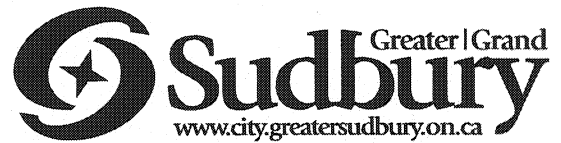


# Correspondence for Information Only

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# Request for Recommendation Finance Committee



## Type of Decision

Meeting Date	Monday, March 22, 2004				Report Date	Friday, March 19, 2004			
Decision Requested	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input type="checkbox"/>	High	<input checked="" type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

## Report Title

**Notice of Adoption of the 2004 Budget**

### Policy Implication + Budget Impact

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

#### Policy Implication:

Section 291 of the *Municipal Act, 2001* requires public notice before Council may hold a meeting to adopt a budget, or to amend one.

Public Notice By-law 2003-2 further requires the Clerk to publish one notice in a daily newspaper and on the City's web page a minimum of seven (7) days prior to the meeting of the Finance Committee.

#### Budget Impact:

Statutory Advertising is budgeted annually under the Clerks Services Cost Centre.

Background Attached

### Recommendation

**This Report appears on the Agenda for informational purposes only.**

Recommendation Continued

### Recommended by the General Manager

**Doug Wuksinic**  
General Manager of Corporate Services

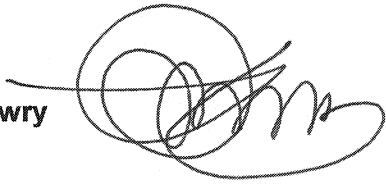
### Recommended by the C.A.O.

**Mark Mieto**  
Chief Administrative Officer

Date: 2004-03-19


**Report Prepared By**

**Thom M. Mowry**  
City Clerk



**Division Review**

**Heather Salter**  
Acting Director of Legal/Clerks Services



**Background Information:**

The *Municipal Act, 2001* requires the City to provide notice to the public of its intention to pass certain by-laws, the holding of certain required public meetings, and of other matters. Schedule "A" of By-Law 2003-2 sets out the form, manner and times the notice shall be given, unless specified by the *Municipal Act, 2001*, another Act or a regulation, or, if Council directs that other public notice is to be given. The notice requirements include posting on the City's web page at [www.greatersudbury.ca](http://www.greatersudbury.ca).

Section 291 of the *Municipal Act, 2001* states that:

291. (1) Before adopting all or part of a budget under section 289 or 290, or amending such a budget, a municipality shall give public notice of its intention to adopt or amend the budget at a council meeting specified in the notice.

(2) If a budget is not adopted or amended at the council meeting specified in a notice under subsection (1) but consideration of the matter is deferred, no further notice is required under subsection (1) if a public statement is made at the meeting that the matter has been deferred and that the municipality now intends to adopt or amend the budget at a later council meeting specified in the public statement.

(3) If a budget is not adopted or amended at the council meeting specified in a public statement under subsection (2), no further notice is required under subsection (1) if a public statement is made at the meeting that the matter has been deferred and that the municipality now intends to adopt or amend the budget at a later council meeting specified in the public statement.

The current budget schedule provides for one (1) additional meeting to be held on Tuesday, March 30, 2004 at which time it is anticipated that the Finance Committee will conclude its 2004 budget deliberations. Should the Finance Committee not complete its 2004 budget deliberations on March 30, 2004 then the Chair will make a public announcement prior to the adjournment motion announcing the location, date and time when Council will meet to adopt its final budget. No further public notice is required.

# Request for Recommendation Finance Committee



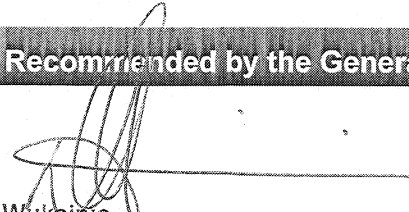
Type of Decision									
Meeting Date	March 10, 2004				Report Date	March 10, 2004			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
Current Budget - 2004 Public Input Session 2 Update

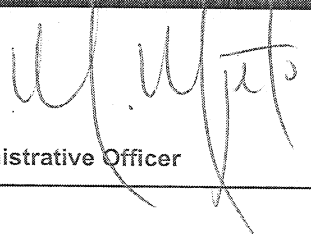
Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<input checked="" type="checkbox"/>	Background Attached

Recommendation
For Information only.
Recommendation Continued

**Recommended by the General Manager**

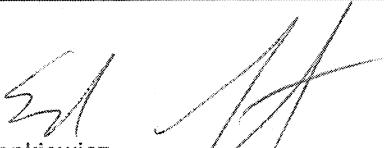
  
 D. Wuksinic  
 General Manager of Corporate Services

**Recommended by the C.A.O.**

  
 M. Mieto  
 Chief Administrative Officer


Date: March 10, 2004

**Report Prepared By**



E. Stankiewicz  
Co-ordinator of Current Budget

**Division Review**



S. Jonasson  
Director of Finance/City Treasurer

**BACKGROUND**

The intention of the second round of public consultation was to obtain comments relating to the budget document and direction on four specific questions. This report provides a preliminary summary of both the input regarding the four questions and the specific suggestions received. Workbooks which contained a list of all the options that would be reviewed by Council during budget deliberations were provided to all participants.

**This report updates the February 27, 2004 report, which dealt with the Wards 1 through 4 public input meetings. Wards 5 and 6 public input sessions were held on Monday March 1, 2004 and Tuesday March 2, 2004. The rankings of the questions and the additional suggestions from Wards 5 and 6 have been identified. The additional items from these two Wards have been bolded.**

The round table discussions revolved around four questions:

1. What level of municipal service do you expect? Should any services be reduced or eliminated?
2. Should those who use a service pay for the service (user fees) and/or should everyone share in the cost (taxes)?
3. What services would you like to see improved or added?
4. Should the City borrow money and/or implement a special levy to fix roads, repair arenas, replace fire trucks, maintain police communications, etc?

The comments for all tables were recorded and are identified in the minutes from each ward meeting. These minutes have previously been circulated to Council.

After comments were made from the tables relating to the four specific questions, the groups were asked to rank the priorities. The following chart reflects the results of the rankings:

	Ward	1	2	3	4	5	6	
City Taxes should be increased to maintain services.		31	28	33	47	<b>5</b>	<b>35</b>	179
Services should be improved or added.		23	31	31	54	<b>6</b>	<b>30</b>	175
The City should borrow money and/or implement a special levy to fix roads, etc.		27	26	30	26	<b>6</b>	<b>29</b>	144
Those who use a service should pay for the service.		16	29	31	35	<b>7</b>	<b>19</b>	137
Services should be eliminated or reduced.		8	21	20	15	<b>6</b>	<b>22</b>	92

Date: March 10, 2004

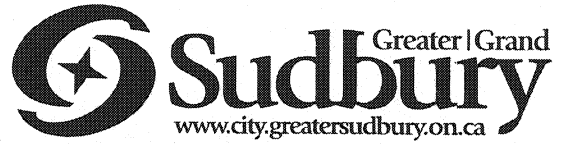
### Specific Suggestions Emanating From the Public Input Sessions

This list is made up of specific new suggestions that were not identified in the first round of public input sessions and where no current option exists.

They are as follows in no specific order:

- Recreation user fees to be increased in increments
- Blue box collection every second week
- Garbage collection every second week in winter
- Use volunteers more effectively
- Promote Sudbury as a retirement community
- Harmonize service levels throughout the City
- Increased policing especially in the outlining area
- Privatize facilities
- Convert Pioneer Manor to a not for profit long term care facility
- Build additional mausoleums to generate more revenue
- Introduce photo radar to generate revenue
- Approach MTO for funding of Highway 144 and adding walkways
- Introduce a by-law to have property owners maintain their sidewalks in front of their home during the winter
- Do not provide winter maintenance services to seasonal roads
- Provide funding for a trail system at High Falls and for the Tom Morley Mine project
- Increase library hours
- **Education on recycling and sale of composters**
- **Remove snow banks at entrance of YMCA for seniors' safety**
- **Conduct a hiring freeze**
- **Assemble a joint liaison committee with federal and provincial M.P.'s to promote Sudbury**
- **Sudbury Community Foundation requesting \$200,000 one-time funding**
- **Scheduling road maintenance off peak hours**

# Request for Recommendation Finance Committee



## Type of Decision

Meeting Date	March 10, 2004				Report Date	March 10, 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

Tax Relief to Low Income Earners and Seniors

### 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

Background Attached

### Recommendation

FOR INFORMATION ONLY

Recommendation Continued

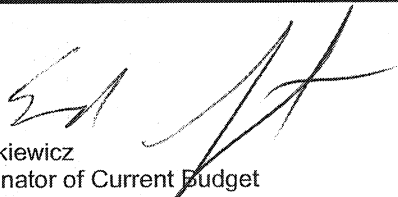
### Recommended by the General Manager

  
D. Wukshinic  
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**

On January 24, 2004, Finance Committee requested a report relating to property tax relief available for low income families and seniors.

This report outlines both the relief that the City currently provides and additional options for Council's consideration.

The aspect of addressing social equity objectives through specific programs such as tax relief for low income individuals is addressed as a principle in the Long Term Financial Plan (LTFP). The LTFP (4.1) indicates that "financial plan policies should be applied on the basis of their benefit to the community as a whole. When Council considers it necessary, support programs should be provided to address the needs of individual residents unduly burdened as a result of the implementation of a policy".

**CURRENT RELIEF**

**Low Income Seniors - Property Tax Rebate**

The City currently provides a \$100 tax rebate for senior citizens, who own their own home and are in receipt of the Guaranteed Income Supplement (GIS), under the provisions of the Municipal Elderly Residents Assistance Act, R.S.O. 1990. This legislation is no longer in existence, however all bylaws passed under this Act prior to January 1, 2003 are valid. Unlike other special provision bylaws under the Act, this one will not expire on a specific date. However, it should be noted that the City can no longer amend the bylaw. Since the City cannot change any of the provisions of the bylaw, no additional tax relief can be provided to this group of residents under this Act. Accordingly, if we are to provide a new form of assistance or expand our rebate program, it will have to be justified under other sections of the Municipal Act. Currently the City receives approximately 950 applications for this \$100 rebate of municipal taxes.

