

Correspondence for Information Only

Request for Recommendation Finance Committee



Type of Decision									
Meeting Date	March 30, 2004				Report Date	March 29, 2004			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority		High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

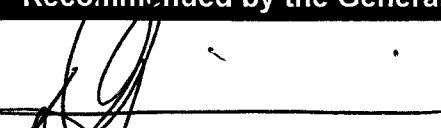
Report Title

Organizational Charts

Policy Implication + Budget Impact	
<input 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 Continued

Recommended by the General Manager



 D. Muksinic
 General Manager of Corporate Services

Recommended by the C.A.O.



 Mark Mieta
 Chief Administrative Officer

Report Prepared By

Name
and Title

Division Review

Name
and Title

BACKGROUND

Council, at its March 22nd Finance Committee meeting requested organizational charts for the City of Greater Sudbury. Attached you will find organizational charts by department, colour-coded to reflect those positions that are non-union in nature and the number of individuals the supervisory positions are responsible for.

Request for Recommendation Finance Committee



Type of Decision

Meeting Date	March 30, 2004			Report Date	March 26, 2004				
Decision Requested	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	Priority	<input type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only			Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed	

Report Title

LEGAL SERVICES OVERVIEW

Policy Implication + Budget Impact

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


Background Attached

Recommendation

FOR INFORMATION ONLY

Recommendation Continued

Recommended by the General Manager



Doug Wuksinic
General Manager of Corporate Services

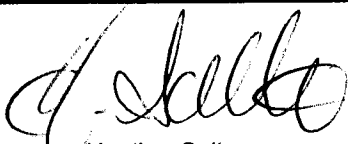
Recommended by the C.A.O.



Mark Mieta
Chief Administrative Officer

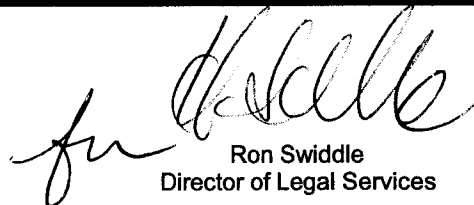
Date: March 5, 2004

Report Prepared By



Heather Salter
Deputy City Solicitor

Division Review



Ron Swiddle
Director of Legal Services

As the budget process proceeds it is clear that many Councillors have questions regarding how legal services are delivered by the Corporate Services Department. Unfortunately at various times misconceptions and inaccurate or incomplete information has compounded the concerns. Therefore, this report requested by the Finance Committee on March 3, 2004 will attempt to outline in a comprehensive way the manner in which the City's legal services are delivered.

BACKGROUND:

To understand where we are today it is important to have some historical context. Prior to amalgamation two of the former municipalities had in-house legal departments. The former Region employed two lawyers, with a support staff of five. This included three secretaries, one law clerk and a receptionist/file clerk. The in-house lawyers did not provide legal services in the area of labour relations or employment law, that area was managed exclusively by the human resources department.

The former City of Sudbury employed two lawyers, but at the time of amalgamation one of those lawyers was not part of the legal department, she was Director of Administrative Services (Clerks and by-law enforcement). That lawyer, however, did provide legal services in two areas, labour relations and employment law and by-law prosecutions. 2.5 (full-time equivalent) support staff (1.5 secretarial and one law clerk) supported the two lawyers.

None of the other former municipalities employed lawyers or law clerks, they outsourced these services from private law firms.

In addition to their in-house staff, both the former City of Sudbury and the Region also supplemented their legal services with outside Counsel. Each had budgets for this purpose. At the Region, the Human Resources Division also had a budget for purchasing legal services externally. Therefore, historically legal services were delivered as a hybrid model, i.e., a mix of both employed in-house Counsel and outsourced legal services.

During the amalgamation process a Transition Board Task Force reviewed the delivery of legal services and made recommendations. The choices available were to staff a full-service in-house Legal Division, which would deliver all but exceptional functions; or to outsource all legal services and provide no service in-house; or to continue to deliver legal services to the corporation with a mix of in-house and outsourced legal services.

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In the end, the Transition Board recommended to the new Council the following (Blueprint For The Future pages 20-21):

“Corporate Legal Services

- provide legal service with internal staff supplemented with external Counsel when required.
- expand legal services provided in-house.
- outsourcing when feasible should be local.
- provide legal services, where possible, to Agencies, Boards and Commissions.
- limit outsourcing to specialized legal areas.
- legal services performed by By-law Officers and students, Paralegals where possible.

Corporate Services Human Resources

- contract services for representation at hearings and appeals tribunals.”

In accordance with the Transition Board recommendations the Legal Division for the new City of Greater Sudbury was organized as a hybrid delivery model, i.e., internal counsel supplemented by outsourced legal services. The new division was not mandated to provide legal services in the area of labour relations and employment law, the Human Resources Division was given a budget for contracted legal services for that purpose.

Contrary to the Transition Board recommendations, in-house legal services were not expanded. The in-house complement is four lawyers, the same number as were employed in-house by the former municipalities.

EXISTING SITUATION

Finding the appropriate mix between in-house legal service and outsourced legal service is one of the most difficult challenges faced by Chief Legal Officers in either private sector corporations or public sector legal departments. How many lawyers you employ and what specific skills and experience you want them to have or develop depends on what proportion of your services you wish to outsource and what type of services are most suitable to outsource.

Obviously the highly specialized unique legal services will always be outsourced, such as patent advice or litigation. It is a highly specialized area of law and we rarely encounter a need for it. It would not make any sense to hire an in-house lawyer with this expertise.

However, many choices are not so obvious. The practice of municipal law has changed dramatically in the last ten years. The areas of competency for municipal lawyers has expanded in previously unseen directions. For example, only a few years ago municipalities had no ability to create or own corporations. Now we are shareholders of business corporations such as the utilities and the housing corporation. We also operate non-share corporations such as the Community Development Corporations. Under the new *Municipal Act, 2001*, there are opportunities to create others.

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The downloading of Family Support functions has created a need for lawyers who specialize in family law. The physical assets assumed by the new City has created a significant increase in the number and complexity of the real estate transactions completed by the City, including leasing, which was previously a rarity. The number and complexity of new laws and regulations governing the operations of the City has expanded considerably as well.

The Legal Division no longer provides only legal services. We include the Property (real estate services) Division, including Centre Lionel E. Lalonde Centre, run a Provincial Offences Court and have responsibility for Clerks and By-law Enforcement Services.

The scope of core legal services, required in the normal day-to-day business has expanded considerably since amalgamation. In addition to the core municipal departments the Legal Division provides services to the Police Services Board, Greater Sudbury Housing Corporation, Airport corporation, Pioneer Manor and the economic development corporations. In other municipalities it is not uncommon for lawyers to be assigned exclusively to those areas with separate budgets. The capability of the existing in-house legal counsel to respond to these needs in a timely fashion is stretched beyond capacity.

OUTSOURCING:

Currently, and historically almost all litigation is outsourced. There are a number of reasons for this.

Most of the City's litigation is covered by our insurance policy. The City's policy of insurance insures the City against third party claims for personal injury and property damage and for other types of compensatory damages for wrongful acts such as, defamation or negligent misrepresentation. Most litigation against the City is covered by the policy. Under the terms of the policy our insurer hires and pays legal counsel of their choice to defend the City as required. In-house legal counsel do not direct the litigation and generally do not approve settlements. The insurer may choose to settle claims or go to trial at its discretion. The City's deductible limit is \$50,000 for each loss. Accordingly the first \$50,000 of both damages and all expenses are charged to the City. **These amounts are not paid from the contracted services account in the Legal Division.** These expenditures are reflected in the Finance Division accounts.

This year the City will be preparing an RFP for an insurance program to commence in 2005. If Council wishes to review how claims under the City's deductible limit are handled, i.e., to consider "contracting in" that service, this option could be presented and the pros and cons, financial and otherwise, could be evaluated at that time. Some municipalities do handle all litigation for claims within their deductible limits in-house.

