

Long Term Financial Plan

Final Report & Recommendations



Hemson Consulting Ltd.

November 2002

HEMSON

Consulting Ltd.

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November 22, 2002

The City of Greater Sudbury
200 Brady Street
Sudbury, ON
P3A 5W5

Attention: Mr. Doug Wuksinic,
General Manager,
Corporate Services

Re: Long Term Financial Plan

We are pleased to attach our report containing final recommendations for the consideration of City Council.

The report contains a number of elements. It provides a review of the demographic and economic situation and an intermunicipal comparison of service levels and property taxes. A ten year financial projection is provided. It should

be emphasized that this is not a proposed budget for the City, but rather a starting position which will be shaped and changed by Council decisions.

The key element of the report is a series of Principles and Policies which it is recommended that Council adopt. Finally, a number of implementation recommendations are provided.

We look forward to the opportunity to discuss the report with Council.

Yours very truly,

HEMSON CONSULTING LTD.

John W. Hughes,
Partner

Long Term Financial Report



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I BACKGROUND

During the 2002 Budget process, it was agreed by Council that a long term financial plan should be prepared in order to put the City onto a more predictable and sustainable basis. Hemson Consulting Ltd., a municipal finance consulting firm was retained to undertake the assignment.

A. THE PROCESS

The planning process has involved four phases.

Phase I

- preparation of a demographic/economic outlook;
- data gathering and consultation with staff; and
- development of a financial planning model.

Phase II

- preparation of a 10 year operating and capital budget projections; and
- testing of strategic options using the financial model

Phase III

- identification of financial planning principles to be used to guide future budgets.

Phase IV

- development of supporting policies required to implement financial planning principles; and
- preparation of the long term financial plan.

During the process, Council was kept informed through a series of presentations and an interim report. Two public meetings were held during which presentations were made by representatives from several local organizations. As well, a number of individual members of the public made presentations while others participated in the discussions. Meetings were also held with a stakeholders group comprised of members of the business community. A union representative attended one meeting as an observer. Finally, meetings were held with members of the City's seniors advisory committee and members of the Youth Cabinet.

B. ANALYSIS & MODEL PREPARATION

The main focus of the analytical work undertaken was the preparation of a ten year projection of the operating and capital budget needs of the City. This projection was prepared in the context of an assessment of the demographic and economic factors affecting Greater Sudbury. As well, municipal service standards and taxation levels were reviewed for other comparable Ontario communities.

Extensive meetings and discussions were held with City departments in order to prepare the long range operating and capital projections. During the course of the assignment many items in the projections changed as additional analysis was undertaken and as new cost and revenue information became available.

Even as the final report was being prepared, potential changes that could alter the projections emerged. Such changes highlight an important factor that should be borne in mind when considering long term projections. The way things actually turn out will almost inevitably differ from the long range projections. Projections will alter in the broad, economic and political environment. More importantly, results will differ because of the

decisions that will be made by City Council. For these reasons, it must be emphasised very strongly that the projections contained in this report are by no means fixed.

Starting with the 2003 budget, Council will, by its actions, necessitate an updating of the projection. In anticipation of this requirement the projections have been developed using a financial model which the City can use to make updates as decisions are made and as external conditions change.

C. FINANCIAL PRINCIPLES & POLICIES

If adopted by Council, the most important and enduring component of the Long Term Financial Plan will be the Principles and Policies. These are intended to guide both Council and the City administration in managing the financial affairs of Greater Sudbury.

Unlike financial projections which periodically will need to be updated, the principles and policies should seldom require amendment. A number of the proposed policies have however, been specifically designed to address the City's immediate needs. Over Time these policies will

become redundant as, for example, the City moves towards a life cycle approach to infrastructure.

In the next section of the report, demographic, economic and comparative community data are discussed. This is followed by a section that addresses the long term operating and capital budget projections. It also considers a number of options for funding additional capital requirements. Section IV contains the long term financial planning principles and policies that it is proposed Council should adopt. The last section addresses the steps that it is recommended Council take to implement the principles and policies. Central to both the planning process and the resulting principles and policies is the objective of ensuring that Greater Sudbury's municipal finances support the vision of being a sustainable community.

II REVIEW OF GREATER SUDBURY'S DEMOGRAPHIC AND ECONOMIC ENVIRONMENT

In undertaking long term financial planning for a community, it is essential to consider the demographic and economic context within which it will operate. This section provides a broad assessment of this context for Sudbury. It reviews the demographic factors that are affecting Sudbury, Ontario and other centres in Canada. The changing economic make-up of the City is reviewed with particular consideration being given to implication for the property tax base. Finally, this section reviews comparative service level and taxation data for a number of comparable Ontario communities.

A. SUDBURY'S DEMOGRAPHIC MAKE UP IS BEING SHAPED BY MIGRATION AND AGE STRUCTURE TRENDS

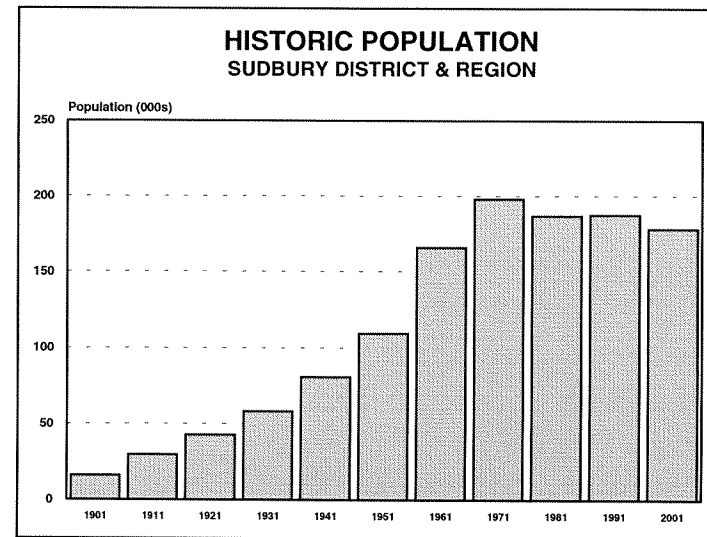
Most communities are established and then undergo change as a result of their location and its relationship to other places. In Sudbury's case, it was the unique geology of the Sudbury basin and the minerals that lay below the surface that provided the catalyst. While mining of these resources was its foundation, the City has since evolved

into a more diverse community that fulfills the role as the regional centre for north eastern Ontario.

1. Past Population Trends

Exhibit 1 shows the long term population history of the Sudbury region.

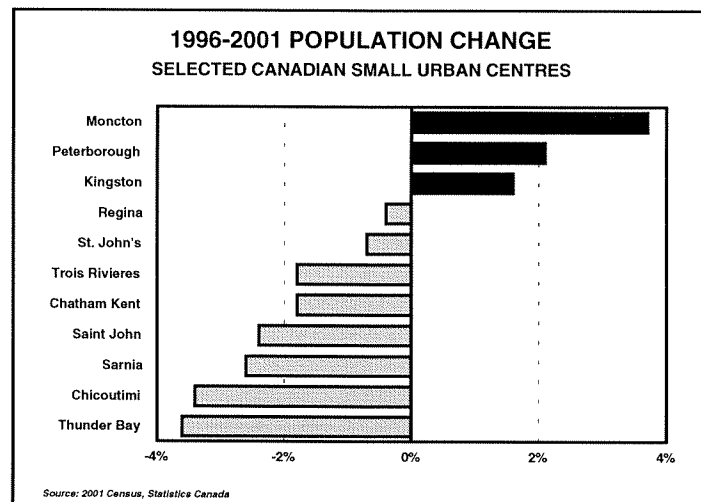
Exhibit 1



The Region's population grew steadily from 1900 and peaked around 1971. This peak occurred in the period during which employment in the mines was at its highest before the introduction of new technology and increased mechanisation that has led to progressive reductions in the number of people employed in the mining sector. From the peak of 198,000, the Region's population has declined to 178,000 in 2001. A particularly sharp decline occurred in 1996-2001 period. Detailed census data is not yet available to enable this change to be analysed fully. It was likely attributable to a combination of cut backs in the public sector and the mining industry, coupled with the draw of high employment demand in major urban centres and especially Toronto.

This pattern is not unique to Sudbury. As is shown in Exhibit 2, most medium sized centres in Canada also experienced population decline during the 1996-2001 period.

Exhibit 2



In contrast, as shown on Exhibit 3, the five major urban regions in Canada grew very substantially during the same period while the rest of Canada in aggregate declined in population.

Exhibit 3

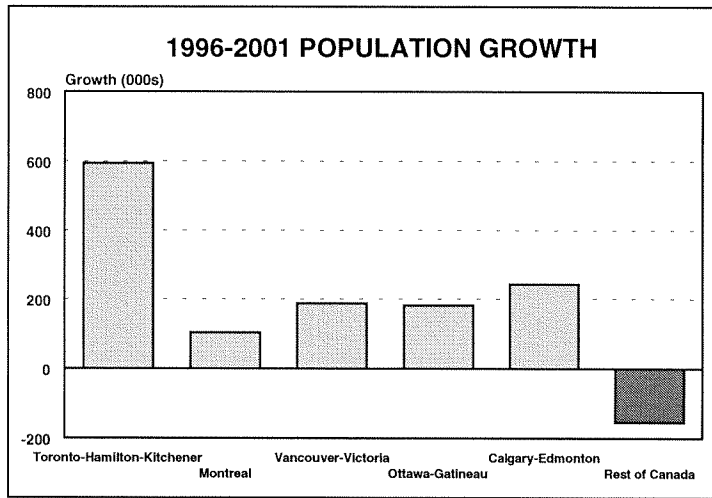
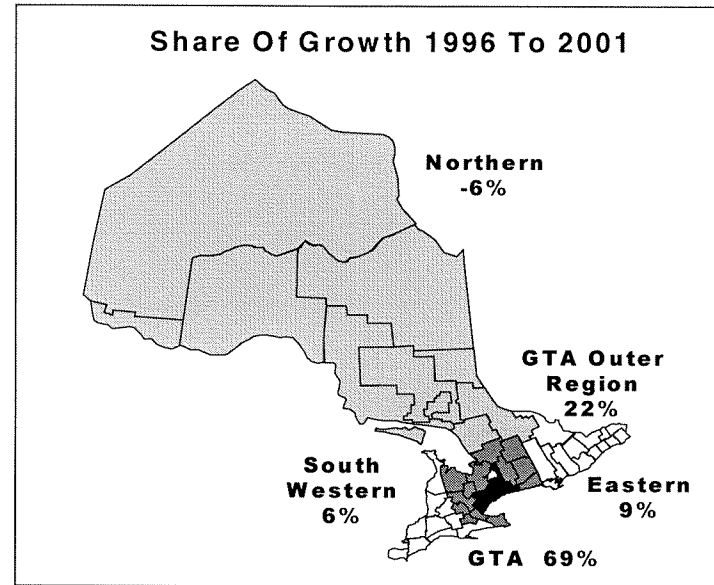


Exhibit 4 illustrates the 1996-2001 results for Ontario. The Greater Toronto Area together with the surrounding region accounted for 91% of growth. In contrast, Northern Ontario as a whole experienced a decline in population.

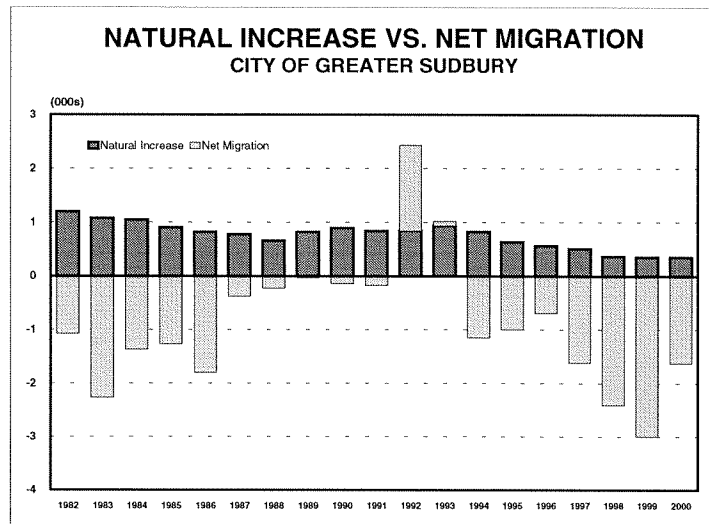
Exhibit 4



2. Migration and Age Structure

Changes in a community's population are the net result of two factors; the net change resulting from in and out migration and the net change from births and deaths. Exhibit 5 shows the long term picture for Sudbury of these net changes from 1982 to 2000. Migration attributable to migration has fluctuated substantially during the period. In general, these changes tend to be tied to the ebb and flow economic activity. The most recent results show that out migration is slowing.

Exhibit 5



Source: Statistics Canada

The age structure of Sudbury has changed significantly in the past twenty years and will change more so in the future. As with the population of Canada as a whole, Sudbury's population is aging as the baby boom moves into middle age and retirement years.

Low birth rates coupled with a smaller number of people in the family building age groups is resulting in fewer babies. The net effect of this will be a lower rate of natural increase than in the past. This is a widespread pattern. In fact, elsewhere in Ontario, almost 30 per cent of the Regions and Districts are

now experiencing negative natural increases in population.

B. DEMOGRAPHIC FORECAST SCENARIOS

Two forecast scenarios of population and household changes to 2011 were prepared for Greater Sudbury. The forecasts are based on 2001 Census results and a cohort survival model was used. Two key assumptions were adopted in preparing the forecasts:

- age specific fertility rates have been maintained at current levels; and
- age specific mortality rates are assumed to decline slowly in accordance with long term trends.

The two other key factors affecting the forecasts are changes in the existing population base and changes resulting from migration. Because of past patterns, the age structure of Sudbury's population is aging rapidly. This trend is occurring in Canada's population as a whole but is more pronounced in Sudbury because of the significant out-migration of young adults that occurred in the past decade. The result is that the number of births is declining and the number of deaths is increasing. The result over the coming decade will be a reduction in the natural increase in the population.

The greatest uncertainty in population forecasting, in Sudbury as elsewhere, is the effect of in and out migration. Accordingly, two forecast scenarios were developed based on two migration assumptions.

1. Continued Out-Migration Forecast (See Forecast Appendix Table 1)

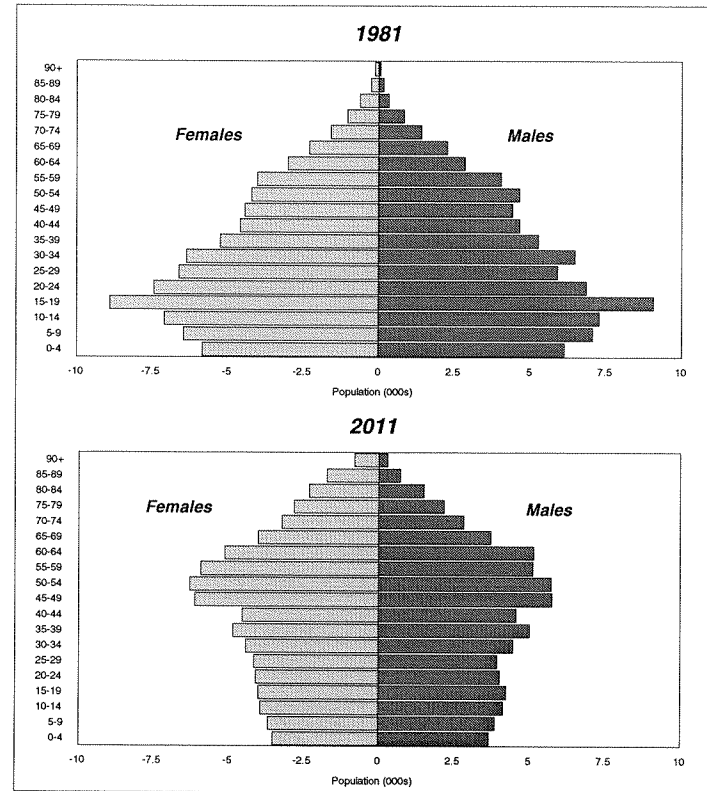
This forecast is based on a continuation of the long term migration trend from Northern Ontario to other parts of the Province and Canada. Over the past three decades Sudbury experienced a fairly steady pattern of out-migration. The notable exception was the late 1980s when a period of growth occurred as a result of intense efforts by the community, and all levels of government, to attract new employment opportunities. As noted before, the 1996 to 2001 period was a period of exceptionally high out-migration that occurred as a result of declining employment in the mining and public sectors combined with a widespread economic boom in Southern Ontario which attracted people away from the North.

Over the next decade, moderate levels of out-migration can be expected but not significant in-migration. This coupled with changes from natural increase would result in a 2011 population of 142,000. On the basis of this forecast, there would be a significant shift in the age structure of the City.

The proportion of the population less than 20 years old would decrease from 25.3 per cent to 21.2 per cent whereas the proportion 60 years and over would increase from 18.5 per cent to 25.5 per cent. Exhibit 6 shows the change in the structure between 1981 and the projected position in 2011.

Exhibit 6

**HISTORIC & PROJECTED AGE STRUCTURE
City of Greater Sudbury**



Source: Statistics Canada and Hemson Consulting Ltd.

2. Zero Net Migration Forecast (See Forecast Appendix Table 2)

The second forecast that was prepared was based on the assumption that over the next 10 years, on a net basis, Sudbury will neither gain nor lose population from migration. While this is a somewhat artificial assumption, the forecast does provide what is considered to be the upper limit population parameter for the City.

Under this scenario, the City's population would be 158,000 by 2011. As with the out-migration trend forecast, there would be a significant shift in the age structure away from younger age groups towards older groups.

3. Household Changes

Under both the out and zero migration forecast scenarios, the number of households in Greater Sudbury will increase to 2011. This is because of the changing age mix of the community which will result in a change in the average household size. The number of households is forecast to rise by between 1,350 and 5,380 by 2011 under the two scenarios.

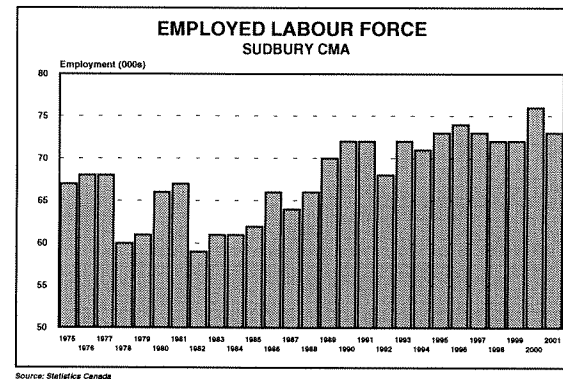
C. GREATER SUDBURY'S ECONOMIC ENVIRONMENT

Sudbury's economy was founded on mining and the industry continues to play a key role in the current economic make-up of the City.

Over time the economy has broadened and grown substantially. Today it is predominately oriented towards the service sector in large part because of the City's growing role as regional centre for Northeastern Ontario.

As shown on Exhibit 7 and Forecast Appendix Table 3, employment levels are stable. They rose steadily from a low point of 61,000 in the early 1980s to 72,000 by 1990. Since then employment has remained relatively stable.

Exhibit 7

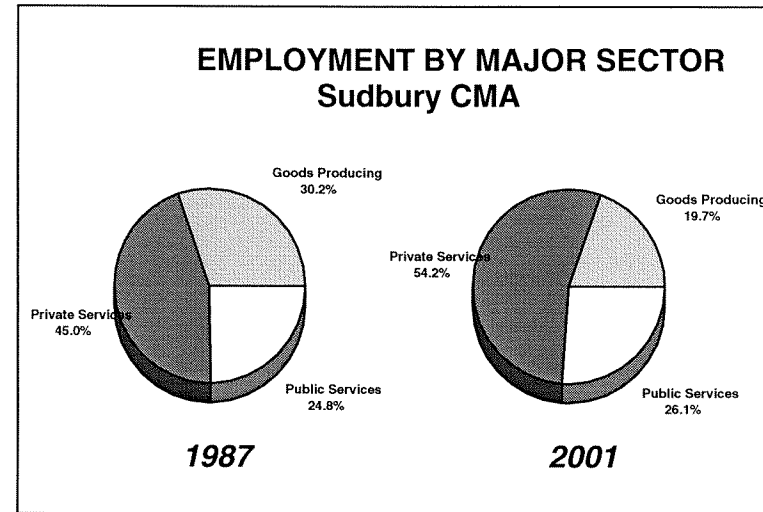


However, during this period the make-up of employment has shifted very substantially away from the goods producing sector. Exhibit 8 shows the extent of this change. In 1987, the goods producing sector which is dominated by the mining industry accounted for 30.2 per cent of employment. In 2001 its share was down to 19.7 per cent. More specifically, in the resource category of employment which in Sudbury is to all intents mining, the number employed declined by 43 per cent between 1987 and 2001 from 11,500 to 6,500. At its peak the mining industry was reported to have employed more than 25,000 people.

The extent to which the City has maintained economic and employment at the levels it has despite such substantial restructuring is indicative of the extent of how its role has changed. While mining may not provide as many direct employment opportunities as before, Exhibit 9 shows that its production remains relatively stable over the 1987-2001 period.

The general economic outlook for Greater Sudbury suggests that the current pattern will persist during the coming ten years. There is every reason to expect the service sector to continue at or above the current levels.

Exhibit 8



Source: Statistics Canada

In particular, the aging of population both within the City and in the broader region will likely lead to an expansion in the health related sector. The proposed medical school is an example of this trend. During the 1990s public sector services as a whole declined as the provincial and federal governments brought deficits under control. No further retraction in this sector is anticipated although there may be some changes in the education component. This would arise as a result of declining numbers of children. It could however be balanced in part by employment growth in post second-

ary institutions if they are able to attract students from the growing centres elsewhere, especially the Toronto area.

No particular changes are anticipated to occur in the mining sector during the next ten years.

The changing demographic make up of the community potentially does have general implications for the employment market. As residents in the "baby boom" age cohorts move into retirement, they will open up employment opportunities for younger people. This is more likely to occur in the services sector such as education, public administration and health than in the mining industry which has already experienced substantial numbers of early retirements.

The importance of this change over will be the opportunities that will arise for younger age groups and their opportunity to remain in Greater Sudbury rather than moving away to seek employment opportunities as has been the case for past years.

D. IMPLICATIONS FOR THE LONG TERM FINANCIAL PLAN

There are direct and indirect implications for the long term financial plan that are likely to arise from the demographic and economic outlook.

The most direct implication of the outlook is the potential effect on the City's assessment base and user fee revenues.

Given a stable or somewhat smaller population base in the City over the next ten years, property values in aggregate cannot be anticipated to rise significantly. Some new development will occur to meet the forecast additional household needs and improvement will be made to some of the existing stock. This to a greater or lesser degree will be offset by reductions in values of marginal properties and as a result of physical depreciation and obsolescence.

In the non-residential sector, a similar pattern is likely. Investments will be made in new properties and in expansions and renovations. However depreciation and obsolescence in other existing properties will be offsetting value factors. This pattern was observed in the 2000

reassessment when the values of industrial class properties declined significantly from the 1997 reassessment levels.

Close monitoring and analysis of assessment base changes will be required in the future as the assessment system moves to an annual reassessment cycle.

The second potential finance implication of the demographic shifts will arise from changes in user fees. As the numbers of younger persons decline, revenues in the recreation programs are likely to be affected. In the case of water and waste water systems, while the City's population may be somewhat smaller, the increasing numbers of households could lead to higher demand and in turn higher revenues. This will however depend on the usage patterns of households by age. This factor will also need to be monitored.

Balanced against the potential of higher or lower user fees are program cost changes that could result from changing demand patterns. If demand for programs servicing children decline, marginal costs (such as wages for program instructors) could be adjusted easily. However fixed costs associated with facilities or general overhead will be more to adjust since they will require

more fundamental decisions to be made regarding service levels.

Overall the demographic and economic conditions in Greater Sudbury are anticipated to evolve over the next ten years. The population will certainly age and may be somewhat smaller. From an economic perspective, no significant changes are foreseen.

As with Canada as a whole, there will undoubtedly be swings in economy during the next decade, however, there are not obvious unique factors that are likely to affect Greater Sudbury.

E. INTERMUNICIPAL SERVICE LEVEL AND TAX COMPARISONS

In order to provide some context to the Long Term Financial Plan, a number of intermunicipal comparisons were made with other mid-sized Ontario communities.

1. Recreation Services

Data were gathered on arenas, indoor pools and libraries for 13 Ontario communities. The information was then analysed in relation to population

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Exhibit 9
Leisure and Recreation Service Level Comparisons

Municipality	Population	Sheets of Arena Ice	Population per Sheet	No. of Indoor Pools	Population per Pool	Library Branches	Population per Branch
Barrie	103,710	4	25,928	1	103,710	1	103,710
Burlington	150,836	9	16,760	4	37,709	6	25,139
Cornwall	45,640	3	15,213	1	45,640	1	45,640
Hamilton	490,268	22	22,285	17	28,839	26	18,856
Kingston	114,195	7	16,314	1	114,195	5	22,839
London	336,539	16	21,034	3	112,180	17	19,796
North Bay	52,771	3	17,590	1	52,771	1	52,771
Ottawa	774,000	40	19,350	15	51,600	33	23,455
Sault Ste. Marie	74,556	4	18,639	1	74,556	3	24,852
St. Catharines	129,170	4	32,293	1	129,170	4	32,293
Thunder Bay	109,016	6	18,169	2	54,508	4	27,254
Timmins	43,686	5	8,737	1	43,686	2	21,843
Windsor	208,402	8	26,050	3	69,467	10	20,840
Total	2,632,789	131	20,098	51	51,623	113	23,299
Sudbury	155,219	16	9,701	5	31,044	14	11,087

Source: Hemson Consulting

**CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN**

**Exhibit 10
Property Tax Comparisons**

Community	2002 Residential Tax Rate			Average House Price (2)	Municipal Taxes	Total Property Taxes	Household Income (3)	Municipal Taxes as % of Household Income	Total Taxes as % of Household Income
	Municipal (1)	Education	Total Rate						
Barrie	1.16%	0.37%	1.54%	\$151,323	\$1,761	\$2,326	\$51,475	3.42%	4.52%
Cornwall	1.64%	0.37%	2.01%	\$94,152	\$1,545	\$1,896	\$38,644	4.00%	4.91%
Kingston	1.40%	0.37%	1.77%	\$129,553	\$1,810	\$2,294	\$39,276	4.61%	5.84%
London	1.29%	0.37%	1.66%	\$133,639	\$1,726	\$2,225	\$49,449	3.49%	4.50%
North Bay	1.32%	0.37%	1.70%	\$114,114	\$1,511	\$1,937	\$45,764	3.30%	4.23%
Ottawa	1.35%	0.37%	1.72%	\$150,212	\$2,027	\$2,587	\$59,462	3.41%	4.35%
Sault Ste Marie	1.42%	0.37%	1.79%	\$94,940	\$1,346	\$1,700	\$46,419	2.90%	3.66%
St Catharines	1.39%	0.37%	1.76%	\$133,806	\$1,860	\$2,359	\$46,765	3.98%	5.04%
Thunder Bay	1.28%	0.37%	1.65%	\$110,624	\$1,417	\$1,830	\$49,973	2.84%	3.66%
Timmins	1.40%	0.37%	1.78%	\$95,310	\$1,338	\$1,694	\$49,576	2.70%	3.42%
Windsor	1.37%	0.37%	1.74%	\$135,428	\$1,855	\$2,360	\$48,107	3.86%	4.91%
Average	1.37%	0.37%	1.74%	\$122,100	\$1,654	\$2,110	\$47,719	3.47%	4.42%
Greater Sudbury	1.38%	0.37%	1.76%	\$105,059	\$1,452	\$1,844	\$49,345	2.94%	3.74%

Notes:

(1) Rate for main urban area

(2) MLS Data for CVA base year - January to June 1999.

(3) 1996 Census Data.

sizes to determine service levels. The results of the analysis are shown on Exhibit 9.

The results show that for all three programs, the current service levels in Greater Sudbury are substantially above the average level of the other communities. Historic factors related to the previous municipal structure and grant programs, together with geography, in part explain why the current levels exist. However, given the new municipal structure and the demographic outlook, the service levels will certainly warrant ongoing review.

2. Property Tax Comparisons

The second municipal comparison was made for property taxes. In this case taxes in 11 communities were compared to those in Greater Sudbury. The comparisons are made on the basis of the 2002 tax rates applied in the main urban area of the communities. Both municipal and education taxes are considered.

