

# 2024-2025 Questions and Answers (Updated November 23, 2023)

Responses will be left blank until a response is provided. Questions and responses will be updated weekly.

## City of Greater Sudbury

1. While at the Finance meeting last night, I was left confused about the increase in Transit fees to realize the \$10M savings that Council requested Staff to find... but the motion clearly stated to not cut service or increase user fees.

There seemed to be an air of disinterest in having too many questions and the agenda was full so I chose not to speak up, as I know there are other opportunities to moving forward, but it seems that the Motion/Direction of Council was not followed by presenting an increase in Transit fees so I'd like an explanation for that.

Staff followed Council's directions. Further to the motion described in the question, immediately following the meeting where the motion was passed the CAO sent an email to Council describing the direction staff would follow. Specifically, the email stated:

*Related to tonight's direction about "efficiencies", my intention is to direct staff that the current path we are following remains appropriate to fulfill this direction. Specifically, an efficiency is a cost reduction that does not have an immediate effect on services or service levels.*

*As I also noted in my comments during this evening's meeting, this is an inherently subjective exercise where one person's "efficiency" is another person's "fundamentally important input". As we have done in previous budgets, staff will show the changes made to reconcile planned costs with Council's budget directions.*

***If this does not align with your understanding, please let me know as soon as possible.***

The direction to identify "efficiencies" was incorporated into the existing, approved budget directions. It was not presented as a reconsideration of the previous directions; it was one more direction included in the list of directions Council already provided.

In accordance with the Miscellaneous User Fee Bylaw, the 2024 and 2025 user fee rates are increased by the greater of three per cent or the June 2023 Stats Canada Consumer Price Index (CPI) for all items. Since the CPI was 2.8 per cent, most fees in the user fee schedules include a three per cent increase, and any exceptions to this increase are described in the appropriate fee schedule. Such exceptions are the result of a comprehensive analysis identifying the appropriate cost recovery fee. This analysis is guided by the User Fee Framework established during 2021 budget deliberations to support a strategic intent and an expectation that fees, or the lack of fees, demonstrate a thoughtful perspective about how services fit into the community's quality of life.

Transit fees have remained the same since 2020 while the cost for transit services has increased 27% between 2020 and 2023. It is proposed in the 2024-2025 budget to increase transit fees by approximately 7%.

2. Referring to the slide “How We Balanced the Budget”, can you please provide details of the items included within each category?

Details for the following categories are included in Appendix A:

1. Revenue Adjustments
  - ✓ These include adjustments to revenues such as changes in government funding, changes in demand for municipal services, and updated estimates for investment income.
2. Operating Efficiencies
  - ✓ Includes cost reductions that do not have an immediate effect on services or service levels.
3. User Fee Changes
  - ✓ These include exceptions to the Miscellaneous User Fee Bylaw.
4. Winter Control Budget Adjustment
  - ✓ Reflects the assumption that the winter season will realize less precipitation.
5. Increase Vacancy Management Budget
  - ✓ Reflects maintaining the vacancy management budget at the 2023 level.
6. Contract Cost Changes
  - ✓ Reflects changes in contractual obligations for items such as services and materials.

3. Can someone quantify the loss of tax revenue that we will realize as a result of the decision to purchase the properties that were just acquired downtown and where that shortfall is noted as this will be an accumulated loss over the next several years until an events centre is built?

Staff understand the intent of the question is to note the value of taxes paid, and presumably now foregone, by the land purchases, which in 2023 represented approximately \$125,000. From that perspective, it would also be important to recall the choice to make these purchases was in contemplation of future development on the properties which generate higher tax revenue than the properties' current uses.

Properties owned by the municipality do not pay property tax. The municipality does not “lose” property tax revenue, as property tax rates are established according to assessment valuations of taxable properties and designed to generate the property tax revenue levels required by the municipality's budget. There is no accumulated loss of revenue as the property tax levy is redistributed amongst taxable properties.