

Priorities
Committee
Agenda

to be held on
Wednesday, October 8th, 2003
at
7:00 p.m.

**Deputy Mayor
Dave Courtemanche
Chair**



**Councillor
Gerry McIntaggart
Vice-Chair**





Priorities Committee AGENDA

*TWENTY-THIRD MEETING OF THE PRIORITIES COMMITTEE
TO BE HELD ON **WEDNESDAY, OCTOBER 8, 2003** AT 7:00 P.M. IN THE
COUNCIL CHAMBER, TOM DAVIES SQUARE*

(PLEASE ENSURE CELL PHONES AND PAGERS ARE TURNED OFF)

The Council Chamber of Tom Davies Square is wheelchair accessible. Please speak to the City Clerk prior to the meeting if you require a hearing amplification device. Persons requiring assistance are requested to contact the City Clerk's Office at least 24 hours in advance of the meeting if special arrangements are required. Please call (705) 671-2489, extension 2475. Telecommunications Device for the Deaf (TTY) (705) 688-3919. Copies of Agendas can be viewed on the City's web site at www.city.greatersudbury.on.ca.

DEPUTY MAYOR COURTEMANCHE, IN THE CHAIR

1. Declarations of Pecuniary Interest

***ANY ITEMS NOT DEALT WITH BY THE ADJOURNMENT HOUR OF
10:00 P.M. WILL BE CARRIED OVER TO THE OCTOBER 22, 2003
MEETING OF THE PRIORITIES COMMITTEE.***

PRESENTATIONS/DELEGATIONS

2. Report dated 2003-09-10 from General Manager of Health & Social Services regarding "Child Care Project: Study of the Child Care Delivery System in the City of Greater Sudbury" - Summary and Recommendations.

1 - 11

(ELECTRONIC PRESENTATION)

- Ms. C. Ouellette, Director of Children Services, City of Greater Sudbury

Report entitled "*Child Care Project: Study of the Child Care Delivery System in the City of Greater Sudbury*" **(PREVIOUSLY CIRCULATED)**

(This report provides a summary of a study entitled "Child Care Project: Study of the Child Care Delivery System in the City of Greater Sudbury" completed for Children Services Division in August 2003 by Professor Ozhand Ganjavi of Laurentian University. Professor Ganjavi's study outlines the current situation and challenges facing the Licensed Child Care System in Greater Sudbury and provides analysis and recommendations for improvement.

In response, Health and Social Services is proposing several strategies for implementation which include using the report to advocate for funding changes at the Provincial level, and a new payment arrangement between the City and service providers for subsidized child care.

Staff will be making a short presentation to explain these recommendations.)

RECOMMENDATION:

WHEREAS the Children Services Division provided an information report to Council in March 2003 to highlight some of the challenges facing licensed child care; and

WHEREAS the Children Services Division has worked over the summer with Child Care Providers and Laurentian University Professor Ozhand Ganjavi to analyse the child care system and develop responses to these challenges; and

WHEREAS a research report has been completed and several strategies have been developed in response to the challenges and recommendations contained in the research report;

THEREFORE BE IT RESOLVED THAT Council receive the research report entitled "Child Care Project: Study of the Child Care Delivery System in the City of Greater Sudbury";

AND FURTHER THAT Council support the recommendations contained in this report related to changes to Children Services Division's reporting requirements for child care service providers and payment structure for subsidized child care rates;

AND FURTHER THAT Council use the results of the research report to advocate to the Provincial and Federal governments for changes to the funding and administration of the child care system in Ontario.

PRESENTATIONS/DELEGATIONS (continued)

3. Report dated 2003-10-03, with attachments, from General Manager of Corporate Services regarding New Purchasing By-law. **12 - 66**
(ELECTRONIC PRESENTATION)

- Mr. D. Mathé, Manager of Supplies & Services

RECOMMENDATION:

THAT the Draft of the Purchasing By-law 2003 be passed and adopted to come into effect on January 1, 2004.

MANAGERS' REPORTS

4. Report dated 2003-09-19, with attachments, from General Manager of Corporate Services regarding Minimum Insurance Liability Requirements for Third Parties. **67 - 82**

(This report presents options for Council's consideration regarding insurance requirements for third parties.)

RECOMMENDATION:

THAT the report from the General Manager of Corporate Services dated September 19, 2003 be approved; and

FURTHER THAT otherwise uninsured community based volunteer groups be financially assisted by Council with the procurement of liability coverage in order for these groups to use City facilities for meetings as outlined in option #3, at an estimated annual cost of \$6,000; and

THAT the nine community events previously provided or assisted with insurance by former Councils, namely Minnow Lake Days, Capreol Days, Valley East Days, Cavalcade of Colours (Onaping Falls), Rayside Balfour Jug Curling Competition, Walden Winter Carnival, Dowling Winter Carnival, Beaver Lake Winter Carnival and Rayside Balfour Family Hockey Tournament, be financially assisted by the City with the procurement of liability insurance for the non-alcohol related portion of community events at an estimated annual cost of \$9,000; and

THAT the insurance requirements as outlined in this report dated September 19, 2003 be formally adopted by Council and incorporated into the budget and that this be effective January 1, 2004.

MANAGERS' REPORTS (continued)

5. Report dated 2003-09-19, with attachments, from General Manager of Corporate Services regarding Council and Citizen Appointments for 2003-2006 Council Term.

83 - 110

Sample entitled "*City Council Boards, Committees, Advisory Panels, Roundtables and Associations: 2004*" **(PREVIOUSLY CIRCULATED)**
(THIS IS A DRAFT SAMPLE ONLY)

RECOMMENDATION:

THAT the Priorities Committee authorize the procedure by which Council will make both Citizen and Council appointments and the make-up of the Advisory Panels, Boards, Committees and Roundtables as outlined in the report from the General Manager of Corporate Services dated 2003-09-19.

6. Report dated 2003-09-16 from General Manager of Health & Social Services regarding Underserved Area Program - Physician Relocation Incentive Grant.

111 - 114

RECOMMENDATION:

WHEREAS the City of Greater Sudbury (CGS) has been designated under serviced by the Ministry of Health and Long-Term Care (MOHLTC); and

WHEREAS the outlying areas in the CGS are seeing a reduction in the delivery of primary care; and

WHEREAS the CGS has over 30,000 citizens of this community without a family medicine practitioner; and

WHEREAS there is a decline in the enrollment into the family medicine program throughout the Province of Ontario and globally;

THEREFORE BE IT RESOLVED THAT the CGS lobby the provincial government to review the current UAP incentive grants and that the CGS review its set up relocation incentive within the strategic plan currently being developed.

CORRESPONDENCE - INFORMATION ONLY

7. Report dated 2003-10-03, with attachments, from General Manager of Corporate Services regarding 2003 Current Budget Variance Report.

115 - 128

(This report provides the projected Corporate year-end position for the 2003 current budget.)

ADJOURNMENT (10:00 P.M.) (RESOLUTION PREPARED)

{MAJORITY REQUIRED TO PROCEED PAST 10:00 P.M.}

2003-10-03

**DEPUTY MAYOR COURTEMANCHE
CHAIR**

**CORRIE-JO CAPORALE
COUNCIL SECRETARY**

Presentations and Delegations

Request for Recommendation Priorities Committee



Type of Decision

Meeting Date	September 22, 2003				Report Date	September 10, 2003			
Recommendation	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title

"Child Care Project: Study of the Child Care Delivery System in the City of Greater Sudbury"- Summary and Recommendations

Policy Implications + Budget Impact

This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified

The recommendations in this report support Children Services' overall goal of maintaining a viable child care system in Greater Sudbury that meets the changing needs of children and families in our communities.

The direct cost to the City to implement these recommendations is estimated to be \$80,000, which is available within the current allocated budget for child care.

Background attached

Recommendation

WHEREAS the Children Services Division provided an information report to Council in March 2003 to highlight some of the challenges facing licensed child care; and

WHEREAS the Children Services Division has worked over the summer with Child Care Providers and Laurentian University Professor Ozhand Ganjavi to analyze the child care system and develop responses to these challenges; and

WHEREAS a research report has been completed and several strategies have been

Recommendation attached

Recommended by the General Manager

Catherine Sandblom
General Manager, Health and Social Services Department

Recommended by the C.A.O.

Mark Mieto
Chief Administrative Officer

Date: Sept. 10, 2003

Report Authored By



Kate Barber
Policy/ Community Developer, Children Services Division

Division Review



Carmen Ouellette
Director, Children Service Division

developed in response to the challenges and recommendations contained in the research report:

THEREFORE BE IT RESOLVED THAT Council receive the research report entitled "Child Care Project: Study of the Child Care Delivery System in the City of Greater Sudbury";

AND FURTHER THAT Council support the recommendations contained in this report related to changes to Children Services Division's reporting requirements for child care service providers and payment structure for subsidized child care rates;

AND FURTHER THAT Council use the results of the research report to advocate to the Provincial and Federal governments for changes to the funding and administration of the child care system in Ontario.

Background

In March 2003, in response to public budget presentations to Council by members of the child care community, an information report from Health and Social Services Department entitled "Status of Licensed Childcare in Greater Sudbury" provided Council with an overview of the licensed childcare system in Greater Sudbury and reviewed the current system of funding for childcare. At that time challenges facing the childcare system in Greater Sudbury and throughout the Province were highlighted and Children Services Division committed to working with the child care community to further analyse the nature and scope of the challenges to child care and to develop resources and strategies to assist child care centres to remain viable despite funding challenges.

To assist with this project, Children Services Division contracted with Laurentian University Commerce professor Ozhand Ganjavi to perform an analysis of the business of child care in Greater Sudbury and to propose some solutions to assist Child Care centres to improve their viability and the Children Services Division to better administer the child care system.

Although Professor Ganjavi's research was not able to come up with a "magic solution" to respond to the challenges facing the child care system, he was able to develop some recommendations and proposals to improve the child care system's ability to cope with funding challenges.

Children Services Division staff formed a working group with representatives of the Child Care community which met to discuss these proposals. This working group was able develop concrete strategies to respond to the proposal which have been endorsed by the Child Care community at large and are acceptable to the Children Services Division. This report will outline these proposed strategies and ask for Council's endorsement to implement them on a pilot basis.

Research Report Summary

The following are a summary of the features and findings of Child Care Project: Study of the Child Care Delivery System in the City of Greater Sudbury”:

- For the benefit of readers not familiar with the licensed daycare industry in the City of Greater Sudbury some background material is presented that demonstrates the role of various levels of government, their obligations and their responsibilities.
- Generally, the Early Childhood Educators (ECE) teachers earn low wages all across the province including in the City of Greater Sudbury.
- The province provides some support, in the form of wage subsidy, to maintain the wages of all day care staff. The provincial support is assessed to be inadequate to deal with the extent of the problem. The regulation does not permit the City to move funds between wage subsidy and fee subsidy budgets.
- The licensed day care is a relatively low profit margin business.
- Cost of wages is reported to be around 80% of the total cost of operating licensed daycare centres.
- The wage rate of the ECE at commercial (for-profit) daycare centres on average is 37% lower than average wage rate of the not-for-profit centres.
- Other costs are widely varied among centres; in particular cost of occupancy depends on the arrangements made to use a physical facility.
- Recent changes in tax regulations requiring the not-for-profit organizations to pay property tax and other associated costs such as garbage removal charges has put more burdens on financially weak centres.
- One of the hazards in the day care business is the high variation in demand level across all time horizons (i.e. variation within a day, within a week, and within a year). High levels of variation often result in periodic levels of utilization, which in turn results in financial losses.
- Two of the underlying causes of such variations are: increasing number of parents working part time jobs, and introduction of part-day or part-week kindergarten programs.
- Day cares that avoid deficit often pay lower wages. In fact, the difference between wages paid and fees collected is a very good predictor of financial outcome.
- Financial Data provided annually by centres to CSD is often incomplete and not appropriate for analytical work.
- While all centres are experiencing some degree of financial discomfort, recent cases of financial deficit suggest that the centres with a combination of being large, independent, and located in outlying communities are more susceptible to financial deficit than the rest of the centres.

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- One major way to assist the centres is to facilitate simple tools that are used for financial reporting.
- To simplify the system of billing codes provided to CSD by daycare centres, it is suggested that the current system of more than 160 codes be modified to a system of 25 codes.
- It is recommended that City Council bring the child care issues to the Province for the purpose of securing more financial commitment as well as changing regulations which prohibit the City from utilizing the provincial funds in a more effective manner.

Responding to the recommendations:

The report points to several challenges to the child care system:

1. As it is currently funded Child Care is a "low margin" business which has very little flexibility to respond to any increases to costs or fluctuations in demand or utilization.
2. Most (and in some cases all) of the funding received by child care centres is based on fees collected from enrolled children (either paid by their parents or by the City in the case of subsidized children). The fee structure is based on outdated assumptions about child care usage and is not always able to respond to changes to operating expenses. From the City's perspective, the current fee structure is also unduly complex with each centre being paid up to 20 different rates for subsidized children.
3. Differences and inadequacies in centres' reporting to the City make good comparative analysis of the financial situation of child care very difficult and may point to centres' own difficulty tracking and projecting their expenses and spending. This is especially true for smaller child care centres who do not have professional assistance with bookkeeping and financial management.
4. The general low level of staff wages and the large discrepancies between salaries in child care centres present very real recruitment and retention issues in child care centres, which impact directly on operational costs and efficiency.
5. The City has very little flexibility about how Provincial funding earmarked for child care may be spent and is limited in its ability to use unspent dollars to assist child care centres directly.

In response to these challenges, Children Services Division has developed five recommendations for consideration by Council.

Recommendation #1- Advocacy:

Many of these challenges stem from funding decisions and regulations at the Provincial level and may not be responded to in a systemic way at the local level. For this reason, the first recommendation is for City Council to join with other Municipalities in advocating to the Province for more funding for licensed quality child care, and for more local discretion about how the funding may be spent to respond to local issues and priorities.

Recommendations #2 to #5- Operational changes in the administration of Child Care Subsidy:

There are, however, areas where Children Services Division feel that there is some ability to make operational changes which will assist Child Care Centres to remain viable while still upholding the current Provincial requirements as they relate to the provision of mandated Child Care programs.

Recommendation #2- Changes to Reporting Requirements for Child Care Centres

Proposed Change: Children Services Division will simplify the financial and reporting data collected from child care centres by asking only for the yearly audited statement and the Ministry required Wage Subsidy Verification and Utilization Reports.

Rationale: The research found that the current data being collected (yearly budget submissions and quarterly spending reports) was not useful for analytic purposes and child care centres report that it is difficult to prepare with their limited resources. The only reports used consistently by the Children Services Division for planning and allocation purposes and required by the Province are the audited statement and Wage Subsidy Verification and Utilization Reports.

Implementation: Starting January 2004, child care centres will be informed that they need only submit the audited statement and Wage Subsidy Verification and Utilization Reports. The only exception will be independently operated Nursery Schools for whom, because of the very small scale of these operations, the expense of an audited statement would not make sense. These agencies will be permitted to submit unaudited financial statements at the end of their operational year but will still be responsible for submitting the Wage Subsidy Verification and Utilization Reports.

Impact on Child Care Centres: This change will create less work for child care centres, saving money and staff time.

Financial Impact for CGS: There will be no financial impact to this change.

Conformity with Provincial Requirements: The Ontario Child Care Service Management Guidelines require only that all centres receiving Wage Subsidy funding provide audited statements and Wage Subsidy Verification and Utilization Reports.

Recommendation #3- Coordination and Development of Financial and Management Supports for Child Care Centres

Proposed Change: Children Services Division will work with Child Care providers to determine centres' needs around financial and management training and resources and work with City and community resources to develop and make available appropriate supports.

Rationale: Many child care centres are small operations run by parent boards who do not necessarily have financial or management experience or training. The consultant found that some centres would benefit from simple managements tools and resources. The City has expertise in many of these areas that could be shared with centres to assist them in their operations and help them to better forecast budgetary and staffing needs.

Implementation: Children Services Division will consult with child care operators through the City's Child

Care Committee to determine their needs around financial and management support and will facilitate training and resources on an as needed basis.

Impact on Child Care Centres: This will provide valuable and affordable supports to the child care sector which will allow them to improve in areas they identify themselves.

Financial Impact for CGS: This will be implemented with existing resources.

Conformity with Provincial Requirements: There are no Provincial Requirements related to this area.

Recommendations #4 and #5 are a two-part solution to two separate, but related issues. Recommendation #4 responds to the complexity of different rate structures in centres throughout the City which have been created by individual centres and have resulted in over 160 different rates for child care in the City. Recommendation #5 responds to the current system of child care rates' inability to respond to the increased costs of providing a variety of child care services to meet parents needs. Children Services Division feels that these two steps need to be completed together in order to both rationalize child care rates and recognize the true operating costs of child care in our City.

Recommendation #4- Simplification and rationalization of "Child Care Codes" (rate structure for Child Care) which reflect the diversity of types of child care offered

Proposed Change:

The rate structure paid for subsidized child care will be rationalized from 160 separate "child care codes" to a set of 25 codes which are based on the age of the child and the hours of child care provided in order to allow centres to continue to provide flexible child care to meet parents needs while simplifying the payment and billing process. The following table of proposed codes is further explained in the report, it uses averages of the current codes to develop a set of codes with each code related to the "base code" (the 6-9 hour day for a preschool child) by a defined weight or ratio. Using this table, actual rates to be paid are generated by assigning a rate to the 6-9 hour preschool code ("base code") then multiplying by the appropriate weight to generate proportional rates in the other codes.

Proposed Child Care Codes

Age Group	More than 12 hours	9 to 12 hours	6 to under 9 hours	4 to under 6 hours	Under 4 hours
Infant Code Weight	I- 12 2.056	I-10 1.534	I-9 1.304	I-6 1.050	I-4 0.569
Toddler Code Weight	T- 12 1.542	T-10 1.244	T-9 1.058	T-6 0.852	T-4 0.461
Preschool Weight	P- 12 1.408	P-10 1.176	P-9 1.000	P-6 0.805	P-4 0.436
Kindergarten Weight	K- 12 1.430	K-10 1.169	K-9 0.994	K-6 0.801	K-4 0.434
School age Weight	S- 12 1.386	S-10 1.146	S-9 0.974	S-6 0.784	S-4 0.425

A brief description of the method used to arrive at the proposed ratios is presented in Appendix 6 of the report.

Rationale:

The current system of child care codes has been developed in an uncoordinated way over time with each child care centre contributing their own codes based on the particular way they have decided to offer their services. For each separate rate that parents are charged by the child care centre, a new "care code" must be created in order for the City to pay the rate on behalf of the subsidized parent. For example, one child care centre may have started with a full day rate for each age group, then added new rates for each new service they offer, such as before school, after school, part day, evening, extended days, supper club or evening programs. Because of the varying costs of providing different services, centres may have different rates depending on how many meals the child eats, what time of day the service is provided, or even the number of children attending per family. Since each service also usually has a separate rate for each age group, and centres have continued to offer more flexible child care services to meet parents' needs, the number of codes has multiplied very quickly.

This large number of care codes creates a very complex system both for the City and for the child care centres. Monthly billings are time consuming for child care centres to prepare and for City staff to pay. The diversity of codes also mean that it is more difficult for child care centres to predict how much funding they will be receiving from the City on behalf of subsidized families.

The rationalized set of child care codes has been developed using all of the existing codes to create one set of codes that can incorporate and balance the varied costs of providing different types of care, at different times in the day. The hours-based system of payment reflects the diversity of different types of care currently offered and will allow centres to continue to provide new types of services to respond to parents needs, without having to create new care codes.

Implementation:

A working group of child care providers has met with Children Services Division staff and the consultant

several times over the summer to provide input about this proposed system. This group was able to provide valuable suggestions to improve the model and all have been supportive of the change. With the recommendation of the working group, the proposal was taken to the City of Greater Sudbury Child Care Committee, made up of representatives of all Child Care centres, and has been approved by this group.

Analysis was completed based on child care billings over the last year and it was determined that the current system could be adapted reasonably easily to the proposed new system of child care codes and that child care centres could provide the same services within the new system with very little disruption.

With Council's recommendation, the Children Services Division will work with child care centres to prepare for a transition to the new system for January 2004. Administrative changes to the child care payment software program could be made in-house with little difficulty, and training for child care centre operators would be organized to take place in November to introduce child care administrators to the new system of codes and to assist them in converting their existing codes into the new structure.

Impact on Child Care Centres:

The new system of codes will simplify billing for child care centres, free up some administrative time for centre staff and allow centres to better project their revenues from the City, while still providing enough flexibility to provide care for families based on changing community needs.

