided with information respecting purpose/function, services provided, 2009 accomplishments, organizational structure and 2010 net operating budget by program for each of the divisions within the Department, which includes:

- Environment and Sustainable Infrastructure
- Transportation, Energy and Facilities
  (includes Transit and Commodity Pricing for Natural Gas, Diesel and Unleaded Fuel)
- Operations and Waste Management
  (includes Recycling Program Revenues).

Also included in the presentation were the Public Works Department 2010 Council-referred items.

The power point presentation was provided to all members of the Committee and a copy has been retained in the Office of the City Clerk for the public record.

As a result of the presentation, the Committee provided the following comments and requested the following information:

- **Infrastructure Stimulus Funding (IFS)**
  Question with respect to level of funding to be received if projects being funded from the IFS are not completed by the March 2011 deadline. Staff responded that the goal for completion of the projects is March 2011; however, there are challenges to meet this target i.e., only one construction season opportunity. Staff indicated that they will be presenting an updated report on the status of the projects at the beginning of 2010.

- **Tree-trimming Budget**
  Question with respect to budget allocation and 5 FTE’s requested in budget allocation each year. Staff responded that in terms of the program, staff has been moving forward and following up on the report approved by Council in 2006. Each year, a request is brought forward on the annualized component of the 10-year phase in; got behind in 2008 (3rd year of the phase-in) when only the staff component was approved and in 2009, the contractual portion of year 3 of the 10-year phase in was approved; City is currently at about a 14-year trimming cycle.
Fleet Services Cost Control Initiatives

Question with respect to how savings were managed. Staff responded that one of the components is to look at vehicle repairs and how they are repaired through outside and internal services; part of the mandate of the operational group is to look at how things are done and look for efficiencies; other component is to look at the fleet as a whole and the work being done to see if there are ways to rationalize the fleet; targets are suggested for the operating groups next year; generally holding expenses at 2%; reviewed actual expenditures incurred over the last 5 years.

Divisional Budget – Operations & Waste Management

Question with respect to increase in Traffic (5.4%), Collections (13.7%) and Support Services (6.3%); staff responded that there is a significant increase in employee-related costs; however, as a division, the budget was brought in at 2%.

Staff to provide additional information with respect to specifics and any other budgets that are over the 2%.

Currently a 2% vacancy rate across the Department; most of the vacancies have been frozen from June to the present because of restructuring; number of employees is approximately 50; last variance report at about 65 employees; fluctuates around 40 employees for the Division

HSR Fare Revenues

Staff confirmed that that the Council-approved transit fare increase and $1.5 million new revenue is reflected in the figures provided.

Revenue – Recycling Program

Question with respect to 2009 budget of $6.2 million, but projected actual revenue of $3 million, which is less than half. Staff responded that the 2010 projected revenue of $4.4 million is based on a 5-year average. There is a risk that the revenues will not be achieved, however, commodity prices are increasing. The prices are based on economic conditions.
Multi-tasking/Efficiencies

Question with respect to identifying multi-tasking and efficiencies within the presentation. Staff responded that all functions within the Public Works Department are being reviewed to ensure that the services are being delivered and how to use resources to ensure that the services are being delivered efficiently; purpose of the re-organization is to identify resources/assets. With respect to item on the OBL respecting snow fences, staff responded that a report will be presented following the 2009-2010 winter season.

Winter Maintenance Budget

Question with respect to snow-clearing budget and its impacts as a result of reduction of $3 million in 2001 – saw implications in terms of service level decreases which were unacceptable in terms of proper maintenance; has overall maintenance increased by $19 million. Staff responded that the snow-clearing budget is now determined on a 5-year average, which should address service levels; also, Council increased the base by $2 million in 2009.

For purposes of budget deliberations, Staff to provide information with respect to the winter maintenance budget from 2001 to present; where the budget was increased/decreased

Materials and Supplies

Question with respect to whether figure has increased or decreased over the last 10 years and if purchases of materials and supplies is tracked.

Staff to provide information.

Cost to Maintain Bicycle Lanes

Question with respect to Cycling Master Plan; suggestion that a higher level of maintenance is required for cycling lanes because of liability. Is there an inventory or number of lane miles of cycling paths in the Master Plan and a possible enhanced requirement for more work on those lanes; will staff engage in evaluating the condition and maintenance costs of those cycling lanes; anticipated that with more cycling, there will be more accidents and exposure to liability; request that bike lane conditions be set aside as a separate issue and not specifically as part of the general condition of the respective road. Staff responded that they are aware of the number of lanes miles within the City; separate operating/capital budget for bike lanes; will be addressed in the state of the infrastructure report.

Committee of the Whole – February 9, 2010
Staff will come back with details and condition assessment.

