



**Budget 15**

Executive Summary

# 2015 Base Budget at a Glance

## Strategic Goals and Strategies

The City of Greater Sudbury provides municipal services to approximately **160,000 citizens** within its vast geographic boundaries.

Greater Sudbury City Council has established a **strategic framework** in order to create positive outcomes for citizens and the community as a whole. The City of Greater Sudbury's strategic framework consists of: Infrastructure, Growth and Jobs, Healthy Community and Fiscal Sustainability.

This framework helps the City of Greater Sudbury in managing an annual **operating budget of \$515 million**.

The annual budget process is guided by City Council. Each department is responsible for overseeing **numerous programs and services that keep the City running every day, and provide a great northern lifestyle to residents**.

The **operating budget** is dedicated to **day-to-day operations**, including programs and services in more than 30 diverse sectors such as policing, public health, recycling, leisure programs and water and wastewater services.

2014 Operating Budget: **\$504 million** ➔ 2015 Operating Budget: **\$515 million**

The **capital budget** is dedicated to **one-time expenditures and projects** such as road construction, recreation facilities, building upgrades and retrofits, equipment renewal and replacements. Of the \$108 million, approximately \$40 million is dedicated to road capital investments.

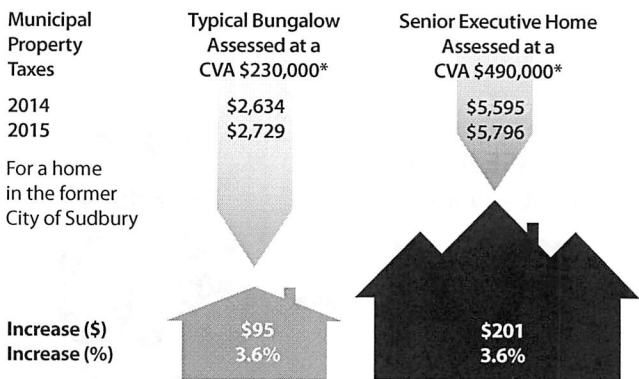
2014 Capital Budget: **\$95 million** ➔ 2015 Capital Budget: **\$108 million**

## 2015 Base Operating Budget at a Glance:

The operating budget requires a municipal levy of \$240 million representing an increase of 3.6%, net of assessment growth.

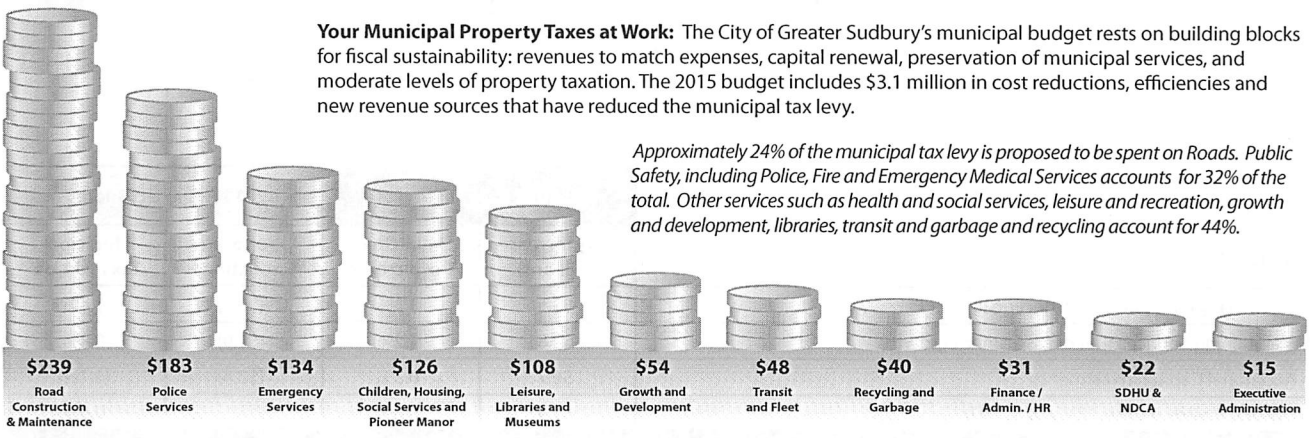
The following is a breakdown of the tax increase.	Levy increase (millions)	Municipal Tax Increase
Provincially Mandated (Incl. decline in OMPF)	\$3.5	1.5%
Maintaining Services	\$2.8	1.2%
Additional Capital Investments	\$0.7	0.3%
Outside Boards (Police, NDCA & SDHU)	\$1.4	0.6%
<b>Total Municipal Levy Increase (net of assessment growth)</b>	<b>\$8.4 M</b>	<b>3.6%</b>

## Impact of 2015 Municipal Tax Increase on Typical Households

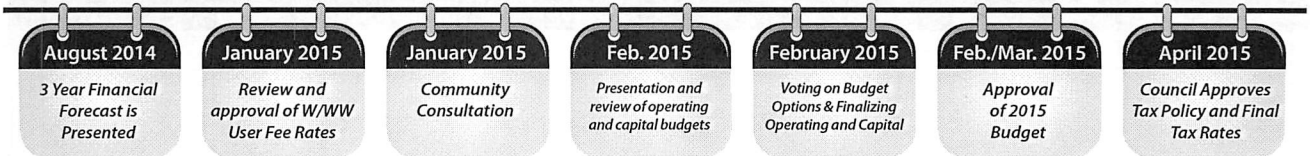


\* 2015 phased in values of \$219,000 and \$467,000. CVA = Current Value Assessment

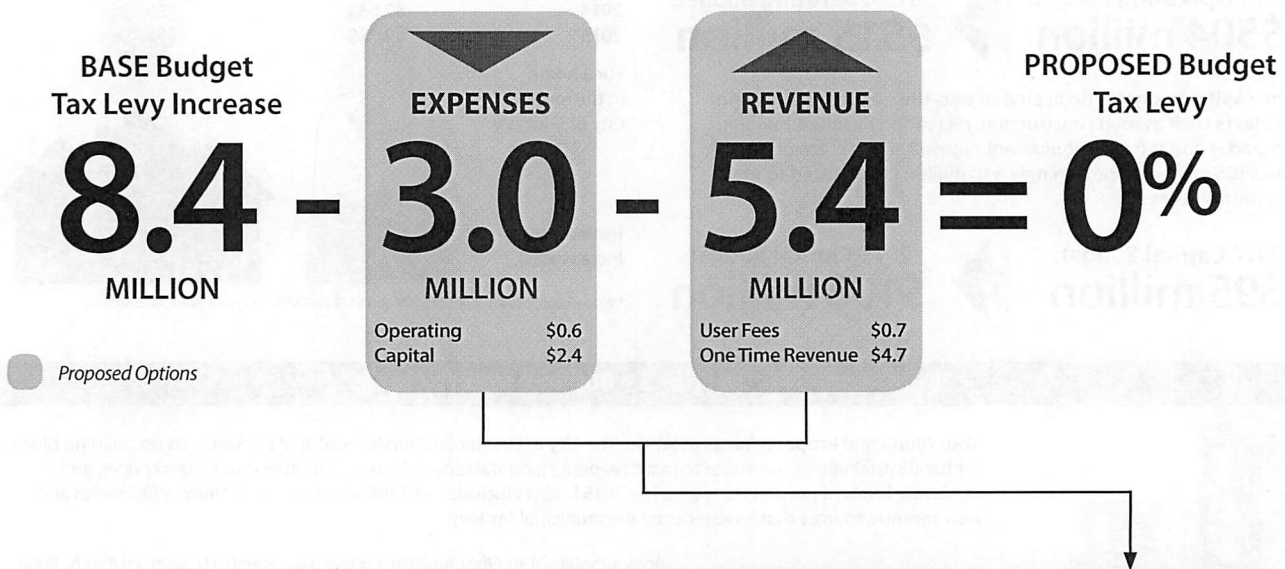
## Municipal Services per \$1,000 in property taxes