Litigation which is not covered by insurance is sporadic and unpredictable. Examples of proceedings which are not covered by insurance are: claims arising out of breach of contract, challenges to the legal validity of municipal by-laws, Ontario Municipal Board appeals, or Coroner's Inquests. Legal proceedings may also be initiated by the City itself, such as actions to recover debts, or to enforce contracts. It cannot be predicted in advance what volume of this work will be required or when it will be required. Also some matters may require a specific area of expertise. Accordingly, it is difficult to staff to respond to this need.

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It should also be noted that the City Solicitor has very limited authority to commence legal proceedings or to authorize settlements. Accordingly, Council approval is usually required before actions are commenced or settlements offered or accepted. Council therefore has considerable control over these expenditures. There is an ample supply of outside lawyers locally, who are capable of providing general litigation services to the City. Except in circumstances where a specific expertise is required, and it is not available locally, this work is outsourced to the local Bar.

It should also be noted that Prosecutions in the Provincial Offences Court are handled a little differently. As recommended by the Transition Board, the majority of these matters are handled by the Municipal Prosecutor or By-law Enforcement Officers, all non-lawyer employees of the Legal Division. When necessary due to the complexity of the matter, this work is outsourced to the local Bar and not handled in-house. Again, this is because the Legal Division is not currently staffed to provide litigation services in-house and this work can be efficiently outsourced locally.

In the last several years the City has also incurred significant outside legal costs related to public private partnerships or the pursuit of economic development opportunities. Examples include: Sudbury District Energy Corporation, Union Gas, Wind Farm, etc., all of which have required expertise, not available in-house, for example, expertise in the electricity or energy utility field. In many municipalities these legal costs are budgeted in capital or special project accounts in the relevant operating departments.

It should also be noted that the contracted services budget in the Legal Division is not used exclusively for the retention of lawyers. Also paid from this account are various expert witnesses required in the related litigation. For example, forensic accountants, appraisers, engineers, surveyors, planners, etc. In addition, the Legal Division purchases various support services from time to time from this budget, such as research, receptionist and file clerk functions. Whenever possible, the division also uses high school and college students on volunteer placements, at no cost, to supplement staff resources. During the summer months two law school students are hired at student rates.

Historically the routine work of the division, which can generally be categorized as solicitors' work, (i.e., not litigation/court work) has been kept in-house. This work requires expertise in municipal law and extensive corporate knowledge of the City itself i.e., City policies, practices, priorities, staff and Council. It is very difficult to outsource efficiently. However due to resource constraints in-house it has been attempted in the last two years. Results have not been encouraging. It is a very expensive way to deliver service and has not always resulted in more timely delivery. In many cases the expertise required is not available locally.

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It is important to understand that expenditures for contracted support staff and the outsourcing of routine legal work are the only truly discretionary expenditures in this budget. In 2003 they accounted for approximately \$206,600. The cost of litigation and other legal services will vary from year to year and depends on events and decisions not within the control of the Legal Division. The budget for outsourced legal services is at best a "guesstimate" based on experience, trends, and what outstanding matters we are aware of. In every year there are actions commenced by others which must be defended or other expenditures directed by Council.

The Legal Department advocated for and was granted additional in-house lawyers to eliminate the outsourcing of routine work. During the 2003 budget the hiring of one additional lawyer and a secretary were approved (budget option attached). However, the positions have not been filed.

SPECIFIC QUESTIONS FROM THE FINANCE COMMITTEE

At the March 3rd, 2004 Finance meeting staff were also requested to provide information comparing our municipality to other municipalities. In general, the largest municipalities (population 400,000 +) for example Toronto, Hamilton, Mississauga, Ottawa, and York Region maintain full service legal departments and outsource as little as possible. Only the exceptional files are referred outside. Small municipalities, (less than 100,000 population) rely more extensively on outsourcing, but many have at least one or two lawyers in-house. In the mid-size range (100,000 - 250,000) of single tier municipalities which Greater Sudbury occupies, other municipalities provide legal services with a mix of in-house counsel and outsourcing.

Identifying the relevant comparables is difficult. Population size is simple and has some relevance as it may reflect the volume of work handled by the legal department. However, it does not account for scope. Because the two tier system persists in the rest of the Province we have three different kinds of municipalities: upper tier (Regions), lower tier, and single tier. Greater Sudbury is now single tier, therefore our municipality (and legal department) is responsible for all areas of jurisdiction within the power of municipalities. Upper and lower tiers divide these responsibilities between them so the legal departments in neither upper tier or lower tier municipalities provide services equivalent to single tiers such as Greater Sudbury. Below is a chart listing the medium sized single tier municipalities and the number of in-house lawyers employed.

CITY	POPULATION	# IN-HOUSE LAWYERS
Chatham-Kent	104,000	1
Guelph	106,000	3
Kingston	108,000	4
Thunder Bay	112,000	1
Windsor	202,000	4

Date: March 5, 2004

We do not have any detailed information regarding the above municipalities budgets or expenditures on outsourced legal services. The municipalities were contacted for this information but it was not available for the preparation of this report. A letter will be provided under separate cover with some very ball park figures provided by the other municipalities. It should be noted that it is very difficult to ascertain whether we are comparing apples to apples. Each municipality will budget for legal expenditures in their own way, for example, all expenditures may be in the legal department budgets, others may absorb some of those amounts in other department budgets or in capital budgets.

Also we will not know if the comparable year is a typical one for that municipality or if they had extraordinary expenditures related to specific events. We would also need to ascertain what level of service the departments provide, such as, do the legal departments provide services to local boards and corporations, do they do insurance litigation, do they have a Provincial Offences court, etc. If such a report is to be developed it will require some time and the co-operation of the municipalities contacted.

As indicated our Legal Division does not budget for or direct legal services related to Human Resources, i.e., arbitrations and grievances. The Director of Human Resources has this jurisdiction and responsibility. The Legal Division does not currently have the capacity or expertise to assume this function in-house. If this work is to be "contracted-in" it will require the hiring of a sixth lawyer with the appropriate background. Mr. Thomson has prepared a separate report explaining how these services have been delivered to date.

Recommendations

To effect expenditure control in the provision of legal services it is respectfully submitted that Council consider the following recommendations:

1. Proceed to immediately to fill the vacant lawyer and secretarial position in the Legal Division as approved in the 2003 budget;
2. Budget for legal services in capital accounts when appropriate.
3. Review whether changes to the City's insurance program, such as assuming the claims handling and litigation functions in-house for claims below the City's deductible, would reduce costs. This would be done in conjunction with the RFP for insurance which will occur later this year. Changes of this nature would require additional staffing in both Legal and Finance. Some municipalities do this work in house, presumably at a cost saving.

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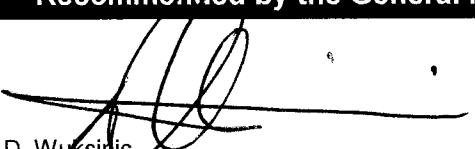
Type of Decision									
Meeting Date	March 30, 2004				Report Date	March 29, 2004			
Decision Requested		Yes		No	Priority	X	High		Low
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Report Title
Use of Consultants

Policy Implication + Budget Impact	
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

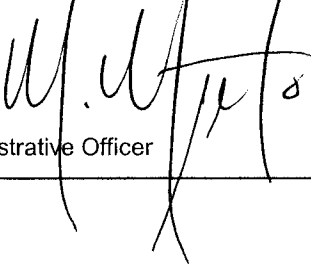
Recommendation	
FOR INFORMATION ONLY	
<input type="checkbox"/>	Recommendation Continued

Recommended by the General Manager



D. Wyksinic
General Manager of Corporate Services

Recommended by the C.A.O.



M. Mieto
Chief Administrative Officer

Date: March 29, 2004

Report Prepared By

Division Review

BACKGROUND

Council at its meeting of March 22nd requested a report on the subject of Consultants that could be used to establish future policy in this area. The report was also to include where they are currently used within the organization and their related costs.

From a policy perspective, a quick review of the internet resulted in the following policy statements regarding the definition of consultants and their use. From a policy of the City of San Diego, the following,

"The City requires services of a recurring nature or for a specific one time project which cannot be routinely provided by City staff either because of the expertise required or the ongoing workload. Consultants may be employed where City staff is unable to accommodate this requirement".

