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on Local Government Reform sur la réforme de l'administration locale
Sudbury Region Région de Sudbury**

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November 25, 1999

The Honourable Tony P. Clement
Minister of Municipal Affairs and Housing
17th Floor
777 Bay Street
Toronto, ON M5G 2E5

Dear Sir:

Re: Sudbury Local Government Review

I take great pleasure in presenting you with a report entitled "**Sudbury 2001**", which contains recommendations for Municipal Restructuring in the Sudbury area.

The Provincial Government must be congratulated for the decisive action to resolve the longstanding debate concerning the type of governance required for the Sudbury Region to meet the challenges of the 21st Century.

While it is acknowledged that 75% of the municipal tax dollar is currently spent by the Region of Sudbury, this report contains recommendations to achieve 12.5 million dollars in savings. This could provide tax reductions for the taxpayers in the existing municipalities ranging from 3% to 18%.

The recommendation for a Single-Tier government, which is supported by a majority of the municipalities, representing 86% of the population, will result in a reduction of 35 politicians.

The recommended ward system provides for representation that is not tied to previous municipal boundaries and is a model that should result in decisions that consider the broader needs of all ratepayers.

Page Two
November 25, 1999
Minister Clement
Ministry of Municipal Affairs and Housing

I wish to acknowledge the valuable cooperation and assistance of the Councils, general public, municipal staff and the media.

Yours sincerely,

Hugh J. Thomas, P.Eng.
Special Advisor
Local Government Reform
Sudbury Region

Attachment

TABLE OF CONTENTS

SUMMARY OF RECOMMENDATIONS

Pages i - xi

BACKGROUND

<u>Items</u>	<u>Page</u>
1. Introduction	1
2. Terms of Reference	1-3
3. Restructuring in Ontario	3
4. Restructuring Initiatives in Sudbury	4-9
5. Public Consultation	10
(a) Area Municipalities	10-12
(b) District Municipalities	14-15
(c) Public Submissions	15-17
(d) First Nations	18
6. Profile of Region and Area Municipalities	18-21
7. Governance	22

Recommendations

8. Municipal Structure	23-24
9. Compensation	24
10. Wards	24-27
11. Boundaries	28-29
12. Name	29
13. Committees	29-30
14. Local Boards	30
(a) Health Board	31
(b) Conservation Authority	32
(c) Library Boards	32-33
(d) Police Services Board	33
15. Volunteerism	33-34
16. Service Centres	35-38
17. Public Utility Commission	38-39
18. Area Rating	40-41
19. Election	41

TABLE OF CONTENTS

<u>Items</u>	<u>Page</u>
20. Fire Services	41-42
21. Municipal Staff Organization	42-46
22. Assets and Liabilities	46-47
23. French Language	48
24. Transition Process	48
(a) Composition of Transition Board	48
(b) Role of Transition Board	49-51
(c) Powers of Existing Councils	51
(d) Dispute Resolution	52
(e) By-laws and Resolutions	52
25. Savings and Transition Costs	52
(a) Savings	52-55
(b) Transition Costs	55-56

APPENDICES

- A. List of Community Contacts
- B. Municipal Submissions Excerpts (Region of Sudbury)
- C. Municipal Submissions Excerpts (District of Sudbury)
- D. List of Submissions
- E. Extract from "Governing Structure at the Millenium"
presented to the Association of Counties and Regions
October 25, 1999, by Harry Kitchen, Department of
Economics, Peterborough, Ontario
- F. Guide for the Transition Process
 - Procedural by-law
 - Goal statements
 - Communication strategy
 - Task Force Coordinating Committee
 - Guiding Principles for Task Forces
 - Voluntary Exit Program

LIST OF TABLES

<u>Tables</u>	<u>Page</u>
1. Governance Summary	13
2. Service Delivery Responsibilities	20
3. Municipal Profile	21
4. Ward Boundaries	26
5. Recommended Representation	27
6. Current Representation	27
7. Proposed Services to be provided at Community Service Centres	36-37
8. Property Tax Impact (No area rating)	53
9. Property Tax Impact (Area rating)	54
10. Transition Costs	56

Sudbury 2001

Summary of Recommendations

Recommendation 1:

- i) That the Regional Municipality of Sudbury and the existing area municipalities be dissolved and a single-tier governance be created on January 1, 2001.
- ii) That a smaller council comprised of 12 part-time councillors, elected by ward and a full-time mayor elected at large be established.

Recommendation 2:

- i) For the first term of office, the Mayor's salary shall be set at \$81,000.00 plus expenses and the members of council to receive \$20,000.00 plus expenses. This rate is established under the current regime of 1/3 of the council remuneration tax free. The compensation shall be all inclusive for any municipal purpose.

Recommendation 3:

- i) That the municipality be divided into six new wards with 2 members of the council to be elected per ward.
- ii) That the ward boundaries be established as set out in Table 4 and Figure 1.
- iii) That the representation be established as set out in Table 5.

Recommendation 4:

- i) After reviewing the submissions and inspecting the areas affected, I am not recommending a boundary change to include any of the organized municipalities.
- ii) However, based on the report proposed by Espanola the Minister should review their proposal with the view of creating an expanded municipality in the Lacleche Foothills area.

Sudbury 2001

Summary of Recommendations

Recommendation 5:

- i) That the unincorporated Townships of Fraleck, Parkin, Aylmer, Mackelcan, Rathbun and Scadding in the north be included within the boundaries of Greater Sudbury. (The population of this area is 36.)
- ii) That the boundaries of Greater Sudbury be expanded to include the unincorporated Townships of Cleland, Dill and Dryden. (The population of this area is 1159.)
- iii) That funding be provided to the new municipality for at least 3 years for operational expenses and 100% of capital requirements to bring the services to a current standard.

Recommendation 6:

- i) That the new municipality be named "**City of Greater Sudbury**".

Recommendation 7:

- i) That the whole Council be the Committee of Council with no standing committees.
- ii) That the Council establish a Planning Advisory Committee with representation from each ward, who will hear the planning applications coincident with the Council and make a recommendation to the Council.

This recommendation does not preclude the Council from establishing ad-hoc committees for special purposes.

Recommendation 8:

- i) That the Greater Sudbury Council be designated as the Board of Health under the Health Protection and Promotion Act.
- ii) That the staff be integrated into the new municipal structure. This will result in a savings of administration cost and provide the opportunity for existing health board administration staff to become part of the labour pool for the new administrative organization.

Sudbury 2001

Summary of Recommendations

Recommendation 8: - continued

- iii) That the District Social Services Administration Board (DSSAB) contract with Greater Sudbury for the provision of health services at cost.

Recommendation 9:

- i) That the Greater Sudbury Council be designated as the Authority under the Conservation Authority to act with all the authority and rights (including Provincial funding) that would accrue to the existing Conservation Authority.
- ii) That the staff be integrated into the new municipal structure.

Recommendation 10:

- i) That the Greater Sudbury Council be designated as the Library Board for the purposes of the Public Libraries Act.
- ii) That the staff be integrated into the new municipal administration.
- iii) That the Council consider appointing an advisory library committee in each of the wards for the purpose of reflecting the library needs of the wards.

Recommendation 11:

- i) That the Province amend the Police Services Act to provide that the third municipal appointee be a member of Council. The resultant Board would be comprised of 2 Provincial appointees and 3 municipal members.

Recommendation 12:

- i) That every effort be made to continue and expand the use of volunteers for providing community service.
- ii) That the Council provide administrative support to Community Advisory Committees.

Sudbury 2001

Summary of Recommendations

- iii) That the time of appointment for existing volunteers, committees and boards, be extended for a period of up to 2 years.

Recommendation 13:

- i) That Service Centres be established in existing communities and or that Information Desks be established in libraries. The location and services are to be recommended by the Transition Board to Council.
- ii) That a review be undertaken of the services that are currently provided centrally.

Recommendation 14:

- i) That the water purification and distribution system be contracted to the electrical utility.
- ii) That sewage collection and treatment be contracted to the electrical utility.
- iii) That the Transition Board have the power of Council for the purposes of the Energy Competition Act and decisions affecting the municipal electrical utilities.
- iv) That the Transition Board investigate the savings resulting from the purchase of services from the municipality, for personnel, purchasing, legal, accounting and payment of bills and inquiries.
- v) That in the event the time frame for compliance with the Energy Competition Act is extended; that the existing three Municipal Electrical Utilities be dissolved and a new commission formed comprised of one member of council from each ward and the Mayor.

Recommendation 15:

- i) That authority be granted to the City of Greater Sudbury to area rate any service deemed advisable by the Municipal Council.

Sudbury 2001

Summary of Recommendations

Recommendation 16:

- i) That for the purpose of the Municipal Elections Act and the municipal election of 2000, the municipal election shall be conducted as if the new municipality had occurred.

Recommendation 16: - continued

- ii) That the Transition Board act in the place of Council.
- iii) That the Municipal Clerk of the City of Sudbury be responsible for conducting the election.
- iv) That the cost of the election be part of the transition expenses.

Recommendation 17:

- i) That the existing voluntary fire fighting system be preserved.
- ii) That the Council area rate fire protection based on the level of protection and area served.
- iii) That a review of the area served by each station be undertaken.

Recommendation 18:

- i) That the organizational structure of the City of Greater Sudbury be developed using the Business Unit model.

Recommendation 19:

- i) That the Transition Board appoint a CAO (City Manager) within 30 days of the first meeting of the Board

Sudbury 2001

Summary of Recommendations

- ii) That the Transition Board appoint an independent selection committee constituted of representatives from the Chamber of Commerce, Home Builders, College President, Major Industry Representative, Director of Education, etc. to interview candidates and recommend a candidate to the Transition Board.
- iii) That the Transition Board enter into a contract with the successful candidate for a minimum period of 3 years. This will allow the new Council to decide if they wish to extend the contract or select a new person.

Recommendation 19: - continued

- iv) That the independent selection committee interview candidates for the position of Commissioners and make a recommendation to the new Council.
- v) The Transition Board should consider engaging the services of a professional in the field of Human Resources to assist the committee.

Recommendation 20:

- i) That a Task Force Coordinating Committee be staffed with the CAO's of the municipalities as a minimum.
- ii) That the Task Force Coordinating Committee and the Task Forces be constituted solely of municipal employees.

Recommendation 21:

- i) That employees of the former municipalities and their local boards as of December 31, 2000, shall become employees of the new municipality.
- ii) That employees that held non-bargaining unit positions with a former municipality or it's local boards and who will be employed by the new municipality, in a non-bargaining unit position, will be credited with seniority at a rate of 100% of the employees' length of service.