**Tax Deferral for Low Income Seniors and Low Income Disabled**

There is a Provincial requirement for municipalities to provide property tax relief to low income seniors and low income disabled persons by allowing for deferral or cancellation of property tax increases over the previous year. Under Section 319 of the Municipal Act the City of Greater Sudbury currently offers a tax deferral on property tax increases over \$100 for the affected property owners. Since there is a considerable administrative burden to operating this program, the \$100 minimum was put into effect. Applicants taking advantage of this program will have a lien placed against their property at their cost. The Region of Sudbury initiated this program in 1998. Since the program's inception, there has been no take up on the program.

## **WHAT OTHER MUNICIPALITIES DO**

Thirteen municipalities were surveyed requesting information regarding voluntary property tax rebate programs and the Provincial mandatory program for tax relief for low income seniors and low income disabled. Since the upper tier is responsible for developing the provincially mandated programs while the lower tier or single tier municipalities are responsible for providing voluntary tax relief, a cross section of municipalities were surveyed. To date, only eight municipalities have responded.

Of the lower tier and single tier municipalities surveyed, only one city provided a voluntary tax rebate for seniors of \$125 annually under Section 365 of the Municipal Act which deals with the unduly burdensome aspect.

As for the provincially mandated program, all municipalities provide for a deferral of property tax increases, however, they use different parameters. Some have a threshold of \$100 before a deferral can take place while others have no minimum requirement. In most cases, applicants must be in receipt of the Guaranteed Income Supplement (GIS) or Ontario Disability Support Program (ODSP). Only one municipality had no income requirement. Collectively, there is very little take up on this program. Once the public realizes that this program is a deferral, not a cancellation of taxes, and involves a lien on their property, they do not take advantage of the tax deferral.

## **POSSIBLE AREAS FOR PROPERTY TAX RELIEF**

There are two sections of the Municipal Act, where tax relief may be granted but they are very broad in nature.

Section 107 of the Municipal Act allows municipalities to provide grants or aid where a Council considers appropriate, to any person, group or body for any purpose that Council considers to be in the interests of the municipality. If Council provides property tax relief under this section, there must be specific criteria set out in the bylaw to ensure that Council's intentions are met, and only the targeted group can take advantage of this plan.

Section 365 of the Municipal Act is another area where specific property tax relief can be provided to low income persons and low income seniors. This section allows for the cancellation, reduction or refund of taxes levied for both municipal and educational purposes. A low income person, in an eligible property may make application for relief. Where taxes are considered to be unduly burdensome, as defined in the bylaw, relief may be provided. In this case, the bylaw would have to set out strict parameters for eligibility to ensure that Council's targeted group is the only beneficiary of this relief. Once a rebate has been provided the City will charge back the education portion to the school boards.

## Options

As identified in the LTFP, it is recommended that property taxation relief be provided to low income property owners to offset the increased taxation required to conform to the LTFP.

Finance Committee has provided direction to staff to formulate a plan to provide such relief. Currently, low income seniors receive a \$100 property tax rebate for municipal purposes. However, as a result of potential increases in taxes, Council may wish to increase this amount and may wish to address the needs of the low income homeowners and low income disabled homeowners.

Under Section 365 of the Municipal Act, the municipality may rebate taxes to property owners where it considers the property taxes are unduly burdensome to the individual. Since this section allows for any rebate to be shared with the school boards, the City should discontinue its tax rebate program for low income seniors under the Municipal Elderly Residents Assistance Act where the City pays 100 percent of the program and provide relief under Section 365 of the Municipal Act.

The following are options that should be considered to provide tax relief for low income groups under Section 365 of the Municipal Act.

1. This option would eliminate the seniors' property rebate under the Municipal Elderly Residents Assistance Act and reintroduce the rebate under Section 365 of the Municipal Act. With the current number of 950 applicants, the gross rebate would be \$95,000 with \$17,000 being charged to the school boards. This option would save the City \$17,000.
2. The next option would provide an additional \$50, thereby increasing the property tax rebate to \$150 for seniors. This would impact the City by \$39,000.

An increase of an additional \$50 tax rebate for a total of \$200 would add another of \$39,000 to the tax levy.

3. Extending this tax relief program to recipients of ODSP and Ontario Works benefits would have an impact to the City. Currently 76 Ontario Works clients own their own homes. The Province has not provided the City with the number of ODSP clients who own their own homes. Our estimate would be approximately 500 individuals. Based on these numbers, a \$100 tax rebate for this group would have an additional cost to the City of \$47,000.

To provide additional relief of \$50 for a total of \$150 would cost another \$24,000. To extend this relief by another \$50 for a total of \$200 would cost the City an additional \$24,000.

To be eligible for this tax relief, Ontario Works clients must be in receipt of benefits while Ontario Disability Support Program clients must receive the ODSP benefits.

4. This option deals with low income working families. The threshold would be set at \$20,000 combined income for both the property owner and spouse. This threshold would include all GIS recipients, OW clients, and most OSDP recipients. The threshold should be indexed to inflation each year. According to Statistics Canada, there are approximately 5,000 homeowners with an income of under \$20,000. Discounting the previous groups (Seniors, OW, ODSP), this leaves approximately 3,500 households. Providing a \$100 rebate to this group would cost the City \$287,000. An additional \$50 for a total of \$150 would cost approximately \$144,000 and an additional \$50 for a total of \$200 would cost \$144,000 more. The requirements would have applicants provide the previous year's notice of assessment for both owner and spouse.

All of these options represent estimates to the best of our knowledge and the total impact will only be known once the plan is implemented and the City realizes the take up on the program.

For illustration purposes, the following chart identifies the impact of all options.

		<b>Additional Cost/ (Savings) \$</b>
Current (\$100 rebate)	\$95,000	
Current under Section 365 (\$100 rebate)	\$78,000	(17,000)
Seniors - additional \$50 for a total of \$150		39,000
Seniors - additional \$50 for a total of \$200		39,000
ODSP + OW - \$100 tax rebate		47,000
ODSP + OW - additional \$50 for a total of \$150		24,000
ODSP + OW - additional \$50 for a total of \$200		24,000
Low income working families - \$100		287,000
Low income working families - additional \$50 for a total of \$150		144,000
Low income working families - additional \$50 for a total of \$200		144,000

If all options are accepted, the total impact to the City would be approximately \$730,000. These are the best estimates at this time.

**SUMMARY**

In summary, there are avenues available to provide tax relief to low income earners. Finance Committee may choose from the alternatives identified to provide tax relief to the less fortunate in our society.

# Request for Recommendation Finance Committee



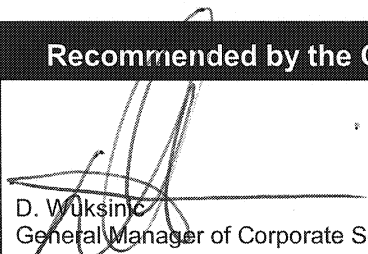
Type of Decision									
Meeting Date	March 22, 2004				Report Date	March 19, 2004			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
City of Greater Sudbury Debt Position at December 31, 2003


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.
N/A	
<input checked="" type="checkbox"/>	Background Attached

Recommendation
FOR INFORMATION ONLY
Recommendation Continued


**Recommended by the General Manager**


  
D. Wuksinic  
General Manager of Corporate Services

**Recommended by the C.A.O.**

  
M. Mieto  
Chief Administrative Officer

Date: March 19, 2003

Report Prepared By
 C. Mahaffy Manager of Financial Planning & Policy/Deputy Treasurer

Division Review
 S. Jonasson Director of Finance/City Treasurer

**BACKGROUND**

At a recent meeting of the Finance Committee, Councillor Bradley requested information as to the City's debt position.

The following details the outstanding debt as at December 31, 2003:

Due to Royal Bank of Canada	\$18,271,376
Due to Toronto Dominion Bank	6,598,657
Province of Ontario (Northern Ontario Heritage Fund)	100,000
Canada Mortgage and Housing Corporation	44,411
Bank of Nova Scotia	<u>36,992</u>
	<u>\$25,051,436</u>

The debt is for the following:

<u>Project</u>	<u>Amount</u>	<u>Institution</u>	<u>Maturity</u>
1) 199 Larch Street *	\$16,945,543	RBC	2023
2) Former Towns of Rayside-Balfour and Onaping Falls for the Trillium Centre, Town Hall, ambulance bays and a transit vehicle (R-B) and retrofit of an arena (OF)	715,120	RBC	2007
3) Former Town of Onaping Falls retrofitting Dowling Arena	610,713	RBC	2011
4) Former Region re: Ministry of the Environment projects in Valley East, Rayside-Balfour and Onaping Falls for water and wastewater services	6,598,657	TD	2007
5) Former Town of Rayside-Balfour re: Trillium Centre (interest free)	100,000	NOHF	2013
6) Former Region for wastewater works	44,411	CMHC	2004
7) Former Town of Onaping Falls for a snowplow	<u>36,992</u>	BNS	2005
	<u>\$25,051,436</u>		

Date: March 19, 2003

\* The repayments for 199 Larch Street are largely funded through lease payments from the Province, for which there is a 20-year guarantee. The balance is funded through lease payments for City departments located in that building. Rent formerly paid to the Province is now paid to ourselves.

In 2004 the City will be debenturing between \$9 and \$10 million for the Pioneer Manor project. The Province will be funding the repayment of this amount, through monthly transfers, for twenty (20) years.

### **Annual Debt Repayment Limit**

Each year the Province calculates Annual Debt Repayment Limit (ARL) for each municipality. The 2004 calculation should arrive at any time now. However, the calculation for 2003 indicated that the City had sufficient debt capacity to increase debt repayments by \$47 million annually. After 199 Larch Street and other commitments were taken into consideration, the ARL is still about \$40 million.

# Request for Recommendation Finance Committee



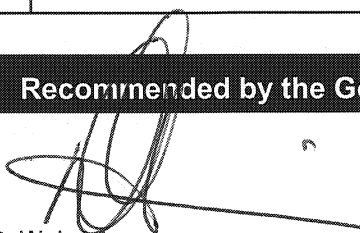
Type of Decision									
Meeting Date	March 22, 2004				Report Date	March 19, 2004			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
2004 Sudbury & District Health Unit Budget West Nile Contingencies

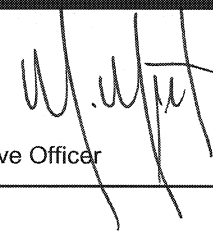
Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
N/A	
<input checked="" type="checkbox"/>	Background Attached

Recommendation
FOR INFORMATION ONLY
Recommendation Continued

**Recommended by the General Manager**

  
D. Wuksinic  
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**

At the Finance Committee meeting of March 10, 2004 Council requested a report on the West Nile virus program, and alternatives to funding same.