From Management Consultancies Association,

"probably the single most important reason for hiring consultants is to bring in people with a particular set of skills.....specialist knowhow falls into two categories. First there's the industry specific skills - unique people who are experts in your sector, perhaps to assess the implication of a move by one of your competitors or to help decide whether a new management approach -Customer Relations Management (CRM) for example would have benefits and second there is what you call issue specific skills, which is where you need people who are experts in a particular issue - it may be a problem or an opportunity."

And finally from the City of Toronto's policy for selection and hiring of professional consulting services we find the following,

"The City should only utilize consultants and professional services when:

- i) City staff are fully occupied with other tasks and assignments and the project requires urgent completion*
- ii) Specific projects require certain technical capabilities or unique and specialized advice not available inhouse*
- iii) The advice or services sought and the resulting expenditure can be justified as being necessary to satisfy program requirements*

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- iv) *Independent expertise is required by legislation or regulation*
- v) *Council has directed the use of external assistance, and/or*
- vi) *Priority Capital projects require greater City resources than are available....*

Professional and consulting services are defined as but not limited to those provided in the following category:

- i) *Technical and professional consultants who typically undertake activities for a defined assignment to assist Managers in delivering services requiring the application of mandatory or essential technical services by a credited professional or quasi-professionals (including architectural or engineering design, project supervision services, accounting, actuarial, medical, appraisal, scientific, community planning, banking/financial, surveying or landscape/interior design in name)*
- ii) *Management consultants who typically undertake planning, organising and directing activities to assist Managers in analysing management problems and in recommending solutions for a defined assignment (can be operational, administrative, organisational or policy in nature)*
- iii) *System development consultants who typically undertake activities on a defined assignment to assist Managers in developing and maintaining systems including information processing, telecommunications and office automation (can be analytical, project management, programming, testing or of an implementation nature)*
- iv) *Other consulting categories used at the City of Toronto include*
- v) *Legal consultants determined in consultation with Legal staff*
- vi) *Research and development consultants doing an investigative study to provide the City with increased knowledge or information*
- vii) *Creative communications consultants, inclusive of advertising, promotional, public relations and graphic design services.*

A consultant is defined as any firm or individual providing time limited expertise, advice or professional services that are not readily available from City staff. The skills are not present because it is not economical for the City to hire staff for that purpose or the work is not able to be accommodated internally in a timely fashion. Consulting services result in contracts (or other forms of agreement) and some are provided on a fee for service basis (mainly in technical/professional services).

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Not all services used by the City constitute consulting services as defined above, specifically the following types of services are not considered consulting assignments/projects for the purposes of this policy. They are used by the City to actually provide services on its behalf;

- i) Service provided under what is (legally) an employee/employer relationship*
- ii) Contracted out/outsourced services - garbage/waste collection, certain repair work, snow clearing for example*
- iii) Purpose of service contracts - day care, hospitals, language translation, certain testing inspections, certain computer systems development for example*
- iv) Managed services, golf courses, concessions, certain facilities for example*
- v) Fees, special examiners fees, employment/placement fees, training course instruction for example*
- vi) Tendered work for direct operational responsibilities for the City (ie. Where what is to be done and how it is to be done are known, specifications are detailed and suppliers compete only on price)."*

All of the above are excerpts from policy statements found on the web, however, we did not attach the full text as they are in excess of thirty-five pages in length. One can access these publications at www.city.toronto.on.ca/cao/pdf/consultants. With regards to the San Diego quote, it can be accessed at www.clerkdoc.sannet.gov/Website/council-policy. Finally with regards to the Management Consultants Association, this quote can be accessed at www.mcninet.com/onassociations.

In conclusion, all of the foregoing state in one way or the other that the criteria for retaining consultants can be summed up as follows:

- a) Where the field of expertise is not available in house
- b) Where there is insufficient internal resources to achieve the deadlines
- c) An external review is desirable or mandated
- d) Where one is acquiring proprietary knowledge or systems

Consultants Used at the City of Greater Sudbury

The City of Greater Sudbury is no different than any other major corporation within the private and/or public sector and uses consultants as described above. Attachment "I" will provide you with a partial listing of the consultants used in 2003.

Summary

From a viewing of the attachment, you will note that the majority of projects where consultants (outside expertise is utilized) is in the capital area. Accordingly, each of these projects is budgeted incorporating the consultants' costs as part of the overall project and are charged back to the capital budget.

Also please note that outside legal fees in both the human resources and legal division were not included in this study as they were subjects of two separate reports.

As stated earlier, the City of Sudbury is no different than any other major corporation and uses consultants / outside expertise, principally in one of the four criteria identified earlier; namely,

- (a) Where the field of expertise is not available in house.
- (b) Where there is insufficient internal resources to achieve the deadlines.
- (c) An external review is desirable or mandated.
- (d) Where one is acquiring proprietary knowledge or systems.

Consultants Used at the City of Greater Sudbury in 2003**Corporate Services**

Name of Consultant	Project / Use	Amount
Acclaim SBA Bradley Physiotherapy Centre CBI Physiotherapy and Rehabilitation Champagne - Klassen Psychological Service Sudbury Physio Centre	Employee Rehab and Rehabilitation	\$70,766
Appraisal North Realty Royal Lepage North Heritage Realty	Property Appraisals	41,160
D. S. Dorland Surveying Del Bosco Surveying	Legal Surveys	98,000
KPMG, LLB	Auditing and Various Management Reports	80,200
Harra Associates	Taxi By-law	28,850
Hemson Consulting Ltd.	Tax Capping / Tax Policy	16,150
Haynes Advertising	Elections / Advertising & Applications for Council & Citizen Appointments	57,325
I H S Solutions Limited	Council Document Search	57,330
Municipal Tax Equity	Tax Capping Project	27,371
George A. Gray Customs Brokers Limited	GST / PST for Goods Purchased in the States Project	11,865
R. F. Moffatt	Review of Assessment Base; defend or appeal values.	15,120
Vailtech	Upgrading of Tax System to include new regulatory requirements.	17,140

Name of Consultant	Project / Use	Amount
Tom Walton	Verification of Tax Vacancy Rebate Applications.	4,980
Avotus Corporation	Upgrade and training on OTM software package.	3,899
Class Software Solutions	Proprietary Information relating to our Leisure Service Programs registrations and facility bookings software.	22,050
LITCO Systems Incorporated	Payment of annual maintenance fee for Formscape product	4,379
Penn Systems	Development of Software for both Building and Fire Inspectors	27,704
PeopleSoft Canada	Implementation of ERP System modules Financials on Human Resources / Payroll	320,455
Spyre Solutions	Developed strategy for Financial Reporting Systems within the ERP System	26,215
E Solutions / Conestoga Rovers	Web design - Elections and Libraries	290,000
Kronos	Implementation of Proprietary System dealing with Payroll and Scheduling within Emergency Services	77,750
Subtotal		1,298,709

Public Works Department retains engineering consultants on a regular basis. With few exceptions, all consulting assignments are for design tendering and supervision of capital construction projects. Some of the large projects will stand several years with the corresponding engineering fees also spread over consecutive budget years. In 2003, the Public Works Department retained the following consulting engineers:

Name of Consultant	Project / Use	Amount
Earthcare Canada Limited	Algonquin Area Storm Water Study	120,000
K. Smart Associates	Various municipal drains i.e. Macher - Perras Drain; Trillium Drain, Branch D, Brunet Drain	113,000
Gas Tops Limited	Project Treatment Plants maintenance plan	360,000
R. Ferron	Fall Arrest Systems, Plants	40,000
Earth Tech Canada Limited	Solid Waste Optimization Study	198,000
Earth Tech Canada Limited	Class Environmental System - New Sudbury Sewers	104,000
Golder Associates Limited	Ground Water Studies - Capreol, Valley East, Garson, Dowling, Falconbridge, Onaping	588,000
Dennis Consultants	Capreol Water Supply	410,000
Golder Associates	Landfill Sites Monitoring	70,000
R. V. Anderson / Dennis Consultants	South End Rock Tunnel (multi-year cost)	3,000,000
Subtotal		5,003,000

The following multi-year consulting assignments were issued prior to 2003 and are ongoing:

