



Budget 16

Infrastructure Services

**2016
Operating
Budget**

Operating Budget Summary							
Description							

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		353	346	(2.0)	0	346	(2.0)
Part Time Hours		56,413	54,972	(2.6)	0	54,972	(2.6)
Overtime Hours		4,115	4,115	-	0	4,115	-
Crew Hours		71,751	63,804	(11.1)	0	63,804	(11.1)
Revenues							
Levies	(229,936)	(229,936)	(58,908)	74.4	0	(58,908)	74.4
Provincial Grants & Subsidies	(36,000)	(40,000)	(40,000)	-	0	(40,000)	-
User Fees	(67,540,975)	(69,376,368)	(72,273,038)	(4.2)	0	(72,273,038)	(4.2)
Licensing & Lease Revenues	(175,000)	(200,000)	(200,000)	-	0	(200,000)	-
Contr from Reserve and Capital	(6,940,254)	(3,118,204)	(469,895)	84.9	0	(469,895)	84.9
Other Revenues	(3,022,189)	(2,772,213)	(3,058,308)	(10.3)	0	(3,058,308)	(10.3)
Total Revenues	(77,944,356)	(75,736,742)	(76,100,149)	(0.5)	0	(76,100,149)	(0.5)
Expenses							
Salaries & Benefits	33,778,096	34,825,866	34,535,593	(0.8)	0	34,535,593	(0.8)
Materials - Operating Expenses	12,546,924	13,137,700	13,208,208	0.5	0	13,208,208	0.5
Energy Costs	8,384,245	8,109,367	8,243,258	1.7	0	8,243,258	1.7
Rent and Financial Expenses	68,177	68,177	82,521	21.0	0	82,521	21.0
Purchased/Contract Services	37,612,000	33,423,557	34,203,595	2.3	0	34,203,595	2.3
Debt Repayment	2,806,002	4,289,574	4,010,789	(6.5)	0	4,010,789	(6.5)
Prof Development & Training	181,323	187,937	187,937	-	0	187,937	-
Grants - Transfer Payments	34,415	30,736	22,000	(28.4)	0	22,000	(28.4)
Contr to Reserve and Capital	51,950,516	50,217,102	51,193,826	1.9	0	51,193,826	1.9
Internal Recoveries	12,009,938	12,222,840	12,430,472	1.7	0	12,430,472	1.7
Total Expenses	159,371,636	156,512,855	158,118,199	1.0	0	158,118,199	1.0
Net Budget	81,427,280	80,776,113	82,018,050	1.5	0	82,018,050	1.5

INFRASTRUCTURE SERVICES DEPARTMENT

To provide the following services in accordance with Council's budgetary approvals and Provincial regulations in a manner best serving the interests of the City taxpayers: engineering, design, construction and maintenance of the City's roadways, water and waste water systems, storm sewers and municipal/agricultural drains; operation of water and waste water treatment plants; transportation planning and traffic engineering; forestry services; environmental services.

2016 Operating Budget

Operating Budget Summary

Description

This area is responsible for the preparation and presentation of reports to Council; Coordination and strategic direction of departmental activities; Participating and leading corporate and inter-departmental initiatives as required; Respond to inquiries from the general public; Liaison with approval and funding agencies.

2015

2016

	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		2	2	-	0	2	-
Expenses							
Salaries & Benefits	333,200	332,816	344,575	3.5	0	344,575	3.5
Materials - Operating Expenses	14,500	15,409	15,409	-	0	15,409	-
Prof Development & Training	19,300	26,000	26,000	-	0	26,000	-
Internal Recoveries	(146,800)	(149,690)	(154,394)	(3.1)	0	(154,394)	(3.1)
Total Expenses	220,200	224,535	231,590	3.1	0	231,590	3.1
Net Budget	220,200	224,535	231,590	3.1	0	231,590	3.1

Operating Budget Summary

Description

This section provides the necessary buildings and facilities for public works maintenance and operating activities.

The City operates out of five depots:

- Frobisher
- St. Clair
- Suez
- Rayside
- Black Lake

2016

Operating Budget

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Crew Hours		3,670	3,670	-	0	3,670	-
Revenues							
Other Revenues	(21,229)	(21,229)	(22,719)	(7.0)	0	(22,719)	(7.0)
Total Revenues	(21,229)	(21,229)	(22,719)	(7.0)	0	(22,719)	(7.0)
Expenses							
Salaries & Benefits	436,682	434,940	442,623	1.6	0	442,623	1.6
Materials - Operating Expenses	119,737	123,055	124,688	1.3	0	124,688	1.3
Energy Costs	441,179	435,218	436,364	0.3	0	436,364	0.3
Purchased/Contract Services	371,253	365,110	368,421	0.9	0	368,421	0.9
Internal Recoveries	(147,359)	(155,036)	(152,731)	1.5	0	(152,731)	1.5
Total Expenses	1,221,492	1,203,287	1,219,365	1.3	0	1,219,365	1.3
Net Budget	1,200,263	1,182,058	1,196,646	1.2	0	1,196,646	1.2

2016 Operating Budget

Operating Budget Summary

Description

2015

2016

	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		50	48	(4.0)	0	48	(4.0)
Part Time Hours		14,255	12,814	(10.1)	0	12,814	(10.1)
Overtime Hours		4,015	4,015	-	0	4,015	-
Revenues							
User Fees	(46,650)	(59,447)	(61,231)	(3.0)	0	(61,231)	(3.0)
Contr from Reserve and Capital	(69,824)	(69,824)	(77,977)	(11.7)	0	(77,977)	(11.7)
Other Revenues	(3,654)	0	0	-	0	0	-
Total Revenues	(120,128)	(129,271)	(139,208)	(7.7)	0	(139,208)	(7.7)
Expenses							
Salaries & Benefits	5,304,065	5,310,585	5,177,678	(2.5)	0	5,177,678	(2.5)
Materials - Operating Expenses	222,131	277,890	240,390	(13.5)	0	240,390	(13.5)
Energy Costs	39,400	36,814	48,284	31.2	0	48,284	31.2
Rent and Financial Expenses	21,705	21,705	45,426	109.3	0	45,426	109.3
Prof Development & Training	34,725	35,010	35,010	-	0	35,010	-
Grants - Transfer Payments	12,415	8,736	0	(100.0)	0	0	(100.0)
Contr to Reserve and Capital	25,704	25,704	0	(100.0)	0	0	(100.0)
Internal Recoveries	(5,540,017)	(5,587,173)	(5,407,580)	3.2	0	(5,407,580)	3.2
Total Expenses	120,128	129,271	139,208	7.7	0	139,208	7.7
Net Budget	0	0	0	-	0	0	-

ENGINEERING SERVICES

Reconciliation of Net Budget: P6M Impact

P6M Savings

- Attrition \$337,228
- Reduction of sewer inspection costs \$38,000
- Reduction in non-assessable services \$8,736
- Eliminate contribution to reserve for scanner/plotter \$10,404
- Eliminate contribution to reserve for inspection equipment \$15,300

To provide engineering and technical expertise for the City's infrastructure system including roads, bridges, storm and sanitary sewers, water and waste water treatment plants, water distribution systems, municipal buildings and facilities. Services include both short and long term planning in all areas.

Provide detailed design, drafting, construction supervision, surveying and materials testing on all capital and maintenance projects.

Provide technical assistance to other city departments, the general public, and the development community.

Provide technical assistance to the Growth & Development Department - Development Engineering Section on all proposed subdivisions and site plan control agreements, building permit applications, minor variances, severances, letters of tolerance, etc.

In accordance with OMBI methodology, these costs are allocated to roads, water waste water and environmental services.

Variance Explanations:

Full time Positions / Part Time Hours

Changes in this category relate to approved P6M initiatives.