The Sudbury and District Health Unit budgeted \$500,000 (gross) for the West Nile virus program as a contingency item to create a mechanism for municipalities to access 50% funding for these activities. West Nile virus control activities are a municipal responsibility. Only if the municipalities incur costs relating to West Nile virus control activities will the Health Unit levy municipalities thus creating a mechanism for municipalities to be reimbursed 50% and to receive offsetting Community Reinvestment Funds.

While the Health Unit has the ability to issue a supplementary levy to the municipalities, municipalities cannot levy the taxpayers more than once. For this reason, the City has included the West Nile component of the Health Unit's budget in its base budget. If the supplementary levy does not materialize, the funds will be retained by the City and will form part of the year-end corporate position.

After the City had passed it's budget in 2003, the Health Unit did a supplementary budget submission to the Province to include a \$500,000 West Nile virus program. Because of the timing, the program was not included in the City's budget. Fortunately, total costs in 2003 were minimal.

**Funding Relationships**

Annually, the Health Unit submits a budget to the Province, and based on this submission advises the member municipalities of the amount being levied for the year. Some of the Health Unit's programs are funded at 100% by the Province, while the remainder receive 50% funding. The remainder of the budget, the other 50% of the cost shared programs, is funded by the municipalities. Based on percentage of population, the City's share of the Sudbury and District Health Unit net budget is 85.45%. Numerous other small municipalities share in the remaining 14.55%.

***Community Reinvestment Fund***

The Health Unit is a Local Service Realignment (LSR) program, and therefore the City receives Community Reinvestment Funds (CRF) to offset a portion of any increased programs of the Health Unit. Based on funding ratios in existence before the downloading exercise, about 57% of any increase is offset by CRF. The following example, using \$100,000 gross costs at the Health Unit, illustrates how the funding works, rounding to the nearest \$100:

Gross Cost - Health Unit	\$100,000
Provincial subsidy	<u>(50,000)</u>
Municipal Share	\$ 50,000
Other Municipalities' share - 14.55%	<u>(7,300)</u>
City's share	\$ 42,700
Offsetting CRF funding to City	<u>(24,300)</u>
Net City cost	\$ <u>18,400</u>

Using this same formula, the City's net share of the West Nile virus levy would be about \$92,000.

**Funding Alternatives**

Identified below are some funding alternatives:

***Budget for the West Nile Virus Program in 2004***

Do not reduce the budget for the West Nile Virus program, on the clear understanding that the Health Unit will levy only if a program is undertaken. Any funds not levied by the Health Unit would remain with the City and form part of the City's year-end position in 2004.

***Fund City's share from Reserves***

The City could reduce the levy by funding the West Nile virus option from reserves. After 2003 year-end is finalized and the 2004 budget is struck, the \$92,000 net cost would be committed from a reserve or reserve fund to be identified.

Funding from reserves would be appropriate if the West Nile virus program were a one-time undertaking. Dr. Sutcliffe indicated that this was probably not the case and she could not estimate when the West Nile threat might end. She also indicated that she would probably be unable to answer this same question in a year's time.

***Fund from Health Unit Reserves***

It is understood that the Health Unit has about \$350,000 in reserves, although some of this amount may have been committed in 2004. The Board of Health could be asked to dedicate a portion of these reserves to cover the municipal portion (approximately \$108,000) of any West Nile virus costs encountered this year. The full \$250,000 would be levied against the municipalities in order for the municipalities to receive the CRF funding, but the Health Unit would reimburse all of the member municipalities the net costs from the reserve. The City could reduce the levy by \$92,000 under this option. Please note that the Board does not meet again until the third Thursday in April.

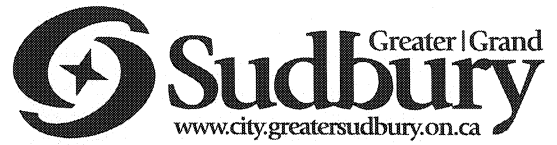
***Fund from Health Unit and Municipal Reserves Equally***

A combination of the previous two options, where the City would identify and commit a reserve for \$46,000 while the Health Unit reserved about \$54,000. All of the other member municipalities would have to agree to this arrangement as well, and reserve their portion.

**Summary**

If the West Nile virus is going to be budgeted on an ongoing basis by the Health Unit, it is more appropriate for the City to have ongoing permanent funding for this program in its base budget. However, if the program is a one-time budget item, it would be acceptable to fund the net cost from reserves.

# Request for Recommendation Finance Committee




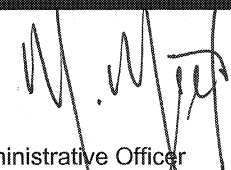
Type of Decision							
Meeting Date	March 22, 2004			Report Date	March 19, 2004		
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High
	Direction Only			Type of Meeting	<input checked="" type="checkbox"/>	Open	Closed

Report Title
Materials and Operating Expenses

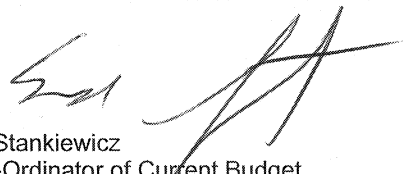
Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
N/A	
<input checked="" type="checkbox"/>	Background Attached

Recommendation
FOR INFORMATION ONLY
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

**Report Prepared By**



E. Stankiewicz  
Co-Ordinator of Current Budget

**Division Review**



S. Jonasson  
Director of Finance/City Treasurer

**BACKGROUND**

At the Finance Committee meeting of March 3, 2004, Council requested a report identifying the items which are contained in the "Materials and Operating Expense" category.

Attached is a spreadsheet which reflects the accounts contained in this category. Totals are provided by department. All line accounts are reflected with the exception of those in the Public Works Operations Section as there are over 500 accounts. Therefore, they are not identified by type of material but rather by the work program function.

The following chart reflects the value of the "Materials and Operating Expenses" category by department in the 2004 budget:

	\$
Revenue	2,656,000
Executive & Legislative	184,300
Corporate Services	1,575,200
Economic Development and Planning	1,227,255
Health and Social Services	1,715,100
Citizen and Leisure Services	3,501,160
Public Works	15,728,398
Emergency Services	1,562,710
Police Services	<u>1,217,230</u>
	<u>29,367,353</u>

The following provides a summary of each area. The page number referred relates to your Current Budget.

**Revenue**     \$2,656,000     Page 4

The three accounts in this area are required as these items are mandated by the Province. Tax write-offs, charity rebates and vacancy rebates total approximately \$2.7 million.

**Executive & Legislative**     \$184,300     Page 15

Of the \$184,300 budgeted expenditures in this area, one of the major items deals with the \$10,400 allocation for each Councillor for expenses, which totals \$125,000.

**Corporate Services**     \$1,575,200     Page 30

There are various number of different functions in this area from office expense to tax registration expenses. The bulk of the expenditures is for copier and printer maintenance and supplies and computer purchases in the Information Technology Section, approximately \$.7 million of the \$1.6 million in Corporate Services.

**Economic Development and Planning**     \$1,227,255     Page 66

Of the \$1.2 million in this category, over \$1 million is related to Economic Development. There has been a major increase in this area and it is due to the new programs initiated to promote economic development. These programs have leveraged significant funding from Provincial and Federal organizations.

**Health and Social Services**     \$1,715,100     Page 86

Almost 90% of the expenditures in this department for materials (\$1.54 million of \$1.72 million) occurs in Pioneer Manor with the majority taking place as a result of food purchases. Other large expenditure accounts are medical supplies, drugs and incontinence supplies.

**Citizen and Leisure Services**     \$3,501,160     Page 121

There are varied number of accounts in this department that range from office expense, to the Santa Claus Parade, and to concession supplies at the various arenas. These items account for \$3.5 million of the \$29.4 million corporate total.

**Public Works**     \$15,728,398     Page 203

Of the \$15.7 million, \$6.2 million is contained in the water and waste water areas, largely for chemicals and utilities. These items have no impact on the levy. The roads area is worth \$4.4 million and some activities in this area are: railroad crossing surface maintenance, sidewalk repairs and catchbasin and manhole repairs. These three activities would use the following materials: rubber grids, asphalt, cement, gravel, wood, fibre spacers, catchbasin manholes, bricks, mortar, pipes and metal covers. As mentioned previously, there are approximately 500 accounts in Operations and each materials account may contain any number of materials required to perform the various functions.

**Emergency Services**      \$1,562,710      Page 278

The major items in this area deals with vehicles and building maintenance for Fire Services which accounts for \$.6 million. Another \$.2 million is allocated to uniforms for both Fire and EMS purposes. These items account for 50% of the \$1.6 million budget for materials and operating expenses.

**Police Services**      \$1,217,230      Page 328

Fleet costs account for more than 50% of the total materials costs (\$620,000 out of \$1.2 million) in the Police Services area.

**SUMMARY**

Since this category is called Materials and Operating Expenses, it contains many accounts which provide for the purchase of material and expenditures related to specific functions.