Three comparative measures were considered:

- tax rates;
- taxes per house (based on average sale prices); and
- taxes as a proportion of household income.

The results of the analysis are shown on Exhibit 10 overleaf.

- a) **Tax Rates** — In respect of Municipal tax rates, Greater Sudbury's rate is virtually the same as the average rate of the other communities (1.38% v 1.37%). Arguably, this comparison is not very instructive since it does not account for differences in house prices. As a result, taxes on an average house in each community will vary even if the tax rates aren't identical because of differences in real estate prices between communities.

The education tax rate is common to all communities as it is set at a provincial level by the Province.

- b) **Taxes Per House** — Taxes were calculated for each community using average house sale prices. The prices used were the January to June 1999 averages reported by MLS. 1999 is the base year for 2002 taxation purposes.

On this basis, combined municipal and education taxes in Sudbury are some \$266 (12.7%) lower than the group average. Given municipalities generally provide the same bundle of services, this indicates that current tax levels in the City are relatively low.

- c) **Share of Household Income** — The third measure considered was of the share of household income represented by property taxes. This was calculated by reference to the most recently available household income census data which is from 1996. Notwithstanding that incomes will have changed in the interim, the analysis is consistent between the communities. It shows that total property taxes represent 3.74% of income in Sudbury compared to 4.42% for the group average. This is a difference of 15.4%. New household data will become available in May, 2003.

The tax comparisons results discussed above are generally consistent with similar data contained in other studies the City has participated in.

The next section addresses the financial projections and the options for funding capital programs.

III LONG TERM FINANCIAL PROJECTION

This section of the report provides an overview of the City's current financial position, and a discussion of some of the past issues and policies which will influence the financial decisions that the City will have to make in the future. This is followed by a ten year projection of the City's operating and capital budget needs and identification of the financing gap the City is facing over the 2003 to 2012 period. The financing gap is the difference between the financial needs to deliver municipal programs and revenues available to pay for them. The factors contributing to the financing gap are identified and discussed. Finally, a number of financing options for addressing the capital financing gap are considered.

A. SUDBURY'S CURRENT FINANCIAL POSITION

The City of Greater Sudbury is a single tier city which came into existence on January 1, 2001 and has completed two budget cycles. During the 2002 process a number of financial issues were identified which lead to the current process to develop a Long Term Financial Plan to guide future financial decisions.

1. Overview of the 2002 City Budget

The following Exhibits, 10 and 11, show the current distribution of the City's expenditures by program and the current sources of revenues.

- a) Expenditures — The City's 2002 budget includes expenditures of \$368.6 million. The largest area of spending is for Health and Social Services which includes Child Care Services, Long Term Care and Ontario Works. Spending on these programs totals \$124.8 million or 34% of the City's total spending. It should be noted that these programs are mandated and largely subsidized by the Province (\$91 million). As a result the City has little discretion over the level of service provided or its net share of program costs (\$33.9).

The next largest area of spending is for Public Works at \$86.5 million. Public Works provides for Water and Waste Water Services (\$37.5 million), which are funded entirely through user fees. The balance of Public Works spending relates to Roads (\$29.5 million) and Solid Waste (\$14.2 million). These programs are largely financed from tax dollars.

Citizen and Leisure services account for 10.3% or \$37.8 million of City spending, and include Transit, Libraries, Parks and Recreation, Cemeteries and Parking. Approximately 50% of Transit Services are financed from user fees, while the Cemetery and Parking Programs are essentially self supporting. Parks and Recreation and Libraries are largely financed from tax dollars.

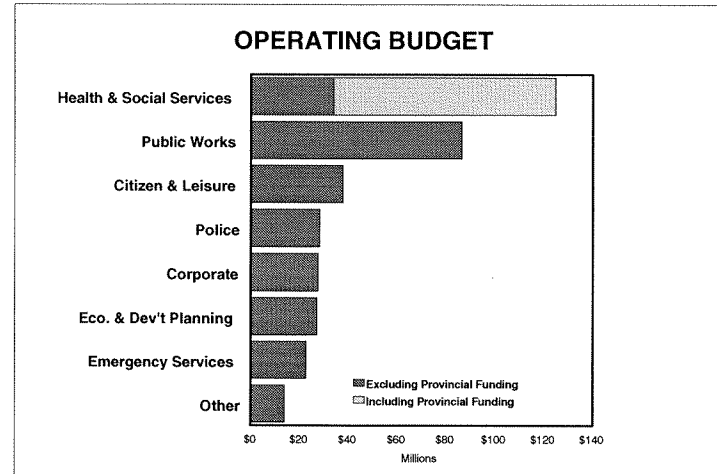
Police Services account for 7.7% of spending. Police Services are administered by an external board. The City has little control over service levels and the resulting expenditures.

The balance of City spending relates to Corporate Services (7.5%), Economic Development and Planning (7.4%), which includes Social Housing; Emergency Services (Fire and Land Ambulance) at 6.1%, and other boards and agencies at 3.6%.

- b) Revenues — The City’s largest source of revenue is Provincial grants comprised of the Community Reinvestment Fund (CRF) grant at \$53.2 million and program specific grants (i.e Child Care, Ontario Works) totaling \$105.8 million. This level of funding has a significant impact on the City’s future financial requirements since there is no certainty that the CRF grant will be increased in the future. Therefore,

as program costs increase due to inflation or demand, an increasingly larger share of program funding will fall on the City. Additionally, program specific grants have been capped for administration of Child Care and Ontario Works programs. This in turn results in an increase in the City’s share of program costs.

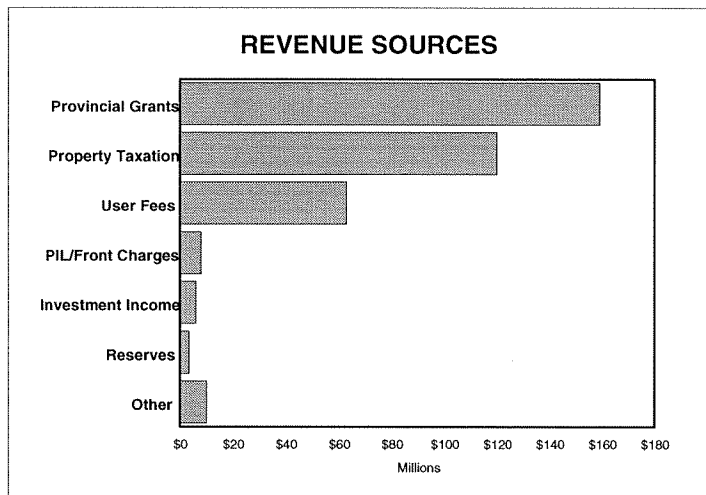
Exhibit 11



The next largest source of revenue for the City is property taxes which totaled \$119.7 million in 2002. This is the City’s key revenue source. If growth in other revenue sources fail to keep pace with the grow in program expenditures, a larger burden of program funding will fall on property taxes in the future.

User fees account for \$62.7 million of City revenues. A large portion of this relates to self supporting services such as Water and Waste Water, Cemeteries, and Parking (\$38.7 million), but also includes Transit Fares (\$5.2 million), Solid Waste Disposal Fees (\$3.9 million), and Parks and Recreation fees (\$5.8 million).

Exhibit 12



If user fees do not increase at the same rate as expenditures, a greater share of program costs will fall on the tax levy.

The balance of City revenues come from Payments in Lieu (essentially taxation), investment

income, reserves and other miscellaneous sources.

2. Prior Changes Will Continue to Affect Future Budgets

A number of past municipal finance changes will have an impact on the future budgets of the City. These include changes in provincial grants policy and the downloading of programs through the Local Service Realignment. The City's high dependency on provincial financing as noted in the above section will continue to create considerable pressure on future budgets.

As well, in the interests of keeping property taxes low, former municipalities utilized some financing methods which cannot be sustained in the long term. These include reducing expenditures in programs such as Roads as provincial subsidy was reduced. This reduced level of spending is becoming unsustainable as the City's roads infrastructure ages.

Reliance on one time revenue sources such as reserves and "expenditure holidays", such as the temporary elimination of contributions to OMERS, to offset ongoing cost increases is also unsustainable. Contributions to OMERS are to be re-introduced over the next two to three years. City reserve levels are not a sustainable source of revenue as

there are limited reserves available. Continued use of reserves could impact the City's ability to finance long term liabilities (eg. sick leave) or to meet unanticipated funding requirements.

It is also difficult to maintain tax increases at below inflationary levels as the purchasing power of each tax dollar starts to erode. Over the period 1993 to 2000, the Consumer Price Index increased by 11.5%. In other words, what cost a dollar in 1993 cost \$1.12 in 2000. Over the same period the former City of Sudbury raised taxes by only 1.3% and the former Region by 9.7%. Therefore, in 2000, each City tax dollar was worth only \$1.01 compared to costs of \$1.12, and each Regional tax dollar was worth only \$1.10. While some of this lost purchasing power was offset by program efficiencies, continued below inflationary tax increases may result in the erosion of service levels.

The above noted issues will affect the future financial requirements of the City and are discussed in the following section.

B. TEN YEAR BUDGET PROJECTION

A key component of the Long Term Financial Plan is the development and ongoing maintenance of a ten year projection of the City's budget requirements. The ten

year projection is important since it provides a context to the annual budget process.

A ten year budget projection has been developed for both the operating and capital programs based on the forecast needs for each program as define by the program managers. The focus of the projection is to identify the gap between the City's forecast expenditure requirements and its available revenue sources. It is worth restating that the projection does not represent a proposed budget for the City. Rather it is a preliminary projection based on estimated program needs.

In developing the Budget projection, each department was requested to provide a forecast of operating expenditure needs for the current level of service, as well as to identify any anticipated service level adjustments as a result of the changing demographic pattern identified for the City in the Environmental Scan. Departments were also requested to project capital expenditure requirements to 2012 considering the current state of infrastructure, future remedial work, vehicle and building renewal needs, and any a new capital facilities. The resulting projection is therefore based on need, unrestricted by available funding.

The budget projection also considers the increase in the costs of delivering City services resulting from inflation. This includes the long term impact of some sources of Provincial funding that are assumed to be capped at current levels.

1. Assumptions Used For Operating And Capital Projections

The following major assumptions have been incorporated into the ten year budget projections:

- Inflation has been assumed at 2% on most operating and capital expenditures, unless otherwise noted.
- Energy costs are assumed to increase by 10% in 2003, and 2% thereafter.
- Salaries are projected based on known and estimated salary settlements.
- Medical, dental and disability benefit payments are assumed to grow at a rate of 12% per year (including inflation) based on the City's experience, and the experience of the benefit industry in general.
- The Community Reinvestment Fund grant from the Province has been held at the 2002 level of \$53 million, through the ten year projection. Subsidies received for the administration of the Child Care and Ontario Works programs are also assumed to be capped at the 2002 amount.
- For programs funded partially by user fees, user fees have been increased at the same rate as the growth in projected expenditures.
- Water, Waste Water, Cemetery and Parking programs have been assumed to be self supporting i.e. fully funded from user fees (with the exception of the Fire Supply Levy).
- While Transit fees have been assumed to increase at the same rate as operating expenditures, fees have not been increased to offset a portion of identified capital needs.
- Capital requirements have been developed on the basis of life cycle costing, identifying adequate funds to be set aside each year to provide for the future replacement and rehabilitation of vehicles, equipment and facilities, based on an estimate of the remaining useful life of each asset.
- Revenues from the Hydro Utility are consistent with current policies – the impact of the

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Exhibit 14 - Table 1
Summary of Projected Funding Gap For Tax Supported Services
(\$000's)

SUMMARY OF PROJECTED FUNDING GAP	Base Year 2002	Forecast Period									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
OPERATING BUDGET GAP											
1. PROJECTED NET OPERATING EXPENDITURE <i>(Excluding 2002 Salary Settlements and Capital Envelopes)</i>	\$109,836	\$107,858	\$107,090	\$106,295	\$106,156	\$106,148	\$105,956	\$105,956	\$105,956	\$105,869	\$105,851
2. Increase for 2002 Salary Settlement	\$0	\$1,903	\$3,746	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486
3. Projected Major Net Cost Increases	\$0	\$6,552	\$10,291	\$13,298	\$14,621	\$15,838	\$17,156	\$18,585	\$20,138	\$21,826	\$23,662
4. Sub-Total	109,836	116,312	121,126	125,078	126,264	127,472	128,598	130,027	131,580	133,181	135,000
5. Inflation on Operating Cost/Revenue	0	2,966	5,587	8,317	12,187	16,163	20,248	24,447	28,764	33,204	37,774
6. TOTAL PROJECTED NET OPERATING EXPENDITURE	\$109,836	\$119,278	\$126,714	\$133,395	\$138,451	\$143,635	\$148,846	\$154,474	\$160,343	\$166,385	\$172,774
7. PROJECTED OPERATING GAP (Including Inflation)	\$0	\$11,420	\$19,624	\$27,100	\$32,295	\$37,487	\$42,890	\$48,518	\$54,387	\$60,516	\$66,922
CAPITAL BUDGET GAP											
8. EXISTING CAPITAL ENVELOPES	\$17,071	\$19,221	\$19,971	\$20,696	\$20,845	\$20,847	\$20,986	\$21,032	\$21,061	\$21,144	\$21,144
9. Inflation On Capital Envelopes	\$0	\$384	\$807	\$1,267	\$1,718	\$2,170	\$2,648	\$3,127	\$3,615	\$4,125	\$4,630
10. PROJECTED CAPITAL REQUIREMENT IN EXCESS ENVELOPES	\$0	\$32,008	\$30,624	\$32,580	\$41,166	\$28,984	\$28,726	\$28,720	\$28,694	\$28,519	\$28,649
11. Inflation on Excess Requirement	\$0	\$640	\$1,237	\$1,994	\$3,393	\$3,017	\$3,624	\$4,270	\$4,926	\$5,564	\$6,274
12. TOTAL PROJECTED CAPITAL REQUIREMENT	\$17,071	\$52,253	\$52,638	\$56,537	\$67,122	\$55,017	\$55,984	\$57,150	\$58,296	\$59,351	\$60,697
13. PROJECTED CAPITAL GAP (Including Inflation)	\$0	\$33,033	\$32,668	\$35,841	\$46,278	\$34,170	\$34,998	\$36,117	\$37,235	\$38,207	\$39,553
14. TOTAL PROJECTED NET OPERATING AND CAPITAL EXPENDITURE	\$126,907	\$171,531	\$179,352	\$189,932	\$205,574	\$198,651	\$204,830	\$211,624	\$218,640	\$225,736	\$233,470
15. Less Projected Payments In Lieu	\$7,236	\$9,780	\$10,226	\$10,829	\$11,721	\$11,326	\$11,679	\$12,066	\$12,466	\$12,871	\$13,312
16. PROJECTED NET LEVY REQUIREMENT	\$119,671	\$161,751	\$169,126	\$179,102	\$193,852	\$187,325	\$193,151	\$199,558	\$206,174	\$212,865	\$220,159
17. TOTAL ANNUAL FUNDING GAP (Including Inflation)	N/A	\$44,453	\$52,292	\$62,941	\$78,573	\$71,657	\$77,888	\$84,635	\$91,623	\$98,723	\$106,475

recently announced Provincial freeze on hydro rates has not been considered.

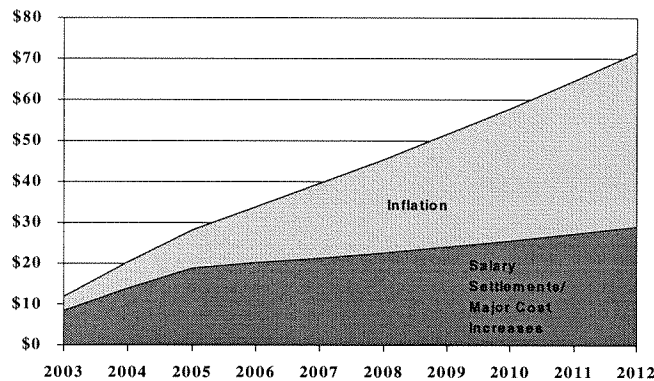
- No change in the structure of the City's assessment base has been assumed.

2. Ten Year Operating Budget Projection

Exhibit 13 below illustrates the projected operating budget gap for the City by 2012, based on the above assumptions and identified program needs.

Exhibit 13

**ANNUAL OPERATING GAP
(See Table 1)**



The gap is projected to be approximately \$66.9 million by 2012. This gap is comprised of approximately \$29.1 million for known salary settlements and major program cost increases.

Approximately \$37.8 million of the gap is a result of net inflationary pressures on the City's budget - the net impact between cost increases offset by increases in user fees, subsidies and other revenue. This net inflationary impact does reflect the significant impact on the City of the loss in purchasing power associated with the City's CRF grant being held at 2002 levels. If this were to be the case, by 2012 the purchasing power of the CRF grant would have declined by approximately \$11 million.

Exhibit 13, following, and Table 1 in the Financial Appendix provides a more detailed breakdown of the operating gap by year, on Lines 1 through 7. Known salary settlements (Line 2) contribute \$5.5 million to the operating gap by 2012. This does not include salary increases over and above those currently known; these increases are reflected in the inflation estimate. Major program cost increases (Line 3) include the assumptions noted above as well as program changes identified by departments to meet service level demands and total \$23.7 million by 2012, with the largest impact arising from benefit cost increases of approximately by \$11.5 million.

Net inflationary impacts total \$37.8 million by 2012 (Line 5) reflecting the impact of the lack of indexing in the CRF Grant of \$11 million noted above.

In the absence of alternative revenues or program changes, by 2012 the City's net operating requirements, to be met by property taxes and payments in lieu, are projected to be \$172.8 million (2002 – \$109.6 million), excluding the current level of capital funding provided from the operating budget (existing capital envelopes).

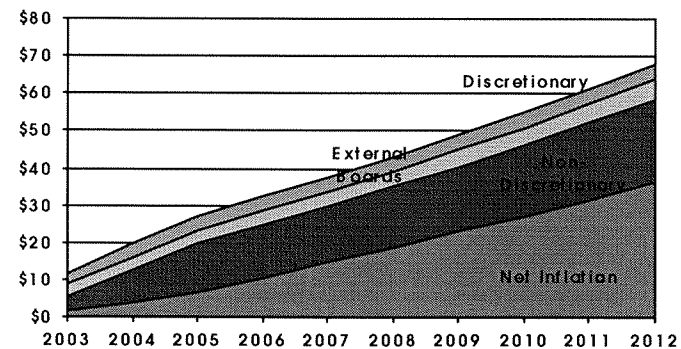
Tables 4 through 7 in the Financial Appendix provide detailed projections of the City's budget by Expenditure Category; by Program; by Tax Supported Program; and by Net Budget (required tax and payments in lieu) by Program. These tables include the existing capital envelopes and inflation on these envelopes, which total \$25.8 million by 2012. The total amount to be met by property taxes and payments in lieu is projected to be \$198.5 million by 2012. This does not include the impact of identified capital needs over and above the existing inflated envelopes. These are discussed in the following section.

Table 8 in the Financial appendix provides a detailed listing of the major program cost increases driving the operating budget gap, categorized by non-discretionary, discretionary, external boards (Police), and inflation. This table does not consider the impacts of internal program recoveries or increases in user fees and therefore the numbers vary slightly from Table 1 and the exhibit above.

Exhibit 15 below presents the major program changes by these components.

Exhibit 15

**MAJORITY OF PROGRAM COST INCREASE DUE TO
INFLATION AND NON-DISCRETIONARY ITEMS
(\$ Millions)**



From Exhibit 15 above, it can be seen that the largest component of the major program cost increases is the net inflationary impacts on the City's program costs. This illustrates the importance of recognizing the impacts of inflation when approving the annual budget and the resulting tax increases. By 2012 inflation totals over \$36 million, excluding estimated salary increase for settlements currently outstanding (Table 1 includes these costs in the net inflation estimate). If future tax rates do not recognize inflation, other program costs and

service levels may decline to offset the lost purchasing power.

The next largest impact on the City's budget relates to non-discretionary items, or items over which Council has little control. These total \$22.3 million by 2012. Non-discretionary items (excluding inflation) include:

- salary increases estimated at \$6.1 million;
- the reinstatement of OMERS contributions which are being phase-in over three years, at total cost of \$4.8 million by 2005; and
- increases in benefit costs for medical, dental and disability which total \$11.5 million by 2012.

The above non-discretionary items are not unique to the City of Sudbury. Municipalities in Ontario will be facing salary pressures and the reinstatement of OMERS contributions. The increase in benefit costs is an industry phenomena and impacts not only municipalities but other public and private sector organizations as well.

Net program changes related to External Boards (Police) total \$5.2 million by 2012. The majority of the costs relate to staffing, and salary and benefit increases related to contracts and the annualization of officers "moving through the ranks". The estimate also provides for adequate funding of the Police Sick

Leave liability, increased costs for computer leases, and reductions in revenues. The City has limited control over the expenditures of the Police Board, and will require the assistance of the Police Board to mitigate these increases.

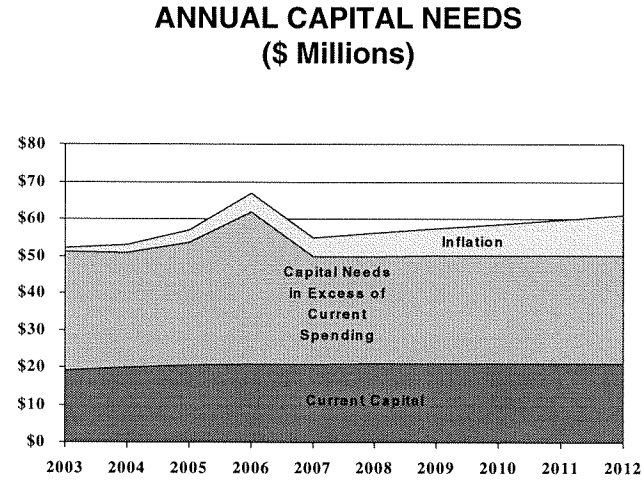
Discretionary items, or items where Council has the most flexibility to seek ways of alleviating some of the forecast operating gap, total \$3.9 million by 2012. Of this amount \$1.8 million relates to programs previously approved in principle by Council. These programs include increased staffing and purchased services for Information Systems for proper maintenance and operation of the City's financial systems at a cost of \$950,000; four new District Fire Chiefs at \$450,000; \$95,000 for Emergency Preparedness, and \$300,000 for Handi Transit service increases. The discretionary items which have not yet been considered by Council include additional funding of the City's sick leave liability (\$200,000), increased costs for outside legal services (\$250,000), recommended increases in roads maintenance expenditures (\$1.5 million), and cost increases in Citizen and Leisure for energy, repairs and maintenance (approximately \$164,000).

3. Ten Year Capital Budget Projection

Currently, the City of Sudbury finances approximately \$28.2 million of capital works annually from its operating budget. It is the City's current policy to avoid the use of debt. Of the \$28.2 million, \$11.2 million relates to the financing of the Water and Waste Water Programs, and \$17.1 million represents financing of tax supported capital programs. The Water and Waste Water programs are fully self-supporting through user fees. In 2001, a Sustainable Asset Management program was developed to deal with the projected infrastructure gap in these programs, achieved through increases in user fees over the next ten years. Therefore, the Long Term Financial Plan focuses on the tax supported capital program.

As noted earlier in preparing the ten year budget projection departments were requested to identify capital needs for the next ten years considering the current state of infrastructure, future remedial work, vehicle and building renewal needs, and any a new capital facilities required as a result of the City's changing demographics.

Exhibit 16



The capital needs identified by Departments total \$628 million in inflated dollars (Financial Appendix - Table 9). After considering subsidies, reserves, other recoveries, and the City's currently approved capital funding envelopes, a financing gap of \$343.6 million (inflated dollars) exists between identified capital needs and available resources. Exhibit 16 shows a breakdown of this gap by year, including the impact of inflation on the annual requirements. By 2012 the annual gap between required capital needs plus inflation and current capital spending (uninflated) totals \$39.6 million.

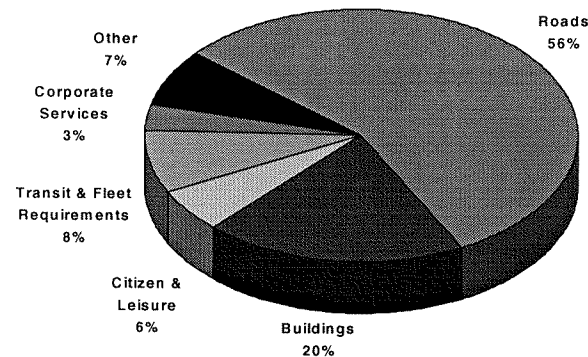
Exhibit 14, Table 1 shown previously, provides the break down of Exhibit 16 and the capital financing gap on an annual basis. The existing capital envelopes per the City's currently approved ten year capital plan are identified on line 8 and total \$21.4 million by 2012. Line 9 shows the impact of adding inflation to these envelopes in order to maintain their purchasing power in future years. Line 10 shows the identified annual capital needs in excess of existing capital envelopes and inflation on the envelopes. These needs total \$28.6 million in 2012. Line 11 shows the impact of inflation on the excess requirements (\$6.3 million in 2012). The total annual capital financing requirements for the City are presented on Line 12. By 2012 the annual requirements are projected to be \$60.7 million. The annual gap between the existing capital envelopes and projected capital requirements totals \$39.6 million in 2012 (Line 13). In developing options to address the financing gap its has been assumed that inflation will be provided for on the existing capital envelopes, resulting in an overall financing gap for the period 2003-2012 of \$343.6 million.

The following Exhibit illustrates the projected ten year capital funding gap by program. While a capital gap exists for many programs the largest component relates to the City's roads infrastructure, at 56% or \$192.9 million for the period 2003-2012. A number of reports have been presented to City Council

dealing with the deteriorating state of the City's road infrastructure. The identified gap is the difference between the City's current level of expenditure and the amount identified by Public Works as the level of expenditure required to stop further deterioration of the City's roads.

Exhibit 17

ROADS IS LARGEST COMPONENT OF CAPITAL FUNDING GAP



The next largest component of the gap is buildings at 20% or \$67 million followed by Transit and Fleet Requirements at 8 % or \$27 million.

The funding gap for buildings represents the amount that should be set aside in a reserve fund

for the future repair and replacement of City facilities. The funding gap for buildings represents the difference between identified immediate expenditure needs for buildings and full life cycle costing (life cycle costing is the process of setting funds aside annually to provide for future capital expenditures thus avoiding significant fluctuations in future capital expenditures). The building gap therefore differs from other identified gaps as it is not driven by an immediate expenditure need but reflects sound long term financial planning principles. For this reason, and in light of the size of the financing gap facing the City, consideration could be given to delaying the implementation of full life cycle costing for buildings until some of the more immediate pressures facing the City have been dealt with. In the interim the City could undertake a thorough review of all its facilities and develop a more accurate estimate of annual life cycle provisions based on recognized industry standards.

The financing gap for Transit and Fleet provisions provide for the replacement of the existing Transit garage, electronic fare boxes and full life cycle costing for all city vehicles and equipment, including Transit, Fire, Police and Public Works. While similar to the Building provision, the fleet requirements represent an immediate need. The

annual requirements are based on the remaining useful life of vehicles and identified replacement requirements over the next ten years to maintain the City's vehicles and equipment in a state of good repair.

The balance of the Capital funding gap relates to Corporate Services, Citizen and Leisure, Economic Development, Fire and Police Services.

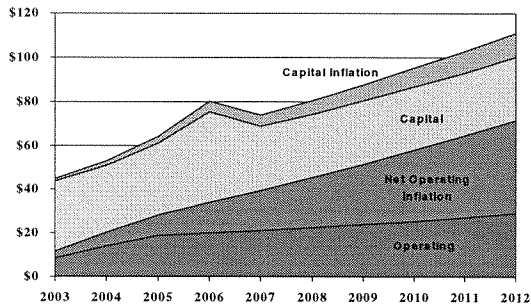
Tables 9 through 14 in the Financial Appendix provide a detailed breakdown of the required Capital expenditures by department, current funding available from subsidies, reserves, and existing capital envelopes, and the resulting financing gap by program.

4. Projection Of The Total Ten Year Financing Gap

When the projected Operating Budget and Capital Budget Financing Gaps are combined the City would potentially face a projected annual gap of \$106.5 million by 2012. Exhibit 18 illustrates the components of this gap, based on the detail provided in Exhibit 13.

