

Request for Decision City Council




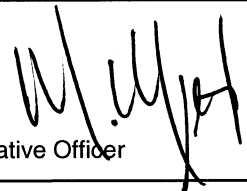
Type of Decision									
Meeting Date	March 10, 2005				Report Date	February 21, 2005			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority		High	<input checked="" type="checkbox"/>	Low
Direction Only					Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
Animal Control Advisory Panel - Spay/Neuter Program 2004

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.
<input type="checkbox"/>	Background Attached

Recommendation	
Information Report to Council	
<input type="checkbox"/>	Recommendation Continued

Recommended by the Department Head
 Caroline Hallsworth Executive Director-Administrative Support Service

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

Date: February 21, 2005

Report Prepared By



Bryan Gutjahr
Manager of By-Law Enforcement Services

Division Review



Ron Swiddle
City Solicitor/Director of Legal Services

Background:

During the 2004 budget deliberations, Council was advised by the public that there was a need for the introduction of a Spay/Neuter Program. It was felt that the City was experiencing an overpopulation of dogs and cats and euthanization rates were too high at the City Pound.

As such, Council appointed the Animal Control Advisory Panel and dedicated \$52,000 toward a voluntary Spay/Neuter Program to be created and administered by the Animal Control Advisory Panel. The Panel consists of 6 citizens (one from each of the six wards), a member of the Sudbury & District Veterinarians Association, the Animal Control Services Contractor, 2 Councillors and City Staff.

Panel Members:

- Councillor Kett
- Councillor Rivest
- Chair, Jill Pessot
- Members: Randy Grover
- Brenda Swalm
- Norma Fitzgerald
- Tanya Boudreau
- Allison McAllister
- Veterinarian, Dr. James Hysen
- Contractor, Richard Paquette
- Staff, Bryan Gutjahr
- Staff, Heather Salter

The Animal Control Advisory Panel's mandate is to:

- Monitor and review the Animal Control By-Law and recommend revisions if required
- Monitor and review the delivery of Animal Control Services
- Promote a voluntary Spay/Neuter Program
- Promote the well being of the animal population

Date: February 21, 2005

The Goals of the program are:

- To make the spay/neuter surgery more affordable
- To reduce the numbers of unwanted pets that end up at the City Pound
- To reduce euthanization rates

At its last meeting in July 2004, the Panel appointed a Chair and began deliberations regarding the Spay/Neuter Program. After several meetings a report was prepared for Council's approval outlining the procedure and implementation of the 2004 Spay/Neuter Program. It was decided that because animal registration is administered by the City By-Law Department that this Section would be responsible for implementation and administration of the program.

On October 1, 2004 the Spay/Neuter Program was officially launched with \$75.00 coupons available to all owners of registered dogs and cats throughout the City. The \$75.00 was to be used toward the cost of the spay/neuter surgery which would be performed by veterinarians within the City.

The statistics for October, November and December show that a total of 481, 2004 spay/neuter coupons were issued at the Citizen Service Centres. Of those issued, 421 of the 481 were used to offset the cost of the surgery. (Attached) The cost for the 2004 program including media releases was approximately \$36,000.

At its January 2005 meeting the Panel was presented with the 2004 statistics. The Panel was pleased with the success of the implementation and agreed it should continue into 2005. The Panel firmly believes that with the implementation and continuance of this program we will see a significant reduction of impounded dogs and cats and a large reduction in euthanization rates.

Since the program was not introduced until the fall of 2004, the comparative figures showing the success of the program regarding euthanization rates and impound numbers to other years, will not be available until early 2006.

The Panel has agreed to meet again in April 2005 to review the ongoing Spay/Neuter Program and revise the program if necessary. The Panel will also begin review of the Animal Control By-Law provisions and recommend revisions if required.



2004

\$75 Spay/ Neuter Coupon Program

Final Data

20050201

	# of Coupons		# of Coupons	Dog/Cat	# of Coupons	Further Stats
2004 Coupons Issued Oct 1/04 to Nov 30/04 to owners with 2004 Tag Registrations:	410					
2004 Coupons Issued Dec 1/04 to Dec 31/04 to owners with 2005 Tags Registrations:	71					
Total of 2004 Coupons Issued to Owners with 2004 & 2005 Tag registrations:	481	268	247	Dogs	129	Male dog
					118	Female dog
		213	234	Cats	139	Male cat
					95	Female cat
Total of 2004 Coupons Issued but Not Used by Owners:	60	32	37	Dogs	22	Male dog
					15	Female dog
		28	23	Cats	10	Male cat
					13	Female cat
Total of 2004 Coupons Issued and Used by owners and Submitted to City for Reimbursement:	421	236	210	Dogs	107	Male dog
					103	Female dog
		185	211	Cats	129	Male cat
					82	Female cat

Request for Decision City Council



Type of Decision

Meeting Date	March 10 th , 2005			Report Date	February 18 th , 2005				
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority		High		Low
	Direction Only				Type of Meeting		Open		Closed

Report Title

Development Liaison Advisory Committee Status Report to City Council - 2004 Year End

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 Department Head

D. Nadorozny, General Manager
of Growth and Development

Recommended by the C.A.O.

M. Mieto
Chief Administrative Officer

Date: February 18th, 2005

Report Prepared By



G. A. Mazza
Chief Building Official

Division Review



W. E. Lautenbach
Director of Planning Services

Council has requested that the Development Liaison Advisory Committee (DLAC) prepare a regular report to Council on progress being made toward meeting building permit benchmarks.

The Building Permit Year End Benchmark Report enclosed is the summary report for the year 2004. It reflects the Building Services Division's continuing effort to successfully achieve the turnaround times desired by the City's development community in issuing building permits. As requested by DLAC, new single residential dwellings and new commercial, institutional, and industrial buildings should be issued in ten (10) days and minor permits in both categories should be issued in five (5) days.

Results enclosed indicate that there has been a significant improvement in the statistical averages from the previous year's results for the same period of time. The department continues to provide good service and of the 1,614 permits benchmarked and issued during 2004, 1,108 were issued within targeted time frames and 506 were issued past the desired benchmarks. The percentages for each of the individual categories issued within benchmark times is included as attached bar charts titled '2004 Building Permit Tracking Report'.

In 2004, Building Permit applications and issuance were up statistically 18% across the development industry spectrum from 2003. As well, values of construction permits issued reached \$153 million in 2004 exceeding previous years values by 43%.

Despite the increase in volume of work the City's average turn around times for all four permit classification categories tracked for conformance to Council established benchmarks have decreased.

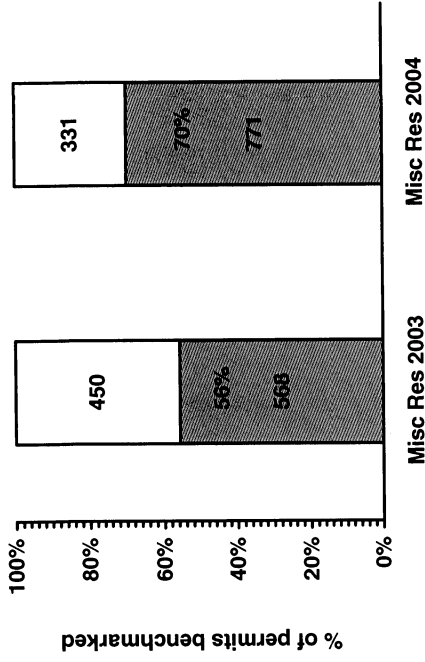
Building Services staff will continue to explore opportunities with the development industry and their representatives on Council's Development Liaison Advisory Committee to improve service and streamline the development permitting process.

The year 2005 will see the extra challenge of the implementation of the Province's new Bill 124 requirements of the Ontario Building Code Act which will extensively impact the permit process.

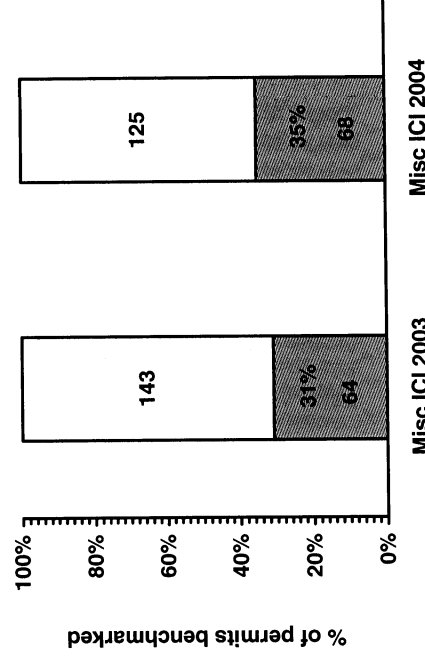
As well, 2005 will see the implementation of the new software system developed by Building Services as part of the Connect Ontario initiative. The program will include provisions for e-permitting and electronic approvals process with external/internal agencies which is hoped to be the next step in improving our application process.

Building Services staff continue to act as facilitators and ombudsmen for our clients. As a result our benchmarks continue to be well ahead of the benchmarking requirements to be imposed by the Province for implementation on July 1, 2005, under Bill 124 (BRRAG) regulations. This has occurred at the same time that permit volumes, especially in the residential sector, are increasing which speaks well of initiatives put in place by staff and the development community. Further, our statistical averages for registered builders who regularly deal within the system have turnaround times well below the averages achieved by one time builders due to the quality of applications and familiarity with requirements under the code.

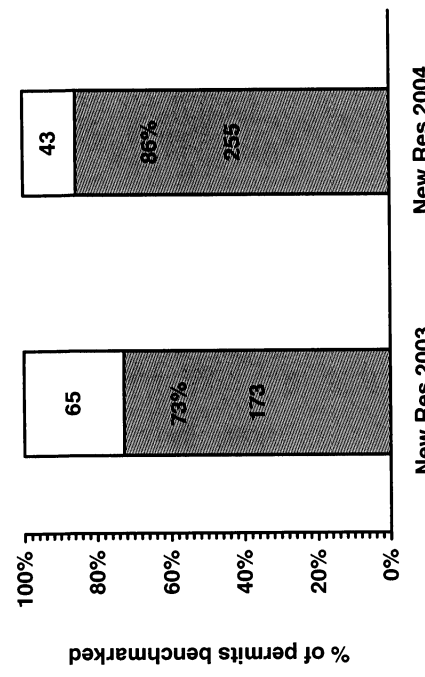
2004 Building Permit Tracking Report



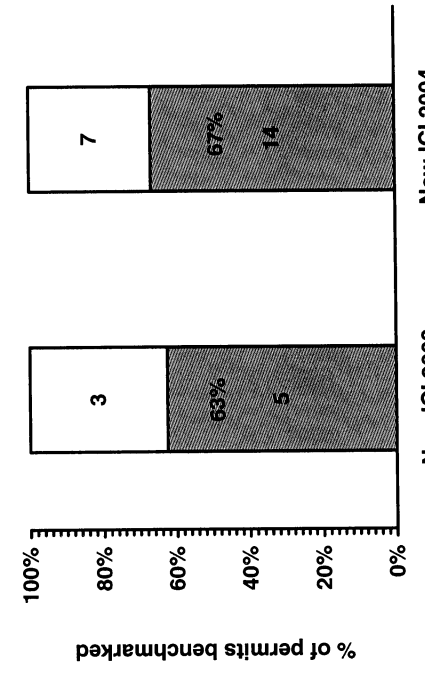
■ Issued within target date of 5 days □ Issued beyond target date



■ Issued within target date of 5 days □ Issued beyond target date



■ Issued within target date of 10 days □ Issued beyond target date



■ Issued within target date of 10 days □ Issued beyond target date

Source: Building Services Section, City of Greater Sudbury

Date: February 18th, 2005

The Development Liaison Advisory Committee at its meeting of February 17th, 2005, passed the following resolution related to this matter:

Moved By: Celia Teale
Seconded By: Michael Luciw

“THAT DLAC has reviewed Building Services’ benchmark information for January 1st, 2004, through December 31st, 2004, and the 2004 Building Permit Year End Benchmark Report, and is satisfied and supportive of the progress made in this area, and

FURTHER that DLAC’s approval of these findings should be communicated to City Council as per Council’s request for regular updates.”