**City of Greater Sudbury  
2004 Current Budget  
Materials and Operating Expenses**

Cost Centre	Section	Account Description	Amount	Sub-Total
A.A.05.00.00.00	Taxation Levy	Tax Write Offs	1,930,000	
		Charity Rebates	76,000	
		Vacancy Rebates	650,000	2,656,000
B.A.05.00.00.00	Office of the Mayor	Office Expense	15,000	
		Public Relations - Mayor	17,500	
BA.10.00.00.00	Council Expenses	Each Councilor @\$10,400 ea	124,800	
B.C.05.00.00.00	Chief Administrative Officer	Office Expense	10,000	
B.C.10.00.00.00	Communications	Office Expense	12,000	
B.C.15.00.00.00	Corporate Strategy & Policy	Office Expense	2,500	
B.C.20.00.00.00	Internal Audit	Office Expense	2,500	184,300
C.A.05.00.00.00	General Manager's Office	Office Expense	5,130	
		General Administration	5,130	
C.C.05.00.00.00	Information Technology Services	Office Expense	5,580	
		Data Paper Computer	15,600	
		Copiers - Supplies & Mtce	220,000	
		Docutech Supplies	35,000	
		City Share Manfg Tax	3,800	
C.C.15.00.00.00	Network & Support	Computer Purchases	256,900	
		Network Infrastructure	50,000	
		Printer Supplies	75,000	
C.F.05.00.00.00	Administration	Office Expense	38,950	
C.F.20.00.00.00	Payroll Services	Office Expense	5,130	
C.F.30.00.00.00	Taxation	Office Expense	41,000	
		Tax Registration Expenses	154,130	
		Tax Sale Costs	16,550	
C.F.40.00.00.00	Billing & Collections		37,310	
C.F.50.00.00.00	Financial & Corporate Expenditure	Contingencies	76,880	
		Prov. For Doubtful Account	10,250	
		Employee Appreciation	15,380	
C.H.05.00.00.00	Human Resources Admin	Office Expense	18,360	
		Contingencies	30,000	
C.H.15.00.00.00	Health & Safety	Health Care & Safety	11,170	
C.P.05.00.00.00	Supplies & Services	Office Expense	6,150	
C.S.05.00.00.00	Solicitors	Office Expense	45,000	
C.S.06.05.00.00	Properties	1679 Main Street	15,000	
		200 Larch Street	35,000	
		49 Elgin Street	20,000	
		85 Elm Street	15,000	
		7 Serpentine Street	2,500	
		194 MacLennan Street	1,500	
		61 First Avenue	3,000	
		191 Church Street	3,500	
		227 Tenth Avenue	3,500	
		2 First Avenue	25,000	
C.S.08.00.00.00	Clerks Services	Office Expense	25,000	
		Postage & Courier	186,000	
		Council Meeting Expenses	9,000	
C.S.10.00.00.00	Provincial Services	Office Expense	52,800	1,575,200
E.C.05.05.05.00	GSDC	Office Expense	41,000	
E.C.05.05.15.11	Export Devl Initiative	Office Expense	10,000	
E.C.05.15.00.00	GSDC - Board and Committees	Leverage Funding	130,295	
E.C.05.20.00.00	GEO Smart	Hardware & Software	252,120	
		Marketing	30,000	
		Other Costs	124,440	
E.C.05.38.04.00	Esudbury.Com	Office Expense	1,000	
E.C.05.38.05.00	Connect Ontario	Computer Purchases	122,580	
		Software	190,160	
E.C.05.40.05.00	RBC General Office	Office Expense	6,000	
E.C.05.40.10.00	Business Plan Initiative	Admin/Office Expense	12,260	
E.C.05.40.35.00	S.S. Business Plan Challenge	Office Expense	14,500	
E.C.05.40.40.00	Bridges to Better Business	Office Expense	17,200	
E.C.05.45.10.00	Centre Lionel E. Lalonde Centre	Office Supplies	8,280	
		Materials	38,950	
		Repairs & Maintenance	24,180	
E.P.03.00.00.00	Planning Administration	Office Expense	9,250	
		Books & Subscriptions	2,500	

**City of Greater Sudbury  
2004 Current Budget  
Materials and Operating Expenses**

Cost Centre	Section	Account Description	Amount	Sub-Total
E.P.05.00.00.00	Building Services	Office Expense	25,000	
E.P.10.05.00.00	Committee of Adjustment	Office Expense	3,000	
E.P.10.10.00.00	Development Services	Printing & Stationery	1,000	
E.P.15.05.00.00	Municipal Law Enforcement	Office Expense	8,000	
		Supplies	5,000	
		Dog Tags & Supplies	10,000	
E.P.25.05.00.00	Community & Strategic Planning	Office Expense	2,090	
		Public Advisory Panel	6,270	
E.P.25.10.00.00	Lake Water Quality	Expenses	12,750	
E.P.25.15.00.00	Geographic Info Survey & Mapping	Misc Equipment Cost	7,300	
		drafting supplies	26,500	
		mapping	10,400	
E.P.25.20.05.00	Environmental Initiatives	Biologist - Materials	6,200	
E.P.25.20.10.00	Land Reclamation	Tree Giveaway - Expenses	200	
		Materials and Equipment	62,330	
E.S.01.00.00.00	Social Housing Admin	Office Expense	6,500	1,227,255
H.A.05.00.00.00	General Manager's Office	Office Expense	2,980	
H.C.05.00.00.00	Children Services Admin	Office Expense	9,660	
		Related Expenses	11,650	
H.C.07.00.00.00	Children First Roundtable	Related Expenses	5,000	
H.C.10.00.00.00	Municipal Day Care	Office Expense	790	
		Playroom and Playground supplies	4,150	
		Laundry	2,720	
		Food	45,160	
		Dietary Supplies	1,510	
H.L.05.20.00.00	Program & Support Services	Supplies (hobby Crafts)	19,000	
H.L.05.25.00.00	Food	Meat Products	278,000	
		Other Foods	68,000	
		Dry Goods	146,000	
		Dairy	120,000	
		Bread	27,000	
		Coffee	29,000	
		Produce	188,000	
		Catering	20,000	
		Supplements	44,000	
H.L.05.30.10.00	Nursing Admin	Med Supplies & Drugs	137,000	
		Other Personal Care	6,000	
H.L.05.35.05.00	Housekeeping	Supplies - Housekeeping	70,000	
		Admin Costs - CPS	530	
H.L.05.35.10.00	Building & Property	Supplies	47,000	
H.L.05.35.15.00	Dietary	Supplies - Chemicals	23,000	
		Paper Supplies	16,000	
		Rental Supplies	4,000	
		Admin Costs - CPS	12,000	
H.L.05.35.20.00	Laundry & Linen	Supplies - Incontinence	200,000	
		Supplies - Laundry	25,000	
		Admin Costs - CPS	350	
H.L.05.35.35.00	Facility Costs	Other Misc Maintenance	58,000	
H.O.05.05.00.00	OW General Admin	General Office Expenses	60,000	
		Meeting Expense	2,500	
		Interest Charges	1,500	
		Leasehold Improvements	3,000	
H.O.23.05.00.00	ESS Admin	Office Expense	8,000	
		Supplies	10,100	
		Publications/Subscription	2,500	
		Software Licenses	3,500	
		Marketing	2,500	1,715,100
L.A.05.00.00.00	Citizen & Leisure Gm's Office	Office Expense	4,000	
		Board Expenses	3,000	
L.C.01.00.00.00	Cemetery Administration	Office Expense	14,160	
		Advertising, Promotion	5,000	
L.C.05.00.00.00	Sudbury Cemetery Services	Materials	18,000	
		Memorial Dedication Material	22,000	
L.C.07.10.00.00	Rayside Cemetery Services	Materials	7,000	
		Memorial Dedication Material	3,000	
L.C.07.15.00.00	Nickel Centre Cemetery Services	Memorial Dedication Material	3,500	
L.C.07.20.00.00	Valley East Cemetery Services	Materials	5,200	
		Memorial Dedication Material	2,000	

**City of Greater Sudbury  
2004 Current Budget  
Materials and Operating Expenses**

<b>Cost Centre</b>	<b>Section</b>	<b>Account Description</b>	<b>Amount</b>	<b>Sub-Total</b>
L.C.07.25.00.00	Walden Cemetery Services	Materials	4,000	
		Memorial Dedication Material	750	
L.C.07.30.00.00	Capreol Cemetery Services	Materials	2,000	
		Memorial Dedication Material	750	
L.C.07.35.00.00	Onaping Falls Cemetery Services	Materials	2,000	
		Memorial Dedication Material	1,000	
L.C.40.00.00.00	Civic Memorial Mausoleum	Operating Expenses	7,000	
L.P.01.00.00.00	Libraries - Admin	Office Expense	16,000	
		Postage Freight Express	3,000	
		Reference - Materials	39,400	
		Electronic Materials	63,550	
L.P.03.00.00.00	TDS Call Centre	Office Expense	16,000	
L.P.05.25.00.00	Community Outreach Services	Publicity and Display	12,480	
L.P.05.35.00.00	Grants/Donations	Materials - Books	10,000	
L.P.05.40.05.00	Mackenzie District Library	Circulation Expenses	11,830	
		Janitorial Supplies	2,500	
		Bldg. Repairs & Mtce	27,540	
		Materials - Books	119,500	
		Periodicals	21,700	
		Materials - Non Print	32,840	
L.P.05.40.10.00	New Sudbury District Library	Office Expense	4,500	
		Materials - Books	98,410	
		Periodicals	5,940	
		Materials-Non Print	19,070	
L.P.05.40.20.00	South End District Library	Office Expense	6,500	
		Materials - Books	65,990	
		Periodicals	9,910	
		Building Maintenance	13,000	
		Materials - Non Print	11,120	
L.P.05.40.30.00	Lively CSC/Earl Mumford Branch	Office Expense	6,500	
		Materials - Books	32,310	
		Periodicals	2,480	
		Materials - Non Print	5,430	
L.P.05.40.45.00	Chelmsford CSC	Building Maintenance	17,000	
		Office Expense	8,000	
		Material - Books	41,090	
		Periodicals	7,380	
		Materials - Non Print	6,010	
L.P.05.40.65.00	Valley East CSC	Office Expense	8,000	
		Building Maintenance	12,000	
		Material - Books	73,680	
		Periodicals	3,560	
		Materials - Non Print	12,710	
L.P.05.50.05.00	Garson CSC	Office Expense	8,000	
		Building Maintenance	12,000	
		Material - Books	33,630	
		Materials - Non Print	5,700	
L.P.05.50.10.00	Dowling CSC	Office Expense	8,000	
		Building Maintenance	18,000	
		Materials - Books	16,140	
		Materials - Non Print	3,310	
L.P.05.50.15.00	Capreol CSC	Office Expense	8,000	
		Building Maintenance	12,000	
		Material - Books	11,520	
		Materials - Non Print	2,390	
L.P.05.60.05.00	Coniston Branch	Office Expense	1,000	
		Building Maintenance	8,000	
		Material - Books	7,040	
		Materials - Non Print	1,450	
L.P.05.60.10.00	Copper Cliff Branch	Office Expense	500	
		Material - Books	9,630	
		Materials - Non Print	1,990	
L.P.05.60.20.00	Azilda Branch	Office Expense	1,000	
		Building Maintenance	6,000	
		Material - Books	9,720	
		Materials - Non Print	2,010	
L.P.05.60.25.00	Levack Branch	Office Expense	1,000	
		Building Maintenance	3,500	
		Material - Books	7,720	
L.P.10.05.00.00	Anderson Farm Museum	Display	5,000	

