Present: Chair M. Pearson
Councillors: B. Bratina, B. Clark, L. Ferguson, B. McHattie,
D. Mitchell

Absent
With regrets: Councillors S. Duvall, R. Pasuta – Vacation
Councillor T. Whitehead – City Business

Staff Present: C. Murray – City Manager
T. McCabe, General Manager – Planning and Economic
Development
P. Mallard, T. Sergi, B. Janssen, J. Spolnik, M. Hazell,
D. Adames, G. Paparella, R. Marini, S. O’Dwyer,
- Planning and Economic Development
T. Tollis, Acting General Manager, Corporate Services
A. Rawlings, Co-ordinator - City Clerk’s Office

THE FOLLOWING ITEMS WERE REPORTED TO THE BUDGET STEERING
COMMITTEE:

1. 2009 Tax Supported Operating Budget (FCS09007) (City Wide)
(Ferguson/Bratina)
That Report FCS09007 respecting the 2009 Tax Supported Operating Budget, be
received for information.

CARRIED

2. 2009 Tariff of Fees (PED09032) (City Wide) (Item 7.1)
(Clark/Bratina)
That the Schedule of Fees, attached as Appendix “A” to Report PED09032, be
approved and incorporated into the 2009 User Fees and Charges By-law, as amended,
by the following:
That staff be directed to provide information on the development fees charged by Kitchener, Brantford and Grimsby, including the percentage of actual costs recovered, to the Budget Steering Committee;

(ii) That the fees for Committee of Adjustment applications and Pits and Quarries expansions be red-lined until later in the Budget process, when staff has brought forward further information on the fees, and their impacts.

CARRIED

3. 2009 Program Change Options – Planning and Economic Development (FCS09011(c)) (City Wide) (Item 8.1)

(Clark/McHattie)

That the 2009 Program Change Options for Planning and Economic Development, as outlined in Appendix A to Report FCS09011(c), be approved.

CARRIED

4. Project expenditures from Economic Investment Fund- (attachment) (Item 8.2.4)

(Clark/McHattie)

That the Project expenditures from the Economic Investment Fund be approved, and that the payment to the Jobs Prosperity Collaborative be held, pending the receipt of their 2008 financial statements.

CARRIED

5. 2009 Tax Supported Operating Budget – Planning and Economic Development (FCS09007(d)) (City Wide)

(McHattie/Clark)

That Report FCS09007 respecting the 2009 Tax Supported Operating Budget – Planning and Economic Development (FCS09007(d)) (City Wide) be approved, as amended by Committee on January 28, 2009.

CARRIED

THE FOLLOWING ITEMS WERE REPORTED FOR INFORMATION PURPOSES:

(a) CHANGES TO THE AGENDA (Item 1)

The Clerk advised of the following changes:

- Ed Fothergill, representing the Chamber of Commerce, is unable to attend today, as he has had bereavement in his family
Secondly we have a delegation request from the HHHBA to address Committee today. Copies of this have been distributed this morning, and it has been added to the Agenda as Item 4.1.

The Agenda for the January 28, 2009, meeting of the Economic Development & Planning Committee was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

None

(c) APPROVAL OF MINUTES (Item 3)

That the Minutes of the Economic Development and Planning Committee meeting of January 14, 2008, be approved.

(d) Doug Duke, or alternate, HHHBA respecting the tariff of Fees (Added Item 4.1)

Committee approved the added delegation request from the HHHBA to address them today.

(e) Ed Fothergill, representing the Hamilton Chamber of Commerce, with regard to 2009 Tariff of Fees (Item 6.1)

Mr. Fothergill was unable to attend the meeting.

On a Motion (Mitchell/McHattie), Committee received the written submission of the Hamilton Chamber of Commerce respecting the Tariff of Fees.

(f) 2009 Tariff of Fees (PED09032) (City Wide) (Item 7.1)

Paul Mallard gave a brief overview of the matter and introduced Jim Bruzzese, the consultant who had worked on the project.