Name of Consultant	Project / Use	Amount
C. H. M. Gore & Storrie Limited	David Street Water Treatment Plant	2,600,000
Northland Engineering	Municipal Road 35, Roads & Bridges, Four Lining	1,350,000
Dennis Consultants	Small Water Systems Upgrade and Compliance	130,000
Subtotal		4,080,000

Emergency Services

Name of Consultant	Project / Use	Amount
IBI Group	Master Fire Plan	101,111
William Jones	Master Fire Plan	31,200
John Braney	Master Fire Plan	13,876
IBI Group	Co-Ordination Services for CGS Fire Service Communications (Entire project cost \$210,865)	14,711
Subtotal		160,898

Economic Development & Planning

Name of Consultant	Project / Use	Amount
Creative Odyssey	Regional Business Centre Project - Business Plan Challenge, Brochures, Ads, Community Outreach	7,500
Nexus Graphics	Youth Strategy Project - Logo Development, Booth Design	6,500
Thomson, Tremblay & Cooper (TTC)	Expo 2000 Project - Marketing and Promotion Brochure	15,000
50 Carlton	Tourism Project - Re Tourism Marketing	40,000
Paul Haynes	Tourism Project - Tourism re Creative Remarketing	18,000
Accumen Consultants	Feasibility Study Report on Development of a Technology Incubator (90% sponsored by Fednor)	22,500
Connect Inside Inc.	Connect Ontario Project - Development of a Business Plan and the Geo Smart Funding Application (50% funded by the Province)	66,087
Spacial Data Solutions	Connect Ontario Project	1,000
Nexus Graphics	eSudbury.com Project / Smart Works Brand Creation	5,600
Creative Odyssey	eSudbury.com Project / Smart Works Prototype Logo Design	1,150
CECGEO Group	eSudbury.com Project	13,018
Northway Photomap Inc.	West Nile Virus Control	23,074

Name of Consultant	Project / Use	Amount
BioForest Technologies	West Nile Viruses Control Project / Mosquito Larvae Siting	1,040
Morkon Consultants	Audit of Animal Control Services to prepare for competitive bid process	1,500
BPPI Partners	Digitizing all of CGS's Zoning By-laws and Maps (Transition Board Recommendation)	17,870
Meridian	Official Plan Consolidation	88,372
Meridian	Official Plan Review	287,094
Michilak and Callio	Official Plan Background Study - Healthy Communities	44,940
Monteith	Official Plan - Parks & Leisure	138,796
Earth Tech	Official Plan Review - Storm Water	123,050
Dennis Consultants	Official Plan Review - Infrastructure	174,000
Meridian	Official Plan Review - Water Front and Rural Issues	32,275
Meridian	Official Plan Review - Agriculture	44,252
Sani-ITA	Ortho Imagery	101,842
Earth Tech	Official Plan Review - Transportation Study	175,000
Subtotal		1,449,460

Citizen and Leisure

Name of Consultant	Project / Use	Amount
G. Michalak & Associates	Community Action Network	4,895
Mark Elliott Associates Landscape Architects	Minnow Lake Place Site Plan	10,037

Name of Consultant	Project / Use	Amount
VeriFact	Public Opinion Poll re Volunteer Centre	3,638
Perry & Perry Architects	Architectural and Project Management Services Mausoleum at Civic Memorial Cemetery	32,500
DMA Consulting	Library Branch Space Needs Report	40,000
Castellan Luciew James Architects	Greater Sudbury Airport	134,010
Desmarais Keenan	Purchase of Voyageur Hangar	14,400
Earth Tech	Sudbury Airport Project - Water / Wastewater Requirements	97,640
Pryde Schropp McComb Inc.	Sudbury Airport - Aeronautical Engineering Design for Electrical / Navigational Aids	24,150
Subtotal		361,270

Health and Social Services

Name of Consultant	Project / Use	Amount
Nicholls Yallowega Belanger	Architectural Services - renovations Pioneer Manor	1,500,000
Fred Lowes	Project Supervision - Pioneer Manor Project	103,000
Chris Stewart	Various Seniors' Issues	80,000
Subtotal		1,683,000

Request for Recommendation Finance Committee

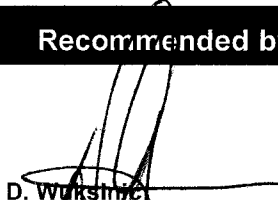


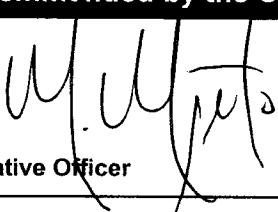
Type of Decision									
Meeting Date	March 30, 2004				Report Date	March 30, 2004			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
Update on Tax Policy

Policy Implication + 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
For information only.
Recommendation Continued


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

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

Date: March 30, 2004

8

Report Prepared By



E. Stankiewicz
Co-ordinator of Current Budget

Division Review


for
S. Jonasson
Director of Finance/City Treasurer

BACKGROUND

This report will provide Council with basic information regarding property tax policy, tax billing schedule, educational tax rates, Bill 140 capping information, tax tools and new options available to municipalities.

Since 1998, with the introduction of the Fair Municipal Finance Act, municipalities have been required to establish property tax policies under provincially legislated guidelines. These guidelines have changed regularly, requiring municipalities to re-think and re-adjust their policies on an annual basis.

Property tax policy is a complex issue. There is no one-size fits all solution, as each municipality has unique circumstances.

For 2004, the new provincial government has provided more options in addition to the tax tools that are currently available. As a result of these additional tools, more analysis will have to be undertaken for 2004.

For this analysis the City has retained a Property Tax Policy Consultant in order to provide Council with the most appropriate recommendations relating to tax policy for our community.

Educational Session for Council

Since there are a number of new city councillors, an educational session relating to property tax policy will be held in order to provide a history and possible ramifications of the tax tools. Some of the issues that will be addressed are:

1. History of property tax reform in Ontario
2. Primary tax policy responsibilities and decisions faced by Council
3. Provincial rules and regulations governing tax policy
4. The results of using some of the tax tools available to the City
5. What decisions the City of Sudbury has adopted in the past
6. The implications of the Province's system of levying education property taxes
7. What effect the recent developments related to tax policy will have on the City's residents.

This education session will be held in April and will be conducted by our Property Tax Policy Consultant.

When can the Tax Policy Development be performed?

Once again, the City will be waiting for the Province to file regulations before any analysis can be performed. The Province has extended all of the tax policy decision deadlines to the end of May, realizing that all regulations required for municipalities to proceed with analysis cannot be filed in a timely basis. There are a number of issues that have to be considered relative to tax policy as outlined in the next section.

Date: March 30, 2004

Tax Tools

There are a number of tax tools that are available to municipalities for property tax policy development. The City has options to:

1. Alter tax ratios
2. Choose optional property classes
3. Choose new property classes
4. Choose discounts for sub-class properties
5. Fund capping shortfalls
6. Choose the percentage of tax rebate for registered charities
7. Use graduated taxation
8. Implement a phase-in program

These tools will be explained at the education session.

To date the City has:

- Altered tax ratios in order to ensure that all property owners pay their share of any municipal levy increase.
- Adopted a large industrial class to ensure that these properties continue to pay their fair share of taxes.
- Adopted a new multi-residential class with a lower ratio than the conventional multi-residential class in order to promote development.
- Funded a capping shortfall in the industrial class by a contribution from reserves in 2003.
- Provided a 40% tax rebate to registered charities in accordance with provincial legislation.

For 2004, the Province introduced two new tax tools which will allow municipalities to pass on some levy increases to property owners who are in classes that exceed the provincial threshold and will also allow municipalities to move tax ratios upward to provide revenue neutrality within a class. More analysis is required to determine the impact of each.

Education Tax Rates

The City has been contacting the Ministry of Finance staff enquiring as to what date the regulation relating to both residential and non-residential tax rates will be available. To date they have not provided any information relative to the timing of the regulation. The residential tax rates are crucial to the City meeting it's targeted tax due dates of early June and early July. Prior to 1998 these dates were the norm, but the complexities of tax capping has prevented us from achieving these dates, although we have been closer in the last two years. In 2003, the final tax due dates for residential properties were June 26, 2003 and July 28, 2003, with non-residential due dates being July 28, 2003 and August 28, 2003. It was hoped that it would be possible to go back to the historical due dates for all classes in 2004. However, due to delays with provincial regulations it is unlikely that these dates are achievable, thereby adversely affecting our cash flow. The non-residential education rates are crucial to the analysis required to determine taxation levels related to Bill 140 adjustments (capping and clawbacks).