Financial Impact for CGS:

The development of the new care code structure will not have a financial impact for the City on its own. Until the actual rates are generated there is no cost to this recommendation.

Conformity with Provincial Requirements:

Provincial requirements direct that rates paid for child care subsidy be based on the market rate for child care. The proposed system of rates more closely reflects the changing market for child care based on families' child care needs and allows for continued flexibility to meet these ever-changing needs.

Consolidated Service Managers are mandated by the Province to ensure a viable child care system that meets families' needs. This change will help the City of Greater Sudbury to fulfill this mandate.

The proposed change to the rate structure will be easily adaptable to the "Ontario Child Care Management System", the child care administration database developed and required by the Province.

Recommendation #5- Development of a harmonized, fixed set of rates to be paid for all subsidized children which reflect actual operating costs for child care.

Proposed Change:

Rates paid for subsidized children will move from a system of rates set by child care centres themselves and based on the community's ability to pay, to a standardized, fixed set of rates designed to reflect the true operating costs of child care in the City of Greater Sudbury. The following proposed table of rates was

designed to reflect the full cost of providing all types of child care to families in our community. These rates were developed using the "Proposed Child Care Codes" table explained in recommendation #4, and were set at a level equal to or above the current rates being charged by 80% of centres.

Proposed Harmonized Rates

Age Group	More than 12 hours	9 to 12 hours	6 to under 9 hours	4 to under 6 hours	Under 4 hours
Infant	65.00	55.00	46.00	37.00	21.00
Toddler	49.00	41.00	34.50	28.00	16.00
Preschool	44.50	37.50	31.50	25.50	14.50
Kindergarten	45.00	38.00	32.00	26.00	15.00
School age	44.00	37.00	31.00	25.00	14

Rationale:

The report described recommendations #4 and #5 as two stages to a general strategy to rationalize child care rates and recognize the true operating costs of child care in our City. With input from child care providers, Children Services Division feels that it would be possible to undertake both of the changes at the same time on a pilot basis, thus corresponding with the City's Child Care strategic Plan for 2004-2006.

The report also highlights the funding challenges that child care centres are facing in our community and explained the limited flexibility that municipalities have to assist child care centres to meet these challenges. Operating grants or increased wage subsidy grants have not been approved by the Province, leaving the daily rate paid to child care centres on behalf of subsidized children as the only avenue to address these challenges.

Historically, child care rates have been set by parent boards of directors based on full fee parents' ability to pay. This has meant that child care rates charged by centres, in many cases, have not reflected the true operating costs of the centres and have not been able to keep pace with changes to the market. In some cases rates for the more costly types of service required by subsidized parents (part time or evening/ shift care) have been set at rates reflecting the true cost of care with the result that full fee parents have not chosen to use them.

Accordingly a single set of rates must be set high enough to encompass a large majority of centres. Additionally, there are some services (mostly infant and toddler) that are not offered by a large number of centres. The rates for these services must be high enough to encourage more participation and avoid withdrawal of services by those who currently offer them. Because of these two considerations the set of rates should not be set at the average level. Utilizing figures that are between 80 to 100 percentile of the distribution for each cell should address the above concerns.

While this will have a financial impact on the City, paying rates more reflective of the true costs of child care will assist child care centres to develop a more stable funding base and allow them to continue to provide viable services for the community at large. Analysis based on current usage shows that the cost of paying these "true-cost" rates will still be possible within Children Services Division's existing allocated budget.

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Over the time frame of the three year pilot, these rates will be fixed and child care centres will work to adjust their centre's full fee rates to ensure that they are also reflective of the true cost of providing each service. No increase to the fixed rate for subsidy will be considered until such time that the full fee rates in this sector also reflect the true cost of service delivery. Nevertheless, Children Services is committed to work with the child care community to monitor and review on an annual basis the full fee rates and analyse whether or not both sector's are keeping up with the true market cost of providing each service.

Implementation:

A working group of child care providers has met with Children Services Division staff and the consultant met several times over the summer to provide input about these proposed rates. This group was able to provide valuable suggestions based on their experience to improve the model and all have been supportive of the change. With the recommendation of the working group, the proposal was taken to the City of Greater Sudbury Child Care Committee, made up of representatives of all Child Care centres, and has been approved by this group.

Analysis was completed based on previous child care billings and it was determined that for the large majority of centres, the new rates would bring in similar or higher revenues to the centre, allowing centres to better plan for the needs of the centre and to be better able to withstand changes in utilization or costs.

With Council's endorsement, Children Services will work with child care centres to prepare for a transition to the new system for January 2004. Administrative changes to the child care payment software program will be made in-house with little difficulty, and training for child care centre operators will be provided as needed. Centres will have the rest of the year to prepare for any impact this change may have on their centre and will be asked to provide a plan of how they will work to make changes to their full fee structure that will ensure that these rates are also reflective of their true market rate costs.

Centres will also be asked to submit a plan of how these changes may impact their staff's salary rates. It is expected that centres paying lower wages will use potential funding increases to improve staff salaries or benefits and help them with each centre's recruitment and retention challenges.

Impact on Child Care Centres:

This proposal has been developed in part to address financial challenges facing child care centres caused by increasing operating costs. In many cases new rates will provide a larger cashflow thus providing the increased flexibility to offset increasing costs. It is anticipated that centres will be better able to plan for their centre needs and provide more stable revenues to assist them with cash management. Centres will be able to continue to adapt their services to meet the changing needs of parents and will be receive funding at a level that will allow them to continue to offer programs that may be slightly more costly to deliver.

Financial Impact for CGS:

Based on an analysis of previous billings, the projected cost of changing to these new rates may be as high as \$400,000 for a twelve month period. The City's contribution of 20% for this increase would be \$80,000. This amount falls within the existing allocated child care budget and would allow Children Services to maximize the Provincial allocation for child care. The City's contribution will have significantly high benefit of stabilizing the overall child care system.

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In the past, Children Services Division has been able to use unspent fee subsidy dollars to respond to Health and Safety requests of child care centres. The proposed increase in costs created by the new rates may mean there is less funding available for these requests. It is anticipated that child care centres will use the increased revenues to respond to their individual centre's needs, including those that may in the past been address by Health and Safety dollars.

Conformity with Provincial Requirements:

Provincial requirements direct that rates paid for child care subsidy be based on the market rate for child care. The proposed rates more closely reflect the actual cost of providing child care in the Sudbury market. Current rates based on the full fee paying parent's ability to pay, in many cases, do not reflect the true market cost of providing child care.

Consolidated Service Managers are mandated by the Province to ensure a viable child care system that meet families needs. This change will help the City of Greater Sudbury to fulfill this mandate by stabilizing child care centres and allowing them to better respond to changes in need, utilization and costs.

The proposed change to child care rates will be easily adaptable to the "Ontario Child Care Management System", the child care administration database developed and required by the Province.

Request for Recommendation Priorities Committee

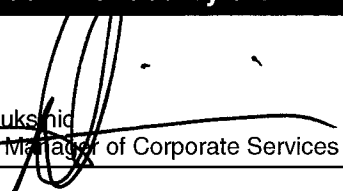


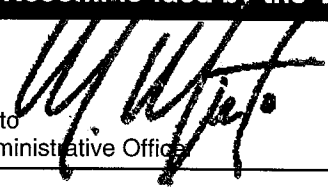
Type of Decision									
Meeting Date	October 8, 2003				Report Date	October 1, 2003			
Recommendation	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title
Draft of the Purchasing By-Law 2003

Policy Implications + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified
None.	
<input checked="" type="checkbox"/>	Background attached

Recommendation	
That the attached Draft of the Purchasing By-law 2003 be passed and adopted to come into effect on January 1, 2004.	
<input type="checkbox"/>	Recommendation attached

Recommended by the General Manager
 Doug Wukschic General Manager of Corporate Services

Recommended by the C.A.O.
 Mark Mieto Chief Administrative Officer

Date: October 1, 1003

Report Authored By



Darryl Mathé,
Manager of Supplies and Services

Division Review

Doug Wuksinic
General Manager of Corporate Services

Background

Attached is the Priorities Committee Report dated May 14, 2003 outlining the following:

- 1) History
- 2) Why pass a new By-law?
- 3) Philosophy of the new By-law
- 4) Review of comparable Municipal procurement policies
- 5) Recommendations
 - a) Advertising threshold reduced from the current level of \$50,000.00 to \$25,000.00
 - b) Council awarded contracts - no Council approval for tender contracts within approved budgets.
 - c) Request for Proposals over \$100,000.00 will require Council approval as in past By-law 2001-2
 - d) Summary of the Recommendations

Steps

May 28, 2003

Met with Members of the Sudbury Construction Association and the Sudbury & District Chamber of Commerce regarding the recommendations made to the Priorities Committee on May 14, 2003. The members of both groups endorsed the recommended changes.

July to September, 2003

Draft By-law formulated

September 10, 2003

Draft By-law presented to the General Managers. General Managers to distribute to staff for input and back to Committee by September 22, 2003. Also met with major stakeholders to obtain their input.

September 12, 2003

Posted the Purchasing By-law draft on the City's Web Page and advertised public meeting in Sudbury Star, Northern Life and Le Voyageur.

Date: October 1, 1003

September 17, 2003

Public Meeting held at 7:00 p.m., in the Council Chamber at Tom Davies Square to present draft of Purchasing By-law and receive input. A copy of the power point presentation is attached for the Committee's information.

October 8, 2003

Recommend adoption of the new Purchasing By-law to the Priorities Committee.

Note: Please be advised there will be a number of consequential amendments as a result of the repeal of the old purchasing by-laws. (Example, Real Property By-law)

Request for Recommendation Priorities Committee



Type of Decision									
Meeting Date	WED. MAY 14, 2003				Report Date	MAY 9, 2003			
Recommendation	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title

NEW PURCHASING BYLAW

Policy Implications + Budget Impact

This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified

No Budget Impact.

Background attached

Recommendation

THAT THE REPORT DATED MAY 9, 2003 AS WRITTEN BY DARRYL MATHE, MANAGER OF SUPPLIES AND SERVICES BE APPROVED; AND

THAT STAFF MEET WITH VARIOUS STAKEHOLDERS WITHIN THE COMMUNITY; EG. GREATER SUDBURY CHAMBER OF COMMERCE AND THE LOCAL CONSTRUCTION INDUSTRY, TO REVIEW THE PROPOSED NEW BYLAW, AND REPORT BACK TO COUNCIL ONCE COMPLETED.

Recommendation attached

Recommended by the General Manager

For table for

Name and Title: Doug Wuksinic, General Manager of Corporate Services

Recommended by the C.A.O.

[Signature]

Name and Title: Mark Minto, Chief Administrative Officer

Report Authored By



Name and Title Darryl Mathe
Manager of Supplies and Services

Division Review



Name and Title Doug Wuksinic
General Manager of Corporate Services

HISTORY:

THE CITY OF SUDBURY, AREA MUNICIPALITIES AND REGION PURCHASING PRACTICES

Prior to 2001, both the Regional Municipality of Sudbury and the City of Sudbury had adopted purchasing by-laws to regulate the purchase and sale of goods and services within their respective areas of jurisdiction. The Region's by-law had been drafted and passed by the former Regional Council in 1979.

In the City of Sudbury prior to amalgamation, a 1986 version of the purchasing by-law was in use by City departments and, to a lesser extent by the Regional Police Service, for the acquisition and sale of supplies and services.

Area municipalities, including the City of Valley East, did not have a formal purchasing by-law, purchasing department or purchasing agent. These municipalities used the City of Sudbury's purchasing agent as their representative on the Sudbury Regional Buying Group to contract for the purchase of large common supplies and services.

In the late 1990s, a committee was struck at the Regional level for the purpose of revising the Region's purchasing by-law. At that time, staff sought and did obtain input from external stakeholders including Sudbury and District Chamber of Commerce and the Sudbury Construction Association. Although this revised purchasing by-law was largely completed at the time of the proclamation in force of the *City of Greater Sudbury Act*, it was temporarily shelved during the tenure of the Transition Board.

The 1986 City of Sudbury purchasing by-law was adopted by the Transition Board for its use in the acquisition of goods and services. At the same time, both the City of Sudbury and the Region continued to use their respective purchasing by-laws for supply management purposes.

The provisions of Regulation 539/00 passed pursuant to the *City of Greater Sudbury Act*, however, granted power to the Transition Board to pass a by-law or adopt a resolution governing the purchase and sale of goods and services to be acquired by the City of Greater Sudbury subsequent to January 1, 2001.

Essentially, a purchasing by-law needed to be in place to meet the new municipality's day-one operating requirements. As a result, the late 1990s revision of the Region's

purchasing by-law was passed by the Sudbury Transition Board (By-law 2001-2) for and on behalf of the City of Greater Sudbury on November 20, 2000 to be effective on January 1, 2001.

WHY PASS A NEW BY-LAW?

Section 27 of By-law 2001-2 contemplates the performance of an annual "Internal Process Audit" to determine whether or not purchases and dispositions were conducted in accordance with the by-law.

After concluding the first purchasing processes audit in early 2002, the Manager of Internal Audit/Performance Management (the "Auditor") concluded that, although no material non-compliance was noted in the sample selected,

- there was considerable evidence of a general lack of understanding of by-law requirements in given situations;
- the by-law's contents were found to be ambiguous and unclear at best; and
- the by-law was in great need of revision.

The Auditor, after considering whether minor revisions could achieve clarity within the document, determined that:

"...it is preferable to write a new Purchasing By-law, in a more simplified format..." [IACS Report #2002-3, dated February 27, 2002]

Moreover, Senior Management's 2002 Business Plan included the establishment of a new Purchasing By-law, [Corporate Services, Goal B, Planned Action Number 8]

Presently, purchased goods and services are the largest single expenditure category in the Current Budget. Actual 2002 expenditures (combining "Purchased Services" and "Materials & Operating Expenses") totaled \$153 million, 41.2% of the total. (Payroll is the next highest expense, at 33.7%.)

A Purchasing By-law is, therefore, a significant governance document whose purpose is to define procurement processes.

PHILOSOPHY OF THE NEW BY-LAW

A key principle underlying all aspects of the procurement function is to obtain the best value for the taxpayer's dollar while simultaneously treating all suppliers equitably.

In order to accomplish this objective, four cornerstones of the new procurement policy are proposed:

- the competitive process will be used, whenever possible, to procure all municipal supplies and services;

- the competitive process, shall be open, transparent and fair to the suppliers of goods and services; and
- the purchasing process will be clearly and simply defined in order to ensure all stakeholders understand and comply with its requirements;
- efforts will be made to centralize the tendering process.

The proposed key principle and the cornerstones are consistent with core "Values" listed in the City of Greater Sudbury's priority setting document *Mapping the Vision - 2003*, where among other things, the municipality is committed to

- *"providing high quality service with a citizen focus";*
- *"managing the resources in our trust efficiently, responsibly and effectively";*
- *"maintaining honest and open communication";* and
- *"creating a climate of trust and a collegial working environment".*
[*Mapping the Vision - 2003 - Values, page 3.*]

It is proposed that the new Bylaw will be considerably shortened in length, by excluding procedural details. Only general principles and key process requirements will be set out in the new Bylaw. Reference will be made to the Purchasing Agent's authority to provide further details to users about documentation required to support procurement transactions.

REVIEW OF COMPARABLE MUNICIPAL PROCUREMENT POLICIES

A review of threshold amounts used in the competitive procurement process in major municipalities in the Province of Ontario has formed the basis of the recommended thresholds in the New By-law.

Among Ontario municipalities, the threshold for Council-approved contracts within budget limits range from \$10,000.00 at the low end of the scale to unlimited contract values at the upper end of the scale.

Advertising limits, however, are less varied and range from a minimum amount of \$10,000.00 to a maximum of \$100,000.00. (See attached Table 1.)

In addition to the research relating to Ontario municipalities, an internal review of Tenders/Quotations and Proposals for the period January 2002 to December 2002 reveals that 87% of City of Greater Sudbury's projects awarded using such procurement

processes had dollar values in excess of \$25,000.00.

RECOMMENDATIONS

The recommendations are based upon the premise that a procurement policy that is open, transparent and fair is driven not by the body within the municipality that awards a contract, but rather the degree to which the municipality's contracts are advertised in the community. Lowering the threshold of contract advertising and removing the requirement of Council approval for contracts within approved budgets will be consistent with the key principle of securing the best value for the taxpayer's dollar while at the same time treating all suppliers equitably.

1. Advertising Threshold

Since an open, transparent and fair competitive procurement process is consistent with the City's stated *Mapping Value* of "*honest and open communication*", it is recommended that the threshold advertising limit be reduced from the current level of \$50,000.00 to \$25,000.00. Requests for Proposals will be subject to the same advertising requirements. As well, the New By-law will require that the evaluation criteria, upon which Requests for Proposals (RFP) will be judged, be clearly defined beforehand and be part of the RFP document.

Existing internet-based technologies will enable the City of Greater Sudbury to continue to communicate the advertisement and the award of such projects efficiently and cost-effectively to councillors, bidders and the general public thereby ensuring maximum openness and transparency.

2. Council-Awarded Contracts

In order to streamline and enhance the efficiency of the contract award process, it is recommended that there be no requirement for Council approval of contracts within approved budgets, except in circumstances where for irregular bids exist and in circumstances of RFP awards in excess of \$100,000.00. The latter requirement is a carry-over from By-law 2001-2.

Notwithstanding the proposed unlimited ceiling, councillors have full access to staff to answer questions which arise in relation to tenders.

Having regard to the range of numbers appearing in Table 1, the unlimited threshold amount is not unreasonable. As an alternative, Council may wish to increase the threshold amount of Council-approved contracts on a gradual basis having regard to the application of section 271(1)(h) of the *Municipal Act, 2001*. (Reproduced at Appendix 1).

That section requires municipalities to establish a policy for the review and evaluation of procurement policies. At fixed time periods, Council may deem it appropriate to increase

(or decrease) the threshold having regard the number and nature of contracts being awarded at certain dollar levels.

Apart from the monetary threshold, events may arise which will compel Council consideration of a contract. Circumstances giving rise to Council approval of a contract include purchases which may only be made from a single source, tenders which give rise to an irregular result and contracts for purchase of goods or services which exceed budget envelopes. Although the definition of "irregular result" is varied, an irregular result may occur when

- (a) two or more identical low bids or proposals have been received;
- (b) all bids or proposals fail to respond to contract specifications; or
- (c) for any reason, the lowest compliant bid or proposal is not in the best interests of the municipality.

Attached as **Table 2** is a Summary of the Recommendations and the likely impact upon internal and external stakeholders.

NEXT STEPS:

The ad-hoc Committee charged with drafting a new Purchasing bylaw seeks agreement in principle from the General Managers' group, at its April 16 meeting. If that agreement is given, the Committee will proceed under the following time-lines:

Wed. MAY 14, 2003	PRIORITIES COMMITTEE: Report and Recommendation to seek public input regarding key principles of new Purchasing Bylaw.
Week of MAY 26, 2003	INVITE KEY MEMBERS OF PUBLIC to a presentation outlining key principles of new Purchasing Bylaw.
Mon. JUN 16, 2003	DEADLINE for public response to new Purchasing Bylaw.
JULY to Mid-AUGUST	DRAFT PURCHASING BYLAW to be formulated.
Week of AUG 18	DRAFT PURCHASING BYLAW circulated to General Managers, for their response and dissemination to staff as they desire.
Mon. SEPT.8, 2003	DEADLINE for responses from General Managers and staff regarding DRAFT PURCHASING BYLAW.
Wed. SEPT. 17, 2003	FINALIZED PURCHASING DRAFT of Bylaw provided to Clerk.
Wed. SEPT. 24, 2003	PRESENTATION TO PRIORITIES COMMITTEE OF PROPOSED PURCHASING BYLAW. Recommendation for Approval sought.
Thurs. SEPT. 25,2003	COUNCIL MEETING: APPROVAL OF PURCHASING BYLAW SOUGHT.
SEPT thru DEC.	PURCHASING AGENT finalizes procedural changes and delivers staff training necessary to ensure smooth transition to new Bylaw.
JANUARY 1, 2004	NEW PURCHASING BYLAW COMES INTO EFFECT.

