

Proposed 2021 City of Greater Sudbury Budget

Questions as of February 26, 2021

- 1. Assessment Growth for CGS is .5% or ½%. Would it be possible to provide assessment growth rates for our comparator municipalities?**

Response:

Of the 19 members of the Ontario Regional and Single Tier Treasurers, the assessment growth ranges from 0.3% to 2.0%.

- 2. Pg 69: Reports \$600k reduction in social housing transfers from the province and “that this funding will be reduced over time until 2032”.**
 - a. What happens in 2032? Will it be reduced to zero?**
 - b. The costs of social housing in 2032 will be funded how?**

Response:

The federal funding will decline to zero from 2021 to 2032. This reflects the ending of federal funding for social housing. These funds are flowed to the City by the provincial government.

The decline in federal funding is significant and impacts the ability to deliver much needed social housing. Senior levels of government continue to work closely as the National Housing Strategy is developed. Correspondence highlights options that are currently being considered, such as reinvesting baseline federal social housing savings.

These grants and subsidies fund approximately 17% of the Housing Services budget for 2020. The reduction of this funding is approximately \$600,000 for 2021 and an additional \$550,000 for 2022.

If the service levels remain in the current state, which is legislated by the Province, the cost of social housing will be funded by mainly property taxes in 2032.

- 3. Pg 8: The Chart on this page indicates 5% of property taxes goes to “Other”.**
 - a. What is included in “Other”**
 - b. What has caused the increase in “Other”/ (2020 ‘Other’ = 2%)?**

Response:

Included in the other category is the Executive & Legislative department. This section includes revenues and expenditures for the Office of the Mayor, Council, Auditor General and the Office of the CAO. The increase from 2020 is due to restructuring. Citizen Services, which was previously reported under Community Development, is now reflected within the Executive & Legislative node.

- 4. Pg195: The report states that the “provincial cost formula for cost sharing of administration funding (in Children’s Services) will be changing to 50 percent in 2021”**
- a. **What was the percent in previous years?**
 - b. **What is the dollar value of this change?**
 - c. **What were the total dollar transfers in 2020 and expected in 2021?**

Response:

The City’s historical cost sharing contribution for Administration was frozen at \$355,388 for many years, with the balance of the administration costs being 100% provincially-funded up to 2020.

Due to several mitigating efforts to reduce administration costs, the projected impact of this change is \$283,000 for 2021. However, the province has announced one-time transitional funding of \$691,835 for 2021 to help support the transition to cost-sharing administrative costs. This announcement is acknowledging the significant administrative burden placed on municipalities as a result of the pandemic.

With the one-time transitional funding, the allocations remain the same for both years.

- 5. Pg 195: How much do ppl get on ODSP and Ontario Works? With provincial policy changes to the definition of disability what is the expected shift in numbers of people who will be impacted?**

Response:

Rates for Singles with no dependents are:

ODSP: Basic Needs - \$672 plus shelter allowance of \$497 = \$1,169

OW: Basic Needs - \$343 plus shelter allowance of \$390 = \$733

The Province has not proceeded with any changes to the definition of disability at this time. Staff will continue to keep Council aware of any changes.

- 6. Business Case pg 304: “All in One Automated Pothole Patching Machine”.**
- a. **What is the expected life span of this piece of equipment?**

Response:

Staff have estimated an expected life span of 15 years for this type of equipment. According to the manufacturer, there isn’t a fixed design lifespan for the engine as it varies on several factors, such as actual usage and annual maintenance.

- 7. Business Case pg 310: Municipal Easement Data Base. The case makes reference to current delays and time taken in lengthy searches;**

- a. **What are the potential cost savings should we implement this data base?**
- b. **Can some of this cost be covered through user fees through Building Services Dept as some of the aforementioned delays are in issuing building permits?**

Response:

At this time, the potential savings are difficult to quantify. Approval of this business case would create efficiencies and reduce the risk of development impacting the organization's infrastructure. The City currently has incomplete and paper based information for municipal easements. The business case would see the City purchase a complete, electronic and GIS based municipal easement database that can be consumed by various enterprise systems such as CityWorks and LMIS. The database would identify where City infrastructure is or is not secured by easements and where additional easements are required. The resulting mapped easement data improves efficiencies by providing self-service access to all City departments thereby reducing time and costs related to easement searches.