Sudbury 2001

Summary of Recommendations

- iii) That employees that held non-bargaining unit positions with a former municipality or its local boards and who will be employed by the new municipality in a bargaining unit position, will be credited with seniority at a rate of 100% of the employees length of service as if the position with the former municipality or its local boards was a bargaining unit position with the new municipality.

- iv) That a dispute concerning the application, in determining a right or obligation under a collective agreement, shall be resolved as though the dispute was a dispute concerning the interpretation, application or administration of the collective agreement.

Sudbury 2001

Summary of Recommendations

Recommendation 22:

- i) That all municipal facilities and equipment (arenas, community centres, fire halls, public works yards, office and administrative equipment, etc.) and all rolling stock (fire trucks and equipment, public works trucks, graders, snow ploughs, etc.) in each existing municipality will become the property of the newly formed municipality without compensation.

Recommendation 23:

- i) That on January 1, 2001, all assets and liabilities, rights and obligations of the former municipalities and their local boards are vested in and become assets and liabilities, rights and obligations of the new municipality.

Recommendation 24:

- i) That the Council create the position of French language coordinator reporting to the CAO.
- ii) That in the communities where French is the predominant language, the front line staff provide services in both official languages.

Recommendation 25:

- i) That the Province appoint a Transition Board that shall be constituted as a body corporate.
- ii) That the Transition Board be comprised of
 - 6 existing municipal politicians.
 - 4 private citizens.
 - the Manager of the Sudbury Office of Ministry of Municipal Affairs and Housing as a non-voting member.
- iii) That the Transition Board be dissolved and replaced by elected members of the new Council in November 2000 immediately following the municipal election and swearing-in.

Sudbury 2001

Summary of Recommendations

- iv) That the Transition Board be subject to the provisions governing the conduct of meetings under Section 55 of the Municipal Act.

Recommendation 25: - continued

- v) That the first meeting of the Transition Board be called by the Province.
- vi) That the Transition Board select a Chair and Vice-Chair from the members of the Board.

Recommendation 26:

That the Transition Board have the following powers:

- i) Establish and adopt transition plans for the year 2000, including the establishment of the board's budget and the apportionment of the board's cost associated with the exercise of its powers.
- ii) Second employees and advisors from the former municipalities and their local boards for the purposes of the board.
- iii) Require the production of financial and other data, information and statistics from each of the former municipalities and their local boards.
- iv) Establish operational and capital budgets, organizational structures, administrative and management systems, staff positions and job descriptions for the new municipality in order to ensure a fully operational municipal organization that shall on January 1, 2001, become the new municipality and its administration.
- v) Prepare a report for the consideration of the Council of the new municipality with respect to the integration of all local boards, including but not limited to the public utilities commissions and police services board merged with the new municipality.
- vi) Prepare a report for the consideration of Council of the new municipality regarding the functions, location, size, facilities, staff complement and equipment needed for the Central Office, Service Centres and Information Desks necessary for the efficient and effective administration of the new municipality.

Sudbury 2001

Summary of Recommendations

- vii) Establish electronic or manual information systems, records and books of accounts for the new municipality and its local boards
- viii) Establish a Human Resources transition protocol that provides for uniform policies and mechanisms relating to:
 - the procedures and placement of employees of the former municipalities or their local boards in positions with the new municipality or its local boards and
 - the termination of employees of the former municipalities and their local boards, including monetary entitlements or other benefits for displaced employees
- ix) Offer employees of the former municipalities and their local boards employment with the new municipality, as well as negotiate and enter into agreements with employees.
- x) Issue layoff notices or provide for severance or compensation in lieu of notice, or both notice and compensation, as required, to employees of the former municipalities and their local boards.
- xi) Move staff to other workplaces within the new municipality, providing that their existing compensation and working conditions continue until the workplace is consolidated under the provisions of Bill 136, Public Sector Labour Relations Transition Act, 1997.
- xii) Negotiate with trade unions and pursue applications to the Ontario Labour Relations Board, on matters arising out of those negotiations.
- xiii) Complete a report on the proposed disposition of assets and liabilities of the former municipalities and their local boards for the consideration of the Council of the new municipality.
- xiv) Review and approve all financial expenditures of the former municipalities in excess of \$10,000 that are not included in the approved municipal operating or capital budgets for the year 2000, including non-cash transactions such as the exchange of assets with external parties.

Sudbury 2001

Summary of Recommendations

Recommendation 26: - continued

- xv) Review and approve expenditures of the former municipalities from reserve and reserve funds, financial commitments which extend beyond December 31, 2000, and the acceleration of any project originally scheduled to commence after December 31, 2000.
- xvi) Complete a report for the consideration of the Council of the new municipality recommending whether the new municipality should retain reserve and reserve funds, other than the working capital reserve, of the former municipalities for the purpose for which they were established and, if not, which reserves and reserve funds should be so treated.
- xvii) Complete a report for the consideration of the Council of the new municipality recommending how debt charges of the former municipalities should be financed, i.e. through the general tax rate, special tax rate adjustments, or user fees.
- xviii) Prepare a procedural by-law for the new Council.

Recommendation 27:

That the powers of the existing municipal councils be limited in the following areas:

- i) The Councils of the Region and the area municipalities shall prepare a budget for the year 2000 that does not reflect an increase over the 1999 levy for municipal purposes.
- ii) The use of any funds from 1999 reserve accounts be subject to the approval of the Transition Board.
- iii) All capital works projects undertaken in 2000 must be approved by the Transition Board.
- iv) No property or equipment shall be disposed of without the approval of the Transition Board.
- v) The hiring of staff outside of the combined labour pool be subject to the approval of the Transition Board.

Sudbury 2001

Summary of Recommendations

Recommendation 28:

- i) That if a municipality commenced procedures to enact a by-law under any Act or adopt an official plan or amendment that is not in force by January 1, 2001, the Council of the new municipality may continue the procedures.
- ii) All by-laws of the former municipalities shall carry forward to the new municipality but must be consolidated by 2004.

Recommendation 29:

- i) Although the new municipality would be in a negative cash flow position during the years 2000 and 2001, projected one-time transitional costs would be fully funded by the end of 2002 based on estimated restructuring savings. In the absence of a Provincial loan, I would recommend that the new municipality utilize existing reserves/reserve funds to finance one-time transitional costs on a short-term basis.

SUDBURY 2001 REPORT BY THE SPECIAL ADVISOR

BACKGROUND

1. Introduction

On August 23, 1999 the Honourable Steve Gilchrist, Minister of Municipal Affairs and Housing announced the Government's intention to undertake municipal reform in Sudbury Region. The goal was to make local government simpler, more efficient, and more accountable. In his announcement he stated, "Despite a consensus in each region that municipal government has become too costly, too complex and too inefficient, nothing has happened. That's why we're acting decisively to protect the interests of taxpayers." A Special Advisor was appointed to undertake that review. "The goal of the municipal reform in Sudbury Region will be fewer municipal politicians, lower property taxes, improved services, less bureaucracy, clear lines of responsibility and better accountability at the local level."

The Provincial Government has recognized that the traditional pattern of local government that was developed more than a century and a half ago has not responded to the rapid changes that have taken place in the latter part of this century. The view that your community and your municipal government are one and the same, worked well before the demand for more and better services, delivered in the most efficient manner. The provincial government policies are framed around the view that municipalities are responsible for the financing and delivery of services. Communities are not formed by boundaries, but by common interests. Community identities will not be lost through the formation of a different form of municipal unit.

2. Terms of Reference

The Special Advisor was directed to "provide a report with recommendations to the Minister of Municipal Affairs and Housing on local government..." on the Regional Municipality of Sudbury. The following principles as outlined in Appendix 1 were to be considered while assessing the options:

- Fewer municipal politicians while maintaining accessible, effective, accountable representation, taking into consideration population and community identity.
- Lower taxes by reducing overall municipal spending, delivering high quality services at the lowest possible cost, preserving voluntarism and promoting job creation, investment and economic growth.
- Better, more efficient service delivery while maintaining taxpayer accessibility.
- Less bureaucracy by simplifying and streamlining government, reducing duplication and overlap and reducing barriers and red tape for business.
- Clear lines of responsibility and better accountability at the local level by reducing duplication and overlap.

The recommendations were also to encompass issues related to governance structure for the new municipality or municipalities:

- **a) Municipal structure**
 - Number of municipalities
 - Boundaries of municipalities
 - Name(s), or a process for selecting names and status for new municipalities
 - Other community decision-making bodies if necessary
- **b) Council(s)**
 - Composition and size
 - Method of election
 - Number of wards and ward boundaries, if any
 - Initial council committee structure
 - Guidelines for the remuneration and office expenses of council members
- **c) Local Boards (as required)**
 - Number and nature of local boards
 - Size and composition of boards
 - Method of determining representation
 - Number of wards and ward boundaries for elected boards
- **d) External boundaries**

Whether existing regional boundaries are to be modified, and if they are, the new external boundaries of the area along with the proposed status of any area removed from the regional municipality and the impact on municipalities affected

- e) **Additional issues as identified by the Special Advisor**
Transitional provisions, including reserve funds and area rating of debts
Special provisions unique to the area being restructured, including special municipal powers to be continued
Any further matters relevant to the restructuring of local government in the Region

3. Restructuring in Ontario

Restructuring of local government in Ontario has been an ongoing process for the past thirty years. Regions were formed in the 1960's and 1970's to replace county structures in growth areas of the Province. Jurisdiction for the delivery of a number of lower tier services, such as sewer and water were transferred to the Regions and the Regions were given extensive planning powers.

In 1996, the Province of Ontario decided to encourage and facilitate further restructuring in counties and northern districts where local attempts had failed or had not been initiated. Bill 26, The Savings and Restructuring Act, 1996, was intended to achieve fiscal savings and to promote economic prosperity through public sector restructuring.

4. Restructuring Initiatives in Sudbury

A Review of Municipal Government in the Region of Sudbury

Study leading up to Regional Government

The Province of Ontario commissioned J. A. Kennedy, Chairman of the Ontario Municipal Board, and a former Sudburian, to prepare a report on the governance of the area surrounding the City of Sudbury. In his report, Kennedy states on Page 5, 2nd paragraph:

"After studying this area in all its phases and all its potential for almost a year and a half, the Commissioner is of the opinion that amalgamation of the area extending from Broder and Dill on the south to Capreol on the north and from Coniston on the east to Drury and Cartier on the west would actually be in the best economic and social interests, long-term, of all the inhabitants. After ten years most of the citizens in the area would wonder why it was ever any other way."

While Kennedy ultimately recommended a two-tier system of government, he personally thought a single-tier system was better.