ANNUAL FUNDING GAP

Exhibit 18



By 2012, the annual operating gap totals \$29.1 million. When inflation of \$37.8 million is considered the annual operating gap grows to \$66.9 million. The annual Capital gap in 2012 totals \$39.6 million, comprised of \$28 million for identified capital needs in excess of current capital envelopes and inflation of \$10.9 million. The resulting total annual financing gap is therefore projected to be \$106.5 million in 2012. To offset this gap the City would require a total tax levy of \$220.2 million in 2012 (Exhibit 12 - Line 16) compared to a tax levy of \$119.7 million in 2002.

Clearly, the City potentially faces significant financial pressures. These financial pressures will challenge City Council and the City Administration to make decisions related to program delivery, priorities and service levels. The Principles and Policies developed and recommended in this Long Term Financial Plan are designed to guide the City in making these decisions. Section IV of this report recommends the key steps for Council to take to implement the plan and discusses the proposed long term financial policies recommended for Council adoption. The following presents a number of options to be considered in addressing funding for the additional capital requirements. These options are based on the principles and polices contained in Section IV.

5. Capital Gap Financing Options

As discussed in part B ii and iii, the City is facing a major capital funding gap. Many communities in Ontario are facing major financial pressures due to a growing infrastructure deficit. As their infrastructure ages, expenditures associated with maintaining it in a "state-of-good-repair" increase. One of the long term policies recommended for Council adoption is to "maintain the City's required infrastructure in a 'state-of-good-repair' by implementing life cycle costing to provide for the future rehabilitation/replacement of assets." Due to the size of the capital financing gap,

**THE CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN**

**Exhibit 19
Capital Gap Financing Options (1)
(\$343.6 Million In Inflated Dollars)**

POSSIBLE FINANCING OPTIONS	Option 1	Option 2	Option 3	Option 4
	Partial Program No Debt	Partial Program With Debt	Total Program With Debt	Total Program No Debt
Annual Infrastructure Levy (% on Tax Levy) (2)	1.98%	2.27%	2.75%	3.69%
Existing Capital Envelopes (By 2012 - Inflated)	\$25,773,924	\$25,773,924	\$25,773,924	\$25,773,924
Annual Infrastructure Levy (By 2012)	\$34,922,609	\$34,922,609	\$34,922,609	\$69,950,957
Total Annual Capital From Current (By 2012)(3)	\$60,696,534	\$60,696,534	\$60,696,534	\$95,724,881
Annual Debt Charges (By 2012)(4)	\$0	\$6,471,678	\$17,384,460	0
Total Annual Capital Related Expenditures (2012)	\$60,696,534	\$67,168,212	\$78,080,994	\$95,724,881
Capital Gap Financing Breakdown				
Capital From Current	\$175,456,524	\$175,825,771	\$176,428,577	\$343,608,995
Debt	0	\$60,851,045	\$163,460,323	
Reserves (5)	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Total Capital Gap Financed By 2012	\$179,456,524	\$240,676,816	\$343,888,899	\$347,608,995
As A Percentage of Capital Gap	52%	70%	100%	101%
2012 Cost of Deferred Projects (incl. Inflation)	\$182,451,941	\$116,414,833	\$5,723,793	\$8,317,355

Notes:

- (1) Excluding Water and Waste Water Capital Programs
- (2) Percentage applied to previous years total tax levy.
- (3) Total contribution to Capital expenditures from operating including existing Capital envelopes (inflated).
- (4) Debt is assumed to be issued for a 15 year period at 6.5%.
- (5) Assumes use of available capital reserves.
- (6) Assumes no financing from other levels of Government.
- (7) Portion of Capital Gap deferred beyond 2012. Includes inflation on deferred expenditures.

implementation of this policy objective may have to be phased in over time.

Important elements in meeting the City's infrastructure needs will be the managed use of debt financing, and the attainment of sustainable ongoing contributions from senior levels of government. If funding from senior levels of government is to be secured, it will be essential for the City to demonstrate that it is committed to addressing a significant portion of the gap through its own resources, including the use of debt financing. Short term use of debt is also considered prudent when the added cost of delaying infrastructure projects exceeds the cost of debt financing. This may be the situation for the City - as the roads continue to deteriorate the costs of repairing them escalate.

In this section we consider four possible financing options to address the City's Capital Financing Gap. The options range from addressing only a portion of the gap with just tax dollars, addressing a portion of the gap with debt financing, to full funding of the gap with and without the use of debt. All options consider the implementation of an annual infrastructure renewal levy dedicated entirely to capital.

The options are as follows:

Option 1 – implement an infrastructure renewal levy that will increase over the period 2003 to 2012 to a level which fully funds the annual capital gap by 2012.

Option 2 – implement an infrastructure renewal levy which will generate sufficient tax dollars in 2012 to meet the annual capital gap combined with the managed use of debt financing in order to complete 70% of the identified capital financing gap of \$343.6 million. No debt would be issued after 2012.

Option 3 – similar to option 2 with the exception that debt financing is used to achieve 100% of the \$343.6 identified gap by 2012.

Option 4 – implement an infrastructure levy that would generate sufficient tax dollars over the next ten years to fully finance the capital gap of \$343.6 million. No debt financing would be used.

Where debt is utilized, it has been assumed to be issued over a 15 year period at a rate of 6.5%.

While funding from other levels of government has not been considered, it is assumed that the City will lobby the Provincial and Federal governments for sustainable sources of funding which would greatly enhance the viability of either option 1 or 2.

Exhibit 19 on the following page summarizes the results of these options. In Option 1 an annual Infrastructure Renewal levy of approximately 1.98% on the previous years total tax levy would be required each and every year to 2012. This would eliminate the annual capital financing gap by 2012. Under this option, 52% of the original identified capital requirement (\$179.5 million) would be completed. However, as approximately half of the originally identified requirement is not addressed, the costs of the projects not undertaken or deferred from when originally planned, will increase due to inflation. Therefore, in 2012 a capital gap of \$182.5 million remains, of which approximately \$18 million is due to inflation. If funding from senior levels of government is received, the outstanding balance could be reduced. It is not likely that funding sufficient to totally offset the outstanding balance would be received.

Option 2 requires an annual infrastructure levy of approximately 2.27%. The levy requirement is higher than Option 1 due to debt servicing costs resulting from debt financing. Under this option the annual amount of capital financing from current tax dollars is the same as option 1, but by 2012 an additional \$6.5 million is required annually for debt servicing costs. By 2012 the City will have completed \$240.7 million (70%) of the original capital requirements, of which \$60.9 million would be financed by debt. Works yet to be completed total

\$116.4 million, of which \$13.4 million represents increased costs as a result of delaying or deferring works. If funding from senior levels of government is received, this outstanding balance could be partially or totally eliminated.

Option 3 requires an annual infrastructure renewal levy of 2.75%. The annual amount of financing from current tax dollars remains the same as options 1 and 2, but an additional \$17.4 million is required by 2012 for debt servicing costs. Total debt issued over the ten year period is \$163.5 million. Under this option the total original capital gap of \$343.6 million is completed by 2012. A relatively small amount of works remains due to the impact of inflation, but this is considered negligible in relation to the size of the overall capital gap, and could be offset by other changes over the ten year period. This option does not require any funding from senior levels of government. Any such funding would make the cost of this option closer to Option 2.

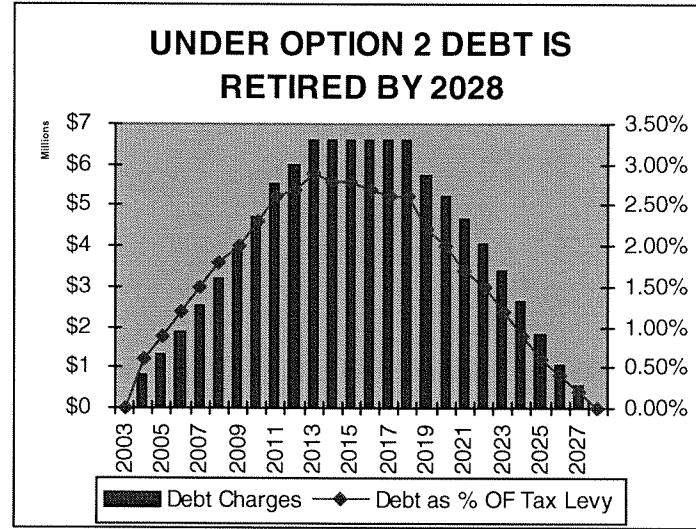
Option 4 assumes the total use of tax dollars over the next ten years to finance 100% of the capital gap. This would require a significant annual capital infrastructure levy of 3.69%. As a result, the City would have considerably more funding available from current tax dollars (\$35 million above annual requirements) then is required in the years beyond

2012. For this reason, Option 4 is not a recommended course of action.

While the City has followed a policy of avoiding the use of debt financing in recent years, the use of a managed debt program to address a portion of the identified capital gap is considered prudent in this case. As noted earlier, in order for the City to successfully lobby for funding from senior levels of government, the city must demonstrate that it is committed to addressing a significant portion of the gap through its own resources, including the use of debt financing. The use of option 2 provides such a demonstration and is considered the most prudent option to consider. Debt would only be issued until 2012, when sufficient annual funding will be available. The outstanding works can be achieved through successful lobbying of senior government funding and/or by possible deferral of capital requirements associated with the life cycle provisions for buildings.

Exhibit 20 illustrates the how the use of debt will result in increasing debt service costs until 2013. At that point debt servicing costs level off and then begin to decline in 2018. The debt is totally retired by 2028. (This chart considers only new debt - the City has a small amount of annual debt charges which will retire in 2011). The annual debt servicing costs are well with in the City's annual debt repayment limits as a established by the

Province. The City's annual limit as established by



the Province is \$47.9 million, of which \$45.1 million is available for new debt.

Exhibit 20

These scenarios assume debt would be issued at market rates. The Province is considering the use of opportunity bonds, which would reduce annual debt servicing costs.

6. Projected Tax Impact

Tables 2 and 3 in the Financial Appendix present illustrations of the possible tax and water/waste water impacts of the ten year budget projection. These impacts assume no mitigation efforts have been made to reduce the projected budget needs, and therefore represent a “worse case” scenario. These projected impacts could be reduced by a number of changes in the assumptions contained in the projection. For example, if the Province index’s the CRF grant, the City’s tax requirements would decline by \$11 million in 2012.

Table 2 considers only tax impacts. The top half of the table presents the tax impact for addressing only the operating gap. Taxes on an average house would increase to \$2,272 by 2012, from \$1,452 in 2002. The bottom of the table presents the impact of implementing an infrastructure levy per Option 2. Taxes on an average house are projected to increase to \$2,746.

Table 3 presents the projected impact on the combined property tax, water and waste water payments to the City. As with Table 2, the top part of the table considers only the operating gap. Taxes and water/waste water charges for an average house are projected to increase to \$3,044 by 2012, from \$2,004 in 2002. When the infrastructure levy is considered taxes and water/waste water charges are projected to be \$3,520 in 2012.

IV FINANCIAL PRINCIPLES AND POLICIES

This section sets out the Principles and Policies that it is recommended that Council adapt.

Financial principles are general or fundamental rules to guide financial decision making by the City through the Long Term Financial Plan and the City's annual budget process. Financial policies are adopted courses of action designed to achieve the principles. The financial policies and principles contained in the Long term Financial Plan have been designed to ensure the City attains financial sustainability and has sufficient resources to provide the services that the community expects.

The principles and policies represent the formula for financial sustainability and are designed for the long term. While it would be ideal to immediately implement all the recommended principles and policies, the size of the funding gap facing the City will require a number of them to be phased in. However, over the ten year cycle of the plan, it should be possible to implement all the policies and principles.

Through the process of developing the Long Range Financial Plan, a growing gap was identified between the operating and infrastructure needs of the City and the revenues available to pay for them. The operating gap requires immediate attention, as it relates to the ongoing service delivery responsibilities of the City. Elimination of the infrastructure component of the gap can be accomplished over a longer time frame. However, to meet the infrastructure needs, managed use of debt financing, and the attainment of sustainable ongoing contributions from senior levels of government will be important elements. If funding from senior levels of government is to be secured, it will be essential for the City to demonstrate that it is committed to addressing a significant portion of the gap through its own resources, including the use of debt financing. Short term use of debt is also considered prudent when the added cost of delaying infrastructure projects exceeds the cost of debt financing.

A key policy recommendation is the implementation of a multi-year financial planning process. The annual budget process should incorporate a detailed one year

budget, and a three year budget forecast. The 10 year projection of the City's financial gap should be reviewed and updated annually, taking account of both operating and infrastructure needs. In this way the City's progress towards achievement of the Long Term Financial Plan can be monitored on an ongoing basis. Success of the Long Term Financial plan relies in no small part on taking a long term view when making annual budget decisions, and on understanding the implications of short-term policies on the City's future financial position.

The proposed principles and policies are set out below. The principles are bolded and the supporting policies follow.

1. Ensure Long Term Financial Sustainability

- 1.1 Determine on a multi-year basis the financial requirements for the City's operating and capital needs taking account of anticipated inflation through the annual review and updating of a ten-year projection. The requirement forecast should identify the funding gap between revenues and expenditures.
- 1.2 The annual budget process should include the development of:

- detailed one year budget;
- three year budget forecast; and
- annual update of the 10 year projection including identification of the long term funding gap, and the City's progress in addressing the gap.

- 1.3 Set revenue raising requirements giving consideration to measures of affordability and competitiveness. Such measures could include tax rates, tax and user fee levels in similar municipalities, and taxes as a percentage of average household income.
- 1.4 Raise sufficient revenue to meet long-term operating and capital requirements, recognizing that inflation increases the cost of both operating and capital programs. Recognition of inflationary pressures will ensure services and programs are not eroded by shrinking real dollars.
- 1.5 Recognize the relationship between the operating and the capital budgets. Annually identify and provide for capital from current funding, annual debt servicing costs, and for changes to operating costs arising from new/replaced infrastructure.
- 1.6 Plan for the replacement of infrastructure through the use of life cycle costing and the development of replacement reserves.

2. Deliver Services in a Cost-effective and Efficient Manner

- 2.1 Undertake regular service level reviews giving consideration to the City's demographic profile and other relevant factors. These reviews should identify changing demand for services arising from shifts in demographics and should recommend program changes as warranted. Consideration should be given to service level bench marks for communities with similar size and demographics.
- 2.2 Undertake reviews of City programs on a regular, rotating basis, through the use of value-for-money audits, to ensure services are delivered in a cost effective and efficient manner.
- 2.3 Develop key performance measures for each program area and incorporate performances measures in the annual operating budget.

3. Ensure Operating Revenues Are Sustainable and Consider Community-wide and Individual Benefits (Taxes V User Charges)

- 3.1 Finance ongoing expenditure requirements from ongoing, sustainable revenue sources. Use of one time revenues (eg reserves or expenditure holidays) to finance ongoing expenditures should be avoided.

- 3.2 Align source and application of revenue considering community-wide and individual benefits. In general, user charges should be used to fund programs where specific individual benefits are received and where demand/utilization of programs is determined by the individual.
- 3.3 Establish target proportions of program costs to be raised through user charges based on reviews of benefits received. Establish user charges at rates that will yield the target proportions.
- 3.4 Ensure that user fees are increased at the same (or greater) rate as increases in program operating costs.
- 3.5 Strive to increase users fees as a percentage of overall funding by identifying new areas where user fees can be implemented.
- 3.6 Ensure both operating and capital costs are considered when establishing user fees (full program costing).
- 3.7 Programs which are driven entirely by individual benefit should be fully self supporting through user fees. These programs include Water, Waste Water, Cemeteries and Parking. User fees should cover all operating and capital costs. New programs should only be

implemented if fully financed from user fees and program reserves.

- 3.8 In reaching decisions concerning the implementation of new user fees to pay for services, give consideration to the relative shifts of costs between tax classes. User fees which would result in significant shifts between tax classes should be phased in.

4. Meet Social Equity Objectives Through Specific Programs

- 4.1 Financial Plan policies should be applied on the basis of their benefit to the community as a whole. Where Council considers if necessary, support programs should be provided to address the needs of individual residents unduly burdened as a result of implementation of a policy(s).

5. Manage City's Capital Assets to Maximize Long-term Community Benefit

- 5.1 Maintain the City's required infrastructure in a "state-of-good-repair" by implementing life cycle costing to provide for the future rehabilitation / replacement of assets.
- 5.2 Undertake regular reviews of remaining life and condition of assets and determine required annual reserve contributions sufficient to

ensure that 90% of approved infrastructure rehabilitation / replacement schedules can be met at the required time.

- 5.3 Assets and facilities should be regularly reviewed and rationalized based on service demand and service level benchmarks. Facilities which do not achieve approved revenue /cost targets should be considered for closure.

- 5.4 Dispose of capital assets which are not required for long-term community purposes.

- 5.5 Implement a capital funding plan to address the City's infrastructure renewal requirements.

6. Recognize That Funding From Senior Governments is a Crucial Element of Financial Sustainability

- 6.1 Seek additional sustainable revenues from the Provincial and Federal governments. Lobby for increased funding for existing programs to cover inflation in program costs. Seek indexing of general and specific grants/subsidies in order to maintain purchasing power of senior governments share of program costs.

- 6.2 Seek senior government funding sufficient to bridge the funding gap between net required

program costs and affordable tax and user charge rates/revenues.

- 6.3 Participate in grant/subsidy programs only if programs/projects to be supported are required or can be justified independent of the provision of the grant/subsidy.

7. Use Debt Financing Where Appropriate

- 7.1 Debt financing should only be considered for:
- new, non-recurring infrastructure requirements;
 - programs and facilities which are self-supporting; and
 - projects where the cost of deferring expenditures exceeds debt servicing costs.
- 7.2 Consider undertaking a short term, managed program of debt financing to address the City's current infrastructure deficiency and to reduce further deterioration of the City's infrastructure.
- 7.3 Issue debt for terms no longer than the life of the funded asset(s).
- 7.4 As debt charges decline due to retirement of debt, apply savings to accelerate achievement of full life cycle costing for City infrastructure.

- 7.5 Appoint a Fiscal Agent for the City and obtain a credit rating in order to facilitate the issuance of debt instruments.

8. Maintain Reserves and Reserve Funds at Appropriate Levels

- 8.1 Facility, equipment and infrastructure replacement reserves should be established and funded to ensure that 90% of approved infrastructure rehabilitation/replacement schedules are met (long-term).
- 8.2 Establish a Stabilization Reserve for programs that are susceptible to significant annual expenditure fluctuations (eg. Winter Maintenance, Ontario Works). Program budgets should be based on a moving five year historical average of program spending. In years when surplus funds occur in these programs, surpluses should be reserved, provided an overall City surplus exists. Where the City's overall surplus is less than the program surplus, funds should only be reserved up to the level of the overall City surplus.
- 8.3 Establish reserves to provide funding for future liabilities (eg. sick leave). Contributions to these reserves should be set, at a minimum, at an amount sufficient to ensure the liability does not increase.

9. Identify and Quantify Long-term Liabilities

- 9.1 Identify and quantify long term liabilities of the City.
- 9.2 Report long term liabilities to Council on an annual basis. The reporting should identify the amount of liabilities and the resources available to meet the liabilities.

V MAJOR RECOMMENDATIONS FOR IMPLEMENTATION OF THE LONG TERM FINANCIAL PLAN

As discussed previously the City is faced with significant financial pressures. Section IV set out a series of principles and policies which have been designed to guide the City as it addresses these challenges. It will likely take a number of years to fully implement all the principles and policies.

As a first step, it is recommended that Council adopt the principles and policies as set out in Section IV.

Once this key step has been taken it is recommended that Council move towards applying the principles and policies by taking the following actions.

1. Implement an Infrastructure Renewal Levy

Continued deferral of necessary infrastructure works will lead to further deterioration of the City's infrastructure. Therefore, a infrastructure levy should be implemented to gradually raise annual capital contributions from current to the required level by 2012. Debt financing of approximately \$61

million should be issued over the period 2003-2012 to complete 70% of identified capital needs by 2012. An annual levy increase of approximately 2.27% will be required between 2003-2012 to meet this objective.

2. Additional Funding Should be Sought From the Provincial/ Federal Government

As noted in Section III the City is very reliant on operating grants received from the Province. Lack of indexing of these grants is major contributor to the projected funding cap. Therefore, indexing of these grants should be sought.

Additionally capital funding to help address the backlog of deferred and ongoing capital needs should be sought from both the federal and provincial governments. Undertaking recommendation 1 will demonstrate the City is undertaking a significant effort to address its infrastructure needs, and that it is willing to utilize

its debt capacity. Funding from other levels of government is required to keep tax rates and user fees affordable.

3. Address Operating Gap Through Productivity Improvements and Revenue/Tax Increases

- 3.1 The impact of inflation on Program costs was illustrated in Section III. It is important that provision be made in future budgets for the costs of inflation to avoid erosion of service levels.
- 3.2 The City should undertake regular program reviews. These value-for-money audits should involve a fundamental examination of service delivery methods, and costs and revenues.
- 3.3 Regular reviews of service levels should be undertaken, giving consideration to core requirements and changing demographics. Service level comparisons to similar municipalities should be considered.
- 3.4 Base user fees on full program costs and ensure that they keep pace with expenditure increases.

- 3.5 Avoid using one-time funding sources to finance ongoing operating and capital costs.

4. Begin Implementing Policies to Ensure Long Term Sustainability

- 4.1 Move to life-cycle costing approach for capital assets. This approach is already being required by the Province for water and waste water.
- 4.2 Dispose of surplus assets to raise funds and to reduce unnecessary operating and administration costs.
- 4.3 Identify and develop funding plans to address long term liabilities such as sick leave and benefits for retirees.
- 4.4 Establish and maintain stabilization funds for services subject to significant year to year fluctuations. These include winter maintenance and Ontario Works.

APPENDICES

APPENDIX A

DEMOGRAPHIC TABLES

HEMSON

Table 1

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN
Forecast with Continued Out-Migration

Population Base Data & 10-Year Forecast

Age	1996			2001			Change 2001/1996			2011			Change 2011/2001		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	5,275	5,010	10,285	4,185	3,940	8,125	(1,090)	(1,070)	(2,160)	3,246	3,101	6,347	(939)	(839)	(1,778)
5 - 9	5,355	5,235	10,590	5,055	4,855	9,910	(300)	(380)	(680)	3,569	3,426	6,995	(1,486)	(1,429)	(2,915)
10 - 14	5,640	5,560	11,200	5,175	5,170	10,345	(465)	(390)	(855)	3,896	3,655	7,551	(1,279)	(1,515)	(2,794)
15 - 19	6,220	6,020	12,240	5,485	5,380	10,865	(735)	(640)	(1,375)	4,709	4,478	9,187	(776)	(902)	(1,678)
Subtotal	22,490	21,825	44,315	19,900	19,345	39,245	(2,590)	(2,480)	(5,070)	15,420	14,660	30,080	(4,480)	(4,685)	(9,165)
20 - 24	6,350	6,155	12,505	4,925	5,035	9,960	(1,425)	(1,120)	(2,545)	3,796	3,988	7,784	(1,129)	(1,047)	(2,176)
25 - 29	5,570	5,575	11,145	4,290	4,430	8,720	(1,280)	(1,145)	(2,425)	3,251	3,617	6,868	(1,039)	(813)	(1,852)
30 - 34	6,650	6,980	13,630	4,765	5,030	9,795	(1,885)	(1,950)	(3,835)	3,643	4,086	7,729	(1,122)	(944)	(2,066)
35 - 39	6,535	7,050	13,585	6,200	6,650	12,850	(335)	(400)	(735)	3,985	4,223	8,208	(2,215)	(2,427)	(4,642)
40 - 44	6,085	6,705	12,790	6,285	6,880	13,165	200	175	375	4,557	4,813	9,370	(1,728)	(2,067)	(3,795)
45 - 49	6,220	6,020	12,240	5,840	6,380	12,220	(380)	360	(20)	5,953	6,316	12,269	113	(64)	49
50 - 54	4,815	4,770	9,585	5,915	5,700	11,615	1,100	930	2,030	5,861	6,396	12,257	(54)	696	642
55 - 59	3,885	3,935	7,820	4,430	4,500	8,930	545	565	1,110	5,349	5,873	11,222	919	1,373	2,292
Subtotal	46,110	47,190	93,300	42,650	44,605	87,255	(3,460)	(2,585)	(6,045)	36,395	39,312	75,707	(6,255)	(5,293)	(11,548)
60 - 64	3,455	3,690	7,145	3,545	3,705	7,250	90	15	105	5,316	5,292	10,608	1,771	1,587	3,358
65 - 69	3,240	3,360	6,600	3,090	3,520	6,610	(150)	160	10	3,816	4,143	7,959	726	623	1,349
70 - 74	2,435	3,130	5,565	2,775	3,125	5,900	340	(5)	335	2,786	3,197	5,983	11	72	83
75 - 79	1,480	2,120	3,600	1,925	2,675	4,600	445	555	1,000	2,066	2,748	4,814	141	73	214
80 - 84	840	1,335	2,175	920	1,680	2,600	80	345	425	1,531	2,125	3,656	611	445	1,056
85 - 89	290	660	950	430	880	1,310	140	220	360	764	1,430	2,194	334	550	884
90+	90	310	400	130	355	485	40	45	85	282	747	1,029	152	392	544
Subtotal	11,830	14,605	26,435	12,815	15,940	28,755	985	1,335	2,320	16,561	19,682	36,243	3,746	3,742	7,488
TOTAL	80,430	83,620	164,050	75,365	79,890	155,255	(5,065)	(3,730)	(8,795)	68,376	73,654	142,030	(6,989)	(6,236)	(13,225)

Household Base Data & 10-Year Forecast

	1996	2001	Change 2001/1996	2011	Change 2011/2001
Population	164,050	155,255	(8,795)	142,030	(13,225)
Household Population	162,091	153,401	(8,690)	140,334	(13,067)
Households	63,270	64,256	986	65,606	1,350
Average Household Size	2.56	2.39	(0.17)	2.14	(0.25)

Note: 1996 data are for the former Region. 2001 data and the forecasts are for the new City of Greater Sudbury. The new City includes about 1,300 persons who were not within the former Region.

Table 2

**CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN
Forecast with Zero Migration after 2001**

Population Base Data & 10-Year Forecast

Age	1996			2001			Change 2001/1996			2011			Change 2011/2001		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	5,275	5,010	10,285	4,185	3,940	8,125	(1,090)	(1,070)	(2,160)	3,986	3,779	7,765	(199)	(161)	(360)
5 - 9	5,355	5,235	10,590	5,055	4,855	9,910	(300)	(380)	(680)	4,110	3,902	8,012	(945)	(953)	(1,898)
10 - 14	5,640	5,560	11,200	5,175	5,170	10,345	(465)	(390)	(855)	4,213	3,977	8,190	(962)	(1,193)	(2,155)
15 - 19	6,220	6,020	12,240	5,485	5,380	10,865	(735)	(640)	(1,375)	5,083	4,922	10,005	(402)	(458)	(860)
Subtotal	22,490	21,825	44,315	19,900	19,345	39,245	(2,590)	(2,480)	(5,070)	17,392	16,580	33,972	(2,508)	(2,765)	(5,273)
20 - 24	6,350	6,155	12,505	4,925	5,035	9,960	(1,425)	(1,120)	(2,545)	4,778	4,928	9,706	(147)	(107)	(254)
25 - 29	5,570	5,575	11,145	4,290	4,430	8,720	(1,280)	(1,145)	(2,425)	4,889	5,038	9,927	599	608	1,207
30 - 34	6,650	6,980	13,630	4,765	5,030	9,795	(1,885)	(1,950)	(3,835)	4,837	5,057	9,894	72	27	99
35 - 39	6,535	7,050	13,585	6,200	6,650	12,850	(335)	(400)	(735)	4,558	4,669	9,227	(1,642)	(1,981)	(3,623)
40 - 44	6,085	6,705	12,790	6,285	6,880	13,165	200	175	375	5,039	5,221	10,260	(1,246)	(1,659)	(2,905)
45 - 49	6,220	6,020	12,240	5,840	6,380	12,220	(380)	360	(20)	6,414	6,770	13,184	574	390	964
50 - 54	4,815	4,770	9,585	5,915	5,700	11,615	1,100	930	2,030	6,271	6,788	13,059	356	1,088	1,444
55 - 59	3,885	3,935	7,820	4,430	4,500	8,930	545	565	1,110	5,614	6,093	11,707	1,184	1,593	2,777
Subtotal	46,110	47,190	93,300	42,650	44,605	87,255	(3,460)	(2,585)	(6,045)	42,400	44,564	86,964	(250)	(41)	(291)
60 - 64	3,455	3,690	7,145	3,545	3,705	7,250	90	15	105	5,426	5,390	10,816	1,881	1,685	3,566
65 - 69	3,240	3,360	6,600	3,090	3,520	6,610	(150)	160	10	3,886	4,235	8,121	796	715	1,511
70 - 74	2,435	3,130	5,565	2,775	3,125	5,900	340	(5)	335	2,886	3,295	6,181	111	170	281
75 - 79	1,480	2,120	3,600	1,925	2,675	4,600	445	555	1,000	2,186	2,843	5,029	261	168	429
80 - 84	840	1,335	2,175	920	1,680	2,600	80	345	425	1,585	2,179	3,764	665	499	1,164
85 - 89	290	660	950	430	880	1,310	140	220	360	767	1,442	2,209	337	562	899
90+	90	310	400	130	355	485	40	45	85	284	755	1,039	154	400	554
Subtotal	11,830	14,605	26,435	12,815	15,940	28,755	985	1,335	2,320	17,020	20,139	37,159	4,205	4,199	8,404
TOTAL	80,430	83,620	164,050	75,365	79,890	155,255	(5,065)	(3,730)	(8,795)	76,812	81,283	158,095	1,447	1,393	2,840

Household Base Data & 10-Year Forecast

	1996	2001	Change 2001/1996	2011	Change 2011/2001
Population	164,050	155,255	(8,795)	158,095	2,840
Household Population	162,091	153,401	(8,690)	156,207	2,806
Households	63,270	64,256	986	69,635	5,379
Average Household Size	2.56	2.39	(0.17)	2.24	(0.14)

Note: 1996 data are for the former Region. 2001 data and the forecasts are for the new City of Greater Sudbury. The new City includes about 1,300 persons who were not within the former Region.

