Committee of the Whole
REPORT 09-034

9:30 a.m.
December 4, 2009
Albion Room
Hamilton Convention Centre

Present: Deputy Mayor B. Morelli

Absent with regrets: Mayor F. Eisenberger – Personal
Councillor T. Whitehead - Personal
Councillor B. McHattie – Personal

Also Present: C. Murray, City Manager
R. Rossini, General Manager, Finance and Corporate Services
G. Davis, General Manager, Public Works
J. Harnum, Senior Director, Public Works
M. Zegarac, Director, Corporate Services
M. Gallagher, Co-ordinator, Council and Committee of the Whole/Budgets

COMMITTEE OF THE WHOLE PRESENTS REPORT 09-034 AND RESPECTFULLY RECOMMENDS:

1. Stormwater Advisory Committee

That Council determine the membership criteria for the Stormwater Advisory Committee.

2. Stormwater Rate Feasibility Study (PW09099) (item 5.1)

(a) That the General Manager of Public Works be authorized and directed to proceed with a public consultation process to consider the draft by-law;
(b) That staff be authorized and directed to return to council in June 2010 with a Stormwater Rate By-law for Council’s consideration;

(c) That the Single Family Unit rate of $6 per month be adopted as the base unit rate for Stormwater billing City wide;

(d) That the implementation component of the project, at an estimated cost of approximately $600,000, be funded as part of the 2010 Capital Budget (Project ID 5161057051).

3. 2010 Recommended Water, Wastewater and Storm Water Budget (FCS09102/PW09100)

(a) That the metered water rate effective January 1, 2010 be increased by 4.0% from $1.0387 to $1.080 per cubic meter;

(b) That the monthly and bi-monthly water basic charge effective January 1, 2010 be increased by 4.0%;

(c) That the metered sanitary sewer rates effective January 1, 2010, remain 100% of the water charge;

(d) That the combined “non-metered” water and wastewater services charge effective January 1, 2010 be increased by 4.0% from the fixed rate of $758.26 to $788.59 per annum;

(e) That the 2010 Water and Wastewater Proposed User Fees and Charges be approved as per Appendix “E” to FCS09102/PW09100;

(f) That the 2010 Water, Wastewater and Stormwater Management Rate Supported Operating Budget in the amount of $166,032,310 be approved as per Appendix “A” to FCS09102/PW09100;

(g) That the long-term financing plan for the Water, Wastewater and Stormwater programs and related rate increases required to meet sustainable financing, as identified in the 2010-2019 Water, Wastewater and Stormwater Management Rate Supported Operating Budget forecast ( Appendix “C”) to FCS09102/PW09100 be approved in principle;

(h) That the 2010 Water, Wastewater and Stormwater Management Rate Supported Capital Budget and Financing Plan in the amount of $360,450,000 be approved as per Appendix “F” to FCS09102/PW09100;

(i) That the 2010-2019 Water, Wastewater and Stormwater Management Rate Supported Capital Budget forecast and financing plan (Appendix “G”) to FCS09102/PW09100 be approved;
(j) That the following projects with multi-year funding which have or will commence prior to full funding being allocated, be approved to a maximum cost as follows:

i. Wastewater Treatment Plant Expansion project at $400.0 million funded from 2009 to 2016;

ii. Canadian Strategic Infrastructure Fund Program (CSIF) project at $136.0 million funded from 2009 to 2013;

iii. ISF 660 - Biogas Digester (Energy Recovery) project at $63.0 million funded from 2010 to 2013;

iv. WWTP - Biosolids Master Plan Implementation project at $73.2 million funded from 2009 to 2017; and

v. Primary Treatment Capacity Expansion project at $75.6 million funded from 2004 to 2012.

(k) That staff not substantially complete the Wastewater Investment Needs projects, which support the Hamilton Harbour Remedial Action Plan, until such time as the Federal and Provincial government(s) have committed to support these projects for a minimum of $198,000,000;

(l) That staff report back prior to the 2011 rate supported budget process with additional mitigating measures, including project deferrals and the staging of plant expansion, for Council to consider in an effort to control the financial risks identified within this report;

(m) That the City Solicitor and Corporate Counsel be authorized and directed to prepare all necessary by-laws, for Council approval, respecting the 2010 water and wastewater user fees and charges set out in the recommendations (a) through (e) of Report FCS09102/PW09100.