Attachments - 2004 Building Permit Year End Benchmark Report
- 2004 Building Permit Tracking Report

2004 YEAR END BENCHMARK REPORT

Growth and Development Department



Building Services has benchmarked our application process and reported on a continuing basis since 1994 to Council. The average number of days it takes to process a permit application has significantly decreased over the years due to input from the Development Liaison Advisory Committee (DLAC), customer feedback and staff.

Historical records show that turnaround time for permit issuance has consistently shifted downward since 1994. This downward trend is attributable to continual improvement standards currently in place. For example, it took an average of 30 days to issue a building permit for the construction of a new single family dwelling in 1994. Today, staff are able to process an application for permit issuance within 8 days.

The statistics provided in this report reflect the period of January 1, 2004 to December 31, 2004. Additional statistics regarding the number of responses received from commenting agencies and applicants over established benchmarks are also included in this report, in keeping with DLAC's request. Findings have been charted by permit classification for easy referencing.

A total of 331 permits of a total of 2,063 permits issued in 2004 were statistically excluded due to additional Planning Act development requirements or other factors beyond the control of Building Services staff as directed by DLAC.

Benchmarked results for 2004 are outlined in the following charts:

- ▶ Chart 1 tracks process time for permit applications to build new and minor work types in the residential or ICI sectors
- ▶ Chart 2 tracks response time from approval authorities over the 5 and 10-day mark for permit issuance. The number of permits issued within and over benchmarks are also tracked.
- ▶ Chart 3 compares 2004 process times for permits benchmarked with 2003 year to date results
- ▶ Chart 4 compares process times for permits benchmarked from 1994 - 1999.
- ▶ Chart 5 compares year to year process times for permits benchmarked since 2000.

Additional benchmark statistics are listed in Appendix A.

Comparison between 2003 and 2004 Permit Issuance

During 2004, a total of 2,063 permits were issued compared to last year's 1,742 figure for the same time period. The total value of construction for permits issued in 2004 was \$153 M compared to \$106 M in 2003. These statistics are reflected in December's year to date summary of building permits issued in Appendix 12.

Chart results indicate an overall decrease in turnaround time for the residential and ICI Sectors in comparison to 2003.

- ▶ issuance times for new residential construction decreased by 1.6 days
- ▶ issuance times for minor residential construction decreased by 1.0 days
- ▶ issuance times for new commercial, industrial and institutional construction decreased by 0.8 days
- ▶ issuance times for minor commercial, industrial and institutional permits decreased by 5.2 days

Eye Catching Facts

- ▶ 397 permits issued for single family dwellings compared to 332 in 2003.
- ▶ 403 residential units created compared to 337 in 2003.
- ▶ 1,108 (69%) of total permits tracked were issued within benchmark time frames of Council.
 - ▶ Residential Sector
 - ▶ 255 permits (85.6%) for new residential issued within benchmark time frame of 10 days.
 - ▶ 771 permits (70.0%) for miscellaneous construction projects issued within benchmark time frame of 5 days.
 - ▶ ICI Sector
 - ▶ 14 permits (66.7%) for new development issued within benchmark time frame of 10 days.
 - ▶ 68 permits (35.2%) for miscellaneous construction projects issued within benchmark time frame of 5 days.

Conclusion

In 2004, Building Permit applications and issuance were up statistically 18% across the development industry spectrum from 2003. As well, values of construction permits issued reached \$153 million in 2004 exceeding previous years values by 43%.

Despite the increase in volume of work the City's average turn around times for all four permit classification categories tracked for conformance to Council established benchmarks have decreased.

Building Services staff will continue to explore opportunities with the development industry and their representatives on Council's Development Liaison Advisory Committee to improve service and streamline the development permitting process.

The year 2005 will see the extra challenge of the implementation of the Province's new Bill 124 requirements of the Ontario Building Code Act which will extensively impact the permit process.

As well, 2005 will see the implementation of the new software system developed by Building Services as part of the Connect Ontario initiative. The program will include provisions for e-permitting and electronic approvals process with external/internal agencies which is hoped to be the next step in improving our application process.

CHART 1 PROCESS TIMES FOR PERMITS BENCHMARKED

PERMIT TYPE	2003		2004		January 1, 2004 - April 30, 2004		May 1, 2004- August 31, 2004		September 1, 2004 - December 31, 2004	
	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue
New Residential	238 ①	9.3	298 ①	7.7	72	6.7	128	7.3	98	8.5
Miscellaneous Residential (Renovations, Additions, garages, sheds, porches, decks)	1,018 ②	5.9	1102 ②	4.9	196	4.2	618	4.9	288	5
New Commercial/Industrial/Institutional	7 ③	11.3	21 ③	10.5	4	5.8	9	9.3	8	13
Miscellaneous Commercial/Industrial/Institutional	207 ④	14.4	193 ④	9.2	60	11.1	68	7.9	65	11

Number of Permits Excluded

- ① 88
- ② 40
- ③ 11
- ④ 28
- ① 92
- ② 141
- ③ 19
- ④ 79

CHART 2 APPROVAL AUTHORITIES APPROVALS RECEIVED OVER 5 AND 10 DAY BENCHMARKS

2004		JANUARY 1 - DECEMBER 31																
BUILDING PERMIT STATISTICS		APPROVAL AUTHORITIES																
BUILDING PERMIT STATISTICS		NO. OF APPROVALS RECEIVED OVER ESTABLISHED BENCHMARKS																
		INTERNAL CITY DEPARTMENTS						EXTERNAL AGENCIES										
PERMIT CLASSIFICATIONS	No. Issued	Issued Over 5 and 10-Day Target	Issued Within Targets	ED/PS			PW			PROVINCIAL MINISTRIES						OTHERS		
				PS	DEVELOPMENT SERVICES		TECHNICAL SERVICES	MOE	MOH	MOL	MTO	CEMETERIES/ MAUSOLEUMS	FIRE MARSHALL	HYDRO	NDCA	SDHU		
					BS	COA											ZONING CHANGE	SPCA
NEW RESIDENTIAL	298	43	255	11	1	3	-	12	5	1	-	-	-	-	-	7	9	40
MISC RESIDENTIAL	1102	331	771	38	82	14	4	36	11	3	-	-	-	-	31	64	31	
NEW ICI	21	7	14	6	10	3	-	11	-	1	-	-	1	-	1	-	-	1
MISC ICI	193	125	68	42	107	3	-	5	7	4	7	-	-	-	13	4	2	
OVERALL TOTALS	1614	506	1108	86	210	21	7	16	55	20	12	-	-	1	52	77	74	

*Permits are excluded if subjected to additional development requirements and other factors beyond the control of staff, per DLAC. Demolition permits are not included in this summary.

GLOSSARY		INTERNAL CITY DEPARTMENTS						EXTERNAL AGENCIES AND OTHERS					
ED/PS	Economic Development and Planning Services	Emergency Measures Services	EMS	PW	Public Works	PROVINCIAL MINISTRIES	SDHU	Nickel District Conservation Authority	NDCA	Sudbury and District Health Unit			
BS	Building Services	Fire Services	RDS & DR	Roads and Drainage	Ministry of the Environment	Ministry of Health							
COA	Committee of Adjustment		S & W	Sewer and Water	Ministry of Labour								
SPCA	Site Plan Control Agreement		T & T	Traffic and Transportation	Ministry of Transportation								

CHART 3 TURNAROUND TIME FOR PERMITS BENCHMARKED YEAR TO YEAR COMPARISON

PERMITS BENCHMARKED AND AVERAGE NO. OF DAYS TAKEN TO ISSUE					
PERMIT TYPE	January 1, 2003 - December 31, 2003		January 1, 2004 - December 31, 2004		
	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue	
NEW RESIDENTIAL	238 ^①	9.3	298 ^②	7.7	
MISC RESIDENTIAL	1,018 ^②	5.9	1,102 ^③	4.9	
NEW ICI	7 ^③	11.3	21 ^④	10.5	
MISC ICI	197 ^④	14.4	193 ^⑤	9.2	
<p>THE FIGURES BELOW REFLECT THE NUMBER OF PERMITS AFFECTED OR DELAYED BY ADDITIONAL DEVELOPMENT APPROVALS. COMMENTING AGENCIES OR APPLICANTS.</p>					
<p>A total of 167 permits were excluded due to additional development requirements or other factors beyond the control of staff, as directed by DLAC.</p>		<p>A total of 331 permits were excluded due to additional development requirements or other factors beyond the control of staff, as directed by DLAC.</p>			
2003	JAN-DEC	88 ^①	40 ^②	11 ^③	28 ^④
2003	JAN-DEC		92 ^②	141 ^③	79 ^④



CHART 4

- Comparison of Amount of Time Taken to Issue Building Permits - 1994-1999

PERMIT TYPE	1994		1995		1996		1997		1998		1999	
	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue
Residential New Construction	499	30.4	233	19.7	310	17.2	253	14.5	225	11.2	127	9.1
Residential Minor Construction Renovations, Additions, garages, sheds, porches, decks	745	18.5	609	16.2	769	11.3	847	9.7	949	8.8	887	5.5
Commercial/Industrial/Institutional New Construction	26	58.9	34	43.2	21	23.5	28	21.8	27	12.3	86	11.4
Commercial/Industrial/Institutional Minor Construction	192	33.6	167	27.3	197	19	266	17.0	232	11.3	238	10.4

Note: In all four permit categories, permit issuance was affected by additional development approvals and/or applications being delayed at the request of the applicant or commenting agency. The figures outlined below reflect the number of 1999 permits per category which were affected:

1998 21 29 4 8
 1999 33 68 14 40

**CHART 5
PROCESSING TIME FOR PERMITS BENCHMARKED
YEAR TO YEAR VARIABILITY**

PERMIT TYPE	2000		2001		2002		2003		2004	
	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue	No. of Permits	Average No. of Days to Issue
Residential New Construction	137	8	165	8.8	226	8.4	238 ^①	9.3	298 ^①	7.7
Residential Minor Construction Renovations, Additions, garages, sheds, porches, decks	989	5.8	1,223	5.4	1,065	4.7	1,018 ^②	5.9	1,102 ^②	4.9
Commercial/Industrial/Institutional New Construction	21	11	10	12.4	8	11.6	7 ^③	11.3	21 ^③	10.5
Commercial/Industrial/Institutional Minor Construction	226	8.8	222	13.1	226	13.4	197 ^④	14.4	193 ^④	9.2

Number of permits Excluded:

- ①88
- ②40
- ③11
- ④28
- ①92
- ②141
- ③19
- ④79

APPENDIX A

**GENERAL STATISTICAL INFORMATION
2003 - 2004
CITY OF GREATER SUDBURY**

TOTAL NUMBER OF BUILDING PERMITS ISSUED A1

TOTAL VALUE OF CONSTRUCTION A2

TOTAL NUMBER OF RESIDENTIAL UNITS CREATED A3

BUILDING PERMIT TRACKING STATISTICS

2003 RESIDENTIAL - NEW CONSTRUCTION A4

2004 RESIDENTIAL - NEW CONSTRUCTION A5

2003 RESIDENTIAL - MINOR CONSTRUCTION A6

2004 RESIDENTIAL - MINOR CONSTRUCTION A7

**2003 COMMERCIAL/INDUSTRIAL/INSTITUTIONAL
NEW CONSTRUCTION A8**

**2004 COMMERCIAL/INDUSTRIAL/INSTITUTIONAL
NEW CONSTRUCTION A9**

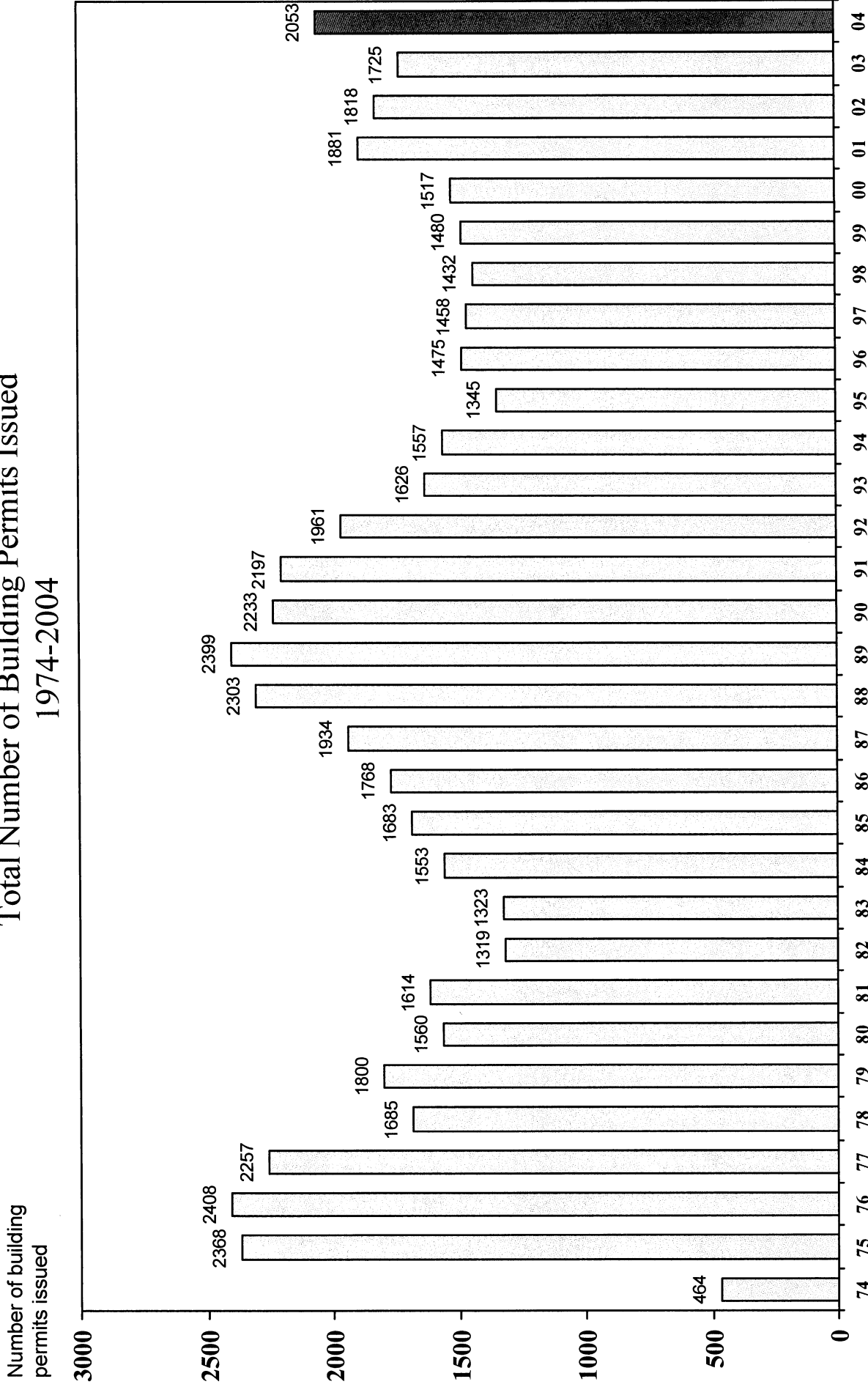
**2003 COMMERCIAL/INDUSTRIAL/INSTITUTIONAL
MINOR CONSTRUCTION A10**

**2004 COMMERCIAL/INDUSTRIAL/INSTITUTIONAL
MINOR CONSTRUCTION A11**

2004 BUILDING PERMIT STATEMENT FOR DECEMBER A12

2004 Building Permit Tracking Report

Total Number of Building Permits Issued
1974-2004



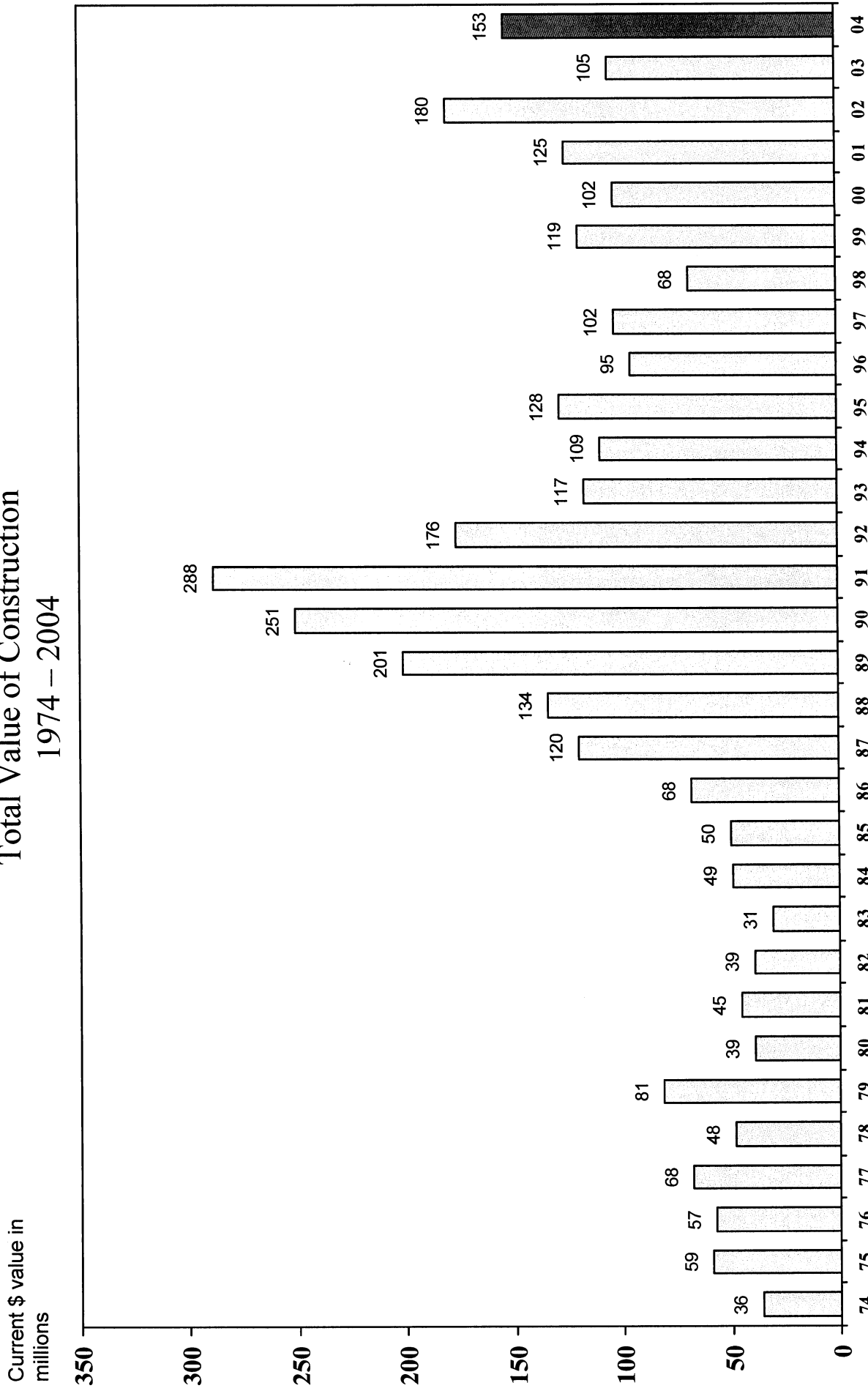
Source: Building Services Section
Prepared by the Planning Services Division

Year

A1

2004 Building Permit Tracking Report

Total Value of Construction
1974 – 2004



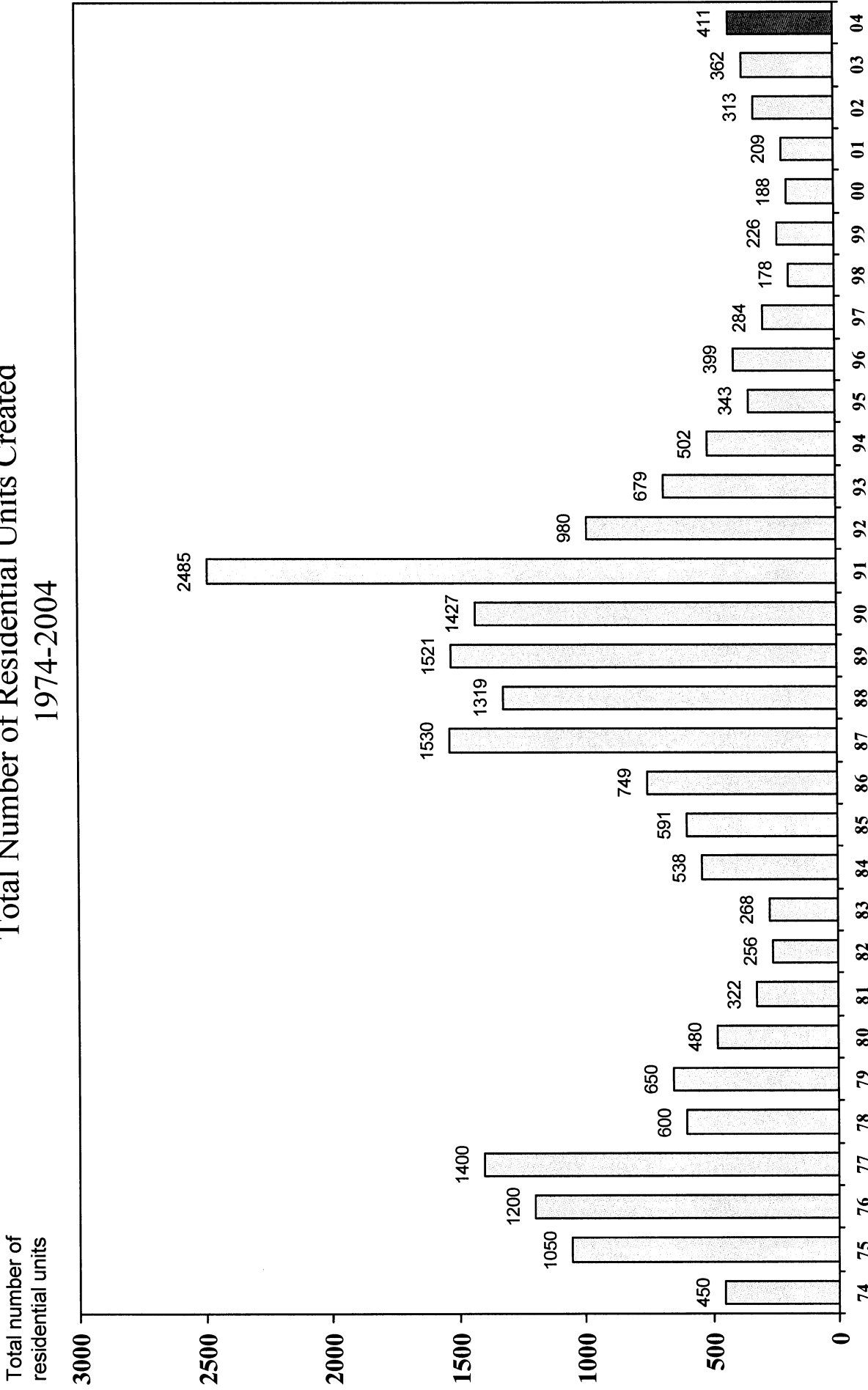
Source: Building Services Section
Prepared by the Planning Services Division

