Budget Steering Committee
Minutes
9:30 a.m.
November 15, 2007
Room 207, Hamilton Convention Centre

Present: Mayor F. Eisenberger
Councillors C. Collins, S. Merulla, D. Mitchell,
M. McCarthy

Also Present: Councillor B. Clark
G. Peace, City Manager
J. Rinaldo, General Manager, Finance and Corporate Services
B. Goodger, A/General Manager, Public Works
T. McCabe, General Manager, Planning and Economic Development
V. Woodcox, A/General Manager, Community Services
J. Kay, General Manager, HES/Fire Chief
Dr. E. Richardson, Medical Officer of Health
T. Tollis, J. Spiler, C. Elliott, J. DiBattista, Corporate Services
G. Davis, Public Works
C. Biggs, Legislative Assistant

THE FOLLOWING ITEMS WERE REPORTED TO CITY COUNCIL FOR CONSIDERATION:

1. 2008 Draft Capital Budget

(Collins/McCarthy)
(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.

CARRIED
(Collins/Mitchell)
(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. CARRIED

(Collins/Mitchell)
(c) That the 2008 Tax-Supported Capital Program in the amount of $140,306,000 as identified in Schedule 1 (1/2% option), be approved. CARRIED

(Merulla/Collins)
(d) That the 2008 Tax-Supported Capital Program in the amount of $10m, as identified in Schedule 2 (Hydro funds – Option 2), be approved. CARRIED

(Collins/McCarthy)
(e) That the 2008 Tax-Supported Capital Program in the amount of $3m, as identified in Schedule 3 (additional ½%) be referred to the 2008 tax-supported Operating Budget deliberations for Council’s consideration. CARRIED

FOR THE INFORMATION OF COUNCIL:

1. CHANGES TO THE AGENDA

(Mitchell/Merulla)
That the agenda be adopted as circulated. CARRIED

2. DECLARATIONS OF INTEREST

None

3. ADOPTION OF MINUTES

(Mitchell/Merulla)
That the Minutes of the Budget Steering Committee meeting held on October 30, 2007 be adopted and received as presented. CARRIED
4. PRESENTATIONS

4.1 2008 Draft Tax Capital Budget – 2\textsuperscript{nd} Presentation

(a) Proposed Recommendations for consideration

(b) Clarification and additional information requested from October 30\textsuperscript{th} meeting

- additional option for $10m hydro funding
- Update on Council's Strategic Planning Initiatives
- additional information on City reserves and debt levels
- additional detail on the $33 billion Infrastructure Canada Program.

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