APPENDIX 1**Municipal Act, 2001
S.O. 2001, CHAPTER 25****Procurement of goods**

271. (1) Before January 1, 2005, a municipality and a local board shall adopt policies with respect to its procurement of goods and services, including policies with respect to,

- (a) the types of procurement processes that shall be used;
- (b) the goals to be achieved by using each type of procurement process;
- (c) the circumstances under which each type of procurement process shall be used;
- (d) the circumstances under which a tendering process is not required;
- (e) the circumstances under which in-house bids will be encouraged as part of a tendering process;
- (f) how the integrity of each procurement process will be maintained;
- (g) how the interests of the municipality or local board, as the case may be, the public and persons participating in a procurement process will be protected;
- (h) how and when the procurement processes will be reviewed to evaluate their effectiveness; and**
- (i) any other prescribed matter. 2001, c. 25, s. 271 (1).

Regulations

- (2)** The Minister may make regulations,
- (a) prescribing matters for the purpose of clause (1) (i) and the time within which policies must be adopted under subsection (1) with respect to the prescribed matters;
 - (b) establishing policies related to the procurement of goods and services by a municipality and a local board;
 - (c) requiring a municipality and a local board to comply with the policies established under clause (b) when procuring goods and services. 2001, c. 25, s. 271 (2).

TABLE 1

REVIEW OF COMPARABLE MUNICIPAL PROCUREMENT POLICIES

<i>Municipality</i>	<i>Council Approval required if Contract Price exceeds:</i>	<i>Advertising required if Contract Price exceeds:</i>
Sault Ste. Marie	\$10,000.00	\$10,000.00
Vaughan	\$100,000.00	\$100,000.00
City of Cambridge	\$100,000.00	\$50,000.00
Pickering	\$100,000.00	\$100,000.00
Thunder Bay	\$250,000.00	\$40,000.00
Hamilton	\$250,000.00	\$100,000.00
Markham	\$350,000.00	\$50,000.00
Region of Niagara	\$1,000,000.00	\$25,000.00
Region of Durham	No limit	\$100,000.00
Region of Peel RFP over \$250,000.00	No limit Yes	\$100,000.00
Region of York	No limit	\$100,000.00
Mississauga	No limit	\$50,000.00
Ottawa	No limit	\$25,000.00/Goods & Services \$50,000.00 Consultants
Region of Halton	No limit	\$100,000.00
London	No limit	\$100,000.00
Kingston	No limit	\$50,000.00
*Proposed City of Greater Sudbury By-law	No limit	\$25,000.00

TABLE 2

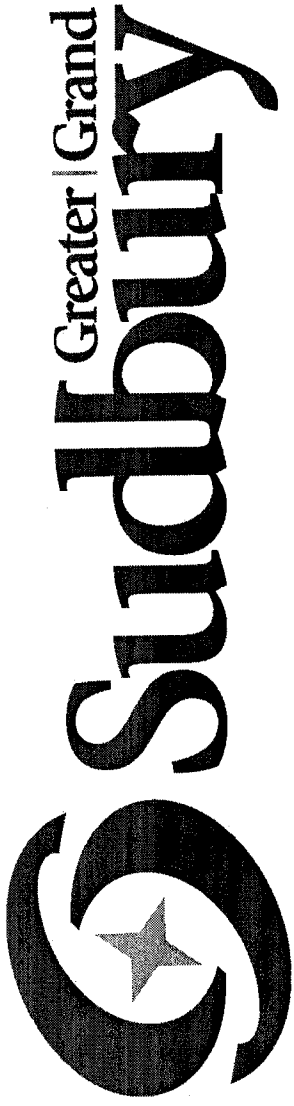
Purchasing Bylaw 2003

WHAT is Changing ?	WHY ?	IMPACT on INTERNAL USERS	IMPACT on EXTERNAL STAKEHOLDERS
LOWER the threshold at which a FORMAL process is used, from \$ 50,000 to \$ 25,000.	We do it now anyway; with electronic formats, advertising purchasing opportunities to all suppliers is the norm and adds no administrative burden.	Minimal; advertising time-line does not have to be onerous. Greater assurance that the "best deal" is obtained.	Fairness and transparency of process will be appreciated by all suppliers.
REMOVE, or LOWER, requirement for COUNCIL APPROVAL of budgeted regular tender awards; Current requirement: contracts > \$100,000.	Requiring Council approval when low bidder is awarded adds unnecessary time delays; this information is available on City's website.	Removes a time barrier and administrative burden (report to Council).	Contractor can begin work more quickly.
REMOVE requirement for a PURCHASE ORDER (PO) to support purchases under \$5,000. Currently, any purchases greater than \$ 500 require a PO.	Relatively low dollar purchases; are mostly covered by vendors of record, using Blanket Orders or procurement cards set up by Purchasing Agent or designate; will simplify process, reduce paper esp. at Payables.	Will remove a paper burden. Buyers can still request Legacy informal PO # (if no BO exists), for vendor reference, or if purchaser does not have a procurement card.	Vendor can still be provided a PO/BO #, where purchaser does not have a procurement card. For vendor, process does not change (except faster payment if a procurement card used).
REDUCE the types of purchases (currently enumerated in Schedule D) which are deemed "exceptions" to usual purchasing methods.	To increase the ability of all qualified vendors to bid on business.	Adds a time element to purchases previously expedited directly.	Fairness and transparency of process will be appreciated by all suppliers.



CITY OF GREATER SUDBURY

**PURCHASING
BY-LAW DRAFT**



CITY OF GREATER SUDBURY

Proposed Purchasing By-Law

Introduction

- Darryl Mathe, Purchasing Agent and Manager of Supplies & Services is responsible for the Purchasing By-Law.
- Questions will be addressed at any time during the presentation. When asking a question, please indicate your name and who you represent.

Why pass a new By-Law?

- Through a City Internal Process Audit it was concluded the present by-law was not user-friendly and was unclear and confusing. On February 22nd, 2002 it was recommended that a new Purchasing By-Law be drafted in a more simplified format.
- Presently, purchased goods and services are the largest single expenditure category in the Current Budget. Actual 2002 expenditures (combining "Purchased Services" and "Materials and Operating Services") totalled 41.2% of the total budget. (Payroll is the next highest expense at 33%)

Why pass a new By-Law?

- In addition to this recommendation, the Municipal Act, 2001, requires that by January 1, 2005 municipalities have in place procurement policies which contain specific requirements. The present by-law would not meet the threshold requirements of the Municipal Act, 2001.
- A purchasing by-law is therefore a significant governance document whose purpose is to define procurement processes, establish procurement goals, ensure integrity of procurement processes and describe the manner in which the by-law will be regularly reviewed.

Philosophy of the New By-Law

- A key objective underlining all aspects of the procurement function is obtaining the best value for the **TAXPAYER'S** dollar while simultaneously treating all suppliers equitably.

Philosophy of the New By-Law

- In order to accomplish this objective, four cornerstones of the new procurement policy are proposed:
 - The competitive process will be used, whenever possible, to procure all municipal supplies and services.
 - The competitive process shall be open, transparent, and fair to the suppliers of goods and services.
 - The purchasing process will be clear and simple.
 - Efforts will be made to centralize the tendering process.

Philosophy of the New By-Law

- A staff committee composed of Steve Vrbanac and Heather Salter (Solicitors from the City's Legal Services Division), Sue McCullough from Internal Audit and Darryl Mathe from Supplies and Services, have worked on a new purchasing by-law draft for the past twelve months.
- Among other things, the committee has reviewed comparable municipal procurement policies throughout the province.

Recommendations and Changes

The following are the major recommendations and changes that are contained in the new draft Purchasing By-Law.

1. Advertising threshold limit be reduced from the current level of \$50,000 to \$25,000.
2. Council Awarded Contracts
TENDERS: In order to streamline the efficiency of the contract award process, it is recommended that there be NO requirement for Council approval of contracts/tenders within approved budgets except in circumstances where irregular bids exist.

Recommendations and Changes

2. Council Awarded Contracts (Continued)
REQUEST FOR PROPOSALS (RFP's): All RFP's over \$100,000 must be approved by Council as is the case in the present By-Law. As well, an evaluation criteria upon which RFP's will be judged shall be clearly defined in advance of the RFP advertisement and shall be part of the RFP document.
3. Financial Leases over \$100,000 or combination of leases of similar assets adding up to \$500,000 must be approved by Council.

Recommendations and Changes

4. Bids in excess of project estimate: The agent and General Manager jointly may enter into negotiations with the lowest compliant bidder.
5. Bid irregularities – see Schedule C.
6. Total Acquisition Cost – evaluation of quality and service in assessment of bid, and the sum of all costs as defined in definition.

Recommendations and Changes

7. A procedural manual is being formulated to support the By-Law and will contain forms (standardized where possible) and procedures appropriate for the purchase of goods, services and construction.
8. In order to ensure that the By-Law remain an up-to-date purchasing tool, the By-Law requires that a By-Law review shall be conducted during each Council term.

Steps

- Please send your input, via e-mail, to darryl.mathe@city.greatersudbury.on.ca by Friday, September 19th, 2003.
- The draft of the recommended Purchasing By-Law will be brought to Council via the Priorities Committee on October 8th, 2003.
- The new Council-approved Purchasing By-Law will come into effect on January 1st, 2004.

CITY OF GREATER SUDBURY

BY-LAW 2003-xxx

BEING A BY-LAW OF THE CITY OF GREATER
SUDBURY GOVERNING PROCUREMENT
POLICIES AND PROCEDURES AND TO REPEAL
BY-LAW 2001-2

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CITY OF GREATER SUDBURY
PURCHASING BY-LAW 2003-xxx

BEING A BY-LAW OF THE CITY OF GREATER
SUDBURY GOVERNING PROCUREMENT
POLICIES AND PROCEDURES AND TO REPEAL
BY-LAW 2001-2

WHEREAS Section 271 of the *Municipal Act, 2001* imposes upon municipalities the obligation to adopt policies with respect to the procurement of Goods and Services;

AND WHEREAS this By-law establishes the authority and sets out the methods by which Goods, Services or Construction will be purchased and disposed of for the purposes of the City of Greater Sudbury subject to certain exceptions set out herein;

AND WHEREAS the Council of the City of Greater Sudbury has by resolution adopted on October , 2003 authorized the enactment of this by-law and the repeal of By-law 2001-2 and amendments thereto, formerly governing the subject matter of this By-law;

NOW THEREFORE the Council of the City of Greater Sudbury enacts as follows:

PART I - SHORT TITLE

1. This By-Law may be cited as the "Purchasing By-Law".

PART II - PURPOSES, GOALS AND OBJECTIVES

2. The purposes, goals and objectives of this By-law and of each of the methods of procurement authorized are:
 - a. To encourage competition among suppliers;
 - b. To maximize savings for taxpayers;
 - c. To ensure service and product delivery, quality, efficiency and effectiveness;

- d. To ensure fairness among bidders;
- e. To ensure openness, accountability and transparency while protecting the financial best interests of the City of Greater Sudbury;
- f. To have regard to the accessibility for persons with disabilities to the Goods, Services and Construction purchased by the City of Greater Sudbury;
- g. To attempt to reduce the amount of solid waste requiring disposal through the purchase of environmentally responsible Goods and Services.

PART III - DEFINITIONS AND SCHEDULES

3. (1) The words and phrases listed below when used in this By-law shall have the following meanings ascribed to them:

- (a) "AGENT" means the Manager of Supplies and Services of the City of Greater Sudbury;
- (b) "APPROVED INVOICE" means an original supplier's invoice issued at the time of purchase of low dollar Goods or Services not exceeding \$499 and which bears both the signature of an appropriately authorized employee and appropriate account number(s);
- (c) "AWARD", "AWARDED" and "AWARDING" mean authorization to proceed with the purchase of Goods, Services or Construction from a chosen supplier;
- (d) "BID" means an offer or submission from a supplier in response to a Bid Solicitation;
- (e) "BID BOND" means the form of security required by the terms and conditions of Bid Solicitation documentation to guarantee that the successful bidder

enters into a Contract with the City of Greater Sudbury, as required by Section 20 of this By-law;

- (f) "BID SOLICITATION" means a formal request for Bids that may be in the form of a Request for Tender or Request for Proposal;
- (g) "BLANKET PURCHASE ORDER" means a Contract between the City of Greater Sudbury and a supplier for the supply of regularly ordered Goods or Services at specified unit prices with, where possible, maximum dollar limits, or discounts, but not specified quantities;
- (h) "CHIEF ADMINISTRATIVE OFFICER" means the Chief Administrative Officer of the City of Greater Sudbury;
- (i) "CHIEF OF POLICE" means the Chief of Police as appointed by The Greater Sudbury Police Services Board pursuant to the *Police Services Act*;
- (j) "CONSTRUCTION" means a construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, soil investigation, the supply of products and materials and the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering design or architectural work, but does not include professional services related to the construction contract unless they are included in the specifications for the procurement;
- (k) "CONTRACT" means any agreement, regardless of form or title, for the lease purchase or disposal of Goods, Services or Construction authorized in accordance with this By-law;
- (l) "COUNCIL" means the Council of the City of Greater Sudbury;
- (m) "COUNCIL APPROVED BUDGETS" means Council approved department

budgets including authorized revisions, or where applicable, Council approved budgets of local boards or utilities to which this By-law applies;

- (n) "DEPARTMENT" means an organizational unit of the City of Greater Sudbury headed by a General Manager;
- (o) "DIRECTOR OF HUMAN RESOURCES" shall mean the Director of Human Resources of the City of Greater Sudbury;
- (p) "DIRECTOR OF LEGAL SERVICES" shall mean the Director of Legal Services of the City of Greater Sudbury;
- (q) "ELECTRONIC ADVERTISING" means the use of a computer based system directly accessible by suppliers irrespective of their location that provides suppliers with information related to Bid Solicitations;
- (r) "EMERGENCY" means a situation, or the threat of an impending situation, which may affect the environment, the life, safety, health and/or welfare of the general public, or the property of the residents of the City of Greater Sudbury, or to prevent serious damage, disruption of work, or to restore or to maintain essential service to a minimum level;
- (s) "FAIR MARKET VALUE" means the price that would be agreed to in an open and unrestricted market between knowledgeable and willing parties dealing at arms-length where fully informed and not under any compulsion to transact;
- (t) "FINANCING LEASE POLICY" means the policy passed by Council under the authority of the Municipal Act, 2001, S.O. c.25, section 110;

- (u) "GENERAL MANAGER" means the person appointed by Council to be responsible for the operation of a Department and/or their designate and includes the person appointed to the position of Chief Administrative Officer;
- (v) "GOODS" means moveable property including,
 - (i) the cost of installing, operating, maintaining or manufacturing such moveable property;
 - (ii) raw materials, products, equipment and other physical objects of every kind and description;
- (w) "IN HOUSE BID" means a Bid made by a Department and authorized by the General Manager of that Department, submitted in response to a Bid Solicitation, where the provision of the Goods, Services or Construction will be provided entirely by the employees of the City of Greater Sudbury;
- (x) "LOWEST COMPLIANT BID" means the Bid that would provide the City of Greater Sudbury with the desired Goods, Services or Construction at the lowest Total Acquisition Cost, meets all the specifications and contains no irregularities requiring automatic rejection;
- (y) "PROFESSIONAL SERVICES" means persons having a specialized knowledge or skill for a defined Service requirement including,
 - (a) architects, engineers, designers, management and financial consultants; and
 - (b) firms or individuals having specialized competence in environmental, planning or other disciplines;
- (z) "PROPOSAL" means an offer submitted in response to a Request for Proposal, acceptance of which may be subject to further negotiation;

- (aa) "PURCHASE ORDER" means a Contract between the City of Greater Sudbury and a supplier to supply a specific quantity of Goods or specific set of Services or specific type of Construction defined by such things as time period, location(s) and price;
- (bb) "PURCHASING CARD" means a card issued in accordance with the Purchasing Card Policy, to purchase Goods and Services;
- (cc) "REQUEST FOR PROPOSAL" means a Bid Solicitation that is used to acquire Goods, Services or Construction, the suitability of which is dependant upon non-price factors and which may result in further negotiation between the parties;
- (dd) "RISK MANAGEMENT/ INSURANCE OFFICER" shall mean the Risk Management/ Insurance Officer of the City of Greater Sudbury;
- (ee) "SERVICES" includes all professional and consulting services, all services in relation to real property or personal property including without limiting the foregoing the delivery, installation, construction, maintenance, repair, restoration, demolition or removal of personal property and real property and all other services of any nature and kind save and except only services to be delivered by an officer or employee of the City of Greater Sudbury in accordance with terms of employment;
- (ff) "TENDER" means a publicly advertised Bid Solicitation;
- (gg) "TOTAL ACQUISITION COST" means an evaluation of quality and service in the assessment of a Bid and the sum of all costs including purchase price, all taxes, warranties, local service costs, life cycle costs, time of completion or delivery, inventory carrying costs, operating and disposal costs for determining the Lowest Compliant Bid;
- (hh) "TREASURER/DIRECTOR OF FINANCE" means the Treasurer/Director of

Finance of the City of Greater Sudbury .

- (2) Schedules A, B and C attached hereto form part of this By-law.

PART IV - GENERAL PROCUREMENT POLICY

APPLICATION

4. (1) The procedures in this By-law shall be followed to Award a Contract or to recommend to Council that a Contract be Awarded.
- (2) Subject to section 27 and section 4(3), a General Manager may purchase or contract for the Goods and Services listed in Schedule "A" to this By-law without following the procedures set out herein.
- (3) The procurement of legal services shall be contracted for by the Director of Legal Services and Director of Human Resources.
- (4) The purchase of Goods and Services listed in Schedule "A" to this By-law may be made provided that sufficient funds are available and identified in appropriate accounts within Council Approved Budgets.
- (5) The following local boards and corporations are bound by this By-law and this By-law shall apply with necessary modification to such local boards and corporations:

Greater Sudbury Police Services Board

Greater Sudbury Public Library Board

City of Greater Sudbury Development Corporation

Sudbury Community Development Corporation

Sudbury Airport Community Development Corporation

Greater Sudbury Housing Corporation.

- (6) For all purposes of this By-law and this Section, all references to Council shall mean the governing body of each of the following local boards and corporations:

Greater Sudbury Police Services Board

Greater Sudbury Public Library Board

City of Greater Sudbury Development Corporation

Sudbury Community Development Corporation

Sudbury Airport Community Development Corporation

Greater Sudbury Housing Corporation.

- (7) For all purposes of this By-law and this Section, all references to the Chief Administrative Officer and General Managers of the City shall mean the following persons associated with the relevant local board and corporation:

Greater Sudbury Police Services Board: Chief of Police or designate;

Greater Sudbury Public Library Board: General Manager of Citizen and Leisure Services or designate;

City of Greater Sudbury Development Corporation: General Manager of Economic Development and Planning Services or designate;

Sudbury Community Development Corporation: General Manager of Economic Development and Planning Services or designate;

Sudbury Airport Community Development Corporation: General Manager of Citizen and Leisure Services or designate;

Greater Sudbury Housing Corporation: General Manager of Economic Development and Planning Services or designate.

RESTRICTIONS

5. (1) No Contract for Goods, Services or Construction may be divided into two or more parts to avoid the application of the provisions of this By-law.
 - (2) No Contract for Services shall be Awarded where the services would result in the establishment of an employee - employer relationship.
 - (3) No employee shall purchase, on behalf of the City of Greater Sudbury, any Goods, Services or Construction, except in accordance with this By-law.
 - (4) Where an employee involved in the Award of any Contract, either on his or her own behalf or while acting for, by, with or through another person, has any pecuniary interest, direct or indirect, in the Contract, the employee,
 - (a) shall immediately disclose the interest to the General Manager involved in the Award of the Contract and shall describe the general nature thereof;
 - (b) shall not take part in the Award of the Contract; and
 - (c) shall not attempt in any way to influence the Award of the Contract.
 - (5) An employee has an indirect pecuniary interest in any Contract in which the City of Greater Sudbury is concerned, if,
 - (a) the employee or his or her spouse or same-sex partner
 - (i) is a shareholder in, or a director or senior officer of, a corporation that does not offer its securities to the public that has a pecuniary interest in the Contract,
 - (ii) has a controlling interest in or is a director or senior officer of, a corporation that offers its securities to the public that has a pecuniary interest in the Contract, or
 - (iii) is a member of an incorporated association or partnership, that has a pecuniary interest in the matter; or

- (b) the employee or his or her spouse or same-sex partner is in the employment of a person, unincorporated association or partnership that has a pecuniary interest in the Contract.
- (6) All Council members shall conduct themselves in accordance with the *Municipal Conflict of Interest Act*, R.S.O. 1990, c. M.50, as amended.