## 2015 Budget Timeline



# Proposed 2015 Budget at a Glance



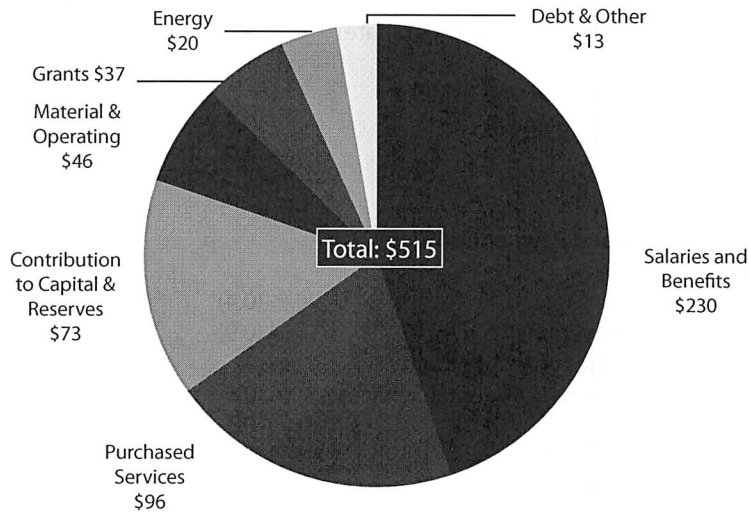
Budget Item	2015 Base Budget		2015 Proposed Budget	
	Levy increase (millions)	Municipal Tax increase	Proposed Reductions	Municipal Tax Increase
Provincially Mandated (Incl. decline in OMPF)	\$3.5	1.5%	(\$0.3)	1.4%
Maintaining Services (net of assessment growth)	\$2.8	1.2%	(\$1.0)	0.8%
Additional Capital Investments	\$0.7	0.3%	(\$2.4)	(0.7%)
Outside Boards (Police, NDCA & SDHU)	\$1.4	0.6%	-	0.6%
<b>Total Municipal Levy Increase</b>	<b>\$8.4 M</b>	<b>3.6%</b>	<b>(\$3.7 M)</b>	<b>2.0%</b>
Less: One Time Revenues to reduce tax levy			(\$4.7 M)	(2.0%)
<b>Total Municipal Levy Increase</b>	<b>\$8.4 M</b>	<b>3.6%</b>	<b>(\$8.4)</b>	<b>0%</b>

# 2015 Base Budget

<b>Expenses</b> (\$515 M)	<b>=</b>	<b>Municipal Property Taxes</b> (\$240 M)	<b>+</b>	<b>Other Revenues</b> (\$275 M)
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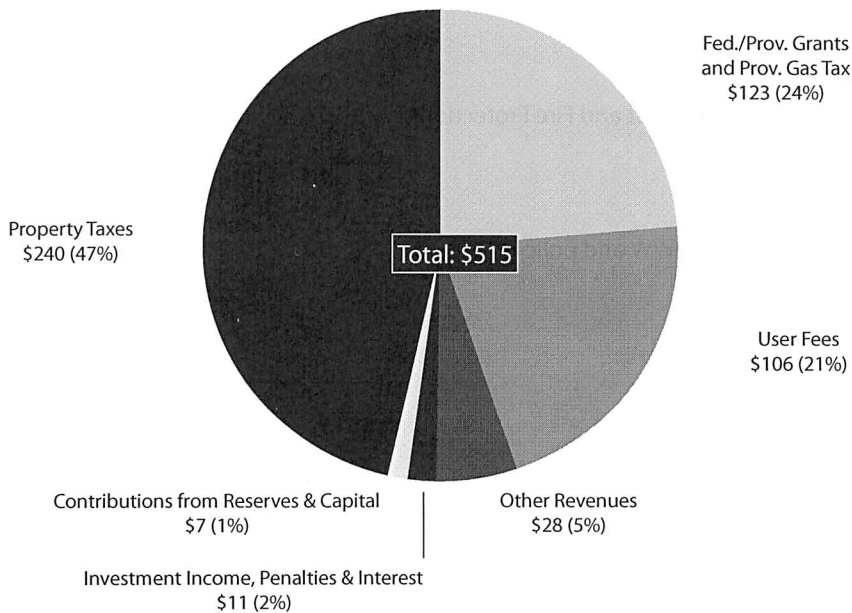
The difference between total expenses and revenues, is the municipal tax levy. This is the amount required to be raised by property taxes to ensure a balanced budget. The total gross budgeted expenses for the City are \$515 million and are funded with property taxation of \$240 million and other revenues of \$275 million.

**Composition of the 2015 Base Budget (in millions):**



Overall, the City's budget expenses increase from 2.2% from the approved 2014 budget.

**Revenue (in millions):**





## 2015 Budget Variance Analysis

(in \$ millions)

	Gross Budget	Revenue	Net Levy	% Chg
<b>2014 Approved Operating Budget (as restated)</b>	<b>\$504.1</b>	<b>\$273.6</b>	<b>\$230.5</b>	
<b>Provincially Mandated Programs including OMPF:</b>				
<b>Social Housing</b>				
- Contribution to Greater Sudbury Housing Corporation	0.5	-	0.5	
- Contribution to Non-Profit Housing Corporations	0.3		0.3	
<b>Social Services</b>				
- Increase in Ontario Works Programs	0.8	0.4	0.4	
- Increase in CHPI funding and expenditures	0.4	0.5	(0.1)	
- Ontario Works Upload (from 11.4% to 8.6% municipal share)	-	0.8	(0.8)	
Children Services	1.6	1.6	-	
Decrease in Ontario Municipal Partnership Fund (OMPF)		(3.0)	3.0	
Emergency Medical Services (Land ambulance)	0.6	0.4	0.2	
	<b>4.2</b>	<b>0.7</b>	<b>3.5</b>	<b>1.5%</b>
<b>Maintaining Services:</b>				
Decrease in Supplemental Taxation and Payments in Lieu		(0.4)	0.4	
Decrease in OLG Slot Revenue		(0.2)	0.2	
Decrease in Tax Writeoffs	(0.4)		(0.4)	
Decrease in Election Expenses and Revenues	(0.9)	(0.9)	-	
Increase in Miscellaneous User Fees (net of reduced activity)	-	0.7	(0.7)	
Increase in Contractual Obligations in Environmental Services	0.6		0.6	
Increase in Animal Control Contract	0.3	0.1	0.2	
Decrease in Economic Development Grants	(0.3)	(0.3)	-	
Increase in Pioneer Manor Revenues and Expenses	0.7	0.7	-	
Increase in Winter Control Contracts	0.5		0.5	
Increase in Handi Transit Contract	0.4	-	0.4	
Increase in Fleet and Fire Vehicle repair and maintenance expenses	0.4		0.4	
Increase in Debt and Energy expenses for Transit-Fleet Garage	0.9	0.7	0.2	
Increase in other contractual obligations, salaries and benefits and other changes	1.8	-	1.8	
One time draw from Tax Rate Stabilization Reserve for the Municipal Day Care	-	0.2	(0.2)	
Decrease in funding from reserves related to 2014 one time budget options	(0.5)	(0.5)	-	
Increase in Water and Wastewater Budget and Fire Protection levy Assessment Growth	0.6	0.5	0.1	
			(0.7)	
	<b>4.1</b>	<b>0.6</b>	<b>2.8</b>	<b>1.2%</b>
<b>Capital:</b>				
Increase Capital Envelopes (except WWW and police)	0.7		0.7	<b>0.3%</b>
<b>Outside Boards:</b>				
NDCA / SDHU	0.1	-	0.1	
Police Services	1.9	0.6	1.3	
	<b>2.0</b>	<b>0.6</b>	<b>1.4</b>	<b>0.6%</b>
<b>2015 Base Budget</b>	<b>\$515.1</b>	<b>\$275.5</b>	<b>\$239.6</b>	<b>3.6%</b>
<b>Less: Proposed Budget Reduction Options</b>	<b>(3.0)</b>	<b>5.4</b>	<b>(8.4)</b>	<b>(3.6%)</b>
<b>2015 Proposed Budget</b>	<b>\$512.1</b>	<b>\$280.9</b>	<b>\$231.2</b>	<b>0.0%</b>