**City of Greater Sudbury  
2004 Current Budget  
Materials and Operating Expenses**

Cost Centre	Section	Account Description	Amount	Sub-Total
		Building Maintenance	5,100	
		Advertising Expenses	3,100	
L.P.10.10.00.00	Copper Cliff Museum	Museum Supplies	1,000	
		Museum Display	1,000	
L.P.10.15.00.00	Flour Mill Museum	Museum Display	1,000	
		Building Maintenance	1,000	
L.R.05.00.00.00	Leisure Services Admin	Office Expense	30,800	
		Careshare Expenditures	10,200	
		Parking Fees & Mileage	8,000	
		Social Club Expenses	3,000	
		Can Operating Costs	12,000	
L.R.10.10.00.00	Recreation Programs Summer	Supplies	56,100	
		Amphitheatre	3,190	
		General Interest Supplies	4,080	
L.R.10.15.00.00	Recreation Programs Winter	Winter Activity Supplies	30,600	
L.R.10.25.00.00	Leisure Special Events	Special Events	40,000	
		Santa Claus Parade	9,560	
		Civic Awards	5,000	
L.R.45.10.05.00	Major Community Parks	Flower Order	21,250	
		Repairs & Maintenance	9,680	
		Janitorial Supplies	2,080	
		Supplies	30,000	
L.R.45.10.10.00	Local and Linear Parks	Flower Order	22,000	
L.R.45.10.15.00	Athletic Field Maintenance	Flower Order	500	
L.R.45.10.20.00	Playgrounds and Tot Lots	Flower Order	2,000	
L.R.45.10.25.00	Parks General Maintenance	Repairs & Maintenance	50,510	
		Misc Materials	15,000	
L.R.45.10.30.05	Whitewater Lake Park	Repairs & Maintenance	6,430	
L.R.45.10.30.10	Cote Park	Repairs & Maintenance	4,080	
		Janitorial Supplies	1,020	
L.R.45.10.30.15	Ella Lake Park	Land use Permit	100	
		Supplies & Maintenance	100	
L.R.45.10.30.20	Community Parks	Vermillion Lk Park	1,800	
L.R.55.10.00.00	Rayside Fitness Centre	Office Supplies	520	
		Repairs & Maintenance	3,260	
L.R.55.15.00.00	Dowling/Leisure Centre	Repairs & Maintenance	10,220	
		Vending Machine	1,570	
		Equipment Supplies	2,040	
L.R.60.05.00.00	Ski Hill Operations	Office Expense	800	
		Building Maintenance	6,000	
		Capreol Supplies	3,060	
L.R.65.10.00.00	Falconbridge Community Centre	Printing & Stationery	100	
		Cleaning Equipment	2,550	
		Building Maintenance	9,660	
		First Aid supplies	210	
		Equipment Maintenance	320	
L.R.65.15.00.00	Community Recreation Centre	L. of Fatime Supplies	3,000	
		V.E. Youth Centre	3,060	
L.R.65.20.00.00	Minnow Lake Community Centre	Cleaning Supplies	4,080	
L.R.65.25.00.00	Capreol Millennium Centre	Building Maintenance	30,500	
		Telephone/Internet	100	
		Program/Course Expenses	8,050	
L.R.70.05.00.00	Waterfront Program & Services	Supplies	10,000	
L.R.70.10.05.00	Nickel District Pool	Office Supplies	1,940	
		Supplies	8,540	
		Building Maintenance	14,970	
L.R.70.10.10.00	Gatchell Pool	Office Expense	2,550	
		Supplies	6,630	
		Building Maintenance	23,010	
L.R.70.10.15.00	R.G. Dow Pool	Building Maintenance	520	
L.R.70.10.20.00	Onaping Falls Comm Centre/Pool	Repairs & Maintenance	14,340	
		Equipment Supplies	4,080	
L.R.70.10.25.00	Howard Armstrong Rec Centre	Office Supplies	6,630	
		Uniforms	850	
		Credit Card Charges	1,000	
		Catering Supplies	500	
		Janitorial Supplies	6,890	
		Pool Supplies	14,780	
		Pro-Shop Supplies	1,380	
		Vending Machine Supplies	2,240	

**City of Greater Sudbury  
2004 Current Budget  
Materials and Operating Expenses**

Cost Centre	Section	Account Description	Amount	Sub-Total
		Building Maintenance	18,360	
		Training & First Aid	6,890	
		Squash/Fitness Supplies	3,880	
		Yard Maintenance	2,600	
		Special Events	2,470	
		Equipment Maintenance	22,470	
L.R.80.05.05.00	Barrydowne Arena	Equipment Supplies	1,000	
		Building Maintenance	1,000	
		Supplies	1,000	
L.R.80.05.10.00	Cambrian Arena	Office Expense	2,210	
		Equipment Supplies	13,580	
		Building Maintenance	21,800	
		Supplies	15,080	
		Uniforms	1,000	
L.R.80.05.15.00	Carmichael Arena	Office Expense	1,390	
		Equipment Maintenance	11,150	
		Building Maintenance	23,640	
		Supplies	21,020	
		Uniforms	1,000	
L.R.80.05.20.00	Countryside Arena	Office Expense	1,090	
		Equipment Supplies	20,140	
		Building Maintenance	29,580	
		Supplies	23,000	
		Uniforms	1,000	
L.R.80.05.25.00	Mcclelland Community Centre	Office Expense	1,120	
		Building Maintenance	27,210	
		Supplies	17,000	
		Equipment Supplies	14,570	
		Uniforms	1,000	
L.R.80.05.30.00	Chelmsford Arena/Community Hall	Office Expense	1,020	
		Canteen Supplies	20,000	
		Equipment Maintenance	10,200	
		Building Maintenance	19,380	
		Zamboni Propane	5,000	
		Hall Supplies	1,500	
		Hall Maintenance	1,020	
		Uniforms	1,000	
L.R.80.05.35.00	Dr. E. Leclair Arena/Community Hall	Office Expense	1,020	
		Canteen Supplies	18,000	
		Equipment Maintenance	11,140	
		Building Maintenance	15,380	
		Zamboni Propane	5,000	
		Hall Maintenance	7,750	
		Hall Supplies	11,000	
		Uniforms	1,000	
L.R.80.05.40.00	Garson Community Centre/Arena	Cleaning Equipment	5,100	
		Building Maintenance	15,300	
		Equipment Maintenance	6,640	
		Skating Area Maintenance	3,060	
		First Aid supplies	200	
		Concession Equipment Mtce	200	
		Work Wear	1,000	
		Hall Equipment	3,000	
		Hall Workwear	120	
		Office Expense	100	
		Hall Maintenance	2,200	
		Concession Supplies	24,480	
		Uniforms	1,000	
L.R.80.05.45.00	Coniston Arena	Office Expense	1,000	
		Building Maintenance	16,000	
		Equipment Maintenance	5,310	
		Uniforms	1,000	
L.R.80.05.50.00	Falconbridge Arena	Building Maintenance	500	
		Equipment Maintenance	500	
L.R.80.05.55.00	Capreol Arena/Community Hall	Office Expense	1,530	
		Building Maintenance	12,000	
		Equipment Repairs	7,000	
		Hall Supplies	1,760	
		Socan	610	
		Hall Maintenance	2,250	

**City of Greater Sudbury  
2004 Current Budget  
Materials and Operating Expenses**

Cost Centre	Section	Account Description	Amount	Sub-Total
		Concession Supplies	15,000	
		Uniforms	1,000	
L.R.80.05.60.00	T.M.Davies Arena/Community Hall	Office Expense	1,020	
		Building Maintenance	45,190	
		Concession Supplies	34,170	
		Equipment Maintenance	23,460	
		Hall Supplies	1,530	
		Uniforms	1,000	
L.R.80.05.65.00	Centennial Arena/Community Hall	Office Expense	3,500	
		Building Maintenance	21,930	
		Equipment Maintenance	18,870	
		Uniforms	1,000	
L.R.80.05.70.00	Raymond Plourde Arena	Office Expense	1,410	
		Janitorial Supplies	6,440	
		Building Maintenance	25,180	
		Equipment Maintenance	10,910	
		Uniforms	1,000	
L.R.80.05.75.00	Jim Coady Memorial Arena	Office Expense	1,020	
		Building Maintenance	6,270	
		Equipment Maintenance	5,300	
		Uniforms	1,000	
L.R.80.15.00.00	Sudbury Community Arena	Office Expense	7,000	
		Miscellaneous	15,300	
		Cost of Sales	60,000	
		Building Maintenance	55,160	
		Heat and Refrig'n Material	10,000	
		Uniforms	4,590	
		Credit Card Charges	13,260	
		Event Expense	40,000	
		Beverage Costs of Goods	20,000	
L.T.05.00.00.00	Director's Office	Office Expense	1,090	
L.T.15.05.00.00	Parking Administration	Office Expense	11,500	
		Parking Improvements	10,500	
		Snow Plowing Admin	125,000	
L.T.15.10.00.00	Parking Meter Operations	Supplies & Maintenance	6,000	
L.T.15.15.05.00	Sudbury Arena Lot	Maintenance	16,500	
L.T.15.15.10.00	Beech Street Lot	Maintenance	8,000	
L.T.15.15.15.00	Tom Davies Square Lot	Maintenance	6,000	
L.T.15.15.20.00	Centre For Life	Maintenance	6,000	
L.T.15.15.25.00	Larch Street Lot	Maintenance	5,200	
L.T.15.15.30.00	MacKenzie Street Lot	Maintenance	7,000	
L.T.15.15.35.00	Shaughnessy Street Lot	Maintenance	9,000	
L.T.15.15.40.00	Elgin/Market Square	Maintenance	8,000	
L.T.15.15.45.00	Elm Street Lot	Maintenance	6,500	
L.T.15.15.50.00	Medina Lane Lot	Maintenance	2,500	
L.T.15.15.55.00	Elgin Street CPR LOT	Maintenance	4,000	
		Lease	54,000	
L.T.20.05.00.00	Crossing Guards	Office Expense	12,000	
L.T.25.05.00.00	Transit Administration	Operating Materials	85,000	
L.T.25.10.00.00	Transit Supervisors	Uniforms	3,100	
L.T.25.15.00.00	Equipment, Shelter & Building Mtce	Building Maintenance	131,880	
		Shelter Maintenance	122,200	
		Bus Stop Signs	27,890	
L.T.25.20.00.00	Downtown Transit Terminal	Snow Removal - Terminal	19,000	
		Building Maintenance	14,700	
L.T.25.30.00.00	Transit Bus Operators	Uniforms	41,800	3,501,160
P.A.10.00.00.00	Administrative Services	Office Expense	29,730	
P.E.07.00.00.00	Traffic & Transportation	Traffic Material	6,150	
P.E.10.00.00.00	Technical Services	Easements	5,000	
P.E.20.00.00.00	Design & Drafting	Office Expense	37,000	
P.E.25.00.00.00	Construction Services	Office & Soil Supplies	28,230	
		Misc Supplies	11,500	
P.E.30.05.00.00	Tom Davies Square Complex	Small Tools and Supplies	1,100	
P.E.30.10.00.00	Municipal Buildings	Miscellaneous MMMS	20,500	
P.M.05.00.00.00	Operations - Administration	Office Expense	55,830	
		Material Handling	14,000	
P.M.15.00.00.00	Water Maintenance	MMMS	3,054,350	
P.M.20.00.00.00	Waste Water Maintenance	MMMS	3,112,300	
P.M.22.00.00.00	WW & W Miscellaneous	MMMS	213,330	

