

2024-2025 Questions and Answers (Updated December 14, 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.

4. In October I asked in an open meeting for reasons why CGS General Government and Corporate Management are significantly higher than that of the comparator cities that participate in MBN Canada Performance Report. During the open meeting the response given was this was due to covid costs. All cities had to deal with covid, and the data presented is 2019-2021, Covid was only declared a pandemic in March of 2020 and the vaccines and associated costs would not have had any impact until Q1 2021. Please advise what is included in these costs and opportunities for us to cut costs and align with the costs of other cities that participate in the report.

This indicator, “Operating Cost for General Government per Capita (GENG206)” includes operating costs related to Governance. This includes costs for the Office of the Mayor, City Council, Council support and election management. It also includes costs related to Corporate Management, i.e., CAO/City Manager, Audit, Finance, Communications, Legal and Real Estate services.

This question addresses several issues. They include:

1. The value of assessing performance using a “per capita” comparison
2. Local factors influencing reported values, such as differences in service responsibilities among the reporting organizations
3. Factors the municipality may or may not control that influence reported values

There are absolutely opportunities to reduce costs, with the understanding that such reductions have an effect on service capacity and performance, after considering the following information. Other service specific MBNCanada comparisons show Greater Sudbury’s performance reflect typical service levels and efficiency.

“Per Capita” Comparisons

First, a “per capita” comparison generally offers insights about service levels but offers no insights about performance. For example, one way to reduce a “per capita” performance indicator result is simply to increase the size of the population included in the calculation.

Such comparisons should not be the basis for concluding anything about whether service levels are adequate, efficient or otherwise appropriate. Low population density in Greater Sudbury compared to other cities, combined with a choice to make service access close to where residents live, absolutely increase Greater Sudbury’s cost.

Local Factors Influencing Reported Values

Second, there are local service choices and governance arrangements that influence reported values. For example, we are one part of Public Health Sudbury and Districts’ service area as opposed to having Health as a standalone department like it is in other municipalities where those same costs would have been directly reported as a Public Health Service, not a general government cost.

Changes we could make include adjusting services unique to Greater Sudbury. For example, we have an Auditor General’s office and a Wrongdoing Hotline. These are relatively unique services for a municipality our size that are included in General Government costs.

Factors the Municipality May or May Not Control that Influence Reported Values

Combine our large service area with low population density and you will recognize other municipalities enjoy economies of scale we don't have. The number of facilities we maintain across the city for providing administrative services that would be included in this indicator will influence total cost. So, another opportunity to reduce costs is to consolidate locations where administrative services are provided.

There are other changes we could make that may or may not reduce costs, but would adjust the reported result for this indicator, including:

- a) Adjusting cost allocation choices – for example, costs for 199 Larch – are shown in general government and for programs where allocating costs have a positive impact on the levy (funded or partially funded from other sources – Social Services) they are charged to the relevant departments. But this is not done for the revenue derived from the Provincial Government. Based on Provincial guidelines, this is correct. So, there may be the ability to allocate out more or change the reporting for MBNCAN to be more consistent, but the ownership of a partially rented building may be relatively unique to CGS. The decision to develop TDS as a cultural hub will influence these costs in future periods. Similarly, costs for Tom Davies Square are reported as part of general government and only charged to other services where allocating costs have a positive impact on the levy (funded or partially funded from other sources – e.g., Building Services) they are charged to the relevant departments. But this is not done for all departments on the levy (Engineering), so general government costs are overstated.
- b) Refining Program Support allocations – with COMPASS now available, allocations of central costs to the services they support will appropriately reflect the actual time staff use to support our services; historically, including the years we are reviewing in this example, staff made estimates.

If we account for these types of cost allocation changes, Greater Sudbury's reported results would be lower - \$141 per capita instead of the reported \$180. For clarity, this lower figure removes the effect of COVID-19 response costs (which other municipalities that have Health Departments within their organization would not have reported as part of this measure), costs that are more appropriately attributed directly to a service, not general government. It includes costs of approximately \$10 per capita for space created at 199 Larch when provincial offices vacated the building.

5. If you look at page 92 there is an increase in salaries and benefits by 38.8% with a hire of 22 people and still budgeting for 1312 hours of overtime over 2 years. Representing \$5,045,568 in new spending

On page 102 there is an increase of 100% with the hire of 16 people. Representing \$1,882,144 of new spending in 2024 and \$3,859,012 over 2 years.

That is a total of 38 new hires in 2024. That is \$8,904,580 in new spending over 2 years. Why and how come are we hiring 38 new people?? Especially when we are significantly higher than that of the comparator cities that participate in MBN Canada Performance Report.

Page 92 provides the 2024-2025 Budget Summary for the Office of the Chief Administrative Officer and highlights an increase in full-time positions of 16 staff. This increase is rather a transfer of existing staff to the newly created Data, Analytics and Change Division (page 102) that would roll up to the Office of the Chief Administrative Office Department. This new division was established to foster the evolution of the corporation’s data-driven culture and enhance the use of data and analytics for evidence- and results-based decision-making.