## 2015 Operating Budget Summary: By Department

		2015 BASE BUDGET (\$000)			TAX LEVY INCREASE (DECREASE)		
		Expenses	Revenues	Net Tax Levy	Net Tax Levy	% change over 2014	% 2014 Levy
<b>Corporate Revenue-Expenditures</b>	Taxation Levy	2,380	(10,155)	(7,775)	29	-0.4%	
	Grants and Subsidies		(28,468)	(28,468)	2,988	-9.5%	
	Other Revenue Summary	2,489	(13,081)	(10,592)	93	-0.9%	
	<b>Total</b>	<b>4,869</b>	<b>(51,704)</b>	<b>(46,835)</b>	<b>3,111</b>	<b>-6.2%</b>	<b>1.35%</b>
<b>Executive-Legislative</b>	Office of the Mayor	603		603	(13)	-2.2%	
	Council Memberships & Travel	73		73	1	1.7%	
	Council Expenses	1,046		1,046	14	1.3%	
	Healthy Community Initiatives	600		600	-	0.0%	
	Auditor General	350		350	(18)	-5.0%	
	Office of the C.A.O. Summary	1,558	(10)	1,548	(4)	-0.2%	
<b>Total</b>	<b>4,229</b>	<b>(10)</b>	<b>4,219</b>	<b>(21)</b>	<b>-0.5%</b>	<b>-0.01%</b>	
<b>Administrative Services</b>	Election Services	200		200	(28)	-12.3%	
	Clerks Administrative Services	1,271	(192)	1,079	31	3.0%	
	Debt - Contribution to Capital	476		476	9	2.0%	
	Legal Services	1,760	(231)	1,529	18	1.2%	
	Provincial Offences	1,183	(2,641)	(1,457)	-	0.0%	
	Information Technology	50	(50)	-	-	0.0%	
<b>Total</b>	<b>4,941</b>	<b>(3,114)</b>	<b>1,827</b>	<b>31</b>	<b>1.7%</b>	<b>0.01%</b>	
<b>Human Res and Org Dev</b>	Human Resources	491	(491)	-	-	0.0%	
	<b>Total</b>	<b>491</b>	<b>(491)</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.00%</b>
<b>Financial Services</b>	Financial Services Admin.	1,076		1,076	(24)	-2.2%	
	Financial Planning-Budgeting	3,663	(1,447)	2,216	9	0.4%	
	Taxation	3,016	(555)	2,461	(145)	-5.5%	
	Purchasing	149	(15)	134	58	75.6%	
	Accounting Services	1,605	(236)	1,369	(30)	-2.1%	
	Financial Support	-		-	-	0.0%	
<b>Total</b>	<b>9,509</b>	<b>(2,253)</b>	<b>7,256</b>	<b>(131)</b>	<b>-1.8%</b>	<b>-0.06%</b>	
<b>Growth and Development</b>	General Manager's Office	282		282	6	2.4%	
	Economic Development	6,986	(2,121)	4,865	76	1.6%	
	Planning and Development	6,144	(1,355)	4,789	201	4.4%	
	Sudbury Airport Personnel	2,116	(2,116)	-	-	0.0%	
	Building Serv	6,144	(5,475)	668	232	53.1%	
	EnforcCompliance						
	Asset Services Summary	10,150	(5,375)	4,775	48	1.0%	
	Environmental Services	21,730	(10,244)	11,486	631	5.8%	
<b>Total</b>	<b>53,553</b>	<b>(26,687)</b>	<b>26,866</b>	<b>1,194</b>	<b>4.7%</b>	<b>0.52%</b>	

## 2015 Operating Budget Summary: By Department

		2015 BASE BUDGET (\$000)			TAX LEVY INCREASE (DECREASE)		
		Expenses	Revenues	Net Tax Levy	Net Tax Levy	% change over 2014	% 2014 Levy
<b>Community Development</b>	General Manager Office	332		332	(34)	-9.3%	
	Debt - Contribution to Capital	4,328		4,328	85	2.0%	
	Administrative-Financial Serv.	310		310	(38)	-10.8%	
	Housing Services	26,737	(5,616)	21,122	768	3.8%	
	Long Term Care-Senior Services	33,331	(29,849)	3,482	(56)	-1.5%	
	Social Services	43,936	(35,876)	8,060	(649)	-7.5%	
	Citizen Services	32,259	(20,882)	11,377	(45)	-0.4%	
	Leisure - Recreation Services	26,908	(8,908)	18,000	(77)	-0.4%	
<b>Total</b>	<b>168,142</b>	<b>(101,131)</b>	<b>67,011</b>	<b>(44)</b>	<b>-0.1%</b>	<b>-0.02%</b>	
<b>Infrastructure Services</b>	I.S. G.M.'s Office	225		225	11	5.2%	
	Public Works Depots	1,203	(21)	1,182	-	0.0%	
	Engineering Services	59	(59)	-	-	0.0%	
	Water/Wastewater Maintenance	66,209	(62,888)	3,321	59	1.8%	
	Roads Mtce	67,458	(522)	66,936	1,351	2.1%	
	Transit-Fleet-Crossing Guards	24,428	(10,627)	13,801	804	6.2%	
<b>Total</b>	<b>159,583</b>	<b>(74,118)</b>	<b>85,464</b>	<b>2,226</b>	<b>2.7%</b>	<b>0.97%</b>	
<b>Emergency Services</b>	Emergency Services	21,701	(10,950)	10,751	170	1.6%	
	Fire Services Division	24,282	(250)	24,031	1,098	4.8%	
<b>Total</b>	<b>45,983</b>	<b>(11,201)</b>	<b>34,782</b>	<b>1,267</b>	<b>3.8%</b>	<b>0.55%</b>	
<b>Share of N.D.C.A</b>	N.D.C.A. Share	658		658	3	0.5%	
	<b>Total</b>	<b>658</b>	<b>-</b>	<b>658</b>	<b>3</b>	<b>0.5%</b>	<b>0.00%</b>
<b>Share of Public Health</b>	Public Health Share	5,773		5,773	114	2.0%	
	<b>Total</b>	<b>5,773</b>	<b>-</b>	<b>5,773</b>	<b>114</b>	<b>2.0%</b>	<b>0.05%</b>
<b>Police Services</b>	Police Service	57,400	(4,872)	52,528	1,320	2.6%	
	<b>Total</b>	<b>57,400</b>	<b>(4,872)</b>	<b>52,528</b>	<b>1,320</b>	<b>2.6%</b>	<b>0.57%</b>
		<b>515,131</b>	<b>(275,582)</b>	<b>239,548</b>	<b>9,071</b>	<b>3.9%</b>	
Less: Assessment Growth					(694)	-0.3%	
<b>Base Municipal Tax Levy</b>					<b>8,377</b>	<b>3.6%</b>	