On a motion, the presentation respecting the 2010 Tax Supported Operating Budget – Public Works (FCS09120(h)), was received and Report FCS09120(h) be tabled pending further deliberations.

(ii) **Energy, Fleet and Facilities – Office of Energy Initiatives**

Geoff Lupton, Acting Director, Energy, Fleet and Facilities, provided a power point presentation in response to a Council direction to present a rationale for additional staff for the Public Works, Office of Energy Initiatives, as part of the 2010 budget process. The information presented is included in the 2010 Public Works Department budget presentation.

The presentation included:

- Corporate Cumulative Savings
- Corporate Emission Reductions
- Energy Program Building Blocks
- Benefits of Additional Energy Staff
- Return on Investment
- Cumulative Costs vs Savings
- Proposed Organization Structure, including additional staff (5).

The proposal for the Committee’s consideration is the addition of 5 additional staff to the Energy Office, which would double the portfolio from 5 to 10. It is believed that over the next 5 years, as a minimum, there will be a net benefit of $6 million to the City. The function/expertise of the 5 positions would be in the areas of energy database maintenance; capital renewal and retrofit projects (senior); capital renewal and retrofit projects; metering and controls and renewable energy and demand response.

The following recommendations were presented for the Committee’s consideration:

(a) That the hiring of 5 new staff for the Office of Energy Initiatives (OEI) on a contract basis, funded from the Energy Reserve or Project Cost Recovery, with no tax levy impacts, be approved;

(b) That the new OEI staff be hired for a 3-year contract term;

(c) That staff report back to Council prior to the completion of the contract term on the impact of these positions, where Council may consider a contract extension or making these positions permanent. Information on performance will also be part of on-going energy reporting.
On a motion, the presentation was received and the recommendations presented were tabled pending direction to staff to report back with additional details and options for staffing.

(d) Adjournment

There being no further business, the Committee adjourned at 12:35 p.m.

Monday, January 25, 2010 (09-016a)

(a) CHANGES TO THE AGENDA

None

The agenda was approved, as presented.

(b) DECLARATIONS OF INTEREST

None

(c) APPROVAL OF MINUTES

(i) Minutes of the Budget Meeting held on November 30, 2009

On a motion, the Minutes of the November 30, 2009 budget meeting of the Public Works Committee were approved, as presented.

(d) PRESENTATIONS

(i) Budget Overview

Gerry Davis provided a power point presentation on the 2010 budget and budget programs review, outlining the following:

- Public Works 2010 Proposed Budget;
- 2010 Expenditures Overview;
- 2010 Operating Budget Overview;
- Driving Factors: External Revenues ($2.5 million shortfall) from Recycling Revenues ($2 million) and User Fees ($0.5 million)
• Council-Refereed Items (not included in budget), as follows:
  • Service Level Impacts
    o Street Tree Trimming (Phase 4 of 10)
    o Sports Field Line Painting (Impacts of Cosmetic Pesticides Ban)
    o Diversion Options – Enhanced By-law Enforcement
  • Incremental Operating Costs from 2009 Capital Program
    o Parks and Cemeteries – Operating Impacts from Capital
    o Roads – Operating Impacts from Capital
    o Forestry and Horticulture – Operating Impacts from Capital
    o Traffic – Operating Impacts from Capital
• 2010 Operating Budget Overview
• Incremental Operating Costs
• Infrastructure Growth
• Program and Service Level Review/Options
  • Operating Program Options: Fuel – operating departments; Bulk Collection Fee – no fee currently in place
  • Revenue Generation Option: Temporary flat fee to offset reduced recycling revenues
  • Service Level Impacts: Winter Control Operations - reducing the level of plowing activation on Priority 3 residential roads from 10cm to 15cm; reducing the level of plowing activation on cul-de-sacs from following removing snow following a major storm event to removing snow when maximum storage capacity is reached. (No staffing implications associated with the option for changes to winter control.)
  • Service Levels for Public Works: Transit; ATS; Parks/ Horticulture

Following the presentation, the following comments/concerns were expressed:

• Rather than using budget pricing of .95 to .93 cents for fuel, use .80 for diesel and .83 for unleaded; staff responded that .93 cents was used based on a five-year average
• Need to better communicate where cost savings are realized to the taxpayers and the City specific to the Office of Energy Initiatives
• Staff confirmed that the Bulk Collection Fee would be imposing a new fee
• Need to do much better job of communicating how we are achieving cost avoidance savings
• Some of the options being presented for cost reductions are not palatable
Where is HRPI revenue and how much enhancement is there; staff responded that the HRPI revenues to into general revenues of the City as a dividend; HRPI Board of Directors working on dividend policy which will be presented to Council; not a direct flow to the Department; revenue is invested to pay off debt to ensure sustainability; profits go directly to the shareholder, which is the City of Hamilton; second source of revenue to the Department is the sale of gas and is in the neighbourhood of $460,000 for 2009 and $490,000 for 2010; net profit is used to expand corporation or pay debt

Committee members requested to see the figures i.e., how much is sitting in HRPI savings/revenues

(e) REQUEST FOR ADDITIONAL ENERGY STAFF (PW10006) (CITY WIDE) (ITEM E ON BUDGET TASK LIST)

On a motion, the recommendations respecting “Request for Additional Energy Staff”, tabled by the Committee on November 30, 2009, were lifted from the table.