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

TABLE 3

1987 - 2001 EMPLOYMENT - SUDBURY CMA

	Employment (000s)														
	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Goods-producing Industries															
Agriculture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Forestry, fishing, mining, oil and gas	11.5	10.1	11.5	11.9	10.2	9.3	9.2	9.0	8.9	10.3	9.7	8.3	7.6	7.4	6.5
Utilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Construction	3.7	4.5	4.8	4.7	4.6	4.4	3.9	4.0	4.5	4.1	4.3	4.4	3.7	3.8	4.1
Manufacturing	3.3	3.4	3.1	3.4	3.3	3.0	2.9	2.4	2.8	2.9	3.3	3.5	2.9	3.5	3.6
Subtotal - Goods Producing	18.5	18.0	19.4	20.0	18.1	16.7	16.0	15.4	16.2	17.3	17.3	16.2	14.2	14.7	14.2
Service-Producing Industries															
Private Oriented Services															
Trade	10.9	11.8	13.2	11.3	13.0	11.2	12.8	10.9	11.5	11.2	12.1	12.1	13.5	12.3	11.6
Transportation and warehousing	4.3	3.6	2.6	3.2	2.9	3.0	2.7	3.5	3.3	3.5	2.5	3.7	3.1	3.8	3.5
Finance, insurance, real estate and leasing	2.4	3.2	3.9	3.8	3.4	3.5	3.8	4.3	3.9	3.3	4.5	3.4	3.9	3.2	3.9
Professional, scientific and technical services	0.0	2.1	1.8	1.7	2.6	2.0	2.2	2.4	2.5	2.4	2.8	2.1	2.8	2.8	3.0
Management of companies, admin. & other support services	0.0	0.0	0.0	1.5	0.0	1.5	1.7	1.8	1.5	1.5	1.6	1.5	3.0	3.6	4.2
Accommodation and food services	4.7	4.4	4.5	4.4	4.8	4.0	4.9	4.5	5.2	5.2	5.7	5.7	4.9	5.1	5.5
Subtotal	22.3	25.1	26.0	25.9	26.7	25.2	28.1	27.4	27.9	27.1	29.2	28.5	31.2	30.8	31.7
Public Oriented Services															
Educational services	4.6	6.1	5.8	5.8	4.7	5.4	6.6	6.6	6.9	6.7	6.0	5.6	4.9	6.6	5.5
Health care and social assistance	6.9	6.4	7.0	8.3	7.0	7.9	8.5	9.3	8.9	9.4	8.7	8.8	8.9	10.7	9.1
Information, culture and recreation	1.6	2.1	2.7	2.6	2.9	2.5	2.5	2.9	3.5	3.1	2.5	2.7	2.2	3.3	3.0
Public administration	4.4	4.1	5.0	5.7	6.5	5.8	5.9	5.6	5.1	5.3	5.3	5.1	5.9	5.2	5.0
Subtotal	17.5	18.7	20.5	22.4	21.1	21.6	23.5	24.4	24.4	24.5	22.5	22.2	21.9	25.8	22.6
Other services	3.5	2.8	2.6	3.0	3.7	3.7	2.9	2.7	3.9	3.8	3.3	4.1	4.0	3.8	3.4
Subtotal - Service Producing	43.3	46.6	49.1	51.3	51.5	50.5	54.5	54.5	56.2	55.4	55.0	54.8	57.1	60.4	57.7
Total Employment	61.8	64.6	68.5	71.3	69.6	67.2	70.5	69.9	72.4	72.7	72.3	71.0	71.3	75.1	71.9

Source: Statistics Canada, Annual Labour Force Statistics

APPENDIX B

FINANCIAL TABLES

HEMSON

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Exhibit 14 - Table 1
Summary of Projected Funding Gap For Tax Supported Services
(\$000's)

SUMMARY OF PROJECTED FUNDING GAP	Base Year 2002	Forecast Period									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
OPERATING BUDGET GAP											
1. PROJECTED NET OPERATING EXPENDITURE <i>(Excluding 2002 Salary Settlements and Capital Envelopes)</i>	\$109,836	\$107,858	\$107,090	\$106,295	\$106,156	\$106,148	\$105,956	\$105,956	\$105,956	\$105,869	\$105,851
2. Increase for 2002 Salary Settlement	\$0	\$1,903	\$3,746	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486
3. Projected Major Net Cost Increases	\$0	\$6,552	\$10,291	\$13,298	\$14,621	\$15,838	\$17,156	\$18,585	\$20,138	\$21,826	\$23,662
4. Sub-Total	109,836	116,312	121,126	125,078	126,264	127,472	128,598	130,027	131,580	133,181	135,000
5. Inflation on Operating Cost/Revenue	0	2,966	5,587	8,317	12,187	16,163	20,248	24,447	28,764	33,204	37,774
6. TOTAL PROJECTED NET OPERATING EXPENDITURE	\$109,836	\$119,278	\$126,714	\$133,395	\$138,451	\$143,635	\$148,846	\$154,474	\$160,343	\$166,385	\$172,774
7. PROJECTED OPERATING GAP (Including Inflation)	\$0	\$11,420	\$19,624	\$27,100	\$32,295	\$37,487	\$42,890	\$48,518	\$54,387	\$60,516	\$66,922
CAPITAL BUDGET GAP											
8. EXISTING CAPITAL ENVELOPES	\$17,071	\$19,221	\$19,971	\$20,696	\$20,845	\$20,847	\$20,986	\$21,032	\$21,061	\$21,144	\$21,144
9. Inflation On Capital Envelopes	\$0	\$384	\$807	\$1,267	\$1,718	\$2,170	\$2,648	\$3,127	\$3,615	\$4,125	\$4,630
10. PROJECTED CAPITAL REQUIREMENT IN EXCESS ENVELOPES	\$0	\$32,008	\$30,624	\$32,580	\$41,166	\$28,984	\$28,726	\$28,720	\$28,694	\$28,519	\$28,649
11. Inflation on Excess Requirement	\$0	\$640	\$1,237	\$1,994	\$3,393	\$3,017	\$3,624	\$4,270	\$4,926	\$5,564	\$6,274
12. TOTAL PROJECTED CAPITAL REQUIREMENT	\$17,071	\$52,253	\$52,638	\$56,537	\$67,122	\$55,017	\$55,984	\$57,150	\$58,296	\$59,351	\$60,697
13. PROJECTED CAPITAL GAP (Including Inflation)	\$0	\$33,033	\$32,668	\$35,841	\$46,278	\$34,170	\$34,998	\$36,117	\$37,235	\$38,207	\$39,553
14. TOTAL PROJECTED NET OPERATING AND CAPITAL EXPENDITURE	\$126,907	\$171,531	\$179,352	\$189,932	\$205,574	\$198,651	\$204,830	\$211,624	\$218,640	\$225,736	\$233,470
15. Less Projected Payments In Lieu	\$7,236	\$9,780	\$10,226	\$10,829	\$11,721	\$11,326	\$11,679	\$12,066	\$12,466	\$12,871	\$13,312
16. PROJECTED NET LEVY REQUIREMENT	\$119,671	\$161,751	\$169,126	\$179,102	\$193,852	\$187,325	\$193,151	\$199,558	\$206,174	\$212,865	\$220,159
17. TOTAL ANNUAL FUNDING GAP (Including Inflation)	N/A	\$44,453	\$52,292	\$62,941	\$78,573	\$71,657	\$77,888	\$84,635	\$91,623	\$98,723	\$106,475

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 2
Summary of Projected Tax Impacts

IMPACT ON TAXES OF PROJECTED OPERATING COSTS AND EXISTING CAPITAL ENVELOPES	Base Year	Forecast period									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Percentage Increase in Net Levy		9.4%	6.2%	5.3%	3.6%	3.5%	3.5%	3.6%	3.6%	3.6%	3.6%
Municipal Tax - Average House (1)	\$1,452	\$1,589	\$1,688	\$1,778	\$1,843	\$1,907	\$1,974	\$2,044	\$2,117	\$2,193	\$2,272
\$ Increase		\$137	\$99	\$90	\$65	\$65	\$67	\$70	\$73	\$76	\$79
IMPACT ON TAXES OF ABOVE PLUS INFRASTRUCTURE RENEWAL LEVY @ 2.27%	Base Year	Forecast period									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Percentage Increase in Net Levy		11.7%	8.4%	7.4%	5.7%	5.5%	5.5%	5.5%	5.4%	5.4%	5.4%
Municipal Tax - Average House (1)	\$1,452	\$1,622	\$1,758	\$1,888	\$1,997	\$2,107	\$2,222	\$2,345	\$2,472	\$2,606	\$2,746
\$ Increase		\$170	\$136	\$130	\$108	\$111	\$115	\$122	\$128	\$134	\$140

(1) Based on \$105,059 per MLS data for January-June, 1999, CVA base year.

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 3
Summary of Projected Tax And Water/Waste Water Rates Impacts

IMPACT ON TAXES, WATER AND WASTE WATER RATES OF PROJECTED OPERATING COSTS AND EXISTING CAPITAL ENVELOPES											
	Base Year	Forecast period									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Percentage Increase in Net Levy		9.4%	6.2%	5.3%	3.6%	3.5%	3.5%	3.6%	3.6%	3.6%	3.6%
Municipal Tax - Average House (1)	\$1,452	\$1,589	\$1,688	\$1,778	\$1,843	\$1,907	\$1,974	\$2,044	\$2,117	\$2,193	\$2,272
Percentage Increase in Water/Waste Water Fees		4.1%	5.2%	4.0%	3.5%	3.4%	3.3%	3.2%	3.2%	3.1%	1.3%
Average Water/Waste Water Bill (2)	\$551	\$574	\$604	\$628	\$650	\$672	\$694	\$716	\$739	\$762	\$772
Total Taxes/Water/Waste Water Charges	\$2,004	\$2,163	\$2,292	\$2,406	\$2,492	\$2,579	\$2,668	\$2,761	\$2,857	\$2,956	\$3,044
\$ Increase		\$160	\$128	\$114	\$86	\$86	\$89	\$93	\$96	\$99	\$89
IMPACT OF ABOVE AND INFRASTRUCTURE RENEWAL LEVY @ 2.27%											
	Base Year	Forecast period									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Percentage Increase in Net Levy		11.7%	8.4%	7.4%	5.7%	5.5%	5.5%	5.5%	5.4%	5.4%	5.4%
Municipal Tax - Average House (1)	\$1,452	\$1,622	\$1,758	\$1,888	\$1,997	\$2,107	\$2,222	\$2,345	\$2,472	\$2,606	\$2,746
Percentage Increase in Water/Waste Water Fees		4.2%	5.2%	4.1%	3.5%	3.4%	3.3%	3.3%	3.2%	3.1%	1.3%
Average Water/Waste Water Bill (2)	\$551	\$574	\$604	\$629	\$651	\$673	\$695	\$718	\$741	\$764	\$774
Total Taxes/Water/Waste Water Charges	\$2,004	\$2,197	\$2,362	\$2,517	\$2,647	\$2,780	\$2,918	\$3,062	\$3,213	\$3,370	\$3,520
\$ Increase		\$193	\$166	\$155	\$130	\$133	\$138	\$145	\$151	\$157	\$150

(1) Based on \$105,059 per MLS data for January-June, 1999, CVA base year.

(2) Based on average annual consumption of 240 Cubic Meters.

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 4
Ten Year Operating Budget Projection
Summary by Expenditure Category
(\$'000's)

SUMMARY BY EXPENDITURE CATEGORY	Base Year		Forecast Period																		
	2002	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change	2011	% Change	2012	% Change
Salaries & Benefits	123,297	130,978	6.2%	138,148	5.5%	145,031	5.0%	149,146	2.8%	153,446	2.9%	157,946	2.9%	162,661	3.0%	167,607	3.0%	172,802	3.1%	178,266	3.2%
Materials & Operating Expenses	26,825	27,802	3.6%	28,098	1.1%	28,660	2.0%	29,437	2.7%	30,026	2.0%	30,626	2.0%	31,239	2.0%	31,863	2.0%	32,501	2.0%	33,151	2.0%
Equipment Expenses	751	833	11.0%	850	2.0%	867	2.0%	884	2.0%	902	2.0%	920	2.0%	938	2.0%	957	2.0%	976	2.0%	996	2.0%
Energy Costs	6,135	6,847	11.6%	6,984	2.0%	7,124	2.0%	7,266	2.0%	7,412	2.0%	7,560	2.0%	7,711	2.0%	7,865	2.0%	8,023	2.0%	8,183	2.0%
Purchased/Contract Services	136,868	140,857	2.9%	143,792	2.1%	146,769	2.1%	149,705	2.0%	152,699	2.0%	155,753	2.0%	158,868	2.0%	162,045	2.0%	165,286	2.0%	168,592	2.0%
Professional Development & Training	1,496	1,531	2.3%	1,562	2.0%	1,593	2.0%	1,625	2.0%	1,657	2.0%	1,690	2.0%	1,724	2.0%	1,759	2.0%	1,794	2.0%	1,830	2.0%
Insurance Taxes	2,599	2,681	3.2%	2,734	2.0%	2,789	2.0%	2,845	2.0%	2,902	2.0%	2,960	2.0%	3,019	2.0%	3,079	2.0%	3,141	2.0%	3,204	2.0%
Grants - Transfer Payments	47,706	48,415	1.5%	49,383	2.0%	50,371	2.0%	51,378	2.0%	52,406	2.0%	53,454	2.0%	54,523	2.0%	55,613	2.0%	56,725	2.0%	57,860	2.0%
Internal Recoveries	(14,536)	(14,777)	1.7%	(15,102)	2.2%	(15,427)	2.1%	(15,757)	2.1%	(16,095)	2.1%	(16,439)	2.1%	(16,790)	2.1%	(17,148)	2.1%	(17,513)	2.1%	(17,886)	2.1%
Debt Service Payments	2,391	2,352	-1.6%	2,352	0.0%	2,260	-3.9%	2,246	-0.6%	1,916	-14.7%	115	-94.0%	115	0.0%	115	0.0%	27	-76.1%	10	-63.5%
Provisions to Reserves/Capital	35,102	36,427	3.8%	37,532	3.0%	38,506	2.6%	39,471	2.5%	40,632	2.9%	43,211	6.3%	44,086	2.0%	44,890	1.8%	45,814	2.1%	45,836	0.0%
TOTAL EXPENDITURES	368,633	383,945	4.2%	396,332	3.2%	408,542	3.1%	418,245	2.4%	427,901	2.3%	437,795	2.3%	448,093	2.4%	458,646	2.4%	469,576	2.4%	480,041	2.2%
REVENUES																					
Levies	842	842	0.0%	842	-0.1%	786	-6.6%	742	-5.6%	719	-3.1%	688	-4.2%	656	-4.7%	571	-13.0%	549	-3.7%	549	0.0%
Provincial Grants	159,004	162,289	2.1%	164,409	1.3%	166,630	1.4%	168,822	1.3%	171,057	1.3%	173,337	1.3%	175,663	1.3%	178,035	1.4%	180,455	1.4%	182,923	1.4%
Federal Grants	857	874	2.0%	892	2.0%	909	2.0%	928	2.0%	946	2.0%	965	2.0%	984	2.0%	1,004	2.0%	1,024	2.0%	1,045	2.0%
User Fees	62,749	65,186	3.9%	67,796	4.0%	70,094	3.4%	72,109	2.9%	74,153	2.8%	76,228	2.8%	78,335	2.8%	80,475	2.7%	82,649	2.7%	84,020	1.7%
Licensing	1,350	1,403	3.9%	1,446	3.0%	1,489	3.0%	1,524	2.3%	1,559	2.3%	1,595	2.3%	1,632	2.3%	1,669	2.3%	1,708	2.3%	1,747	2.3%
Investment Earnings	3,512	3,512	0.0%	3,513	0.0%	3,513	0.0%	3,513	0.0%	3,513	0.0%	3,513	0.0%	3,514	0.0%	3,514	0.0%	3,514	0.0%	3,514	0.0%
Hydro Revenues	2,400	2,400	0.0%	2,650	10.4%	2,775	4.7%	2,900	4.5%	2,900	0.0%	2,900	0.0%	2,900	0.0%	2,900	0.0%	2,900	0.0%	2,900	0.0%
Contribution From Reserves	3,200	1,046	-67.3%	389	-62.8%	389	0.0%	389	0.0%	389	0.0%	389	0.0%	389	0.0%	389	0.0%	389	0.0%	389	0.0%
Other Revenues	7,812	7,893	1.0%	7,711	-2.3%	7,865	2.0%	8,023	2.0%	8,183	2.0%	8,347	2.0%	8,514	2.0%	8,684	2.0%	8,858	2.0%	9,035	2.0%
TOTAL REVENUES	241,727	245,446	1.5%	249,647	1.7%	254,452	1.9%	258,949	1.8%	263,420	1.7%	267,963	1.7%	272,587	1.7%	277,242	1.7%	282,047	1.7%	286,123	1.4%
NET BUDGET	126,907	138,499	9.1%	146,684	5.9%	154,090	5.0%	159,296	3.4%	164,482	3.3%	169,832	3.3%	175,506	3.3%	181,404	3.4%	187,528	3.4%	193,917	3.4%
Inflation on Existing Tax Supported Capital Envelopes	\$0	384	n/a	807	109.9%	1,267	57.0%	1,718	35.6%	2,170	26.3%	2,648	22.0%	3,127	18.1%	3,615	15.6%	4,125	14.1%	4,630	12.3%
NET BUDGET INCLUDING INFLATION ON CAPITAL ENVELOPES	126,907	138,883	9.4%	147,491	6.2%	155,357	5.3%	161,014	3.6%	166,651	3.5%	172,479	3.5%	178,634	3.6%	185,020	3.6%	191,653	3.6%	198,548	3.6%
PAYMENTS IN LIEU	7,236	7,919	9.4%	8,409	6.2%	8,858	5.3%	9,181	3.6%	9,502	3.5%	9,834	3.5%	10,185	3.6%	10,549	3.6%	10,927	3.6%	11,321	3.6%
NET TAX LEVY	119,671	130,964	9.4%	139,082	6.2%	146,499	5.3%	151,834	3.6%	157,149	3.5%	162,645	3.5%	168,448	3.6%	174,470	3.6%	180,726	3.6%	187,227	3.6%

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 5
Ten Year Operating Budget Projection
Summary By Program
(\$000's)

SUMMARY BY PROGRAM	Base Year	Forecast Period																			
	2002	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change	2011	% Change	2012	% Change
Non-Program Specific	6,545	4,614	-29.5%	3,924	-14.9%	3,391	-13.6%	3,459	2.0%	3,528	2.0%	3,599	2.0%	3,670	2.0%	3,744	2.0%	3,819	2.0%	3,895	2.0%
Corporate and Administrative Services	21,846	23,232	6.3%	24,117	3.8%	25,156	4.3%	25,904	3.0%	26,422	2.0%	26,954	2.0%	27,520	2.1%	28,043	1.9%	28,675	2.3%	29,335	2.3%
Economic Development & Planning	27,147	27,836	2.5%	28,774	3.4%	28,918	0.5%	29,541	2.2%	30,181	2.2%	30,839	2.2%	31,516	2.2%	32,213	2.2%	32,931	2.2%	33,671	2.2%
Citizen & Liesure Services	37,532	39,221	4.5%	40,576	3.5%	41,928	3.3%	42,856	2.2%	43,813	2.2%	44,788	2.2%	45,811	2.3%	46,869	2.3%	47,965	2.3%	49,100	2.4%
Public Works	86,342	91,892	6.4%	95,388	3.8%	99,290	4.1%	101,520	2.2%	103,930	2.4%	106,363	2.3%	108,925	2.4%	111,547	2.4%	114,182	2.4%	116,057	1.6%
Emergency Services	22,496	23,626	5.0%	24,960	5.6%	26,066	4.4%	26,722	2.5%	27,407	2.6%	28,122	2.6%	28,869	2.7%	29,651	2.7%	30,470	2.8%	31,330	2.8%
Health and Social Services	124,655	127,913	2.6%	130,933	2.4%	133,999	2.3%	136,794	2.1%	139,659	2.1%	142,594	2.1%	145,604	2.1%	148,692	2.1%	151,860	2.1%	155,112	2.1%
Police	28,288	31,553	11.5%	33,320	5.6%	35,169	5.5%	36,530	3.9%	37,744	3.3%	39,015	3.4%	40,345	3.4%	41,739	3.5%	43,202	3.5%	44,739	3.6%
Other Boards	13,782	14,058	2.0%	14,339	2.0%	14,626	2.0%	14,918	2.0%	15,217	2.0%	15,521	2.0%	15,831	2.0%	16,148	2.0%	16,471	2.0%	16,800	2.0%
TOTAL EXPENDITURES	368,633	383,945	4.2%	396,332	3.2%	408,542	3.1%	418,245	2.4%	427,901	2.3%	437,795	2.3%	448,093	2.4%	458,646	2.4%	469,576	2.4%	480,041	2.2%
REVENUES																					
Non-Program Specific	63,434	61,884	-2.4%	61,936	0.1%	62,114	0.3%	62,292	0.3%	62,347	0.1%	62,403	0.1%	62,460	0.1%	62,518	0.1%	62,577	0.1%	62,638	0.1%
Corporate and Administrative Services	5,064	4,877	-3.7%	4,771	-2.2%	4,875	2.2%	4,970	2.0%	5,044	1.5%	5,113	1.4%	5,197	1.6%	5,215	0.4%	5,321	2.0%	5,429	2.0%
Economic Development & Planning	6,947	6,978	0.4%	6,941	-0.5%	7,108	2.4%	7,257	2.1%	7,409	2.1%	7,564	2.1%	7,723	2.1%	7,885	2.1%	8,051	2.1%	8,220	2.1%
Citizen & Liesure Services	14,911	15,440	3.5%	15,844	2.6%	16,259	2.6%	16,603	2.1%	16,954	2.1%	17,313	2.1%	17,680	2.1%	18,054	2.1%	18,436	2.1%	18,827	2.1%
Public Works	39,475	41,052	4.0%	42,686	4.0%	44,268	3.7%	45,675	3.2%	47,143	3.2%	48,630	3.2%	50,122	3.1%	51,648	3.0%	53,175	3.0%	53,906	1.4%
Emergency Services	4,977	5,125	3.0%	5,260	2.6%	5,397	2.6%	5,499	1.9%	5,602	1.9%	5,707	1.9%	5,814	1.9%	5,924	1.9%	6,035	1.9%	6,149	1.9%
Health and Social Services	97,915	101,100	3.3%	103,096	2.0%	105,129	2.0%	107,164	1.9%	109,239	1.9%	111,357	1.9%	113,516	1.9%	115,719	1.9%	117,966	1.9%	120,257	1.9%
Police	985	810	-17.8%	770	-4.9%	791	2.7%	808	2.2%	826	2.2%	844	2.2%	863	2.2%	882	2.2%	901	2.2%	921	2.2%
Other Boards	8,020	8,180	2.0%	8,344	2.0%	8,511	2.0%	8,681	2.0%	8,855	2.0%	9,032	2.0%	9,212	2.0%	9,397	2.0%	9,585	2.0%	9,776	2.0%
TOTAL REVENUES	241,727	245,446	1.5%	249,647	1.7%	254,452	1.9%	258,949	1.8%	263,420	1.7%	267,963	1.7%	272,587	1.7%	277,242	1.7%	282,047	1.7%	286,123	1.4%
NET BUDGET	126,907	138,499	9.1%	146,684	5.9%	154,090	5.0%	159,296	3.4%	164,482	3.3%	169,832	3.3%	175,506	3.3%	181,404	3.4%	187,528	3.4%	193,917	3.4%

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 6
Ten Year Operating Budget Projection
Summary By Tax Supported Programs Only
(\$000's)

TAX SUPPORTED PROGRAMS (1)	Base Year	Forecast Period																					
	2002	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change	2011	% Change	2012	% Change		
EXPENDITURES																							
Non-Program Specific	6,545	4,614	-29.5%	3,924	-14.9%	3,391	-13.6%	3,459	2.0%	3,528	2.0%	3,599	2.0%	3,670	2.0%	3,744	2.0%	3,819	2.0%	3,895	2.0%		
Corporate and Administrative Services	21,846	23,232	6.3%	24,117	3.8%	25,156	4.3%	25,904	3.0%	26,422	2.0%	26,954	2.0%	27,520	2.1%	28,043	1.9%	28,675	2.3%	29,335	2.3%		
Economic Development & Planning	27,147	27,836	2.5%	28,774	3.4%	28,918	0.5%	29,541	2.2%	30,181	2.2%	30,839	2.2%	31,516	2.2%	32,213	2.2%	32,931	2.2%	33,671	2.2%		
Citizen & Liesure Services	35,414	36,928	4.3%	38,233	3.5%	39,536	3.4%	40,418	2.2%	41,328	2.3%	42,256	2.2%	43,230	2.3%	44,238	2.3%	45,283	2.4%	46,367	2.4%		
Public Works	51,237	55,375	8.1%	57,372	3.6%	59,828	4.3%	60,761	1.6%	61,814	1.7%	62,875	1.7%	64,063	1.9%	65,278	1.9%	66,508	1.9%	67,777	1.9%		
Emergency Services	22,496	23,626	5.0%	24,960	5.6%	26,066	4.4%	26,722	2.5%	27,407	2.6%	28,122	2.6%	28,869	2.7%	29,651	2.7%	30,470	2.8%	31,330	2.8%		
Health and Social Services	124,655	127,913	2.6%	130,933	2.4%	133,999	2.3%	136,794	2.1%	139,659	2.1%	142,594	2.1%	145,604	2.1%	148,692	2.1%	151,860	2.1%	155,112	2.1%		
Police	28,288	31,553	11.5%	33,320	5.6%	35,169	5.5%	36,530	3.9%	37,744	3.3%	39,015	3.4%	40,345	3.4%	41,739	3.5%	43,202	3.5%	44,739	3.6%		
Other Boards	11,128	11,351	2.0%	11,578	2.0%	11,809	2.0%	12,046	2.0%	12,287	2.0%	12,532	2.0%	12,783	2.0%	13,039	2.0%	13,299	2.0%	13,565	2.0%		
TOTAL EXPENDITURES	328,757	342,428	4.2%	353,211	3.1%	363,872	3.0%	372,175	2.3%	380,370	2.2%	388,785	2.2%	397,600	2.3%	406,636	2.3%	416,048	2.3%	425,792	2.3%		
REVENUES																							
Non-Program Specific	63,434	61,884	-2.4%	61,936	0.1%	62,114	0.3%	62,292	0.3%	62,347	0.1%	62,403	0.1%	62,460	0.1%	62,518	0.1%	62,577	0.1%	62,638	0.1%		
Corporate and Administrative Services	5,064	4,877	-3.7%	4,771	-2.2%	4,875	2.2%	4,970	2.0%	5,044	1.5%	5,113	1.4%	5,197	1.6%	5,215	0.4%	5,321	2.0%	5,429	2.0%		
Economic Development & Planning	6,947	6,978	0.4%	6,941	-0.5%	7,108	2.4%	7,257	2.1%	7,409	2.1%	7,564	2.1%	7,723	2.1%	7,885	2.1%	8,051	2.1%	8,220	2.1%		
Citizen & Liesure Services	12,793	13,146	2.8%	13,501	2.7%	13,866	2.7%	14,164	2.2%	14,469	2.2%	14,780	2.2%	15,098	2.2%	15,423	2.2%	15,755	2.2%	16,093	2.2%		
Public Works	4,370	4,536	3.8%	4,669	2.9%	4,807	2.9%	4,916	2.3%	5,028	2.3%	5,142	2.3%	5,259	2.3%	5,379	2.3%	5,501	2.3%	5,626	2.3%		
Emergency Services	4,977	5,125	3.0%	5,260	2.6%	5,397	2.6%	5,499	1.9%	5,602	1.9%	5,707	1.9%	5,814	1.9%	5,924	1.9%	6,035	1.9%	6,149	1.9%		
Health and Social Services	97,915	101,100	3.3%	103,096	2.0%	105,129	2.0%	107,164	1.9%	109,239	1.9%	111,357	1.9%	113,516	1.9%	115,719	1.9%	117,966	1.9%	120,257	1.9%		
Police	985	810	-17.8%	770	-4.9%	791	2.7%	808	2.2%	826	2.2%	844	2.2%	863	2.2%	882	2.2%	901	2.2%	921	2.2%		
Other Boards	5,366	5,473	2.0%	5,583	2.0%	5,694	2.0%	5,808	2.0%	5,925	2.0%	6,043	2.0%	6,164	2.0%	6,287	2.0%	6,413	2.0%	6,541	2.0%		
TOTAL REVENUES	201,850	203,930	1.0%	206,527	1.3%	209,781	1.6%	212,879	1.5%	215,889	1.4%	218,953	1.4%	222,094	1.4%	225,231	1.4%	228,520	1.5%	231,875	1.5%		
NET BUDGET	126,907	138,499	9.1%	146,684	5.9%	154,090	5.0%	159,296	3.4%	164,482	3.3%	169,832	3.3%	175,506	3.3%	181,404	3.4%	187,528	3.4%	193,917	3.4%		