Part Time Hours

An increase of 2,088 part time hours is for a locates administrator position funded from Capital, offset by reductions in PT hours due to P6M.

2016 Operating Budget

Operating Budget Summary							
Description							

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		137	135	(1.5)	0	135	(1.5)
Crew Hours		35,842	30,773	(14.1)	0	30,773	(14.1)
Part Time Hours		5,163	5,163	-	0	5,163	-
Revenues							
Levies	(229,938)	(229,938)	(58,908)	74.4	0	(58,908)	74.4
User Fees	(80,146,554)	(61,251,728)	(64,772,751)	(5.7)	0	(64,772,751)	(5.7)
Contr from Reserve and Capital	(6,619,283)	(2,797,213)	(278,684)	90.0	0	(278,684)	90.0
Other Revenues	(477,000)	(359,600)	(517,100)	(43.8)	0	(517,100)	(43.8)
Total Revenues	(67,472,755)	(64,638,479)	(65,627,443)	(1.5)	0	(65,627,443)	(1.5)
Expenses							
Salaries & Benefits	12,517,159	13,441,788	13,243,047	(1.5)	0	13,243,047	(1.5)
Materials - Operating Expenses	4,383,735	4,705,510	4,656,746	(1.0)	0	4,656,746	(1.0)
Energy Costs	4,383,127	4,211,393	4,313,559	2.4	0	4,313,559	2.4
Rent and Financial Expenses	10,000	10,000	9,260	(7.4)	0	9,260	(7.4)
Purchased/Contract Services	14,686,136	10,867,552	11,857,764	9.1	0	11,857,764	9.1
Debt Repayment	2,806,002	4,289,574	4,010,789	(6.5)	0	4,010,789	(6.5)
Prof Development & Training	75,000	75,198	75,198	-	0	75,198	-
Grants - Transfer Payments	5,000	5,000	5,000	-	0	5,000	-
Contr to Reserve and Capital	25,128,626	23,405,157	23,873,260	2.0	0	23,873,260	2.0
Internal Recoveries	6,788,969	6,948,309	7,041,820	1.3	0	7,041,820	1.3
Total Expenses	70,793,754	67,959,480	69,086,443	1.7	0	69,086,443	1.7
Net Budget	3,320,999	3,321,002	3,459,000	4.2	0	3,459,000	4.2

WATER WASTEWATER
2016 Operating Budget Variances (In '000's)

		Gross
2015 Base Operating Budget		67,960
Expenditure Changes		
Salaries & Benefits		
Transfer position to fund Engineering PM1	(76)	
P6M Attrition	(96) *	
Movement through compensation grid, increased benefits etc	128	
P6M temporary hour reduction	<u>(155) *</u>	(199)
Materials - Operating Expenses		
Other increases	10	
Reduction of chemicals (pricing on new tender)	<u>(60)</u>	(50)
Energy Costs		
Anticipated hydro rate and fuel increases	152	
P6M Energy Efficiencies	<u>(50) *</u>	102
Purchased/Contract Services		
Increases in emergency and supplemental operations	1,500	
Tendered increase in hydro-excavation contract	370	
Biosolids operating contract annualization	756	
Net increases (inflation and contractual)	114	
Decrease in Service cuts restoration (1X increase in 2015)	<u>(1,750)</u>	990
Debt Repayment		
Internal Debt Financing	(36)	
Biosolids debt repayment	<u>(243)</u>	(279)
Contr to Reserve and Capital		
Inflation on capital envelopes	468	468
Internal recoveries		
P6M Infrastructure Services reductions	(220) *	
GSU - Water billings and collections	27	
Other net increases	<u>287</u>	94
2016 Draft Base Operating Budget		<u><u>69,086</u></u>
*		
sum of P6M expenditure reductions	(521)	
revenue enhancements	<u>(85)</u>	
WWW P6M savings	<u><u>(606)</u></u>	

WATER-WASTEWATER BUDGET VARIANCE ANALYSIS

Revenues:

1. Levies have decreased by \$171,000 or 74%, due to the completion of certain local improvements loan repayments from ratepayers.
2. Contributions from Reserve and Capital have decreased by \$2,519,000 due to one-time funding in 2015 for service cut restoration (\$1.75M), \$733,000 in Council approved funding to achieve a 0% rate increase and reduction in internal debt financing costs.
3. Other revenues have increased by \$158,000 or 44% due to anticipated additional revenues from fees and fines, annualized hauled liquid waste tipping fees and recoveries related to cleaning of private sewer laterals.

Expenditures:

1. Salaries and Benefits decreased by approximately \$199,000 or 1.5%. An increase of \$128,000 is due to compensation increases. This has been offset by savings of \$155,000 in temporary hours and \$96,000 in attrited salaries, both part of the P6M exercise.
2. Debt Repayment has decreased by approximately \$279,000 or 6.8%. There is a modest decrease in internal borrowing costs of \$36,000 on capital projects while \$243,000 of the decrease represents favourable borrowing terms on the Biosolids external debt.
3. Provision to Reserves and Capital has increased by approximately \$468,000 or 2% as the capital envelopes have been increased by inflation in accordance with policy.
4. Internal recoveries have increased by approximately \$93,000 or 1.3% due primarily to an increase in interdepartmental allocations for engineering and related disciplines, as well as projected increases to the City's service agreement with Greater Sudbury Utilities, offset by reductions identified during the P6M exercise.

2015 WATER-WASTEWATER PROJECTED ACTUAL VARIANCE

Revenues:

1. Actual user fee revenues are trending below budgeted amounts. For 2015 the estimated consumption has been budgeted at 14.2 million cubic metres. Based upon most recent information provided by GSU, it is estimated that the consumption will be approximately 13.9 million cubic metres. This is still an estimate as final consumption numbers will be known in early 2016.
2. The increase in contribution from reserve funds of \$3.82 million over budget represents the projected deficit in water operations. In accordance with policy, this deficit will be funded from the Water Capital Financing Reserve Fund.
3. Other revenues are approximately \$118,000 higher than budget due to additional revenues from hauled liquid waste, sludge haulage fees and miscellaneous recoveries.

Expenditures:

1. Salaries and benefits are projected to be under budget by approximately \$924,000. The division experienced staff turnover and numerous short-term disability leaves, which in some cases were / are unable to fill those specialized vacancies on a timely basis. As well, overtime is being strictly managed and is being kept to a minimum by all sections within the division and the use of casual labour has been reduced where possible in order to mitigate the effect of the net over expenditure.
2. Materials line accounts are projected to be under budget by \$322,000. This is a combination of savings in chemicals, reallocation of materials to various other line accounts and other plant related maintenance savings.
3. Energy costs are projected to be over budget by approximately \$182,000. Energy consumption at the Wanapitei water treatment plant was higher than normal during the winter event as production was increased to maintain flows through the system. The Sudbury Wastewater plant hydro will be higher than budget as it is supplying power to the Biosolids plant through a sub-meter. The additional hydro costs related to the Biosolids operation are being recovered through other revenue resulting in a net cost of zero to the City.

2015 WATER-WASTEWATER PROJECTED ACTUAL VARIANCE

4. Purchased service costs are projected to be over budget by approximately \$3.8 million:
 - The number of watermain breaks is projected to be more than 180 for the calendar year, compared to 141 breaks for 2014 and 103 for 2013. It is estimated that contracted repairs of watermains will be over budget by \$2.4 million.
 - The unusual cold weather also had an impact on water line freezing. Frozen water services thawing repairs performed by contractors amounted to approximately \$1.0M in unanticipated expenditures over budgeted amounts. Only a very small amount was recovered from property owners who are billed when the freeze occurred on private property.
 - All other repair work to water related infrastructure (hydrants, curb box, and valves) are anticipated to exceed budget by \$ 500,000.
 - Sewer main and manhole repairs will be over budget by \$100,000
5. Contribution to Reserve and Capital is over budget by \$1.72M which represents the contribution of the projected wastewater surplus to the Wastewater Capital Financing Reserve Fund in accordance with policy.