**City of Greater Sudbury  
2004 Current Budget  
Materials and Operating Expenses**

Cost Centre	Section	Account Description	Amount	Sub-Total
P.M.25.00.00.00	Roads Maintenance	MMMS	4,435,700	
P.M.30.10.00.00	Parks Maintenance	MMMS	329,500	
P.M.35.05.00.00	Maintenance Supervision - Fleet	Office Expense	7,180	
P.M.35.10.00.00	Depots - Frobisher, St. Clair	Fuel - Sudbury Hydro	57,800	
		Fuel Operations	1,240,000	
		Hire Vehicle Fuel	13,500	
		Mechanical Materials	1,127,500	
		Supplies	235,750	
		Tool Crib Material	31,520	
		Propane Fuel	37,000	
		Collision Repairs	25,650	
		Fuel - French Sep. School Board	10,200	
		Fuel - English Sep. School Board	17,000	
P.M.35.20.00.00	Transit Depot	Miscellaneous	1,440	
		Supply Bus	625,250	
		Body Work	60,900	
		Tire Replacement	63,000	
		Lic Plates Vehicles	20,500	
		Shop Supplies	55,350	
		ACC Nonrecoverable	17,000	
		Insurance Deductible Cost	40,000	
		Bus rebuilds	51,250	
P.M.40.05.00.00	Public Works Depots	MMMS	479,230	
P.W.05.00.00.00	Waste Management - Admin	Office Expense	2,040	
P.W.15.00.00.00	Collection	Garbage Collection MMMS	10,250	
P.W.20.05.00.00	Blue Box Recycling	Materials & Supplies	70,000	
P.W.20.10.00.00	Home Composting	Materials & Supplies	10,000	
P.W.25.10.00.00	Tipping Fee Collection	Office Equipment/Supplies	10,000	
		Utilities	19,168	
		Supplies Repairs & Mtce	35,700	15,728,398
Q.A.05.00.00.00	Emergency Services GM's Office	Office Expense	4,430	
Q.E.05.00.00.00	Emergency Preparedness	EOC Equipment	6,200	
		Materials	6,800	
		Public Awareness	7,500	
Q.F.01.01.00.00	Fire Administration	Office Expense	32,990	
		Volunteer Recognition	8,410	
Q.F.01.04.00.00	Facilities & Apparatus	Property Tax	4,620	
		Uniforms	102,290	
		Protective Clothing	35,500	
		Fire Fighting Supplies	86,850	
		Equipment Mtce - Supplies	52,490	
		Veh. Mtce	405,350	
		Janitorial Supplies	23,160	
		Building Maintenance	180,000	
Q.F.01.07.00.00	Fire Prevention & Public Education	Fire Prevention	10,800	
		Public Education	4,200	
Q.F.05.07.00.00	Career - Volunteer District 1	Bunker Gear	4,950	
Q.F.08.01.00.00	Composite Career Suppression	Protective Clothing	11,480	
Q.F.08.04.00.00	Composite - Volunteer District 4	Bunker Gear	7,430	
Q.F.11.01.00.00	Volunteer - District 2	Meals	12,770	
		Bunker Gear	9,900	
Q.F.11.02.00.00	Volunteer - District 3	Bunker Gear	12,380	
Q.F.11.03.00.00	Volunteer - District 4	Bunker Gear	2,480	
Q.F.11.04.00.00	Volunteer - District 5	Bunker Gear	14,860	
Q.L.05.00.00.00	E.M.S. Administration	Office Expense	4,000	
Q.L.10.00.00.00	E.M.S. Field Operations	OPALS Supplies & Equipment	84,930	
		Medical Supplies & Equipment	100,000	
		Drugs	47,000	
		Uniforms	80,000	
		Cleaning Equipment	11,600	
		Office Supplies & Equipment	15,000	
		Computer / Software	840	
		Bedding	7,000	
		Laundry Bedding	75,000	
		Oxygen/Gases & Equipment	50,000	
		Building Maintenance	27,500	
Q.L.15.00.00.00	Night Landing Sites	Equipment Supplies	12,000	1,562,710
R.P.05.05.00.00	Police Services Board	Office Expense	1,500	

**City of Greater Sudbury  
2004 Current Budget  
Materials and Operating Expenses**

<b>Cost Centre</b>	<b>Section</b>	<b>Account Description</b>	<b>Amount</b>	<b>Sub-Total</b>
		Miscellaneous	9,440	
R.P.05.20.00.00	General Personnel	Volunteer & Police Aux.	20,000	
R.P.10.05.00.00	Fleet	Maintenance - Others	336,810	
		Gasoline	280,000	
R.P.10.15.00.00	Operations Building	Janitorial Supplies	2,000	
R.P.10.25.00.00	Contract Services	Photocopy	57,600	
R.P.10.35.05.00	Emergency Services	Mobile Command Post	4,200	
		911 Expenses	6,560	
R.P.10.40.00.00	Training Branch	Training Supplies	5,000	
		Training Rentals	27,000	
		Books & Subscriptions	14,000	
R.P.10.45.00.00	Stores	Uniforms	153,000	
		Enforcement Supplies	100,000	
		Ammunition Costs	68,530	
		Office Supplies	70,000	
		Postage & Shipping	12,490	
		Enforcement Costs	8,000	
		Equipment Maintenance	6,500	
		Computer Toner	25,000	
R.P.10.75.00.00	Alarm Program	Computer	800	
		Software	5,000	
		Office Supplies	3,800	1,217,230
<b>Total</b>				<b>29,367,353</b>

# Request for Recommendation Finance Committee

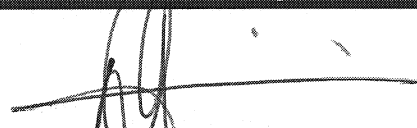


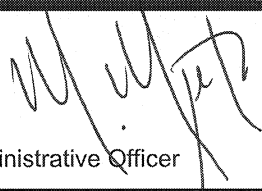
Type of Decision									
Meeting Date	March 22, 2004				Report Date	March 19, 2004			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
<b>Staffing Chronology Pre-Amalgamation 2000 / 2004</b>

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
<b>FOR INFORMATION ONLY</b>
Recommendation Continued

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

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

Date: March 19, 2004

Report Prepared By
Name and Title

Division Review
Name and Title

**BACKGROUND**

Council at a previous Finance Committee meeting requested a chronology of staffing comparing year 2000 pre-amalgamation to the current 2004 base budget. The following report will outline the changes in staffing, by service level, using two criteria - number of permanent employees and the number of temporary hours (1,950 hours = 1 full-time equivalent).

Amalgamation brought together seven Area Municipalities, one Regional government and several unorganized areas into one new City. Early in the process, the Transition Board set a target of 145 full-time equivalents to be reduced from the staffing complement. To achieve this, a number of steering committees and task forces were formed and tasked with:

- (a) identifying the services to be delivered and the level at which the services would be delivered by the new City,
- (b) an organizational chart,
- (c) a budget and a staffing complement.

The first step in achieving their goal was to identify what resources had been applied by the various municipalities prior to amalgamation. This task proved to be more difficult than originally anticipated as the municipalities did not structure their budgets in a common fashion, dollars and human resources - for similar tasks, were allocated differently within each of the budgets, capital was often intermingled with operating costs, and staffing resources were not clearly identified with a specific function. With all of these challenges, the final outcome was a series of best guesstimates. The following charts will take you through the realignments and / or resources of service levels within the new City from pre-2000 amalgamation to the current base budget of 2004.

***Pre-Amalgamation 2000***

Staffing, as identified by the Transition Board for pre-amalgamation 2000, consisted of 1,737 full-time employees (once adjusted to reflect quarterly billings) and 776,020 temporary hours, for a work force of approximately 2,135 full-time equivalents. The full-time work force, by area, was as follows:

Area / Service	2000 Pre-amalgamation
Executive & Corporate Services	178.5
Economic Development & Planning	80.0
Health & Social Services	254.0
Citizen & Leisure Services	200.5
Public Works	494.5
Emergency Services	209.5
Police Services	320.0
	1,737.0

Date: March 19, 2004

**Post-Amalgamation - 2000**

Once amalgamation was completed, the original target for staffing reductions identified by the Transition Board of 145 had been surpassed and the actual reduction was 164.5 full-time equivalents. The staffing resources for the new City at that time stood at 1,659 full-time positions, and 591,970 temporary hours for a staffing complement of approximately 1,962 full-time equivalent. The staffing complement by area / service was as follows:

<b>Area / Service</b>	<b>2000 Post-amalgamation</b>
Executive & Corporate Services	138.5
Economic Development & Planning	67.0
Health & Social Services	250.0
Citizen & Leisure Services	228.5
Public Works	451.0
Emergency Services	204.0
Police Services	<u>320.0</u>
	1,659.0

When compared to the 2000 pre-amalgamation numbers, all service areas were reduced with the exception of two, specifically the Police Services that stayed the same, and Citizen & Leisure Services where the creation of the Citizen Service Centre model, bringing in-house those Transit Services that had been provided in the commuter areas by the private sector and increasing the actual level of Transit Services added 28 full-time positions to the complement.

**2004 Base Budget**

Since amalgamation, the City has faced a number of issues that have required both additional and a reallocation of existing resources. Some of these issues are: the aftermath of Walkerton, the City's assumption of Social Housing, additional fire service resources for Valley East, additional transit services to the commuter areas, the recognition of 3 staff for the Lionel Lalonde Centre that should have been included in the pre-amalgamation 2000 numbers, the closure of some facilities, an increased demand for by-law enforcement, the reintroduction of 8 staff in Financial Services, and the addition of 10 staff in the Information Technology Division to meet workloads, new Police servicing needs as defined under the Adequacy and Effectiveness Regulations to mention a few. The staffing resources as outlined in the 2004 base budget are as follows:

<b>Area / Service</b>	<b>2004 Base Budget</b>
Executive & Corporate Services	161.0
Economic Development & Planning	88.0
Health & Social Services	303.0
Citizen & Leisure Services	228.0
Public Works	457.0
Emergency Services	235.0
Police Services	<u>341.0</u>
	1,813.0

Date: March 19, 2004

The total staffing, using both full-time positions of 1,813 and temporary hours of 638,971 hours, equates to a full-time equivalent work force of 2,140.