The Kennedy report met with major opposition. The politicians of Sudbury prepared and issued their own report entitled City of Sudbury Report on Regional Government, on September 18, 1970. Sudbury refused to accept Kennedy's recommendations.

On March 15, 1971, Dalton Bales released a report entitled Sudbury, Local Government Reform Proposals. While some of the details were changed in the final legislation, this report set a new structure for regional government.

Regional Government: In the beginning 1973-1999

With the passage of The Regional Municipality of Sudbury Act the Region of Sudbury was established on January 1, 1973.

At the time, it was recommended by the then Minister of Municipal Affairs, (The Honourable Dalton Bales) that the regional structure in Sudbury be reviewed within three (3) years of implementation.

Many of the local municipalities were experiencing growth and did not have the financial or human resources to support the need for an expanding infrastructure without incurring significant debt.

Having an upper-tier level of government deliver services on behalf of all was deemed to be the most cost effective and efficient way of meeting the needs of area taxpayers. The new Regional Government would provide the essential services to the seven municipalities of Capreol, Nickel Centre, Onaping Falls, Rayside-Balfour, Sudbury, Valley East and Walden.

The creation of the Region gave the rapidly growing area the political and financial capacity to deal with the demands of urbanization. It provided a framework for long-term economic development and land use planning.

From a geographical perspective, the Region of Sudbury is the third largest regional municipality in Ontario. The Region encompasses an area that is four times larger than the new City of Toronto.

Governance: A long-standing issue

The question of governance has been a long-standing issue with local political leaders. In fact, the issue first surfaced in March 1976 when Regional Council debated placing the following question before the electorate:

“Are you in favour of a one-tier system of Regional Government, as opposed to the two-tier system presently in effect?”

The notice of motion containing this question was defeated, but it marked a milestone in the Region's history - the beginning of the debate on municipal governance.

During 1976 and 1977, the debate culminated with a resolution by Regional Council to the Provincial Government. The resolution requested that the Provincial Government ***“examine, evaluate, and make recommendations on***

the structure, organization, and operations of local government” in the Region of Sudbury.

From 1977 to early 1980, there was little debate on the issue.

In March 1980, Regional Council passed a motion to establish a Committee to review Bill 164 (1972), The Regional Municipality of Sudbury Act.

The Kennedy report, The Sudbury Area Study of May 1970, formed the basis of this debate and subsequent debates. In this report, Mr. Kennedy stated: ***“That at the end of three years consideration be given to the commissioning of a further study or review of such nature and scope as may be deemed appropriate at that time”***.

A report from the Committee was tabled before Council in November 1980 (the Houle-Griffin Report). By June 1981, Regional Council had passed a resolution requesting the Committee to make recommendations on the issues outlined in its Terms of Reference. According to records from the Regional Clerks Department, Regional Council did not debate the issue from June 1981 to March 1985.

In April of 1985, Regional Council supported a resolution from the Town of Valley East to conduct a study into the feasibility of a one-tier government structure. The issue resurfaced two years later. In October 1987, Regional Council requested that the provincial government ***“undertake a review of this Region, including a study of municipal representation on council and the election of a Regional Chairman”***.

The Minister of Municipal Affairs of the day refused Regional Council’s request on two occasions. In November 1989, after a meeting with the Premier, Regional Council renewed its request of October 1987. Once again, it was denied.

This was the fourth time since 1977 that Regional Council had requested that the Province conduct a review of regional government in Sudbury.

In May 1991, Regional Council, for the fifth time, passed a resolution petitioning the Provincial Government to conduct a full analysis of the governance structure, including a study of municipal representation and the election of the Regional Chair. This request met with more success than previously; by December 1992, provincial officials indicated that a review would be forthcoming.

On February 24, 1993, the Director of the Local Government Policy Branch of the Ministry of Municipal Affairs and Housing made a presentation to Regional Council outlining the conditions for a review of municipal government. At this meeting, Regional Council consented to proceed with a “One-Tier Government Study”. On January 12, 1994, Council heard delegations regarding the Study and formally passed a resolution to undertake a single-tier review. A Committee

of Council, with assistance from regional and provincial staff, developed Terms of Reference. These were approved by Council in February 1994.

The Terms of Reference that were adopted called for the creation of a Steering Committee made up of the area mayors and three community members, with representation from union and non-union employees. In addition, Council appointed a community volunteer to serve as the study coordinator.

The Steering Committee established a number of staff committees to work on specific aspects of the project. The staff committees were co-ordinated by the CAO's Group (the Chief Administrative Officers of the Area Municipalities and the Region).

The Steering Committee retained the services of two key consultants to carry out public consultation and take a look at political representation.

During 1995 and 1996, the Steering Committee reviewed the various reports produced by the staff committees and the consultants. By the Fall of 1996, Regional Council had narrowed its options under the one-tier and two-tier models and hosted extensive public input sessions in each of the area municipalities. On December 11, 1996, following the public consultation process, Regional Council adopted an Improved Two-Tier system of governance for the Region of Sudbury

Among the Improved Two-Tier recommendations was the establishment of an Implementation Committee of Regional Council. The Committee began its work in January 1997. The Committee's first task was to recommend a reduction in the number of political representatives and to write to the Province requesting the direct election of the Regional Chair. The Implementation Committee subsequently focused on the consolidation of garbage collection at the Regional level.

The Committee produced positive results. Some of the area municipalities reduced the size of their local councils. Although garbage collection was not rationalized at the Regional level, area municipalities realized savings from efficiencies created in the delivery of this service in their respective communities.

In addition, the Provincial government amended the Regional Act to allow for the direct election of the Regional Chair.

In October 1997, the Implementation Committee decided to defer its work until after the November municipal election. Sudbury's Regional Chair was elected, for the first time, in November 1997.

The elected Chair, at the inaugural meeting of Council, proposed that a facilitator be hired to expedite the implementation of the Improved Two-Tier model. Regional Council set up a Steering Committee on Service Restructuring who developed Terms of Reference for a facilitator. By April 1998, a facilitator had been retained and work began.

The Steering Committee on Restructuring met on June 1, 1998 and passed the following resolution:

"98-14 Johnstone-Gordon: That the report dated June 1, 1998 from the CAO's Subcommittee entitled Enhanced/Expanded Terms of Reference for Municipal Restructuring be adopted with Paragraph 3 on Page 2, being amended to read \$5.6 million instead of \$7 million

and

Further that Paragraph 2 on Page 2 be amended to allow all options to be examined with the exception of a one-tier service delivery model."

This motion was subsequently defeated by Regional Council at its meeting of June 24, 1998.

The Committee's efforts, however, were interrupted by two events: the transfer of provincial functions to municipalities and its ensuing impact; and the untimely death of the first elected Regional Chair, Peter Wong, in June 1998.

Regional Council decided to fill the vacancy with a by-election. In October 1998, Frank Mazzuca was elected Regional Chair for the balance of the term ending November 2000.

On January 27, 1999 the Steering Committee on Service Restructuring met and presented the following motion:

"That the Steering Committee on Service Restructuring proceed as per the Terms of Reference dated February 25, 1998;

and

That the Service Restructuring Committee be directed to focus on Corporate Services as the starting point for restructuring;

and

That various implementation models for consolidating Corporate Services administrations at both tiers and between municipalities across the Region, be brought back to Regional Council for consideration;

and

That one model be chosen by Council as the basis for the adoption of a Municipal Millennium Agreement."

This motion was referred to the February 6, 1999 special meeting of Regional Council who subsequently deferred the motion pending receipt of information and presentations from other municipalities that have restructured.

In early 1999, Regional Council once again focused its attention on the impact of the Provincial Services Realignment. When the regional budget was approved, the Steering Committee began meeting again to resume the process of service restructuring.

In June 1999, the Committee had decided to proceed with an important task: the rationalization of roads among the municipalities and the Region. This work was in progress when the Provincial Government, on August 23, 1999, announced its plans to restructure four regions, including the Region of Sudbury.

5. Public Consultation

The Terms of Reference provide that the Special Advisor shall consult with stakeholders representing municipalities, businesses, organizations, community groups and individuals. Interviews were held with the community leaders and stakeholders to obtain an understanding of the challenges facing the Sudbury area. – See Appendix A

Four public meetings were held:

- Thursday, October 14, 1999, from 9:00 a.m. to 9:00 p.m. the Special Advisor received presentations from the seven area municipal councils and the Regional Chair.
- Saturday, October 16, 1999, from 9:00 a.m. to 2:00 p.m. presentations were received from the public.
- Monday, October 18, 1999, from 7:00 p.m. to 10:00 p.m. municipalities outside the Region, but within the district of Sudbury, presented their positions concerning boundary changes
- Saturday, October 23, 1999, from 9:00 a.m. to 5:00 p.m. presentations were received from the public.

On September 29 and 30, 1999, the Special Advisor met with the Regional Chair, the Mayors and the Chief Administrative Officers in each municipality to explain the public consultation process. Invitations were made to each municipality inviting them to make a public presentation on October 14, 1999, expressing the position of each council on the terms of reference provided to the Special Advisor by the Province.

a) Area Municipalities

i) Sudbury

The Sudbury Council unanimously adopted the position of a single-tier governance model. The City estimates the combined savings of the single tier model and the initiatives of Sudbury Hydro to be \$17.4 million, which include an estimate of the potential savings, if the assets of the Ontario Hydro Services Company are acquired.

The City model advocates Service Centres in each of the existing municipalities to provide convenient local access for the citizens.

The composition of the new council to be 20 councillors elected by ward, with the Mayor elected at large.

- ii) *Capreol*
The Council adopted a single-tier governance model entitled a Community of Communities. Capreol recommended that the boundaries be expanded to the north to include the unincorporated townships around Wanapitei Lake and the inclusion of Fraleck Township for a proposed ski resort. The Council recommended a series of Service Centres in each of the existing municipalities. The composition of the new council is to be 20 councillors, elected by ward, and a Mayor elected at large. The existing municipal boundaries are to be protected.
- iii) *Rayside-Balfour*
The Council recommended that all of the existing municipalities be dissolved and a single-tier governance be created. The new council to be comprised of 18 part time councillors, elected by ward, and a full-time Mayor elected at large. The existing municipal offices are to be utilized as super storefronts for the payment of bills and other municipal services.
- iv) *Valley East*
The Council recommended that 3 single-tier municipalities be created with area wide services to be managed by a Services Board, for services such as Police, Health and Social Services and Library. The proposed system would have no committees. The boundaries of the Region are to be expanded to include the District of Sudbury for the purpose of the Services Board. The second option favoured a "slimmed down two-tier governance".
- v) *Walden*
The Council proposed a modified two-tier system of governance by moving some services from the local level to the upper tier. As a second alternative, a proposal was presented which outlined the criteria for a single-tier model.