Year

A2

2004 Building Permit Tracking Report

Total Number of Residential Units Created 1974-2004

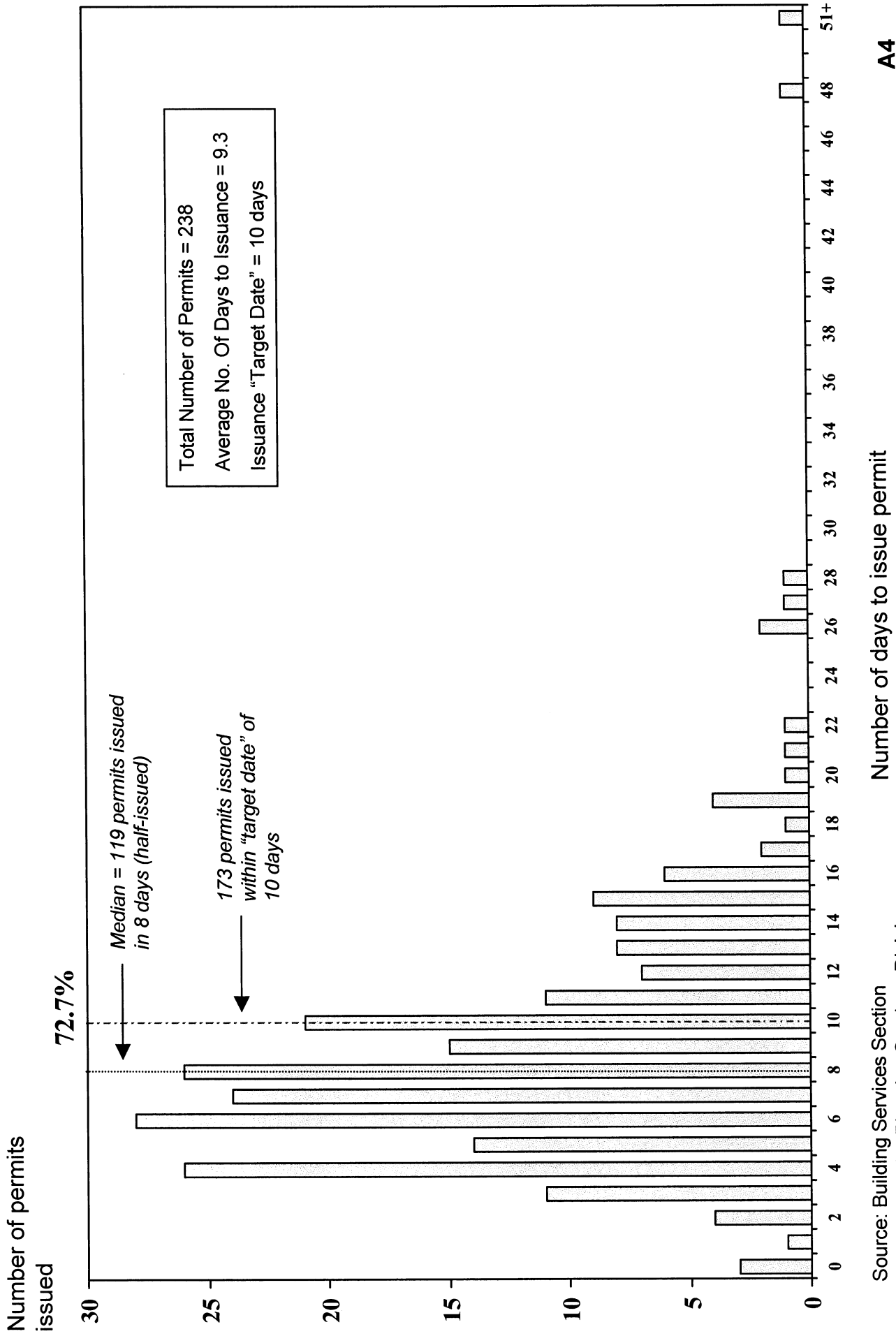


Source: Building Services Section
Prepared by the Planning Services Division

Year

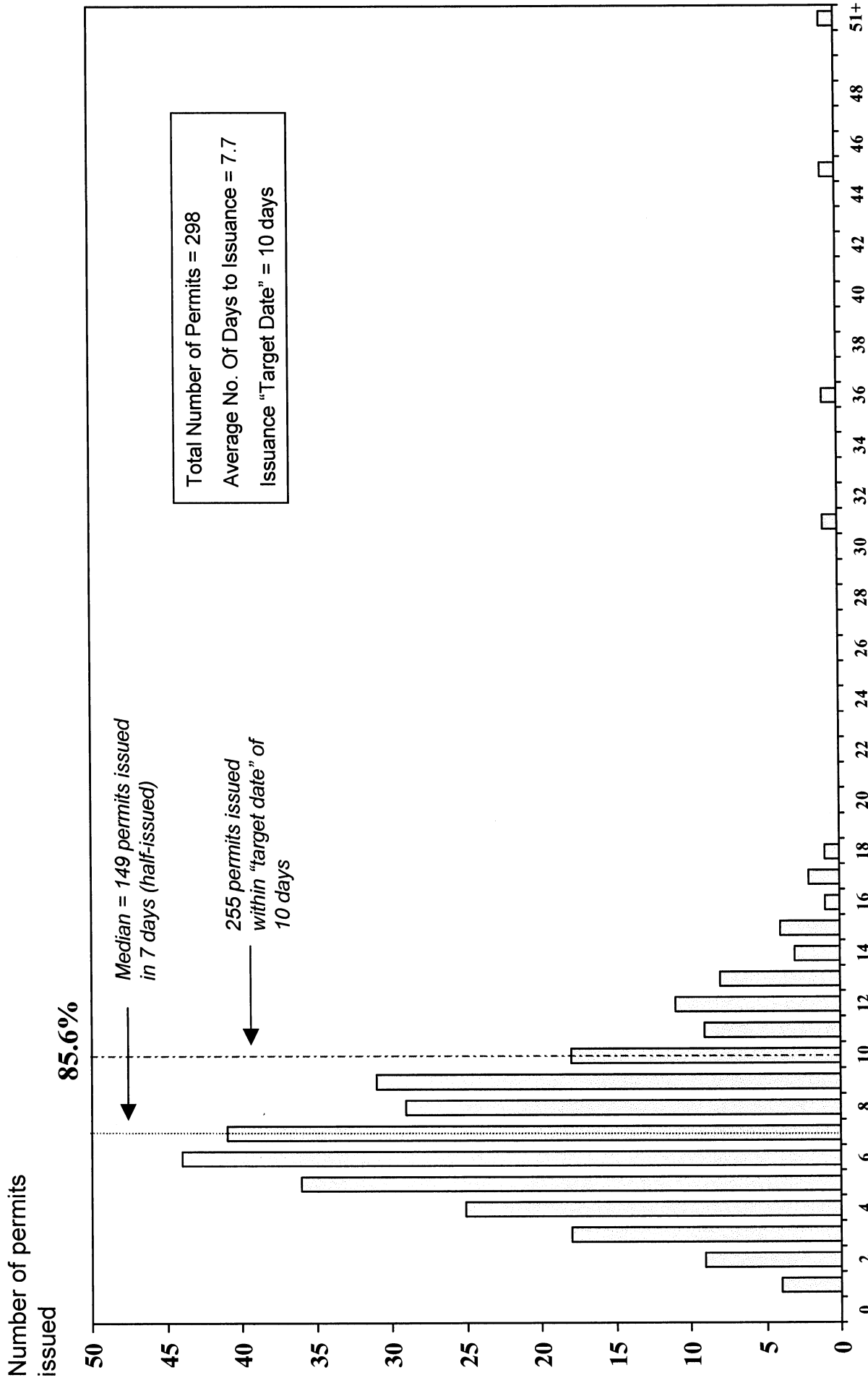
A3

2003 Building Permit Tracking: Residential – New Construction



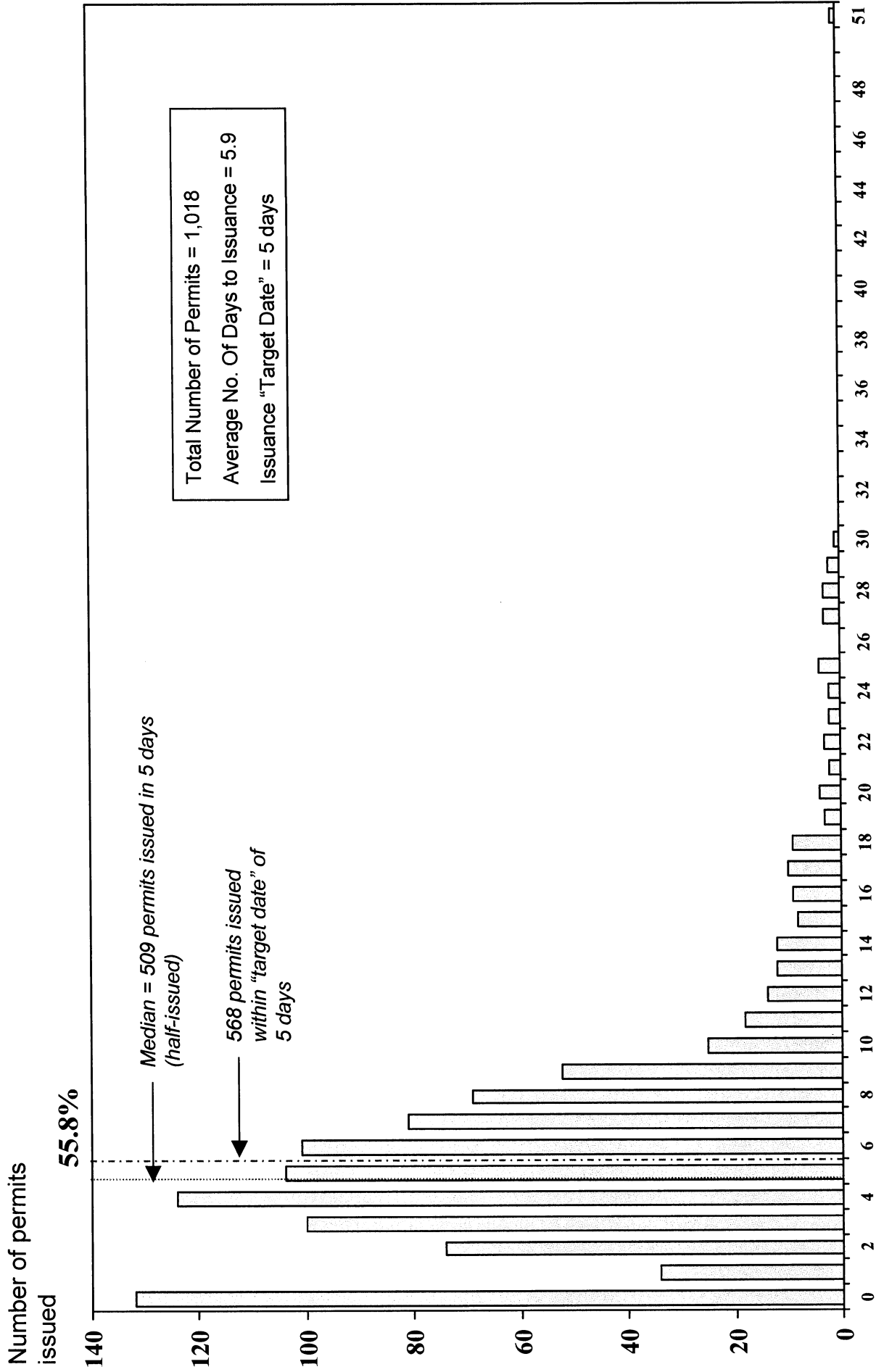
Source: Building Services Section
 Prepared by the Planning Services Division