(1) Excludes Water, Waste Water, Cemetery, Parking & Airport

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 7
Ten Year Operating Budget Projection
Tax Levy By Program
(\$000's)

TAX LEVY BY PROGRAM	Base Year	Forecast Period																			
	2002	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change	2011	% Change	2012	% Change
Non-Program Specific	(56,888)	(57,270)	0.67%	(58,012)	1.29%	(58,723)	1.23%	(58,834)	0.19%	(58,819)	-0.02%	(58,804)	-0.02%	(58,790)	-0.03%	(58,774)	-0.03%	(58,759)	-0.03%	(58,743)	-0.03%
Corporate and Administrative Services	16,781	18,356	9.38%	19,346	5.40%	20,281	4.83%	20,934	3.22%	21,378	2.12%	21,841	2.17%	22,324	2.21%	22,828	2.26%	23,355	2.31%	23,906	2.36%
Economic Development & Planning	20,200	20,858	3.26%	21,833	4.67%	21,810	-0.11%	22,284	2.17%	22,772	2.19%	23,274	2.21%	23,793	2.23%	24,328	2.25%	24,880	2.27%	25,451	2.30%
Citizen & Liesure Services	22,621	23,782	5.13%	24,732	4.00%	25,669	3.79%	26,253	2.28%	26,859	2.31%	27,475	2.29%	28,132	2.39%	28,815	2.43%	29,528	2.48%	30,273	2.52%
Public Works	46,868	50,840	8.47%	52,702	3.66%	55,021	4.40%	55,845	1.50%	56,787	1.69%	57,733	1.67%	58,804	1.85%	59,899	1.86%	61,007	1.85%	62,151	1.87%
Emergency Services	17,520	18,501	5.60%	19,700	6.48%	20,668	4.91%	21,224	2.69%	21,806	2.74%	22,415	2.80%	23,055	2.85%	23,728	2.92%	24,435	2.98%	25,181	3.05%
Health and Social Services	26,740	26,813	0.27%	27,837	3.82%	28,870	3.71%	29,630	2.63%	30,419	2.66%	31,238	2.69%	32,088	2.72%	32,973	2.76%	33,894	2.79%	34,855	2.83%
Police	27,303	30,743	12.60%	32,550	5.88%	34,378	5.62%	35,722	3.91%	36,918	3.35%	38,170	3.39%	39,482	3.44%	40,857	3.48%	42,301	3.53%	43,818	3.59%
Other Boards	5,762	5,878	2.00%	5,995	2.00%	6,115	2.00%	6,237	2.00%	6,362	2.00%	6,489	2.00%	6,619	2.00%	6,751	2.00%	6,886	2.00%	7,024	2.00%
Total Levy	126,907	138,499	9.13%	146,684	5.91%	154,090	5.05%	159,296	3.38%	164,482	3.26%	169,832	3.25%	175,506	3.34%	181,404	3.36%	187,528	3.38%	193,917	3.41%
DOLLAR CHANGE IN LEVY BY PROGRAM	2002	2003	% Change	2004	% Change	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change	2011	% Change	2012	% Change
Non-Program Specific		(382)		(741)		(711)		(111)		14		15		15		15		16		16	
Corporate and Administrative Services		1,574		991		935		652		444		463		483		504		527		552	
Economic Development & Planning		658		975		(23)		474		488		503		518		535		553		571	
Citizen & Liesure Services		1,161		950		938		584		606		616		656		684		713		745	
Public Works		3,972		1,863		2,319		824		942		946		1,071		1,095		1,108		1,144	
Emergency Services		981		1,200		968		556		582		610		640		673		708		746	
Health and Social Services		73		1,024		1,033		761		789		819		851		885		921		961	
Police		3,440		1,807		1,828		1,344		1,196		1,252		1,311		1,375		1,444		1,517	
Other Boards		115		118		120		122		125		127		130		132		135		138	
Total Levy		11,592		8,186		7,406		5,206		5,186		5,350		5,675		5,898		6,124		6,389	

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 8 - Page 1
Ten Year Operating Budget Projection
Major Program Changes Affecting 2003-2012 (1)

PROGRAM CHANGES	Cumulative Budget Impact									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
NON-DISCRETIONARY										
Salaries	\$2,522,197	\$4,365,483	\$6,105,637	\$6,105,637	\$6,105,637	\$6,105,637	\$6,105,637	\$6,105,637	\$6,105,637	\$6,105,637
Omers Phase In	\$1,000,000	\$2,900,000	\$4,800,000	\$4,800,000	\$4,800,000	\$4,800,000	\$4,800,000	\$4,800,000	\$4,800,000	\$4,800,000
Benefit Increases (12% per Year)	\$675,000	\$1,410,750	\$2,234,994	\$3,208,494	\$4,279,343	\$5,457,278	\$6,753,005	\$8,178,306	\$9,746,136	\$11,470,750
Citizen and Leisure - Museum Grant Eliminated	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Child Care & Ontario Works - Savings Due to Province Approving Program Lower Than City Budget	(\$93,199)	(\$93,199)	(\$93,199)	(\$93,199)	(\$93,199)	(\$93,199)	(\$93,199)	(\$93,199)	(\$93,199)	(\$93,199)
Sub-Total	\$4,115,998	\$8,595,035	\$13,059,433	\$14,032,932	\$15,103,782	\$16,281,716	\$17,577,444	\$19,002,744	\$20,570,575	\$22,295,188
DISCRETIONARY - APPROVED BY COUNCIL										
Information Technology - Staffing and Purchased Services	\$475,000	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000	\$950,000
District Fire Chiefs	\$225,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
Emergency Preparedness	\$47,500	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000
Handi Transit - Service Increase	\$100,000	\$200,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Sub- Total	\$847,500	\$1,695,000	\$1,795,000	\$1,795,000	\$1,795,000	\$1,795,000	\$1,795,000	\$1,795,000	\$1,795,000	\$1,795,000
DISCRETIONARY - NOT APPROVED BY COUNCIL										
Increase Transfer to Sick Leave	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Legal - Purchased Services	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Roads Summer Maintenance	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Roads Winter Maintenance	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Citizen and Leisure - Repairs, Maintenance, Energy Costs	\$128,703	\$128,703	\$128,703	\$128,703	\$128,703	\$128,703	\$128,703	\$128,703	\$128,703	\$128,703
Citizen and Leisure - Transfers from Reserves Eliminated	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Sub- Total	\$2,113,703	\$2,113,703	\$2,113,703	\$2,113,703	\$2,113,703	\$2,113,703	\$2,113,703	\$2,113,703	\$2,113,703	\$2,113,703
TOTAL EXCLUDING POLICE	\$7,077,201	\$12,403,738	\$16,968,136	\$17,941,635	\$19,012,485	\$20,190,419	\$21,486,147	\$22,911,447	\$24,479,278	\$26,203,891

(1) Reflects major changes and does not reflect impacts of interdepartmental recoveries, user fees and provincial Subsidies

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 8 - Page 2
Ten Year Operating Budget Projection
Major Program Changes Affecting 2003-2012 (1)

POLICE	Cumulative Budget Impact										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Salaries	\$874,223	\$874,223	\$874,223	\$874,223	\$874,223	\$874,223	\$874,223	\$874,223	\$874,223	\$874,223	\$874,223
Police Services Board - Training & Development	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Additional Seven Staff	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Overtime	\$669,550	\$669,550	\$669,550	\$669,550	\$669,550	\$669,550	\$669,550	\$669,550	\$669,550	\$669,550	\$669,550
Annual Increase in Salaries Due to Annualization	\$375,000	\$579,000	\$787,080	\$999,322	\$1,215,808	\$1,436,624	\$1,661,857	\$1,891,594	\$2,125,926	\$2,364,944	
Increase Sick Leave	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000
General Personnel - Meal Allowance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Increase Provision for Retiree Benefits	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000
Increase in Fleet Costs-	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000
Increase Insurance /Licences for Vehicles	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500	\$29,500
Computer Leases	\$119,200	\$119,200	\$119,200	\$319,200	\$319,200	\$319,200	\$319,200	\$319,200	\$319,200	\$319,200	\$319,200
Building Maintenance	\$24,575	\$24,575	\$24,575	\$24,575	\$24,575	\$24,575	\$24,575	\$24,575	\$24,575	\$24,575	\$24,575
Training - Books and Subscriptions	\$6,290	\$6,290	\$6,290	\$6,290	\$6,290	\$6,290	\$6,290	\$6,290	\$6,290	\$6,290	\$6,290
Stores	\$45,895	\$45,895	\$45,895	\$45,895	\$45,895	\$45,895	\$45,895	\$45,895	\$45,895	\$45,895	\$45,895
Video Monitoring & Alarm Program	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)	(\$4,940)
Revenue Changes											
Reduction In False Alarm Fees	\$53,000	\$53,000	\$53,000	\$53,000	\$53,000	\$53,000	\$53,000	\$53,000	\$53,000	\$53,000	\$53,000
Reduce Provincial Subsidy for Firearms Grant/ CPP	\$147,000	\$87,000	\$87,000	\$87,000	\$87,000	\$87,000	\$87,000	\$87,000	\$87,000	\$87,000	\$87,000
Total Police Adjustments	\$3,031,293	\$3,175,293	\$3,383,373	\$3,795,614	\$4,012,101	\$4,232,917	\$4,458,150	\$4,687,887	\$4,922,219	\$5,161,237	
NET INFLATION (Excludes Salary Settlements)	\$1,471,799	\$4,093,480	\$6,822,766	\$10,693,555	\$14,669,314	\$18,754,236	\$22,952,803	\$27,269,811	\$31,710,397	\$36,280,075	
TOTAL OF ALL PROGRAM CHANGES	\$11,580,293	\$19,672,511	\$27,174,275	\$32,430,804	\$37,693,899	\$43,177,572	\$48,897,100	\$54,869,145	\$61,111,893	\$67,645,203	

(1) Reflects major changes and does not reflect impacts of interdepartmental recoveries, user fees and provincial Subsidies

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 9 -Page 2
Estimate of 10 Year Gross Tax-Supported Capital Requirements - Before Inflation
(\$000's)

TAX SUPPORTED SERVICES (GROSS COST)	Base Year 2002	Forecast Period										Total 10 Year	
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
PUBLIC WORKS													
Municipal Road 35	\$150	\$1,550	\$2,100	\$3,150	\$3,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,850
Road Reconstruction & Resurfacing (1)	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$230,000
Bridges & Structures (2)	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$34,000
Storm Water Management (2)	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$3,800
Sidewalks & Walkways (2)	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$7,700
Streetlights (2)	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,000
Traffic Signals (2)	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$700
Buildings (3)	\$1,870	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$80,387
Solid Waste (4)	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$31,000
Fleet & Equipment (5)	\$6,800	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$46,490
Sub-total	\$39,740	\$45,158	\$45,708	\$46,758	\$46,658	\$43,608	\$43,608	\$43,608	\$43,608	\$43,608	\$43,608	\$43,608	\$436,077
CORPORATE SERVICES													
Infrastructure (6)	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$3,052
Community Project Support (9)	\$800	\$1,000	\$1,000	\$1,275	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$13,775
Information Technology (8)	\$100	\$690	\$600	\$600	\$690	\$600	\$200	\$290	\$200	\$200	\$290	\$200	\$4,360
Sub-total	\$1,205	\$1,995	\$1,905	\$2,180	\$2,495	\$2,405	\$2,005	\$2,095	\$2,005	\$2,005	\$2,095	\$2,095	\$21,187
ECONOMIC DEVELOPMENT/PLANNING													
Social Housing (7)	\$0	\$200	\$200	\$200	\$200	\$200	\$200	\$400	\$400	\$400	\$400	\$400	\$3,000
Economic Development (10)	\$250	\$650	\$850	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$9,500
Connect Ontario	\$0	\$1,000	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000
Official Plan Update (11)	\$0	\$1,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,400
Sub-total	\$250	\$3,250	\$2,050	\$2,200	\$1,200	\$1,200	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$59,275
HEALTH AND SOCIAL SERVICES													
Long-Term Care (Pioneer Manor)	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$7,637
Child Care (12)	\$0	\$0	\$0	\$0	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$700
Health	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total	\$764	\$764	\$764	\$764	\$864	\$864	\$864	\$864	\$864	\$864	\$864	\$864	\$8,337
CITIZENS AND LEISURE SERVICES													
General (13)	\$674	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$24,041
C.I.P.	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,000
Neighbourhood	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,500
<i>Sub-total (excl Transit)</i>	<i>\$1,024</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$27,541</i>
Transit Fleet (14)	\$1,294	\$2,394	\$1,294	\$1,294	\$1,294	\$1,294	\$1,294	\$1,294	\$1,294	\$1,294	\$1,294	\$1,294	\$14,044
Transit Buildings (14)	\$0	\$0	\$0	\$0	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000
<i>Sub-total Transit</i>	<i>\$1,294</i>	<i>\$2,394</i>	<i>\$1,294</i>	<i>\$1,294</i>	<i>\$10,294</i>	<i>\$1,294</i>	<i>\$1,294</i>	<i>\$1,294</i>	<i>\$1,294</i>	<i>\$1,294</i>	<i>\$1,294</i>	<i>\$1,294</i>	<i>\$23,044</i>
Sub-total	\$2,319	\$5,149	\$4,049	\$4,049	\$13,049	\$4,049	\$4,049	\$4,049	\$4,049	\$4,049	\$4,049	\$4,049	\$50,585
EMERGENCY SERVICES - Fire													
EMS (15)	\$182	\$983	\$468	\$473	\$383	\$383	\$383	\$383	\$473	\$383	\$383	\$383	\$4,690
Sub-total	\$182	\$983	\$468	\$473	\$383	\$383	\$383	\$383	\$473	\$383	\$383	\$383	\$4,690
CEMETERY SERVICES													
Cemetery Services (16)	\$110	\$104	\$83	\$155	\$74	\$143	\$90	\$40	\$100	\$80	\$80	\$80	\$949
Sub-total	\$110	\$104	\$83	\$155	\$74	\$143	\$90	\$40	\$100	\$80	\$80	\$80	\$949
PARKING SERVICES													
Parking Services (17)	\$120	\$60	\$100	\$50	\$60	\$125	\$60	\$50	\$60	\$50	\$120	\$120	\$735
Sub-total	\$120	\$60	\$100	\$50	\$60	\$125	\$60	\$50	\$60	\$50	\$120	\$120	\$735
POLICE													
Police Services (18)	\$479	\$1,548	\$1,548	\$1,548	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$14,285
Sub-total	\$479	\$1,548	\$1,548	\$1,548	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$14,285
TOTAL TAX-SUPPORTED GROSS COST	\$45,168	\$59,009	\$56,673	\$58,175	\$66,159	\$54,153	\$53,835	\$53,865	\$53,935	\$53,615	\$53,975	\$53,975	\$596,120

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 9 -Page 2
Notes to Table 9

Notes: (1) Excludes new roads and road widenings. \$23 million per annum from Roads Needs Study.

(2) No estimate of need available at time of writing (2002 capital funding assumed annually throughout period: Bridges & Structures - \$3.4 million; Storm Drainage - \$380,000; Sidewalks - \$770,000; Streetlights - \$200,000; Traffic Lights - \$70,

(3) Annual requirement for capital rehabilitation based on 3% of replacement value of all City buildings plus an additional 1% annual provision for major Community Centres and Arenas. Excludes Pioneer Manor, Airport, and Water and Wastewater f

(4) Per five year plan provided by Public Works. Assumed same level of funding will continue beyond 2006.

(5) Excludes Transit (Transit in Citizen & Leisure Services). 2002 per capital budget and average annual provision over 2003 - 2012 based on vehicle replacement schedule.

(6) \$305,000 per annum for general (based on 2002 budget) from 2003 - 2012.

(7) Social Housing per Director of Planning Services' memo dated June 17, 2002.

(8) \$200,000 per annum for GIS over next 5 years; \$90,000 every 3 years for Building Services PEN system and By-Law Enforcement electronic recording system; \$100,000 per annum general (based on 2002 budget).

Also includes \$2 million for Ortho-Imagery and Mapping over next 10 years (\$300,000 per annum 2003 - 3007; \$100,000 per annum 2008 - 2012).

(9) Approved contribution to Hospital.

(10) Per Ten Year Capital Plan - One time boost of \$1 million over 2003/04.

(11) Official Plan Update - Funding anticipated from Heritage Foundation.

(12) Provision for matching funds to support agencies with repairs/replacement of aging facilities.

(13) Capital budget for 2002. 2003 - 2012 based on estimated needs from Citizen and Leisure Services (excluding building upgrades/rehabilitation, provision for which is included in Public Works - Buildings).

(14) \$1.295 million per annum for Transit fleet replacement; \$1.1 million for Transit electronic fareboxes in 2003; \$9 million for Transit garage replacement in 2006.

(15) Annual allowance of \$100,000 over 2003 - 2012 based on 2002 capital budget plus allowance of \$500,000 for renovation of Public Works garage (Chelmsford), \$100,000 for expansion of Val Therese and \$85,000 for Capreol consolidation of Fire an provides for a new headquarters, equipment expenditures and defibrillation replacement - no expansion. Costs averaged over 10 years as no time frame given. Headquarters is estimated at \$2 million. Defibrillation equipment is estimated at

(16) Capital budget for 2002. 2003 - 2012 based on 10 year estimated needs from Cemetery Services.

(17) Estimates based on 10 year needs from Parking.

(18) Preliminary to be updated - annual envelope plus \$750,000 for Voice Communication System.

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 10
Tax Supported Subsidies & Other Recoveries - Before Inflation
(\$000's)

TAX SUPPORTED SERVICES (SUBSIDIES & OTHER RECOVERIES)	Base Year 2002	Forecast Period										Total 10 Year		
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012			
PUBLIC WORKS														
Municipal Road 35														\$0
Road Reconstruction & Resurfacing														\$0
Bridges & Structures														\$0
Storm Water Management														\$0
Sidewalks & Walkways														\$0
Streetlights														\$0
Traffic Signals														\$0
Buildings														\$0
Solid Waste														\$0
Fleet & Equipment														\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CORPORATE SERVICES														
Infrastructure														\$0
Community Project Support														\$0
Information Technology														\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ECONOMIC DEVELOPMENT/PLANNING														
Social Housing														\$0
Economic Development														\$0
Connect Ontario		\$667	\$667	\$666										\$2,000
Official Plan Update (1)		\$1,400												\$1,400
Sub-total	\$0	\$2,067	\$667	\$666	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,400
HEALTH AND SOCIAL SERVICES														
Long-Term Care (Pioneer Manor)														\$0
Child Care														\$0
Health														\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CITIZENS AND LEISURE SERVICES														
General														\$0
C.I.P.														\$0
Neighbourhood														\$0
<i>Sub-total (excl Transit)</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transit Fleet (2)	\$431	\$798	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$4,681
Transit Buildings														\$0
<i>Sub-total Transit</i>	\$431	\$798	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$4,681
Sub-total	\$431	\$798	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$4,681
EMERGENCY SERVICES - Fire														
EMS														\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CEMETERY SERVICES														
Cemetery Services														\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PARKING SERVICES														
Parking Services														\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
POLICE														
Police Services														\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL TAX-SUPPORTED SUBSIDIES & OTHER RECOVERIES	\$431	\$2,865	\$1,098	\$1,097	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$431	\$8,081

Notes: (1) Official Plan Update funding anticipated from Provincial Grant (Heritage Fund).

(2) One-third capital subsidy assumed from Province for replacement buses and electronic fareboxes.

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 11 - Page 2
Estimate of 10 Year Net Tax-Supported Capital Requirements - Before Inflation
(\$000's)

TAX SUPPORTED SERVICES (NET COST)	Base Year 2002	Forecast Period										Total 10 Year	
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
PUBLIC WORKS													
Municipal Road 35	\$150	\$1,550	\$2,100	\$3,150	\$3,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,850
Road Reconstruction & Resurfacing (1)	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$230,000
Bridges & Structures (2)	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$34,000
Storm Water Management (2)	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$380	\$3,800
Sidewalks & Walkways (2)	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$7,700
Streetlights (2)	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,000
Traffic Signals (2)	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$700
Buildings (3)	\$1,870	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$8,039	\$80,387
Solid Waste (4)	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$31,000
Fleet & Equipment (5)	\$6,800	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$4,649	\$46,490
Sub-total	\$39,740	\$45,158	\$45,708	\$46,758	\$46,658	\$43,608	\$43,608	\$43,608	\$43,608	\$43,608	\$43,608	\$43,608	\$445,927
CORPORATE SERVICES													
Infrastructure (6)	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$3,052
Community Project Support (9)	\$800	\$1,000	\$1,000	\$1,275	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$13,775
Information Technology (8)	\$100	\$690	\$600	\$600	\$690	\$600	\$200	\$290	\$200	\$200	\$200	\$290	\$4,360
Sub-total	\$1,205	\$1,995	\$1,905	\$2,180	\$2,495	\$2,405	\$2,005	\$2,095	\$2,005	\$2,005	\$2,005	\$2,095	\$21,187
ECONOMIC DEVELOPMENT/PLANNING													
Social Housing (7)	\$0	\$200	\$200	\$200	\$200	\$200	\$200	\$400	\$400	\$400	\$400	\$400	\$3,000
Economic Development (10)	\$250	\$650	\$850	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$9,500
Connect Ontario	\$0	\$333	\$333	\$334	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000
Official Plan Update (11)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total	\$250	\$1,183	\$1,383	\$1,534	\$1,200	\$1,200	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$13,500
HEALTH AND SOCIAL SERVICES													
Long-Term Care (Pioneer Manor)	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$7,637
Child Care (12)	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$700
Health	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total	\$764	\$764	\$764	\$764	\$864	\$864	\$864	\$864	\$864	\$864	\$864	\$864	\$8,337
CITIZENS AND LEISURE SERVICES													
General (13)	\$674	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$2,404	\$24,041
C.I.P.	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,000
Neighbourhood	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,500
<i>Sub-total (excl Transit)</i>	<i>\$1,024</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$2,754</i>	<i>\$27,541</i>
Transit Fleet (14)	\$863	\$1,596	\$863	\$863	\$863	\$863	\$863	\$863	\$863	\$863	\$863	\$863	\$9,363
Transit Buildings (14)	\$0	\$0	\$0	\$0	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000
<i>Sub-total Transit</i>	<i>\$863</i>	<i>\$1,596</i>	<i>\$863</i>	<i>\$863</i>	<i>\$9,863</i>	<i>\$863</i>	<i>\$863</i>	<i>\$863</i>	<i>\$863</i>	<i>\$863</i>	<i>\$863</i>	<i>\$863</i>	<i>\$18,363</i>
Sub-total	\$1,887	\$4,350	\$3,617	\$3,617	\$12,617	\$3,617	\$3,617	\$3,617	\$3,617	\$3,617	\$3,617	\$3,617	\$45,904
EMERGENCY SERVICES - Fire													
Fire (15)	\$182	\$983	\$468	\$473	\$383	\$383	\$383	\$383	\$473	\$383	\$383	\$383	\$4,690
Sub-total	\$182	\$983	\$468	\$473	\$383	\$383	\$383	\$383	\$473	\$383	\$383	\$383	\$4,690
CEMETERY SERVICES													
Cemetery Services (16)	\$110	\$104	\$83	\$155	\$74	\$143	\$90	\$40	\$100	\$80	\$80	\$80	\$949
Sub-total	\$110	\$104	\$83	\$155	\$74	\$143	\$90	\$40	\$100	\$80	\$80	\$80	\$949
PARKING SERVICES													
Parking Services (17)	\$120	\$60	\$100	\$50	\$60	\$125	\$60	\$50	\$60	\$50	\$120	\$60	\$735
Sub-total	\$120	\$60	\$100	\$50	\$60	\$125	\$60	\$50	\$60	\$50	\$120	\$60	\$735
POLICE													
Police Services	\$479	\$1,548	\$1,548	\$1,548	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$14,285
Sub-total	\$479	\$1,548	\$1,548	\$1,548	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$1,378	\$14,285
TOTAL TAX-SUPPORTED NET COST	\$44,737	\$56,144	\$55,575	\$57,078	\$65,727	\$53,722	\$53,404	\$53,434	\$53,504	\$53,384	\$53,544	\$53,544	\$555,515
TOTAL TAX-SUPPORTED NET COST - INFLATED		\$57,267	\$57,820	\$60,571	\$71,145	\$59,313	\$60,141	\$61,379	\$62,688	\$63,799	\$65,270	\$65,270	\$619,393

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 11 - Page 2

Notes to Table 11

- Notes: (1) Excludes new roads and road widenings. \$23 million per annum from Roads Needs Study.
- (2) No estimate of need available at time of writing (2002 capital funding assumed annually throughout period: Bridges & Structures - \$3.4 million; Storm Drainage - \$380,000; Sidewalks - \$770,000; Streetlights - \$200,000; Traffic Lights - \$70,000).
- (3) Annual requirement for capital rehabilitation based on 3% of replacement value of all City buildings plus an additional 1% annual provision for major Community Centres and Arenas. Excludes Pioneer Manor, Airport, and Water and Wastewater facilities
- (4) Per five year plan provided by Public Works. Assumed same level of funding will continue beyond 2006.
- (5) Excludes Transit (Transit in Citizen & Leisure Services). 2002 per capital budget and average annual provision over 2003 - 2012 based on vehicle replacement schedule.
- (6) \$305,000 per annum for general (based on 2002 budget) from 2003 - 2012.
- (7) Social Housing per Director of Planning Services' memo dated June 17, 2002.
- (8) \$200,000 per annum for GIS over next 5 years; \$90,000 every 3 years for Building Services PEN system and By-Law Enforcement electronic recording system; \$100,000 per annum general (based on 2002 budget). Also includes \$2 million for Ortho-Imagery and Mapping over next 10 years (\$300,000 per annum 2003 - 3007; \$100,000 per annum 2008 - 2012).
- (9) Approved contribution to Hospital.
- (10) Per Ten Year Capital Plan - One time boost of \$1 million over 2003/04.
- (11) \$1.4 million in 2003 for Official Plan Update - 100% subsidy anticipated from from Heritage Foundation.
- (12) Provision for matching funds to support agencies with repairs/replacement of aging facilities.
- (13) Capital budget for 2002. 2003 - 2012 based on estimated needs from Citizen and Leisure Services (excluding building upgrades/rehabilitation, provision for which is included in Public Works - Buildings).
- (14) \$1.295 million per annum for Transit fleet replacement; \$1.1 million for Transit electronic fareboxes in 2003; \$9 million for Transit garage replacement in 2006. One-third capital subsidy anticipated from Province for replacement buses and electronic fareboxes.
- (15) Annual allowance of \$100,000 over 2003 - 2012 based on 2002 capital budget plus allowance of \$500,000 for renovation of Public Works garage (Chelmsford), \$100,000 for expansion of Val Therese and \$85,000 for Capreol consolidation of Fire and EMS. Also provides for a new headquarters, equipment expenditures and defibrillation replacement - no expansion. Costs averaged over 10 years as no time frame given. Headquarters is estimated at \$2 million. Defibrillation equipment is estimated at \$90,000 every five years.
- (16) Capital budget for 2002. 2003 - 2012 based on 10 year estimated needs from Cemetery Services.
- (17) Estimates based on 10 year needs from Parking.