- vi) *Nickel Centre*
The Council proposed the continuance of the existing two-tier system and a reduction of the Nickel Centre Council by one member. In the alternative, if a single-tier model was chosen, the Council supports the position of the Regional Chair.
- vii) *Onaping Falls*
The Council proposed the dissolution of the Region and the governance of the area to revert to the existing seven area municipalities. The area wide services are to be provided by a series of boards, i.e. Police Services Board, Social Services Board. The Council recommends that one utility commission be maintained with an expanded mandate.
- viii) *Regional Chair*
The Regional Chair is the only member of the Regional Council elected at large. The Chair developed a position, which was not adopted by Regional Council. The Chair recommends that all existing municipalities be dissolved and a new single-tier municipality be created, the councillors to be part-time and elected by ward with a full-time Mayor, elected at large.
- *See Appendices B and C for a complete summary of the Councils presentations.*

Table 1

GOVERNANCE SUMMARY

MUNICIPALITY	PREFERENCE	POPULATION
Sudbury	1 single-tier	91,056
Capreol	1 single-tier	3,620
Rayside-Balfour	1 single-tier	16,050
Regional Chair	1 single-tier	-----
Sub-Total		110,726
Valley East	3 single-tier	23,537
Onaping Falls	7 single-tier	5,183
Sub-Total		28,720
Walden	2 two-tier	9,895
Nickel Centre	2 two-tier	12,604
Sub-Total		22,499
	Total	161,945

Percentage in favour of :

- **Single-tier governance** **86 %**
- **Two-tier governance** **14 %**

b) District Municipalities

An invitation was extended to all municipalities located to the east, south, and west of the Regional boundaries, within the District of Sudbury, to provide their input on any change of the Regional boundaries. A public meeting was held on Monday, October 18, 1999 and the municipalities submitted the following positions:

- i) *French River*
has recently restructured and does not want the Regional boundaries expanded to include their municipality.
- ii) *St.-Charles*
has recently restructured and does not want any further change.
- iii) *Markstay-Warren*
has recently restructured and does want the Regional boundaries expanded to include their municipality.
- v) *Killarney*
has recently restructured and does not want any further change.
- vi) *Township of Sables-Spanish Rivers*
has recently restructured and is opposed to any further change.
- vii) *Baldwin*
has had ongoing discussions with Espanola and are currently discussing options with Nairn and Hyman and Sables-Spanish Rivers. The Council does not want to be rushed and prefers to wait until 2002-2004 to finalize a position.
- viii) *Espanola*
proposed that a new municipality be created with the inclusion of the municipalities of:
 - Town of Espanola
 - Township of Nairn and Hyman
 - Township of Baldwin
 - Township of Sables-Spanish Rivers

viii) *Espanola - continued*
and the unincorporated Townships of:

- Truman
- Mongowin
- Foster
- Roosevelt
- Curtin

(ix) *Nairn and Hyman*

supported the proposal of Espanola to create a new municipality that would include the

- Town of Espanola
- Township of Nairn and Hyman
- Township of Baldwin
- Township of Sables-Spanish Rivers

The Council currently shares services with Espanola. They do not want to be included in an expansion of the Region's boundaries.

Subsequent to the public consultation, the Council of Espanola submitted a restructuring proposal indicating savings of \$326,868.00. The report has been provided to the affected municipalities who have responded as follows:

- Sables-Spanish Rivers opposes further amalgamation
- Baldwin opposes further amalgamation
- Nairn and Hyman opposes further amalgamation
- On November 12, 1999, the Council of Espanola withdrew their proposal

c) Public Submissions

Invitations were sent through the local media soliciting the views on local governance from any citizen or interested group.

Public sessions were held on Saturday, October 16, 1999 and Saturday, October 23, 1999 and a total of 76 public and written submissions were received.

The following is a brief summary of common concerns:

i) **Governance**

46 presentations commented on the type of governance preferred.

- 35 favoured single-tier - 76%
- 11 favoured two-tier - 24%

ii) **Existing Boundaries**

- 3 individuals requested to join Sudbury
- 7 objected to joining Sudbury

iii) **Size of Council**

- Presentations advocated a council size from 8 to 22
- The business community favoured a small council of 8 part-time councillors and a full-time mayor

iv) **Wards**

A number of presentations dealt with the design of the wards. Contrary to the position of the majority of local councils and Regional Chair, who advocated the retention of the existing regional representation, the public favoured larger wards and fewer politicians.

v) **Competition between Municipalities**

Concern was expressed about competition between municipalities and the Region for economic development. Some lower tier municipalities have employed economic development positions in addition to the Sudbury Regional Development Corporation (SRDC). The presenters were of the opinion that the municipalities should work together, pool resources and provide a holistic approach to marketing the area through SRDC.

vi) Transition Board

A number of presenters expressed concern about the composition of the Transition Board. There were strong opinions that the Transition Board should be small and constituted from the general public with individuals who have had experience in mergers and downsizing. Opinions were given that no politicians should be on the board given the past history of restructuring negotiations.

vii) Name

The consensus of opinion indicated that Sudbury must be in the name of the new municipality. Presenters made it very clear that the municipal names of Walden, Nickel Center, etc. are not used. When asked where a person lives in the Region, he/she refers to the community, i.e. Garson, Lively, and when outside of the Region, refer to their home as Sudbury.

viii) Area Rating

A concern expressed by presenters was the equity of taxation. There is an overall concern that if a single-tier government is created, the taxes will reflect services that are not provided. There is a current feeling that the existing water and sewer services should be fully area rated.

ix) French Language

Presentations were made concerning the provision of services in both official languages. It was noted that the linguistic diversity of the area is an economic development asset. The recent opening of call centres is testimony to this. acfo du grand Sudbury inc., the Commissioner of Official Languages, l'Association française des municipalités de l'Ontario and others advocated the passage of legislation ensuring that municipal services would be provided in both official languages.

d) First Nations

Invitations and the Terms of Reference were sent to all First Nations in the study area. Telephone calls were made to the Chiefs to ensure that they were aware of the Local Governance Review. No requests to make a presentation or briefs were received.

- * A LIST OF SUBMISSIONS IS ATTACHED AS APPENDIX D
- * ALL SUBMISSIONS RECEIVED ARE AVAILABLE FOR INSPECTION AT ANY MUNICIPAL OFFICE OR AT THE MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING OFFICE AT 159 CEDAR STREET, SUDBURY, ONTARIO.

6. Profile of Region and Area Municipalities

Industry and population demographics

Sudbury Region encompasses an area of over 2600 square kilometers with a present population of approximately 161,945 people. It is comprised of seven area municipalities with the City of Sudbury being the largest with 56 percent of the population.

The Region's population has fluctuated over the past twenty years from a high of 169,580 in 1971 to a low of 152,470 in 1986. Population projections completed by the Region of Sudbury Long Range Planning Department indicate a shift of between - 5855 and +1128 over the next twenty years.

According to Statistics Canada 30% of the residents of the Sudbury Region identify French as their Mother Tongue. Furthermore the same source indicates that 40.1% of the residents speak both English and French. In some communities such as Rayside-Balfour, French is the predominant language.

Sudbury Region

The Sudbury Region is comprised of seven municipalities, each with its own council.

The Regional Council is comprised of 20 politicians who also sit on local councils of the constituent municipalities. Expenditures for Council remuneration for the Region and the seven area municipalities as stated in the Regional Chair's submission to the Special Advisor are approximately \$1.6 million annually.

There are 6,400 businesses operating throughout Greater Sudbury, with 4,529 or 71% of the total located in the City of Sudbury.

Approximately 25,300 people work in businesses of 100 or more employees. The majority of jobs are found in the mining industry with a work force of approximately 8,700, with education being the next highest with just over 5,100 employees. In 1981, there were approximately 17,600 employees at INCO and Falconbridge. Currently, the two companies employ only 8,223 workers or 47% of its original workforce.

Table 2

Service Delivery Responsibilities

Services	Region	Local
Tourism	✓	
Building Permits	✓	
Homes for aged	✓	
Child Care	✓	
Social Assistance	✓	
Police	✓	
911	✓	
Waste Disposal	✓	
Ontario Works	✓	
Social Housing	✓	
Health Units	✓	
Land Ambulance	✓	
Land-use Planning	✓	
Sanitary Sewers and Sewage Treatment	✓	
Water Treatment & Distribution	✓	
Fire		✓
Transit		✓
Street Lighting		✓
Waste Collection		✓
Parks, Recreation and Culture		✓
Libraries		✓
Municipal Drainage		✓
Cemeteries		✓
Municipal Elections		✓
Tax Collection		✓
General Government Services	✓	✓
Roads Bridges	✓	✓
Parking	✓	✓
Economic Development	✓	✓
Waste Management	✓	✓

Table 3 provides a comparison of municipal information for the area municipalities and the region. Expenditures were derived from the 1998 Financial Information Returns of the municipalities.

Table 3

MUNICIPAL PROFILE

ITEM	MUNICIPALITY								TOTAL
	Rayside-Balfour	Capreol	Valley East	Onaping Falls	Nickel Centre	Walden	Sudbury	Region	
Population	16,050	3,620	23,537	5,183	12,604	9,895	91,056	161,945	161,945
Full Time Employees	46	15	55	23	23	50	483	1,010	1,705
Total Expenditures per Household	\$832	\$966.95	\$819.64	\$1,258.53	\$811.06	\$1,256.32	\$1,111.73	\$2,790.80	
Number of Elected Positions	6	7	7	5	7	5	10	21	68
Reserves and Reserve Funds (000)	\$1,128	\$266	\$4,043	\$1,352	\$2,203	\$3,941	\$15,876	\$35,153	\$62,610
Long Term Debt (000)	\$1,549	---	\$12	\$1,110	---	---	\$655	\$13,568	\$15,784
1999 RESIDENTIAL PROPERTY TAX based on \$100,000 Assessment									
Local Municipality	\$350	\$682	\$425	\$502	\$272	\$358	\$445		
Region	\$838	\$838	\$838	\$838	\$838	\$838	\$838	\$838	
Total	\$1,187	\$1,519	\$1,262	\$1,340	\$1,110	\$1,196	\$1,282		
UNPAID TAXES AS A % OF THE 1998 TAX LEVY									
	9.16	10.27	12.08	16.41	11.66	12.97	6.13		

NOTE: Population and households from 1999 Ontario Municipal Directory

7. Governance

Harry Kitchen, in a paper presented to the Association of Counties and Regions on October 25, 1999, examined the alternatives of governance and concluded that a single-tier model best suits the current environment.