# Greater Sudbury at a Glance



## MUNICIPAL STATISTICS

Population  
**161,900**

Households  
**74,405**

## EMPLOYEES (2015 Budget)

Full time employees  
**2,018**

## SERVICE INFORMATION

Building Permit Values (in 1000's)  
**287,300**

Average monthly social assistance case load  
**3,548**

Kilometers of roads  
**3,617**

Annual volume of treated waste water (megalitres)  
**32,847**

Annual volume of treated drinking water (megalitres)  
**20,877**

Annual disposal of solid waste (tonnes)  
**105,509**

Annual diversion of solid waste (tonnes)  
**36,424**

Regular service passenger Transit trips  
**4,362,000**

## 2015 TAXABLE ASSESSMENT (\$ millions)

Residential and multi-residential assessment  
**\$13,646**

Commercial assessment  
**\$1,882**

Industrial and large industrial assessment  
**\$492**

## BENCHMARK INFORMATION

% of paved lane km where condition is rated good to very good  
**51.0%**

# of conventional transit passenger trips per person in service area per year  
**31.6**

# of waste water main backups per 100 km of waste water main per year  
**8.9**

% of waste water estimated to have bypassed treatment  
**1.4**

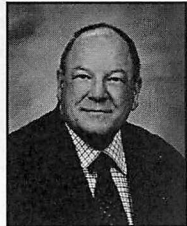
# of water main breaks per 100 km of water distribution pipe per year  
**11.1**

% of residential solid waste diverted for recycling  
**37.8%**

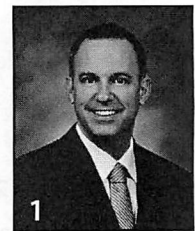
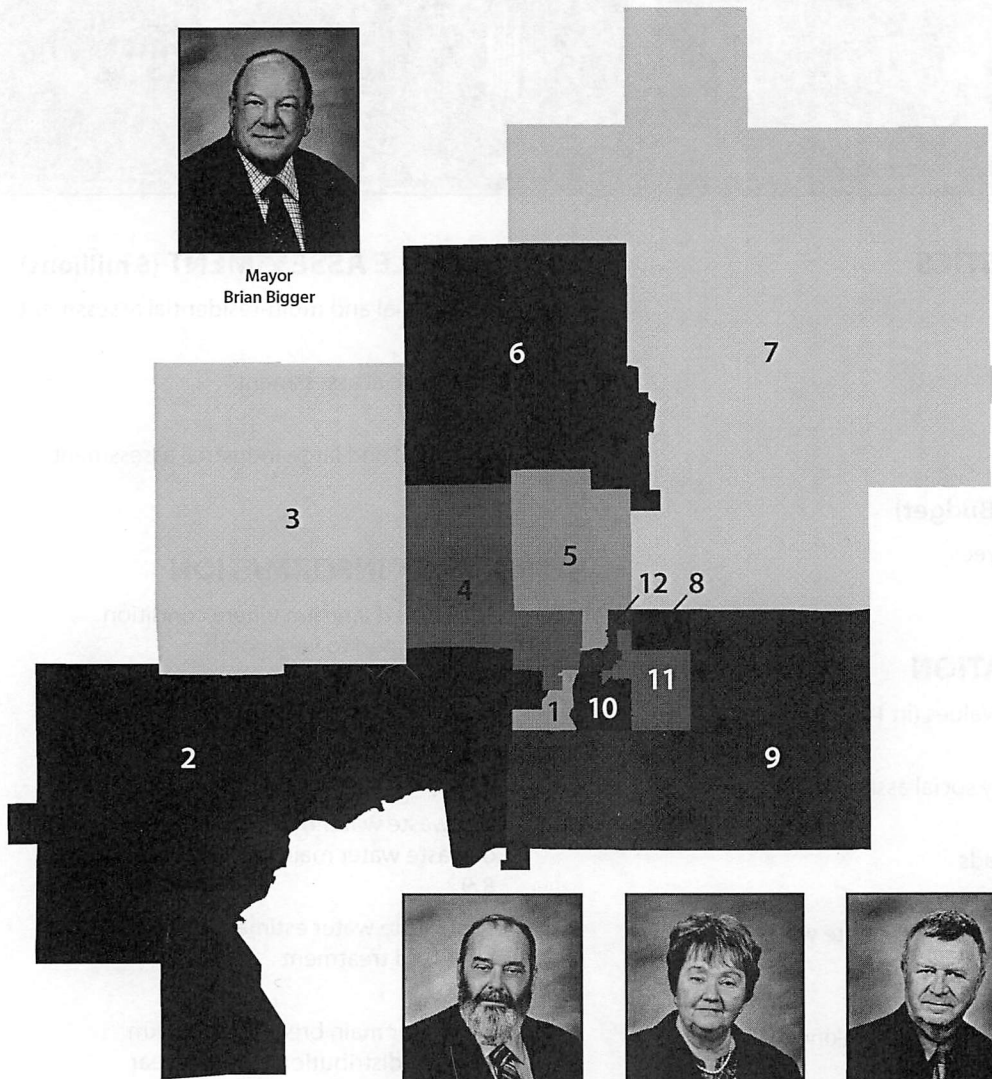
# City Council

The Council of the City of Greater Sudbury is composed of a Mayor, who represents the City as a whole and twelve Councillors, each of who represents a specific ward, or geographic area, of the community.

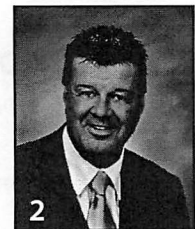
Council is elected for a four year term, with the current term of office being to November 30, 2018. The decisions of Council impact on how municipal services are provided to you our citizens. Council is also the decision making body for the City of Greater Sudbury as an organization.



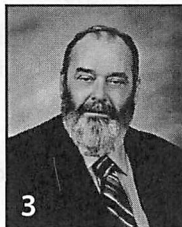
Mayor  
Brian Bigger



1  
Mark Signoretti  
Ward 1



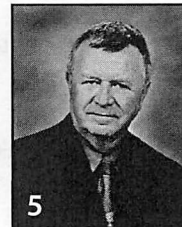
2  
Michael Vagnini  
Ward 2



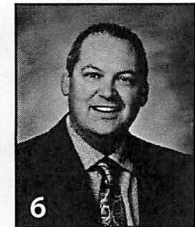
3  
Gerry Montpellier  
Ward 3



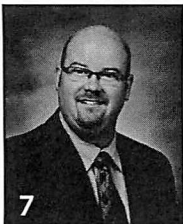
4  
Evelyn Dutrisac  
Ward 4



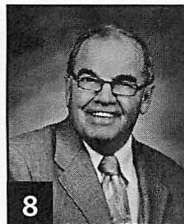
5  
Robert Kirwan  
Ward 5



6  
René Lapierre  
Ward 6



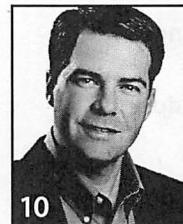
7  
Mike Jakubo  
Ward 7



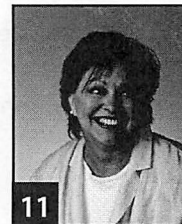
8  
Al Sizer  
Ward 8



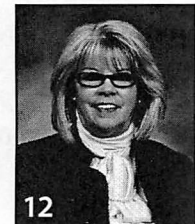
9  
Deb McIntosh  
Ward 9



10  
Fern Cormier  
Ward 10



11  
Lynne Reynolds  
Ward 11



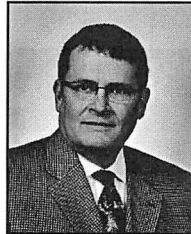
12  
Joscelyne  
Landry-Altman  
Ward 12



# Executive Team

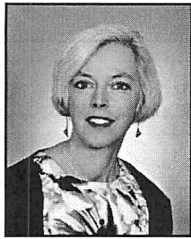
Greater Sudbury's operations are overseen by the Office of the CAO and managed through the following departments: Community Development, Infrastructure Services, Growth and Development, Emergency Services, Human Resources and Organizational Development,

Administrative Services and Financial Services. These departments work together to ensure all of our customers' needs are met in a professional, timely manner – to achieve the goals of Council and provide excellent service and delivery of programs and services to our community.