TOTAL ACQUISITION COST

6. Where this By-law prescribes dollar limits, the Contract amount shall be the estimated Total Acquisition Cost less any rebates.

PRESCRIBED COUNCIL APPROVAL

7. Despite any other provisions of this By-law, the following Contracts are subject to Council approval:
- (a) any Contract requiring approval from the Ontario Municipal Board;
 - (b) any Contract where the Total Acquisition Cost is greater than the Council Approved Budget;
 - (c) any Contract where an irregularity precludes the Award of a Contract to the supplier submitting the lowest bid;
 - (d) any Contract where a Good, Service or Construction is available from only one source of supply and the Total Acquisition Cost of such Good, Service or Construction exceeds \$25,000; or where a Bid Solicitation has been restricted to a single source of supply because standardization or compatibility is the overriding consideration;
 - (e) any Contract where the Request for Proposal method of purchase of Goods, Services or Construction is being used and the estimated value of the Goods, Services or Construction exceeds \$100,000;

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- (f) when any Contract is required in accordance with the City of Greater Sudbury's Financing Lease Policy.

RESPONSIBILITIES AND AUTHORITIES

- 8. General Managers shall be responsible for and shall have authority for all procurement activity and decisions within their Departments and may delegate their authority, where appropriate.

NOTIFICATION OF PROCUREMENT OPPORTUNITIES

- 9. (1) Notification of procurement opportunities for Goods, Services or Construction exceeding a Total Acquisition Cost of \$25,000 shall be made by Electronic Advertising and may be used for any other purchase.
- (2) Notification of procurement opportunities for Goods, Services or Construction may be supplemented by other means of notification where appropriate.

PART V - PROCUREMENT PROCEDURES

PURCHASING PROCEDURES

- 10.(1) The Agent shall establish purchasing procedures consistent with the Purposes, Goals and Objectives set out in this By-law relating to:
 - (a) the form, content and use of forms, whether electronic or printed, including requisitions, purchase orders, bonds, letters of credit and other forms of guarantee or surety, tender, proposal and other contract documents;
 - (b) the identification of those Goods, Services or Construction which, are more effectively acquired through cooperative purchasing;

- (c) the process to be followed in the issuing, receipt and evaluation of Tenders and Requests for Proposals including the option of submitting documentation, payment or signature by electronic means pursuant to the *Electronic Commerce Act*, S.O. 2000, c.17, as amended;
 - (d) any other aspect of process or procedure not specifically provided for in this By-law.
- (2) Where, in the opinion of the Agent, circumstances giving rise to an issue of adherence or non-adherence to the requirements of this By-law which cannot be resolved to the satisfaction of the Agent, the Agent shall advise the General Manager of Corporate Services who shall have the authority to determine the appropriate action.

PURCHASING CARDS

11. The Agent is responsible for the Purchasing Card program outlined in the City of Greater Sudbury's Purchasing Card Policy. The Purchasing Card Policy shall adhere to this Purchasing By-law.

BLANKET PURCHASE ORDERS

- 12.(1) A Blanket Purchase Order may be used where:
- (a) one or more Departments repetitively order the same Goods, Services or Construction and the actual demand is not known in advance; or
 - (b) a need is anticipated for a range of Goods, Services or Construction for a specific purpose and for which convenience and location are major factors but the actual demand is not known at the outset.
- (2) The Agent shall establish and maintain Blanket Purchase Orders.

- (3) To establish prices and select sources, the Agent shall employ the provisions contained in this by-law for the acquisition of Goods, Services or Construction.
- (4) More than one supplier may be selected where it is in the best interests of the City of Greater Sudbury and the Bid Solicitation allows for more than one.
- (5) The expected quantity of the specified Goods, Services or Construction to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the greatest extent possible, on previous usage adjusted for any known factors.

REQUEST FOR EXPRESSIONS OF INTEREST

13. A General Manager or the Agent may conduct a request for expression of interest for the purposes of determining the availability of suppliers of any Goods, Services or Construction and for the purposes of keeping a list of available suppliers.

PURCHASING METHODS

14. The purchasing methods for the purchase of Goods, Services or Construction are listed in Schedule "B".

PURCHASES NOT EXCEEDING FIVE HUNDRED (\$500) DOLLARS

- 15.(1) The Treasurer/Director of Finance shall have authority to establish petty cash funds in such an amount to meet the requirements of a Department for the acquisition of Goods, Services or Construction having an individual Total

Acquisition Cost of \$500 or less.

- (2) Purchases made pursuant to this Section shall be made from the competitive market place wherever possible and may be made by using an Approved Invoice, Petty Cash, a Purchasing Card or a Purchase Order, subject to Section 27.
- (3) All petty cash fund disbursements shall be evidenced by vouchers and shall be available for auditing purposes through the Treasurer/Director of Finance.

PURCHASES BETWEEN FIVE HUNDRED (\$500) DOLLARS AND TWENTY-FIVE THOUSAND (\$25,000) DOLLARS

- 16.(1) Purchasing requirements for Goods, Services or Construction having an estimated Total Acquisition Cost between \$500 and \$25,000 may be made by using either a Purchasing Card or Purchase Order, subject to Section 27.
- (2) Single purchases of Goods, Services or Construction using a Purchasing Card shall not exceed \$5,000.
- (3) In appropriate circumstances, the Request for Proposal or the Request for Tender processes may be utilized for the purchase of Goods, Services or Construction in this Total Acquisition Cost range.
- (4) The procedure used to purchase the Goods, Services or Construction in this Total Acquisition Cost range shall demonstrate that Fair Market Value was achieved.

PURCHASES EXCEEDING TWENTY-FIVE THOUSAND (\$25,000) DOLLARS
REQUEST FOR TENDER

- 17.(1) A Request for Tender shall be used for purchases exceeding \$25,000 where all of the following criteria apply:

- (a) two or more sources are considered capable of supplying the requirement;
 - (b) the requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria; and
 - (c) it is intended that the Lowest Compliant Bid will be accepted without negotiations.
- (2) The General Manager in charge of the Bid Solicitation or the Agent, on behalf of such General Manager, may Award Contracts emanating from a Request for Tender provided that
- (a) the Award is to the Lowest Compliant Bidder;
 - (b) sufficient funds are available and identified in appropriate accounts within Council Approved Budgets; and
 - (c) the provisions of this By-law are complied with.
- (3) The General Manager or Agent shall follow the provisions of Section 27 regarding the form of contract required to complete the purchase.

REQUEST FOR PROPOSAL

18.(1) A Request for Proposal shall be used where one or more of the criteria for issuing a Request for Tender cannot be met such as:

- (a) owing to the nature of the requirement, suppliers are invited to propose a solution to a problem, requirement or objective and the selection of the supplier is based on the effectiveness of the proposed solution rather than on price alone; or
- (b) it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement.

- (2) Where the Contract price is anticipated to be \$100,000 or greater and the Request for Proposal method of procurement is utilized, the Agent shall be a member of the committee formed to evaluate the response to the Request for Proposal.
- (3) Every Request for Proposal shall contain an evaluation grid.
- (4) The Agent shall maintain a list of suggested evaluation criteria for assistance in formulating an evaluation grid, which criteria may include, but are not limited to, factors such as approach, equipment and facilities, experience and qualifications, methodology, past performance and scheduling, price and strategy.
- (5) The General Manager in charge of the particular Bid Solicitation or the Agent, on behalf of such General Manager, may Award Contracts emanating from a Request for Proposal provided that:
 - (a) the estimated Total Acquisition Cost of the Goods, Services or Construction does not exceed \$100,000;
 - (b) the Award is to made to the supplier meeting all mandatory requirements and determined, by reference to an evaluation grid, as providing best value;
 - (c) sufficient funds are available and identified in appropriate accounts within Council Approved Budgets; and
 - (d) the provisions of this By-law are complied with.
- (6) The General Manager and Agent shall follow the provisions of Section 27 regarding the form of contract required to complete the purchase.

IN HOUSE BIDS

19. In House Bids may be used for the procurement of Goods, Services or Construction in circumstances where the Chief Administrative Officer considers it appropriate to do so.

GUARANTEE OF CONTRACT EXECUTION AND PERFORMANCE

20(1) The Agent may require that a Bid be accompanied by a Bid Bond or other similar security to guarantee entry into a Contract. Unless otherwise specified, in circumstances where a Bid Bond or other security is required, the refundable deposit requirements for Requests for Tenders and Requests for Proposals shall be as follows:

ESTIMATED TOTAL ACQUISITION COST	MINIMUM DEPOSIT REQUIRED
\$25,000 or less	5%
Greater than \$25,000	10%

- (2) Prior to the commencement of the work, the successful bidder may be required to provide the following security in addition to the security referred to in Subsection 20(1):
- (a) a performance bond to guarantee the performance of a Contract, and
 - (b) a payment bond to guarantee the payment for labour and materials to be supplied in connection with a Contract.
- (3) The Agent shall select the appropriate means to guarantee execution and performance of the Contract. Means may include one or more of, but are not limited to, certified cheque, bank draft, irrevocable letter of credit, money order and, where appropriate, a bid bond issued by an approved guarantee company properly licensed in the province of Ontario, on bond forms acceptable to the City of Greater Sudbury.

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- (4) Prior to the commencement of work, evidence of insurance coverage satisfactory to the Risk Management/ Insurance Officer must be obtained, ensuring indemnification of the City of Greater Sudbury from any and all claims, demands, losses, costs or damages resulting from the performance of a Bidder's obligations under the Contract and from any other risk determined by the Risk Management/Insurance Officer as requiring coverage.
- (5) Prior to payment to a supplier, a Certificate of Clearance from the Workplace Safety and Insurance Board shall be obtained ensuring all premiums or levies have been paid to the Workplace Safety and Insurance Board to the date of payment.

CONTRACT WITHOUT BUDGETARY APPROPRIATION

21. Where a requirement exists to initiate a project for which Goods, Services or Construction are required and funds are not contained within the Council Approved Budget to meet the proposed expenditure, the General Manager shall, prior to commencement of the purchasing process, submit a report to Council containing:
 - (a) information surrounding the requirement to contract;
 - (b) the terms of reference to be provided in the Contract;
 - (c) information on the availability of the funds within existing estimates, which were originally approved by Council for other purposes, or on the requirement of additional funds.

BIDS IN EXCESS OF PROJECT ESTIMATES

- 22(1) Where Bids are received in response to a Bid Solicitation but exceed project estimates, the General Manager in charge of the Bid Solicitation and the Agent, jointly, may enter negotiations with the Lowest Compliant Bidder to achieve an acceptable Bid within the project estimate.
- (2) Negotiations shall be conducted in accordance with the guidelines established by the Canadian Construction Documents Committee.

EMERGENCY PURCHASES

- 23(1) Where an Emergency exists requiring the immediate procurement of Goods, Services or Construction, a General Manager or the Agent may purchase the required Goods, Services or Construction by the most expedient and economical means, notwithstanding any other provision of this By-Law. As soon as practicable thereafter, the Agent shall comply with Section 27 of this By-law.
- (2) For all Emergency purchases made by a General Manager, the General Manager shall as soon after the purchase as reasonably possible, notify the Agent with a written report detailing the circumstances of the Emergency. A report to Council shall be made by the General Manager and the Agent in all circumstances where the Emergency purchase exceeds \$25,000.

COOPERATIVE PURCHASING

- 24(1) The City of Greater Sudbury may participate with other government agencies or public authorities in cooperative purchasing where it is in the best interests of the City of Greater Sudbury to do so and where the purposes, goals and objectives of this By-law are complied with by such government agencies and public authorities.

- (2) The policies of the government agencies or public authorities calling the cooperative Bid Solicitation are to be the accepted policy for that particular purchase.

IDENTICAL TENDERS

- 25(1) If the Lowest Compliant Bids from two or more bidders are identical in Total Acquisition Cost or unit price, the Agent, with the consent of the General Manager in charge of the Bid Solicitation, is authorized to enter into negotiations with the bidders who have submitted the identical prices in an attempt to obtain a lesser price and shall maintain a record in respect of such negotiations.
 - (2) The Agent shall not reveal information pertaining to such negotiations or the manner in which the final price was determined to any of the bidders concerned. The Agent shall include as part of the record, a report concerning the results of such negotiations.
 - (3) When negotiations are not successful in breaking the identical tenders, then the successful bidder shall be determined by coin toss. The coin toss shall be performed in the presence of the General Manager in charge of the Bid Solicitation, the Agent and the Director of Legal Services, or their designate(s).

BID IRREGULARITIES

26. The process for administering irregularities contained in Bids pertaining to all Contracts shall be as set out in Schedule "C". For an irregularity listed in the first column of Schedule "C", the applicable response is set out opposite to the irregularity in the second column of Schedule "C".

CONTRACTUAL AGREEMENT

- 27(1) The Award of Contract over \$500 shall be made by way of an agreement, or as a Purchase Order.
- (2) A Purchase Order is to be used when the resulting Contract requires only the City of Greater Sudbury's standard contractual terms and conditions.
- (3) A formal agreement is to be used when the resulting Contract is complex and will contain terms and conditions other than the City of Greater Sudbury's standard contractual terms and conditions.
- (4) It shall be the responsibility of the General Manager in charge of the particular Bid Solicitation, with the Agent and/or the Director of Legal Services, to determine if it is in the best interests of the City of Greater Sudbury to establish a formal agreement with the supplier.
- (5) Where it is determined that a formal agreement is required, the formal agreement shall be reviewed and approved for execution by the Director of Legal Services, or their designate.
- (6) Where a formal agreement is required, the General Manager shall execute the agreement in the name of City of Greater Sudbury.
- (7) Where a formal agreement is issued, the Agent may issue a Purchase Order incorporating the formal agreement.
- (8) Where a formal agreement is not required, the Agent shall issue and execute a Purchase Order incorporating the relevant terms and conditions.

SURPLUS AND OBSOLETE GOODS

- 28(1) The Agent must dispose of all Goods for which a Department no longer has use and the Agent may use any method for disposal in the City of Greater Sudbury's best interests, including without limitation, public auction, public tender, trade, negotiated sale or transfer to another Department.

- (2) An employee who has the responsibility of declaring Goods surplus or obsolete, or for sending items to a public auction shall not bid on or personally obtain any Goods that the employee has declared as surplus.
- (3) No Council Member or employee shall be permitted to receive surplus or obsolete Goods except by purchase at public auction, public tender, trade or negotiated sale.

PART VI - OTHER

ACCESS TO INFORMATION

29. The disclosure of information received relevant to the issue of Bid Solicitations or the Award of Contracts emanating from Bid Solicitations shall be in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, as amended.

BY-LAW REVIEW

- 30(1) This By-law shall be reviewed prior to the end of each Council term and any amendment thereto shall be made prior to the inaugural meeting of the next Council.
- (2) The review shall determine how effective this By-law has been in achieving the objectives set out in Section 2 of the By-law as well as the requirements of the *Municipal Act, 2001*, as amended.
- (3) The review may be undertaken by an ad-hoc committee of Council, the final result of which shall be comprised of a report to Council, by the Agent.

EFFECTIVE DATE

31. This By-law shall come into force and take effect on the 1st day of January, 2004.

REPEAL

32. By-law 2001-2 and all amendments thereto are hereby repealed on the effective date of this By-law.

Read a First, Second and Third time and finally passed this 1st day of January, 2004.

MAYOR

CLERK

SCHEDULE "A"

The purchasing methods described in this by-law do not apply to the following

Goods and Services:

1. Training and Education
 - (1) Registration and Tuition fees for conferences, conventions, courses and seminars
 - (2) Magazines, books and periodicals unless the purchase of such magazines books and periodicals are subject to value-added services
 - (3) Memberships ^o
2. Refundable Employee/Councillor Expenses
 - (1) Advances
 - (2) Meal Allowances
 - (3) Travel and Entertainment
 - (4) Miscellaneous - Non-Travel
3. Employer's General Expenses
 - (1) Payroll Deductions Remittances
 - (2) Medical
 - (3) Licenses (Vehicle, Firearms, etc.)
 - (4) Debenture Payments
 - (5) Grants to Agencies
 - (6) Damage Claims
 - (7) Petty Cash Replenishment
 - (8) Tax Remittances
4. Professional and Special Services
 - (1) Committee Fees

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- (2) Legal fees and other Professional Services related to litigation or legal matters
 - (3) Funeral and Burial expenses
 - (4) Witness fees
 - (5) Contracts related to the provision of "controlled acts" by persons "governed by a health profession Act", as those expressions are used in the *Regulated Health Professions Act*, S.O. 1991, c.18, as amended
 - (6) Veterinary Expenses
6. Utilities
 7. Advertising services required by the City on or in but not limited to radio, television, newspaper and magazines
 8. Bailiff or collection agencies

SCHEDULE "B"

PURCHASING METHODS

Procedure	Cost of Goods or Service
Approved Invoice or Petty Cash or Purchase Order (including Blanket Purchase Order) or Purchasing Card	\$499 or less (Section 15)
Agreement, Purchase Order (including Blanket Purchase Order) or Purchasing Card or Request for Proposal or Request for Tender	\$500 to 25,000 (Section 16)
Agreement, Request for Tender or Request for Proposal	\$25,000 or more (Sections 17 and 18)

SCHEDULE "C"

	IRREGULARITY	RESPONSE
1	Late Bids.	Automatic rejection and not opened or read publicly.
2	Unsealed Envelopes.	Automatic rejection.
3	Insufficient Financial Security (No Bid Security or agreement to bond or insufficient Bid bond or agreement to bond).	Automatic rejection.
4	Bids completed and/or signed in erasable medium	Automatic rejection.
5	All required sections of Bid documents not completed.	Automatic rejection unless, in the consensual opinion of the Agent, General Manager in charge of the Bid Solicitation and the Director of Legal Services, or designate, the incomplete nature is trivial or insignificant.
6	Qualified Bids (Bids qualified or restricted by an attached statement).	Automatic rejection unless, in the consensual opinion of the Agent, General Manager in charge of the Bid Solicitation and the Director of Legal Services, or designate, the qualification or restriction is trivial or not significant.
7	Bids received on documents other than those provided or specified by the City.	Automatic rejection.
8	Bids Containing Minor Obvious Clerical Errors.	48 hours to correct and initial errors.
9	Failure to execute Agreement to Bond (Surety's Consent) or Bonding company corporate seal or signature missing from Agreement to Bond.	Automatic rejection.
10	Failure to execute Bid Bond by Bidder and Bonding Company.	Automatic rejection.
(a)	Corporate seal of the Bidder and Bonding Company, missing.	48 hours to correct.
11	Documents - Execution	
(a)	Corporate seal or signature missing; signatory's authority to bind the corporation or signature missing.	48 hours to rectify situation.
(b)	Corporate seal and signature missing; signatory's authority to bind the corporation and signature missing.	Automatic rejection.
12	Erasures, Overwriting or Strike-Outs which are not Initialed:	

	IRREGULARITY	RESPONSE
(a)	uninitialed changes to the Tender documents, other than unit prices, which are trivial or not significant;	48 hours to initial. The determination of what constitutes trivial or insignificant uninitialed changes shall be made in the consensual opinion of the Agent, General Manager in charge of the Bid Solicitation and the Director of Legal Services, or designate.
(b)	unit prices in the Schedule of Prices have been changed but not initialed and the Contract totals are consistent with the price as changed;	48 hours to initial change in unit price. The determination of what constitutes trivial or insignificant uninitialed changes shall be made in the consensual opinion of the Agent, General Manager in charge of the Bid Solicitation and the Director of Legal Services, or designate.
(c)	unit prices in the Schedule of Prices which have been changed but not initialed and the Contract totals are inconsistent with the price as changed;	Automatic rejection.
13	Mathematical errors which are not consistent with unit prices.	48 hours to initial corrections as made by the Supplies and Services Division.
14	Documents, in which all necessary Addenda, which have financial implication, have not been acknowledged.	Automatic rejection.
15	Any other irregularities.	The Agent, General Manager in charge of the Bid Solicitation and the Director of Legal Services, or designate, acting in consensus shall have authority to waive other irregularities or grant 48 hours to initial such other irregularities, which they jointly consider to be minor.

Managers' Reports

Request for Recommendation Priorities Committee



Type of Decision

Meeting Date	September 22, 2003				Report Date	September 19, 2003			
Recommendation	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title

Minimum Insurance Requirements
for Third Parties

Policy Implications + Budget Impact

This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified

THAT this \$15,000 will be incorporated into the 2004 Budget

Background attached

Recommendation

THAT the report from the General Manager of Corporate Services dated September 19, 2003 be approved; and further

THAT otherwise uninsured community based volunteer groups be financially assisted by the City with the procurement of liability coverage in order for these groups to use City facilities for meetings as outlined in option #3, at an estimated annual cost of \$6,000; and

Recommendation attached

Recommended by the General Manager


D. Wilksinic
General Manager of Corporate Services

Recommended by the C.A.O.