### **Observations**

Upon viewing the above listings, you will note that two service areas are still below the pre-amalgamation 2000 level, namely Executive & Corporate Services and that of Public Works. The five service areas that are above the pre-2000 amalgamation are as follows:

- (a) Economic Development & Planning - This service area is currently eight above their full-time complement for pre-amalgamation 2000. These eight can be directly attributable to an additional six positions created in 2001 - four by-law enforcement officers and two economic development officers, three additional janitorial staff being added to the full-time complement at the Lionel Lalonde Centre as they had been incorrectly omitted from the pre-2000 complement, and the creation of nine additional positions as a result of the City assuming responsibility for the Social Housing envelope in 2002.
- (b) Health & Social Services - There are 49 more than in the year 2000 pre-amalgamation and this entire group can be attributed to level of care at Pioneer Manor. It should be noted that this increase of 49 positions was partially offset by a reduction of 51,528 temporary hours, and was approved by Council for the purpose of stabilizing the work force given the shortage of health care professionals in the community, and to improve the unusually high ratio of part-time to full-time staff at the facility. The move to additional full-time positions further reduced the amount of overtime being paid at the facility. It should also be noted that this additional staffing was offset by provincial funding.
- (c) Citizen & Leisure Services - There are 27.5 more full-time complement than there were pre-amalgamation 2000. As previously outlined, this increase is entirely due to the creation of the Citizen Service Centre model, bringing in-house those Transit Services that had been previously contracted to the private sector in the commuter areas, and increased Transit Services in the commuter areas.
- (d) Emergency Services - Emergency Services has 25.5 more full-time positions in the organization today than it had pre-amalgamation. This increase can be divided between Fire with an increased complement of 12, with the remainder in the Emergency Medical Services. Please note that the increase in Emergency Medical Services are required to meet mandated levels of service, and are all almost entirely funded by provincial dollars.
- (e) Police Services - This area has 21 more full-time positions than which existed in pre-amalgamation 2000. The increases have been as a direct result of an increase in front-line officers to patrol the new southeast area, an enhancement of communication centre staffing due to fully-integrating rural fire dispatch service into the communication centre. Other staff increases have been in response to the requirements under the Provincial Adequacy and Effectiveness Regulation which has seen staff assigned to positions including crime analysis, major case management and property management. An Alarm Co-ordinator was hired full time as part of the False Alarm Reduction Program, a fleet clerk has been assigned to fleet with the transition of vehicle acquisition and maintenance from the City to the Police. Additionally, in accordance with both Provincial and Municipal legislation, the complement of court security officers has been also increased by two, and in keeping with the Federal Firearms legislation a full-time Firearms Officer has been secured.

Date: March 19, 2004

**Conclusion**

When one considers that the three departments that were basically untouched at the time of amalgamation - namely Pioneer Manor (care for the elderly), Emergency Services (Fire and Emergency Medical Services), and Police Services have increased their full-time complement by 95, and would have likely seen these increases under any circumstances; and, when one also considers that the City assumed the Social Housing portfolio after amalgamation creating nine positions to manage same, and that when one considers the three positions at the Lionel Lalonde Centre that had been incorrectly left off the pre-amalgamation numbers, the staffing levels within the City of Greater Sudbury have not changed substantially since amalgamation. It could be argued that when comparing apples to apples that the 107 positions in these four areas should not be used when comparing aggregate totals for 2000 and 2004. If one was to remove these positions from this comparison and compare like organizations, the staffing levels for 2004 are 102 less full-time equivalents than that of pre-amalgamation 2000.

# Request for Recommendation Finance Committee

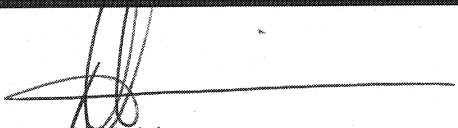


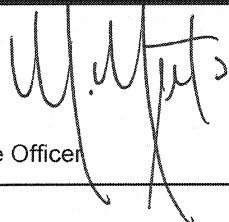
Type of Decision									
Meeting Date	March 22, 2004				Report Date	March 12th, 2004			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
<b>HUMAN RESOURCES DIVISION LEGAL COSTS REVIEW</b>

Policy Implication + Budget Impact	
<b>N/A</b>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
Background Attached	

Recommendation
<b>FOR INFORMATION ONLY</b>
Recommendation Continued

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

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

**Report Prepared By**



Patrick Thomson  
Director of Human Resources

**Division Review**



Patrick Thomson  
Director of Human Resources

**BACKGROUND - YEAR 2000 TRANSITION**

As a result of discussions at the March 3rd, 2004 Finance Committee meeting, Council requested a report on the use of outside legal counsel in both the Legal Services Division and the Human Resources Division.

This report provides a brief overview of our Human Resources Division cost experience since the inception of CGS, and provides an overview of the steps Management is taking to reduce our costs in this area. A separate report will detail the examination of the Legal Services Division costs.

**GRIEVANCE ACTIVITY 2000 - 2003**

The following chart details the number of grievances referred to the Human Resources Division during this time period:

Year	Number of Grievances Referred To Final Stage
2000*	150
2001	139
2002	103
2003	94

\*Composite of Grievances - former City of Sudbury, Regional Municipality of Sudbury, and Towns

The above chart is not indicative of total grievance activity, as the Human Resources Division does not track grievances which are filed and resolved at earlier stages of the grievance process.

As the above chart demonstrates, grievance activity was very high during the transition years, but has begun to drop. As further indication of this, staff advises that as at March 5th, 2004, the number of grievances filed in 2004 at Final Stage is only 12, extrapolating this to year end 2004, we may expect something in the order of 72 Final Stage grievances at year end.

This statistic is even more encouraging as we are in a Collective Bargaining year, and grievance activity typically spikes in the last year of a contract.

**HUMAN RESOURCES DIVISION EFFECTIVENESS IN RESOLVING GRIEVANCES**

The suggestion has been made that the Union is “winning” eighty-five (85%) percent of the grievances filed. The following chart uses year 2003 statistics to refute that statement:

**2003 Grievance Status Summary**

Grievance Status	Number of Grievances	Percent of Total
Withdrawn (Union agreed with Employer, that no violation of Collective Bargaining Agreement occurred after receiving Final Stage Grievance Response).	22	23%
Settled (the parties settled the matter somewhere in the middle ground, through dialogue).	21	22%
Pending (i.e. either the Final Stage Grievance meeting is pending, or the Employer has responded at Final Stage, and the Union’s decision - to withdraw or refer to arbitration, is pending).	21	22%
Dismissed (i.e. the case was referred to arbitration, and the Arbitrator found for the Employer).	8 (8 grievances addressed across 2 Awards)	9%
Allowed by Arbitrator (i.e. the case was referred to arbitration, and the Arbitrator found for the Union).	7 (7 grievances addressed in only 1 Award)	7%
Referred to Arbitration (dates not set/hearing not yet held).	6	6%
Allowed (i.e. the Employer agreed with the Union and allowed the grievance).	4	5%
Abandoned (i.e. the Employer responded, and the Union fell silent on the file).	4	4%
Held in abeyance (pending the outcome of some other grievance).	1	1%

The above chart demonstrates that even in the last high grievance activity year associated with amalgamation, the parties internal efforts to resolve grievances has worked well, with (73/94 - seventy-seven (77%) percent of the grievances resolved/moving to resolution, without the requirement (and expense) of a third party arbitrator.

Of the 15 grievances filed in 2003 that had to go to arbitration, 8 were found for the Employer, and 7 were found for the Union. Perhaps a better way to express the same statistic (as there were only 3 Awards covering the 15 grievances involved), is that 2 were found for the Employer, and 1 was found for the Union.

### **EXAMINATION OF LEGAL COSTS - BENCHMARKING**

Council may well ask the question: "If there were only 3 arbitrations in 2003, why is our legal expense for labour arbitrations so high?" The answer is that the above 3 arbitrations is not in any way exhaustive of the labour relations work conducted in 2003. CGS's 2003 legal costs would also include:

- Payment for all legal costs coming out of Interest Arbitrations (i.e. 3 of our Unions do not have the right to strike, and have their contract disputes via Interest Arbitration). Both the Sudbury Professional Fire Fighters Association, and the Ontario Nurses' Association, took CGS to Interest Arbitration over wages and other matters in 2003.
- Payment for legal opinions and probability analysis of success for arbitrations (i.e. the Human Resources Division consistently does a benefit cost analysis and risk assessment of every arbitration case before expending resources having cases arbitrated, using counsel as a resource).
- Arbitration of year 2000, 2001, and 2002 grievances (i.e. unless referred to expedited arbitration under *The Ontario Labour Relations Act*, it would be less common for a grievance to work its way through our internal processes and be arbitrated in the same year it was filed). There were numerous grievances stemming from the amalgamation years (chiefly 2001 and 2002), which were not resolved by the parties/an arbitrator until 2003. Time did not allow a year by year detailed analysis of labour costs, but casual observation suggest the resolution rates on grievances from prior years, are similar to those in the above chart for 2003.
- Payment for employment law work relating to the Non Union Employee population (covering 250 Full Time and 350 Part Time Employees).

In addition, staff advises that the Human Resources Division has been participating in a Human Resources Benchmarking Network annual Benchmarking Survey. Although the survey focuses on the health care sector, in 2003, eleven (11) municipalities participated. One of the indicators relates to Human Resources Legal Costs. The 2003 results on this indicator (reflecting 2002

costs) are:

Name of Municipality	Employee Count	% of Unionized Workforce	Human Resources Legal Costs
Hamilton	6,456	70.4%	\$503,574.70
<b>Sudbury</b>	<b>2982</b>	<b>85.0%</b>	<b>\$303,512.00</b>
* Halton	1,695	62.0%	\$ 98,000.00
* Kitchener	1,166	79.0%	\$ 81,880.37
* Peel	3,036	45.3%	\$ 76,216.41
* Ajax	528	66.1%	\$ 52,418.00
* Niagara	2,684	83.4%	\$ 43,544.17
* York	2,178	82.4%	\$ 41,000.00
* Muskoka	202	75.7%	\$ 17,600.00
* Durham	2,929	88.0%	\$ 17,251.08
* Burlington	1,476	49.5%	\$ 11,137.65

\* Either upper or lower tier municipality.