On-line Property Tax Analysis (OPTA) System

The application that the City uses for analysis of the tax tools and the Bill 140 capping provision is the On-line Property Tax Analysis system. The system accepts the assessment data from the Municipal Property Assessment Corporation (MPAC) and updates this data regularly to ensure changes to property values are incorporated into the system. This data is continually revised to ensure the utmost accuracy prior to any analysis being performed.

Bill 140 Capping Provision

The province, through Bill 140, only allows for a 5% tax increase (excluding the municipal levy increase) from the previous year's taxation level for properties in the multi-residential, commercial and industrial classes. In 2003, the 100% clawback of the reduction properties did not provide sufficient funding to pay for the capping of the increasing properties. Therefore, the City had to bring approximately \$300,000 into revenues from reserves to offset this funding shortfall. Until the OPTA system is completely operational with the capping reports available, it will not be known whether the City will experience a capping shortfall in 2004.

As a result of the lack of regulations required and OPTA modifying the system relating to the new regulations that have currently been filed, there will be a delay in tax policy development for 2004.

Summary

At this time, staff is not certain when property tax policy can be completed. However, Council will be kept apprised of the progress of this issue.

Request for Recommendation Finance Committee

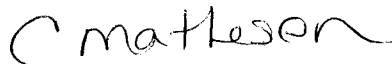


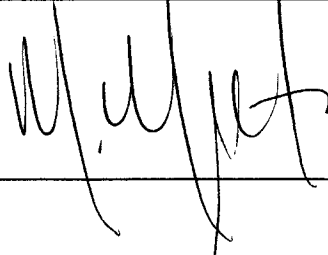
Type of Decision										
Meeting Date	March 30 th , 2004				Report Date	March 29 th , 2004				
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low	
	Direction Only				Type of Meeting		Open		Closed	

Report Title
Emergency Shelter Beds - Strategies for Funding

Policy Implication + 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.
This is for information purposes only	
Background Attached	

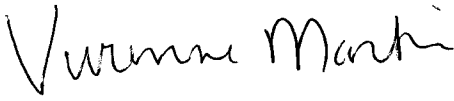
Recommendation
N/A
Recommendation Continued

Recommended by the General Manager
 Catherine Matheson Health and Social Services

Recommended by the C.A.O.
 Mark Mieto CAO

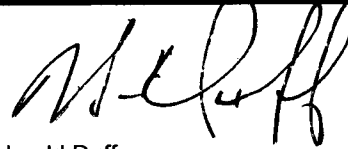
Date: March 30th, 2004

Report Prepared By



Vivienne Martin
Technical Writer/Trainer

Division Review



Harold Duff
Director, Social Services

A community meeting was held on March 5th, 2004 with the key agencies who provide Emergency Shelter Beds for the City of Greater Sudbury to:

- address funding;
- develop a strategy for the provision of service to homeless women and children who are not victims of domestic violence given the opening of the new YWCA Geneva site and change in their mandate; and
- to discuss a long term model for the provision of all emergency shelter beds in the City of Greater Sudbury.

It should be noted that during the current 2004 budget deliberation process, several of the Emergency Shelter Bed Service providers and support services, such as the Homeless outreach worker component, have requested enhancements to their base budget. Many of those issues are being explored through the ongoing community meetings and may be addressed as a result of the long term model.

Funding

It was determined that the static Provincial funding formula is effecting the short term and long term realities of providing emergency shelter beds within the City of Greater Sudbury. Funding is capped at \$38 per day and is issued on occupancy rate. Operationally, services providers must still pay fixed costs associated with maintaining a shelter. Additionally the capped cost does not reflect the actual cost associated with the provision of all the supports required to 'shelter' a homeless individual or family.

To assess the impact of the Utilization Rate the Social Services Division reviewed the 'peak' time for access to shelter, January to March for the past three years.

Utilization Rates

Agency	Occupancy Rate Jan (%)			Occupancy Rate Feb (%)			Occupancy Rate Mar (%)		
	2002	2003	2004	2002	2003	2004	2002	2003	2004*
Elizabeth Fry	74	92	79	107	104	92	105	114	86
YWCA Geneva House	63	75	74	55	150	94	45	173	88
Foyer Notre Dame	85	99	105**	53	102	122**	99	110	114**
Salvation Army	86	106	67	86	106	88	83	92	83
Inner Sight	85	80	50	88	65	45	87	78	43

* forecasted utilization rate for March 2004 by the Social Services Division

** Occupancy rate above 100% as 'Extreme Cold Weather Alert' program was in effect and no individual or family is turned away.

Date: March 30th, 2004

2005/2006 trends show a stabilization, and potential decline in the required beds for homeless males and females, except for young females accessing service at Foyer Notre Dame.

The seven bi-annual Time Studies, from July 2000 to July 2003, have consistently identified a core absolute homeless population hovering around 250. In mid 2002 the Salvation Army and the Elizabeth Fry Society received additional beds which created additional capacity. These additional emergency shelter beds have resulted in the occupancy rate falling below 100%. The City of Greater Sudbury's implementation of the Extreme Cold Weather Alert has also impacted utilization as the Mission is now open through out the night and individuals may choose to stay there rather than access an emergency shelter. The Mission is not a shelter provider except during an Extreme Cold Weather Alert. The occupancy rate supports the need for additional beds at Foyer Notre Dame (January 2004 -105%, February 2004 -122%).

The City of Greater Sudbury holds funding agreements with shelter operators and is reviewing bed utilization based on need. A greater detailed review of the need will be conducted over the next two months.

Actual Budget to run a Shelter.

Based on the March 5th, 2004 community meeting, the Social Services Division has been meeting with the service providers to understand what a true reflection of cost would be for the provision of the Emergency Shelter Bed component. The Division has confirmed that the Region of Halton provides annualized funding by 'topping' up to \$48 per diem. Peel Region has indicated that there is 'topping' up that ranges from \$67 to \$106 per diem. The financial impact is significant and the Division will have a policy paper with options available for May 2004.

The Division anticipates that there will be no interruption of service for Homeless Women and Children as it works collectively with several key agencies to develop a short term solution. With the Division taking the leadership role in the establishment of an integrated service delivery model for emergency shelter beds , the community is looking toward October 2004 to embark on a local solution in response to the issues raised.

2004 CAPITAL BUDGET REVIEW

Correspondence for Information Only

Request for Recommendation Finance Committee




Type of Decision									
Meeting Date	March 30, 2004				Report Date	March 29, 2004			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority		High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
Capital Expenditure Freeze, all except Roads

Policy Implication + Budget Impact	
<input 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 Continued

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

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

Date: March 29, 2004

Report Prepared By**Division Review****BACKGROUND**

At the Finance Committee meeting of March 22nd, Council requested a report outlining the impact of "a freeze on all capital spending other than roads projects until the end of 2004". Council will recall that it approved portions of the City Capital Budget in January, 2004. Specifically Council approved the Roads, Water and Wastewater Capital Budgets. Council did so to get an early start on construction this spring. Council also appreciated that in many instances water and wastewater replacements accompany road projects.

At this juncture, we have awarded several contracts for both roads, water and wastewater, and several more are either out to tender or very close to being so. Stopping the process at this stage would impact on both roads, water and wastewater projects (see Attachment "A").

Several water and wastewater projects are not associated with road improvements. These projects primarily address capacity and compliance requirements in our treatment plants. Examples are the Valley East and Capreol water supplies (\$3.4 million), Levack water supply (\$.5 million), Sudbury Wastewater Treatment Plant upgrades (\$1.6 million), Lively Wastewater Treatment Plant capacity (\$1.3 million), and the South End Rock Tunnel (\$1.6 million). We do not recommend that any of these projects be delayed as they are required to either keep us in compliance with regulations, or to respond to capacity issues. In the case of the Rock Tunnel Sewer, stopping this project would immediately freeze all residential, commercial, industrial and institutional construction in the City's south end.