(Copy attached – Pages 8-23 – Appendix E)

The Sudbury Area Study prepared by J. A. Kennedy, who was the Chair of the Ontario Municipal Board and a former Sudburian, was released on May 27, 1970.

While the report recommended the consolidation of local municipalities into one city and five townships within a weak two-tier system, Kennedy personally thought the single-tier system better¹

Proposals submitted by the Regional Chair and 7 area municipalities recommended three alternatives:

- i) Modification of the existing two-tier structure
- ii) Three single-tier and seven single-tier municipalities with a management board to administer certain shared services
- iii) One new single-tier government (dissolve existing structures)

¹ **Sudbury the Northern Experiment with Regional Government by Carl M. Wallace**

RECOMMENDATIONS

8. Municipal Structure

Considering all the factors that were presented during the consultation process, and the merits of the alternative forms of governance, I have concluded that a single-tier system is best suited to achieve the objectives of:

- fewer municipal politicians while maintaining accessible, effective, accountable representation, taking into consideration population and community identity
- lower taxes by reducing overall municipal spending, delivering high quality services at the lowest possible cost, preserving voluntarism, and promoting job creation, investment and economic growth
- better more efficient service delivery while maintaining taxpayer accessibility
- less bureaucracy by simplifying and streamlining government, reducing duplication and overlap, and reducing barriers and red tape for business
- clear lines of responsibility and better accountability at the local level by reducing duplication and overlap

A single-tier system will:

- eliminate duplication of services
- provide the opportunity for the greatest savings
- eliminate the competition between municipalities and the Region
- provide the greatest opportunity for area wide economic development
- provide the most direct system of accountability and efficient method for the delivery of service (1 Mayor and Council accountable and responsible directly to the electorate)
- eliminate intermunicipal boundary disputes
- provide the simplest transition process from the former municipalities to the new municipality
- will have a unified authority and a common purpose

Recommendation 1:

- i) That the Regional Municipality of Sudbury and the existing area municipalities be dissolved and a single-tier governance be created on January 1, 2001.
- ii) That a smaller council comprised of 12 part-time councillors, elected by ward and a full-time mayor elected at large be established.

9. Compensation

Recommendation 2:

- i) For the first term of office, the Mayor's salary shall be set at \$81,000.00 plus expenses and the members of council to receive \$20,000.00 plus expenses. This rate is established under the current regime of 1/3 of the council remuneration tax free. The compensation shall be all inclusive for any municipal purpose.

10. Wards

In the majority of restructurings that have taken place to date, the existing municipal boundaries, or combinations of existing boundaries, have been the basis for new lower-tier municipalities, or the basis of "wards", within a restructured single-tier system. It is argued that the use of existing boundaries fosters "community spirit". In Ontario, we have long since passed the time when the local government boundaries and the community boundaries are the same.

The ability of a new council to work as a "cohesive force", to quickly establish an efficient, effective, and dynamic municipality is impeded by the underlying problems associated with the fact that councillors tend to represent the communities that are identified by the former municipal boundaries. Over time, the parochial thinking that comes from this basis of representation will disappear, however, in the very critical period during the initial steps in developing a new municipality, time will not be utilized wisely with debates on issues that have more to do with the past than the present or future.

The proposed ward design focuses on:

- reducing the inside/outside friction
- a council size sufficient to provide representation of two councillors per ward
- the problem of dominance by any one area
- enhancing the ability of council to set priorities and long-term goals
- creating a feeling of "ownership" amongst all politicians
- enhancing the working relationship between the council and staff, who will have a common goal
- results in wards of relatively equal population
- recognizes the component of the municipality where French is predominant
- results in a voting system where councillors, in addition to the mayor, view the broader community good

A number of the municipal submissions advocated the continuance of the existing municipal boundaries as the wards for the new municipality. This would result in a large council and the continuation of the inside versus the outside debates.

In urban areas of dense population, the number of electors per representative will be significantly higher than in municipalities with wards covering a large geographic area. In establishing the number of electors per representative consideration must be given to the size of the geographic area.

Recommendation 3:

- i) That the municipality be divided into six new wards with 2 members of the council to be elected per ward.
- ii) That the ward boundaries be established as set out in Table 4 and Figure 1.
- iii) That the representation be established as set out in Table 5.

Table 4

WARD BOUNDARIES

WARD	BOUNDARIES	POPULATION
1	Walden (9895) Polls 1-8 of ward 4 Sudbury (1786) Ward 5 of Sudbury (11458) Ward 8 of Sudbury (2598)	25737
2	Onaping Falls (5183) Rayside - Balfour (16050) Polls 9-32 of ward 4 of Sudbury (6130)	27363
3	Valley East [less poll 31 and parts of polls 22,25 &26] (23207) Polls 1-7,31,32,33,35&42 of ward 3 of Sudbury (4261)	27468
4	Polls 31 & parts of polls 22,25&26 of ward 1 of Valley East (330) Capreol (3620) Wards 1&2 of Nickel Centre (8540) Ward 2 of Sudbury (12502) Fraleck, Parkin, Aylmer, Mackelcan Rathbun & Scadding (36)	25028
5	Wards 3&4 of Nickel Centre (4064) Polls 1-5 of ward 1 of Sudbury (1440) Ward 6 of Sudbury (14208) Polls 1-5 of ward 7 of Sudbury (621) Ward 9 of Sudbury (7291) Dill, Cleland & Dryden (1159)	28783
6	Polls 6-34 of ward 1 of Sudbury (10647) Polls 8-30,34,36-41&43-51 of ward 3 of Sudbury (10888) Polls 6-30 of ward 7 of Sudbury (7226)	28761
	TOTAL	163140

**Table 5
RECOMMENDED REPRESENTATION**

WARD	POPULATION	NO.COUNCILLORS	POPULATION PER COUNCILLOR
1	25737	2	12869
2	27363	2	13687
3	27468	2	13734
4	25028	2	12514
5	28783	2	14392
6	28761	2	14308
Mayor at large		1	
TOTAL	163140	13	

This will result in a reduction of 55 council positions or 81%.

**Table 6
CURRENT REPRESENTATION**

AREA MUNICIPALITY	1999 POPULATION	COUNCIL POSITIONS Including Mayor	POPULATION PER COUNCILLOR
Capreol	3620	7	603
Nickel Centre	12604	7	2100
Onaping Falls	5183	5	1296
Rayside- Balfour	16050	6	3210
Sudbury	91056	10	10117
Valley East	23537	7	3923
Walden	9895	5	2474
Region	161945	21	8097
TOTAL		68	

11. Boundaries

External Boundaries

The final responses from all of the municipalities outside of the Regional boundaries very clearly indicate that they do not want the existing boundaries of the Region extended to include their municipalities.

Recommendation 4:

- i) After reviewing the submissions and inspecting the areas affected, I am not recommending a boundary change to include any of the organized municipalities.
- ii) However, based on the report proposed by Espanola the Minister should review their proposal with the view of creating an expanded municipality in the Lacleche Foothills area.

Unincorporated Townships

Concern was expressed about development around the Wanapitei Lake and the potential effect on water quality. Fraleck Township contains a significant hill that may have potential for development for recreational skiing.

In the south, development has occurred in the unincorporated Townships of Cleland and Dill.

Time did not permit a thorough examination of all the unincorporated area lying to the south of the Regional boundaries. However, this area should be given further consideration with a view of consolidation with existing municipalities.

Recommendation 5:

- i) That the unincorporated Townships of Fraleck, Parkin, Aylmer, Mackelcan, Rathbun and Scadding in the north be included within the boundaries of Greater Sudbury. (The population of this area is 36.)
- ii) That the boundaries of Greater Sudbury be expanded to include the unincorporated Townships of Cleland, Dill and Dryden. (The population of this area is 1159.)
- iii) That funding be provided to the new municipality for at least 3 years for operational expenses and 100% of capital requirements to bring the services to a current standard.

12. Name

The majority of presenters submitted that Sudbury must be in the name of the new municipality. It is important that Sudbury be in the name as it is readily associated with the geographic location, internationally. On the other hand, it may be confusing, by calling the larger geographic area Sudbury with the community of Sudbury as one of the constituent geographic areas.

Recommendation 6:

- i) That the new municipality be named "**City of Greater Sudbury**".

13. Standing Committee of Council

Standing Committees have been the traditional method of conducting municipal business. While committees divert discussion on details from Council meetings, there are a number of disadvantages in using this method of conducting municipal business.

- i) All members of the Council do not have the same knowledge when voting on an issue.
- ii) Committees tend to make recommendations that have not been subject to public scrutiny.
- iii) Committees fragment the decision making process.
- iv) Decisions are delayed when all members are not party to the information.

On balance the public is better informed about Council decisions if the debate takes place at a public meeting, where the media is present. The Council can focus on policy direction provided that staff has background reports available for council with options and recommendations in advance of the Council meetings.

Recommendation 7:

- i) That the whole Council be the Committee of Council with no standing committees.
- ii) That the Council establish a Planning Advisory Committee with representation from each ward, who will hear the planning applications coincident with the Council and make a recommendation to the Council.

This recommendation does not preclude the Council from establishing ad-hoc committees for special purposes.

14. Local Boards

The Terms of Reference provide that recommendations shall encompass Local Boards (as necessary).

Generally, special purpose boards and commissions detract from the principles of "Efficiency and Accountability" as it is not uncommon for boards and commissions to duplicate the administrative function of the municipality, i.e. finance, personnel, legal and information systems. Special purpose bodies tend to take on a life of their own which blurs the role of the municipal council.

"If directly elected politicians cannot intervene in policy decisions of these bodies, they are denied their most effective means of exercising proper budgeting control, especially if they have to pay for the service provided by the special purpose body.

If responsibilities are divided among a larger number of separate bodies, co-ordination of inter-related activities is difficult and in many instances impossible to achieve. To illustrate, actions taken by utility commissions, police service boards, parks boards, conservation authorities, industrial commissions, and planning boards may conflict with council's overall planning effort."²

The Regional Chair has recommended that the special purpose bodies of Health and Conservation Authorities be integrated into the municipal structure.

a) Health Board

The Board of Health provides services to the Region and areas outside of the Region. In all other Regional municipal in Ontario, the Medical Officer of Health (MOH) and staff are part of the Regional structure. In Sudbury, the MOH and staff work independently of the Regional structure, which results in the duplication of administrative support services.

According to the 1999 municipal levy information, 87% of the municipal levy is paid by the Region (\$505,141 out of a total \$581,181) which constitutes 87% of the population served.