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 12
Current Contribution to Capital - Before Inflation
(\$000's)

FUNDING FROM: CURRENT BUDGET (1)	Base Year 2002	Forecast Period										Total 10 Year	
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		
PUBLIC WORKS													
Municipal Road 35	\$150	\$1,550	\$2,100	\$3,150	\$3,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,850
Road Reconstruction & Resurfacing (2)	\$7,987	\$7,987	\$7,987	\$7,987	\$7,987	\$11,037	\$11,037	\$11,037	\$11,037	\$11,037	\$11,037	\$11,037	\$98,173
Bridges & Structures													\$0
Storm Water Management	\$510	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$660	\$6,599
Sidewalks & Walkways													\$0
Streetlights													\$0
Traffic Signals													\$0
Buildings	\$1,870	\$1,870	\$1,870	\$1,870	\$1,894	\$1,896	\$2,036	\$2,082	\$2,110	\$2,193	\$2,193	\$2,193	\$20,016
Solid Waste	\$2,761	\$2,761	\$2,761	\$2,761	\$2,761	\$2,761	\$2,761	\$2,761	\$2,761	\$2,761	\$2,761	\$2,761	\$27,607
<i>Fleet & Equipment</i>													\$0
Sub-total	\$13,278	\$14,828	\$15,378	\$16,428	\$16,352	\$16,354	\$16,494	\$16,540	\$16,568	\$16,651	\$16,651	\$16,651	\$162,244
CORPORATE SERVICES													
Infrastructure	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$3,052
Community Project Support	\$800	\$1,000	\$1,000	\$1,275	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$13,775
Information Technology	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,000
Sub-total	\$1,205	\$1,405	\$1,405	\$1,680	\$1,905	\$1,905	\$1,905	\$1,905	\$1,905	\$1,905	\$1,905	\$1,905	\$17,827
ECONOMIC DEVELOPMENT/PLANNING													
Social Housing													\$0
Economic Development	\$223	\$623	\$823	\$223	\$223	\$223	\$223	\$223	\$223	\$223	\$223	\$223	\$3,226
Connect Ontario	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Official Plan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-total	\$223	\$623	\$823	\$223	\$223	\$223	\$223	\$223	\$223	\$223	\$223	\$223	\$3,226
HEALTH AND SOCIAL SERVICES													
Long-Term Care (Pioneer Manor)	\$680	\$680	\$680	\$680	\$680	\$680	\$680	\$680	\$680	\$680	\$680	\$680	\$6,801
Child Care													\$0
Health													\$0
Sub-total	\$680	\$680	\$680	\$680	\$680	\$680	\$680	\$680	\$680	\$680	\$680	\$680	\$6,801
CITIZENS AND LEISURE SERVICES													
General	\$674	\$674	\$674	\$674	\$674	\$674	\$674	\$674	\$674	\$674	\$674	\$674	\$6,741
C.I.P.	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,000
Neighbourhood	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,500
<i>Sub-total (excl Transit)</i>	<i>\$1,024</i>	<i>\$1,024</i>	<i>\$1,024</i>	<i>\$1,024</i>	<i>\$1,024</i>	<i>\$1,024</i>	<i>\$1,024</i>	<i>\$1,024</i>	<i>\$1,024</i>	<i>\$1,024</i>	<i>\$1,024</i>	<i>\$1,024</i>	<i>\$10,241</i>
Transit Fleet	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transit Buildings													\$0
<i>Sub-total Transit</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Sub-total	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$10,241
EMERGENCY SERVICES - Fire													
EMS	\$182	\$182	\$182	\$182	\$182	\$182	\$182	\$182	\$182	\$182	\$182	\$182	\$1,818
Sub-total	\$182	\$182	\$182	\$182	\$182	\$182	\$182	\$182	\$182	\$182	\$182	\$182	\$1,818
CEMETERY SERVICES													
Cemetery Services													\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PARKING SERVICES													
Parking Services													\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
POLICE													
Police Services	\$479	\$479	\$479	\$479	\$479	\$479	\$479	\$479	\$479	\$479	\$479	\$479	\$4,787
Sub-total	\$479	\$479	\$479	\$479	\$479	\$479	\$479	\$479	\$479	\$479	\$479	\$479	\$4,787
		\$19,605	\$20,777	\$21,962	\$22,563	\$23,017	\$23,634	\$24,160	\$24,676	\$25,269	\$25,774	\$25,774	\$231,436

Notes: (1) Per approved Ten Year Capital Plan - April 18, 2001, with exception that \$2 million dollar cut in 2002 is not reinstated. Total reduction of \$20 million over ten years.

(2) Roads contribution increases in 2007 by \$3 million as funding for Municipal Road 35 is completed.

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 13
Funding from Reserve Funds - Before Inflation
(\$000's)

FUNDING FROM: RESERVE FUNDS (1)	Base Year 2002	Forecast Period										Total 10 Year		
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012			
PUBLIC WORKS														
Municipal Road 35														\$0
Road Reconstruction & Resurfacing														\$0
Bridges & Structures														\$0
Storm Water Management														\$0
Sidewalks & Walkways														\$0
Streetlights														\$0
Traffic Signals														\$0
Buildings														\$0
Solid Waste														\$0
Fleet & Equipment	\$6,800	\$4,649	\$4,649	\$3,546	\$3,425	\$3,425	\$3,425	\$3,425	\$3,425	\$3,425	\$3,425	\$3,425	\$3,425	\$36,820
Sub-total	\$6,800	\$4,649	\$4,649	\$3,546	\$3,425	\$3,425	\$3,425	\$3,425	\$3,425	\$3,425	\$3,425	\$3,425	\$3,425	\$36,820
CORPORATE SERVICES														
Infrastructure														\$0
Community Project Support														\$0
Information Technology														\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ECONOMIC DEVELOPMENT/PLANNING														
Social Housing														\$0
Economic Development														\$0
Connect Ontario														\$0
Official Plan														\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HEALTH AND SOCIAL SERVICES														
Long-Term Care (Pioneer Manor)	\$84	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Care														\$0
Health														\$0
Sub-total	\$84	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CITIZENS AND LEISURE SERVICES														
General														\$0
C.I.P.														\$0
Neighbourhood														\$0
Sub-total (excl Transit)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transit Fleet	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$2,064
Transit Buildings														\$0
Sub-total Transit	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$2,064
Sub-total	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$206	\$2,064
EMERGENCY SERVICES - Fire														
EMS														\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CEMETERY SERVICES														
Cemetery Services	\$110	\$0	\$25	\$0	\$25	\$135	\$0	\$0	\$57	\$40	\$0	\$0	\$0	\$282
Sub-total	\$110	\$0	\$25	\$0	\$25	\$135	\$0	\$0	\$57	\$40	\$0	\$0	\$0	\$282
PARKING SERVICES														
Parking Services	\$120	\$60	\$100	\$50	\$60	\$125	\$60	\$50	\$60	\$50	\$120	\$120	\$120	\$735
Sub-total	\$120	\$60	\$100	\$50	\$60	\$125	\$60	\$50	\$60	\$50	\$120	\$120	\$120	\$735
POLICE														
Police Services														\$0
Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$5,014	\$5,182	\$4,035	\$4,023	\$4,297	\$4,157	\$4,229	\$4,392	\$4,448	\$4,573	\$4,573	\$4,573	\$44,348

Notes: (1) Per approved Ten Year Capital Plan - April 18, 2001, with exception that \$2 million dollar cut in 2002 is not reinstated. Total reduction of \$20 million over ten years.

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Table 14
10 Year Capital Funding Gap - Before Inflation
(\$000's)

CAPITAL FUNDING GAP BY PROGRAM (Excess of Requirements Over Contribution to Capital & Reserve Funds)		Forecast Period										Total 10 Year	
		Base Year 2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		2012
PUBLIC WORKS	Municipal Road 35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Road Reconstruction & Resurfacing	\$15,013	\$15,013	\$15,013	\$15,013	\$15,013	\$11,963	\$11,963	\$11,963	\$11,963	\$11,963	\$11,963	\$11,963
	Bridges & Structures	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400
	Storm Water Management	(\$130)	(\$280)	(\$280)	(\$280)	(\$280)	(\$280)	(\$280)	(\$280)	(\$280)	(\$280)	(\$280)	(\$2,799)
	Sidewalks & Walkways	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$7,700
	Streetlights	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,000
	Traffic Signals	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$700
	Buildings	\$0	\$6,169	\$6,169	\$6,169	\$6,144	\$6,142	\$6,003	\$5,957	\$5,928	\$5,846	\$5,846	\$60,371
	Solid Waste	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$339	\$3,393
	Fleet & Equipment	\$0	\$0	\$0	\$1,103	\$1,224	\$1,224	\$1,224	\$1,224	\$1,224	\$1,224	\$1,224	\$9,670
	Sub-total	\$19,662	\$25,681	\$25,681	\$26,784	\$26,880	\$23,828	\$23,689	\$23,643	\$23,614	\$23,532	\$23,532	\$246,863
CORPORATE SERVICES	Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Community Project Support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Information Technology	\$0	\$590	\$500	\$500	\$590	\$500	\$100	\$190	\$100	\$100	\$190	\$3,360
	Sub-total	\$0	\$590	\$500	\$500	\$590	\$500	\$100	\$190	\$100	\$100	\$190	\$3,360
ECONOMIC DEVELOPMENT/PLANNING	Social Housing	\$0	\$200	\$200	\$200	\$200	\$200	\$400	\$400	\$400	\$400	\$400	\$3,000
	Economic Development	\$27	\$27	\$27	\$777	\$777	\$777	\$777	\$777	\$777	\$777	\$777	\$6,274
	Connect Ontario	\$0	\$333	\$333	\$334	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000
	Official Plan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub-total	\$27	\$560	\$560	\$1,311	\$977	\$977	\$1,177	\$1,177	\$1,177	\$1,177	\$1,177	\$10,274
HEALTH AND SOCIAL SERVICES	Long-Term Care (Pioneer Manor)	\$0	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$84	\$836
	Child Care	\$0	\$0	\$0	\$0	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$700
	Health	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub-total	\$0	\$84	\$84	\$84	\$184	\$184	\$184	\$184	\$184	\$184	\$184	\$1,536
CITIZENS AND LEISURE SERVICES	General	\$0	\$1,730	\$1,730	\$1,730	\$1,730	\$1,730	\$1,730	\$1,730	\$1,730	\$1,730	\$1,730	\$17,300
	C.I.P.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Neighbourhood	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<i>Sub-total (excl Transit)</i>	<i>\$0</i>	<i>\$1,730</i>	<i>\$1,730</i>	<i>\$1,730</i>	<i>\$1,730</i>	<i>\$1,730</i>	<i>\$1,730</i>	<i>\$1,730</i>	<i>\$1,730</i>	<i>\$1,730</i>	<i>\$1,730</i>	<i>\$17,300</i>
	Transit Fleet	\$657	\$1,390	\$657	\$657	\$657	\$657	\$657	\$657	\$657	\$657	\$657	\$7,300
	Transit Buildings	\$0	\$0	\$0	\$0	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000
	<i>Sub-total Transit</i>	<i>\$657</i>	<i>\$1,390</i>	<i>\$657</i>	<i>\$657</i>	<i>\$9,657</i>	<i>\$657</i>	<i>\$657</i>	<i>\$657</i>	<i>\$657</i>	<i>\$657</i>	<i>\$657</i>	<i>\$16,300</i>
	Sub-total	\$657	\$3,120	\$2,387	\$2,387	\$11,387	\$2,387	\$2,387	\$2,387	\$2,387	\$2,387	\$2,387	\$33,600
EMERGENCY SERVICES - Fire	EMS	\$0	\$801	\$286	\$291	\$201	\$201	\$201	\$201	\$291	\$201	\$201	\$2,872
	Sub-total	\$0	\$801	\$286	\$291	\$201	\$201	\$201	\$201	\$291	\$201	\$201	\$2,872
CEMETERY SERVICES	Cemetery Services	\$0	\$104	\$58	\$155	\$49	\$8	\$90	\$40	\$43	\$40	\$80	\$667
	Sub-total	\$0	\$104	\$58	\$155	\$49	\$8	\$90	\$40	\$43	\$40	\$80	\$667
PARKING SERVICES	Parking Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub-total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
POLICE	Police Services	\$0	\$1,069	\$1,069	\$1,069	\$899	\$899	\$899	\$899	\$899	\$899	\$899	\$9,498
	Sub-total	\$0	\$1,069	\$1,069	\$1,069	\$899	\$899	\$899	\$899	\$899	\$899	\$899	\$9,498
TOTAL TAX-SUPPORTED FUNDING GAP		\$20,346	\$32,008	\$30,624	\$32,580	\$41,166	\$28,984	\$28,726	\$28,720	\$28,694	\$28,519	\$28,649	\$308,670
TOTAL TAX-SUPPORTED FUNDING GAP - INFLATED			\$32,648	\$31,861	\$34,574	\$44,559	\$32,000	\$32,350	\$32,990	\$33,620	\$34,082	\$34,923	\$343,609

Note: (1) Effect of not restoring funding envelope in 2003 - 2011

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Exhibit 14 - Table 1
Summary of Projected Funding Gap For Tax Supported Services
(\$000's)

SUMMARY OF PROJECTED FUNDING GAP	Base Year 2002	Forecast Period									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
OPERATING BUDGET GAP											
1. PROJECTED NET OPERATING EXPENDITURE <i>(Excluding 2002 Salary Settlements and Capital Envelopes)</i>	\$109,836	\$107,858	\$107,090	\$106,295	\$106,156	\$106,148	\$105,956	\$105,956	\$105,956	\$105,869	\$105,851
2. Increase for 2002 Salary Settlement	\$0	\$1,903	\$3,746	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486
3. Projected Major Net Cost Increases	\$0	\$6,552	\$10,291	\$13,298	\$14,621	\$15,838	\$17,156	\$18,585	\$20,138	\$21,826	\$23,662
4. Sub-Total	109,836	116,312	121,126	125,078	126,264	127,472	128,598	130,027	131,580	133,181	135,000
5. Inflation on Operating Cost/Revenue	0	2,966	5,587	8,317	12,187	16,163	20,248	24,447	28,764	33,204	37,774
6. TOTAL PROJECTED NET OPERATING EXPENDITURE	\$109,836	\$119,278	\$126,714	\$133,395	\$138,451	\$143,635	\$148,846	\$154,474	\$160,343	\$166,385	\$172,774
7. PROJECTED OPERATING GAP (Including Inflation)	\$0	\$11,420	\$19,624	\$27,100	\$32,295	\$37,487	\$42,890	\$48,518	\$54,387	\$60,516	\$66,922
CAPITAL BUDGET GAP											
8. EXISTING CAPITAL ENVELOPES	\$17,071	\$19,221	\$19,971	\$20,696	\$20,845	\$20,847	\$20,986	\$21,032	\$21,061	\$21,144	\$21,144
9. Inflation On Capital Envelopes	\$0	\$384	\$807	\$1,267	\$1,718	\$2,170	\$2,648	\$3,127	\$3,615	\$4,125	\$4,630
10. PROJECTED CAPITAL REQUIREMENT IN EXCESS ENVELOPES	\$0	\$32,008	\$30,624	\$32,580	\$41,166	\$28,984	\$28,726	\$28,720	\$28,694	\$28,519	\$28,649
11. Inflation on Excess Requirement	\$0	\$640	\$1,237	\$1,994	\$3,393	\$3,017	\$3,624	\$4,270	\$4,926	\$5,564	\$6,274
12. TOTAL PROJECTED CAPITAL REQUIREMENT	\$17,071	\$52,253	\$52,638	\$56,537	\$67,122	\$55,017	\$55,984	\$57,150	\$58,296	\$59,351	\$60,697
13. PROJECTED CAPITAL GAP (Including Inflation)	\$0	\$33,033	\$32,668	\$35,841	\$46,278	\$34,170	\$34,998	\$36,117	\$37,235	\$38,207	\$39,553
14. TOTAL PROJECTED NET OPERATING AND CAPITAL EXPENDITURE	\$126,907	\$171,531	\$179,352	\$189,932	\$205,574	\$198,651	\$204,830	\$211,624	\$218,640	\$225,736	\$233,470
15. Less Projected Payments In Lieu	\$7,236	\$9,780	\$10,226	\$10,829	\$11,721	\$11,326	\$11,679	\$12,066	\$12,466	\$12,871	\$13,312
16. PROJECTED NET LEVY REQUIREMENT	\$119,671	\$161,751	\$169,126	\$179,102	\$193,852	\$187,325	\$193,151	\$199,558	\$206,174	\$212,865	\$220,159
17. TOTAL ANNUAL FUNDING GAP (Including Inflation)	N/A	\$44,453	\$52,292	\$62,941	\$78,573	\$71,657	\$77,888	\$84,635	\$91,623	\$98,723	\$106,475

THE CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Detailed Ten Year Capital Gap Financing Plan (2003-2012)
Option 2 - Capital Levy of 2.27%

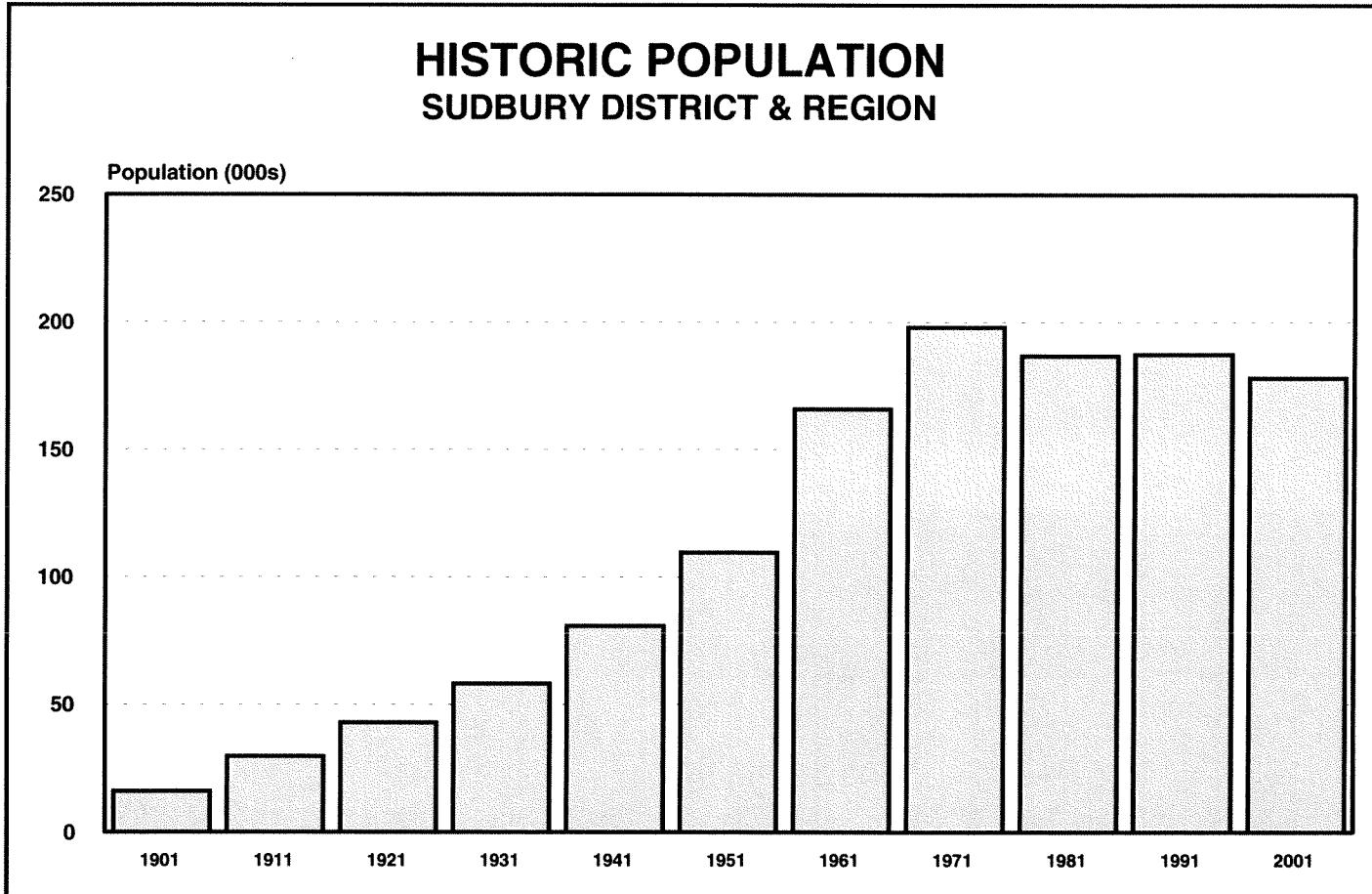
	Forecast Period										TOTAL
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Total Annual Capital Financing Gap	\$32,648,386	\$31,861,086	\$34,574,423	\$44,559,372	\$32,000,128	\$32,350,393	\$32,990,023	\$33,620,083	\$34,082,491	\$34,922,610	\$343,608,995
CAPITAL FINANCING SOURCES											
Increased Capital From Current Due to Capital Levy	\$2,880,778	\$5,309,787	\$8,333,779	\$11,573,288	\$14,988,866	\$18,583,600	\$22,364,813	\$26,342,652	\$30,525,598	\$34,922,609	\$175,825,771
Capital Reserve Funds(1)	\$4,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000,000
Total Funding From Current and Reserves	\$6,880,778	\$5,309,787	\$8,333,779	\$11,573,288	\$14,988,866	\$18,583,600	\$22,364,813	\$26,342,652	\$30,525,598	\$34,922,609	\$179,825,771
Debt Issued For Annual Requirement	\$7,630,349	\$4,746,328	\$5,186,935	\$5,694,004	\$6,243,480	\$6,847,007	\$7,478,847	\$7,277,431	\$3,556,894	\$0	\$54,661,274
Debt Issued For Deferred Capital	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$875,413	\$5,314,358	\$6,189,771
Total Debt Issued	\$7,630,349	\$4,746,328	\$5,186,935	\$5,694,004	\$6,243,480	\$6,847,008	\$7,478,848	\$7,277,432	\$4,432,307	\$5,314,358	\$60,851,045
Total Capital Completed and Financed In Year	14,511,127	10,056,115	13,520,714	17,267,292	21,232,345	25,430,607	29,843,660	33,620,083	34,957,904	40,236,967	240,676,816
<i>As % of Annual Requirement</i>	44%	32%	39%	39%	66%	79%	90%	100%	103%	115%	70%
Total Annual Debt Charges For Above Debt	\$0	\$811,509	\$1,316,294	\$1,867,939	\$2,473,512	\$3,137,524	\$3,865,722	\$4,661,118	\$5,528,196	\$6,471,678	

(1) Includes Info Tech, Capital Financing, Corp Infrastructure, Roads, Citizen & Leisure

Calculation of Deferred Capital Gap

OUTSTANDING PORTION OF CAPITAL GAP	Forecast Period									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Portion of Annual Program Deferred	\$18,137,258	\$21,804,971	\$21,053,709	\$27,292,080	\$10,767,783	\$6,919,786	\$3,146,362	\$0	\$0	\$1
Cummulative Delayed Capital From Previous Year	\$0	\$18,137,258	\$40,304,974	\$61,721,428	\$89,819,607	\$101,821,819	\$110,537,997	\$115,720,796	\$117,931,556	\$119,370,559
Inflation on Cummulative Delayed Capital		\$362,745	\$362,745	\$806,099	\$1,234,429	\$1,796,392	\$2,036,436	\$2,210,760	\$2,314,416	\$2,358,631
Less Amount Of Delayed Capital Achievable From Extra Debt Capacity	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$875,413	\$5,314,358
Total Cummulative Delayed Capital At End of Year	\$0	\$40,304,974	\$61,721,428	\$89,819,607	\$101,821,819	\$110,537,997	\$115,720,796	\$117,931,556	\$119,370,559	\$116,414,833