Conclusion:

The projected net overexpenditure of approximately \$2.1 million (water deficit of \$3.8 million net of wastewater surplus of \$1.7M) is a result of the harsh winter and aging infrastructure as well as reduced water consumption on the revenue side. Operations works to balance the use of own crews versus contractors to maximize value and maintain service levels that restore water as quickly as possible for citizens.

These projections are based upon September month end balances and are subject to change. Council will receive a final 2015 year end variance report during the spring.

**2016
Operating
Budget**

Operating Budget Summary							
Description							

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		36	36	-	0	36	-
Part Time Hours		5,163	5,163	-	0	5,163	-
Revenues							
User Fees	(55,000)	(58,765)	(60,528)	(3.0)	0	(60,528)	(3.0)
Contr from Reserve and Capital	0	0	0	-	0	0	-
Total Revenues	(55,000)	(58,765)	(60,528)	(3.0)	0	(60,528)	(3.0)
Expenses							
Salaries & Benefits	4,207,128	4,293,941	4,323,120	0.7	0	4,323,120	0.7
Materials - Operating Expenses	49,000	62,265	62,265	-	0	62,265	-
Energy Costs	332,917	332,917	306,513	(7.9)	0	306,513	(7.9)
Purchased/Contract Services	14,500	16,085	16,085	-	0	16,085	-
Prof Development & Training	75,000	75,198	75,198	-	0	75,198	-
Internal Recoveries	(4,623,545)	(4,721,641)	(4,722,653)	-	0	(4,722,653)	-
Total Expenses	55,000	58,765	60,528	3.0	0	60,528	3.0
Net Budget	0	1	0	(133.0)	0	0	(133.0)

WATER/WASTEWATER ADMIN

Reflected here are costs related to the administration and supervision of the Water / Wastewater Services, as well as fleet costs which are allocated to Water and Wastewater through internal allocations.

Water Service Summary

Operating Budget Summary

Description

2016

Operating
Budget

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Crew Hours		17,436	14,830	(14.9)	0	14,830	(14.9)
Revenues							
Levies	(107,971)	(107,971)	(38,291)	64.5	0	(38,291)	64.5
User Fees	(28,806,483)	(29,060,616)	(31,232,895)	(7.5)	0	(31,232,895)	(7.5)
Contr from Reserve and Capital	(4,206,539)	(384,489)	(167,397)	56.5	0	(167,397)	56.5
Other Revenues	(90,000)	(100,000)	(100,000)	-	0	(100,000)	-
Total Revenues	(33,210,993)	(29,653,276)	(31,538,583)	(6.4)	0	(31,538,583)	(6.4)
Expenses							
Salaries & Benefits	3,967,639	4,250,623	4,128,074	(2.9)	0	4,128,074	(2.9)
Materials - Operating Expenses	2,588,720	2,677,597	2,673,430	(0.2)	0	2,673,430	(0.2)
Energy Costs	1,979,317	1,877,975	1,966,538	4.7	0	1,966,538	4.7
Rent and Financial Expenses	10,000	10,000	9,260	(7.4)	0	9,260	(7.4)
Purchased/Contract Services	6,858,081	3,097,273	4,932,235	59.2	0	4,932,235	59.2
Debt Repayment	467,037	467,037	443,297	(5.1)	0	443,297	(5.1)
Contr to Reserve and Capital	12,632,422	12,632,422	12,885,070	2.0	0	12,885,070	2.0
Internal Recoveries	8,028,777	7,961,349	7,959,679	-	0	7,959,679	-
Total Expenses	36,531,993	32,974,276	34,997,583	6.1	0	34,997,583	6.1
Net Budget	3,321,000	3,321,000	3,459,000	4.2	0	3,459,000	4.2

2016
Operating
Budget

Operating Budget Summary

Description

Water revenues represent the portion of water production and supply costs recovered directly from water customers.

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
<u>Revenues</u>							
User Fees	(28,664,732)	(28,852,226)	(31,018,048)	(7.5)	0	(31,018,048)	(7.5)
Other Revenues	(90,000)	(100,000)	(100,000)	-	0	(100,000)	-
Total Revenues	(28,754,732)	(28,952,226)	(31,118,048)	(7.5)	0	(31,118,048)	(7.5)
Net Budget	(28,754,732)	(28,952,226)	(31,118,048)	(7.5)	0	(31,118,048)	(7.5)

WATER REVENUES

On July 1, 2001, the City adopted a fully user-pay basis for water and wastewater services, whereby the full cost would be funded through user fees except for a percentage of costs that relate to fire protection capacity.

Under the City's current rate structure, customers are charged a fixed monthly service fee (2015 - \$15.71 residential) that varies based on the size of the water service as well as a variable consumption charge calculated on a per cubic metre basis (2015 - \$1.244 per cubic metre), with revenues from the variable charge accounting for approximately two-thirds of user fee revenues. In the absence of meters for wastewater inflows, user fees for wastewater are calculated as a percentage of water rates (2015 - 119.5%) and as such, incorporate both a fixed and variable component.

Consistent with similar trends across the province, consumption of water has been decreasing since amalgamation and this decline can be attributed to many factors, including:

- Conservation of water through education and technology such as water saving devices
- Wet summers leading to less outdoor watering
- Customers using less water in response to increased prices
- Increasing instances of tampering

2015 Year End Projection:

User Fees

In 2015 consumption was budgeted at 14.2M cubic metres and it is anticipated that the 2015 actual consumption will be between 13.9M and 14.0M cubic metres.

2016 Operating Budget

Operating Budget Summary

Description

To reflect water debt repayments and contributions to capital for water projects which fund capital spending on water projects including the replacement of existing water systems.

2015

2016

	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Revenues							
Levies	(107,971)	(107,971)	(38,291)	64.5	0	(38,291)	64.5
Contr from Reserve and Capital	(4,128,939)	(306,889)	(89,797)	70.7	0	(89,797)	70.7
Total Revenues	(4,236,910)	(414,860)	(128,088)	69.1	0	(128,088)	69.1
Expenses							
Debt Repayment	113,537	113,537	89,797	(20.9)	0	89,797	(20.9)
Contr to Reserve and Capital	12,632,422	12,632,422	12,885,070	2.0	0	12,885,070	2.0
Total Expenses	12,745,959	12,745,959	12,974,867	1.8	0	12,974,867	1.8
Net Budget	8,509,049	12,331,099	12,846,779	4.2	0	12,846,779	4.2

WATER- DEBT AND CONTRIBUTION TO CAPITAL

Variance Explanation:

Levies

This decrease is due to the completion of certain local improvements loan repayments from ratepayers.

2015 Year End Projection:

Contribution from Reserve and Capital

The increase in contribution from reserve funds of \$3.82 million over budget represents the projected over expenditure in water operations. In accordance with policy, this deficit will be funded from the Water Capital Financing Reserve Fund.

2016 Operating Budget

Operating Budget Summary

Description

Reflected are the costs associated with the production of clean, potable water meeting regulatory requirements for quality, as well as providing adequate quantity and pressure to water customers.