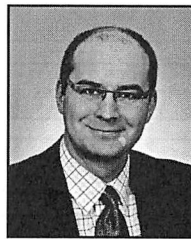
**Chief Administrative Officer  
Doug Nadorozny**

- Corporate Communications and French Language Services
- Strategic Initiatives



**Administrative Services  
Executive Director/City Clerk  
Caroline Hallsworth**

- Court Services (POA)
- Legal Services
- Clerk's Services
- Information Technology
- Corporate Security



**Human Resources and  
Organizational Development  
Director  
Kevin Fowke**

- Organizational Development, Safety and Wellness
- Compensation
- Payroll, Benefits & Rehabilitation



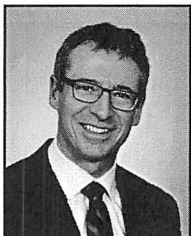
**Financial Services  
Chief Financial Officer / Treasurer  
Lorella Hayes**

- Accounting
- Financial Planning and Budgeting
- Purchasing
- Taxation
- Financial Support



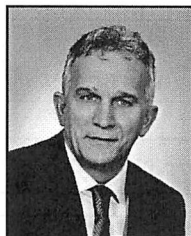
**Community Development  
General Manager  
Catherine Matheson**

- Housing Services
- Pioneer Manor
- Citizen Services
- Social Services
- Leisure Services



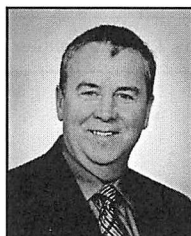
**Growth and Development  
Acting General Manager  
Paul Baskcomb**

- Assets
- Environmental Services
- Economic Development
- Building Services
- Planning Services



**Emergency Services  
Chief  
Tim Beadman**

- Emergency Medical Services
- Emergency Management
- Fire Services

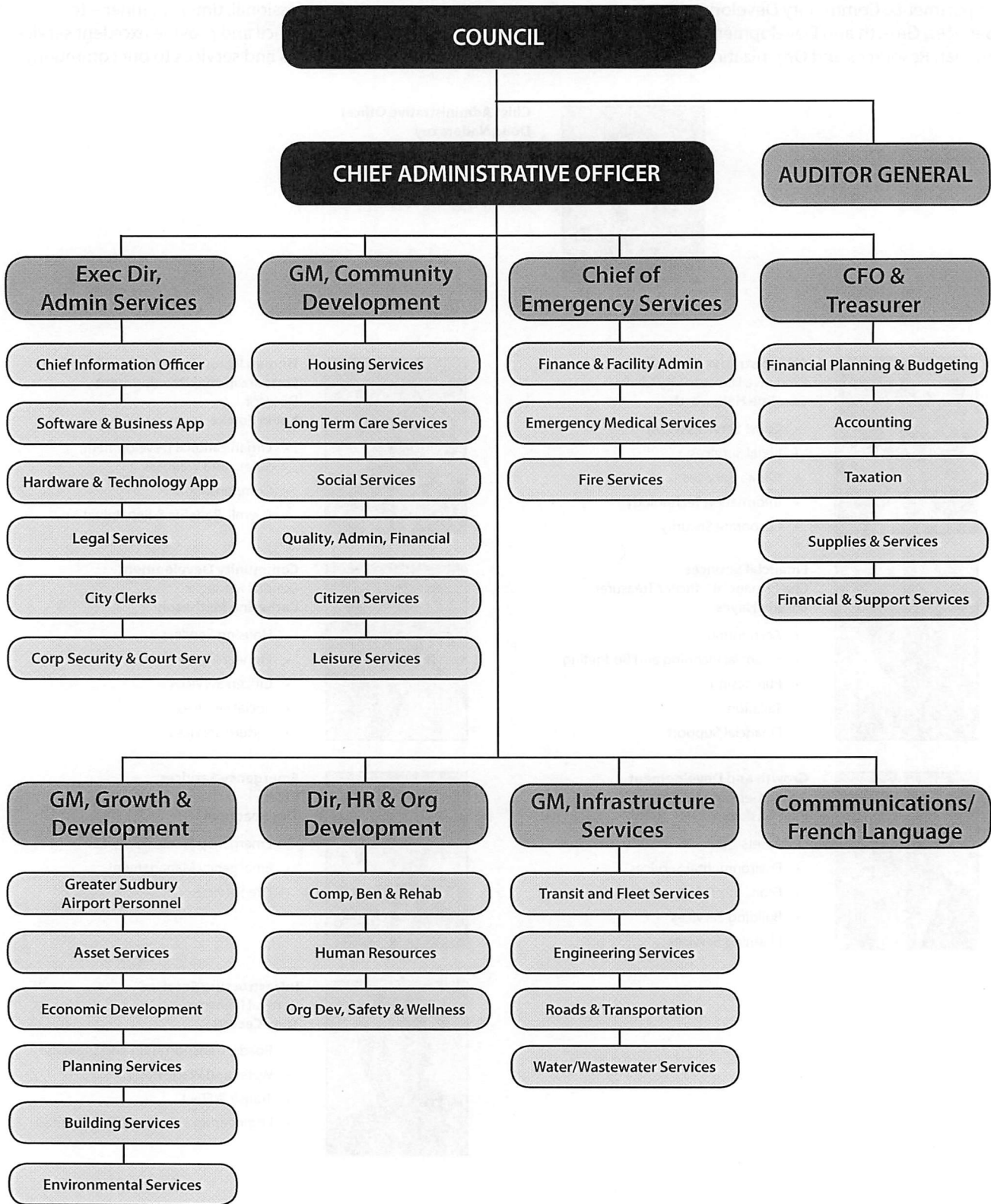


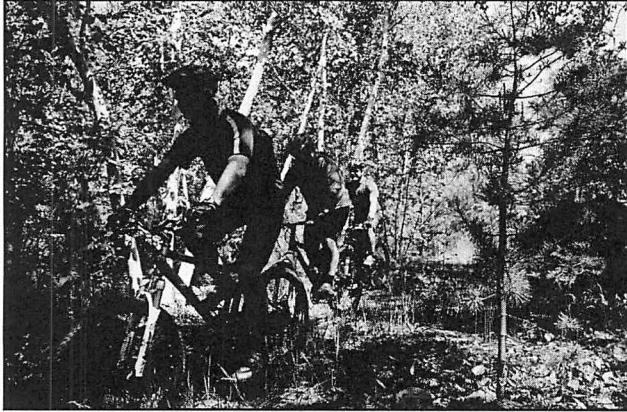
**Infrastructure Services  
General Manager  
Tony Cecutti**

- Roads, Transportation and Drainage
- Water and Wastewater
- Transit & Fleet
- Engineering & Construction Services



# Organization Chart - Leadership





## Vision, Mission, Values

### Vision

The City of Greater Sudbury is a growing, world-class community bringing talent, technology and a great northern lifestyle together.

### Mission

We provide excellent access to quality municipal services and leadership in the social, environmental and economic development of the City of Greater Sudbury.

### Values

In fulfilling our roles we commit ourselves to:

- providing high quality service with a citizen focus
- managing the resources in our trust efficiently, responsibly and effectively
- encouraging innovation and accepting risks
- maintaining honest and open communication
- creating a climate of trust and a collegial working environment
- acting today in the interests of tomorrow.



## Strategic Framework

The strategic framework reflects the vision, mission and values of the City of Greater Sudbury. Taking advantage of emerging opportunities will ensure great things happen in Greater Sudbury. The focus and intention of Council and the City toward key priorities will contribute to great outcomes for citizens and the community as a whole.