EXHIBIT 1



Source: Statistics Canada

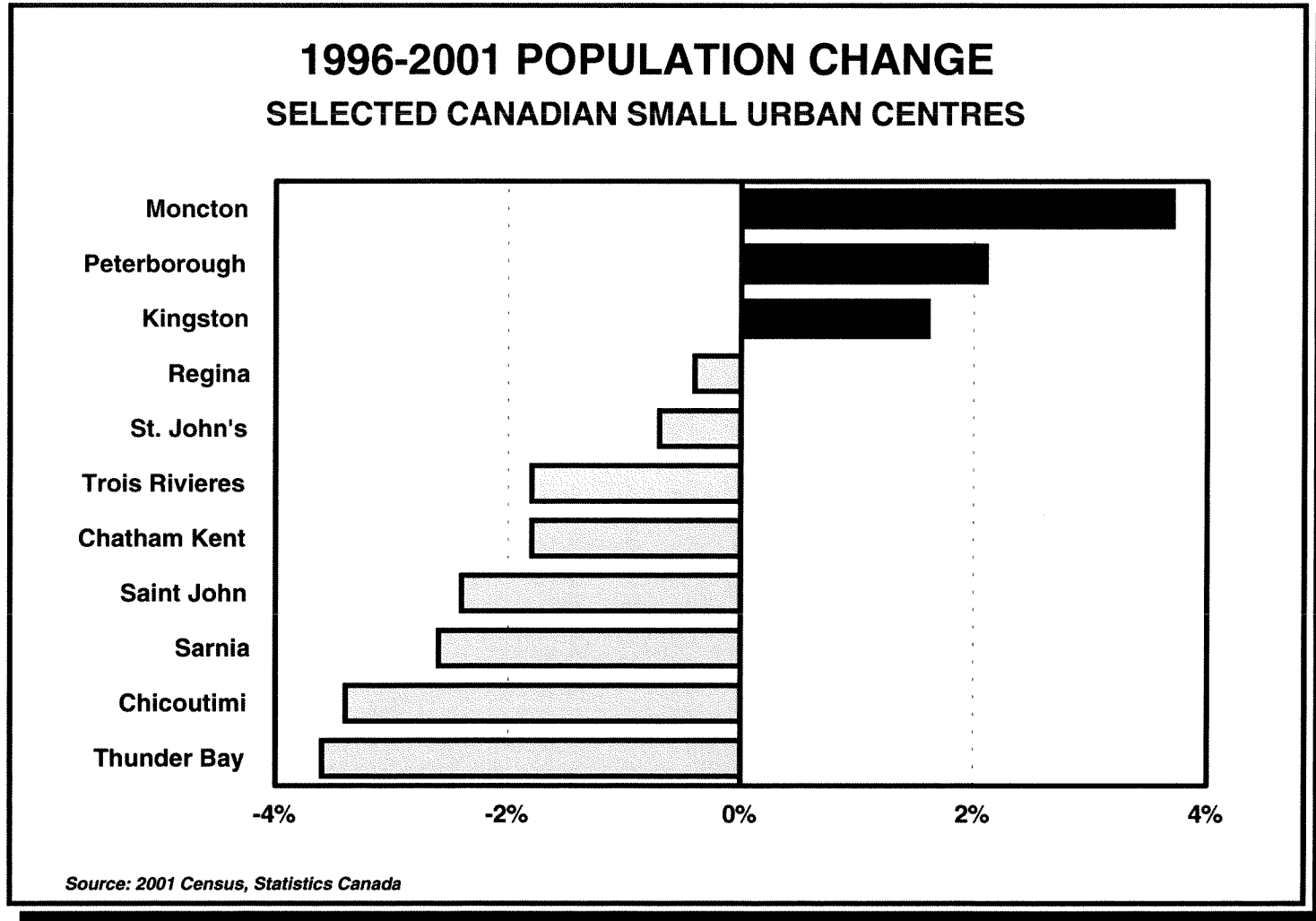
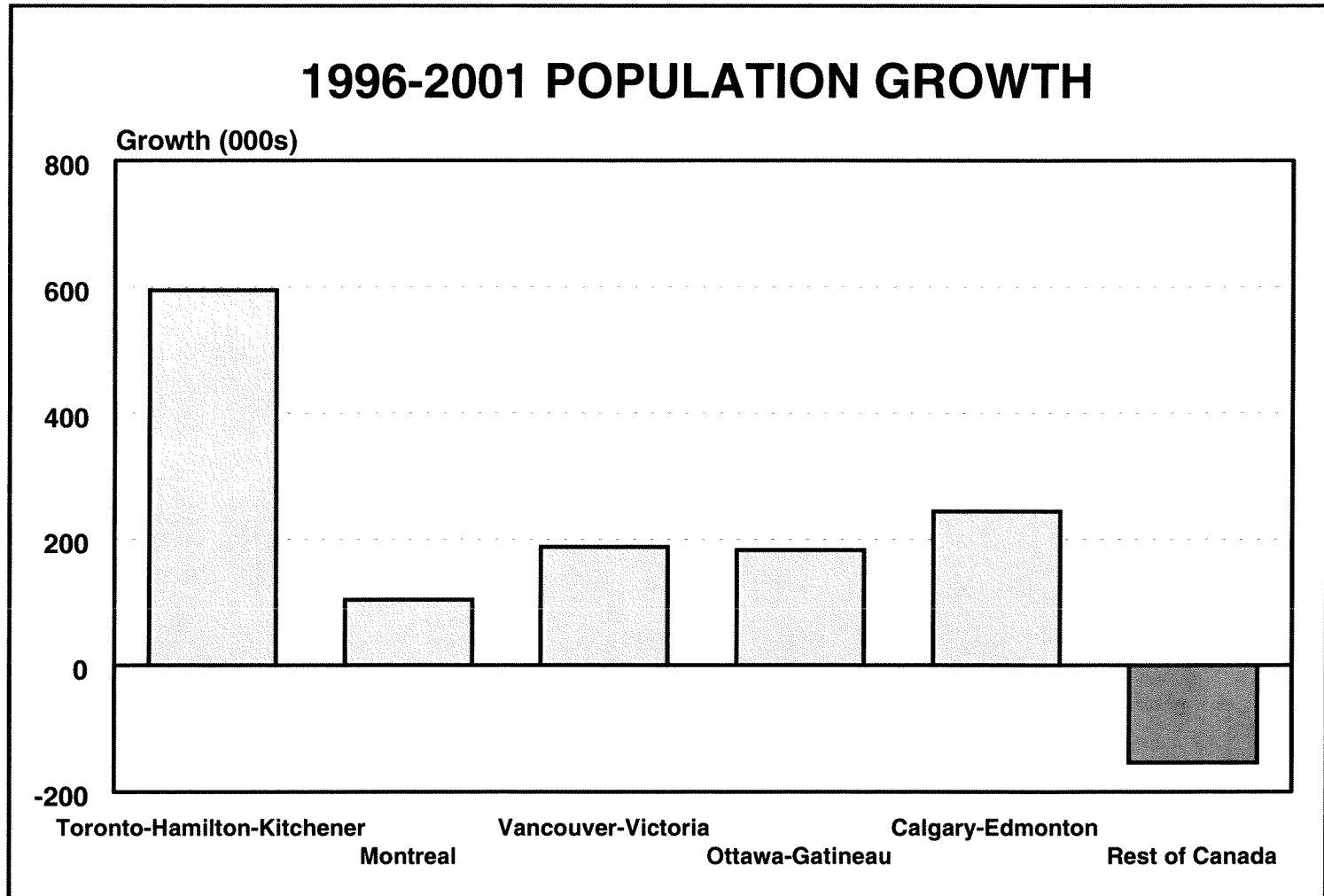
EXHIBIT 2

EXHIBIT 3

Source: Statistics Canada

EXHIBIT 4

EXHIBIT 4

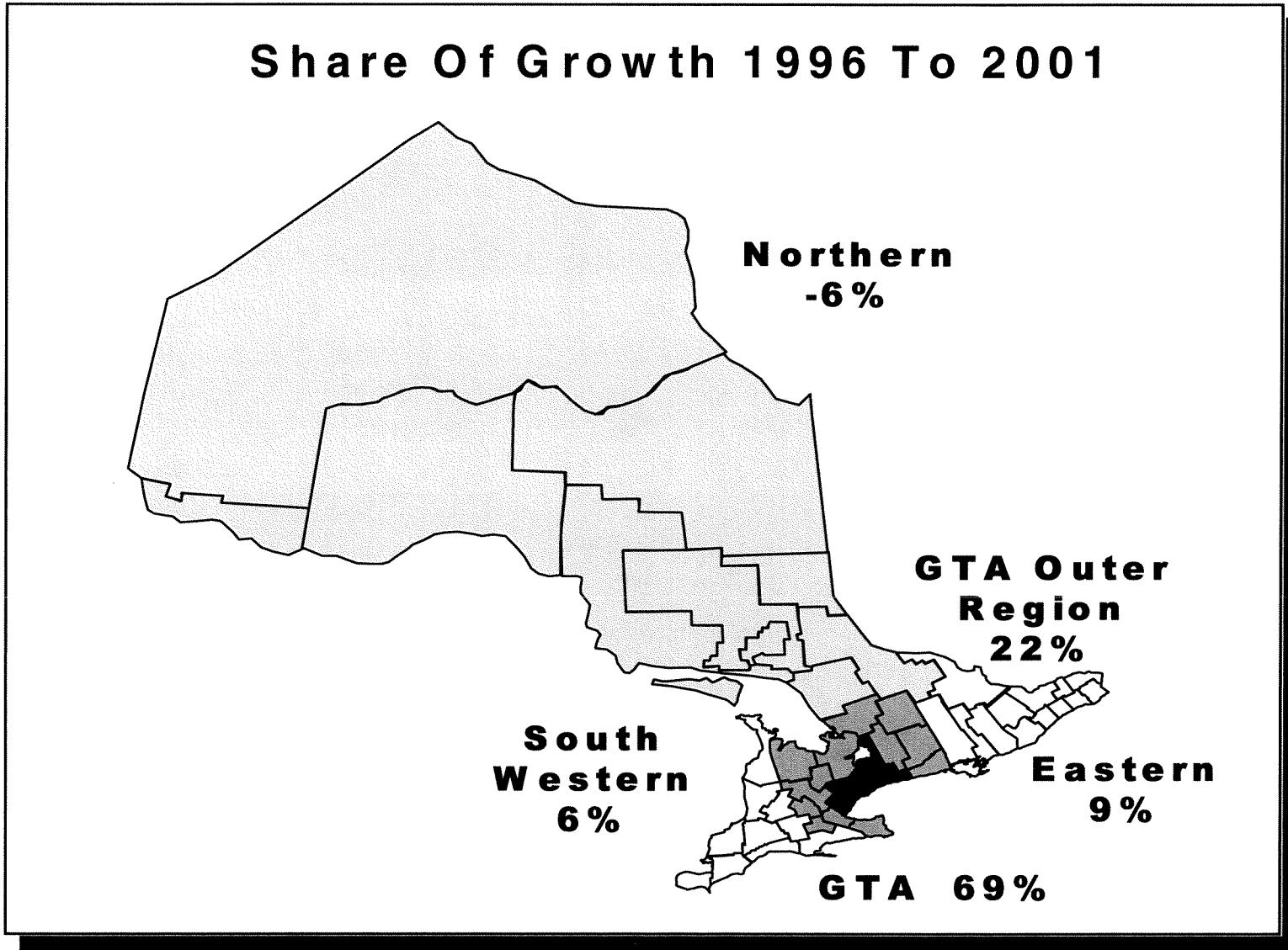
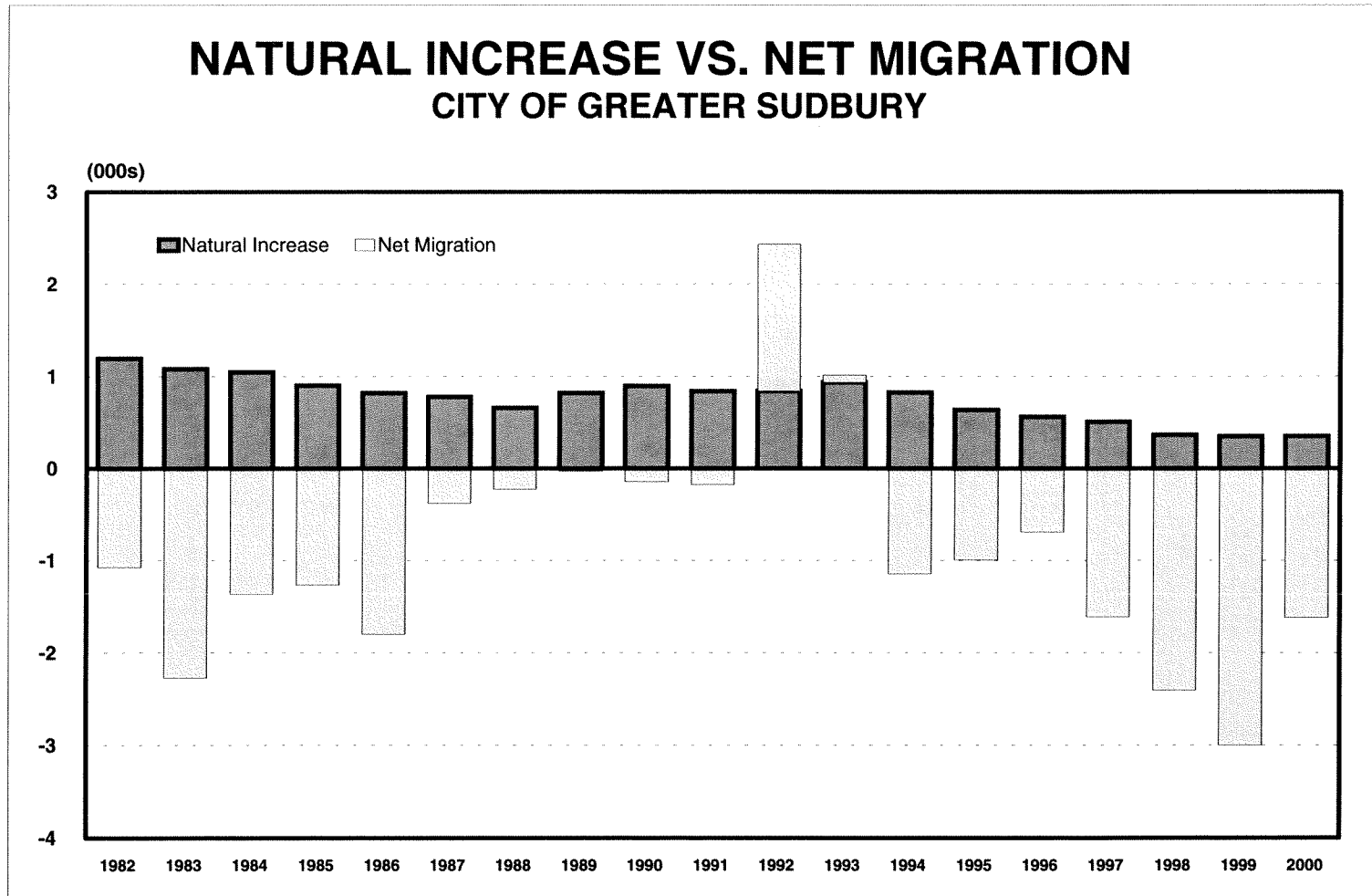


EXHIBIT 5

Source: Statistics Canada

EXHIBIT 6

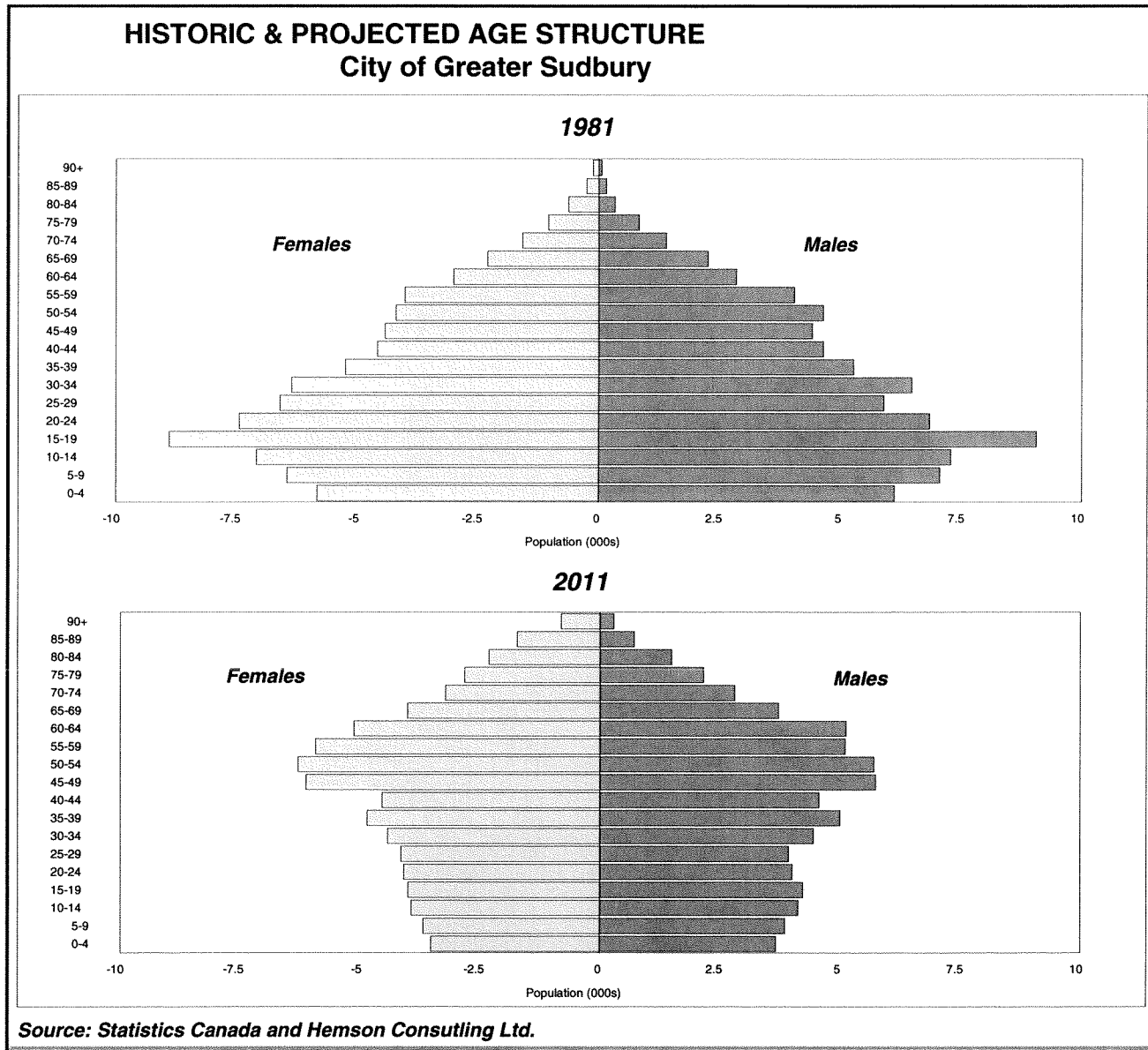
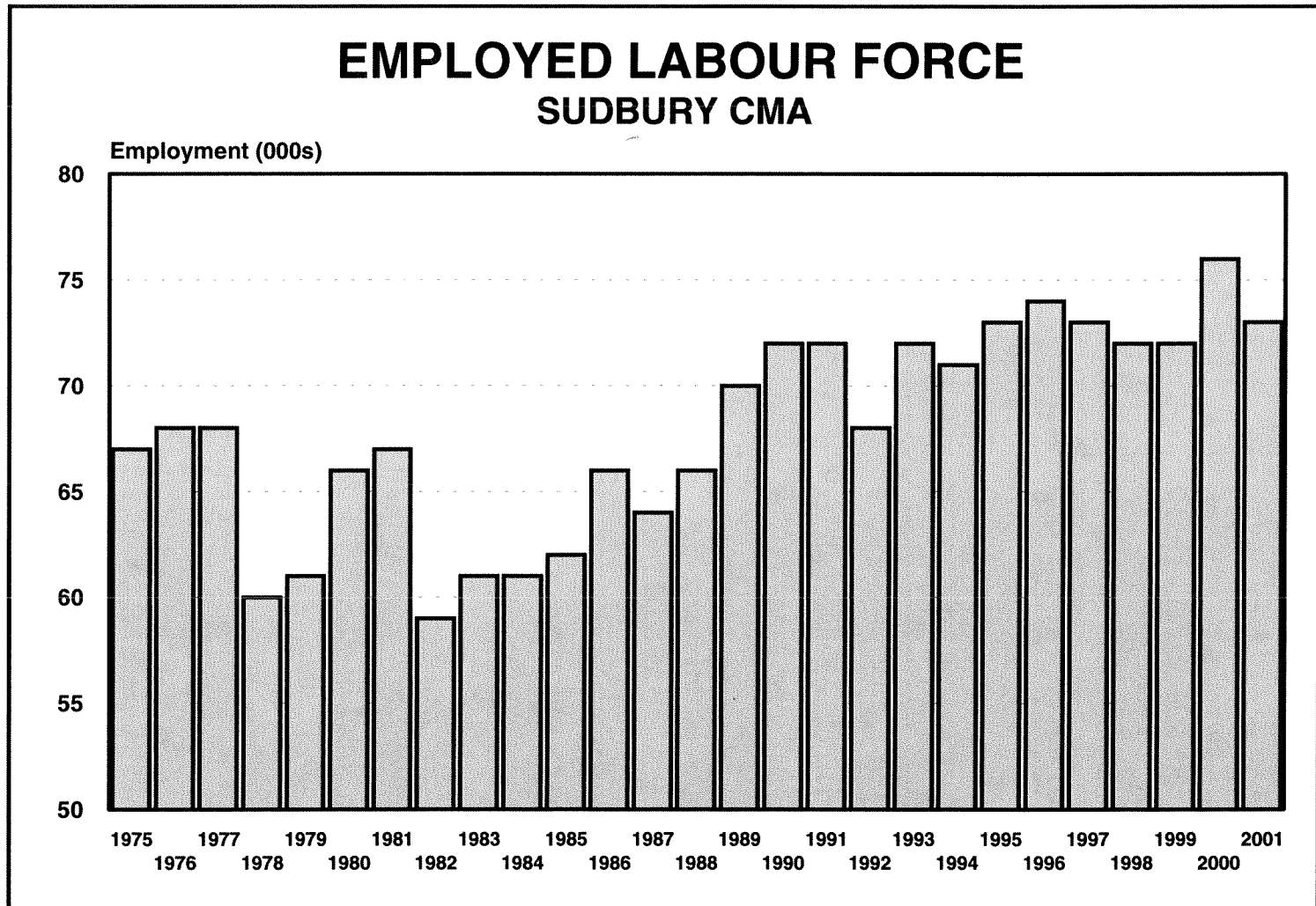
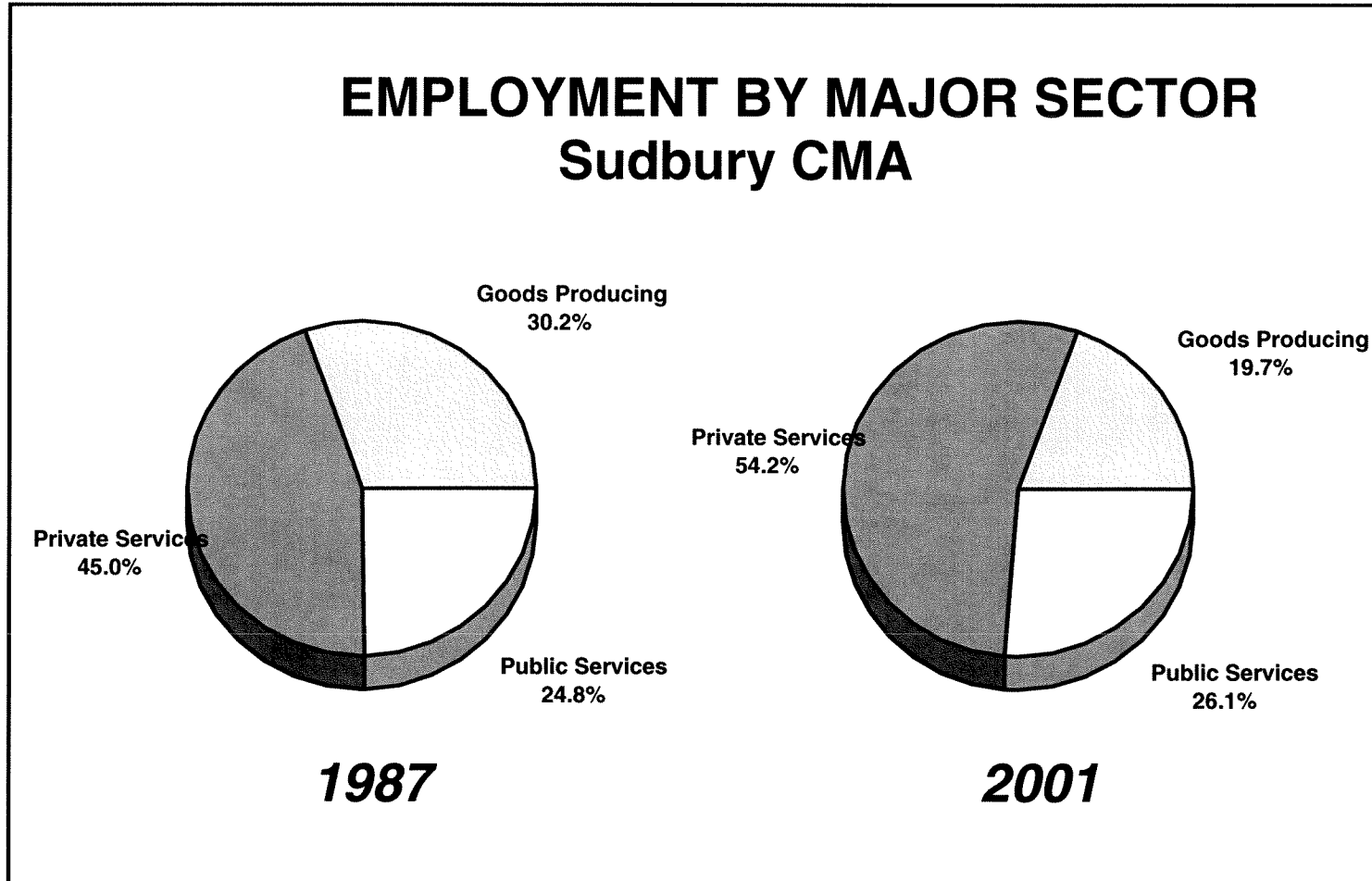


EXHIBIT 7

Source: Statistics Canada

EXHIBIT 8



Source: Statistics Canada

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Exhibit 9
Leisure and Recreation Service Level Comparisons

Municipality	Population	Sheets of Arena Ice	Population per Sheet	No. of Indoor Pools	Population per Pool	Library Branches	Population per Branch
Barrie	103,710	4	25,928	1	103,710	1	103,710
Burlington	150,836	9	16,760	4	37,709	6	25,139
Cornwall	45,640	3	15,213	1	45,640	1	45,640
Hamilton	490,268	22	22,285	17	28,839	26	18,856
Kingston	114,195	7	16,314	1	114,195	5	22,839
London	336,539	16	21,034	3	112,180	17	19,796
North Bay	52,771	3	17,590	1	52,771	1	52,771
Ottawa	774,000	40	19,350	15	51,600	33	23,455
Sault Ste. Marie	74,556	4	18,639	1	74,556	3	24,852
St. Catharines	129,170	4	32,293	1	129,170	4	32,293
Thunder Bay	109,016	6	18,169	2	54,508	4	27,254
Timmins	43,686	5	8,737	1	43,686	2	21,843
Windsor	208,402	8	26,050	3	69,467	10	20,840
Total	2,632,789	131	20,098	51	51,623	113	23,299
Sudbury	155,219	16	9,701	5	31,044	14	11,087

Source: Hemson Consulting

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Exhibit 10
Property Tax Comparisons

Community	2002 Residential Tax Rate			Average House Price (2)	Municipal Taxes	Total Property Taxes	Household Income (3)	Municipal Taxes as % of Household Income	Total Taxes as % of Household Income
	Municipal (1)	Education	Total Rate						
Barrie	1.16%	0.37%	1.54%	\$151,323	\$1,761	\$2,326	\$51,475	3.42%	4.52%
Cornwall	1.64%	0.37%	2.01%	\$94,152	\$1,545	\$1,896	\$38,644	4.00%	4.91%
Kingston	1.40%	0.37%	1.77%	\$129,553	\$1,810	\$2,294	\$39,276	4.61%	5.84%
London	1.29%	0.37%	1.66%	\$133,639	\$1,726	\$2,225	\$49,449	3.49%	4.50%
North Bay	1.32%	0.37%	1.70%	\$114,114	\$1,511	\$1,937	\$45,764	3.30%	4.23%
Ottawa	1.35%	0.37%	1.72%	\$150,212	\$2,027	\$2,587	\$59,462	3.41%	4.35%
Sault Ste Marie	1.42%	0.37%	1.79%	\$94,940	\$1,346	\$1,700	\$46,419	2.90%	3.66%
St Catharines	1.39%	0.37%	1.76%	\$133,806	\$1,860	\$2,359	\$46,765	3.98%	5.04%
Thunder Bay	1.28%	0.37%	1.65%	\$110,624	\$1,417	\$1,830	\$49,973	2.84%	3.66%
Timmins	1.40%	0.37%	1.78%	\$95,310	\$1,338	\$1,694	\$49,576	2.70%	3.42%
Windsor	1.37%	0.37%	1.74%	\$135,428	\$1,855	\$2,360	\$48,107	3.86%	4.91%
Average	1.37%	0.37%	1.74%	\$122,100	\$1,654	\$2,110	\$47,719	3.47%	4.42%
Greater Sudbury	1.38%	0.37%	1.76%	\$105,059	\$1,452	\$1,844	\$49,345	2.94%	3.74%

Notes:

(1) Rate for main urban area

(2) MLS Data for CVA base year - January to June 1999.

(3) 1996 Census Data.