² H. Kitchen, Presentation to AMO - Regions & Counties, Ottawa Oct. 25, 1999

The Board is constituted of 13 members, 7 from the Region, 4 from the municipalities outside the Region and 2 Provincial appointees. It is noteworthy that the Region pays 87% of the levy but constitutes 53% of the votes.

District Social Services Administration Boards (DSSAB) have been granted the authority to purchase health services from another municipality with the approval of the Minister of Health and the Minister of Community and Social Services. The DSSAB operates with a board constituted of members from outside of the Region.

Recommendation 8:

- i) That the Greater Sudbury Council be designated as the Board of Health under the Health Protection and Promotion Act.
- ii) That the staff be integrated into the new municipal structure. This will result in a savings of administration cost and provide the opportunity for existing health board administration staff to become part of the labour pool for the new administrative organization.
- iii) That the District Social Services Administration Board (DSSAB) contract with Greater Sudbury for the provision of health services at cost.

b) Conservation Authority

The Nickel District Conservation Authority serves an area that encompasses the existing Region and part of the District of Sudbury. The Regional Council appoints all of the members to the Authority (9 Regional councillors, 3 lower tier councillors, 1 member at large). All of the municipal financial contribution is provided by the Region.

The Conservation Authority's staff is housed in the same building as the City and Regional staff. To date the work of the Authority has been within the Regional boundaries. If any work is undertaken within the District it could be contracted on an actual cost basis. The Conservation Authority duplicates administrative functions provided by the municipality.

The accountability for decisions and streamlining of permits and applications would be improved by integrating the existing staff into the administrative structure. This is an added advantage if the municipality adopts a one-stop shopping concept for building and development proposals.

Recommendation 9:

- i) That the Greater Sudbury Council be designated as the Authority under the Conservation Authority to act with all the authority and rights (including Provincial funding) that would accrue to the existing Conservation Authority.
- ii) That the staff be integrated into the new municipal structure.

c) Library Boards

There are seven local library boards in the Region. The integration of the libraries will provide an equal level of service and access to all residents. Under the current regime, some municipalities charge a user fee for non-residents. This will disappear under a single-tier system.

A few county councils have designated the council as the Library Board for the purpose of the Public Libraries Act. A few Library Boards have appointed a member of the municipal administration as the CEO, Secretary-Treasurer, under the Public Libraries Act.

This action has the effect of integrating the library staff with the municipal administration, with the result of elimination of duplication, and in effect providing an opportunity for more resources to the library system.

Recommendation 10:

- i) That the Greater Sudbury Council be designated as the Library Board for the purposes of the Public Libraries Act.
 - ii) That the staff be integrated into the new municipal administration.
 - iii) That the Council consider appointing an advisory library committee in each of the wards for the purpose of reflecting the library needs of the wards.
- d) **Police Services Board**

The current board is made up of 2 Provincial representatives appointed by the Province, 2 representatives from the Regional Council and 1 non-elected representative appointed by Council.

Recommendation 11:

- i) That the Province amend the Police Services Act to provide that the third municipal appointee be a member of Council. The resultant Board would be comprised of 2 Provincial appointees and 3 municipal members.

15. Volunteerism

Many of the municipalities and individuals who made presentations to the Special Advisor spoke of the importance of maintaining volunteerism within their community. Volunteerism has been the backbone of many small communities in Ontario. From volunteer Arena Boards, Cemetery Boards, Recreation Boards, Library Boards and Volunteer Fire Departments, the citizens of these communities have viewed the volunteering of their time as an investment in that community.

That investment does not and should not change with municipal restructuring. Communities are not created by municipal boundaries but are formed around communities of interest. Municipal restructuring and single-tier governance will create a *Community of Communities*.

It has been suggested that Advisory Councils should be committees of Council comprised of elected and non-elected members. While this may seem an appropriate way to attain local input, it blurs the lines of accountability for Council. Council must be able to deal with issues within specific communities, with the view of the entire community in mind. This cannot be achieved through Advisory Councils that have decision making power.

If deemed to be appropriate by ratepayers within communities, Community Advisory Committees could be established around specific communities of interest. While it is not recommended that they be committees of Council, they would provide a venue and opportunity for card councillors to understand issues that are of concern to the community.

Administrative support for Community Advisory Committees should be provided by Council through the local staff at the Service Centres.

Existing committees responsible for managing services such as recreation facilities, cemeteries, or other service boards should have their mandate extended for up to two years to allow sufficient time for the new municipal structure to be implemented and stabilized.

Recommendation 12:

- i) That every effort be made to continue and expand the use of volunteers for providing community service.
- ii) That the Council provide administrative support to Community Advisory Committees.
- iii) That the time of appointment for existing volunteers, committees and boards, be extended for a period of up to 2 years.

16. Service Centres

While the central administration for Greater Sudbury will primarily take place at the Tom Davies Square, Service Centres and Information Desks will be required to provide access and local services throughout Greater Sudbury. Service Centres provide an opportunity through a network of decentralized offices to enhance the level of services across the new municipality while reducing the overall cost of service provision for Greater Sudbury.

Decisions on the locations for Service Centres should not be made until each of the Task Forces have an opportunity to identify the various functions of each service. Consideration must be given to the role of each municipal service provider in the community, their needs, services, locations and travel distance for the public.

Service Centres should provide a complete range of services with staff available for assistance during normal business hours. There should be facilities available to allow for meetings between residents and building inspectors, Ontario Works staff, Public Health staff, etc. The Service Centres will provide coordinated access points for telephone, in person, electronic or other contact with the municipality for transactions, requests, complaints and information by residents and businesses. The Service Centres are intended to facilitate rather than control access to municipal services and staff. The Service Centres must also ensure that client needs are handled in a responsive and adequate manner.

Table 7 includes, but is not limited to services that should be available for residents in the Service Centres.

**Table 7
Proposed Services to be provided
At Community Service Centres**

Functional Area	Service	Services provided at Service Center	Services provided at Information Desk
Finance	Bill and Fine Payments	Cashier	Drop Box
	Account Information	Access	
	Property Information Inquiries	Access	
Cemeteries	Cemetery Records	Access	
	Filing of Registrations	Access	
	Burial Permits	Issue	Issue
Transportation	Parade Permits	Forms	Forms
	Road Cut Permits	Forms	Forms
	Entrance Permits	Forms	Forms
	Encroachment Permits	Forms	Forms
	Moving Permits – Wide Loads	Forms	Forms
Building Inspection	Property Standards-Complaints	Forms	Referrals
	Bylaw Enforcement – Complaints	Forms	Referrals
	Building Permit Applications	Forms	Drop Box
Planning	Public Notice Information	Copies/Access	Copies/Access
	Zoning Amendment Applications	Forms	Drop Box
	Official Plan Amendment Applications	Forms	Drop Box
	Land Division Severance Applications	Forms	Drop Box
	Minor Variance Applications	Forms	Drop Box
Ontario Works	Meeting Space for Ontario Works	Application Completion	
	Meeting Space for Social Housing	Application Completion	
	Meeting Space for Children's Services	Application Completion	
	Ontario Works Statements of Income	Access	Drop Box
	Ontario Works Information Sessions	Access	
	Completion of Family Obligation Forms	Application Completion	
	Shared office Space for Caseworkers	System Access/Space	
Public Health	Pre-Natal Classes	Access	
	Public Health Information Sessions	Access	
	Public Health Outreach Programs	Access	

Table 7
Proposed Services to be provided
At Community Service Centres

Customer Service	General Municipal and PUC Information	Access	Access
	Dog Tags	Issue	Issue
	Kennel Licenses	Applications/Issue	Applications/Issue
	Business Licenses	Applications/Issue	Applications/Issue
	Marriage Licenses	Issue	Issue
	Bingo & Lottery	Applications/Issue	Applications/Issue
	Hunting Licenses	Issue	Issue
	Commission of Oaths	Issue	Issue
	Birth Registrations	Forms	Forms
	Death Registrations	Forms	Forms
	Council Agendas & Minutes	Copies/Access	Copies/Access
	Receiving Complaints	Receive/Process	Referrals
	Meeting Room Space	Space	
Recreation	Programs	Registrations	Registrations
	Facilities	Bookings	Bookings
Economic Development	Inquiries	Referrals	Referrals
	Tourist Information	Brochures	Brochures
Public Utilities	Payment of Accounts	Cashier	Drop Box
	New Accounts	Process	
	Arrange Customer Moves	Process	
	Appointments with Technicians	Scheduling	Scheduling
	Appointment for Connections	Scheduling	Scheduling
	Issue Water Meters	Pick-Up Location	
Police Services	Storefront Operations	Interviews/Information	
Provincial Government	Provincial Information Desk	Access	
	Hunting/Fishing Licenses	Process	
Federal Government	Job Bank	Access	
	Passport Information	Access	
	General Information on Fed. Programs	Access	

Forms includes providing blank forms, accepting completed forms and collection of fees.

Drop Box does not include cashier or bank deposit services, however, limited service following due dates.

While there will not be a Service Centre in every community, many services can be offered through Information Desks at libraries located in those communities. Libraries have historically been the focal point in most communities. They have the potential to serve as community information centres, providing a host of services. The Information Desks would be staffed by existing full-time or part-time employees with cross training and supported by the Service Centres and Central Office staff. With the increasing demand for new technologies this model provides an opportunity to formulate a new approach to service delivery and library services and ensure it remains a valuable and viable community service for the future in Greater Sudbury.

The Transition Board and Council should seriously consider providing services in the Service Centres that are currently located in Sudbury.

Recommendation 13:

- i) That Service Centres be established in existing communities and or that Information Desks be established in libraries. The location and services are to be recommended by the Transition Board to Council.
- ii) That a review be undertaken of the services that are currently provided centrally.

17. Public Utility Commission

There are three Hydro-Electric Public Utility Commissions servicing Sudbury, Nickel Centre and Capreol. The balance of the Region is served by Ontario Hydro Services Company.

Ontario's new Energy Competition Act has substantially altered the market, regulatory and legal environment in which the Ontario electricity industry operated. Electricity cost will be "unbundled" and separated into generation, transmission and distribution activities. Consumers will be able to purchase their power requirements in the competitive retail market or through "standard supply" provided by "local distributors" who are either private, municipal or Provincial owned. Local distributors will be subject to licence requirements and rate regulations in the context of a performance based system established by the Ontario Energy Board.

Municipalities who own municipal electrical utilities (MEUs) must prior to November 7, 2000, incorporate a company or companies to carry distribution, retail and other related activities.

The incorporating municipality must be, initially, the sole shareholder of the newly established corporation. Subject to the approval of the Ontario Energy Board, a municipality may divest itself of its electricity assets before incorporation or of its shares after incorporation.