A staff complement analysis is located on pages 75 to 77 and provides a summary of staffing changes from 2023 to 2025 as well as explanations for such changes. Details provided in this section demonstrate that the increase in the staff complement for the Office of the Chief Administrative Officer is due to transfers from other sections and are not from new hires. These details can be summarized as follows:

Department/Division	Transfer to Data, Analytics and Change
Corporate Services GM’s Office	2
Information Technology	2
Financial Services	1
Social Services	1
Planning and Development	8
Community Safety GM’s Office	2
Total	16

6. Page 461 has almost \$9 million over the next 3 years for Library Refurbishments. Is there a detailed report for this spending and has it previously been approved by Council?

In the table on page 461 the previous Council commitments of \$6.45 million are provided as well as the \$2.4 million in recommended projects for Council’s consideration and approval for the 2024-2025 budget deliberations. Details relating to these projects can be found on page 460.

7. Projects page 430 - Construction of West Perimeter Road

The summary says the road is a requirement under the ECA but it also says that construction of this road “will also include perimeter ditches and culverts” and a bunch of other stuff. Approximately how much is this additional work adding to the cost of this project and is it a requirement under the ECA?

Does this project have a detailed report and has this spending been reviewed and approved by Council?

The construction of the west perimeter road is a previously approved project from the 2023 capital budget. The previous Council commitment of \$5.25 million as well as the \$1.089 million in additional request for consideration and approval during 2024 -2025 budget deliberations are detailed in the table on page 430 of the 2024-2025 Budget Document.

The Sudbury Landfill Environmental Compliance Approval requires a permanent perimeter road around the waste disposal footprint. It also requires the management of both surface and groundwater as well as the management of leachate. Ditches, culverts and geosynthetic clay liners are required for the proper management of stormwater and leachate at the site and are included in the road design. The Sudbury Landfill falls under legislation that requires the collection of landfill gas. Collection of landfill gas contributes to the reduction of greenhouse gases and the City's CEEP goals. The landfill gas and condensate pipes along the west road are part of the site design approved in the Environmental Compliance Approval. The permanent west perimeter road will be constructed to access a new fill area where landfill gas piping needs to be connected to the existing landfill gas collection system to maintain it and keep it operating optimally. Connecting the landfill gas and condensate piping along with the associated system components during construction of the west perimeter road and prior to filling the new area provides efficiencies in terms of future cost avoidance to excavate the new fill area, and potentially the ditching and road, as well as mobilizing equipment, supplies and labour after road construction.

8. Projects page 490 - Corporate Services

A) Why are we spending \$2,842,000 on the very old archive building in Falconbridge and not looking at relocating the archives as part of the TDS project or into another building that will be empty once all the relocation is complete?

The Cultural Hub project was approved for the inclusion of the Library, Art Gallery, and Multicultural Association. If a decision is made to surplus the Archives building and move the service to a different location this expenditure can be removed. There are specific heat and humidity controls that need to be installed at a new location for the preservation of the archival material so there will be renovation costs associated with a move. The identified work is for structural repairs to the concrete block along with building envelope repairs for the deteriorated brick facade that has failed.

B) Is the \$4.6 million for TDS over and above the Cultural Hub project? Why would this work not be part of the TDS project?

The \$4.6 million is for capital repairs to the facility including plumbing, heating, lighting and electrical system renewal at the Tom Davies Square complex. This capital work was identified through Building Condition Assessment and is required regardless of the Cultural Hub project to reduce the risk of asset failure and related service delivery effects. This work will be coordinated with the Cultural Hub project.

C) Please provide more details on the \$2,626,000 we are spending on transit facilities.

This request is comprised of two projects. \$2.6 million is for the replacement of the roof for the transit and fleet garage located at 1160 Lorne Street. This project was derived from a recent roof inspection by a specialized consultant and will be staged over time using a risk-based approach. An additional \$21,000 is budgeted for an upgrade to the alarm system at the transit depot located at 9 Elm Street.

D) Are there detailed reports on any of these projects and has this spending been reviewed and approved by Council.

There are building condition assessments performed on these buildings. This capital work is for Council's review, consideration, and approval during the 2024-2025 budget deliberations. The recommended capital plan is assembled using a risk based approach based on prioritization criteria and staff's best professional advice using available asset data and known asset conditions. If any member of Council wishes to obtain more information on any project in the recommended plan, staff stand by pleased to provide it, either through further questions in the Question and Answers or during the plan's deliberations in December.

9. Once the four year capital plan is approved, does this automatically approve all of the capital projects and spending that is in the budget for the next four years?

What are the options for Council to review and make any changes and save money in future years once approved?

Are we giving up our responsibility to review and approve multi-million dollar projects for the next four years before reports and recommendations on these projects, such as the proposed \$25 million for the College Street overpass, are even available?