(n) That the Provincial and Federal Governments be notified that should the City of Hamilton not receive the $198 million for the Wastewater Investment Needs projects as noted in subsection (d) that Staff be directed to report back to council on a process the City could consider for freezing development.
4. Capital Projects Status and Closing Report as of September 30, 2009 (FCS09083(a)) (City Wide) (Item 5.3)

(a) That the September 30th, 2009, Capital Projects’ Status and Projects’ Closing Report and the attached Appendices A, B, C, D, E, and F to report FCS09083(a) for the tax levy and the rate supported capital projects be received for information;

(b) That the General Manager of Finance & Corporate Services be directed to close the completed capital projects listed in Appendix B to report FCS09083(a) in accordance with the Capital Closing Policy and that the net transfers are dealt with as listed in Appendix A to report FCS09083(a); and

(c) That the following Capital Project Policies in regards to Recurring Annual Capital Projects be adopted:

i) That the current year’s capital project submission for a “Recurring Annual Project” be deferred, in total or in part, if the “Percentage of Completion” for all the outstanding projects is less than 50%;

ii) That the Recurring Annual Capital Project include a breakdown of associated works within the capital detail sheet when submitting the project for approval; and

iii) That annual projects be active for only two concurrent years and that in the third year the project be closed in accordance with the Capital Closing Policy.

5. Mark Giavedoni, Evans Philp respecting Stormwater Rate Feasibility Study

That the presentation by Mark Giavedoni, Evans Philp be received.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA

Added delegation Request to appear as a delegation on Item 5.1 by Mark Giavedoni

The agenda was adopted as amended.

(b) DECLARATIONS OF INTEREST

None
(c) PRESENTATIONS

Staff presented a DVD video produced by Heather George on the past and future of municipal drinking water.

(i) 2010 Recommended Water, Wastewater and Storm Water Budget

Jim Harnum and Mike Zegarac provided a power point presentation. Highlights included the following:

- Overview of what the Department does
- Mandate
- Vision
- Principles Objective
- Organization chart
- Sustainability Report Card
- 2010 Operating Program Expenditures
- Cumulative Savings
- 2009 Forecast Actuals
- 2010 Recommended Rates
- Billing Comparisons
- Operating Program Expenditures
- Financial Sustainability
- Mitigating Measures
- Capital Plan
- Outstanding Debt
- Consumption
- Storm Rate
- Review of Next Steps

The presentation was received.

(d) DELEGATIONS

(i) Mark Giavedoni, Evans Philp addressed committee and highlighted the following issues in his presentation:

Addressed concerns with respect to the Storm Water Rate Feasibility Study – imposing a fee to assist with the funding of the maintenance of municipal storm water management system and programs and its affects on McMaster University. Concerns addressed included:
- Timing
- Tax Exempt Entities
- Mixed Use Properties
- Appeal Mechanisms
- Exemptions
- suggested adding McMaster University to the Stormwater Advisory Committee membership
- ask that staff consult in a meaningful way with stakeholders details and structure of implementing by-law

The presentation be received.

(ii) The following motion was DEFEATED:

That McMaster University be added to the membership list for the Stormwater Advisory Committee.

Motion DEFEATED on a Standing Recorded Vote:

Yeas: Bratina, Clark, Duvall, Merulla, Collins, Morelli
Total: 6
Nays: Ferguson, Jackson, McCarthy, Pasuta, Mitchell, Pearson, Powers
Total: 7
Absent: Eisenberger, Whitehead, McHattie
Total: 3

(e) **2010 Recommended Water, Wastewater and Storm Water Budget (FCS09102/PW09100)**

Councillor Clark opposed to subsection (j) of this recommendation.

There being no further business, the meeting adjourned at 1:10 p.m.

Respectfully submitted,

Deputy Mayor B. Morelli

M. Gallagher, Co-ordinator
Council/Committee of the Whole/
Budgets