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Crew Hours		5,393	3,640	(32.5)	0	3,640	(32.5)
Expenses							
Salaries & Benefits	939,355	1,060,756	987,872	(6.9)	0	987,872	(6.9)
Materials - Operating Expenses	1,809,450	1,800,567	1,796,400	(0.2)	0	1,796,400	(0.2)
Energy Costs	1,979,317	1,877,975	1,965,638	4.7	0	1,965,638	4.7
Purchased/Contract Services	1,085,531	1,202,245	1,217,165	1.2	0	1,217,165	1.2
Debt Repayment	353,500	353,500	353,500	-	0	353,500	-
Internal Recoveries	111,470	111,470	99,747	(10.5)	0	99,747	(10.5)
Total Expenses	6,278,623	6,406,513	6,420,322	0.2	0	6,420,322	0.2
Net Budget	6,278,623	6,406,513	6,420,322	0.2	0	6,420,322	0.2

WATER TREATMENT

Variance Explanation:

Crew Hours/Salaries and Benefits

The decrease reflects the anticipated reduction in temporary hours as determined during the P6M exercise.

2015 Year End Projection:

Purchased/Contract Services

Purchased services are projected to be under budget by approximately \$115,000 due to savings in breakdown maintenance, sampling and other contracted services.

2016 Operating Budget

Operating Budget Summary

Description

Reflected here are engineering costs associated with water, in the form of internal charges from the departments for the General Manager of Infrastructure, Financial Support Services, Engineering Services, Design and Drafting and Construction Services.

2015

2016

	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Expenses							
Internal Recoveries	1,602,903	1,622,569	1,626,055	0.2	0	1,626,055	0.2
Total Expenses	1,602,903	1,622,569	1,626,055	0.2	0	1,626,055	0.2
Net Budget	1,602,903	1,622,569	1,626,055	0.2	0	1,626,055	0.2

**2016
Operating
Budget**

Operating Budget Summary							
Description							

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Crew Hours		12,043	11,190	(7.1)	0	11,190	(7.1)
Revenues							
User Fees	(141,751)	(208,590)	(214,847)	(3.0)	0	(214,847)	(3.0)
Contr from Reserve and Capital	(77,600)	(77,600)	(77,600)	-	0	(77,600)	-
Total Revenues	(219,351)	(286,190)	(292,447)	(2.2)	0	(292,447)	(2.2)
Expenses							
Salaries & Benefits	3,028,264	3,189,867	3,140,202	(1.6)	0	3,140,202	(1.6)
Materials - Operating Expenses	779,270	877,030	877,030	-	0	877,030	-
Energy Costs	0	0	900	100.0	0	900	100.0
Rent and Financial Expenses	10,000	10,000	9,260	(7.4)	0	9,260	(7.4)
Purchased/Contract Services	5,772,550	1,895,028	3,715,070	96.0	0	3,715,070	96.0
Internal Recoveries	6,314,404	6,227,310	6,233,877	0.1	0	6,233,877	0.1
Total Expenses	15,904,508	12,199,235	13,976,339	14.6	0	13,976,339	14.6
Net Budget	15,685,157	11,913,045	13,683,892	14.9	0	13,683,892	14.9

WATER SYSTEM OTHER

Reflected are the costs of maintenance and repair to the City's extensive water distribution system and allocations for fringe benefits and GSU billing services as well as select internal services. These internal services include program support, share of public work depot costs, and the water section share of WWW administration, supervision and other shared department costs.

Variance Explanations:

Crew Hours/Salaries & Benefits

The decrease reflects the anticipated reduction in temporary hours as determined during the P6M exercise.

Purchased/Contract Services

The increase in this category reflects anticipated contractual increases for supplemental watermain, valve and curb box repairs as well as hydro excavation equipment rentals.

2015 Year End Projection:

Purchased/Contract Services

Purchased service costs are projected to be over budget by approximately \$3.9 million:

- There have been 151 watermain breaks to the end of September 2015. This number is projected to be 180 for the calendar year using historical averages for the remaining months, compared to 141 breaks for 2014 and 103 for 2013. It is estimated that contracted repairs of watermains will be over budget by \$2.4 million.
- The unusual cold weather also had an impact on water services freezing. Frozen water services thawing repairs performed by contractors amounted to approximately \$1.0 million in unanticipated expenditures over budgeted amounts. A separate report summarizing these expenditures procured under the emergency provision of the City's Purchasing by-law has been received by Council. Only a very small amount was recovered from property owners who are billed when the freeze occurred on private property.
- All other repair work to water related infrastructure (hydrants, curb boxes, and valves) are anticipated to exceed budget by \$ 500,000.

Wastewater Services Summary

Operating Budget Summary

Description

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**2016
Operating
Budget**

2015

2016

	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Crew Hours		10,705	8,242	(23.0)	0	8,242	(23.0)
Revenues							
Levies	(121,967)	(121,967)	(20,617)	83.1	0	(20,617)	83.1
User Fees	(31,178,918)	(31,864,916)	(33,204,080)	(4.2)	0	(33,204,080)	(4.2)
Contr from Reserve and Capital	(662,724)	(662,724)	(111,287)	83.2	0	(111,287)	83.2
Other Revenues	(382,000)	(250,000)	(407,500)	(63.0)	0	(407,500)	(63.0)
Total Revenues	(32,345,609)	(32,899,607)	(33,743,484)	(2.6)	0	(33,743,484)	(2.6)
Expenses							
Salaries & Benefits	3,466,478	4,023,762	3,959,832	(1.6)	0	3,959,832	(1.6)
Materials - Operating Expenses	1,698,240	1,816,318	1,771,721	(2.5)	0	1,771,721	(2.5)
Energy Costs	2,079,434	1,999,042	2,038,977	2.0	0	2,038,977	2.0
Purchased/Contract Services	4,118,958	3,916,864	4,822,114	23.1	0	4,822,114	23.1
Debt Repayment	2,338,965	3,622,537	3,567,492	(6.7)	0	3,567,492	(6.7)
Grants - Transfer Payments	5,000	5,000	5,000	-	0	5,000	-
Contr to Reserve and Capital	12,496,204	10,772,735	10,988,190	2.0	0	10,988,190	2.0
Internal Recoveries	6,142,330	6,543,350	6,590,158	0.7	0	6,590,158	0.7
Total Expenses	32,345,610	32,899,607	33,743,484	2.6	0	33,743,484	2.6
Net Budget	0	0	0	-	0	0	-

**2016
Operating
Budget**

Operating Budget Summary

Description

These revenues represent the recovery of wastewater treatment and maintenance costs directly from wastewater services customers.

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
<u>Revenues</u>							
User Fees	(31,178,918)	(31,864,916)	(33,204,080)	(4.2)	0	(33,204,080)	(4.2)
Other Revenues	(382,000)	(250,000)	(407,500)	(63.0)	0	(407,500)	(63.0)
Total Revenues	(31,560,918)	(32,114,916)	(33,611,580)	(4.7)	0	(33,611,580)	(4.7)
Net Budget	(31,560,918)	(32,114,916)	(33,611,580)	(4.7)	0	(33,611,580)	(4.7)

WASTEWATER REVENUE

On July 1, 2001, the City adopted a fully user-pay basis for water and wastewater services, whereby the full cost would be funded through user fees except for a percentage of costs that relate to fire protection capacity.

Under the City's current rate structure, customers are charged a fixed monthly service fee (2015 - \$15.71 residential) that varies based on the size of the water service as well as a variable consumption charge calculated on a per cubic meter basis (2015 - \$1.244 per cubic metre), with revenues from the variable charge accounting for approximately two-thirds of user fee revenues. In the absence of meters for wastewater inflows, user fees for wastewater are calculated as a percentage of water rates (2015 – 119.5%) and as such, incorporate both a fixed and variable component.

Consistent with similar trends across the province, consumption of water has been decreasing since amalgamation and this decline can be attributed to many factors, including:

- Conservation of water through education and technology such as water saving devices
- Wet summers leading to less outdoor watering
- Customers using less water in response to increased prices
- Increasing instances of tampering

Variance Explanation:

Other Revenues

The increase in this category reflects the annualization of anticipated hauled liquid waste and sludge haulage fees as well as recoveries from the cleaning of private sewer laterals.