2004 Building Permit Tracking: Residential – New Construction



Source: Building Services Section
Prepared by the Planning Services Division

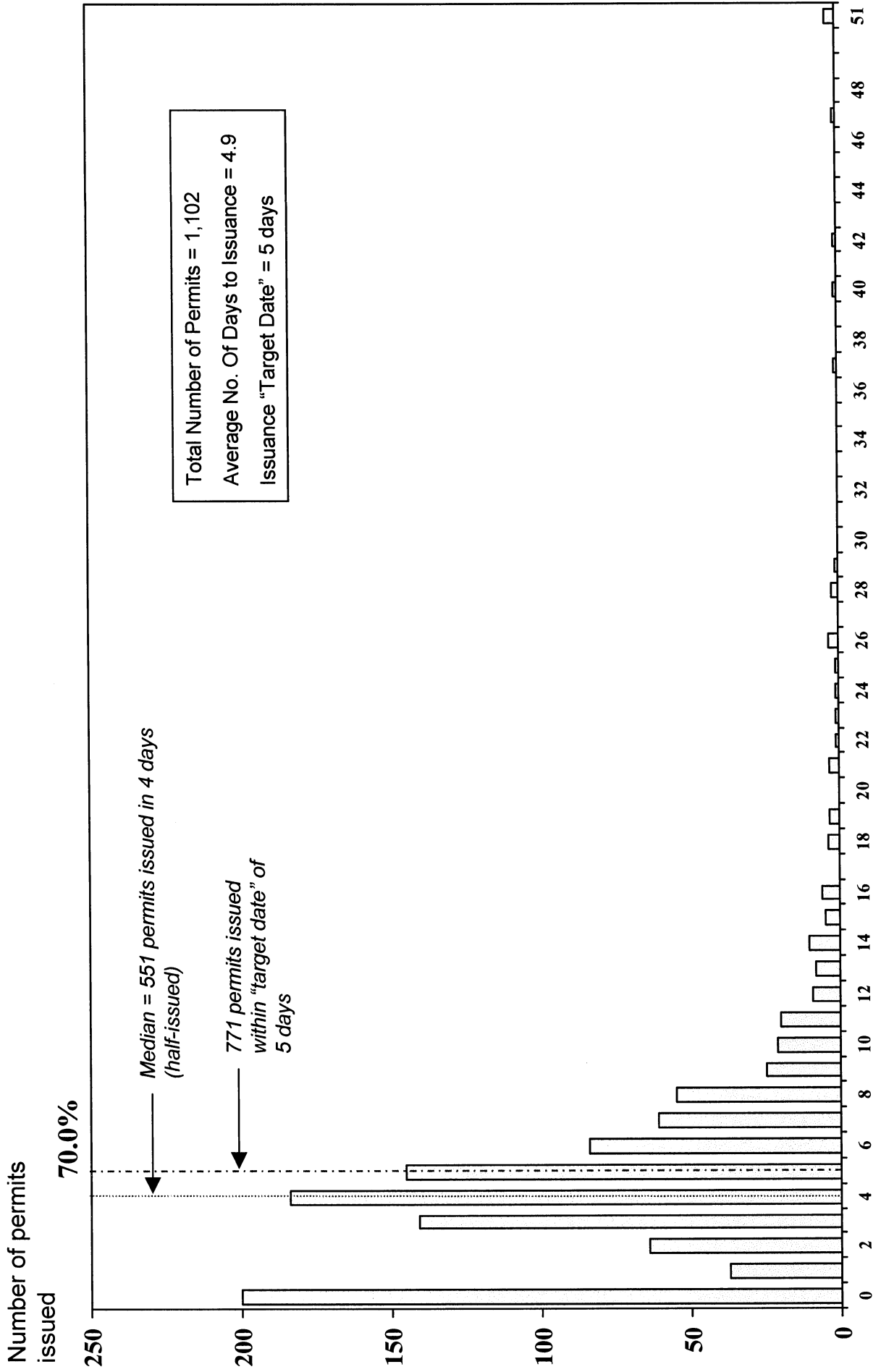
2003 Building Permit Tracking: Residential – Minor Construction



Source: Building Services Section
 Prepared by the Planning Services Division



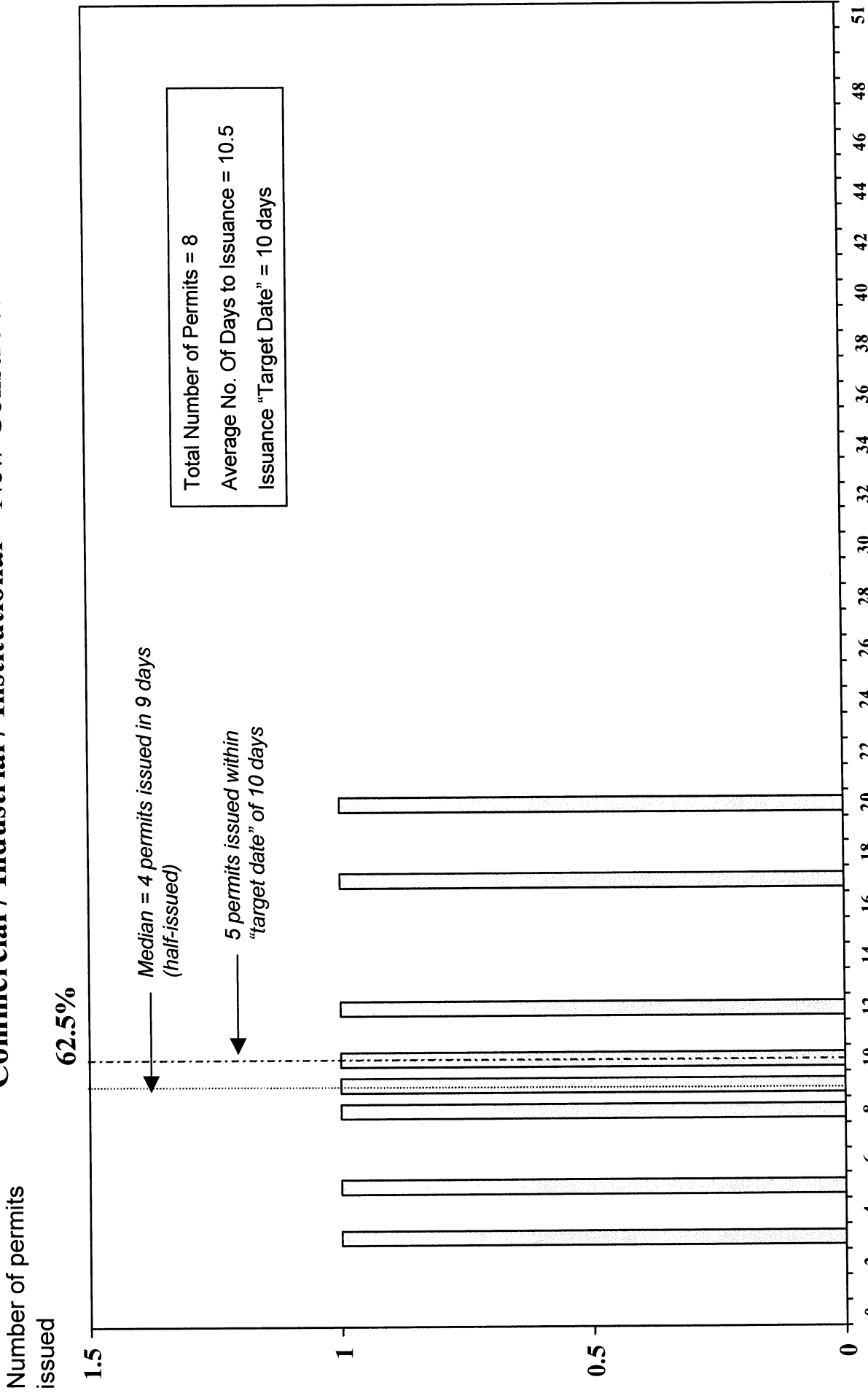
2004 Building Permit Tracking: Residential – Minor Construction