M. Mieto
Chief Administrative Officer

Report Authored By


D. Canniff
Risk Management / Insurance Officer

Division Review


S. Jonasson
Director of Finance / City Treasurer

RECOMMENDATION CONTINUED

THAT the nine community events previously provided or assisted with insurance by former Councils, namely *Minnow Lake Days, Capreol Days, Valley East Days, Cavalcade of Colours (Onaping Falls), Rayside Balfour Jug Curling Competition, Walden Winter Carnival, Dowling Winter Carnival, Beaver Lake Winter Carnival and Rayside Balfour Family Hockey Tournament*, be financially assisted by the City with the procurement of liability insurance for the non-alcohol related portion of community events at an estimated annual cost of \$9,000; and

THAT the insurance requirements as outlined in this report dated September 19, 2003 be formally adopted by Council and incorporated into the budget and that this be effective January 1, 2004.

BACKGROUND

A report to Council was promised that would outline a means and method to assist with the continuance of community events yet minimize the City's exposure to risk. Everyone recognizes the importance of community events and the benefits they bring to each part of the City. Assistance with insurance provisions is a preferred way to help these community groups without directly intervening in their work. In such practice, the volunteers are ensured insurance protection and the City minimizes its own exposure to inadvertent risk.

The City's insurance coverage protects the City, it's officials, employees and volunteers. That includes bona fide Committees of Council. The City is liable for the negligence of actions under our control that cause bodily injury or property damage. Risks or activities under the control of others are the responsibility of others.

In the event of a claim, the City of Greater Sudbury's insurer will repair damages to property or defend the City against alleged negligence. As part of this arrangement, the insurer will pursue legal action against any other party that may be perceived to be negligent for such damages. That is to say if someone was to damage City premises or cause injury to another on City property, the insurer will subrogate or commence legal action to recover losses the City or others may have incurred.

As previously indicated, the City offers a tremendous number of services directly to its citizens. The City is directly responsible for the risks associated with the full complement of those services. However, there is also the exposure to risks associated with others. The City opens its premises and property for use by all citizens and groups - from groups of 1 to 10,000 or more people at a time, at any location. Contracts are entered into to allow others to conduct business on City property (Lessees and Licensees). There is also the requirement of work and services of others to be performed on the City's behalf (Contractors and Service Providers, both professional services and other). It is important to review the exposure the City has to risk - risk that is the City's and the risk of others. Risk that is not the City's should be transferred to the responsible party - user group, contractor, consultant, lessee or licensee. The measured ability to transfer risk directly impacts the City's insurance premiums.

The exposure of the City and the public to the risks of others varies by the activity taking place. The risks associated with a small cribbage tournament are much less than a softball tournament of 100 people. The risk of these tournaments is less than a capital building project worth \$10,000,000. Best practices would suggest we quantify or "band" types of risk. In that way, the City can fairly balance the degree of risk it assumes against the ability of others to assume their own risk. Risk can be categorized into low, medium and high risk types. In the accompanying tables, parameters or conditions have been set out which determine low, medium and high risk for all parties - User Groups, Consultants, Contractors, Permit Holders, Licensees and Lessees.

User Groups / Permit Holders

Who are User Groups?

User Groups are any individuals or groups who use Municipal premises or facilities for their own activities. These people can be an informal group or part of an organized association. Examples of User Group activities include public or private meetings, banquets, weddings, award dinners, reunions, concerts, trade shows, hockey leagues and tournaments, softball leagues and tournaments, swimming competitions, carnivals etc.

Who is a Permit Holder?

Use of premises or facilities is normally arranged by way of a Facility Use Agreement or Permit. The agreement outlines the terms and conditions for use of City facilities. A Permit Holder is any party who signs a Facility Use Agreement. An example of a Permit Holder would be the Sudbury Chamber of Commerce who recently booked a Provincial Candidates Meeting for the Valley East Centennial Arena Hall.

In all instances the City controls the facility as property owner and the User Group controls the activity as the organizer of the event. The City's concerns of liability are due to obligations of the Occupier's Liability Act. No matter the event or incident that may occur, the property owner cannot walk away from its responsibilities as Occupier.

Simply stated, the Occupier's Liability Act implies a duty of care. An Occupier of premises owes a duty to take such care as is reasonable, in all circumstances of the case, to see that persons entering a premises are reasonably safe while on the premises.

An Occupier is anyone who has control of the premises and the power to admit or exclude others. Such control extends to the conditions of the premises, the conduct of the entrants and the activities permitted on the premises. It is obvious that both the City, as property owner and the User Group, as event organizer are occupiers. It follows that in all instances both parties need some means of protection such as insurance to offset the financial burden of legal actions that may be taken or imposed against them.

That said, unless the City transfers the risk of others, such as User Groups, the far reaching impact of Joint and Several Liability will have the City liable for all or part of the activity of others on City property. It is important to remember that if the City does not effectively transfer the risk of others, the City's own ability to obtain insurance will be jeopardized. Municipal insurers build a factor into their premiums for the degree of due diligence taken to control risk and transfer risk.

It should be made clear the City is transferring only the risk for those events the City does not control - no other. The way the City can transfer the risk is by way of Hold Harmless provisions in the Permit. There is also the requirement of insurance from the User Group. As well, the City is added as Additional Insured on the User Group insurance policy.

Low Risk Users

Many User Groups and/or Permit Holders access City facilities for meetings. Their exposure is classed as low risk. In such instances property damage or bodily injury is unlikely.

Our current practice requires such groups provide proof of \$2,000,000 of liability insurance.

Many of the frequent User Groups have their own liability insurance. Examples would be the Chamber of Commerce, Boy Scouts, Minor Hockey Associations, Provincial and Federal Government Agencies, SPCA, New Leaf Literacy, Church Groups and United Way to name a few.

Others may not have liability insurance or do not have sufficient coverage. Examples would be the Scrabble Club and Bridge Club. In all circumstances, the City cannot waive the negligence nor the responsibility of the actions of any user.

Low Risk

Low risk activities or projects meet all or some of the following conditions:

- Service does not involve any modification or maintenance to be performed to City property
- No engineering or architectural services required
- No damage to, destruction or loss of property anticipated or likely
- No loss of income or additional expenses anticipated or likely
- No bodily injury to others anticipated or likely

One example of a low-risk activity is a meeting of a community association or group such as Alcoholics Anonymous in a City facility. In all instances a meeting requires a permit.

The minimum insurance requirement is outlined below:

Type of Insurance	Permit Holder
<i>Commercial General Liability (CGL)</i>	\$2 million per occurrence

With this in mind, there are three alternative means to handle the public's exposure to "low risk" Users' liability:

- 1) Have no provision for insurance in the facility use permit. If a claim arises due to the negligence of the user, the City's insurer will take action against them. If the facility users have their own insurance, there will be protection to defend themselves. If they do not have insurance they must find other financial means to protect themselves. The lack of insurance will not stop action being brought against them. The lack of insurance will also have the City's insurer bear greater costs and difficulties recovering proceeds from negligent parties. This will result in premium increases on the City's own liability insurance or perhaps even affect our ability to obtain insurance.

This alternative is not recommended.

- 2) Continue the present practice of having all parties using City facilities require insurance. Any party who may not have group insurance can purchase insurance on the City's package plan at reduced costs (see accompanying table). The insurer will still pursue subrogation, but there will not likely be insurance shortfalls or undue financial burden put upon any person or group. This practice is used by many municipalities and school boards across Canada. This practice also keeps the City's insurance premiums in check, but does not help or assist community groups.

This alternative is a viable option but not the preferred option.

- 3) Continue the practice of having all parties using City facilities require insurance. Any party who may not have group insurance can purchase their insurance on the City's package plan at reduced costs. However, in the case of meetings conducted by non-profit community minded groups who do not have insurance, the City can have their insurance coverage included in a prearranged insurance policy purchased by the City. This insurance coverage would protect them when they use facilities for meetings only. Citizen and Leisure Services is currently preparing a list of such community groups which is anticipated to total 100 - 150 groups. Typically such community based meetings do not charge admittance, do not offer / sell alcohol or food, do not undertake sporting activity, nor solicit or sell products or services for profit. Based on the number of users and frequency of use, it is estimated the cost to Citizen and Leisure Services will be \$6,000 for these groups to be insured while they are in City owned facilities.

It is our recommendation that option #3 be approved.

Medium Risk Users

Medium Risk Users encompass all other groups. The City has set conditions that help differentiate medium and high risk activities. Medium banded activities or events vary from family parties to alcohol related events such as weddings to moderate physical activity sports which may be related to community events. The minimum insurance requirements are outlined below.

Historically many community events were under the direction of former Councils by way of committees of Council (an example would be Capreol Days). These events are no longer designated as a Committee of Council. Therefore, these volunteer groups must now obtain their own insurance in order to stage these events. It should also be mentioned that other very similar community events were never included as a Committee of Council and always purchased their own insurance (an example would be Minnow Lake Days).

The City is exploring means to assist these groups purchase event insurance. The City anticipates pricing advantages to having all events covered for insurance by one insurance company. Based on the list of events provided by Citizen and Leisure Services, premium pricing for the group of events is being obtained. Not all events have a liquor component. If the intention is to financially assist with the insurance costs for these community events, a fair disbursement of funding may be to pay for the insurance of all activities other than alcohol related. Typically alcohol premium costs make up 30 - 35% of total community event insurance costs.

The events included in this undertaking include Minnow Lake Days, Capreol Days, Valley East Days, Cavalcade of Colours (Onaping Falls), Rayside Balfour Jug Curling Competition, Walden Winter Carnival, Dowling Winter Carnival, Beaver Lake Winter Carnival and Rayside Balfour Family Hockey Tournament.

Traditionally all medium risk user groups, except those that were specifically identified by former municipalities as either Council committees or events have been required to have their own insurance. **Therefore it is recommended that medium risk users be required to have insurance but that the nine community events previously provided or assisted with insurance by former Councils, namely *Minnow Lake Days, Capreol Days, Valley East Days, Cavalcade of Colours (Onaping Falls), Rayside Balfour Jug Curling Competition, Walden Winter Carnival, Dowling Winter Carnival, Beaver Lake Winter Carnival and Rayside Balfour Family Hockey Tournament*, be financially assisted by the City with the procurement of liability insurance for the non-alcohol related portion of community events at an estimated annual cost of \$9,000.**

Medium Risk

Medium risk activities (events) or projects meet all or some of the following conditions:

- Some potential risk of damage to, destruction or loss of property anticipated or likely
- Some potential loss of income or additional expenses anticipated or likely
- Some potential of bodily injury to others anticipated or likely
- Recreation program with moderate physical activity
- Recreation program involving vulnerable people (children, seniors, disabled)
- Activity taking place at locations belonging to others.

Type of Insurance	Permit/License/Lease/Program
<i>Commercial General Liability (CGL)</i>	\$2 million per occurrence
<i>Automobile Liability</i>	\$2 million per occurrence
<i>Umbrella or Excess Liability</i>	To bring CGL or auto liability to \$2 million
<i>Professional Liability</i>	None

High Risk User

All other people and groups who use City property or facilities for activities or events are considered High Risk Users. High Risk Users are principally large community events including promoter-sponsored shows or productions that attract a large number of people and are staged in our major facilities. Examples of such users would include trade shows, concerts and other event holders which attract very large audiences and provide venues for alcohol sales. Examples of this would be the Northern Lights Festival Boreal, the Grand Slam of Curling, and The Magic of the Dance show at the Sudbury Arena. These groups obtain their own insurance with minimum requirements as set out below.

High Risk

High Risk activities meet all or a majority of the following conditions:

- A large number of members of the public are present or will utilize the end product
- High risk of damage to, destruction or loss of property anticipated or likely
- High risk of loss of income or additional expenses anticipated or likely
- High risk of bodily injury to others anticipated or likely.

Type of Insurance	Permit / Event
<i>Commercial General Liability (CGL)</i>	\$3 million per occurrence
<i>Automobile Liability</i>	\$2 million per occurrence
<i>Umbrella or Excess Liability</i>	To bring CGL to \$3M or auto liability to \$2M

It is recommended that high risk users continue to have the necessary insurance as described above.

The balance of this report refers to minimum insurance requirements for contractors, consultants, licensees and lessees.

Contractors

All work done by Contractors is by way of contracted services. In all City contracts and purchase orders, there are specific clauses that assign responsibility for work performed or services rendered to the contractor. The contractor must further indemnify, save the City harmless from their negligence and have the City added as Additional Insured. In this way, the contract of services has legally transferred the risk of the contractor's work to the contractor.

In such instances that the court finds the contractor's actions to be negligent, the courts will determine the contractor must make payment for such damages. Such payments are made against the assets of the accused defendant (contractor). It is important to note there are many contractor services that are registered as a numbered company. Others lease all their equipment and divest personal assets to other family members. However, the liability insurance policy is considered an asset. In some instances the insurance policy may be the only asset the plaintiff (the City) may have for restitution. That is why the City ensures all contractors have insurance and have sufficient limits of insurance for the exposure.

The City has banded the risk presented by Contractors by the activities they are undertaking. The schedule for Minimum Amounts of Insurance outline such activities. Consultation has been undertaken with various other municipalities across Canada to determine fair and equitable limits of liability insurance. The limit of \$3,000,000 for Medium Risk and \$5,000,000 for High Risk are the median of choices. They provide an equitable limit that adequately protects the City and public while keeping the Contractor's insurance costs reasonable. All liability insurance costs are the responsibility of the Contractor.

Type of Insurance	General or Trade Contractor (medium risk)	General or Trade Contractor (high risk)
<i>Commercial General Liability (CGL)</i>	\$3 million per occurrence	\$5 million per occurrence
<i>Automobile Liability</i>	\$2 million per occurrence	\$2 million per occurrence
<i>Umbrella or Excess Liability</i>	To bring CGL to \$3 million or auto liability to \$2 M	To bring CGL to \$5 million or auto liability to \$2 M
<i>Professional Liability</i>	None	None
<i>Builders Risk Property Insurance</i>	Full replacement value of project (General Contractor only)	Full replacement value of project (General Contractor only)
<i>Contractors' Equipment Insurance</i>	Full Replacement Cost of Contractor's Equipment	Full Replacement Cost of Contractor's Equipment
<i>Boiler & Machinery Insurance</i>	Full replacement value of project (General Contractor only)	Full replacement value of project (General Contractor only)

Consultants

Just as with Contractors, all work done by consultants is by way of contracted services or purchase orders. Therefore much of what has been said about contractors applies to consultants.

The risks of general negligence associated with a consultant is somewhat less than that of a contractor. However, above the liability concerns that have been described for the contractor, the consultant has additional risk concerns. A consultant is hired to provide professional services. That may include the provision of maps, plans, audits, procedure reports, studies, management services, health services etc. General liability does not protect against the negligence of professional services. Therefore professional liability insurance is also required.

There is no direct relationship between the cost of professional services and the potential amount of damages due to negligence. A \$25,000 professional fee for the design of a small building addition can still result in a million dollar claim if the roof collapses.

Similar to our review of contractors, the City has banded the medium and high risk consultant services and assigned minimum limits of liability for each in the accompanying table. All liability insurance costs are the responsibility of the Consultant.

Type of Insurance	Consultant (medium risk)	Consultant (high risk)
<i>Commercial General Liability (CGL)</i>	\$2 million per occurrence	\$2 million per occurrence
<i>Automobile Liability</i>	\$2 million per occurrence	\$2 million per occurrence
<i>Umbrella or Excess Liability</i>	To bring CGL or auto liability to \$2 million	To bring CGL or auto liability to \$2 million
<i>Professional Liability</i>	\$1 million each claim	\$2 million each claim

Licensees and Lessees

Licensees and Lessees have contractual arrangements with the City that allow them to conduct business in or on City property or jurisdiction. Their business pursuits are independent of the City and include a wide and varied set of activities. An example of a Licensee /Lessee is Meals on Wheels who lease premises at Minnow Lake Place.

Due to their independent business activities, the risks of general negligence directly associated with the City is somewhat diminished. There should be some concern however, for the damage that may be incurred to City property and any associated bodily injury to City staff and the public.

The City has banded this risk exposure a medium weighting and assigned minimum limits of liability in the accompanying table. All liability insurance costs are the responsibility of the Licensee or Lessee.

Type of Insurance	Permit/License/ Lease/Program
<i>Commercial General Liability (CGL)</i>	\$2 million per occurrence
<i>Automobile Liability</i>	\$2 million per occurrence
<i>Umbrella or Excess Liability</i>	To bring CGL or auto liability to \$2 million
<i>Professional Liability</i>	None

Optional Insurance For Third Parties

In some instances optional types of insurance may be required of the contractor or consultant depending on the project undertaken. This additional insurance requirements can be included in the terms and conditions of the agreement. Examples are provided in the table. Since each instance may be unique, Risk Management will provide an explanation or detail as required.

Optional Insurance	Consultant	Independent Contractor	General Contractor
<i>Environmental Impairment (Pollution)</i>		X	X
<i>Crime Insurance</i>		X	
<i>Auto Garage Liability</i>		X	
<i>Professional Liability</i>			
<i>Advertising Liability</i>	X	X	
<i>Aircraft Liability</i>		X	X

Attachments

- Attachment A) ***Rating Schedule*** - provides a listing of the current insurance premiums the City can provide to User Groups who use City facilities.
- Attachment B) ***Confirmation of Coverage*** - this confirmation page is given to all Permit Holders using City facilities. It confirms the actual coverage they have purchased or confirms by signature that they have their own liability insurance as required by the Permit.
- Attachment C) ***Minimum Amounts of Insurance*** - 3 pages that outline the limits of liability insurance for Low, Medium and High Risk types.

RATING SCHEDULE (Version 12/09/03)

All rates include 8% Ontario Sales Tax

MEETINGS AND EVENTS

- Meetings - No admittance charge, No Food , No Alcohol, No sporting Activity, No Solicitation or Sale of Products
- Events - Anniversaries, Award Dinners, Banquets, Bar Mitzvah, Birthday Parties, Block Parties, Dances, Family Functions, High School Reunions, Recitals, Showers, Stags/Stag & Doe, Weddings - all events with or without alcohol

SPORTING EVENTS

- Minimal Risk - Badminton, Horseshoes, Bowling, Tennis, Curling, Swimming Pool Rental
- Moderate Risk - Baseball, Basketball, Soccer, Softball, Squash, Track & Field, Field Hockey, Handball, Racquetball, Broomball
- Extreme Risk - Boxing, Diving, Rugby, Canoeing, Football, Gymnastics, Martial Arts, Rowing, Sailing, Speed Skating, Swimming, Water Polo, Weightlifting, Wrestling

DEFINITIONS - PER DAY - REFERS TO ONE TIME CHARGE AND 24 HOURS MAXIMUM PERIOD

Meetings (Charge per Day)		Events (Charge per Day)			Sporting Events (Charge per Day)			
Attendees	No Alcohol	Attendees	No Alcohol	Alcohol	Participants	Min Risk	Mod Risk	Ext Risk
1 - 25	\$ 5	1 - 100	\$40	\$140	1 - 25	\$27	\$ 54	refer
26 - 50	\$15	101 - 500	\$60	\$200	26 - 100	\$54	\$108	refer
51 - 100	\$25	501 +	\$95	refer	101 - 250	\$81	\$270	refer
101 +	refer				250 +	refer	refer	refer

Adult Non-Contact Pick-Up Hockey	League Non-Contact Hockey	Weekend Hockey Tourn.	Single Ice Rental
Players (Adults Only) Max. \$1,000,000 Limit	(Adults Only)	(Adults Only)	(Adults Only)
30 Max. \$81 per team/per season	\$135 per team/per season	\$100	\$15 / Hour

Monthly Meetings (charge per year)		Bi-Weekly Meetings (charge per year)		Weekly Meetings (charge per year)	
Attendees	No Alcohol	Attendees	No Alcohol	Attendees	No Alcohol
1 - 25	\$27	1 - 25	\$54	1 - 25	\$108
26 - 50	\$54	26 - 50	\$108	26 - 50	\$216
51 - 100	\$81	51 - 100	\$162	51 - 100	\$324
101 +	refer	101 +	refer	101 +	refer

COMMUNITY FACILITY

Contact Name: _____ Activity Description: _____
 Address: _____ Activity Dates: _____
 Facility: _____
 Tel: _____ Fax: _____ Time of Coverage: _____

Signature of Applicant: _____

CONFIRMATION OF COVERAGE
USER GROUPS LIABILITY INSURANCE

NAME OF USER GROUP			
ADDRESS			
RENTAL LOCATION			
PURPOSE OF OCCUPANCY			
DATE OF EVENT		EXPECTED ATTENDANCE:	
WILL ALCOHOLIC BEVERAGES BE SERVED? YES NO			
IF YES, LIQUOR LICENSE BOARD PERMIT NUMBER NOT REQUIRED, BUT <u>MUST</u> BE ISSUED <u>AND</u> NUMBER OF PEOPLE ON LIQUOR PERMIT MUST MATCH NUMBER OF PEOPLE ON APPLICATION			
<i>RATES ARE SUBJECT TO CHANGE IF DATE OF EVENT IS 12 MONTHS OR MORE IN ADVANCE OF BOOKING</i>			

INSURANCE COVERAGE

The City is not an insurance broker, therefore the City does not suggest or advise what insurance coverage any group or person should carry. Coverage provided by this policy is the minimum requirement for City of Greater Sudbury rental purposes only.