The implementation of a complete GIS based municipal easement database would help to reduce risk and liability (and related costs) for municipality as it would:

- Protect City infrastructure from potential damage, and
- Reduce risk and liability for the City associated with construction intersecting our municipal infrastructure

There is not a direct user fee that could be applied to this database as municipal easements information is required by the City as part of the building permit review process. Currently, the City has an incomplete data base for municipal easements, which creates risk for the City in terms of potential damage to our infrastructure as a result of new development, it also creates delays for permit processing due to the fact that staff need to check multiple sources for easement information or are required to conduct a legal search. The development of a complete municipal easement database would have indirect benefits to the development community in terms of identifying potential infrastructure conflicts early in the design process and also through a more efficient permit review process.

8. Business Case pg 319: Community Improvement Plans

- a. **If the full private sector investment of \$48m is realized, what would be the net assessment value increase and increase in property taxes collected? In other words, what is the pay back for the city's investment and how long would it take to realize the payback?**

Response:

Upon completion, the projected increase in assessment value would be approximately \$26M based on MPAC property reassessment reports as per CIP application requirements. As a result, the amount of taxes levied would increase from \$55k annually to approximately \$670k.

Under the incentive programs, the increase in the municipal portion of the taxes is granted back to the developer over a period of 5 or 10 years (depending on the grant) on a sliding scale. During this 5 or 10

year period the grant is funded from the tax levy. After the 5 or 10 year period, the grant would no longer be on the property tax levy.

9. Business Case pg 355: Regreening Program:

- a. **The case asks for an annual increase to the budget of \$50k/yr. What is the current budget?**
- b. **Is there not a federal grant program currently available for tree planting?**

Response:

The 2020 net budget for the Regreening Program was \$240,970.

The federal government announced on December 14, 2020, an investment of \$3.16 billion for planting two billion trees over 10 years. Staff await the announcement of implementation programs to determine if the Regreening Program would be eligible to apply for funding. Please note that the Regreening Program has been working with Tree Canada for decades, which has permitted the local planting of 3 million of our Program's 10 million tree seedlings planted.

10. Business Cases pages 313 & 332: Increase in staffing at Pioneer Manor. Are there any allowances to permit increasing fees to cover, in part, the increased cost of increased care? Or is this regulated by the province?

Response:

Long-term Care homes are not permitted to change the co-payment amounts that are established by the Ministry of Long-term Care.

These positions are not mandatory to implement, however, the province has indicated in their new staffing plan *A better place to live, a better place to work: Ontario's long-term care staffing plan*, future funding will be allocated during the next 4 years (2021-2025). It is believed that funding may become available for these positions. At present, the province has not signaled when the funding will begin.

11. Pg 391: "Bridges capital investment is \$14.6m is this a separate capital item or does it form a part of the total capital investment attributable to Roads at \$57.3m?"

Response:

The amount of \$14.6 million for bridges capital investment is included in the \$57.3 million for roads.

12. Pg 393: There is a reference to Phase 5 of the Civic Mausoleum Project. How does this relate to the Business Case on page 322, if at all?

Response:

The reference on page 393 represents funds previously approved by Council towards the construction of Phase 5 of the Mausoleum at Civic Cemetery. The term of the funding commitment is from 2013-2022. Details can be found on page 424 of the budget document.

The business case presented considers a new phase of expansion of the mausoleum facility. As of December 2019, there are no crypt spaces available and the inventory for niche spaces will require replenishment by 2023 based on historic sales.

13. Pg 400: Debt Financing of \$10m at 3% for roads. What would be the pros and cons of borrowing from ourselves in the short term from the Large project money (bond issue) currently not being used?

Response:

In order to utilize the debt previously secured for large projects, Council is required to remove one or more projects from the list identified in the debenture by-law and replace it with the \$10 million of roads projects. A resolution from Council would be required to make this modification.