2015 Year End Projection:

User Fees

In 2015 consumption was budgeted at 14.2 M cubic metres and it is anticipated that the 2015 actual consumption will be between 13.9M and 14.0M cubic metres.

Other Revenues

Other revenues represent higher than anticipated hauled liquid waste volumes and sludge haulage as well as recoveries of hydro costs used by the Biosolids plant.

2016 Operating Budget

Operating Budget Summary

Description

To reflect wastewater contribution to capital for wastewater projects, which fund capital spending on wastewater projects including the replacement of existing wastewater systems.

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
<u>Revenues</u>							
Levies	(121,967)	(121,967)	(20,617)	83.1	0	(20,617)	83.1
Contr from Reserve and Capital	(662,724)	(662,724)	(111,287)	83.2	0	(111,287)	83.2
Total Revenues	(784,691)	(784,691)	(131,904)	83.2	0	(131,904)	83.2
<u>Expenses</u>							
Debt Repayment	123,166	123,166	111,287	(9.6)	0	111,287	(9.6)
Grants - Transfer Payments	5,000	5,000	5,000	-	0	5,000	-
Contr to Reserve and Capital	12,496,204	10,772,735	10,988,190	2.0	0	10,988,190	2.0
Total Expenses	12,624,370	10,900,901	11,104,477	1.9	0	11,104,477	1.9
Net Budget	11,839,679	10,116,210	10,972,573	8.5	0	10,972,573	8.5

WASTEWATER DEBT AND CONTRIBUTION TO CAPITAL

Variance Explanations:

Levies

This decrease is due to the completion of certain local improvements loan repayments from ratepayers.

Contribution from Reserve and Capital

The decrease in this category reflects one-time Council approved contribution from reserve funds in 2015 to achieve 0% rate increase.

2015 Year End Projection:

Contribution to Reserve and Capital

Contribution to Reserve and Capital is over budget by \$1.72M which represents the contribution of the projected wastewater under expenditure to the Wastewater Capital Financing Reserve Fund in accordance with policy.

2016 Operating Budget

Operating Budget Summary

Description

Reflected are the costs associated with the production of quality effluents meeting regulatory requirements and minimizing environmental degradation.

2015

2016

	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Crew Hours		7,879	6,126	(22.2)	0	6,126	(22.2)
Expenses							
Salaries & Benefits	1,862,925	1,819,639	1,786,193	(1.8)	0	1,786,193	(1.8)
Materials - Operating Expenses	1,659,173	1,714,648	1,670,051	(2.6)	0	1,670,051	(2.6)
Energy Costs	2,079,434	1,999,042	2,038,977	2.0	0	2,038,977	2.0
Purchased/Contract Services	1,656,524	1,301,610	1,306,610	0.4	0	1,306,610	0.4
Debt Repayment	0	0	0	-	0	0	-
Internal Recoveries	232,055	236,863	294,172	24.2	0	294,172	24.2
Total Expenses	7,490,112	7,071,822	7,096,004	0.3	0	7,096,004	0.3
Net Budget	7,490,112	7,071,822	7,096,004	0.3	0	7,096,004	0.3

WASTEWATER TREATMENT

Variance Explanation:

Crew Hours/Salaries & Benefits

The decrease reflects the anticipated reduction in temporary hours as determined during the P6M exercise.

2015 Year End Projection:

Purchased/Contract Services

This category is projected to be over budget due to higher than anticipated sludge haulage fees due to the delay in the Biosolids plant going live as well as additional snow plowing costs.

2016 Operating Budget

Operating Budget Summary

Description

The Biosolids Management Facility processes sewage sludge, which is a normal end product of the sewage treatment process, to create an agriculturally beneficial product with low odour potential and little environmental impact. It uses a heat and/or chemical process to kill harmful organisms called pathogens which may be present in untreated sewage sludge. The facility is operated by N-Viro®, a Walker Environmental Group Company (N-Viro); a family-owned diverse company with more than 125 years of operating experience in the industry. The City maintains full ownership of the facility. This cost centre represents the operating contract costs with N-Viro as well as the external debt repayments.

2015

2016

	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Expenses							
Purchased/Contract Services	1,844,200	2,101,000	2,857,000	36.0	0	2,857,000	36.0
Debt Repayment	2,215,799	3,699,371	3,456,204	(6.6)	0	3,456,204	(6.6)
Total Expenses	4,059,999	5,800,371	6,313,204	8.8	0	6,313,204	8.8
Net Budget	4,059,999	5,800,371	6,313,204	8.8	0	6,313,204	8.8

BIOSOLIDS FACILITY

Variance Explanations:

Purchased/Contract Services

The increase in this category reflects the annualized costs associated with the operating contract with the vendor.

Debt repayment

This decrease is a result on the external debt principal being lower than expected combined with a lower interest rate than originally budgeted.

2015 Year End Projection:

Purchased/Contract Services

Purchased services are projected to be under budget by approximately \$255,000 because Biosolids started on schedule, but was budgeted conservatively to start at an earlier date.

Debt Repayment

This category is projected to be under budget because the Biosolids started on schedule, but was budgeted conservatively to start at an earlier date. Additionally, the external debt principal amount borrowed was less than expected and the borrowing rate was lower than originally budgeted.

2016 Operating Budget

Operating Budget Summary

Description

Reflected are engineering costs associated with wastewater in the form of internal charges from the departments of the General Manager of Infrastructure Services, Financial Support Services, Engineering Services, Design and Drafting and Construction Services.

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Expenses							
Internal Recoveries	1,125,727	1,147,710	1,171,183	2.0	0	1,171,183	2.0
Total Expenses	1,125,727	1,147,710	1,171,183	2.0	0	1,171,183	2.0
Net Budget	1,125,727	1,147,710	1,171,183	2.0	0	1,171,183	2.0

Operating Budget Summary

Description

2016
Operating
Budget

2015

2016

Projected
Actual

Budget

Base
Budget

% 2015
Budget

Proposed
Budget Options

Proposed
Budget

% 2015
Budget

Full Time Positions

0

0

-

0

0

-

Crew Hours

2,626

2,116

(25.1)

0

2,116

(25.1)

Expenses

Salaries & Benefits

1,603,553

2,204,122

2,173,639

(1.4)

0

2,173,639

(1.4)

Materials - Operating Expenses

39,067

101,670

101,670

-

0

101,670

-

Purchased/Contract Services

618,234

514,254

658,504

28.1

0

658,504

28.1

Internal Recoveries

4,754,548

5,158,757

5,124,803

(0.7)

0

5,124,803

(0.7)

Total Expenses
7,045,402
7,978,803
8,058,616
1.0
0
8,058,616
1.0
Net Budget
7,045,402
7,978,803
8,058,616
1.0
0
8,058,616
1.0

WASTEWATER SYSTEM OTHER

Reflected are the costs of maintenance and repair to the City's extensive wastewater collection system and allocations for fringe benefits and GSU billing services as well as select internal services. These internal services include program support, share of public work depot costs, and the wastewater section share of WWW administration, supervision and other shared department costs.

Variance Explanations:

Crew Hours/Salaries & Benefits

The decrease reflects the anticipated reduction in temporary hours as determined during the P6M exercise.

Purchased/Contract Services

This increase reflects contractual increases related to sewer lateral cleaning and hydro excavation equipment rentals.

2015 Year End Projection:

Salaries & Benefits

Salaries and benefits are projected to be under budget by approximately \$600,000. The division experienced staff turnover and numerous short-term disability leaves, which in some cases were/are unable to fill those vacancies on a timely basis. Compounding this was the emphasis on the frozen water emergency which meant less effort on sewer maintenance during that period.