Request for Additional Energy Staff (PW10006) (City Wide) (Item E on Budget Task List) (Item 6.1)

On a motion, the following recommendations were put forward for consideration:

(a) That the hiring of five new energy staff for the Office of Energy Initiatives (OEI) on a contract basis, funded from the Energy Reserve or through Project Cost Recovery with NO Tax Levy impacts, be approved;

(b) That these new energy staff be hired for a contract term of three years;

(c) That staff report back to Council prior to the completion of the contract term on the cost and benefits realized with these new positions.

On a motion, the following sub-sections were added:

(d) That staff report back annually on the effectiveness of the Office of Energy Initiatives (OEI) in the Transportation, Energy and Facilities Division;

(e) That staff bring back a thorough and complete report on the OEI and how the savings and energy reductions are being achieved.

On a motion, the above-noted recommendations respecting Request for Additional Energy Staff were deferred to the next meeting of the Public Works Committee for the purpose of budget deliberations.
Due to the deferral of Item 6.1, no action was taken at this time with respect to Items 6.2 and 7.1.

(f) ADJOURNMENT

There being no further business, the Committee adjourned at 3:30 p.m.

Monday, February 1, 2010

(a) CHANGES TO THE AGENDA

None

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

(b) DECLARATIONS OF INTEREST

None

(c) APPROVAL OF MINUTES

(i) Minutes of the Budget Meeting held on January 25, 2010

On a motion, the Minutes of the January 25, 2010 budget meeting of the Public Works committee be approved, as presented.

(d) PRESENTATIONS

(i) Budget Overview

Following direction from the Committee given at the January 25, 2010 budget meeting, Gerry Davis provided a power point presentation providing options to achieve a 2% reduction in the Public Works Department 2010 operating budget.

The presentation included the following:

- Budget overview
- Driving factors: External Revenues of $2.5 million shortfall made up of recycling revenues ($2 million) and user fees ($0.5 million)
- Options to achieve a 2% reduction, including fuel ($825,000); winter control ($1,000,000); Hamilton Renewable Power Inc. (HRPI) dividends ($500,000)
- Operating Program Options
- Review of Council-referred items (not included in the budget)
- Incremental Operating Costs
- Infrastructure Growth (last 5 years)
- Office of Energy Initiatives – Enhancement – Staffing Priorities/Function and implementation plan

Following are comments of the Committee, including, but not limited to:

- Come up with a plan on how to deal with HRPI dividends
- Bring back a dividend policy that clearly lays out that the dividends are not automatically committed to a specific program in any year for consideration
- Multi-tasking

Geoff Lupton, Director of Energy, Fleet and Facilities, provided a power point presentation with respect to the Office of Energy Initiatives (OEI) outlining the following:

- Areas of Savings – what it means
  - Cumulative Energy Savings/Avoided Costs – November 2006 to September, 2009
- Examples
  - Actual NG Prices/GJ vs AMO Prices, May 2006 to December, 2009
  - Actual Interval Meter Price over RPP Rates
  - Budget effects from OEI Initiatives
- Where does the money go
  - Savings of $2.159 million from Energy Conservation go toward payback of capital funding source, rate, levy, housing
  - Savings of $2.58 million from Recovered Costs go toward Energy Reserve, Projects and in some cases, back to current fiscal year operating budgets.
- Savings relative to Budgets and Total Savings

Committee members expressed their sentiment that the benefits and achievements of the OEI should be better publicized.

On a motion, the 2010 budget overview presentation was received.
(e) GENERAL INFORMATION/OTHER BUSINESS

(i) Inquiries from the November 30, 2009 Public Works Committee Budget Presentation – Response to Item A – Budgets over 2%; and Item B – Winter Maintenance Control on Task List (Item 7.1)

On a motion, the General Manager’s response to Items A and B on the Budget Task List were received and removed and Item E on the Budget Task List was deemed complete and removed.

(f) ADJOURNMENT

There being no further business, the Committee adjourned at 12:45 p.m.

Respectfully submitted

Councillor S. Merulla, Chair
Public Works Committee

Carolyn Biggs
Legislative Assistant
February 1, 2010