### The City of Greater Sudbury Strategic Framework includes:

1. Infrastructure
2. Growth and Jobs
3. Healthy Community
4. Fiscal Sustainability

This strategic framework, along with four key planning documents including the Health Community Strategic Plan, the Official Plan, the Long-Term Financial Plan, and Coming of Age (Digging Deeper), guide the City of Greater Sudbury in managing an annual operating budget of in excess of \$500 million.

# 2015 Budget Process Overview

The annual budget process is guided by City Council, through the Finance and Administration Committee. Seven departments are responsible for overseeing numerous programs and services that keep the City running every day, and provide a great northern lifestyle to residents.

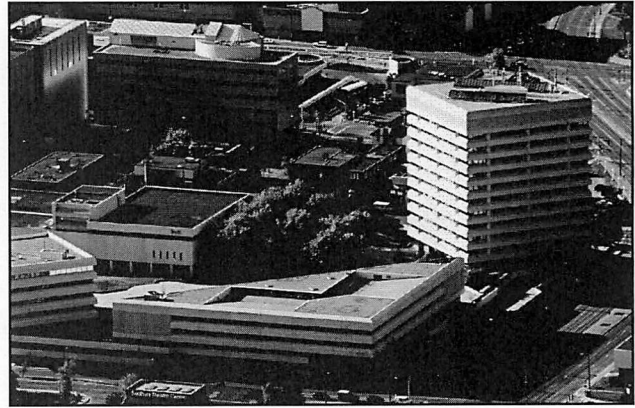
The City of Greater Sudbury's municipal budget rests on building blocks for fiscal sustainability: revenues to match expenses, capital renewal, preservation of municipal services, and moderate levels of property taxation.

## BUDGET PROCESS

The City annually approves 2 budgets: an operating budget and a capital budget. The operating budget is prepared using the modified cash basis and provides for operating expenses such as salaries and benefits, materials, grants, and contractual obligations. The capital budget is a five year plan for the acquisition and rehabilitation of tangible capital assets or one-time projects. The Water and Wastewater Budget is a section included in the City's annual budget. Since the majority of this budget is funded by user fees, separate approval is required.

The first stage of the budget process commenced with the preparation of a Three Year Forecast. This forecast was presented to the Finance and Administration Committee on August 12, 2014 and reflected an estimated tax increase (net of estimated assessment growth of 0.6%) of 4.9% for 2015, 3.5% in 2016 and 3.1% in 2017.

The second stage of the budget process is the preparation of the budget in accordance with the Base Budget Preparation Policy. A more detailed analysis is conducted of staffing levels, inflationary pressures such as wage adjustments in accordance with collective agreements, contract and material price increases. Operating departments and Finance staff reviews projected year end actual costs against budgets to identify variances or areas that require more resources to maintain service levels or items that may be reduced while still maintaining approved service levels. The budget also reflects known funding approvals from senior levels of government. Staff in all departments have carefully reviewed the draft budget, looking for additional savings and efficiencies to lower the forecasted tax increase for 2015. In addition, City staff are also working on a number of initiatives identified in the Toward Fiscal Sustainability Plan, in an effort to reduce the Municipal Tax Levy.



The final stage of the budget process includes a detailed review of the Operating and Capital Budgets by the Finance and Administration Committee. In addition, any service enhancements or reductions must be approved by the Committee prior to finalization of the budget. In addition, a presentation from the Police Services Board, Nickel District Conservation Authority, and Sudbury & District Health Unit take place on February 2, 2015.

Historically budget enhancements or reductions were vetted through the standing committees. Staff will endeavor to follow this process for the 2015 Budget, however, in certain circumstances this will not be possible due to the timelines.

Final approval of the 2015 Operating and Capital Budgets by the Finance and Administration Committee and City Council is tentatively scheduled for March 4, 2015. Should additional meeting dates be required, the schedule would be adjusted accordingly.

After approval of the 2015 budget, the development of property tax policy will be required to generate final property tax rates to provide for the 2015 tax levy.

# 2015 Budget Process Overview

## **Community Consultation Session**

As part of the City's commitment to long-term fiscal sustainability and community engagement, a Community Consultation Session has historically been held to find creative solutions, efficiencies and opportunities for savings. This offers the community an opportunity to present service level enhancement requests to the Finance and Administration Committee.

A Community Consultation was held January 20, 2015, at Tom Davies Square. In addition, on-line and written submissions are being accepted, until February 6, 2015.

## **Water and Wastewater Budget**

City Council approves the Water and Wastewater user fees, which are required to fund the Water and Wastewater Operating and Capital budgets. The 2015 Water and Wastewater Budgets were reviewed and approved by the Finance and Administration Committee on January 6, 2015. City Council approved the Water and Wastewater User Fee by-law, on January 10, 2015.

## **Monitoring and Oversight After Approval of Budget**

Monitoring and or amendments to the Council Approved Budgets are only made in accordance with Operating Budget Policy or the Capital Budget Policy. These policies provide fiscal control and accountability related to the approved budgets and provides monitoring of the budgets. On a quarterly basis the Finance and Administration Committee receives variance reports; this includes a year-end projection of revenues and expenditures. The variance report provides Council with an overview of potential year-end variances by division or section. On a quarterly basis, the Finance and Administration Committee receives a Capital Variance Report for completed projects.

# Financial Management and Policies

The City of Greater Sudbury maintains appropriate systems of internal controls to ensure effective financial management, reliable and relevant financial information, and that assets are safeguarded. Management systems, policies and by-laws are in place for financial management, accounting, budgeting and other policies as required to ensure that transactions are appropriately authorized and recorded, and the integrity and completeness of financial records are assured. Key policies and by-laws include but are not limited to the City's Delegation By-Law, Purchasing By-Law, Operating Budget Policy, Capital Budget Policy, Purchasing Authority Policy, Reserve and Reserve Fund By-law, Investment Policy, and Debt Management Policy.

## LONG TERM FINANCIAL PLAN

In 2002, Council adopted the Long Term Financial Plan (LTFP) and related policies and principles. These policies and principles are used in managing the financial affairs of the City. The nine principles are:

1. Ensure Long Term Financial Sustainability
2. Deliver services in a cost-effective and efficient manner
3. Ensure operating revenues are sustainable and consider community-wide and Individual benefits (Taxes versus user fees)
4. Meet social equity objectives through specific programs
5. Manage the City's capital assets to maximize long term community benefit
6. Recognize that funding from senior levels of government is a crucial element of fiscal sustainability
7. Use debt financing where appropriate
8. Maintain Reserve and Reserve Funds at appropriate levels
9. Identify and quantify long term liabilities.

The LTFP principles are designed to be flexible and adaptable. This key planning document guides the strategic thinking of the City and promotes a healthy and sustainable service delivery model for our community.

With the LTFP, the City recognized the need to adopt a new budgeting process with a new approach to financial management, one that shifts the emphasis from bottom line financial concerns to service delivery within a longer term financial planning horizon.

The City of Greater Sudbury, like other municipalities, must continually realign budgets, refocus activities, and streamline operational priorities and procedures, to ensure value for property taxes are maximized.

The LTFP principles formed the foundation for the 'Toward Fiscal Sustainability Plan' which was developed in 2010.

## TOWARD FISCAL SUSTAINABILITY PLAN

The Toward Fiscal Sustainability Plan was designed to ensure that the City is fiscally sustainable and has sufficient resources to provide the services that the community expects over the long term. The Plan laid out priorities and action items to manage fiscal challenges and opportunities facing our City. The goal is to build a self sustaining community, with sound infrastructure, and an excellent quality of life.