Purchased/Contract Services

Sewer main and manhole repairs are projected to be over budget by \$100,000.

Roads Maintenance Summary

2016 Operating Budget

Operating Budget Summary							
Description							

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		143	140	(2.1)	0	140	(2.1)
Crew Hours		32,239	29,361	(8.9)	0	29,361	(8.9)
Overtime Hours		100	100	-	0	100	-
Part Time Hours		16,240	16,240	-	0	16,240	-
Revenues							
Provincial Grants & Subsidies	(36,000)	(40,000)	(40,000)	-	0	(40,000)	-
User Fees	(384,203)	(378,286)	(383,981)	(1.5)	0	(383,981)	(1.5)
Contr from Reserve and Capital	(60,870)	(60,870)	(65,660)	(7.9)	0	(65,660)	(7.9)
Other Revenues	(44,879)	(42,900)	(42,900)	-	0	(42,900)	-
Total Revenues	(525,952)	(522,056)	(532,541)	(2.0)	0	(532,541)	(2.0)
Expenses							
Salaries & Benefits	12,808,239	12,934,131	12,903,485	(0.2)	0	12,903,485	(0.2)
Materials - Operating Expenses	5,018,049	5,220,640	5,359,914	2.7	0	5,359,914	2.7
Energy Costs	3,337,276	3,253,016	3,273,861	0.6	0	3,273,861	0.6
Rent and Financial Expenses	19,322	19,322	10,685	(44.7)	0	10,685	(44.7)
Purchased/Contract Services	8,260,589	7,737,696	7,722,778	(0.2)	0	7,722,778	(0.2)
Prof Development & Training	48,657	48,088	48,088	-	0	48,088	-
Contr to Reserve and Capital	25,782,092	25,772,147	26,286,190	2.0	0	26,286,190	2.0
Internal Recoveries	10,331,879	10,446,386	10,362,281	(0.8)	0	10,362,281	(0.8)
Total Expenses	65,606,103	65,431,428	65,967,282	0.8	0	65,967,282	0.8
Net Budget	65,080,151	64,909,372	65,434,741	0.8	0	65,434,741	0.8

ROADS MAINTENANCE SUMMARY

Reconciliation of Net Budget: P6M Impact

2015 Approved Budget	\$ 64,909,372
Less: P6M Savings	\$ 505,298
2015 Restated Budget	\$ 64,404,074
2016 Base Budget	\$ 65,434,740
Increase	\$ 1,030,666
% Increase	1.6%

P6M Savings

- Attrition \$310,298
- Reduction of AVL costs \$45,000
- Reduction in streetlight maintenance \$50,000
- Reduction in traffic signal and railroad maintenance \$100,000

To reflect the cost associated with the delivery of roads, transportation, forestry and drainage services within the City of Greater Sudbury.

**2016
Operating
Budget**

Operating Budget Summary

Description

This represents the contribution to capital for roads and drainage capital projects.

2015

2016

Projected
Actual

Budget

Base
Budget

% 2015
Budget

Proposed
Budget Options

Proposed
Budget

% 2015
Budget

Full Time Positions

0

0

-

0

0

-

Expenses

Contr to Reserve and Capital

25,500,822

25,500,822

26,010,838

2.0

0

26,010,838

2.0

Total Expenses

25,500,822

25,500,822

26,010,838

2.0

0

26,010,838

2.0

Net Budget

25,500,822

25,500,822

26,010,838

2.0

0

26,010,838

2.0

2016 Operating Budget

Operating Budget Summary

Description

2015

2016

	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		139	136	(2.2)	0	136	(2.2)
Part Time Hours		11,830	11,830	-	0	11,830	-
Revenues							
User Fees	(109,173)	(114,153)	(114,278)	(0.1)	0	(114,278)	(0.1)
Other Revenues	(1,979)	0	0	-	0	0	-
Total Revenues	(111,152)	(114,153)	(114,278)	(0.1)	0	(114,278)	(0.1)
Expenses							
Salaries & Benefits	3,645,886	3,658,419	3,729,277	1.9	0	3,729,277	1.9
Materials - Operating Expenses	208,764	208,764	163,764	(21.6)	0	163,764	(21.6)
Energy Costs	78,844	52,138	65,299	25.2	0	65,299	25.2
Purchased/Contract Services	27,750	11,300	11,300	-	0	11,300	-
Prof Development & Training	48,657	48,088	48,088	-	0	48,088	-
Contr to Reserve and Capital	65,020	70,000	70,000	-	0	70,000	-
Internal Recoveries	(3,963,769)	(3,934,556)	(3,973,451)	(1.0)	0	(3,973,451)	(1.0)
Total Expenses	111,152	114,153	114,277	0.1	0	114,277	0.1
Net Budget	0	0	0	-	0	0	-

ROADS ADMINISTRATION

Variance Explanation:

Full Time Positions

Changes in this category relate to approved P6M initiatives. For details see reconciliation at divisional level.

2016 Operating Budget

Operating Budget Summary

Description

2015

2016

	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Crew Hours		17,593	16,484	(6.3)	0	16,484	(6.3)
Revenues							
User Fees	(98,518)	(97,783)	(100,716)	(3.0)	0	(100,716)	(3.0)
Contr from Reserve and Capital	(60,870)	(60,870)	(65,660)	(7.9)	0	(65,660)	(7.9)
Total Revenues	(159,388)	(158,653)	(166,376)	(4.9)	0	(166,376)	(4.9)
Expenses							
Salaries & Benefits	4,744,827	4,822,110	4,749,282	(1.5)	0	4,749,282	(1.5)
Materials - Operating Expenses	2,204,766	2,345,080	2,460,260	4.9	0	2,460,260	4.9
Energy Costs	495,919	517,473	487,692	(5.8)	0	487,692	(5.8)
Purchased/Contract Services	3,076,179	2,840,500	2,826,200	(0.5)	0	2,826,200	(0.5)
Internal Recoveries	4,777,166	4,758,978	4,863,230	2.2	0	4,863,230	2.2
Total Expenses	15,298,857	15,284,141	15,386,664	0.7	0	15,386,664	0.7
Net Budget	15,139,469	15,125,488	15,220,288	0.6	0	15,220,288	0.6

SUMMER MAINTENANCE SUMMARY

To provide summer maintenance of the City's road system involving maintenance of asphalt and gravel road surfaces, sidewalks and curbs, drainage structures, forestry, as well as traffic and safety control devices.

Variance Explanation:

Crew Hours

Changes in this category relate to approved P6M initiatives. For details see reconciliation at divisional level.

Operating Budget Summary

Description

2016 Operating Budget

2015

2016

	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Crew Hours		14,646	12,877	(12.1)	0	12,877	(12.1)
Revenues							
User Fees	(95,595)	(92,450)	(92,870)	(0.5)	0	(92,870)	(0.5)
Other Revenues	(42,900)	(42,900)	(42,900)	-	0	(42,900)	-
Total Revenues	(138,495)	(135,350)	(135,770)	(0.3)	0	(135,770)	(0.3)
Expenses							
Salaries & Benefits	3,969,590	4,005,004	3,967,749	(0.9)	0	3,967,749	(0.9)
Materials - Operating Expenses	2,597,732	2,659,109	2,725,765	2.5	0	2,725,765	2.5
Energy Costs	674,590	629,699	566,421	(10.0)	0	566,421	(10.0)
Purchased/Contract Services	4,400,925	4,105,716	4,155,034	1.2	0	4,155,034	1.2
Internal Recoveries	5,123,992	5,182,947	5,308,702	2.4	0	5,308,702	2.4
Total Expenses	16,766,829	16,582,475	16,723,671	0.9	0	16,723,671	0.9
Net Budget	16,628,334	16,447,125	16,587,901	0.9	0	16,587,901	0.9

WINTER MAINTENANCE SUMMARY

To provide an acceptable level of winter control services within approved guidelines in the areas of:

- Snow removal
- Snowplowing roads and lanes
- Opening drainage ditches
- Winter maintenance of sidewalks
- Sanding and salting streets
- Pothole patching

Variance Explanations:

Crew Hours

Changes in this category relate to approved P6M initiatives. For details see reconciliation at divisional level.