Also as outlined in Section 72 of the Electricity Act, a municipality may contract its public utilities related services including water, sewer, district energy and natural gas distribution.

Sudbury Hydro has been very proactive and has taken a leadership role in the Region with the installation of fiber optic cable that has resulted in economic opportunities for municipalities within the Region.

Submissions recommended that the provision of water and sewage services be integrated with hydro and treated as a utility. There are savings to be achieved through economies of scale such as joint meter reading and joint billing, administration and supervision.

Recommendation 14:

- i) That the water purification and distribution system be contracted to the electrical utility.
- ii) That sewage collection and treatment be contracted to the electrical utility.
- iii) That the Transition Board have the power of Council for the purposes of the Energy Competition Act and decisions affecting the municipal electrical utilities.
- iv) That the Transition Board investigate the savings resulting from the purchase of services from the municipality, for personnel, purchasing, legal, accounting and payment of bills and inquiries.
- v) That in the event the time frame for compliance with the Energy Competition Act is extended; that the existing three Municipal Electrical Utilities be dissolved and a new commission formed comprised of one member of council from each ward and the Mayor.

18. Area Rating

Area Rating of municipal services provides a mechanism for a new municipality to provide varying levels of service to different areas and recover the costs of such services in a fair and equitable manner. In a restructured municipality, areas not receiving services such as public transit, or areas not receiving similar service levels such as fire services should not be required to pay the same property tax as those benefiting from such services or higher service levels.

An example of area rating is the new Municipality of Chatham-Kent where special legislation was written to allow area rating. The Act known as Bill Pr 19 states that: "The Council may by by-law, vary the tax rate to be levied on the rateable property in one or more areas of the municipality for the purpose of making adjustments in taxes relating to the provision of the following services within the area or areas..." in addition to the area rating authority contained in the Commission Order.

Services that may be area rated include:

- Fire
- Refuse collection, recycling and disposal
- Horticulture
- Public transportation for disabled persons
- Street lighting
- Water
- Sewage
- Transit
- Police
- Parks
- Roads
- Conservation Authorities
- Ferry Service

Bill Pr 19 also states that "The Council may vary the tax rate with respect to an area if, in Council's opinion, the residents and property owners in the area receive a different level of service than the residents and property owners in another area of the Municipality."

It is important however to recognize that such services as roads, bridges, culture, recreation and libraries are generally equally available to all residents of a municipality and as such may not be good candidates for area rating. Accordingly, the cost of such services should be shared equally by the general taxpayer.

Levels of service vary across the new City of Greater Sudbury. Area rating will provide two benefits. Firstly, taxpayers will pay only for services they receive and secondly, there will be less pressure to level up services, if that leveling up will result in tax increases.

Recommendation 15:

- i) That authority be granted to the City of Greater Sudbury to area rate any service deemed advisable by the Municipal Council.

19. Election

Recommendation 16:

- i) That for the purpose of the Municipal Elections Act and the municipal election of 2000, the municipal election shall be conducted as if the new municipality had occurred.
- ii) That the Transition Board act in the place of Council.
- iii) That the Municipal Clerk of the City of Sudbury be responsible for conducting the election.
- iv) That the cost of the election be part of the transition expenses.

20. Fire Services

Fire Services in Sudbury Region are presently comprised of a combination of full time and volunteer fire fighters. By reducing administration, a coordinated approach to the acquisition of equipment significant improvements can be achieved through amalgamation.

The elimination of municipal boundaries will eliminate the need for mutual aid agreements between old municipal entities. A closest station response protocol should be established to provide the quickest response to fire emergencies. A complete evaluation of the services and equipment should be completed as well as an evaluation of the location of stations to ensure the most responsive and effective provision of services to the residents of Greater Sudbury.

Given the variance in the level of service it is recommended that fire protection be area rated on the basis of whether the service is provided by a full time or volunteer fire service. If the fire services were moved to a full time force across the new municipality, the cost increase would be significant and those areas experiencing an increase in the level of service would also experience a significant increase in their property tax.

With a single-tier municipality an opportunity is provided to examine the boundaries for fire response. Redefining the areas to achieve closest station response may result in a decrease in the cost of fire insurance of some areas.

Recommendation 17:

- i) That the existing voluntary fire fighting system be preserved.
- ii) That the Council area rate fire protection based on the level of protection and area served.
- iii) That a review of the area served by each station be undertaken.

21. Municipal Staff Organization

It is not sufficient to suggest that we should manage municipal government as a business as municipal government is in the business of providing a service not making a profit. This does not however preclude municipalities from applying business practices to the way it provides services.

Historically, municipalities have operated within an environment where quality of service was more important than cost. There was no incentive to reduce cost, as the revenues were increased by additional Provincial subsidies and tax increases. However, those days have long since past and some municipal governments have begun moving toward a performance based service delivery model. The performance of the Business Unit is measured against the targets established in the Business Plan.

The Business Plan is utilized as an accountability framework for service delivery. It gives Council control over the level of service and cost of providing municipal services. The City of Waterloo has successfully operated under a business planning approach for a number of years. The restructured Municipality of Chatham-Kent has also successfully implemented a business planning approach to municipal service delivery.

Both municipalities have proven that competitive processes can significantly reduce the cost of providing services in the municipal sector. Establishing expected service levels at anticipated cost utilizing a benchmarking process provides a good starting point to business planning.

For business planning to be successful, staff from all levels of the organization must be involved in the process. Decision-making must be driven to as low in the organization as possible. Staff must have the latitude to make timely decisions and be responsible for utilizing resources in a cost effective manner. It is critical to ensure that a full cost accounting process is utilized when determining the cost of providing services through the municipal structure. Without that information, it will be impossible to evaluate the municipal delivery compared to the private sector.

Business Units

The organizational structure for the new City of Greater Sudbury should be developed utilizing the Business Unit model that has been successfully implemented in other municipalities in Ontario. To be successful and maximize the savings available through restructuring, Greater Sudbury must focus on policy and strategy development, service delivery and performance management.

By utilizing a small number of business units, there is potential to achieve economies of scale and integration of service delivery whether or not they have been historically delivered at the municipal level. Even with services such as the Board of Health or SRDC, the elimination of duplication of support services and the sharing of staff with similar or compatible functions will reduce the overall cost to the taxpayer.

The organization should be divided into areas of Business Units. Support for Business Units would allow the centralizing of services required across the municipality. The Business Units serve internal clients and charge those clients for their services. The level and cost of the services are negotiated between provider and internal client.

Service Delivery Business Units would be responsible for delivering services on behalf of the municipality utilizing targets agreed upon during the development of Business Plans. Key indicators would be utilized to evaluate the Business Unit's success in achieving its targets.

Recommendation 18:

- i) That the organizational structure of the City of Greater Sudbury be developed using the Business Unit model.

Selection of CAO (City Manager) and Commissioners

The transition process must be guided by an experienced administrator. It is essential that this position be filled immediately and should be one of the first order of business.

The recommendation for the successful candidate should be made by an independent interview team, assisted by a Human Resources Consultant. This process will ensure impartiality for the internal candidates.

Recommendation 19:

- i) That the Transition Board appoint a CAO (City Manager) within 30 days of the first meeting of the Board
- ii) That the Transition Board appoint an independent selection committee constituted of representatives from the Chamber of Commerce, Home Builders, College President, Major Industry Representative, Director of Education, etc. to interview candidates and recommend a candidate to the Transition Board.
- iii) That the Transition Board enter into a contract with the successful candidate for a minimum period of 3 years. This will allow the new Council to decide if they wish to extend the contract or select a new person.
- iv) That the independent selection committee interview candidates for the position of Commissioners and make a recommendation to the new Council.
- v) The Transition Board should consider engaging the services of a professional in the field of Human Resources to assist the committee.

Task Force Coordinating Committee

The success of the transition to the new municipality will, to a large degree, be dependent on the involvement and participation of the municipal employees in the process. To provide a guide for the Transition Board, I have attached a report entitled "Guide for the Transition Process". – See Appendix F

Recommendation 20:

- i) That a Task Force Coordinating Committee be staffed with the CAO's of the municipalities as a minimum.
- ii) That the Task Force Coordinating Committee and the Task Forces be constituted solely of municipal employees.

Municipal Employees

Recommendation 21:

- i) That employees of the former municipalities and their local boards as of December 31, 2000, shall become employees of the new municipality.
- ii) That employees that held non-bargaining unit positions with a former municipality or its local boards and who will be employed by the new municipality, in a non-bargaining unit position, will be credited with seniority at a rate of 100% of the employees' length of service.
- iii) That employees that held non-bargaining unit positions with a former municipality or its local boards and who will be employed by the new municipality in a bargaining unit position, will be credited with seniority at a rate of 100% of the employees length of service as if the position with the former municipality or its local boards was a bargaining unit position with the new municipality.
- iv) That a dispute concerning the application, in determining a right or obligation under a collective agreement, shall be resolved as though the dispute was a dispute concerning the interpretation, application or administration of the collective agreement.

22. Assets and Liabilities

a) Physical Assets

A principle for the disposition of a municipality's *physical assets* was made by an Ontario Municipal Board (OMB) decision of January 1953.

This principle, referred to as the "Cumming Principle" after the then OMB Chairman, has been the basis of the disposition of municipal land, buildings and other physical assets since that time.

Applying it to amalgamated municipalities means that land, buildings and other municipal facilities (arenas, ball diamonds, fire halls, road yards, community centres, etc.) located in one municipality will become the property of the newly amalgamated municipality without financial adjustment or restriction on use or disposal.

The OMB defence for this position is that while these facilities "*have been built and financed by the various individual municipalities and their local boards, they are not in a legal sense the property of the residents or ratepayers...resident within the property and are held in trust for the use and benefit of present and future residents of the area within the jurisdiction of the local authority. But that area has no fixed and predetermined limits and it may be indefinitely enlarged or included with other areas for the purposes of local government at the will of the Legislature. The municipal government is, after all, a government and not a commercial corporation that can wind up its affairs, sell its assets and distribute the proceeds among its shareholders. For this reason it seems to the Board that so long as the residents of the particular area are not deprived of the beneficial use of the assets built or maintained for them by their local government, the management and operation of the asset by a new type of local government which will be, in effect, a new trustee, deprives them of no rights whatever, and entitles them to no individual or collective compensation.*" (from "Decisions and Recommendations" of the Ontario Municipal Board dated January 20, 1953, pages 81 & 82)

Recommendation 22:

- i) That all municipal facilities and equipment (arenas, community centres, fire halls, public works yards, office and administrative equipment, etc.) and all rolling stock (fire trucks and equipment, public works trucks, graders, snow ploughs, etc.) in each existing municipality will become the property of the newly formed municipality without compensation.

