

Budget 2023 - Background

Budget Direction

Last June, Council provided direction to staff to prepare a budget that represents no more than a 3.7 per cent increase above 2022 taxation levels.

This direction was also provided to Service Partners such as Greater Sudbury Police Services, Greater Sudbury Public Library, Conservation Sudbury, Public Health Sudbury & Districts and the Sudbury Airport Community Development Corporation. However, these organizations are led by independent Boards and City Council does not have the same level of control over their budgets as it does for municipal services.

Budget Approval

Council approved a budget that is a 4.6 per cent increase from 2022 taxation levels. This reflects an operating budget of \$709 million and a capital budget of \$119 million.

Council also approved a 4.8 per cent water/wastewater user rate increase for a budget of \$94 million. This is consistent with the Long Range Financial Plan established for this water and wastewater services, and requires no taxpayer subsidy. Water and wastewater services are entirely funded by water customers and have no impact on property taxes.

How did we get to 4.6 percent?

Municipal Services Budgets

Costs for municipal services increased by \$8,064,441, or 2.56 per cent.

Service Partner Budgets

The original draft budget, with a 3.7 per cent increase, was affected by service partner budgets, some of which came in above the 3.7 per cent guideline requested by Council. Together, all service partner budgets produced an additional 1.5 per cent increase in taxation levels. See below for more details:

| Service Partner | Amount Funded by Tax Levy | Increase from 2022 (\$) | Increase from 2022 (\$) | Impact to Tax Levy (%) |
|---------------------------------------------------|------------------------------------|-------------------------|-------------------------|------------------------|
| Greater Sudbury Police Services | 92 per cent | 5.7% | \$3,894,417 | 1.24% |
| Greater Sudbury Public Library | 93 per cent | 7.4% | \$635,554 | 0.20% |
| Conservation Sudbury | 56 per cent | 3.9% | \$43,759 | 0.01% |
| Public Health Sudbury & Districts | 28 per cent | 3.2% | \$247,811 | 0.08% |
| Sudbury Airport Community Development Corporation | Self-funded; no impact on tax levy | N/A | N/A | N/A |
| Total | | | \$4,821,541 | 1.53% |

Approved Business Cases

Each year, staff prepare business cases for potential service changes for Council’s consideration. Business cases can reflect changes to user fees; changes in the number of permanent full-time employees; community grant requests; service level enhancements including new capital assets or significant enhancements to existing assets; or budget reduction initiatives.

The business cases Council approved to include in the final 2023 Budget resulted in an additional 0.5 per cent increase in the property tax levy. Combined with the budget changes for municipal operations and service partners, this brought the budget increase to 4.6 per cent.

Some approved business cases brought more revenue or savings to the municipality, while others had tax levy impacts. See details below:

| Business Case | Impact to 2023 Tax Levy (\$) | Impact to 2023 Tax Levy (%) |
|----------------------------------------------------------------------------|-------------------------------------|------------------------------------|
| Implement Changes to Development Application Fees | (123,150) | -0.04% |
| Create of a Permanent Linear W/WW Condition Assessment & Analytics Section | - | 0.00% |
| Convert Contract Project Managers to Permanent Employees | - | 0.00% |
| Reclassify the Energy Analyst Clerk as Permanent Full Time | 20,423 | 0.01% |
| Convert Animal Shelter Attendant to Full-Time | 31,879 | 0.01% |
| Increase Operating Grant to Place des Arts | 50,787 | 0.02% |
| | | |
| Implement Automated Speed Enforcement Program | - | 0.00% |
| Invest in Additional Full-Time Ambulances | 694,991 | 0.22% |
| Reconstruct Fielding Road with Water and Wastewater Improvements | - | 0.00% |
| Proceed with Detailed Design of Employment Land Strategy | - | 0.00% |
| Enhance Security Services - Greater Sudbury Housing Corporation | 354,024 | 0.11% |
| Adopt Mobile Responder - Cellular Paging System | 159,500 | 0.05% |
| Complete Roads and Transportation Asset Management Plan | - | 0.00% |
| Implement Museums Revitalization Plan | 130,007 | 0.04% |
| Enhance Downtown Sudbury Litter Abatement Services | 186,111 | 0.06% |

| | | |
|-------------------------------------------------------------|-------------|-------|
| Hire Business Development Officer for Workforce Development | 127,143 | 0.04% |
| Update Downtown Master Plan | - | 0.00% |
| Construct a Universal Washroom at Tom Davies Square | - | 0.00% |
| Implement Gateway Speed Limits in Residential Areas | - | 0.00% |
| Expand Temporary Flexible Bollard Traffic Calming Program | - | 0.00% |
| Install New Exterior Columbarium Wall | - | 0.00% |
| Total | \$1,631,715 | 0.52% |

To summarize, the total percentage increase to the municipal budget is 4.6 per cent, broken down as follows:

| Budget Increase from 2022 | Service Partner Budget Increase | Approved Business Cases | Total Budget Increase |
|---------------------------|---------------------------------|-------------------------|-----------------------|
| 2.56% | 1.53% | 0.52% | 4.6% |

What does a 4.6 per cent budget increase mean for residents?

A 4.6 per cent budget increase is consistent with budget approvals in other municipalities across Ontario. Given the realities of the economic climate, many municipalities have seen budget increases that range from 4.41 per cent in Thunder Bay to 7 per cent in Toronto. For example:

- Thunder Bay: 4.41 %
- Sault Ste. Marie: 4.86 %
- Chatham - Kent: 5.64 %
- Norfolk: 6.4 %
- Toronto: 7%

A 4.6 per cent budget increase in 2023 represents an increase of approximately \$12.81 per month for a property assessed at \$230,000.