Energy Costs

Decrease is a result of a reduction in fuel prices

2016 Operating Budget

Operating Budget Summary

Description

To reflect costs associated with Roads in the form of charge backs from the sections for General Manager, Financial Support Services, Engineering Services, Design and Drafting and Construction Services.

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0		0	0	-
Expenses							
Internal Recoveries	4,372,071	4,420,918	4,145,794	(6.2)	0	4,145,794	(6.2)
Total Expenses	4,372,071	4,420,918	4,145,794	(6.2)	0	4,145,794	(6.2)
Net Budget	4,372,071	4,420,918	4,145,794	(6.2)	0	4,145,794	(6.2)

**2016
Operating
Budget**

Operating Budget Summary
Description
Provides for the energy and maintenance of the City's streetlighting system.

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
<u>Expenses</u>							
Energy Costs	2,082,617	2,048,400	2,150,620	5.0	0	2,150,620	5.0
Purchased/Contract Services	550,996	556,518	506,518	(9.0)	0	506,518	(9.0)
Internal Recoveries	6,099	6,099	6,005	(1.5)	0	6,005	(1.5)
Total Expenses	2,639,712	2,611,017	2,663,343	2.0	0	2,663,343	2.0
Net Budget	2,639,712	2,611,017	2,663,343	2.0	0	2,663,343	2.0

2016 Operating Budget

Operating Budget Summary	
Description	Co-ordinate and administer municipal / agricultural drainage programs for existing and new drains. To provide for drainage supervision costs and to reflect contributions to capital and reserves for municipal / agricultural drains.

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Part Time Hours		1,260	1,260	-	0	1,260	-
Revenues							
Provincial Grants & Subsidies	(36,000)	(40,000)	(40,000)	-	0	(40,000)	-
Total Revenues	(36,000)	(40,000)	(40,000)	-	0	(40,000)	-
Expenses							
Salaries & Benefits	20,545	20,545	20,730	0.9	0	20,730	0.9
Purchased/Contract Services	180,401	199,326	199,326	-	0	199,326	-
Contr to Reserve and Capital	216,250	201,325	205,352	2.0	0	205,352	2.0
Total Expenses	417,196	421,196	425,408	1.0	0	425,408	1.0
Net Budget	381,196	381,196	385,408	1.1	0	385,408	1.1

Operating Budget Summary

Description

To provide for the safe, orderly and efficient movement of people and goods. Carry out transportation planning to address the present and future needs. Evaluate, design, maintain and install traffic devices. Review and evaluate site plans and zoning applications. Participate in all official and secondary plans. Direct and carry out annual data collection programs. Review and issue permits dealing with roads, traffic movement including driveway entrances, wide loads, street occupancy, etc.

2016

Operating Budget

2015

2016

	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		4	4	-	0	4	-
Overtime Hours		100	100	-	0	100	-
Part Time Hours		3,150	3,150	-	0	3,150	-
Revenues							
User Fees	(80,917)	(73,900)	(76,117)	(3.0)	0	(76,117)	(3.0)
Total Revenues	(80,917)	(73,900)	(76,117)	(3.0)	0	(76,117)	(3.0)
Expenses							
Salaries & Benefits	427,391	428,054	436,447	2.0	0	436,447	2.0
Materials - Operating Expenses	6,787	7,687	10,125	31.7	0	10,125	31.7
Energy Costs	5,306	5,308	3,629	(31.6)	0	3,629	(31.6)
Rent and Financial Expenses	19,322	19,322	10,685	(44.7)	0	10,685	(44.7)
Purchased/Contract Services	24,338	24,338	24,400	0.3	0	24,400	0.3
Internal Recoveries	16,320	12,000	12,000	-	0	12,000	-
Total Expenses	499,464	496,707	497,286	0.1	0	497,286	0.1
Net Budget	418,547	422,807	421,169	(0.4)	0	421,169	(0.4)

2016 Operating Budget

Operating Budget Summary							
Description							

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		21	21	-	0	21	-
Part Time Hours		20,755	20,755	-	0	20,755	-
Revenues							
User Fees	(6,963,568)	(7,686,927)	(7,055,075)	8.2	0	(7,055,075)	8.2
Licensing & Lease Revenues	(175,000)	(200,000)	(200,000)	-	0	(200,000)	-
Contr from Reserve and Capital	(180,297)	(180,297)	(47,574)	75.0	0	(47,574)	75.0
Other Revenues	(2,475,427)	(2,348,484)	(2,475,589)	(5.4)	0	(2,475,589)	(5.4)
Total Revenues	(9,804,292)	(10,425,708)	(9,778,238)	6.2	0	(9,778,238)	6.2
Expenses							
Salaries & Benefits	2,378,752	2,371,606	2,424,186	2.2	0	2,424,186	2.2
Materials - Operating Expenses	2,788,772	2,795,196	2,811,061	0.6	0	2,811,061	0.6
Energy Costs	173,263	172,926	171,189	(1.0)	0	171,189	(1.0)
Rent and Financial Expenses	17,150	17,150	17,150	-	0	17,150	-
Purchased/Contract Services	14,294,022	14,453,197	14,254,632	(1.4)	0	14,254,632	(1.4)
Prof Development & Training	3,641	3,641	3,641	-	0	3,641	-
Grants - Transfer Payments	17,000	17,000	17,000	-	0	17,000	-
Contr to Reserve and Capital	1,014,094	1,014,094	1,034,376	2.0	0	1,034,376	2.0
Internal Recoveries	723,266	720,044	741,076	2.9	0	741,076	2.9
Total Expenses	21,409,959	21,564,854	21,474,310	(0.4)	0	21,474,310	(0.4)
Net Budget	11,605,668	11,139,146	11,696,073	5.0	0	11,696,073	5.0

ENVIRONMENTAL SERVICES SUMMARY

Reconciliation of Net Budget: P6M Impact

2015 Approved Budget	\$ 11,139,146
Less: P6M Savings	\$ 260,000
2015 Restated Budget	\$ 10,879,146

2016 Base Budget	\$ 11,696,073
Increase	\$ 816,927
% Increase	7.5%

P6M Savings

- Reduction of leaf and yard processing costs \$260,000

The Environmental Services division is responsible for the collection of solid waste (garbage); collection and processing of leaf & yard trimmings and green cart organics; collection, processing, and marketing of blue box recyclables; collection and disposal of household hazardous waste; provision of backyard composters, green carts, kitchen collectors, and various recycling equipment; and for the management of clean-up initiatives, such as the Adoption programs, the annual Clean-Up program, the summer Trash Trooper program, the derelict motor vehicle removal & recycling program and all related promotional and educational activities.

In addition, this division is responsible for the planning, design, approvals, and operation of all solid waste landfills, including the leachate and gas collection systems; closed disposal sites; operation of landfill diversion programs (tires, appliances, electronic waste, etc.) and the administration of landfill tipping fees.