- b) **Financial Assets**

Recommendation 23:

- i) That on January 1, 2001, all assets and liabilities, rights and obligations of the former municipalities and their local boards are vested in and become assets and liabilities, rights and obligations of the new municipality.

23. French Language

It is recognized that there is a significant French speaking population in the Sudbury Region. Submissions were received advocating the availability of French language services within the municipal organization.

This is an issue that should be considered by both the Transition Board and the Council when staffing the new organization. Recommendations were received that the Province should designate the new municipality officially bilingual. Legislation is available for a council to enact a by-law dealing with these matters.

Recommendation 24:

- i) That the Council create the position of French language coordinator reporting to the CAO.
- ii) That in the communities where French is the predominant language, the front line staff provide services in both official languages.

24. Transition Process

a) Composition of Transition Board

The purpose of a Transition Board is to plan the transfer of responsibilities from the existing municipalities, boards and commissions to the new City of Greater Sudbury.

Recommendation 25:

- i) That the Province appoint a Transition Board that shall be constituted as a body corporate.
- ii) That the Transition Board be comprised of
 - 6 existing municipal politicians.
 - 4 private citizens.
 - the Manager of the Sudbury Office of MMAH as a non-voting member.
- iii) That the Transition Board be dissolved and replaced by elected members of the new Council in November 2000 immediately following the municipal election and swearing-in.

- iv) That the Transition Board be subject to the provisions governing the conduct of meetings under Section 55 of the Municipal Act.
- w) That the first meeting of the Transition Board be called by the Province.
- vi) That the Transition Board select a Chair and Vice-Chair from the members of the Board.

b) Role of Transition Board

Recommendation 26:

That the Transition Board have the following powers:

- i) Establish and adopt transition plans for the year 2000, including the establishment of the board's budget and the apportionment of the board's cost associated with the exercise of its powers.
- ii) Second employees and advisors from the former municipalities and their local boards for the purposes of the board.
- iii) Require the production of financial and other data, information and statistics from each of the former municipalities and their local boards.
- iv) Establish operational and capital budgets, organizational structures, administrative and management systems, staff positions and job descriptions for the new municipality in order to ensure a fully operational municipal organization that shall on January 1, 2001, become the new municipality and its administration.
- v) Prepare a report for the consideration of the Council of the new municipality with respect to the integration of all local boards, including but not limited to the public utilities commissions and police services board merged with the new municipality.
- vi) Prepare a report for the consideration of Council of the new municipality regarding the functions, location, size, facilities, staff complement and equipment needed for the Central Office, Service Centres and Information Desks necessary for the efficient and effective administration of the new municipality.
- vii) Establish electronic or manual information systems, records and books of accounts for the new municipality and its local boards.
- viii) Establish a Human Resources transition protocol that provides for uniform policies and mechanisms relating to:
 - the procedures and placement of employees of the former municipalities or their local boards in positions with the new municipality or its local boards and

- the termination of employees of the former municipalities and their local boards, including monetary entitlements or other benefits for displaced employees
- ix) Offer employees of the former municipalities and their local boards employment with the new municipality, as well as negotiate and enter into agreements with employees.
- x) Issue layoff notices or provide for severance or compensation in lieu of notice, or both notice and compensation, as required, to employees of the former municipalities and their local boards.
- xi) Move staff to other workplaces within the new municipality, providing that their existing compensation and working conditions continue until the workplace is consolidated under the provisions of Bill 136, Public Sector Labour Relations Transition Act, 1997.
- xii) Negotiate with trade unions and pursue applications to the Ontario Labour Relations Board, on matters arising out of those negotiations.
- xiii) Complete a report on the proposed disposition of assets and liabilities of the former municipalities and their local boards for the consideration of the Council of the new municipality.
- xiv) Review and approve all financial expenditures of the former municipalities in excess of \$10,000 that are not included in the approved municipal operating or capital budgets for the year 2000, including non-cash transactions such as the exchange of assets with external parties.
- xv) Review and approve expenditures of the former municipalities from reserve and reserve funds, financial commitments which extend beyond December 31, 2000, and the acceleration of any project originally scheduled to commence after December 31, 2000.
- xvi) Complete a report for the consideration of the Council of the new municipality recommending whether the new municipality should retain reserve and reserve funds, other than the working capital reserve, of the former municipalities for the purpose for which they were established and, if not, which reserves and reserve funds should be so treated.
- xvii) Complete a report for the consideration of the Council of the new municipality recommending how debt charges of the former municipalities should be financed, i.e. through the general tax rate, special tax rate adjustments, or user fees.
- xviii) Prepare a procedural by-law for the new Council.

c) Powers of Existing Councils

Recommendation 27:

That the powers of the existing municipal councils be limited in the following areas:

- i) The Councils of the Region and the area municipalities shall prepare a budget for the year 2000 that does not reflect an increase over the 1999 levy for municipal purposes.
- ii) The use of any funds from 1999 reserve accounts be subject to the approval of the Transition Board.
- iii) All capital works projects undertaken in 2000 must be approved by the Transition Board.
- iv) No property or equipment shall be disposed of without the approval of the Transition Board.
- w) The hiring of staff outside of the combined labour pool be subject to the approval of the Transition Board.

d) Dispute Resolution

Where a dispute arises with any issue during the transition process, pursuant to the enacting legislation for The City of Greater Sudbury, any one of the parties may:

- Refer the matter in dispute to arbitration in accordance with the Arbitration Act or
- Refer the matter to the Council of the new municipality subsequent to January 1, 2001, for resolution.

e) By-laws and Resolutions

Recommendation 28:

- i) That if a municipality commenced procedures to enact a by-law under any Act or adopt an official plan or amendment that is not in force by January 1, 2001, the Council of the new municipality may continue the procedures.
- ii) All by-laws of the former municipalities shall carry forward to the new municipality but must be consolidated by 2004.

25. Savings and Transition Costs

a. Savings

An important component of restructuring is re-thinking the way services are delivered to achieve savings in addition to the elimination of duplication. Savings may be used to lower taxes, improve infrastructure or a combination of both. KPMG estimated an \$8 - \$9 million savings based on an extrapolation of the results of the Toronto restructuring and work undertaken in Ottawa-Carleton.

The City of Sudbury provided an estimate of savings of:

Municipal Amalgamation	\$8,674,936
Integration of Hydro-Water and Wastewater	<u>\$4,360,177</u>
Total	\$13,035,113

A further savings of \$4.36 million was submitted by Sudbury predicated on the acquisition of Ontario Hydro Services Company assets. These savings cannot be included, as the assets have not been acquired.

The firms of Day & Day and Deloitte Touche have reviewed both the estimated savings and transition costs. They have concluded that a savings of \$8.5 million, is realistic and achievable with a single-tier governance. The savings are predicated on reducing the number of employees by 100 and using the principle of average leveling for the amalgamated work force.

Based on the savings of \$8.5 million, the tax impact on a residential home assessed at \$100,000 has been calculated in Table 8. The tax impact assumes no area rating of transit, handi-transit or full time fire services.

Table 8

**Property Tax Impact on a Residential Property having a CVA of
\$100,000
(No Area Rating)**

	Rayside-Balfour	Capreol	Valley East	Onaping Falls	Nickel Centre	Walden	Sudbury
Existing Tax (\$)	1,187	1,519	1,262	1,340	1,110	1,196	1,282
Projected Tax (\$)	1,168	1,168	1,168	1,168	1,168	1,168	1,168
Change (\$)	(19)	(351)	(95)	(172)	58	(28)	(114)
Change (%)	-2	-23	-7	-13	5	-2	-9

Area rating provides a mechanism for a new municipality with different levels of service to recover costs of services in a fair and equitable manner.

The tax impact in Table 9 is based on a residential assessment of \$100,000 and area rating of fire, transit & handi-transit.

Table 9

**Property Tax Impact on a Residential Property having a CVA of \$100,000
(Area Rating of Fire Services, Transit and Handi-Transit)**

	Rayside-Balfour	Capreol	Valley East	Onaping Falls	Nickel Centre	Walden	Sudbury
Existing Tax (\$)	1,187	1,519	1,262	1,340	1,110	1,196	1,282
Projected Tax (\$)	1,077	1,253	1,124	1,103	1,080	1,057	1,214
Change (\$)	(110)	(266)	(138)	(236)	(30)	(139)	(68)
Change (%)	-9	-18	-11	-18	-3	-12	-5

If the restructuring savings are passed on to the taxpayer, reductions of 3% to 18% in the residential tax bill will occur.

Savings are achieved in two areas. Consolidation savings result from the elimination of duplication and efficiency savings from improvements in process.

The Transition Board needs to pay particular attention to the efficiency savings and ensure that a process is established to identify the potential areas for simplification and improvement. This is an important role for the staff task forces when reviewing service areas. The review should include existing centralized and amalgamated services provided by the Region.

b) Transition Costs

Financial Advisors have reviewed the submissions and estimate the one-time transitional cost to be \$12 million.

Transition costs can be funded in a variety of different ways including:

- Provincial Grant
- Provincial Loan
- Proceeds from the sale of redundant assets
- Restructuring Savings

In the absence of Provincial grants or loans, the new municipality will be limited to the utilization of funds received from the sale of surplus assets in combination with restructuring savings. Assuming the inability to realize profits from the sale of surplus assets in the near term, the new municipality could fund transitional costs within the second year following its creation based on estimated restructuring savings. Specifically, it is reasonable to assume the following cash flows related to projected one-time transitional costs and estimated restructuring savings.

Table 10 illustrates the payback if the costs are funded by the savings using the existing reserves of the municipalities to finance the costs.

Recommendation 29:

- i) Although the new municipality would be in a negative cash flow position during the years 2000 and 2001, projected one-time transitional costs would be fully funded by the end of 2002 based on estimated restructuring savings. In the absence of a Provincial loan, I would recommend that the new municipality utilize existing reserves/reserve funds to finance one-time transitional costs on a short-term basis.

Table 10

Projected One-Time Transitional Costs And Estimated Restructuring Savings - Cash Flow (000)

Item	Cost \$	Year 2000 \$	Year 2001 \$	Year 2002 \$
Staff exit costs	4,000	0	4,000	
Information technology and communication systems	3,800	2,500	1,300	
Office and facilities costs	3,000	0	3,000	
Legal, audit and consulting fees	800	400	400	
Infrastructure reviews	400	200	200	
Signage, stationary, etc.	100	50	50	
Transition Board costs	100	100		
Total	12,200	3,250	8,950	
Projected Restructuring Savings (8,500)		0	5,000	8,500
Net Cash Flow		-3,250	-7,200	1,300