EXHIBIT 11

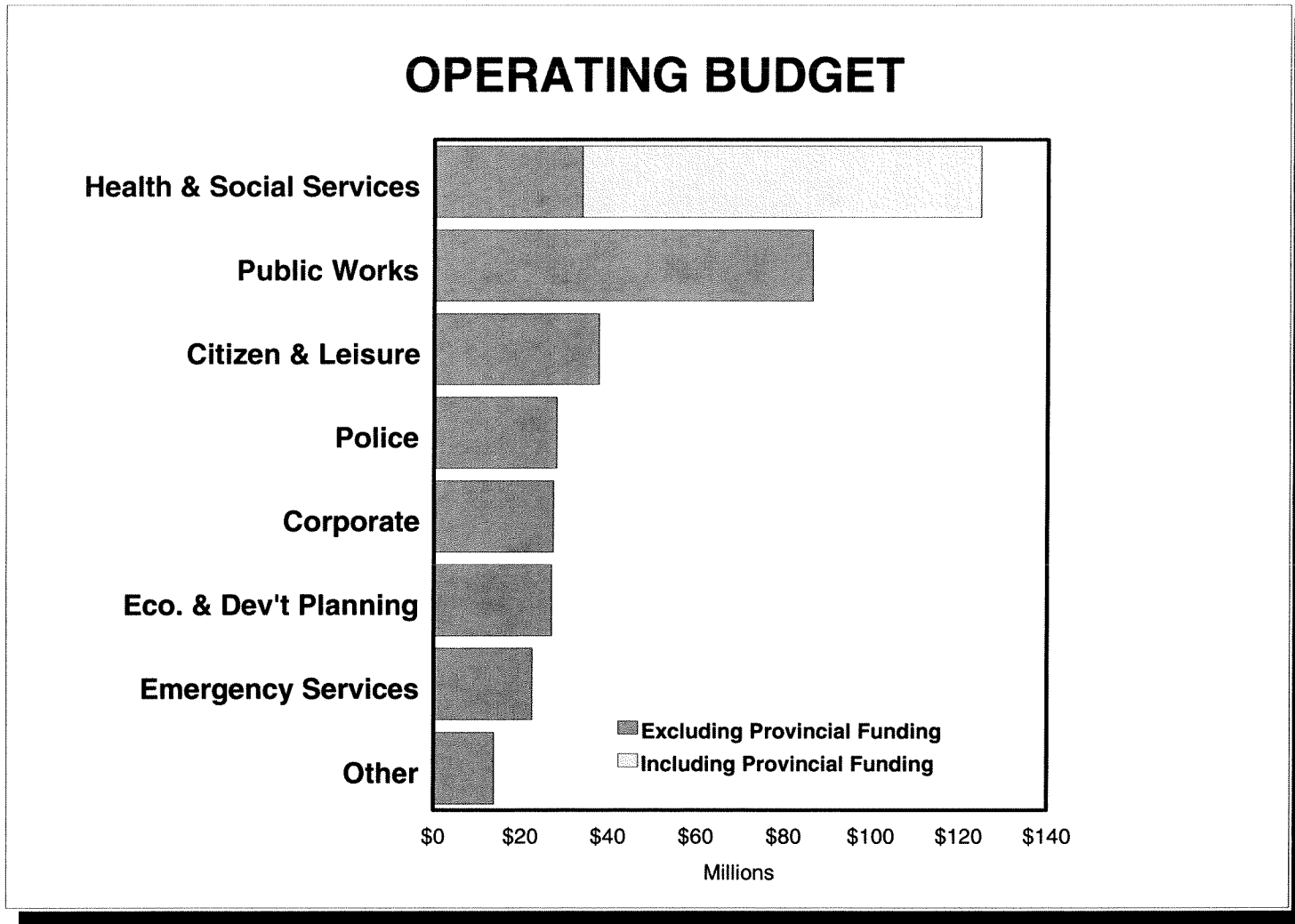


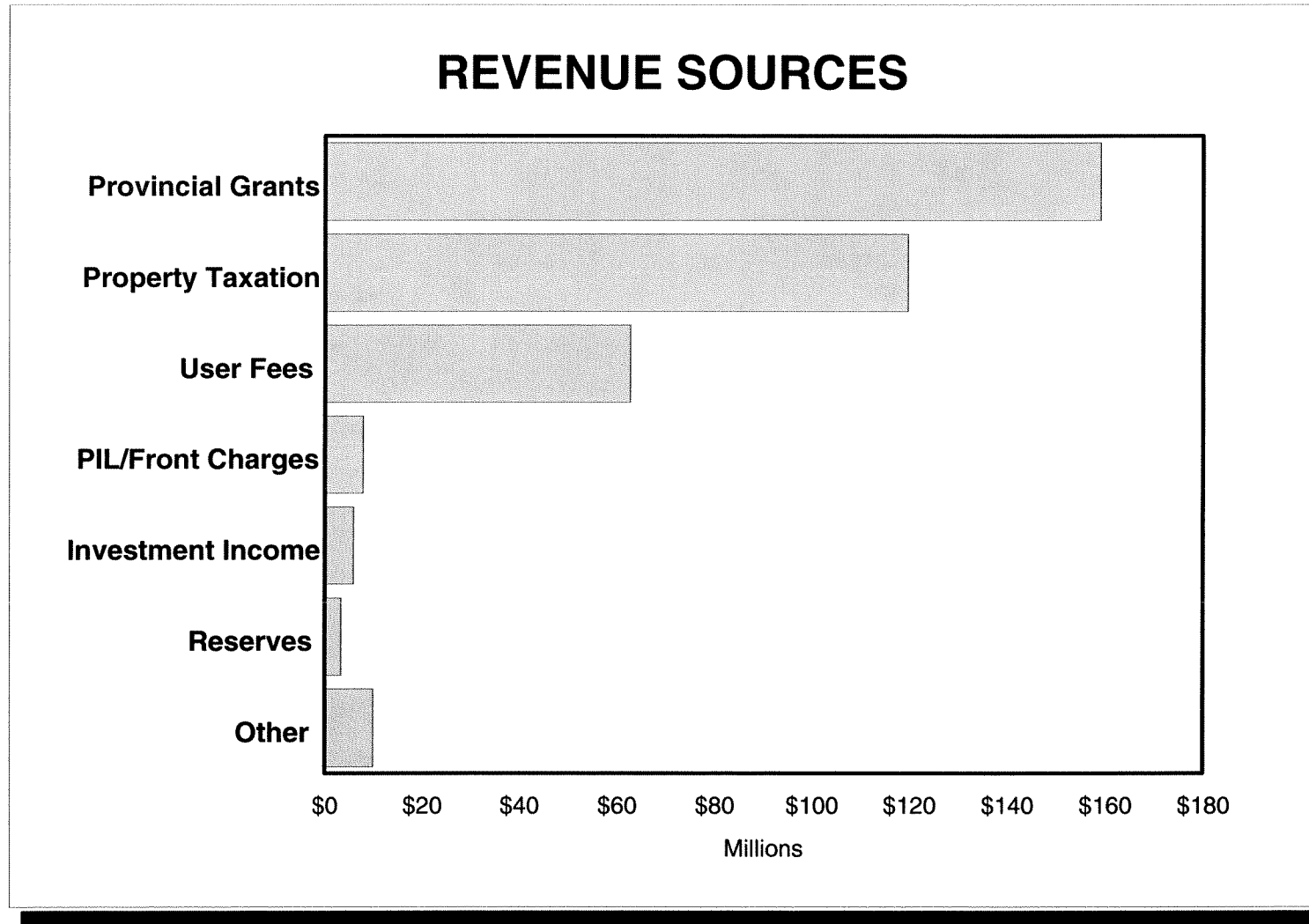
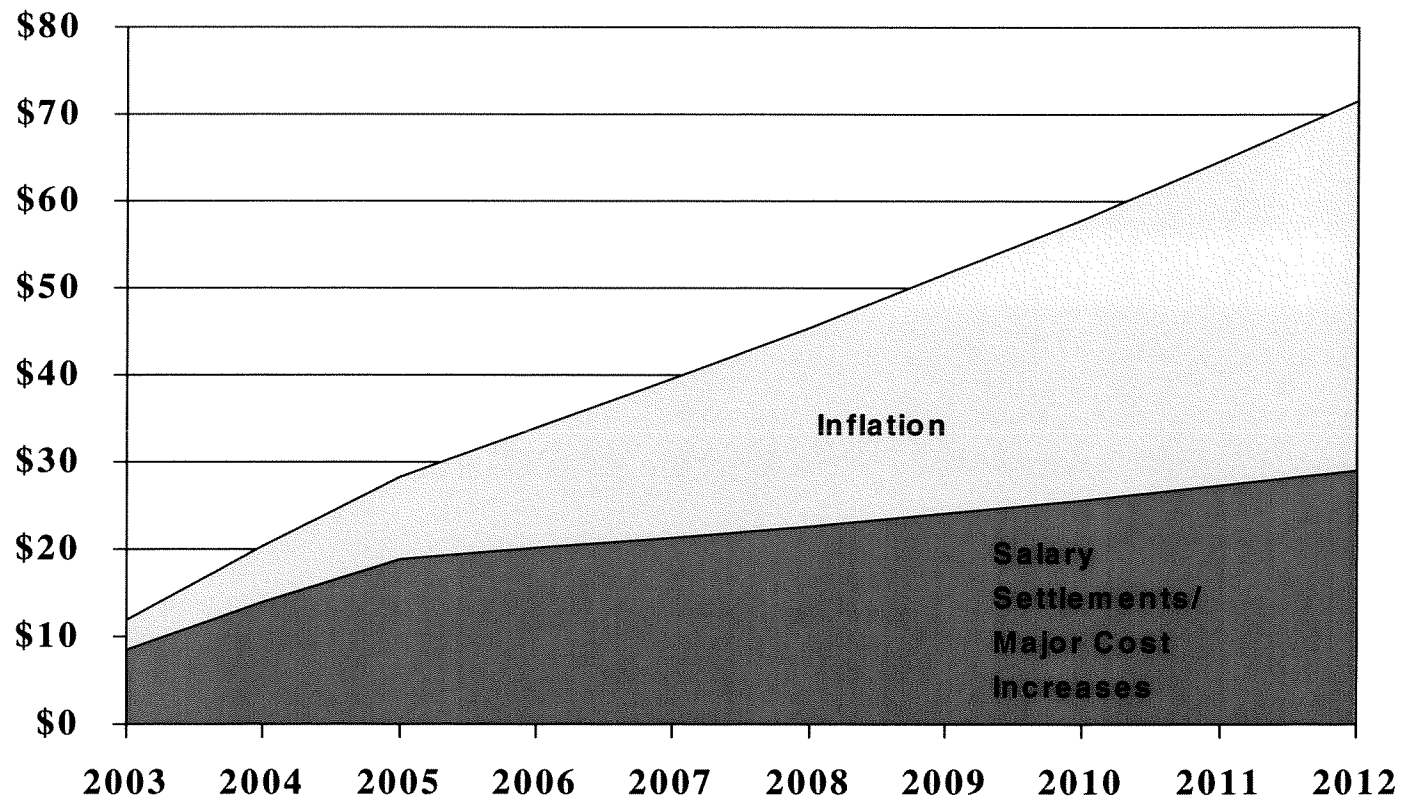
EXHIBIT 12

EXHIBIT 13**ANNUAL OPERATING GAP
(See Table 1)**

CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN

Exhibit 14 - Table 1
Summary of Projected Funding Gap For Tax Supported Services
(\$000's)

SUMMARY OF PROJECTED FUNDING GAP	Base Year 2002	Forecast Period									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
OPERATING BUDGET GAP											
1. PROJECTED NET OPERATING EXPENDITURE <i>(Excluding 2002 Salary Settlements and Capital Envelopes)</i>	\$109,836	\$107,858	\$107,090	\$106,295	\$106,156	\$106,148	\$105,956	\$105,956	\$105,956	\$105,869	\$105,851
2. Increase for 2002 Salary Settlement	\$0	\$1,903	\$3,746	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486	\$5,486
3. Projected Major Net Cost Increases	\$0	\$6,552	\$10,291	\$13,298	\$14,621	\$15,838	\$17,156	\$18,585	\$20,138	\$21,826	\$23,662
4. Sub-Total	109,836	116,312	121,126	125,078	126,264	127,472	128,598	130,027	131,580	133,181	135,000
5. Inflation on Operating Cost/Revenue	0	2,966	5,587	8,317	12,187	16,163	20,248	24,447	28,764	33,204	37,774
6. TOTAL PROJECTED NET OPERATING EXPENDITURE	\$109,836	\$119,278	\$126,714	\$133,395	\$138,451	\$143,635	\$148,846	\$154,474	\$160,343	\$166,385	\$172,774
7. PROJECTED OPERATING GAP <i>(Including Inflation)</i>	\$0	\$11,420	\$19,624	\$27,100	\$32,295	\$37,467	\$42,890	\$48,518	\$54,387	\$60,516	\$66,922
CAPITAL BUDGET GAP											
8. EXISTING CAPITAL ENVELOPES	\$17,071	\$19,221	\$19,971	\$20,696	\$20,845	\$20,847	\$20,986	\$21,032	\$21,061	\$21,144	\$21,144
9. Inflation On Capital Envelopes	\$0	\$384	\$807	\$1,267	\$1,718	\$2,170	\$2,648	\$3,127	\$3,615	\$4,125	\$4,630
10. PROJECTED CAPITAL REQUIREMENT IN EXCESS ENVELOPES	\$0	\$32,008	\$30,624	\$32,580	\$41,166	\$28,984	\$28,726	\$28,720	\$28,694	\$28,519	\$28,649
11. Inflation on Excess Requirement	\$0	\$640	\$1,237	\$1,994	\$3,393	\$3,017	\$3,624	\$4,270	\$4,926	\$5,564	\$6,274
12. TOTAL PROJECTED CAPITAL REQUIREMENT	\$17,071	\$52,253	\$52,638	\$56,537	\$67,122	\$55,017	\$55,984	\$57,150	\$58,296	\$59,351	\$60,697
13. PROJECTED CAPITAL GAP <i>(Including Inflation)</i>	\$0	\$33,033	\$32,668	\$35,841	\$46,278	\$34,170	\$34,998	\$36,117	\$37,235	\$38,207	\$39,553
14. TOTAL PROJECTED NET OPERATING AND CAPITAL EXPENDITURE	\$126,907	\$171,531	\$179,352	\$189,932	\$205,574	\$198,651	\$204,830	\$211,624	\$218,640	\$225,736	\$233,470
15. Less Projected Payments In Lieu	\$7,236	\$9,780	\$10,226	\$10,829	\$11,721	\$11,326	\$11,679	\$12,066	\$12,466	\$12,871	\$13,312
16. PROJECTED NET LEVY REQUIREMENT	\$119,671	\$161,751	\$169,126	\$179,102	\$193,852	\$187,325	\$193,151	\$199,558	\$206,174	\$212,865	\$220,159
17. TOTAL ANNUAL FUNDING GAP <i>(Including Inflation)</i>	N/A	\$44,453	\$52,292	\$62,941	\$78,573	\$71,657	\$77,888	\$84,635	\$91,623	\$98,723	\$106,475

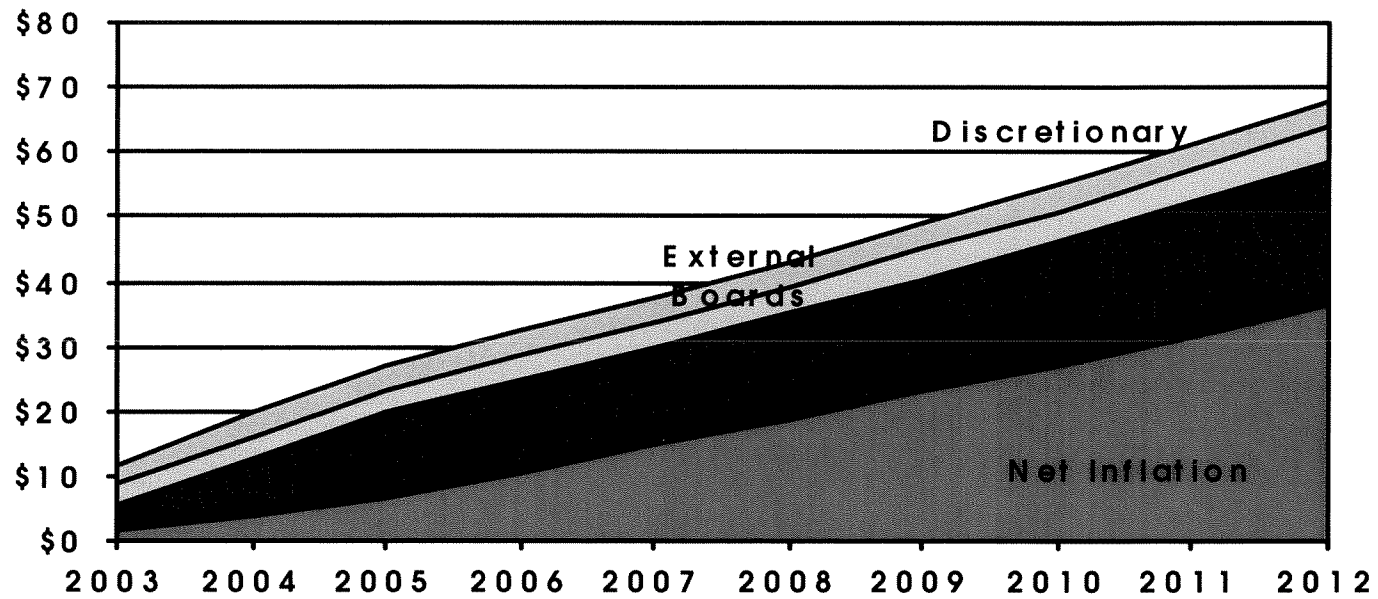
EXHIBIT 15**MAJORITY OF PROGRAM COST INCREASE DUE TO
INFLATION AND NON-DISCRETIONARY ITEMS
(\$ Millions)**

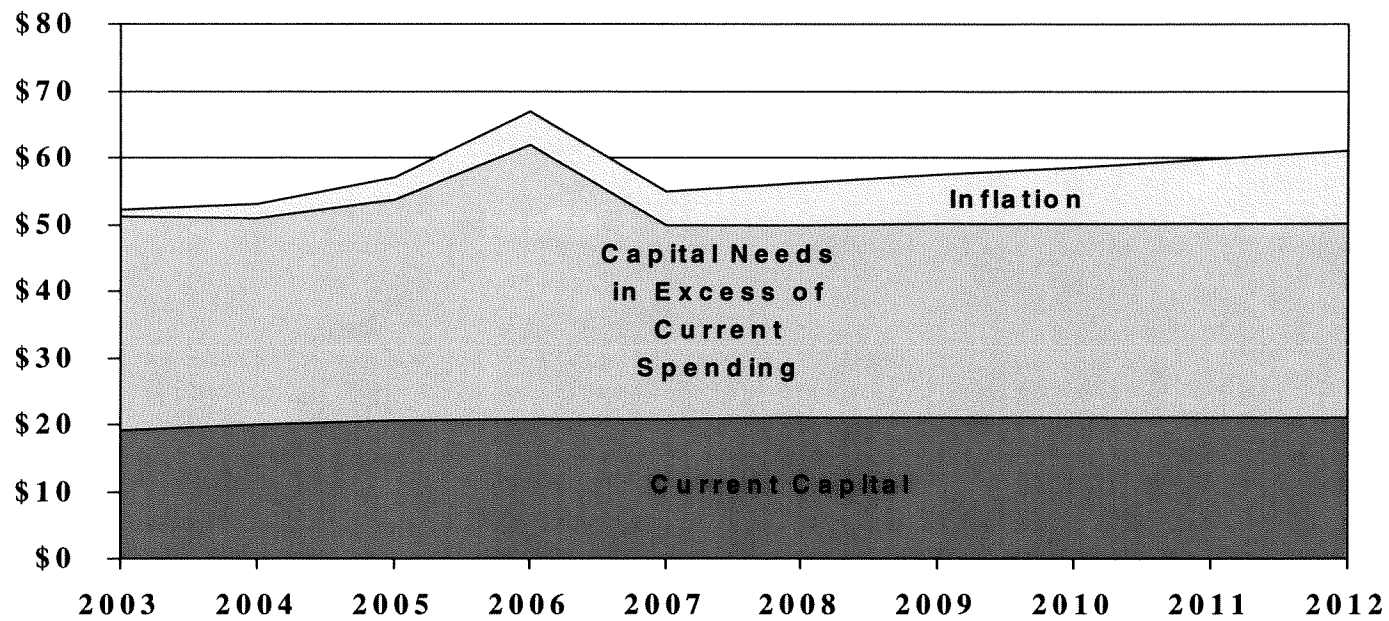
EXHIBIT 16**ANNUAL CAPITAL NEEDS
(\$ Millions)**

EXHIBIT 17

ROADS IS LARGEST COMPONENT OF CAPITAL FUNDING GAP

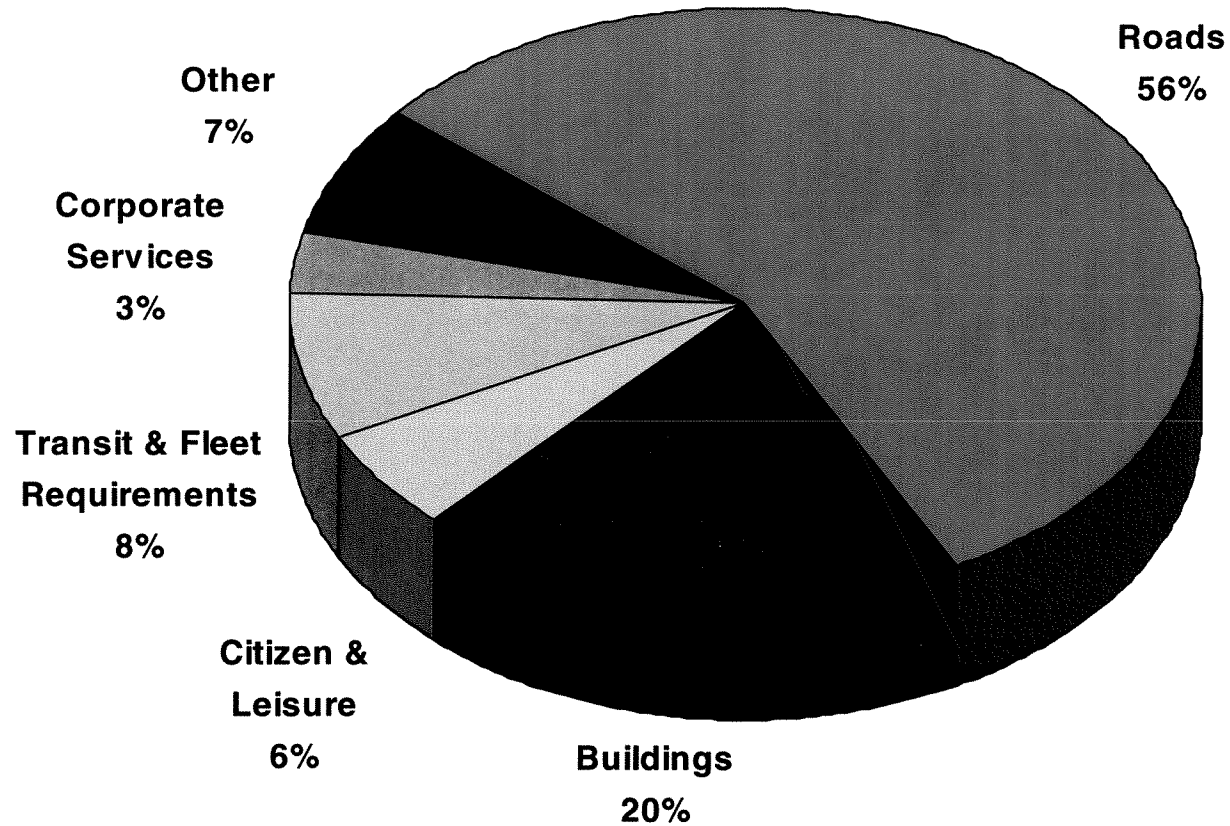
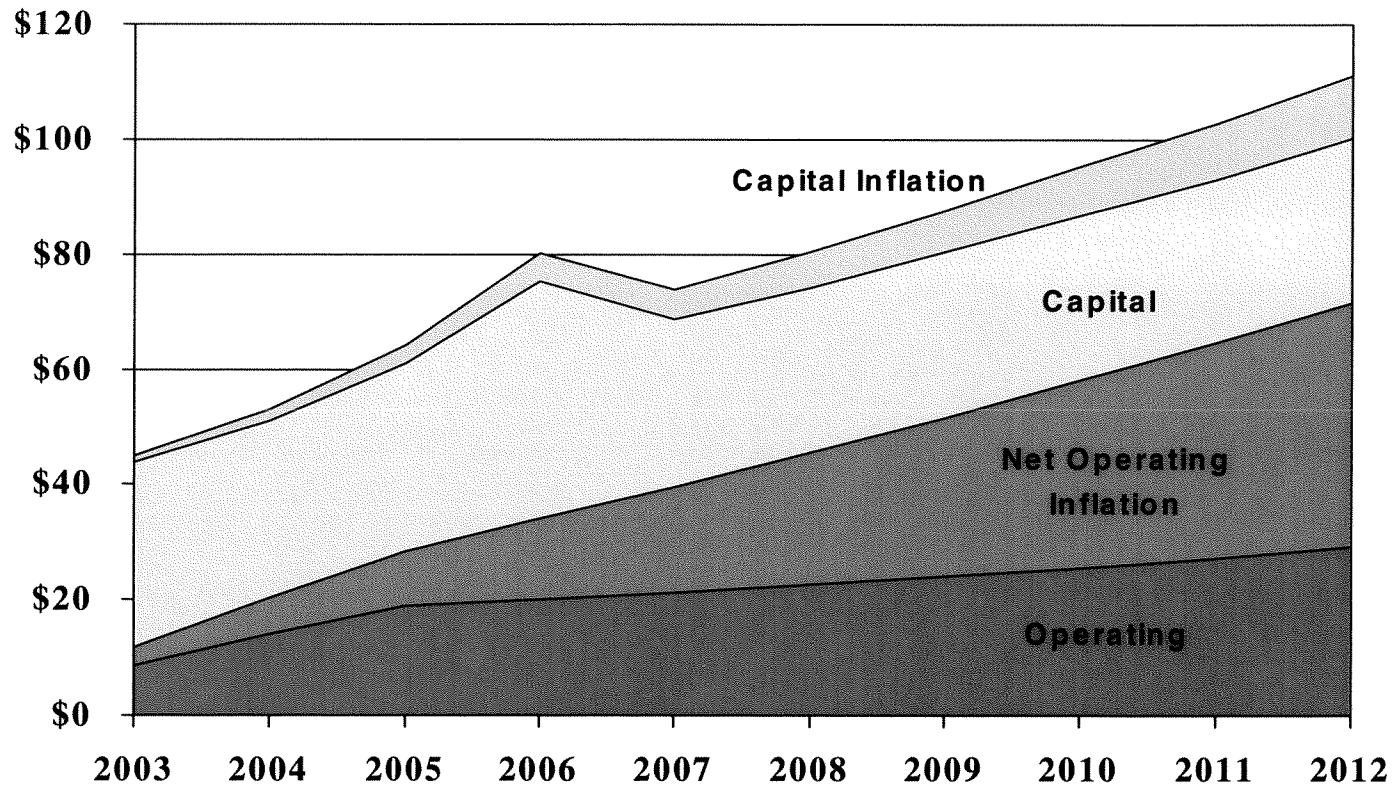


EXHIBIT 18

ANNUAL FUNDING GAP



**THE CITY OF GREATER SUDBURY
LONG TERM FINANCIAL PLAN**

**Exhibit 19
Capital Gap Financing Options (1)
(\$343.6 Million In Inflated Dollars)**

POSSIBLE FINANCING OPTIONS	Option 1	Option 2	Option 3	Option 4
	Partial Program No Debt	Partial Program With Debt	Total Program With Debt	Total Program No Debt
Annual Infrastructure Levy (% on Tax Levy) (2)	1.98%	2.27%	2.75%	3.69%
Existing Capital Envelopes (By 2012 - Inflated)	\$25,773,924	\$25,773,924	\$25,773,924	\$25,773,924
Annual Infrastructure Levy (By 2012)	\$34,922,609	\$34,922,609	\$34,922,609	\$69,950,957
Total Annual Capital From Current (By 2012)(3)	\$60,696,534	\$60,696,534	\$60,696,534	\$95,724,881
Annual Debt Charges (By 2012)(4)	\$0	\$6,471,678	\$17,384,460	0
Total Annual Capital Related Expenditures (2012)	\$60,696,534	\$67,168,212	\$78,080,994	\$95,724,881
Capital Gap Financing Breakdown				
Capital From Current	\$175,456,524	\$175,825,771	\$176,428,577	\$343,608,995
Debt	0	\$60,851,045	\$163,460,323	
Reserves (5)	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Total Capital Gap Financed By 2012	\$179,456,524	\$240,676,816	\$343,888,899	\$347,608,995
As A Percentage of Capital Gap	52%	70%	100%	101%
2012 Cost of Deferred Projects (incl. Inflation)	\$182,451,941	\$116,414,833	\$5,723,793	\$8,317,355

Notes:

- (1) Excluding Water and Waste Water Capital Programs
- (2) Percentage applied to previous years total tax levy.
- (3) Total contribution to Capital expenditures from operating including existing Capital envelopes (inflated).
- (4) Debt is assumed to be issued for a 15 year period at 6.5%.
- (5) Assumes use of available capital reserves.
- (6) Assumes no financing from other levels of Government.
- (7) Portion of Capital Gap deferred beyond 2012. Includes inflation on deferred expenditures.

EXHIBIT 20