Many of these multi-million dollar projects have not been individually looked at by Council and/or there have been substantial increases in costs since first approved.

Council can request additional information about any capital project. Staff do not believe a four-year capital budget changes Council's role or its responsibilities.

Approving a four-year capital budget creates opportunities for:

1. Transparency - a four-year budget can enhance public trust and transparency. Residents and businesses gain a clearer understanding of our priorities and financial commitments, leading to better community engagement and support;
2. Long-term planning and stability - we can align our capital spending with long-term goals and community needs, producing more stable and predictable development plans;
3. Efficient resource allocation - we can avoid year-to-year fluctuations in budget allocations and allocate resources more efficiently, especially regarding project management;
4. Cost avoidance/cost savings - we can negotiate terms that reflect longer commitments and service requirements.

This was considered by Council last May (<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=49668>). Achieving these benefits depends on the approval of both the projects and their financing plans for the next four years.

Nevertheless, Council will undertake an annual review process to consider potential changes. For example, there may be new funding sources or material cost changes for previously approved projects. There could also be adjustments to the plan resulting from new priorities that were identified since the last review. However, if Council anticipates substantial revisions each year, it could mitigate the benefits

of developing a four-year plan. With more experience, staff anticipate our process will evolve to include a full 10-year capital budget, with annual reviews to account for potential changes as described here.

10. Frobisher Salt/Sand Dome - Why has the cost of this project increased from the approved amount of \$6,000,000 in 2023 to \$15,000,000?

Upgrades to the Frobisher Sand and Salt Domes were originally outlined in the 2018 Depot Master Plan. At that time the estimated construction cost was approximately \$6 million. Since then, additional schematic design work continued for the project and a detailed cost estimate was prepared. This detailed estimate identified additional requirements not originally contemplated in the 2018 Depot Master Plan. Specifically, the cost of site works to support the project are anticipated to be significantly higher than originally estimated. Since the original Depot Master Plan was developed, the construction industry has also seen significant increases in material costs, further adding to the overall increase in project cost, bringing it to an estimated \$15 million in today's dollars.

11. Is the special levy 1.5% per year in each of the next four years or does it go up by 1.5% every year making it to 3% in 2025, 4.5% in 2026 and 6% in 2027?

The special capital levy is an additional levy dedicated to infrastructure renewal equivalent to a 1.5 per cent increase over the previous year's approved property tax levy. This additional capital levy is included in each of the four years and has been incorporated within the recommended 2024-2027 capital budget. A summary of total funding over the next four years can be located on page 372 with a summary chart provided as follows:

Total funding over the next four years and beyond has been incorporated within the recommended capital budget and consists of these amounts:

Accelerated Infrastructure Renewal Levy	2024	2025	2026	2027
2024 Additional 1.5% Levy	4,984,836	5,234,078	5,495,782	5,770,571
2025 Additional 1.5% Levy	-	5,268,972	5,532,421	5,809,042
2026 Additional 1.5% Levy	-	-	5,569,303	5,847,769
2027 Additional 1.5% Levy	-	-	-	5,886,754
Total	4,984,836	10,503,050	16,597,506	23,314,135

12. Once approved, does Council maintain the ability to make any changes and/or cancel any of the projects in the current four year capital budget by simple majority?

City Council always has the ability to change budget decisions. Historically with single year budget approvals, once the budget was approved certain changes would constitute a reconsideration if the change modified the core purpose of the initial budget decision. In such cases, significant changes would require a procedural reconsideration with a 2/3 majority vote. With multi-year budget approvals, while the first budget year is finally approved, the Municipal Act, 2001, provides that subsequent years are subject to a review, change and readoption process. Staff anticipate, although Council could decide

otherwise, that readoptions or adjustments to upcoming budgets (i.e., not the current year budget) be subject to simple majority vote. This would be consistent with provincial legislation, which expressly requires an additional review and change process.

This has also been addressed in the Budget Finalization report, which presents the motions the Finance and Administration Committee will consider, under the "Background" heading.

13. Wondering if I could get clarification on the following line in appendix of the recommended saving from staff.

I highlighted the line that proposes a reduction of 300k in 2024 and 300k for 2025 in the line that reads "Maximize provincial funding for homelessness and shelters" (see screenshot below).

I was wondering if we could have a description of what services and/or staffing this will affect and what are the risks associated with this.

The highlighted option to maximize provincial funding for homelessness and shelters means that the Children and Social Services Division would provide municipal levy savings of \$300,000 per year by using Provincial Homelessness Prevention Program (HPP) funding to offset the levy amount. The municipal levy savings relate to the historical municipal share of annual homelessness shelter operating funding. The HPP funding was increased to municipalities in 2023 for a three year commitment by the provincial government (2023, 2024 and 2025). These funds had been earmarked to hire three additional contract Client Navigators for a period of 2.5 years, which have been cancelled. The posting process was to take place in the late fall 2023. If the HPP commitment is not renewed in two years, staff would provide further advice to Council regarding the resulting \$300,000 shortfall.