CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Environment and Sustainable Infrastructure Division

TO: Mayor and Members
General Issues Committee

WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: August 13, 2012

SUBJECT/REPORT NO:
Residential Protective Plumbing Subsidy Program (PW11056b) - (City Wide)
(Outstanding Business List Item)

SUBMITTED BY:
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SIGNATURE:

RECOMMENDATION

That the re-allocation of approximately $2 million of WIP funds from Capital Project 5140661502 (Large Meter Replace/Repair) to provide additional funding to sustain the existing Residential Protective Plumbing Subsidy Program (3P) (Project ED5160960900) for the balance of 2012, be approved.

EXECUTIVE SUMMARY

Council provided direction for staff to report back on two items regarding the Residential Protective Plumbing Subsidy Program (3P). The first item was for staff to report back with a community improvement plan that would extend the 3P Program to include residential rental properties. The second item was for staff to report back on how to re-fund the 3P Program for the balance of the year since it is expected that the existing funds will be exhausted before the end of the summer.

Public Works staff met with the Strategic Services Section of the Planning and Economic Development Department, who will be proceeding with developing a community improvement plan to expand the eligibility of the Residential Protective Plumbing Subsidy Program to owners of residential rental properties. This plan will be brought forth in a report to the General Issues Committee for approval in the Fall of 2012.
Staff have reviewed the capital projects list and determined that there is $2,025,281.81 in WIP funds from the large meter repair/replace capital project (5140661502) that could be used to fund the program until the end of 2012.

Continued funding for the program in 2013 will be requested during the 2013 capital budget process.

The recommendations contained in this report support the Mission Statement of the Public Works Business Plan "Innovate Now" - "Provide safe, strategic and environmentally conscious services that bring our communities to life".

Alternatives for Consideration - See Page 3

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

**Financial:** WIP funds from capital account 5140661502 Large Meter Replace/Repair would be added to the Residential Protective Plumbing Subsidy Program. The Large Meter Repair/Replace Project has been completed and is now part of the meter maintenance program.

**Staffing:** None

**Legal:** None

**HISTORICAL BACKGROUND**

In July of 2011 changes to the Residential Protective Plumbing Subsidy Program were approved by council which opened eligibility of the program up to all owner occupied single family residential property owners. Residential rental properties were excluded at that time based on Section 106 of the Municipal Act which deals with “bonusing”. At that time Council directed staff to report back on options for extending the program to include residential rental properties.

On June 20, 2012, Report PW11056a was provided to the General Issues Committee that explained that the only option for extending the 3P Program to residential rental properties was through the development of a community improvement plan.

The same report also provided a financial update for the program showing that there has been a substantial increase in participation since the changes were made in July 2011 and that as a result it was expected that the program would be out of funds by the end of July 2012.

On June 27, 2012, Council approved Item 11 of the General Issues Committee Report 12-017 which included the following direction:

- That staff be directed to report back to the General Issues Committee on a community improvement plan to expand eligibility of the Residential Protective Plumbing Subsidy Program to owners of residential rental properties; and,

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“That given funding for this program will be fully allocated by July 2012, staff report back on options to refund the program.”

Public Works staff met with members of the Strategic Services Section of the Planning and Economic Development Department on July 5, 2012 to discuss the development of a community improvement plan that will extend the eligibility of the 3P Program to residential rental properties. The Planning and Economic Development Department will be bringing the plan forward to council for approval in the fall of 2012.

Public Works staff reviewed the capital projects list and determined that there was WIP funds available to further fund the 3P Program for the balance of the year.

### POLICY IMPLICATIONS

None

### RELEVANT CONSULTATION

Staff met with members of the Strategic Services Section of the Planning and Economic Development Department to develop a plan for proceeding with the community improvement plan that would extent the 3P Program to residential rental properties.

The Capital Budgets section of Corporate Services was consulted to assist in determining from which project(s) money could be reallocated in order to fund the 3P Program for the balance of the year.

### ANALYSIS / RATIONALE FOR RECOMMENDATION

During the first 6 months of 2012 the average monthly expenditures for the program have been approximately $340,000 per month. Based on this average, approximately $2,000,000 ($330,000 X 6 Months) would be required to cover expenses for the balance of the year. At the time of writing this report there is approximately $100,000 left in the capital account which is expected to be expended by the end of July.

### ALTERNATIVES FOR CONSIDERATION

An alternative to the recommendation contained in this report would be to fund the 3P Program for the remainder of 2012 from the Water and Wastewater Reserves; however, since there is WIP money available this alternative is not recommended.
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CORPORATE STRATEGIC PLAN


Healthy Community

The 3P Program helps to protect residential property owners from sewer back-ups due to sewer surcharging. This program helps to reduce the emotional, financial and health issues related to basement flooding due to sewer surcharges.

APPENDICES / SCHEDULES

None