The funds from the debt issuance is available for the projects approved when required. In the interim, these funds are being invested in short and medium term investments.

14. Pg 401: 2021 Capital Project Funding Summary by Year. Does this chart represent a summary of multiple year capital commitments of the capital project we are approving in the 2021 budget?

Response:

The Capital Project Funding Summary by Year represents the commitment of previous budgets as well as what is being recommended within the 2021 Capital Budget.

15. Pg 435: Land Management Info System. Is there any connection of this work to the business case found on page 310: "Implement Municipal Easement Database Acquisition"

Response:

There is an indirect relationship between the LMIS project and the Municipal Easement Database business case. The Easement Data base would be an enterprise GIS layer that could be consumed by a number of existing enterprise systems, including the existing CityWorks System and the upcoming LMIS system.

16. Pg 438: BCA & DSS Reports: It says, "All city facilities are required to have a DSS completed" Required by whom?

Response:

The Occupational Health and Safety Act R.S.O. 1990, c.0.1, s. 30 (1) requires: "Before beginning a project, the owner shall determine whether any Designated Substances are present at the project site and shall prepare a list of all Designated Substances that are present at the site." The list of Designated Substances is to be provided to prospective contractors and subcontractors working on site.

O. Reg. 490/09: Designated Substances under the Occupational Health and Safety Act, R.S.O. 1990, c0.1, provides details of designated substances and acceptable limits. "An employer shall carry out an assessment of the exposure or likelihood of exposure of a worker to a designated substance in the workplace and record it in writing. O. Reg. 490/09, s. 19 (1).

17. Do we know what the average and median ages of all our buildings are? And can you share that information?

Response:

The average and median age of City buildings are 39 and 36 years respectively. This does not include Water/Wastewater facilities or the site age of buildings. The data source is from Ameresco Building Condition Assessment data and facility insurance working documents.

18. What is the share/percentage of the total capital budget of \$132.4m attributable to Police Services? How does this compare to other municipalities?

Response:

Staff will provide a response on March 5, 2021.

19. The answer to this may be in the binder somewhere, but what percentage of our capital budget in 2021 comes from other levels of government?

Response:

Approximately 19% of the 2021 capital budget comes from senior levels of government. The funding sources for the capital program is found on page 389.

20. Pg 447: 2022-2025 Capital Outlook. Earlier in the document it stated with regard to Capital projects: "Team of experienced staff collaborate to access all capital budget requests against standard criteria." Have the projects listed on this chart been screened through this process?

Response:

The prioritization process has been in place for three budget cycles and the projects that are recommended represent current priorities and projects. The projects included in the Capital Outlook are

provided by departments and includes projects that have been screened, but not yet recommended for funding as well as upcoming projects that have not yet gone through the prioritization process.

21. Water Rates: Are we permitted to develop water rates on a tier approach based on usage?

Response:

There are several volumetric rate structures (uniform, inclining, declining, humpback and flat) used by the municipalities that participate in the BMA Study.

Below is a link to the 2020 BMA Study. Please refer to page 395 of the study which identifies and briefly explains the volumetric rate structures used in the province and the respective percentages employed. The vast majority of municipalities (70%+) employ a uniform rate structure, similar to CGS.

<https://www.greatersudbury.ca/city-hall/budget-and-finance/performance-measurement/2020-bma-report/>

The City underwent a rate structure review in 2009 and the consultant, KPMG, recommended that we maintain the structure of a uniform volumetric rate combined with a fixed service charge. In 2017, KPMG was engaged to update that report and the current rate structure was again supported.

22. I would more like information concerning the museums cut to staff and implications, including:

- a. Timelines
- b. What staff is affected?
- c. What happens to the FM museum project?
- d. What happens to the artifacts and cataloguing?
- e. How long will this be in effect?

Response:

As identified in previous reports and outlined by the General Manager of Corporate Services at the Closed Meeting of January 12, the reduction included in the draft budget eliminates the full amount of salaries and benefits for the Museums Section effective April 1, 2021.

Should this be approved in the final 2021 Budget, the Curator position will be eliminated. The incumbent in this position does have bumping rights based on seniority and discussions in this regard have been initiated both with the affected employee and with union representatives. Part-time hours for summer students will also be eliminated.