In addition to the sewer and water projects, a number of other projects already underway and previously approved in the various envelopes will be affected. A partial listing of these projects would be:

- ▶ IT licences - if these licences were not purchased our ability to use our current system would cease.
- ▶ The soccer field project at the former Sacred Heart College would stop and we would have to renege on our commitment made to the Separate School Board.
- ▶ Pioneer Manor project - expenditures on Pioneer Manor which is currently under construction would be affected provided we were able to renegotiate on our contractual obligations.
- ▶ Emergency medical purchases of replacement equipment and ambulances would not take place. Currently these expenditures are matched 50% by the Province through the CRF and any delay on this matter could jeopardize the 50% provincial funding.
- ▶ Emergency planning needs such as a decontamination shelter and public's awareness equipment would not be purchased and could jeopardize the 45% subsidy from the Province on these issues.
- ▶ Within the Fire Services Division, essential fire fighting equipment such as replacement bunker gear, portable radios, pages, hoses, nozzles, and the replacement of the aging fleet would stop.
- ▶ Councillors' access to the \$350,000 in community improvement and neighbourhood participation projects funding, which is used to support a number of community-based initiatives in the different wards would stop.

Date: March 29, 2004

- ▶ Delayed monitoring surveillance studies and implementation measures at various solid waste sites, in particular the Sudbury site, destined to become the City's sole Solid Waste Disposal Site, would violate our Certificates of Approvals for Solid Waste Disposal, exposing the City to charges and prosecution by the MOE.
- ▶ Million dollar contribution to the hospital would cease.
- ▶ Physician recruitment and retention projects would go unfunded. Several projects within the Citizen and Leisure Services general envelope dealing with health and safety issues would stop. For example, the Electrical Safety Authority has ordered that the electrical panel utilized for special events at the Sudbury Arena be upgraded. If the panel is not upgraded, the City could jeopardize future concerts, shows, and arena special events. In addition, a number of other health and safety related projects on numerous sport fields, arenas, pools, etc. will stop, along with the allocation of funds for the inspection, repair, and replacing of aging playground equipment so as to ensure compliance with the new playground safety standards.
- ▶ Other projects such as the South Branch Library project, Adanac / Rotary Park development, the Minnow Lake Skate Board Park project, the Memorial Park Wall of Honour projects, and land acquisitions for trail development would stop.
- ▶ Within the Transit operation, Council approved the award of the tender for the purchase of six new buses to New Flyer Industries in the amount of \$2,531,782.50. These buses are being purchased with the assistance of the Ontario Transit Renewal Program, which is contributing 33% or \$814,573.40 to the acquisition costs of these vehicles. These vehicles are currently on the assembly line and the City has been making progress payments which, by the end of March, will total three-quarters of the purchase price of these vehicles, and the vehicles are scheduled for delivery at the end of April. Should capital expenditures be frozen, the last of the payments on these buses would not take place. In addition, three buses were scheduled for rebuilds in 2004 so as to extend their service life and delay purchase of new. Again, should all capital expenditures be frozen, these rebuilds would not take place.
- ▶ The expansion of the development of the Civic Memorial Cemetery and the installation of new niche walls at the St. Joseph's Cemetery, as well as the expansion of the Civic Memorial Cemetery would not take place, and as a result the City would be at risk of having insufficient burial space to meet the community burial needs by late November or early 2005.

A complete listing of projects that would be affected by a freeze are found on Attachment "B"; please ignore those projects that are just "Roads" in scope.

**PUBLIC WORKS DIVISION
ROADS & DRAINAGE
2004 - 2006 CAPITAL BUDGET PROJECTS
2004 Roads & Drainage Capital Projects**

FUNDING SOURCES

Project	Project Description	Project Costs	Capital Envelope	Reserves or Reserve Funds	Grants or Subsidies	Other Recoveries	Unfinanced Project Costs
<u>Structures</u>							
Completion of 2003 Projects		\$ 150,000	\$ 150,000				
Paris Street Bridge over CPR Main Line PH II		\$ 2,200,000	\$ 2,200,000				
Engineering Consultant Analysis/Spot Upgrading		\$ 150,000	\$ 150,000				
	MR 55 @ Big Nickel Structure Upgrading	\$ 120,000	\$ 120,000				
	Various	\$ 280,000	\$ 280,000				
	Replace Deficient System	\$ 20,000	\$ 20,000				
	Frost to Elmview	\$ 40,000	\$ 40,000				
	Replace Deficient System	\$ 20,000	\$ 20,000				
	Replace Deficient System at City Owned Parking Lot	\$ 60,000	\$ 60,000				
	David/Naughton	\$ 50,000	\$ 50,000				
	Drainage Outlet	\$ 60,000	\$ 60,000				
	Various	\$ 50,000	\$ 50,000				
		\$ 60,000	\$ 60,000				
		\$ 110,000	\$ 110,000				
		\$ 96,000	\$ 96,000				
	Edward to Edward	\$ 18,000	\$ 18,000				
	Edward to Edward	\$ 36,000	\$ 36,000				
	Sellwood to Lincoln	\$ 26,000	\$ 26,000				
	Danforth to Westmount	\$ 18,000	\$ 18,000				
	Edward to William	\$ 65,000	\$ 65,000				
	at MR 55	\$ 9,000	\$ 9,000				
	Confederation School to Frappler	\$ 15,000	\$ 15,000				
	Main to Elizabeth Centre Entrance	\$ 15,000	\$ 15,000				
	New Sidewalk	\$ 15,000	\$ 15,000				
	Stonewall to Westmount, New Sidewalk	\$ 15,000	\$ 15,000				
	Martin to Menard, New Sidewalk	\$ 15,000	\$ 15,000				
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		\$ 65,000	\$ 65,000				

**PUBLIC WORKS DIVISION
ROADS & DRAINAGE
2004 - 2006 CAPITAL BUDGET PROJECTS
2004 Roads & Drainage Capital Projects**

FUNDING SOURCES

Project	Project Description	Project Costs	Capital Envelope	Reserves or Reserve Funds	Grants or Subsidies	Other Recoveries	Unfinancial Project Costs
Spruce	Gilman to Barlow	\$ 7,000	\$ 7,000				
Orell	House #177 to Ravina	\$ 20,000	\$ 20,000				
Levack	Various	\$ 10,000	\$ 10,000				
Hanna	Mitchell to Crescent	\$ 25,000	\$ 25,000				
Bonnie/Deborah	Field to East End	\$ 50,000	\$ 50,000				
St. Raphael	Stairway Extension	\$ 20,000	\$ 20,000				
Downland	Gemmell	\$ 22,000	\$ 22,000				
Downtown Lockstone Repair	Various	\$ 20,000	\$ 20,000				
Paraplegic Ramps	Various	\$ 30,000	\$ 30,000				
New Street Lights							
Gravel Drive, House #1687		\$ 1,300	\$ 1,300				
Keast Drive, Pole S7166, S7168		\$ 1,600	\$ 1,600				
McKenzie, House #3119		\$ 1,300	\$ 1,300				
Poplar Street, Pole B18670, B18673		\$ 2,600	\$ 2,600				
Niemi Road, House #21		\$ 1,300	\$ 1,300				
Martene, House #4339		\$ 1,300	\$ 1,300				
Kantola Road, House #393, #405		\$ 2,600	\$ 2,600				
Goodwill, House #569		\$ 1,300	\$ 1,300				
Gravel Drive, House #1030		\$ 1,300	\$ 1,300				
Hesta Street, Two Lights for Street		\$ 2,600	\$ 2,600				
St. Laurent, House #3348, #3358		\$ 2,600	\$ 2,600				
South Bay, Between Keast and Arlington		\$ 1,600	\$ 1,600				
2 Lights		\$ 1,300	\$ 1,300				
Seguin Street, House #358		\$ 175,000	\$ 175,000				
Street Light System Upgrades		\$ 70,000	\$ 70,000				
Traffic Signals		\$	\$				