Source: Building Services Section
Prepared by the Planning Services Division

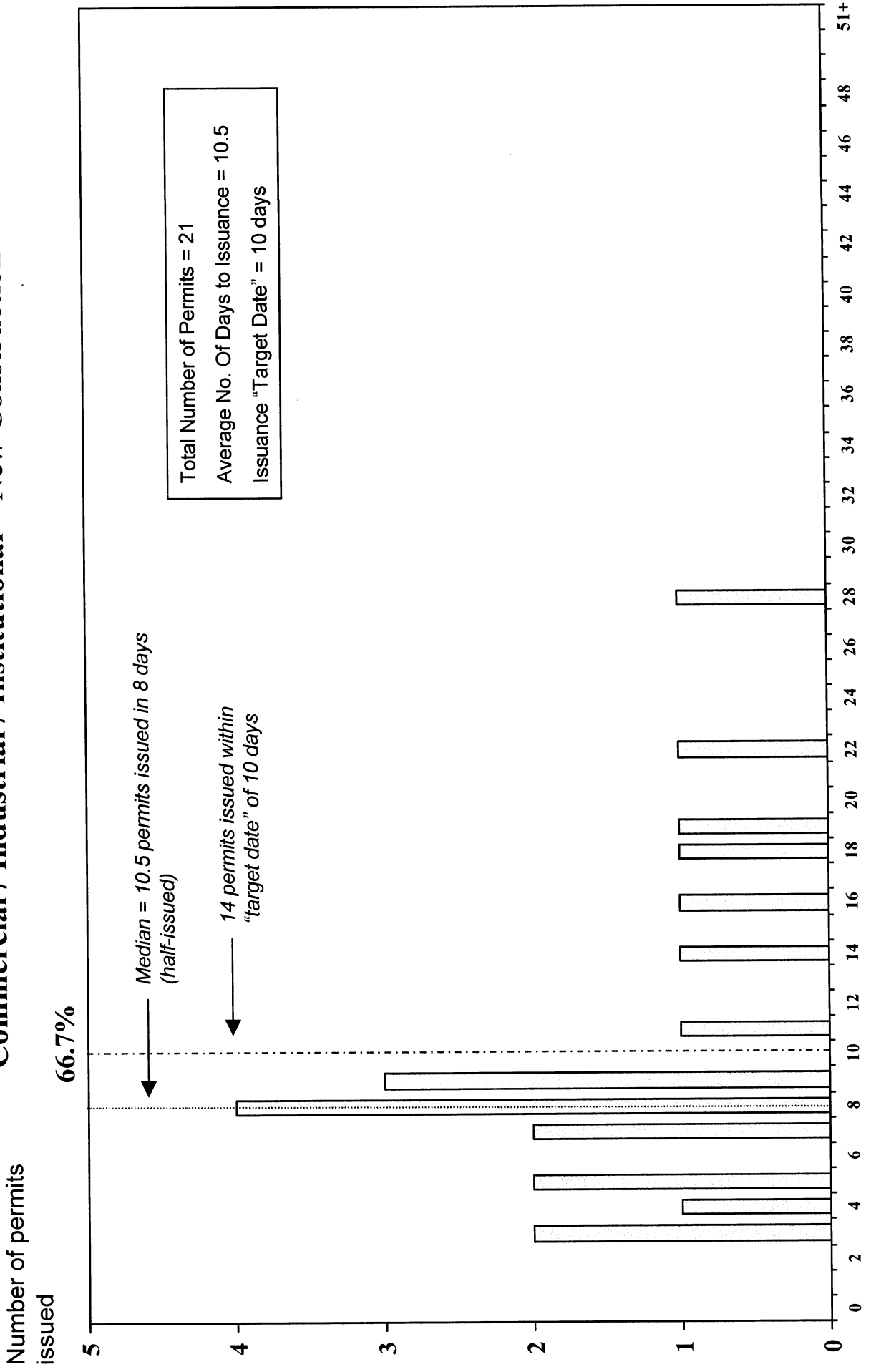


2003 Building Permit Tracking: Commercial / Industrial / Institutional – New Construction



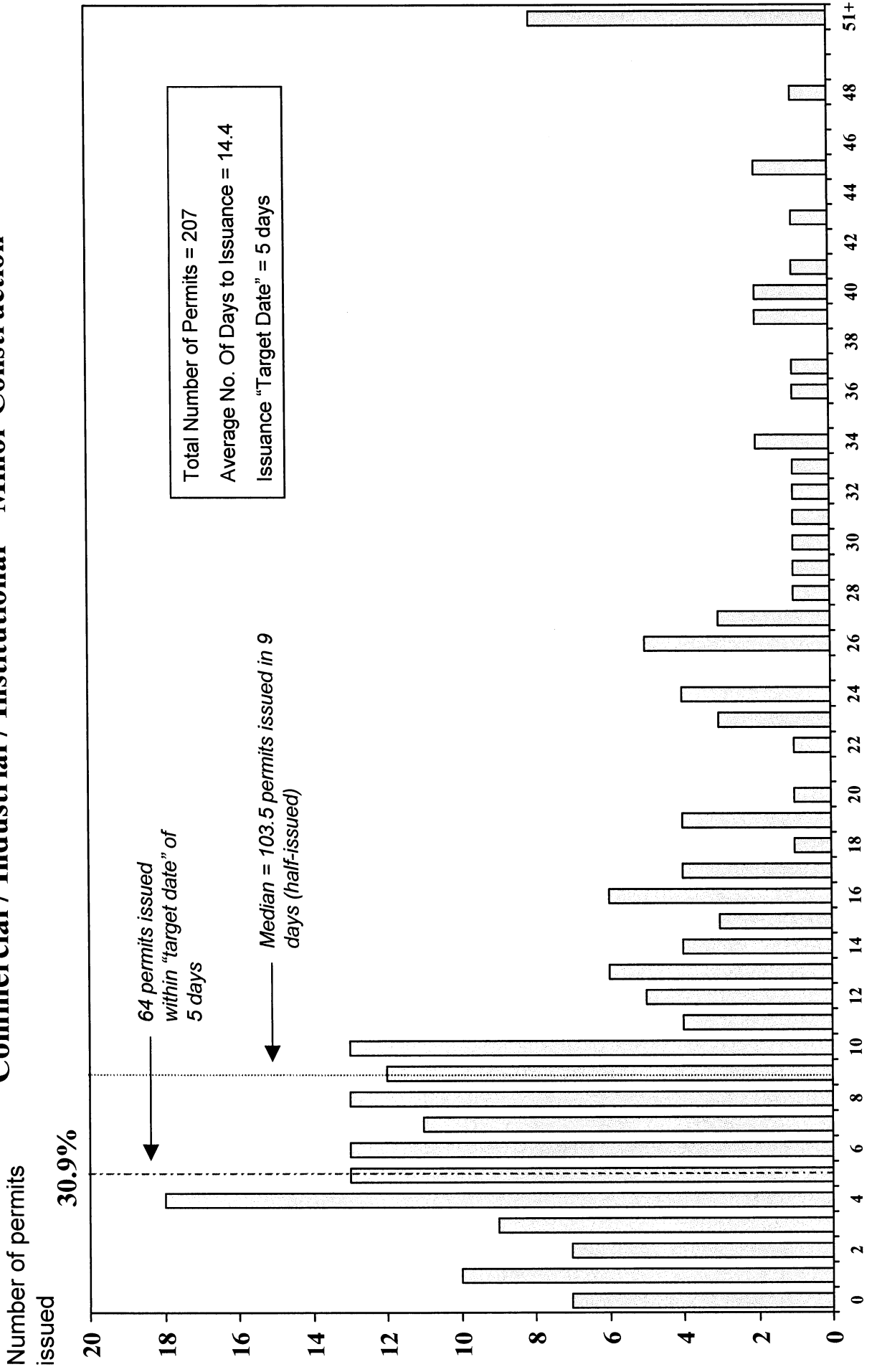
Source: Building Services Section
Prepared by the Planning Services Division

2004 Building Permit Tracking: Commercial / Industrial / Institutional – New Construction



Source: Building Services Section
 Prepared by the Planning Services Division

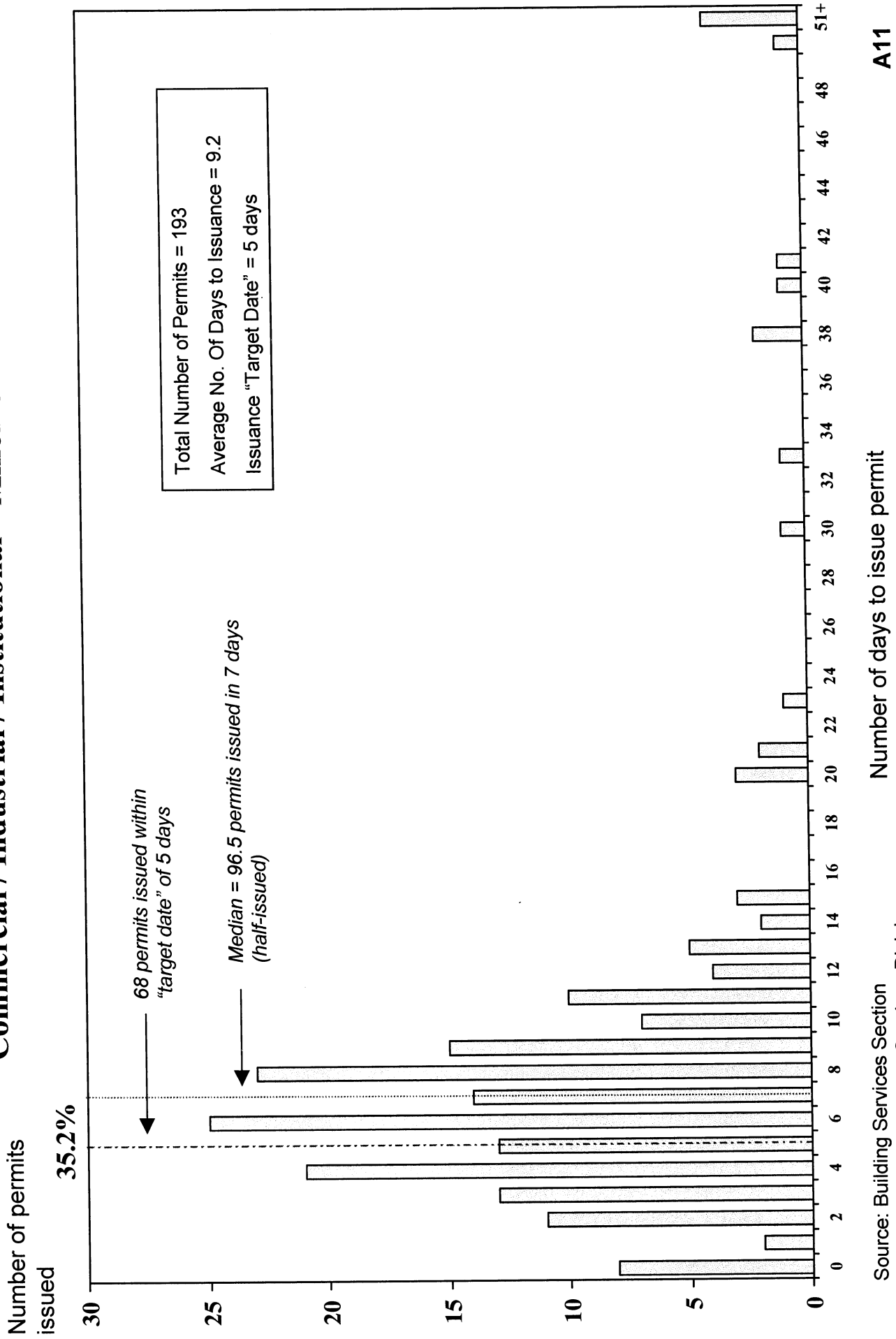
2003 Building Permit Tracking: Commercial / Industrial / Institutional / Minor Construction