Commercial General Liability	Including liquor extension and premises, Limit as noted above. Subject to \$500 deductible (Bodily Injury, Property Damage and Legal Expense)
Non-Owned Automobile Coverage	\$2,000,000
Incidental Malpractice	\$2,000,000
Tenant Legal Liability	\$250,000 (\$250 deductible)
Volunteers as Additional Insured	
Injury to Participants	\$1,000,000 Sub-Limit
Medical Payments - any one person	\$1,000

Signature of Applicant: _____

IT IS UNDERSTOOD AND AGREED THAT THE INSURANCE PROVIDED BY THIS POLICY SHALL NOT APPLY TO THE FOLLOWING ACTIVITIES:

- | | |
|---|-----------------------------------|
| * MINOR HOCKEY (SANCTIONED EXCLUDED) | * CONTACT HOCKEY |
| * ALPINE SKIING | * SNOWBOARDING |
| * BOXING (INCLUDING KICKBOXING) | * SKATEBOARDING |
| * TACKLE FOOTBALL | * RUGBY |
| * FIREWORKS (UNLESS UNDER THE DIRECTION OF LICENSED PYROTECHNICIAN) | * HORSE RELATED EVENTS/ACTIVITIES |

I, (WE), _____ DO NOT REQUIRE THE LIABILITY INSURANCE COVERAGE AFFORDED BY THE CITY OF GREATER SUDBURY.

A CERTIFICATE OF INSURANCE, PROVIDING A MINIMUM OF \$2,000,000. LIABILITY INSURANCE COVERAGE AND NAMING THE CITY OF GREATER SUDBURY AS AN ADDITIONAL INSURED, IS ATTACHED.

DATE

SIGNATURE OF APPLICANT

To Be Completed by EVENT COORDINATOR

SEND FORMS TO: RISK MANAGEMENT/INSURANCE OFFICER FAX: 671-9327

LIABILITY INSURANCE LIMIT: \$ _____ AMOUNT PAID \$ _____ RECEIPT # _____

FORM COMPLETED BY: _____ VERSION 29/11/02

Minimum Amounts of Insurance

The following tables provide guidelines for minimum acceptable limits of various types of insurance that may be required for an activity or exposure, depending on the level of risk. The actual types of insurance and coverages will be provided in the contract, permit or other City document.

Low Risk

Low risk activities or projects meet all or some of the following conditions:

- Service does not involve any modification or maintenance to be performed to City property
- No engineering or architectural services required
- No damage to, destruction or loss of property anticipated or likely
- No loss of income or additional expenses anticipated or likely
- No bodily injury to others anticipated or likely.

One example of a low-risk activity is a meeting of a community association or group such as Alcoholics Anonymous in a City facility. In all instances a meeting requires a permit.

Type of Insurance	Permit Holder
<i>Commercial General Liability (CGL)</i>	\$2 million per occurrence

Medium Risk

Medium risk activities (events) or projects meet all or some of the following conditions:

- Service involves some minor modification or maintenance to be performed to City property, including engineering and/or architectural services
- Some potential risk of damage to, destruction or loss of property anticipated or likely
- Some potential loss of income or additional expenses anticipated or likely
- Some potential of bodily injury to others anticipated or likely
- Recreation program with moderate physical activity
- Recreation program involving vulnerable people (children, seniors, disabled)
- Activity taking place at locations belonging to others.

Type of Insurance	Consultant	Independent or Trade Contractor	Permit/License/Lease/Program
<i>Commercial General Liability (CGL)</i>	\$2 million per occurrence	\$3 million per occurrence	\$2 million per occurrence
<i>Automobile Liability</i>	\$2 million per occurrence	\$2 million per occurrence	\$2 million per occurrence
<i>Umbrella or Excess Liability</i>	To bring CGL or auto liability to \$2 million	To bring CGL to \$3 million or auto liability to \$2 million	To bring CGL or auto liability to \$2 million
<i>Professional Liability</i>	\$1 million each claim	None	None

High Risk

High Risk activities meet all or a majority of the following conditions:

- A large number of members of the public are present or will utilize the end product
- New construction over \$3 million in project costs
- High risk of damage to, destruction or loss of property anticipated or likely
- High risk of loss of income or additional expenses anticipated or likely
- High risk of bodily injury to others anticipated or likely.

Type of Insurance	Consultant	Independent Contractor	General Contractor*	Permit / Event
<i>Commercial General Liability (CGL)</i>	\$2 million per occurrence	\$5 million per occurrence	\$5 million per occurrence	\$3 million per occurrence
<i>Automobile Liability</i>	\$2 million per occurrence	\$2 million per occurrence	\$2 million per occurrence	\$2 million per occurrence
<i>Umbrella or Excess Liability</i>	To bring CGL or auto liability to \$2 million	To bring CGL to \$5M or auto liability to \$2M	To bring CGL to \$5M or auto liability to \$2M	To bring CGL to \$3M or auto liability to \$2M
<i>Professional Liability</i>	\$2 million each claim	None	None	None
<i>Builders Risk Property Insurance</i>	None	None	Full replacement value of project	None
<i>Contractors' Equipment Insurance</i>	None	Full replacement value of contractor's equipment	Full replacement value of contractor's equipment	None
<i>Boiler & Machinery Insurance</i>	None	None	Full replacement value of project	None

- For construction valued at \$10M or more; use of compacting equipment, blasting or demolition; terms of reference for Provincial or Federal funding; minimum CGL \$10 million per occurrence may be required.

Request for Recommendation Priorities Committee



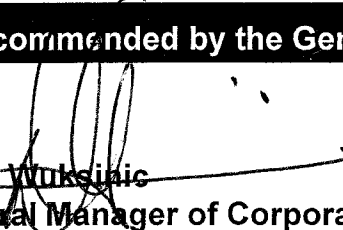
Type of Decision										
Meeting Date		Monday, September 22, 2003				Report Date		Friday, September 19, 2003		
Recommendation		<input checked="" type="checkbox"/>	Yes		No	Priority		<input checked="" type="checkbox"/>	High	Low
		Direction Only				Type of Meeting		<input checked="" type="checkbox"/>	Open	Closed

Report Title
Council and Citizen Appointments for 2003 - 2006 Council Term


Policy Implications + Budget Impact	
<input type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified
Policy Implications	
<p>Council's procedural by-law provides that Council appointments will be made at the December 11th, 2003 meeting of Council. Citizen Appointments will be dealt with by the Nomination Committee of Council which will meet in January and February, 2004.</p> <p>This report reviews the procedure for Citizen appointments and makes various recommendations regarding the make up of various Advisory Panels, Boards and Committees.</p>	
Financial Implications	
None.	
<input checked="" type="checkbox"/>	Background attached

Recommendation	
<p>This report deals mainly with recommendations concerning the make-up and appointment procedures of Citizens to:</p> <ul style="list-style-type: none"> ● Advisory Panels ● Boards ● Committees ● Round Tables. <p>Various Recommendations set out in Chart form are included.</p> <p>This report also sets the procedure by which Council will make both Citizen and Council appointments for the 2003-2006 term of Council.</p>	
<input checked="" type="checkbox"/>	Recommendation attached

Recommended by the General Manager


 Doug Wukojanovic
 General Manager of Corporate Services

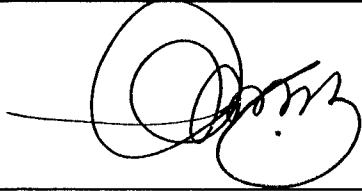
Recommended by the C.A.O.


 Mark Mieto
 Chief Administrative Officer

Date: 2003-09-19

Report Authored By

Thom Mowry
City Clerk



Division Review

Ron Swiddle
Director of Legal Services and City Solicitor



RECOMMENDATIONS:

The recommendations regarding Citizen appointments to Advisory Panels, Boards, Committees and Roundtables are set out in Chart form at the end of this Report. For the convenience of the Committee a draft handbook listing all of the Boards, Committees, Advisory Panels, Roundtables and Associations of which Members of Council are Members has been provided under separate cover.

BACKGROUND:

General:

Beginning with each new term, Council is confronted with considering and making several hundred appointments. As experienced by the current Council, this process is a very time consuming and often confusing process. Council therefore directed Staff to review the various Boards, etc., with a view to streamlining their number and the appointment process. Council was also concerned with the aspect of Citizen privacy in submitting personal information on résumés and the public nature of the appointment process.

Council has now broken the appointment process down into two parts. The first part is the appointment of Members of Council which will be dealt with at the first regular meeting of Council on Thursday, December 11th, 2003. Citizen appointments will be made by the Nomination Committee of Council starting in January, 2004.

Council Appointments:

At its December 11th, 2003 meeting, Council will appoint three Deputy Mayors, one of which will be the Chair of Priorities Committee, a Chair of Finance, the Members of the Planning Committee, including the Chair of Planning, and also appoint Members of Council to various Citizen Advisory Panels, Committees of Council and municipal associations.

In order to streamline this process the Clerk's Office will provide a **Council Nomination Package** to each Member of Council. Councillors will use this Package firstly, to indicate which positions they wish to apply for, and secondly, to nominate other Members of Council.

Date: 2003-09-19

Council Appointments continued:

The completed Packages will be returned to the City Clerk's Office in advance of the December 11th meeting to compile the results.

If, for example, only one position is available and only 1 Member of Council is nominated, then a motion to appoint the Councillor would be presented and voted upon. If there are more nominations than positions available, then a vote of Council would be taken. It will be recommended at that time that Council vote by way of a paper ballot.

Council can decide if it wishes each vote to be read aloud or not. However, the results of the voting would be displayed on the screens in the Council Chamber.

A sample Council Nomination Package is appended to this Report for the convenience of the Committee.

Citizen Appointments

In accordance with Council's procedural rules, Citizen Appointments are to be made by the Nomination Committee of Council. The Nomination Committee of Council consists of all Members of Council chaired by a Deputy Mayor. The Nomination Committee would be scheduled to start in January 2004 and would continue until all appointments have been made and confirmed by Council.

The meetings of the Nomination Committee will be open to the public; they will not be televised.

Advertising for Citizen appointments would occur in November, 2003 with a mid-December deadline.

It is recommended that Citizen applicants apply for all positions by a simple Application; the submission of résumés would no longer be required. Instead, interested Citizens could pick up an information package at any Citizen Service Centre. The package would consist of an Application (8½ x 11) and an information sheet (11 x 17 folded). In accordance with City Policy all Applications and supporting material will be bilingual.

A draft sample of the information package for Appointment to a Citizen Advisory Panel is attached to this Report for the convenience of the Committee. It is stressed that the attached sample consists only of a first draft.

Prior to the meeting of the Nomination Committee Members of Council would receive both a photocopy of all Applications and a **Citizen Nomination Package**.

Date: 2003-09-19

Citizen Appointments continued:

Separate Packages would be provided for Advisory Panels, Citizen Committees and Boards.

Like the Council Nomination Packages, Members of Council would nominate Citizens to the various Panels, Committees, etc., returning the completed Packages to the City Clerk's Office to compile the results.

Again, if only the required number of Citizens are nominated, then a motion to appoint them would be presented and voted upon. If there are more nominations than positions available, then a vote of Council would be taken. It will be recommended that the Nomination Committee vote by way of a paper ballot.

Appointment Option:

There is one option the Committee may wish to consider. If in the event two Councillors or Citizens are nominated for one position but one individual is nominated by a majority of Councillors and would, if a vote had been held, received the required votes for appointment, then the Clerk may be directed to report this fact and prepare a motion confirming the appointment.

All of which is respectfully submitted for the Committee's consideration.

Attachments:

1. Draft Application for Appointment - Citizen Advisory Panel
2. Sample Nomination Package for Citizen Appointments
3. Sample Nomination Package for Councillor Appointments

Under Separate Cover:

1. Draft Handbook (Boards, Committees, Advisory Panels, Roundtables and Associations 2004

ADVISORY PANELS

No.	Recommendation	GM	Yes	No
1	<u>Civic Arts and Cultural Advisory Panel</u> (Subject to the review and adoption of a new cultural policy by Council.)	CLS		
3.	<u>Development Liaison Advisory Panel</u> Recommended that the current mandate and membership remain as-is.	EPD		
4.	<u>Taxi Advisory Panel</u> Under Taxi By-law 2003-3, these functions are now part of the mandate of the Planning Committee of Council. (Section 19).	CS EPD		
5.	<u>Greater Sudbury Lake Improvement Advisory Panel</u> Recommended that the current mandate and membership remain as-is.	ED		
6.	<u>Lake Ramsey Advisory Panel</u> To be combined with the <u>Bell Park Stewardship Advisory Panel</u> in accordance with Planning Committee Recommendation 2001-120. Membership: 2 Member of Council; 6 Citizens. Term of appointment to coincide with term of Council.	CLS EPD		
7.	<u>Air Services Advisory Panel</u> Recommended that the current membership of 1 Member of the Board of the Sudbury Airport CDC and 9 Citizens be continued unless the Board of the Sudbury Airport CDC is reconstituted to include Citizen appointments, at which time it would be appropriate to dissolve the Air Services Advisory Panel.	CLS		
8.	<u>Parking Advisory Panel</u> Recommended that the Panel be continued as-is.	CLS		

Date: 2003-09-19

ADVISORY PANELS continued

No.	Recommendation	GM	Yes	No
9	<p><u>Citizens' Advisory Panel on Volunteerism & Citizens' Advisory Panel on Civic Awards</u></p> <p>It is recommended that these two Panels be combined in to one Panel to be named: <u>Citizens' Advisory Panel on Volunteerism and Civic Awards.</u></p> <p>The <u>Citizens' Advisory Panel on Volunteerism</u> has accepted responsibility for both the Civic Awards for Volunteerism program and for providing advice and direction in support of volunteerism and community development in the City of Greater Sudbury.</p> <p>It is recommended that this Panel continue to review nominations for the Civic Awards.</p> <p>The current membership consists of 1 Member of Council and 6 Citizens. The term of office coincides with the term of Council.</p>	CLS		
10.	<p><u>Citizens' Advisory Panel on Agriculture & Topsoil Preservation Committee</u></p> <p>It is recommended that this Panel and Committee be combined into one Panel to be called: <u>Citizens' Advisory Panel on Agriculture.</u></p> <p>It is recommended that membership of this Panel be composed of 1 Member of Council and 6 Citizens.</p>	EDP		

Date: 2003-09-19

ADVISORY PANELS continued

No.	Recommendation	GM	Yes	No
11	<i>Cemetery Advisory Panel</i>	CLS		
	<p>It is recommended that this Panel be disbanded effective November 30, 2003.</p> <p>A Cemetery Steering Committee was created in 1985 by the Council of the City of Sudbury to oversee the development of a new municipal cemetery (Civic Memorial Cemetery). The report creating the Committee recommended that the Committee remain in place until the first phase of the cemetery was completed. Since amalgamation, the Cemetery Advisory Panel has been invaluable in assisting with the development of harmonized by-laws in the new City of Greater Sudbury. However, at this time, all necessary policies and by-laws for the management and operation of cemeteries in the new City of Greater Sudbury are in place and the first phase of the development of the Civic Memorial Cemetery, including the first phase of the Mausoleum are completed. Furthermore, there is sufficient cemetery capacity within our existing cemetery system to meet community needs for many years to come and we do not anticipate implementing any significant changes to cemetery operations within the next few years. Therefore it is recommended that the Cemetery Advisory Panel complete its mandate at the end of 2003.</p>			



CITIZEN COMMITTEES

No.	Recommendation	GM	Yes	No
1	<p><u>Earthcare Sudbury Steering Committee</u></p> <p>It is recommended that this Committee be continued as-is.</p> <p>Membership consists of 3 Members of Council and 11 representatives from various agencies. The term of office coincides with the term of Council.</p>	PW		
2	<p><u>Committee of Adjustment</u></p> <p>It is recommended that this Committee be continued as-is. The mandate of the Committee is governed by the <i>Planning Act</i> and Council's by-laws. Membership consists of 5 Citizens appointed for a three year term concurrent with the term of Council.</p>	EPD		
3	<p><u>Accessibility Advisory Committee</u></p> <p>This Committee is mandated by Provincial Legislation.</p> <p>It is recommended that this Committee be expanded from 6 to 7 "User" Members and 2 Members of Council. The term of appointment to coincide with the term of Council.</p>	CAO		
4	<p><u>Fire Advisory Committee</u></p> <p>The current Citizen and Union Representatives of this Committee will be re-appointed by the new Council in order to complete their mandate.</p> <p>It is anticipated that the <u>Fire Advisory Committee</u> will report to Council at its December 11, 2003 meeting.</p>	ES		
5	<p><u>Technical Steering Committee on Waste Optimization</u></p> <p>It is expected that this project will take approximately one year to complete. A final report will be made to Council in Spring 2004.</p> <p>Membership currently consists of 2 Members of Council and 4 citizens.</p> <p>It is recommended that the 4 Citizens be reappointed by Council.</p>	PW		

Date: 2003-09-19

CITIZEN COMMITTEES continued

No.	Recommendation	GM	Yes	No
6	<p><u>Charities Task Force</u></p> <p>It is recommended that this task force be continued until its mandate has been completed and those Citizens appointed by Council Resolution 2003-408 be reappointed by Council.</p>	CAO		



Date: 2003-09-19

BOARDS (Citizen Appointments)

No.	Recommendation	GM	Yes	No
1	<p><u>Greater Sudbury Police Services Board</u></p> <p>These appointments are governed by the <i>Police Board Services Act</i>.</p> <p>Membership consists of the Mayor (or his/her designated) 1 other Member of Council, 1 Citizen and 2 Citizens appointed by the Province.</p> <p>The term of office coincides with the term of Council.</p>	GSPS		
2	<p><u>Sudbury and District Health Unit</u></p> <p>Ontario Regulation 462/01 made under the <i>Municipal Act</i> provides that Council may appoint, as its representatives, a maximum of 7 members to the Sudbury and District Health Unit, at least one of the 7 must be a Member of Council.</p> <p>Currently Council's representatives consist of 6 Members of Council and 1 Citizen appointee.</p> <p>Unless Council directs otherwise the current composition will remain as-is.</p>	SDHU		
3	<p><u>Greater Sudbury Utilities Inc. (HoldCo)</u></p> <p>Council by Resolution 2003-313 (2003-06-26) changed the composition of the Board, effective with the new term of Council, as follows:</p> <p>Greater Sudbury Utilities Inc., Greater Sudbury Hydro Plus Inc., Greater Sudbury Telecommunications Inc. to be composed of 2 Councillors, 1 Mayor or designate; 6 Private Directors for a total of 9 Directors;</p> <p>Greater Sudbury Hydro Inc., to be composed of 3 Councillors and 6 Private Directors for a total of 9 Directors.</p> <p>The Affiliates Code requires that only the private directors may be cross-appointed.</p> <p>No changes are recommended.</p>			