**PUBLIC WORKS DIVISION
ROADS & DRAINAGE
2004 - 2006 CAPITAL BUDGET PROJECTS
2004 Roads & Drainage Capital Projects**

FUNDING SOURCES

Project	Project Description	Project Costs	Capital Envelope	Reserves or Reserve Funds	Grants or Subsidies	Other Recoveries	Unfinanced Project Costs
<u>Roads</u>							
Completion of 2003 Program		\$ 200,000	\$ 200,000				
Paris Street Upgrading	5th Lane/Overlay Walford to Paris	\$ 2,000,000	\$ 2,000,000				
St. Salle Blvd. Upgrading	Allee Avenue to Barrydowns Road	1,700,000	4,400,000				
Voivre Dame Avenue	Phasecti	100,000	100,000				
/alleyview Drive	Phase II	100,000	100,000				
Bellevue Drive	Valleyview to .7 km north	\$ 100,000	\$ 100,000				
Sarsoua/Coniston	Spot	100,000	100,000				
Remage Lake Road	Spot	100,000	100,000				
Regent Street	Basin to Lochs Road North Side	100,000	100,000				
Wentworth Avenue	2003 Limit to Kingsway	\$ 90,000	\$ 90,000				
St. Joseph Street	Phase II Completion 2003 Project	100,000	100,000				
High Street	Leach Street, Westerly	50,000	50,000				
Armand Crescent	Edwards Avenue to Edward Avenue	\$ 00,000	\$ 00,000				
Deane Street	Selwood Street to Edmond Crescent	\$ 00,000	\$ 00,000				
Deak Street	Hansen North bog	\$ 00,000	\$ 00,000				
Street	Highway 144 to Balfour	15,000	15,000				
WRTS	Railway Crossing to Basin	\$ 15,000	\$ 15,000				
280 Road	Goodview to Ceedale	\$ 140,000	\$ 140,000				
Starr Street	Overlap with 2003 Watermain Work	\$ 00,000	\$ 00,000				
Donnell Street	Donnell Avenue to Westmount Avenue	20,000	20,000				
Esplanade	Grade Overlay	10,000	10,000				
Elgin Street		\$ 00,000	\$ 00,000				
<u>Other</u>							
Wesland street	Water SAC	45,000	45,000				
Larry street	Water SAC	20,000	20,000				
Donnie drive	turning circle and grade adjustments	\$ 00,000	\$ 00,000				
Storm water Official Plan review		\$ 30,000	\$ 30,000				

**PUBLIC WORKS
2004 - 2006 CAPITAL BUDGET PROJECTS**

2004 CAPITAL WATER PROJECTS

FUNDING SOURCES

PROJECT DESCRIPTION	PROJECT COSTS	CAPITAL ENVELOPE	RESERVES AND RESERVE FUNDS	GRANTS SUBSIDIES	OTHER RECOVERIES	UNFINANCED COSTS
Southview - 12" - Martindale to Fernwood (#2 by number of breaks)	\$1,130,000					
Regent St - Access to Herold - 12" (commitment to ORC)	280,000					
Long Lake Road - Fire Hall to Alice - 24" (Prior to road project by developer)	450,000					
Operating Manuals	200,000					
Water Upgrade with road program	200,000					
Bryere - Morin to east end (to eliminate 2" main)	100,000					
Whittaker - South of Struthers (to eliminate 2" main)	65,000					
MR 84 - M Well to Hannah	500,000					
8th Ave and 7th ave Lively (to eliminate 2" main)	300,000					
Levack water supply	500,000					
Falconbrige water supply	75,000					
Valley east water upgrades, compliance	1,000,000					
Capreol water supply	2,400,000					
Walden & Dowling, tank repairs	100,000					
Wanapitae WTP compliance upgrades	500,000					
SCADA upgrades	100,000					
Operating manuals & as-builts	100,000					
Contingencies	220,000					
	\$5,220,000					

**PUBLIC WORKS
2004 - 2006 CAPITAL BUDGET PROJECTS**

2004 CAPITAL WASTEWATER PROJECTS

PROJECT DESCRIPTION	PROJECT COSTS	CAPITAL ENVELOPE	FUNDING SOURCES			UNFINANCED COSTS
			RESERVE FUNDS	GRANTS SUBSIDIES	OTHER RECOVERIES	
South End Rock Tunnel	\$1,600,000					
Operating Manuals	200,000					
Paris Street (with road program)	100,000					
Sewer Upgrade with road program	300,000					
I&I Reduction / Relining	200,000					
Sudbury WWTP, workshop and clarifiers	1,650,000					
Lively WWTP, expansion design	1,300,000					
Sludge/energy design	100,000					
Rerate Azilda and Chelsmford WWTP	200,000					
Lift station upgrades	150,000					
St. Charles lift station upgrade	150,000					
Scada upgrades	100,000					
Operating manuals and as-builts	50,000					
Energy management	200,000					
Contingencies						
TOTAL WASTEWATER 2004	\$6,400,000	\$6,400,000				\$0

Request for Recommendation Finance Committee




Type of Decision										
Meeting Date	January 24, 2004				Report Date	January 22, 2004				
Decision Requested	<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
2004 Base Capital Budget

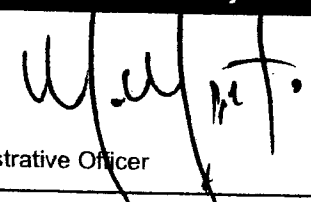
Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<input checked="" type="checkbox"/>	Background Attached

Recommendation
<p>Whereas Council has requested the early approval of the 2004 Capital Budget to allow those projects approved to proceed in a timely fashion;</p> <p>It is therefore recommended that the 2004 capital program be approved as detailed on the following schedules:</p>
<input checked="" type="checkbox"/> Recommendation Continued

Recommended by the General Manager



 D. Worsnick
 General Manager of Corporate Services

Recommended by the C.A.O.


 M. Mieto
 Chief Administrative Officer



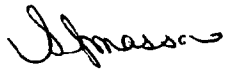
Report Prepared By



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D. Dumontelle
Acting Co-Ordinator of Capital Budget

Division Review



S. Jonasson
Director of Finance/City Treasurer

Citizens and Leisure	Library	\$ 325,000
	Community Improvement Plan	200,000
	Neighbourhood Participation Projects	150,000
	General	569,580
	Cemetery	250,000
	Transit	180,000
	Parking	110,000
Corporate Services	Corporate Infrastructure	311,340
	Information Technology	102,000
	Community Support Projects	1,020,000
Economic Development & Planning		839,090
Emergency Services		1,566,560
Health & Social Services		1,093,740
Police Services		1,866,760
Public Works	Buildings	1,940,850
	Roads & Drainage	9,309,250
	Municipal Road 35	2,100,000
	Water	8,220,000
	Wastewater	6,400,000
	Solid Waste	2,920,000
	Fleet & Equipment	<u>3,052,000</u>
TOTAL CAPITAL PROGRAM - 2004		\$ <u>42,526,170</u>



with funding to be provided as follows:

Current Fund - Capital Envelopes			\$ 32,819,020
Reserves & Reserve Funds			
1. Library Reserve Fund	125,000		
2. Cemetery Reserve Fund	250,000	\$4,000	
3. Reserve Fund - Equipment Replacement	3,627,000	2,126,000	
4. Parking Reserve Fund	110,000	200,000	
5. Reserve Fund - Emergency Services Ambulance	932,739		
6. Reserve Fund - Equipment Replacement - Police	1,038,500		
Capital Financing Reserve Fund - Police	140,000		
7. Capital Financing Reserve Fund - Water	1,167,850		
8. Transfer to Capital Financing Reserve Fund - Wastewater	(312,340)		
9. Capital Financing Reserve Fund - Solid Waste	<u>1,900,000</u>		8,978,749
Grant or Subsidies			78,401
Reallocated Capital			600,000
Other Recoveries			<u>50,000</u>
TOTAL FUNDING			\$ <u>42,526,170</u>

The attached spreadsheet itemizes these amounts.

BACKGROUND

Attached are the proposed projects to be undertaken in 2004 for each capital envelope funded through the 2004 budget. Those capital projects funded entirely from reserve funds (Cemetery, Equipment Replacement and Parking) are also provided.

For information, background reports for Economic Development, Corporate Services - Information Technology, and Police Services Board are appended. Also attached are the capital requests for the closed recreational facilities.

Council does not approve Police Services projects, it approves only the envelope. However, for information purposes, the Police Capital Projects are included.