The LTFP financial principles and policies and the Toward Fiscal Sustainability Plan have been designed to ensure the City attains financial sustainability and has sufficient resources to provide the services that the community expects. Many action items and initiatives are ongoing. Many action items and initiatives are ongoing.

## LONG TERM DEBT

One of the principles in the Long term financial plan, states that debt financing should be used, where appropriate. More specifically, debt financing should only be considered for new, non-recurring infrastructure requirements, programs and facilities which are self-supporting and projects where the cost of deferring expenses exceeds debt servicing costs.



# Financial Management and Policies

## DEBT MANAGEMENT POLICY

In August 2013, City Council approved a Debt Management Policy demonstrating its commitment to long-term capital and financial planning. This policy will allow the City to debt finance major projects previously approved by Council. As well, it will provide Council the ability to undertake additional capital projects through debt financing in an effort to close the City's current infrastructure gap. Council set a limit for annual debt repayment at 5 percent of the City's own source revenue

(as defined by the Province), which is considerably lower than the 25% maximum allowed by the Province. In the 2015 Budget, the City's annual debt repayment charges are \$9.4 million or approximately 2.5 percent of the City's own purpose revenues. The 2015 anticipated increase relates to the acquisition of debt to fund the Biosolids Management Facility and the Transit Fleet Centre.

The following is a summary of the City's External Debt as of December 31, 2014 and the 2015 Debt repayment:

Project Name	Term (Start Date - End Date)	Total Outstanding as of Dec 31, 2014	2015 External Debt Payment
Northern Ontario School of Architecture	2009-2019	4.50	1.00
Health Sciences North	2001-2023	8.70	1.00
AMRIC	2014-2018	0.50	0.10
199 Larch St	2003-2023	12.00	1.40
Pioneer Manor	2004-2024	8.20	0.80
1160 Lorne St	To be determined	TBD	1.00
Biosolids Plant	To be determined	TBD	3.70
Purchase of Falconbridge wells from Glencore (Xstrata)	2009-2025	1.20	0.20
Purchase of Onaping wells from Glencore (Xstrata)	2010-2029	1.50	0.20
<b>Total Debt</b>		<b>36.60</b>	<b>9.40</b>



## Government Finance Officers Association 2014 Distinguished Budget Presentation Award

The City of Greater Sudbury has been recognized by the Government Finance Officer Association of the United States and Canada (GFOA). The City received the Distinguished Budget Award for the 2014 Municipal Budget. This is the highest form of recognition in government budgeting and represents a significant achievement by the City.

The GFOA Distinguished Budget Award was established to encourage local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting. Municipalities must satisfy the four nationally recognized guidelines for effective budget presentation including: a policy document, a financial plan, an operations guide, and a communications device.



# Financial Management

## FINANCIAL ACCOUNTABILITY/BENCHMARKING

The City participates in two comprehensive benchmarking initiatives. Both the Municipal Performance Measurement Program (MPMP) and Ontario Municipal CAOs Benchmarking Initiative (OMBI) are based upon well-developed methodologies.

The City of Greater Sudbury focuses its corporate performance measurement efforts on these two programs which are mostly focused on Ontario municipalities. In addition, the City belongs to several industry-specific organizations, which collaboratively compile and analyze benchmarking data to determine where service improvements can be made.

Additional information relating to Performance Measurement can be found on the City's website and throughout this budget binder.

## DEVELOPMENT CHARGES

Development charges are collected by municipalities to recover a portion of the growth-related costs associated with the capital infrastructure needed to service new development. Each year, Finance, in consultation with Project Managers review the Capital Budget to determine if there are any growth related projects that are eligible for recovery from development charges. Generally, the City finances the growth related portion of capital projects. At the end of each year, the capital projects are reviewed, and the growth related portion of the capital costs are identified. The actual development charges revenues collected during the year are then applied to fund any growth related portion of the project as identified in the current Development Charges Background Study. In 2014, the City updated the Development Charges background study and By-law (2014-151).

For 2015 staff are forecasting Development Charge revenues of approximately \$4.7 million. In 2014, the revenue generated was \$4.7 million.



## RESERVES AND RESERVE FUNDS

The City maintains reserve and reserve funds in accordance with the Reserves and Reserve Fund By-law. They are a critical component of a municipality's long-term financing plan. The purpose of maintaining reserves is to:

- Provide stability of tax rates in the face of variable and uncontrollable factors (consumption, interest rates, unemployment rates, changes in subsidies)
- Provide financing for one-time or short term requirements without permanently impacting tax and utility rates
- Make provisions for replacements/acquisitions of assets/infrastructure that are currently being consumed and depreciated
- Avoid spikes in funding requirements of the capital budget by reducing their reliance on long-term debt borrowings
- Provide a source of internal financing
- Ensure adequate cash flows
- Provide flexibility to manage debt levels and protect the municipality's financial position
- Provide for future liabilities incurred in the current year but paid for in the future.

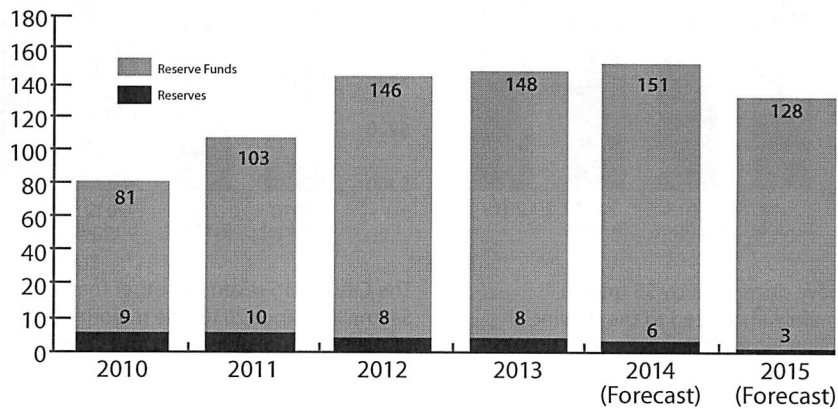
Reserves offer liquidity which enhances the municipality's flexibility, both in addressing unplanned operating requirements and in permitting the municipality to temporarily fund capital projects internally.