Jim Bruzzese, BMA Management Consulting Inc, addressed Committee, and gave a powerpoint presentation. Copies of the presentation were distributed to members. Highlights included:

- fee structure has not been rationalized since 2001
- mandate to examine full cost recovery
- proposed fees have been compared with other municipalities who use a “cost recovery” approach, and are competitive
- fee schedule includes tiered fees for some types of application, base fees established
- proposed fees are still lower than other municipalities
- reduction proposed in subdivision agreement preparation
- pits and quarries expansion fees are proposed to be reduced
- fees are proposed in third party OMB appeals.

Committee discussed the presentation and had additional information supplied by staff, as follows:

- municipalities who do not charge on “cost recovery” basis were not included in presentation
- where fees do not include whole cost of processing, taxpayers pay the balance, through general levy, i.e. taxpayers are subsidizing development
- where multiple applications are made, a reduced fee is applied, caps applied on some items
- reduced fees proposed for routine applications
- HHHBA agreed with interim adjustments last year, on-going dialogue with HHHBA and Chamber of Commerce, since November 2008
- Fees where OMB appeals take place should be approved in principle, and further details and scenarios supplied by staff.

Committee directed that staff provide examples of fees respecting OMB appeals, and bring back policies, scenarios where City could recover costs from OMB Hearings, where City and third party positions are aligned.

Steve Spicer, HHHBA President, addressed Committee with regard to this matter. His comments included, but were not limited to, the following:

- HHHBA represents approximately 300 builders
- Agreed that growth should pay for growth, in agreement with principles of Study
- In favour of reduction for multiple applications, and capping of fees
- Timing of recommended increases is a concern, suggested an operational review take place before fees are set
- Suggested Alternative 1 or 3 with extension to two years

Committee discussed the matters raised by the delegation, and the following points were made by the delegation;

- proposed increases will add $300-$400 per average new home
- growth should pay for growth
- HHHBA prefers the economic stimulus approach, Alternative 3.

Committee discussed the staff recommendations and the issues raised.
On a Motion (Clark/Bratina), the recommendation in the staff report was placed on the floor.

Councillor Clark noted his support of cost recovery, that taxpayers should not have to continue to pay for new development and that new development should pay for the required infrastructure. He noted the City’s outstanding infrastructure deficit.

Councillor Ferguson requested information on the amount that taxpayers are subsidizing development.

Mr. McCabe explained that the intent of the recommendations is to achieve 70% cost recovery, as many planning activities, such as Secondary Planning, do not have fees attached.

Committee continued their discussion on charges in other municipalities and on a Motion (Ferguson/Clark) passed an amendment to the Recommendation for staff to seek information on fees from Cambridge, Grimsby and Brantford, including the percentage of actual costs recovered and bring the information to the Budget Steering Committee.

Councillors Pearson and Bratina requested their opposition to the amendment be recorded.

Councillor McHattie noted his concern to reduce impact of new development on taxpayers, but concerned that increases in Committee of Adjustment rates should be re-considered, as many of these applications are from citizens, as opposed to developers.

On a Motion (Clark/McHattie), Committee approved an amendment to redline Committee of Adjustment fees, and for Pits and Quarries expansions, until later in the Budget process, when staff has brought forward more information on the fees and their impacts.

Committee approved the recommendation, as amended. Councillor Mitchell requested that his opposition be recorded.

2009 Program Change Options – Planning and Economic Development (FCS09011(c)) (City Wide) (Item 8.1)

Mr. McCabe explained that staff changes and re-deployment had resulted in an overall reduction of one FTE.

Staff confirmed that any increased costs resulting from tougher building permit practices will not lead to any staff increases.
Committee approved the staff recommendation.

Items referred from Budget Meeting on January 14, 2009:

(i) Council referred Programme Changes (attachment) (Item 8.2.1)

Mr. McCabe confirmed that Committee had voted to remove the position of Animal Control Liaison Co-ordinator, on January 20, 2009, but that a new position was still needed at the Animal Shelter to cover increased opening hours, and to improve the level of customer service provided.