The Long Term Financial Plan (LTFP) identified Capital Funding gaps over the next ten years. 2004 to 2006 budget submissions include requests for items for which no funding, in entirety or partially, has been identified. The approval for these projects is subject to the approval of a Capital Financing Alternative Program. Any unfunded 2004 capital projects will have to be deferred until 2005 and future years.

During the preparation of submissions, every effort was made to match the timing of the needs identified in the LTFP but there may be discrepancies from a year to year basis as some projects may be accelerated or delayed in some cases. Overall, the needs identified in the LTFP have been accounted for as well as needs that have arisen since the preparation of the LTFP (eg. Fire bunkergear). In the LTFP, approximately \$230 Million was identified for capital roads needs. Details of these needs have been provided in the Capital Financing Alternative Report also on today's agenda.

The requests for 2005 and 2006 have been attached for your information.



CITY OF GREATER SUDBURY
2004 - 2006 CAPITAL BUDGET PROJECTS

2004 CAPITAL PROJECTS

CAPITAL ENVELOPE	Project Costs	FUNDING SOURCES					Total Funded	Unfinanced Project Costs
		Capital Envelope	Reserves or Reserve Funds	Grants or Subsidies	Capital and Other Recoveries	Reallocated		
Citizens and Leisure								
Library	\$325,000	\$200,000	\$125,000 1			\$325,000	\$0	
Community Improvement Plan	200,000	200,000				200,000	0	
Neighbourhood Participation Projects	150,000	150,000				150,000	0	
General	7,540,000	494,580		\$25,000	\$50,000	569,580	6,970,420	
Cemetery	250,000	250,000 2				250,000	0	
Transit	180,000	180,000 3				180,000	0	
Parking	110,000	110,000 4				110,000	0	
Subtotal	8,755,000	1,044,580	665,000	25,000	50,000	1,784,580	6,970,420	
Corporate Services								
Corporate Infrastructure	311,340	311,340				311,340	0	
Information Technology	602,000	102,000				102,000	500,000	
Community Support Projects	1,020,000	1,020,000				1,020,000	0	
Subtotal	1,933,340	1,433,340	0	0	0	1,433,340	500,000	
Economic Development								
	839,090	839,090				839,090	0	
Emergency Services								
Fire and EMS	6,005,560	185,240	1,327,699 5	\$53,401		1,566,340	4,440,000	
Health and Social Services								
	3,093,740	593,740			600,000	1,093,740	0	
Police Services								
	3,235,500	488,260	1,178,500 6		200,000	1,866,760	1,371,740	
Public Works								
Buildings	3,616,350	1,940,850				1,940,850	1,675,500	
Municipal Road 35	2,100,000	2,100,000				2,100,000	0	
Water	8,220,000	7,052,150	1,167,850 7			8,220,000	0	
Wastewater	6,400,000	6,712,340	(312,340) 8			6,400,000	0	
Solid Waste	2,920,000	1,020,000	1,900,000 9			2,920,000	0	
Fleet and Equipment	3,052,000	3,052,000 3				3,052,000	0	
Subtotal	35,617,500	28,134,390	5,807,510			38,942,100	1,675,500	
2004 TOTAL	\$57,457,830	\$37,319,020	\$8,978,749	\$78,401	\$850,000	\$42,526,170	\$14,957,660	

CITIZEN AND LEISURE SERVICES DEPARTMENT

2004 Citizen and Leisure Services Capital Projects - Libraries and Leisure

FUNDING SOURCES

Project Description	Project Costs	Capital Envelope	Reserves or Reserve Funds	Grants or Subsidies	Other Recoveries	Unfinanced Project Costs	NOTES
Library Projects							
South Branch Expansion Phase I	\$325,000	\$200,000	\$125,000				
Total project cost \$975,000 over three years. Library Reserve Fund							
Leisure Projects							
Community Improvement Plans	\$200,000	\$200,000					
Neighbourhood Participation Projects	\$150,000	\$150,000					
Soccer Field Development	\$50,000		\$50,000				
*partnership l'école secondaire Catholique du sacre Coeur - Ref. By-Law 2003-233							
Leisure Parks/Open Space Master Plan	\$50,000		\$50,000				
*reference Resolution #2003-126							
Rotary Park Development	\$100,000		\$50,000			\$50,000	
Partnership with Rotary Clubs of Sudbury 50% each partner							
Memorial Wall	\$30,000		\$30,000				
*complete Memorial Wall at Memorial Park							

*In June 2004 the Leisure Master Plan will be presented to Council. Recommendations from the Leisure Master Plan will be incorporated into the 2005 and subsequent years capital plans and may result in a change in projects in 2005 and 2006.

2004 Citizen and Leisure Services Capital Projects - Libraries and Leisure

FUNDING SOURCES

Project Description	Project Costs	Capital Envelope	Reserves or Reserve Funds	Grants or Subsidies	Other Recoveries	Unfinanced Project Costs	NOTES
Sports Fields/Facilities Enhancement •Partnership with HRDC	\$300,000	\$150,000		\$25,000 HRDC Funding		\$125,000	
Sudbury Arena/E.S.A. Upgrades •Upgrade Special Events electrical panel required by E.S.A.	\$20,000	\$20,000					
Land Acquisition/Trail Development •purchase lands necessary for community trail development	\$100,000	\$50,000				\$50,000	
Twin Pad Construction •Add one additional ice pad to Countryside Arena	\$5,000,000					\$5,000,000	
Arenas/Community Centre Upgrades •dressing room upgrades •storage/Sudbury Arena •rink board construction •door replacement •bleachers/public skating	\$1,600,000	\$47,290				\$1,552,710	

2004 Citizen and Leisure Services Capital Projects - Libraries and Leisure

FUNDING SOURCES

Project Description	Project Costs	Capital Envelope	Reserves or Reserve Funds	Grants or Subsidies	Other Recoveries	Unfinanced Project Costs	NOTES
Playground Upgrades *purchase of new equipment *general landscaping *upgrades/outdoor rink/building	\$100,000	\$47,290				\$52,710	
Lively Ski Hill Facility Repair/Inspections Tow Upgrades Chalet Upgrades	\$60,000 \$100,000 \$30,000					\$60,000 \$100,000 \$30,000	
Subtotal General	\$7,540,000	\$49,580	\$0	\$25,000	\$50,000	\$6,970,420	
2004 GRAND TOTAL:	\$6,215,000	\$1,044,580	\$125,000	\$25,000	\$50,000	\$6,970,420	

LIBRARIES AND CITIZEN SERVICES DEPARTMENT

2004 Cemetery Services Capital Projects

Cemetery Services Capital is funded entirely from the Cemetery Reserve Fund
 2004 Cemetery Reserve Fund Balance is \$430,000

FUNDING SOURCES

Project Description	Project Costs	Capital Envelope	Reserves or Reserve Funds	Grants or Subsidies	Other Recoveries	Unfinanced Project Costs
Civic Memorial Cemetery Expansion	\$220,000		\$220,000			\$0
St. Joseph Cemetery Niche Wall	\$30,000		\$30,000			\$0
2004 TOTAL:	\$250,000	\$0	\$250,000	\$0	\$0	\$0

CITIZEN AND LEISURE SERVICES

2004 Transit Services Capital Projects

FUNDING SOURCES

Project Description	Project Costs	Capital Envelope	Reserves or Reserve Funds	Grants or Subsidies	Other Recoveries	Unfinanced Project Costs
3 Bus Rebuilds	\$180,000		\$180,000			
2004 TOTAL:	\$180,000	\$0	\$180,000	\$0	\$0	\$0

TRANSPORTATION SERVICES DEPARTMENT

2004 Parking Section Capital Projects

Parking Capital Projects are funded entirely from the Parking Reserve Fund
 Parking Reserve Fund Balance as at January 13, 2004 is \$1,185,022.88.

Project Description	FUNDING SOURCES					Unfinanced Project Costs	NOTES
	Project Costs	Capital Envelope	Reserves or Reserve Funds	Grants or Subsidies	Other Recoveries		
Phase II resurfacing and drainage of Shaghnessy St. Parking Lot	\$110,000		\$110,000				
2004 TOTAL	\$110,000		\$110,000				