**2016
Operating
Budget**

Operating Budget Summary

Description

2015

2016

	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		8	8	-	0	8	-
Part Time Hours		8,917	8,917	-	0	8,917	-
Revenues							
Other Revenues	(37,060)	(35,872)	(35,872)	-	0	(35,872)	-
Total Revenues	(37,060)	(35,872)	(35,872)	-	0	(35,872)	-
Expenses							
Salaries & Benefits	1,025,264	1,013,390	1,028,039	1.5	0	1,029,039	1.5
Materials - Operating Expenses	56,420	57,697	56,129	(2.7)	0	56,129	(2.7)
Energy Costs	24,788	24,451	26,760	9.4	0	26,760	9.4
Purchased/Contract Services	11,324	11,324	11,324	-	0	11,324	-
Prof Development & Training	3,641	3,641	3,641	-	0	3,641	-
Contr to Reserve and Capital	1,014,094	1,014,094	1,034,376	2.0	0	1,034,376	2.0
Internal Recoveries	59,327	62,271	61,212	(1.7)	0	61,212	(1.7)
Total Expenses	2,194,848	2,186,868	2,222,481	1.6	0	2,222,481	1.6
Net Budget	2,157,788	2,150,996	2,186,609	1.7	0	2,186,609	1.7

**2016
Operating
Budget**

Operating Budget Summary

Description

To reflect the provision of capital funds for solid waste projects and contributions to the reserve fund for recycling equipment replacement.

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
<u>Expenses</u>							
Contr to Reserve and Capital	1,014,094	1,014,094	1,034,376	2.0	0	1,034,376	2.0
Total Expenses	1,014,094	1,014,094	1,034,376	2.0	0	1,034,376	2.0
Net Budget	1,014,094	1,014,094	1,034,376	2.0	0	1,034,376	2.0

2016 Operating Budget

Operating Budget Summary

Description

The provision of weekly residential waste collection service with CGS crews and contractors at curbside and 13 transfer stations. The operation of the Clean-up Greater Sudbury program and roadside litter containers. The co-ordination of waste collection services and fees for registered multi-unit residential properties, multi-type properties and small businesses. The collection of blue box recyclables and organics from municipal facilities.

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		13	13	-	0	13	-
Part Time Hours		11,838	11,838	-	0	11,838	-
Revenues							
User Fees	(1,020,383)	(1,064,242)	(1,009,745)	5.1	0	(1,009,745)	5.1
Other Revenues	(959,794)	(895,706)	(957,374)	(6.9)	0	(957,374)	(6.9)
Total Revenues	(1,980,177)	(1,959,948)	(1,967,119)	(0.4)	0	(1,967,119)	(0.4)
Expenses							
Salaries & Benefits	1,353,498	1,358,215	1,395,147	2.7	0	1,395,147	2.7
Materials - Operating Expenses	81,331	81,564	87,413	7.2	0	87,413	7.2
Energy Costs	130,607	130,607	125,667	(3.8)	0	125,667	(3.8)
Rent and Financial Expenses	7,150	7,150	7,150	-	0	7,150	-
Purchased/Contract Services	6,909,633	7,002,316	7,115,292	1.6	0	7,115,292	1.6
Internal Recoveries	536,996	535,438	558,265	4.3	0	558,265	4.3
Total Expenses	9,019,214	9,115,290	9,288,934	1.9	0	9,288,934	1.9
Net Budget	7,039,037	7,155,342	7,321,815	2.3	0	7,321,815	2.3

COLLECTION

The collection section represents the collection of all residential waste streams including, the co-collection of garbage and leaf & yard trimmings; the co-collection of blue box items and green cart organics and the collection of large furniture and appliances.

The section also includes waste collection for high density residential properties, residential transfer depots, non-residential collection services for a fee, litter collection, Clean-up Greater Sudbury programs and the related promotional and educational programs.

A portion of the blue box funding is also allocated to this section.

2016 Operating Budget

Operating Budget Summary

Description

The operation, approvals and maintenance of the Recycling Centre and weigh scale on Frobisher Street. This includes the processing, shipping and marketing of all blue box recyclable materials. The purchase and revenues from the sales of recycling and composting equipment. The processing and billing of blue box recyclables from agencies/municipalities outside Greater Sudbury boundaries. These functions are grouped in one cost centre for tax purposes.

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Revenues							
User Fees	(871,330)	(1,133,330)	(927,330)	18.2	0	(927,330)	18.2
Contr from Reserve and Capital	(190,297)	(190,297)	(47,574)	75.0	0	(47,574)	75.0
Other Revenues	(1,247,373)	(1,185,706)	(1,251,143)	(5.5)	0	(1,251,143)	(5.5)
Total Revenues	(2,309,000)	(2,509,333)	(2,226,047)	11.3	0	(2,226,047)	11.3
Expenses							
Materials - Operating Expenses	171,118	173,077	172,258	(0.5)	0	172,258	(0.5)
Purchased/Contract Services	2,601,980	2,829,897	2,523,417	(4.0)	0	2,523,417	(4.0)
Internal Recoveries	35,044	35,044	24,146	(31.1)	0	24,146	(31.1)
Total Expenses	2,808,142	2,838,018	2,719,821	(4.2)	0	2,719,821	(4.2)
Net Budget	499,142	328,685	493,774	50.2	0	493,774	50.2

DIVERSION

The Diversion ITC section includes the operation and maintenance of the Recycling Centre, the processing and marketing of blue box materials, the sale of recycling and composting equipment and related 3R educational and promotional activities.

The revenues from the sale of recyclables and a portion of box funding are also allocated to this section.

Variance Explanations:

User Fees

The decrease in user fee revenue is a result of decreased commodity pricing resulting in a decline in the sale of blue box recyclables.

Contribution from Reserve and Capital

The contribution from reserve has decreased to reflect remaining payments for the Recycling Facility processing equipment.

2016 Operating Budget

Operating Budget Summary

Description

To provide for the operation, maintenance, monitoring, fee collection and related approvals for three operating landfill & waste diversion sites and one operating small vehicle waste transfer site. As well, to provide for the operation, maintenance and related approvals for the Household Hazardous Waste Depot on Frobisher Street. To provide for the safe continued maintenance, monitoring and related approvals for closed landfill sites (2).

	2015		2016				
	Projected Actual	Budget	Base Budget	% 2015 Budget	Proposed Budget Options	Proposed Budget	% 2015 Budget
Full Time Positions		0	0	-	0	0	-
Revenues							
User Fees	(5,071,855)	(5,489,355)	(5,118,000)	6.8	0	(5,118,000)	6.8
Licensing & Lease Revenues	(175,000)	(200,000)	(200,000)	-	0	(200,000)	-
Other Revenues	(231,200)	(231,200)	(231,200)	-	0	(231,200)	-
Total Revenues	(5,478,055)	(5,920,555)	(5,549,200)	6.3	0	(5,549,200)	6.3
Expenses							
Materials - Operating Expenses	2,479,903	2,482,658	2,495,261	0.5	0	2,495,261	0.5
Energy Costs	17,868	17,868	18,761	5.0	0	18,761	5.0
Rent and Financial Expenses	10,000	10,000	10,000	-	0	10,000	-
Purchased/Contract Services	4,771,085	4,809,660	4,604,599	(4.3)	0	4,604,599	(4.3)
Grants - Transfer Payments	17,000	17,000	17,000	-	0	17,000	-
Internal Recoveries	91,899	87,291	97,453	11.6	0	97,453	11.6
Total Expenses	7,387,755	7,424,677	7,243,074	(2.4)	0	7,243,074	(2.4)
Net Budget	1,909,701	1,504,123	1,693,874	12.6	0	1,693,874	12.6

PROCESSING & DISPOSAL

The processing and disposal section represents the costs associated with the operation and maintenance of the three landfill sites; three leaf & yard trimmings composting pads; one organic processing pad; one small vehicle transfer site; the household hazardous waste depot; the landfill gas and leachate collection system; closed sites and the related promotional and educational programs.

This section also includes the administration of landfill tipping fee revenues.

2015 Year End Projection:

The projected net over expenditure of approximately \$400,000 is a result of reduced tipping fee revenues.