Source: Building Services Section
 Prepared by the Planning Services Division

Number of days to issue permit

2004 Building Permit Tracking: Commercial / Industrial / Institutional – Minor Construction



Source: Building Services Section
 Prepared by the Planning Services Division

Building Permit Statement

PERMIT CLASSIFICATIONS	Last Year 2003		Current Year 2004	
	Month of: December	Year to Date	Month of: December	Year to Date
	NO UNITS	VALUE	NO UNITS	VALUE
NEW RESIDENTIAL CANCELLED PERMITS	16	1,962,313	12	1,484,272
MISC. RESIDENTIAL CANCELLED PERMITS	23	409,453	25	482,562
NEW COMMERCIAL CANCELLED PERMITS				
MISC. COMMERCIAL CANCELLED PERMITS	7	237,862	10	1,993,235
NEW INDUSTRIAL CANCELLED PERMITS				
MISC. INDUSTRIAL CANCELLED PERMITS	3	713,000	3	181,534
NEW INSTITUTIONAL CANCELLED PERMITS				
MISC. INSTITUTIONAL CANCELLED PERMITS	3	94,172	5	223,534
Vacant Land CANCELLED PERMITS				
Change of Use CANCELLED PERMITS				
Ancillary Uses CANCELLED PERMITS				
OLD PERMIT CANCELLED PERMITS				
DEMOLITIONS CANCELLED PERMITS				
TOTALS ISSUED PERMITS	57	3,416,800	67	6,097,499
TOTALS CANCELLED PERMITS	57	3,416,800	65	6,002,098
NET TOTALS ALL PERMITS				

Request for Decision City Council

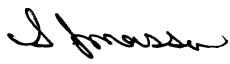


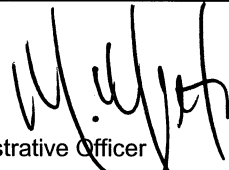
Type of Decision									
Meeting Date	March 10, 2005				Report Date	March 4, 2005			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
Federal Budget

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

Recommendation
FOR INFORMATION ONLY
Recommendation Continued

Recommended by the Department Head
 S. Jonasson Acting Chief Financial Officer

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

Date: March 4, 2005

Report Prepared By

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

Division Review**Executive Summary**

The chief benefit to municipalities from the Federal Budget announcement last week is the New Deal which will provide municipalities with a share of gas tax revenues. In addition, existing infrastructure programs will be renewed, and contributions to green funds will be increased.

Attached is a summary of the budget provided by the Municipal Finance Officers Association (MFOA).

Federal Gas Tax

For fiscal year 2005-06, the Federal Government is providing \$600 million for Gas Tax Sharing. Preliminary calculations done by the Association of Municipalities of Ontario (AMO) indicate that Ontario's share of this is 37.3% or \$223.8 million, while Sudbury's share is better than \$3 million if population is the sole criteria for sharing. Before any funds flow to municipalities, the New Deal agreement must be signed between the Federal and Provincial governments.

Eligible investments for the gas tax funding will include capital expenditures for 'environmentally sustainable municipal infrastructure'. In large urban centres, investments will be targeted to one or two of the following priorities:

- ▶ public transit
- ▶ water and wastewater
- ▶ community energy systems
- ▶ solid waste

In smaller municipalities, eligible funding will be considered more broadly to provide flexibility to meet priorities. In all municipalities, some funds may also be used for capacity-building initiatives to support sustainability planning.

Existing Infrastructure Programs

The budget contains a list of previously announced infrastructure initiatives that include the Canada Strategic Infrastructure Fund, Municipal Rural Infrastructure Fund and Border Infrastructure Fund. The intention is to extend some of these programs as they expire, and further details will be provided in future budgets. The City does not presently benefit from any of these programs.

Date: March 4, 2005

Green Municipal Funds

This fund, operated by the Federation of Canadian Municipalities (FCM) will be increased by an additional \$300 million in fiscal year 2004-05. The fund is intended for innovative green municipal projects such as more efficient water and wastewater facilities. For the most part, these funds are provided to municipalities and their partners (if applicable) by way of loans. The loan repayments then allow for more funding opportunities in the future.

Other Highlights

New Partnerships

The Government announced that it is seeking ways to involve municipalities in decision-making processes on national issues that affect their interests, and commits to seek further opportunities for dialogue with municipal leaders.

Child Care

\$5 billion over the next five years has been allocated to early learning and child care initiatives. \$700 million is to be shared with the provinces on a per capita basis through 2006 while an additional \$3.4 billion will be allocated to the provinces from 2006 to 2010 in a similar fashion.

No details are known on this funding yet. Children's Services will be preparing a report regarding the 'Best Start' program being launched by the Province, with Federal funding. Council will be provided with information on any other programs introduced as a result of the federal budget.

Clean Fund and Partnership Fund

The new Clean Fund will have a base of \$1 billion and is aimed at climate change while the Partnership Fund, with an initial base of \$250 million is aimed at project specific investments by both the federal and provincial governments. Such projects would include the large-scale use of landfill waste for power generation.

In addition, Canada's Wind Power Production Incentive is being quadrupled, and a new Renewable Power Production Incentive to encourage the use of renewable energy sources, such as landfill gas, is being introduced.

Again, no details are known on these new funds. Once announcements are made, and if the City can benefit from any of these funds, Council will be advised.

2005 Federal Budget

On February 23, 2005, the Honourable Ralph Goodale, Minister of Finance, introduced the second Liberal budget under Prime Minister Paul Martin. The budget addressed four themes:

- A robust economy
- A secure social foundation
- A sustainable environment
- A sound fiscal framework

Municipal initiatives are dealt with under the theme of sustainable environment and communities.

1. Budget and Other Documents

Three key budget documents released include:

- Budget Speech
- Budget in Brief
- Budget Plan

All three budget documents, along with a summary of "*A New Deal for Canada's Communities*", can be found on the Department of Finance website at <http://www.fin.gc.ca/budtoce/2005/budliste.htm>.

Other budget resources:

- [Statement from FCM President, New Glasgow Mayor Ann MacLean.](#)

2. Municipal Specific Highlights

Municipalities have anticipated that the 2005 federal budget would provide further information on the federal promise to share gas tax revenues with Canada's municipalities. The government seeks to build a New Deal on a set of principles that:

- Provides municipalities with long-term, reliable and predictable funding
- Ensures equity between regions and between large and small communities
- Respects jurisdiction by harnessing the roles and responsibilities of each order of government
- Builds intergovernmental partnerships
- Sets shared objectives and reports regularly to Canadians on common outcomes

The budget builds on the initiatives of the 2004 budget that included a GST rebate for municipalities. There are three main thrusts to the governments support for municipalities:

- Sharing gas tax revenues
- Renewing existing infrastructure programs
- Increasing contributions to green funds

Federal Gas Tax

Beginning in fiscal year 2005–06, the government will transfer 1.5 cents/litre which will increase to 5.0 cents in 2009-2010. This will represent approximately \$600 million in the current fiscal years and approximately \$2 billion when fully implemented in 2009-2010. The following table indicates how the program will be phased-in.

Funding Profile for Gas Tax Sharing

Fiscal Year	Funding (\$million)	Share of Gas Tax (cents/litre)
2005-2006	600	1.5
2006-2007	600	1.5
2007-2008	800	2.0
2008-2009	1,000	2.5
2009-2010	2,000	5.0
Total	5,000	

The government will negotiate bilateral agreements with each province and territory to ensure the gas tax funds are used strategically and in support of shared national outcomes. Complementary actions by all partners will be required, including annual reporting to Canadians.

To ensure gas tax revenue allocation results in stable, predictable and equitable funding, the Government will allocate funds to the provinces, territories and First Nations (delivered via Indian and Northern Affairs Canada) on a per capita basis, with a minimum amount of funding assured for the smallest jurisdictions equal to 0.75 per cent of total funding, or \$37.5 million over five years.

Funding will flow to provinces and territories, and they will make these funds available to cities and communities according to the terms of New Deal agreements being negotiated with each province and territory. Funding will flow to provinces and territories once agreements are signed that will ensure the funds are received by municipalities promptly, and are targeted to sustainable development.

Eligible investments will include capital expenditures for “environmentally sustainable municipal infrastructure.” Eligible projects will depend on the size of the community and the region. In each large urban centres, investments will be targeted to one or two of the following priorities:

- Public transit
- Water and wastewater
- Community energy systems

- Solid waste

In smaller municipalities, eligible funding will be considered more broadly to provide flexibility to meet priorities. In all municipalities, some funds may also be used for capacity-building initiatives to support sustainability planning.

A February 1, 2005 news release from Infrastructure Canada showed the allocation of the gas tax in year 5 when it is fully implemented. The release indicated that “the amount that each province and territory will receive in Year 1 will be announced by the Minister of Finance in his next Budget.” We have been unable to find such a year 1 allocation but note that the share of year 5 and of the total is approximately 37.3% of the total, as shown in the table below. If this is applied to the year 1 amount of \$600 million, it would produce an Ontario allocation of approximately \$223.8 million.

Allocation of Gas Tax in Year 5

Province/Territory/First Nations	Total Over Five Years	Percentage Share
	(\$M)	
Newfoundland and Labrador	82.3	1.6%
Prince Edward Island	37.5	0.7%
Nova Scotia	145.2	2.9%
New Brunswick	116.1	2.3%
Quebec	1,151.0	23.0%
Ontario	1,865.5	37.3%
Manitoba	167.3	3.3%
Saskatchewan	147.7	3.0%
Alberta	476.9	9.5%
British Columbia	635.6	12.7%
Yukon	37.5	0.7%
Northwest Territories	37.5	0.7%
Nunavut	37.5	0.7%
First Nations	62.5	1.2%
Total	\$5,000	100.0%

Existing Infrastructure Programs

The budget contains a list of previously announced infrastructure initiatives that include the Canada Strategic Infrastructure Fund, Municipal Rural Infrastructure Fund and Border Infrastructure Fund. The government intends to extend some of these programs as they expire. Further details will be included in future budgets.

Green Municipal Funds

The government established the Green Municipal Funds in 2000 with an initial endowment of \$125 million, which was increased to \$250 million in Budget 2001. The Fund is operated by the Federation of Canadian

Municipalities and supports investments in innovative green municipal projects such as the installation of deep water-cooling systems for commercial buildings, district energy systems, and more efficient water and wastewater treatment facilities.

Repayment of loans from these and other projects will provide the Green Municipal Funds with cash flow for further opportunities to fund innovative municipal projects. The funds have been able to leverage over \$1 billion in municipal, provincial and private sector funding for environmentally sustainable infrastructure. Budget 2005 builds on earlier investments by contributing an additional \$300 million in 2004–05 to the Green Municipal Funds.

New Partnerships

The government is seeking ways to involve municipal governments in decision-making processes on national issues that affect their interests. The Department of Infrastructure and Communities will be the primary contact point for municipalities. The government commits to seek further opportunities for dialogue with municipal leaders.