## 2010 - 2015 Reserves and Reserve Funds

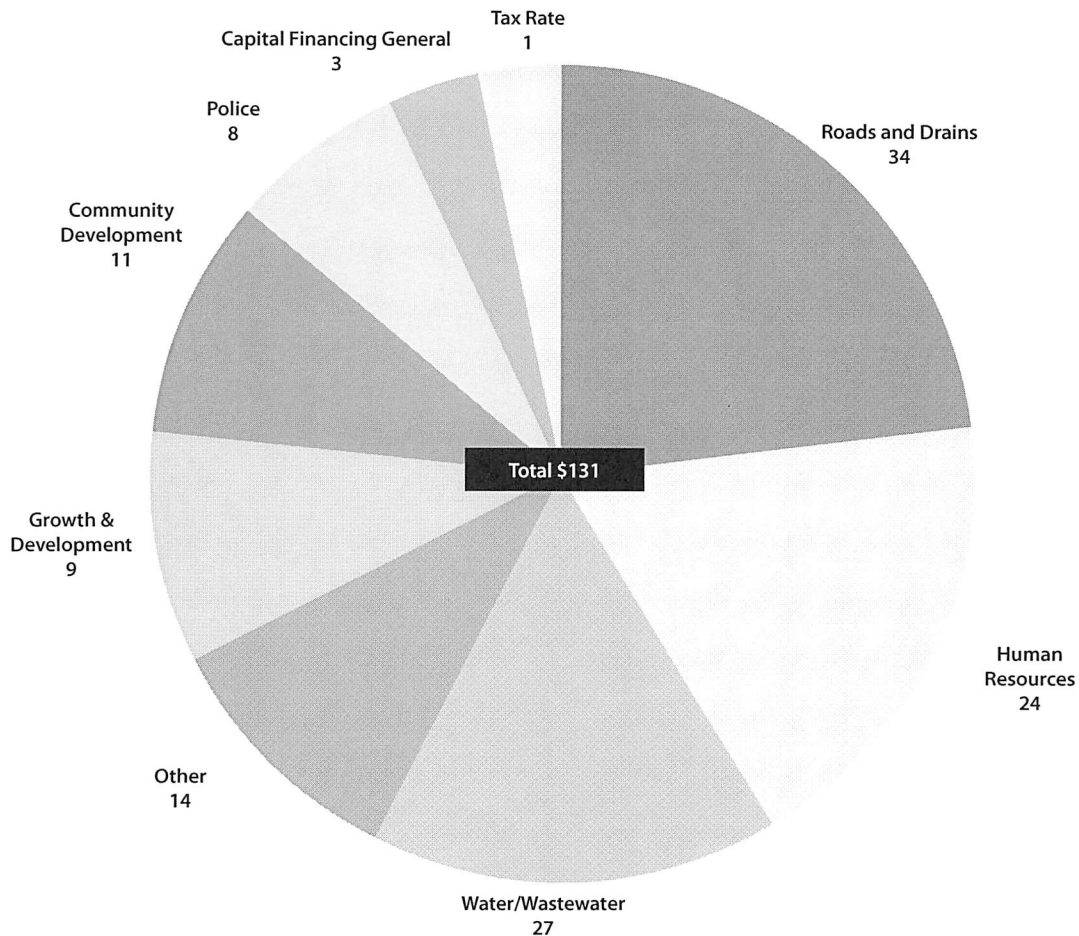
The level of reserves and reserve funds is a key measure of the financial health of a municipality.

Reserves and reserve funds, including budget reductions, are forecasted to be \$131 million as of December 31, 2015. A significant portion of the funds are set aside for capital purchases either previously committed by City Council or available for future capital projects.

**Reserves and Reserve Funds (in millions \$)**  
\*including budget reductions

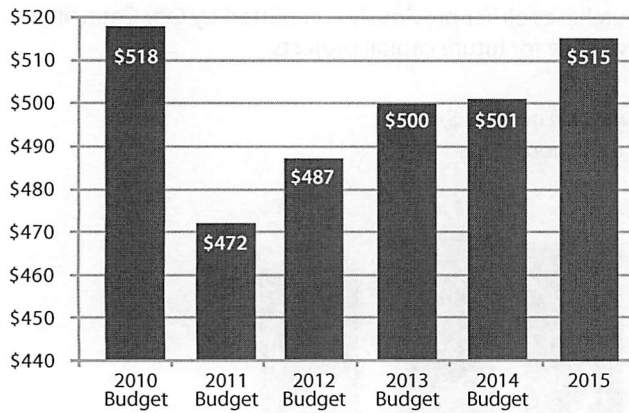


**2015 Forecast of Reserves and Reserve Funds (in millions \$)**



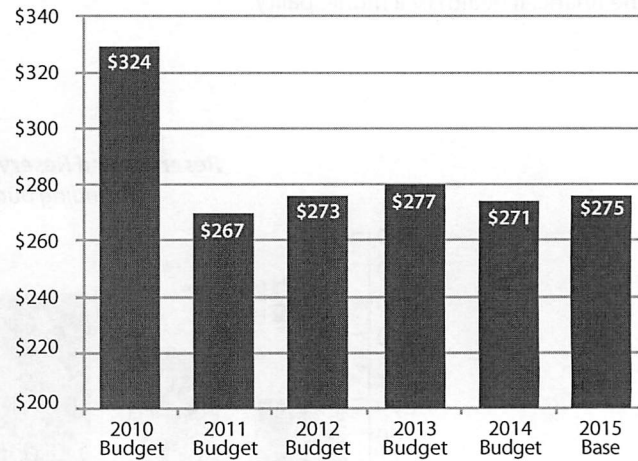
# 2010-2015 Budget Summary

**Expenses (in millions)**



The City's 2015 expenses have decreased by \$3 million since 2010. The decline is mainly attributed to the Provincial uploading of Ontario Disability Support Program and Ontario Works. These reductions were partially offset by increases in salaries, benefits, energy costs, increased investment in capital, other contractual requirements and Council approved initiatives and service level enhancements.

**Revenues, other than tax levy (in millions)**

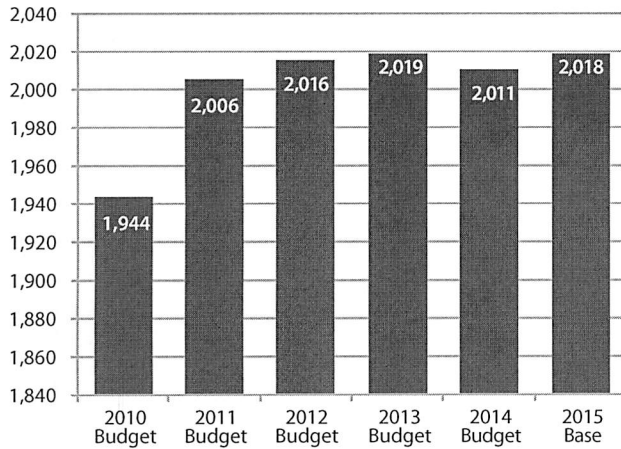


The City's 2015 revenues, other than the tax levy, decreased by \$49 million since 2010. The majority of the decrease is as a result of the Provincial uploading and corresponding reductions to the Ontario Municipal Partnership Fund. In contrast there have been increases in user fees, investment income and other revenues.

# 2010-2015 Budget Summary

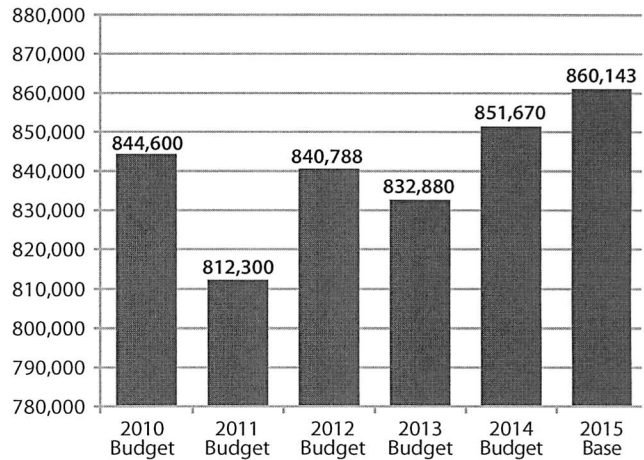
## 2010-2014 Historic Staffing and 2015 Base Staffing Levels

### Full Time Positions



Since 2010, full time positions increased by 74 from 1,944 to 2,018. The increases are primarily attributed to service level enhancements based on Council approved initiatives or meeting the growth needs of our City. More specifically, full time staff was increased in Pioneer Manor, economic development, Airport and Police. A number of these full time positions were funded from Provincial Grants, other revenues or conversion of temporary hours to permanent positions. In accordance with the base budget preparation policy, any increase to full time positions must be approved by Council. Since 2012, the City has been managing full time positions through a Council approved attrition strategy.

### Part Time and Temporary Hours (in thousands)



Since 2010, part time and temporary hours increased by 15,543 from 844,600 to 860,143. Increases in Roads, Water/Wastewater and Land Ambulance were somewhat offset by a reduction of temporary hours due to conversion to full time positions in Long Term Care. In accordance with the base budget preparation policy, any increase in part time or temporary hours must be funded by offsetting savings or revenues, unless otherwise approved by Council or Committee.