**BOARDS continued
(Citizen Appointments)**

No.	Recommendation	GM	Yes	No
4	<p><u>Greater Sudbury Public Library Board & Greater Sudbury Heritage Museum Advisory Board</u></p> <p>At a joint Greater Sudbury Public Library Board and Greater Sudbury Museum Board meeting dated April 24, 2003, a report was tabled and discussed entitled "One Board - Greater Sudbury Library/Museum Board". As a result of those discussions, the following resolution was passed:</p> <p><i>Dupuis/Callaghan Resolution 2003-10:</i></p> <p><i>That it be recommended to Council that the Greater Sudbury Public Library Board in the next term of Council be an eight member Board composed of two Councillors and six citizens with an option for a ninth member to represent the City's museums; and</i></p> <p><i>Further that a report be written demonstrating that positive relations with school boards will be continued and enhanced.</i></p> <p>Existing legislation requires two separate boards. However, its is recommended that appointees be appointed to Boards and that the Boards would meet one following the other.</p> <p>That the Members of the Board be composed of 2 Members of Council; 4 Citizens appointed by Council; 1 Citizen appointed by each of the four District School Boards.</p>			
5	<p><u>Nickel District Conservation Authority</u></p> <p>Currently 4 Members of Council and 3 Citizens. No change is recommended.</p>			

**BOARDS continued
 (Citizen Appointments)**

No.	Recommendation	GM	Yes	No
6	<p><u>Greater Sudbury Community Development Corporation</u></p> <p>Membership currently consists of seventeen (17) members, including five (5) Members of Council and twelve (12) citizens. The Board of Directors is appointed for staggered terms of 1, 2 and 3 years to ensure Board continuity and strength.</p> <p>A Nomination Committee of the Board will recommend all Citizen appointments to Council for approval.</p>	EPD		
7	<p><u>Greater Sudbury Housing Corporation</u></p> <p>The <i>Social Housing Reform Act, 2000</i> transferred responsibility for social housing administration to municipal control effective January 1, 2001. Therefore, the Greater Sudbury Housing Corporation (GSHC) was established, and the Board of the GSHC reports to Council through the Committee of the Whole Planning.</p> <p>The Board will consist of 7 members: 4 Members of Council and 3 Citizen appointments. The term of office shall be 3 years.</p>	EPD		



MAYOR AND COUNCIL'S ROUNDTABLES

No.	Recommendation	GM	Yes	No
1.	<p><u>Generally:</u> That Council continue with the concept of <i>Roundtables</i>.</p>			
2	<p><u>Generally:</u> That Citizen appointments continue to be made through the Mayor's Office in consultation with Members of Council and the Public</p>			
3.	<p><u>Generally:</u> That <i>Roundtables</i> continue to report at least once a year to Council and the Public through the Priorities Committee of Council.</p>			
4.	<p><u>Generally:</u> That <i>Roundtables</i> continue to be funded through the appropriate City Departments.</p>			
5.	<p><i>Mayor and Council's "Children First" Roundtable</i> It is recommended that the Roundtable be continued for the 2004-2007 term of Council. That the current membership be maintained. Membership currently consists of fourteen (14). At least four (4) members shall be citizens with interests and experience related to children's issues and at least eight (8) members shall be invited community "experts" representing the following sectors: education, research and planning, labour, health, recreation, early child development, United Way, child welfare, media/marketing and business, plus others.</p>	HSS		

MAYOR AND COUNCIL'S ROUNDTABLES continued

No.	Recommendation	GM	Yes	No
6.	<p><u>Mayor and Council's Roundtable on Physician and Allied Health Care Recruitment and Retention</u></p> <p>It is recommended that the Roundtable be continued for the 2004-2007 term of Council and that the current membership be maintained.</p> <p>Membership currently consists of a broad cross-section of stakeholder groups from business, health, education and citizen groups in the Sudbury Community. Appointments are done by way of invitation from the Mayor.</p>	HSS		
7	<p><u>Mayor and Council's Roundtable on Seniors' Issues</u></p> <p>It is recommended that the Roundtable be continued for the 2004-2007 term of Council and that the current membership be maintained.</p> <p>Membership currently consists of twelve (12) seniors (persons aged 55 of age or over), two from each of the six wards, and the Mayor or his Designate, who will act as Chair.</p>	HSS		



Get involved



Become a member of a Citizen Advisory Panel

In keeping with its goal of increasing citizen participation in local government, your City Council invites you to get involved in any of the following Citizen Advisory Panels:

- **Air Services Advisory Panel**
- **Bell Park Stewardship Advisory Panel**
- **Cemetery Advisory Panel**
- **Citizens' Advisory Panel – Agriculture**
- **Citizens' Advisory Panel on Civic Awards**
- **Citizens' Advisory Panel on Volunteerism**
- **Civic Arts and Culture Advisory Panel**
- **Coat of Arms Advisory Panel**
- **Development Liaison Advisory Panel**
- **Greater Sudbury Lake Improvement Advisory Panel**
- **Parking Advisory Panel**
- **Taxi Advisory Panel**

For a summary of the roles and responsibilities of each advisory panel or to obtain an application form, please contact the City Clerk's Office, your nearest Citizen Service Centre or visit www.city.greatersudbury.on.ca

What is a Citizen Advisory Panel?

Advisory panels are established by resolution of Council for the purpose of providing advice, information and expertise to the municipality on specific municipal matters. They improve the lines of communication between the public and the Council, create greater opportunities for discussion of public issues, and more citizen involvement in City government.

How are Advisory Panels composed?

Unless otherwise stated, advisory panels consist of seven (7) members, one of whom may be a Member of Council. Membership will allow for Council and geographic representation across the six (6) Wards. Where appropriate, community agencies and groups will be invited as resource members.

What is the term of appointment?

Each member will be appointed for a three (3) year term that coincides with the term of Council.

What is the time commitment?

Generally, advisory panels meet quarterly. It is important to ensure that you have sufficient time to devote to an advisory panel and that you have your own vehicle or access to one.

Will I receive any compensation?

Members of advisory panels receive no compensation beyond the satisfaction of making an important contribution to their community.

Who is eligible?

Any resident of Greater Sudbury who is an owner or tenant of land in the City of Greater Sudbury, or the spouse or same-sex partner of someone who is a Canadian Citizen and at least 18 years old.

How are appointments made?

When the application deadline is reached, the City Clerk's Office will provide a copy of all the applications received to each Member of Council. Council will then vote on the appointments. A letter will be sent to all those who applied to inform them of Council's decision.

How can I apply?

Application forms are available at the City Clerk's Office, 2nd Floor, Tom Davies Square and all Citizen Service Centres. Forms are also available at www.city.greatersudbury.on.ca

Written applications and résumés may be addressed to: City Clerk's Office P. O. Box 5000, Station "A" Sudbury, ON P3A 5P3.

Applications can be delivered to: City Clerk's Office, 2nd Floor, Tom Davies Square, 200 Brady Street, Sudbury Monday to Friday from 8:30 a.m. to 4:30 p.m.

Facsimile applications may be faxed to 671- 8118.

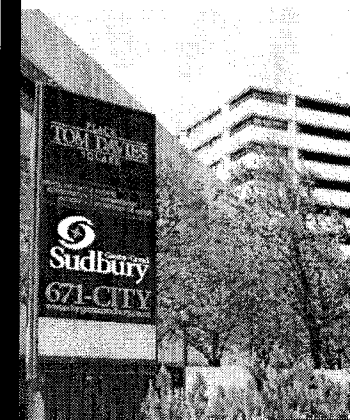
All applications should clearly indicate the name of the Advisory Panel on which you wish to serve and your reason(s) for doing so. Please ensure that you include your home address, postal code and phone number.

Deadlines

The deadline for all applications is December 1, 2004.

Questions?

Contact the City Clerk's Office at **671-CITY** (2489), extension **2471** or visit www.city.greatersudbury.on.ca

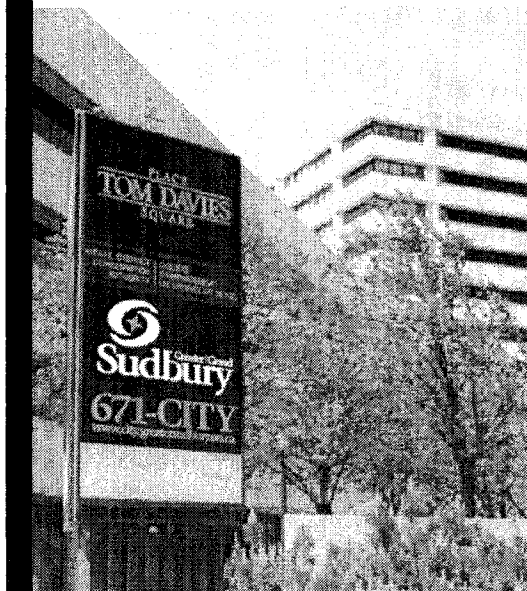




Application for Appointment

by City Council to
City of Greater Sudbury

Citizen Advisory Panel



Thank you for your interest in applying for a position on a City of Greater Sudbury Citizen Advisory Panel.

In keeping with City Council's goal of increasing citizen participation, Council has established the following series of Advisory Panels:

- Air Services Advisory Panel
- Bell Park Stewardship Advisory Panel
- Cemetery Advisory Panel
- Citizens' Advisory Panel – Agriculture
- Citizens' Advisory Panel on Civic Awards
- Citizens' Advisory Panel on Volunteerism
- Civic Arts and Culture Advisory Panel
- Coat of Arms Advisory Panel
- Development Liaison Advisory Panel
- Greater Sudbury Lake Improvement Advisory Panel
- Parking Advisory Panel
- Taxi Advisory Panel

What is a Citizen Advisory Panel?

Advisory Panels are established by resolution of Council for the purpose of providing advice, information and expertise to the municipality on specific municipal matters. They can enhance the quality of life in our community by gathering information, formulating new ideas and making recommendations on projects and policies to assist staff and Council in their decision making processes. They improve the lines of communication between the public and the Council, create greater opportunities for discussion of public issues, and more citizen involvement in City government. The Council may not always accept the recommendation of an advisory panel because of additional information available or a need to balance the recommendation with policy or community priorities.

How are Advisory Panels composed?

Unless otherwise stated, Advisory Panels consist of seven (7) members, one of whom may be a Member of Council. Citizen appointments to various panels, committees and boards are based on equal opportunity and reflective of the demographic and geographical make up of the City of Greater Sudbury. Membership will allow for Council and geographic representation across the 6 Wards. Where appropriate, community agencies and groups will be invited as resource members.

How do Advisory Panels report to Council?

Formal agendas and minutes are not required by Advisory Panels. The concerns and suggestions of Advisory Panels are conveyed to Council by the General Manager, whose reports reflect their recommendations. Also, many of the Advisory Panels may include, as part of their membership, a Member of Council who will also voice the concerns of the Advisory Panel when issues are discussed at Council.

What is the term of appointment?

Each member will be appointed for a three (3) year term that coincides with the term of Council.

What is the time commitment?

Generally, Advisory Panels meet quarterly. It is important to ensure that you have sufficient time to devote to an Advisory Panel and that you have your own vehicle or access to one.

Will I receive any compensation?

Members of Advisory Panels receive no compensation beyond the satisfaction of making an important contribution to their community.

Who is eligible?

Any resident of Greater Sudbury who is an owner or tenant of land in the City of Greater Sudbury, or the spouse or same-sex partner of someone who is a Canadian Citizen and at least 18 years old.

How are appointments made?

When the application deadline is reached, the City Clerk's Office will provide a copy of all the applications received to each Member of Council. Council will then vote on the appointments. A letter will be sent to all those who applied to inform them of Council's decision.

How can I apply?

Application forms are available at the City Clerk's Office, 2nd Floor, Tom Davies Square and all Citizen Service Centres.

Written applications and résumés may be addressed to:

City Clerk's Office
P. O. Box 5000, Station "A"
Sudbury, ON P3A 5P3.

Applications can be delivered to:

City Clerk's Office, 2nd Floor,
Tom Davies Square,
200 Brady Street, Sudbury
Monday to Friday from 8:30 a.m. to 4:30 p.m.

Facsimile applications may be faxed to 671- 8118.

All applications should clearly indicate the name of the Advisory Panel on which you wish to serve and your reason(s) for doing so. Please ensure that you include your home address, postal code and phone number.

Deadlines

The deadline for all applications is December 1, 2004.

Questions?

For more information, please call the City Clerk's Office at 671- CITY (2489), extension 2471.

www.city.greatersudbury.on.ca



Advisory Panel Application

Name _____

Residence Street Address _____ City _____ Postal Code _____

Home Phone _____ Work Phone _____ Extension _____

Email Address _____

Please indicate the Advisory Panel you are applying for:

(1) _____ (2) _____

Separate Application forms are required for each Advisory Panel.

EMPLOYMENT (Present or last employer [or school, if applicable])

EDUCATION

Briefly state your reason for volunteering for this Advisory Panel.

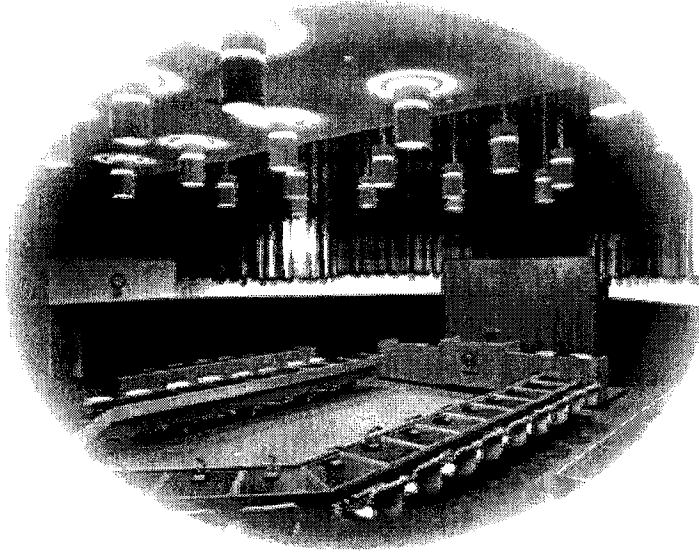
Briefly describe any relevant experience or skills that you have that would assist this Advisory Panel.

Briefly describe specific experiences with other Boards and Committees, etc. within the past five years.

How did you hear about this opportunity?

Newspaper Ad__ Web site__ Word of Mouth__ Other Please specify_____

In signing this application, you are advised that both the information you provide and any information placed into an employment record will be protected and used in compliance with the Municipal Freedom of Information and Protection of Privacy Act.



Committee & Boards Citizen Appointments

The purpose of this form is to allow you to:

NOMINATE citizens to
Committees & Boards
of City Council

These are the bodies to which citizens will be appointed:

Committee Appointments

- Cemetery Advisory
- Emergency Services Advisory Council
- Parking Advisory Committee
- Taxi Liaison Committee

Statutory Appointments

- Fence Viewers

Board Appointments

- Copper Cliff Museum Board
- Flour Mill Museum Board

Name

Note: Mayor is Ex-officio on ALL Committees of Council

Committee Appointments

Cemetery Advisory - 1 Citizen

Develop and maintain cemetery properties set rates

I wish to NOMINATE the following Citizens:

Name
Name
Name
Name

Emergency Services Advisory Council - 3 Citizens

Review governance issues and any transfers of powers of jurisdiction between City and Region

I wish to NOMINATE the following Citizens:

Emergency Services Advisory Council - Subcommittee of Governance Committee

Name
Name
Name
Name

Parking Advisory Committee - 2 Citizens

Develop parking policies for the downtown core

I wish to NOMINATE the following Citizens:

Name
Name
Name
Name

Taxi Liaison Committee - 1 Citizen

Determine taxi tariffs

I wish to NOMINATE the following Citizens:

Name
Name
Name
Name

Statutory Appointments

Fence Viewers - 3 Citizens

To establish awards under the
Line Fences Act

I wish to NOMINATE the following Citizens:

Name
Name
Name
Name

Board Appointments

Copper Cliff Museum Board - 5 Citizens

Manages & administers the
historic Copper Cliff museum

I wish to NOMINATE the following Citizens:

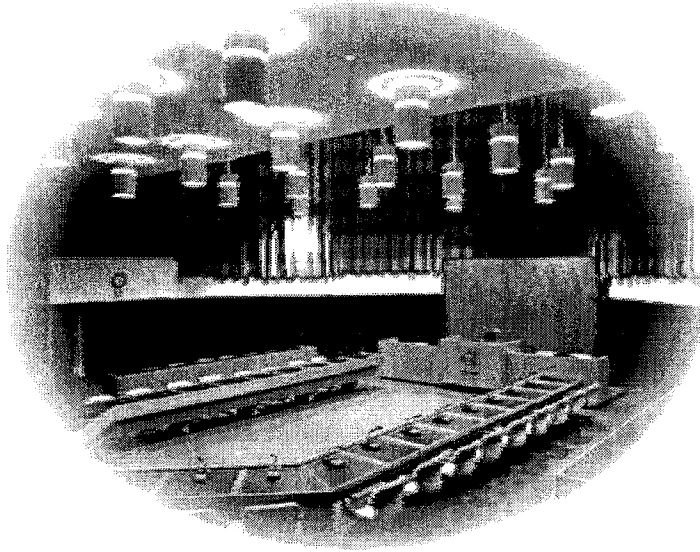
Name
Name
Name
Name
Name

Flour Mill Museum Board - 5 Citizens

Manages & administers the
historic flour mill museum

I wish to NOMINATE the following Citizens:

Name
Name
Name
Name
Name



Committee & Boards Councillor Appointments

The purpose of this form is to allow you to indicate:

1. On which committee(s) you wish to **SIT** and
2. To **NOMINATE** other Councillors to Committees of Council

Councillor

These are the bodies to which Members of Council will be appointed:

- Advisory Committee For Transportation Of Persons With Physical Disabilities
- Bicycle Advisory
- Cemetery Advisory
- Citizens' Award
- Community-wide Arts Foundation
- Copper Cliff Improvement Plan
- Copper Cliff Museum Board
- Cultural Grants
- Firefighter's Grievance
- Fire Services Review
- Flour Mill Museum Board
- Governance Committee
- Land Use
- 111 Senior Citizens Centre Inc.
- Parking Advisory Committee
- Purchase & Supply Of Goods & Services By-law
- Sudbury/Laurentian University Downtown Campus
- Sudbury Theatre Centre Board
- Taxi Liaison Committee
- Y.M.C.A. Project Coordinating Committee

Note: Mayor is Ex-officio on ALL Committees of Council

*Advisory Committee for Transportation
of Persons with Physical Disabilities - 1 Member of Council*

Transportation services provided
to the disabled and elderly

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Bicycle Advisory - 1 Member of Council

Design and implement
recreational trails to promote
alternate non-motorized
transportation

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Cemetery Advisory - 1 Member of Council

Develop and maintain cemetery
properties set rates

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Citizens' Award - 3 Members of Council

Establish procedures for
recognizing City of Sudbury
citizens of note

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Community-Wide Arts Foundation - 3 Members of Council

Develop alternative funding
investigate foundation of the arts

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Copper Cliff Improvement Plan - 3 Members of Council

Investigate and promote
improvements to community

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Copper Cliff Museum Board - 1 Member of Council

Manages & administers the
historic Copper Cliff museum

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Cultural Grants - 3 Members of Council

Disbursement of grant for
promotion of various ethnic
cultures through community
events

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Firefighter's Grievance - 3 Members of Council

Consideration and determination of firefighter's grievances

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Fire Services Review - 4 Members of Council

Discuss and review long range plans for fire services

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Flour Mill Museum Board - 1 Member of Council

Manages & administers the historic flour mill museum

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Governance Committee - 4 Members of Council

Review governance issues and any transfers of powers of jurisdiction between City and Region

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Emergency Services Advisory Council - Subcommittee of Governance Committee

Name
Name
Name
Name

Land Use - 3 Members of Council

Hearing body for council provide recommendations regarding City owned property

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

111 Senior Citizen Centre Inc. - 2 Members of Council

Member of the board of this older adult centre

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Parking Advisory Committee - 3 Members of Council

Develop parking policies for the downtown core

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Purchase & Supply of Goods & Services By-law - 3 Members of Council

Review, update and recommend changes to purchasing By-law 92-150

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Sudbury/Laurentian University Downtown Campus - 3 Members of Council

Develop proposal for downtown campus of university

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Sudbury Theatre Centre Board - 1 Member of Council

Member of the board of this professional theatre company

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Taxi Liaison Committee - 1 Member of Council

Determine taxi tariffs

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Y.M.C.A. Project Coordinating Committee - 4 Members of Council

Oversee the design & construction process of the YMCA wellness centre

I wish to SIT on this committee

I wish to NOMINATE the following Councillors:

Name
Name
Name
Name

Request for Recommendation Priorities Committee



Type of Decision

Meeting Date	September 22, 2003				Report Date	September 16, 2003			
Recommendation	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title

Underserved Area Program-Physician relocation incentive grant

Policy Implications + Budget Impact

<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified
<input checked="" type="checkbox"/>	Background attached

Recommendation

Whereas the City of Greater Sudbury (CGS) has been designated underserved by the Ministry of Health and Long-Term Care (MOHLTC); and

Whereas the outlying areas in the CGS are seeing a reduction in the delivery of primary care; and


Whereas the CGS has over 30,000 citizens of this community without a family medicine practitioner; and

Whereas there is a decline in the enrollment into the family medicine program throughout the Province of Ontario and globally;

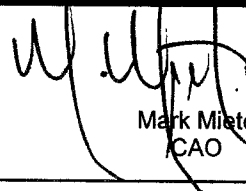
Therefore be it resolved that the CGS lobby

<input checked="" type="checkbox"/>	Recommendation attached
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Recommended by the General Manager



Catherine Sandblom
General Manager Health & Social Services

Recommended by the C.A.O.