Two important facts can be derived from this chart:

1. For nine out of the eleven municipalities participating in the survey, their legal costs only represent a fraction of the total legal costs ultimately paid through taxes, as they are either upper or lower tier municipalities. By example, the Region of Halton's legal costs may seem low at \$98,000., but that Region also contains the communities of Burlington (which participated in the survey - \$11,137.65), the larger City of Oakville, and a number of other lower tier municipalities found within the Halton Region;
2. Those same nine upper and lower tier municipalities have been stable for many years. The only other municipality in this listing which has undergone restructuring is Hamilton (legal costs of \$503,574.00).

The above chart suggests that our costs are not out of line for a large single tier municipality, in the years immediately following restructuring.

In addition, the same survey asked respondents to profile their patterns and use of legal counsel

between internal and external sources, the results can be shown on the attached chart:

Question	Percentage of Total Responses
Organizations Utilizing "In-House" Counsel <b>Only</b> for HR Legal Matters	3.26%
Organizations Utilizing <b>External</b> Counsel <b>Only</b> for HR Legal Matters	76.09%
Organizations Utilizing a Combination of "In-House" and External Counsel for HR Legal Matters	20.65%
Organizations selecting the "combination" option were asked to estimate the % of usage (between "In-House" and External counsel) based on \$ spent. The results are noted below:	
"In-House"	33.99%
External	66.09%

As the above chart demonstrates, there is a clear benchmarking preference for use of external legal counsel with respect to Human Resources matters, as it is a subsection of the practice of law which requires specific and focused expertise.

**HUMAN RESOURCES DIVISION EFFORTS TO REDUCE LEGAL COSTS**

In addition to putting forward a strong effort with our Unions to keep the arbitration of grievances (and thereby our legal costs) at a minimum (with a 77% success rate), the Human Resources Division has taken steps since amalgamation to reduce our reliance on external legal counsel, and thereby our legal costs.

None of the four Incumbents hired into the position of Co-Ordinator of Human Resources came to the position with a solid educational and experiential background in Human Resources/ labour relations (as during amalgamation, all CGS Hiring Managers were restricted to the internal pool of candidates in the predecessor municipalities to fill positions in CGS).

To address this developmental need, all of the Co-Ordinators of Human Resources received both in service training and external course work on grievance management, and arbitration advocacy in the years 2000 and 2001. Commencing in 2002, the Co-Ordinators of Human Resources have started acting as Employer Advocates (i.e. with no external labour lawyer support/representation), in the following venues:

2002	2003	2004 (year to date)
2 Arbitrations	5 Arbitrations	3 Arbitrations
1 Pay Equity Complaint	4 Human Rights Code Complaints	

To date, the selection of cases for handling by CGS staff have been based on cost/benefit analyses, risk analyses, and assessment of the complexity of the issues. It is staff's expectation that as the Incumbents training and experience grows, our use of external legal counsel will continue to diminish.

The above is offered for Council's information.

# Request for Recommendation Finance Committee



Type of Decision												
Meeting Date							Report Date		March 8, 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
CONVERGENCE OF UTILITIES

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. Bélisle General Manager of Public Works

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

Date: March 8, 2004

**Report Prepared By**

D. Bélisle  
General Manager of Public Works

**Division Review**

During the Amalgamation process, the Transition Board retained the firms of Navigant Consulting Inc. and Miller Thomson to produce a report entitled "Strategic Alternatives for City of Greater Sudbury Electric Utilities", dated June 16, 2000, commonly known as the Navigant Report. The Navigant Report covered many aspects associated with the electrical utility, ranging from the sale of the utility, to the continued participation in telecommunications (fibre optics), and on to the amalgamation of water, wastewater, and hydro services. The Navigant Report quoted savings of up to \$2.5 million if certain measures were implemented, most within Sudbury Hydro, independent of City operations.

"This analysis indicates that there is significant room for savings at Sudbury Hydro independent of the potential synergies associated with water, wastewater and other municipal operations. If Sudbury Hydro was able to reduce its costs to the average of the peer group, this would represent a \$1.3 million reduction in the rates paid by Sudbury Hydro's customers.

Based on this analysis and ignoring unique local factors, Sudbury Hydro's operating costs are higher than its peers when compared to utilities of similar size and utilities of similar geography. Sudbury Hydro ranked in the bottom quartile (17th of 19 utilities) of its peer group utilities. Similar results were produced when Sudbury Hydro was compared to other Northern Ontario utilities as Sudbury ranked third out of the four utilities in terms of costs. The average controllable expense per customer for the peer group was \$164 versus \$196 for Sudbury Hydro. Sudbury Hydro's high costs are likely to stem from its high number of employees as evidenced by Sudbury Hydro 16th place ranking in customers/employee among its peer group.

The four Task Forces exploring operational synergies identified annual savings opportunities of approximately \$1 million that could be loosely attributed to synergies between CGS Hydro and the municipality. NCI/MT believe the savings estimates presented are achievable and that additional savings of between \$500,000 to \$1.5 million would be achievable in the longer term with the dedicated effort of management and staff.

It should be pointed out, however, that realizing these synergies will not be a trivial matter and will require significant effort and negotiation between management and staff of all the organization affected. Also, in order for CGS Hydro to reduce its costs to the level of its peers it will likely require some of these synergies - so it is important not to double count savings realized from joint or shared services with savings associated with cost cutting that the electric utility could do on a stand-alone basis.

If CGS Hydro were sold, the City would not be able to realize the same level of synergies with the new utility's owners, but NCI/MT expect that the City could still pursue water billing from the electric utility for annual savings in the range of \$400,00 per year."

Date: March 8, 2004

Based on the Navigant Report, the Transition Board recommended that the new Council of the City of Greater Sudbury amalgamate water, wastewater and hydro services into a single utility. The first Council of the new City of Greater Sudbury had doubts about the Navigant recommendations, and commissioned its own review by another expert firm in the utility business, MacQuarie North America Ltd. MacQuarie found that the savings identified by Navigant were achievable for the most part, but that it was not necessary to amalgamate services in order to achieve them.

“As part of the municipal amalgamation process, Utility and City staff task forces developed projections of expected cost savings. These projections estimated that cost savings of approximately \$2.0 million in 2001 increasing to \$3.0 million in 2003 would be available from two main sources:

- **Utility savings** - savings of approximately \$1.78 million in 2001 from the amalgamation and restructuring of Sudbury Hydro, Nickel Centre Hydro and Capreol Hydro to form GSU, including opportunities for synergies between the operations of GSU and those of the amalgamated municipality. These savings are projected to be achieved irrespective of whether the integrated model is adopted. Overall the Utility has been successful realizing the projected cost savings from these source principally through the reduction of staff positions; and
- **Integration savings** - savings of \$243,000 in 2001 increasing to \$1.18 million in 2003 from the integration of electricity with water and wastewater services. These savings can be further divided into:
  - Savings which could only be achieved through the integrated model (\$72,000 in 2001 increasing to \$345,000 in 2003); and
  - Savings which could be achieved even if electricity and water and wastewater operations remained separate (\$170,000 in 2001 increasing to \$830,000 in 2003). For example, joint billing could be implemented without adopting the integrated model.”

City Council elected to pursue the savings which could be achieved even if electricity and water and wastewater operations remained separate.

Accordingly, since Amalgamation, the City and GSU have implemented the majority of MacQuarie's cost saving recommendations.

- GSU amalgamated with Nickel Centre Hydro and Capreol Hydro, resulting in significant restructuring and downsizing within the Utility.
- The City outsourced all street light construction and maintenance to GSU in the newly amalgamated municipality. Prior to Amalgamation, Sudbury Hydro maintained the former City of Sudbury's street lights, while all other Area Municipalities used a mix of its own personnel and private contractors.
- The City and GSU have issued a joint contract for the reading of water and electricity meters.

**Date:** March 8, 2004

- Effective April, 2004, all billings and collections for water and wastewater will be consolidated with GSU electricity billings, and administered by the electric Utility.
- The City and GSU have yet to determine if water meter installations and repairs can be consolidated with electric meter installations and repairs. That review will occur this year.

# Request for Recommendation Finance Committee




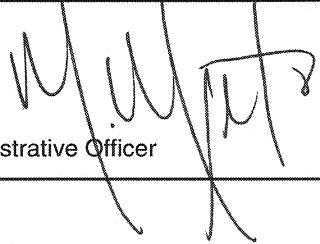
Type of Decision										
Meeting Date					Report Date	March 9, 2004				
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low	
		Direction Only			Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed	

Report Title
Sewer & Water Servicing

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. Bélisle General Manager of Public Works

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

**Date:** Sewer & Water Servicing

**Report Prepared By**

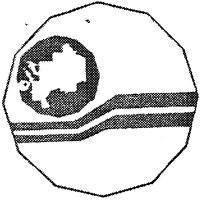


D. Bélisle  
General Manager of Public Works

**Division Review**

During the Finance Committee meeting of March 3, 2004, Councillor Callaghan requested that an option be prepared to provide communal sewers to approximately 10 homes on Falconbridge Hwy., between Donnelly Drive and Metcalf. This project appears in the existing Priority List for Sewer & Water services (no. 8 on list).

Enclosed is the complete Priority List, last updated in 1998. It outlines the current policy on financing projects, the criteria for ranking projects, and the estimated costs (1998).



# REGION of/de SUDBURY

**Regional Council**

***For Information***

**Date: March 25, 1998**

**File No.:**

**Subject:**

**Sewer & Water Servicing Priority List - 1998 Update**

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J.L. (Jim) Rule  
Chief Administrative Officer

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P.J. Morrow, Commissioner of  
Public Works

**Background:**

Regional Council ratified Resolution #98-37, adopting the updated sewer and water servicing Priority List. For Council's information and future reference we attach the following.

- Report dated February 16, 1998, to the Public Works Committee, recommending the adoption of the updated sewer and water servicing priority list.
- Resolution #97-71, adopting the policy on sewer and water servicing, and associated financial requirements.
- Sewer & Water Servicing Priority List, dated February 16, 1998, with point ratings and plans of servicing areas.
- Form of petition developed for use by un-serviced residents, conforming to requirements adopted through Resolution #97-71. Additional petition forms are available from the Public Works Department.