Staff are working on a closure plan for the three main museum facilities. Buildings and artifacts will be secured and maintained pending future discussion and direction from Council. No CGS-led Museum programming, including cataloguing and curation, will take place after April 1. Maintenance and utilities

budgets are not reduced in the draft budget and staff will continue operations other than museum public access and museum programming.

Staff have met with the board of the Anderson Farm Museum and Heritage Committee and indicated that the City will continue to work with them, the Walden Seniors Woodworkers and other users of the site to support their activities and provide access where necessary. Staff will also continue to liaise with these groups to understand and support planned projects as and where necessary.

In terms of the Flour Mill Museum capital project, following the finalizing of the 2021 Budget, staff will work to finalize the securing of the site through permanent fencing and determine which landscaping features will be required and can be completed. Council can expect an update on this project by the end of Q2.

It be noted the intention behind revising museum operations is to develop and present a plan for Council's consideration that would make the service appropriately funded and occupy a more prominent place in our service mix. It's been neglected for so long, continuing the current model just makes change harder.

Regardless of the decisions in the final budget, staff will be bringing a detailed report on the future of museums during 2021.

23. Facilities Rationalization didn't have a lot to offer on Fitness Centres, but there was a lot more info in the User Fee Study. I wanted to ask a few questions:

- a. Are the numbers in the User Fee Study from 2019?**
- b. The Capreol Fitness Centre appears to include the revenue from the rental of the Millenium centre. Is it possible to factor that revenue out?**
- c. It appears as if the Howard Armstrong Centre has all of the revenue from the facility listed. Is it possible to factor out the revenue that is for other use of the facility?**
- d. I think it is quite clear from the numbers in the report that 786% and 884% user fee increases are unlikely to be viable for fitness centres. Why then are we not recommending some facility rationalization of our fitness centres at this time, and instead delaying changes pending further user fee analysis in 2022? What more information do you hope to discover? Is there any information missing to make that determination?**

Response:

The figures included in the User Fee Business Case are based on 2020 budgeted revenues and expenditures.

Annual revenues relating to fitness centre operations at the Capreol Millenium Centre is approximately \$15,000.

Separating revenues associated with fitness centre operations is more challenging for the Howard Armstrong Recreation Centre due to the membership structure in place which provides access to multiple amenities and services. For the purposes of the Core Services Review, it was estimated that approximately 35% of revenues were attributed to fitness centre operations.

As the Facility Rationalization Business case indicates, fitness centres are spaces within larger recreation complexes or community centres, not stand alone facilities. The closure of spaces associated with fitness centres would not necessarily eliminate all operational costs or capital requirements for the facilities in question.

The User Fee Business Case information provided a framework that highlighted a budgeted recovery rate and potential increase based on the level of benefit to users. This analysis is ongoing and will be applied to all user fees within the Miscellaneous User Fee By-law. Staff are also analyzing delivery alternatives for services where the data highlights where changes may be necessary, such as third party operations of City services.

With respect to Fitness Centres, staff continue working on:

- Separating operating costs by service in multi-use facilities
- Identifying capital requirements by service
- Asset management plans for fitness equipment
- Researching alternatives that repurpose space within City facilities

Staff will return throughout 2021 with recommendations and alternatives for Council's consideration.

24. For the Civic Memorial Cemetery Mausoleum Expansion business case, is it possible to fund the \$2 million from reserves, considering the expected 5-6 payback period of the investment? Is the business case strong enough to warrant that investment when considering amortized capital costs? Can we not defer payments until the building is able to generate revenue?

Response:

Currently, there are insufficient funds in the Cemetery Reserve to fund this project. It is possible to fund this capital with other reserves, such as the Capital Financing General Fund which could be repaid by future revenues.

This business case expects a 5-6 year payback for the construction costs. Approval of this business case reflects an expansion of the building inventory. This expansion would result in ongoing operating costs and future capital replacement costs. The revenue generated is a one-time funding source, whereas the municipality would realize additional expenses in perpetuity.