Mark Misto
CAO

111

Date: September 16, 2003

Report Authored By
 Kim Rossi Coordinator of Health Initiatives

Division Review
Name and Title

the provincial government to review the current UAP incentive grants and that the CGS review its set up relocation incentive within the strategic plan currently being developed.

Background

The Underserved Area Program was initiated by the Province in Ontario in 1969 to enhance access to health care services in areas designated as rural and remote areas of the province which have a difficulty recruiting and retaining physicians in their communities. Financial incentives are provided to physicians who relocate to communities who have been designated by the UAP as underserved. In 2001 when the City of Greater Sudbury amalgamated, the MOHLTC requested a new application be submitted in order to assess whether or not the new city still qualified for the UAP designation.

After its review, the MOHLTC identified the CGS as requiring a complement of 115 General Practitioners/Family Practitioners. The concern at the time from the community was that many newly recruited physicians would find a move to the City core more attractive rather than relocating to the outlying areas and letters to support this were directed to the Ministry. A letter received by the MOHLTC regional director identified three suggestions to the distribution of physicians to the outlying/rural areas of the CGS. One of those suggestions stated that the CGS may restrict approval of applications for incentives to the areas of the City, which are most underserved.

UAP designation

Currently, there are 93 family medicine practitioners in the CGS leaving a total of 22 vacant positions to meet the complement of 115 identified by the MOHLTC. As the following chart demonstrates, the outlying areas of the CGS are those areas most affected by the lack of primary care services being provided to their communities.

Date: September 16, 2003

**Family Medicine Practitioners/ Numbers
September 2003**

Municipality	Population 2001	Present Number of Family Medicine Practitioners	Total Number of Family Medicine Practitioners Needed	Additional Number of Family Medicine Practitioners Needed
Valley East	22000	6	16.5	10.5
Rayside Balfour	16000	6	12	6
Capreol	3500	2	2.5	.5
Nickel Centre	12000	2	9	7
Walden	10000	4	7.5	3.5
Onaping Falls	4800	2	3.5	1.5
Sudbury - Old City	85000	71	64	(-7)
Hospitalists				
Total	153300	93	115	22

Census numbers have been rounded

September 2003

In May of 2002 members of the Mayor and Council's Roundtable on Recruitment and Retention of Physicians and Allied Health Care Professionals brought forward a presentation to the UAP Review Committee. The presentation recommended a number of changes to the current application and designation process. To date, there has been no changes to the UAP by the MOHLTC.

**Provincial overview of the UAP designation
General/Family Practitioners**

Northern Communities:

Number of communities designated as underserviced: 34
 Number of physicians required: 115

Southern Communities:

Number of communities designated as underserviced: 92
 Number of physicians required: 477

In comparing the statistics provided by the MOHLTC from January of 2001 to date, the number of

Date: September 16, 2003

designated underserviced communities in Northern Ontario has not changed, however southern Ontario has seen an increase in their communities by 17.

Current Recruitment & Retention Issues

Many physicians in the CGS are opting to practise in the city core. There are a number of reasons for this, one being the distance to and from the current three site hospital; second, many of the physicians live in the south end of the city; and third, lower rental costs. During this past year, the City has been successful in recruiting specialists to the City and has recruited three family medicine practitioners, two of whom have opened their own practice and a third is currently a hospitalist.

The City needs to address the concern of retaining physicians particularly in the outlying areas where many established physicians, who have dedicated a number of years to the outlying areas, are relocating to the city core. There are no programs directly under the UAP regarding retention initiatives but there are relevant initiatives which may be accessed. The Northern Physician Retention Initiative provides physicians who have accessed the UAP grant of \$40,000 and have provided the community with a return of service for four years and have hospital privileges, with a three year initiative of \$7,000 per year for up to three years. Physicians can also access \$2,500 per year which is used towards continued medical education.

Conclusion

Prior to preparing this report many physicians provided their feedback on the current distribution of the UAP incentive program. The physicians did not feel that seeking a review to the designation and restricting approval of applications to the city core was the answer. The physicians were clear in identifying that this is a problem not just in our city but province wide and changing the criteria may jeopardize future recruitment to the city as a whole.

In order to retain physicians to the outlying areas, the CGS will have to review its current budget commitments and look at ways of utilizing the current monies set aside for physician recruitment and retention and provide those physicians who are providing primary care to the outlying communities with incentives that will keep them established in these areas. Currently the CGS is partnering with the Regional Hospital and the Greater Sudbury Chamber of Commerce in providing new physicians relocating to the CGS with a set up incentive. It is recommended that the city use the funds currently applied toward physician recruitment and retention and consider providing an added incentive to those family medicine practitioners who would provide primary care to a community in one of the CGS's outlying areas, by providing the physician with a monetary contribution which could be used towards purchasing a computer, software and internet access to assist with the start up of their medical practice. In the strategic plan currently being prepared, stakeholders have identified a number of suggested retention issues such as the creation of a spousal network and recognition events. It is recommended that the strategic plan consider additional incentives funded by CGS toward the outlying areas and that consideration be given to retention.

Correspondence and Information

Request for Recommendation Priorities Committee

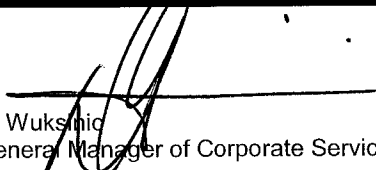


Type of Decision									
Meeting Date	October 9, 2003				Report Date	October 3, 2003			
Recommendation		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
2003 Current Budget Variance Report

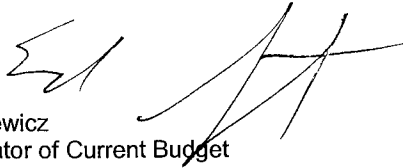
Policy Implications + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified
N/A	
<input checked="" type="checkbox"/>	Background attached

Recommendation	
FOR INFORMATION ONLY	
<input type="checkbox"/>	Recommendation attached

Recommended by the General Manager
 D. Wukshic General Manager of Corporate Services

Recommended by the C.A.O.
 M. Mieto Chief Administrative Officer

Report Prepared By



E. Stankiewicz
Co-Ordinator of Current Budget

Division Review



S. Jonasson
Director of Finance/City Treasurer

BACKGROUND

The 2003 Current Budget Variance Report provides Council with a year end projection based on revenues and expenditures for the period ending July 31, 2003. At this point in time, a small deficit of less than one half of one percent or \$1.5 million is anticipated within a budget of \$384 million. Every effort has been, and will continue to be made to reduce this anticipated deficit.

Council was advised in June that Roads Maintenance would be overspent by \$2.0 million. Consequently, Council passed resolution 2003-43, directing staff not to cut back on roads expenditures, and further directed that an additional \$2.0 million be placed in 2004 Base Budget for roads. Compounding this were the financial losses from the August blackout. Additional costs and lost revenues of approximately \$300,000 for the core municipal services as a result of the August hydroelectric crisis have been included in the projections. Potential reimbursements from the Province have not been factored into the projections.

Every department was required to provide a year end projection for each account for the development of the of this report. Where major variances were identified, departments provided explanations for the variances and the steps that were being taken to mitigate the effect of any unfavourable variances. Attached are tables summarizing the Cost Centre Report which reflect annual budgets, year-to-date budgets, year-end projections and year-end variances.

For this report, potential year-end variances greater than \$100,000 have been identified and are detailed in the following:

1. General Revenues

This area includes provincial revenue in the form of the Community Reinvestment Fund (CRF) as a result of the Local Services Realignment (LSR) exercise. The 2002 CRF reconciliation has not yet been received, However, the 2003 budget was based on the 2001 reconciliation adjusted for any changes for the affected services. Programs tied to the CRF are Sole Support caseloads in Ontario Works, Ontario Disability Support Program (ODSP), Land Ambulance, some parts of Children's Services and the National Child Benefit (NCB) programs. The net of these programs when compared to their budgets will dictate the adjustment to the CRF. When all LSR services variances are taken into account, the CRF will reflect an increase of approximately \$400,000.

This section also includes payment in lieu revenue, interest from tax arrears, and the slots revenue.

For 2003, the payment in lieu revenue will be slightly higher than budgeted by approximately \$100,000. Interest revenue from tax arrears will be under budget by approximately \$250,000. It is also anticipated that budgeted slot revenue will be short by approximately \$100,000.

Overall, general revenues reflect a projected year-end surplus of approximately \$200,000.

2. Chief Administrator's Office

Due largely to staff vacancies and illnesses, this section is projected to be in a year-end surplus of approximately \$100,000.

3. Information Technology

The Information Technology Division is anticipating a surplus of approximately \$175,000 as a result of vacancies and late hirings. In accordance with policy, any surplus will be contributed to the reserve only if the Corporation is in an overall surplus position.

4. Human Resources

Increased legal costs related to Fire Interest Arbitration, Pioneer Manor negotiations and additional arbitrations resulting from outstanding amalgamation issues, coupled with increased costs for Pensioners' benefits will result in this division experiencing a year-end deficit of approximately \$200,000.

5. Social Housing

This division is anticipating a surplus of approximately \$200,000, due mainly to reductions in costs for the Co-Op and Non-Profit Housing. In accordance with policy, any surpluses will be contributed to the reserve only if the Corporation is in an overall surplus position.

6. Ontario Works

The Sole Support caseload is below estimated levels, resulting in an underexpenditure of \$560,000. However, the ODSP costs are expected to be \$1.2 million over budgeted values. Both of these services are CRF reconciliable items and therefore, there will be no effect on the bottom line, as the CRF number will be adjusted upward by \$640,000.

Lower revenues in the Employment Support Services area will result in a deficit of approximately \$100,000.

Reductions in administrative costs in Ontario Works and other miscellaneous reductions have this section in a surplus position of approximately \$440,000.

Overall, this division reflects a deficit of approximately \$300,000.

7. Leisure and Recreation Services

This division is anticipating a year-end deficit of approximately \$490,000. The major component for this deficit is in the Summer recreation program. The formula used to divide the salary budget by the hours of work was applied incorrectly and consequently the budget did not reflect the required resources related to the harmonization of student wages. This coupled with lower user fee revenues has this operation in a deficit position of approximately \$220,000.

The Community Arena/Centres are the other major reason for this division's deficit. Higher energy costs, combined with lower user fees partially due to the Ontario electric crisis, has this area reflecting a potential \$170,000 deficit.

Efforts are being made to reduce costs in other areas of the operation to offset the over expenditures.

8. Transportation Services

Increased ridership for Transit has resulted in increased revenues, reflecting a year-end surplus of approximately \$250,000. This is offset somewhat by the increased usage of the Handi Transit system. This division is expected to have a year-end surplus of approximately \$160,000.

9. Water Services

Early indications reveal that water revenue will be very close to budgeted values. However, increased costs in the Water Treatment and Water Repairs and Maintenance Sections would leave this utility in a deficit of approximately \$350,000.

Per policy, surpluses are contributed to the reserve and deficits are funded from the reserve. Therefore, there will be no impact on the corporate year-end position.

10. Waste Water Services

Waste Water revenue is projected to be slightly higher than budgeted. This coupled with reduced costs for waste water repairs and maintenance has this utility in a surplus of approximately \$400,000. In accordance with policy, this surplus will be contributed to the reserve, thus having no impact on the corporate position.

11. Roads Maintenance/Fleet Services

Based on a normal November and December winter season, winter roads maintenance is expected to be over budget by approximately \$2.5 million. For the first part of the year, there was a higher number of winter events experienced than in a normal year. In order to offset some of this over expenditure, there has been a deliberate attempt to curtail the summer roads work program. This has proven to be difficult, as emergency work to two collapsed culverts impacted the budget by \$500,000. However, the increase in winter roads maintenance has resulted in increased internal equipment (fleet) credits, thus lessening the impact to this section.

Overall, a year-end deficit of \$1.8 million is expected for this area.

12. Waste Management

As a result of minor savings in different areas of the operation, a year-end surplus of approximately \$120,000 is expected.

13. Sudbury Airport Operations

Due to changes in the aviation business, the Sudbury Airport Operations may continue to be somewhat volatile. The issues that have affected the operation are:

- 1) Air Canada's filing for creditor protection,
- 2) WestJet's decision to discontinue service, effective September 10, 2003,
- 3) Air Canada's reduction in service,
- 4) Introduction of Bearskin's service to Buttonville.

All of these issues have affected the finances of the Airport. Based on the current conditions, the Airport should face a deficit of approximately \$210,000. This deficit will be offset by a contribution from the trust fund.

SUMMARY

This forecast projects a small corporate deficit of approximately one-half of one (1%) per cent or \$1.5 million on a budget of \$384 million. However, in accordance with policy, any deficit position will be funded from reserves. The combined total of the two reserves (Tax Rate Stabilization Reserve and Capital Financing Reserve Fund) is \$1.7 million. If the corporate deficit exceeds this amount, another source of funding must be identified.

If there are any major revisions to any of these forecasts, Council will be advised of the situation. Finance in conjunction with departments will continue to closely monitor accounts for the remainder of the year. Every attempt is being made to contain costs wherever possible, to reduce the potential deficit.

COST CENTRE REPORT

PERIOD ENDING JULY 31, 2003

(000)

SUMMARY							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
GENERAL REVENUES	(195,735)	(143,282)	73	(229,124)	117	(195,931)	196
EXECUTIVE, ADMIN & CORPORATE SERVICES	18,295	8,256	45	7,721	42	18,120	175
ECONOMIC DEV & PLANNING SERVICES	22,289	10,168	46	10,322	46	22,126	163
HEALTH & SOCIAL SERVICES	26,295	16,294	62	14,961	57	26,593	(298)
CITIZEN & LEISURE SERVICES	23,837	14,060	59	14,929	63	24,153	(316)
PUBLIC WORKS	49,669	38,282	77	39,416	79	51,353	(1,684)
EMERGENCY SERVICES	19,541	10,877	56	9,237	47	19,309	232
OUTSIDE BOARDS	35,809	20,808	58	19,347	54	35,736	73
EXPENDITURES	195,735	118,745	61	115,933	59	197,390	(1,655)
NET BUDGET	-	(24,537)		(113,191)		1,459	(1,459)

COST CENTRE REPORT PERIOD ENDING JULY 31, 2003

(000)

GENERAL REVENUES							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
GRANTS & SUBSIDIES	(54,685)	(38,605)	71	(39,682)	73	(55,081)	396
TAXATION LEVY	(133,150)	(101,496)	76	(185,899)	140	(133,300)	150
CORPORATE REVENUE/CAPITAL	(7,900)	(3,181)	40	(3,543)	45	(7,550)	(350)
(1) GENERAL REVENUES	(195,735)	(143,282)	73	(229,124)	117	(195,931)	196

COST CENTRE REPORT PERIOD ENDING JULY 31, 2003

(000)

EXECUTIVE, ADMINISTRATIVE & CORPORATE SERVICES							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
EXECUTIVE AND ADMINISTRATIVE	1,048	589	56	567	54	987	61
(2) OFFICE OF THE CAO	1,257	717	47	613	49	1,148	109
CORPORATE SERVICES							
GENERAL MANAGER'S OFFICE	1,779	611	33	562	32	1,775	4
(3) INFORMATION TECHNOLOGY SERVICE	4,003	2,434	15	1,997	50	3,828	175
FINANCIAL SERVICES	4,505	986	13	468	10	4,532	(27)
(4) HUMAN RESOURCES	2,640	1,476	22	2,120	80	2,843	(203)
SUPPLIES AND SERVICES	384	223	153	220	57	378	6
SOLICITOR AND CLERK	1,187	101	50	429	36	1,137	50
ASSESSMENT SERVICES	1,492	1,119	40	745	50	1,492	-
EXECUTIVE, ADMIN & CORPORATE SERVICES	18,295	8,256	45	7,721	42	18,120	175

COST CENTRE REPORT PERIOD ENDING JULY 31, 2003

(000)

ECONOMIC DEVELOPMENT & PLANNING SERVICES							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
GENERAL MANAGER'S OFFICE	885	761	86	822	93	891	(6)
ECONOMIC DEVELOPMENT	1,762	1,031	59	1,024	58	1,759	3
PLANNING AND DEVELOPMENT SERVICES	2,639	1,361	52	1,235	47	2,670	(31)
(5) SOCIAL HOUSING	17,003	7,015	41	7,241	43	16,806	197
ECONOMIC DEVEL & PLANNING SERVICES	22,289	10,168	46	10,322	46	22,126	163

COST CENTRE REPORT PERIOD ENDING JULY 31, 2003

(000)

HEALTH AND SOCIAL SERVICES							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
GENERAL MANAGER'S OFFICE	1,127	914	81	857	76	1,087	40
CHILDREN SERVICES	3,047	1,640	54	1,794	59	3,092	(45)
LONG TERM CARE & SENIORS	382	1,057	277	1,050	275	378	4
(6) ONTARIO WORKS	21,739	12,683	58	11,260	52	22,036	(297)
HEALTH AND SOCIAL SERVICES	26,295	16,294	62	14,961	57	26,593	(298)

COST CENTRE REPORT PERIOD ENDING JULY 31, 2003

(000)

CITIZEN & LEISURE SERVICES							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
GENERAL MANAGER'S OFFICE	1,196	1,127	94	1,100	92	1,196	-
CEMETERY SERVICES	-	(108)		-		-	-
PUBLIC LIBRARIES/CITIZENS SERVICES	5,494	3,411	62	3,401	62	5,485	9
(7) LEISURE & RECREATION SERVICES	9,774	5,690	58	6,396	65	10,260	(486)
(8) TRANSPORTATION SERVICES	7,373	3,940	53	4,032	55	7,212	161
CITIZEN & LEISURE SERVICES	23,837	14,060	59	14,929	63	24,153	(316)

COST CENTRE REPORT PERIOD ENDING JULY 31, 2003

(000)

PUBLIC WORKS							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
EARTHCARE SUDBURY	215	111	52	121	56	223	(8)
ENGINEERING SERVICES	149	72	48	172	115	149	-
BUILDINGS & FACILITIES	3,630	2,787	77	2,827	78	3,662	(32)
(9) WATER MAINTENANCE	2,429	4,712	194	3,306	136	2,429	-
(10) WASTE WATER MAINTENANCE	-	2,686		1,314		-	-
(11) ROADS MAINTENANCE	31,735	23,008	73	25,000	79	33,932	(2,197)
(11) FLEET	571	580	102	231	41	141	430
PUBLIC WORKS DEPOTS	394	384	98	213	54	394	-
(12) WASTE MANAGEMENT	10,546	3,942	37	6,232	59	10,423	123
PUBLIC WORKS	49,669	38,282	77	39,416	79	51,353	(1,684)

COST CENTRE REPORT PERIOD ENDING JULY 31, 2003

(000)

EMERGENCY SERVICES							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
GENERAL MANAGER'S OFFICE	290	253	87	188	65	258	32
EMERGENCY PREPAREDNESS	117	59	50	48	41	48	69
FIRE SERVICES	13,179	7,320	56	6,726	51	13,145	34
EMERGENCY MEDICAL SERVICES	5,955	3,245	55	2,275	38	5,858	97
EMERGENCY SERVICES	19,541	10,877	56	9,237	47	19,309	232

COST CENTRE REPORT PERIOD ENDING JULY 31, 2003

(000)

OUTSIDE BOARDS							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
(13) SUDBURY AIRPORT OPERATIONS	-	(212)		-		-	-
N.D.C.A.	247	144	58	(55)	(22)	247	-
PUBLIC HEALTH (HEALTH UNIT)	5,694	3,308	58	2,389	42	5,710	(16)
POLICE SERVICES	29,868	17,568	59	17,013	57	29,779	89
OUTSIDE BOARDS	35,809	20,808	58	19,347	54	35,736	73