Councillor McHattie asked whether the Animal Control Liaison Committee could be formed and operated within the existing staff complement. He noted that he would bring this up at Council. Councillor McHattie then moved a Motion to approve an additional 1.5 FTE’s in the Animal Control staff. There was no seconder.

Committee then discussed the staff request to extend the Downtown Ambassador Programme.

David Adames provided an overview on the success of the programme and the request to extend it through until December.

Councillor Bratina noted that the Committee on Cleanliness and Security in the Downtown, including the BIA’s, were in favour of this. It was agreed that Committee members would talk further on this item, off-line.

(ii) Review of 2009 Employee costs (attachment) (Item 8.2.2.)

Mr. McCabe gave an overview of this item, and noted the pay increases for school crossing guards, and that the figures included new positions which had previously been approved by Council.

Committee discussed the matter at length. Councillor Ferguson noted his concern that an increase of 4.8% is too high, and that 3% should be achievable with efficiencies. The following points were made:

- can fee stabilization reserve be used to reduce costs // no, not sustainable
- what contingencies are being made for downturn in economy, and reduced number of applications // 4 months backlog of applications to be processed
- can “gapping” be used to reduce increases in staff costs
- can staff be redeployed to other areas within City.
Mr. McCabe explained that there are 24 vacancies in his department, and that he is working on efficiencies and re-deploying staff. He noted that with new fee increases, overall Planning budget will be a 1% increase.

The City Manager noted that a discussion on infrastructure dollars is needed, and this will mean a redeployment of staff.

The following Motion was moved by Councillor Ferguson and seconded by Councillor Mitchell:

That staff be directed to review the proposed staffing costs, to reduce the increase from 4.8% to 3.0%, which is a reduction of $670,000.

A Standing Recorded Vote was taken:

YEAS: Ferguson, Mitchell, Clark
TOTAL: 3
NAYS: Pearson, McHattie, Bratina
TOTAL: 3
ABSENT: Duvall, Pasuta, Whitehead

The Motion Lost on a tie vote.

(iii) Intergovernmental Affairs costs – staff proposal to refer this item to Budget Steering Committee for review (no attachment) (Item 8.2.3)

Mr. McCabe noted that $150,000 for this item was included in his budget, but not required.

Chris Murray explained that he would be bringing further information on costs of Intergovernmental Affairs to the Budget Steering Committee, and would provide an overall picture here.

Committee received this item.

(iv) Project expenditures from Economic Investment Fund- (attachment) (Item 8.2.4)

Mr. McCabe explained the matter. He noted that the JPC needed additional funding for 2009, and agreed to request their financial statements for 2008.

The staff recommendation was moved by Councillor McHattie, and seconded by Councillor Ferguson.
Councillor Clark, with the approval of the mover and seconder, proposed a “friendly amendment” to require that a 2008 financial statement be presented from the JPC, before the recommended 2009 payment is made.

Committee approved the item.

(i) 2009 Tax Supported Operating Budget (FCS09007) (City Wide)

On a Motion (McHattie/Clark) the subject item was lifted from the table, and received.

(j) 2009 Tax Supported Operating Budget (FCS09007(d)) (City Wide)

On a Motion (McHattie/Clark) the subject item was lifted from the table and approved, as amended.

Councillor Ferguson requested his opposition be recorded.

(k) Further budget Meeting on January 29, 2009

On a Motion (Ferguson/Clark), Committee agreed the Budget Meeting for January 29, 2009 was cancelled.

(l) Motions (Item 9)

None

(m) Notices of Motion (Item 10)

None

(n) General Information (Item 11)

None

(o) Private and Confidential (Item 12)

None
The Economic Development and Planning Committee adjourned at 12:55 p.m.

Respectfully submitted,

Maria Pearson, Chair
Economic Development and Planning Committee

Alexandra Rawlings, Co-ordinator
Economic Development and Planning Committee
January 28, 2009