3. Other Budget Initiatives

- Child Care
 - Allocates \$5 billion over next five years to early learning and child care initiatives
 - \$700 million to be shared with provinces on a per capita basis through 2006
 - An additional \$3.4 billion allocated to the provinces from 2006 through 2010 in a similar fashion.
- Allocated \$41.3 billion to health care over the next 10 years to improve access and reduce wait times.
- Additional \$33.4 billion over 2004 equalization payments to provinces and territories over next ten years.
- For Seniors
 - GIS monthly benefits increase by \$36 for singles and \$58 for couples by January, 2007 – total cost \$2.7 billion over next 5 years.
- Tax Changes
 - Non-taxable income increases to \$10,000, some 240,000 seniors taken off tax role
 - RRSP contribution limits increase to \$22,000
 - 30% foreign content rule for pension investments
 - Corporate surtax eliminated
 - Corporate tax rate decreased from 21% to 19%

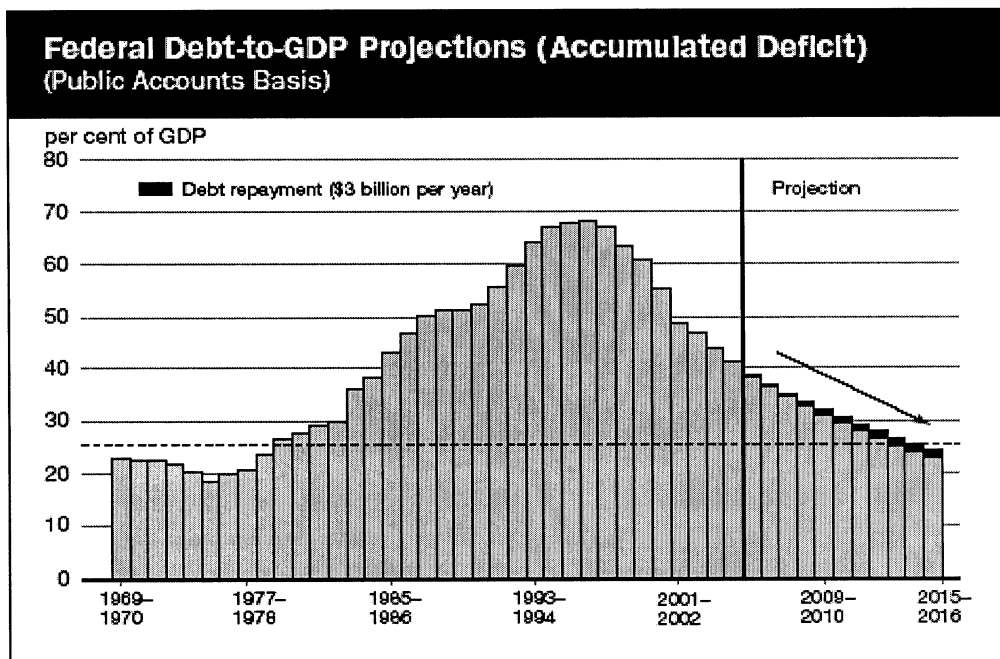
4. The Economy

- Strong employment and economic growth
 - Largest recent growth among G-7 countries
 - Employment rate reached a historical high of 62.8% in May, 2004
- Gross Domestic Product (GDP) up 2.7%, 3.9% and 3.2% in the first three quarters of 2004
- GDP growth in 2005 projected to be 2.9% and 3.1% in 2006

- See the attached Table 7.2 from the budget for forecasts of GDP growth, inflation and short and long-term bond rates
- Canadian dollar has appreciated by 25% since 2002
 - There is a risk associated with further appreciation of the dollar - can the economy continue to adjust at that pace?
- With respect to the economy's ability to weather shock, the OECD recently acknowledged, "the Canadian economy has delivered solid performance for nearly a decade with increased resilience to economic shocks...."

5. The Government's Financial Position

- Canada is the only G-7 country to record a government budget surplus in each of the last three years
- The government is projecting a balanced budget or better for each of the next 5 fiscal years, following consecutive balanced budgets for the previous 8 years
- The government will continue the effort to reduce debt service costs by reducing the federal debt to GDP ratio to 25% down from the mid 70's peak of over 37% – In the fiscal year ending in 2004, 19 cents of each revenue dollar went to debt service compared to 11 cents 30 years ago
- Federal revenue to GDP is projected to decline through 2010 due in part to tax reduction measures



- Program expenditures to GDP will increase in 2004-05 through increased provincial transfers for health care and equalization

- Cabinet Committee on Expenditure Review has undertaken a review of government programs and expenditures. Suggested operational changes are projected to save \$11 billion to be reinvested in core responsibilities to Canadians.
 - Changes are to include:
 - The streamlining of the government's purchasing function
 - Moving to modernized property management principles
 - Programs that do not work will be eliminated
 - Reinvestments will be directed to:
 - National Security
 - Defence
 - The Environment
- See attached tables for information on the government's debt and deficit position, Table 7.6, expenditures Table 7.8 and revenues Table 7.7.

Table 7.2*Average of Private Sector Economic Forecasts: December 2004 Survey*

	2004	2005	2006	Average 2007-09
		(per cent)		
Real GDP growth	2.7	2.9	3.1	2.9
GDP inflation	3.3	2.0	1.9	1.9
Nominal GDP growth	6.1	4.9	5.0	4.8
3-month Treasury bill rate	2.2	2.7	3.5	4.6
10-year government bond rate	4.6	4.6	5.1	5.6

Source: December 2004 Department of Finance survey of private sector forecasters.

Table 7.6
Summary Statement of Transactions (Including February 2005 Budget Measures)

	Actual						
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
	(billions of dollars)						
Budgetary transactions							
Budgetary revenues	186.2	195.8	200.4	210.1	220.4	228.4	237.8
Total expenses							
Program expenses	141.4	158.1	161.3	169.5	177.9	185.8	194.5
Public debt charges	35.8	34.7	35.1	35.6	36.4	36.1	36.2
Total expenses	177.1	192.8	196.4	205.1	214.4	221.9	230.8
Underlying budgetary surplus	9.1	3.0	4.0	5.0	6.0	6.5	7.0
Prudence							
Contingency Reserve		3.0	3.0	3.0	3.0	3.0	3.0
Economic prudence			1.0	2.0	3.0	3.5	4.0
Total	0.0	3.0	4.0	5.0	6.0	6.5	7.0
Budgetary balance	9.1	0.0	0.0	0.0	0.0	0.0	0.0
Federal debt (accumulated deficit)							
Balanced budget (no debt reduction)	501.5	501.5	501.5	501.5	501.5	501.5	501.5
Apply Contingency Reserve to debt	501.5	498.5	495.5	492.5	489.5	486.5	483.5
Per cent of GDP							
Budgetary revenues	15.3	15.1	14.8	14.7	14.7	14.6	14.5
Program expenses	11.6	12.2	11.9	11.9	11.9	11.9	11.9
Public debt charges	2.9	2.7	2.6	2.5	2.4	2.3	2.2
Federal debt (accumulated deficit)	41.1	38.8	37.0	35.2	33.5	32.0	30.6
Other							
Public debt charges as a share of revenues	19.2	17.7	17.5	16.9	16.5	15.8	15.2
Annual per cent change							
Budgetary revenues	4.7	5.2	2.3	4.8	4.9	3.7	4.1
Program expenses	5.8	11.9	2.0	5.1	5.0	4.4	4.7
Total expenses	3.7	8.9	1.9	4.4	4.5	3.5	4.0
Nominal GDP	5.3	6.1	4.9	5.0	5.0	4.8	4.7

Note: Numbers may not add due to rounding.

Table 7.8
The Program Expenses Outlook (Including February 2005 Budget Measures)

	Actual						
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
	(millions of dollars)						
Major transfers to persons							
Elderly benefits	26,902	27,958	29,113	30,506	31,978	33,297	34,762
Employment insurance benefits ¹	15,058	15,291	15,741	16,279	16,886	17,580	18,266
Total	41,960	43,248	44,854	46,786	48,864	50,876	53,028
Major transfers to other levels of government							
Federal transfer support for health and other social programs	22,741	27,800	27,225	28,640	30,148	31,679	33,587
Early Learning and Child Care	0	700	0	700	1,200	1,200	1,200
Alternative Payments for Standing Programs	-2,700	-2,746	-2,874	-3,071	-3,289	-3,505	-3,737
Fiscal arrangements ²							
Equalization	8,121	11,573	10,900	11,282	11,676	12,085	12,508
Transfers to territories	1,792	2,144	2,030	2,070	2,142	2,217	2,295
Atlantic offshore agreements	0	165	216	400	800	650	625
Other	-563	-572	-600	-644	-692	-735	-790
Total	9,351	13,309	12,545	13,108	13,926	14,217	14,638
Canada's cities and communities	0	0	600	600	800	1,000	2,000
Total	29,392	39,063	37,496	39,978	42,785	44,591	47,688
Direct program expenses	70,003	75,822	78,979	82,754	86,285	90,336	93,811
Total program expenses	141,355	158,133	161,329	169,517	177,934	185,803	194,527
Per cent of GDP							
Major transfers to persons							
Elderly benefits	2.2	2.2	2.1	2.1	2.1	2.1	2.1
Employment insurance benefits	1.2	1.2	1.2	1.1	1.1	1.1	1.1
Total	3.4	3.3	3.3	3.3	3.3	3.2	3.2
Major transfers to other levels of government	2.4	3.0	2.8	2.8	2.9	2.8	2.9
Direct program expenses	5.7	5.9	5.8	5.8	5.8	5.8	5.7
Total program expenses	11.6	12.2	11.9	11.9	11.9	11.9	11.9

¹ EI benefits include regular EI benefits, sickness, maternity, parental, compassionate care, fishing and work-sharing benefits and employment benefits and support measures. These represent 90 per cent of total EI program expenses. The remaining EI program costs (amounting to \$1.6 billion in 2003-04) relate to administration costs.

² Includes revisions to data and other related adjustments in 2004-05 and 2005-06.

Note: Numbers may not add due to rounding.

Table 7.7
The Revenue Outlook (Including February 2005 Budget Measures)

	Actual						
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
	(millions of dollars)						
Tax revenues							
Income tax							
Personal income tax	84,895	89,594	94,252	100,453	107,131	113,748	120,530
Corporate income tax	27,431	28,422	29,170	29,323	29,420	27,579	26,976
Other income tax	3,142	3,552	3,523	3,719	3,868	3,860	3,846
Total income tax	115,468	121,568	126,945	133,496	140,419	145,186	151,352
Excise taxes/duties							
Goods and services tax	28,286	30,237	31,544	33,264	34,975	36,867	38,497
Customs import duties	2,887	3,017	3,061	3,267	3,440	3,563	3,688
Energy taxes	4,952	4,491	4,679	4,787	4,868	5,010	5,151
Other excise taxes/duties	4,830	5,294	5,280	5,311	5,323	5,331	5,325
Air Travellers Security Charge	410	370	340	355	370	385	400
Total excise taxes/duties	41,365	43,408	44,904	46,984	48,975	51,157	53,061
Total tax revenues	156,833	164,977	171,848	180,479	189,394	196,343	204,413
Employment insurance revenues	17,546	17,101	17,218	17,603	18,113	18,766	19,467
Other revenues	11,830	13,751	11,351	12,019	12,870	13,316	13,877
Total budgetary revenues	186,209	195,828	200,417	210,102	220,377	228,425	237,758
Per cent of GDP							
Personal income tax	7.0	6.9	6.9	7.1	7.2	7.3	7.3
Corporate income tax	2.3	2.2	2.2	2.1	2.0	1.8	1.6
Other income tax	0.3	0.3	0.3	0.3	0.3	0.2	0.2
Goods and services tax	2.3	2.3	2.3	2.3	2.3	2.4	2.3
Excise taxes/duties (excluding GST)	1.1	1.0	1.0	1.0	0.9	0.9	0.9
Total tax revenues	12.9	12.8	12.7	12.7	12.7	12.5	12.5
Employment insurance revenues	1.4	1.3	1.3	1.2	1.2	1.2	1.2
Other revenues	1.0	1.1	0.8	0.8	0.9	0.8	0.8
Total budgetary revenues	15.3	15.1	14.8	14.7	14.7	14.6	14.5

Note: Numbers may not add due to rounding.